IRM PROCEDURAL UPDATE

DATE: 01/20/2026

NUMBER: 26U0106

SUBJECT: Various Freeze Code Update

AFFECTED IRM(s)/SUBSECTION(s): 21.5.6

CHANGE(s):

IRM 21.5.6.3.1 Removed information about completing E-911. Change made due to TAS policy change.

1) Refer taxpayers to TAS when the contact meets TAS criteria and you can't resolve the taxpayer's issue the same day. See IRM 13.1.7.3, TAS Case Criteria, for more information. **Same day** cases include cases you can completely resolve in 24 hours, as well as cases in which you have taken steps within 24 hours to begin resolving the taxpayer's issue. Do not refer "same day" cases to TAS unless the taxpayer asks for a referral to TAS and the case meets TAS criteria. Refer to IRM 13.1.7.5, Same Day Resolution by Operations.

(2) For more information on routing cases to TAS refer to IRM 21.1.3.18, Taxpayer Advocate Service (TAS) Guidelines.

IRM 21.5.6.4.31.1(1) Added information for rejected direct deposits with DLN 77716. Change made to policy updates due to Executive Order.

(1) To resolve P- freeze accounts with no RIVO involvement while staffing Accounts Management phones, see chart below:

Note: Refund inquiry units work the Form 3913, Acknowledgement of Returned Refund Check, responses on paper from the taxpayer. Refer to IRM 21.4.3.5, Acknowledgment of Returned Check, for more information.

ROW NUMBER	IF	AND	THEN	ADVISE THE TAXPAYER
1	Taxpayer returns a refund check	Refund was in error (taxpayer indicates the payment belongs	Transfer the payment to the correct module. Follow procedures in IRM 21.4.3.5.1, Checks Returned to Regional Financial	The payment has been transferred to the correct module. **Note:** If you must complete a Form

		on another module)	Center (RFC) by the Taxpayer or U.S. Postal Service. **Note:** If there is an open Refund Inquiry control base on the module with a TC 841 and a P- freeze: If a CII control, leave a Case note on CII with the information you obtain from the taxpayer. If not a CII control, or no access to CII, complete a Form 4442/e-4442, Inquiry Referral, with the information you obtain from the taxpayer. Select **IRM** referral type and category **Open Control**. Refer the case to the Refund Inquiry employee or unit with the open control.	4442/e-4442, advise the taxpayer of the proper timeframe. Refer to IRM 21.3.5.4, Referral Procedures, for more information.
2	Taxpayer returns a refund check with correspondence	Taxpayer states refund amount is incorrect	Refer to IRM 21.4.3.5.5, Resolving Returned Refunds (Unexpired Checks), for more information.	The actions taken on the account.
3	Taxpayer returns a refund check	Refund was correct when issued, **AND** IRS did not misapply the payment,	Transfer the payment to the correct module. Refer to IRM 21.4.3.5.5, Resolving Returned Refunds (Unexpired Checks), for more information.	The payment has been transferred to the correct module. **Note:** If you must complete a Form 4442/e-4442, advise the taxpayer of the

		OR credit elect was not requested on the original return, **AND** the taxpayer indicates the payment belongs on another module	**Note:** If there is an open Refund Inquiry control base on the module with a TC 841 and a P- freeze: If a CII control, leave a Case note on CII with the information you obtain from the taxpayer. If not a CII control, or no access to CII, complete a Form 4442/e-4442, Inquiry Referral, with the information you obtain from the taxpayer. Select **IRM** referral type and category **Open Control**. Refer the case to the Refund Inquiry employee or unit with the open control.	proper timeframe. Refer to IRM 21.3.5.4, Referral Procedures, for more information.
4	Module has a P-freeze and the refund has been stopped	Taxpayer received a math error notice for a missing Social Security Number (SSN) or Individual Taxpayer Identification Number (TPNC 604) or invalid dependent TIN (TPNC 605), **AND** the taxpayer can	Correct the math error on the account. Refer to IRM 21.5.4.3.1, Math Error Procedures Research, for correcting the account.	The math error has been corrected and provide applicable timeframes. Refer to IRM 21.5.4.3.1, Math Error Procedures Research, for information on timeframes.

		supply a correct TIN		
5	Module has a P-freeze **AND** Notice Review has canceled the refund	Review of control history and research of account indicates no pending action or unresolved TIN math errors on account	Release the refund as in row 14.	The refund has been released. Refer to IRM 21.4.1.4 (3), Refund Inquiry Response Procedures, for more information on timeframes.
6	P- freeze resulted from rejected direct deposit refund (TC 841 with a DLN containing 77716)	N/A	A CP53E notice is issued to the taxpayer to request bank account information via Individual Online Account (IOLA). The taxpayer may also request a waiver if they do not have direct deposit options or wish to receive a paper check.	Follow instructions provided in the CP53E notice to access IOLA and update bank account information or request a waiver.
7	P- freeze resulted from non-receipt claim coded "H" or "X" (Block and Serial Number of TC 841 will be 88899)	N/A	Release as instructed in row 14 (if appropriate). **Exception:** If there is an open Refund Inquiry control: If a CII control, leave a Case note on CII with the information you obtain from the taxpayer. If not a CII control, or no access to CII, complete a Form 4442/e-4442 with the information you obtain	If the refund has been released, provide the taxpayer with the appropriate timeframe. Refer to IRM 21.4.1.4(3), Refund Inquiry Response Procedures, for processing timeframes. **Note:** If you must complete a Form 4442/e-4442, advise the taxpayer of the proper timeframe. Refer to IRM 21.3.5.4,

			from the taxpayer. Select **IRM** referral type and category **Open Control**.Refer the case to the Refund Inquiry employee or unit with the open control.	Referral Procedures, for more information.
8	P- freeze is present	P- freeze resulted from Integrated Customer Communications Environment (ICCE) refund trace	Refer to IRM 21.4.2.4.16, Automated Refund Trace Applications Integrated Customer Communications Environment (ICCE) Refund Trace, Internet Refund Trace (IRTRC), and Where's My Refund (WMR).	N/A
9	Refund was canceled by a function other than RIVO or Criminal Investigation (CI)	N/A	Refer to IRM 21.5.10.3.1, Integrated Data Retrieval System (IDRS) Research Exam Issues, or Exhibit 21.5.10-1, Audit Information Management System (AIMS) Status Code Guide - Field Cases, and Exhibit 21.5.10-2, Audit Information Management System (AIMS) Status Code Guide - Campus Cases, for more information.	N/A

10	The module contains a background control without an adjustment to the account **Note:** The controlling employee may be waiting for information from the taxpayer.	The information can be used to resolve the account issue	Prepare a Form 4442/e-4442. Include all taxpayer information and refer the case to the controlling employee.	1. You are sending a referral. 2. Provide the taxpayer with the proper timeframe. Refer to IRM 21.3.5.4, Referral Procedures.
11	The module contains a TC 841 with DLN containing 77715	N/A	Do not release the refund. **Note:** This P- freeze is temporary and will be systemically released two cycles after the TC 841 posts.	Advise the taxpayer the return is being reviewed, and to allow 2 weeks from the TC 841 DLN 77715 posting date to receive a notice or refund. See IRM 21.4.1.4.6.1, Altered Check Process/Cancellations, for more information on altered checks.
12	The module contains the altered check marker TC 971 AC 123 MISC>ALTERED CHECK	A TC 841 with DLN containing 88899 has posted	Do not release the refund	Advise the taxpayer the return is being reviewed, and to allow 8-10 weeks from the TC 971 AC 123 posting date to receive the refund or a notice. See IRM 21.4.1.4.6.1, Altered Check Process/Cancellations, for more information on altered checks.
13	Refund was returned by taxpayer	Taxpayer states they do not want the refund due to	• Reverse the credits that created the	The credits have been removed from the account. If the taxpayer

		a conscience- or religious- based objection	refund (e.g, ACTC, EIC or other prepaid credits). See IRM 21.6.3.4.2, Refundable Credis, for applicable credit instructions. • If a reversal of the credit is not possible due to an expired ASED, then move any Earned Income Credit (TC 764 or TC 768) or Generated Refundable Credit (TC 766) to Excess Collections. See IRM 21.4.3.5.5(11).	later decides they wish to receive the credit, they can file an amended claim within the RSED time frame. Refer the taxpayer to irs.gov and search "About Form 1040-X, Amended U.S. Individual Income Tax Return."
14	A refund is returned and does not meet any of the criteria above	Tax and refund amount are verified correct using IDRS	Take the following steps: 1. Input Transaction Code (TC) 290 and TC 770 for .00 **or** the amount of the original interest along with the CR-INT-TO-DATE of the original TC	1. The refund has been released. 2. The refund should be received within 4-6 weeks. Refer to IRM 21.4.1.4 (3), Refund Inquiry Response Procedures, for more information on

			776/770 (whichever applies). Refer to IRM 20.2.4.8.1 , Systemic Refunds 2. Use the applicable source code (SC) 3. Use hold code (HC) 3 4. Use reason code (RC) 099, for IMF only **Caution:** In cases where IRS caused an error on the issuance of the refund, the taxpayer is entitled to more interest. **Note:** Refer to IRM 21.4.3.5.5, Resolving Returned Refunds (Unexpired Checks), for more information.	processing timeframes.

Note: When releasing refunds, more interest is allowed for a delay in the delivery of refunds due to IRS error. Refer to Rev. Rul. 76-74. The following are situations in which additional interest will be allowed beyond the date determined by the Secretary or their delegate preceding the date of the initial refund check by not more than 30 days:

• A refund check is made payable to a person other than the taxpayer, and therefore may not be negotiated by the taxpayer. In such cases, the check subsequently issued payable to the taxpayer fixes the period of interest under IRC 6611 (b)(2).

• A taxpayer's refund is deposited by check as an offset against an asserted claim of another agency, but the offset is invalid or the amount due to the taxpayer exceeds the

claim of the other agency. In such cases, the check subsequently issued payable to the taxpayer fixes the period of interest under IRC 6611 (b)(2).

IRM 21.5.6.4.53 Subsection for new 1- freeze created. Changes made due to new freeze code for direct deposits of refunds per Executive Order.

(1) The 1- Freeze is set when an MFT 30 return posts with either invalid or no bank account information, no unreversed Transaction Code (TC) 971 Action Code (AC) 850 is present, and the account contains a credit balance. It freezes refunds but not offsets from the account.

(2) A CP53E notice is issued to the taxpayer to request bank account information via Individual Online Account (IOLA). The taxpayer may also request a waiver if they do not have direct deposit options or wish to receive a paper check.

(3) The refund will be released in 6 weeks as a paper check if valid bank account information or a waiver request is not submitted.

(4) Advise the taxpayer to follow the instructions provided in the CP53E notice to update bank account information or submit a waiver request via IOLA.

(5) If the taxpayer states they are unable to access IOLA, does not want a direct deposit, or does not have bank account information to provide, input a TC 290 for .00 using Reason Code (RC) 235, to release the refund as a paper check.

(6) For more information about direct deposits, refer to IRM 21.4.1.5.7.1, Direct Deposit of Refunds.