



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
Washington, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

March 30, 2012

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Expiration Date: March 30, 2013
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4.25.1.1.4; 4.25.1.1.12(8) - (14);
4.25.1.4.3; 4.25.1.4.4

MEMORANDUM FOR CHIEF, ESTATE AND GIFT TAX

FROM: John H. Imhoff, Jr. *"/s/ John H. Imhoff, Jr."*
Director, Specialty Programs

SUBJECT: Interim Guidance on Closing Procedures for Estate and Gift Tax Cases

The purpose of this memorandum is to provide updated procedures for the processing of estate and gift tax cases for closure. Please ensure that this information is distributed to all affected Estate and Gift Tax employees. Effective immediately, these procedures should be followed to close all cases.

Interim Guidance Memorandum SBSE-04-0312-027 supersedes Interim Guidance Memorandum SBSE-04-0711-066, and will be incorporated into Internal Revenue Manual 4.25.1 to reflect the above procedures by March 30, 2013.

If you have any questions about these interim procedures, please contact Kathy Dixon, Estate and Gift Tax Policy.

Attachment

cc: www.irs.gov

Interim Guidance for Closing Procedures for Estate and Gift Tax Cases

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Exhibits 1 – 4

1. Survey Before Assignment – For Manager Use Only [See [IRM 4.25.1.1.2\(1\)](#)]

1.1. Use Disposal Code 31

2. Survey After Assignment – Not a Claim [See also IRM 4.25.1.1.2(2) – (8)]
Survey case only if (a) no taxpayer contact or (b) contact was for perfection of return.

2.1. Obtain necessary IDRS transcripts (AMDISA, BMFOLT, BMFOLI, and INOLE).

2.1.1. Verify that the correct statute date is reflected on all transcripts.

- Transcripts should be less than 30 days old, preferably less than 1 week.

2.1.2. Review transaction codes to ensure that the correct assessed tax is reflected on all Notebook Report Forms.

- [Document 6209 Code Retriever](#) is available on the intranet at <http://serp.enterprise.irs.gov/databases/irm.dr/current/e6209/e6209hom.htm>

2.2. Verify auto-populated items in Form 3198 – *Special Handling Notice* in Notebook, complete items not auto-populated, Deploy and Print.

- Save form in the IMS Administrative Issue ‘Closing Data’ subfolder.

2.2.1. **Business Unit Section:** Estate or Gift

2.2.2. **Employee Preparing Form Section:** Primary Business Code (213); Secondary Business Code (See Exhibit 1 or Document 6036); Group Number (1XXX); Employee ID/Badge No.: Last 7 digits on your SmartID Card; Taxpayer Identification Number (TIN) and Earliest Statute Date.

2.2.3. **Taxpayer Name Section**

2.2.3.1. Use the INOLE address unless you have evidence to the contrary.

2.2.3.2. If the address for the case file has been changed, complete the Form 2363 – *Master File Entity Change* and fax to Closed Case Processing (CCP).

- See E&G intranet website for current fax number.

- Include original Form 2363 and fax confirmation in the case file.

2.2.3.3. Check Power of Attorney (POA) and enter valid period(s) if the Form 2848 – *Power of Attorney and Declaration of Representative* or Form 8821 – *Tax Information Authorization* is in the case file or if Form 706 Declaration is signed.

2.2.4. **Related Taxpayers or Key Cases Section:** Enter the taxpayer name, TIN, MFT, and Tax Period as appropriate.

2.2.5. **Expedite Processing Section:** Select if the statute is less than 90 days.

2.2.6. **Special Features Section:** Complete as appropriate. If an amended return is in the file, the return should be reviewed and the amended return box should be checked.

2.2.7. **Forward Section:**

2.2.7.1. Check ‘Forward to PSP’ if a Fed/State, research or project case.

2.2.7.2. Check ‘Forward to CCP’ for all other cases.

2.2.7.3. Complete ‘Date Closed to Manager’ and ‘Manager’s Name’.

2.2.7.4. Complete Return information as appropriate: Tax Period (YYYYMM if 709; DOD if 706), MFT (51 if 709; 52 if 706; 05 if 1041), Time

Applied (do not include time charged to Activity Code '615'), and Disposal Code (32). **All remaining fields should be left blank.**

- 2.2.8. **Special/Restricted Interest Features Section:** Complete as appropriate. If IRC Section 6166, check box and follow the procedures in [IRM 4.25.1.5.12.2.](#)
- 2.2.9. **Letter Instructions for CCP Section:**
 - 2.2.9.1. 706 – Check box for 'Copy to POA -Letter 937' if Form 2848 or Form 8821 is in the case file, or if Form 706 Declaration is signed.
 - 2.2.9.2. 706 – Check box 'Estate Tax Closing Letter 627'.
 - 2.2.9.3. 709 – Check box 'No letter required to be sent by CCP'.
- 2.3. Complete Form 3187 – *Survey After Assignment* in IMS and Print.
 - Select the 'Manage Survey' button to access the Form 3187.
 - Document all actions including the reason for survey.
- 2.4. Complete Form 5351 – *Examination Non-Examined Closings*. Use the Status-EGC label if available. If the label is not available, enter the TIN, MFT, Tax Period, Name Control (usually first four letters of last name), and Enter Requester/EGC/Date in the area provided at the top of the form.
- 2.5. Attach Form 3187 and Form 5351 to the case file.
- 2.6. Stamp 'Survey After Assignment' Stamp on the Face of the Return. Sign, date, and forward to your Manager for signature.

3. Survey After Assignment – Claim

- 3.1. Complete steps in **Section 2, Survey After Assignment**, **except for the differences noted below.**
- 3.2. **Do not use Form 5351.**
- 3.3. Verify auto-populated items in Form 3198, Deploy and Print.
 - 3.3.1. **Special Features Section:** Check the box for 'Surveyed Claim'.
 - 3.3.2. **Forward Section:** Use Disposal Code (34).
- 3.4. Verify auto-populated items in Form 5344 – *Examination Closing Record* in IMS, complete items not auto-populated and Print.
 - 3.4.1. P7-18: Use the Status-EGC label if available. If the label is not available, enter the TIN, MFT, Tax Period, Name Control (usually first four letters of last name), and name of estate or donor.
 - 3.4.2. Item 13: Enter Disposal Code (34).
 - 3.4.3. Item 21: Enter the amount claimed.
 - 3.4.4. Item 22: Enter 0 (zero).
 - 3.4.5. Item 23: Enter hours worked on claim.
 - 3.4.6. Item 24: Enter claim type.
 - 3.4.6.1. B for Form 843 – *Claim for Refund and Request for Abatement.*
 - 3.4.6.2. Z for any other claims.
 - 3.4.7. Item 28: Enter all hours worked on other issues (non-claim issues).
 - 3.4.8. Item 30: Examination Technique Code will always be 3.
 - 3.4.9. Item 31: Enter your Grade.

- 3.4.10. Item 33: Enter your name.
- 3.4.11. Item 410: Enter Aging Reason Code (See IRM 4.25.1.6).
- 3.4.12. Item 411: Circle N.
- 3.4.13. Item 412: Circle N.

3.5. Stamp 'Survey After Assignment' Stamp on the Face of the Claim. **Do not stamp the original return.** Sign, date, and forward to your Manager for signature.

4. No-Change/No-Change (aka No Change with No Adjustments)

- 4.1. Obtain necessary IDRS transcripts (AMDISA, BMFOLT, BMFOLI, and INOLE).
 - 4.1.1. Verify that the correct statute date is reflected on all transcripts.
 - Transcripts should be less than 30 days old, preferably less than 1 week.
 - 4.1.2. Review transaction codes to ensure that the correct assessed tax is reflected on all Notebook Report Forms.
 - [Document 6209 Code Retriever](http://serp.enterprise.irs.gov/databases/irm.dr/current/e6209/e6209hom.htm) is available on the intranet at <http://serp.enterprise.irs.gov/databases/irm.dr/current/e6209/e6209hom.htm>
- 4.2. Verify All Issues Have a UIL Code in IMS.
 - A UIL code for each issue is required to close the case.
- 4.3. Confirm all Workpapers, Closing Documents, and Tax Return Data have been uploaded to the Administrative Issue subfolders as follows (you can create 1 sub-folder within each of the following subfolders):
 - **Admin Forms**: Examination Process and Documentation (EPD) Mandatory Forms and Lead Sheets, Correspondence, other Examination Workpapers, and **Documents and Information provided by the Taxpayer that relate to disputed or unagreed issues.**
All lead sheets and workpapers from Notebook be uploaded to IMS at the beginning of the examination and worked on in IMS.
 - **Closing Data**: Upload All Notebook Closing Documents and Report Forms, and the case's XML file. (See the Notebook folder 'Deployed Form/TP/Report Forms').
 - **Tax Return Data**: Limited to return information such as scanned returns.

For instructions regarding the deployment of Notebook Closing Reports and Forms, see the Notebook Manual located on the [Estate and Gift Notebook IMS SharePoint Site](#).
- 4.4. Add the Form 10364-A – *Statute Expiration Case Notice*, and/or Form 895 – *Notice of Statute Expiration* from Notebook, as appropriate.
 - 4.4.1. If the statute is within 210 days, complete Form 10364-A (**red** folder or **red** sheet).
 - 4.4.2. If the statute is 6 months or less, complete Forms 10364-A and 895.
 - Some groups may generate the Form 895 from ERCS and forward to the examiner for acknowledgement.

- 4.5. Print Two Copies of Form 5346 – *Examination Information Report* from Notebook if Schedule J non-professional executor fees are \$10,000 or over.
 - These forms should be uploaded to the IMS Administrative Issue ‘Closing Data’ subfolder.
 - 4.5.1. Attach a copy of the Form 5346 and Form 4421 – *Declarations – Executor Commissioner’s and Attorney’s Fees* to the Schedule J Issue Lead Sheet.
 - 4.5.2. Staple a copy of the Form 5346 along with a copy of the Form 4421 and a copy of the first three pages of the return.
 - The Group Manager should ensure that the Form 5346 package is routed to the appropriate party.
- 4.6. Assemble Required EPD Documents and Workpapers using the EPD tabs (Document 12555).
 - **Applicable EPD tabs are required.**
 - 4.6.1. If a Limited Scope Examination (Project Code 0902) and the Limited Scope Examination Planning and Work Papers Lead Sheet is used then the only additional lead sheet required is the Form 9984 – *Examining Officer’s Activity Record*. If the Limited Scope Examination Lead Sheet is not used then all of the following mandatory lead sheets must be included in the case file.
 - 4.6.2. Examination Planning Workpapers Index
 - **Mandatory.**
 - 4.6.2.1. The Mutual Commitment Date (MCD) should be included or an explanation should be provided if it is not.
 - 4.6.2.2. Complete all applicable Representative Fields.
 - 4.6.2.3. Complete Penalty and Fraud Fields. **Document penalty consideration including the non-assertion of penalties.**
 - 4.6.2.4. Check appropriate boxes for issues considered.
 - 4.6.3. Administrative Lead Sheet
 - **Mandatory.**
 - 4.6.3.1. Complete the Taxpayer Rights area as appropriate.
 - 4.6.3.2. Indicate relevant referrals and dates.
 - 4.6.3.3. Complete Statute Controls area.
 - If a viable statute of limitations exists and the return is not opened for examination; explain why it has not been opened.
 - 4.6.3.4. Complete Form 872 – *Consent to Extend the Time to Assess Tax* section, as appropriate.
 - 4.6.3.5. Complete Payment section if relevant.
 - 4.6.4. Issue Lead Sheets
 - **Mandatory.**
 - 4.6.4.1. Identify which audit steps were used by entering the appropriate workpaper reference.
 - 4.6.4.2. List the pertinent facts.
 - 4.6.4.3. Cite the relevant code section(s) and/or case law upon which your analysis and determination is based.
 - 4.6.4.4. State the government’s and taxpayer’s positions.
 - 4.6.5. Other Tax Returns Lead Sheet
 - **Mandatory.**

- 4.6.5.1. Identify Related Returns and include determination regarding whether the audit was expanded to include those returns.
- 4.6.5.2. Submit [income tax referrals](#) to PSP, if applicable.
- 4.6.6. Asset Probe and Consistency Lead Sheet
 - **Mandatory.**
- 4.6.7. Form 9984 – *Examining Officer’s Activity Record* in IMS
 - **Mandatory.**
 - 4.6.7.1. Include dated entries every 45 days or less with substantive actions and explanations for delays and gaps fully documented.
 - 4.6.7.2. Verify inclusion of the exam start date, which should be within 45 days of assignment. Explain delay, if applicable.
 - 4.6.7.3. Verify inclusion of opening letter mailing date which should be within 45 days of first action. Explain if not timely mailed.
 - 4.6.7.4. Notate that Taxpayer was provided Publication 1 and Notice 609 upon initial contact.
 - 4.6.7.5. Notate the date upon which a report with the following language “SUBJECT TO CHIEF, ESTATE AND GIFT TAX APPROVAL” was issued. Language required only for Disposal Code 02 cases.
 - 4.6.7.6. Regarding overall examination: Ensure that you have notated and explained any delays, causes of delays, and whether or not delays were communicated to any of the affected parties (explain any lack of communication).
- 4.6.8. Manager Plan to Close Lead Sheet
 - 4.6.8.1. Include for all cases in process for more than 120 days.
- 4.6.9. Penalty Lead Sheets and Penalty Approval Form
 - 4.6.9.1. **Include if penalties are proposed for assessment.**
 - 4.6.9.2. Address the non-assertion of penalties on the Examination Planning Workpapers Index.
- 4.6.10. Installment Payment Election Lead Sheet
 - 4.6.10.1. Mandatory if an IRC §6166 election was made.
 - 4.6.10.2. Document your IRC §6166 determination on the Administrative Lead Sheet and on the Form 9984.
 - 4.6.10.3. Include a detailed explanation of your determination.
- 4.7. Review Form 3198 in Notebook and Print.
 - This form should be uploaded to the IMS Administrative Issue ‘Closing Data’ subfolder.
 - 4.7.1. Verify auto-populated items and complete items not auto-populated.
 - 4.7.2. **Business Unit Section:** Estate or Gift
 - 4.7.3. **Employee Preparing Form section:** Primary Business Code (213); Secondary Business Code (See Exhibit 1 or Document 6036); Group Number (1XXX); Employee ID/Badge No.: Last 7 digits on your SmartID Card; Taxpayer Identification Number (TIN) and Earliest Statute Date.
 - 4.7.4. **Taxpayer Name Section**
 - 4.7.4.1. Use the INOLE address unless you have evidence to the contrary.
 - 4.7.4.2. If the address for the case file has been changed, complete the Form 2363 and fax to CCP.
 - See E&G intranet website for current fax number.
 - Include original Form 2363 and fax confirmation in the case file.

- 4.7.4.3. Check POA and enter valid periods if the Form 2848 or Form 8821 is in the case file or if a signed Form 706 Declaration.
 - 4.7.5. **Related Taxpayers or Key Cases Section:** Verify that the populated Taxpayer Name, TIN, MFT, and Tax Period are accurate.
 - 4.7.6. **Expedite Processing Section:** If the statute is less than 90 days, confirm that this box is checked.
 - 4.7.7. **Special Features Section:** Complete as appropriate.
 - 4.7.7.1. If an amended or supplemental return is in the case file, the return should be reviewed and the amended return box should be checked.
 - 4.7.8. **Forward Section:**
 - 4.7.8.1. Check 'Forward to PSP' if a Fed/State, research or project case. (See Exhibit 2)
 - 4.7.8.2. Check 'Forward to CCP' for all other cases.
 - 4.7.8.3. Complete 'Date Closed to Manager' and 'Manager's Name'.
 - 4.7.8.4. Complete Return information as appropriate: Tax Period (YYYYMM if 709; DOD if 706), MFT (51 if 709; 52 if 706; 05 if 1041), Time Applied (total time on Form 4502), and Disposal Code (02). **All remaining fields should be left blank.**
 - 4.7.9. **Special /Restricted Interest Features Section:** Complete as appropriate.
 - 4.7.9.1. If an IRC §6166 election, check box 'Code Section 6166' and follow the procedures in IRM 4.25.1.5.
 - 4.7.10. **Letter Instructions for CCP Section:**
 - 4.7.10.1. 706 – Check box for 'Copy to POA – Letter 937' if Form 2848 or Form 8821 is in the case file, or if a signed Form 706 Declaration.
 - 4.7.10.2. 706 – Check box 'No Change Letters: Letter 590'
 - 4.7.10.3. 706 – Check box for 'Estate Tax Closing Letter 627'.
 - 4.7.10.4. 709 – Check box 'No letter required to be sent by CCP'.
- 4.8. Add an auto-populated Form 5344 from IMS.
- 4.8.1. Verify auto-populated items and complete items not auto-populated.
 - For manual completion instructions, see IRM 4.4.12 and the IMS Manual, located on the [Estate and Gift Notebook IMS SharePoint site](#).
- 4.9. Close the Case in IMS.
- 4.9.1. Synchronize the Case to Upload and Download All Files.
 - 4.9.2. Check in All Workpapers/Documents.
 - 4.9.3. Enter Actual Closed Dates for the Case and for Each Entity
 - 4.9.4. Access the Case Inventory Screen to Change the Case Status to 'Closed'.
 - If the closing is successful, a message providing 'Case data will be removed from your case inventory' will appear. The case will no longer be in your Case Inventory.
- 4.10. Close the Case in Notebook.

5. Agreed Change/No-Change(aka No Change with Adjustments)

- 5.1. Follow items in **Section 4, No-Change with No Adjustments**, **except for the differences noted below.**
- 5.2. Complete Form 9984 in IMS.

- 5.2.1. Confirm that the Taxpayer was provided Publication 3498 when the first report was issued and date sent.
- 5.3. Verify auto-populated items in Form 3198 in Notebook, complete items not auto-populated, Deploy and Print.
- 5.3.1. **Forward Section:**
- 5.3.1.1. Complete Return information as appropriate: Tax Period (YYYYMM if 709; DOD if 706), MFT (51 if 709; 52 if 706; 05 if 1041), Time Applied (total time on Form 4502), Disposal Code (01), and Agreement Date. **All remaining fields should be left blank.**
- 5.3.2. **Letter Instructions for CCP Section:**
- 5.3.2.1. 706 – Check box for ‘Copy to POA – Letter 937’ if Form 2848, Form 8821 is in the case file, or if signed Form 706 Declaration.
- 5.3.2.2. 706 – Check box ‘No Change Letters: Letter 1156’.
- 5.3.2.3. 706 – Check box for ‘Estate Tax Closing Letter 627’.
- 5.3.2.4. 709 – Check box ‘No letter required to be sent by CCP’.
- 6. Agreed – 709, 706 & Claims**
- 6.1. Follow items in **Section 4, No-Change with No Adjustments, except for the differences noted below.**
- 6.2. Complete Form 9984 in IMS.
- 6.2.1. Confirm that the Taxpayer was provided Publication 3498 when the first report was issued and date sent.
- 6.3. Verify auto-populated items in Form 3198 in Notebook, complete items not auto-populated, Deploy and Print.
- 6.3.1. **Expedite Processing Section:**
- 6.3.1.1. If the deficiency or overassessment is over \$100K and unpaid, check the box then complete each item in the “Over \$100K Agreed and Unpaid” section on Page 2 of the form.
- 6.3.1.1.1. Enter the Agreement Received date (waiver stamped-in received date).
- 6.3.1.1.2. Enter the Total Amount of Deficiencies/Overassessments plus Penalties.
- 6.3.1.1.3. Enter the Date Received, Date Closed (to Manager), Days (count days from date agreement received to date closed to Manager), and Initial.
- 6.3.1.1.4. Explain delays greater than 4 days in Explanation of Delays section.
- 6.3.2. **Forward to Technical Services Section:** Check boxes, as appropriate.
- 6.3.3. **Forward Section:**
- 6.3.3.1. Complete Return information as appropriate: Tax Period (YYYYMM if 709; DOD if 706), MFT (51 if 709; 52 if 706), Time Applied (total time on Form 4502), Disposal Code (03), Tax Deficiency/Overassessment (Report Amount), Penalty Code Section, Penalty Amount, Adjustment Amount, Agreement Date and Payment(F/P/N). **All remaining fields should be left blank.**

- 6.3.3.2. If payment is received, complete the Form 3244-A – *Payment Posting Voucher*.
- 6.3.3.3. Follow the instructions for processing payments on the E&G website under “[Payment Procedures](#)”.
 - Note that Notification must be sent to the Remittance Unit for remittances \$1 million or larger. .

6.3.4. Letter Instructions for CCP Section:

- 6.3.4.1. 706 – Check box for ‘Copy to POA -Letter 937’ if Form 2848 or Form 8821 is in the case file, or if signed Form 706 Declaration.
- 6.3.4.2. 706 – Check box for ‘Estate Tax Closing Letter 627’.
709 – Check box ‘No Letter required to be sent to CCP’.

7. Unagreed – 30-Day Letter

The examiner, in conjunction with the manager, should review the return’s statute date to determine whether a Statutory Notice of Deficiency/90-Day Letter or a 30-Day Letter should be issued.

7.1. Complete the 30-Day Letter Package ONLY if the taxpayer will have adequate time to prepare a protest and upon receipt of the protest by the examiner, the case can be transmitted to the appropriate Appeals office with at least 180 days remaining on the statute of limitations. See Appeals IRM 8.20.5.2.1 and IRM 4.25.1.1.15. If there will not be sufficient time given these two considerations, close the case with a 90-Day Letter by following the instructions in Section 8.

7.2. Follow items in **Section 4, No-Change with No Adjustments**, **except for the differences noted below**.

7.3. Review Form 3198 in Notebook and Print.

7.3.1. Forward to Technical Services Section:

7.3.1.1. Check ‘Unagreed to Appeals’.

7.3.2. Forward Section:

7.3.2.1. Check ‘Forward to Tech Services’.

7.3.2.2. Complete Return information as appropriate: Complete Return information as appropriate: Tax Period (YYYYMM if 709; DOD if 706), MFT (51 if 709; 52 if 706; 05 if 1041), Time Applied (total time on Form 4502), Disposal Code (07), Tax Deficiency/Overassessment (Report Amount), Penalty Code Section, Penalty Amount, Adjustment Amount and Payment(F/P/N). **All remaining fields should be left blank.**

7.3.3. Letter Instructions for CCP Section:

706 – Check box for ‘Copy to POA -Letter 937’ if Form 2848 or Form 8821 is in the case file or if signed Form 706 Declaration.

709 – If IRC §7477 applies, check the ‘Other Letter’ box and write in Letter 950-G.

Unagreed Claim Disallowance (full or partial) – Check the box ‘Other Letter’ and enter Letter 569 (DO).

7.4. For the Examiner.

7.4.1. Part I – Create a 30-Day Letter Package.

- 7.4.1.1. Prepare Letter 950, Letter 950-G, Letter 950-J or Letter 950-K, as appropriate.
 - 7.4.1.1.1.1. Address the letter to the Taxpayer.
 - 7.4.1.1.1.2. Include the Taxpayer TIN; if SSN include V or W code).
 - 7.4.1.1.1.3. Use the INOLE address unless evidence to the contrary.
 - 7.4.1.1.1.4. Include Form number, Tax Period, Telephone Numbers and Last 7 digits on your SmartID Card.
 - 7.4.1.1.1.5. Person to Contact (Group Manager). Signature Authority is delegated to Group Manager SBSE.
 - 7.4.1.1.1.6. Last Date to Respond should be at least 35 days (preferably 37 days) from the anticipated mailing date of the letter.
 - 7.4.1.1.1.7. Include the Return Address.
- 7.4.1.2. Prepare appropriate Tax Report (s) and waiver(s) based on the tax return under examination.
- 7.4.1.3. Complete Letter 937 for the POA (as appropriate, if the Form 2848, Form 8821 is in the case file or Declaration of Representative on Form 706 is signed).
- 7.4.1.4. Prepare Return Envelope without postage. Include your address and notate '30-Day' on lower left corner.
- 7.4.1.5. Prepare an envelope with the Taxpayer's address.
- 7.4.1.6. Prepare an envelope with the POA's address.
- 7.4.2. Part II – Assemble 3 packages and Submit to Group Manager.**
 - 7.4.2.1. Package 1 for Taxpayer.**
 - 7.4.2.1.1.1. Two copies of Letter 950, Letter 950-G, Letter 950-J or Letter 950-K with Mailing Date left blank for Manager's signature.
 - 7.4.2.1.1.2. Blank Form 13683 – *Statement of Disputed Issues*.
 - 7.4.2.1.1.3. Tax Report(s).
 - 7.4.2.1.1.4. If an estate tax or gift tax return, Form 890 – *Waiver of Restriction on Assessments & Collection of Deficiency & Acceptance of Overassessments* or Form 890-T – *Waiver of Restrictions on Assessment and Collection and Acceptance of Overassessment as to Transferee or Fiduciary Liability for Estate, Gift and Generation - Skipping Transfer Tax*.
 - 7.4.2.1.1.5. If a fiduciary income tax return, Form 870 – *Waiver of Restrictions on Assessment & Collection of Deficiency in Tax & Acceptance of Overassessment*.
 - 7.4.2.1.1.6. Publication 3498.
 - 7.4.2.1.1.7. Return Envelope.
 - 7.4.2.1.1.8. Envelope addressed to the Taxpayer. Paperclip to the package.
 - 7.4.2.2. Package 2 for POA**
 - If the Form 2848 or Form 8821 is in the case file or if a signed 706 Declaration.
 - 7.4.2.2.1.1. Letter 937 with a copy of all of the documents included in the Taxpayer Package.
 - 7.4.2.2.1.2. Envelope addressed to the POA. Paperclip to the package.

7.4.2.3. **Package 3 for the File.**

7.4.2.3.1.1. A copy of all documents included in the POA Package.

7.4.2.4. Upload a copy to the Administrative Issue 'Closing Data' subfolder.

7.5. For the Manager.

7.5.1. Part I – Review 30-Day Letter Packages.

7.5.1.1. Review letter, report and waiver for errors, omissions, typos, or other potential problems.

7.5.2. Part II – Process 30-Day Letter Taxpayer Package

7.5.2.1. Date and sign the Letter 950, Letter 950-G, Letter 950-J or Letter 950-K, as indicated below:

Group Manager Name

Supervisory Attorney

7.5.2.2. Stamp or notate the Taxpayer Package Letter 950, Letter 950-G, Letter 950-J or Letter 950-K as 'Original'; the POA Package Letter 950 as 'Copy'; and the File Package Letter 950 as "File Copy".

7.5.2.3. Mail the Taxpayer Package and the POA Package via regular mail. Return the File Copy to the Examiner.

8. Unagreed – Statutory Notice of Deficiency/90-Day Letter

The 90-Day Letter must be submitted to Area Counsel with at least 60 days remaining on the statute for approval of the 90 Day Letter. Area Counsel will return the case to the referring individual for forwarding to the Technical Services reviewer within 45 days of receipt.

8.1. Follow items in **Section 7, Unagreed 30-Day Letter** **except for the differences noted below.**

8.2. Review Form 3198 in Notebook and Print.

8.2.1. Forward to Technical Services Section:

8.2.1.1. Check 'Unagreed for Statutory Notice'.

8.2.1.2. If a claim disallowance (full or partial), Check 'Statutory Notice of Claim Disallowance - Letters 905 and 906'.

8.2.2. Forward Section:

Complete Return information as appropriate: Tax Period (YYYYMM if 709; DOD if 706), MFT (51 if 709; 52 if 706; 05 if 1041), Time Applied (total time on Form 4502), Disposal Code (08), Tax Deficiency/Overassessment (Report Amount), Penalty Code Section, Penalty Amount, Adjustment Amount and Payment (F/P/N). **All remaining fields should be left blank.**

8.2.2.1. If Taxpayer pays the full deficiency before the Notice of Deficiency is issued, determine whether a payment or IRC 6603 deposit. See Rev. Proc. 2005-18 for procedures Taxpayer must follow to designate remittance as an IRC 6603 deposit. See IRM 8.20.6.3.2(2).

8.2.3. **Letter Instructions for CCP Section:** Leave blank.

8.3. For the Examiner.

8.3.1. Create 90-Day Letter Packages in accordance with Section 7.4 **except for the differences noted below.**

- 8.3.1.1. **Package 1 for Taxpayer.**
 - 8.3.1.1.1. Two copies of Letter 902 (DO) or Letter 902 (T).
 - 8.3.1.1.2. Letter 4089-A – Notice of Deficiency-Statement.
 - 8.3.1.1.3. Notice 1214 – Helpful Contacts for your "Notice of Deficiency".
 - 8.3.1.1.4. Form 890, Form 890-T or Form 870.
 - 8.3.1.1.5. Tax Report(s).
- 8.3.1.2. **Package 2 for POA.**
 - 8.3.1.2.1. Letter 937.
 - 8.3.1.2.2. Copy of all documents included in the Taxpayer Package.
- 8.3.1.3. **Package 3 for the File**
 - 8.3.1.3.1. Copy of all the documents included in POA Package.
- 8.3.1.4. Upload a copy of the documents to the Administrative Issue 'Closing Data' subfolder.

Exhibit 1: Secondary Business Codes

Territory	Secondary Business Code
Northeast	91700
East	91900
Central	92300
West	92500

Exhibit 2: Project Returns to be Forwarded to PSP

Tracking Codes	
Research Projects:	
6411	Estate Non-Filer Research Project Phase III
7730	Estate Non-Filer Research Project
7731	Gift Non-Filer (Trust) Research Project
7733	Non-Filer (Referral/Informants) (SEC Insider Transfers)
9506	Gift Non-Compliance (Erroneous Total Taxable Gifts) (Line 3 Error, Underreporting)
Fed/State:	
7523	Real Estate Gift Tax Non-Filer Compliance Initiative Project (CIP)
CIPs:	
6123	Offshore Voluntary Disclosure (UBS)
6302	Fed/Fed SEC Form 5 CIP
6426	Offshore UBS Treaty
6458	Estate Non-Filer 706 GS

Exhibit 3: Closing Letters

Signature authority located in IRM 4.25.1.5.5.

Letter Number	Letter Name
Letter 627	Estate Tax Closing Document Letter
Letter 569 (DO)	Claim Disallowance Letter
Letter 590	No-Change Final Letter
Letter 902	Notice of Deficiency

Letter Number	Letter Name
Letter 937	Transmittal Letter for Power of Attorney
Letter 950	Unagreed, straight deficiency, straight overassessment or mixed deficiency and overassessment
Letter 950-G	Contact Letter to Explain Appeals Rights Per IRC 7477
Letter 950-H	30 Day Letter - Intent to Terminate IRC §6166 Election
Letter 950-I	30 Day Letter - Intent to Terminate IRC §6166 Election
Letter 950-J	Preliminary IRC §6166 Determination
Letter 950-K	Preliminary Internal Revenue Code section 6166 Determination Letter
Letter 1156	Change-No-Change Final Letter
Letter 3569	Final Notice of Redetermination of Value as Provided in IRC §7477
Letter 3607	Agreed Examination Changes
Form 4089-A	Notice of Deficiency Statement

Exhibit 4: Case Assembly (also available in Notebook)

- 1. Forms affixed to outside of case folder, top to bottom:**
 - a. Form 3210 – Document Transmittal
 - b. Form 895 – Notice of Statute Expiration, placed on top of all other papers
 - c. Form 10364-A – Statute Expiration Case Notice—staple to front cover of case file
 - d. Form 3198 – Special Handling Notice—staple to front cover of case file
- 2. Forms attached to left inside of case folder:**
 - a. Copy of Form 9984 – Examining Officer’s Activity Record
 - b. Address change sheet—Forms 8822, 2363, and fax confirmation, if applicable
 - c. Form 5346 – Examination Information Report, Form 4421, and a copy of the first three pages of the Form 706
- 3. Forms and other documents enclosed in case folder:**
 - a. Current transcripts, preferably generated within 1 week of the date of submission
 - b. Waiver and acceptance forms:
 - i. Form 890 – Waiver of Restrictions on Assessment and Collection of Deficiency in Tax and Acceptance of Overassessment
 - ii. Form 2297– Waiver of Statutory Notification of Claim Disallowance
 - iii. Form 3363 – Acceptance of Proposed Disallowance of Claim for Refund or Credit
 - c. Taxpayer’s protest and correspondence in unagreed cases
 - d. Examination report, with appropriate letters for unagreed cases
 - e. Original tax return(s) and related attachments (**See Item 4 below**)
 - f. Form 5546 – Examination Charge-Out (attached to the back of the return)
 - g. Examination Planning and Workpaper Index
 - h. Workpapers, Correspondence, and Exhibits—following the order of the index
- 4. Forms and documents to be attached to the tax return in the following order:**
 - a. Form 5344 – Examination Closing Record

- b. Form 3187 – Survey After Assignment Form
- c. Form 3244-A, Payment Posting Voucher – Examination (part 2 stapled to the face of the return)
- d. Statute extension forms: An executed copy should be stapled to the reverser of the first page of the tax return on top of any other attached forms
 - i. Form 872 – Consent to Extend the Time to Assess Tax; and/or
 - ii. Form 872-A, Special Consent to Extend the Time to Assess Tax
- e. Form 56 – Notice concerning Fiduciary Relationship, with CAF fax confirmation, stapled to the reverse of the first page of the tax return
- f. Form 2848 – Power of Attorney, and/or Form 8821, Tax Information Authorization, with CAF fax confirmation(s), stapled to the reverse of the first page of the tax return
- g. Form 843 – Claim for Refund and Request for Abatement or Amended Returns & Informal Claims
- h. Substitute For Return (SFR). If applicable, staple Form 13496 – *IRC 6020(b) Certification* to the face of the SFR. See additional requirements for SFR/Non-Filer closures at <http://mysbse.web.irs.gov/Specialty/eg/techref/procedures/19104.aspx>
- i. Photocopy of all requests (e.g., Forms 5345, 5354) using the following source code must be attached to the return being closed as a permanent record
 - i. Source Code 45—reference and information return