IRM PROCEDURAL UPDATE

DATE: 03/16/2026

NUMBER: ts-03-0326-0330

SUBJECT: Dummy Return(s) for Overflow Money Amounts

AFFECTED IRM(s)/SUBSECTION(s): 3.12.23

CHANGE(s):

IRM 3.12.23.2.24 - Added new subsection, "Dummy Return(s) for Overflow Money Amounts".

(1) This procedure will be used by the ERS/Rejects function in Submission Processing if the money amount on a return exceeds the maximum field length allowable.

(2) Use red ink only to prepare the "Dummy Return".

(3) Notate on the original return, "Dummy Return Prepared due to Overflow Return 1 of X"(X = total number of returns for the tax amount).

(4) Re-compute the tax data and enter the maximum corrected allowable amount(s) on the paper register and the original return.

(5) Enter CCC "X" in Field 01-E.

(6) Prepare a "Dummy Return "by entering the remaining overflow money amount(s) on the correct lines.

Note: Multiple Dummy Returns may be required.

(7) Enter the following on the "Dummy Return":

    a. Write "Dummy Return Prepared from Overflow Return 2 of X" (X = total number of returns for the tax amount) on the top of the return.

    b. Tax Period.

    c. Entity Data from the original return.

    d. The DLN from the original return in the lower left corner going vertically up the side of the return (e.g., Split from DLN XXXXX-XXX-XXXXX-X).

    e. CCC "G".

    f. IRS Received Date.

    g. In Signature area, write "Signature on Original Return".

(8) Contact Planning & Analysis staff to have the dummy return(s) walked through the pipeline for processing.

(9) Scan and email the original and dummy return(s) to the contacts provided to Planning & Analysis.

IRM 3.12.23.8.2.6(2) - Added Note to refer to IRM 3.12.23.2.24 if the money amount on a return exceeds the maximum field length allowable.

(2) The following fields are used to determine the balance due. Verify that they were transcribed correctly on the Form 730.

  a. Wagers Accepted (Field 01-N) - Refer to line 1 of the Form 730.

  b. Laid-off Wagers Accepted (Field 01-O) - Refer to line 2 of the Form 730.

  c. Tax on Wagers Authorized under laws of the state in which Accepted (Field 01-R) - Refer to line 4a of the Form 730.

  d. Tax Wagers Accepted (other than reported on line 4a (Field 01-S) - Refer to line 4b of the Form 730.

  e. Credit (Field 01-Q) - Refer to line 5 of the Form 730.

Note: If the money amount on a return exceeds the maximum field length allowable, See IRM 3.12.23.2.24, Dummy Return(s) for Overflow Money Amounts.

IRM 3.12.23.8.2.7(1) - Added Note to refer to IRM 3.12.23.2.24 if the money amount on a return exceeds the maximum field length allowable.

(1) **Field N and O - "Wagers Accepted and Laid-Off Wagers Accepted"** are fields that represent data transcribed from taxpayer entered items on the return (lines 1 and 2). If a taxpayer accepts more wagers than the risk they are willing to assume, those excess wagers may be turned over to another taxpayer who is in the same business. These are called laid-off wagers and must be reported on the receiver's Form 730, Monthly Tax Return for Wagers, as well as on the Form 730 of the taxpayer who turned over the wager to the receiver. See IRM 3.12.23.8, Processing Form 730, Monthly Tax Return for Wagers.

Note: If the money amount on a return exceeds the maximum field length allowable. See IRM 3.12.23.2.24, Dummy Return(s) for Overflow Money Amounts.

  a. Accept the taxpayer's entry for line 2 of the return. In the Figure 3.12.23-6 example below, the taxpayer shows laid-off wagers on line 2 but has added incorrectly on line 3.

  b. Use AC 1.

c. Send TPNC 07.

d. Make corrections on the document as shown in Figure 3.12.23-6 below.

Figure 3.12.23-6

IRM 3.12.23.8.2.9(3) - Added Note to refer to IRM 3.12.23.2.24 if the money amount on a return exceeds the maximum field length allowable.

(3) The computer will add lines 4a and 4b to get total line 4c.

Note: If the money amount on a return exceeds the maximum field length allowable, see IRM 3.12.23.2.24, Dummy Returns for Overflow Money Amounts.