

IRM PROCEDURAL UPDATE

DATE: 03/27/2024

NUMBER: wi-03-0324-0449

SUBJECT: Updates to IRM References and Line Numbers

AFFECTED IRM(s)/SUBSECTION(s): 3.11.217

CHANGE(s):

Exhibit 3.11.217-3 - Updated IRM references in the second row of the IRC 965 column and the line numbers in the second and third bullets under Form 2290 row per SERP Feedback # 18593.

Review all attachments to the return before the return can be considered processable.

Only detach attachments when specifically instructed.

Note: Consider a return or document an "Original" if it has an original signature or is stamped "Process as Original".

Edit Action Trail(s) (e.g., "2848 detached" or similar language) in the lower left margin going vertically up the side of the return.

Edit the name and EIN (if not present) on the detached document. Also, edit the return received date (e.g., Rec'd MM/DD/YY) in the lower left margin of the detached document before routing.

Follow general guidelines below for each attachment:

Routing Guide for Attachments

Form/Document	Detach	Descriptions/Action
IRC 965, Transition Tax Statement (or similar 965 statement) Note: Additional Form 965 series below.	No	<ul style="list-style-type: none">Edit Computer Condition Code "J" and Action Code 460 (Management Suspense) on the return and continue processing. Caution: Do not correspond on Section 965 Returns. ERS will take care of any correspondence needed.

		<ul style="list-style-type: none"> • See IRM 3.11.217.2.11, Section 965 Returns (201712 through 202012), for more information. • See IRM 3.11.217.3.1, Action Codes, for more information. • See IRM 3.11.217.14.7, CCC "J" - Section 965 Tax, for more information. • See IRM 3.11.217.24.3, Schedule K, Line 10 - Other Income (Loss), for more information. • See IRM 3.11.217.24.4, Schedule K, Line 12d - Other Deductions, for more information. • See IRM 3.11.217.24.11, Schedule K, Line 14r - Other Foreign Tax Information, for more information. • See IRM 3.11.217.24.13, Schedule K, Line 17d - Other items and amounts, for more information. • See IRM 3.0.101, Schedule K-1 Processing, for complete instructions to edit and process Schedule K-1.
Form 2220 Underpayment of Estimated Tax by Corporations	No	<ul style="list-style-type: none"> • Conditions may require CCC "8". • May need to edit Form 2220, Line 38 to Form 1120-S, Line 25, if no entry is present. • See IRM 3.11.217.14.22, CCC 8 - Waiver of Estimated Tax Penalty, and IRM 3.11.217.18.12, Line 25 - Estimated Tax Penalty.

IRM 3.11.217.2.11(2) - Updated IRM references per SERP Feedback # 18595.

(2) Identify a Section 965 return when the tax period is 201712 through 202012 and any of the following are present:

- "Section 965" or "965 Tax" (or similar language) notated on the return, schedules, attachments, or, statements.
- IRC 965 Transition Tax Statement (or similar 965 statement) is attached.
- Form 965, Inclusion of Deferred Foreign Income Upon Transition to Participation Exemption System, is attached.
- Form 965, Schedule A, U.S. Shareholder's Section 965(a) Inclusion Amount, is attached.

- Form 965, Schedule B, Deferred Foreign Income Corporation's Earnings and Profits (E&P), is attached.
- Form 965, Schedule C, U.S. Shareholder's Aggregate Foreign Earnings and Profits Deficit, is attached.
- Form 965, Schedule D, U.S. Shareholder's Aggregate Foreign Cash Position, is attached.
- Form 965, Schedule E, U.S. Shareholder's Aggregate Foreign Cash Position - Detail, is attached.
- Form 965, Schedule F, Foreign Taxes Deemed Paid by Domestic Corporation, is attached.
- Form 965, Schedule G, Foreign Taxes Deemed Paid by Domestic Corporation for U.S. Shareholder Tax Year Ending in 2017, is attached.
- Form 965, Schedule H, Disallowance of Foreign Tax Credit and Amounts Reported on Forms 1116 and 1118, is attached. Before 2019, the title was Form 965, Schedule H, Amounts Reported on Forms 1116 and 1118 and Disallowed Foreign Taxes.
- Form 965-B, Corporate and Real Estate Investment Trust (REIT) Report of Net 965 Tax Liability and Electing REIT Report of 965 Amounts, is attached.
- Form 1120-S, Schedule K, Line 10, Other income (loss), shows a significant entry with the notation "Section 965" or similar language (202012 - 201712 form revisions). See IRM 3.11.217.24.3, Schedule K, Line 10 – Other income (loss), for more information.
- Form 1120-S, Schedule K, Line 12d, Other deductions, shows a significant entry with the notation "Section 965" or similar language (202012 - 201712 form revisions). See IRM 3.11.217.24.4, Schedule K, Line 12d, Other deductions, for more information.
- Form 1120-S, Schedule K, Line 14r, Other foreign tax information, shows a significant entry with the notation "Section 965" or similar language (202012 - 201712 form revisions). See IRM 3.11.217.24.11, Schedule K, Line 14r - other foreign tax information, for more information.
- Form 1120-S, Schedule K, Line 17d, Other items and amounts, shows a significant entry with the notation "Section 965" or similar language. See IRM 3.11.217.24.13, Schedule K, Line 17d - Other items and amounts, for more information.

Note: A significant entry is defined as any amount other than zero.