

## IRM PROCEDURAL UPDATE

**DATE: 02/06/2026**

**NUMBER: 26U0214**

**SUBJECT: Various Updates to Credits Including Adoption Credit Changes Due to OBBBA**

**AFFECTED IRM(s)/SUBSECTION(s): 21.6.3**

**CHANGE(s):**

**IRM 21.6.3.4 Updated link in paragraph 13 to IRM 21.5.6.4.10.1, -E Freeze Due to a Transaction Code 810 Responsibility Code 4 and updated paragraph 17 to refer to IRM 21.1.3.18, Taxpayer Advocate Service (TAS) Guidelines.**

- (1) This section contains the procedures for non-refundable and refundable tax credits.
- (2) A limited number of credits are reported directly on Form 1040, U.S. Individual Income Tax Return, Form 1040-SR, U.S. Tax Return for Seniors or Form 1040-NR, U.S. Nonresident Alien Income Tax Return. All other credits are reported on Form 1040 / Form 1040-SR, Schedule 3, Additional Credits and Payments.
- (3) For paper processing, if a required form or schedule is **missing**, follow procedures in IRM 21.5.1.5.6, Incomplete CII Claims. If the form, schedule, or documentation is **incomplete** and cannot be perfected with available information, follow claim processing in IRM 21.5.3.4, General Claims Procedures.
- (4) If a credit cannot be allowed, unless specifically directed otherwise, follow procedures in IRM 21.5.4.4.1, Setting the Initial Math Error Action, or IRM 21.5.3.4.6, No Consideration and Disallowance of Claims and Amended Returns, as appropriate.
- (5) When processing amended or duplicate returns, if the taxpayer was allowed the credit during original processing, but is not entitled to all or a portion of the credit based on changes made:
  - a. If the taxpayer didn't address the change, follow the procedures in IRM 21.5.4.4.1, Setting the Initial Math Error Action.
  - b. Explain to the taxpayer the adjustment was made and the taxpayer will receive a notice explaining the adjustment and appeal rights.

**Example:** An amended return increasing income that now subjects the credit to limitation.

**Example:** TIN not assigned before the due date of the return. See specific requirements for each credit.

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(6) Many credits require the primary taxpayer, secondary taxpayer, and, if applicable, the qualifying dependent(s) to have a valid Taxpayer Identification Number (TIN). See Exhibit 21.6.3-1, TIN Requirements for Exemptions/Dependents and Credits.

**Note:** An Internal Revenue Service Number (IRSN) is **not** a valid TIN for credit allowance.

(7) The American Opportunity Tax Credit, Additional Child Tax Credit, Child Tax Credit, Credit for Other Dependents, and the Earned Income Tax Credit require the taxpayer, spouse, and qualifying child have the TIN assigned on or before the due date, or extended due date, of the return.

**Note:** Any reference throughout this IRM to the date of TIN issuance being by the extended due date or due date (including extensions), include the disaster due date, as it is an extended due date beyond the original due date of the return.

(8) Rev. Rul. 2003-72 provides a uniform method of determining when a child attains a specific age for certain tax purposes. For **all** tax years, taxpayer inquiries or claims about this issue use the following information:

- A child attains a given age on the anniversary of the date that the child was born. For example, a child born on January 1, 2024, attains the age of 1 on January 1, 2025.
- The revenue ruling applies to age determination for children regarding dependent care benefits, adoption credits, child tax credits, earned income tax credits, dependent care assistance programs, foster care payments, adoption assistance programs, and dependency exemptions.

Certain credits (e.g., Child Tax Credit and Earned Income Tax Credit) contain age criteria that must be met for credit allowance.

- a. Use CC INOLE to research IRS and SSA date of birth (DOB) and date of death (DOD) information. Use the Real Time System (RTS) to verify the DOB when an Individual Taxpayer Identification Number (ITIN) is involved. See IRM 3.21.263, IRS Individual Taxpayer Identification Number (ITIN) Real Time System (RTS).
- b. If a taxpayer contacts the IRS concerning a math error issued as a result of a Social Security Number (SSN) discrepancy, and it cannot be resolved through verification or research, advise the taxpayer to contact their local SSA office to resolve the discrepancy.
- c. To substantiate date of birth for tax purposes, taxpayer must provide documentation, e.g., birth certificate, school records, baptism records, etc., for verification.
- d. When the taxpayer provides the proper documentation, use CC DM1DT to add, change, or delete data to correct the date of birth. See IRM 2.3.25, Command Codes DM1DT and DTVUE, for CC input.

**Exception:** Do not use CC DM1DT to update ITIN information. Complete a Form 4442, Inquiry Referral, and fax it along with the taxpayer documentation to the Austin Service Center (AUSC) ITIN unit at 855-854-8381.

(9) If the Child and Dependent Care Credit, Child Tax Credit, Credit for Other Dependents, Earned Income Tax Credit, Adoption Credit and/or Education Credit is being claimed for a TIN for which our records indicate a date of death prior to the tax year, correspond before using math error procedures. In this instance, the IRS should notify taxpayers of the problem and provide them an opportunity to explain. The correspondence should state SSA records show a date of death prior to the tax year listed. State the TIN being used is for a person who was deceased prior to the tax year.

- a. If documentation is received indicating the math error is incorrect, use CC DM1DT to change or delete the DOD. See IRM 2.3.25, Command Codes DM1DT and DTVUE, for more information.
- b. If proper documentation is not received, disallow the credit(s) and send Letter 105C, Claim Disallowed, using the following (state the specific credits, including exemptions if applicable, in an open paragraph):  
 "We are disallowing your claim for the credits below because you omitted a correct Social Security Number. The information provided by the Social Security Administration (SSA) shows the number provided belongs to an individual who was deceased prior to the beginning of the tax year for which it is being used."

**Note:** See IRM 21.6.1.6.1, Determining the Exemption/Dependent Deduction, for information on allowing exemptions.

(10) Take the following action on any CP 36, duplicate or amended return that claims refundable credits as noted below:

If	Then
A review of any duplicate or amended return shows a claim of social security benefits with refundable credits and the refund is equal to the amount of credits  Or  A review of any duplicate or amended return shows Household Employee income of # [REDACTED] # and a claim for a refundable credit.	<ol style="list-style-type: none"> <li>1. Research CC IRPTR to substantiate the income and / or withholding.</li> <li>2. "No consider" the request if CC IRPTR does not substantiate the request. Follow procedures in IRM 21.5.3.4.6.3, No Consideration Procedures.</li> </ol> <p><b>Note:</b> Follow these procedures even though the refundable credit is below the specified tolerance amount.</p>

(11) See IRM 20.1.2.2.6.2, Incorrect Tax Shown Recorded, to determine if an Item Reference Number (IRN) 871 must be input to update the "tax shown".

(12) #

[REDACTED]

- | [REDACTED]
- | [REDACTED]
- | [REDACTED]
- | [REDACTED]

[REDACTED] #

(13) If there is a Transaction Code (TC) 810 Responsibility Code (RC) 4 (-E freeze) on a module and the taxpayer files an amended return with a questionable credit (e.g., Form 7202 or Schedule H, Credits for Sick Leave and Family Leave, Form 4136, Credit for Federal Tax Paid on Fuels, Form 8863, Education Credits, Schedule 3, line 13b, credit for repayment of amounts included in income from earlier years (IRC 1341, Claim of Right), etc.), refer to IRM 21.5.6.4.10.1, -E Freeze Due to a Transaction Code 810 Responsibility Code 4.

(14) #

[REDACTED] #

(15) The Taxpayer Advocate Service is an independent organization within the Internal Revenue Service (IRS), led by the National Taxpayer Advocate, that helps taxpayers and protects taxpayer rights. TAS offers free help to taxpayers when a tax problem is causing a financial difficulty, when they've tried and been unable to resolve their issue with the IRS, or

when they believe an IRS system, process, or procedure just isn't working as it should. TAS strives to ensure that every taxpayer is treated fairly and knows and understands their rights under the Taxpayer Bill of Rights. TAS has at least one taxpayer advocate office located in every state, the District of Columbia, and Puerto Rico.

(16) The TBOR lists rights that already existed in the tax code, putting them in simple language and grouping them into 10 fundamental rights. Employees are responsible for being familiar with and acting in accord with taxpayer rights. See IRC 7803(a)(3), Execution of Duties in Accord with Taxpayer Rights. For more information about the TBOR, see Taxpayer Bill of Rights.

(17) See IRM 21.1.3.18 , Taxpayer Advocate Service (TAS) Guidelines, for handling requirements when a taxpayer is experiencing a hardship, an unusual delay in resolving their account issue, or specifically requests TAS assistance AND you cannot resolve the taxpayer's issue within 24 hours (i.e., "same day").

**Note:** Beginning January 5, 2026 and continuing through May 31, 2026, TAS referrals cannot be submitted through the AMS e-911 process.

#### **IRM 21.6.3.4.1.5 Updated link to IRM 21.5.6.4.10.1, -E Freeze Due to a Transaction Code 810 Responsibility Code 4.**

(1) Taxpayers may claim an education credit (Lifetime Learning Credit or American Opportunity Tax Credit (AOTC)) for qualified tuition and related expenses paid to an eligible educational institution, including accredited colleges, universities, and vocational schools.

(2) For any given tax year, a taxpayer can only elect one of the credits for each eligible student.

(3) If a taxpayer claims / lists an exemption for a dependent who is an eligible student, then only that taxpayer can claim a credit for the student's qualified education expenses.

(4) Taxpayers **cannot** claim the credit if:

- Student is claimed as a dependent on another person's tax return
- Filing status is married filing separately
- Nonresident alien

**Exception:** If the student is claimed as a dependent on the return and resides in Mexico or Canada, the taxpayer may be able to claim the AOTC for that student.

- Bona fide residents of Puerto Rico
- Modified adjusted gross income equals or exceeds the following amounts:

Credit	Filing Status	2021-2025
AOTC	1. Married Filing Jointly	1. \$180,000
	2. All others	2. \$90,000
Lifetime Learning Credit	1. Married Filing Jointly	1. \$180,000
	2. All others	2. \$90,000

(5) Students under age 24 do not qualify for the refundable portion of the AOTC if all the following apply:

- Under age 18 at the end of the year, **or** age 18 at the end of the year and their earned income was less than one-half of their support, **or** a full-time student over age 18 and under age 24 at the end of the year and their earned income was less than one-half of their support.
- At least one of the student's parents was alive at the end of the year.
- The student is not filing a joint return.

(6) The credit may be for expenses of the taxpayer, the taxpayer's spouse, or the taxpayer's eligible dependent claimed on the taxpayer's return.

(7) All students claimed on Form 8863 must have a valid TIN issued on or before the due date of the return, including extensions. A valid TIN includes an SSN, ITIN or ATIN.

**Note:** For taxpayers indicating a religious (such as Amish/Mennonite) or conscience-based objection to obtaining a TIN, refer to IRM 21.6.1.6.1, Determining the Exemption/Dependent Deduction.

(8) Form 8863, Education Credits (American Opportunity and Lifetime Learning Credits), must be submitted.

(9) If the education credit appears frivolous (Social Media Promotion Scheme), see IRM 21.6.3.4 (11), Credits Procedures.

(10) If there is a Transaction Code (TC) 810 Responsibility Code (RC) 4 (-E freeze) on the module and the taxpayer files an amended return, see IRM 21.5.6.4.10.1, -E Freeze Due to a Transaction Code 810 Responsibility Code 4.

References:

- IRC 25A
- Publication 970, Tax Benefits for Education

**IRM 21.6.3.4.1.22.1 Updated that a social security number is required for the qualifying child for tax years 2018 and later.**

(1) To qualify for the credit, the child must:

- Be claimed as a dependent on the return
- Be the taxpayer's son, daughter, stepchild, eligible foster child, brother, sister, stepbrother, stepsister, or a descendant of any of them
- Under age 17 (18 for tax year 2021 only) at the end of the calendar year. Command Code (CC) INOLE, or in the case of an ITIN, the Real Time System (RTS) can be used to verify date of birth. See IRM 3.21.263, IRS Individual Taxpayer Identification Number (ITIN) Real Time System (RTS)
- Did not provide over half of their own support for the tax year
- Generally, live with the taxpayer for more than half of the tax year
- A U.S. citizen, U.S. national, or a resident of the United States

(2) The taxpayer must furnish one of the following types of valid TINs for each qualifying child.

- An SSN issued by the Social Security Administration
- An ITIN issued by the IRS if the individual is not eligible for an SSN
- An ATIN issued by the IRS for a child while an adoption is pending

**Reminder:** For tax years 2018 and later, qualifying children for CTC must have an **SSN** on or before the due date of the return, including extensions.

For tax years 2018-2025, if the child does not qualify for CTC (e.g., does not have an SSN or meet the age requirement), they may qualify for the Credit for Other Dependents (ODC), see IRM 21.6.3.4.1.22.3, Credit for Other Dependents (ODC).

For more information, see Publication 972, Child Tax Credit and Credit for Other Dependents, (tax years 2020 and prior) or Instructions for Schedule 8812, Credits for Qualifying Children and Other Dependents, (tax year 2021 and later). If the taxpayer claims CTC for a child age 19, the child does not qualify for CTC but would qualify for ODC. Partially disallow the claim and allow ODC instead of CTC.

**Exception:** If a qualifying child was born and died in the same year and an SSN was not issued for the child, the taxpayer should enter "Died" in the field where the SSN would be listed in the Dependents section. The taxpayer must include a copy of the child's birth certificate, death certificate, or hospital records showing the child was born alive.

**Note:** See IRM 3.13.5.83, Individual Taxpayer Identification Numbers (ITINs), and IRM 3.13.5.84, Adoption Taxpayer Identification Numbers (ATINs), for information about ITIN/ATIN issues. Also see IRM 21.6.3.4, Credits Procedures, for information about valid/correct TIN information. For math errors involving ITINs, see IRM 21.6.1.6.6.2, ITIN Renewal Math Error Adjustments.

(3) All taxpayers, the primary, secondary (if applicable), and all qualifying children must have their TIN assigned on or before the due date, or extended due date, of the return.

**IRM 21.6.3.4.1.22.3 Updated that a social security number is required for the qualifying dependent for tax years 2018 and later and added a note that if a child otherwise qualifies for CTC, but they did not have an SSN issued by the due date of the return, they qualify for ODC.**

(1) IRC 24 provides a \$500 non-refundable credit, Credit for Other Dependents (ODC), for each dependent who is not a qualifying child for the Child Tax Credit (CTC), or who, although a qualifying child, did not have an SSN issued on or before the due date of the return. The credit is for tax years 2018 and later. Taxpayers indicate eligibility for the credit by checking the "credit for other dependents" box on page 1 of Form 1040 / Form 1040-SR.

(2) A person qualifies for ODC if the following conditions are met:

- The person is claimed as a dependent on the return.
- The person cannot be used to claim CTC or ACTC.
- The dependent must be a U.S. citizen, U.S. national, or a U.S. resident.
- The dependent must have a valid ITIN, SSN, or ATIN issued on or before the due date of the return (including extensions).

Additionally, the taxpayer and spouse, if filing jointly, must have a valid TIN issued on or before the due date of the return (including extensions).

**Note:** If a child otherwise qualifies for CTC, but they did not have an SSN issued by the due date of the return, they qualify for ODC.

(3) ODC is calculated with CTC in the Instructions for Form 1040 (and Form 1040-SR), Pub. 972, Child Tax Credit and Credit for Other Dependents (tax year 2020 or prior), Instructions for Schedule 8812 (Form 1040), Credits for Qualifying Children and Other Dependents, (tax year 2021 and later) or using the Child Tax Credit and Credit for Other Dependents Worksheet located on Account Management Services (AMS). The total of Child Tax Credit and ODC is phased out by \$50 for each \$1,000 the AGI exceeds \$400,000 in the case of a joint return, \$200,000 for all other filers.

(4) If CTC and/or ACTC were denied in a previous year due to deficiency procedures, taxpayers must recertify for ODC; follow procedures in IRM 21.6.3.5, Credit Recertification.

(5) ODC cannot be input into CC DDBCK.

(6) For taxpayers claiming a religious or conscience-based objection to obtaining a TIN, ODC can be allowed if certain information is provided. For these cases only, allow ODC if proof of U.S. citizenship or U.S. residency (such as a U.S. birth certificate) for the qualifying dependent is provided.

**IRM 21.6.3.4.1.22.4 Updated that a social security number is required for the qualifying dependent for tax years 2018 and later.**

(1) When claiming the CTC and/or ODC, the name(s) and TIN(s) of the qualifying person(s) must be shown on the original or amended return. If a name or TIN is omitted, recompute the tax liability and deny the credit following math error procedures in IRM 21.5.4.4.1, Setting the Initial Math Error Action.

(2) Verify each qualifying person's TIN is valid and the age requirement is met, if applicable, then compute the credit(s) using the worksheet located on Account Management Services (AMS) or in the Instructions for Form 1040 (and Form 1040-SR).

**Reminder:** For tax years 2018 and later, CTC requires qualifying children to have an SSN assigned on or before the due date of the return, including extensions.

**Note:** Pub. 972, Child Tax Credit and Credit for Other Dependents (tax years 2020 and prior), or Instructions for Schedule 8812 (Form 1040), Credits for Qualifying Children and Other Dependents, (tax year 2021 and later), must be used to figure the credit(s) if any of the following are present:

- Form 8839, Qualified Adoption Expenses
- Form 8396, Mortgage Interest Credit
- Form 5695, Residential Energy Credits, Part I
- Form 8859, Carryforward of the District of Columbia First-Time Homebuyer Credit
- Taxpayer is excluding income from Puerto Rico
- Form 2555, Foreign Earned Income
- Form 4563, Exclusion of Income for Bona Fide Residents of American Samoa

(3) When adding a new credit, or a new qualifying person, you must verify all TINs associated with the credit (the primary taxpayer, secondary taxpayer, and all qualifying individuals) (current SSNs and previous ITINs) were assigned on or before the due date of the return. This applies to amended returns, math error responses, duplicate returns, etc.

Complete comprehensive research if there is an indication a name mismatch may be due to multiple last names.

To determine the validity of the request, see the following table for the action required.

**Caution:** If the account **needs to be merged** with another TIN, take the merge actions first to ensure all actions below are taken under the new TIN. See IRM 21.6.2.4.2, Resequencing Accounts. If an **ITIN is showing as inactive**, see IRM 21.6.1.6.6.2, ITIN Renewal Math Error Adjustments. Inactive ITINs qualify for the credit but must be activated before the credit can be allowed.

**Reminder:** Those taxpayers who had an ITIN and were subsequently assigned an SSN, if the ITIN was assigned prior to the due date of the return, they qualify for the credit.

**Exception:** If a child otherwise qualifies for CTC, but they did not have an SSN issued by the due date of the return, they qualify for ODC.

If	Then
<p>The "TIN ASGNMT" field on CC INOLE contains a date on or before the due date of the return</p> <p><b>Note:</b> ITINs assigned within 7 days of the return due date are considered timely.</p>	<p>Allow the credit if all other criteria are met</p>
<p>The "TIN ASGNMT" field is all zeros</p>	<p>Allow the credit if all other criteria are met</p>
<p>The "TIN ASGNMT" field contains a date after the due date of the return</p> <p><b>Note:</b> For a Form W-7 received after Jan. 1, 2017, the TIN assignment date field reflects the actual received date of the Form W-7.</p>	<ul style="list-style-type: none"> <li>• Disallow the credit. See IRM 21.5.3.4, General Claims Procedures. Use the retroactive claim paragraph in the Letter 105C or Letter 106C.</li> <li>• For tax year 2017 and prior, input a TC 971 AC 112 using CC REQ77 or the REQ77 IAT tool. The TC 971 enables the IRS to track these claims and report the dollars saved.</li> <li>• Input the credit amount in the "Freeze-Release-AMT" field. No transaction date is needed.</li> </ul> <p><b>Note:</b> If ACTC, EITC, and/or AOTC are also being claimed, combine the amounts.</p>

(4) When disallowing or partially disallowing a claim, see IRM 21.5.3.4.6.1, Disallowance and Partial Disallowance Procedures. For a no consideration, see IRM 21.5.3.4.6.3, No Consideration Procedures.

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(5) When processing amended/duplicate returns, if the taxpayer was allowed the credit during original processing, but is not entitled to all or a portion of the credit based on changes made:

- a. If the taxpayer didn't address the change, follow the procedures in IRM 21.5.4.4.1, Setting the Initial Math Error Action.
- b. Explain to the taxpayer the adjustment was made and the taxpayer will receive a notice explaining the adjustment and appeal rights.

**Example:** An amended return increasing income that now subjects the credit to limitation.

(6) Taxpayers who are denied Child Tax Credit/Additional Child Tax Credit/Credit for Other Dependents as a result of deficiency procedures, are denied the credit as a math error. The following taxpayer notice codes are used to identify these errors:

- 819 - We disallowed the amount claimed as Child Tax Credit, Additional Child Tax Credit, and/or Credit for Other Dependents on your tax return. Our records indicate that we've banned you from claiming Child Tax Credit, Additional Child Tax Credit, and/or Credit for Other Dependents for this tax year.
- 820 - We disallowed the amount claimed as Child Tax Credit, Additional Child Tax Credit, and/or Credit for Other Dependents on your tax return. Our records indicate that we've banned you from claiming Child Tax Credit, Additional Child Tax Credit, and/or Credit for Other Dependents for two tax years.
- 821 - We disallowed the amount claimed as Child Tax Credit, Additional Child Tax Credit, and/or Credit for Other Dependents on your tax return. Our records indicate that we've banned you from claiming Child Tax Credit, Additional Child Tax Credit, and/or Credit for Other Dependents for ten tax years.

Taxpayers who are denied the credit due to deficiency procedures must recertify for the credit, follow procedures in IRM 21.6.3.5, Credit Recertification.

(7) To adjust the account based on the credit:

- a. Use TC 291 with a money amount to allow/increase the credit.
- b. Use TC 290 with a money amount to decrease the credit.
- c. Use RC 036 (CTC) and/or RC 173 (ODC) and the applicable source code and blocking series.
- d. For CTC, tax years 2023 and subsequent, input item reference number (IRN) 820 with the amount of increase or decrease to the non-refundable CTC.

(8) Beginning in tax year 2023, the IRS added item reference number (IRN) 820 to track the non-refundable portion of CTC. It can be input as a positive or negative but cannot be zero. The IRN is input in addition to any tax increases or decreases.

**IRM 21.6.3.4.1.36.3 Moved sentence about updating claimed to a note to clarify the procedure is only for tax year 2024 and later. Added to table in paragraph 3, row 7, that if the placed in service date is after the termination date of the credit to disallow.**

(1) To claim a Clean Vehicle Credit (CVC), the taxpayer attaches Form 8936, Clean Vehicle Credits, to their amended return. They **must** attach a Form 8936, Schedule A, Clean Vehicle Credit Amount, including the vehicle identification number (VIN) for each vehicle for which they are claiming the credit. If Form 8936, Schedule A is missing or incomplete, follow procedures in IRM 21.5.1.5.6, Incomplete CII Claims.

**Note:** For 2024 and later, individuals who transferred the credit to the dealer at the time of sale **must** file Form 8936, Clean Vehicle Credits, **and** Form 8936, Schedule A, Clean Vehicle Credit Amount. If either form is missing or incomplete, follow procedures in IRM 21.5.1.5.6, Incomplete CII Claims.

**Note:** The One Big Beautiful Bill Act (OB3) terminated the Clean Vehicle Credit as of September 30, 2025. Do not process any requests for CVC for any vehicle acquired after September 30, 2025.

(2) A separate Form 8936, Schedule A must be filed for each VIN used to claim CVC.

Use the VIN/TIN Lookup tool on AMS to validate the VIN prior to determining the action to take on the account. The VIN/TIN Lookup tool is populated with data from the Time of Sale (ToS) report, which is uploaded to the Clean Energy Database (CEdB) by dealers or sellers. You can search by VIN or TIN.

From AMS, select **Tools -> CLEAN ENERGY-> VIN/TIN Lookup**

Input the full VIN of 17 characters (letters and numbers) or the taxpayer's TIN to search for the VIN.

The tool will respond as indicated below.

- If the user searches by VIN and it is not valid, the tool will return a message that says "No Match found in Clean Energy Database".
- If the user searches by TIN and there is no match, the tool will return an error message stating there are no matches.
- If the user searches by TIN and there are one or more VIN matches, click on the VIN to open additional information shown below.
- For tax year 2023, if the user searches by VIN and it is valid, the tool will open but no additional information is included.

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- For tax year 2024 and later, if the user searches by VIN and it is valid, the tool will open with additional information shown below.

For tax year 2024 and later, after clicking on a valid TIN, the tool will open a page with the following:

- the valid VIN and TIN of the buyer
- date placed in service
- the IRC for which the vehicle is eligible (30D - new clean vehicle, 25E - previously owned clean vehicle)
- the amount, if any, that was advanced (transferred to the dealer at time of sale)
- whether or not the credit has been claimed

**Note:** If adjusting an account to allow a previously unclaimed credit, use the drop-down menu to change the status from Not Claimed to Claimed.

**Note:** Updating the claim status is irreversible, once it has been updated, there is no way to remove or reverse that update. To prevent incorrect or erroneous updates, users have to first select the “Update” button on the record which triggers message # [REDACTED] #3, and a selection of “Okay” to proceed. Once those steps have been completed the record is updated.

**Exception:** # [REDACTED] #

(3) If the claim is complete, refer to the chart below for processing:

Row Number	If	And	Then
1	VIN(s) are valid and were not claimed on original return	The vehicle and taxpayer meet all qualifications for the credit. See IRM 21.6.3.4.1.36.1, Form 8936, Clean Vehicle Credits - Qualifications.	Allow credit
2	VIN(s) were claimed on original	The vehicle and taxpayer now meet all qualifications for the credit. See IRM	Allow credit

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	return but not allowed	21.6.3.4.1.36.1, Form 8936, Clean Vehicle Credits - Qualifications.	
3	VIN(s) are missing on Form 8936 Schedule A	Taxpayer claims CVC.	Recompute the tax liability on the amended return and deny the credit following math error procedures in IRM 21.5.4.4.1, Setting the Initial Math Error Action.
4	VIN(s) are not valid	Taxpayer claims CVC.	Recompute the tax liability on the amended return and deny the credit following math error procedures in IRM 21.5.4.4.1, Setting the Initial Math Error Action.
5	VIN(s) are valid and match original return VIN(s)	CVC allowed for same VIN(s) on original return.	Recompute the tax liability on the amended return and deny the credit following math error procedures in IRM 21.5.4.4.1, Setting the Initial Math Error Action.
6	VIN(s) are valid and were not claimed on original return	Prior year and current year modified adjusted gross income (MAGI) are greater than the maximum allowable. See IRM 21.6.3.4.1.36.1, Form 8936, Clean Vehicle Credits - Qualifications.	Disallow claim per IRM 21.5.3.4.6.1, Disallowance and Partial Disallowance Procedures. Include the following open paragraph in the letter, "We cannot allow your claim for the (new/previously-owned) clean vehicle credit because your Modified Adjusted Gross Income (MAGI) exceeds the maximum amount allowable based on your filing status."
7	VIN (s) are valid and were not claimed on original return	Placed in Service Date not during the tax year, or after the termination of the credit	Disallow claim per IRM 21.5.3.4.6.1, Disallowance and Partial Disallowance Procedures. Include the following open paragraph in the letter, "We cannot allow your claim for the clean vehicle credit because the vehicle's placed in service date is not during the tax year." or "We cannot allow your claim for the clean vehicle credit because the credit is no

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			longer available for vehicles placed in service after September 30, 2025.”
8	VIN (s) are valid and were not claimed on original return	The CVC claim exceeds \$7,500 (New vehicle) or \$4,000 or 30% of the purchase price (Previously-owned vehicle) per vehicle	Issue a partial disallowance for the amount of credit in excess of what the taxpayer is entitled to. Follow IRM 21.5.3.4.6.1, Disallowance and Partial Disallowance Procedures. Include the following open paragraph in Letter 106C, “We can only allow “XX” of your claim for the (new/previously-owned) clean vehicle credit because your claim exceeds the maximum allowable credit.”
9	VIN (s) are valid and were not claimed on original return	Vehicle for Business Use (Part II) is claimed and there is no business income or loss (e.g., Schedule C or Schedule F) attached to the return.	Disallow claim per IRM 21.5.3.4.6.1, Disallowance and Partial Disallowance Procedures. Include the following open paragraph in the letter, “We cannot allow your claim for the Credit for Business/Investment Use Part of the New Clean Vehicles on Form 8936, Clean Vehicle Credits, because your return does not include any business income.”

(4) To allow the credit:

- a. Math verify Form 8936
- b. Use TC 291 with a money amount to allow/increase the credit.
- c. Use TC 290 with a money amount to decrease the credit.
- d. Use RC 233 and the applicable source code and blocking series.

**Note:** Prior to May 2024, RC 036 was used for CVC adjustments.

**IRM 21.6.3.4.2.6 (8) Updated link to IRM 21.5.6.4.10.1, -E Freeze Due to a Transaction Code 810 Responsibility Code 4.**

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(1) Form 4136, Credit for Federal Tax Paid on Fuels, is used to claim certain nontaxable uses or sales of fuel during the income tax year. The corresponding Credit Reference Number (CRN) applicable to the type fuel tax paid is shown in column (e) of the Form 4136.

**Note:** The credits for renewable biodiesel and biodiesel mixtures and credits for alternative fuel are both extended through 2024. Taxpayers use Form 4136 to claim the credit for such mixtures or fuels that met the sale or use requirements for tax years 2017 – 2024.

(2) Form 4136 must be attached to an income tax return (Form 1040) or an amended tax return (Form 1040-X), if the credit claimed is # [REDACTED] #.

(3) Amounts previously claimed on Form 8849, Claim for Refund of Excise Taxes, or Form 720, Quarterly Federal Excise Tax Return, (Schedule C, Claims), cannot be included on Form 4136. For information about Form 8849 claims, refer to IRM 4.24.22.4.5, Form 8849, Claim for Refund of Excise Taxes, and for Form 720 claims, refer to IRM 4.24.22.4.1.6, Form 720, Schedule C Claims.

(4) The same documentation required for Form 8849 must be included with Form 4136.

(5) Form 4136 claiming a credit of # [REDACTED] #. See Exhibit 21.5.3–3, Examination Criteria (CAT A) - Credits.

(6) Claims on Form 4136, Line 1, Non-taxable Use of Gasoline, cannot be made for personal use. If the taxpayer does not show any business activity, such as a Schedule C, E, or F, follow no consideration procedures shown in IRM 21.5.3.4.6.3, No Consideration Procedures.

(7) If the fuel tax credit appears frivolous (Social Media Promotion Scheme), see IRM 21.6.3.4 (12), Credits Procedures.

(8) If there is a Transaction Code (TC) 810 Responsibility Code (RC) 4 (-E freeze) on the module and the taxpayer files an amended return, see IRM 21.5.6.4.10.1, -E Freeze Due to a Transaction Code 810 Responsibility Code 4.

#### **IRM 21.6.3.4.2.7.4 Updated box # for W-2 in paragraph 3, box 5.**

(1) Earned income includes all employee compensation subject to income tax, net earnings from self-employment, and gross income received by a statutory employee.

**Note:** A taxpayer (or the spouse, if married filing jointly) receiving nontaxable combat pay may elect to include the amount when figuring their earned income for purposes of computing EITC.

(2) Taxable earned income includes:

- Wages

- Salaries
- Tips
- Strike pay
- Sick pay
- Union strike benefits
- Disability benefits (not disability social security) received by taxpayers under minimum retirement age (normally, this is reported on the Form 1040, U.S. Individual Income Tax Return, as wages)

**Note:** Minimum retirement age may vary.

- Net earnings from self-employment (SE) or gross income received by a statutory employee

**Note:** Net earnings from self-employment may not appear on Schedule SE if under \$400.

**Note:** Earned income generally does **not** include workfare payments to the extent subsidized under a state program for work experience (including work associated with the refurbishing of publicly assisted housing if sufficient private sector employment is not available), work in community service programs, or certain Medicaid waiver payments (see IRM 21.6.6.2.35, Qualified Medicaid Waiver Payments/Difficulty of Care Payments, for more information). However, the taxpayer may include certain Medicaid waiver payments received as wages or self-employment income in earned income if they benefit from the inclusion (even if this payment is excluded on Schedule 1).

\* Reference - Feigh v Commissioner, 152 T.C. 267 (2019)

(3) For EITC purposes, use SE income as reported on Schedule SE, minus the 50% deduction of SE tax or use EITC Worksheet B in Publication 596, Earned Income Credit (EIC).

Row Number	If	Then
1	Schedule SE is not present because the net earnings from self-employment shown on Schedule C or Schedule F (or the combined net earnings) are less than \$400	Use the amount of net profit or loss reported on Schedule C or Schedule F.

2	Schedule SE is not present and net earnings from self-employment appear to be \$400 or more	See IRM 21.6.3.4.2.7.7, Earned Income Tax Credit (EITC) and Self-Employment Tax.
3	SE income is a loss	Subtract the amount from other earned income.
4	The optional method is used	Use the optional amount as income; do not subtract the SE loss.
5	Taxpayer is a statutory employee (indicated on Form W-2, box 13)	Use Schedule C, line 1, as earned income.

**Caution:** If taxpayer receives wages from ministerial duties, some of the income reported as wages on Form 1040, may also be shown on Schedule SE, line 2. Subtract the Schedule SE, line 2 amount from taxpayer's other earned income.

**Note:** If taxpayer receives wages from ministerial duties and also receives a housing allowance or the rental value of a parsonage, the housing allowance or rental value is included in net earnings from self-employment. Thus, this amount is earned income, even though it is not subject to regular income tax.

(4) Income not included in earned income includes:

- Interest
- Dividends
- Welfare payments
- Pensions
- Veteran benefits
- Taxable scholarships or fellowship grants not reported on Form W-2
- Alimony
- Child support
- Social Security and Railroad Retirement benefits
- Worker's compensation benefits
- Unemployment compensation (insurance)
- Amounts received for work while in a penal institution, including amounts earned in a work release program or halfway house. If the amount is included in the total on

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Form 1040 or 1040-SR, line 1, taxpayers are instructed to enter "PRI" and the amount on the dotted line next to Form 1040 or 1040-SR, line 1

For additional information on what is and what is not considered earned income, see Publication 596, Earned Income Credit (EIC).

(5) For ministers or members of religious orders, CC ENMOD shows the ministerial indicator (MIN-SE) when Form 4029, Application for Exemption from Social Security and Medicare Taxes and Waiver of Benefits, or Form 4361, Application for Exemption from Self-Employment Tax for Use by Ministers, Members of Religious Orders and Christian Science Practitioners, is approved or denied.

If	Then
Form 4361 is approved	<p>Income from ministerial duties performed as an employee is earned income. Form W-2 won't reflect any FICA wages, or FICA tax withheld. Any income for services unrelated to ministerial duties (whether as an employee or a non-employee) is earned income.</p> <p>Income from non-employee ministerial duties is not earned income.</p> <p><b>Note:</b> See Publication 517, Social Security and Other Information for Members of Clergy and Religious Workers, for more information.</p>
Form 4029 is approved	<p>All wages, salaries, tips, and other employee compensation are earned income, even if FICA tax is not withheld.</p> <p>Amounts received from self-employment are not earned income.</p> <p>Losses from Schedule C, Schedule C-EZ (2018 or prior), or Schedule F cannot be subtracted from wages.</p>

(6) 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 should 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:

- the Hurricane Harvey disaster area on August 23, 2017
- the Hurricane Irma disaster area on September 4, 2017
- the Hurricane Maria disaster area on September 16, 2017
- the California wildfire disaster area on October 8, 2017

- a Presidentially declared disaster area that occurred in 2018 or 2019, but before December 21, 2019

**Note:** Verify the taxpayer was in the qualified disaster zone via the IRS Disaster Assistance Program.

These claims are centralized in Austin and Philadelphia (International). Reassign the case per the Accounts Management Site Specialization Temporary Holding Numbers. Use category code KATX and OFP 710-82365 when processing these claims.

(7) Generally, for tax years 2020 and 2021 **only**, if current year (i.e. 2020 or 2021) earned income is less than the earned income for 2019, individuals may elect to use their 2019 earned income when figuring EITC. Taxpayers may make this election even if they have no earned income for the current year. For tax year 2020, taxpayers enter "PYEI" and the dollar amount of the prior year earned income on the dotted line for EITC. For tax year 2021, taxpayers enter their 2019 earned income on Form 1040, line 27c. If they file a joint return and make the election, their 2019 earned income is the **sum** of their 2019 earned income and their spouse's 2019 earned income.

**Note:** When figuring EITC, taxpayers should use the current year AGI even if they use their earned income from 2019.

#### **IRM 21.6.3.4.2.9.1 Updated reassignment number in paragraph 2.**

(1) HCTC was effective for tax years through Dec. 31, 2021. There has been no extension to the legislation. All information contained in this subsection refers to tax year 2021 returns and prior.

(2) Claim processing is centralized at the Andover campus. If not trained to work HCTC, update the category code to HCTC or HCTX as necessary and reassign to 0830101003. HCTC can also be claimed on Form 1040-SS and Form 1040-PR, which should be sent to Philadelphia.

(3) The presence of a TC 971 Action Code (AC) 172 on TXMOD for the specific tax year indicates the taxpayer is potentially eligible for the credit. Research must be conducted on the primary and secondary SSNs to determine taxpayer eligibility.

(4) Periodic updates are applied to accounts for HCTC eligibility. The TC 971/972 AC 172 reflects the date of the revision. If a taxpayer filed their return prior to the update, and claimed HCTC, the credit may have been allowed or disallowed incorrectly.

(5) Taxpayers enrolled in Medicare, Part A or B, or entitled to Medicare, are not eligible to claim HCTC for coverage months after their date of Medicare enrollment or eligibility. Generally, Medicare is available for people age 65 or older. Verify the taxpayer's date of

birth using CC INOLE. If the taxpayer was 65 or older on the first day of the tax year, or turned age 65 during the year, disallow or partially disallow the claim per IRM 21.5.3, General Claims Procedures.

**Note:** A taxpayer remains eligible for the credit for 24 months from the date the taxpayer enrolled in Medicare / Medicaid if the taxpayer has a qualifying family member enrolled in qualified health insurance coverage. The taxpayer can claim the credit only for the premiums for those qualifying family members.”

Use the following text in the disallowance letter:

*We did not allow the amount of \$(amount of credit claimed) claimed for the Health Coverage Tax Credit. You are not entitled to claim the credit for qualifying family members after 2 years from the date the Medicare eligible taxpayer enrolled in Medicare.*

**OR**

*We did not allow the amount of \$(amount of credit claimed) claimed for the Health Coverage Tax Credit. As a spouse/dependent, you are not entitled to claim the credit after 2 years from the date the Medicare eligible taxpayer enrolled in Medicare.*

(6) A deceased taxpayer no longer qualifies for the credit for coverage months after their date of death. However, the decedent’s spouse and/or dependent may still qualify.

Taxpayers filing under these conditions needs to state as such and provide the necessary documentation. Check each claim for a date of death.

(7) Taxpayers must check the correct boxes in Part I, Form 8885, indicating the months they were eligible to receive the credit and provide verification of eligibility (eligibility letter), invoices, and proof of payments. In addition, tax year 2014 and 2015 claims should have a letter of eligibility from PBGC or DOL.

- If no boxes are checked in Part I treat it as an incomplete claim, see IRM 21.5.3, General Claims Procedures.

**Reminder:** When corresponding for Part I information, include information requesting invoices and proof of payments (e.g., cancelled checks (front and back) or credit card statement) if not present, for any amounts included on line 2 of Form 8885.

- If no invoices, proof of payments or eligibility letters are attached, verify eligibility by checking CC IRPTR for the primary and/or secondary taxpayer for a Form 1099-H issued by the TPA or HPA.

**Caution:** Form 1099-H is not available on CC IRPTR for tax years 2020 and 2021.

- If unable to determine eligibility from CC IRPTR, research the enrollment database.
- If unable to verify eligibility, suspend the case for 40 days and issue a Letter 3064C to request the missing information. Use the following verbiage in the open paragraphs:

*"Provide a letter of eligibility, invoices, and proof of payment for the amount you claimed on line 2, Form 8885. If the insurance plan is through your spouse's employer, include copies of pay stubs showing the health coverage deductions for the qualified months and a letter from the employer confirming the amount the employer paid to the cost of the coverage. "*

*For COBRA Continuation Coverage, include any of the following: a notice of rights to continue coverage in an employer's plan, a signed election form confirming enrollment, a letter or statement from an employer or third-party benefits administrator that confirms enrollment. For an HCTC State Qualified Plan, include the group number provided by the plan.*

- If no response is received, do not consider / partially disallow the claim as required.
- If eligibility is verified, input a TC 971 AC 172, if not present. If adjusting a joint account and the TC 971 AC 172 is on the secondary taxpayer's account only, input the TC 971 on the primary taxpayer's account. Use a posting delay code 1 on the adjustment to avoid an unpostable when inputting a TC 971.
- If the taxpayer is trying to claim 72.5% of out-of-pocket expenses and received the 72.5% in advance payment, disallow the claim. Explain the credit pays a total of 72.5% of eligible health insurance costs which the taxpayer received through the advance monthly payment.

(8) For tax year 2017 and subsequent, taxpayers must elect HCTC (by filing Form 8885) by the due date of the return, including extensions, to qualify for the credit. A timely election is needed even if the taxpayer received the benefit of advance monthly payments during the year. Failure to make a timely election results in a repayment requirement of any advance payment received.

Disallow claims received after the due date of the return. Any repayment requirement is resolved by Compliance.

(9) # [REDACTED] # send the claim to CAT-A, (See Exhibit 21.5.3-3, Examination Criteria (CAT A) - Credits). When referring these claims to Exam via CII, select "HLTHCVRGTC" from the drop-down listing of reasons referred.

(10) Since the law was retroactive, some taxpayers may have enrolled in a Marketplace and be eligible for the Premium Tax Credit. For tax year 2014 and 2015 claims, if a Form 8962 is not attached, use the Search CDR Data tool found in AMS to check for Form 1095-A data, see IRM 21.6.3.4.2.12.4, Tools for Accessing ACA-Related Taxpayer Data, for more information.

- If no CDR data found, process the HCTC claim.
- If CDR data is found and APTC was paid, send a Letter 178C or 324C requesting the taxpayer file Form 8962. Suspend the case. If no response, disallow the claim.

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**Note:** A Form 8962 is not required if APTC was not paid.

- If a Form 8962 is attached, refer to the table below for how it should be completed. Since taxpayers cannot claim HCTC and PTC for the same months for the same coverage, any APTC made on behalf of the taxpayer must reduce the PTC claimed or must be repaid. Taxpayers with a repayment requirement **do not get the benefit of having their repayment limited**. For information on processing the Form 8962, see IRM 21.6.3.4.2.12.6, Premium Tax Credit Amended Returns.

**Note:** If the taxpayer submitted a Form 8962 repaying all APTC following instructions for tax year 2014 and 2015, recompute Form 8962 if sufficient information is available. If sufficient information is not available, such as premiums and SLCSP, correspond for an updated Form 8962.

If HCTC elected	And	Then complete Form 8962 as follows
All 12 coverage months on Form 8885 are checked so that the election applies to all coverage months	No APTC was made	Do not complete Form 8962
All 12 coverage months on Form 8885 are checked so that the election applies to all coverage months	APTC was made	<ul style="list-style-type: none"> <li>• Enter a family size of -0- on line 1</li> <li>• Complete lines 9 and 10 as instructed and Part IV if applicable</li> <li>• Complete line 11, column (f), or lines 12 - 23, column (f)</li> <li>• Complete line 25 and enter this amount on lines 27 and 29. Leave line 28 blank</li> </ul>
Fewer than 12 coverage months checked and PTC taken for coverage months not checked	No APTC was made	Complete Form 8962 for the months PTC is being claimed
Fewer than 12 coverage months checked and PTC taken for coverage months not checked	APTC was made	<ul style="list-style-type: none"> <li>• Complete Form 8962 for the months PTC is being claimed.</li> <li>• Enter APTC in column (f) of line 12 - 23 for all months APTC was paid, even those coverage months checked on Form 8885.</li> <li>• If Part III is required, enter the amount from line 27 on line 29 and leave line 28 blank.</li> </ul>

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(11) For tax years 2016 and subsequent, coverage through the Marketplace does not qualify for HCTC. In addition, coverage provided by the taxpayer's current employer is never qualified health insurance coverage (taxpayers may submit a Form 1095-C as supporting documentation). Disallow or partially disallow the credit as required.

(12) If the taxpayer is also claiming self-employed health insurance deduction, the deduction cannot include amounts reported on Form 8885.

(13) Adjust the account following procedures in IRM 21.6.3.4.2.9.2, Health Coverage Tax Credit (HCTC) - Adjusting the Credit.

**IRM 21.6.3.4.2.15 (7) Updated link to IRM 21.5.6.4.10.1, -E Freeze Due to a Transaction Code 810 Responsibility Code 4.**

(1) The Families First Coronavirus Response Act and American Rescue Plan Act provide eligible self-employed individuals and/or household employers credits for sick and family leave related to COVID-19. The credits apply to income that would have been earned, or leave taken, between April 1, 2020 and September 30, 2021.

(2) Self-employed individuals, who have self-employment income and report self-employment tax on Schedule SE, Self-Employment Tax, can claim the refundable credit on Form 7202, Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals, while household employers can claim the non-refundable / refundable credits on Schedule H, Household Employment Taxes. Taxpayers claiming credits for qualified sick and family leave wages on a Schedule H do **not** complete Form 7202. For household employers filing Schedule H, follow procedures in IRM 21.6.4.4.9.5.3, Credits for Qualified Sick and Family Leave Wages.

(3) An individual must be self-employed to claim the credit. To be an eligible self-employed person, the taxpayer must have:

- carried on a trade or business within the meaning of IRC 1402.
- been eligible, if they were employed by someone else, to receive qualified sick leave wages under the Emergency Paid Sick Leave Act or qualified family leave wages under the Emergency Family and Medical Leave Expansion Act.

(4) An eligible self-employed individual who is entitled to claim qualified sick and family leave equivalent credits must attach Form 7202 for the correct year, to their tax return. The credit is reported on Form 1040, Schedule 3, Additional Credits and Payments, line 12b (tax year 2020) line 13b (tax year 2021). If filing a joint tax return and both spouses are self-employed individuals and eligible for the credit, each must attach a separate Form 7202 to the joint tax return. See IRM 21.6.4.4.15(4), Self-Employment Tax, for additional

information. Form 7202 was only available for tax years 2020 and 2021. The credit can only be claimed on a tax year 2022 return on Schedule H. See IRM 21.6.4.4.9.5.3, Credits for Qualified Sick and Family Leave Wages.

**Note:** If a day meets the requirements for both the Credit for Sick Leave and the Credit for Family Leave, it can only be counted once. The same day cannot be included for both credits.

- Review Form 7202 for completeness and math verify the form. Follow IRM 21.5.3.4.5(6), Math and Master File Verification of Claims and Amended Returns, to verify the income reported to claim this credit. This includes prior year self-employment income if the taxpayer elects to use it. If the self-employment income used on the Form 7202 does not match current or prior year self-employment income, or the number of day does not match the dates listed, recompute the credit using the correct amount of self-employment income, or days and follow IRM 21.5.4.4.1, Setting the Initial Math Error Action.
- If the form is not attached or incomplete, follow procedures in IRM 21.5.3.4.2, Tax Decrease or Credit Increase Processing, or IRM 21.5.3.4.1.1, Tax Increase and Credit Increase Processing.

**Note:** Returns received electronically and accessed through the Employee User Portal (EUP) may show data from Form 7202 under the heading “Gen Dep” (where the forms are listed) instead of a pdf of the form. Use the data to create a “dummy” Form 7202 to determine completeness of the form and math verify the claim. Attach a pdf of the “dummy” Form 7202 to your CII case.

- Disallow claims if the taxpayer submits Form 7202 without any self-employment income or tax, for the incorrect year (e.g., a 2021 Form 7202 attached to a 2022 or 2023 tax return), or if the taxpayer requests a credit in Part II or Part IV and they do not have a qualifying dependent (son or daughter under 18 years of age or incapable of self-care because of a mental or physical disability). Refer to IRM 21.5.3.4.6.1, Disallowance and Partial Disallowance Procedures.

**Note:** If the taxpayer does not claim a qualifying dependent on their return, but provides proof the individual for whom they claimed the Credit for Family Leave is their son or daughter, allow the credit.

- #  #

(5) Taxpayers may elect to use prior year net earnings from self-employment on Form 7202, Credit for Sick Leave and Family Leave for Certain Self-Employed Individuals, if they are greater than current year net earnings from self-employment. To make this election for tax year 2020, taxpayers enter the larger of their 2019 or 2020 self-employment income on line 7 or line 26 of their 2020 Form 7202. For tax year 2021, taxpayers enter their prior year self-employment income on line, 7a, 26a, 41a or 60a and check the box below indicating it is prior-year self-employment income.

**Note:** If the net self-employment earnings reported on line 7 or 26 (2020) or 7a, 26a, 41a, or 60a (2021) do not match the current year return, check the prior year self-employment net earnings to determine if the taxpayer elected to use the prior year earnings to figure the credit.

(6) If none of the scenarios in (4) apply, and the amended return appears frivolous (Social Media Promotion Scheme), see IRM 21.6.3.4 (12), Credits Procedures.

(7) If there is a Transaction Code (TC) 810 Responsibility Code (RC) 4 (-E freeze) on the module and the taxpayer files an amended return, see IRM 21.5.6.4.10.1, -E Freeze Due to a Transaction Code 810 Responsibility Code 4.

(8) When adjusting the credit:

- Use CRN 299 for leave taken April 1, 2020 - March 31, 2021.
- Use CRN 271 for leave taken April 1, 2021 - September 30, 2021.
- Use RC 061 and the applicable source code and blocking series. See Form 7202 Job Aid for more information.