

IRM PROCEDURAL UPDATE

DATE: 10/04/2023

NUMBER: wi-21-1023-1000

SUBJECT: Clarification to Credit Procedures Including Questionable Credits With -E Freeze and CP 08/09/27 Responses With -A Freeze

AFFECTED IRM(s)/SUBSECTION(s): 21.6.3

CHANGE(s):

IRM 21.6.3.4 Updated paragraph 11 to list additional credits and advise to contact FRP if the return is complete, processable and does not meet CAT-A criteria. Updated paragraph 12 to link to IRM 21.5.6.4.10(4), -E Freeze.

(11) # [REDACTED]

[REDACTED]

[REDACTED] #

(12) If there is a TC 810 RC 4 (-E freeze) on a module and the taxpayer files an amended return to remove a questionable credit (e.g., Form 7202 or Schedule H, Credits for Sick Leave and Family Leave, Form 4136, Credit for Federal Tax Paid on Fuels, Form 8863, Education Credits, Schedule 3, line 13b, credit for repayment of amounts included in income from earlier years (IRC 1341, Claim of Right), etc.), refer to IRM 21.5.6.4.10(4) , -E Freeze.

IRM 21.6.3.4.1.5 Updated paragraph 10 to link to IRM 21.5.6.4.10(4), -E Freeze.

(10) If there is a TC 810 RC 4 (-E freeze) on the module and the taxpayer files an amended return to remove the credit, see IRM 21.5.6.4.10(4), -E Freeze.

References:

- IRC 25A
- Publication 970, Tax Benefits for Education

IRM 21.6.3.4.2.2.1 Added link in paragraph 1 to IRM 20.1.3.2.2, Manual Penalty Adjustments, to provide more specific instruction for manually computing the penalty calculation.

(1) Check for possible estimated tax (ES) penalty changes. (Refer to IRM 20.1.3, Estimated Tax Penalties)

If	And	Then
TC 176/177 is on the module		the ES penalty is systemically recomputed Reminder: Priority Code 8 is not required
TC 170/171 is on the module	Document Locator Number (DLN) doc code is 17, 18, 24, 47, 51, 52 or 54	<ul style="list-style-type: none">• Manually recompute and adjust the ES penalty as necessary. Refer to IRM 20.1.3.2.2, Manual Penalty Adjustments.• Priority Code 8 is not required if a TC 170 or TC 171 is input.• Priority Code 8 is required if the ES penalty is not being adjusted.
TC 170 is on the module	Has the same DLN as the TC 150 (DLN doc code is not 17, 18, 24, 47, 51, 52, or 54)	The ES penalty systemically recomputes but is adjusted only if # [REDACTED] #. Reminder: Use of Priority Code 8 is not required.

IRM 21.6.3.4.2.6 Updated paragraph 8 to link to IRM 21.5.6.4.10(4), -E Freeze.

(8) If there is a TC 810 RC 4 (-E freeze) on the module and the taxpayer files an amended return to remove the credit, see IRM 21.5.6.4.10(4), -E Freeze.

IRM 21.6.3.4.2.7.8 Added exception to refer to IRM 21.5.6.4.2, -A freeze, for CP 09 and CP 27 responses received prior to September 11, 2023, with a -A freeze on the account.

(1) If taxpayer appears to qualify for EITC but did not claim it on their original return:

- A CP 09, Earned Income Credit - You May Be Entitled to EIC, is issued to taxpayers with qualifying child(ren).
- A CP 27, EIC Potential for T/P Without Qualifying Children, is issued to taxpayers with no qualifying children.

Exception: The CP 09 / CP 27 generates for tax returns with no unallowable conditions.

Note: A TC 971 Action Code (AC) 503 indicates the CP 09 / CP 27 notice was suppressed.

(2) The notice advises the taxpayer to allow 8 weeks for receipt of refund or correspondence.

Exception: CP 09 and CP 27 responses received **prior to** September 11, 2023, were scanned in and assigned a TC 971 AC 120 and AC 010 causing a -A freeze to generate. If you receive a phone call meeting this scenario, provide the taxpayer the timeframe based on IRM 21.5.6.4.2, -A Freeze.

Take the following action if contacted by the taxpayer:

Row Number	If	And	Then
1	Less than 8 weeks have passed since taxpayer submitted CP 09 / CP 27	There is no open IDRS control, and adjustment has not been made or Research shows an open control, but adjustment has not been made	Advise the taxpayer to allow 8 weeks for normal processing time.
2	8 weeks have passed since taxpayer submitted CP 09 / CP 27	Research indicates no record of receiving taxpayer's response	Advise the taxpayer to complete Form 1040-X, Amended U. S. Individual Income Tax Return, and attach Schedule EIC, if applicable.
3	8 weeks have passed since taxpayer submitted CP 09 / CP 27	The taxpayer's response has been received, there is an open control to an employee and an adjustment has not been made	If you have access to Correspondence Imaging Inventory (CII): <ul style="list-style-type: none"> • Add a Case Note to CII indicating taxpayer called to check status.

			<ul style="list-style-type: none"> Apologize for the delay in processing and advise the taxpayer to allow an additional 30 days for a response. <p>If you do not have access to CII:</p> <ul style="list-style-type: none"> Prepare Form 4442, Inquiry Referral, and route to the employee with the open control. Apologize for the delay in processing and advise the taxpayer to allow an additional 30 days for a response.
4	8 weeks have passed since taxpayer submitted CP 09 / CP 27	<p>The taxpayer's response has been received, there is an open control to a clerical unit or generic IDRS queue and an adjustment has not been made</p> <p>Note: Generic IDRS queue numbers for Submission Processing (SP) can be found in IRM 3.11.6.3, Controlling Cases on the Integrated Data Retrieval System (IDRS). Generic IDRS queue numbers for Accounts Management (AM) can be found in IRM 21.5.1.5.1, CII General Guidelines.</p>	<ul style="list-style-type: none"> If you have access to CII and sufficient information to work the case during the phone call, reassign the case to yourself in CII, work and close the case. If you do not have access to CII, sufficient information to work the case or are unable to work the case due to a training issue (e.g., call sites), apologize for the delay in processing and advise the taxpayer to allow an additional 30 days for a response.

(3) Generally, a completed CP 09 or CP 27 is considered an informal claim. However, if the taxpayer returns the CP 09 / CP 27 or Form 15111, Earned Income Credit Worksheet (CP 09) / Form 15112, Earned Income Credit Worksheet (CP 27), indicating they are not eligible for EITC (no other issue involved), a reply is not necessary. Destroy as classified waste per IRM 21.5.1.4.10, Classified Waste.

Note: Occasionally taxpayers get confused with the earned income / investment income statement and check the box. If CC IRPTR verifies earned income, continue with (5).

(4) Beginning January 2023, taxpayers can send responses to CP 09 notices electronically via the Documentation Upload Tool (DUT). Taxpayers can access the DUT by scanning the QR code or entering the access code located on the CP notice or form, or by visiting irs.gov/dutreply. The responses are transferred to Correspondence Imaging Inventory (CII) and worked following normal procedures.

(5) Taxpayers must complete, sign, and return the Form 15111 / Form 15112 (Earned Income Worksheet), or CP 09 / CP 27, if qualified. If incomplete, follow IRM 21.5.3.4, General Claims Procedures.

Exception: There is no signature requirement for Form 15111 for tax years 2022 and later.

(6) If you receive a CP 09 / CP 27 response with the incorrect revision of Form 15111 or Form 15112, respond as follows.

- For CP 27, EIC Potential for T/P Without Qualifying Children, try to contact taxpayer via telephone (refer to IRM 21.1.1.4, Communication Skills) to verify their responses for the correct tax year. If contact is made via telephone, document CII with a case note **“Verified 20XX EITC eligibility via oral statement authority.”** If unable to contact via telephone, send an appropriate “C” letter apologizing for the inconvenience and request a new Form 15112 for the correct year.
- For CP 09, Earned Income Credit - You May Be Entitled to EIC, try to contact taxpayer via telephone (refer to IRM 21.1.1.4, Communication Skills) to request a new Form 15111 for the correct year **or** Schedule EIC via fax. If unable to contact via telephone, send an appropriate “C” letter apologizing for the inconvenience and request a new Form 15111 for the correct year **or** Schedule EIC.

(7) See IRM 21.6.3.4.2.7.3, Earned Income Tax Credit (EITC) - Social Security Number Requirements, to verify SSN validity for qualifying child(ren)'s SSNs. If SSN provided for qualifying child is not valid, reduce or disallow the credit.

(8) Compute the EITC amount using normal procedures. If the taxpayer is **not** eligible for EITC based on our computation, eligibility criteria, or other reason:

- Deny the credit
- Input a TC 290 .00, BS 05, RC 054
- Send Letter 474C with an open paragraph “We are writing as a follow-up to the (CP 09 / CP 27 or Form 15111 / Form 15112) we recently mailed. We are sorry to inform you that you do not qualify for the Earned Income Tax Credit because [include explanation]. We apologize for this inconvenience.”

- Input a TC 971 AC 112, if the criteria in IRM 21.6.3.4.2.7.10, Earned Income Tax Credit (EITC) - Claims, is met

Note: If a refund on the module is being held by Return Integrity Verification Operations (RIVO), input a HC 4

(9) If the taxpayer claims a child on the CP 09 that was not claimed on the original return, send a Letter 474C explaining why the credit was partially disallowed and inform the taxpayer to file a Form 1040-X to claim the additional child.

(10) When allowing EITC based on a CP 09 / CP 27 or Form 15111 / Form 15112, use:

- Blocking series 05
- Source code 1
- Reason Code (RC) 017 and 053. The RC 017 is for tracking purposes only; nothing prints on the CP 21 / CP 22.
- Priority Code 3 when allowing the credit. Refer to IRM 20.2.4.7.5.5, 45-Day Rule and IRS Initiated Adjustments, for more information
- CRN 764
- Do not input the amended claims date

Note: If a refund on the module is being held by RIVO, see IRM 21.5.6.4.35.3, -R Freeze Overview For Accounts With Return Integrity Verification Operations (RIVO) Involvement.

Note: The Additional Child Tax Credit may have to be recomputed if EITC is allowed and the taxpayer claimed three or more qualifying children for the Child Tax Credit. See Instructions for Schedule 8812 (Form 1040), Credits for Qualifying Children and Other Dependents, for more information.

(11) If current year, update Command Code DUPED (using the child's SSN, not the primary SSN) when allowing EITC based on a CP 09.

(12) Unpostable CP 27 adjustments input by Submission Processing are forwarded to Accounts Management.

IRM 21.6.3.4.2.8.3 | Added exception to refer to IRM 21.5.6.4.2, -A freeze, for CP 08 responses received prior to September 11, 2023, with a -A freeze on the account.

(1) The CP 08, You May Qualify for a Refund From the Additional Child Tax Credit (ACTC), is generated if specific criteria based on the original return are met. Taxpayers are issued a CP 08, informing them of their potential eligibility to claim the Additional Child Tax Credit, when they:

- a. Compute an amount for the Child Tax Credit (CTC), have no tax liability, and fail to use the remaining portion of the credit to claim ACTC, or
- b. Indicate eligibility for CTC (by checking the Child Tax Credit box on Form 1040), do not claim CTC due to no tax liability and do not claim ACTC.

(2) The notice advises the taxpayer to allow 8 weeks for receipt of refund or correspondence.

Exception: CP 08 responses received **prior to** September 11, 2023, were scanned in and assigned a TC 971 AC 120 and AC 010 causing a -A freeze to generate. If you receive a phone call meeting this scenario, provide the taxpayer the timeframe based on IRM 21.5.6.4.2, -A Freeze.

Take the following action if contacted by the taxpayer:

Row Number	If	And	Then
1	Fewer than 8 weeks have passed since taxpayer submitted CP 08	There is no open IDRS control, and adjustment has not been made or Research shows an open control, adjustment has not been made	Advise Taxpayer to allow 8 weeks for normal processing time.
2	8 weeks have passed since taxpayer submitted CP 08	Research indicates no record of receiving taxpayer's response	Advise Taxpayer to complete Form 1040-X, Amended U. S. Individual Income Tax Return, and attach Schedule 8812.
3	8 weeks have passed since taxpayer submitted CP 08	The taxpayer's response has been received, there is an open control to an employee and an adjustment has not been made	<p>If you have access to Correspondence Imaging Inventory (CII):</p> <ul style="list-style-type: none"> • Add a Case Note to CII indicating taxpayer called to check status. • Apologize for the delay in processing and advise the taxpayer to allow an additional 30 days for a response. <p>If you do not have access to CII:</p>

			<ul style="list-style-type: none"> • Prepare Form 4442, Inquiry Referral, and route to the employee with the open control. • Apologize for the delay in processing and advise the taxpayer to allow an additional 30 days for a response.
4	8 weeks have passed since taxpayer submitted CP 08	<p>The taxpayer's response has been received, there is an open control to a clerical unit or generic IDRS queue and an adjustment has not been made</p> <p>Note: Generic IDRS queue numbers for Submission Processing (SP) can be found in IRM 3.11.6.3, Controlling Cases on the Integrated Data Retrieval System (IDRS). Generic IDRS queue numbers for Accounts Management (AM) can be found in IRM 21.5.1.5.1, CII General Guidelines.</p>	<ul style="list-style-type: none"> • If you have access to CII and sufficient information to work the case during the phone call, reassign the case to yourself in CII, work and close the case. • If you do not have access to CII, sufficient information to work the case or are unable to work the case due to a training issue (e.g., call sites), apologize for the delay in processing and advise the taxpayer to allow an additional 30 days for a response.

(3) Generally, a completed CP 08 is considered an informal claim. However, if the taxpayer returns the CP 08 or Form 15110 notice indicating the taxpayer is not eligible for the Additional Child Tax Credit (no other issue involved), a reply is not necessary. Destroy as classified waste per IRM 21.5.1.4.10, Classified Waste.

(4) Beginning January 2023, taxpayers can send responses to CP 08 notices electronically via the Documentation Upload Tool (DUT). Taxpayers can access the DUT by scanning the QR code or entering the access code located on the CP notice or form, or by visiting [IRS.gov/dutreply](https://irs.gov/dutreply). The responses are transferred to Correspondence Imaging Inventory (CII) and worked following normal procedures.

(5) Taxpayers must complete, sign, and return the CP 08 notice or Form 15110, Additional Child Tax Credit Worksheet, if qualified.

Exception: There is no signature requirement for Form 15110 for tax years 2022 and later.

(6) If you receive a CP 08 response with the incorrect revision of Form 15110, try to contact taxpayer via telephone (refer to IRM 21.1.1.4, Communication Skills) to request a new Form 15110 for the correct year **or** Schedule 8812, Credits for Qualifying Children and Other Dependents, (depending on year or number of children, see paragraph 6 below), via e-fax. If unable to contact via telephone, send an appropriate "C" letter apologizing for the inconvenience and request a new Form 15110 for the correct year **or** Schedule 8812.

(7) For tax years 2018 - 2025, Schedule 8812 is required. If a taxpayer submits CP 08 without the Schedule 8812 when required, correspond for the missing schedule.

(8) Compute the amount of the credit based on the qualifying children claimed on the CP 08 that meet the following criteria:

- A dependency exemption was allowed for the same child.
- The child was under 17 years old at the end of the calendar year.

(9) Partially / completely deny the claim by inputting a TC 290 .00, BS 05 and sending a Letter 76C if:

- the taxpayer claims additional children on the CP 08 for whom the taxpayer did not claim a dependency exemption on the original return
- the taxpayer claims any children on the CP 08 for whom a dependency exemption was disallowed to the taxpayer
- the taxpayer does not meet all of the criteria (see IRM 21.6.3.4.1.24, Child Tax Credit (CTC))

Note: If a refund on the module is being held by Return Integrity Verification Operations (RIVO), input a HC 4.

(10) When adjusting a module based on a CP 08:

- a. Use Credit Reference Number (CRN) 336 to allow the credit.
- b. Use RC 061, SC 1 and the applicable blocking series.
- c. Use Priority Code 3 to allow interest to be systemically calculated as an IRS initiated adjustment. Refer to IRM 20.2.4.7.5.5, 45-day Rule and IRS Initiated Adjustments, for more information and procedures when a manual interest computation is required.
- d. Do not input the amended claims date.

Note: If a refund on the module is being held by RIVO, see IRM 21.5.6.4.35.3, -R Freeze Overview For Accounts With Return Integrity Verification Operations (RIVO) Involvement.

IRM 21.6.3.4.2.15 Added note to paragraph 4 to use data from the "Gen Dep." heading for electronically filed returns to dummy Form 7202 if the pdf of the form is not attached on EUP and updated paragraph 6 to link to IRM 21.5.6.4.10(4), -E Freeze.

(4) An eligible self-employed individual who is entitled to claim qualified sick and family leave equivalent credits must attach Form 7202 to their tax return. The credit should be reported on Form 1040, Schedule 3, Additional Credits and Payments, line 12b (tax year 2020) line 13b (tax year 2021 and 2022). If filing a joint tax return and both spouses are self-employed individuals and eligible for the credit, each must attach a separate Form 7202 to the joint tax return. See IRM 21.6.4.4.14(4), Self-Employment Tax, for additional information.

Note: If a day meets the requirements for both the Credit for Sick Leave and the Credit for Family Leave, it can only be counted once. The same day cannot be included for both credits.

- Review Form 7202 for completeness and math verify the form. Follow IRM 21.5.3.4.5(6), Math and Master File Verification of Claims and Amended Returns, to verify the income reported to claim this credit. This includes prior year self-employment income if the taxpayer elects to use it.
- If the form is not attached or incomplete, follow procedures in IRM 21.5.3.4.2, Tax Decrease or Credit Increase Processing.

Note: Returns received electronically and accessed through the Employee User Portal (EUP) may show data from Form 7202 under the heading "Gen Dep" (where the forms are listed) instead of a pdf of the form. Use the data to create a "dummy" Form 7202 to determine completeness of the form and math verify the claim. Attach a pdf of the "dummy" Form 7202 to your CII case.

- Disallow claims if the taxpayer submits Form 7202 without any self-employment income or tax. Refer to IRM 21.5.3.4.6.1, Disallowance and Partial Disallowance Procedures.

- # [REDACTED]

(5) If none of the scenarios in (4) apply, and the amended return appears frivolous (Social Media Promotion Scheme), see IRM 21.6.3.4 (11), Credits Procedures.

(6) If there is a TC 810 RC 4 (-E freeze) on the module and the taxpayer files an amended return to remove the credit, see IRM 21.5.6.4.10(4), -E Freeze.

IRM 21.6.3.6 Added to address open issues on the tax module in paragraph 1 and do not input adjustment in paragraph 10 for further clarity.

(1) When payments for advance credits (EIPs, AdvCTC) are returned, canceled or expired (TC 720, TC 740, TC 841) after the posting of the tax return (TC 150), the credit is systemically reversed (TC 767) and a REBATEREV (REBV) transcript generates.

- If there is an open control for another case type you are trained in, work both cases to ensure proper resolution for the taxpayer (MEFA, XRET, TPRQ, etc).

Note: Multiple open REBV cases, must be worked by the same employee.

- Address any open issues on the tax module unrelated to the transcript issue prior to resolving your case (e.g., refund inquiry for another AdvCTC payment, TPP, RIVO, etc.). If necessary, suspend your case until other actions are completed or take actions to allow the credit and refer case if necessary. Cases with Exam involvement should be worked following normal procedures regardless of AIMS status.
- For deceased taxpayers, adjust account to allow credit or credits if eligible, and follow normal procedures for issuing the refund. If a computer generated refund can be issued, see IRM 21.6.6.2.21.2(3), Processing Decedent Account Refunds, no further action is necessary. If there is no second nameline or surviving spouse to issue the refund to, send a Letter 18C requesting Form 1310 and required information per IRM 3.11.3.10.3, Documentary Evidence on a Decedent Return. Request a response within 30 days and suspend case for 120 days. If you receive a response with complete documentation, follow procedures in IRM 21.2.4.3.20(12-14), Processing TRNS46 Cases. If no reply is received after 120 days, follow procedures in IRM 21.2.4.3.20(16), Processing TRNS46 Cases.

(2) **(EIP 1 or EIP 2 ONLY)** A REBV transcript generated when EIP 1 or EIP 2 was credited back to the 2020 module after the TC 150 posted. A TC 570 may have posted and created a **-R** freeze. Selection criteria included:

- A TC 766 with Credit Reference Number (CRN) 338 or CRN 257 posts to the module after the credit was reversed, OR
- A TC 740/841 posts to the module, AND
- An EIP is on the module, AND
- The module contains a TC 846 with a "999" Julian date, AND
- The transaction date of the TC 740/841 matches the transaction date of the TC 846 with the "999" Julian date

If the module contains a credit balance, the only freeze condition preventing the refund is a **-R** freeze, and there are no TPP/IDT indicators on the account, input a TC 571 to release the refund. If the credit balance is being held by **-AR** freezes,

close your control base to the amended return. The processing of the amended resolves the freeze condition.

If EIP has been returned or canceled, has not systemically been reversed (TC 767), and you determine the EIP should be reversed, follow procedures in IRM 21.6.3.4.2.13.3, Economic Impact Payments - Manual Adjustments.

(3) **(EIP 3 and AdvCTC payments)** Review the module to determine which credit (EIP 3 or AdvCTC payment) is the reason for the transcript:

- If EIP 3 has been returned or canceled, and after complete account research, you determine the taxpayer is due RRC, follow procedures in paragraph 5.
- If an AdvCTC payment has been returned or canceled, follow procedures in paragraph 6.
- If after complete account research, you determine the taxpayer is due CTC/RCTC, follow procedures in paragraph 7.

(4) Prior to making any adjustments to the account, conduct complete account research. If there is a freeze code on the account, refer to IRM 21.5.6.4, Freeze Code Procedures, and resolve accordingly before addressing the EIP or AdvCTC payment.

(5) If the taxpayer filed a 2020 or 2021 return, has not filed an amended 2020 or 2021 return, and has not received the full amount of RRC they are entitled to, follow procedures in IRM 21.6.3.4.2.14.1, Recovery Rebate Credit (RRC) - Adjusting the Credit.

(6) If an AdvCTC payment has been returned or canceled and has **not** been systemically reversed, follow procedures in IRM 21.6.2.4.8.2 (2-4), AdvCTC - Manual Adjustments - General Information, to reverse an AdvCTC payment.

(7) If the taxpayer filed a 2021 return, has not filed an amended 2021 return, and has not received the full amount of Child Tax Credit they are entitled to for 2021, complete the Schedule 8812 worksheet on AMS to verify the amount they are eligible for and adjust the CTC/RCTC on the module following established procedures. Refer to IRM 21.6.3.4.1.24, Child Tax Credit (CTC), for eligibility and IRM 21.6.3.4.1.24.2.1, Reconciling Advance Child Tax Credit (AdvCTC) Payments, for information on adjusting reconciliation data if necessary. An amended return is not required to adjust the CTC/RCTC if you can determine the taxpayer is entitled to the credit.

Reminder: CTC/RCTC must be computed based on the qualifying dependents reported on Schedule 8812 filed with the original return.

Caution: If the returned or canceled payment was based on joint eligibility and the taxpayers filed separate returns in 2021, make sure to consider the impact on both spouse's accounts (verify amounts on CC IMFOLE). See IRM 21.6.3.4.1.24.2.1(5), Reconciling Advance Child Tax Credit (AdvCTC) Payments.

Example: Keith and Jackie filed married filing jointly in 2020 with one qualifying child (QC) age 1. In 2021, they received AdvCTC of \$1,800. They each received Letter 6419 which listed payments totaling \$900 based on one QC. They divorced in 2021. Keith filed single and included the repayment of \$900 on his 2021 return. Jackie filed head of household with one QC, age 2, included \$900 AdvCTC payments on her return and received an additional \$2,700 CTC/RCTC. In January of 2023, the November 2021 AdvCTC payment of \$300 is returned as undeliverable. Analyze and adjust both individual accounts. Adjust Keith's reconciliation data and reduce the tax by \$150. Issue Jackie \$150 CTC/RCTC.

(8) If the IRS made a previous adjustment (after processing) and reissued an AdvCTC payment as CTC/RCTC the taxpayer was not entitled to, follow erroneous refund procedures in IRM 21.4.5.5.2, Category A2 Erroneous Refunds.

(9) Use the appropriate blocking series, source code, and priority code. When inputting an IRS initiated adjustment, do not use an amended claims date. Refer to IRM 20.2.4.7.5.5, 45-Day Rule and IRS Initiated Adjustments, to determine if a priority code 3 is necessary. An adjustment to a tax module involving an IRS initiated adjustment, including math errors and non-IRS initiated adjustment require the input of two separate adjustments.

(10) If research suggests the taxpayer returned or did not cash the payment **and** does not wish to have the payment reissued, but it cannot be confirmed, contact the taxpayer by telephone or appropriate "C" letter, for an explanation of the returned or canceled refund check. For the following scenarios, do not input an adjustment, document the Correspondence Inventory Imaging (CII) case with a Case Note and close the CII case as No Action.

- The taxpayer responds they do not wish to have the payment reissued.
- No response is received after 40 days.
- The taxpayer returned or did not cash an EIP or AdvCTC payment due to a religious objection or because they did not want the payment (e.g. previous correspondence, check returned or not cashed more than once, approved 4361 on file).