

IRM PROCEDURAL UPDATE

DATE: 05/14/2024

NUMBER: ts-25-0524-0647

SUBJECT: Various Updates to IRM 25.23.11

AFFECTED IRM(s)/SUBSECTION(s): 25.23.11

CHANGE(s):

IRM 25.23.11.6.3(11) New paragraph regarding Business Tax Accounts (BTA) and actions to take if the taxpayer calls stating they cannot access BTA and/or Energy Credit Online (ECO) tool when RICS and/or AM BMF IDT have determined the EIN to be fabricated. Subsequent paragraphs were renumbered. (12) Added information throughout regarding address changes and added a note to Box 6 regarding where to see case determinations made by RICS. (13) Box 3 - Clarified the referral type to use when sending a referral to RICS. Box 7 - Updated the "If" column for clarity and updated the "Then" column to include the tax year of the referral in the subject line of the secure e-mail.

(11) # [Redacted]

Note: # [Redacted]

If	Then
<p>1. There is an unreversed TC 971 AC 524 input on ENMOD or BMFOLE containing EINFAB or EINF2 in the MISC field</p> <p>Note: TC 971 AC 524 containing EINFAB in the MISC field deemed fabricated by RICS will include 'POTENTIAL FAB EIN' in the sort name line. TC 971 AC 524 containing EINF2 deemed fabricated by RICS may or may not include 'POTENTIAL FAB EIN' in</p>	<ul style="list-style-type: none">• # [Redacted]• Include in the subject line of the secure email 'BTA Access Reconsideration' and the last 4 digits of the EIN (i.e., 'BTA Access Reconsideration 8765').• Advise the taxpayer their account will need to be referred to another area for

the sort name line.	review and the timeframe for review is up to 60 days .
<p>2. There is an unreversed TC 971 AC 524 input on ENMOD or BMFOLE containing EINFAB or EINF2 in the MISC field and 'Identity Theft' is present in the sort name line</p> <p>Note: AM BMF Identity Theft always includes 'Identity Theft' in the sort name line when deeming an account fabricated.</p>	<ul style="list-style-type: none"> • Send a Form 14566, BMF Identity Theft Referral, by secure email to the AM BMF IDT liaison at *W&I AM BMF IDT. In the referral, explain the taxpayer is attempting to access BTA and/or ECO and the account needs reconsideration. • Include in the subject line of the secure email 'BTA Access Reconsideration' and the last 4 digits of the EIN (i.e., 'BTA Access Reconsideration 8765'). • Advise the taxpayer their account will need to be referred to another area for review and the timeframe for review is up to 120 days. • Correspondence will be sent to the taxpayer to let them know the results of the review.

(12) If the taxpayer **calls** and the original return is being held for RICS review, or the return is pending RICS review, follow the If/Then chart below:

If the taxpayer calls and	Then
<p>1. The taxpayer states they did not receive a Letter 6042C and RICS has not made a final determination of ID theft</p>	<p>1. Send an e4442 referral to RICS using # [REDACTED] # . In Section B of the e4442, request RICS re-issue the letter and include additional information the taxpayer provides</p> <p>Note: If the taxpayer states their address has changed, do not update the address on the account. Notate the address change on the referral and advise the taxpayer to submit Form 8822-B. Refer to IRM 21.1.3.20.1, IMF and BMF Oral Statement Address Changes for additional information.</p> <p>2. Explain to the taxpayer their tax return is under review and they must respond to the letter providing the requested information.</p> <p>3. Advise the taxpayer they should receive</p>

	<p>the reissued letter within 30 days.</p> <p>Reminder: Do not reissue the letter to the taxpayer. Only RICS can reissue the letter.</p> <p>Note: [REDACTED] [REDACTED] #</p>
<p>2. The taxpayer states they did not receive a Letter 6042C and RICS has made a final determination of ID theft</p> <p>For example, research may show any of the following (this is not all-inclusive):</p> <ul style="list-style-type: none"> • Closed RICS control with IDRS activity code of IDTCONFIRMED • An unreversed TC 971 AC 522 containing CLSIDT posted to tax module • A previous request to reissue the letter and AMS/IDRS history indicates RICS has made a final IDT determination, and the letter will not be reissued 	<ol style="list-style-type: none"> 1. Advise the taxpayer after review of their account, the return was determined to be an invalid filing. The return will not be processed, and a refund will not be issued or overpayments applied. 2. Advise the taxpayer if they have additional information to support the return filed, please fax that supporting documentation to 844-201-5531.
<p>3. Claims they have no knowledge of the business referenced on the notice/letter</p>	<ol style="list-style-type: none"> 1. Advise the taxpayer to submit a signed statement with a copy of their Letter 6042C via fax or to the address provided on the letter. 2. Advise the taxpayer it can take up to 9 weeks to review and complete account actions from the received date of their letter response.
<p>4. Questions the notice/letter or is asking for assistance</p>	<ol style="list-style-type: none"> 1. Advise the taxpayer they must reply to the Letter 6042C and provide the requested information via fax or to the address provided on the letter. 2. Advise the taxpayer it can take up to 9 weeks to review and complete account actions from the received date of their

	letter response. Caution: # [REDACTED] #
5. If the taxpayer responded to the Letter 6042C, Entity Verification for Businesses, and calls back claiming they did not receive a refund or their return did not complete processing due to RICS review, no confirmed BMF IDT TC posted to the account and 9 weeks have passed from the taxpayer's letter response received date Note: If 9 weeks have not passed from the date the taxpayer's response was received, advise the taxpayer it can take up to 9 weeks to review per Box 3 above.	1. Send an e-4442 using # [REDACTED] # Note: If the taxpayer states their address has changed, do not update the address on the account. Notate the address change on the referral and advise the taxpayer to submit Form 8822-B. Refer to IRM 21.1.3.20.1, IMF and BMF Oral Statement Address Changes for additional information. 2. Advise the taxpayer actions will be completed within 30 days.
6. If the taxpayer responded to Letter 6042C and did not receive a refund or their return did not process due to RICS review, and a confirmed BMF IDT transaction code posted to the account Note: Refer to actions taken on AMS/IDRS to see the case determination made by RICS.	1. Advise the taxpayer after review of the response to letter 6042C, the return was determined to be an invalid filing. The return will not be processed, and a refund will not be issued or overpayments applied. 2. Advise the taxpayer if they have additional information to support the return filed, please fax that supporting documentation to 844-201-5531.

Note: The taxpayer does NOT need to file a Form 14039 or Form 14039-B; RICS will ensure all appropriate actions to protect the taxpayer's account will be taken.

(13) If a **paper** case is received that meets the criteria mentioned above, follow the chart below:

	If the case is	The tax module may show	Then
1.	A response to Letter 6042C, Entity Verification for Businesses		Forward the case to RICS Unit, Ogden Service Center, Stop 9002
2.	A response to a CP notice requesting a return to filed		Forward the case to RICS Unit, Ogden Service Center,

(e.g., CP 80 or CP 259) but original return is being held pending RICS review		Stop 9002
<p>3. A duplicate/amended return but there is no posted TC 150 because the original return is being held pending RICS review and it has been 23 weeks since RICS selected the original return (TC 973)</p> <p>Note: The 23 weeks is figured from the TC 973 posted cycle. See SERP - 6209 - IRM Supplements (irs.gov), and select Section 16, Julian Date, Cycle and Notice Calendars. Select the applicable TIF Processing Cycles chart to determine if the timeframe has been met.</p>	<ul style="list-style-type: none"> • TC 971 AC 711 • TC 973 • Open control assigned to 1481055555 • IDRS activity code POTENTIDT 	<p>Send a referral (e-4442 or fax if e-4442 is not available) using # [REDACTED] # to RICS requesting RICS review the case for a determination.</p> <p>Upon RICS determination, continue processing per the applicable scenarios below.</p>
<p>4. A duplicate/amended return but there is no posted TC 150 because the original return is being held pending RICS review and it has not been 23 weeks since RICS selected the original return (TC 973)</p> <p>Note: The 23 weeks is figured from the TC 973 posted cycle. See SERP - 6209 - IRM Supplements (irs.gov), and select Section 16, Julian Date, Cycle and Notice Calendars. Select the applicable TIF Processing Cycles chart to determine if the timeframe has been met.</p>	<ul style="list-style-type: none"> • TC 971 AC 711 • TC 973 • Open control assigned to 1481055555 • IDRS activity code POTENTIDT 	<p>Suspend the case and monitor for RICS to make a determination.</p> <p>If the 23 week timeframe passes with no determination from RICS, send a referral as indicated in Box 3 above.</p> <p>Upon RICS determination, continue processing per the applicable scenarios below.</p> <p>Exception: You must continue to monitor for a RICS determination. If there is any indication the TP responded to Letter 6042C (example: AMS history shows taxpayer responded and no 4442 has been sent, or RICS IDRS control activity shows a response</p>

			received) and it has been 9 weeks since the TP response was received by RICS, send an e-4442 to RICS requesting they review the case for a determination.
5.	A duplicate/amended return, there is a TC 150 posted, RICS determination is Not IDT and the return was not referred to another area for review of questionable frivolous or fraudulent items claimed on the return.	<ul style="list-style-type: none"> • TC 971 AC 712 with corresponding DLN of the TC 973 to allow the return to post • RICS IDRS control is closed • IDRS activity code indicates NOTIDT 	Do not refer to BMF IDT and process using normal procedures as found in IRM 21.7.9, BMF Duplicate Filing Conditions. Reminder: Follow IRM procedures for any applicable freeze codes on the module. There may be instances where a freeze code should not be released.
6.	A duplicate/amended return, there is a TC 150 posted, RICS determination is Not IDT and the return was referred to another area for review of questionable frivolous or fraudulent items claimed on the return.	<ul style="list-style-type: none"> • TC 971 AC 713 with corresponding DLN of the TC 973 to allow the return to post • RICS IDRS control is closed • Refund frozen with either a TC 810 (-Q freeze) or TC 570 (-R freeze) • AMS/IDRS history notes will indicate the return is not IDT and referred to other area for review. 	Do not refer to BMF IDT and process using normal procedures as found in IRM 21.7.9, BMF Duplicate Filing Conditions. Reminder: Follow IRM procedures for applicable freeze codes on the module i.e., -R or -Q and the control base histories. There will be instances where a freeze code should not be released.
7.	A duplicate/amended return and RICS determination is IDT or a Fabricated EIN determination has been made	<ul style="list-style-type: none"> • Unreversed TC 971 AC 522 MISC CLSIDT and/or AMS/IDRS indicates IDT determination • 'POTENTIAL FAB EIN' on the sort name line if the EIN is determined 	Prepare Form 14566, BMF Identity Theft Referral, and send by secure email to the AM BMF IDT liaison at *W&I AM BMF IDT. In the subject line of the secure email, include the tax year of the case that is being referred.

	<ul style="list-style-type: none"> to be fabricated Unreversed TC 971 AC 524 input on ENMOD containing EINFAB in the MISC field 	<p>Note: If the BMF case involves a CARES Act COVID-19 related credit, include in subject line of the secure email the specific COVID related credit, as well as the tax year of the case (i.e., 'Sick and Family Leave 202103 - Form 14566,' or 'ERC 202103 - Form 14566').</p> <p>The account will be reviewed to confirm the original determination is still valid.</p>
8. Any other case type (penalty abatement, correspondence, etc.)		Advise the taxpayer Letter 6042C has been issued and they need to respond to the letter.

IRM 25.23.11.6.3.1 - Renamed subsection from *BMF Returns with CARES Act Credits - AM BMF Identity Theft Teams Only* to *BMF Accounts with RICS and/or IDT Involvement - AM BMF Identity Theft Teams Only* and updated throughout to update references of CARES Act credits to RICS involvement. (4) Added new box 4 regarding -A Freeze and the identity theft issue has been resolved. (5) Added new paragraph and If/Then chart for actions to take regarding reconsiderations of EINs deemed fabricated by AM BMF Identity Theft when the taxpayer cannot access BTA and/or ECO.

BMF Accounts with RICS and/or IDT Involvement - AM BMF Identity Theft Teams Only

(1) This subsection provides guidance for AM BMF IDT SMEs when a claim is received and there is ID theft or RICS involvement on the tax module or account.

(2) AM BMF employees will submit referrals to the AM BMF IDT Liaison when claims are received and there is IDT, or the EIN has been determined to be fabricated. The cases will be assigned to the AM BMF IDT SMEs for resolution.

Note: RICS initial determination does not need confirmation from RICS unless the taxpayer provides additional information, or the SME identifies additional information that RICS did not take into consideration. If a referral must be sent to RICS, send Form 14566, BMF Identity Theft Referral, via secure email to the AM BMF IDT Liaison. The referral must include the reason for RICS to reconsider their initial

determination and all supporting documentation provided by the taxpayer, if applicable.

(3) Form 14039, Identity Theft Affidavit/Form 14039-B, Business Identity Theft Affidavit, may also be received from the taxpayer claiming ID theft.

(4) Follow the chart below to resolve BMF accounts with RICS and/or IDT involvement:

	If account shows	And	Then
1.	E- Freeze (TC 150 is not posted, and account shows RICS involvement)	Closed RIVO control, TC 971 AC 711, or TC 973 on module, AMS/IDRS indicates IDT determination made or unreversed TC 971 AC 522 (MISC CLSIDT) is present on the module or Sort name line includes 'POTENTIAL FAB EIN,' and TC 971 AC 524 is present on the module	Do not process the amended/duplicate return. Send the taxpayer Letter 916C, Claim Incomplete for Processing; No Consideration, to the address of record. Do NOT update the address of record if it differs from the address on the amended/duplicate return. Include the following language when sending the letter to the taxpayer: <i>Your original return was determined to be an invalid filing. Your amended return will not be processed, and a refund will not be issued, or overpayments applied. If you have any additional information to support the return filed, please fax supporting documentation to 844-201-5531.</i> Input TC 971 AC 002 to release the E-freeze.
2.	-A Freeze (TC 150 is posted) and a Fabricated EIN determination has been made by RICS	AMS/IDRS indicates a Fabricated EIN determination was made Sort name line includes 'POTENTIAL FAB EIN,' and TC 971 AC 524 is present on the module	Do not process the amended/duplicate return. Send the taxpayer Letter 916C, Claim Incomplete for Processing; No Consideration, to the address of record. Do NOT update the address of record if it differs from the address on the amended/duplicate return.

			<p>Include the following language when sending the letter to the taxpayer:</p> <p><i>Your original return was determined to be an invalid filing. Your amended return will not be processed, and a refund will not be issued, or overpayments applied. If you have any additional information to support the return filed, please fax supporting documentation to 844-201-5531.</i></p> <p>Input TC 290 for .00 to release the -A freeze, if applicable.</p>
3.	-A Freeze (TC 150 is posted) and a prior Fabricated EIN determination was made by AM BMF IDT	<p>AMS/IDRS indicates a Fabricated EIN determination was made</p> <p>Sort name line includes 'IDENTITY THEFT,' and TC 971 AC 524 is present on the module</p>	<p>Do not process the amended/duplicate return.</p> <p>Send the taxpayer Letter 916C, Claim Incomplete for Processing; No Consideration, to the address of record.</p> <p>Do NOT update the address of record if it differs from the address on the amended/duplicate return.</p> <p>Include the following language when sending the letter to the taxpayer:</p> <p><i>Your original return was determined to be an invalid filing. Your amended return will not be processed, and a refund will not be issued, or overpayments applied. If you have additional information to verify the above EIN is valid, please submit the documentation with a copy of this letter.</i></p> <p>Input TC 290 for .00 to release the -A freeze, if applicable.</p>
4.	-A Freeze (TC 150 is posted) and an IDT determination has been made by RICS . The account has not been deemed fabricated and	<p>AMS/IDRS indicates IDT determination made</p> <p>or</p> <p>unreversed TC 971</p>	<p>Reject the referral back to the originator and advise them the identity theft issue has been resolved and the TC 150 appears to be valid. They can follow normal procedures to process the amended/duplicate return.</p>

is not locked.	AC 522 (MISC CLSIDT) is present on the module and TC 971 AC 711 MISC field does not match the TC 150 DLN	
5. Form 14039/Form 14039-B is submitted by the taxpayer claiming ID theft		Resolve the taxpayer's claim of ID theft following normal ID theft procedures. Send the taxpayer Letter 5317C, BMF Identity Theft Request for Information or Closing Letter.

(5) # [REDACTED] #

	If	And	Then
1.	The account indicates RICS deemed the account fabricated	There is an unreversed TC 971 AC 524 input on ENMOD or BMFOLE containing EINFAB or EINF2 in the MISC field and 'Potential Fab EIN' is present in the sort name line	Return the referral to the originator and advise them to send a Form 4442 to RICS per IRM 25.23.11.6.3, BMF Returns Selected for RICS Review, so that RICS can reconsider the determination.
2.	The account indicates AM BMF IDT deemed the account fabricated	There is an unreversed TC 971 AC 524 input on ENMOD or BMFOLE containing EINFAB or EINF2 in the MISC field and 'Identity Theft' is present in the sort name line	Perform all research detailed in IRM 25.23.9.4, BMF Identity Theft Research, and Exhibit 25.23.9-7, BMF Identity Theft Research Requirement, to reconsider the validity of the EIN. Reminder: Check AMS, CII, etc. for prior TP inquiries reporting they did not request the EIN or stated they had identity theft on the EIN (phone calls, CII cases, etc.). 1. If, through research, you determine the EIN is not fabricated and the account should be unlocked:

			<ul style="list-style-type: none"> • Document your findings on Form 14566, BMF Identity Theft Referral • Include all appropriate research completed on the referral and explain why the account needs to be unlocked. • On the subject line of the referral, enter: TC 972 AC 524 BTA Access and CII Case ID if applicable. • Research CII for the original case and, if available, attach the PDF print of the original entity (CC ENMOD) to the secure e-mail. If the original case does not have a PDF print of the original entity attached, notate in the referral that the information was not available. • Send the completed referral to your AM BMF Identity Theft liaison by secure e-mail using the *W&I AM BMF IDT mailbox, referral to IP, Entity Fabrication (EF) Team in RICS, and CI. • Document the sending of the referral on AMS along with the details of the request. If working a CII case, attach the referral to the case. • Once IP confirms the account has been unlocked, monitor the case until the TC 012 and TC 972 AC 524 are posted. • Update the entity to remove 'Identity Theft' from the sort name line. • If the account is a sole proprietorship, input the sole proprietor link to the cross-reference SSN. • Send the taxpayer Letter 5317C using an open paragraph with the following language: <p style="margin-left: 40px;"><i>After review of your account, we unlocked this employer identification number (EIN). Access to Business Tax Account is now available.</i></p>
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			<p>Note: If the EIN is for a sole proprietorship, also include the following language:</p> <p><i>We restored all references to your name and Social Security number (SSN) in association with this employer identification number.</i></p> <p>2. If, through research, you determine the EIN is fabricated and the account should remain locked:</p> <ul style="list-style-type: none">• Send the taxpayer Letter 5317C and include the following verbiage in two open paragraphs: <p><i>After review of your account, we have determined the above employer identification number (EIN) should remain locked at this time. If you have additional information to verify the above EIN is valid, please submit the documentation with a copy of this letter.</i></p> <p><i>If a Sole Proprietor, provide two of the following: valid U.S. Federal or State government issued identification with your signature, and documentation to support your business operation (i.e., utility bill or invoice). If a Partnership or Limited Liability Company, provide one or more of the following: articles of incorporation, articles of organization, or other supporting documentation.</i></p>
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