

## IRM PROCEDURAL UPDATE

**DATE:** 01/14/2026

**NUMBER:** ts-03-0126-0080

**SUBJECT:** Start-Up Changes

**AFFECTED IRM(s)/SUBSECTION(s):** 3.12.8

**CHANGE(s):**

**IRM 3.12.8.7.2(4) - Updated the BEARS Entitlement name for SCRIPS access and removed Note. SCRIPS migrated to Red Hat in 2025.**

4) Additionally, tax examiners and quality reviewers need access to the Service Center Recognition Image/Processing System (SCRIPS) system at each Submission Processing Campus (SPC) to retrieve images of information returns in need of IRRP correction. SCRIPS access is approved in increments. Managers must complete a spreadsheet with specific information and return to Planning & Analysis who will forward the request to the Return Processing Branch Headquarter Analyst. The request will allow the SCRIPS application to be loaded on the user's laptop. Once loaded, a SCRIPS profile is created and the user can request campus access using the BEARS application:

- PROD OPER AUSC PROC SCRIPS (SCRIPS)
- PROD OPER KCSC PROC SCRIPS (SCRIPS)
- PROD OPER OSC PROC SCRIPS (SCRIPS)

After receiving SCRIPS access, a user name and separate password is assigned for each SPC. Use this information to login to SCRIPS for document image retrieval.

**IRM 3.12.8.8.26(2) and (3) f) - Added invalid conditions and corrections procedures for Form 1099-R, Box 13.**

(2) Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc, will display for the following error conditions:

- Box 1, "Gross distribution" is greater than or equal to # [REDACTED] # .
- Box 1, "Gross distribution" is not greater than or equal to **Box 6**.
- Box 2a, "Taxable amount" is greater than zero, and **Box 1** is less than or equal to **Box 3**.
- Box 2a, "Taxable amount" is greater than or equal to # [REDACTED] #

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- Box 3, "Capital gain (included in box 2a)", is greater than or equal to # [REDACTED] # .
- Box 4, "Federal income tax withheld" is greater than or equal to # [REDACTED] # .
- Box 4, "Federal income tax withheld" is greater than Box 1.
- Box 5, "Employee contributions/ Designated Roth contributions or insurance premiums" is greater than or equal to # [REDACTED] # .
- Box 6, "Net unrealized appreciation in employer's securities" is greater than or equal to # [REDACTED] # .
- Box 8, "Other" is greater than or equal to # [REDACTED] # .
- Box 9b, "Total employee contributions" is greater than or equal to # [REDACTED] # .
- Box 10, "Amount allocable to IRR within 5 years" is greater than or equal to # [REDACTED] # .
- Box 13, "Date of payment" is not entered correctly or is invalid.

### (3) Correction Procedures:

- If the entries in **Boxes 1, 2a, 3, 4, 5, 6, 8, 9b, or 10** are greater than or equal to # [REDACTED] # and they are correct, review the SCRIPS image for signs of fraud. See Exhibit 3.12.8-9, Signs of Fraud, for more information.  
If the submission appears to be fraudulent select the "Flag form for fraud" checkbox.
- If the entry in **Box 1** is not equal to or greater than **Box 2**, review the SCRIPS image for accuracy, and make any corrections.  
If an entry is present in **Box 2a**, but no entry appears in **Box 1**, place the money amount present in **Box 2a** in **Box 1**.
- If an entry is in **Box 3** and no entries appear in **Box 1** or **Box 2a**, enter the **Box 3** amount in **Box 1** and **Box 2a**.
- Review **Box 4** to determine if withholding is greater than **Box 1**. Use the SCRIPS image and verify accuracy of input. If accurate, see Exhibit 3.12.8-9, Signs of Fraud for more information.  
If the submission appears to be fraudulent select the "Flag form for fraud" checkbox.
- Select "Save" or "Next" after all error conditions have been reviewed and corrected to continue.
- The valid format for the date in **Box 13** is **YYYY-MM-DD**, where YYYY=YYTY (processing year minus one). Review the SCRIPS image and verify the date.  
If no date is present, leave Box 13 blank.  
If the date is not entered correctly, enter the date in the valid format listed above.

If the year of the date is entered incorrectly by the filer, change the year to equal the current tax year being processed (processing year minus one).

**IRM 3.12.8.8.27(3) a) - Added correction procedure for Form 1099-S, Box 1.**

**(3) Correction Procedures:**

- a. The valid format for the date in "Box 1" is **YYYY-MM-DD**, where YYYY=YYTY (processing year minus one). Review the SCRIPS image and verify the date.  
If no date is present, leave Box 1 blank.  
If the date is not entered correctly, enter the date in the valid format listed above.  
If the year of the date is entered incorrectly by the filer, change the year to equal the current tax year being processed (processing year minus one).
- b. If the entries in **Boxes 2 and 6** are greater than or equal to # [REDACTED] # and they are correct, review the SCRIPS image for signs of fraud. See Exhibit 3.12.8-9, Signs of Fraud, for more information.  
If the submission appears to be fraudulent select the "Flag form for fraud" checkbox.
- c. Select "Save" or "Next" after all error conditions have been reviewed and corrected to continue.

**Exhibit 3.12.8-9 - Added an Exception list of Filer TINs to the table to exclude from the instruction per feedback from TEGE.**

Follow the instruction in the Table below to identify **Signs of Fraud** while correcting errors on Paper Register:

If	Then
The entity listed on Section 16 and the entity listed on Section 01 match	Delete the data record using Action Code (AC) "2".
The federal tax withheld (normally Field "D") meets or exceeds 33 percent of stated income	Place for managerial review and clearance for continued processing. <b>Exception:</b> [REDACTED] #
# [REDACTED] #	Delete the data record using Action Code (AC) "2". Secure the entire submission if possible and send to: Internal Revenue Service Fivolous Return Program Mail Stop 4390

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	1973 Rulon White Blvd Ogden, UT 84201
The entity in Section 16 is or implies an Internal Revenue Official, revenue officer or business operation	Delete the data record using Action Code (AC) "2".
# [REDACTED] #	Delete the data record using Action Code (AC) "2". Secure the entire submission if possible and send to C:DC:TS:CAS:SP:RPB:BMF through your local Planning and Analysis (P&A) staff.
The submission appears to fraudulent for any other reason than listed above	Delete the data record using AC "2". Secure the entire submission if possible and send to: Internal Revenue Service Frivolous Return Program Mail Stop 4390 1973 Rulon White Blvd Ogden, UT 84201.

Follow the instruction in the Table below to identify "Signs of Fraud" while correcting errors on the Information Returns Review Portal (IRRP):

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<p># [REDACTED]</p> <p>[REDACTED],</p>	<p>Then select the "Flag form for fraud" checkbox.</p> <p>Exception: Do not Flag form for fraud if the Payer's TIN is: # [REDACTED]</p> <p># Continue processing the return as normal.</p>
<p>If all entries are correct on Form 1099-B, Form 1099-INT, Form 1099-NEC, Form 1099-OID, or Form 1099-Q and Federal income tax withheld (Box 4) exceeds income,</p>	<p>Then select the "Flag form for fraud" checkbox.</p>
<p>If all entries are correct on Form 1099-B, Form 1099-DIV, Form 1099-G, Form 1099-INT, Form 1099-K, Form 1099-MISC, Form 1099-NEC, Form 1099-OID, Form 1099-PATR, or Form 1099-Q, Form W-2G, and all income fields and Federal income tax withheld are in error and withholding exceeds the tolerance of income reported,</p>	<p>Then select the "Flag form for fraud" checkbox.</p> <p>Exception: Do not Flag form for fraud if the Payer's TIN is: # [REDACTED]</p> <p># Continue processing the return as normal.</p>
<p>The submission appears to be fraudulent for any other reason than listed above,</p>	<p>Then select the "Flag form for fraud" checkbox.</p>

Updated "YYYYMMDD" to "YYYY-MM-DD" throughout the IRM.

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