

## **IRM PROCEDURAL UPDATE**

**DATE: 01/09/2026**

**NUMBER: ts-03-0126-0057**

**SUBJECT: Start-Up IPU**

**AFFECTED IRM(s)/SUBSECTION(s): 3.12.16**

**CHANGE(s):**

**IRM 3.12.16.4.7(7) and (9) - Removed the Statute Returns clearing exception process for BMF.**

(7) Statute control returns must be routed to the Statute Control Group daily, or more often, if needed.

**Exception:** Do not route to the Statute Control Group for clearance, enter CCC "W" and continue processing if any of the following conditions are present:

- Compliance IRC 6020(b) returns.
- Returns secured by Examination/Collections.
- Returns with Transaction Code (TC) 59X or Integrated Collection System (ICS) notated on the face of the return.
- Returns that are substitute returns prepared by Examination (e.g., Substitute For Return (SFR)) in top margin of the return.
- Returns with a stamp indicating a previous clearance by Statute Control within the last 90 days.

(9) If no indication, reject the record, attach Form 4227 or other proper routing slip to return and route to Statute Control Group.

**IRM 3.12.16.6.4(1) - Removed list of Missing Schedule Codes. Code and Edit no longer edits the Missing Schedule Code, instead they will correspond for the missing form and/or schedule.**

(1) Code and Edit will no longer edit the Missing Schedule Code (MSC), instead they will correspond for the missing form and/or schedule if the entry # [REDACTED] #

**IRM 3.12.16.8.1(3) - Updated Section 07, Error Register Format. Added 2 new lines to Form 1120-ND which caused the fields to change.**

(3) The table below shows Section 07: Alpha Field Designator (AFD), Field Title, Field Length, Dollars and Cents (\$ / ¢), and the Location on the Return.

**Note:** The Form 1120-L and Form 1120-PC moved to the Error Resolution System (ERS). To keep the error register in the same format and prevent more programming, several fields are "Reserved".

#### Section 07

<b>Section 07 AFD</b>	<b>Field Title</b>	<b>Field Length</b>	<b>\$ / ¢</b>	<b>Location On The Return</b>
A	Total Tax	15	\$ / ¢	<ul style="list-style-type: none"><li>• Form 1120-FSC, Line 1</li><li>• Form 1120-ND, Line 13a</li><li>• Form 1120-SF, Line 15</li></ul>
A	Total Income Tax (Generated Underprint)	15	\$ / ¢	
B	Section 1062 First installment of Section 1062 applicable net tax liability (Form 1120-ND only)	15	\$ / ¢	<ul style="list-style-type: none"><li>• Form 1120-ND, Line 13b</li></ul>
B	Estimated Tax Credit	15	\$ / ¢	<ul style="list-style-type: none"><li>• Form 1120-FSC, Line 2d</li><li>• Form 1120-SF, Line 16d</li></ul>
C	Estimated tax Credit	15	\$ / ¢	<ul style="list-style-type: none"><li>• Form 1120-ND, Line 14d</li></ul>
C	Form 7004 Credit	15	\$ / ¢	<ul style="list-style-type: none"><li>• Form 1120-FSC, Line 2e</li><li>• Form 1120-SF, Line 16e</li></ul>

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D	Form 7004 Credit	15	\$ / ¢	<ul style="list-style-type: none"> <li>• Form 1120-ND, Line 14e</li> </ul>
D	Regulated Investment Credit/Reciprocal Credits	11	\$ / ¢	Reserved (Form 1120-FSC and Form 1120-SF)
E	Section 1062 applicable net tax liability (Form 1120-ND only)	15	\$ / ¢	<ul style="list-style-type: none"> <li>• Form 1120-ND, Line 14f</li> </ul>
E	Refundable Credits from Form 3800 and Form 8827	15	\$ / ¢	Reserved (Form 1120-FSC and Form 1120-SF)
F	1042-S Credit (Form 1120-FSC)	15	\$ / ¢	Form 1120-FSC, Line 2g
G	Foreign Investment in Real Property Tax Act (FIRPTA) Credit	11	\$ / ¢	Form 1120-FSC, space to the right of Line 2g
H	Estimated Tax Penalty	15	\$ / ¢	<ul style="list-style-type: none"> <li>• Form 1120-FSC, Line 3</li> <li>• Form 1120-ND, Line 15</li> <li>• Form 1120-SF, Line 17</li> </ul>
I	Balance Due/Overpayment	15	\$ / ¢	<ul style="list-style-type: none"> <li>• Form 1120-FSC, Line 4/Line 5</li> <li>• Form 1120-ND, Line 16/Line 17</li> <li>• Form 1120-SF, Line 18/Line 19</li> </ul>
I	Balance Due/Overpayment (Generated Underprint)	15	\$ / ¢	

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J	Credit to Next Year's Estimated Tax	15	\$ / ¢	<ul style="list-style-type: none"> <li>• Form 1120-FSC, Line 6a (center)</li> <li>• Form 1120-ND, Line 18a (center)</li> <li>• Form 1120-SF, Line 20a, (center)</li> </ul>
N	Gross Income	15	\$	Reserved
O	Special Deduction	15	\$	Reserved
R  <b>Note:</b> This field is no longer applicable and was used for Telephone Excise Tax Refund (TETR) claims filed in tax periods 200612 - 200711.	Credit for Federal Telephone Excise Tax Paid (For 2006 tax form revision.)	15	\$ / ¢	<ul style="list-style-type: none"> <li>• Form 1120-FSC, edited amount in the dotted area left of Line 2h</li> <li>• Form 1120-ND, Line 14f, edited amount in dotted area</li> <li>• Form 1120-SF, Line 16f, edited amount in dotted area</li> </ul>
R  <b>Note:</b> This field is no longer applicable and was used for Telephone Excise Tax Refund (TETR) claims filed in tax periods 200612 - 200711.	Credit for Federal Telephone Excise Tax Paid (Generated Underprint)	15	\$ / ¢	Generated total of Form 8913, Line 15, Columns (d) and (e)
S  <b>Note:</b> This field is no longer applicable and was used for Telephone Excise Tax Refund (TETR) claims filed	Credit for Federal Telephone Excise Tax Paid (verified amount)	15	\$ / ¢	SCRS field only

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in tax periods 200612 - 200711.				
T	Salaries and Wages	15	\$	Reserved
W	Tax Exempt Interest	15	\$	Form 1120-SF, Page 2, Additional Information Line 2
X	Interest Exempt Under Section 103	11	\$	Reserved
Y	Refundable Credits (Computer-Generated)	15	\$ / ¢	<ul style="list-style-type: none"> <li>• Form 1120-FSC, Line 2h</li> <li>• Form 1120-ND, Line 14z</li> <li>• Form 1120-SF, Line 16f</li> </ul>
Z	Manually Corrected Total Tax	13	\$ / ¢	<ul style="list-style-type: none"> <li>• Form 1120-FSC, Line 1 left</li> <li>• Form 1120-ND, Line 13a</li> <li>• Form 1120-SF, Line 15 left</li> </ul>

**IRM 3.12.16.8.2(2) and (3) - Updated Total Tax line number on Form 1120-ND.**

(2) The form(s) and the transcription line(s) are shown in the table below:

Field 07-A, Total Tax

Form	Transcription Line(s)	Math Verify
1120-FSC, U.S. Income Tax Return of a Foreign Sales Corporation	Page 1, Line 1	Yes
1120-ND, Return for Nuclear Decommissioning Funds and Certain Related Persons	Page 1, Line 13a	Yes

1120-SF, U.S. Income Tax Return for Settlement Funds (Under Section 468B)	Page 1, Line 15	No
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**Note:** See IRM 3.12.16.10, Manual Verifications, for more information.

(3) Take the following action:

Correction Procedures

If	Then
The return is a <b>Form 1120-ND</b> and any of the following fields are present: <ul style="list-style-type: none"> <li>• Field 07-D (Regulated Investment Credit - 2024 and prior),</li> <li>• 07-F (1042-S Credit/Other Credit),</li> <li>• 07-G (Foreign Investment in Real Property Tax Act (FIRPTA) Credit),</li> </ul>	Delete the fields.
The return is a <b>Form 1120-SF</b> and any of the following fields are present: <ul style="list-style-type: none"> <li>• Field 07-D (Regulated Investment Credit),</li> <li>• 07-F (1042-S Credit/Other Credit),</li> <li>• 07-G (FIRPTA Credit),</li> </ul>	Delete the fields.

**IRM 3.12.16.8.3 - Updated procedures for Field 07-B, Estimated Tax Credit. Removed Form 1120-ND due to form changes.**

(1) The form(s) and the transcription line(s) are shown in the table below:  
Field 07-B, Estimated Tax Credit

Form	Transcription Line(s)
1120-FSC, U.S. Income Tax Return of a Foreign Sales Corporation	Page 1, Line 2d
1120-SF, U.S. Income Tax Return for Settlement Funds (Under Section 468B)	Page 1, Line 16d

(2) Field 07-B (Estimated Tax Credit) is the total of:

- Form 1120-FSC, Line 2d equals = Line 2a plus 2b minus 2c.

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- Form 1120-SF, Line 16d equals = Line 16a plus 16b minus 16c.

(3) Reject to Accounting: If prepaid credits are claimed on Form 1120-FSC (Lines 2a, 2b, 2e), or Form 1120-SF (Lines 16a, 16b, 16e) and the return is one of the following conditions:

- A short period return,
- A "Final", or
- A "Change of Accounting Period".

(4) Prepare Form 4227, Intra-SC Reject or Routing Slip, or other proper routing slip with a notation "Short Period with ES Credits".

(5) Input TC 599 with Closing Code (cc) 017 on IDRS using Command Code FRM49 as defined below.

- Input for the short period if a copy of attached Form 7004, Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns, shows short period.
- Input for a full period (ending 12 months after beginning of the short period) if no Form 7004 is attached or use the underprinted Fiscal Year Month (FYM) in Field 01-D (Tax Period).

**IRM 3.12.16.8.4 - Added new subsection for Field 07-B, Form 1062, tax due this year. This section only applies to Form 1120-ND for tax period 202507 and later.**

(1) The form and the transcription line is shown in the table below:

Field 07-B, Section 1062 - First installment of Section 1062 applicable net tax liability

Form	Transcription Line
1120-ND, Return for Nuclear Decommissioning Funds and Certain Related Persons	Page 1, Line 13b (Tax Period 202507 and later)

(2) Correct all misplaced entries, coding and transcription errors.

**IRM 3.12.16.8.5(1) - Updated procedures for Field 07-C, Form 7004 Credit. Removed Form 1120-ND due to form changes.**

(1) The form(s) and the transcription line(s) are shown in the table below:  
Field 07-C, Form 7004 Credit

Form	Transcription Line(s)
1120-FSC, U.S. Income Tax Return of a Foreign Sales Corporation	Page 1, Line 2e
1120-SF, U.S. Income Tax Return for Settlement Funds (Under Section 468B)	Page 1, Line 16e

**IRM 3.12.16.8.6 - Added new subsection for Field 07-C, Estimated Tax Credit (Form 1120-ND only). This section applies to Tax Period 202507 and later.**

(1) The form and the transcription line is shown in the table below:  
Field 07-C, Estimated Tax Credit

Form	Transcription Line
Form 1120-ND, Return for Nuclear Decommissioning Funds and Certain Related Persons	Page 1, Line 14d (Tax Period 202507 and later)

(2) Field 07-C (Estimated Tax Credit 1120-ND only) is the total of Line 14a plus 14b minus 14c.

(3) Reject to Accounting if prepaid credits are claimed on Form 1120-ND, Lines 14a, 14b or 14e and the return has one of the following conditions:

- a. A short period return,
- b. A "Final, or"
- c. A "Change of Accounting Period."

(4) Prepare Form 4227, Intra-SC Reject or Routing Slip, or proper routing slip with a notation "Short Period with ES Credits."

(5) Input TC 599 with Closing Code (cc) 017 on IDRS using Command Code FRM49 as defined below.

- a. Input for the short period if a copy of attached Form 7004, Application for Automatic Extension of Time to File Certain Business Income Tax, Information, and Other Returns, shows short period.
- b. Input for a full period (ending 12 months after beginning of the short period) if no Form 7004 is attached or use the underprinted Fiscal Year Month (FYM) in Field 01-D (Tax Period).

**IRM 3.12.16.8.7 - Updated Field 07-D, Regulated Investment Credit (Reserved). This field is only reserved for Form 1120-FSC and 1120-SF for Tax Period 202507 and later.**

- (1) This field is Reserved (Form 1120-FSC and 1120-SF only).
- (2) This will prevent the error register from being renumbered/reformatted and will eliminate new programming.

**IRM 3.12.16.8.8 - Added new subsection for Field 07-D, Form 7004 Credit (Form 1120-ND only). This section applies to Tax period 202507 and later.**

- (1) The form and the transcription line is shown in the table below:

<b>Form</b>	<b>Transcription Line</b>
1120-ND, Return for Nuclear Decommissioning Funds and Certain Related Persons	Page 1, 14e (Tax Period 202507 and later)

- (2) Correct all misplaced entries, coding errors and transcription errors.

**IRM 3.12.16.8.9 - Updated Field 07-E, Refundable Credits from Form 3800 and Form 8827 (Reserved). This field is only reserved for Form 1120-FSC and 1120-SF for Tax Period 202507 and later.**

- (1) This field is Reserved.
- (2) This will prevent the error register from being renumbered/reformatted and will eliminate new programming.

**IRM 3.12.16.8.10 - Added new subsection for Field 07-E, Section 1062 Net Tax Liability (Form 1120-ND only). This section applies to Tax Period 202507 and later.**

- (1) The form and the transcription line is shown in the table below:

<b>Form</b>	<b>Transcription Line</b>
1120-ND, Return for Nuclear Decommissioning Funds and Certain Related Persons	Page 1, Line 14f (Tax Period 202507 and later)

- (2) Correct all misplaced entries, coding errors and transcription errors.

- (3) If the tax period is before 202507, delete the entry.

**IRM 3.12.16.8.14(4) - Updated the Balance Due/Overpayment computation lines for Form 1120-ND based on the new form revision.**

(4) The table below shows the form and gives the computation for Field 07-I (Balance Due/Overpayment).

Field 07-I, Balance Due/Overpayment Procedures

Form	Balance Due Or Overpayment Is Equal To:
1120-FSC, U.S. Income Tax Return of a Foreign Sales Corporation	<ol style="list-style-type: none"> <li>1. Field 07-A (Total Tax) <b>minus</b> Field 07-B (Estimated Tax Credit), Field 07-C (Form 7004 Credit), Field 07-F (1042-S Credit), Field 07-G (FIRPTA), and Field 07-R (Credit for Telephone Excise Tax Paid), <b>plus</b></li> <li>2. Field 07-H (Estimated Tax Penalty), <b>minus</b></li> <li>3. Field 15-A (Total Gas Tax Credit) on the error register.</li> </ol> <p><b>Note:</b> Delete Fields 07-D and 07-E, if present. They are invalid fields.</p>
1120-ND, Return for Nuclear Decommissioning Funds and Certain Related Persons	<ol style="list-style-type: none"> <li>1. Field 07-A (Total Tax) <b>plus</b> 07-B (Section 1062 due this year) <b>minus</b> Field 07-C (Estimated Tax Credit), <b>minus</b> Field 07-D (Form 7004 Credit), <b>minus</b> Field 07-E (Section 1062 Net Tax Liability) <b>plus</b></li> <li>2. Field 07-H (Estimated Tax Penalty), <b>minus</b></li> <li>3. Field 15-A (Total Gas Tax Credit) on the error register.</li> </ol> <p><b>Note:</b> Delete Fields 07-F and 07-G, if present. They are invalid fields.</p>
1120-SF, U.S. Income Tax Return for Settlement Funds (Under Section 468B)	<ol style="list-style-type: none"> <li>1. Computer's <b>underprint</b> amount <b>minus</b> Field 07-B (Estimated Tax Credit), Field 07-C (Form 7004 Credit), and Field 07-R (Credit for Telephone Excise Tax Paid), <b>plus</b></li> <li>2. Field 07-H (Estimated Tax Penalty), <b>minus</b></li> <li>3. Field 15-A (Total Gas Tax Credit) on the error register.</li> </ol> <p><b>Note:</b> Delete Fields 07-D, 07-E, 07-F and 07-G, if present. They are invalid fields.</p> <p><b>Note:</b> A ripple type error will cause an <b>underprint</b> in Field 07-I (Balance Due/Overpayment) on Form 1120-SF.</p>

**IRM 3.12.16.10.2(3) and (4) - Form 1120-ND, Updated the total tax line from Line 13 to Line 13a due to form revision.**

(3) Math verify tax computation work sheet if attached (Line 13a amount). See IRM 3.12.16.23, Corporate Income Tax Rates, for tax rates.

(4) Use Action Code 0 to clear the register if tax agrees with Line 13a.

**IRM 3.12.16.12.1(3) - Note, Added location of the transcribed lines on Form 4136.**

(3) The error register format for Section 15 is as follows:  
Section 15

<b>Section 15 Field</b>	<b>Field Title</b>
15-A	Total Gas Tax Credit (Computer-Generated)
15-B	Amount of Claim 1
15-C	Credit Reference Number 1
15-D	Amount of Claim 2
15-E	Credit Reference Number 2
15-F	Amount of Claim 3
15-G	Credit Reference Number 3
15-H	Amount of Claim 4
15-I	Credit Reference Number 4
15-J	Amount of Claim 5
15-K	Credit Reference Number 5
15-L	Amount of Claim 6
15-M	Credit Reference Number 6
15-N	Amount of Claim 7
15-O	Credit Reference Number 7
15-P	Amount of Claim 8
15-Q	Credit Reference Number 8

15-R	Amount of Claim 9
15-S	Credit Reference Number 9
15-T	Amount of Claim 10
15-U	Credit Reference Number 10
15-V	Amount of Claim 11
15-W	Credit Reference Number 11
15-X	Amount of Claim 12
15-Y	Credit Reference Number 12

**Note:** All transcription lines are found in Column (e), "Amount of Credit" and Column (f) **CRN**.

**IRM 3.12.16.12.2(4) a - Clarified correction procedures when Form 4136 credit amount is present but the CRN has not been transcribed.**

(4) The Form 4136 credit amount field and the Credit Reference Number (CRN) field will asterisk when a Form 4136 credit amount is present and the corresponding CRN is not present, or a CRN is present and the corresponding Form 4136 credit amount is not present.

- Correct all misplaced entries, coding errors and transcription errors.

Correction Procedures

If	Then
A Form 4136 credit amount is present with no CRN,	<ol style="list-style-type: none"> <li>Enter the corresponding CRN from Form 4136, Column (f) if present, or</li> </ol>
A CRN is present without a Form 4136 credit amount,	<ol style="list-style-type: none"> <li>Enter the credit amount from Form 4136, Column (e) if present, or</li> <li>Delete the CRN if a credit amount is not present on Form 4136.</li> </ol>

**IRM 3.12.16.13.1(3) - Note, Added location of the transcribed lines on Form 4136.**

(3) The error register format for Section 16 is as follows:  
Section 16

<b>Section 16 Field</b>	<b>Field Title</b>
16-A	Amount of Claim 13
16-B	Credit Reference Number 13
16-C	Amount of Claim 14
16-D	Credit Reference Number 14
16-E	Amount of Claim 15
16-F	Credit Reference Number 15
16-G	Amount of Claim 16
16-H	Credit Reference Number 16
16-I	Amount of Claim 17
16-J	Credit Reference Number 17
16-K	Amount of Claim 18
16-L	Credit Reference Number 18
16-M	Amount of Claim 19
16-N	Credit Reference Number 19
16-O	Amount of Claim 20
16-P	Credit Reference Number 20
16-Q	Amount of Claim 21
16-R	Credit Reference Number 21
16-S	Amount of Claim 22
16-T	Credit Reference Number 22
16-U	Amount of Claim 23
16-V	Credit Reference Number 23
16-W	Amount of Claim 24
16-X	Credit Reference Number 24

**Note:** All transcription lines are found in Column (e), "Amount of Credit" and Column (f) CRN.

**IRM 3.12.16.14.1(3) - Note, Added location of the transcribed lines on Form 4136.**

(3) The error register format for Section 17 is as follows:  
Section 17

<b>Section 17 Field</b>	<b>Field Title</b>
17-A	Amount of Claim 25
17-B	Credit Reference Number 25
17-C	Amount of Claim 26

17-D	Credit Reference Number 26
17-E	Amount of Claim 27
17-F	Credit Reference Number 27
17-G	Amount of Claim 28
17-H	Credit Reference Number 28
17-I	Amount of Claim 29
17-J	Credit Reference Number 29
17-K	Amount of Claim 30
17-L	Credit Reference Number 30
17-M	Amount of Claim 31
17-N	Credit Reference Number 31
17-O	Amount of Claim 32
17-P	Credit Reference Number 32
17-Q	Amount of Claim 33
17-R	Credit Reference Number 33
17-S	Amount of Claim 34
17-T	Credit Reference Number 34
17-U	Amount of Claim 35
17-V	Credit Reference Number 35
17-W	Amount of Claim 36
17-X	Credit Reference Number 36

**Note:** All transcription lines are found in Column (e), "Amount of Credit" and Column (f) CRN.

**IRM 3.12.16.15.1(3) - Note, Added location of the transcribed lines on Form 4136.**

(3) The error register format for Section 18 is as follows:  
Section 18

Any line marked with a # is for Official Use Only

Section 18 Field	Field Title
18-A	Amount of Claim 37
18-B	Credit Reference Number 37
18-C	Amount of Claim 38
18-D	Credit Reference Number 38
18-E	Amount of Claim 39
18-F	Credit Reference Number 39
18-G	Amount of Claim 40
18-H	Credit Reference Number 40
18-I	Amount of Claim 41
18-J	Credit Reference Number 41
18-K	Amount of Claim 42
18-L	Credit Reference Number 42
18-M	Amount of Claim 43
18-N	Credit Reference Number 43

**Note:** All transcription lines are found in Column (e), "Amount of Credit" and Column (f) **CRN**.