

## IRM PROCEDURAL UPDATE

**DATE: 01/07/2026**

**NUMBER: ts-03-0126-0045**

**SUBJECT: Start-up Changes**

**AFFECTED IRM(s)/SUBSECTION(s): 3.22.110**

**CHANGE(s):**

**IRM 3.22.110.21.5(2) - Added a note for addressing CCC "Z" Scanned Paper Returns.**

(2) Valid characters are: A, D, E, F, G, J, O, R, S, T, U, W, X, 3, 4, 7, and blank.

**Note:** CCC "Z" is invalid and is used with scanned paper returns to cause fallout for ERS correction. See IRM Scanned Paper Returns for correction procedures. Do **not** delete CCC "Z" until the underlying error condition is addressed.

**IRM 3.22.110.21.5(4) - Added computer condition code "Z" for Scanned Paper Returns in need of ERS correction.**

(4) The table provides a brief description of the valid codes. Specific instructions for each Computer Condition Code follow.

<b>Computer Condition Code</b>	<b>Definition</b>	<b>Validity Check</b>
A	Qualified Derivatives Dealer (QDD) box checked in Section 4	Must be present if Page 2, Section 4 box is checked. <b>Note:</b> Schedule Q (Form 1042) must be attached.
D	Reasonable cause for failure to make timely payments	1. Cannot have precomputed penalty. 2. Must have a Received Date.
E	Credit elect	1. Must have an overpayment. 2. Cannot be used with CCC "F" or "G".
F	Final return	Cannot be used with CCC "E" or "G".
G	Amended return	1. Only code valid with CCC "W" or "3". 2. Must have a Received Date.

J	QDD reasonable cause for failure to make timely payments.	TY17 Only: Amount present on Line 62b(1).
O	Module freeze	Manual Refund
R	Reasonable cause for delinquency	Must have a Received Date.
S	Refund/overpayment due	<ol style="list-style-type: none"> <li>1. Must have check in box on Line 71 of Form 1042.</li> <li>2. Overpayment must be \$1.00 or more.</li> </ol>
T	Return secured due to TDI.	
W	Cleared by Statute	
X	Refund/Credit Freeze	No reply to correspondence.
Z	Scanned Paper Return in need of ERS correction.	<p>CCC "Z" is used by the scanning vendors to cause returns that need correction to fall out in ERS.</p> <p><b>Note:</b> Do not delete CCC "Z" before resolving the error condition.</p>
3	No reply to correspondence.	Cannot have Correspondence Received Date present.
4	Return prepared by the IRS under IRC 6020(b)	Notated: IRC 6020(b) and signature of revenue agent.
7	Reasonable cause statement denied	

**IRM 3.22.110.29.1(3) b - Removed Statute Returns clearing exception process for BMF.**

**(3) Correction Procedures:**

- Correct all misplaced entries, coding and transcription errors.
- Do not send the returns listed in the following table to Statute Control for clearance. Instead, do the following:

**Statute Control**

If	Then
<ul style="list-style-type: none"> <li>o Return is prepared by Compliance (e.g., IRC 6020(b)),</li> <li>o Return is secured by Examination/Collections, secured by TEGE, secured by TEGE Employee Plan (EP) Exam,</li> <li>o Return has a Transaction Code (TC) 59X,</li> <li>o Return has "ICS" (Integrated Collection System) notated on the face of the return,</li> <li>o Return is a Substitute for Return prepared</li> </ul>	Enter "W" in Field 01CCC and on the return and continue processing.

by Examination ("SFR" in the margin) with Form 13133, Expedite Processing Cycle, attached, <ul style="list-style-type: none"> <li>○ Return has a stamp indicating a previous            clearance by Statute Control within the            last 90 days,</li> </ul>	
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c. Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.

If	Then
Field 01RCD is blank,	a. Enter the Received Date in Field 01RCD. Use the earliest date if multiple Received Dates are present.  <b>Exception:</b> Do not use a Received Date in Field 01RCD that is prior to the end of the tax period.
CCC "W" is entered incorrectly,	Delete CCC "W" from Field 01CCC.
The return has a stamp that shows a previous clearance by Statute Control within the last 90 days,	Enter CCC "W" in Field 01CCC and on the return.
The return is not stamped by Statute Control within the last 90 days and the Received Date is equal to or more than two years nine months after the RDD,	1. SSPND with Action Code 310. 2. Prepare Form 4227, Intra-SC Reject or Routing Slip to route to Statute Control.

**IRM 3.22.110.29.1(3) c - Removed Statute Returns clearing exception process for BMF.**

**(3) Correction Procedures:**

- a. Correct all misplaced entries, coding and transcription errors.
- b. Do not send the returns listed in the following table to Statute Control for clearance. Instead, do the following:

**Statute Control**

If	Then
<ul style="list-style-type: none"> <li>○ Return is prepared by Compliance (e.g., IRC 6020(b)),</li> <li>○ Return is secured by Examination/Collections, secured by</li> </ul>	Enter "W" in Field 01CCC and on the return and continue processing.

<ul style="list-style-type: none"> <li>TEGE, secured by TEGE Employee Plan (EP) Exam,</li> <li>○ Return has a Transaction Code (TC) 59X,</li> <li>○ Return has "ICS" (Integrated Collection System) notated on the face of the return,</li> <li>○ Return is a Substitute for Return prepared by Examination ("SFR" in the margin) with Form 13133, Expedite Processing Cycle, attached,</li> <li>○ Return has a stamp indicating a previous clearance by Statute Control within the last 90 days,</li> </ul>	
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c. Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.

If	Then
Field 01RCD is blank,	<ul style="list-style-type: none"> <li>a. Enter the Received Date in Field 01RCD. Use the earliest date if multiple Received Dates are present.</li> </ul> <p><b>Exception:</b> Do not use a Received Date in Field 01RCD that is prior to the end of the tax period.</p> <ul style="list-style-type: none"> <li>b. See IRM 3.22.110.21.6(5), Field 01RCD, to determine the Received Date.</li> </ul>
CCC "W" is entered incorrectly,	Delete CCC "W" from Field 01CCC.
The return has a stamp that shows a previous clearance by Statute Control within the last 90 days,	Enter CCC "W" in Field 01CCC and on the return.
The return is not stamped by Statute Control within the last 90 days and the Received Date is equal to or more than two years nine months after the RDD,	<ol style="list-style-type: none"> <li>1. SSPND with Action Code 310.</li> <li>2. Prepare Form 4227, Intra-SC Reject or Routing Slip to route to Statute Control.</li> </ol>

#### **IRM 3.22.110.29.32 - Added instructions for Scanned Paper Returns.**

(1) Tax returns that were filed on paper and scanned by Optical Character Recognition (OCR) scanners are referred to as Scanned Paper Returns (SPRs). Data from SPRs is sent through the Modernized e-File (MeF) system and the returns are viewable in the Enterprise User Portal (EUP). These returns will have the following attributes:

File Location Code (FLC)	Document Code	Julian Date	Program Number
91 (Ogden)	25	001-366, 400-766	12500

(2) Scanned PDF images of the original return are included as attachments in EUP.

**Note:** When printing copies of Scanned Paper Returns (e.g., for correspondence), print the scanned PDF and the first page of the stylesheet (the EUP screen).

(3) "Z" is entered into Field 01CCC at the scanning site when an SPR needs correction in ERS. "Z" is an invalid character in Field 01CCC.

(4) When a field error generates because "Z" is present in 01CCC, perform the following steps:

1. Access the return in EUP by searching for the Document Locator Number (DLN).
2. Open the "General Dependency Small" attachment from the left-hand side of the screen.
3. Follow the instruction below, based on the particular scenario listed in the General Dependency Small attachment:

If	Then
Missing signature or the statement (jurat) above the signature on the Form 1042 is altered,	See IRM 3.22.110.17.1.
<b>Verify the Received Date</b>	Determine the valid received date following the priorities in IRM 3.22.110.21.6 and overlay Field 01RCD with correct date.
Street Address, City, or State Code missing, illegible, or more than 35 characters,	<ul style="list-style-type: none"> <li>• For street address, see IRM 3.22.110.22.3.</li> <li>• For City, see IRM 3.22.110.22.4.</li> <li>• For State Code, see IRM 3.22.110.22.5,</li> </ul>
"ID Theft",	See IRM 3.22.110.7.
"Prompt Determination" or "IRC 505",	See IRM 3.11.13.11.12, Prompt, Quick, or Jeopardy Assessments.
"Not liable",	See IRM 3.22.110.18.7, Frivolous Arguments.
"Protective Claim for Refund",	See IRM 3.22.110.18.8.1, Protective Claims.
Direct Deposit	See IRM 3.22.110.25.
Checking Account Indicator	

(5) After a return has been corrected according to the table above, delete the "Z" from Field 01CCC.

**Revised the Internal Revenue Manual (IRM), where necessary, for the following types of editorial changes: Plain language and editorial updates to improve readability.**