



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

SMALL BUSINESS/SELF-EMPLOYED DIVISION

March 03, 2016

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Expiration Date: 07/01/2016

MEMORANDUM FOR DIRECTOR, SPECIALTY EXAMINATION, EXCISE FUEL
TERRITORY MANAGERS, EXCISE GROUP MANAGERS AND
EXCISE FIELD EXAMINERS

FROM: Alfredo Valdespino /s/ *Alfredo Valdespino*
Acting Director, SB/SE Specialty Examination Policy

SUBJECT: New MFT and Activity Code for IRC §§ 6675, 6718, 6719, and 6725
Penalty Assessments

The purpose of this memorandum is to re-issue Interim Guidance (IG) Memorandum SBSE-04-0315-0012 dated March 16, 2015, which provides guidance of a change to the Master File Tax (MFT) Account Code and Activity Code for certain penalty case controls. Please ensure this information is distributed to all affected employees within your organization.

The ERCS system has been updated to include MFT "PH" and Activity Code "555", as new identification codes for the following penalty cases:

- §6675 - Excessive claim
- §6718 - Failure to display tax registration on vessels
- §6719 - Form 637 Registration, and
- §6725 - ExSTARS Information Reporting Penalty

ERCS will not accept MFT P9 and Activity Code 506 data entries. The new codes are to be used to establish these penalty cases. Active cases established under the old codes will remain in place and closed in the original status.

This guidance will be incorporated into IRM 4.24.17 prior to the expiration of this memo. If you have questions contact Tom Deis, Acting, Fuel Tax Policy Manager.

cc: www.irs.gov