

IRM PROCEDURAL UPDATE

DATE: 03/15/2016

NUMBER: SBSE-05-0316-0529

SUBJECT: IDT Source Codes; KCSC IDTVA Mailing Address

AFFECTED IRM(s)/SUBSECTION(s): 5.19.21

CHANGE(s):

IRM 5.19.21.1.2.1 Identity Theft Documentation Processing. Deleted last three rows of table under paragraph 10. Deleted first row of table under paragraph 12.

1. Beginning January 1, 2012, TC 971 AC 522 will also require the input of an appropriate source code and secondary date. This will enable the IRS to flag accounts at different stages of processing, from initial ID Theft claim to closure, dependent upon case specifics.
2. Once the function is made aware that the taxpayer is a possible victim of ID Theft, they will be responsible for checking to see if there is an open control. If there is, the tax examiner will contact that employee to verify they are working the ID Theft issue. If the case is being worked by the controlling area and it has no impact on your compliance case – work the case as you would normally.

NOTE: Always check the Alerts section of AMS to see if there is a CIS image and open the CIS link to see if the document is for ID Theft. If so, do not ask the taxpayer to submit documentation per the instructions below. Instead, follow IRM 5.19.21.1.2, *Identity Theft Documentation*.

3. For areas other than ACS, use the following directions when processing ID Theft issues:

If ...	And ...	Then ...
The taxpayer makes an claim of ID Theft,	Has not provided: <ul style="list-style-type: none">○ A copy of the U.S. Federal or State issued form of identification (i.e. driver's license, state identification card, social security card and passport).○ A copy of a police	1. Input TC 971 AC 522 containing the miscellaneous field using the applicable BOD/Function, Program name and the Tax Administration Source Code listed below: " PNDCLM " and input the tax year of the IDT incident into

	<p>report or IRS Affidavit Form 14039, <i>Identity Theft Affidavit</i>.</p> <p>NOTE: For more information on required documentation see IRM 25.23.2.18, <i>Identity Theft Supporting Documentation- Overview</i>.</p>	<p>the secondary date field. See Examples in IRM 5.19.21.1.2.1(8)</p> <ol style="list-style-type: none"> 2. Phone or TAC operations should verbally advise the taxpayer to submit the required documentation and provide the appropriate address. See IRM 5.19.21.1, <i>Identity Theft - Overview</i>. 3. Paper operations should send a letter to the taxpayer and request they provide the required documentation and provide the appropriate address. 4. Suspend collection, allowing the taxpayer time to respond. Input TC 470 with no closing code. 5. Document AMS.
The taxpayer makes an claim of ID Theft,	Has provided Form 14039, Identity Theft Affidavit, Police Report and required ID Theft documentation as described in IRM 25.23.2.18, <i>Identity Theft Supporting Documentation - Overview</i> .	<ol style="list-style-type: none"> 1. Forward to the appropriate IDTVA-C ACSS site. 2. Document AMS.
The taxpayer makes an claim of ID Theft,	Has provided required documentation as described in IRM 25.23.18, <i>Identity Theft Supporting Documentation - Overview</i> , and all corrective action to resolve the ID Theft issue has been taken.	<ol style="list-style-type: none"> 1. Continue working the non-IDT issue(s).
Taxpayer alleges ID Theft,	There is a posted unreversed TC 971 AC 501 or AC 506.	<ol style="list-style-type: none"> 1. Taxpayer is not required to provide substantiation documentation.

		2. Forward new IDT claim to appropriate IDTVA-C ACSS operation.
--	--	---

4. ACS employees will follow IRM 5.19.21.1.2.2, *Identity Theft Guidance for ACS Call-Site Employees*, when handling ID Theft calls.
5. If an active levy, see IRM 5.19.21.1.3, *Addressing Outstanding Levies*.
6. Input appropriate TC 971 AC 5XX on CC ENMOD as described below. Use CC REQ77 /CC FRM77 for this input.
7. TC 971 AC 522 input contains a miscellaneous field that must be completed consisting of the following:
 - a. BOD/Function, for example, "WI" or "SBSE".
 - b. Program Name, for example, "ACS" or "CSCO".
 - c. Tax Administration Source, select the appropriate source of the ID Theft from the following list:

Term/Acronym	Description
"INCOME"	Used when income has been reported under the taxpayer's SSN without their consent or knowledge.
"MULTFL"	Used when two or more returns are filed for the same tax period under the same SSN.
"INCMUL"	Used when both INCOME and MULTFL apply.
"NOFR"	Used when the taxpayer is not required to file a return.
"OTHER"	Used when the situation does not fit any Tax Administration Source Type.

EXAMPLE: "MISC>WI ACS INCOME"

8. When inputting the required information, the TRANS-DT> - field on the CC FRM77 input screen will automatically populate with the date of input.
9. The 971 AC 522 input also contains a secondary date field used to identify the tax year at issue. Complete this field by inputting the year associated with the ID Theft. Use "MMDDYYYY" format.

EXAMPLE: "SECONDARY -DT>12312006"

NOTE: If more than one year is involved, input a separate TC 971 AC 522 for each tax year related with the ID Theft incident.

10. Use TC 972 in the event the TC 971 needs to be reversed. The TC 972 contains a miscellaneous field that must be completed including the reason for the reversal. Select the appropriate reason for the reversal from the following list:

Abbreviation for Entry	Description
"TPRQ"	Taxpayer request

"IRSERR"	Keying or other internal mistake
----------	----------------------------------

EXAMPLE: "MISC>WI ACS TPRQ".

11. Term/Acronym

Term/Acronym	Description	Secondary Date Field
"PNDCLM" (Pending Claim of ID Theft)	The taxpayer makes an claim of ID Theft. The taxpayer has not yet provided supporting documentation as required by IRM 25.23.2.18, <i>Identity Theft Supporting Documentation Overview</i> .	Reflects the tax year of the ID Theft incident.
<p>IRS Identified ID Theft – TC 971 AC 506</p> <p>Beginning January 1, 2012, the following functions will be granted the authority to close accounts as IRS identified ID Theft using TC 971 AC 506:</p> <ul style="list-style-type: none"> ○ CSCO, and ○ ACS/ACSS. 	In situations where the IRS suspects ID Theft may have occurred, employees will mark accounts, using CC REQ77 /CC FRM77 initiated from CC ENMOD. Service employees will input a TC 971 AC 522 containing the Miscellaneous Field " IRSID ".	<p>The Secondary Date field will reflect the tax year of the incident.</p> <p>NOTE: FY 2012 programming for "IRSID" was not completed for all functions. Functions needing "IRSID" that are not profiled for that Tax Administration Source Code will mark accounts using BOD: PPDS, Program OPIP and Tax Administration Source Code "IRSID" until programming is completed.</p>

12. TC 972 AC 522 Source Codes

Term / Acronym	Description	Secondary Date Field
"NORPLY" — The taxpayer did not provide	This code is used to close a suspended case when the taxpayer fails to provide the	Will match the tax year of the TC 971 AC 522

supporting documents,	requested supporting documentation within the time specified by the employee assigned.	"PNDCLM".
-----------------------	--	-----------

IRM 5.19.21.1.2.2 Identity Theft Guidance for ACS Call Site Employees. Added KCSC address to the If and Then table under paragraph two. Updated literal in paragraph 10b and added note.

1. The following procedures apply for ACS Call Site employees when handling calls in which the taxpayer is claiming or has claimed ID Theft. Also, follow IRM 5.19.21.1.1, *Identity Theft - General Information*, through IRM 5.19.21.1.2, *Identity Theft Documentation Processing*, for additional guidance on ID Theft.
2. When the taxpayer is disputing the balance owed (original or additional assessment) **on an IMF only account** on the basis of ID Theft and CC ENMOD does not indicate a TC 971 AC 506 or TC 971 AC 501 posted after a TC 971 AC 522:

If ...	Then ...
A CIS Image indicator is present in the ALERTS section on AMS and it is an ID Theft document,	<ol style="list-style-type: none"> 1. Reassign the SB/SE or W&I case on ACS: "TOO2,01,CISIMG" 2. Input TC 971 AC 522 "PNDCLM" on CC ENMOD, if one is not already present for the tax year in question. **See Caution at end of Chart** 3. If a levy is active, follow IRM 5.19.21.1.2.1(6), <i>Identity Theft Documentation Processing</i>. 4. Document AMS with all actions taken. 5. Advise the taxpayer the documentation has been received and he/she should receive a letter within -60 days of confirming receipt of the documentation.
No documentation available (CIS Image) and the taxpayer can immediately FAX the required documentation,	<ol style="list-style-type: none"> 1. Have the taxpayer fax documents to the appropriate IDTVA-C ACSS site <ul style="list-style-type: none"> ▪ Fresno Service Center (FSC): Internal Revenue Center 5045 East Butler Avenue Fresno, CA 93727 FAX# 559-498-7229

	<p>or</p> <ul style="list-style-type: none"> ▪ Philadelphia Service Center (PSC): Internal Revenue Center 2970 Market Street Philadelphia, PA 19104 Stop#4-J30.152 FAX# 267-941-1034 ▪ Kansas City Service Center (KCSC): Internal Revenue Center P.O. Box 219236 Kansas City, MO. 64121 STOP 5050 P-4 Fax #816-292-6371 <ol style="list-style-type: none"> 2. Reassign the SB/SE or W&I case on ACS: "TOV1,60,ITADJ". 3. Input TC 971 AC 522 "PNDCLM" on CC ENMOD, if one is not already present for the tax year in question. **See Caution at end of Chart** 4. If a levy is active, follow IRM 5.19.21.1.2.1(6), <i>Identity Theft Documentation Processing</i>. 5. Document AMS with all actions taken and directions given to taxpayer. 6. Advise the taxpayer they should receive a letter within 60 days of receipt from IDTVA-C ACSS confirming receipt of the documentation.
<p>No documentation available (CIS Image), and:</p> <ul style="list-style-type: none"> ○ The taxpayer CAN NOT immediately FAX the required documentation, <p>or</p> <ul style="list-style-type: none"> ○ The taxpayer wants to mail the documentation, 	<ol style="list-style-type: none"> 1. Advise the taxpayer of the fax number to be used or to mail the required documentation to the appropriate IDTVA-C ACSS site address. Provide a firm deadline date. The appropriate addresses are located below: <ul style="list-style-type: none"> ▪ Fresno Service Center (FSC): Internal Revenue Center 5045 East Butler Avenue Fresno, CA 93727 Stop# 3501 FAX# 559-498-7229 or

	<ul style="list-style-type: none"> ▪ Philadelphia Service Center (PSC): Internal Revenue Center 2970 Market Street Philadelphia, PA 19104 Stop#4-J30.152 FAX# 267-941-1034. ▪ Kansas City Service Center (KCSC): Internal Revenue Center P.O. Box 219236 Kansas City, MO. 64121 STOP 5050 P-4 Fax #816-292-6371 <ol style="list-style-type: none"> 2. Warn of enforcement action. See IRM 5.19.1.6, <i>Warning of Enforcement Action and Enforced Collection</i>. 3. Reassign the SB/SE or W&I case on ACS: "TOV1,60,IDTADJ". 4. Input TC 971 AC 522 "PNDCLM" on CC **See Caution at end of Chart** ENMOD if one is not already present for the tax year in question. 5. Document AMS with all actions taken and directions given to the taxpayer including deadline date.
<p>If there is an open IDTVA_Compliance IDRS ID Theft control base (If needed, use the SERP , Who/Where tab, IDRS - Unit and USR Database to locate the owner/function of the IDRS number),</p>	<ol style="list-style-type: none"> 1. Refer the caller to the applicable function/employee by providing the taxpayer with the direct contact information (see Note below), to the controlling employee. <p>NOTE: Some W&I functions currently use the toll-free ID Theft telephone number and have assigned aspect extension numbers. This can be determined by the IDRS control base activity code. If the activity codes shows "IDTXXXXXX", provide the toll-free and Aspect extension numbers to the taxpayer. "XXXXXX" indicates the Aspect number. See IRM 4.19.3.20.1.25.2, IDT - General</p>

	<ol style="list-style-type: none"> 2. If not already in ACS Function "O", reassign SB/SE or W&I the case on ACS: "TOO0,05,CNTRL". 3. If a levy is active, follow IRM 5.19.21.1.2.1(6), <i>Identity Theft Documentation Processing</i>. 4. Document AMS with all actions taken.
<p>If there is an open IDRS ID Theft control base to a non-Compliance function (If needed, use the SERP , Who/Where tab, IDRS - Unit and USR Database to locate the owner/function of the IDRS number),</p>	<ol style="list-style-type: none"> 1. Prepare a Form 4442, <i>Inquiry Referral</i>, indicating open ID Theft base (provide the control base information) and forward to the IDTVA-C ACSS ID Theft Coordinator. 2. If not already in ACS Function "O", reassign SB/SE or W&I the case on ACS: "TOO0,05,CNTRL". 3. If a levy is active, follow IRM 5.19.21.1.2.1(6), <i>Identity Theft Documentation Processing</i>. 4. Document AMS with all actions taken. 5. Advise the taxpayer the case is being referred to the IDT Specialized team. The taxpayer should expect a letter within 60 days from the day the referral is received by the IDT Specialized team.

NOTE: Time frames for International accounts refer to IRM 5.19.19.4.3, *International Account Time Frames*

CAUTION: The Secondary Date field on REQ77 is limited to the current calendar year and seven (7) prior years. The secondary date field will not allow the input of any date outside that range. Please see guidance in IRM 25.23.2.16, *Tracking and Reporting Identity Theft Cases- Identity Theft Indicators*.

3. When the taxpayer is disputing the balance owed (original or additional assessment) on an IMF only account on the basis of ID Theft and CC ENMOD indicates a TC 971 AC 501 posted after a TC 971 AC 522 or a TC

971 AC 506 is present, **DO NOT** request the taxpayer to submit/resubmit the documentation. This must be within three (3) years of the TC 971 AC 501/506/522. This **ONLY** applies to when a taxpayer continues to dispute a resolved ID Theft. All other disputes should be worked with the taxpayer on the call.

- a. Reassign the SB/SE or W&I case on ACS:

"TOO0,01,IDTADJ"
 - b. Non-ACS Accounts: Input CC STAUP 2209.
 - c. If a levy is active, follow IRM 5.19.21.1.2.1(6), *Identity Theft Documentation Processing*.
 - d. Document AMS with all actions taken.
 - e. Advise the taxpayer a referral is being sent to another area for resolution of their case and should receive written or telephone contact within 30 days of receipt.
4. When the taxpayer is disputing the balance owed (original or additional assessment) and a **BMF account** is involved on the basis of ID Theft, reassign the account on ACS "TOO2,01,BMFIDT". Prepare a Form 4442 to the appropriate SB/SE IDTVA-C ACSS Liaison indicating taxpayer is claiming IDT on a BMF entity. **Do not input any TC 971 AC 522 on BMF accounts.** The determination for the TC 971 will be made by the SB/SE IDTVA-C ACSS Team.
 5. If the taxpayer wants an IA or states they are CNC, document AMS with the required information (financial statement, IA amount, etc.). Advise the taxpayer to make voluntary payments notating the tax period the payment should be applied. **Do not set up the IA or CNC the account.** When the ID Theft issue is resolved, IDTVA-C ACSS will either establish the agreement (or CNC the account) or contact the taxpayer for any necessary information. Be sure to document thoroughly AMS history with all information provided by the taxpayer regarding the IA or CNC request.
 6. If the taxpayer indicates the address of record or name is incorrect, document AMS with the information provided by the taxpayer. **Do not make any changes to the entity information.** The IDTVA-C ACSS team will make the necessary changes, as determined.
 7. When the taxpayer is **NOT** disputing the balance owed (original or additional assessment) on the basis of ID Theft and a TC 971 AC 501/506 are present subsequent to a TC 971 AC 522 for the same tax year or tax years:
 - a. Advise the taxpayer that the ID Theft situation has been resolved.
 - b. A notice or letter will be issued (or may have been already issued).
 - If TC 971 AC 501 was input, then CP 01, *Identity Theft Claim Acknowledgement*, is issued.
 - If TC 971 AC 506 was input, then Letter 4674C, *Identity Theft Post-Adjustment Victim Notification Letter (For use by AM When TC 971 AC 506 is input)*, is issued.
 - c. Do not refer the case to the IDTVA-C ACSS Coordinator or reassign the case to the "O" function.

- d. Continue with normal balance due resolution (IA, CNC, etc.).
8. If a taxpayer calls back to check on the status of the account and the follow-up date has expired in the "O" function inventory and an open control **DOES NOT** exist:
 - a. Check AMS history to see if actions were taken to resolve the issue. If case has been resolved, explain to the taxpayer and continue with normal balance due resolution (IA, CNC, etc.), or
 - b. If there is no information that the issue has been resolved, follow the first three procedures in the If and Then table in paragraph (2) above.
9. If a taxpayer calls back to check on the status of the account and the follow-up date has expired in the "O" function and an open control **DOES** exist:
 - a. Follow the last two procedures in the If and Then table in paragraph (2) above.
 - b. Input "OADT,05,IDTRFRL".
- 10.) If a taxpayer calls back to check on the status of their account and states they did file the tax return in question for which the TC 971 AC 522 was input:
 - a. Follow the procedures in the "If and Then" table in paragraph (2) above with an open IDRS control base assigned to an IDT employee;
 - b. If no open control or assigned to the generic control base, input the TC 972 AC 522 with tax administration source code "IRSERR" and resolve the balance due. Update the case to the appropriate function based on the actions taken on the account.

NOTE: If more than one return is filed refer case to IDTVA-C.

11. International accounts are handled by the Philadelphia ACSS/CSCO International Team. These accounts can be identified by File Location Codes (FLC) 20, 21, 60, 66, 78 and 98. FLC 21, 66, and 78 contain all returns with a U.S. possession or territory address with a 5-digit ZIP Code (Form 1040–PR , *Planilla para la Declaración de la Contribución Federal sobre el Trabajo por Cuenta Propia*, or Form 1040–SS , *U.S. Self-Employment Tax Return*) which include Puerto Rico, American Samoa, Guam, U.S. Virgin Islands and the Commonwealth of the Northern Mariana Islands.

NOTE: FLC 20, 60, and 98 are used for returns with:

- A foreign address.
- Form 2555, *Foreign Earned Income*, or Form 2555–EZ, *Foreign Earned Income Exclusion*.
- Form 1042-S , *Foreign Person's U.S. Source Income Subject to Withholding*, Form SSA-1042S, *Social Security Benefit Statement*, Form 8805, *Foreign Partner's Information Statement of Section 1446 Withholding Tax*, or Form 8288–A, *Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests*.
- Dual Status Notification.

- Form 1040–NR, *U.S. Nonresident Alien Income Tax Return*, or Form 1040–NR-EZ, *U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents*.

CAUTION: Do not assume that an account is International just because you have received Spanish correspondence. Ensure that the above criteria is met.