

IRM PROCEDURAL UPDATE

DATE: 01/08/2026

NUMBER: ts-03-0126-0052

SUBJECT: Startup Changes

AFFECTED IRM(s)/SUBSECTION(s): 3.11.154

CHANGE(s):

IRM 3.11.154.3.6(3) last bullet. - Deleted the statute agreement with AM, sunset date 12-31-2025.

(3) If any of the conditions listed below are present, **don't** route to Statute Control Unit for clearance. Instead, edit CCC "W", and continue processing:

- Compliance IRC 6020(b) returns.
- Secured by Examination/Collections, Secured by TE/GE, Secured by TE/GE Employee Plan (EP) Exam.
- Returns with TC 59X or ICS (Integrated Collections System) notated on the face of the return.
- Returns that are substitute returns prepared by Examination (SFR) in top margin of the return.
- Returns with a stamp showing a previous clearance by Statute Control within the last 90 days.

IRM 3.11.154.3.6(4) - Updated the CP Notices and Letters to match SNIP.

(4) If a return has any of the following computer paragraphs (CPs) or letters attached, **do not** route to Statute Control Unit for clearance. Edit CCC "W" if the return needs processing. See Exhibit 3.11.154-17, Routing Guide for Attachments, for more information.

- CP 259, Business Master File Generated First Taxpayer Delinquency Investigation (TDI) Notice
- CP 959, Master File Generated First Taxpayer Delinquency Investigation (TDI) Notice (Spanish version)
- CP 518, Final Notice - Return Delinquency
- Letter 112-C, Payment/Overpayment/Credit Applied; No Record of Return Filed
- Letter 282-C, Return Not Received: Copy Requested/Received
- Letter 2255-C, Delinquent Return (Forms 720, 1041, 1065, 1120)
- Letter 2284-C, Delinquent Return (Form 940, 941, 943, 944)

IRM 3.11.154.3.8.2(1) a - Changed CCC to Computer Condition Code due to C&E consistency template.

(1) These returns are identified by the notations: TC 59X or ICS.

- a. **Do not** edit Computer Condition Code (CCC) "G" on these returns.
- b. Use approved Correspondence Action Sheets to correspond for conditions that cannot be processed (e.g., missing signature, missing schedules.).
- c. Edit CCC "W" if the IRS Received Date is more than two years nine months after the Return Due Date. **Do not** send the return to Statute Control function. See IRM 3.11.154.2.10.7, Return Cleared by Statute Control.

Reminder: If there is an indication that a penalty (or penalties) should be suppressed, edit the correct Computer Condition Code(s). See IRM 3.11.154.2.10, Computer Condition Codes (CCC) for more information.

Exhibit 3.11.154-13 - Updated Credit Reduction States and Rates.

2025 Credit Reduction States and Rates

State	Rate
California (CA)	.012
Virgin Islands (U.S.)	.045

2024 Credit Reduction States and Rates

State	Rate
California (CA)	.009
New York (NY)	.009
Virgin Islands (U.S.)	.042

2023 Credit Reduction States and Rates

State	Rate
California (CA)	.006
New York (NY)	.006
Virgin Islands (U.S.)	.039

2022 Credit Reduction States and Rates

State	Rate
California (C A)	.003
Connecticut (CT)	.003

Illinois (IL)	.003
New York (NY)	.003
Virgin Islands (U.S.)	.036

2021 Credit Reduction States and Rates

State	Rate
Virgin Islands (U.S.)	.033

2020 Credit Reduction States and Rates

State	Rate
Virgin Islands (U.S.)	.030

2019 Credit Reduction States and Rates

State	Rate
Virgin Islands (U.S.)	.027

2018 Credit Reduction States and Rates

State	Rate
Virgin Islands (U.S.)	.024

2017 Credit Reduction States and Rates

State	Rate	State	Rate
California	.021	Virgin Islands (U.S.)	.021

2016 Credit Reduction States and Rates

State	Rate	State	Rate
California (CA)	.018	Virgin Islands (U.S.)	.018

2015 Credit Reduction States and Rates

State	Rate	State	Rate
California (CA)	.015	Ohio	.015
Connecticut (CT)	.021	Virgin Island (U.S.)	.015

2014 Credit Reduction States and Rates

State	Rate	State	Rate
California (CA)	.012	New York	.012
Connecticut (CT)	.017	North Carolina	.012
Indiana (IN)	.015	Ohio	.012
Kentucky (KY)	.012	Virgin Island (U.S.)	.012

2013 Credit Reduction States and Rates

State	Rate	State	Rate
Arkansas (AR)	.009	Missouri (MS)	.009
California (CA)	.009	New York (NY)	.009
Connecticut (CT)	.009	North Carolina (NC)	.009
Delaware (DE)	.006	Ohio (OH)	.009
Georgia (GA)	.009	Rhode Island (RI)	.009
Indiana (IN)	.012	U.S. Virgin Islands (VI)	.012
Kentucky (KY)	.009	Wisconsin (WI)	.009

2012 Credit Reduction States and Rates

State	Rate	State	Rate
Arizona (AZ)	.003	Nevada (NV)	.006
Arkansas (AR)	.006	New Jersey (NJ)	.006
California (CA)	.006	New York (NY)	.006
Connecticut (CT)	.006	North Carolina (NC)	.006
Delaware (DE)	.003	Ohio (OH)	.006
Florida (FL)	.006	Rhode Island (RI)	.006
Georgia (GA)	.006	Vermont (VE)	.003
Indiana (IN)	.009	U.S. Virgin Islands (VI)	.015
Kentucky (KY)	.006	Wisconsin (WI)	.006
Missouri (MS)	.006		

2011 Credit Reduction States and Rates

State	Rate	State	Rate
Arkansas (AR)	.003	North Carolina (NC)	.003
California (CA)	.003	New Jersey (NJ)	.003
Connecticut (CT)	.003	Nevada (NV)	.003
Florida (FL)	.003	New York (NY)	.003
Georgia (GA)	.003	Ohio (OH)	.003
Illinois (IL)	.003	Pennsylvania (PA)	.003
Indiana (IN)	.006	Rhode Island (RI)	.003
Kentucky (KY)	.003	Virginia (VA)	.003
Michigan (MI)	.009	U.S. Virgin Islands (VI)	.003
Minnesota (MN)	.003	Wisconsin (WI)	.003
Missouri (MO)	.003		

2010 - 2004 Credit Reduction States and Rates

Tax Year	State	Rate
2010	South Carolina (SC)	.003
2010	Indiana (IN)	.003
2010	Michigan (MI)	.006
2009	Michigan (MI)	.003
2006- 2008	None	
2005	New York (NY)	.006
2004	New York (NY)	.003