IRM PROCEDURAL UPDATE

DATE: 07/06/2026

NUMBER: ts-03-0726-0686

SUBJECT: Screening Routing; Processing Updates

AFFECTED IRM(s)/SUBSECTION(s): 3.11.6

CHANGE(s):

IRM 3.11.6.1.7, Related Resources: Paragraph (2) - Updated the disaster verification link and the FRP contact link.

(2) Websites and electronic tools used to process adjustments include:

- Accounts Management Services (AMS)
- Campus Document Routing Guide and Maildex Listings
- Correspondence Imaging Inventory (CII)
- Correspondex Letters
- Employee Use Portal (EUP)
- FRP Contact List
- IMF 1040X Research Portal
- Integrated Automation Technologies (IAT)
- Integrated Data Retrieval System (IDRS)
- Interactive Tax Law Assistant (ITLA)
- IPUs and Prior IRM Revisions
- IRC 30D New Qualified Plug-In Electric Drive Motor Vehicle Credit
- IRS Certified Professional Employer Organizations Public Listings
- Disaster Program Office
- IRS Tax Publications
- Modernized e-File Return Request Display (RRD)
- Servicewide Electronic Research Program (SERP)
- SERP Feedback

- Servicewide Notice Information Program (SNIP)
- USPS.com

Note: References to tools and websites used aren’t exhaustive or complete. See the training materials and job aids for more Information.

IRM 3.11.6.8.7, Disaster Claim Screening: Paragraph (10) - Updated the disaster verification link.

(10) Verify the taxpayer had a loss in a qualified disaster area via the Disaster Program Office

If ...	Then ...
The loss is claimed for the tax year in which the disaster occurred	The return must be filed within three years of the due date of the return for the tax year in which the disaster occurred, without extensions.
The loss is claimed for the tax year preceding the tax year in which the disaster occurred	The election must be made on or before 6 months after the due date for filing your original return (without extensions) for the tax year in which the disaster occurred.
A disaster claim isn’t filed within the timeframes above	Send the case to AM.
The disaster claim is timely filed	Process the claim following IRM 3.11.6.18.2, Processing a Disaster Claim.

Example: A disaster occurs in August 2024, and the loss is sustained in 2024. The taxpayer can elect to timely file the disaster loss for 2023 until October 15, 2025. Alternatively, the taxpayer could choose to file the loss for the 2024 tax year and has until April 15, 2028, to claim the loss via an amended return.

IRM 3.11.6.8.8.2, Carryforward Claim Screening: Paragraph (3) - A grammatical error has been deleted. SERP Feedback # 39103.

(3) When the taxpayer is requesting an election to forgo the carryback period, check CC TRDBV for the literal "ELECTION". If present, the election has already been made and the case doesn’t need to be sent as a carryforward claim.

IRM 3.11.6.8.9, Identity Theft (IDT) Screening: Paragraph (7) - Updated the routing instructions at the request of IDTVA.

(7) Once a return is identified as being an IDT return or has IDT involvement:

If ...	Then ...
Form 1040-X	1. Input "IDT" in the case notes and a brief description of the IDT issue that has been identified. 2. Send the case to AM.
Form 1040 series	1. In the upper left-hand corner of the return notate PAO (Process as Original). 2. Circle out any notation that suggests the return was previously filed. 3. Send the case to Batching.
Form 1040-X with Form 1040	If a TC 150 is posted (or pending): 1. Input "IDT" in the case notes and a brief description of the IDT issue that has been identified. 2. Send the case to AM.
Form 1040-X with Form 1040	If no TC 150 is posted or pending: 1. "X" Form 1040-X. 2. Edit PAO in the upper left-hand corner of the Form 1040. 3. Circle out any notation that suggests the return was previously filed. 4. Send the case to Batching.
Undeliverable	Send the case to Entity.
Statute returns	Take the following action: 1. Update the case data to the appropriate identity theft Doc Type and Category per IRM 3.11.6.10.1 (4), MEFP Reassignment and Reroute Guide, or IRM 3.11.6.10.2 (4), MEFS Reassignment and Reroute Guide. 2. Send the case to the IDTVA Statute queue, 1174079583.

IRM 3.11.6.15.1.4, Schedule 1-A, Additional Deductions (Line 4b): Paragraph (2) - New correspondence instructions have been added. Paragraph (3) - New screening and verification instructions have been added.

(2) If there’s a change to Schedule 1-A and the schedule is missing, correspond.

(3) Schedule 1-A must be math verified.

IRM 3.11.6.15.1.4.1, No Tax on Tips (NToT): Paragraph (3) - New correspondence instructions have been added. Paragraph (6) - New screening and verification instructions have been added. Paragraph (7) - Updated processing instructions to include item specific reason code instructions.

(3) If there’s a change to the NToT and Schedule 1-A is missing, correspond.

(6) If the taxpayer incorrectly calculated the No Tax on Tips deduction or transferred it incorrectly to the amended return, recompute the correct deduction amount and follow IRM 3.11.6.18.5, Inputting a Corrected Adjustment.

(7) Use RC 240 when inputting a no tax on tips adjustment.

IRM 3.11.6.15.1.4.2, No Tax on Overtime (NToO): Paragraph (2) - New correspondence instructions have been added. Paragraph (4) - New processing instructions have been added. Paragraph (5) - Updated processing instructions to include item specific reason code instructions.

(2) If there’s a change to the NToO and Schedule 1-A is missing, correspond.

(4) If the taxpayer incorrectly calculated the NToO deduction or transferred it incorrectly to the amended return, recompute the correct deduction amount and follow IRM 3.11.6.18.5, Inputting a Corrected Adjustment.

(5) Use RC 241 when inputting a no tax on overtime adjustment.

IRM 3.11.6.15.1.4.3, No Tax on Car Loan Interest (QPVLI): This subsection has been revised to simplify processing instructions.

(1) Beginning in TY 2025 and through TY 2028 taxpayers may qualify for the No Tax on Car Loan Interest deduction for their qualified passenger vehicle loan interest (QPVLI).

(2) If there’s a change to the QPVLI and Schedule 1-A is missing, correspond.

(3) The QPVLI amount is reported on Schedule 1-A, Additional Deductions, line 30, and the maximum deduction amount is $10,000. The QPVLI amount begins to phase out by $200

for each $1,000 the taxpayer’s MAGI exceeds $100,000 ($200,000 in the case of a joint return).

(4) Interest paid or accrued for any of the following vehicle transactions don’t qualify for the QPVLI:

- A loan to finance fleet sales.
- A loan incurred for the purchase of a commercial vehicle that isn’t used for personal purposes.
- Any lease financing.
- A loan to finance the purchase of a vehicle with a salvage title.
- A loan to finance the purchase of a vehicle intended to be used for scrap or parts.

(5) To qualify for the QPVLI:

a. The interest must have been paid or accrued during the taxable year on indebtedness incurred by the taxpayer after December 31, 2024, for the purchase of, and that is secured by a first lien on, an applicable passenger vehicle for personal use.
b. The VIN number must be present on the return. If the VIN number isn’t present, correspond using Letter 324C or Letter 178C as appropriate.
c. The applicable passenger vehicle for personal use is defined as any vehicle:
   • That original use of which commences with the taxpayer.
   • That’s manufactured primarily for use on public streets, roads, and highways (not including a vehicle operated exclusively on a rail or rails).
   • That has at least 2 wheels.
   • That’s a car, minivan, van, sport utility vehicle, pickup truck, or motorcycle.
   • That is treated as a motor vehicle for purposes of title II of the Clean Air Act.
   • That has a gross vehicle weigh rating of less than 14,000 pounds.
   • That the final assembly of which occurred within the United States.

(6) If the taxpayer incorrectly calculated the QPVLI deduction or transferred it incorrectly to the amended return, recompute the correct deduction amount and follow IRM 3.11.6.18.5, Inputting a Corrected Adjustment.

(7) Use RC 242 when inputting a no tax on car loan interest adjustment.

IRM 3.11.6.15.1.4.4, Enhanced Deduction for Seniors (EDS): Paragraph (2) - New correspondence instructions have been added. Paragraph (4) - New processing instructions have been added. Paragraph (5) - Updated processing instructions to include item specific reason code instructions.

(2) If there's a change to the EDS and Schedule 1-A is missing, correspond.

(4) If the taxpayer incorrectly calculated the EDS deduction or transferred it incorrectly to the amended return, recompute the correct deduction amount and follow IRM 3.11.6.18.5, Inputting a Corrected Adjustment.

(5) Use RC 243 when inputting an enhanced deduction for seniors adjustment.

IRM 3.11.6.15.4, Earned Income Credit (EIC) - Line 14: Paragraph (4) - Updated the disaster verification link.

(4) A special rule applies for certain taxpayers affected by the disasters shown below. Qualified individuals whose earned income for the applicable tax year is less than the earned income in the preceding taxable year may elect to use their preceding taxable year earned income when figuring EITC. Taxpayers must enter "PYEI," and the dollar amount of the prior year earned income on the dotted line for EITC.
The main home of qualified individuals must have been in:

- A federally declared disaster that occurred in 2018 or 2019, but before December 21, 2019.
- A federally declared disaster that occurred beginning January 1, 2020, but before February 26, 2021
- Hurricane Ida disaster after August 28, 2021

Note: Verify the taxpayer was in the qualified disaster area via the Disaster Program Office. Change the category to "KATX" if adjusting.

IRM 3.11.6.18.1, Processing Statute Cases: Paragraph (1) - Updated the disaster verification link. Paragraph (2) - Updated the disaster verification link.

(1) After completing a statute review per IRM 3.11.6.8.10, Statute Review Screening, use the following instructions to process a statute year case:

Note: If a case is stamped "No Statute Issue(s)", continue processing the case. If a Form 1040 is stamped "Statute Cleared" see IRM 3.11.6.8.10, Statute Review Screening.

a. When verifying the ASED, use today's date.

   Reminder: Review the case for the 25% omission rule to determine if the ASED is extended (TC 560) or needs to be extended per IRM 3.11.6.7.1, 25% Omission Screening.

b. When verifying the RSED and the received date isn't timely, check the postmark. If the amended return is postmarked on or before the RSED, consider it timely for a refund. See Paragraph 7 below to determine timeliness.

   Caution: The 25% omission rule does not extend the RSED.

c. Research the Disaster Program Office per paragraph 2 below.

d. Without regard to the ASED and RSED, Statute cases not meeting SP criteria must be sent to the appropriate function.

e. If the account is on the retention register, use CC IMFOLB to restore the module before sending correspondence or inputting an adjustment. Once the CC IMFOLB request has been input, suspend the case using "RETREG" as the reason for suspense in CII to allow the TC 370 to post. If the TC 370 hasn’t posted when the suspense period expires, send the case to AM.

f. Open case controls with a category code "ST04" or "-X04" on a case meeting SP criteria must be placed in "B" status prior to inputting the adjustment. Upon completion of the adjustment, place the control base back in "A" status.

(2) When researching the Disaster Program Office, check the current year and one year prior to determine if the taxpayer lived in a declared disaster area. If research shows the taxpayer lives or lived in a disaster area, review the disaster declaration for the following statement, and then follow the table below:

- Affected taxpayers that need to perform time-sensitive actions described in Treas. Reg. 301.7508A-1(c)(1) and Rev. Proc. 2018-58, IRB 2018-50 that fall on or after (the specified date), and before (the specified date), are granted additional time to act through (the specified date).