



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

SMALL BUSINESS/SELF-EMPLOYED

May 1, 2012

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Affected IRM: 4.24.8.10.1

Expiration Date: May 01, 2013

MEMORANDUM FOR ALL EXCISE TERRITORY MANAGERS AND FIELD GROUP  
MANAGERS

FROM: Holly L. McCann /s/Holly L. McCann  
Chief, Excise Tax Program

SUBJECT: Expanded Procedures for Protecting the Statute of Limitation Period  
for Source Code 31 Unagreed Third Party Paid Claims

The purpose of this memo is to provide additional procedures to those listed in IRM 4.24.8.10.2(1), Source Code 31, Unagreed Third-Party Paid Claims-Statute of Limitation Considerations. Please ensure this information is distributed to all affected employees and managers within your organization.

If there are 270 days or less on the IRC 6206 statute, a quick assessment must be made prior to sending the case to Appeals. Refer to IRM 4.4.25 for Quick Assessment procedures. In addition, IDRS command code STAUP is established for the maximum cycles possible to suspend collection activity on the assessment. Refer to IRM 2.4.28.1 for input of STAUP procedures.

The case is forwarded to Appeals after offering the taxpayer the following options:

- Payment of a divisible portion of the assessed amount for each period. The divisible payment may be computed based on the credit amount associated with a single transaction for each period. This payment may be received and processed by the revenue agent on Form 3244, Payment Posting Voucher (Code 640 - Advanced Payment on Deficiency).
- After remittance of a divisible payment for each period, the taxpayer may file Form 843, Claim for Refund and Request for Abatement, with the revenue agent for the divisible payment. The claims are filed with the revenue agent since, in most instances; the revenue agent will still have control and possession of the case file.

- Upon receipt of the Form 843, the revenue agent will process the claim by updating all periods involved using Form 5348, AIMs/ERCS Update, to Source Code 30 and the amount claimed for each period. If the statute of limitations on any of the periods involved is 210 days or less the statute must be updated to “AA” with the use of Form 5348 as well.
  - If the information provided with Form 843 justifies allowance, payment made for the divisible portion of the assessment will be refunded and the entire assessment made under IRC 6206 will be abated.
  - If the information provided with Form 843 does not justify allowance, the taxpayer may request a conference with the Appeals Office.

If the taxpayer refuses these options or is unable to reach an agreement with the Appeal Office, the case is closed to Technical Services for issuance of Letter 906, Final Full Claim Disallowance Letter. The taxpayer has 2 years to file suit on the claim in United States Court of Claims or United States District Court.

This guidance will be incorporated into IRM 4.24.8.10.2, by May 1, 2013.

If you have questions, you may contact me or you may contact Michel Monconduit, Fuel Policy Analyst.

CC: [www.irs.gov](http://www.irs.gov)