

IRM PROCEDURAL UPDATE

DATE: 05/19/2017

NUMBER: sbse-04-0517-0874

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

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

CHANGE(s):

IRM 4.19.3.15.2(6) - revised instruction for creating an IR and added Exception for ELF payer documents when there is no IR; deleted Note

6. Create an IR(s) for all elements (income types and EIN field) when there is SSTAX on an attached Form W-2 but there is no IR present.

EXCEPTION: Do not create the SSTAX element if the Form W-2 is an ELF payer document and no IR is present.

IRM 4.19.3.15.2(16) a and b - revised to provide instructions for ELF payer documents for which there is no IR; added new b to provide instructions for handling when the TP does not meet all the conditions to claim excess SST

16. When excess SSTAX is the only issue **and** the TP files an ELF return, see IRM 4.19.3.4.2 (7) and (8), *Comparison of IRP Information Returns With Return Information*, to determine when to consider the IRs more accurate than the ELF Form W-2 data, take the following action:

NOTE: Be aware of tax preparation software problems that may lead to reporting inconsistencies on ELF returns. For example, ELF Form W-2, box 12 shows Code "A" amount, but the occupation is not TIPS related or the ELF Form W-2, box 12 Code "A" or "M" amount matches another item (such as deferred compensation).

- a. **O/C excess SSTAX:** If there is an ELF payer document present for which there is no IR send a notice to request a copy of the Form W-2. Include a Special Paragraph on the notice using the following verbiage as an example: "Our records indicate the credit for excess social security tax/railroad retirement tax claimed on your return is not substantiated by information on your Forms W-2, Wage and Tax

Statement. Please send us a copy of your Forms W-2, to verify the credit claimed on your tax return."

- b. **O/C excess SSTAX:** If the conditions in (4) above are not met follow the procedures for paper in (15) above.
- c. **U/C excess SSTAX:** If the SSWAG element multiplied by the percentage in the table below equals the SSTAX element, allow the system calculated excess SSTAX amount and make the adjustment using PC 20. See IRM 4.19.3.15.1.2 (4), *Withholding, SSTAX and Additional Medicare Tax Withheld - Miscellaneous*, for further instructions.

TY 2013	TY 2014	TY 2015
6.2 percent (.062)	6.2 percent (.062)	6.2 percent (.062)

- d. **U/C excess SSTAX:** If the SSWAG element multiplied by the percentage in the table below does not equal the SSTAX element, issue a CP 2501. Include a Special Paragraph using the following verbiage as an example: "Please provide us with copies of Form(s) W-2 to support the amount of social security tax withheld."

TY 2013	TY 2014	TY 2015
6.2 percent (.062)	6.2 percent (.062)	6.2 percent (.062)