

IRM PROCEDURAL UPDATE

DATE: 02/09/2016

NUMBER: WI-21-0216-0288

SUBJECT: Processing Time Frame Start Date; UPC 147 RC 8 Time Frame From 8 to 12 Weeks; UPC 126 RC 0; Manual Refund Condition

AFFECTED IRM(s)/SUBSECTION(s): 21.4.1

CHANGE(s):

IRM 21.4.1.3(2) - Added guidance for when to start the calculation for when the processing time frame is met.

2. Use the following table to determine if the processing time frame has been met. Start the calculation from the publicly announced "start" date for accepting and processing electronically filed returns. This "start" date is also valid for paper filed tax returns.

Return Type	Processing Time Frame
Paper refund return	<ul style="list-style-type: none">○ 6 weeks for normal processing○ For returns claiming the Adoption Credit, if returns are selected for Exam, the time frame is approximately 14 weeks. If after 8 weeks research indicates the return was selected, inform the taxpayer that the return was selected for further review and that we will either contact them, or the refund/credit will be issued within the 14 week period.○ For Injured Spouse returns see IRM 21.4.6.5.2, <i>Injured Spouse Inquiries</i>, for additional information.
e-file refund return	<ul style="list-style-type: none">○ 3 weeks (from the date the taxpayer received acknowledgement that the return was accepted by IRS)○ Refund research may begin on the 21st day
1040X return (see (7) below for amended return information)	up to 16 weeks

through IRS automation)	
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NOTE: If taxpayer filed a Form W-7, *Application for IRS Individual Taxpayer Identification Number*, with their return, see IRM 3.21.263.7.2, *Inquiries Regarding Status of Application*.

NOTE: Customer Account Data Engine (CADE) will have little impact on processing time frames. Use the above chart for all returns processed through CADE.

REMINDER: If the account has a transaction code (TC) 971, action code (AC) 052 posted, normal processing time will increase by two cycles as this action causes the return to re-sequence for two cycles. If the account has a TC 971, AC 152 posted, normal processing time will increase by one cycle as this action causes the return to re-sequence for one cycle. If the taxpayer asks why the processing time was increased tell them the return was randomly selected for additional review. Do not mention IVO (previously AMTAP), CI, etc.

NOTE: # [REDACTED] #

NOTE: Do not initiate a refund trace over the phone if there is IDT involvement on the module. When providing a pre-populated Form 3911, verify all information is for the correct taxpayer. See IRM 25.23.4.4.1, *Telephone/Paper Inquiries Regarding MXEN, MXSP, IDT(X), IDS(X), and Scrambled Cases*, for additional information.

IRM 21.4.1.3.1.1(2) Table - Changed the time frame from 8 weeks to 12 weeks when IVO is involved.

2. # [REDACTED] #

If	Then
If the original was an e-filed	<ul style="list-style-type: none"> Initiate an e-4442 <i>Inquiry Referral</i>, to IVO using category "RICS IVO UP 147 RC 8". IVO

return or a paper filed return	<p>will secure the return.</p> <ul style="list-style-type: none"> ○ If unable to generate an e-4442 follow IRM 21.5.6.4.35.3 (10), <i>-R Freeze Modules With Integrity Verification Operation (IVO) or Taxpayer Protection Program (TPP) Involvement</i>, for guidance. ○ Advise the taxpayer that they should either have their refund or additional correspondence within 12 weeks from the initiation of the e-4442. ○ Advise them not to call back before 12 weeks as no information will be available. ○ If the taxpayer contacts us after the 12 weeks, refer to IRM 25.23.3.3.6, <i>Identity Theft Assistance Request (ITAR) - General Information</i>, for further guidance. <p>NOTE: If you determine that the processing delay is causing the taxpayer a financial hardship, follow the procedures in IRM 21.1.3.18, <i>Taxpayer Advocate Service (TAS) Guidelines</i>.</p>
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IRM 21.4.1.3.1.2(2) Table - Added guidance for UPC 126 RC 0.

2. If module shows the original return went unpostable during processing, determine:

If	Then
Unpostable condition has been corrected	<ul style="list-style-type: none"> ○ Advise taxpayer to allow 9 weeks from the closing date for processing. ○ Advise the taxpayer not to call back before the 9 weeks have passed as no additional information will be available.
Unpostable condition has NOT been corrected	Use CC "UPCASZ" to notify the unpostable function of correction needed. See IRM 21.5.5.3.3, <i>Responding to Taxpayer Inquiries on an Open Unpostable</i> , for further guidance.
Unpostable condition is UPC	<ul style="list-style-type: none"> ○ Advise the taxpayer that the tax

<p>126 RC 0 on IDRS associated with TC 150 and the normal processing time frames have not been met.</p>	<p>return was selected for further review and to allow the normal processing time frames in IRM 21.4.1.3, <i>Refund Inquiry Response Procedures</i>.</p> <ul style="list-style-type: none"> ○ Advise the taxpayer not to call back before the time frames have passed as no additional information will be available. ○ Advise the taxpayer that they should receive either their refund or correspondence with those time frames.
<p>Unpostable condition is/was UPC 126 RC 0 and the normal processing time frames in IRM 21.4.1.3.1, <i>Refund Inquiry Response Procedures</i>, have been met.</p>	<p>See IRM 25.25.6.6, <i>Non TPP Telephone Assistors Response to Taxpayers</i>. TAC assistors should see IRM 21.3.4.30.1 (3), <i>Tax Return Related Identity Theft Issues</i>, for guidance.</p>
<p>The UPC 147 RC 0 or UPC 147 RC 1 is closed, the return has posted to MFT 32 (TC 971 AC 111 present on MFT 30), and TC 971 AC 506 with "WI SP UPC 147" is in the MISC field on CC ENMOD and CC IMFOLE.</p>	<ul style="list-style-type: none"> ○ When the contact is from the taxpayer, non-TPP assistors should perform additional authentication per IRM 21.1.3.2.4, <i>Additional Taxpayer Authentication</i>. ○ If the caller passes additional authentication, send Form 4442 to the SPIDT team at the site of the closed unpostable. ○ See IRM 3.28.4.5.10 (3), <i>Review of Deleted Returns</i>, for routing based on the DLN of the return. ○ Include authentication results in AMS. ○ Advise the taxpayer they should receive further information or their refund within 12 weeks from the initiation of the Form 4442. ○ Advise them not to call back before 12 weeks as no information will be available. ○ If the taxpayer contacts us after the 12 weeks, refer to IRM 25.23.3.3.6, <i>Identity Theft Assistance Request (ITAR)</i> -

	<p><i>General Information</i>, for further guidance.</p> <p>NOTE: If you determine that the processing delay is causing the taxpayer a financial hardship, follow the procedures in IRM 21.1.3.18, <i>Taxpayer Advocate Service (TAS) Guidelines</i>.</p> <ul style="list-style-type: none"> ○ If the caller cannot authenticate, use the TAC Office Locator to locate the nearest open TAC office where the caller can go for assistance. After authenticating, TAC assistors should then follow the guidance above.
<p>Unpostable condition is UPC 147 RC 0/1 and URC D (deleted) condition shows on CC TRDBV as "GUF VOIDED/DELETED"</p>	<p>Submission Processing Identity Theft (SPIDT) has deleted the return:</p> <ul style="list-style-type: none"> ○ When the contact is from the taxpayer, non-TPP assistors should perform additional authentication per IRM 21.1.3.2.4, <i>Additional Taxpayer Authentication</i>. If the caller passes, follow the guidance in IRM 3.28.4.5.10 (3), <i>Review of Deleted Returns</i>. ○ Advise the taxpayer to allow the normal processing time frames shown in IRM 21.4.1.3, <i>Refund Inquiry Response Procedures</i>. <p>NOTE: Taxpayers inquiring about an account with an indication of "SPIDT STILL BAD" on CC TXMOD or AMS should be advised to submit their correct, signed paper return with all supporting documentation to the fax number/address shown in IRM 3.28.4.5.10 (3), <i>Review of Deleted Returns</i>. Normal processing time frames apply to</p>

	<p>the newly submitted return.</p> <ul style="list-style-type: none"> ○ If the caller cannot authenticate, use the TAC Office Locator to locate the nearest open TAC office where the caller can go for assistance. After authenticating, TAC assistants should then follow the guidance above.
Unpostable condition is UPC 147 RC 4 with Special Processing Code (SPC) 9. SPC 9 is displayed on CC TRDBV. Select "GUF VOIDED-DELETED" and then "CODES."	This is an indication of a return attempting to post on a deceased taxpayer account. Cases should be worked the same as accounts with TC 971 AC 524. See IRM 21.6.6.3.21.3, <i>CP 01H Decedent Account Responses</i> , for guidance.
Unpostable condition is UPC 147 RC 6 or UPC 147 RC 7 and the unpostable is open.	<p>This is an indication of IVO involvement:</p> <ul style="list-style-type: none"> ○ Follow the time frames in IRM 21.5.5.3.3, <i>Responding to Taxpayer Inquiries on an Open Unpostable</i>. ○ If the time frames in IRM 21.5.5.3.3 have expired, and the contact is from the taxpayer, perform additional authentication per IRM 21.1.3.2.4, <i>Additional Taxpayer Authentication</i>, and if the caller passes, prepare e-Form 4442 to IVO. ○ Select category "RICS IVO UP 147 RC 6/7". ○ Include authentication results in AMS. ○ Advise the taxpayer they should receive further information or their refund within 12 weeks from the initiation of the e-4442. ○ Advise them not to call back before 12 weeks as no information will be available. ○ If the taxpayer contacts us after the 12 weeks, refer to IRM 25.23.3.3.6, <i>Identity Theft Assistance Request (ITAR)</i> -

	<p><i>General Information</i>, for further guidance.</p> <p>NOTE: If you determine that the processing delay is causing the taxpayer a financial hardship, follow the procedures in IRM 21.1.3.18, <i>Taxpayer Advocate Service (TAS) Guidelines</i></p> <ul style="list-style-type: none"> ○ If the caller cannot authenticate, use the TAC Office Locator to locate the nearest open TAC office where the caller can go for assistance. After authenticating, TAC assistants should then follow the guidance above.
<p>The UPC 147 RC 6 or UPC 147 RC 7 is closed and the return was posted to MFT 32 (TC 971 AC 111 present on MFT 30) or was deleted (CC TRDBV shows "GUF VOIDED/DELETED")</p>	<ul style="list-style-type: none"> ○ When the contact is from the taxpayer, perform additional authentication per IRM 21.1.3.2.4, <i>Additional Taxpayer Authentication</i>. ○ If the caller passes, and it was an e-filed return, prepare e-Form 4442 to IVO using category "RICS IVO UP 147 RC 6/7." ○ If a paper return, see IRM 21.4.1.3.1.1, <i>Return Not Found</i>, for further guidance. Follow the instructions in the (2) Table for paper returns. ○ Include authentication results in AMS. ○ Advise the taxpayer they should receive further information or their refund within 12 weeks from the initiation of the e-4442. ○ Advise them not to call back before 12 weeks as no information will be available. ○ If the taxpayer contacts us after the 12 weeks, refer to IRM 25.23.3.3.6, <i>Identity Theft Assistance Request (ITAR)</i> - <i>General Information</i>, for further

	<p>guidance.</p> <p>NOTE: If you determine that the processing delay is causing the taxpayer a financial hardship, follow the procedures in IRM 21.1.3.18, <i>Taxpayer Advocate Service (TAS) Guidelines</i></p> <ul style="list-style-type: none"> ○ If the caller cannot authenticate, use the TAC Office Locator to locate the nearest open TAC office where the caller can go for assistance. After authenticating, TAC assistors should then follow the guidance above.
<p>Unpostable condition is UPC 147 RC 8 and CC ENMOD shows an unreversed TC 971 AC 506 with a MISC field of CI OTHER, CI RC OMM or WI IVO (formerly AMTAP) OMM.</p>	<ul style="list-style-type: none"> ○ If a paper return, see IRM 21.4.1.3.1.1, <i>Return Not Found</i>, for further guidance. ○ If an e-filed return, IVO will secure the return. Prepare e-4442 using category "RICS IVO UP 147 RC 8". ○ Advise the taxpayer they should receive the refund or correspondence in 12 weeks. ○ Inform the taxpayer not to call before the 12 weeks have passed as we will not have any information until then. ○ If the taxpayer contacts us after the 12 weeks, refer to IRM 25.23.3.3.6, <i>Identity Theft Assistance Request (ITAR) - General Information</i>, for further guidance. <p>NOTE: If you determine that the processing delay is causing the taxpayer a financial hardship, follow the procedures in IRM 21.1.3.18, <i>Taxpayer Advocate Service (TAS) Guidelines</i></p>

NOTE: CC TRDBV will have the necessary information to identify which unpostable and reason code was used on the original return if the unpostable has fallen off of IDRS.

NOTE: See IRM 21.5.5, *Unpostables*, and IRM 3.12.179, *Individual Master File (IMF) Unpostable Resolution*, for complete instructions.

IRM 21.4.1.4.7.5(4) b) - Added guidance to issue a manual refund if the refund is not issued systemically.

4. If either the RTN and/or account number of the deposited refund does not match the taxpayer's account information, and the taxpayer or their representative caused the error, or the taxpayer alleges preparer misconduct, take the following actions:

- a. Contact the financial institution by telephone and request their assistance in recovering the funds. You may provide the amount, the date, the routing transit number and the account number to the financial institution. If the bank recovers the direct deposit refund, request they return it to BFS through normal procedures. If the bank does not respond within 15 calendar days, contact the bank again. Allow an additional 15 calendar days for the bank to respond.

NOTE: The financial institution is not required to return the funds unless it was their error that caused the deposit into the wrong account.

- b. If the financial institution complies with our request to return the credit, monitor the account for the posting of the credit and issue a manual refund if it is not released systemically. Close case when module reaches zero balance.
- c. If the financial institution requests a letter from IRS before returning the funds, Refund Inquiry should send the letter in Exhibit 21.4.1-5, *Bank Letter to Recover Direct Deposits*, that has been approved by Chief Counsel for use by Accounts Management. It is not a "letter of indemnity", so if the bank will not accept it, continue with the guidance directly below. If the bank does not respond within 15 calendar days of the letter, contact the bank by phone to determine the status of the request.
- d. If the financial institution refuses to return the credit, send a letter to the taxpayer explaining what happened to the requested direct deposit. Include the following paragraph:

SAMPLE LETTER
Our records show on <i>DATE</i> , your refund of \$ <i>AMOUNT</i> , was deposited

directly into account number ACCT. NOS. at *BANK NAME*, as you requested on your Form *1040/1040A/1040EZ*. Because the account number shown on your return was incorrect, you must contact the financial institution to resolve the erroneous deposit. The Internal Revenue Service does not have the authority to demand the return of the refund from the designated financial institution because the refund deposit went into the account listed on your tax return.

NOTE: While the IRS will conduct a trace for the disposition of the refund, the restoration of the refund to the taxpayer may become a civil matter.

NOTE: If return preparer misconduct is claimed, refer to IRM 25.24.1.4, *Telephone Assistors/Taxpayer Assistance Center (TAC) Overview*, for guidance.