

## IRM PROCEDURAL UPDATE

**DATE:** 05/20/2024

**NUMBER:** ts-21-0524-0659

**SUBJECT:** New Processes for AM Working ERC Cases; Routing FTA to ACSS; and Clarification of Which Correspondence Date to Use

**AFFECTED IRM(s)/SUBSECTION(s):** 21.3.3

**CHANGE(s):**

**IRM 21.3.3.4.2.3** Removed paragraph 1 as redundant information. Added a link to IRM 21.3.3.1.8 to the new paragraph 1. Divided next paragraph to separate "when to respond" from "correspondence dates". Subsequent paragraphs were re-sequenced. Re-formatted paragraphs 4 and 5 (now paragraphs 5 and 6) into tables for ease in viewing. Updated paragraph 11 to provide procedures for answering multiple correspondence with one letter. Paragraph 11 update due to SERP Feedback 17401.

(1) All Policy Statement P-21-3 correspondence must receive a response. For guidelines on what Policy Statement P-21-3 correspondence is, see IRM 21.3.3.1.8, Policy Statement P-21-3, and paragraphs 1 and 2 of IRM 21.3.3.2, What is the Definition of Correspondence? - Policy Statement P-21-3 Exclusion List. See IRM 21.3.3.4.16.3.1, When to Respond, for when to issue a response.

(2) Review the tables below to determine which correspondence date to use. This list is not all inclusive.

**Note:** If allowed by separate IRM guidance, direct contact **CAN** be made instead of sending a letter or notice. If direct contact is made, place notes on the account per approved guidelines to indicate what was communicated to the taxpayer or authorized representative.

(3) The table below explains the correspondence date to use when answering P-21-3 criteria correspondence.

<b>IF</b>	<b>THEN</b>
A notice can be issued instead of a letter.	Use the applicable date in paragraph 5 below as the CC REQ54 Corr Date.
A notice will not address all issues.	A letter must be sent to address all taxpayer issues. Use an appropriate hold code when issuing the letter. See IRM 21.5.2.4.15, Rules on Hold Codes (HC), for more information. See paragraph 6 below for what correspondence date to use.

(4) Some issues requiring response from the service are not considered Policy Statement P-21-3 criteria such as internal transcripts or amended returns. Many of these responses don't normally require a correspondence date in a letter or when issuing a notice. For guidelines on what is not considered P-21-3 criteria, see IRM 21.3.3.2(3), What is the Definition of Correspondence? - Policy Statement P-21-3 Exclusion List. The table below explains when use of a correspondence date is appropriate for non-P-21-3 criteria resolution.

IF	THEN
Not an internal transcript or amended return.	Not applicable.
Is an internal transcript or amended return and it is a duplicate (true DUPF) of what is on the account.	Do not issue a letter unless required by other IRM guidance. For IMF returns, see paragraph 4 of IRM 21.6.7.4.14, True Duplicate Return, for possible exceptions. Do not use a Corr date in the CC REQ54 adjustment.
An internal transcript or amended return and needs some other resolution other than an account adjustment to tax or CRNs/IRNs (e.g., ES penalty calculation, FTD penalty re-calculation, request for information such as a signature or missing schedule.)	Follow other functional IRMs for guidelines on the appropriate letter to issue and date to use if applicable. See IRM 21.3.3.4.16.3.1, When to Respond, for more information.
<p>IMF:</p> <p>The adjustment differs from what the taxpayer or authorized representative requested AND -</p> <ul style="list-style-type: none"> <li>a. There is a change to tax, 29X, (i.e., not .00).</li> <li>b. The adjustment is TC 290 .00 with only item reference numbers (IRNs), NOT TAX.</li> <li>c. HC3 is used for the adjustment or a notice will not issue, and a response is required.</li> </ul>	<ul style="list-style-type: none"> <li>a. A notice will issue. Do not use a Corr date in the CC REQ54 adjustment.</li> <li>b. See IRM 21.5.2.4.20, CP 21/CP 22, Source Codes (SC) and Reason Codes (RC) (3 numeric positions), and IRM 21.6.7.4.1, Source and Reason Codes - CP 21/CP 22A Notices, for information on when a letter needs to be issued. If Letter 4364C is sent, it does not need a Corr date. If another letter is sent, do not use a Corr date unless required.</li> <li>c. A letter <b>must</b> be sent to explain the difference. See IRM 21.5.2.4.20, CP 21/CP 22 Source Codes (SC) and Reason Codes (RC) (3 numeric positions), and IRM 21.6.7.4.1, Source and Reason Codes - CP 21/CP 22A Notices, for information. The 4364C Letter does not need a Corr date. If another letter is sent, do</li> </ul>

	not use a Corr date unless required.
BMF	Follow functional guidelines in other IRMs if not outlined in IRM 21.3.3, Incoming and Outgoing Correspondence/Letters. <b>REMINDER:</b> When there is no monetary adjustment (e.g., TC 290 .00, TC 180 .00) or when no notice will be generated, it is not a requirement to input the correspondence date using CC REQ54.

(5) When a NOTICE is being sent, and a correspondence date is required, input a correspondence date in the **CORRESP - DT** field on CC REQ54. See IF/THEN Chart below:

IF	THEN
Sending a <b>NOTICE</b> and correspondence date is required	<p>Input the Corr Date using the first applicable date below:</p> <ol style="list-style-type: none"> <li>The date the taxpayer or authorized representative correspondence was prepared or signed.</li> <li>Envelope postmark date or transmission date on a fax.</li> <li>The Service Center Automated Mail Processing System (SCAMPS) digital dates.</li> </ol> <p><b>Note:</b> SCAMPS places a digital date stamp on the envelope.</p> <ol style="list-style-type: none"> <li>Three days prior to the IRS received date of the case.</li> <li>Current date.</li> </ol>

(6) When sending a letter and a correspondence date is required, see IF/THEN chart below:

IF	THEN
<ol style="list-style-type: none"> <li>Correspondence was prepared or signed by a taxpayer or authorized representative</li> <li>There is no correspondence/letter/inquiry date</li> <li>There is not a known correspondence/letter/inquiry date</li> <li>The SCAMPS date is unavailable</li> <li>The Correspondence/inquiry is in the form of a fax</li> </ol>	<ol style="list-style-type: none"> <li>Use the date the correspondence was prepared or signed</li> <li>Use the latest postmark or private delivery service date on the envelope</li> <li>Use the SCAMPS digital date</li> <li>Use the date three days prior to the IRS received</li> </ol>

f. The inquiry is received from a Taxpayer Assistance Center (TAC)	date of the case e. Use the date the fax was transmitted f. Use the IDRS received date
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(7) The same adjustment notice generates to the taxpayer whether a Corr date is used or not in the CC REQ54 adjustment. The only difference is that when an adjustment is input with a Corr date, the adjustment notice includes the sentence: "This is the result of your inquiry of (fill in). "

(8) If working a case excluded from Policy Statement P-21-3 and the explanation on the adjustment notice will not be sufficient, the taxpayer must be provided a more detailed explanation in writing or via telephone contact. See the IF/THEN chart in paragraph 4 above when sending correspondence.

(9) When working multiple issues of the same type of form that are excluded from Policy Statement P-21-3, a date may be used as a means of identification by the taxpayer. See the IF/THEN Chart in paragraph 4 above.

**Note:** If no correspondence is attached, use the signature date.

(10) If multiple correspondence is being answered for the same tax period, use the most recent date as the date of correspondence per paragraph 6 above and include information that multiple correspondence is being answered with this response. Address all outstanding issues for the taxpayer correspondences with one letter if possible.

**Example:** The taxpayer wrote in on January 5th, 2024 and again on April 10th, 2024 with a copy of the same correspondence plus an additional issue for a taxperiod. The correspondence date of April 10th, 2024 should be used and include an open paragraph similar to the following: "We also received correspondence you sent us on January 5th, 2024. We are responding to that inquiry as well with this letter."

Additional verbiage cannot be added with a notice. Use the most recent date as the CC REQ54 Corr Date if a notice can be issued to answer multiple correspondence.

**IRM 21.3.3.4.8.2 Added new Exception to paragraph 4 for ERC claims and adjustments in Status 26 being worked by Accounts Management and not routed. Updated verbiage in paragraph 10 to bring in line with IRM 21.5.6 updates.**

(4) Route all amended/duplicate returns/claims and any correspondence from the taxpayer or their authorized representative to the Revenue Officer (RO) assigned to the account when at least one tax period is in **status 26**. An RO has a unique eight-digit number (not all zeros) (collection assignment number) located in the upper

right-hand corner of CC SUMRY. Cases assigned to a specific RO or an RO group need to be routed. A Revenue Officer's address and instructions for how to route to an RO Group can be found on the SERP Who-Where tab titled RO Lookup. If there are tax periods in notice status (e.g., 21, 56 or 58), in addition to the status 26 module(s), input CC STAUP 22 01 to accelerate those tax periods to status 26. Also input a TC 971-012 for audit trail purposes on amended / duplicate returns or formal claims (only) for all tax periods involved. See IRM 21.5.1.4.8, Transaction Code 971 and IRM 21.5.3.2, What Are Claims for Credit, Refund, and Abatement, for more information.

**Note:** Account refers to the entire TIN, not just one tax period. The RO is responsible for resolving the entire account, not just the status 26 modules. The amended / duplicate return or correspondence does not have to pertain to the status 26 tax period.

**Reminder: Do not** route tax increase/credit decrease cases to the Revenue Officer if the Assessment Statute Expiration Date (ASED) will expire within 90 days. Forward the case to the Statute Team.

**Exception:** Employee Retention Credit (ERC) is a tax credit against certain employment taxes reported on quarterly and annual employment tax returns. This exception is for those employees trained to work ERC cases to allow ERC adjustments on accounts in Status 26. Once the ERC adjustment is completed, the employee will notate, "ERC adjustment completed" at the top of the claim and forward the case to the applicable RO or RO Group per the instructions above. Case work exception includes TAS requests regarding ERC claims, ERC claim withdrawals, and ERC Congressional Inquiries or director requests. Employees are to review IRM 21.7.2.7.2, Employee Retention Credit (ERC), for more information and to determine if the current moratorium for adjusting new claims has been lifted.

**Exception:** Do not route stand-alone (i.e., without correspondence) original returns that have not been processed to the assigned RO or RO Group. Forward the unprocessed return to the appropriate Campus location. See IRM 21.5.3.4.13, Unprocessed Return, for more information. Input an appropriate closing code if required to indicate the return was sent for processing. See paragraph 4 of IRM 21.5.2.4.23.8, IDRS Account Actions, for more information.

**Exception:** BMF International units in OAMC process requests for reasonable cause on systemically assessed Failure to File (FTF) penalty on Form 5471, Information Return of U.S. Persons With Respect to Certain Foreign Corporations, and Form 5472, Information Return of a Foreign Owned Corporation. For more information see IRM 21.8.2.20.2, Form 5471 Penalties Systemically Assessed from Late-Filed Form 1120 Series or Form 1065, IRM 21.7.4.4.4.16, Failure to File Form 1120 and Form 5471 penalties, and IRM 21.8.2.21.2, Form 5472 Penalties Systemically Assessed from Late-Filed Form 1120 Series. Manually assessed Failure to File penalty on Form 5471 and Form 5472 route penalty abatement request to the originator. The penalty assessed on Form 5471 and Form 5472 are subject to

enforcement actions by Compliance.

**Reminder:** See IRM 21.3.3.4.8.2.1.2, IMF Compliance Routing (ASFR Reconsideration and Status 26), for information about some collection assignment numbers that may not be assigned to a RO.

(5) Forward return delinquency cases that involve a module with an open control base in Collection or if taxpayer states not liable, previously filed, or will file and TC 140 is present on module, or in Tax Delinquency Investigation (TDI) status of 02 or 03 to CSCO.

(6) Route all other balance due notice responses or correspondence to Accounts Management function. This includes CP 504 responses where the case has not rolled to status 22 and status 6X cases unrelated to a collection issue.

(7) If correspondence is received in status 24, unrelated to a collection issue (can't pay, won't pay, or will pay later), reply to the correspondence unless a notice generated by an adjustment will answer the correspondence. Correspondence in status 24 with can't pay, won't pay, or will pay later issues see the chart in IRM 21.3.3.4.8.2.1, Compliance Criteria for Amended Returns/Claims and/or Balance Due Correspondence.

(8) If working correspondence in status 22 (IDRS status), route the correspondence per IRM 5.19.1.3.2 For All Employees, for instructions specific to working status 22 correspondence.

**Reminder:** AM will work status 22 correspondence cases if the case was received in AM in notice status **before** the case went into status 22. **Do not** route these cases to ACSS. Work the correspondence case following normal processing procedures. After completing the case, document the history on AMS. If a case was received in ACSS in status 22 and then subsequently went into another MF status e.g., status 12, ACSS will work the case.

**Exception:** If a Decedent account includes **any** modules in status 22, transfer the correspondence to the appropriate ACSS site. See IRM 5.19.1.5.3, Deceased Taxpayers.

**Note:** If working Amended Returns/Claims or the account is in status 22 and meets the criteria in paragraph 1 above, see IRM 21.3.3.4.8.2.1 Compliance Criteria for Amended Returns/Claims and/or Balance Due Correspondence.

(9) If working correspondence in status 71, route per SERP Website under "Who/Where" Offer-in-Compromise (OIC) Centralized Service Center Locations.

(10) When working correspondence in Bankruptcy status 72, contact Insolvency before making any adjustments or sending correspondence. Contact insolvency by forwarding the case by encrypted e-mail to the correct contact at SERP - Field Insolvency Liaisons - Who/Where. Forward case documents as a PDF and include

an explanation for the contact in the body of the e-mail. Do not place screen captured CII notes in the body of the e-mail. Insolvency is unable to view the screen capture. See IRM 21.5.1.5.2(7) (2nd Exception), Cases Currently Assigned in CII, for more information. Monitor the case for response from Insolvency and follow guidance provided by the response.

**Exception:** If the closing code is 76 or 77, these are Collection Due Process (CDP) cases and must be referred to the CDP caseworker in Automated Collection System (ACS) Support.

**IRM 21.3.3.4.8.2.1 Removed reminder and note in paragraph 1 and moved to separate paragraphs. Information in new paragraph 2 updated to be consistent with IRM 21.5.6 updates on Status 72 case work. New paragraph 3 clarified how EO cases are worked in AM. Following paragraphs are re-sequenced as a result. Updated the verbiage in new re-sequenced paragraph 5 to include routing First Time Abate cases on modules in Status 22 to ACSS. Added example to re-sequenced paragraph 5 to clarify when AM works cases received before the account updated to Status 22. Update with FTA routing and Status 22 routing due to SERP Feedback 15764. Updated new re-sequenced paragraph 6 to review exempted case work in IRM 21.3.3.4.8.2 before routing to an RO or RO group.**

(1) This IRM sub-section provides guidance for processing amended returns/claims and /or balance due correspondence on accounts in Collection status 22, 24, or involving other Collection criteria.

(2) When working correspondence, amended returns or claims in status 72 are worked by Accounts Management employees. Contact Insolvency before making any adjustments or sending correspondence. Ensure a TC 971 Action Code (AC) 010 is input or has previously been input when applicable. Contact Insolvency by an encrypted e-mail to the correct contact at SERP - Field Insolvency Liaisons - Who/Where. Forward case documents as a PDF and include an explanation for the contact in the body of the e-mail. Do not place screen captured CII notes in the body of the e-mail. Insolvency is unable to view the screen capture. Refer to paragraph 7, 2nd exception of IRM 21.5.1.5.2, Case Currently Assigned in CII, for more information. Monitor the case for response from Insolvency and follow guidance provided by the response.

(3) Exempt Organization (EO) AM employees work EO accounts (MFTs 34, 36, 37, 44, 46, 50, 67, and 02 (Form 1120-POL *only*)) that are in Status 22, 24, and 26. Non-EO accounts (all other MFTs) are worked or forwarded per IRM guidelines.

(4) Amended returns/claims (both numbered and unnumbered) in status 22 and 24 received in Accounts Management, are processed in Accounts Management following normal procedures, including inputting any necessary adjustments.

See IRM 21.5.3.2, What Are Claims for Credit, Refund, and Abatement?, for more information about claims.

**Reminder:** Processing amended returns/claims that by-pass SP can be found in IRM 21.7.9.3.1, Amended/Corrected/Adjusted/Original Returns that By-Pass Submission Processing.

(5) Requests for reasonable cause penalty abatement (including First Time Abate (FTA) and penalty appeals) in status 22 must be forwarded to ACSS (Automated Collection System Support). Use the following link for ACSS routing: ACS Support and Status 22 TAS Liaisons.

**Exception:** Penalty Abatement requests such as Civil Penalties and Exempt Organizations (EO) will be routed to the appropriate area that assessed the penalty. See IRM 20.1.1-4, Penalty Reference Numbers (500 Series), or IRM 20.1.1-5, Penalty Reference Numbers (600 Series) for Civil Penalty reference numbers and descriptions. Penalty request from Form 5471 and Form 5472, see the exception in IRM 21.3.3.4.8.2, Campus Collection Function Correspondence/Inquiry/Notice.

**Reminder:** AM will work status 22 reasonable cause abatement (including penalty appeals) cases if the case was received in AM **before** the case went into status 22. Do not route these cases to ACSS. If a case was received in ACSS in status 22 and then subsequently went into another MF status e.g., status 12, ACSS will work the case. Example: Correspondence is received in AM on January 12th, 2024, which is not, "Can't pay, won't pay, will pay later." The case updated to Status 22 on January 22nd before AM could review and work it. AM would still work the case and not forward to ACS Support because the received date of the case for AM occurred before the update of the case to Status 22.

(6) Route all amended/duplicate returns/claims and correspondence received from the taxpayer in status 26 to the appropriate Revenue Officer group office except for stand-alone original returns or specific case work noted in paragraph 4 of IRM 21.3.3.4.8.2, Campus Collection Function Correspondence/Inquiry/Notice. For more information see IRM 21.3.3.4.8.2, Campus Collection Function Correspondence/Inquiry/Notice.

**IRM 21.3.3.4.16.5 Updated the word, "deceased" in the section to "DECD" to be consistent with other IRMs. Update due to SERP Feedback 15686.**

(1) A fiduciary is a person to whom property or power is entrusted, for the benefit of another. A fiduciary for income tax purposes is a person who holds in trust an estate to which another has the beneficial title or in which another has a beneficial interest or receives and controls income of another. This relationship occurs most often in cases involving:

- a. A deceased taxpayer or



- b. Legal disability - In situations where a taxpayer has been deemed disabled and unable to take care of their own affairs.

(2) Form 56, Notice Concerning Fiduciary Relationship, is used by an individual to notify the IRS of a fiduciary relationship. Other legal documents establishing fiduciary relationships can be substituted for the Form 56.

(3) If the IRS has been notified as to the existence of a fiduciary relationship, a letter must be mailed to the fiduciary's mailing address. Sample formats are discussed below:

- **DECD taxpayer:**

John Brown, DECD,  
Richard Doe, Executor  
(Richard Doe's address)

- **Legal Disability:**

John Smith,  
Howard Doe (Enter proper title of fiduciary)  
Howard Doe's address

(4) If the name of the fiduciary cannot be obtained or if there is not sufficient time remaining on the statutory period of limitations, address the C-Letter for a deceased taxpayer as follows:

John Doe, DECD  
John Doe's address

(5) When a fiduciary relationship cannot be established on a case involving a taxpayer under legal disability, address the C-Letter as follows:

John Doe,  
John Doe's address