



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, DC 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

February 18, 2025

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Expiration Date: 02-18-2027  
Impacted IRM: 4.8.8

MEMORANDUM FOR SB/SE TECHNICAL SERVICES EMPLOYEES

FROM: Heather J. Yocum /s/ *Heather J. Yocum*  
Director, Examination Field and Campus Policy

SUBJECT: Interim Guidance on Issuing Statutory Notices of Claim  
Disallowance and Executing Form 907

**Purpose:** This memorandum provides interim guidance for issuing statutory notices of claim disallowance (i.e., Letter 905, Final Partial Claim Disallowance; Letter 906, Final Full Claim Disallowance) and executing Form 907, Agreement to Extend the Time to Bring Suit, until IRM 4.8.8, Miscellaneous Responsibilities, is published. It supersedes SBSE-04-0822-0007, Interim Guidance on Executing Form 907. Please ensure this information is distributed to all affected employees within your organization.

**Background:** Technical Services issues statutory notices of claim disallowance, which start the 2-year period of limitations for filing suit on a disallowed claim. Under IRC 6532(a)(2), Extension of Time, this period may be extended if both the taxpayer and IRS agree.

Area Directors are authorized to execute Form 907 to extend the time for filing suit; see 26 CFR 301.6532-1(b), Periods of limitation on suits by taxpayers. IRM 1.2.65.3.9, Delegation Order SB/SE 1-23-24, Authority to Sign Agreements to Extend the Running of the Period of Time to Bring Suit, further delegates this authority to Revenue Agents GS-11 and above in Technical Services and Planning and Special Programs (PSP).

**Procedural Change:** See Attachment Interim Guidance: SBSE-04-0225-0007.

**Effect on Other Documents and Effective Date:** Updated procedures will be incorporated into the impacted IRM listed above within two years from the date of this memorandum. This guidance is effective as of 02/18/2025.

**Contact:** Cathy Demetra, Program Manager, Examination Field and Campus Policy,  
Field Exam General Processes.

Distribution: IRS.gov

**Attachment Interim Guidance: SBSE-04-0225-0007**

**The following changes are hereby effective 02/18/2025 for IRM 4.8.8, Miscellaneous Responsibilities.**

**IRM 4.8.8.23**

**(02-18-2025)**

**Disallowed Claims for Refund**

- (1) A statutory notice of claim disallowance, explaining the taxpayer's right to file a refund suit, is issued when the:
  - Taxpayer agrees with a partial or full disallowance but does not sign Form 2297, Waiver of Statutory Notification of Claim Disallowance.
  - Taxpayer does not agree with the partial or full disallowance and does not submit a protest requesting an Appeals conference.
- (2) Disallowed claims for refund, additional tax due – If the examination of a claim results in additional tax due, see IRM 4.8.9.17.2, Disallowed Claims for Refund and Examination Results in Deficiency, for guidance.
- (3) Disallowed claims for refund, no additional tax due - Technical Services must:
  - Verify a valid claim for refund was timely filed, see IRM 4.10.11.2.1, Claims for Refund – General Requirements.
  - Verify the taxpayer did not sign Form 2297 or file a protest.
  - Review the file prior to issuing the statutory notice of claim disallowance.

**Caution:** A statutory notice of claim disallowance is a legal document requiring the same review as a notice of deficiency. For additional guidance, see IRM 4.8.9.8, Case Review Prior to Preparing Notices of Deficiency.

- Issue the statutory notice of claim disallowance letter (Letter 905, Final Partial Claim Disallowance, or Letter 906, Final Full Claim Disallowance) to the taxpayer (by certified or registered mail) and mail a copy to the representative (if applicable), see IRM 4.10.11.2.2.2(1)f, Claims for Refund – Letters.
- Follow established procedures for preparing the Certified Mailing List, see IRM 4.8.9.12.3, Records of Mailing.
- Save a copy of the activity record, all Technical Services workpapers, and a signed and dated Letter 905 or Letter 906 with the registered or certified mail number to the electronic case file.
- Close the case to CCP with disposal code 08 for partial disallowance and disposal code 01 for full disallowance. There is no suspense period.

**IRM 4.8.8.24  
(02-18-2025)**

**Statute of Limitations to File Suit**

- (1) IRC 6532, Periods of Limitations on Suits, imposes a general two-year time limit for taxpayers to file a refund suit for the recovery of any internal revenue tax, penalty, or other sum. This two-year time limit starts on the date the statutory notice of claim disallowance is sent by certified or registered mail or the date Form 2297 is signed, see IRM 4.10.11.2.16.1.1, IRC 6532 Two-Year Period to File Refund Suit - Consideration and Examiner's Responsibilities.

**Note:** For additional information, see IRM 4.8.9.17, Overassessments and Claims.

**IRM 4.8.8.24.1  
(02-18-2025)**

**Agreement to Extend the Time to Bring Suit**

- (1) Under IRC 6532(a)(2), Extension of Time, the period of limitations for filing suit on a disallowed claim may be extended if both the taxpayer and the IRS agree. Form 907, Agreement to Extend the Time to Bring Suit, is used to extend this statute and must be executed before the two-year period for bringing suit (including extensions) expires.
- (2) After a taxpayer receives a statutory notice of claim disallowance, the taxpayer may submit Form 907 to request to extend the statute for additional time to file a refund suit.
- (3) The period of limitations for filing suit on a disallowed claim may be extended after careful consideration of the facts and circumstances of each case, see IRM 4.10.11.2.16.1.1, IRC 6532 Two-Year Period to File Refund Suit - Consideration and Examiner's Responsibilities, for additional guidance.

**IRM 4.8.8.24.2  
(02-18-2025)**

**Form 907 – Technical Services Assistance**

- (1) Depending on the facts and circumstances of the case, Technical Services reviewers can assist with an IRC 6532 statute by signing Form 907 on behalf of the IRS to extend the period of time for filing suit.

**Note:** If a case is open on AIMS in a group status code, generally the group manager will contact their servicing Technical Services to assist in the execution of Form 907.

**Caution:** Form 907 received with fewer than 180 days remaining on the time for filing suit will require priority handling.

- (2) If Field Examination requests Technical Services assistance, the reviewer must follow the guidance in IRM 4.8.8.24.3, Reviewing and Executing Form 907.
- (3) If TAS is assisting a taxpayer with an imminent IRC 6532 statute, they use Form 12412, Operations Assistance Request (OAR), to request assistance from IRS operating divisions or functions. See IRM 13.1.19, Operations Assistance Request (OAR) Process, and Service Level Agreements for additional information.

**IRM 4.8.8.24.3  
(02-18-2025)  
Reviewing and Executing Form 907**

- (1) The Technical Services reviewer will determine if Form 907 is a valid request. The certified or registered mailing date of Letter 905 or Letter 906 or a signed Form 2297 starts the 2-year period to file suit.
  - a. Search the electronic case file for case information.
  - b. Determine if the certified or registered mailing date for Letter 905 or Letter 906 is within the 2-year period, or if the date the taxpayer signed Form 2297 is within the 2-year period.
  - c. Verify all applicable fields (such as period ended, kind of tax, amount of tax, etc.) are correct on Form 907.
  - d. Verify the taxpayer signed and dated Form 907. Generally, both taxpayers must sign Form 907 when the filing status of the original return is married filing joint. However, see IRM 4.10.11.6.3.1, Claims for Refund on Married Filing Joint Returns - Signature Requirements, for exceptions.

**Caution:** If a taxpayer's representative signs on behalf of the taxpayer, Rev. Rul. 76-60, 1976-1 C.B. 387 requires the inclusion of special language on Form 2848, Power of Attorney and Declaration of Representative, for authorizing an individual to sign Form 907 on the taxpayer's behalf.

- (2) If Form 907 is valid and meets the requirements of IRM 4.10.11.2.16.1.1, follow the steps below:
  - a. Execute the form. Enter the name and title of your Area Director and sign the form with your official signature, title, and date.

**Note:** Area Directors are authorized to execute Form 907. IRM 1.2.65.3.9, Delegation Order SBSE 1-23-24, Authority to Sign Agreements to Extend

the Running of the Period of Time to Bring Suit, further delegates the authority to sign Form 907 to Revenue Agents GS-11 and above in Technical Services and Planning and Special Programs (PSP).

- b. A copy of the executed Form 907 with Letter 929-A, Transmittal for Signed Form 907, must be mailed to the taxpayer and representative (if applicable) by the employee assigned the case (e.g., if the case is open in a field group, the field group examiner is responsible for sending the executed Form 907 and Letter 929-A).
  - c. A copy of the executed Form 907 and Letter 929-A is required to be in the electronic and paper case file (if applicable).
- (3) Form 9984, Examining Officer's Activity Record, or other appropriate form, must be documented with the decision to execute or not execute Form 907. The activity record must be saved in the electronic case file.