



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
Washington, DC 20224

SMALL BUSINESS / SELF-EMPLOYED DIVISION

December 19, 2014

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MEMORANDUM FOR DIRECTORS, FIELD EXAMINATION
DIRECTORS, CAMPUS EXAMINATION
DIRECTORS, REFUNDABLE CREDITS EXAMINATION
OPERATIONS

FROM: Joseph L. Wilson */s/ Joseph L. Wilson*
Director, Field, Campus Exam and AUR Policy

SUBJECT: Interim Guidance Adding New Standard Paragraph Explanations
for IRC 6676 Erroneous Claim for Refund or Credit and IRC
5000A Shared Responsibility Payment

The purpose of this interim guidance is to add new standard paragraphs that can be used immediately. Please ensure this information is distributed to all affected employees within your organization.

The following standard paragraph for IRC 6676 Erroneous Claim for Refund or Credit has been added as follows:

Standard Paragraph #8141 – Erroneous Claim for Refund or Credit Penalty

When you file an erroneous claim for refund or credit for an excessive amount for which there is no reasonable basis, we charge a penalty equal to 20% of the excessive amount.

The excessive amount is the amount by which your claim for refund or credit exceeds the amount allowable. See IRC 6676.

Four new standard paragraphs for the IRC 5000A Shared Responsibility Payment have been added. These paragraphs are as follows and are shown in the attachment:

- 8711 - Adjustment to self-reported individual shared responsibility payment: Due to change in household income

- 8712 - Adjustment to self-reported individual shared responsibility payment: Due to change in household income - family member
- 8713 - Adjustment to self-reported individual shared responsibility payment: Due to change in month(s) of coverage
- 8714 - Adjustment to individual shared responsibility payment: Due to no minimum essential coverage or exemption. SRP not reported on return (SILENT RETURN)

These new standard paragraphs will be incorporated into the Report Generation Software (RGS). Prior to the RGS update, examiners can insert these paragraphs using the [custom paragraph](#) feature in RGS.

This guidance will be incorporated into IRM 4.10.10, *Standard Paragraphs and Explanation of Adjustments*, by December 19, 2016.

If you have any questions, please contact me or a member of your staff may contact Cathy Demetra, Program Manager, Examination Policy, Field Examination, General Processes.

Attachment (1)

Distribution:

www.IRS.gov

**Attachment – New Standard Paragraphs
SBSE-04-1214-0084**

IRC Section 5000A Shared Responsibility Payment Standard Paragraphs

Standard Paragraph #8711 - Adjustment to self-reported individual shared responsibility payment: Due to change in household income

Your individual shared responsibility payment (SRP), as required by Section 5000A of the Internal Revenue Code, is calculated using your household income. Your household income is the sum of your modified adjusted gross income (MAGI) and the MAGI of each dependent reported on your return if that dependent is required to file his or her own tax return. Your MAGI is computed by adding any excluded foreign income and tax exempt interest received to your adjusted gross income. Due to the change we made to your MAGI, we adjusted your individual SRP accordingly. We attached a worksheet to show how we made our change to your individual SRP.

Standard Paragraph #8712 - Adjustment to self-reported individual shared responsibility payment: Due to change in household income - family member

Your individual shared responsibility payment (SRP), as required by Section 5000A of the Internal Revenue Code, is calculated using your household income. Your household income is the sum of your modified adjusted gross income (MAGI) and the MAGI of each dependent reported on your return if that dependent is required to file his or her own tax return. Your MAGI is computed by adding any excluded foreign income and tax exempt interest received to your adjusted gross income. During our examination of your tax return, we found that you did not include the MAGI of one or more family members who were required to file his or her own return. As a result, we adjusted your individual SRP accordingly. We attached a worksheet to show how we made our change to your individual SRP.

Standard Paragraph #8713 - Adjustment to self-reported individual shared responsibility payment: Due to change in month(s) of coverage

Your individual shared responsibility payment (SRP), as required by Section 5000A of the Internal Revenue Code, is calculated based on each month that you or another member of your tax household did not have either minimum essential coverage or a coverage exemption. During our examination of your tax return, we found that you incorrectly reported the number of months that either you or a member of your tax household had minimum essential coverage or an exemption. As a result, we adjusted your individual SRP accordingly. We attached a worksheet to show how we made our change to your individual SRP.

Standard Paragraph #8714 – Adjustment to individual shared responsibility payment: Due to no minimum essential coverage or exemption. SRP not reported on return (SILENT RETURN)

Internal Revenue Code Section 5000A imposes an individual shared responsibility payment (SRP) if you or another member of your tax household did not have either minimum essential coverage or a coverage exemption for each month of the year. During our examination of your tax return, we found that you, or a member of your tax household, did not have either minimum essential coverage or a coverage exemption for one or more months during the year. As a result, we computed your SRP as shown in the attached worksheet.