

## IRM PROCEDURAL UPDATE

**DATE: 04/26/2023**

**NUMBER: wi-03-0423-0552**

**SUBJECT: Elective Payment Election**

**AFFECTED IRM(s)/SUBSECTION(s): 3.12.15**

### **IRM 3.12.15.2.15 (1), (2), (3), (4) - Elective or Deemed Payment Elections and Credit Transfers - Added section per Inflation Reduction Act (IRA) of 2022.**

(1) Under the Inflation Reduction Act (IRA) of 2022, the taxpayer can elect to:

- Take certain credits as an "Elective or Deemed Payment".
- Transfer a credit to another taxpayer.
- Claim the credit as a General Business Credit.

(2) Identify an "Elective or Deemed Payment Election" when the taxpayer writes "IRA22DPE" on an attachment or on Form 1065, Line 28.

(3) When a return is identified with an "Elective or Deemed Payment Election", and Code and Edit has not done so, do the following:

1. Enter RPC "J".
2. Place a flag at the top of the return and attach the "IRA22DPE/TRE" reminder sheet under the Entity portion of the return.

**Note:** P&A will provide the pre-printed half-sheets for ERS to use.

3. Suspend with Action Code "450".
4. Sign the DLN out of the block using Form 1332, Block and Selection Record.
5. Give the return to the lead. The lead will place the return in the designated area for LB&I review.

(4) When a return is identified in ERS with a "Credit Transfer", and Code and Edit has not done so, do the following:

1. Enter RPC "K".
2. Place a flag at the top of the return and attach the "IRA22DPE/TRE" reminder sheet under the Entity portion of the return.

**Note:** P&A will provide the pre-printed half-sheets for ERS to use.

3. Suspend with Action Code "450".

4. Sign the DLN out of the block using Form 1332, Block and Selection Record.
5. Give the return to the lead. The lead will place the return in the designated area for LB&I review.

**Note:** A return can have both an RPC "J" and an RPC "K".

**IRM 3.12.15.4.48(4) - Added Return Processing Codes (RPC) "J", "K", "L", and "M".**

**(4) Correction Procedures:**

- a. Correct misplaced entries and transcription errors.
- b. When the code(s) entered on the return are illegible or invalid, examine the return and enter the correct code from the table below:

**Note:** RPCs do not need to be entered in any specific order.

<b>RPC</b>	<b>Explanation</b>
A	Form 5471, Schedule E, Income, War Profits, and Excess Profits Taxes Paid or Accrued, is attached.
B	Form 5471, Schedule H, Current Earnings and Profits, is attached.
C	Form 5471, Schedule I-1, Information for Global Intangible Low-Taxed Income, is attached.
D	Form 5471, Schedule P, Previously Taxed Earnings and Profits of U.S. Shareholder in Certain Foreign Corporations, is attached.
E	Form 8865, Schedule G, Statement of Application of the Gain Deferred Method Under Section 721(c), is attached.
F	Form 8865, Schedule H, Acceleration Events and Exceptions Reporting Relating to Gain Deferral Method Under Section 721(c), is attached.
G	Form 5471, Schedule G-1, Cost Sharing Arrangement.
J	Taxpayer writes "IRA22DPE" on Form 1065, Line 28, or on an attachment. See IRM 3.12.15.2.15 Elective or Deemed Payment Elections and Credit Transfers.
K	Taxpayer writes "IRA22TRE" on Form 1065, Line 28, or on an attachment. See IRM 3.12.15.2.15 Elective or Deemed Payment Elections and Credit Transfers.
L	Form 7204, Consent to Extend the Time to Assess Tax related to Contested Foreign Income Taxes - Provisional Foreign Tax Credit Agreement, is attached.
M	Form 7205, Energy Efficient Commercial Buildings Deduction, is attached.
2	Form 8992, U.S. Shareholder Calculation of Global Intangible Low-Taxed Income (GILTI), is attached.
4	Form 8994, Employer Credit for Paid Family and Medical Leave, is attached.
6	Form 8996, Qualified Opportunity Fund, is attached.
7	Form 8990, Limitation on Business Interest Expense IRC 163(j), is attached.

9	Form 8997, Initial and Annual Statement of Qualified Opportunity Fund "QOF" Investments, is attached.
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**Exhibit 3.12.15-1 - Added a Note for the use of Action Code 450.**

- **CE** = Code and Edit; **EC** = Error Correction; **S** = Suspense Correction; **GEN** = Computer Generated

**Note:** IRM 3.12.15.2.11(4) - **Temporary Guidance** for Action Codes due to processing delays.

Action Code	Description	Workday Suspense Period	Function Used In
001	Input Document	0	GEN
210	EPMF Correspondence	60	EC, S
211	First Taxpayer Correspondence	40	CE, EC, S
212	Second Taxpayer Correspondence	25	CE, EC, S
213	Correspondence to Other Than Taxpayer	40	CE, EC, S
215	International Correspondence	45	CE, EC, S
225	Taxpayer Correspondence (Signature Only)	40	CE, EC, S
226	International Correspondence (Signature Only)	40	CE, EC, S
300	Examination (Fuel Tax Credit)	10	CE, EC, S
310	Statute Control	10	CE, EC, S
320	Entity Control	10	CE, EC, S
331	Frivolous Review	3	CE, EC
332	QRDT (Questionable Refund Detection Team) Review	3	CE, EC
333	Prompt Audit	10	CE, EC, S
334	Joint Committee	10	CE, EC, S
335	Frivolous Case	10	CE, EC, S
336	QRDT Case	10	CE, EC, S
337	Other CID (Criminal Investigation Division)	10	CE, EC, S
341	Manual Refund	10	CE, EC, S
342	Credit Verification	10	CE, EC, S
343	Black Liquor	10	CE, EC, S
344	Manual Refund - ERS	0	EC
351	TIN Research	0	EC, S
352	Name Research	3	CE, EC, S
353	Address Research	3	CE, EC, S
354	Filing Requirements Research	3	CE, EC, S
355	Other MFTRA Research	5	CE, EC, S
360	Other In-House Research	10	CE, EC, S
370	Examination	10	CE, EC, S

410	Assistance Needed	0	EC
420	2006 tax return with Form 8913 credit (TETR)	5	CE, EC, S
430	Management Suspense B	10	CE, EC, S
440	Management Suspense C	15	CE, EC, S
450	Management Suspense D  <b>Note:</b> Action Code "450" is used to identify Elective Payment Election (EPE) and Credit Transfers for processing under the Inflation Reduction Act (IRA) of 2022.	20	CE, EC, S
460	Management Suspense E	25	CE, EC, S
470	Complex Error Codes	0	EC
480	Early Filed Suspense	150	CE, EC, S
490	System Problem	5	CE, EC, S
510	Missing Document	0	CE
511	Missing Document - 1st Suspense	25	EC, S
512	Missing Document - 2nd Suspense	20	S
513	Missing Document - 3rd Suspense	20	S
515	Missing Document - Short Term	5	EC, S
550	Magnetic Tape Return - Check for Attachments	0	CE
551	Magnetic Tape - Inconsistent Data	0	CE
610	Renumber - Non-Remit	0	CE, EC
611	Renumber - Remit	0	CE, EC
620	NMF/Non-ADP	0	CE, EC, S
630	Reinput	0	EC
640	Void	0	CE, EC, S
650	International	0	CE, EC, S
660	Data Control Delete	0	S
670	Rejected Missing Document	0	S
700	Duplicate Block DLN	0	GEN
711	Duplicate Document DLN from C & E	0	GEN
712	Duplicate Document DLN from Error Correction	0	GEN
713	Duplicate Document DLN from Unpostables	0	GEN
714	Duplicate Document DLN from Unworkable Suspense	0	GEN
715	Duplicate Document DLN from Workable Suspense	0	GEN
800	NAP Linkage Problem	2	EC, S
900	Unpostable Record	0	GEN