

IRM PROCEDURAL UPDATE

DATE: 10/05/2015

NUMBER: SBSE-04-1015-1455

SUBJECT: IMF Automated Underreporter (AUR) Program

AFFECTED IRM(s)/SUBSECTION(s): 4.19.3

CHANGE(s):

IRM 4.19.3.7.10.4(4) - added Note and Caution regarding Form 5498 IRs with RCONV literal

4. Payers may erroneously report rollover contributions in Box 5 (FMV) of Form 5498 instead of Box 2 (ROLVR).

NOTE: The instructions in the table below do not apply when the IR containing the FMV amount also contains an RCONV amount.

CAUTION: Do not consider 1099R IRs which match Form 5498 RCONV amounts to be rolled over.

| If | Then |
|--|--|
| A Form 5498 IR is present with the literal ROLVR #----- -----# | Consider the income to be rolled over. |
| A Form 5498 IR is present with the literal FMV #----- -----# AND FMV is the only element on the IR, | Consider the income to be rolled over. |
| A Form 5498 IR is present with the literal FMV #----- -----# AND the IR contains other elements, | Consider the 1099-R distribution U/R. |
| No Form 5498 IR is present with the literals ROLVR or FMV #----- -----# | Consider the 1099-R distribution U/R. |

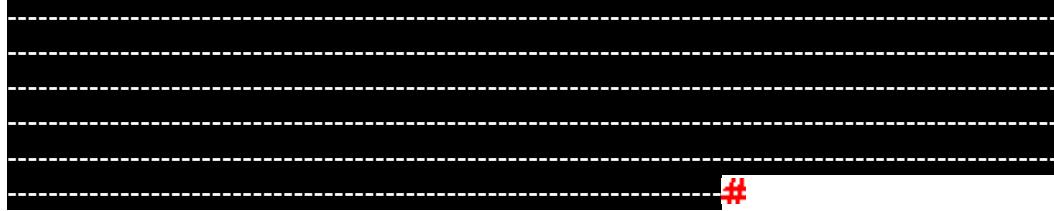
NOTE: It is not necessary to verify Form(s) 5498 attached to the return. #-----#

IRM 4.19.3.7.20.1(3) 2nd Exception - revised to clarify screening of Form 982, line 2 amount

3. Comparisons for the following entries must match within \$1 or be CLEARLY IDENTIFIED as DBTCN:
 - a. Form 1040, line 21.
 - b. Schedule C, Part I, line 6 (or Schedule C-EZ, line 1).
 - c. Schedule E, Part I, lines 3 and 4.
 - d. Schedule F, Part I, lines 3a, 4a, 5b, 6a, and 8; or, Part III, lines 39a - 43.
 - e. Give credit for amounts computed or explained on an **attachment** that are identified as being from the same payer.

EXCEPTION: If the TP reports the full amount of the IR and then zeroes it out, request the TP either get a corrected statement from the payer or submit a completed Form 982, *Reduction of Tax Attributes Due to Discharge of Indebtedness (And Section 1082 Basis Adjustment)*.

EXCEPTION: If Form 982 is attached with an entry on line 2, #



IRM 4.19.3.20.2.5(7) step 2 - revised to move 30 day extension information to new step 3

IRM 4.19.3.20.2.5(7) step 3 - added to clarify specific extension date to provide

7. If the TP **requests an extension to respond to a CP 2000 Notice** and it is not necessary to respond to the TP with a letter:
 1. Determine the 30th day from the notice date by either calculating the date (based on the notice issuance date) or asking the TP to provide the "You Must Return the Response Form by" or "What Happens if you don't respond by" date as shown on page 1 of the CP 2000 Notice.
 2. Use the table below to determine whether a systemic extension (IPC 6X) needs to be granted.

| If | Then |
|--|---|
| The call occurs before the date to respond to the CP 2000 Notice (i.e., before the 30th day). | <ol style="list-style-type: none">1. DO NOT grant a systemic extension.2. Leave a detailed case note on the Case Note/TP INFO screen. <p>EXCEPTION: If assistor is able to</p> |

| | |
|---|---|
| | grant extension without accessing the case it is not necessary to leave a case note documenting the call. |
| The call occurs either on or after the date to respond to the CP 2000 Notice (i.e., on or after the 30th day). | <ol style="list-style-type: none"> 1. Select Control, Case, univ Work. 2. Click the "Yes" button to select the case to work. 3. Document the extension request with a detailed case note on the Case Note/TP INFO screen. 4. Input 6X (CP 2000). 5. Release the case. |

3. Inform the caller that he/she has an additional **30 days** to respond. If the caller requests a specific date, use the table below to determine the date to provide.

| If | Then |
|---|---|
| The call occurs before the date to respond to the CP 2000 Notice (i.e., before the 30th day). | <p>Provide a date that is either 30 days from the date of the call or 30 days from the date to respond to the CP 2000 notice.</p> <p># [REDACTED] [REDACTED] [REDACTED] #</p> |
| The call occurs either on or after the date to respond to the CP 2000 Notice (i.e., on or after the 30th day). | <p>Provide a date that is 30 days from the date of the call or the date IPC 6X was input.</p> |

Do not grant multiple extension requests unless extenuating circumstances apply. Leave a detailed case note justifying each additional extension request.

NOTE: All AUR letters can be created and sent in Universal Work.

IRM 4.19.3.20.3.6(4) s - added to include previously updated guidance

4. The explanation is acceptable when the TP states or provides:

REMINDER: If accepting the TP explanation for an IRA Deduction or Form 1099-R Distribution, review the Retirement Saving Credit window to ensure entries are correct per the TP response.

a. #

b. The retirement distribution was timely (within 60 days) rolled over and provides Form 5498 or similar documentation. See (5) below if the response indicates rollover was not timely and (6) below if response indicates rolled over to a Roth IRA.

NOTE: Military retirement distributions and 1099R IRs with COD "E", "L", "3", "5", and "8" cannot be rolled over.

c. Documentation reflects rollover fees and the amount of the fees match the U/R amount.

d. The distribution was #. #

e. The TP indicates #. #

f. The TP indicates #. #

g. The distribution is #. #

h. #. #

i. #. #

j. #. #

k. The **Simple IRA distribution (COD "S")** was rolled over (provides Form 5498 or similar documentation), # [REDACTED]
[REDACTED] #

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
#

l. The **Roth IRA Distribution** was rolled over (provides Form 5498 or similar documentation, # [REDACTED]
[REDACTED] #
m. The **Roth IRA Distribution** # [REDACTED]
[REDACTED] #

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
#

n. The **Roth IRA Distribution** # [REDACTED]
[REDACTED] #
o. The **Roth IRA Distribution** # [REDACTED]
[REDACTED] #
p. The **IRA (traditional or ROTH) distribution** # [REDACTED]
[REDACTED]
[REDACTED] #
q. The **IRA Distribution** # [REDACTED]
[REDACTED] #
r. # [REDACTED]
[REDACTED] #
s. [REDACTED]

-----) #.
See IRM 4.19.3.7.10.7, *IRA Distributions*, for further information.