

## IRM PROCEDURAL UPDATE

**DATE:** 02/28/2017

**NUMBER:** sbse-04-0217-0389

**SUBJECT:** Post Publication Revision of 4.19.3, IMF Automated Underreporter (AUR) Program

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

**CHANGE(s):**

**IRM 4.19.3.20.1.19(7) table, last row, Then column - revised instruction to refer the case to Exam for technical advice**

7. Research CC DUPOL, using the Processing Year not the Tax Year (i.e., search 2015 Tax Processing Year for TY 2014 Tax Return), to verify if the additional dependent was claimed on another return as an exemption or earned income credit for the tax year in question. Review the 'DEPD STAT IND' field in the CC DUPOL response screen. This field indicates the dependent's exemption status.

<b>If</b>	<b>Then</b>
The response is 'No Data Found' <b>OR</b> the value is 1	Allow the additional exemption for the dependent.
The value is 0 or blank	Do not allow the additional exemption for this dependent. Issue a letter or notice including a Special Paragraph using the following verbiage as an example: "Our records indicate the additional dependent(s) claimed on your Form 1040X have been claimed on another return. Dependents cannot be claimed on more than one tax return therefore we cannot allow an exemption for the additional dependent(s) claimed on your Form 1040X."
The TP still disagrees and states they are entitled to claim the additional dependent(s), with or without supporting documents	Refer to Exam for technical advice.

**NOTE:** Consider Category A criteria for referring the case to Exam for Earned Income Tax Credit for the additional dependents per IRM 21.5.3-3, *Examination Criteria (CAT-A) - Credits*.

**IRM 4.19.3.20.1.20.1(3) - added Exception for cases containing Form 8857 and Form 14039**

3. Do not initiate any contact with the TP nor make any contact with Cincinnati Centralized Innocent Spouse Operation (CCISO).

**EXCEPTION:** If a case contains both Form 8857 and Form 14039, see IRM 4.19.3.20.1.26.3.1, *IDT Claims - Responses*, for further information.

**IRM 4.19.3.20.1.20.2 - rewrote subsection**

1. **These instructions are for the designated Innocent Spouse Coordinators ONLY. See IRM 4.19.3.20.1.20.1, *Innocent Spouse Relief Cases - Tax Examiner Instructions*, for TE instructions.**
2. The AUR IS Coordinator is responsible for the following:
  - o Date stamping Form 8857
  - o Faxing Form 8857 and any related correspondence to CCISO at # [REDACTED] Attn: Innocent Spouse AUR/SCEB Coordinator, **within 10 business days of receipt**

**EXCEPTION:** If the Form 8857 and correspondence is too large to fax, mail **within 10 business days** to:  
Cincinnati Centralized Innocent Spouse Operation  
201 W. Rivercenter Blvd., Stop 840-F  
Covington, KY 41011

**NOTE:** Provide CCISO with copies of the case contents; leave original documents with the case.

- o Notifying CCISO when the case is closing AND
- o Providing CCISO with the CP 2000 notice and other relevant documents by fax or mail when the case is closed

**NOTE:** Provide CCISO with copies of the case contents; leave original documents with the case.

3. If a Form 8857 is received AND the TP is claiming identity theft:
  - o A copy of Form 8857 and related correspondence will be forwarded by the response TE; see IRM 4.19.3.20.1.26.3.1(1), *IDT Claims - Responses*, for further information.
  - o Date stamp and fax Form 8857 and any related documents to CCISO **within 10 business days of receipt**; notify them the case has been referred to IDTVA for determination.

- The AUR IDT Liaison will notify the IS Coordinator when the identity theft issue has been resolved and will coordinate to ensure a copy of the case contents are forwarded to CCISO.

**NOTE:** If there are still AUR issues remaining after the IDT issue has been resolved, the case will be transferred to the IS Coordinator for processing.

4. If a valid Form 8857 or similar written statement that is signed with the words “under penalty of perjury” is received take the following action:

<b>If</b>	<b>Then</b>
The response includes information to close the case	<ol style="list-style-type: none"> <li>1. Take the appropriate closing actions and input the appropriate PC to close the case.</li> <li>2. Leave a detailed case note.</li> <li>3. Follow the instructions in (2) above and forward Form 8857 and a copy of other required documents to CCISO.</li> </ol>
The response does not include information to close the case	<ol style="list-style-type: none"> <li>1. Follow normal AUR procedures to work the case (i.e., issue a recomputed notice, request additional information, etc.).</li> <li>2. Leave a detailed case note.</li> <li>3. Access the Address Update window and input the address of the spouse who submitted the Form 8857 using Address Type "S". Edit the first name line to reflect only the spouse's name.</li> <li>4. Send Letter 2626C to the spouse who submitted Form 8857 and include a Special Paragraph, using the following verbiage as an example: "We received your Form 8857, Request for Innocent Spouse Relief, and forwarded it to the appropriate department. However, it will not be considered until after the notice issues are resolved. "</li> <li>5. Input the appropriate PC and release the case.</li> <li>6. Once the notice/letter is generated, secure the case and input PC 99 to move the case to Innocent Spouse Suspense Batch 89002 for monitoring within AUR.</li> <li>7. When the case is ready to close, including default, follow steps 1- 3 above, for cases where the TP provides information that will close the case.</li> </ol>

**IRM 4.19.3.20.1.26.3.1(1) - added new table for actions to be taken when a case involves a claim of identity theft and a request for Innocent Spouse relief**

1. If a case involves a claim of identity theft **and Innocent Spouse**, see the table below for the proper action to take:

<b>If</b>	<b>Then</b>
<p>There is Form 8857 and Form 14039 or a police report</p>	<ol style="list-style-type: none"> <li>1. Provide the Innocent Spouse Coordinator with a copy of Form 8857 and any related correspondence, and the date when the case was referred to the AUR IDT liaison.</li> <li>2. Access the Address Update window and input the address of the spouse who submitted the Form 8857 using Address Type "S". Edit the first name line to reflect only the spouse's name.</li> <li>3. Send Letter 2626C to the spouse and include a Special Paragraph, using the following verbiage as an example: "We received your Form 8857, Request for Innocent Spouse Relief, and forwarded it to the appropriate department. However it will not be considered until after the notice issues are resolved."</li> </ol> <p style="text-align: center;"><b>NOTE:</b> Do not include a paragraph to advise the TP to respond within 30 days.</p> <ol style="list-style-type: none"> <li>4. Transfer the case to the designated UID.</li> </ol>
<p>There is Form 8857 and a claim of identity theft but <b>no Form 14039 or police report</b></p>	<ol style="list-style-type: none"> <li>1. Provide the Innocent Spouse Coordinator with a copy of the Form 8857 and any related correspondence, and advise that correspondence is being sent to request IDT documents.</li> <li>2. Follow instructions in (2) below.</li> </ol>

**IRM 4.19.3.20.1.26.4(1) b - added Note for cases which include Form 8857, to notify the IS Coordinator when the IDT issue has been resolved and coordinate to ensure a copy of the case contents is sent to CCISO**

1. The AUR IDT Liaison is responsible for:
  - a. Managing IDT and RPM referrals (both to IDTVA and from IDTVA).
  - b. Input of closing PC when case is returned from IDTVA.

**NOTE:** If a case also includes Form 8857, *Request for Innocent Spouse Relief*, notify the AUR IS Coordinator when the IDT issue has been resolved and coordinate to ensure a copy of the case contents is sent to CCISO.

- c. Reviewing all cases meeting referral criteria and Forms 4442 prior to sending to IDTVA.
- d. Monitor cases sent to IDTVA for 120 days, see (10) below.
- e. Track all time they spend working on IDT, see IRM 4.19.3.20.1.26 (9), *Identity Theft (IDT) Claims - Overview*

**IRM 4.19.3.20.1.26.4(11) last bullet - added Exception to transfer cases containing Form 8857 to the IS Coordinator and leave a detailed case note**

11. If the IDTVA resolves the IDT issue and there are still AUR issues remaining, IDTVA will return the case to AUR with instructions to continue the processing (i.e., recomp, stat, no change, etc.). The AUR IDT Liaison will ensure the following:

- o Appropriate actions are taken
- o Review AMS for related correspondence and if present leave an AUR case note indicating imaged correspondence is on AMS and instruct the TE to review AMS when working the response
- o Any AUR initiated TC 971 AC 522 has been reversed before releasing the case back into normal AUR inventory, see IRM 4.19.3.20.1.26.3.1 (11), *IDT Claims - Responses*, when necessary.
- o Release the case back into normal AUR inventory

**EXCEPTION:** If the case contains Form 8857, transfer to the IS Coordinator. Leave a detailed case note.

**IRM 4.19.3.20.1.26.4(12) - added Note for cases which include Form 8857, to notify the IS Coordinator if the case is closed N/C and coordinate to ensure a copy of the case contents is sent to CCISO**

12. IDTVA will return a listing of SSNs for cases requiring input of closing PC (i.e., PC 17, no change, below tolerance closure); close the case with the appropriate process code.

**NOTE:** If the case contains Form 8857, notify the IS Coordinator the case has been closed N/C, per the IDTVA determination, and coordinate to ensure a copy of the case contents is sent to CCISO.

**CAUTION:** If IDTVA advises there is a payment on the account (i.e., noted in a case note) and the case should be closed with PC 17, hold the case for 2

weeks before input of PC 17. This will allow time for IDTVA to release the payment.

**IRM 4.19.3.20.2(1) - added Note that telephone assistors may provide information from written response instructions during a call, in lieu of sending a letter**

1. The purpose of the AUR toll-free telephones is to assist TPs and/or their POA/authorized representatives who call IRS regarding AUR initiated contacts. Use instructions for written responses as guidance for telephone responses/accepting oral statements.

**NOTE:** During a call telephone assistors may verbally provide information and guidance from instructions for written responses, in lieu of sending a letter. A detailed case note of the information provided is required.

**CAUTION:** When these instructions refer to the TP, the instruction also applies to the POA who calls for the TP. See IRM 4.19.3.20.2.2(6), *Disclosure*, for additional information regarding authorized representatives.

- a. Written documentation may be requested if unable to determine if the oral statement is valid.
- b. Hearing-impaired TPs may be speaking through a relay operator. The operator will announce they are calling as a relay operator on behalf of a TP as soon as you answer. Perform disclosure verification as if you were talking directly to the TP and continue with the conversation. For additional information see IRM 21.2.1.56, *Deaf/Hard of Hearing (DHOH) Callers and TTY/TDD Equipment*.

**IRM 4.19.3.20.2.5(4) table, 3rd and last rows, Then column - removed walk in office example**

4. If the case requires a paper document or a fax, **do not use** the action required option.

IF	AND	THEN
The case is <b>controlled at another campus</b>	The TP agrees to send in documents	Do not use the Universal Work Option.  1. If needed, provide the TP with the (clerical) e-Fax number for the controlling site or ask them to mail their reply

		<p>in the envelope provided.</p> <p>2. Leave a case note.</p>
The case is <b>controlled at another campus</b>	The TP indicates they wish to fax in their agreement to the AUR issue with or without Form 9465	Leave a case note to clearly document the TP's intent to fax a signed consent. If needed, provide the TP with the (clerical) e-Fax number for the controlling site.
The case is <b>controlled at another campus</b>	Neither faxing nor mailing meets the TP's situation	Use good judgment in determining a suitable course of action and leave a case note.
The case is <b>controlled at your campus</b>	The TP indicates he/she is ready/prepared to fax the information while on the call	<ol style="list-style-type: none"> <li>1. Provide the TP with appropriate unit e-Fax number, to submit the additional documentation, or signed consent.</li> <li>2. Request the case using normal procedures, see IRM 4.19.7, <i>IMF Automated Underreporter (AUR) Technical System Procedures - Requesting Cases</i>.</li> </ol> <p>If the response is received via the unit e-Fax, be sure to input the received date in the IRS Received date window.</p> <p><b>NOTE:</b> If needed, the Call Site will provide the site (clerical) e-Fax number.</p>
The case is <b>controlled at your campus</b>	The TP indicates they wish to fax in their agreement to the AUR issue with or without Form 9465	Leave a case note to clearly document the TP's intent to fax a signed consent. If needed, provide the TP with the (clerical) e-Fax number.
The case is <b>controlled at your</b>	The TP indicates he/she will fax the information in later.	Provide the TP with appropriate (clerical) e-Fax number, to submit the

<b>campus</b>		additional documentation, or signed consent.
The case is <b>controlled at your campus</b>	Neither faxing nor mailing meets the TP's situation	Use good judgment in determining a suitable course of action and leave a case note.