

IRM PROCEDURAL UPDATE

DATE: 02/19/2026

NUMBER: ts-21-0226-0244

SUBJECT: Instructions for Cases Returned From HQ Reserved 9

AFFECTED IRM(s)/SUBSECTION(s): 21.7.2

CHANGE(s):

IRM 21.7.2.7.11.1(4) Added instructions for cases returned from HQ Reserved 9 with case note.

(1) The guidance in this subsection is intended to be applied by AM employees specifically designated to process responses to ERC claim disallowance Letter 105C and Letter 106C that have been sent to CAT-A HQ Reserved 9. CAT-A will provide a case note in CII.

(2) Cases meeting Appeals criteria will be sent directly to Appeals by compliance. AM will be responsible for sending the Letter 86C.

(3) Follow the table below based on case note left by compliance in CII.

Case note	Actions
1) Accepted - Allow in full	Process the Form 94XX based on the figures on the Form per existing IRM guidance. Note: The ERC Math Verification Worksheet found in IRM 21.7.2.7.6.3 will NOT be used.
2) Accepted - Allow in part	<ol style="list-style-type: none">1. Process the Form 94XX allowing the credits based on the figures provided in the CII case note.2. Send the Letter 106C. Use the notes in CII to provide the reason for the disallowance. Note: More information on the disallowance can be found in each applicable subsection of IRM 21.7.2.7.8, <i>Additional Case Processing Actions and/or Disallowance Actions for Forms 94XX Meeting ERC - related Filtering Criteria</i> . Note: The ERC Math Verification Worksheet found in IRM 21.7.2.7.6.3 will NOT be used.
3) Routed to Appeals	<ol style="list-style-type: none">1. Exam will send case directly to appeals.

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	<p>2. AM will issue the Letter 86C</p> <ul style="list-style-type: none"> ○ In an open paragraph include the following text, “Your claim has been sent to the Independent Office of Appeals. Please allow 120 days for them to contact you regarding your claim.” ○ Provide the Appeals Customer Service telephone number 855-865-3401.
4) Review claim for criteria in IRM 21.7.2.7.11.1 para(4) referral potential and OBBBA impact to determine proper handling.	Follow the table in paragraph 4 below

Note: If cases sent to CAT-A HQ Reserved 9 need more information, compliance will obtain the information from the taxpayer.

(4) Use the table below to determine action on cases returned from HQ Reserved 9 with case note in row 4, paragraph 3 above.

Step	Action
1) Is the case allowable per IRM 21.7.2.7.12(4)?	<p>Yes: Proceed to row 2.</p> <p>No: Follow procedures in IRM 21.7.2.7.12 (5), <i>ERC Claims Subject to the Limitations of Section 70605(d) of the One, Big, Beautiful Bill Act (OBBBA)</i>.</p>
2) # [REDACTED] #	<p>Yes: # [REDACTED] #</p> <p>No: Proceed to row 3.</p>
3) # [REDACTED] #	<p>Yes: # [REDACTED] #</p>

(5) Instructions for replies to 105C letters issued based on the limitation of Section 70605(d) of the One, Big, Beautiful Bill Act (OBBBA) are in IRM 21.7.2.7.12.1, *Replies to 105C Letters Issued Due to the Timeliness Limitations of Section 70605(d) of the One, Big, Beautiful Bill Act (OBBBA)*.