

IRM PROCEDURAL UPDATE

DATE: 01/26/2026

NUMBER: 26U0148

SUBJECT: Start-up Changes

AFFECTED IRM(s)/SUBSECTION(s): 3.12.220

CHANGE(s):

IRM 3.12.220.2.15(3) - Added 01CCC for clarity.

(3) See Specific Form instructions for CCC definitions. Form 720, IRM 3.12.220.6.6, Field 01CCC Computer Condition Code, and Form 2290, IRM 3.12.220.9.2.5, Field 01CCC Computer Condition Codes (CCC).

IRM 3.12.220.2.16(6) - Updated the TPNC 90 link.

(6) TPNC 90 is actually a "fill-in" and should be used when no other TPNC fully explains the correction(s) made or when more than three notice codes are necessary. In January 2014, the Taxpayer Notice Code (TPNC) 90 Math Error (ME) Code literals were programmed into the On-Line Notice Review (OLNR) Re-type Application for Notice Review (NR). This addition will eliminate the need for the NR tax examiner to manually type the notice literal and reduce potential copying/typing incorrect paragraphs/messages in the notices. For a full listing of the programmed TPNC 90 Math Error Codes, see TPNC 90 Math Error Code Job Aid at <http://serp.enterprise.irs.gov/databases/portals/sp/bmf/notice-review/job-aids/tpnc-90-math-error-code.doc> and for non-programmed TPNC 90 literals, see TPNC 90 Literals - Copy and Paste Job Aid, at Job Aids - BMF ERS/Rejects Research Portal - SERP.

IRM 3.12.220.2.19(2) - Removed the Statute Returns clearing exception process for BMF per guidance that allowed the Statute Bypass Memo to sunset on December 31, 2025.

(2) A statute control document will appear on the screen with Error Code 001, unless CCC W is present on the record, CCC W shows Statute Control has cleared the record.

If:	Then:
Return has an attachment or stamp that shows previous clearance by Statute Control Group,	Enter CCC W in Field 01CCC.

Return prepared by Exam (SFR in top margin) with Form 13133, Expedite Processing Cycle,	Enter CCC W (does not need clearing by Statute Control).
Return does not have an attachment or stamp from Statute Control Group,	<p>a. Treat the return as unprocessable.</p> <p>b. Suspend the record with AC 310.</p> <p>c. Route to Statute Control using Form 4227.</p> <p>Note: If working the Error Inventory, return documents to the block.</p> <p>Note: If working the Workable Suspense Inventory, notate 2nd and 3rd copy of Form 8161, "ERS Return Charge Out", with "AC 310" and the current date. Handle the document as instructed for statutory clearance.</p>

IRM 3.12.220.6.6(4) - Removed the Statute Returns clearing exception process for BMF per guidance that allowed the Statute Bypass Memo to sunset on December 31, 2025.

(4) Below is a chart showing the CCCs, their definitions and the checks.

Codes	Definition	Validity and Consistency Checks	Remarks
C	Unexplained Adjustment Request	<p>1. Must have an entry in Field 0104. (Error Code 032).</p> <p>2. Should not be used with CCC 4 or CCC Z.</p>	<p>1. Adjustment should be # [REDACTED] #.</p> <p>2. Secured returns must be sent back to originator.</p>
D	Reasonable cause for failure to pay taxes timely		CCC D will no longer be edited by Code and Edit if the taxpayer requests abatement for Failing to Pay Timely when the return is submitted. Code and edit will send Letter 1382C, which will inform the taxpayer of the proper procedure to follow to request

			abatement if and when a penalty is assessed. Note: In cases of Presidentially Declared disasters, Code and Edit examiners will be provided with coding procedures.
E	Credit Election	Cannot be coded S or F (Field Error)	
F	Final Return	Cannot be coded E or G (Field Error)	
G	Amended Return	<ol style="list-style-type: none"> 1. No other codes allowed except CCC W and/or CCC 3 (Field Error). 2. Must have received date (Error Code 028). 3. All fields must be blank except 01NC, 01EIN, 01TXP, 01RCD, 01CCC and 01CRD (Error Code 010). 	
J	Reasonable Cause		CCC J will no longer be edited by Code and Edit if the taxpayer requests abatement for Failing to Deposit Timely when the return is submitted. Code and Edit will send Letter 1382C which will inform the taxpayer of the proper procedure to follow to request abatement if and when a penalty is assessed. Note: In cases of Presidentially Declared disasters, Code and Edit examiners will be provided with coding procedures.

L	Form 720 - Identified IRC 6114 Returns.		<p>a. Edit CCC L if the taxpayer writes "IRC 6114 Election" on the return or a letter referring to IRC 6114 or Form 8833, Treaty Based Return Position Disclosure Under IRC 6114 or IRC 7701(b), is attached to the return.</p> <p>b. Edit CCC L if the taxpayer has noted in red print at the top of the Form 720 return the following: "Election to participate in FET Voluntary Compliance Initiative pursuant to Announcement 2008-18."</p> <p>Note: FET stands for Federal Excise Tax.</p>
O	Module Freeze		Used to issue manual refunds.
R	Reasonable Cause for delinquency		<p>CCC R will no longer be edited by Code and Edit if the taxpayer requests abatement for delinquency penalty when the return is submitted Code and Edit will send Letter 1382C, which will inform the taxpayer of the proper procedure to follow to request abatement, if, and when a penalty is assessed.</p> <p>Note: In cases of disaster, Code and Edit examiners will be provided with coding procedures.</p>
S	Computer-generated overpayment to be refunded	Cannot be with a CCC E.	

W	Return cleared by Statute Control	<p>1. Must be present if processing date is more than 2 years and 9 months after the Return Due Date on a CCC G return and on all other returns if it is more than 2 years and 9 months after the Return Due Date or the Received Date, whichever is later (Error Code 001).</p> <p>2. Processing date must be equal to or greater than 2 years and 9 months after Return Due Date (Error Code 001).</p>	
X	Credit Freeze		
Z	Missing Abstract number with a corresponding debit (Form 720)	<p>1. IRS Number "80" must be present. (Error Code 412)</p> <p>2. Associated tax must be # [REDACTED] [REDACTED] # (Error code 413)</p>	Do not use on secured returns. If necessary, refer the return to the originator for clarification of the abstract number.
3	Identifies taxpayers that should not receive credit interest	Used when no reply to correspondence is received; suppresses credit interest from generating at master file.	Input a CCC 3.
4	Return prepared by the IRS under IRC 6020(b)	Cannot have CCC R (Field Error).	Do not use with CCC C or Z.
5	IRS Number 150 and Form 7208	Used when IRS Number 150 has an amount greater than zero and Form 7208, Excise	<p>Only one CCC 5, 6, or 8 is allowed to be present at a time.</p> <p>Note: Valid for tax period 202409 and subsequent.</p>

		Tax on Repurchase of Corporate Stock is attached.	
6	IRS Number 150 and Form 7208	Used when IRS Number 150 has an amount greater than zero and Form 7208, Excise Tax on Repurchase of Corporate Stock is not attached.	Only one CCC 5, 6, or 8 is allowed to be present at a time. Note: Valid for tax period 202409 and subsequent.
8	IRS Number 150 and Form 7208	Used when IRS Number 150 has an amount equal to zero and Form 7208, Excise Tax on Repurchase of Corporate Stock is attached.	Only one CCC 5, 6, or 8 is allowed to be present at a time. Note: Valid for tax period 202409 and subsequent.

IRM 3.12.220.7.1(3) - Removed the Statute Returns clearing exception process for BMF per guidance that allowed the Statute Bypass Memo to sunset on December 31, 2025.

(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"> ○ Return is prepared by Compliance (e.g., IRC 6020(b)), ○ Return is secured by Examination/Collections, including TE/GE or TE/GE Employee Plan (EP) Exam, ○ Return has a Transaction Code (TC) 59X, ○ Return has "ICS" (Integrated Collection System) notated on the face of the return, 	Enter "W" in Field 01CCC and on the return and continue processing.

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

Error Code 001 Correction Procedures

If:	Then:
Field 01RCD is blank,	<ol style="list-style-type: none"> 1. Enter the Received Date in Field 01RCD. Use the earliest date if multiple Received Dates are present. 2. See IRM 3.12.220.6.23, Field 01RCD Received Date, to determine the Received Date.
CCC "W" was entered incorrectly,	Delete CCC "W" from Field 01CCC.
The return has a stamp that indicates a previous clearance by Statute Control within the last 90 days,	<p>Enter CCC "W" in Field 01CCC and on the return.</p> <p>Note: Do not send the return to Statute Control.</p>
The return is not stamped by Statute Control within the last 90 days,	<ol style="list-style-type: none"> 1. Suspend (SSPND) with Action Code 310. 2. Prepare Form 4227, Intra-SC Reject or Routing Slip, to route to Statute Control.

IRM 3.12.220.7.32(3) - Added reference to IRM 3.12.220.11, No Response Procedures, subsection for clarity.

(3) Correction procedures:

- If IRS Number 133 is present in Section 03 field 1 ensure 01Q15, 01Q16, 01Q17, 01Q18, 01Q19, 01Q20, 01Q21 and/or 01Q22 are present. This error code is to

ensure average number of lives covered and column (c) have numeric amounts entered when PCOR fee has been reported.

- The fee amount for IRS Number 133 will be the total fee reported for both. column (c) for specified health insurance policies added to column (c) for applicable self-insured health plans.

If:	And:	Then:
The amount in column (c) is less than the number of lives in column (a),	The amount in column (c) appears to be the rate for column (b),	Calculate the fee by multiplying column (a) by the implied rate for column (b) and enter in column (c).
There is a fee amount present for IRS No. 133,	There are no entries in the average number of lives covered and/or the column (c) lines,	Use the fee amount to try and back into the average number of lives covered and/or column (c) lines.
There is a fee amount present for IRS No. 133,	There is no manner in which to determine the average number of lives covered and/or the column (c) lines,	Correspond for the correct breakdown of the number of lives and the column (c) lines. See IRM 3.12.220.11, - No Response Procedures, if no reply is received.

Note: If the return reflects 0 (zero), n/a, - , etc. for PCOR fee (IRS 133), enter "C" in the Clear Code field to clear the error once the entries have been verified with the filed Form 720.

IRM 3.12.220.10.1(3) - Removed the Statute Returns clearing exception process for BMF per guidance that allowed the Statute Bypass Memo to sunset on December 31, 2025.

(3) Correction Procedures:

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

Statute Control

If:	Then:
<ul style="list-style-type: none"> ○ Return is prepared by Compliance (e.g., IRC 6020(b)), ○ Return is secured by Examination/Collections, including TE/GE or TE/GE Employee Plan (EP) Exam, ○ Return has a Transaction Code (TC) 59X, ○ Return has "ICS" (Integrated Collection System) notated on the face of the return, ○ Return is a Substitute for Return prepared by Examination ("SFR" in the margin) with Form 13133, Expedite Processing Cycle, attached, ○ Return has a stamp indicating a previous clearance by Statute Control within the last 90 days, 	Enter "W" in Field 01CCC and on the return and continue processing.

c. Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.

Error Code 001 Correction Procedures

If:	Then:
Field 01RCD is blank,	<ol style="list-style-type: none"> 1. Enter the Received Date in Field 01RCD. Use the earliest date if multiple Received Dates are present. 2. See IRM 3.12.220.9.2.4 Field 01RCD Received Date, to determine the Received Date.
CCC "W" was entered incorrectly,	Delete CCC "W" from Field 01CCC.
The return has a stamp that indicates a previous clearance by Statute Control within the last ninety days,	Enter CCC "W" in Field 01CCC and on the return. Note: Do not send the return to Statute Control.

The return is not stamped by Statute Control within the last ninety days,	<ol style="list-style-type: none"> 1. CC SSPND with Action Code 310. 2. Prepare Form 4227, Intra-SC Reject or Routing Slip, to route to Statute Control.
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IRM 3.12.220.11(1) - Added information regarding no replies for IRS Number 133.

(1) These procedures are used when the suspense time is up on the Workable Suspense Inventory and no response is received.

1. Always enter a CCC 3.
2. Always enter CCC X on overpaid Form 720 returns.
3. See tables below:

Form 720 No Response Decision Chart

If requested:	Then:
Missing signature on overpaid return,	Enter CCCs X and 3 and continue processing.
Missing signature on balance due or even return,	Enter CCC 3 and continue processing without a signature.
Tax period and it cannot be determined,	Enter current year and quarter being processed and CCC 3 and continue processing.
Explanation of the multiple tax periods,	<ol style="list-style-type: none"> 1. Process all liability and remittances to the earliest period shown. 2. Photocopy the return and notate "Photocopy do not process". 3. Prepare Form 4227 and indicate "Multiple Period Case". 4. Route copy of return, all research and correspondence to Centralized Excise Operations at: Internal Revenue Service Stop 5701G 7940 Kentucky Dr Florence, KY 41042

Explanation for IRS Number 133,	Enter a C in the Clear field and a 3 in the field CCC and continue processing.
Schedule A,	Enter CCC 3 and continue processing.
Schedule C,	<ol style="list-style-type: none"> 1. Remove the amount from Field 0104. 2. Delete CCC C if present. 3. Enter CCC 3. 4. Continue processing. 5. Send appropriate TPNC if applicable.
Form 6627 - Math discrepancy	<ol style="list-style-type: none"> 1. Enter CCC 3 and continue processing. 2. Input the larger amount of either Form 6627 or the corresponding line in Part I of Form 720. 3. Send appropriate TPNC if applicable.

Form 2290 No Response Decision Chart

If requested:	Then:
Line 5 documentation,	Send TPNC 90 with Math Error Code 86 to tell the taxpayer that his line 5 credit was not allowed because they did not provide the necessary documentation. Delete the entry on Line 5.
Missing Signature,	Do not return Schedule 1.
Tax Period,	Enter the current tax period and continue processing.
Multiple Tax Periods,	<ol style="list-style-type: none"> 1. Process all liability and remittance to the earliest tax period shown and notate on the side of the return TYMM. 2. Photocopy the front of the return and notate "Photocopy, do not process". 3. Prepare Form 4227 and indicate "Multiple Period Return No Reply to Correspondence". 4. Route photocopy of return, all research and correspondence to Centralized Specialty Tax Operations (CSTO) at: Internal Revenue Service Stop 5701G

	7940 Kentucky Dr Florence, KY 41042
Number of vehicles disagrees with tax on page 2, Column (3),	Perfect Schedule 1 for the number of vehicles that remittance was received for and cross off the ones that are not paid. (e.g., taxpayer sends payment for two trucks yet marks three on Schedule 1 and page 2, column 3. Cross off one truck on Schedule 1, and on page 2 disallowing the truck with no remittance.)