

## IRM PROCEDURAL UPDATE

**DATE:** 02/06/2024

**NUMBER:** wi-03-0224-0220

**SUBJECT:** Statute Clearing Exception; Removed Reference to Cincinnati Submission Processing; Field 07EPE

**AFFECTED IRM(s)/SUBSECTION(s):** 3.12.251

**CHANGE(s):**

**IRM 3.12.251.29.1(3)b "If" box 7th bullet - Updated Statute exception process for BMF in Error Code 001 per MOU signed by Submission Processing and Accounts Management.**

**IRM 3.12.251.29.1(3)c 4th "Then" box 4th bullet - Updated Statute exception process for BMF in Error Code 001 per MOU signed by Submission Processing and Accounts Management.**

**(3) Correction Procedures:**

- a. Correct all misplaced entries, coding, and transcription errors.
- b. Do not send the returns in the following table to Statute Control for clearance. Instead, do the following:

**Statute Control**

If	Then
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<ul style="list-style-type: none"> <li>○ Return is prepared by Compliance (e.g., IRC 6020(b)),</li> <li>○ Return is secured by Examination/Collections, including TEGE or TEGE Employee Plan (EP) Exam,</li> <li>○ Return has a Transaction Code (TC) 59X,</li> <li>○ Return has "ICS" (Integrated Collection System) notated on the face of the return,</li> <li>○ Return is a Substitute for Return prepared by Examination ("SFR" in the margin) with Form 13133, Expedite Processing Cycle, attached,</li> <li>○ Return has a stamp showing a previous clearance by Statute Control within the last 90 days,</li> <li>○ Return is a 2020 or prior year original. Due to the COVID-19 pandemic and subsequent Submission Processing (SP) and Accounts Management (AM) site closures, SP and AM developed procedures to bypass AM statute clearance and be processed. In addition, any 2020 and prior year returns previously cleared by AM statute will not be returned by SP to AM to be cleared again if the 90-calendar day statute stamp has expired.</li> </ul>	Enter "W" in Field 01CCC and on the return and continue processing.
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- c. Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.

#### Error Code 001 Correction Procedures

If	Then
Field 01RCD is blank,	<ol style="list-style-type: none"> <li>1. Enter the Received Date in Field 01RCD. Use the earliest date if multiple Received Dates are present.</li> <li>2. See IRM 3.12.251.5.5, Field 01RCD - Received Date (XREF EC 007) to determine the Received Date.</li> </ol>
CCC "W" entered incorrectly,	Delete CCC "W" from Field 01CCC.
The return has a stamp that shows a previous clearance by Statute Control within the last 90 days,	Enter CCC "W" in Field 01CCC and on the return.  <b>Note:</b> Do not send the return to Statute Control.
The return is not stamped by Statute Control within the last 90 days,	<ol style="list-style-type: none"> <li>1. SSPND with Action Code "310."</li> <li>2. Prepare Form 4227, Intra-SC Reject or Routing Slip to route to Statute Control.</li> </ol>

90 days,	<p><b>Exception:</b> Due to the COVID-19 pandemic and subsequent Submission Processing (SP) and Accounts Management (AM) site closures, SP and AM developed procedures for BMF 2020 or prior year original delinquent returns to bypass AM statute clearance and be processed. In addition, any 2020 and prior year returns previously cleared by AM statute will not be returned by SP to AM to be cleared again if the 90-calendar day statute stamp has expired.</p>
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**IRM 3.12.251.29.42(6) 3rd "Then" box step list #6 - Removed reference to Cincinnati Submission Processing in the Error Code 188 Correction Procedures.**

**(6) TEs MUST check return and ALL attachments when resolving this Error Code.**

- **Field 08EST** Transcribed from Form 1120, Line 16 (Line 15 for 2017 and prior), and is the total of Schedule J, Lines 13, 14 and 15 (Lines 12, 13 and 14 2017-2011).
- **Field 08EXT**, Form 7004 Credit Transcription is from Form 1120, Schedule J, Line 17 (Line 16 2017-2011).
- **Field 08WTH**, Withholding and Backup withholding is dollars only and positive only. This field is from Schedule J, Part III, Line 18 (Line 17 2017-2011).
- **Field 08RIC**, Form 4255, Recapture of Investment Credit - Transcription is from Schedule J, Line 9a. Form 1120. If Field 08RIC is # [REDACTED] # and Form 4255 is missing, initiate correspondence.
- **Field 07FIR**, FIRPTA Credit - Transcription is from Page 1, bottom center margin, Form 1120 only. Enter any **FIRPTA** credit, Form 8288-A, in Field 07FIR. **For Kansas City**, any Form 1120 with this credit must be transferred to OSC.
- **Field 07ESP**, Estimated Tax Penalty Transcription is from Line 34 (Line 33 2017-2011), Form 1120. It is edited from Line 38, Form 2220, Underpayment of Estimated Tax by Corporations and must always be included in the Balance Due/Overpayment total. Enter/edit Reserve Code "4" when a large corporation is shown on Box 8 of Form 2220.

**Note:** If an entry in Field 07ESP was deleted per instructions at IRM 3.12.251.11.1, send TPNC 90 (e.g., 90 - 257) with the following literal, "We found an error in the computation of your Estimated Tax Penalty and have adjusted your return accordingly."

**Note:** See IRM 3.12.251.7.7, Field 03RVC - Reserve Code (XREF EC 164).

- For an updated listing of the non-programmed TPNC 90 literals, see TPNC 90 Literals - Copy and Paste Job Aid, on Servicewide Electronic Research Program (SERP) at <http://serp.enterprise.irs.gov/databases/portals/sp/bmf/notice-review/job-aids/tpnc-90-literals.txt>.
- **Field 07B/R**, Balance Due/Overpayment: Transcription is from Line 35 (Line 34 2017-2011), Balance Due or Line 36 (Line 35 2017-2011), Overpayment from Form 1120. The computer will compute Balance Due/Overpayment The formula is  $07B/R = 07TTX - 08EST - 08EXT - 08WTH - 0896I - 07ARC$  (200812 and later)+ 07ESP.

If	And	Then
A significant amount is present in Field 0819D (For tax periods 202201 - 202212),	<b>IRA22DPE</b> is written on the line, on Form 3800 or on an attachment,	Accept the taxpayers amount. If Code and Edit has not done so, <ol style="list-style-type: none"> <li>1. Edit RPC "J."</li> <li>2. Place a flag at the top of the return and attach the "IRA22 DPE/TRE Reminder" sheet to the return.</li> </ol> <p><b>Note:</b> P&amp;A will provide the pre-printed half-sheets for ERS to use.</p> <ol style="list-style-type: none"> <li>3. Suspend with Action Code "450".</li> <li>4. Sign the DLN out of the block using Form 1332, Block and Selection Record.</li> <li>5. Give the return to the lead. The lead will place the return in the designated area for LB&amp;I review.</li> </ol>
It appears the return is being filed for a bank or savings and loan and has an Audit Code "1," CCC "X"	Blocking series 979 or 499,	Continue processing. If the return has a refund, do not send TPNC; instead, change the taxpayer's figures to agree with the underprint.
There is an entry on Line 33 (Line 32 2017-2011) of the Form 1120,	1. Line 19 of Schedule J (Line 18 2017 - 2011 ) is	<ol style="list-style-type: none"> <li>1. Enter the Line 19 (Line 18 2017-2011), Schedule J amount in Field 08EST.</li> <li>2. Research BMFOL to see if any payment amounts matching Line 33 (Line 32 2017-2011) of the Form 1120 can be found. If payments are present on BMFOL, enter them in the correct fields.</li> <li>3. If a payment is found that is <b>less</b> than the amount the taxpayer has claimed on Line 33 (Line 32 2017-2011), enter the lesser amount into Field 08EST. If Error Code 188 regenerates,</li> </ol>

	the only payment entry , 2. No payment amounts are on Schedule J,	assign TPNC 10. 4. If a payment is found that is <b>more</b> than the amount the taxpayer has claimed on Line 33 (Line 32 2017-2011), enter the taxpayers amount from Line 33 (Line 32 2017-2011) into Field 08EST. 5. If <b>no payments are found</b> , assign TPNC 10. 6. If the taxpayer's amount on Line 33 (Line 32 2017-2011) is negative, input CC SSPND <b>355</b> for research. ( <b>Ogden ONLY</b> ). <b>Kansas City</b> take to your lead. 7. <b>REJECTS ONLY</b> -Research IDRS for credit or debit of a similar amount, if found adjust Line 33 (Line 32 2017-2011) (Field 07TPC) accordingly. If not found, correspond. <b>If no reply</b> , to correspondence, delete amount on Line 33 (Line 32 2017-2011) (Field 07TPC). If prepaid credits (on Schedule J, Lines 13 through 18) (Lines 12 through 19 2017-2011) are claimed and the return is a Short Period return because it is a final or has a change of accounting period, Suspend with Action Code "342." Prepare Form 4227, Intra-SC Reject or Routing Slip, with a notation of <b>Short Period with ES Credits</b> .
Taxpayer has shown a payment for penalties,	And/or interest on return or attachments ,	Remove from Field 07B/R.
Lines 34 or 35 are blank, zero, dash or none,	Code and Edit didn't edit,	Enter the correct amount in Field 07B/R.
Field 15TG> does not agree with Schedule J, Part III, Line 20b (Part II, Line 19b 2017-2011),		GTSEC Sections 15-18 and enter the correct fields.
Reported tax and claimed tax are both zero,		Enter .01 (one cent) into Field 07MCT.
Schedule J, Part III, Line 20b (Part II, Line 19b 2017-2011) has an	No Form 4136 is attached,	SSPND with Action Code "211" for correspondence.

amount,		
Form 4136 credit is disallowed due to an invalid tax period, IRM 3.12.251.18.1, Sections 15-18 Field Errors,		<ul style="list-style-type: none"> <li>Send TPNC 90 (e.g., 90-249) with the following language: "You claimed a credit from Form 4136 on your tax return. The year for the credit is not valid, we have adjusted your return accordingly."</li> <li>For an updated listing of the non-programmed TPNC 90 literals, see TPNC 90 Literals - Copy and Paste Job Aid, on Servicewide Electronic Research Program (SERP) at <a href="http://serp.enterprise.irs.gov/databases/portals/sp/bmf/notice-review/job-aids/tpnc-90-literals.txt">http://serp.enterprise.irs.gov/databases/portals/sp/bmf/notice-review/job-aids/tpnc-90-literals.txt</a></li> </ul>
TP had made an error computing Balance Due/Overpayment,		Assign TPNC 10.

**IRM 3.12.251.38.17.28(1) - Corrected reference for Field 07EPE in the Error Code 199, Elective Payment Election, "Fields Displayed" table.**

(1) Field Displayed

Field Designator 0	Field Title
01TXP	Tax Period
231BI	F7207 (Net elective payment)
231DI	F3468, Part III, Line 1 (Net elective payment)
231GI	F7210 (Net elective payment)
241OI	F3468, Part IV (Net elective payment)
241SI	F8911, Part II (Net elective payment)
241UI	F7213 Part II (Net elective payment)
241XI	F8933 (Net elective payment)
25AAI	F8936 Part V (Net elective payment)
254AI	F3468, Part VI (Net elective payment)
254EI	F8835, Part II (Net elective payment)
07EPE	Form 1120-L, Line 27 Form 1120-PC, Line 15g
>>>>>	Sum of Column (i), F3800
07EPV	Verified amount for 07EPE.

**IRM 3.12.251.39.21.23(1) - Corrected reference for Field 07EPE in the Error Code 124, Elective Payment Election, "Fields Displayed" table.**

(1) Field Displayed

<b>Field Designator</b>	<b>Field Title</b>
01TXP	Tax Period
231BI	F7207 (Net elective payment)
231DI	F3468, Part III, Line 1 (Net elective payment)
231GI	F7210 (Net elective payment)
241OI	F3468, Part IV (Net elective payment)
241SI	F8911, Part II (Net elective payment)
241UI	F7213 Part II (Net elective payment)
241XI	F8933 (Net elective payment)
25AAI	F8936 Part V (Net elective payment)
254AI	F3468, Part VI (Net elective payment)
254EI	F8835, Part II (Net elective payment)
07EPE	Form 1120-REIT, Line 25h Form 1120-RIC, Line 28h
>>>>>	Sum of Column (i), Form 1120
07EPV	Verified amount for 07EPE.