



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

Date: July 6, 2020

Control Number: SBSE 04-0720-0035
Expiration Date: July 6, 2022
Affected IRMs: 4.19.26

MEMORANDUM FOR: CAMPUS BACKUP WITHHOLDING PROGRAM EMPLOYEES
AT THE SMALL BUSINESS/SELF-EMPLOYED SITE.

FROM:

Wanda R. Griffin

Digitally signed by Wanda R.

Griffin

Date: 2020.07.06 18:39:59 -04'00'

Director, Specialty Exam Policy

SUBJECT:

Campus Backup Withholding Return Compliance Program
Procedures

This memorandum issues guidance when determining liability for backup withholding tax until IRM 4.19.26, *Liability Determination, Campus Backup Withholding Return Compliance Program Procedures*, is published. Please ensure that this information is distributed to all affected employees within your organization.

Purpose: To provide procedures when working backup withholding return cases in the Campus Backup Withholding Unit.

Background/Source(s) of Authority: In response to TIGTA recommendations made in TIGTA reports 2016-40-078, *Due to the Lack of Enforcement, Taxpayers Are Avoiding Billions of Dollars in Backup Withholding* & 2017-40-022 *Billions of Dollars in Non-Payroll Tax Withholding Discrepancies Are Not Being Addressed* this unit will address backup withholding liability resulting from information returns filed with no Payee taxpayer identification numbers (TINs) and no tax withholding.

Procedural Change: Refer to the [Backup Withholding For Campus Tax Examiners Local Procedures](#) for procedural guidance. This is a fluid document, under development as the program stands up, so only an outline of the proposed IRM can be provided, based on the structure of the *Local Procedures*, included as [Exhibit 1](#).

Additionally, this memorandum documents a deviation from [IRM 21.10.1.3.3.1, Selecting the Quality Sample](#), to exclude the Campus Backup Withholding Return Compliance Program cases from paper and telephone quality sampling during the first

year of operations. The deviation period will be in effect for twelve months, beginning October 1, 2019, and ending September 30, 2021.

Effect on Other Documents: This guidance will be incorporated into IRM 4.19.26, *Liability Determination, Campus Backup Withholding Return Compliance Program Procedures*, by July 6, 2022

Effective Date: July 6, 2020.

Contact: Shawn Knott, Employment Tax Policy Analyst, (737) 800-3213.

CC: IRS.gov (<https://www.irs.gov/>)

Exhibit-1:**IRM 4.19.26 - Liability Determination, Campus Backup Withholding Return Compliance Program Procedures**

- 4.19.26.1 Program Scope and Objectives
 - 4.19.26.1.1 Background
 - 4.19.26.1.2 Authority
 - 4.19.26.1.3 Roles and Responsibilities
 - 4.19.26.1.4 Program Controls
 - 4.19.26.1.5 Acronyms
 - 4.19.26.1.6 Related Resources
- 4.19.26.2 - Initial Contact
 - 4.19.26.2.1 Print CP2100 recreate notices- *manager/ clerk*
 - 4.19.26.2.2 Assign case- *manager/clerk*
 - 4.19.26.2.3 Activity record- *TE/clerk*
 - 4.19.26.2.4 Case analysis- *TE*
 - 4.19.26.2.5 Multiple TXMOD controls-*TE*
 - 4.19.26.2.6 Payers with SSNs-
 - 4.19.26.2.7 Freeze Codes-*TE*
 - 4.19.26.2.8 Mail initial letter-*TE*
 - 4.19.26.2.9 Reconcile Letters 6112 to Shared Drive- *clerk*
- 4.19.26.3 - Correspondence
 - 4.19.26.3.1 Responses to initial letter- *TE*
 - 4.19.26.3.2 Correspondence- *TE*
 - 4.19.26.3.2.1 Telephone Call- *TE*
 - 4.19.26.3.2.2 Exempt Payee/ Exempt Payment- *TE*
 - 4.19.26.3.2.3 Exempt Payee/ Exempt Payment- *TE*
 - 4.19.26.3.2.4 Filed Under Different EIN- *TE*
 - 4.19.26.3.2.5 Request for Extension- *TE*
 - 4.19.26.3.2.6 Substantiation- *TE*
 - 4.19.26.3.2.7 Incomplete Substantiation- *TE*
 - 4.19.26.3.2.8 Form 2848/ Form 8821- *TE & clerk*
 - 4.19.26.3.2.9 Tax Return- *TE*
 - 4.19.26.3.2.10 Clerical Error
 - 4.19.26.3.2.11 Payee Out of Business/No Longer Doing Business w/ Payee
 - 4.19.26.3.2.12 Payer out of business
 - 4.19.26.3.2.13 Abatement – Forms 4669/4670
 - 4.19.26.3.2.14 Delinquent Return Procedures- *TE & clerk*
- 4.19.26.4 Response to Letter 6112- *TE*
- 4.19.26.5 Preparing Return for Assessment IRC § 6020(b) - *TE*
 - 4.19.26.5.1 Prepare IRC § 6020(b) tax return for processing- *TE & clerk*
- 4.19.26.6 Payer Requests to go to Appeals- *TE & manager*
- 4.19.26.7 Open AIMS control to Appeals- *TE*
- 4.19.26.8 Complete Form 5344 (to Appeals)- *TE*
 - 4.19.26.8.1 Input Form 5344 (to Appeals)- *TE*
- 4.19.26.9 Case File Assembly (Appeals)- *clerk*

- 4.19.26.10 Close TXMOD control (Appeals)- *clerk*
- 4.19.26.11 Little or No Tax Due- *TE*
- 4.19.26.12 IAT REQ54 tool- *TE*
- 4.19.26.13 Close case- *TE*
- 4.19.26.14 Adjustments for Form 4669- *TE*
- 4.19.26.15 Complete closing actions- *clerk*
- 4.19.26.16 Case File Assembly – *clerk*
- 4.19.26.17 First Time Abate of Penalties- *TE*
- 4.19.26.18 Statutory Exception - *TE*
- 4.19.26.19 Reasonable Cause- *TE*
- 4.19.26.20 Fraud Penalty – *TE*
- 4.19.26.20.1 Input of Penalty Abatement- *TE*
- 4.19.26.20.2 Input of Penalty Abatement- *TE*

Exhibits:

- Exhibit 4.19.26-1 Activity Record
- Exhibit 4.19.26-2 BWH DCI Printout
- Exhibit 4.19.26-3 How to Access MeFile
- Exhibit 4.19.26-4 Special Paragraphs for Correspondex letters
- Exhibit 4.19.26-5 BWH Complete Response Flowchart
- Exhibit 4.19.26-6 BWH Incomplete Response Flowchart
- Exhibit 4.19.26-7 BWH No Response Flowchart
- Exhibit 4.19.26-8 Letters Job Aid
- Exhibit 4.19.26-9 Timely Actions
- Exhibit 4.19.26-10 Input of Letters 6112, 6112-A and 937
- Exhibit 4.19.26-11 IRC Section 6020(b) Certification Form
- Exhibit 4.19.26-12 BWH Database Usage