



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

July 25, 2023

Control Number: SBSE-05-0723-0041
Expiration Date: 07/25/2025
Affected IRMs: 5.1.15; 5.4.10; 5.9.3

MEMORANDUM FOR DIRECTOR, FIELD COLLECTION;
DIRECTOR, CAMPUS COLLECTION;
DIRECTOR, SPECIALTY COLLECTION – INSOLVENCY

FROM: Rocco A. Steco Jr. Digitally signed by Rocco A. Steco Jr.
Date: 2023.07.25 08:24:53 -04'00'
Acting Director, Collection Policy

SUBJECT: Rescission: IRM Deviation for Manual Adjustments of Taxpayer
Accounts Related to COVID-19 Legislation

This memorandum supersedes and rescinds IRM deviation memorandum SBSE-05-0922-0035 titled, “IRM Deviation for Manual Adjustments of Taxpayer Accounts Related to COVID-19 Legislation.”

Background: The various COVID-19-related legislation implemented non-refundable and refundable employer tax credits as well as deferrals of social security tax.

Source of Authority: The Families First Coronavirus Response Act (FFCRA); Coronavirus Aid, Relief, and Economic Security (CARES) Act; Notice 2020-65, as modified by Notice 2021-11; Consolidated Appropriations Act, 2021 (CAA); The American Rescue Plan Act (ARP); and the Infrastructure Investment and Jobs Act (IIJA) are the sources of authority for this memorandum.

Effect on Other Documents: This IRM deviation memorandum affects IRMs 5.1.15, Abatements, Reconsiderations, and Adjustments; 5.4.10, General Case Processing; and 5.9.3, Debtor’s Delinquent Accounts.

Effective Date: This guidance is effective 07/25/2023 through 07/25/2025.

Procedural Change: Employees in Field, Insolvency, and Campus Collection should follow the instructions below for procedural changes.

Revenue Officer (RO) / Insolvency Caseworker Procedures for Processing COVID-19-Related Adjustment Requests

Effective July 25, 2023, employees may send all Forms 94X-X that contain COVID-19 employer tax credits and/or social security tax deferrals to Centralized Case Processing (CCP) for adjustment via Form 3870, Request for Adjustment, through

the Integrated Collection System (ICS) (when possible) in accordance with normal procedures outlined in IRM 5.1.15.5.4, Employment Tax Adjustments. Please note this guidance excludes backend aggregate filer social security tax deferrals worked by the Third-Party Payer (TPP) Deferral Program in CCP.

Per the revised Service-Level Agreement (SLA) between W&I and SB/SE, effective May 9, 2023, Accounts Management (AM) will process Status 26 Forms 94X-X that contain COVID-19 employer tax credits and/or social security tax deferrals (excluding backend aggregate filer social security tax deferrals). As a result, CCP will send all Form 94X-X adjustment requests that contain COVID-19 employer tax credits and/or social security tax deferrals to AM for adjustment per the revised 'Status 26 SLA Case Procedures' document, dated June 27, 2023.

If the employee was holding a Form 94X-X in accordance with prior IRM deviation memorandum SBSE-05-0922-0035, then the employee may now send the form to CCP. **After** sending the Form 94X-X to CCP, the employee should send an email to *SBSE CEASO COVID Adjustments (Civil Enforcement Advice and Support Operations (CEASO)) and request closure of the IDRS control number 0577155555 for all affected tax periods. The email should include the following information:

- Employer name
- Employer identification number (EIN)
- Master File Tax (MFT)
- Affected tax period(s)

The employee should continue to work the case in accordance with normal procedures and monitor the account for adjustment of the applicable tax periods. Once the Form 94X-X adjustment is processed, then the employee should close any Other-Investigations (OIs) opened to monitor the Form 94X-X adjustment.

Field Collection Group Manager (GM) Actions:

Field Collection group managers (GM) should return any cases assigned to hold file, XXXX-XX99, (assigned in accordance with prior IRM deviation memorandum, SBSE-05-0922-0035) to the originating RO. The originating RO should send the Form 94X-X to CCP for adjustment, request closure of the IDRS control through CEASO, and close the associated OI once the adjustment is processed, per the guidance stated above.

Civil Enforcement Advice and Support Operations (CEASO) Procedures:

CEASO tax examining technicians will close the IDRS control on TXMODA under the employer EIN and tax periods listed in the email from the RO or Insolvency caseworker. The CEASO employee should reject the request from the RO or Insolvency caseworker if the email does not contain **all** information listed below:

- Employer name
- Employer identification number (EIN)
- MFT
- Affected tax period(s)

Centralized Case Processing (CCP) Procedures:

CCP employees should follow the guidance in the ‘Status 26 SLA Case Procedures’ document, dated June 27, 2023, for processing Form 94X-X adjustments that contain COVID-19 employer tax credits and/or social security tax deferrals.

Contact: If you have any questions regarding the guidance in this memorandum, you may contact Employment Tax Program Manager, Kerri Hansen; Campus Policy Program Manager, Tara Ogilby; Insolvency Policy Program Manager, Tiffany Lentz; or a member of your staff may contact Employment Tax Program Analyst, Erin Heaps; Campus Policy Program Analyst, Meghan Eckles; or Insolvency Policy Program Analyst, Maria Valerio. Field Collection, Specialty Collection – Insolvency, and Campus Collection employees should direct all questions through their local management chain.

Distribution:

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