

IRM PROCEDURAL UPDATE

DATE: 02/29/2024

NUMBER: wi-21-0224-0310

SUBJECT: Various Procedural Clarifications

AFFECTED IRM(s)/SUBSECTION(s): 21.6.4

CHANGE(s):

IRM 21.6.4.4.1.6.1 Added link to Instructions for Form 8283, Noncash Charitable Contribution in paragraph 1 for clarification on specific allowable donations.

(1) For noncash charitable contributions over \$500, but not more than \$5,000, taxpayers **must** complete and submit Section A of Form 8283, Noncash Charitable Contributions. For clarification on specific allowable donations and proper completion of the form, refer to Instructions for Form 8283, Noncash Charitable Contribution.

Note: For publicly traded securities and certain other readily valued property, taxpayers must complete and submit Section A regardless of the deduction amount.

IRM 21.6.4.4.8.5 Added note after chart in paragraph 2 to use the REQ54 Tool when xMend cannot be used.

(2) The reference numbers for adjusting Schedule H, Part I are:

Title	Primary Taxpayer	Secondary Taxpayer
Total Social Security Wages (line 1/ 1a)	004	904
Qualified Sick and Family Wages (line 1b) for leave taken April 1, 2020, through March 31, 2021	200	900
Total Medicare Wages (line 3)	073	973
Federal Income Tax Withheld (if requested by employee) (line 7)	003	903
Social Security, and Medicare Tax (line 2 plus line 4, tax year 2019 and prior, line 2c plus line 4, minus line 8b, tax year 2020 and later)	007	907
Additional Medicare Tax (AdMT) Withholding (line 6)	074	974
Nonrefundable Portion of Credit for Qualified Sick and Family Leave (line 8b) for leave taken April 1, 2020, through March 31, 2021	202	902

Nonrefundable Portion of Credit for Qualified Sick and Family Leave (line 8c) for leave taken April 1, 2021, through September 30, 2021	281	981
Deferred Social Security Tax (tax year 2020, line 8d)	211	211
Refundable Portion of Credit for Qualified Sick and Family Leave (line 8e) for leave taken April 1, 2020, through March 31, 2021	299	299
Refundable Portion of Credit for Qualified Sick and Family Leave (line 8f) for wages paid April 1, 2021, through September 30, 2021	271	271

Note: Refer to IRM 21.7.2.3.3, FICA Taxes (including Additional Medicare Tax), for the applicable wage limitations and tax rates.

Note: If you are unable to use xMend to input all reference numbers for Qualified Sick and Family Leave, use the IAT REQ54 Tool.

IRM 21.6.4.4.8.5.3 Added note after chart in paragraph 5 to use the REQ54 Tool when xMend cannot be used.

(5) Qualified sick and family leave wages and credits are reported and adjusted as follows:

Note: The table below applies to Schedule H. For self-employed, see IRM 21.6.4.4.14.2, Self-Employment Tax Adjustments.

Row Number	Item	Schedule H line number	Reference Number	Reason Code
1	Qualified sick and family wages (for leave taken April 1, 2020, through March 31, 2021)	1b	<ul style="list-style-type: none"> • IRN 200 - primary taxpayer • IRN 900 - secondary taxpayer 	050
2	Nonrefundable portion of Credit for Qualified Sick and Family Leave Wages (for leave taken April 1, 2020, through March 31, 2021)	8b	<ul style="list-style-type: none"> • IRN 202 - primary taxpayer • IRN 902 - secondary taxpayer 	036
3	Nonrefundable Portion of Credit for Qualified Sick and Family Leave (line 8c) for leave taken April 1, 2021, through September 30, 2021	8c	<ul style="list-style-type: none"> • IRN 281 - primary taxpayer • IRN 981 - secondary taxpayer 	036

4	Refundable portion of Credit for Qualified Sick and Family Leave Wages (for leave taken April 1, 2020, through March 31, 2021)	8e Carried to Form 1040, Schedule 3	CRN 299	061
5	Refundable portion of Credit for Qualified Sick and Family Leave Wages (for leave paid April 1, 2021, through September 30, 2021)	8f Carried to Form 1040, Schedule 3	CRN 271	061

Note: Wages do not need to be captured for the period of April 1, 2021, through September 30, 2021, therefore, no reference number was created for those wages.

Note: If you are unable to use xMend to input all reference numbers for Qualified Sick and Family Leave, use the IAT REQ54 Tool.

IRM 21.6.4.4.8.10 Added scenario when Part III and Part IV are both blank in paragraph 1 and added link in paragraph 4 to IRM 21.6.4.4.8(8).

(1) A loose Schedule H requires research to determine the right action.

- If the module has a posted TC 150, adjust the module using the correct reference number(s) and RC 050.
- If the module does not contain a TC 150 and it's **prior** to the due date of the return, follow the table below.
- If the module does not contain a TC 150 and it's **after** the due date of the return, prepare a dummy Form 1040 as shown in (3) and route the Schedule H for processing.

Note: Make sure the Schedule H is complete prior to sending for processing. If there is no EIN on the Schedule H, follow procedures in IRM 21.6.4.4.8.1(3), Schedule H, Household Employment Taxes - Employer Identification Numbers.

If	Then
The question in Part III, "Are you required to file Form 1040?" is answered "Yes"	<ul style="list-style-type: none"> • Return the Schedule H to the taxpayer following (2) below. • Push code the Schedule H following procedures in IRM 21.5.1.5.7, CII Push Codes. Assess the tax on Schedule H when the push code expires if the taxpayer doesn't file or report the tax on Form 1040.
The question in Part III, "Are you required to file Form 1040?" is	<ul style="list-style-type: none"> • Return the Schedule H to the taxpayer following (2) below.

answered "No" and Part IV is blank	<ul style="list-style-type: none"> Push code the Schedule H following procedures in IRM 21.5.1.5.7, CII Push Codes. Assess the tax on Schedule H when the push code expires if the taxpayer doesn't file or report the tax on Form 1040.
The question in Part III, "Are you required to file Form 1040?" is answered "No" and Part IV has entries	Prepare a "dummy" Form 1040 as shown in (3) and route the Schedule H for processing.
The question in Part III, "Are you required to file Form 1040?" is not answered , Part IV has entries	<ul style="list-style-type: none"> Return the Schedule H to the taxpayer following (2) below. Push code the Schedule H following procedures in IRM 21.5.1.5.7, CII Push Codes. Assess the tax on Schedule H when the push code expires if the taxpayer doesn't file or report the tax on Form 1040.
The question in Part III, "Are you required to file Form 1040?" is not answered and Part IV is blank	<ul style="list-style-type: none"> Return the Schedule H to the taxpayer following (2) below. Push code the Schedule H following procedures in IRM 21.5.1.5.7, CII Push Codes. Assess the tax on Schedule H when the push code expires if the taxpayer doesn't file or report the tax on Form 1040.

(2) When returning the Schedule H, tell the taxpayer:

- The Schedule H entries indicate they will file an income tax return.
- The Schedule H is being returned for inclusion with the Form 1040.
- To file a Form 1040-X if a Form 1040 was filed without reporting the Schedule H tax.
- To resubmit a Schedule H, after verifying all Schedule H entries, if a Form 1040 is not required to be filed (if they answered "No" to "Are you required to file Form 1040").

Include Notice 1207, File Schedule H (Household Employment Taxes) With Your Individual Income Tax Return, when returning Schedule H to the taxpayer.

(3) When preparing a "dummy" Form 1040 for processing:

- Dummy Form 1040, Schedule 2 by entering the total tax shown on Schedule H as follows:
Schedule 2, lines 9 and 21 (for tax year 2021 and later)
Schedule 2, lines 7a and 10 (for tax years 2019 and 2020)
- Dummy Form 1040 by entering the name and address from Schedule H.
- Enter filing status 1 or 2 based on the Schedule H name line.

4. Enter Computer Condition Code 3 as shown in IRM 3.11.3.3.7.3, Computer Condition Code (CCC).
5. Enter the Schedule 2 tax amount to Form 1040 lines 15, 16, and 23.
6. Enter Return Processing Code Y as shown in IRM 3.11.3.3.7.5, Return Processing Code (RPC).

See IRM 21.5.1.5.5, *Processing/Reprocessing CII Tax Returns*, for more edits and routing instructions.

(4) See IRM 21.6.4.4.8(8), Schedule H, Household Employment Taxes, for information about the ASER on a loose Schedule H.

IRM 21.6.4.4.10 Updated paragraph 6 with reference to Pub. 929 since it is no longer used.

(6) For more details, see Publication 929, Tax Rules for Children and Dependents, for tax years 2021 and prior or Instructions for Form 8615, for tax years 2022 and later.