IRM PROCEDURAL UPDATE

DATE: 10/21/2026

NUMBER: ts-03-1026-0866

SUBJECT: Section 1062 Updates

AFFECTED IRM(s)/SUBSECTION(s): 3.12.14

CHANGE(s):

IRM 3.12.14.8.25(4) - Updated the date of RPC P to 202607 through 202612.

(4) The valid RPC codes are:

RPC	Form and Title
1	Form 1116, Schedule B Foreign Tax Carryover Reconciliation Schedule and Schedule C Foreign Tax Redetermination
2	Form 8992, Global Intangible Low-Taxed Income (GILTI)
3	Reserve for future use
4	Form 8994, Employer Credit for Paid Family and Medical Leave
5	Reserve for future use
6	Form 8996, Qualified Opportunity Fund
7	Form 8990, Limitation on Business Interest Expense Under IRC 163(j)
8	Form 461, Limitation on Business Losses
9	Form 8997, Initial and Annual Statement of Qualified Opportunity Fund Investments
A	Form 5471, Schedule E, Income, War Profits, and Excess Profits Taxes Paid or Accrued
B	Form 5471, Schedule H, Current Earnings and Profits
C	Form 5471, Schedule I -1, Information for Global Intangible Low-Taxed Income
D	Form 5471, Schedule P, Previously Taxed Earnings and Profits of U.S. Shareholder of Certain Foreign Corporations
E	Form 8865, Schedule G, Statement of Application of the Gain Deferred Method Under IRC 721(c)

F	Form 8865, Schedule H, Acceleration Events and Exceptions Reporting Relating to Gain Deferral Method Under IRC 721(c)
G	Form 5471, Schedule G-1, Cost Sharing Arrangement.
J	(For tax periods 202201 through 202212 only) Taxpayer writes **IRA22DPE** on Form 3800, or Form 1041, Schedule G, Line 16A, or on an attachment.
K	(For tax periods 202201 through 202212 only) Taxpayer writes **IRA22TRE** on Form 3800, at the top of the return, or on an attachment.
L	(For tax periods 202201 through 202212 only) Form 7204, Consent to Extend the Time to Assess Tax Related to Contested Foreign Income Taxes - Provisional Foreign Tax Credit Agreement, is attached.
M	(For tax periods 202201 through 202212 only) Form 7205, Energy Efficient Commercial Buildings Deduction, is attached.
P	(For tax periods 202607 through 202612 only) Form 1062, Deferral of Payment of Tax on Gain from the Sale or Exchange of Qualified Farmland Property to Qualified Farmer, is attached, OR, There is an amount on Line 25b, and/or Line 18c, Schedule G, Form 1041 AND the taxpayer is a fiscal year filer.

IRM 3.12.14.11.1(1) - Updated the valid tax periods for Field 0525B. Added Field 05FRM to the list of Field Designators.

(1) Listed below are the fields contained in Section 05. Data in this section is obtained from Forms 1041, 1041-QFT, 1041-N:

Field Designator	**Maximum Length**	**Form Line Description**	**Location**
05G1A	13 + ($ only)	Gross Tax	Line 1a, Schedule G, Form 1041
05G1B	13 + ($ only)	Tax on Lump - Sum Distributions	Line 1b, Schedule G, Form 1041
05G1C	13 + ($ only)	Alternative Minimum Tax	Line 1c, Schedule G, Form 1041
05G1D (Valid for Tax	15 + ($ only)	Chapter 1 Recapture Tax from Form 4255	Line 1d, Schedule G, Form 1041

Period 202401 and later)			
05G1E (Valid for Tax Period 202401 and later)	13 + ($ only)	Schedule G Total Tax	Line 1e (Line 1d for 202312 and prior), Schedule G, Form 1041
05GVT	13 + ($ only)	Schedule G Total Tax Verified	**ERS Input Only** - Verified amount for line 1e, Schedule G, Form 1401 (line 1d for 202312 and prior)
05G2A	13 + ($ only)	Foreign Tax Credit (Form 1116)	Line 2a, Schedule G, Form 1041
05G2B	13 + ($ only)	General Business Credit (Form 3800)	Line 2b, Schedule G, Form 1041
052BV	13+ ($ only)	General Business Credit Verified	ERS Input Only
05G2C	13 + ($ only)	Credit for Prior Year Minimum Tax	Line 2c, Schedule G, Form 1041
05G2D	13 + ($ only)	Bond Credits (Form 8912)	Line 2d, Schedule G, Form 1041
05G2N	13 + ($ only)	Other Non-business Credits	ERS Input Only
05G04	15 + ($ only)	Small Business Trust Tax	Line 4, Schedule G, Form 1041
05G05	13 + ($ only)	Net Investment Income Tax	Line 5, Schedule G, Form 1041 Line 15, Form 1041-QFT Does not apply to 1041-N
05GIC	15 + ($ only)	Recapture tax from Form 4255	Line 6a, Schedule G, Form 1041 (Revision 2023. Valid

			for Tax Period 202301 and subsequent)
05GLH	15 + ($ only)	Recapture tax from Form 8611	Line 6b, Schedule G, Form 1041 (Revision 2023. Valid for Tax Period 202301 and subsequent)
05G06	13 + ($ only)	Other Recapture Taxes	Line 6c, Schedule G, Form 1041 (Revision 2023 and subsequent) (Line 6, 2022 and prior)
05G07	13 + ($ only)	Household Employment Taxes	Line 7, Schedule G, Form 1041
05G08	15 +/- ($ only)	Other Taxes	Line 8, Schedule G, Form 1041
05QTX	13 + ($ and ¢)	QFT Tax	Line 12, Form 1041-QFT Line 14, Form 1041-N
05QC	13 + ($ and ¢)	QFT Credits	Line 13, Form 1041-QFT Line 15, Form 1041-N
0524	13 + ($ and ¢)	Total Tax	Line 24, Form 1041 Line 16, Form 1041-QFT Line 16, Form 1041-N
05MCT	13 + ($ only)	Manually Corrected Tax	ERS Input Only dotted portion of: Line 24, Form 1041 Line 16, Form 1041-QFT Line 16, Form 1041-N
0525A	13 + ($ and ¢)	Net 965 Tax Liability Paid Form 965-A	Line 25a, Form 1041 Line 17, Form 1041-N

0525B (Valid for Tax Period 202607 and later)	13 + $ and ¢	Form 1062 Net Tax Liability Due This Year	Line 25b Form 1041
05G10	13 + $ and ¢	Estimated Tax Payments	Line 10, Schedule G, Form 1041
05G11	13 + ($ and ¢)	Beneficiary Allocation	Line 11, Schedule G, Form 1041
05G13	13 + ($ and ¢)	Tax Paid With Extension	Line 13, Schedule G, Form 1041
05G14	13 + ($ and ¢)	Federal Income Tax Withheld	Line 14, Schedule G, Form 1041
05G15	13 + ($ and ¢)	Net 965 Tax Liability Form 965-A (Installment Election)	Line 15, Schedule G, Form 1041
0516A	13 + ($ and ¢)	Payments from Form 2439	Line 16, Schedule G, Form 1041 (2023 and subsequent). Line 16a, Schedule G, Form 1041 (2022 and prior)
05EPE	15 + ($ only)	Elective payment election amount from Form 3800	Line 18a, Schedule G, Form 1041 (Revision 2023. Valid for Tax Period 202301 and subsequent)
05EPV	15 + ($ only)	**ERS input only -** verified field for 05EPE.	Verified field for Line 18a, Schedule G, Form 1041 (Valid for Tax Period 202301 and subsequent)
05OCP	15 + ($ only)	Other credits or payments	Line 18b, Schedule G, Form 1041 (Revision 2023. Valid for Tax Period 202301 and subsequent)

05FRM (Valid for Tax Period 202607 and later)	15 + ($ only)	Net Tax Deferred on Sale of Farmland	Line 18c, Schedule G, Form 1041 (Revision 2025. Valid for Tax Period 202607 and subsequent)
05G17	15 + ($ only)	Credit for Qualified Sick and Family Leave wages for leave taken before April 1, 2021.	Line 17, Schedule G, Form 1041 (2020 through 2022)
0518A	15 + ($ only)	Credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021	Line 18, Schedule G, Form 1041 (2021 and 2022)
0518B	15 + ($ only)	Deferred Social Security Tax Schedule H	Line 18, Schedule G, Form 1041 (2020 only)
05DAC	1 (Value of 0, 1, 2 or 3)	Digital Assets Checkbox	Line 13, page 3, Form 1041 (Revision 2023. Valid for Tax Period 202301 and subsequent)
0526	13 + ($ and ¢)	Total Payments	Line 26, Form 1041 Line 17, Form 1041-QFT Line 18, Form 1041-N
05TCV	15 + ($ and ¢)	**ERS input only -** verified field for 0526.	Verified field for Line 26, Form 1041. (Valid for Tax Period 202301 and subsequent)
0527	13 + ($ and ¢)	Estimated Tax Penalty	Line 27, Form 1041
05B/D	13 + or - ($ and ¢)	Tax Due/Overpayment	Line 28/29, Form 1041 Line 19/20, Form 1041-QFT Line 20/21, Form 1041-N

0530A	13 + ($ and ¢)	Credit Elect	Line 30a, Form 1041, Line 21a, Form 1041-QFT, Line 22a, Form 1041-N,
0530B	13 + ($ and ¢)	Refund	Line 30b, Form 1041, Line 21b, Form 1041-QFT, Line 22b, Form 1041-N,

Caution: Any negative entry in a "positive only" field will cause a math error.

IRM 3.12.14.11.27(2) - Added Correction Procedures for Field 0525B.

(2) **Correction Procedures:**

a. Field 0525B, First installment of section 1062 applicable net tax liability is valid for Tax Period 202607 and later.

If	**And**	**Then**
Field 0525B is present,	The Tax Period is before 202607,	○ Delete the entry. ○ If the deletion triggers a Math Error Code, send TPNC 90 (e.g., 90-266) with the following language: We computed your return without applying the election from Form 1062. The election is not valid for tax periods earlier than July 2026. ○ For an updated listing of the non-programmed TPNC 90 literals, see TPNC 90 Literals - Copy and Paste Job Aid on Servicewide Electronic Research Program (SERP) at TPNC 90 Literals.
Field 0525B is present,	The Tax Period is 202607 - 202612,	Enter RPC "P".

IRM 3.12.14.11.37(1) - Updated the valid tax period for Field 05FRM.

(1) **Description:** Field 05FRM is transcribed in **dollars only** from line 18c, Schedule G (Form 1041, Rev. 2025), and is valid for tax periods 202607 and later. If an entry is present on Schedule G Line 18c and the tax period is 202607 - 202612, enter RPC **P**.

IRM 3.12.14.30.58(1) - Updated the valid tax period for Field 0525B.

(1) Error Code 896 will display as follows:

Field Designator	**Field Name**
TPNC	Taxpayer Notice Code
01TXP	Tax Period
0525A	Net 965 Tax Liability Paid Form 965-A
0525B	Form 1062 Net Tax Liability Due This Year (Valid for Tax Period 202607 and later)
05G10	Estimated Tax Payments
05G11	Credit to Beneficiaries
05G12>	Balance of ES Tax Credit Computer
05G13	Tax Paid with Extension
05G14	Tax Withheld
05G15	Net 965 Tax Liability Form 965-A
0516A	Regulated Investment Credit
05EPE	Elective payment election amount
>>>>>	Computer sum of amounts in column (i), F3800
05OCP	Other credits or payments
05FRM	Net Tax Deferred on Sale of Farmland
05G17	Refundable Credit for Qualified Sick Family Leave wages for leave taken before April 1, 2021. (2020 and subsequent)

0518A	Credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021 (2021 and subsequent, line 18, Sch G)
0518B	Deferral. If filing Schedule H (Form 1040), see instructions for amount to enter. (2020 only, line 18, Sch G)
0526	Total Payments
>>>>	Total Payments Computer
05TCV	**ERS input only -** verified field for 0526.
0527	Estimated Tax Penalty
05B/D	Tax Due/Overpayment
>>>>	Tax Due/Overpayment Computer
07DEF>	Schedule H Maximum Social Security Tax Deferred Computer
0708E	Schedule H Refundable Credit Qualified Sick & Family Leave wages for leave taken before April 1, 2021
0708F	Refundable portion of credit for qualified sick and family leave wages for leave taken for leave taken after March 31, 2021
15TG>	Total Gas Tax Credit Computer
S15DP	SECTION 15 PRESENT
S16DP	SECTION 16 PRESENT
S17DP	SECTION 17 PRESENT
S18DP	SECTION 18 PRESENT
S23DP	SECTION 23 PRESENT
S24DP	SECTION 24 PRESENT
S25DP	SECTION 25 PRESENT

IRM 3.12.14.30.58.2(12) - Added Correction Procedures for Field 05FRM.

(12) **Field 05FRM** is transcribed from line 18c of Schedule G (revision 2025 and subsequent) valid for Tax Periods 202607 and later. If an entry is present on Schedule G Line 18c and the tax period is 202607 - 202612, enter RPC **P**.

IRM 3.12.14.30.60(1) - Updated the valid tax period for Field 0525B.

(1) Error Code 902 will display as follows:

Field Designator	**Field Name**
TPNC	Taxpayer Notice Code
05B/D	Tax Due/Overpayment
>>>>	Tax Due/Overpayment Computer
05QTX	QFT Tax
05QC	QFT Credits
05G05	Net Investment Income Tax amount
0524	Total Tax
0524>	Total Tax - Computer
0525A	Net 965 Tax Liability Paid
0525B	Form 1062 Net Tax Liability Due This Year (Valid for Tax Period 202607 and later)
0526	Total Payments
>>>>	Total Payments Computer
05EPE	Elective Payment Election amount
0527	Estimated Tax Penalty
0530A	Credit Elect
0530B	Refund

IRM 3.12.14.30.60.2(6) - Added Correction Procedures for Field 0525B.

(6) **Field 0525B**, Section 1062 applicable net tax liability due this year, is valid 202607 and later.

Note: If the entry in Field 0525B was deleted due to an invalid tax period, send TPNC 90 (e.g., 90-266) with the following literal: "We computed your return without applying the election from Form 1062. The election is not valid for tax periods earlier than July 2026." For an updated listing of the non-programmed TPNC 90 literals, See TPNC 90 Literals - Copy and Paste Job Aid, on Servicewide Electronic Research Program (SERP) at TPNC 90 Literals.