

IRM PROCEDURAL UPDATE

DATE: 11/20/2023

NUMBER: wi-21-1123-1107

SUBJECT: RIC REIT REMIC SME Contact Information Updates; Research Credit Claim Perfection; Micro-Captive Insurance Amended Returns; Electronic Signature Form 3115

AFFECTED IRM(s)/SUBSECTION(s): 21.7.4

CHANGE(s):

IRM 21.7.4.4.3.4(8) Updated contact information to: Subject Matter Experts RICs, REITs, and REMICs Internal Revenue Service LB&I, Financial Services 847-737-6666 Between 8:30 AM and 5:00 PM (CST) per SERP Feedback #13606.

(8) If a subsequent inquiry is received "AFTER" a Letter 96C or Letter 3064C is sent (check ENMOD), advise the taxpayer that they may call the non-toll-free numbers below if they have any questions and may speak to one of the:
Subject Matter Experts RICs, REITs, and REMICs
Internal Revenue Service
LB&I, Financial Services
847-737-6666
Between 8:30 AM and 5:00 PM (CST)

IRM 21.7.4.4.8.3.5(15) Extended timeframe of claim perfection procedures for Forms 1120x, 1040x, and amended Forms 1041 with Research Credit Claims to January 10, 2025.

(15) For Forms 1120X, 1040X, and amended Forms 1041, Research Credit Claims filed between January 10, 2022, and January 10, 2025, the IRS provides taxpayers the opportunity to perfect their claims.

- Classifiers request Accounts Management issue Letter 6426C requesting additional information. CSRs will need to suspend the case while they wait for a response from the taxpayer. The fax number used on Letter 6426C will be the CSRs fax number, or the department fax number. Give taxpayers 45-days to respond. After 60 days, if the taxpayer has not responded, AM issues Letter 6424C - No Consider.
- If the taxpayer responds, re-suspend 2CATA. Classifiers will determine if the 5 criteria are met. If not, the classifier will request the CSR send Letter

6424C. There will be no request for additional information or a need to monitor.

- If additional information is needed for the research credit claims, classifiers may request AM send Letter 916C with an open paragraph and paragraph 0 (zero). Use the CSR fax number in the letter. Allow the taxpayer 45-days to respond. If the taxpayer responds, re-suspend 2CATA. If the taxpayer does not respond within 60 days, send Letter 6424C- No Consider.

IRM 21.7.4.4.11.11.3(5) Updated No Consideration contact information from Financial Products Specialist Area to Subject Matter Expert RICs, REITs, and REMICs. Phone number updated from 847-737-6430 to 847-737-6666 and hours of operation updated to 8:30 a.m. to 5:00 p.m. CST per SERP Feedback #13607.

(5) Employees will confirm the following:

- The deficiency dividends distribution date (reported on Form 976, line 7) is on or after the determination date (reported on Form 976, line 6) and within 90 days after the determination date (IRC 860(f)(1)).
- The Form 976 was filed within 120 days after the determination date (IRC 860(g)).

Note: The Form 976 filing date is generally the date the form is received. If the Form 976 was received after the 120-day deadline, apply the "timely mailing treated as timely filing rule of IRC 7502." For additional information see IRM 20.1.2.2.1, *When Timely Mailing Equals Timely Filing or Paying (Received Date vs. Filing/Payment Date)* and IRM 25.6.1.6.15, *When a Document Is Treated As Filed Under the IRC*.

- A certified copy of the resolution of the board of directors or other authority authorizing the payment of the deficiency dividends is attached to the Form 976. (Form 976, line 7; Reg. section 1.860-2(b)(2)(x)).

Note: If any required information listed above is missing, send the correct C-Letter and suspend your case for 40 days. If the missing information is not received follow the no consideration guidance found in IRM 21.5.3.4.6.3, *No Consideration Procedures*. Send a copy of the case and the Letter 916 using E-Fax, or mail to the Financial Products SpecialistsManager address listed below.

5100 River Rd. Mail Stop 601
Schiller Park, IL 60176-1076

Attn: Subject Matter Expert RICs, REITs, and REMICs

Caution: #

[REDACTED] #

IRM 21.7.4.4.4.11.11.3(9) Phone number updated from # [REDACTED] # for the Financial Products Specialists in the LB&I Enterprise Activities Practice Area.

(9) Employees working these cases may contact the Financial Products Specialists in the LB&I Enterprise Activities Practice Area by telephone # [REDACTED] #, for any questions with the deficiency dividends procedures for RICs and REITs. In addition, Financial Products Specialists may manually work these cases.

IRM 21.7.4.4.4.20(3) Updated IRM link referenced in paragraph 3 from IRM 21.3.1.6.58 Letter 6336, Micro-Captive Insurance, Soft Notice to IRM 21.3.1.6.58 Micro-Captive Insurance Amended Returns

(3) ICT scans BMF amended returns into CII under category code SPC0. Upon receipt of the amended return, if it is not controlled with the correct category code, employees must change it to SPC0 prior to closing. See IRM 21.3.1.6.58, *Micro-Captive Insurance Amended Returns*, for more information regarding IMF amended returns.

IRM 21.7.4.4.15.1.1(4) Removed expiration date on taxpayer ability to use electronic signature on Form 3115 per revised IRM 10.10.1 published 10-17-2023

(4) Research IDRS

If Form 3115 is	Then
Received before the return due date and before return is filed and is legible and complete	1. Close the case 2. Use Letter 131C to return Form 3115 to the taxpayer with instructions to file the form with their return
Timely, legible and complete, and tax return has posted to master file	1. Associate the Form 3115 with the posted return 2. Do not send an acknowledgment letter (see, Rev. Proc. 2015-13, 2015-5 I.R.B. 419, section 6.03(1)(d))
Timely, legible and complete, but tax return has not posted to master file	Input TC 930 and forward the suspense copy to the Return Files function

Timely, legible and complete, and is attached to an amended return	Use blocking series 18 with your adjustment, to associate the amended return and Form 3115 with the original return
NOT timely	<ol style="list-style-type: none"> 1. Return Form 3115 to the taxpayer using Letter 131C, <i>Information Insufficient or Incomplete for Processing Inquiry</i>. 2. Refer taxpayer to Rev. Proc. 2023-1, 2023-1 I.R.B. 1, (or successor) for procedures for pursuing an extension under section 301.9100-3 of the Procedures and Administrative Regulations. 3. Inform the taxpayer extensions to file a Form 3115 will only be granted in unusual and compelling circumstances.
Is timely, but name is illegible, form is incomplete or signature is missing	<ol style="list-style-type: none"> 1. Suspend the case 2. Correspond using Letter 131C, <i>Information Insufficient or Incomplete for Processing Inquiry</i>. Return the original Form 3115. Use selective paragraph and advise the taxpayer to return original Form 3115 with a copy of the letter 3. Suspend photocopy of Form 3115 for 30 days. Notate history sheet 4. If response is received, and items are completed, associate Form 3115 with posted return 5. If no reply is received, input TC 930 and forward suspended copy to the Return Files function

Note: To protect the health of taxpayers and tax professionals, the IRS allows taxpayers to use electronic or digital signatures on certain paper forms they cannot file electronically. Taxpayers can submit Form 3115 with digital signatures by following the requirements in. IRM 10.10.1, IRS Electronic Signature (e-Signature) Program.