



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
Washington, DC 20224

SMALL BUSINESS / SELF-EMPLOYED DIVISION

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MEMORANDUM FOR SB/SE EXAMINATION DIRECTORS, LB&I EXAMINATION, W&I EXAMINATION, AND APPEALS

A handwritten signature in black ink, appearing to read "Michael W. Damasiewicz".

FROM: Michael W. Damasiewicz
Director, Examination – Field and Campus Policy

SUBJECT: Section 5000A Individual Shared Responsibility Payment-Statute of Limitations

The purpose of this memorandum is to issue guidance on the individual shared responsibility payment (SRP) assessment statute expiration date (ASED) and provide language required for valid extension by consent.

The individual SRP ASED is three years from the date the related income tax return is filed; however, the individual SRP carries a separate and distinct ASED from the income tax return on which the individual SRP is, or should be, reported. For example, if the related income tax return's ASED is extended by consent, is suspended, or is extended under an alternative statute provision, such as the unlimited fraud ASED, generally the individual SRP statute will not automatically be extended in kind.

The individual SRP ASED may be extended by consent using Form 872, Consent to Extend the Time to Assess Tax, or Form 872-A, Special Consent to Extend the Time to Assess Tax, but language must be added to expressly indicate that the individual SRP ASED is being extended. The most precise way to indicate this is to insert the term "Section 5000A Shared Responsibility Payment" on the "Kind of tax" line of the Form 872 or Form 872-A.

The guidance provided in Attachment 1, Section 5000A Individual Shared Responsibility Payment – Statute of Limitations, is effective immediately and will be incorporated into IRM 25.6.22, Statute of Limitations, Extension of Assessment Statute of Limitations by Consent, within 1 year.

If you have questions, you may contact me or a member of your staff may contact Susan L. Howard, Program Manager, Examination Policy, Field Exam Special Processes.

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Attachment 1- Section 5000A Individual Shared Responsibility Payment – Statute of Limitations

(1) The general assessment statute expiration date (ASED) for assessing the individual shared responsibility payment (SRP) imposed by IRC § 5000A, Shared Responsibility Payment, is the same as that prescribed by IRC § 6501(a), Limitations on Assessment and Collection, for the income tax reported on the federal income tax return on which the individual SRP is to be reported. See Treas. Reg. § 1.5000A-5(a).

(2) An alternative ASED or other IRC section that would ordinarily extend the normal 3-year assessment statute of limitations, such as:

- an Alpha statute as referenced in IRM Exhibit 25.6.23-3, Instructions for Updating the Statute on AIMS, or
- the suspension provisions of IRC § 6503, Suspension of Running of Period of Limitation, effective upon issuance of a Statutory Notice of Deficiency

generally will not protect the assessment statute for the individual SRP.

Only ASED suspensions that relate directly to the reporting of health care coverage or time periods disregarded for all purposes, such as what may be provided for under IRC § 7508, Time for performing certain acts postponed by reason of service in combat zone or contingency operation, will also suspend the period of limitations for the individual SRP.

(3) The individual SRP statute can be extended by consent using Form 872, Consent to Extend the Time to Assess Tax, or Form 872-A, Special Consent to Extend the Time to Assess Tax. To specifically identify the individual SRP period of limitations, insert the term “Section 5000A Shared Responsibility Payment” in the “Kind of tax” line of the form.

Caution: Unless the consent form specifically lists the individual SRP, a signed consent form extending the period for assessing a taxpayer’s income tax liabilities may have **no effect** on the statute of limitations for assessing that taxpayer’s individual SRP. Therefore, the term “Section 5000A Shared Responsibility Payment” must be inserted on the “Kind of tax” line if the extension is to apply to the individual SRP.

Note: Individuals who file a joint return are jointly liable for the individual SRP. Please see IRM 25.6.22.6.1.1, Joint Returns, for guidance on securing consents from jointly filing taxpayers.

(4) An examiner may use a single consent form to secure agreements to extend both the income tax and the individual SRP assessments; however, **both** assessment types (“Section 5000A Shared Responsibility Payment” and “income”) must be listed on the “Kind of tax” line of the form used to secure the consent.