IRM PROCEDURAL UPDATE

DATE: 09/25/2015

NUMBER: SBSE-04-0915-1437

SUBJECT: BMF-AUR

AFFECTED IRM(s)/SUBSECTION(s): 4.119.4

CHANGE(s):

IRM 4.119.4.2.2(5) revised as the case is worked

5. An action trail MUST be made part of the case file. As the case is worked, document actions taken.

    NOTE: Case notes are part of the official case file and may be viewed by the taxpayer.

IRM 4.119.4.21.1.11(4) added as an attachment deleted authorized representative

4. The Form 2848, Form 8821, or a document/letter in lieu of these two forms, a facsimile (FAX), or photocopy of these forms should contain relevant information requested of a signatory by a Form 2848 or Form 8821, including:
    - Name, EIN, and mailing address of the entity
    - Name and mailing address of the designated representative Power of Attorney (POA) or Tax Information Authorization (TIA)

      CAUTION: DO NOT SEND copies of notices or Correspondex letters to the designated representative when the box on Form 2848 Part I, section 2 or Form 8821 box 5a is not marked.

    - Type of tax and the Federal tax form number
    - Tax year(s) or period(s) or specific use (POA) or specific matter (TIA)
    - Authorized signature and date of signature
    - In the case of a Form 2848, a completed Declaration of Representative (Part II)

    CAUTION: If the POA/TIA is determined to be invalid, return it to the taxpayer unless there is an indication that Form 2848 or Form 8821 has been sent to CAF for evaluation. Include the invalid POA/TIA as an attachment to Letter 2627C.

IRM 4.119.4.21.1.14(4) 4) deleted Form 12864 Case History Sheet

4. Take the following action to determine if a SCR is needed:
    1. Review the proposed assessment for technical and mathematical accuracy.
    2. Analyze the taxpayer's account to ensure all affected tax periods are processed appropriately.
    3. Verify the payer information is accurate.
    4. If the taxpayer provides an unacceptable response (or states they disagree without giving a reason) an attempt to resolve the issue(s) by telephone MUST be made. Document the contact, including if telephone contact could not be made.
    5. When the evaluation is completed, and it is determined that an SCR is needed, notify BMF-AUR Headquarters of the proposed action and any updates for review prior to distribution of the report to local management.

IRM 4.119.4.21.2(3) deleted "closing"

3. **Oral Statement Authority** is acceptance of information provided verbally to resolve account inquiries. The Toll Free BMF-AUR tool will be used to determine situations that will allow the Telephone Assistor to take actions on cases.

   NOTE: An Oral Statement cannot be used to close a case fully agreed. A signature must be secured.

IRM 4.119.4.21.2.2(3) added access specific account information

IRM 4.119.4.21.2.2(4) added asking for name

IRM 4.119.4.21.2.2(4) added Exception POA/TIA not required to provide taxpayer address

3. Telephone assistors must use the IAT Disclosure tool to complete disclosure. This is mandatory for all cases that require access to specific account information in order to resolve the caller's issue(s).
4. Using the IAT Disclosure tool, determine who the caller is by asking for their name and title. The following chart is a list of those who may be authorized to receive tax information.

REMINDER: Disclosure also requires that the caller give the entity name, EIN and address.

EXCEPTION: The POA/TIA is not required to provide the taxpayer address.

Form 1120 Corporation	o President o Officer authorized to legally bind the corporation. The authority to bind means the ability to execute agreements that are binding and legally enforceable against corporation under state law o Employee who signed the return and retains authority o Power of Attorney o Reporting Agent File o Third Party Designee o Oral Disclosure Consent
Form 1041 Estate or Trust	o Administrator, executor or trustee or personal representative whose name is listed in the entity portion of Master file. For banks listed as a trustee or a fiduciary ("ABC Bank Trust,") ensure the caller is a trust department employee not any bank employee/officer o Any heir at law, next of kin, or beneficiary who establishes material interests must submit their requests in writing o Power of Attorney authorized after death o Reporting Agent File o Third party designee o Oral Disclosure Consent

IRM 4.119.4.21.2.4(1) a) new issues that do not require accessing taxpayers account. Revised alpha list

1. If the call is a **general** inquiry or a request for information about:
    a. BMF Underreporter issue(s) that do not require accessing the taxpayer's account (e.g., "Where do I mail or fax my response?", etc.): respond to the issue(s).
    b. Account related issues (other than IMF-AUR) that do not pertain to the BMF-AUR case: provide the Customer Service number, 1-800-829-1040 for IMF and 1-800-829-4933 for BMF.
    c. IMF-AUR related, (i.e., CP2501, CP2000, CP 3219-A, etc.): transfer the call to IMF-AUR #92341 for English or #92342 for Spanish.

    NOTE: If the taxpayer does not want to be transferred or is calling outside the AUR operational hours (7:00 a.m. - 8:00 p.m. local time) provide the toll free number 1-800-829-8310.

    d. Tax forms: provide the toll-free number for forms, 1-800-829-3676, or provide the IRS web site address www.irs.gov.

    e. Tax transcripts: provide the toll-free number, 1-800-908-9946 for IMF and 1-800-829-4933 for BMF, or provide the IRS web site address, www.irs.gov.

    f. Balance Due (non - status 22): transfer call to Accounts Management #92030 for English or #92031 for Spanish.

    g. Combined Annual Wage Reporting (CAWR) employee wage information reported by employer, transfer call to Accounts Management #92030 for English or #92031 for Spanish.

    h. Balance Due (status 22): transfer call to Automated Collection System #92085 for English or #92076 for Spanish.

    i. Exam inquires (open TC 420 or -L Freeze): transfer call to Exam #92461 for English or #92462 for Spanish.

    j. Tax Law questions can be transferred to Accounts Management under certain conditions. See 2 below for additional information regarding when a tax law related question can be referred to Accounts Management.

    k. The "Source for Telephone Numbers" at http://gatekeeper.web.irs.gov/plList.asp provides a listing of telephone numbers most frequently requested by taxpayers (including National Taxpayer Advocate, federal Trade Commission (identity theft), Practitioner Priority Services (PPS), etc.).

    REMINDER: When transferring a call always inform the caller that they are being transferred.

IRM 4.119.4.21.2.5(1) cannot be answered without reviewing the account

1. **If the taxpayer has questions/information relating to a BMF-AUR case** that cannot be answered without further reviewing the account, access the taxpayer account on IDRS and the Letter repository to determine how to help them.

    REMINDER: If the caller is inquiring about multiple tax years, be certain that he/she has proper authority for each tax year in question and is entitled to receive information on those periods.

IRM 4.119.4.21.2.5(3) deleted "closing"

3. The Toll Free BMF-AUR tool will be used to determine situations that meet Oral Statement Authority to allow the Telephone Assistor to take actions on cases (based on the taxpayer's oral statements).

If	Then
The taxpayer's account **cannot** be resolved based on the oral statement:	a. Ask the taxpayer/representative to mail or FAX the information. b. Provide the general toll free e-FAX number to the caller. c. Document the call activity.
The taxpayer's account **can be** resolved based on the oral statement:	1. Document the call activity and the action being taken. 2. Request the case file from the Clerical Function. 3. When the case file is received, complete case processing using the documented call activity as the taxpayer's response.

IRM 4.119.4.21.2.5(18) added IAT Disclosure Tool

18. Input/verify the taxpayer/representative telephone number using the IAT Disclosure Tool or IDRS CC:TELEA/TELEC.

IRM 4.119.4.21.2.6(4) deleted Form 12864 Case History Sheet

IRM 4.119.4.21.2.6(4) Reminder added IAT Disclosure Tool

IRM 4.119.4.21.2.6(5) deleted Form 12864 Case History Sheet

IRM 4.119.4.21.2.6(7) deleted Form 12864 Case History Sheet

IRM 4.119.4.21.2.6(8) c) deleted Form 12864 Case History Sheet

IRM 4.119.4.21.2.6(9) 1) deleted Form 12864 Case History Sheet added Document the call

IRM 4.119.4.21.2.6(9) 3) added Annotate DCI with phone call date

4. There are times during the response phase when you **must** attempt to call the taxpayer to resolve the issue. Always document the attempt. You **must** attempt to call the taxpayer when the taxpayer:

REMINDER: Normal telephone procedures should be followed when making an out call. Input/verify the taxpayer telephone number using the IAT Disclosure Tool or IDRS CC:TELEA/TELEC.

a. Requests an appeal of our findings. Tax examiners must attempt to resolve the issue(s) by phone prior to forwarding the appeals request. See IRM 4.119.4.21.1.6, *Appeals*, for additional information.
b. Requests a phone call. Tax examiners must attempt a call even when the taxpayer provides a contact time which is outside the tax examiner's shift.
c. Fully agrees - but is missing required signature(s).

5. There are times during the response phase when you **may** attempt to call the taxpayer to resolve the issue. Always document the attempt. Attempt to call the taxpayer when the taxpayer:
   a. Submits full payment after the Letter 3219B, *Statutory Notice of Deficiency*, is issued, without the required signature(s).

      NOTE: If unable to reach the taxpayer by phone and you are requesting a missing signature for a case in Letter 3219B, *Statutory Notice of Deficiency*, phase where the suspense time frame has expired, do not issue a Letter 4550C, update DCI and case folder with PC 4850 and default the case.

   b. Omits requested information or documentation.

      NOTE: If unable to reach the taxpayer by phone, issue a Letter 4550C to request the missing signature(s) and/or /information.

6. When an outgoing phone call is initiated, the taxpayer may be reluctant to provide their Taxpayer Identification Number (TIN). To ease any concerns that the taxpayer may have, provide the taxpayer with the last four digits of the TIN and request that the taxpayer verify the first five digits. After verification of the TIN, follow, IRM 4.119.4.21.2.2, *Disclosure*, and use IAT and the Toll Free BMF-AUR Script tool.

7. If taxpayer is still reluctant to provide information, leave a detailed case note outlining the information that is needed from the taxpayer. Provide the taxpayer with the BMF-AUR toll free number. The taxpayer can then call the toll free number and the assistor can inform the taxpayer what is needed.

8. Use the following guidelines when leaving messages that contain confidential information on answering machines/voice mail. These guidelines are consistent with prudent business practices and disclosure rules while still providing good customer service.
   a. While tax information generally may not be left on an answering machine or voice mail, there are exceptions. If the employee "reasonably believes" he or she has reached the taxpayer's correct answering machine or voice mail, it is acceptable to leave the employee's name, telephone number, any appropriate reference number for the inquiry, the fact that he or she works for the IRS

(identifying the function of the calling employee is permissible), and the name of the person who should return the call. Additional information can be left on the recording if the taxpayer has given prior approval to leave such information on voice mail or the answering machine.

b. "Reasonable belief" is supported by the greeting on the answering machine or voice mail refers to the taxpayer being contacted or the taxpayer has indicated that this is the telephone number where he or she may be reached directly.

c. Document the taxpayer's telephone number, his/her approval to call that number, and the taxpayer's permission for IRS to leave information on the recording.

d. If the employee does not have a reasonable belief he or she has reached the correct taxpayer, no tax or other confidential information should be disclosed on the message.

9. When the out-going call results in the taxpayer agreeing to submit additional information (i.e., additional documentation, signed consent to additional tax, etc.), suspend activity on the case to allow the taxpayer time to reply.

1. Document the call.
2. Update IDRS activity with 4XPHMMDD (X represents the phase). See Exhibit 4.119.4-7, *Activity Codes/Category Codes*.
3. Annotate the DCI with the phone call date and 4XPH (X represents the phase).
4. Annotate the case folder with 4XPH (X represents the phase).
5. Suspend the case file until the purge date.
6. When the information is received, call the taxpayer if the taxpayer requested receipt confirmation.

IRM 4.119.4.21.4(1) added Caution Prior to closing the case

1. Close a case with no change to original tax liability if a response to the notice contains an acceptable explanation for the full amount in question.

   CAUTION: Prior to closing the case, ensure there is no other outstanding tax related issue(s) (e.g., NIIT tax not correct on original return, incorrect tax rate, etc.). See IRM 4.119.4.21.6, *Partially Agreed Responses*, for further information.

IRM 4.119.4.21.5(6) added input assessments on agreed responses

6. Input assessments on all agreed responses from BT 510, 511, 710 or 711 within 30 days of the IRS received date. See IRM 4.119.4.21.10, *Adjustments*, for more information.

IRM 4.119.4.21.6(7) deleted and renumbered

7. If the taxpayer's acceptable response results in **no tax deficiencies** (i.e., tax decrease), with or without a signed consent, take the following action:
    1. Input the adjustment on IDRS. See IRM 4.119.4.21.10, *Adjustments*, for additional information.
    2. Send Letter 4551C. Inform the taxpayer that we have input the revised tax amounts and that they can expect a refund if they don't owe any outstanding tax liabilities.
    3. Update IDRS Activity Code as appropriate. See Exhibit 4.119.4-7, *Activity Codes/Category Codes*, for additional information.
    4. Close the case using Process Code 45RN (Letter 2030 phase) or 47SR (Stat Notice phase).
    5. Annotate the DCI and case folder.
8. If the recomputed net tax change (deficiency) is **#** ███████████████████ **#** ███████████████████████████████████████ ███████████████████████████████████ ███████████████████████████ **#** ████████████ ████████████ **#**. See IRM 4.119.4.21.6.1, *Recomputed Notice/Supplemental Report*, for additional information.

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9. If the recomputed net tax change is below tolerance and the taxpayer does not submit a payment, or does not request a bill/notice, close the case No Change:

If	Then
An adjustment to prepayment credits and/or Total Income is **NOT necessary**.	a. Close the case using PC 4400 (Letter 2531 phase), PC 4600 (Letter 2030 phase) or PC 4810 (Stat Notice phase). b. Annotate the DCI and case folder.
An adjustment to	a. Close the case using PC 4470

prepayment credits **IS necessary**.	(Letter 2531 phase), PC 4680 (Letter 2030 phase), or PC 4880 (Stat Notice phase). b. Send Letter 4551C include an explanation regarding the prepayments adjustment. c. Annotate the DCI and case folder.
An adjustment to **TXI ONLY is necessary** and the tax change is zero (for example: the taxpayer agrees to unreported income and they have a negative TXI that remains negative).	a. Input the TXI adjustment on IDRS. See IRM 4.119.4.21.10, *Adjustments*, for additional information. b. Close the case using with PC: 4420 (Letter 2531 phase), 4610 (Letter 2030 phase) or 4820 (Stat Notice phase). c. Send Letter 4551C to advise the taxpayer of the adjustment to TXI. d. Annotate the DCI and case folder include NRC 10. **REMINDER:** Do not include TXI changes for amounts that the taxpayer has not agreed to. For example: # ▮▮ ▮▮▮▮▮▮▮▮▮▮▮▮▮▮ ▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮ ▮▮▮▮▮▮▮▮▮▮▮▮▮ #

10. If the recomputed net tax change is #▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮# and the taxpayer or authorized representative acknowledges the existence of a remaining balance due/refund (e.g., submits a payment, a signed amended return or requests a "bill" or "notice") and;

If	Then
The recomputation is equal to or less than the payment amount (or the taxpayer did not submit a payment).	a. Input the applicable changes on IDRS. See IRM 4.119.4.21.10, *Adjustments*, for additional information. b. Send Letter 4551C to advise the taxpayer of the adjustment. c. Close the case with the applicable PC. d. Annotate the DCI and case folder.

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The recomputation is more than the payment amount.	a. Consider the payment amount as the tax change and update IDRS accordingly See IRM 4.119.4.21.10, *Adjustments*, for additional information. b. Send Letter 4551C to advise the taxpayer of the adjustment. c. Close the case with the applicable PC. d. Annotate the DCI and case folder. # ██████████ ████████████ ████████████████████ ████████████ #

11. If there is a recomputed refund less than $1 and the taxpayer requests a refund, issue it using manual refund procedures in IRM 21.5.1, *General Adjustments*, IRM 21.4.4, *Manual Refunds*, and IRM 21.5.2, *Adjustments Guidelines*.

12. Whenever processing the assessment on a partially agreed response, issue closing Letter 4551C, acknowledging the taxpayer response. Inform them that we have assessed the revised tax, and close the IDRS control base.

NOTE: All case closures require a TC 29X (including a TC 290 .00 when closing the case No Change). See IRM 4.119.4.21.10, *Adjustments*, for additional information.

IRM 4.119.4.21.11(7) revised step list and deleted table.

7. Every Letter 3219B is reviewed before being mailed. If an error is found:
    1. The case will be returned to the originator for corrective action.
    2. If the Letter 3219B needs to be corrected, **the original Letter 3219B file must be deleted from the BMF-AUR Letter repository.**
    3. Update IDRS activity with PC 4710.
    4. Update IDRS activity with 5BXRWKMMDD. See Exhibit 4.119.4-7, *Activity Codes/Category Codes*.
    5. Annotate the DCI and case folder with PC 4710.

6. Prepare a new Letter 3219B for the next available Letter Mailout Date.
7. Update IDRS activity with STATMMDD. See Exhibit 4.119.4-7, *Activity Codes/Category Codes.*
8. Annotate the DCI and case folder with PC 4700.

Exhibit 4.119.4-3 revised 034 description Interest and no one-income meets the 50% criteria

034	Interest Combo	Cases where interest is discrepant along with other discrepancies and no one income type meets the 50% criteria on the case.

Exhibit 4.119.4-7 5BXRTCONNN corrected Category Code BUR0

5BXRTCONNN	BUR0		Batched TCO referral cases (5B = the batch type 51X, 53X, 54X, 59X, X = 0 1120 and 1 for 1041 and N = batch number)	

Exhibit 4.119.4-7 5BXESTMMDD corrected IPC/PC 45RR

5BXESTMMDD	BUR0	45RR	ESTAB done to request a return or other transaction. (5B = the batch type 51X, 53X, 54X, 59X and X = 0 for 1120 and 1 for 1041)	6 weeks from the ESTAB date