

IRM PROCEDURAL UPDATE

DATE: 04/22/2024

NUMBER: ts-21-0424-0544

SUBJECT: Self-Employment Income Sent to SSA

AFFECTED IRM(s)/SUBSECTION(s): 21.6.4.4.14.4

CHANGE(s):

IRM 21.6.4.4.14.4 Added information about SSA timely filing.

(1) Data from adjustments to self-employment (SE) tax is sent to Social Security Administration (SSA) electronically. SSA notifies the Internal Revenue Service if there are discrepancies in adjustment data. Examples of possible discrepancies are:

- SE tax incorrectly computed on SE tax earnings limit, less the taxpayer's net profit, rather than on the net profit.
- SE tax reported on net earnings under \$400.
- Reportable tax year incorrect.
- Money amounts incorrect.
- Invalid, insufficient, or missing data.

(2) If a taxpayer contacts the IRS about SSA not having record of self-employment income, the taxpayer must be able to provide proof of the income and proof of timely filing. A tax return is "timely filed" for SSA purposes if it is filed within SSA's statute of limitations; i.e., 3 years, 3 months and 15 days after the close of the taxable year (April 15) in which the self-employment income is reported. A transcript of the year in question provides the required information. The taxpayer must contact SSA to correct their records.

Note: SSA's definition of "timely filed" is controlling when determining if an SE tax return is "timely filed" for SSA's purposes and not the IRS's definition of "timely filed".