

IRM PROCEDURAL UPDATE

DATE: 10/02/2023

NUMBER: sbse-05-1023-0992

SUBJECT: Transfer Instructions for Taxpayers Calling to Verify Field Employee ID; Citation Linking to Centralized Authentication Policy

AFFECTED IRM(s)/SUBSECTION(s): 5.19.1

CHANGE(s):

IRM 5.19.1.2 (15) Balance Due Overview Added new paragraph including CSCO & ACSS as DUT receipt stakeholders.

(15) Beginning in 2023, some taxpayers will receive a link to upload documents via DUT on certain outgoing correspondence. CSCO and ACSS will process these uploads as incoming receipts.

IRM 5.19.1.2.3 (1) (Taxpayer If & Then Table) Disclosure Overview: Verifying Identity of Contact Party Updated IRM Citation linking to Centralized Authentication Policy.

(1) For purposes of identification and to prevent unauthorized disclosures of tax information, follow the chart below:

If the contact is ...	Then ...
Taxpayer	See IRM 10.10.3, Centralized Authentication Policy – Centralizing Identity Proofing for Authentication Across All IRS Channels.
Taxpayers who filed jointly but are now divorced or separated	Returns and return information of individuals filing income tax returns jointly may be disclosed to either of the individuals with respect to whom the return is filed. See IRM 11.3.2.4.1.1, Disclosure of Collection Activities with Respect to Joint Returns, for rules that apply for joint taxpayers who are no longer married or no longer reside in the same household. See IRM 5.19.5.4.13, ACS and Disclosure, for examples.
Mailing and Faxing Tax Account Information	See IRM 21.1.3.9, Mailing and Faxing Tax Account Information, IRM 11.3.2.6, Methods for Communication of Confidential Information, IRM 21.2.3.5.5, Using Electronic Fax Services,

If the contact is ...	Then ...
	and IRM 21.2.3.5.5.1, IRS Electronic Fax System.
Power of Attorney (POA), Form 2848, Power of Attorney and Declaration of Representative	See IRM 11.3.3, Disclosure to Designees and Practitioners, and IRM 21.1.3.3, Third Party (POA/TIA/F706) Authentication.
Tax Information Authorization (TIA) - Form 8821, Tax Information Authorization	See IRM 11.3.3.3, Disclosure to Third Parties Based Upon Taxpayer Request for Assistance. See IRM 11.3.3.4(1), Distinction Between Disclosure to Designees and the Conference and Practice Requirements. See IRM 11.3.3.4(2), Distinction Between Disclosure to Designees and the Conference and Practice Requirements. See IRM 21.1.3.3, Third Party (POA/TIA/F706) Authentication. Note: Refer to IRM 5.19.1.2.3.1, Instructions for Form 8821, Taxpayer Information Authorization.
Oral Disclosure Consent	See IRM 11.3.3.3.2, Requirements for Oral Authorization.
Parent/Guardian of Minor	See IRM 11.3.2.4.10, Minors.
Hearing Impaired (including telecommunications device for the deaf (TDD) equipment	See IRM 11.3.2.3.2(2), Requirements for Verbal or Electronic Requests and IRM 21.2.1.56(5), Deaf/Hard of Hearing (DHOH) Callers and TTY/TDD Equipment.
Language or Sign Interpreter	See IRM 11.3.2.3.2(2), Requirements for Verbal or Electronic Requests and IRM 21.2.1.56, Deaf/Hard of Hearing (DHOH) Callers and TTY/TDD Equipment.
Checkbox Designee	See IRM 11.3.3.3.2, Requirements for Oral Authorization, and IRM 21.1.3.3.1, Third Party Designee Authentication.
Third-Party: Levy Source	See IRM 11.3.2.2, General Rules of Disclosure to Persons Having Material Interest. See IRM 11.3.21.7, Disclosure by Certain Officers and Employees for Investigative Purposes - IRC 6103(k)(6) and IRM 11.3.21.14, Disclosure of Levies on Certain Government Payments - IRC 6103(k)(8).
Third-party: Lien payoff	Refer Financial institutions requesting a lien payoff/release to the Lien Unit at: 800-913-6050. See IRM 11.3.11.10, Disclosure of Amount of Outstanding Lien, and IRM 5.19.4.6.5, Lien Releases. Note: Advise taxpayers who have an IA to continue making their scheduled payments until the balance is paid.

If the contact is ...	Then ...
Third-party: claiming a willingness and means to pay the balance due	See IRM 11.3.21.7, Disclosure by Certain Officers and Employees for Investigative Purposes - IRC 6103(k)(6) and IRM 11.3.21.14, Disclosure of Levies on Certain Government Payments - IRC 6103(k)(8). Note: Wage levy sources requesting a levy payoff/release must be advised to continue sending payments until a levy release is received.
Third-party requesting account balance where the Notice of Levy or ACS letter advises the taxpayer to call for a detailed calculation of penalty and/or interest.	See IRM 11.3.21.7, Disclosure by Certain Officers and Employees for Investigative Purposes - IRC 6103(k)(6) and IRM 11.3.21.14, Disclosure of Levies on Certain Government Payments - IRC 6103(k)(8). Note: Calculate and assess the restricted penalty and/or interest. See IRM 20.2.1.4, Normal and Restricted Interest, IRM 20.2.1.4.2, Manual Calculation of Interest, and IRM 21.5.6.4, Freeze Code Procedures, for additional information on the manual computation of restricted interest and updating modules.
Third-Party claiming a material interest	See IRM 11.3.2.4, Persons Who May Have Access to Returns and Return Information Pursuant to IRC 6103(e).
Responsible Persons assessed a Trust Fund Recovery Penalty (TFRP)	See IRM 11.3.2.4.14, Trust Fund Recovery Penalties.

Note: If making out-calls and there is a valid POA on file, you **must** contact the POA and not the taxpayer.

IRM 5.19.1.2.3.2 (2) 4th Bullet & (5) Additional Taxpayer Authentication Updated IRM Citation linking to Centralized Authentication Policy.

(2) Issues that require additional taxpayer authentication may include:

- Verbal account information other than refund status, and taxpayer does not have any open account issues or notices.

Example: Calls requesting the prior year Adjusted Gross Income (AGI).

- Oral statement requests to change an address on an account without an open issue.

Note: If the taxpayer is asking for transcripts (tax account, tax return, record of account, wage and income, verification of non-filing) and you are unable to verify required authentication, advise the caller to submit Form 4506-T, Request for Transcript of Tax Form, to the appropriate Return and Income Verification Services (RAIVS) unit.

- Verification of estimated tax payments on a module without a filed return can be made to the secondary taxpayer when the *preceding* year shows a joint return with that same secondary taxpayer **and** Remittance Transaction Register (RTR) shows the joint ES voucher or joint check showing the intent to make joint ES payments.

Caution: If the taxpayer is requesting verification of estimated tax payments in response to a notice received, see IRM 21.6.3.4.2.3(5), Estimated Tax (ES), for additional information.

- Accounts involving ID Theft or open controls under IDT1, IDT3, IDT8, IDT9, MXEN, SCRM or SSA2. See IRM 10.10.3.3.6, Identity Proofing for Required Taxpayer Authentication.
- Accounts with an MFT 32. See IRM 10.10.3, Centralized Authentication Policy – Centralizing Identity Proofing for Authentication Across All IRS Channels, and IRM 25.25.6.6, Non Taxpayer Protection Program (TPP) Telephone Assistors Response to Taxpayers.

(3) There will be times when systemic issues may cause problems with the IAT Disclosure tool's performance. When this occurs, see IRM 10.10.3.3.3, Identity Proofing for Additional Taxpayer Authentication for Collection Employees.

IRM 5.19.1.2.3.3.1 (1) Transfer Personal Identification Number (PIN) Acceptance Updated IRM Citation linking to Centralized Authentication Policy.

(1) Taxpayers may inform an IRS assistor they have a four (4) digit transfer PIN provided by the previous IRS assistor. When this occurs, see IRM 10.10.3.3.4, Identity Proofing for Transfer Personal Identification Number (PIN) Acceptance.

Reminder: The Transfer PIN may only be used by taxpayers. If a third-party attempts to use a Transfer PIN, **do not** accept it. Instead see paragraph (6) below.

(2) Input the taxpayer's TIN into the IAT Disclosure tool. If you are able to verify the four (4) digit transfer PIN provided by the taxpayer on the IAT Disclosure tool, you are considered to have met full disclosure per IRM 10.10.3.3.6, Identity Proofing for Required Taxpayer Authentication, as well as IRM 10.10.3.3.7, Identity Proofing for Additional Taxpayer Authentication, when required.

Caution: At this time, the transfer PIN is only good on an Individual Master File (IMF) to IMF transfer or a Business Master File (BMF) to BMF transfer within the

same TIN. The taxpayer is only validated on the TIN that holds the transfer PIN.

(3) If you are not able to verify the transfer PIN through the IAT Disclosure tool, apologize to the taxpayer and resume normal disclosure procedures found in IRM 10.10.3.3.6, Identity Proofing for Required Taxpayer Authentication.

Reminder: CC ENMOD history will reflect four (4) digit transfer PIN(s) previously issued, along with the date of issuance. If CC ENMOD history shows that the PIN was provided on a previous day, apologize to the taxpayer and explain that the transfer PIN is no longer valid. Continue normal disclosure procedures. See IRM 10.10.3.3.6, Identity Proofing for Required Taxpayer Authentication.

(4) The transfer PIN process is **only** valid on the *initial* call, including multiple transfers for the *same* call, and IRS callback initiated by the taxpayer via the Customer Callback Program while on hold after the initial call. The transfer PIN expires at the end of the call which generated it.

(5) The transfer PIN process covers *only* required taxpayer authentication in IRM 10.10.3.3.6, Identity Proofing for Required Taxpayer Authentication, as well as IRM 10.10.3.3.7, Identity Proofing for Additional Taxpayer Authentication.

(6) The transfer PIN process **is not** valid for third-party contact. See IRM 5.19.1.2.3.3 (5), Transfer Personal Identification Number (PIN) Generation.

(7) See IRM 21.1.3.2.5, Initial Authentication Transfer Procedures/Transfer PIN, and IRM 21.1.3.2.6, Accepting Transferred Calls When the Taxpayer Provides a 4-Digit Transfer PIN.

IRM 5.19.1.3.1 (2) & (3) Referrals to Manager - All Employees Updated the term designee to manager designee.

(2) If the manager can take the call immediately,

- a. Advise the caller you will attempt to refer them to your manager. Ask the caller to please hold.
- b. Contact your supervisor or appointed manager designee. Transfer the call to the manager or manager designee in accordance with your local procedures. Areas using the UCCE System may transfer the call using "Inside Line."

(3) If your manager or manager designee is not available,

- a. Inform the caller accordingly. Advise the taxpayer that they will receive a return call within 24 hours (one business day) of the taxpayer's call.
- b. Secure from the caller the best time and day (same day of the call or next day) for your manager or manager designee to return the call.

- c. If working ACS or ACSS, enter history code "TOC0,01,MGRCB". Refer the case to your manager in accordance with your local procedures.
- d. Managers will return the call within 24 hours.

IRM 5.19.1.3.2.3 (2), Taxpayer Advocate Service (TAS) Updated TAS new inventory function to S7, formerly R2 inventory.

(2) When appropriate, prepare Form 911, Request for Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance Order), and forward to your local TAS Office:

- a. If the taxpayer account is in ST 22, transfer the account "TOS7, 45,ATAO"
- b. If the taxpayer account is non-ACS, input CC STAUP for nine cycles
- c. For non AMS users, refer the taxpayer to the NTA toll-free number at 877-777-4778
- d. If you can resolve and close the TAS case issue in the "same day" as the taxpayer contact, input an IDRS history code item such as "1day/CL"; do NOT automatically refer the inquiry to TAS. For ACS (ST 22) accounts. See IRM 5.19.5.6.2, Working Contact Inventory.
- e. Refer taxpayers to the Taxpayer Advocate Service (TAS), see IRM 13, Taxpayer Advocate Service, when the contact meets TAS criteria IRM 13.1.7, TAS Case Criteria, and you can't resolve the taxpayer's issue the same day. The definition of "same day" is within 24 hours. "Same day" cases include cases you can completely resolve in 24 hours, as well as cases in which you have taken steps within 24 hours to begin resolving the taxpayer's issue. Do not refer "same day" cases to TAS unless the taxpayer asks to be transferred to TAS and the case meets TAS criteria. Refer to IRM 13.1.7.6, Same Day Resolution by Operations. When you refer cases to TAS, use Form 911, Request for Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance Order), and forward to TAS.
- f. If the case is TAS-assigned, locate and route the case to the TAS employee by using the IUUD: IDRS Unit & USR Database; if you are able to close the case the same day, coordinate with the TAS employee assigned to the case before taking action on the account.

IRM 5.19.1.3.2.4, Revenue Officer (RO) Assignment Converted alpha list under paragraph (2) to an If/Then table and added transfer instructions for taxpayers calling to verify Field Employee identification.

(2) Refer to the following table to determine the appropriate action:

If...	Then...
The case is assigned to a specific RO, with the last two digits of the assignment codes as 01-99 , and the taxpayer does not have the RO telephone number,	Provide the taxpayer with the group phone number available on the SERP, Who/Where tab to the RO by TSIGN/ZIP/STATE site.
The case is assigned to an RO group, but not yet assigned to a specific RO (last two digits of assignment code as 00),	<p>Inform the taxpayer verbally, or via Letter 86C, Referring Taxpayer Inquiry/Forms to Another Office, another office has jurisdiction of their account and they will contact the taxpayer when the account is assigned.</p> <p>Caution: Advise the taxpayer it could take up to 90 days before the RO contacts them.</p> <p>Note: Do not transfer the call or provide a direct telephone number of a revenue officer.</p>
The taxpayer already has the phone number of the RO,	<p>Advise the taxpayer to contact the RO directly.</p> <p>Exception: See steps in next row, if the taxpayer is calling to verify the identity of the RO.</p>
The taxpayer is calling to verify the identity of the RO as an IRS employee,	<ul style="list-style-type: none"> • Advise the taxpayer the IRS has a system in place to verify the RO's identity as an IRS employee, • Inform the taxpayer you will transfer them to the Physical Security Office who will ask for the RO's 10-digit identification number to verify their identity, and • Transfer the call to UCCE extension 3285 or direct dial via Finesse 413285.

Reminder: Inform the taxpayer it is in their best interest to make payments on the balance due to reduce the penalty and interest continuing to accrue until the balance is paid in full. Advise the taxpayer of available payment options per IRM 5.19.1.2.7, Ways to Submit Payments, and IRM 5.19.1.2.7.1, Taxpayer Responsibilities - When Submitting Payments by Check or Money Order.

IRM 5.19.1.3.4.1, Multilingual Services Revised paragraph (4) to updated display for Cisco finesse agent desktop.

(4) To use the OPI services, complete the following:

- **Conferencing a call from the Cisco Finesse Agent Desktop -** Press **Consult** to initiate a consult or conference call.

- A **Consult Dialing Pad** dialog box displays.
- In the Dialing Pad box enter the OPI toll-free number 888-563-1155 or use the contact list to select **Interpreter**.

Note: The taxpayer will still be able to hear you until you enter the phone number or select the drop down and press **Consult**.

- Enter your PIN number (**xxxx-xxxx**) - **this is a unique personal PIN for each employee**. PINs have been distributed to site management. If an employee does not have a PIN, management or local SA will contact coordinator to have one assigned, usually within 1 business day.
- **Select language:**

Press ...	For Language ...
1	Spanish
2	Creole
3	Mandarin
4	Korean
5	Vietnamese
6	Somali
7	Russian
8	French
9	Arabic
0	Operator assistance (To address any other language needs or concerns)

IRM 5.19.1.4.3, Determine Correct Tax Liability Revised amount of time from 45 to 60 days for taxpayers to submit a dispute of tax liability.

(1) The taxpayer may indicate verbally or in writing the tax liability is questionable, such as:

- They do not owe the balance due,
- They dispute the amount owed, or
- They do not know why they have a balance due

(2) Do not pursue collection if you are not able to determine the correct tax liability. However, you must address any delinquent returns as well as secure updated addresses and telephone number to update the account with current information. See IRM 5.19.1.4.2, Taxpayer Information.

(3) Allow the taxpayer an opportunity to dispute a liability they do not agree with by following the appropriate process described in the following paragraph.

Exception: If account history shows the taxpayer was previously allowed time to dispute their liability, but failed to submit a claim (or follow the appropriate process per the following paragraph) within 60 days, since the last history, and it is apparent the taxpayer is attempting to delay collection, pursue collection.

(4) Follow the instructions below if you determine the tax liability is questionable and a referral to another office is appropriate. Input CC STAUP to suspend further notices for 60 days prior to referring the balance due inquiry to another office/area; see paragraph (6) below).

If ...	Then ...
<ul style="list-style-type: none"> • IRM 5.19.1.4.3.1, Tax Liability Previously Paid, • IRM 21.1.3.18, Taxpayer Advocate Service Case Criteria, • IRM 5.19.1.5.18(4), Innocent Spouse, • IRM 5.19.8, Collection Appeal Rights, • IRM 5.19.1.4.3.2, Adjusting Tax for a Balance Due, • IRM 5.18.1, Automated Substitute for Return (ASFR) Program, or reconsideration return (taxpayer filed a return after the ASFR assessment was made), 	<p>Note: If the taxpayer requests an IA that MEETS criteria: IRM 5.19.1.6.4.7, Pending IA Criteria; input TC 971 AC 043 before referring the account to another office.</p>
Automated Underreporter (AUR),	See IRM 21.3.1.6.57, IMF Underreporter Letters.
SFR - Taxpayer disputes the assessment,	See IRM 5.18.1, Automated Substitute for Return (ASFR) Program, and SERP Who/Where, ASFR - Reconsideration Returns - Centralized Processing Sites
The taxpayer claims income as wages and the employer reported the income made to a subcontractor,	Determine if the taxpayer qualifies for a Form SS-8, Determination of Worker Status for Purpose of Federal Employment Taxes and Income Tax Withholding, determination and referral; for detailed procedures,

If ...	Then ...
	see IRM 21.7.2.5.3(1)-(3), Worker Classification Determinations.
Audit Reconsideration,	<ul style="list-style-type: none"> • See IRM 21.5.10.4.3, Audit Reconsiderations, or • Use the Exam Project Code Search to assist taxpayers with closed Examination issues. See IRM 4.13.2.3, Role of Contact Employees when a Reconsideration Request is Received and the Examination was Performed in the Area Office or Campus Examination Function. <p>Note: ACS employees may follow IRM 5.19.1.4.3.3, ACS Procedures for Accessing CEAS on Closed Examination Cases.</p>
CSED Reconciliation or Verification needed,	<ol style="list-style-type: none"> 1. The CSED is normally ten years from the date of an assessment; however, a number of events, such as the filing of an Innocent Spouse claim or bankruptcy, will suspend the ten year period. Guidance for determining the CSED can be found in IRM 25.6.1.12, Collection Statute Expiration Date (CSED), or IRM 5.1.19, Collection Statute Expiration. 2. If the account meets the criteria listed in IRM 5.19.10.4(8), Collection Statute Expiration Date (CSED) Verification and Correction, refer it to a CSED Specialist per: SERP under Who/Where tab, CSED Referrals - Campus
Taxpayer disagrees with the Failure to File (FTF), Failure to Pay (FTP), and/or Failure to Deposit (FTD) penalties,	<p>Determine whether the taxpayer meets Reasonable Cause abatement criteria. See IRM 20.1.1, Introduction and Penalty Relief.</p> <p>Note: When considering requests for relief from the FTF, FTP, and/or FTD penalties, determine if the taxpayer is eligible for the first time abate (FTA) administrative waiver using the Reasonable Cause Assistant (RCA), when applicable. See IRM 20.1.1.3.1, Unsigned or Oral Statement Requests for Penalty Relief, IRM 20.1.1.3.6, Reasonable Cause Assistant (RCA), and IRM 20.1.1.3.3.2.1, First Time Abate (FTA).</p> <p>Exception: ACSS employees should refer to IRM 5.19.6.12(12), Receiving and Sorting Incoming Mail, for penalty abatement requests involving:</p>

If ...	Then ...
	<ul style="list-style-type: none"> • Form 8288, U.S. Withholding Tax Return for Dispositions by Foreign Persons of U.S. Real Property Interests (MFT 17), • Form 8804, Annual Return for Partnership Withholding Tax (Section 1446) (MFT 08), and/or • Form 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax (MFT 08).

(5) If there is an open control base, contact the employee for case processing instructions. See IRM 21.5.2.3(5), Adjustment Guidelines - Research.

Note: If the account has a TC 971 AC 043, and is controlled in "M" status and you can resolve the account, there is no need to contact the employee.

(6) Use CC STAUP to interrupt the normal notice routine by delaying, accelerating or skipping notices. Employees can request a notice be stopped by taking the following actions:

- a. Prepare Form 4442, Inquiry Referral /Letter 4442C, Inquiry Referral. See IRM 21.3.5, Taxpayer Inquiry Referrals Form 4442.
- b. Forward Form 4442, Inquiry Referral /Letter 4442C, Inquiry Referral, to Output Review at the appropriate campus prior to the Wednesday before the 23-C date.

Note: If time does not allow forwarding Form 4442, Inquiry Referral /Letter 4442C, Inquiry Referral, contact Output Review by telephone prior to 10:00 AM the Wednesday before the 23-C date. Form 4442, Inquiry Referral /Letter 4442C, Inquiry Referral, must be received in the campus Output Review Unit by the Wednesday before the 23-C date of notice. Notices not selected for review are mailed throughout the week. Notices selected for review are held until the Friday before the 23-C date.

IRM 5.19.1.4.3.2, Adjusting Tax for a Balance Due Revised two notes under paragraph (1) for questions regarding an outstanding NFTL.

(1) If an adjustment to the tax is required, follow the appropriate adjustment procedures:

- IRM 21.5, Account Resolution
- IRM 21.6, Individual Tax Returns
- IRM 21.7, Business Tax Returns and Non-Master File Accounts

Note: If tax liability is satisfied and there is an outstanding NFTL, see IRM 5.19.4.6.5, Lien Releases.

Note: Provide the taxpayer Pub 4235, Collection Advisory Offices Contact Information, if the taxpayer has additional questions about the NFTL or refer the taxpayer to IRS.gov to retrieve the publication.

IRM 5.19.1.5.15 Criminal Restitution Assessments Updated the procedures and added the RBA IRM link.

(1) **Background** - Following the conviction of a defendant for a criminal tax violation or tax-related offense, the court may order the defendant to pay restitution to the Internal Revenue Service. The requirement that the defendant pay restitution will be contained in a document signed by the judge called a Judgment and Commitment Order (J&C). In 2010, Congress amended IRC 6201 to provide that the IRS shall assess and collect tax-related restitution in the same manner as if such amount were tax. This change in IRC 6201 applies to restitution in all J&Cs entered after August 16, 2010.

(2) **Identification of Assessments** - Restitution assessments will be made on MFT 31 and can be identified by TC 971 AC 102. See IRM 5.1.5.15.4, Identifying Restitution-Based Assessments (RBA).

(3) Restitution assessments on BMF will be on MFT 02, 06, 05, etc. It is expected that restitution assessments on a BMF will be rare. When a restitution assessment is made against an officer of a corporation, the assessment will be made on the MFT 31 of the defendant/officer.

(4) **Campus Case Actions** - Restitution cases will **not** be worked by Campus employees, except as follows:

- a. If there is a module in ST 26 and an RO assignment is present and there are other modules in Notice Status, input CC STAUP to accelerate the modules according to current procedures.
 - b. If the MFT 31 module does not contain a TC 470 cc 93, is in another status, or the transaction will expire in the near future, contact your local Advisory Probation Liaison (APL) for further guidance. Send the request to the CEASO group mailbox at: sbse.eef.dallas.restitution@irs.gov
- The APL may advise the contacting employee to input a TC 470 cc 93 on all modules, placing the account in a ST 53 hold or advise the contacting campus employee to CC ASGNI the account to a designated RO group.
 - Otherwise, the APL receiving contact from Campus Collection employees about restitution modules or related assessments, may issue an Other Investigation (OI) to the appropriate Field Area group with instruction to

assign all modules for the taxpayer if the case is not already assigned to the Field Area.

IRM 5.19.1.5.24.1, Third-Party Payer and Common Law Employer Contacts Regarding Unpaid Deferred Social Security Tax Added new subsection to include guidance for third-party payer and common law employers contacts regarding deferred social security tax.

Third-Party Payer and Common Law Employer Contacts Regarding Unpaid Deferred Social Security Tax

(1) This subsection provides guidance for responding to Third-Party Payer (TPP) and Common Law Employer (CLE) contacts regarding unpaid deferred Social Security (SS) tax.

(2) **Background:** Under the CARES Act (Section 2302(c) of PL 116-136), CLEs are solely responsible for the payment of any deferred amounts of SS tax if they directed their TPP (e.g., certified professional organization (CPEO) or IRC section 3504 agent) to defer such taxes. The TPPs report all deferred social security taxes on their aggregate Form 94X with information specific to each client listed on Schedule R. To retain as much systemic efficiency as possible, the IRS set policy for the TPP to:

- Report the sum of the deferred amounts of SS tax (or applicable railroad retirement tax) on their aggregate employment tax return,
- Coordinate with their CLE clients to collect deferred SS tax amounts, and
- Pay any amounts of deferred SS tax to the IRS that they collected from their CLE clients.

(3) The IRS established this policy because all wages remain reported under the aggregate filer (TPP) and align with Forms W-2 and document matching programs. The IRS informed the aggregate filers of this policy through COVID Tax Tip 2021-99 and through the CP 256V landing page. From October 2021 through December 2021, the IRS issued BMF notices CP 256V to remind TPPs of the installment due dates for the deferred amounts of SS tax.

Note: Aggregate returns impacted by this legislation are: Form 941 (MFT 01), tax periods 202003, 202006, 202009, 202012 and Form 943 (MFT 11), tax period 202012.

(4) The unpaid deferred SS tax amounts will be moved from the aggregate module to the CLE TIN so the IRS can pursue collection from the CLE. The information below explains how to identify modules impacted by this project and addresses questions and answers that may be helpful when assisting a TPP or the CLE client who has concerns about their account.

(5) How to Identify Modules with Unpaid Deferred SS Tax:

- The aggregate filer (TPP) module will reflect a reversal of the **false credit** via a TC 298 to post a TC 767 CRN 280 for any unpaid deferred SS tax, which will create a balance due on the module. When the unpaid deferred SS tax is moved to their CLE clients TIN there will also be one TC 291 for the complete amount of unpaid SS tax.
- There are two ways unpaid deferred SS tax may have been moved to the CLE TIN depending if there was an existing TC 150 on the module at the time the deferred SS tax was to be moved. **TC 150 present;** If the CLE TIN shows an existing TC 150 for the Form 94X tax period, the unpaid deferred SS tax will be moved from the aggregate return to the CLE TIN via a TC 290 adjustment. **No TC 150;** If the CLE TIN shows no TC 150 for the Form 94X tax period, a prompt assessment via Form 2859 is made to post a TC 290 for the full amount of unpaid SS tax. The Doc Cd for these DLNs will show 51 and have a TC 370 and TC 971 AC 665 present. There will also be additional adjustments seen to establish the deferred SS tax credit and unpaid deferred SS tax due by the installment due dates.

Note: Once the unpaid SS tax is moved to the CLE TIN, that module enters notice status.

Caution: Once the TC 290 posts, the module immediately enters balance due status, and a notice may be issued to the taxpayer before the first adjustment to establish the deferred SS tax credit can be made. This notice will reflect incorrect penalty and interest assessments. Tell the taxpayer to disregard that notice. The IRS will issue the current balance due notice reflecting accurate penalty and interest once the account is corrected to show the deferred SS tax information and adjustments.

(6) Employees may receive phone calls or written correspondence from TPPs or the CLE clients regarding this project. Refer to the appropriate table below when assisting TPP aggregate filers and CLE clients.

- **TPP Aggregate Filer Contacts:**

<u>If the TPP...</u>	<u>Then</u>
Wants to report the unpaid deferred SS tax for their CLEs,	Advise them to follow the guidance on the CP 256V landing page on IRS.gov. Provide them the url: https://www.irs.gov/individuals/understanding-your-cp256v-notice and inform them this website explains what they must submit to the EEFax number listed there.
Received a balance due notice for unpaid deferred SS tax and does not agree because	Advise them to follow the guidance on the CP 256V landing page on IRS.gov. Provide them the url: https://www.irs.gov/individuals/understanding-your-cp256v-notice and inform them once they provide the needed information, the IRS may begin moving the

<u>If the TPP...</u>	<u>Then</u>
the balance is due to the CLE client unpaid deferred SS tax,	unpaid deferred SS tax amounts to reduce or eliminate the balance on the aggregate sides TIN.
Sent the required documentation via the EEFax number but has not received a response from the IRS,	<p>Research the account for an open control to CCP (Control Category: "TPRQ", Status: "M", Activity Cd: "TPPDEFRL").</p> <ul style="list-style-type: none"> ○ If there is an open control to CCP, advise the TPP the IRS received their information for that module(s) and it will be worked in order of receipt. Ask them to allow time for the IRS to process the information and they will be notified once necessary actions have been taken. ○ If there is no open control, and it's been over 30 days since they've submitted the information advise them to resubmit the information again via EEFax. See CP 256V landing page on IRS.gov.
Received a notice of adjustment that the unpaid deferred SS tax has been moved but disagrees with the action taken,	Advise the TPP to submit a written explanation of the needed change(s) and applicable forms or information to support the correction via EEFax to CCP. See CP 256V landing page on IRS.gov.
Mailed the required information for the unpaid deferred SS tax belonging to their CLE clients instead of sending via the required EEFax number,	<p>Inform them once the IRS receives the information it will be routed accordingly and worked in the order of which it was received.</p> <p>Note: # [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED] #</p>

- **CLE Client Contacts:**

<u>If the CLE...</u>	<u>Then</u>
Received a notice of balance due and doesn't understand why,	<p>Review the module to determine if the balance is caused by moving the unpaid deferred SS tax from the aggregate TIN.</p> <p>Explain they should contact their TPP and refer them to the following links that give additional information about deferred SS taxes COVID Tax Tip 2021-99 (https://www.irs.gov/newsroom/making-payments-for-</p>

<u>If the CLE...</u>	<u>Then</u>
	deferred-tax-reported-by-third-party-payers) and Tax Tip 2021-32 (https://www.irs.gov/newsroom/what-employers-need-to-know-about-repayment-of-deferred-payroll-taxes).
Does not agree with the amount of unpaid deferred SS tax that is reflected on their account,	Explain the unpaid deferred SS tax amount was reported by their TPP. If they do not agree with this amount, they must contact their TPP to resolve the issue. If a correction is needed, the TPP must EEFax the information, which should include an explanation of the change, and applicable forms to support the correction.
Wants to make a payment for the unpaid deferred SS tax after December 31, 2022	Advise the CLE to make the payment to their CLE TIN. They must make the payment separate from other tax payments and must submit a separate payment for each tax period. They can make the deferral payment through the EFTPS.

Note: The EEFax number provided in IRS.gov is ONLY for TPPs, **do not** encourage CLE clients to send information to that EEFax.

IRM 5.19.1.6.4.1, Determining Appropriate IA Moved Note from second row of table under paragraph (2) to under paragraph (1). To clarify that an IA with increased payments can be accepted for any SIA and IA.

(1) Determine if the account meets SIA criteria, based on the AAB (CC SUMRY) or if the IA requires securing a financial statement. See IRM 5.19.1.2.6.3, Installment Agreements.

Note: The payment amount need not be the same throughout the 72 months for a SIA; the IA can have increasing payments provided the AAB (CC SUMRY) is full paid within 72 months or the CSED, whichever is shorter.

Note: If an IA determination cannot be made within 24 hours, and the request meets pending IA criteria: IRM 5.19.1.6.4.7, Pending IA Criteria. You must input a TC 971 AC 043 to stop any collection activity while making an IA determination.

(2) When speaking to the taxpayer or working correspondence **and** the AAB (CC SUMRY) amount is \$25,000 or less (including any modules in ST 53 or 23, as well as pre-assessed/unassessed modules), follow the procedures in the table below:

Exception: For IBTF Express Agreements, see IRM 5.19.1.6.4.2, IA Requirements IBTF Express Agreement.

Note: Refer to IRM 5.19.1.4.1(3), Account Actions on Referral/Redirects, for modules in ST 24.

Reminder: ACS Employees: Refer to Exhibit 5.19.1-3, ACS Call Flow.

Reminder: See Exhibit 5.19.1-9, ALNs, to determine the appropriate ALN.

If ...	And ...	Then ...
<ul style="list-style-type: none"> • Form 433-D, Installment Agreement, • Form 9465, Installment Agreement Request (any revision date), • Form 433-H, Installment Agreement Request and Collection Information Statement • Correspondence, • Phone request, or • Face to face request 	<p>A monthly payment amount is proposed that meets Guaranteed IA criteria (See IRM 5.19.1.6.4(8), IAs),</p>	<ol style="list-style-type: none"> 1. Process as a Guaranteed IA for the monthly payment amount proposed by the taxpayer. 2. Send Letter 2273C, Installment Agreement Accepted; Terms Explained, (or other appropriate letter). See IRM 5.19.1.2.5, Balance Due Outgoing Correspondence Guidelines. 3. Document AMS.
<ul style="list-style-type: none"> • Form 433-D, Installment Agreement, • Form 9465, Installment Agreement Request (any revision date), • Form 433-H, Installment Agreement Request and Collection Information Statement • Correspondence, • Phone request, or • Face to face request 	<ul style="list-style-type: none"> • The AAB (CC SUMRY balance) will be fully paid in 72 months, or • The agreement will be fully paid prior to the CSED, <p>whichever comes first,</p>	<ol style="list-style-type: none"> 1. Process as a SIA \$25,000 and under for the monthly payment amount proposed by the taxpayer. 2. Send Letter 2273C, Installment Agreement Accepted; Terms Explained, (or other appropriate letter). See IRM 5.19.1.2.5, Balance Due Outgoing Correspondence Guidelines. 3. Document AMS.

IRM 5.19.1.6.4.6.5 (6)c Processing Form 13844, Application for Reduced User Fee for Installment Agreements (KCSC ACSS Only) Added note clarifying the sources allowed to determine taxpayers low income qualification AGI.

(6) Review Form 13844, Application for Reduced User Fee for Installment Agreements, to ensure all requirements are met.

- a. Completeness - Determine whether all the required fields were completed.
- b. Family Unit size - This should match the most recently filed tax return.

Note: If the family unit size is listed as zero (0), this generally means they are not able to claim themselves as an exemption. As a result, they do not qualify for a reduced user fee.

- c. Adjusted Gross Income (AGI) - This should match the most recently filed tax return.

Note: Low income qualification should be based on whatever is the most recent year whether it be on the Form 13844 with a copy of a recently filed return attached or via RTVUE for the most recent tax year.

- d. Appropriate signature(s)
- e. The reduced user fee is for individuals; it does **not** apply to corporations or partnerships.
- f. Form 13844, Application for Reduced User Fee for Installment Agreements, must be received within 60 days from the IA being granted or revised per CC IADIS, or letter date on CC ENMOD, (whichever is later) of CC ENMOD letter date.
- g. If required information is missing from the form, does not match the most recently filed tax return, the entity is not an individual, or the form was not received timely, deny the request and send Letter 4213C, Reduced Installment Agreement User Fee Rejected (use the appropriate paragraph). Document AMS with the reason for rejection.

IRM 5.19.1.6.4.13, DDIA Revised withdrawal of NFTL references under paragraph (4).

(4) If a NFTL was previously filed, advise the taxpayer of IRM 5.19.4.6.4.1, Withdrawal of NFTL for Direct Debit Installment Agreements. Consider providing the taxpayer Pub 4235, Collection Advisory Offices Contact Information and Form 12277, Application for Withdrawal of Filed Form 668(Y), Notice of Federal Tax Lien, if the taxpayer has additional questions about the NFTL or refer the taxpayer to IRS.gov to retrieve the above documents.

IRM 5.19.1.6.8.1 (4) OPA Management Action Reports (MAR) Revised OPA MAR procedures for clarification and converted some guidance into an If/Then table.

(4) OPA Pending IA reports are processed by ACSS for ST 22 accounts and CSCO for Non-ACS accounts. Retrieve the report daily from TRIS for Pending IAs. OPA could not grant the IA because the proposed monthly payment amount was less than the required minimum, which does not fully pay the balance within 72 months. If the user agrees to submit a Form 433-F, Collection/Information Statement, OPA grants a pending IA and causes a TC 971 AC 043 to post. Process the MAR as follows:

If...	And...	Then...
Working Pending IA Report	Account has modules in ST 22	Move "TOS5, 60,OPAPN"
Working Pending IA Report	No modules in ST 22	Establish a control base in "B" status, using the unique IDRS number established at your site for such cases OPA , activity code "IAPNDmmd", and the date of the report as the received date and category code. Input a CC STAUP 2209 for nine cycles. Use the CCA Overage Report to monitor these cases; when the case is 60 days old, check IDRS.
OPA MAR - Actions not completing due to systemic problems	N/A	Determine what actions are missing and take appropriate steps to resolve, such as input TC 971 AC 043, send letter.
OPA Payment Report	Account has modules in ST 22	Process following the procedures for Tris-Voice balance due Report. See IRM 5.19.6.23, TRIS - Voice Balance Due Report
OPA Payment Report	No modules in ST 22	No action needed

(5) After completing all required steps, employees working **Non-ACS accounts** follow procedures below as appropriate:

If ...	Then ...
The account is in ST 60 OR there is indication the CIS is received and has been/is being worked.	Close the control as "no action" and allow the CC STAUP to expire.

If ...	Then ...
There is no indication the required CIS was received.	Reject the IA; for failure to provide CIS: IRM 5.19.1.6.4.9, IA Rejection Criteria. Note: In Block "12a" of Form 12233, Request for Installment Agreement- Independent Review Prior to Rejection, enter "OPA MAR".