

## IRM PROCEDURAL UPDATE

**DATE:** 03/07/2024

**NUMBER:** wi-03-0324-0363

**SUBJECT:** IMF Notice Review

**AFFECTED IRM(s)/SUBSECTION(s):** 3.14.1

**CHANGE(s):**

**IRM 3.14.1.6.1.1.9(1) - Updated information for Return Received Date. Deleted exception.**

**IRM 3.14.1.6.1.1.9(5) - Deleted sentence.**

(1) # [REDACTED] # Due to an Executive directive, every return received by the IRS # [REDACTED] # should have the envelope attached and will carry the stamped "IRS Received Date" as the return received date.

(2) The return received date can be found on TXMOD in the RET-RCVD-DT field or in the NRPS Package/Control D **DUE/RCVD DATE** field.

(3) If there is a question about the received date, determine the correct received date in the following priority:

- a. Latest postmark date on envelope (United States Postal Service or designated private delivery service).
- b. Date the taxpayer signed the return (only if current year date).
- c. Julian date of the return DLN minus ten days.

**Exception:** If the taxpayer has attached a note or explanation that the return is late because of rejection of a timely filed electronic return, the RDD will be used.

# [REDACTED] #

(4) Adjust all interest and penalties as appropriate. Refer to IRM 3.14.1.6.21.1, Computations of Penalties and Interest — General.

**IRM 3.14.1.6.1.1.10(1)(b) - Updated example to change from numeric to XX on the tax year.**

(1) There are three types of returns:

- a. **Calendar Year** — These are for a consecutive 12- month period ending on December 31. The tax period for this type of return is in the format CCYY12.
- b. **Fiscal Year** — These are for a consecutive 12 month period ending on the last day of a month other than December.

**Example:** A return with a tax period ending January 31, 20XX, has a tax period of 20XX01.

- c. **Short Year** — These are for a consecutive period of fewer than 12 months.

**IRM 3.14.1.6.9.18.1(1) - Added a new note and caution for EPE conditions when a TC 971 AC 831 is present for MISC EPE or CVC.**

(1) An EPE provides applicable entities with the ability to treat any unused portion of the non-refundable credit as a payment, which may cause an overpayment and generate a refund. The election to treat the credit as an EPE must be filed on or prior to the latter of the return due date (RDD), extended return due date (XRDD) or disaster due date (DDD).

**Note:** Original tax returns claiming EPE are screened prior to posting to master file. If the return meets the criteria for review by SB/SE, a TC 971 AC 831 with MISC EPE or CVC posts to the tax module. A TC 570 generates a -R freeze and will hold the overpayment. **Do not release the refund if these conditions are on the account.**

**Caution:** When a TC 971 AC 831 with MISC EPE or CVC is present on the account, Notice Review can proceed with other adjustment actions as necessary using Hold Code 1 if labeling and Hold Code 4 if retyping a notice. **If a Credit transfer is needed do not use a TC 571 to release refund.**

**IRM 3.14.1.6.11.21(2) - Added a new bullet for EPE conditions when a TC 971 AC 831 is present for MISC EPE or CVC.**

(2) Any of the following conditions will generate a TC 570:

- A TC 150 with CCC "3" posting to the module (unless the return has an Audit Code "L" or there is an unreversed TC 424 or TC 940 on the module).
- A TC 150 posting in Blocking Series 920–929.
- A TC 680 posting and creating a credit balance of \$5 or more after interest accruals are assessed.
- A 29X posting in Blocking Series 740–769.

- A Taxpayer Delinquency Investigation (TDI) refund hold with Julian date 999.
- If the return meets the criteria for review by SB/SE, a TC 971 AC 831 with MISC EPE or CVC posts to the tax module. A TC 570 generates a -R freeze and will hold the overpayment. **Do not release the refund if these conditions are on the account.**

**IRM 3.14.1.6.11.26(4) - Corrected IRM link for Insolvency contacts and tools.**

(4) Follow normal review procedures.

**Caution:** Contact the appropriate Insolvency Function before taking any action on the account that is not specified here. Refer to Servicewide Electronic Research Project (SERP) for Insolvency contacts and tools.

**IRM 3.14.1.6.14(16) - Updated to add EPE conditions when a TC 971 AC 831 is present for MISC EPE or CVC for AMS Refund Transcripts.**

(16) Original tax returns claiming EPE are screened prior to posting to master file. If the return meets the criteria for review by SB/SE, a TC 971 AC 831 with MISC EPE or CVC posts to the tax module. A TC 570 generates a -R freeze and will hold the overpayment. Refund transcripts with the above indicators should be closed Standard Release Refund. The TC 570 with TC 971 AC 831 does not have a limited 4 day hold.

**Caution:** When a TC 971 AC 831 with MISC EPE or CVC is present on the account, Notice Review can proceed with other adjustment actions as necessary using Hold Code 1. **If a Credit transfer is needed do not use a TC 571 to release refund.**

**IRM 3.14.1.6.20.2(8) - Corrected dates on prior tax years and added new row for current year and dollar amount for Failure to File Penalty table.**

(8) The minimum penalty may apply on income tax returns if more than 60 days late:

<b>Return Due Date (w/o extension)</b>	<b>Minimum Amount</b>
On or before 12/31/2008	\$100.00
Between 01/01/2009 and 12/31/2015	\$135.00
Between 01/01/2016 and 12/31/2017	\$205.00
Between 01/01/2018 and 12/31/2019	\$210.00
Between 01/01/2020 and 12/31/2022	\$435.00
Between 01/01/23 and 12/31/2023	\$450.00
After 12/31/2023	\$485.00