

## IRM PROCEDURAL UPDATE

**DATE: 11/01/2023**

**NUMBER: wi-21-1123-1063**

**SUBJECT: ERC Claim Withdrawal Program**

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

**CHANGE(s):**

**IRM 21.7.2.7.7(6) Revised to account for addition of handling instructions in succeeding subsections.**

(6) Handling guidance for ERC claim withdrawal requests is found in succeeding IRM subsections.

**IRM 21.7.2.7.7.1 Added new subsection with guidance on ERC claim withdrawal request program receipts and case association actions.**

ERC Claim Withdrawal Requests – Case Receipts and Case Association Actions

(1) Withdrawal requests submitted via the dedicated fax line (see (5) in IRM 21.7.2.7.7, *ERC Claim Withdrawal Program*) are delivered as electronic images to a shared drive. Ephesoft imaging software is then applied to create a new case in CII with Priority Code 2 and assigned to IDRS number 0231022887 for inventory control purposes. ERC claim withdrawal cases are controlled with case category 941X, 943X, 944X or CT1X as appropriate.

(2) Similarly, withdrawal cases identified in paper receipts are scanned by ICT to create new cases in CII coded as above.

(3) Take the following actions when missed ERC claim withdrawal requests are identified in inventory:

- ERC claim withdrawal requests identified in CII electronic inventory are to be coded with **Priority Code 2** and reassigned to IDRS number **0231022887**.
- ERC claim withdrawal requests (**only**) identified in paper inventory are to be faxed to (855) 738-7609.

(4) AM employees specifically designated to work ERC claim withdrawal request cases **(only)** must take the following preliminary actions to ensure withdrawal requests are properly associated with any related open or closed Form 94XX case.

1. Review the ERC claim withdrawal request case document for a copy of a previously filed Form 94XX claiming ERC with "withdrawn" entered on it (usually found in the left hand margin of the first page) or other indication that the document submitted was intended to be an ERC claim withdrawal request.
  - If the case includes a general information request about the ERC claim withdrawal program (e.g., how to submit a withdrawal request), handle as per the last row of the table in (2) below. (It is not necessary to search for a related Form 94XX case.)
  - If there is no indication the taxpayer is making an ERC claim withdrawal request, continue handling per guidance in IRM 21.7.2.7.7.7, *Handling for Miscellaneous Incorrect Submissions Received in the ERC Claim Withdrawal Program*.
  - Otherwise, proceed to Step 2.
2. Review the entity, tax form, and tax period data on the ERC claim withdrawal request, research CII for a related Form 94XX case, and then continue handling per guidance in the table below:

If	Then
An open related Form 94XX case is located	<ol style="list-style-type: none"> <li>1. Enter "ERC WD REQ RCVD" in CII case notes for the Form 94XX case.</li> <li>2. Close the open Form 94XX case.</li> <li>3. Link the now closed Form 94XX case to the new ERC claim withdrawal request case in CII.</li> <li>4. Continue processing the ERC claim withdrawal request case as per guidance in IRM 21.7.2.7.7.2, <i>Processing ERC Claim Withdrawal Requests — Review for Unprocessable Conditions</i>, and subsequent IRM subsections as appropriate.</li> </ol>
A closed related Form 94XX case is located	<ol style="list-style-type: none"> <li>1. Enter "ERC WD REQ RCVD" in CII case notes for the closed Form 94XX case.</li> <li>2. Link the closed Form 94XX case to the new ERC claim withdrawal request case in CII.</li> <li>3. Continue processing the ERC claim withdrawal request case as per guidance in IRM 21.7.2.7.7.2, <i>Processing ERC Claim Withdrawal Requests — Review for Unprocessable Conditions</i>, and subsequent IRM subsections as appropriate.</li> </ol>
No related Form 94XX	Continue processing the ERC claim withdrawal request case as per guidance in IRM 21.7.2.7.7.2, <i>Processing ERC Claim</i>

case is located	<i>Withdrawal Requests — Review for Unprocessable Conditions,</i> and subsequent IRM subsections as appropriate.
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(5) On all accepted and rejected ERC claim withdrawal request cases, certain data (claim dollar amounts, reject reasons, etc.) for each case is required to be captured and entered on a data collection template when the case is resolved.

**IRM 21.7.2.7.7.3 Added new subsection with guidance on reviewing ERC claim withdrawal requests for ineligible submissions.**

Processing ERC Claim Withdrawal Requests – Review for Ineligible Submissions

(1) The guidance in this subsection is intended to be applied by AM employees specifically designated to process ERC claim withdrawal program requests **(only)**.

(2) The procedures in this subsection are to be applied to ERC claim withdrawal requests which did not meet rejection criteria described in IRM 21.7.2.7.7.2, *Processing ERC Claim Withdrawal Requests — Review for Unprocessable Conditions*.

(3) ERC claim withdrawal requests must meet certain eligibility criteria. See (3) and (4) in IRM 21.7.2.7.7, *ERC Claim Withdrawal Program*, for more information on eligibility requirements and exclusionary criteria.

(4) Review the ERC claim withdrawal request document(s), the previous Form 94XX claiming ERC that the taxpayer is trying to withdraw (if not already associated, conduct research to locate the Form 94XX if possible), and the related tax account to evaluate eligibility factors addressed in the table which follows:

If	And	Then
The ERC claim withdrawal request is a duplicate request	The previous ERC claim withdrawal request has not been processed	<ol style="list-style-type: none"> <li>1. Link the ERC claim withdrawal case with the most recent received date to the case with the oldest received date.</li> <li>2. Enter "ERC WD REQ LIVE DUPLICATE" in CII case notes for both cases.</li> <li>3. Close the CII case with the most recent received date.</li> <li>4. Continue processing the original ERC claim withdrawal request as appropriate.</li> </ol>

<p>The ERC claim withdrawal request is a duplicate request</p>	<p>The previous ERC claim withdrawal request has already been processed</p>	<ol style="list-style-type: none"> <li>1. Send Letter 916C with the following text inserted in an open paragraph: "We didn't process your request to withdraw your Employee Retention Credit (ERC) claim because we consider it a duplicate submission. We issued a letter on [enter date] in response to your original withdrawal request."</li> <li>2. Input a TC 971 with the following data elements: <ul style="list-style-type: none"> <li>• Enter the received date of the ERC withdrawal case as the transaction date</li> <li>• Enter Action Code 333</li> <li>• Enter Remarks: "NSD ERC WD REQ RJCT - DUPLICATE"</li> </ul> </li> <li>3. Link the current ERC claim withdrawal case with the previously worked case.</li> <li>4. Enter "ERC WD REQ RJCT - DUPLICATE" in CII case notes for both cases.</li> <li>5. Close the current CII case.</li> </ol>
<p>The ERC claim withdrawal request was filed by a company which is a client of an aggregate employment tax return filer (Section 3504 Agent, CPEO, or PEO)</p>	<p>The ERC claim the taxpayer is trying to withdraw was filed on their behalf by the aggregate employment tax return filer (i.e., under the EIN of the Section 3504 Agent, CPEO, or PEO)</p>	<ol style="list-style-type: none"> <li>1. Send Letter 916C with the following text inserted in two open paragraphs: "We can't process your request to withdraw your Employee Retention Credit (ERC) claim because our records show your employment taxes were reported by a third-party payor on an aggregate employment tax return they filed." "You should contact your third-party payor if you wish to withdraw or correct an ERC claim they filed on your behalf."</li> <li>2. Enter "ERC WD REQ RJCT - AGG FILER" in CII case notes.</li> <li>3. Input a TC 971 with the following data elements: <ul style="list-style-type: none"> <li>• Enter the received date of the ERC withdrawal case as the transaction date</li> <li>• Enter Action Code 333</li> </ul> </li> </ol>

		<ul style="list-style-type: none"> <li>• Enter Remarks: "NSD ERC WD REQ RJCT - AGG FILER"</li> </ul> <ol style="list-style-type: none"> <li>4. Update the CII case as follows: <ul style="list-style-type: none"> <li>• Update the CII case with <b>Priority Code 1</b>.</li> <li>• Change the received date to that of the related Form 94XX case that was closed during case association.</li> <li>• Reassign the case to IDRS number <b>0230281416</b> or <b>02302555 27</b> as appropriate to match the IDRS number to which the Form 94XX case was assigned when closed.</li> </ul> </li> </ol>
The withdrawal request includes a copy of a Form 94XX claiming ERC	The case is not linked to a Form 94XX case and no related Form 94XX case can be located	<ol style="list-style-type: none"> <li>1. Send Letter 916C with the following text inserted in an open paragraph: "We can't process your request to withdraw your Employee Retention Credit (ERC) claim because we didn't receive a Form [specify form] for the claim you're trying to withdraw."</li> <li>2. Input a TC 971 with the following data elements: <ul style="list-style-type: none"> <li>• Enter the received date of the ERC withdrawal case as the transaction date</li> <li>• Enter Action Code 333</li> <li>• Enter Remarks: "NSD ERC WD REQ RJCT - NO CLAIM"</li> </ul> </li> <li>3. Enter "ERC WD REQ RJCT - NO CLAIM" in CII case notes.</li> <li>4. Close the CII case.</li> </ol>
The ERC claim withdrawal request is for ERC claimed <b>entirely</b> on the original employment tax return		<ol style="list-style-type: none"> <li>1. Send Letter 916C with the following text inserted in two open paragraphs: "We can't process your request to withdraw your Employee Retention Credit (ERC) claim because our records show the amounts you're requesting to withdraw were claimed on your original Form [specify form]." "You should file Form [specify</li> </ol>

		<p>form] to make corrections to information reported on your original return, including any changes to claimed ERC amounts, and pay any amount due."</p> <ol style="list-style-type: none"> <li>Input a TC 971 with the following data elements: <ul style="list-style-type: none"> <li>Enter the received date of the ERC withdrawal case as the transaction date</li> <li>Enter Action Code 333</li> <li>Enter Remarks: "NSD ERC WD REQ RJCT - ERC TC 150"</li> </ul> </li> <li>Enter "ERC WD REQ RJCT - ERC TC 150" in CII case notes.</li> <li>Close the CII case.</li> </ol>
The Form 94XX for which the ERC claim withdrawal request was made has already been processed	The claim was closed as a "no consideration" case	<ol style="list-style-type: none"> <li>Update the CII case with <b>Priority Code 4</b>.</li> <li>Send Letter 916C with the following text inserted in an open paragraph: <p>"We can't process your request to withdraw your Employee Retention Credit (ERC) claim because our records show we sent you a letter on [specify date] stating that we could not process the Form [specify] you're trying to withdraw."</p> </li> <li>Input a TC 971 with the following data elements: <ul style="list-style-type: none"> <li>Enter the received date of the ERC withdrawal case as the transaction date</li> <li>Enter Action Code 333</li> <li>Enter Remarks: "NSD ERC WD REQ RJCT - CLAIM NO CONSIDERED"</li> </ul> </li> <li>Enter "ERC WD REQ RJCT - CLAIM NO CONSIDERED" in CII case notes.</li> <li>Close the CII case.</li> </ol>
The Form 94XX for which the ERC claim withdrawal request was made has already been processed	The claim was formally disallowed in part or in full	<ol style="list-style-type: none"> <li>Update the CII case with <b>Priority Code 4</b>.</li> <li>Send Letter 916C with the following text inserted in an open paragraph:</li> </ol>

		<p>"We can't process your request to withdraw your Employee Retention Credit (ERC) claim because our records show we previously disallowed all or a portion of your claim. A disallowance letter was sent on [specify date]."</p> <ol style="list-style-type: none"> <li>Input a TC 971 with the following data elements: <ul style="list-style-type: none"> <li>Enter the received date of the ERC withdrawal case as the transaction date</li> <li>Enter Action Code 333</li> <li>Enter Remarks: "NSD ERC WD REQ RJCT - CLAIM DISALLOWANCE"</li> </ul> </li> <li>Enter "ERC WD REQ RJCT - CLAIM DISALLOWANCE" in CII case notes.</li> <li>Close the CII case.</li> </ol>
<p>The Form 94XX for which the ERC claim withdrawal request was made has already been processed</p>	<p>A refund was issued but there is <b>no</b> indication the taxpayer returned the refund check</p>	<ol style="list-style-type: none"> <li>Update the CII case with <b>Priority Code 4</b>.</li> <li>Send Letter 916C with the following text inserted in two open paragraphs: <p>"We can't accept your request to withdraw your Employee Retention Credit (ERC) claim because we already processed the claim you're trying to withdraw."</p> <p>"If you haven't cashed or deposited your refund check, see <a href="http://www.irs.gov/ercwithdrawal">www.irs.gov/ercwithdrawal</a> for instructions on how to return your refund check and make a new request to withdraw your ERC claim. If you cashed the refund check, you should file Form [specify form] to make corrections and pay any amount due."</p> </li> <li>Input a TC 971 with the following data elements: <ul style="list-style-type: none"> <li>Enter the received date of the ERC withdrawal case as the transaction date</li> <li>Enter Action Code 333</li> <li>Enter Remarks: "NSD ERC WD</li> </ul> </li> </ol>

		<p>REQ RJCT - CLAIM PROCESSED"</p> <ol style="list-style-type: none"> <li>4. Enter "ERC WD REQ RJCT - CLAIM PROCESSED" in CII case notes.</li> <li>5. Close the CII case.</li> </ol>
The Form 94XX for which the ERC claim withdrawal request was made has already been processed	The taxpayer repaid the amount refunded via EFTPS or with a personal/business check	<ol style="list-style-type: none"> <li>1. Update the CII case with <b>Priority Code 4</b>.</li> <li>2. Send Letter 916C with the following text inserted in two open paragraphs: "We can't accept your request to withdraw your Employee Retention Credit (ERC) claim because we already processed the claim you're trying to withdraw." "You should file Form [specify form] to report corrections to any amounts previously claimed in error."</li> <li>3. Input a TC 971 with the following data elements: <ul style="list-style-type: none"> <li>• Enter the received date of the ERC withdrawal case as the transaction date</li> <li>• Enter Action Code 333</li> <li>• Enter Remarks: "NSD ERC WD REQ RJCT - CLAIM PROCESSED"</li> </ul> </li> <li>4. Enter "ERC WD REQ RJCT - CLAIM PROCESSED" in CII case notes.</li> <li>5. Close the CII case.</li> </ol> <p><b>Caution: Do not</b> release any overpayment associated with the repayment since the funds will be required to pay the Form 94XX the taxpayer is expected to file.</p>
The Form 94XX for which the ERC claim withdrawal request was made has already been processed	<p>All or part of the overpayment resulting from the previous credit allowance was:</p> <ul style="list-style-type: none"> <li>• Applied to other</li> </ul>	<ol style="list-style-type: none"> <li>1. Update the CII case with <b>Priority Code 4</b>.</li> <li>2. Contact the IRM author through your management chain and the site P&amp;A Staff for guidance on case handling.</li> </ol>



	<p>amounts due on the account adjusted; <b>or</b>,</p> <ul style="list-style-type: none"> <li>• Offset to balances owed on another tax account; <b>or</b>,</li> <li>• Applied to a succeeding tax period as the result of the processed Form 94XX having been marked as an adjusted return.</li> </ul>	
<p>The Form 94XX for which the ERC claim withdrawal request was made has already been processed</p>	<p>A refund was issued <b>and</b> there is an indication present that the taxpayer returned the refund check. Review for one or more of the following indicators:</p> <ul style="list-style-type: none"> <li>• A photocopy of a voided check or other notation is attached</li> </ul>	<p>Continue processing as per guidance in IRM 21.7.2.7.6, <i>Processing ERC Claim Withdrawal Requests with a Returned Refund Check</i>.</p>

	<p>to the withdrawal request.</p> <ul style="list-style-type: none"> <li>• An open IDRS control for a returned refund check.</li> <li>• A posted TC 841 with credit held by a <b>P</b>- freeze.</li> <li>• A posted TC 740 with credit held by a <b>S</b>- freeze.</li> </ul>	
<p>The ERC claim withdrawal request is for <b>less than</b> the ERC claimed on the related Form 94XX claiming ERC</p>		<ol style="list-style-type: none"> <li>1. Send Letter 916C with the following text inserted in two open paragraphs:              "We can't process your request to withdraw your Employee Retention Credit (ERC) claim because the amount shown on your request is less than the amount reported on the associated Form [specify form] we received on [specify date]."              "If you qualify for some amount of ERC but less than the amount previously claimed, you should file Form [specify form] to make corrections and pay any amount due."</li> <li>2. Input a TC 971 with the following data elements:             <ul style="list-style-type: none"> <li>• Enter the received date of the ERC withdrawal case as the transaction date</li> <li>• Enter Action Code 333</li> <li>• Enter Remarks: "NSD ERC WD REQ RJCT - CLAIM MISMATCH"</li> </ul> </li> </ol>

		<ol style="list-style-type: none"> <li>3. Enter "ERC WD REQ RJCT - CLAIM MISMATCH" in CII case notes.</li> <li>4. Update the CII case as follows: <ul style="list-style-type: none"> <li>• Update the CII case with <b>Priority Code 1</b>.</li> <li>• Change the received date to that of the related Form 94XX case that was closed during case association.</li> <li>• Reassign the case to IDRS number <b>0230281416</b> or <b>02302555 27</b> as appropriate to match the IDRS number to which the Form 94XX case was assigned when closed.</li> </ul> </li> </ol>
The ERC claim withdrawal request is for <b>more than</b> the ERC claimed on the related Form 94XX claiming ERC		<ol style="list-style-type: none"> <li>1. Send Letter 916C with the following text inserted in two open paragraphs:  "We can't process your request to withdraw your Employee Retention Credit (ERC) claim because the amount shown on your request is more than the amount reported on the associated Form [specify form] we received on [specify date]."  "If you need to reduce or remove previously claimed ERC in excess of the amount reported on a specific Form [specify form], you should file a new Form [specify form] to make corrections and pay any amount due."</li> <li>2. Input a TC 971 with the following data elements: <ul style="list-style-type: none"> <li>• Enter the received date of the ERC withdrawal case as the transaction date</li> <li>• Enter Action Code 333</li> <li>• Enter Remarks: "NSD ERC WD REQ RJCT - CLAIM MISMATCH"</li> </ul> </li> <li>3. Enter "ERC WD REQ RJCT - CLAIM MISMATCH" in CII case notes.</li> <li>4. Update the CII case as follows: <ul style="list-style-type: none"> <li>• Update the CII case with <b>Priority Code 1</b>.</li> </ul> </li> </ol>

		<ul style="list-style-type: none"> <li>• Change the received date to that of the related Form 94XX case that was closed during case association.</li> <li>• Reassign the case to IDRS number <b>0230281416</b> or <b>0230255527</b> as appropriate to match the IDRS number to which the Form 94XX case was assigned when closed.</li> </ul>
The Form 94XX related to the ERC claim withdrawal request reported <b>other</b> non-ERC wage/tax/credit corrections in addition to claiming ERC		<ol style="list-style-type: none"> <li>1. Send Letter 916C with the following text inserted in two open paragraphs:            "We can't process your request to withdraw your Employee Retention Credit (ERC) claim because the claim you're trying to withdraw reported other corrections in addition to claiming ERC."            "You should file a new Form [specify form] to make corrections to ERC you previously claimed, along with any other necessary corrections, and pay any amount due."</li> <li>2. Input a TC 971 with the following data elements:           <ul style="list-style-type: none"> <li>• Enter the received date of the ERC withdrawal case as the transaction date</li> <li>• Enter Action Code 333</li> <li>• Enter Remarks: "NSD ERC WD REQ RJCT - CLAIM NOT ERC ONLY"</li> </ul> </li> <li>3. Enter "ERC WD REQ RJCT - CLAIM NOT ERC ONLY" in CII case notes.</li> <li>4. Update the CII case as follows:           <ul style="list-style-type: none"> <li>• Update the CII case with <b>Priority Code 1</b>.</li> <li>• Change the received date to that of the related Form 94XX case that was closed during case association.</li> <li>• Reassign the case to IDRS number <b>0230281416</b> or <b>0230255527</b> as appropriate to match the</li> </ul> </li> </ol>

		IDRS number to which the Form 94XX case was assigned when closed.
The ERC claim withdrawal request includes <b>other</b> corrections in addition to withdrawing the previous ERC claimed		<ol style="list-style-type: none"> <li>1. Send Letter 916C with the following text inserted in two open paragraphs:            "We can't process your request to withdraw your Employee Retention Credit (ERC) claim because you requested other changes to your account information in addition to the ERC claim withdrawal."            "You should file a new Form [specify form] to make corrections to ERC you previously claimed, along with any other necessary corrections, and pay any amount due."</li> <li>2. Input a TC 971 with the following data elements:           <ul style="list-style-type: none"> <li>• Enter the received date of the ERC withdrawal case as the transaction date</li> <li>• Enter Action Code 333</li> <li>• Enter Remarks: "NSD ERC WD REQ RJCT - WD REQ INC OTHER CHANGES"</li> </ul> </li> <li>3. Enter "ERC WD REQ RJCT - WD REQ INC OTHER CHANGES" in CII case notes.</li> <li>4. Update the CII case as follows:           <ul style="list-style-type: none"> <li>• Update the CII case with <b>Priority Code 1</b>.</li> <li>• Change the received date to that of the related Form 94XX case that was closed during case association.</li> <li>• Reassign the case to IDRS number <b>0230281416</b> or <b>02302555 27</b> as appropriate to match the IDRS number to which the Form 94XX case was assigned when closed.</li> </ul> </li> </ol>

**Reminder:** As indicated in (5) of IRM 21.7.2.7.7.1, *ERC Claim Withdrawal Requests — Case Receipts and Case Association Actions*, the ERC claim withdrawal case

information template must be completed when each accepted or rejected ERC claim withdrawal case is resolved/closed.

(5) Continue processing eligible ERC claim withdrawal cases (i.e., those not rejected or otherwise addressed per instructions in (4) above) as per guidance in IRM 21.7.2.7.7.4, *Processing ERC Claim Withdrawal Requests — Review for Account Conditions Requiring Special Handling*.

#### **IRM 21.7.2.7.7.5 Added new subsection with guidance on closing actions for ERC claim withdrawal requests with open claims.**

##### **Processing ERC Claim Withdrawal Requests – Closing Actions for Cases with Open ERC Claims**

(1) The guidance in this subsection is intended to be applied by AM employees specifically designated to process ERC claim withdrawal program requests **(only)**.

(2) The procedures in this subsection are to be applied to ERC claim withdrawal requests:

- **After** unprocessable ERC claim withdrawal requests are rejected as per guidance in IRM 21.7.2.7.7.2, *Processing ERC Claim Withdrawal Requests — Review for Unprocessable Conditions*;
- **After** ineligible ERC claim withdrawal requests are rejected as per guidance in IRM 21.7.2.7.7.3, *Processing ERC Claim Withdrawal Requests — Review for Ineligible Submissions*; and,
- **After** any special account conditions are addressed as per guidance in IRM 21.7.2.7.7.4, *Processing ERC Claim Withdrawal Requests — Review for Account Conditions Requiring Special Handling*.

(3) Take the following actions to record acceptance of processable, eligible ERC claim withdrawal requests:

1. Send Letter 916C with the following text inserted in an open paragraph:  
"We accepted your request to withdraw your Employee Retention Credit (ERC) claim. As requested, we will not process your Form [specify form] for the tax period ending [enter date]."
2. Input a TC 290 .00 transaction in Blocking Series 20 on the tax account to release the -A freeze on the account with the following remarks: "ERC WD REQ ACCEPTED".

**Exception:** If the taxpayer is withdrawing a Form 94XX for which there is no corresponding original return posted, release the E- freeze by entering a TC 971 with Action Code 002 and enter the following remarks: "ERC WD REQ ACCEPTED".

3. Input a TC 971 with the following data elements:
  - Enter the received date of the ERC withdrawal case as the transaction date
  - Enter Action Code 332
  - Enter Remarks: "NSD ERC WD REQ ACCEPTED"
4. Enter "ERC WD REQ ACCEPTED" in CII case notes.
5. Close the CII case.

**Reminder:** As indicated in (5) of IRM 21.7.2.7.7.1, *ERC Claim Withdrawal Requests — Case Receipts and Case Association Actions*, the ERC claim withdrawal case information template must be completed when each accepted or rejected ERC claim withdrawal case is resolved/closed.

**Reminder:** ERC claim withdrawal cases with a returned refund check are handled as per guidance in IRM 21.7.2.7.7.6, *Processing ERC Claim Withdrawal Requests with a Returned Refund Check*.

#### **IRM 21.7.2.7.7.6 Added new subsection with guidance on handling and closing actions for ERC claim withdrawal requests with a returned refund check.**

##### Processing ERC Claim Withdrawal Requests with a Returned Refund Check

(1) The guidance in this subsection is intended to be applied by AM employees specifically designated to process ERC claim withdrawal program requests (**only**).

(2) The procedures in this subsection are to be applied to ERC claim withdrawal requests with returned (or otherwise uncashed) refund checks which did not meet rejection criteria described in IRM 21.7.2.7.7.2, *Processing ERC Claim Withdrawal Requests — Review for Unprocessable Conditions* or the first ten rows of the table in IRM 21.7.2.7.7.3, *Processing ERC Claim Withdrawal Requests — Review for Ineligible Submissions*.

(3) Take the following actions on ERC claim withdrawal request cases with a returned refund check for which the credit has **not** yet posted to the associated tax account:

1. Update the CII case with **Priority Code 4**.
2. Enter "ERC WD REQ RETD REFUND SUSPEND" in CII case notes.
3. Suspend the CII case and monitor the account for posting of a TC 841 transaction.
4. Once credit for the returned refund check is posted to the account, resume processing as per guidance in (6) and succeeding paragraphs below.

(4) Take the following actions on ERC claim withdrawal request cases with a returned refund check for which the credit has posted to the associated tax account:

1. If not already done, update the CII case with **Priority Code 4**.

2. Enter "ERC WD REQ RETD REFUND POSTED" in CII case notes.
3. Continue/resume processing as per guidance in (6) and succeeding paragraphs below.

(5) ERC claim withdrawal requests must meet certain eligibility criteria. See (3) and (4) in IRM 21.7.2.7.7, *ERC Claim Withdrawal Program*, for more information on eligibility requirements and exclusionary criteria.

(6) Review the ERC claim withdrawal request document(s), the previous Form 94XX claiming ERC that the taxpayer is trying to withdraw (if not already associated, conduct research to locate the Form 94XX if possible), and the related tax account to evaluate eligibility factors addressed in the table which follows:

If	Then
The ERC claim withdrawal request is for <b>less than</b> the ERC claimed on the related Form 94XX claiming ERC	<ol style="list-style-type: none"> <li>1. Send Letter 916C with the following text inserted in two open paragraphs: "We can't process your request to withdraw your Employee Retention Credit (ERC) claim because the amount shown on your request is less than the amount reported on the associated Form [specify form] we received on [specify date]." "If you qualify for some amount of ERC but less than the amount previously claimed, you should file Form [specify form] to make corrections and pay any amount due."</li> <li>2. Input a TC 971 with the following data elements: <ul style="list-style-type: none"> <li>• Enter the received date of the ERC withdrawal case as the transaction date</li> <li>• Enter Action Code 333</li> <li>• Enter Remarks: "NSD ERC WD REQ RJCT - CLAIM MISMATCH"</li> </ul> </li> <li>3. Enter "ERC WD REQ RJCT - CLAIM MISMATCH" in CII case notes.</li> <li>4. Close the CII case.</li> </ol>
The ERC claim withdrawal request is for <b>more than</b> the ERC claimed on the related Form 94XX claiming ERC	<ol style="list-style-type: none"> <li>1. Send Letter 916C with the following text inserted in two open paragraphs: "We can't process your request to withdraw your Employee Retention Credit (ERC) claim because the amount shown on your request is more than the amount reported on the associated Form [specify form] we</li> </ol>



	<p>received on [specify date]."</p> <p>"If you need to reduce or remove previously claimed ERC in excess of the amount reported on a specific Form [specify form], you should file a new Form [specify form] to make corrections and pay any amount due."</p> <ol style="list-style-type: none"> <li>Input a transaction with the following data elements: <ul style="list-style-type: none"> <li>Enter the received date of the ERC withdrawal case as the transaction date</li> <li>Enter Action Code 333</li> <li>Enter Remarks: "NSD ERC WD REQ RJCT - CLAIM MISMATCH"</li> </ul> </li> <li>Enter "ERC WD REQ RJCT - CLAIM MISMATCH" in CII case notes.</li> <li>Close the CII case.</li> </ol>
<p>The Form 94XX related to the ERC claim withdrawal request reported <b>other</b> non-ERC wage/tax/credit corrections in addition to claiming ERC</p>	<ol style="list-style-type: none"> <li>Send Letter 916C with the following text inserted in two open paragraphs: <p>"We can't process your request to withdraw your Employee Retention Credit (ERC) claim because the claim you're trying to withdraw reported other corrections in addition to claiming ERC."</p> <p>"You should file a new Form [specify form] to make corrections to ERC you previously claimed, along with any other necessary corrections, and pay any amount due."</p> </li> <li>Input a transaction with the following data elements: <ul style="list-style-type: none"> <li>Enter the received date of the ERC withdrawal case as the transaction date</li> <li>Enter Action Code 333</li> <li>Enter Remarks: "NSD ERC WD REQ RJCT - CLAIM NOT ERC ONLY"</li> </ul> </li> <li>Enter "ERC WD REQ RJCT - CLAIM NOT ERC ONLY" in CII case notes.</li> <li>Close the CII case.</li> </ol>
<p>The ERC claim withdrawal request includes <b>other</b> corrections in addition</p>	<ol style="list-style-type: none"> <li>Send Letter 916C with the following text inserted in two open paragraphs: <p>"We can't process your request to</p> </li> </ol>

to withdrawing the previous ERC claimed	<p>withdraw your Employee Retention Credit (ERC) claim because you requested other changes to your account information in addition to the ERC claim withdrawal."</p> <p>"You should file a new Form [specify form] to make corrections to ERC you previously claimed, along with any other necessary corrections, and pay any amount due."</p> <ol style="list-style-type: none"> <li>2. Input a TC 971 with the following data elements: <ul style="list-style-type: none"> <li>• Enter the received date of the ERC withdrawal case as the transaction date</li> <li>• Enter Action Code 333</li> <li>• Enter Remarks: "NSD ERC WD REQ RJCT - WD REQ INC OTHER CHANGES"</li> </ul> </li> <li>3. Enter "ERC WD REQ RJCT - WD REQ INC OTHER CHANGES" in CII case notes.</li> <li>4. Close the CII case.</li> </ol>
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**Reminder:** As indicated in (5) of IRM 21.7.2.7.7.1, *ERC Claim Withdrawal Requests — Case Receipts and Case Association Actions*, the ERC claim withdrawal case information template must be completed when each accepted or rejected ERC claim withdrawal case is resolved/closed.

(7) For eligible ERC claim withdrawal cases (i.e., those not rejected or otherwise addressed per instructions in (6) above) with a returned refund check, continue processing as per guidance in IRM 21.7.2.7.7.4, *Processing ERC Claim Withdrawal Requests — Review for Account Conditions Requiring Special Handling*.

(8) Take the actions in the step list below to record acceptance of processable, eligible ERC claim withdrawal requests with a returned refund check:

- **After** unprocessable ERC claim withdrawal requests are rejected as per guidance in IRM 21.7.2.7.7.2, *Processing ERC Claim Withdrawal Requests — Review for Unprocessable Conditions*;
- **After** ineligible ERC claim withdrawal requests are rejected as per guidance in IRM 21.7.2.7.7.3, *Processing ERC Claim Withdrawal Requests — Review for Ineligible Submissions* or guidance in (6) above; and,
- **After** any special account conditions are addressed as per guidance in IRM 21.7.2.7.7.4, *Processing ERC Claim Withdrawal Requests — Review for Account Conditions Requiring Special Handling*.

1. Send Letter 916C with the following text inserted in two open paragraphs:  
"We accepted your request to withdraw your Employee Retention Credit (ERC) claim."  
"As per your request, we applied credit to your tax account for the refund check you returned and completed a correction to your account to reverse the ERC amount we previously recorded based on your Form [specify form] received [enter date]."
2. Input a TC 298 in Blocking Series 20 on the tax account to reverse the previously processed Form 94XX as follows:
  - Enter .00 for the transaction amount if the previous adjustment did not include non-refundable ERC
  - Enter the amount of the previous TC 291 for the transaction amount if the previous adjustment included non-refundable ERC
  - Enter a TC 180 for .00
  - Enter the ERC claim withdrawal request received date as the Interest Computation Date (ICD)
  - Enter CRN 296 and IRN 203, IRN 206, IRN 207, IRN 208 and IRN 209 amounts as appropriate
  - Enter the following remarks: "ERC WD REQ ACCEPTED - REF RETD"
3. Input a TC 971 with the following data elements:
  - Enter the received date of the ERC withdrawal case as the transaction date
  - Enter Action Code 332
  - Enter Remarks: "NSD ERC WD REQ ACCEPTED RETD REFUND"
4. Enter "ERC WD REQ ACCEPTED RETD REFUND" in CII case notes.
5. Close the CII case.

**Reminder:** As indicated in (5) of IRM 21.7.2.7.7.1, *ERC Claim Withdrawal Requests — Case Receipts and Case Association Actions*, the ERC claim withdrawal case information template must be completed when each accepted or rejected ERC claim withdrawal case is resolved/closed.

**IRM 21.7.2.7.7.7 Added new subsection with guidance on handling miscellaneous incorrect receipts in AM associated with the ERC claim withdrawal request program.**

Handling for Miscellaneous Incorrect Submissions Received in the ERC Claim Withdrawal Program

(1) The guidance in this subsection is intended to be applied by AM employees specifically designated to process ERC claim withdrawal program requests **(only)**.

(2) This subsection provides guidance on handling various documents incorrectly received via the ERC claim withdrawal program fax line for which CII cases were created and assigned to AM for handling or that were otherwise misidentified as an ERC claim withdrawal request and are in AM inventory. Handle such receipts as per guidance in the table which follows:

If	And	Then
The document was initially received as a <b>paper</b> submission	Was misidentified as an ERC claim withdrawal request	<ol style="list-style-type: none"> <li>1. Remove the Priority 2 coding from the CII case.</li> <li>2. Enter "NOT AN ERC WD REQ" in CII case notes.</li> <li>3. Reassign or reroute the case as appropriate to ensure proper handling of the issue presented by the taxpayer.</li> </ol>
The document was incorrectly <b>faxed</b> to the ERC claim withdrawal program fax line	Is a Form 94XX or other amended return reporting a tax increase or credit decrease	<ol style="list-style-type: none"> <li>1. Remove the Priority 2 coding from the CII case.</li> <li>2. Enter "94XX INCREASE NOT AN ERC WD REQ" in CII case notes.</li> <li>3. Reassign as appropriate to ensure the Form 94XX is worked as usual.</li> </ol> <p><b>Caution:</b> See (12) in IRM 21.7.2.4.6, <i>Adjusted Employer's Federal Tax Return or Claim for Refund</i>, for required handling if no -A freeze was set on the account.</p> <p><b>Exception:</b> If the ASERD is imminent, take immediate action to ensure an assessment is made before expiration.</p> <p><b>Note:</b> When closing these cases (after entering the appropriate adjustment), send Letter 4384C with the following text inserted in an open paragraph:          "We processed your Form [specify] dated [specify]. However, the fax line used to submit it to the IRS is not to be used for anything other than ERC claim withdrawal requests."</p>
The document was incorrectly <b>faxed</b> to the ERC claim withdrawal program fax line	Is a Form 94XX or other amended return reporting a tax decrease or credit increase	<ol style="list-style-type: none"> <li>1. Remove the Priority 2 coding from the CII case.</li> <li>2. Enter "94XX DECREASE NOT AN ERC WD REQ" in CII case notes.</li> <li>3. Reject the Form 94XX and send Letter 4384C with the following text inserted in two open paragraphs:          "We cannot process your Form [specify] dated [specify] because it was sent to the IRS via a fax line which can only be used to submit</li> </ol>

		<p>ERC claim withdrawal requests."          "You should file your Form [specify]          at the address specified in the form          instructions."          4. Close the CII case.</p>
<p>The document was          incorrectly <b>faxed</b> to          the ERC claim          withdrawal program          fax line</p>	<p>Is          correspondence          or other          documentation          not related to an          ERC claim          withdrawal          request</p>	<ol style="list-style-type: none"> <li>1. Remove the Priority 2 coding from the CII case.</li> <li>2. Enter "NOT AN ERC WD REQ" in CII case notes.</li> <li>3. Reject the correspondence or other documentation and send an appropriate "C" letter with the following text inserted in two open paragraphs:              "We cannot process your [specify correspondence/document/form] dated [specify] because it was sent to the IRS via a fax line which can only be used to submit ERC claim withdrawal requests."              "If you were responding to an IRS notice or letter, you should submit your [specify correspondence/document/form] as instructed in the notice or letter."</li> <li>4. Close the CII case.</li> </ol>

**Reminder:** Correspondence with general information requests about the ERC claim withdrawal program (e.g., how to submit a withdrawal request) are handled per guidance in the table in (3) of IRM 21.7.2.7.7.2, *Processing ERC Claim Withdrawal Requests — Review for Unprocessable Conditions*.

**Note:** When rejecting a Form 94XX, follow IRM 21.5.3.4.2, *Tax Decrease or Credit Increase Processing*, and (9) in IRM 21.5.1.5.6, *Incomplete CIS claims*, for the correct input of TC 971-270.

**Caution:** When rejecting documents, extreme care must be taken to ensure that only the material relative to the taxpayer(s) to which the correspondence is addressed is enclosed in the envelope. See IRM 21.3.3.4.25, *Breaches of Personally Identifiable Information (PII) Caused by Manual Stuffing Errors*, for additional information.