IRM PROCEDURAL UPDATE

DATE: 11/24/2025

NUMBER: ts-21-1125-3684

SUBJECT: Handling RAAS Filtering Criteria for Risked Erc-Exam Potential Cases; Caution for Section 70605(d) With a P- Freeze; Link to 105c Cases That

Meet IRC 6532(a)

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

CHANGE(s):

IRM 21.7.2.7.11(3) Added reminder to see IRM 25.6.1.10.3.1.5 *Reconsideration* of a Disallowed Claim, for information on the two-year period of limitations for filing a refund suit under IRC 6532(a).

(3) Use the table below for Letter 105C or Letter 106C replies regarding ERC claims.

lf	And	Then
1) The taxpayer submits a copy of the Letter 105C or Letter 106C they received. 2) The taxpayer submits a reply to the Letter 105C or Letter 106C and additional information regarding	No additional information is included and there is no indication the taxpayer is appealing the determination. The disallowance was NOT a result of RAAS analysis, or provided by CAT-A AND CSR can review the prior ERC claim and the additional information to determine the taxpayer is	Close the case as a "no consideration." Follow the procedures in IRM 21.5.3.4.6.3, No Consideration Procedures. Follow normal adjustment procedures.
the ERC claim. 3) The taxpayer submits a reply to the Letter 105C or Letter 106C and additional information regarding the ERC claim.	eligible. The disallowance was NOT a result of RAAS analysis, or provided by CAT-A AND determination cannot be made to allow the claim.	 Link the prior CII case where the disallowance letter was sent. Follow the procedures in IRM 21.5.3.4.6.3, No Consideration Procedures, and explain what additional information is needed to make a determination.

4) The taxpayer submits a reply to the Letter 105C or Letter 106C and additional information regarding the ERC claim.	The prior determination to disallow the claim was provided by CAT-A OR based on RAAS analysis.	 Link the prior CII case where the disallowance letter was sent. Attach any needed documentation listed in paragraph 4 below, Forward the case to CAT-A using HQ Reserved 9.
5) Taxpayer resubmits the same claim or resubmits a claim without new or additional information and a determination cannot be made to allow the claim.	The taxpayer submits a statement requesting an appeal, where no prior Appeals consideration was made and was not previously closed with finality. See IRM 8.7.7.2.2, Liability Issues Previously Closed with Finality.	 Link the prior CII case where the claim was disallowed. Attach any needed documentation listed in paragraph 4 below, Forward the case to CAT-A using HQ Reserved 9.

Reminder: See IRM 26.6.1.10.3.1.5 *Reconsideration of a Disallowed Claim*, for information on the two-year period of limitations for filing a refund suit under IRC 6532(a).

IRM 21.7.2.7.12(7) Added caution to verify prior case was worked correctly prior to releasing a refund on a case with a P- Freeze.

(7) There may be various freeze codes on these cases. See the table below to address action needed on Section 70605(d) of OBBBA cases with freeze codes.

Freeze Code	Action needed
	NOREFs were input on some pending refunds when OBBBA legislation was passed. See IRM 21.5.6.4.31.1, <i>P- Freeze with No Return Integrity Verification Operations (RIVO) Involvement</i> .
	 Determine if the claim was timely filed. If the claim was timely filed, release the refund. If the claim was not timely filed reverse the adjustment and follow procedures in row 3 of paragraph 5 above
	Caution : Verify the prior case was worked correctly prior to releasing the refund.
	Note: Follow IRM 25.6.1.9.5.10, COVID-19 Related Employment Tax

	Credits, for statute guidance.
OBBBA cases	Hold cases with a -Q Freeze pending further guidance.
only.	
Other Freeze	See IRM 21.5.6, Freeze Codes
codes	

IRM 21.7.2.7.8.13(4) Updated paragraph with additional RAAS risking CII case notes.

- (4) Cases identified by RAAS for handling per guidance in this subsection will be assigned to IDRS number 0230488068 and identified to AM with one of the following CII case notes:
 - "Risked ERC-Review"
 - "Risked ERC-Exam Potential"
 - "Risked ERC-Exam Potential Group 1"
 - "Risked ERC-Exam Potential Group 2"

Note: CII case notes for these cases will also indicate the EIN and tax period that was identified during data transcription for RAAS analysis. This information is a factor in processing validation described in (5) below.

IRM 21.7.2.7.8.13(6) Added paragraph with instructions on which paragraph to refer to based on RAAS risking CII case notes.

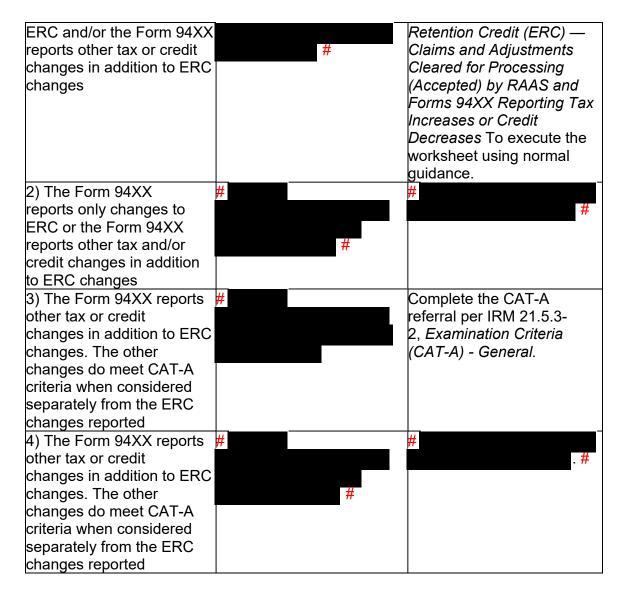
(6) Use the table below and the RAAS CII case note indicating the specified filtering criteria to determine the appropriate paragraph to refer to.

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	Case Note	Refer to
	"Risked ERC-Review" or "Risked ERC-Exam Potential"	Paragraph 7
Ī	"Risked ERC-Exam Potential – Group 1"	Paragraph 8
	"Risked ERC-Exam Potential – Group 2"	Paragraph 9

IRM 21.7.2.7.8.13(7) Modified if and then table rows 3 and 4 by moving information in "and" column to if column.

(7) For accounts with a posted TC 150 original return: After applying the guidance in (5) above, continue handling processable Forms 94XX identified to AM by RAAS as having been filed for accounts meeting the specified filtering criteria "Risked ERC-Review" or "Risked ERC-Exam Potential" as follows:

If	And	Then
1) The Form 94XX	#	See IRM 21.7.2.7.6.3, Form
reports only changes to		94XX — Employee

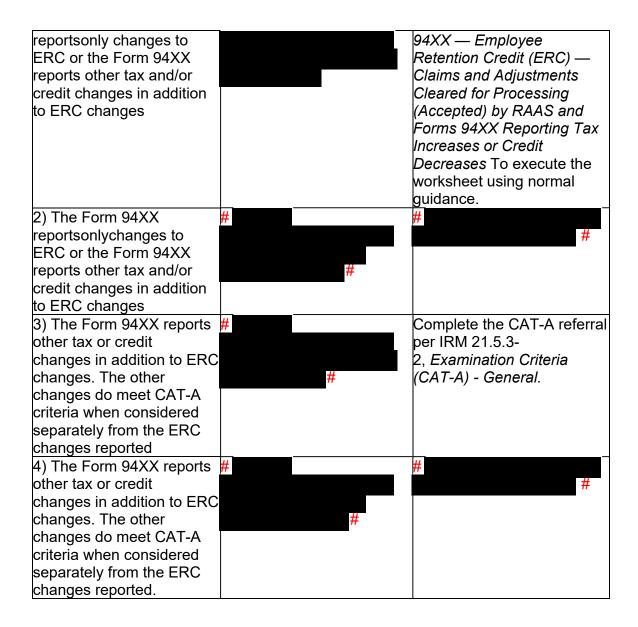


Reminder: The ASED has expired on Form 94XX for 2020 and 2021 with the exception of certain ERC credits for 2021 outlined in IRM 25.6.1.9.5.10, *COVID-19 Related Employment Tax Credits*.

IRM 21.7.2.7.8.13(8) Added instructions for handling cases with RAAS risking determination "Risked ERC-Exam Potential - Group 1"

(8) For accounts with a posted TC 150 original return: After applying the guidance in (5) above, continue handling processable Forms 94XX identified to AM by RAAS as having been filed for accounts meeting the specified filtering criteria "Risked ERC-Exam Potential – Group 1"

If	And	Then
1) The Form 94XX	#	See IRM 21.7.2.7.6.3, Form



IRM 21.7.2.7.8.13(9) Added instructions for handling cases with RAAS risking determination "Risked ERC-Exam Potential - Group 2"

(9) For accounts with a posted TC 150 original return: After applying the guidance in (5) above, continue handling processable Forms 94XX identified to AM by RAAS as having been filed for accounts meeting the specified filtering criteria "Risked ERC-Exam Potential – Group 2"

lf	And	Then
1) The Form 94XX	#	See IRM 21.7.2.7.6.3, Form
reports only changes to		94XX — Employee
ERC or the Form 94XX		Retention Credit (ERC) —
reports other tax and/or	#	Claims and Adjustments

			Oleans of fam Dream and in a
credit changes in addition to			Cleared for Processing
ERC changes			(Accepted) by RAAS and
			Forms 94XX Reporting Tax
			Increases or Credit
			Decreases To execute the
			worksheet using normal
			guidance.
2) The Form 94XX	#		#
reports only changes to			#
ERC or the Form 94XX			
reports other tax and/or		#	
credit changes in addition to			
ERC changes	_		
3) The Form 94XX reports	#		Complete the CAT-A
other tax or credit			referral per IRM 21.5.3-
changes in addition			2, Examination Criteria
to ERC changes. The other		#	(CAT-A) - General.
changes do meet CAT-A			
criteria when considered			
separately from the ERC			
changes reported			
4) The Form 94XX reports	#		#
other tax or credit			#
changes in addition			
to ERC changes. The other		#	
changes do meet CAT-A			
criteria when considered			
separately from the ERC			
changes reported			