

## IRM PROCEDURAL UPDATE

**DATE: 03/15/2023**

**NUMBER: wi-21-0323-0401**

**SUBJECT: Various Changes to Refund Research**

**AFFECTED IRM(s)/SUBSECTION(s): 21.4.1**

**CHANGE(s):**

**IRM 21.4.1.3.1 Updated to clarify date of which the outgoing message on automated systems will be provided through. Update made for IRM clarity.**

(1) According to the **Protecting Americans from Tax Hikes Act of 2015 (PATH Act) Section 201(b)** which is codified at IRC 6402 (m), the IRS cannot issue refunds, including applying credit elects, before the 15th day of the second month following the close of the taxable year (February 15 for calendar year filers) for tax returns that claim the Earned Income Tax Credit (EITC) or the Additional Child Tax Credit (ACTC). This applies to the entire refund, even the portion not associated with these credits. Taxpayers should not expect their refund to arrive in their bank accounts or debit cards until the first week of March, if there are no other processing issues.

(2) For taxpayers who meet PATH Act criteria, the following message is provided on the automated systems through the end of February, or until the refund is released. **“According to the Protecting Americans from Tax Hikes (PATH) Act, the IRS cannot issue these refunds before mid-February for tax returns that claim the Earned Income Tax Credit or the Additional Child Tax Credit. This applies to the entire refund, even the portion not associated with these credits. Check Where’s My Refund in mid- to late February for your personalized refund status. It’s updated once a day and remains the best way to check the status of your refund.”**

(3) Accounts meeting the PATH Act Section 201 criteria will have a C- freeze generated on the account and will carry an Indicator of 1, 2, or 8. See IRM 21.5.6.4.5.1, C- Freeze - Refund Holds, for additional information on PATH Act freeze. To identify **PATH Act Section 201** returns, the following indicators will appear on IMFOLT under the new **“FEB15 RFND FRZ”** field:

- **Indicator 0:** No Freeze (Return did not claim EITC or ACTC)
- **Indicator 1:** Refund Frozen (Return filed before February 15th, claiming EITC and/or ACTC. Prevents offsets)

- **Indicator 2:** Historical setting (Set after February 15th to signify a return that had the indicator 1 set previously and is now after February 15th and Freeze was released)
- **Indicator 8:** IMF internal setting to indicate freeze occurred in the current cycle

**Exception:** The C- freeze code (shows Path Indicator of “1”) is set to be released on February 15th, however, this is contingent on **Daily or Weekly** processing of the account, therefore, the release may occur **after** February 15th. Once the freeze is released, the account will reflect a Path Indicator of “2”. See IRM 3.11.10.3.1, CADE 2/ IMF Daily Processing, for information on daily and weekly processing.

**Caution:** Fiscal year accounts meeting the PATH Act Section 201 criteria can be identified with a TC 971 AC 134 with the MISC field “IVO REVIEW”. These accounts will not show a C-freeze. **DO NOT** release the refund if the indicator is present. Conduct thorough research prior to taking any action on the account.

(4) Beginning January 1, 2017, accounts with a C- freeze in which the original or amended tax return includes EITC and/or ACTC, will **not** be considered for TAS referral when the request is for the refund to be released **prior to February 15th** (15th day of the second month for fiscal year filers). These returns will only qualify for TAS criteria listed in IRM 13.1.7.3, TAS Case Criteria, when the qualifying criteria is **unrelated** to releasing the refund prior to February 15th. As a result, accounts with refunds that include EITC and/or ACTC referred and resolved by TAS will not be released until February 15th or later if there are processing issues. As of January 1, 2017, the IRS is restricted from releasing refunds that include EITC and/or ACTC until February 15, for current year tax returns that include EITC and/or ACTC, and

- Cannot perform a partial refund release such as the non-EITC or non-ACTC portions or withholding
- Cannot initiate an early refund release because filtering and income match is not completed prior to February 15
- Cannot prepare a manual or expedited refund for an exception process such as economic hardship
- Cannot perform a refund offset to pay for other IRS tax debt on another module or account

**IRM 21.4.1.4 Updated flow of the IRM, also included information for taxpayer contact regarding External Lead Process or a Bank Lead. Changes made to clarify information.**

(1) Taxpayers can use the following IRS automated systems to check their federal refund status:

- Where's my Refund (WMR) provides refund information for the current processing year plus two prior year returns

**Note:** The refund amount from the original return should always be used when accessing WMR. WMR gives the taxpayer the option of selecting the current or prior two tax years to check their refund status. However, it's possible that if a taxpayer filed a tax year 2020 return after a tax year 2021 return before May 22, 2022, the 2021 refund status may not be available.

- IRS2GO provides current processing year plus two prior year return information
- Refund Hotline provides refund information for current processing year only

**Note:** If taxpayer is calling and/or inquiring via correspondence/claim regarding their state refund, refer to State Income Tax Contact Information for the appropriate state agency number.

(2) Probe to determine if the caller e-filed their return more than 21 days prior to the call or mailed a return more than six weeks prior to the call.

**Note:** If taxpayers indicate they called the financial institution and were advised the refund was returned through the External Lead Process or a Bank Lead, refer to IRM 21.4.1.4.4, Refund Issued but Lost, Stolen, Destroyed or Not Received for additional information.

**Reminder:** Some e-filed returns are accepted before the **publicly announced start date** for accepting and processing electronically filed returns. This is done for testing the system. However, no returns are processed until the announced date, therefore no time frame calculation should start before the publicly announced start date for those early returns. All other time frame calculations should start on the date of the acknowledgement for the e-filed return. This **publicly announced start date** is also valid for paper filed tax returns. Do not conduct any required research on the account prior to the official filing date. Review time frames in paragraph (3) below.

- For current and prior two tax year inquiries, continue to paragraph (4) below:
- For all other prior tax year inquiries, determine if the timeframe has been met per paragraph (3) below. If timeframe is **met**, authenticate the taxpayer's identity and conduct account research to assist the taxpayer. See IRM 21.4.1.4.1, Locating the Taxpayer's Return, for additional information. For authentication procedures, see IRM 21.1.3, Operational Guidelines Overview. If timeframe is **not met**, advise taxpayer to allow the appropriate processing timeframe.

**Caution:** It is extremely important to consider the refund statute expiration date (RSED) prior to responding to the taxpayer. Refer to IRM 25.6.1.5, Basic Guide for Processing Cases with Statute of Limitations Issues, for additional information.

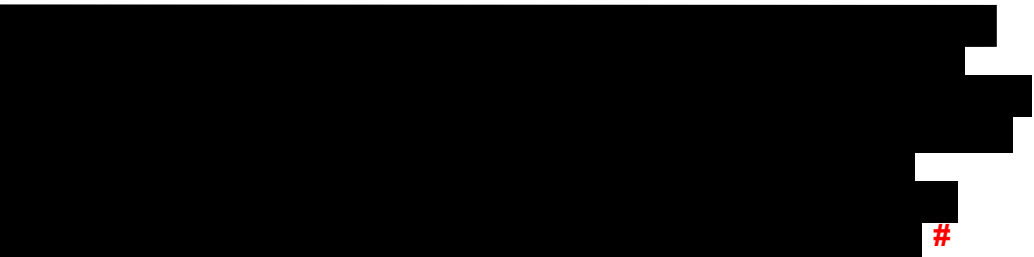
- For inquiries regarding Economic Impact Payments, see IRM 21.6.3.4.2.13.2, Economic Impact Payments - Refund Inquiries.

(3) Use the following table to determine if the processing time frame has been met. If prior to February 15th, probe the taxpayer to determine if they meet the PATH Act Section 201 criteria and advise them of the refund time frames specified in IRM 21.4.1.3.1, PATH Act Refunds.

**Note: DO NOT conduct any refund research prior to the end of these time frames, unless conditions in the table in (4) below exist.**

Return Type	Processing Time Frame
Paper refund return	<ul style="list-style-type: none"> <li>• 6 weeks for normal processing</li> <li>• For Injured Spouse returns see IRM 21.4.6.5.2, Injured Spouse Inquiries, for additional information.</li> </ul> <p><b>Note:</b> If taxpayer filed a Form W-7, Application for IRS Individual Taxpayer Identification Number, with their return, see IRM 3.21.263.8.4, Refund Inquiries Involving ITIN Issues.</p>
e-File refund return	<ul style="list-style-type: none"> <li>• 3 weeks (see above for time frame calculation guidance)</li> <li>• Refund research may begin on the 21st day</li> </ul> <p><b>Caution:</b> Tax returns meeting the PATH Act Section 201 criteria may exceed the 21 day time frame between the return received date and refund sent status.</p>
1040-X return (see (8) below for amended return information through IRS automation)	<ul style="list-style-type: none"> <li>• up to 16 weeks</li> </ul>

**Note:** Processing times for Form 1040, U.S. Individual Income Tax Return, and/or Form 1040-X, Amended U.S. Individual Income Tax Return, may be temporarily extended. Refer to any SERP Alerts regarding these extended time frames.

**Note: #**  #

**Caution:** Additional taxpayer authentication is required on modules where RIVO or CI-SDC indicators are present and a CP 53 series notice was issued (e.g., CP 53,

53A, 53B, 53C, or 53D) for the tax period in question. Follow the procedures in IRM 21.1.3.2.4, Additional Taxpayer Authentication, and refer to IRM 25.25.12.8, Limited Direct Deposit Refund Procedures. See IRM 21.4.1.5.8.1, Direct Deposit Reject Reason Codes, for additional CP 53 notice series information. If the caller cannot authenticate and this is a TPP call, provide the caller the toll-free appointment number, 844-545-5640, to schedule an appointment at one of the Taxpayer Assistance Centers (TACs), (Hours of operation: 7:00 a.m. to 7:00 p.m. local time; Hawaii and Alaska follow Pacific Time Zone). For non TPP calls, taxpayers may check their records and call back.

(4) For current and prior two processing year individual accounts, ask the taxpayer if they've checked on the status of the refund by using one of the IRS automated systems: Where's My Refund (WMR) on IRS.gov; IRS2GO (English and Spanish) for smart phones; or the Refund Hotline. Use the table below to determine your call resolution actions.

**Note:** If a taxpayer requests assistance with the IRS automated systems listed above, **do not** attempt to access the system for them. Instead, provide the taxpayer verbal instructions on where/how to obtain the status of their refund. If the caller is an unauthorized third party, do not refer them to the automated systems.

**Exception:** Regardless of the return processing time frame, if the taxpayer is calling in an attempt to stop a direct deposit for any reason, including an error in direct deposit information, and wants to flip the direct deposit to a paper check (TC 971 AC 850), follow procedures in IRM 21.4.1.5.7 (3), Direct Deposits - General Information. Remember to check for Refund Advance Product (RAL/RAC) indicators.

**Reminder:** For authentication procedures, see IRM 21.1.3.2.3, Required Taxpayer Authentication.

If taxpayer's response is	Then
No, and the normal processing time frames have not been met.	<ol style="list-style-type: none"> <li>1. <b>DO NOT access the taxpayer's account or complete any research.</b></li> <li>2. Provide the taxpayer with appropriate return processing time frames and information about our automated refund applications:               <ul style="list-style-type: none"> <li>o Where's My Refund? on IRS.gov, now includes a "refund status tracker bar" that will show you which processing status your return is in:                   <ol style="list-style-type: none"> <li>a. Return Received – no projected refund date is given</li> <li>b. Refund Approved – the refund date depending on direct deposit or paper check mailing is provided</li> </ol> </li> </ul> </li> </ol>

If taxpayer's response is	Then
	<ul style="list-style-type: none"> <li>c. Refund Sent – informs the taxpayer of the date the refund was transmitted to the financial institution, or the date a paper check was mailed               <ul style="list-style-type: none"> <li>o IRS2Go (English and Spanish), our free mobile application for smart phones</li> <li>o Refund Hotline - 800-829-1954 - toll free assistors provide <b>only</b> if the taxpayer does not have access to a computer or the internet</li> </ul> </li> <li>3. Before ending the call, on Individual accounts, advise the taxpayer that the best way to get the most current information about their refund is through the automated systems, Where's My Refund (WMR) on IRS.gov; IRS2GO (English and Spanish) for smart phones; or the Refund Hotline. They are fast, accurate and available 7 days a week from any computer or smart phone with internet access, and the information provided is specific to each taxpayer who uses the tool. Remind them that by using the automated systems, they would not have to wait on hold to speak to an assistor. Also, advise them that updates to the automated systems will depend on the account status, and whether required actions have been completed to release the refund. Automated systems are not available for business taxpayers.</li> <li>4. Route them out to the automated Refund Hotline, transfer to extension 3158 for English or 3258 for Spanish.</li> <li>5. If the taxpayer refuses to be routed to the automated refund hotline, ask the taxpayer if they have any additional questions. If not, then thank them for calling and end the call.</li> </ul>
No, and the normal processing time frames have been met.	1. Authenticate the taxpayer's identity and conduct account research to assist the taxpayer. See IRM 21.4.1.4.1, Locating the Taxpayer's Return, for additional

If taxpayer's response is	Then
	<p>information.</p> <p><b>Reminder:</b> If, after research, it is determined the normal processing time frame has not expired, follow steps 2 -4 in the box below.</p> <ol style="list-style-type: none"> <li>2. Before ending the call, on Individual accounts, advise the taxpayer that the best way to get the most current information about their refund is through the automated systems, Where's My Refund (WMR) on IRS.gov; IRS2GO (English and Spanish) for smart phones; or the Refund Hotline. They are fast, accurate and available 7 days a week from any computer or smart phone with internet access, and the information provided is specific to each taxpayer who uses the tool. Remind them that by using the automated systems, they would not have to wait on hold to speak to an assistor. Also, advise them that updates to the automated systems will depend on the account status, and whether required actions have been completed to release the refund. Automated systems are not available for business taxpayers.</li> </ol>
<p>Yes, and the normal processing time frames haven't been met, and they received a response saying, "We received your tax return and it is being processed," or "Your tax refund is scheduled to be sent to your bank on..."</p>	<ol style="list-style-type: none"> <li>1. <b>DO NOT access the taxpayer's account or complete any research.</b></li> <li>2. Advise the taxpayer that you are unable to provide any additional information than the information already provided by the automated system and provide the appropriate return processing time frames.</li> <li>3. Before ending the call, on Individual accounts, advise the taxpayer that the best way to get the most current information about their refund is through the automated systems, Where's My Refund (WMR) on IRS.gov; IRS2GO (English and Spanish) for smart phones; or the Refund Hotline. They are fast, accurate and available 7 days a week from any computer or smart phone with</li> </ol>

If taxpayer's response is	Then
	<p>internet access, and the information provided is specific to each taxpayer who uses the tool. Remind them that by using the automated systems, they would not have to wait on hold to speak to an assistor. Also, advise them that updates to the automated systems will depend on the account status, and whether required actions have been completed to release the refund. Automated systems are not available for business taxpayers.</p> <p>4. Ask the taxpayer if they have any additional questions. If not, then thank them for calling and end the call.</p>
<p>Yes, and the normal processing time frames haven't been met, and they originally received a response saying "We received your tax return and it is being processed," or "Your tax refund is scheduled to be sent to your bank on..." or other message regarding the refund status, <b>but now</b> the automated system returns a message indicating "no data available"</p>	<p><i>DO NOT access the taxpayer's account or complete any research.</i></p> <p>Tell the taxpayer:</p> <ol style="list-style-type: none"> <li>1. The initial message is still accurate, we received the return, and it is being processed. Provide the appropriate return processing time frames.</li> <li>2. The tool is updated no more than once a day – usually overnight.</li> <li>3. They should wait and check the tool again tomorrow.</li> </ol>
<p>Yes, and the normal processing time frames <b>have been met</b>, and they originally received a response saying "We received your tax return and it is being processed," or "Your tax refund is scheduled to be sent to your bank on..." or other message regarding the refund status, <b>but now</b> the automated system returns a message indicating "no data available"</p>	<ol style="list-style-type: none"> <li>1. Authenticate the taxpayer's identity and conduct account research to assist the taxpayer.</li> </ol> <p><b>Note:</b> The automated systems may at times provide an incorrect response in error. Apologize for any inconvenience and conduct research.</p>
<p>Yes, and the taxpayer provides a 4-digit reference number that they got on one of the automated systems or a "take action" message was received but no reference number</p>	<ol style="list-style-type: none"> <li>1. Authenticate the taxpayer's identity and conduct account research to assist the taxpayer. See IRM 21.4.1.6, Internet Refund Fact of Filing (IRFOF), for further guidance, and Exhibit 21.4.1-3, Internet Refund Fact of Filing Reference Numbers, for a list of the most common</li> </ol>



If taxpayer's response is	Then
	<p>reference codes.</p> <p><b>Exception:</b> If IDRS research reveals UPC 126 RC 0, see the guidance in the (2) Table in IRM 21.4.1.4.1.2, Return Found/Not Processed, for guidance.</p>
<p>Yes, and the taxpayer was informed by the automated application that a change occurred to the refund amount for which the taxpayer needs additional information, or the taxpayer was provided with a call back number and 3-digit extension</p>	<ol style="list-style-type: none"> <li>1. Authenticate the taxpayer's identity and conduct account research to assist the taxpayer. See IRM 21.4.1.5.1, Refund Not Sent or Amount Differs, for additional information.</li> </ol>
<p>Yes, but the automated application "cannot provide any information" and it has been more than 24 hours since the taxpayer received acknowledgement of their e-filed return or 4 weeks since they mailed their paper return</p>	<ol style="list-style-type: none"> <li>1. Authenticate the taxpayer's identity and confirm that they are using the correct shared secrets on the automated applications (TIN, filing status and expected refund amount, in whole dollar amount). Once authenticated, provide correct shared secrets if applicable. Access CC FFINQ or CC REINF, if necessary. <b>Do not provide any refund information, unless there is a TC 846 present. Do not continue with the steps below if the TC 846 status is provided.</b></li> <li>2. Before ending the call, on Individual accounts, advise the taxpayer that the best way to get the most current information about their refund is through the automated systems, Where's My Refund (WMR) on IRS.gov; IRS2GO (English and Spanish) for smart phones; or the Refund Hotline. They are fast, accurate and available 7 days a week from any computer or smart phone with internet access, and the information provided is specific to each taxpayer who uses the tool. Remind them that by using the automated systems, they would not have to wait on hold to speak to an assistor. Also, advise them that updates to the automated systems will depend on the account status, and whether required actions have been completed to release the refund. Automated systems are not</li> </ol>

If taxpayer's response is	Then
	<p>available for business taxpayers.</p> <ol style="list-style-type: none"> <li>3. Route them out to the automated Refund Hotline, transfer to extension 3158 for English or 3258 for Spanish.</li> <li>4. If the taxpayer refuses to be routed to the automated refund hotline, ask the taxpayer if they have any additional questions. If not, then thank them for calling and end the call.</li> </ol>
<p>Yes, and the normal processing time frames have been met</p>	<ol style="list-style-type: none"> <li>1. Authenticate the taxpayer's identity and conduct account research to assist the taxpayer. See IRM 21.4.1.4.1, Locating the Taxpayer's Return, for additional information.</li> <li>2. Before ending the call, on Individual accounts, advise the taxpayer that the best way to get the most current information about their refund is through the automated systems, Where's My Refund (WMR) on IRS.gov; IRS2GO (English and Spanish) for smart phones; or the Refund Hotline. They are fast, accurate and available 7 days a week from any computer or smart phone with internet access, and the information provided is specific to each taxpayer who uses the tool. Remind them that by using the automated systems, they would not have to wait on hold to speak to an assistor. Also, advise them that updates to the automated systems will depend on the account status, and whether required actions have been completed to release the refund. Automated systems are not available for business taxpayers.</li> </ol>

**Reminder: Where's My Refund** cannot provide any information on Form 1040-X or Form 8379, Injured Spouse Allocation, claims filed after the original return. To check the status of Form 1040-X taxpayers must use the Where's My Amended Return (WMAR) application on IRS.gov. See (8) below for Form 1040-X information through automation.

(5) When responding to a paper refund request, if there is no record of a return after researching, see IRM 21.4.1.4.1, Locating the Taxpayer's Return. Contact the taxpayer to request additional information.

**Note:** Consider the possibility that the taxpayer has made an informal claim for a refund. In some situations, an informal claim submitted by the RSED may be perfected after the RSED and the perfected claim will be considered filed on the earlier date. See IRM 21.5.3, General Claims Procedures, and IRM 25.6.1.10.2.6.3, Informal Claims, for information and guidance.

(6) If the taxpayer has other non-refund related issues, after authenticating the taxpayer's identity, conduct the necessary account research and provide assistance according to the applicable IRM procedures.

(7) If IDRS research (CC IMFOL, CC TXMOD, CC ENMOD) reveals any of the following conditions, follow IRM 25.25.6.6, Non Taxpayer Protections Program (TPP) Telephone Assistors Response to Taxpayers, for guidance:

- The account has UPC 126 RC 0 (with or without the letter). See the table in IRM 21.4.1.4.1.2.1, Unpostable Conditions, for guidance
- TC 971 AC 111 (only those that had a previous TC 971 AC 121, TC 971 AC 124, or TC 971 AC 129 marker) and the return is posted on MFT 32
- TC 971 AC 121 (TC 971 AC 121 is no longer used after January 2017)
- TC 971 AC 123 with a MISC field of TPP RECOVERY on CC IMFOL or CC TXMOD or an open control assigned to IDRS# **1487388888**. See IRM 25.25.6.1.7.1, Taxpayer Protection Program (TPP) Recovery Project.
- TC 971 AC 124 with the DLN of the return in question in the MISC field - (used exclusively beginning in January 2017)
- TC 971 AC 124 with the DLN of the return in question in the MISC field - and no return posted (unpostable has been identified as deleted (URC D))
- TC 971 AC 129 - the return is generally posted to MFT 30
- 4883C, 5071C, 5447C or letter 5747C, and the taxpayer received but lost the letter, moved, or never received the letter
- 4883C, 5071C, 5447C or letter 5747C, and the taxpayer is questioning the reason for the delay

(8) If preliminary questions determine the call is about a Form 1040-X proceed with the following:

- Ask the taxpayer for the date they filed their amended return.
- Determine if the amended return was submitted more than 16 weeks before today's date.

If the time frame has been met:

- Authenticate the taxpayer's identity.
- Access CC TXMOD to determine if we have received the Amended Return. Form 1040-X should be on IDRS within 3 weeks from the date filed.

If the time frame has not been met, ask the taxpayer if they've checked on the status

of the amended return by using one of the IRS amended tax return automated systems, and then use the following procedures:

**Note:** The **Where’s My Amended Return?** tool provides the status of Form 1040-X for the current year and up to three prior years.

- WMAR keys off the TC 971 AC 120 placed on the account by Submission Processing. Conduct the necessary account research and provide assistance according to the applicable IRM procedures. See IRM 21.5.3.3.1, Locating Amended Returns (Form 1040-X), for additional information.
- WMAR does NOT provide the status of Form 843 Claims, Injured Spouse Claims, Carrybacks (applications and claims), Form 1040 series marked as an amended return, or amended returns with a foreign address.
- WMAR cannot provide information on amended returns accepted directly by Compliance/Exam/TAC or other functions in which the input of TC 971 AC 120 by Submission Processing is bypassed.
- **Again, emphasize the best way to get the most current refund information is through the automated systems. They are fast, accurate and available 7 days a week from any computer with internet access, AND the information provided is specific to each taxpayer who uses the tool. Also remind the taxpayer that by using the automated systems, they would not have to wait on hold to speak to an assistor.**

If the taxpayer's response is	Then
No	<ol style="list-style-type: none"> <li>1. Provide the taxpayer with the appropriate processing time frame and information about our automated Amended Return applications:               <ul style="list-style-type: none"> <li>○ Where’s My Amended Return? (WMAR) on IRS.gov includes a “status tracker bar” that will show you which processing status your amended return is in:                   <ol style="list-style-type: none"> <li>a. Amended Return Received – Taxpayer is provided the received date and told to wait 16 weeks for processing</li> <li>b. Adjusted – The adjustment posting date is provided with information to wait 3 weeks for the refund/notice</li> <li>c. Completed – The taxpayer should have already received the refund and notice information, and the inquiry date is greater than 3 weeks from the adjustment date</li> </ol> </li> <li>○ Form 1040-X toll free number- 866-464-2050 - provide <b>only</b> if the taxpayer does not have access to a computer or the internet</li> </ul> </li> <li>2. Advise the taxpayer <b>the best way to get the most current information about their Amended</b></li> </ol>

If the taxpayer's response is	Then
	<p><b>Return is through the automated systems. They are fast, accurate and available 7 days a week from any computer with internet access, AND the information provided is specific to each taxpayer who uses the tool.</b></p> <p>3. Advise the taxpayer it could take up to 3 weeks from the date the amended return was filed for information to become available. Also remind them that by using the automated systems, they would not have to wait on hold to speak to an assistor.</p> <p><b>Note:</b> Transferring a caller directly to the Form 1040-X number is <b>not</b> an option. Transfer the caller to the WMAR automated application by using the WMR CSR direct transfer numbers #3158 for English or #3258 for Spanish. Inform the caller before you transfer, select the "Amended Return" prompt to use the automated application.</p> <p>4. If the taxpayer declines to use the automated tool - DO NOT access their account or complete any research.</p> <p>5. Ask the taxpayer if they have any additional questions. If not, then thank them for calling and end the call.</p>
<p>Yes, and they received a response saying, "We received your amended tax return on... and it is being processed", or "received on...and adjusted on..."</p>	<p>1. <b>DO NOT Access their Account or complete any research.</b></p> <p>2. Advise the taxpayer of the appropriate processing time frame and that you are unable to provide any additional information other than the information already provided by the automated system.</p> <p>3. Advise the taxpayer <b>the best way to get the most current information about their amended return is through the automated systems. They are fast, accurate and available 7 days a week from any computer with internet access, AND the information provided is specific to each taxpayer who uses the tool. Also remind them that by using the automated systems, they would not have to wait on hold to speak to an assistor.</b></p> <p>4. Ask the taxpayer if they have any additional questions. If not, then thank them for calling and end the call.</p>

If the taxpayer's response is	Then
<p>Yes, and any of the following apply:</p> <ul style="list-style-type: none"> <li>• The taxpayer provides a reference number they got on one of the automated systems, or</li> <li>• The taxpayer was informed by the application a change occurred to the amended return or refund amount, or</li> <li>• A notice or letter was received, for which they need additional information, or</li> <li>• The taxpayer was informed by the application to contact us if the amended return was filed more than 3 weeks ago and we have no record of it</li> </ul>	<p>Authenticate the taxpayer's identity and conduct account research to assist the taxpayer.</p>

(9) When practical, telephone the taxpayer for any additional information you may need. If you cannot contact the taxpayer by telephone, use existing letters to reply to or request additional information from the taxpayer.

**Note:** When contacting taxpayers, refer to IRM 21.1.3, Operational Guidelines Overview, for the appropriate disclosure authorization procedures.

(10) Address correction is acceptable over the telephone for release of an undeliverable refund freeze. See IRM 3.13.5.29, Oral Statement/Telephone Contact Address Changes Requirements, for guidance. Ensure you are talking to the taxpayer or their authorized representative and document the adjustment remark section following the procedures found in IRM 21.1.3.20.2, Oral Statement Documentation Requirements. If there is any reason to doubt the identity of the person calling, request the caller to submit the information in writing. See Section

5.04(3) of Rev. Proc. 2010-16, 2010-19 IRB 664 for information about how the IRS is orally informed of address changes.

(11) To research refund inquiries concerning non-receipt of direct deposit, see IRM 21.4.1.5.7, Direct Deposits - General Information.

(12) The TC 971 AC 696 was established to indicate that Bureau of the Fiscal Service (BFS) has acknowledged/confirmed receipt of an IRS refund record. This code has no impact on refunds, either paper check, direct deposit or split refunds. It does not indicate that a refund was offset or is being offset, nor does it prevent a refund from being offset by BFS to a non-tax debt.

**IRM 21.4.1.4.1.1(2) Added link to IRM 21.4.1.4.1.2 Return Found/Not found also separated scenarios. Changes made to clarify information.**

(2) Review the following table to determine the required action for **electronically filed (e-filed) returns**. See IRM 21.4.1.4 (3), Refund Inquiry Response Procedure, for normal processing time frames.

<b>If maximum normal processing time is:</b>	<b>Then</b>
Not met	<ul style="list-style-type: none"> <li>Advise the taxpayer of the normal processing time, and to visit Where's My Refund at IRS.gov, or the IRS2Go (English and Spanish) phone application from a smart phone, for current refund information if the refund is not received within the time frame provided. Where's My Refund can inform the individual taxpayer if the IRS received the original return, and the projected date of the refund. Automated systems are not available for business taxpayers.</li> </ul> <p><b>Note: DO NOT</b> offer the toll free refund hotline, 800-829-1954, as an option unless the taxpayer states they do not have a computer or internet access.</p> <p><b>Reminder:</b> Where's My refund cannot provide any information on Form 1040-X, Amended U.S. Individual Income Tax Return.</p>
Met and the tax module indicates that an e-filed return was <b>received</b> , but was <b>not processed</b> . For more information see IRM	<ul style="list-style-type: none"> <li>If the taxpayer filed electronically, advise them if they received an acknowledgement, they do not need to take any further action other than promptly responding to any requests for information.</li> </ul>

If maximum normal processing time is:	Then
21.4.1.4.1.2(2), Return Found/Not Processed.	<ul style="list-style-type: none"> <li>If no acknowledgement received, advise them to refile.</li> </ul>
Met but no record of an e-File return	<ul style="list-style-type: none"> <li>For original returns, see the table in IRM 21.4.1.4.1 (1), Locating the Taxpayer's Return, for SCFTR return research procedures.</li> <li>If no information found on CC SCFTR, advise taxpayer to refile. See IRM 21.2.1.22, Modernized e-File (MeF/TRDB), and IRM 3.42.5.14.5, Forms for 1040 Modernized e-File (MeF), for limitations on e-filed current and prior year returns.</li> </ul>

**IRM 21.4.1.4.1.2(1) Updated chart to include to research CC IMFOLT when the return has been moved to MFT 32 and there is no TPP involvement. Change made for procedural clarity.**

(1) The return was received, but not processed:

If Command Code (CC)	Research Shows	Then
TXMOD	UXXXX (unpostable return) in same line as TC 150 in pending transaction section. See IRM 21.4.1.4.1.2.1, Unpostable Conditions, and IRM 21.5.5, Unpostables.	Research CC UPTIN
TXMOD / IMFOL	TC 914, 916 or 918 or # [REDACTED]	# [REDACTED] #
TXMOD / ENMOD	Shows TC 971 AC 052, or TC 971 AC 152 or FREEZE-INDICATOR> of 1 or 2 on FFINQ, which indicates RIVO is reviewing the return.	<ul style="list-style-type: none"> <li>Advise the caller that the return is still in processing.</li> <li>If there are freeze code conditions present, these will take precedence over the TC 971 AC 052/152</li> <li>If there are no freeze codes present, and the account has: A transaction code (TC)</li> </ul>



If Command Code (CC)	Research Shows	Then
		<p>971, action code (AC) 052 posted, normal processing time will increase by two cycles. A TC 971, AC 152 posted, normal processing time will increase by one cycle. If both TC 971 AC 052 and TC 971 AC 152 appear on the account, use the 2 cycle delay, as the AC 052 would supersede the AC 152. If the taxpayer asks why the processing time was increased tell them the return was randomly selected for additional review.</p> <p><b>Reminder:</b> Do not mention RIVO, CI, etc, unless other account conditions indicate involvement and require it.</p> <p><b>Note:</b> If the processing time frames are up and the return is UPC 126 or UPC 147 or showing as stopped in ERS (return is showing on CC ERINV), then follow the instructions in the appropriate box below.</p>
TXMOD / ENMOD	Return was zeroed out, partially zeroed or credits reversed by RIVO (the address may have been updated to the service center address)	Initiate a Form 4442/e-4442, Inquiry Referral, to RIVO, using category "RIVO – Complex Issue not ID Theft". Advise the taxpayer to allow 9 weeks for a response.
TXMOD / ENMOD	TC 971 AC 111 (CC TXMOD) and TC 971 AC 501/506 (CC ENMOD) with MISC: "AM" or "AMADJ"	See IRM 25.23.12.4.1, Telephone Inquiries Regarding Identity Theft Victim Assistance

If Command Code (CC)	Research Shows	Then
		(IDTVA)Tax-Related Cases, for guidance.
TXMOD / TRDBV	TC 971 AC 111 (CC TXMOD), TRDBV shows UPC 126 RC 0 and the TP filed the return on MFT 32, <b>or</b> the return was GUF Voided/Deleted.	See IRM 25.25.6.6, Non Taxpayer Protection Program (TPP) Telephone Assistors Response to Taxpayers.
TXMOD / TRDBV	TC 971 AC 111 (CC TXMOD), CC TRDBV shows UPC 126 RC 0 and the return was not moved to MFT 32 prior to the end of year cycle deadline and is archived/deleted. This appears on CC TRDBV as GUF Voided/Deleted or GUF perfected but there is no MFT 32.	See IRM 25.25.6.5.5.4, The Taxpayer's Return has been Archived/Deleted.  <b>Note:</b> Non-TPP assistors see IRM 25.25.6.6, Non Taxpayer Protection Program (TPP) Telephone Assistors Response to Taxpayers.
TXMOD / TRDBV	TC 971 AC 111 (CC TXMOD), TRDBV shows UPC 147 RC 6 or 7 and the TP filed the return on MFT 32 or the return was GUF Voided/Deleted.  Business rules for unpostable (UPC) 147 reason (URC) 1/6/7/8 have been turned off. Instructions will remain in the IRM to address residual inventory.	<ul style="list-style-type: none"> <li>• When the contact is from the taxpayer or authorized third party, authenticate per IRM 21.1.3.2.3 (2), Required Taxpayer Authentication, and prepare Form 4442/e- 4442 to RIVO, using category "RIVO – Complex Issue Not ID Theft". Include authentication results in AMS.</li> <li>• Advise the taxpayer they should receive their refund or correspondence within 12 weeks.</li> <li>• If the taxpayer contacts us after the 12 weeks, follow the procedures in IRM 21.1.3.18, Taxpayer Advocate Service (TAS) Guidelines.</li> <li>• If the caller cannot authenticate, provide the caller the toll-free appointment number, 844-545-5640, to</li> </ul>

If Command Code (CC)	Research Shows	Then
		<p>schedule an appointment at one of the Taxpayer Assistance Centers (TACs), (Hours of operation: 7:00 a.m. to 7:00 p.m. local time; Hawaii and Alaska follow Pacific Time Zone). After authenticating, TAC assistors should then follow the guidance above.</p>
IMFOLI / IMFOLE / IMFOLT / TRDBV	A module for MFT 32 with a TC 976 posted, regardless if there is a TC 971 AC 506 on CC IMFOLE, and CC TRDBV codes show status code <b>ERS CORRECTED</b> and CC TRDBV <b>CODES</b> screen <b>does not</b> have an Identity Theft indicator <b>T</b> .	See IRM 25.25.6.6, Non Taxpayer Protection Program (TPP) Telephone Assistors Response to Taxpayers.
IMFOLI / IMFOLE / IMFOLT / TRDBV	A module for MFT 32 with a TC 976 posted, regardless if there is a TC 971 AC 506 on CC IMFOLE, and CC TRDBV codes show status code <b>ERS CORRECTED</b> and CC TRDBV <b>CODES</b> screen <b>has</b> an Identity Theft indicator <b>T</b> .	<ul style="list-style-type: none"> <li>• If the contact is from the taxpayer or authorized third party, authenticate per IRM 21.1.3.2.3 (2), Required Taxpayer Authentication, and prepare Form 4442/e-4442 to the SP IDT team and fax it following instructions in bullet below. If additional action is required (i.e., injured spouse claim, 1040-X) request that the refund be held, monitor the account and take appropriate follow-up action once the return has posted to MFT 30.</li> <li>• Follow the guidance in IRM 3.28.4.8 (2), Review of Deleted Returns - UPC 147 RC 0 Only, for routing based</li> </ul>

If Command Code (CC)	Research Shows	Then
		<p>on the DLN of the return.</p> <ul style="list-style-type: none"> <li>• Include authentication results in AMS.</li> <li>• Advise the taxpayer they should receive their refund or correspondence within 12 weeks.</li> <li>• If the taxpayer contacts us after the 12 weeks, follow the procedures in IRM 21.1.3.18, Taxpayer Advocate Service (TAS) Guidelines.</li> <li>• If the caller cannot authenticate, provide the caller the toll-free appointment number, 844-545-5640, to schedule an appointment at one of the Taxpayer Assistance Centers (TACs), (Hours of operation: 7:00 a.m. to 7:00 p.m. local time; Hawaii and Alaska follow Pacific Time Zone). After authenticating, TAC assistors should then follow the guidance above.</li> <li>• For paper inquiries, follow procedures in Note below.</li> </ul> <p><b>Note:</b> If no return is posted and indicators exist for MFT 32, when working Form 3911, Form 1310, or other correspondence, employees should close their case with Letter 109C advising the taxpayer to call IRS at 800-829-1040 during the hours of 7:00 a.m. to 7:00 p.m. (local</p>

If Command Code (CC)	Research Shows	Then
		<p>time), Monday - Friday. Advise the taxpayer that the return has been selected for further review and that we'll need to speak with them to validate the information that was submitted. Form 3911 and Form 1310 should then be destroyed as classified waste. See IRM 21.5.1.4.10, Classified Waste. For additional information on refund inquiries, see IRM 21.4.2, Refund Trace and Limited Payability and IRM 21.4.3, Returned Refunds/Releases.</p> <p><b>Exception:</b> If the taxpayer is responding to Letter 12C and provides all the requested documents, send Form 4442/e-4442 as instructed above.</p>
TXMOD / ENMOD	RJ 150 (rejected return).	Research CC ERINV. See IRM 21.4.1.4.1.2.4, Returns Located on Error Resolution System (ERS) or Rejects.
FFINQ	Return information (after no information on CC SUMRY or CC IMFOL) and no FREEZE-INDICATOR.	See IRM 21.4.1.4.1.2.4, Returns Located on Error Resolution System (ERS) or Rejects.
TRDBV	Return information (for IRS e-File).	<p>See IRM 21.4.1.4.1.2.3, Researching Rejected IMF E-filed Returns.</p> <p><b>Note:</b> If CC TRDBV response screen TRDPG displays: "Current-Status: GUF Voided/Deleted" on the first page of the tax return or on the response screen itself, see IRM 21.4.1.4.1.2.1, Unpostable Conditions.</p>

**Note:** If taxpayer indicates the routing transit number or account number shown on their return is incorrect, advise the taxpayer IRS employees cannot change or

correct these numbers from the numbers shown on their return. In some circumstances, TC 971 AC 850 may be input to flip a direct deposit refund to a paper check. See IRM 21.4.1.5.7, Direct Deposits - General Information, for additional information.

**IRM 21.4.1.4.4 Updated to include terms used when the bank returned the refund as a bank lead (External lead). Changes made to clarify information.**

(1) If the taxpayer states they received the check and the check was lost, stolen, or destroyed and a TC 840/846 is present on the module, refer to IRM 21.4.2, Refund Trace and Limited Payability.

(2) If research shows a refund has been generated and the taxpayer states they did not receive the check or direct deposit, use the following "If-And-Then" table to assist in resolving the issue:

**Caution: Do not** initiate a refund trace over the phone if there is IDT involvement on the account. When providing a pre-populated Form 3911, verify all information is for the correct taxpayer. See IRM 25.23.12.4.1, Telephone Inquiries Regarding Identity Theft Victim Assistance (IDTVA)Tax-Related Cases, for additional information.

**Caution: Do not** initiate a refund trace over the phone if there is RIVO involvement on the module. When providing a pre-populated Form 3911, verify all information is for the correct taxpayer. See IRM 21.5.6.4.35.3, -R freeze Overview For Accounts With Return Integrity Verification Operations (RIVO) Involvement, for additional information.

**Note:** Many U.S. Post Offices will forward the refund check if the taxpayer has a forwarding address on file with the local post office. If this is the case, advise the taxpayer to allow up to 6 weeks from the IDRS refund payment date for receipt of the check. If the check is not received by the end of those 6 weeks, follow normal refund trace procedures.

If taxpayer states they did not receive a refund	And the date is	Then
TC 846 is present on the module and a paper check was issued	Less than four weeks (or nine weeks if it's a foreign address) from the mailing date which is found on CC IMFOLT on the line below the TC 846 as "RFND-PAY-DATE", and on CC TXMOD on the line below the TC 846 as "RFND-PYMT-DT>"	Advise the taxpayer that the best way to get the most current information about their refund is through the automated systems, Where's My Refund (WMR) on IRS.gov; IRS2GO (English and Spanish) for smart phones; or the Refund Hotline. You may advise the taxpayer to call back when

If taxpayer states they did not receive a refund	And the date is	Then
		four weeks (nine weeks if it's a foreign address) from the mailing date have passed if a trace cannot be started on one of the self service platforms.
TC 846 is present on the module and a paper check was issued	Four or more weeks (or nine or more weeks if it's a foreign address) since the mailing date which is found on CC IMFOLT on the line below the TC 846 as "RFND-PAY-DATE", and on CC TXMOD on the line below the TC 846 as "RFND-PYMT-DT>".	See IRM 21.4.2, Refund Trace and Limited Payability.
TC 846 is present on the module and the refund is a direct deposit (DD)	Five or more calendar days since <b>scheduled</b> DD date <b>Note:</b> The scheduled date of a DD is found on CC IMFOLT on the line below the TC 846 as <b>RFND-PAY-DATE</b> , and on CC TXMOD on the line below the TC 846 as <b>RFND-PYMT-DT&gt;</b>	<ul style="list-style-type: none"> <li>• Verify the routing transit number (RTN) or numbers on CC IMFOBT.</li> <li>• Ask the taxpayer if they have contacted the financial institution. If the answer is <b>NO</b>, advise to do so. If the answer is <b>YES</b>, initiate refund trace per IRM 21.4.2, Refund Trace and Limited Payability, if appropriate.</li> <li>• If the deposit is a split refund or if a Refund Advance Product (RAL/RAC), review IRM 21.4.1.5.7.1, Direct Deposit of Refunds, for additional information first.</li> </ul>
TC 846 is present on the module and the refund is a DD	The caller states they have been told by their bank that their refund was returned to the IRS. The caller may use terms such as, the bank returned the refund as a bank	<ul style="list-style-type: none"> <li>• Follow the IF and THEN chart in IRM 25.25.8.7, Responding to Taxpayer Inquiries, or</li> <li>• If the conditions</li> </ul>

If taxpayer states they did not receive a refund	And the date is	Then
	<p>lead (External lead) <b>OR</b> I have a lead number (XXXXXX XX) <b>OR</b> the bank received an indemnification letter from IRS or the funds were requested/returned.</p> <p><b>Note:</b> Due to timing, the account may not reflect the external lead process is in progress. Do NOT refer the taxpayer back to the financial institution unless the External Lead IRM instructs you to do so.</p>	<p>in IRM 25.25.8.7, do not exist, follow IRM 21.4.1.5.7.1, Direct Deposit of Refunds.</p>
<p>TC 840 manual refund</p> <p><b>Note:</b> If TC 840 carries a blocking series and serial number 9XXXX series with a Julian date less than 400, it is a "Dummy TC 840" and no actual check has been issued. Research for the SSN where the refund was issued.</p>	<p>10 calendar days (30 calendar days if it's a foreign address) from the "RFND-PAY-DATE" on CC IMFOLT or the "RFND-PYMT-DT" on CC TXMOD, either of which is located below the TC 840</p>	<p>Advise the taxpayer to file Form 3911, Taxpayer Statement Regarding Refund. See IRM 21.4.2.4.1, Form 3911, Taxpayer Statement Regarding Refund, for additional guidance regarding Form 3911. See exception below for taxpayers located in a disaster area.</p>
<p>TC 740 Undelivered Refund</p>		<p>See IRM 21.4.3, Returned Refunds/Releases, for resolving undelivered refunds.</p>
<p>TC 841 Returned/Stopped Refund</p>		<ol style="list-style-type: none"> <li>1. Determine cause of the refund stop</li> <li>2. Attempt to resolve issue</li> <li>3. See IRM 21.5.6, Freeze Codes, for resolving freeze releases.</li> </ol> <p><b>Note:</b> Refer to Exhibit 21.4.2-3, Reason for Cancellation Codes and Generated Account Information,</p>



If taxpayer states they did not receive a refund	And the date is	Then
		to determine the cause of refund cancellation.
TC 898/899 TOP Offset		See IRM 21.4.6.5.1, Taxpayer Inquiries on TOP Offset.
TC 960 is posted and a refund has been issued		<ul style="list-style-type: none"> <li>• Research CC CFINK for receipt code "R" and advise the taxpayer to check with the POA of record for receipt of the refund check.</li> <li>• If the taxpayer has already asked the POA, follow the appropriate guidance above.</li> </ul>

**Note:** If during the conversation it is determined the taxpayer did not request a direct deposit, refer to IRM 21.4.1.5.9.5, Taxpayer Expecting a Paper Check But Refund Issued as Direct Deposit.

**Note:** If the taxpayer alleges preparer misconduct as the reason for non-receipt of the refund, see IRM 25.24.1.3, Identifying Potential RPM Issues For Telephone Assistors/Taxpayer Assistance Center (TAC) Assistors. In some situations, you may need to advise the taxpayer that the restoration of the refund to the taxpayer may become a civil matter between the taxpayer and the preparer.

**Note:** When sending a Form 3911 to the taxpayer, enclose a return envelope with your affiliated Refund Inquiry Unit's address. Input the following history item on CC TXMODA:

**Example:** H,39112TP

**Exception:** If the taxpayer is located in a Presidentially-Declared Disaster area and the check is issued between 10 days before the disaster and 30 days after the disaster, a Form 3911 is not required. Oral authority should be taken from all taxpayers including those who filed a joint return.

(3) If refund trace action is required, follow procedures in IRM 21.4.2, Refund Trace and Limited Payability.

(4) If the issue involves a change of address, see IRM 21.4.1.4.2, Return/Refund Located, and IRM 21.4.3.5.3, Undeliverable Refund Checks, for additional information.

**IRM 21.4.1.4.6 Updated to include phases the taxpayer may use when referring to the external lead process. Update made for IRM clarification.**

(1) Through the External Leads Program, the IRS receives external communications about questionable tax refunds identified by financial institutions, brokerage firms, government and law enforcement agencies, state agencies, tax return preparation entities and various other sources. These leads may involve Treasury checks, refund anticipation loans or checks, direct deposits and pre-paid debit cards.

(2) For external lead cases, if the caller states they have been told by their bank that their refund was returned to the IRS, follow the procedures in IRM 25.25.8.7, Responding to Taxpayer Inquiries. Review the account markers to determine refund status.

**Note:** The caller may use terms such as, "the bank returned the refund as a bank lead (External lead)" **OR** "I have a lead number (XXXXXX XX)" **OR** "the bank received an indemnification letter from IRS or the funds were requested/returned".

**Caution:** Due to timing, the account may not reflect the external lead process is in progress. **Do NOT** refer the taxpayer back to the financial institution unless the External Lead IRM instructs you to do so.

(3) Taxpayers may also call in regarding questionable refunds. If the taxpayer calls to report a questionable refund, and they have not filed a return, they may be a victim of fraudulent activity, such as a data breach, a possible scheme, or some other fraudulent activity.

(4) Ask the taxpayer for details and follow guidance based on the information provided. Different procedures apply, depending on the circumstances described by the taxpayer. Leave detailed notes in AMS. Refer to the following IRM's for guidance (list is not all inclusive).

- IRM 21.1.3.23, Scams (Phishing) and Fraudulent Schemes
- IRM 25.23, Identity Protection and Victim Assistance
- IRM 25.25.6.1.7.1, Taxpayer Protection Program (TPP) Recovery Project, procedures for taxpayers impacted by a preparer data breach scheme are included in this section.
- IRM 25.23.1.7, Taxpayers Who Are Victims of a Data Breach

(5) If a representative from a financial institution calls regarding a suspicious refund, refer them to Pub 5033, IRS EXTERNAL LEADS PROGRAM: FACT SHEET ON SUBMITTING LEADS, for information about submitting an external lead to the IRS.

If, after reviewing the publication, the representative still has questions, refer them to the contact information in the publication.

**Reminder:** Do not disclose specific account information unless the representative is an authorized third-party. For authentication procedures, see IRM 21.1.3.2.3, Required Taxpayer Authentication.

**IRM 21.4.1.5 Update timeframe to allow for taxpayers response. Update made for IRM consistency.**

(1) On occasion the taxpayer may contact the IRS to resolve a return discrepancy.

<b>If</b>	<b>Then</b>
Correspondence is received from the taxpayer	<ol style="list-style-type: none"> <li>1. Review correspondence.</li> <li>2. Resolve case if the necessary information is included.</li> </ol>
Correspondence is received from the taxpayer	<ol style="list-style-type: none"> <li>1. Review correspondence and if information needed to resolve return discrepancy is not included,</li> <li>2. Contact the taxpayer by phone or prepare "C" letter requesting all information required to resolve the case.</li> <li>3. Suspend case for <b>45 days (70 days for overseas taxpayers)</b>.</li> </ol>
A call is received from the taxpayer and the case can be worked without the taxpayer's signature	<ol style="list-style-type: none"> <li>1. Obtain missing information.</li> <li>2. Resolve case.</li> </ol>
A call is received and the taxpayer's signature is required to resolve the case	<ol style="list-style-type: none"> <li>1. Request taxpayer to respond to <b>C</b> letter and</li> <li>2. Return signature document in envelope provided.</li> </ol>
No response is received to <b>C</b> letter and it's <b>after 45 days (70 days for overseas taxpayers)</b>	<ol style="list-style-type: none"> <li>1. Send closing letter advising taxpayer information is required to complete processing.</li> <li>2. Close case.</li> </ol>

**Note:** If Submission Processing does not receive a response to their inquiry, they will attempt to process the return without the information. If the document or return cannot be processed, they will send another letter to the taxpayer.

**IRM 21.4.1.5.7(3) Clarified to input TC 971 AC 850 prior to posting of systemic refund in order to stop a direct deposit refund. Change made to incorporate both original and amended return refunds.**

(3) If a taxpayer files their tax return and requests a direct deposit of their refund, and later requests to stop the direct deposit, the direct deposit may be stopped by inputting TC 971 AC 850. This action must be done **prior to** the posting of the systemic refund (TC 846) on CC IMFOLT, unless a freeze condition is holding the refund. Input of a TC 971 AC 850 will result in the issuance of a paper refund check to the address shown on the taxpayer's tax return. If the return has posted, the direct deposit refund cannot be prevented by input of TC 971 AC 850, UNLESS the refund is frozen (e.g., -R, P- freeze, etc.). In the case of a freeze condition, the TC 971 AC 850 must post before, or in the same cycle as the refund. See IRM 21.4.1.5.7.1, Direct Deposit of Refunds, for further guidance.

**Caution:** Prior to taking any action to change how the refund is issued, research CC TRDBV for Refund Anticipation Loan (RAL/RAC) code and follow guidance in If/Then chart below.

<b>If</b>	<b>And</b>	<b>Then</b>
e-Filed return	CC TRDBV or MeF Return Request Display (RRD) shows a RAL/RAC code of <b>1 - 4</b>	Taxpayer must be referred to the financial institution or tax return preparer. Follow the instructions in IRM 21.4.1.5.7.1 (7), Direct Deposit of Refunds.
e-Filed return	CC TRDBV or MeF Return Request Display (RRD) does <b>NOT</b> show a RAL/RAC code of <b>1 - 4</b>	<ul style="list-style-type: none"> <li>• Input TC 971 AC 850 if the TC 150 has not posted on CC IMFOLT.</li> <li>• Advise the taxpayer you are requesting the issuance of a paper check, however, due to timing issues, the request may be too late and a direct deposit may still be issued.</li> <li>• Advise the taxpayer they should also contact the financial institution.</li> </ul> <p><b>Note:</b> Since the TC 971 AC 850 takes two cycles to post, consideration must be given to posting cycles when inputting TC 971 AC 850 on Masterfile accounts.</p>
e-Filed return	CC IMFOLT shows TC 150 already posted	<ul style="list-style-type: none"> <li>• Advise the taxpayer the refund cannot be issued as a paper check.</li> <li>• Provide the taxpayer with refund information and advise them to contact us again if it is not received after 5 calendar days.</li> <li>• If 5 calendar days have passed and the taxpayer has not received their direct deposit, see IRM 21.4.1.5.7.1, Direct</li> </ul>

If	And	Then
		Deposit of Refunds.
Paper return	<ul style="list-style-type: none"> <li>• CC IMFOLT does not show a TC 150 posted</li> <li>• CC TXMOD does not show a pending TC 150</li> </ul>	<ul style="list-style-type: none"> <li>• Input TC 971 AC 850</li> <li>• Advise the taxpayer you are taking the necessary steps to have their refund issued as a paper check.</li> </ul>

**Note:** If during the conversation it is determined the taxpayer did not request direct deposit, refer to IRM 21.4.1.5.9.5, Taxpayer Expecting a Paper Check But Refund Issued as Direct Deposit.

**IRM 21.4.1.5.7.1(2) Added link to Disclosure Definition with regards to bank account data. Changes made to clarify information.**

(2) Research CC IMFOBT (CC RTVUE and CC TRDBV can also be used) for the exact RTN and account numbers to verify they match the taxpayer's information.

**Reminder:** Direct deposit refunds are held one week if this is a first time filer, or the first time the current last name is being used, or the taxpayer has not filed a return in the past 10 years.

**Note:** If either routing or account numbers provided by the taxpayer differ from those on the return, provide the FI contact information and advise the taxpayer to immediately contact the FI. Use the link in Exhibit 21.4.1-2, Most Common Banks That Offer Refund Transfer Products (RAL/RAC), to find the FI contact information. IRS employees cannot change the routing or account numbers. If the direct deposit is rejected by the financial institution, a paper check will normally be issued within 4 weeks from the RFND-PAY-DATE located below the TC 846 date of the direct deposit refund. Add 1 week to this for mail delivery, and the taxpayer should have the check within 5 weeks.

**Reminder:** For information regarding disclosure of bank account data, see IRM 21.1.3.2.1, Disclosure Definition.

**Example:** The TC 846 date for a direct deposit is 03/21/2019. The actual direct deposit date, as indicated by the RFND-PAY-DATE field below the TC 846, is 03/07/2019. If the direct deposit is rejected, the refund check should be delivered by 04/11/2019.