

IRM PROCEDURAL UPDATE

DATE: 02/14/2024

NUMBER: wi-03-0224-0258

SUBJECT: Suspense Case

AFFECTED IRM(s)/SUBSECTION(s): 3.11.6

CHANGE(s):

IRM 3.11.6.5.1(3) and (7), Transaction Code (TC) 150 Research (No TC 150) - Moved and revised instruction from paragraph 3 to new paragraph 7.

(3) If a TC 150 isn't present, follow the table.

If ...	Then ...
A TC 971 AC 124 is present	See IRM 3.11.6.7.5, Taxpayer Protection Program (TPP) Screening.
Form 4684 is present or the taxpayer indicates the case is a disaster claim	See IRM 3.11.6.16.2, Processing a Disaster Claim.
A TC 971 AC 506, 522, or 524 is present on CC ENMOD	See IRM 3.11.6.7.9, Identity Theft (IDT) Screening.
<ul style="list-style-type: none">A TC 971 AC 111 is present on CC IMFOLT or CC TXMODACC IMFOLI indicates the return is on MFT 32Form 14039 is attached or mentioned or the taxpayer indicates identity theft	See IRM 3.11.6.7.9, Identity Theft (IDT) Screening.
The case is for a Statute year	See IRM 3.11.6.7.10, Statute Review Screening.

(4) Use the following table to research ERS inventory.

If processing a ...	Then ...
MEFP case	Take the following action: 1. Research RRD to see if the original return was e-filed. If the original return is present on RRD and the

	<p>"Processing Status" field is "ERS SUSPENDED" or similar, send the case to your local ERS per IRM 3.11.6.9.1, 1040-X MEFP Reassignment and Reroute Guide</p> <p>2. If the original return was paper filed, research ERS inventory using CC ERINV and CC ERINV@. If in ERS, send the case to your local ERS per IRM 3.11.6.9.1, 1040-X MEFP Reassignment and Reroute Guide</p>
MEFS case	<p>Take the following action:</p> <ol style="list-style-type: none"> 1. Research RRD to see if the original return was e-filed. If the original return is present on RRD and the "Processing Status" field is "ERS SUSPENDED" or similar, send the case to your local ERS per IRM 3.11.6.9.2, 1040-X MEFS Reassignment and Reroute Guide 2. If the original return was paper filed, research ERS inventory using CC ERINV and CC ERINV@. If in ERS, send the case to your local ERS per IRM 3.11.6.9.2, 1040-X MEFS Reassignment and Reroute Guide

Note: Refer to the 1040-X Job Aid for IMF File Location Codes for use with CC ERINV@.

(5) If the ERS Status is "100" or "900," suspend for 5 working days. If after the suspense period a TC 150 is still not on the account, send the case to ERS.

(6) Use the following stop numbers when sending a case to ERS per paragraph 4 above. Prior to sending to ERS, change the case control activity to "SNT2ERS."

Reminder: The only suspend ERS cases that are in ERS Status "100" or "900." All other ERS Statuses must be sent to ERS without delay.

If ...	Then ...
The original return was e-filed	<ul style="list-style-type: none"> • Austin – Mail Stop 6122 AUSC • Kansas City – Mail Stop 6120 KCSC • Ogden – Mail Stop 6120 OSC • Memphis – Mail Stop 6122 AUSC
The original return was paper filed	<ul style="list-style-type: none"> • Austin – Mail Stop 6122 AUSC • Kansas City – Mail Stop 6120 KCSC • Ogden – Mail Stop 6120 OSC • Memphis – Mail Stop 6122 AUSC

(7) If none of the instructions above apply, determine if the case needs to be suspended or routed.

(8) If no TC 150 is found after all research has been exhausted:

- a. If Form 1040 isn't attached, see IRM 3.11.6.5.4, Form 1040-X without Form 1040 Attached (No TC 150).
- b. If Form 1040 is attached, see IRM 3.11.6.5.2, Form 1040 Attached to Form 1040-X.
- c. If Form 1040-X isn't attached, see IRM 3.11.6.5.3, Amended Form 1040 without Form 1040-X Attached.
- d. For a Statute year return, see IRM 3.11.6.7.10, Statute Review Screening.

Note: When routing a no TC 150 case to Batching and there's an E- freeze on the account, input a TC 971 AC 002 to indicate the amended return is being reprocessed as the original (to post as TC 150). The TC 971 AC 002 releases the E-freeze. When inputting the TC 971 AC 002 take the following action:

- In the "TRANS-DT" field, input the TC 976/977 date associated with the case you're processing as the transaction date.
- In the "XREF-TIN" field, input the TIN of the primary taxpayer.

Note: If the cross-reference TIN is the same as the account TIN, enter "R" to automatically populate the field.

- In the "XREF-TX-PRD" field, input the correct tax period.

Note: If the cross-reference tax period is the same as account tax period, enter "R" to automatically populate the field.

IRM 3.11.6.14.2.2.6, Child Tax Credit (CTC) - Revised table to reflect updated tax year instructions.

(1) Screen the case for CAT-A criteria. Refer to IRM 3.11.6.7.15, Category A (CAT-A) Criteria Screening.

(2) Send the case to AM if:

- There's a change to CTC and a CTC/ACTC Recertification Indicator is present on IDRS.
- The taxpayer attaches Form 8862, Information to Claim Certain Credits After Disallowance.
- The taxpayer indicates a religious (e.g., "Amish," "Mennonite," or Form 4029) or conscience-based objection to obtaining a TIN.

(3) Child Tax Credit amounts.

If processing tax year ...	And the qualifying child is ...	Then the CTC amount per qualifying child is ...
2022 through 2025	Under 17 years of age	\$2,000
2021	Under 6 years old.	\$3,600

2021	6 to 17 years old	\$3,000
2020	Under 17 years of age	\$2,000

(4) When processing the CTC, the credit has different rules depending on the year.

If processing tax year ...	And ...	Then ...
2024 through 2025 Note: Schedule 8812, Credits for Qualifying Children and Other Dependents, is required.		The CTC is non-refundable, and the taxpayer may qualify for up to \$1,500 of ACTC.
2023 Note: Schedule 8812, Credits for Qualifying Children and Other Dependents, is required.		The CTC is non-refundable, and the taxpayer may qualify for up to \$1,600 of ACTC.
2022 Note: Schedule 8812, Credits for Qualifying Children and Other Dependents, is required.		The CTC is non-refundable, and the taxpayer may qualify for up to \$1,500 of ACTC.
2021 Note: Schedule 8812, Credits for Qualifying Children and Other Dependents, is required.	Schedule 8812 line 13 Box A is checked.	The CTC is refundable.
2021 Note: Schedule 8812, Credits for Qualifying Children and Other Dependents, is required.	Schedule 8812 line 13 Box B is checked	Send the case to International.
2021 Note: Schedule 8812, Credits for Qualifying Children and Other Dependents, is required.	Schedule 8812 line 13 has no boxes checked	The CTC is non-refundable and the taxpayer may qualify for up to \$1,400 of Additional Child Tax Credit (ACTC).
2020		The CTC is non-refundable, and the taxpayer may qualify for up to \$1,400 of ACTC.

(5) If Schedule 8812 is required but missing, correspond per IRM 3.11.6.11, Correspondence Table of Issues, C-Letters and Paragraph Fill-ins.

(6) Math verify the taxpayer's figures by completing the appropriate AMS worksheet(s).

(7) CTC phase out threshold.

If processing tax year ...	Then ...
2022 through 2025	The total CTC is phased out by \$50 for each \$1,000 the AGI exceeds \$400,000 in the case of a joint return, \$200,000 for all other filers.
2021	<p>The total CTC is phased out by \$50 for each \$1,000 the AGI exceeds \$150,000 in the case of a joint return, \$112,500 for HOH, and \$75,000 for all other filers.</p> <p>Caution: When the 2021 increased CTC credit amount is reduced below what would have otherwise been applicable based on prior legislation, then the rules for tax years 2018-2020 and 2022-2025 apply (as shown below).</p> <p>Example: A married filing jointly filer, 3 children ages 1, 3, and 7, with a MAGI of \$250,000. Tentative CTC is \$10,200. \$250,000 - \$150,000 income threshold = \$100,000 \$100,000 X 5 percent phaseout (\$50 for each \$1,000) = \$5,000 \$10,200 (tentative credit) - \$5,000 = \$5,200 The increased credit amount is less than the credit allowed following prior year rules (\$2,000 per child), therefore, total allowable CTC is \$6,000.</p>
2020	The total CTC is phased out by \$50 for each \$1,000 the AGI exceeds \$400,000 in the case of a joint return, \$200,000 for all other filers.

(8) PATH Act criteria applies to this credit, see IRM 3.11.6.4.4.1, Protecting Americans from Tax Hikes (PATH Act).

(9) See IRM 21.6.3.4.1.24.1, CTC - Qualifications, for eligibility.

(10) If the dependent doesn't qualify the taxpayer for CTC/ACTC, they may qualify the taxpayer for Credit for Other Dependents.

(11) If processing a CTC claim for tax year 2021, see IRM 3.11.6.14.5.1.1, Schedule 8812, Refundable Child Tax Credit (Tax Year 2021), and IRM 3.11.6.14.2.4.3, Reconciling Advance Child Tax Credit Payments (Tax Year 2021).

(12) If instructed to disallow, input the adjustment per IRM 3.11.6.10.5, Correspondence for Disallowing a Claim (Letter 105C, Letter 105SP, Letter 106C, and Letter 106SP).

If the disallowance is related to ...	Then ...
PATH Act	See IRM 3.11.6.10.5, Correspondence for Disallowing a Claim (Letter 105C, Letter 105SP, Letter 106C, and Letter 106SP).
Age criteria	See IRM 3.11.6.10.5, Correspondence for Disallowing a

	Claim (Letter 105C, Letter 105SP, Letter 106C, and Letter 106SP). Use fill-in: We've disallowed your claim on Form 1040-X. To claim the Child Tax Credit, your dependent must be under the age of (seventeen/eighteen) at the end of the tax year.
A dependent with an ITIN or ATIN	See IRM 3.11.6.10.5, Correspondence for Disallowing a Claim (Letter 105C, Letter 105SP, Letter 106C, and Letter 106SP). Use fill-in: Beginning in 2018, your dependent must have a Social Security number issued before the due date of your return (including extensions) to claim the Child Tax Credit.
A dependent who doesn't qualify the taxpayer for CTC/ACTC but qualifies the taxpayer for the ODC.	See IRM 3.11.6.10.5, Correspondence for Disallowing a Claim (Letter 105C, Letter 105SP, Letter 106C, and Letter 106SP). Use fill-in: We've disallowed your claim for Child Tax Credit because the dependent(s) listed don't meet the eligibility requirements; however, we've allowed you the Credit for Other Dependents.
The CTC/ACTC and ODC being claimed for the same dependent, disallow the ODC and allow the CTC/ACTC if qualified.	See IRM 3.11.6.10.5, Correspondence for Disallowing a Claim (Letter 105C, Letter 105SP, Letter 106C, and Letter 106SP). Use fill-in: We've disallowed your claim for the Credit for Other Dependent. The same dependent(s) can't be claimed for both the Credit for Other Dependent and the (Additional) Child Tax Credit.
The CTC/ACTC and ODC being claimed for the same dependent, disallow the CTC/ACTC and allow the ODC if qualified.	IRM 3.11.6.10.5, Correspondence for Disallowing a Claim (Letter 105C, Letter 105SP, Letter 106C, and Letter 106SP). Use the fill-in: We've disallowed your claim for Child Tax Credit because the dependent(s) listed don't meet the eligibility requirements.

(13) Update the DUPOL database using CC DDBCK prior to inputting adjustment.

(14) When adjusting the credit for:

Tax Year ...	Use ...
2023 and later	<ul style="list-style-type: none"> • IRN 820 with a money amount to record the credit increase or decrease • TC 291 with a money amount to increase the credit (decreases the tax) • TC 290 with a money amount to decrease the credit (increases the tax) • RC 036
2022 and earlier	<ul style="list-style-type: none"> • TC 291 with a money amount to increase the credit (decreases the tax) • TC 290 with a money amount to decrease the credit (increases the tax)

	<ul style="list-style-type: none">• RC 036
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