IRM PROCEDURAL UPDATE

DATE: 11/21/2019

NUMBER: sbse-04-1119-1213

SUBJECT: BMF Liability Determination; BMF Underreporter (BUR) Control

AFFECTED IRM(s)/SUBSECTION(s): 4.119.1

CHANGE(s):

IRM 4.119.1.4.7.4.1(1) d added Form 15113
IRM 4.119.1.4.7.4.1(1) d Note added Letter 2030 and Form 15113
IRM 4.119.1.4.7.4.1(2) added Form 15113

1. An Agreed Letter 2030 Response indicates agreement with the Letter 2030 in its entirety and must meet at least one of the following conditions:
   a. Be full paid for correct tax and penalties with no taxpayer comments.

      NOTE: To determine if the case is full paid, use IDRS CC: TXMODA verifying transaction code 640/670 payment amount is equal to the "Total Amount Due" on the notice

   b. A signed Letter 4550C that contains a signature with no taxpayer comments.

   c. Be a signed Form 433-D or Form 9465 attached to a notice with no taxpayer comments. See (2) below. See IRM 4.119.1.4.7.2, Form 433-D or Form 9465 - Installment Agreements for further information.

      NOTE: If the Form 433-D or Form 9465 is the only piece of correspondence, make a copy to route to Collection. Use red ink to annotate the photocopy of the Form 9465 or Form 433-D with: "pending BUR assessment". Use the original to build into the appropriate disagreed response batch, make sure to annotate that a copy of the IA was sent to Collection.

   d. Contain a signature (on the Consent to Tax increase line) on an unaltered Letter 2030 or Form 15113 with no taxpayer comments/attachments. See (2) below for additional information on a faxed consent to tax increase.

      NOTE: If the Disagreement line on the Letter 2030 Response Page or Form 15113 has been signed, consider the response disagreed.
Failure to do so could result in an incorrect assessment which can lead to increased taxpayer burden and additional cost for the IRS.

2. A faxed consent to assess additional tax Letter 2030, Form 15113, Letter 4550C, Form 433-D or Form 9465 with no taxpayer comments can be accepted. Build these cases into BT 510, 511.

3. Agreed responses are built into BT 510, 511.

IRM 4.119.1.4.7.4.2(1) second bullet added Form 15113

1. A Disagreed Letter 2030 Response does not meet the conditions in IRM 4.119.1.4.7.4.1, Agreed Letter 2030 Responses, and is identified by:
   - Disagreement with at least some part of the notice
   - The Letter 2030, or Form 15113 is unsigned, or there are taxpayer comments
   - An unsigned Form 433-D or Form 9465 with or without taxpayer comments
   - The only correspondence received is a Form 433-D or Form 9465

IRM 4.119.1.4.7.5.1(1) a and (2) added Form 15113

1. An Agreed Statutory Response indicates agreement by meeting one of the following conditions:
   a. An unaltered Letter 2030, or Form 15113 (attached or not attached to a Statutory Notice) that contains a signature (on the Corporation Agrees to Tax Increase line on the Notice) with no taxpayer comments.
   b. A signed Letter 4550C that contains a signature with no taxpayer comments.
   c. A signed Form 433-D or Form 9465 attached to a notice with no taxpayer comments. See IRM 4.119.1.4.7.2, Form 433-D or Form 9465 - Installment Agreements.

   NOTE: If the Form 433-D or Form 9465 is the only piece of correspondence, make a copy to send to Collection. Use red ink to annotate the copy of the Form 433-D or Form 9465 with "Pending BUR Assess". Use the original to build into the appropriate disagreed response batch, being sure to annotate that a copy of the IA was sent to Collection.

   d. A signature (under the Consent to Tax Increase jurat) on an unaltered Statutory Notice of Deficiency Waiver, Form 4089, with no taxpayer comments/attachments, See (2) below for additional information on a faxed consent to tax increase.
CAUTION: Full payment received after a Notice of Deficiency was issued, without the necessary signature(s), cannot be considered an agreement with the tax increase. Build these responses to the appropriate disagreed response batch type.

REMINDER: All Stat responses are considered HIGH PRIORITY work, as the taxpayer has limited time to file a petition with Tax Court.

NOTE: If the Disagreement line on the Response page of the Notice has been signed, consider the response to be disagreed. Failure to do so could result in an incorrect assessment, which could cause an increase in taxpayer burden and additional cost for the IRS.

2. A faxed consent to assess additional tax Letter 2030, Form 15113, Letter 4550C, Form 4089 (Stat Notice), Form 433-D or Form 9465 with no taxpayer comments can be accepted. Build these cases into BT 710, 711 (BT 510, 511 for Letter 2030 phase).

3. Agreed Stat responses are built into BT 710, 711.

NOTE: Although Stat responses with an IRS received date of 23 days or older will be assigned to a BT 740, 741.

IRM 4.119.1.4.8(3) d added Form 15113

3. A Statutory Notice consists of the following:
   a. Cover Sheet with taxpayer's address.
   b. The original and one copy of Letter 3219-B.
   c. The original and one copy of Form 4089.
   d. A copy of the most current Letter 2030/Recomputation Notice (except page 1 and the response page or Form 15113).
   e. A copy of the IRPTR information return documents (that were included with the Letter 2030).

IRM 4.119.1.6.15(2) b and (2)d Note added Form 15113

2. An Agreed Letter 2030/Recomp Response indicates agreement with the Letter 2030 in its entirety and must meet at least one of the following conditions:
   a. Be fully paid for tax and penalties with no taxpayer comments.
   b. Contains a signature on an unaltered Letter 2030 or Form 15113 with no taxpayer comments/attachments.
   c. An unaltered Letter 4550C that contains a signature (under the Consent to Tax Increase statement) that has no taxpayer comments.
   d. Be a signed Form 433-D or Form 9465 attached to a notice with no taxpayer comments. See (3) below for additional information on a
faxed consent to tax increase. See IRM 4.119.1.4.7.2, Form 433-D or Form 9465 - Installment Agreements, for additional information.

**NOTE:** If the Disagreement line on the Letter 2030 response page or Form 15113 of the Letter 2030 has been signed, consider the response to be disagreed.

**IRM 4.119.1.6.16(2) b added response page and Form 15113**

2. A disagreed Letter 2030 response does not meet the conditions in IRM 4.119.1.6.15, Batch Type (BT) 510, 511 (Agreed Response), and is identified by:
   a. Disagreement with at least some part of the notice.
   b. The Letter 2030 response page or Form 15113 is unsigned, or there are any taxpayer comments.
   c. A Form 433-D or Form 9465 is the only piece of correspondence received with or without taxpayer comments.

**REMINDER:** See IRM 4.119.1.4.7.2, Form 433-D or Form 9465 - Installment Agreements, when responses contain a Form 9465 or Form 433-D.

**IRM 4.119.1.6.25(3) a and (4) added response page and Form 15113**

3. An Agreed Statutory Notice Response indicates agreement by meeting one of the following conditions:
   a. An unaltered Letter 2030 response page, Form 15113, or Letter 4550C (attached or not attached to a Statutory Notice) that contains a signature (under the Consent to Tax Increase statement) that has no taxpayer comments.

   **NOTE:** A response is considered "agreed" if the taxpayer signs on the line under The Corporation agrees with all changes **AND** checks the box Agree with all Changes.

   b. A signature (under the Consent to Tax Increase jurat) on an unaltered Statutory Notice of Deficiency Form 4089 that has no taxpayer comments. See (4) below for additional information on a faxed consent to tax increase.

   c. A signed Form 433-D or Form 9465 attached to a notice with no taxpayer comments. See IRM 4.119.1.4.7.2, Form 433-D or Form 9465 - Installment Agreements, for further information.

   **CAUTION:** Full payment received after a Notice of Deficiency was issued, without the necessary signature(s), **cannot** be considered an
agreement with the tax increase. Build these responses to the appropriate disagreed response batch type.

**NOTE:** If the disagreement line on the response page has been signed, consider the response a disagreed response.

4. A faxed consent to assess additional tax Letter 2030 response page, Form 15113, Letter 4550C, Form 4089 (Stat Notice) or Form 9465 attached to letter with no taxpayer comments can be accepted. Build these responses into BT 710, 711.

**IRM 4.119.1.6.26(3) b added Form 15113**

3. A disagreed Statutory Notice response does not meet the conditions in IRM 4.119.1.6.25, Batch Type (BT) 710, 711 (Statutory Notice Agreed Responses), and is identified by:
   a. Disagreement with at least some part of the notice.
   b. The Waiver (Letter 2030 response page or Form 15113) is unsigned or there are any taxpayer comments.
   c. An unsigned Form 433-D or Form 9465 with or without taxpayer comments.
   d. Form 433-D or Form 9465 is the only piece of correspondence received.

**REMINDER:** See IRM 4.119.1.4.7.2, Form 433-D or Form 9465 - Installment Agreements, when Stat responses contain a Form 433-D or Form 9465.

**IRM 4.119.1.9.1 New tri doc for IPC 41CR remaining tri docs renumbered**

Internal Process Code 41CR (Miscellaneous Referrals - Screening)

1. Tax examiners assign IPC 41CR when Coordinators assistance is needed to determine if cases meet CAT-A criteria during screening phase.
2. TE’s will maintain these cases in their unit inventory.

**IRM 4.119.1.9.5 New tri doc for IPC 43CR remaining tri docs renumbered**

Internal Process Code 43CR (Letter 2531 CAT-A Exam Referral)

1. Tax examiners assign IPC 43CR when Coordinators assistance is needed to determine if cases meet CAT-A criteria during the Letter 2531 phase.
2. TE’s will maintain these cases in their unit inventory.
3. If new correspondence is received, update the control using IDRS CC: TXMODA and ACTON accordingly CXX,4XXRESP,A,BUR1→,MMDDYYYY.
NOTE: "MMDDYYYY" represents the IRS Received Date of the correspondence.

4. Give correspondence to the appropriate unit or TE based on IDRS activity.

IRM 4.119.1.9.12 New tri doc for IPC 45CR remaining tri docs renumbered

Internal Process Code 45CR (Letter 2030 CAT-A Exam Referral)

1. Tax examiners assign IPC 45CR when Coordinators assistance is needed to determine if cases meet CAT-A criteria during the Letter 2030 phase.
2. TE's will maintain these cases in their unit inventory.
3. If new correspondence is received, update the control using IDRS CC: TXMODA and ACTON accordingly CXX,5XXRESP,A,BUR0→,MMDDYYYY.

NOTE: "MMDDYYYY" represents the IRS Received Date of the correspondence.

4. Give correspondence to the appropriate unit or TE based on IDRS activity.

IRM 4.119.1.9.20 New tri doc for IPC 47CR remaining tri docs renumbered

Internal Process Code 47CR (Statutory Notice CAT-A Exam Referral)

1. Tax examiners assign IPC 47CR when Coordinators assistance is needed to determine if cases meet CAT-A criteria during the Stat Notice phase.
2. TE's will maintain these cases in their unit inventory.
3. If new correspondence is received, update the control using IDRS CC: TXMODA and ACTON accordingly CXX,7XXRESP,A,BURS→,MMDDYYYY.

NOTE: "MMDDYYYY" represents the IRS Received Date of the correspondence.

4. Give correspondence to the appropriate unit or TE based on IDRS activity.

IRM 4.119.1.9.27 New tri doc for IPC 49CR remaining tri docs renumbered

Internal Process Code 49CR (Reconsideration CAT-A Exam Referral)

1. Tax examiners assign IPC 49CR when Coordinators assistance is needed to determine if cases meet CAT-A criteria during the reconsideration phase.
2. TE's will maintain these cases in their unit inventory.
3. If new correspondence is received, give to the appropriate unit or TE based on IDRS activity.
Exhibit 4.119.1-2 added 41CR, 43CR, 45CR, 47CR, 49CR

Pre-Letter

41CR - CAT-A Exam Referral
41RR - Screening Research Request
41MR - Screening Miscellaneous Referral
41TR - Screening Technical/Managerial Request
41WP - Screening Wrong Pull

Letter 2531

43CR - Letter 2531 CAT-A Exam Referral
43RR - Letter 2531 Research Request - Return and/or Transcript
43MR - Letter 2531 Miscellaneous Referral No Response
43TR - Letter 2531 Technical/Manager Referral with Response
43LT - Letter 2531 BUR Correspondex Letter
43PH - Letter 2531 Phone Call
43UD - Letter 2531 Undeliverable

Letter 2030

45CR - Letter 2030 CAT-A Exam Referral
45RR - Letter 2030 Research Request - Return and/or Transcript
45MR - Letter 2030 Miscellaneous Referral No Response
45TR - Letter 2030 Technical/Manager Referral with Response
45LT - Letter 2030 BUR Correspondex Letter
45PH - Letter 2030 Phone Call
45EX - Letter 2030 Extension Request
45UD - Letter 2030 Undeliverable
Stat Notice

47CR - Stat Notice CAT-A Exam Referral
47RR - Stat Notice Research Request - Return and/or Transcript
47MR - Stat Notice Miscellaneous Referral No Response
47TR - Stat Notice Technical/Manager Referral with Response
47LT - Stat BUR Correspondex Letter
47PH - Stat Phone Call/Manual Letter (Letter not on BMF AUR)
47UD - STAT Undeliverable

Miscellaneous - Open Cases

4XLC - Lost Case
4XLR - Lost Response
4XRF - Refile Case

Reconsideration - Suspense Cases

49CR - RECON CAT-A Exam Referral
49LT - RECON Letter - suspense
49PH - Reconsideration Telephone
49MR - Reconsideration Miscellaneous Referral
49RR - RECON Research Requested - suspense
49TR - RECON Referral within BUR- suspense

Exhibit 4.119.1-5 added definer code CR

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<td>Appeals SME Referral</td>
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<tr>
<td>Code</td>
<td>Description</td>
<td>Timeframe</td>
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<td>AS</td>
<td>Third Party Contact after STAT SME referral</td>
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<td>CL</td>
<td>Counsel referral</td>
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<td>CAT-A Exam Referral</td>
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<td>Disaster suspense</td>
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<td>Erroneous Refund referral</td>
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<td>Exam referral</td>
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<td>Payer Agent SME referral</td>
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**Exhibit 4.119.1-6 added Forms 15113 and 15114**

- Form 1040, U.S. Individual Income Tax Return
- Form 1040X, Amended U.S. Individual Income Tax Return
- Form 1041, U.S. Income Tax Return for Estates and Trusts
- Form 1065, U.S. Return of Partnership Income
Form 1120, U.S. Corporation Income Tax Return
Form 1120X, Amended Corporation Income Tax Return
Form 1120S, U.S. Income Tax Return for an S Corporation
Form 14121, No Change Certification
Form 15113, Response page to Letter 2030
Form 15114, Response page to Letter 2531
Form 433-D, Installment Agreement
Form 2848, Power of Attorney
Form 2859, Request for Quick or Prompt Assessment
Form 3210, Document Transmittal
Form 4251, Return Charge-Out
Form 4442, Inquiry Referral
Form 4506, Request for Copy of Tax Return
Form 5147, IDRS Transaction Record
Form 4089, Notice of Deficiency - Waiver
Form 8821, Tax Information Authorization
Form 9465, Installment Agreement Request
Form 9856, Attachment Alert
Pub 1, Your Rights As A Taxpayer