



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

3.11.217

NOVEMBER 21, 2025

## EFFECTIVE DATE

(01-01-2026)

## PURPOSE

- (1) This transmits revised IRM 3.11.217, Returns and Documents Analysis, Form 1120-S Corporation Income Tax Returns.

## MATERIAL CHANGES

- (1) IRM 3.11.217.2.13(1), Tribal Tax Credit Scheme - Added in "Section 6418" to the list of non-valid credits. (IPU 25U3503 issued 07-18-2025)
- (2) IRM 3.11.217.2.13(2), Tribal Tax Credit Scheme - Changed "SSPN 211" to "edit Action Code 211." Revised the bullet statement conditions and added a note not to detach the Schedule K-1 (Form 1120-S). (IPU 25U3553 issued 08-11-2025)
- (3) IRM 3.11.217.2.13(2) a), Tribal Tax Credit Scheme - Deleted "Use the following literal." and "Line 13, Schedule K (Form 1120-S)" to "Box 13, Schedule K-1 (Form 1120-S)." (IPU 25U3553 issued 08-11-2025)
- (4) IRM 3.11.217.2.13(2), Tribal Tax Credit Scheme - Revised the conditions for when corresponding for a statement identifying the credit claimed. (IPU 25U3503 issued 07-18-2025)
- (5) IRM 3.11.217.2.13(3), Tribal Tax Credit Scheme - Changed "Line 13, Schedule K (Form 1120-S)" to "Box 13, Schedule K-1 (Form 1120-S)." Changed the sub paragraphs a) and b) to bullet statements and changed the action to be taken. (IPU 25U3553 issued 08-11-2025)
- (6) IRM 3.11.217.2.13(3), Tribal Tax Credit Scheme - Revised the procedures for when a statement is attached identifying the credit as one of the Tribal Tax Credit Schemes. (IPU 25U3503 issued 07-18-2025)
- (7) IRM 3.11.217.2.13, Tribal Credits Scheme - New procedural section for schemes identified as Tribal Tax Credit, Native American Tax Credit, and Sovereign Tribal Tax Credit. being claimed. (IPU 25U3451 issued 06-30-2025)
- (8) IRM 3.11.217.2.13, Tribal Tax Credit Scheme - made the following changes:
  - Changed the title to "Tribal Tax Credit."
  - In (1) changed "was" to "has".
  - In (2) Revised the three bullet statements procedures to ensure Code & Edit identifies conditions for proper action to be taken.
  - In (2)a) moved the reference Form 8300, Part III to follow the line number reference.
  - In (3) revised the procedures to include additional actions to be taken.
  - Deleted (4) procedure since the revision of (3) covers the condition. (IPU 25U3460 issued 07-03-2025)
- (9) IRM 3.11.217.3.1, Action Codes - In (7) deleted the note for Telephone Excise Tax Refund (TETR) in the description for Action Code 420. Revised the description for Action Code 450, and 460. (IPU 25U0066 issued 01-17-2025)
- (10) IRM 3.11.217.3.7, Statute Returns - Change in (3) seventh bullet statement the tax years "2020" to "2021." (IPU 25U0394 issued 03-19-2025)

- (11) IRM 3.11.217.3.9, Amended Returns - In (5) added a note regarding Line 13, Schedule K (Form 1120-S) has a code ZZ. (IPU 25U3451 issued 06-30-2025)
- (12) IRM 3.11.217.3.9(5), Amended Returns - Changed "Line 13, Schedule K (Form 1120-S)" to "Box 13, Schedule K-1 (Form 1120-S)." (IPU 25U3553 issued 08-11-2025)
- (13) IRM 3.11.217.11, Initial Return Code - Page 1, Box G - Added to (1) d) 2026 Tax Period ending and the 24-month cutoff date.
- (14) IRM 3.11.217.15.1, Sequence of Return - Form 1120-S - Made the following changes in (1):
  - Deleted the IRM references for the forms listed since these IRM references can be found in the Table of Contents.
  - Moved Form 4797, Sales of Business Property to follow Form 8996, Qualified Opportunity Fund
  - Deleted Form 8050, Direct Deposit of Corporate Tax Refund.
  - Added Form 8283, Non cash Charitable Contribution to the sequence list with a note with regards to additional forms attached.
- (15) IRM 3.11.217.15.2, Positive/Negative Figures - Added in (3) to line 28a note "2023 - 2024 Line 28 and."
- (16) IRM 3.11.217.16.3, Line 4 - Net Gain (Loss) - Added in (2) Form 4797 Line number and Line descriptions.
- (17) IRM 3.11.217.18, Lines 23a -28, Lines 22a - 27 (2022 & prior) - Tax and Payments Page 1 - Title was changed to include the 2022 & prior line numbers. (2) procedure was updated to include 2022 and prior editing and definition of significant entry. (IPU 25U3553 issued 08-11-2025)
- (18) IRM 3.11.217.18.1, Lines 23b, Lines 22b (2022 & prior) - Tax from Schedule D (Form 1120-S) - Title was changed to include the 2022 & prior line number. Deleted old (2) and replaced with new (1) procedure for 2022 and prior editing and definition of significant entry. (IPU 25U3553 issued 08-11-2025)
- (19) IRM 3.11.217.18.2, Line 23c, Line 22c (2022 & prior) - Total Tax - Title was changed to include the 2022 & prior line number. Deleted old (3) and replaced with new (1) procedure for 2022 and prior editing and definition of significant entry. (IPU 25U3553 issued 08-11-2025)
- (20) IRM 3.11.217.18.3, Line 24a - Estimated Tax Payments - Added to (2)the year 2022 and prior editing procedures and the definition of significant entry. (IPU 25U3553 issued 08-11-2025)
- (21) IRM 3.11.217.18.4, Line 24b, Line 24c (2022 & prior) - Tax Deposited with Form 7004 - Title was changed to include the 2022 & prior line number. Deleted in (2) the note and added new (1) procedure for 2022 and prior editing and definition of significant entry. (IPU 25U3553 issued 08-11-2025)
- (22) IRM 3.11.217.18.5, Line 24c (2023 & later), Line 23c (2022 & prior) - Credit for Federal Tax Paid on Fuels – Form 4136 - Title was changed to include 2022 & prior line number. Deleted in (2) the note and added new (1) procedure for 2022 and prior editing and definition of significant entry. (IPU 25U3553 issued 08-11-2025)
- (23) IRM 3.11.217.18.6, Line 24d (2023 & later) - Elective Payment Election Amount from Form 3800 - Added new procedural section. (IPU 25U3553 issued 08-11-2025)
- (24) IRM 3.11.217.18.7, Line 23d Add lines 23a through 23c (2021 year revisions and 2017 - 2007 revision Form 1120-S - Old procedural section. These procedures have been moved to the current year procedures in IRM 3.11.217.18.9 - Line 24z (2023 & later), Line 23d (2022, 2021, 2017 & prior), Line 23e (2018 - 2020) - Tax and Payments. (IPU 25U3553 issued 08-11-2025)

- (25) IRM 3.11.217.18.7, Line 23d (2020-2019) - Reserved (2020 - 2019 revision Form 1120-S) - Title was changed to include the 2022 & prior line number. Added in (1) the tax year range and deleted (2) procedure since procedure (1) will take care of an entry present for the years 2019 - 2020. (IPU 25U3553 issued 08-11-2025)
- (26) IRM 3.11.217.18.8, Line 23d (20218) - Refundable Credit from Form 8827 - Title was changed to include the year 2018. Changed in (1) “then “X” the entry. Continue processing the return” to “must be attached to the return. If the form is not present, correspond for the missing form.” Delete the note regarding 2022, 2021, 2017. (IPU 25U3553 issued 08-11-2025)
- (27) IRM 3.11.217.18.9, Line 24z (2023 & later), Line 23d (2022, 2021, 2017 & prior), Line 23e (2018 - 2020) - Tax and Payments - Title was changed to include the 2022 & prior line numbers. Added new (1) procedure for editing prior year lines number to current year return line number format. Added new (2) procedure for Tax Year 2023 and later. Added new (3) procedure for 2022, 2021, 2017 and prior. Added new (4) procedure for Tax Year 2018 - 2020. Delete old (5) when line 23e has an entry and no entries are present on lines 23s through 23d.(IPU 25U3553 issued 08-11-2025)
- (28) IRM 3.11.217.18.10, Line 25 (2023 & later), Line 24 (2022 & prior) - Estimated Tax Penalty - Title was changed to include the 2023 & prior line numbers. revised (2) procedures to include the 2023 and prior lines numbers and the editing to 2024 line number format.(IPU 25U3553 issued 08-11-2025)
- (29) IRM 3.11.217.18.11, Lines 26 and 27 (2023 & later), Lines 24 and 27 ( 2022 & prior ) - Amount Owed/Overpayment - Title was changed to include the 2023 & prior line numbers. Added new (1) procedure for Line 25, Form, Form 1120-S. Added new (2) for Line 26, Form 1120-S. Added new (3) procedures to include the 2023 and prior line numbers and the editing to 2024 line number format.
- (30) IRM 3.11.217.18.11, Line 24z - Add lines 24a through 24d (2301 Form 1120-S revision and later) - Delete. The procedures for this sub sections have been moved to IRM 3.11.217.18.9 - Line 24z (2023 & later), Line 23d (2022, 2021, 2017 & prior), Line 23e (2018 - 2020) - Tax and Payments.(IPU 25U3553 issued 08-11-2025)
- (31) IRM 3.11.217.18.13, Line 24, Estimated Tax Penalty (2022 - 2018 Form 1120-S revision) - Deleted old subsection. These procedures are no longer needed once the editing of the line 24 to 2024 form format is done. The procedures in IRM 3.11.217.18.10, Line 25 (2023 & later), Line 24 (2022 & prior) - Estimated Tax Penalty will take care of the additional editing that is needed. (IPU 25U3553 issued 08-11-2025)
- (32) IRM 3.11.217.18.14, Lines 28b, 28c, & 28d - Direct Deposit Information - Added new subsection procedures.
- (33) IRM 3.11.217.24.8, Schedule K, Line 13g - Other credits - Added new procedure for Other Credits claimed and updated the procedures for Form 8936, Schedule A, Clean Vehicle Credits. (IPU 25U0317 issued 03-06-2025)
- (34) IRM 3.11.217.24.13, Schedule K, Line 17d - Other items and amounts - Added in (1) “and the Tax Period is 201712 - 202012 ”to the condition for when to edit CCC “J”.
- (35) IRM 3.11.217.30, Schedule D (Form 1120-S) - Capital Gains and Losses and Built-in Gains - Added in (1) table procedure 3) reference to “Part 1, Line 5 (2025 and later).”
- (36) IRM 3.11.217.31, Form 4797 - Sales of Business Property - Added New (1) for Form 4797 line transcription and descriptions. Deleted Old (1), (2), and (3). They are no longer needed since they are included in new (1).

- (37) IRM 3.11.217.39, Replaced the bullet statements with a procedure table and changed “Line 13, Schedule K (Form 1120-S)” to “Box 13, Schedule K-1 (Form 1120-S).” (IPU 25U3553 issued 08-11-2025)
- (38) IRM 3.11.217.39(3), Form 3800 - General Business Credit - Deleted the tolerance and Changed “Tribal Credits Scheme” to “Tribal Tax Credit Scheme.” (IPU 25U3460 issued 07-03-2025)
- (39) IRM 3.11.217.39(1), Form 3800, General Business Credit - Added procedure note for Form 3800, Part, III, Line 1, Columns (b), (f) and (g).
- (40) IRM 3.11.217.39(3), General Business Credit - Added new procedure for Form 3800, Part III, Line 1zz. (IPU 25U3451 issued 06-30-2025)
- (41) IRM 3.11.217.39(3), Form 3800 - General Business Credit - Revised the conditions for Tribal Tax Credit Scheme. (IPU 25U3503 issued 07-18-2025)
- (42) IRM 3.11.217.39(4), Form 3800, General Business Credit - Added in table Form 3800, Part, III, Line 1, Columns (b), (f) and (g).
- (43) IRM 3.11.217.41, Form 8283, Noncash Charitable Contributions - Added new procedural section.
- (44) IRM 3.11.217.44(6) - Schedule K-1 - Shareholder’s Share of Income, Deductions, Credits, etc. - changed “Line 13, Schedule K (Form 1120-S)” to “Box 13, Schedule K-1 (Form 1120-S).” (IPU 25U3553 issued 08-11-2025)
- (45) IRM 3.11.217.45, Schedule K-1 - Shareholder’s Share of Income, Deductions, Credits, etc. - In (1) added a note regarding prior to detaching Schedule K-1. Added a new (8) procedure for Line 13, Schedule K (Form 1120-S) has a code ZZ. (IPU 25U3451 issued 06-30-2025)
- (46) Exhibit 3.11.217-2, Due Date Chart - Added Tax year 2026 due dates.
- (47) Exhibit 3.11.217-9 - Added Form 3800 - Prior Year Revisions Comparison Chart.
- (48) Revised the IRM, where necessary, for the following types of editorial changes:
  - Tax Year from 2024 to 2025 and 2025 to 2026
  - Plain language, simpler words
  - Spelling, grammar, and formatting
  - IRM references, citations, and links
  - Form titles
  - IRM graphics and alternative text
  - Minor editorial changes (e.g., line number updates, spelling, punctuation, links, etc.)

## **EFFECT ON OTHER DOCUMENTS**

IRM 3.11.217, Returns and Documents Analysis, Form 1120-S Corporation Income Tax Returns, dated November 14, 2024 (effective January 1, 2025, is superseded. The following IRM Procedural Updates (IPUs) have been incorporated into this IRM: 25U0066 issued January 17, 2025, 25U0317 issued March 06, 2025, 25U0394 issued March 19, 2025, 25U3401 issued June 12, 2025, 25U3451 issued June 30, 2025, 25U3460 issued July 03, 2025, 25U3503 issued July 18, 2025, 25U3553 issued August 11, 2025.

**AUDIENCE**

Taxpayer Services (TS) Submission Processing Code and Edit (C&E) personnel are the intended audience for this IRM.

Scott Wallace  
Director, Submission Processing  
Taxpayer Services



3.11.217

Form 1120-S Corporation Income Tax Returns

## Table of Contents

### 3.11.217.1 Program Scope and Objectives

- 3.11.217.1.1 Background
- 3.11.217.1.2 Authority
- 3.11.217.1.3 Roles and Responsibilities
- 3.11.217.1.4 Program Management and Reviews
- 3.11.217.1.5 Program Controls
- 3.11.217.1.6 Terms and Acronyms
- 3.11.217.1.7 Related Resources

### 3.11.217.2 General Information

- 3.11.217.2.1 ♦Business Master File (BMF) Consistency♦
- 3.11.217.2.2 ♦IRM Deviation Procedures♦
- 3.11.217.2.3 ♦Taxpayer Advocate Service (TAS)♦
  - 3.11.217.2.3.1 ♦TAS Service Level Agreements (SLAs)♦
- 3.11.217.2.4 Business Master File (BMF) Identity (ID) Theft
- 3.11.217.2.5 ♦Criminal Investigation (CI) Referral♦
- 3.11.217.2.6 ♦Examination (Exam) “Funny Box”♦
- 3.11.217.2.7 ♦Edit Marks♦
- 3.11.217.2.8 ♦Frivolous Arguments♦
- 3.11.217.2.9 ♦Foreign Currency♦
- 3.11.217.2.10 ♦Protective Claims♦
- 3.11.217.2.11 Section 965 Returns (201712 through 202012)
- 3.11.217.2.12 Elective or Deemed Payment Election (DPE) and Credit Transfers

#

### 3.11.217.3 Unprocessable Documents - Error Resolution System

- 3.11.217.3.1 Action Codes
- 3.11.217.3.2 Unprocessable Conditions and Rejection of Documents
- 3.11.217.3.3 Treatment of All Unprocessable Tax Returns
- 3.11.217.3.4 ♦Correspondence♦
  - 3.11.217.3.4.1 ♦Definition of Correspondence from Taxpayers♦
  - 3.11.217.3.4.2 ♦Issuing Correspondence♦
  - 3.11.217.3.4.3 ♦Correspondence Imaging Inventory (CII) Returns♦
  - 3.11.217.3.4.4 ♦Internal Revenue Service (IRS) Employee Contacts♦
  - 3.11.217.3.4.5 ♦Use of Fax for Taxpayer Submissions♦
- 3.11.217.3.5 C/SC Letters
- 3.11.217.3.6 ♦Compliance Secured/Prepared Returns♦

- 3.11.217.3.6.1 ♦IRC 6020(b) Prepared by Collections♦
- 3.11.217.3.6.2 ♦Collection Secured♦
- 3.11.217.3.6.3 ♦Examination Prepared♦
- 3.11.217.3.6.4 ♦Examination Secured♦
- 3.11.217.3.7 ♦Statute Returns♦
- 3.11.217.3.8 ♦Re-Entry Document Procedures♦
  - 3.11.217.3.8.1 ♦Form 3893 - Re-Entry Document Control♦
  - 3.11.217.3.8.2 ♦Form 13596 - Reprocessing Returns♦
- 3.11.217.3.9 ♦Amended Returns♦
- 3.11.217.3.10 Prompt Assessment or Prompt Determination - Form 4810
- 3.11.217.3.11 ♦Refund Returns (45 Day Jeopardy and High Dollar Refunds)♦
- 3.11.217.4 Examination of Tax Data
  - 3.11.217.4.1 Non-Standard or Prior Year Format
  - 3.11.217.4.2 Conversion of Form 1120 to Form 1120-S
  - 3.11.217.4.3 Significant Entries
  - 3.11.217.4.4 Incomplete Return
  - 3.11.217.4.5 Editing Dollars and Cents
  - 3.11.217.4.6 Negative Entries
- 3.11.217.5 ♦Entity Perfection♦
  - 3.11.217.5.1 ♦Entity Perfection - General♦
  - 3.11.217.5.2 ♦Bankruptcy♦
  - 3.11.217.5.3 ♦Entity Perfection - Employer Identification Number (EIN)♦
  - 3.11.217.5.4 ♦Entity Perfection - Name Control♦
  - 3.11.217.5.5 ♦Entity Perfection - "In-Care-Of" Name♦
  - 3.11.217.5.6 ♦Entity Perfection - Domestic Addresses♦
  - 3.11.217.5.7 ♦Entity Perfection - Foreign Address (OSPC)♦
    - 3.11.217.5.7.1 ♦Country Code - Canada♦
- 3.11.217.6 Tax Period
  - 3.11.217.6.1 Tax Period - General
  - 3.11.217.6.2 Tax Period Beginning - Final, Initial, or Short Period Return
  - 3.11.217.6.3 Early Filed Return
  - 3.11.217.6.4 Short Period - Editing Proof of Entitlement
  - 3.11.217.6.5 Short Period - Missing Proof of Entitlement
  - 3.11.217.6.6 Short Period Returns - Editing a Disapproved Application (Form 1128)
  - 3.11.217.6.7 Short Period Returns - Editing Form 1128 With No Indication of Approval or Disapproval
  - 3.11.217.6.8 Short Period Return with Prepaid Credits
- 3.11.217.7 ♦Received Date♦
- 3.11.217.8 North American Industry Classification System (NAICS) Code - Page 1, Box B
- 3.11.217.9 Schedule M-3 Attached - Page 1, Box C



- 3.11.217.10 Total Assets - Page 1, Box F
- 3.11.217.11 Initial Return Code - Page 1, Box G
- 3.11.217.12 Number of Shareholders - Page 1, Line I
- 3.11.217.13 Additional Form 1120-S Perfection
  - 3.11.217.13.1 Audit Codes
  - 3.11.217.13.2 Penalty and Interest Code
  - 3.11.217.13.3 Installment Sale Indicator
  - 3.11.217.13.4 Tax Preference Code
  - 3.11.217.13.5 Form 8586, Low-Income Housing Credit
  - 3.11.217.13.6 Form 8611, Recapture of Low-Income Housing Credit
  - 3.11.217.13.7 Return Processing Code (RPC)
- 3.11.217.14 Computer Condition Codes
  - 3.11.217.14.1 CCC "B" - Schedule M-3
  - 3.11.217.14.2 ♦CCC "D" - Reasonable Cause for Failing to Pay Timely♦
  - 3.11.217.14.3 CCC "E" - Potential Identity Theft Filing
  - 3.11.217.14.4 CCC "F" - Final Return
  - 3.11.217.14.5 ♦CCC "G" - Amended Returns♦
  - 3.11.217.14.6 CCC "I" - Tax Straddles and Future Contracts (Form 6781)
  - 3.11.217.14.7 CCC "J" - Section 965 Tax
  - 3.11.217.14.8 CCC "L" - Treaty Based Positions
  - 3.11.217.14.9 CCC "M" - Form 8949 Sales and Other Dispositions of Capital Assets
  - 3.11.217.14.10 CCC "O" - Module Freeze
  - 3.11.217.14.11 CCC "P" - BMF Mail Indicator
  - 3.11.217.14.12 ♦CCC "R" - Reasonable Cause for Failing to Timely File Return♦
  - 3.11.217.14.13 CCC "S" - Form 8883, Asset Allocation Statement Under Section 338
  - 3.11.217.14.14 CCC "T" - Form 8886, Reportable Transaction Disclosure Statement
  - 3.11.217.14.15 ♦CCC "W" - Return Cleared by Statute Control♦
  - 3.11.217.14.16 CCC "X" - Refund/Settlement Freeze
  - 3.11.217.14.17 CCC "Y" - Short Period Return for Change of Accounting Period
  - 3.11.217.14.18 CCC "1" - Like-Kind Exchanges
  - 3.11.217.14.19 CCC "2" - Form 8938, Statement of Specified Foreign Financial Assets
  - 3.11.217.14.20 ♦CCC "3" - No Reply to Correspondence♦
  - 3.11.217.14.21 CCC "8" - Waiver of Estimated Tax Penalty
  - 3.11.217.14.22 CCC "9" - Low-Income Housing Forms
- 3.11.217.15 Return Processing
  - 3.11.217.15.1 Sequence of Return - Form 1120-S
  - 3.11.217.15.2 Positive/Negative Figures
- 3.11.217.16 Income Items - Lines 1 through 6, Page 1
  - 3.11.217.16.1 Line 1 - Gross Receipts or Sales

- 
- 3.11.217.16.2 Line 2 - Cost of Goods Sold
  - 3.11.217.16.3 Line 4 - Net Gain (Loss)
  - 3.11.217.16.4 Line 5 - Other Income (Loss)
  - 3.11.217.16.5 Line 6 - Total Income (Loss)
  - 3.11.217.17 Deduction Items and Computation of Ordinary Income - Lines 7 through 22, Page 1
    - 3.11.217.17.1 Line 7 - Compensation of Officers
    - 3.11.217.17.2 Line 8 - Salaries and Wages
    - 3.11.217.17.3 Salary and Wage Code
    - 3.11.217.17.4 Line 9 - Repairs and Maintenance
    - 3.11.217.17.5 Line 10 - Bad Debts
    - 3.11.217.17.6 Line 11 - Rents
    - 3.11.217.17.7 Line 12 - Taxes and Licenses
    - 3.11.217.17.8 Line 13 - Interest
    - 3.11.217.17.9 Line 14 - Depreciation
    - 3.11.217.17.10 Line 15 - Depletion
    - 3.11.217.17.11 Line 16 - Advertising
    - 3.11.217.17.12 Line 17 - Pension Profit Sharing Plan
    - 3.11.217.17.13 Line 18 - Employee Benefit Programs
    - 3.11.217.17.14 Line 19 - Energy Efficient Commercial Buildings Deduction (Form 7205) (202301 and later)
    - 3.11.217.17.15 Line 20 - Other Deductions
    - 3.11.217.17.16 Line 21 - Total Deductions
    - 3.11.217.17.17 Line 22 - Ordinary Business Income (loss)
  - 3.11.217.18 Lines 23a -28, Lines 22a - 27 (2022 & prior) - Tax and Payments Page 1
    - 3.11.217.18.1 Line 23b, Line 22b (2022 & prior) - Tax from Schedule D (Form 1120-S)
    - 3.11.217.18.2 Line 23c, Line 22c (2022 & prior) - Total Tax
    - 3.11.217.18.3 Line 24a - Estimated Tax Payments
    - 3.11.217.18.4 Line 24b Line 24c (2022 & prior) - Tax Deposited with Form 7004
    - 3.11.217.18.5 Line 24c (2023 & later), Line 23c (2022 & prior) - Credit for Federal Tax Paid on Fuels – Form 4136
    - 3.11.217.18.6 Line 24d (2023 & later) - Elective Payment Election Amount from Form 3800
    - 3.11.217.18.7 Line 23d (2020-2019) - Reserved
    - 3.11.217.18.8 Line 23d (2018) - Refundable Credit from Form 8827
    - 3.11.217.18.9 Line 24z (2023 & later), Line 23d (2022, 2021, 2017 & prior), Line 23e (2018 - 2020) - Tax and Payments
    - 3.11.217.18.10 Line 25 (2023 & later), Line 24 (2022 & prior) - Estimated Tax Penalty
    - 3.11.217.18.11 Lines 26 and 27 - Amount Owed/Overpayment
    - 3.11.217.18.12 Lines 28b, 28c, & 28d - Direct Deposit Information
    - 3.11.217.18.13 Backup Withholding
  - 3.11.217.19 ♦Signature♦

- 3.11.217.20 ♦Paid Preparer Checkbox Indicator♦
- 3.11.217.21 ♦Paid Preparer Section♦
  - 3.11.217.21.1 ♦Paid Preparer's Tax Identification Number (PTIN)♦
  - 3.11.217.21.2 ♦Firm's Employer Identification Number (EIN)♦
  - 3.11.217.21.3 ♦Paid Preparer Telephone Number♦
- 3.11.217.22 Schedule A - Cost of Goods Sold (2010 and prior revisions)
- 3.11.217.23 Schedule B - Other Information
  - 3.11.217.23.1 Accounting Method Code
  - 3.11.217.23.2 Form 8996 - Qualified Opportunity Fund Checkbox
  - 3.11.217.23.3 Digital Asset Checkbox
- 3.11.217.24 Schedule K - Shareholders' Pro Rata Share Items
  - 3.11.217.24.1 Line 2, Schedule K - Net rental real estate income (loss)
  - 3.11.217.24.2 Line 4, Schedule K - Interest income
  - 3.11.217.24.3 Line 10, Schedule K - Other income (loss)
  - 3.11.217.24.4 Line 12d, Schedule K - Other deductions
  - 3.11.217.24.5 Line 13a, Schedule K - Low-income housing credit (section 42(j)(5))
  - 3.11.217.24.6 Line 13b, Schedule K - Low-income housing credit (other)
  - 3.11.217.24.7 Line 13f, Schedule K - Biofuel producer credit
  - 3.11.217.24.8 Line 13g, Schedule K - Other credits
  - 3.11.217.24.9 Line 14, Schedule K - International Checkbox
  - 3.11.217.24.10 Line 16f, Schedule K - Foreign taxes paid or accrued
  - 3.11.217.24.11 Line 14r, Schedule K - Other foreign tax information
  - 3.11.217.24.12 Line 16d, Schedule K - Distributions
  - 3.11.217.24.13 Line 17d, Schedule K - Other items and amounts
  - 3.11.217.24.14 Line 18, Schedule K - Income/loss reconciliation
- 3.11.217.25 Schedule L - Balance Sheets per Books
- 3.11.217.26 Schedule M-1 and Schedule M-2
  - 3.11.217.26.1 Schedule M-1 - Reconciliation of Income (Loss)
  - 3.11.217.26.2 Schedule M-2 - Analysis of Accumulated Adjustments Account
- 3.11.217.27 Schedule N (Form 1120) - Foreign Operations of U.S. Corporations
  - 3.11.217.27.1 Line 1a, Schedule N (Form 1120) - Form 8858, Information Return of U.S. Persons With Respect to Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs)
  - 3.11.217.27.2 Line 2, Schedule N (Form 1120) - Number of Forms 8865
  - 3.11.217.27.3 Line 3, Schedule N (Form 1120) - Form 8865 Question
  - 3.11.217.27.4 Lines 4a and 4b, Schedule N (Form 1120)- Form 5471, Controlled Foreign Corporation
  - 3.11.217.27.5 Line 5, Schedule N (Form 1120) - Form 3520 Question
  - 3.11.217.27.6 Line 6b, Schedule N (Form 1120) - Foreign Country Code
  - 3.11.217.27.7 Line 7a, Schedule N (Form 1120) - Form 8873 Question
  - 3.11.217.27.8 Line 7b, Schedule N (Form 1120) - Number of Forms 8873

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- 3.11.217.27.9 Line 7c, Schedule N (Form 1120) - Total Extraterritorial Income Exclusion
  - 3.11.217.27.10 Line 8, Schedule N (Form 1120) - Statement of Specified Foreign Financial Assets
  - 3.11.217.28 Form 8825, Rental Real Estate Income and Expenses of a Partnership or an S Corporation
  - 3.11.217.29 Form 8873, Extraterritorial Income Exclusion
    - 3.11.217.29.1 Form 8873, Line 1 - Section 942(a) (3) Election
    - 3.11.217.29.2 Form 8873, Line 2 - Extraterritorial Income Exclusion in Lieu of Election
    - 3.11.217.29.3 Form 8873, Line 3 - Domestication Election
  - 3.11.217.30 Schedule D (Form 1120-S), Capital Gains and Losses and Built-in Gains
  - 3.11.217.31 Form 4797, Sales of Business Property
  - 3.11.217.32 Form 8949, Sales and Other Dispositions of Capital Assets
  - 3.11.217.33 Form 8996, Qualified Opportunity Fund
  - 3.11.217.34 Form 1125-A, Cost of Goods Sold (Formerly Form 1120-S, Page 2, Schedule A)
  - 3.11.217.35 Form 4136, Credit for Federal Tax Paid on Fuels
  - 3.11.217.36 Form 8913, Credit for Federal Telephone Excise Tax Paid Only Tax Return
  - 3.11.217.37 Form 8941, Credit for Small Employer Health Insurance Premiums
  - 3.11.217.38 Form 5884-B, New Hire Retention Credit
  - 3.11.217.39 Form 3800, General Business Credit
  - 3.11.217.40 Form 8997, Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments
  - 3.11.217.41 Form 8283, Noncash Charitable Contributions
  - 3.11.217.42 Form 6252, Installment Sale Income
  - 3.11.217.43 Form 8936, Schedule A- Clean Vehicle Credit Amount (202301 and later)
  - 3.11.217.44 Form 4255, Certain Credit Recapture, Excessive Payments, and Penalties
  - 3.11.217.45 Schedule K-1, Shareholder's Share of Income, Deductions, Credits, etc.
  - 3.11.217.46 Form 8938, Statement of Specified Foreign Financial Assets
  - 3.11.217.47 Form 1120-S Prior Year Conversion Charts

Exhibits

- 3.11.217-1 Acronyms and Abbreviations
- 3.11.217-2 Due Date Chart
- 3.11.217-3 Routing Guide for Attachments
- 3.11.217-4 Form 8996 - Prior Year Conversion Chart
- 3.11.217-5 ♦Potential Frivolous Arguments for Examination Review♦
- 3.11.217-6 ♦Province, Foreign State and Territory Abbreviations♦
- 3.11.217-7 ♦U.S. Possessions ZIP Codes♦
- 3.11.217-8 ♦USPS.com Track & Confirm Record♦
- 3.11.217-9 Form 3800 - Prior Year Revisions Comparison Chart

3.11.217.1  
(01-01-2025)  
**Program Scope and Objectives**

- (1) This subsection has instructions for Form 1120-S, U.S. Income Tax Return for an S Corporation. Form 1120-S is used to report the income, gains, losses, deductions, credits, etc., of a domestic corporation or other entity for any tax year covered by an election to be an S Corporation.
- (2) **Purpose:** This subsection gives instructions for Document Perfection Operation (DPO) Code and Edit (C&E) for coding and editing (perfecting) returns and other documents.
- (3) **Audience:** These procedures apply to Taxpayer Services (TS) Submission Processing (SP) Code and Edit (C&E) personnel:
  - Supervisory Tax Technician
  - Lead Tax Technician
  - Tax Examining Technician
  - Supervisory Clerk
  - Lead Clerk
  - Clerk
- (4) **Policy Owner:** Director, Submission Processing.
- (5) **Program Owner:** Return Processing Branch, Business Master File (BMF) Section.
- (6) **Primary Stakeholders:** Other areas that may be affected by these procedures include (but are not limited to):
  - Accounts Management (AM)
  - Chief Counsel
  - Compliance
  - Information Technology (IT) Programmers
  - Large Business and International (LB&I)
  - Modernized Electronic Filing (MeF) or Modernized e-file (MeF)
  - Small Business Self-Employed (SBSE)
  - Statistics of Income (SOI)
  - Submission Processing (SP)
  - Tax Exempt and Government Entities (TEGE)
  - Taxpayer Advocate Service (TAS)

3.11.217.1.1  
(01-01-2022)  
**Background**

- (1) Document Perfection codes and edits (perfects) returns and documents for input to Master File (MF) through the Integrated Submission and Remittance Processing System (ISRP) and the Service Center Recognition Image Processing System (SCRIPS).
- (2) Document Perfection forwards documents and attachments not related to the processing of the returns to the function responsible for handling.
- (3) Code and Edit does not mathematically verify or check the validity of returns and other documents being processed unless otherwise specified in the applicable section.

3.11.217.1.2  
(01-01-2021)  
**Authority**

- (1) Authority for these procedures is found in the following sections of the Internal Revenue Code and their corresponding Treasury Regulations:
  - IRC 6201(a)
  - IRC 6213(b)

- |   |   |
|---|---|
| 3.11.217.1.3<br>(01-01-2018)<br><b>Roles and Responsibilities</b>     | (2) Policy Statements for Submission Processing are contained in IRM 1.2.1, Servicewide Policies and Authorities, Servicewide Policy Statements.  |
| 3.11.217.1.4<br>(01-01-2022)<br><b>Program Management and Reviews</b> | (1) The Campus Director monitors operational performance for the Submission Processing campus.<br><br>(2) The Operations Manager monitors operational performance for their operation.<br><br>(3) The Team Manager/Lead conducts performance monitoring and ensures employees have the tools to perform their duties.<br><br>(4) Team employees follow the instructions contained in this IRM and maintain updated IRM procedures.  |
| 3.11.217.1.5<br>(01-01-2022)<br><b>Program Controls</b>               | (1) Program Goals: Make sure documents are code and edit ready for transcription.<br><br>(2) Program Reports: The Batch Block Tracking System (BBTS) captures and stores a vast amount of data which can be used in performance monitoring and production projections.<br><br>(3) Program Effectiveness: The program goals are measured by using the following tools: <ul style="list-style-type: none"> <li>• Embedded Quality Submission Processing (EQSP)</li> <li>• Balanced Measures</li> <li>• Managerial Reviews</li> </ul> (4) Annual Review: The processes outlined in this IRM must be reviewed annually to make sure accurate and promote consistent tax administration. |
| 3.11.217.1.6<br>(01-01-2022)<br><b>Terms and Acronyms</b>             | (1) The table below lists Interpretation Words and their definitions.   |

Word	Definition	Example of using a word that is open to interpretation <i>Note: This column is for illustration purposes only.</i>
Fair	Provide accurate and professional service to all persons without regard to personal bias.	Per the Taxpayer Bill of Rights (TBOR), taxpayers have the right to expect a fair and just tax system which gives taxpayers the opportunity to have their facts and circumstances considered when it might affect their underlying liabilities, ability to pay, or ability to give information timely.
Significant Entry	Any entry other than zero or blank.	Place Form 8941, Credit for Small Employer Health Insurance Premiums, in sequence order if significant entries are present.
Timely	Coming early or at the right time.	Taxpayers have the right to receive help from the Taxpayer Advocate Service (TAS) if they are experiencing financial difficulty or if the IRS has not resolved their tax issues properly and timely through normal channels.

- (2) See Exhibit 3.11.217-1, Acronyms and Abbreviations, for a list of commonly used acronyms and abbreviations.

3.11.217.1.7  
(01-01-2025)

#### Related Resources

- (1) The following resources will help in performing the work as outlined in this IRM.
- Servicewide Electronic Research Program (SERP)
  - Integrated Data Retrieval System (IDRS)
  - Instructor's Corner for Submission Processing



- Integrated Automation Technologies (IAT)
- IRM 3.12.217, Error Resolution, Error Resolution Instructions for Form 1120-S
- IRM 3.24.16, ISRP System - Corporation Income Tax Returns

3.11.217.2  
(01-01-2022)

**General Information**

- (1) The purpose of this subsection is to give instructions for general required processing actions on Form 1120-S, U.S. Income Tax Return for an S Corporation, to eliminate repetition of the same instructions in different subsections.
- (2) In case of a conflict of instruction between this general subsection and the subsequent specific subsection, the specific subsection will govern.
- (3) This IRM can't address every possibility that occurs while perfecting returns or documents. Take taxpayer intent into consideration. Refer issues not addressed in this IRM to the Subject Matter Expert (SME), lead or manager to determine the corrective action.

3.11.217.2.1  
(01-31-2024)

◆ **Business Master File (BMF) Consistency** ◆

- (1) The purpose of this initiative is to achieve consistency in the Business Master File (BMF) Code and Edit (C&E) processing IRMs.
- (2) Ogden, Kansas City, and Return Processing Branch, BMF Code and Edit and Error Resolution System (ERS) identified and developed topics for BMF Consistency.
- (3) A ◆ (diamond) before and after the subsection title shows BMF Consistency subsections.
- (4) Text in normal print is the common processes for BMF returns. The text in **BOLD** print is form specific and applies to this IRM only.

3.11.217.2.2  
(04-24-2024)

◆ **IRM Deviation Procedures** ◆

- (1) When procedures deviate from the IRM, submit IRM deviations in writing following instructions from IRM 1.11.2.2.3, When Procedures Deviate from the IRM, and elevate through proper channels for executive approval.

3.11.217.2.3  
(01-01-2025)

◆ **Taxpayer Advocate Service (TAS)** ◆

- (1) The Taxpayer Advocate Service is an *independent* organization within the Internal Revenue Service (IRS), led by the National Taxpayer Advocate, that helps taxpayers and protects taxpayer rights. TAS offers free help to taxpayers when a tax problem is causing a financial difficulty, when they have tried and been unable to resolve their issue with the IRS, or when they believe an IRS system, process, or procedure just is not working as it must. TAS strives to ensure that every taxpayer is treated fairly and knows and understands their rights under the Taxpayer Bill of Rights. TAS has at least one taxpayer advocate office located in every state, the District of Columbia, and Puerto Rico.
- (2) TAS uses Form 12412, Operations Assistance Request (OAR), to start the OAR process of referring a case to the Taxpayer Services (TS) Division, to affect the resolution of the taxpayer's problem. For more information, refer to IRM 13.1.19, Taxpayer Advocate Service, Taxpayer Advocate Case Procedures, Advocating With Operations Assistance Requests (OARs).
- (3) Refer taxpayers to TAS when the contact meets TAS criteria, or when Form 911, Request for Taxpayer Advocate Service Assistance (and Application for



Taxpayer Assistance Order), is attached and steps cannot be taken to resolve the taxpayer's issue the same day. See IRM 21.1.3.18, Taxpayer Advocate Service (TAS) Guidelines.

- (4) The definition of "same day resolution" is within 24 hours. The following two situations meet the definition of "same day resolution":
  - The issue can be resolved within 24 hours.
  - The IRS takes steps within 24 hours to resolve the taxpayer's issue.
- (5) When making a TAS referral, use Form 911, and forward to TAS following your local procedures.
- (6) For more information, see IRM 13.1.7, Taxpayer Advocate Service (TAS) Case Criteria, and IRM 13.1.7.4, Exceptions to Taxpayer Advocate Service Criteria, for information on cases that TAS will no longer accept.

3.11.217.2.3.1  
(01-01-2025)

**◆TAS Service Level Agreements (SLAs)◆**

- (1) The National Taxpayer Advocate reached agreements with the Commissioners or Chiefs of the Taxpayer Services (TS) Division, Small Business/Self Employed (SBSE) Division, Tax Exempt Government Entities (TEGE), Criminal Investigation (CI), Independent Office of Appeals, and Large Business and International (LB&I), that outline the procedures and responsibilities for processing Taxpayer Advocate Service (TAS) casework when either the statutory or delegated authority to complete case transactions rests outside of TAS. These agreements are known as Service Level Agreements (SLAs).
- (2) The SLAs are found at *Taxpayer Advocate Service (TAS), Service Level Agreements (SLAs)*

3.11.217.2.4  
(01-01-2024)

**Business Master File (BMF) Identity (ID) Theft**

- (1) BMF Identity (ID) Theft is increasing. If a case is found with attachments or correspondence showing the taxpayer is a victim of "ID Theft", give the entire case to the manager/lead.
- (2) The manager/lead expedites the case to the Planning and Analysis (P&A) staff for referral to one of the Submission Processing (SP) BMF ID Theft liaisons. The taxpayer must show they are a victim of "ID Theft;" do **not** send cases subject to Criminal Investigation (CI), Examination (Exam), or Fraud review.
- (3) Effective January 1, 2017, Computer Condition Code "E" will be edited on Form 1120-S (any year) by the BMF ID Theft Liaison to identify a potential identity theft filing. See IRM 3.11.217.14.3, CCC "E" - Potential Identity Theft Filing, for more information.

3.11.217.2.5  
(01-01-2022)

**◆Criminal Investigation (CI) Referral◆**

- (1) Criminal Investigation (CI) investigates potential criminal violations of the Internal Revenue Code (IRC) and related financial crimes. Criminal violations of the IRC include willful effort to evade or defeat the income tax. Criminal tax violations also include the willful failure to collect or pay over tax and false claims for refunds based on bogus return information.
- (2) If CI stamped the return, do not send for further CI action.

#

Refund Claim	Ogden and Kansas City
	<ol style="list-style-type: none"> <li>1. Make a copy of the first two pages of the return along with any page of the return that appears suspicious</li> <li>2. Attach Form 4227, Intra-SC Reject or Routing Slip, to the copy.</li> <li>3. Route the copy to Ogden, Mail Stop 9001, Criminal Investigation (CI).</li> <li>4. Edit an action trail "Copy to CI", or "CI Referral", or similar language in the lower left corner going vertically up the side of the return.</li> <li>5. Edit Action Code 341 on the return. See IRM 3.11.217.3.11, Refund Returns 45 Day Jeopardy and High Dollar Refunds.</li> <li>6. Continue processing the return.</li> </ol>

#

- (4) Because of the repetitive nature of the Code and Edit (C&E) function, C&E Tax Examining Technicians often recognize income tax return data that is outside of the norm for data found on similar returns for each income tax return type. If C&E finds return characteristics not meeting Audit Code or Exam referral criteria it considered suspicious, CI is available to review the referral.
- (5) If you find a suspicious return, do the following:
- a. Make a copy of the first two pages of the return along with any page of the return that appears suspicious.
  - b. Attach Form 4227, Intra-SC Reject or Routing Slip, to the copy.
  - c. Route the copy as shown in the table below.

Submission Processing Campus/Center	Route the copy to:
Ogden	Mail Stop 9001, Criminal Investigation (CI)
Kansas City	Mail Stop S2 9000, Criminal Investigation (CI)

- d. Edit an action trail "Copy to CI", or "CI Referral", or similar language in the lower left corner going vertically up the side of the return.
  - e. Continue processing the return.
- (6) If the return fits other criteria (for example Frivolous Argument), take proper action.

3.11.217.2.6  
(01-01-2025)  
◆ **Examination (Exam)**  
“Funny Box” ◆

- (1) The primary goal in identifying tax returns for Examination (Exam) is to promote the highest degree of voluntary compliance. Exam gives support and helps Submission Processing (SP) with any questionable return found during processing. Exam has a vast multitude of programs and tolerance criteria already found in several IRM sections and subsections. SP can refer any questionable return to Exam, unless prohibited by instructions currently found in several IRMs.

3.11.217.2.7  
(01-01-2025)  
◆ **Edit Marks** ◆

- (1) Edit marks are edited on the return for transcription to the Automated Data Processing (ADP) System through Integrated Submission and Remittance Processing (ISRP) System. Enter edit marks in brown, red, orange, purple, or green pencil or pen.
- (2) Only edit items on the return that are for transcription except where specific instructions require editing of a non-transcribed item. Leave lines blank if the entry would be a zero amount unless otherwise instructed.
- (3) Do not obliterate, alter, or erase the original entry on a return when deleting or correcting an entry. Always exercise care to make sure that the original entry remains legible. Perfected entries provide a legible “edit trail” for anyone who will work with the return later.
- (4) Do not re-edit edit marks entered by other areas, such as Collections, Entity or Accounts Management, except to place the marks in the correct area or perfect for legibility.

**Exception:** Photocopied Returns.

- (5) Photocopied Returns - Re-edit or underline any valid, black edit marks. See IRM 3.11.217.3.4.3, Correspondence Imaging Inventory (CII) Returns, and IRM 3.11.217.3.8, Re-Entry Document Procedures.
- (6) For a description of specific edit marks, see the table below:

Edit Mark	Description
“X”	Deletes tax data or shows do not transcribe an item. For example, if deleting an original entry, edit an “X” to the left of the entry to delete. Edit the correct entry to the left or above the “X.”
“/” (slash)	Indicates do not transcribe a form or schedule.
“//\$”	Identifies the beginning and ending of a foreign country code in the entity area. For example, “/EI/\$” is edited for “Ireland” or “/GM/\$” is edited for “Germany.”
“%” or “c/o”	Indicates an “in-care-of” name for transcription.

Edit Mark	Description
Circle	Indicates do not transcribe an entry. Also, deletes entity data or a Received Date. <b>Note:</b> If the taxpayer circles an entry, edit the entry.
Underline	Identifies an entry for transcription (e.g., Name Control, Tax Period, etc.).
Arrow	Indicates the correct placement of a misplaced entry. Use an arrow if the misplaced item is close to the correct line and there is no question where the entry belongs. <b>Note:</b> Use a double arrow to identify the same figure for transcription in two different places (along with any required transcription data between the two arrows).
Check Mark	Indicates that an entry was manually math verified and is correct.
Bracket/Parenthesis	Indicates a negative numerical amount. <b>Note:</b> Code and Edit (C&E) is not required to bracket negative amounts when brackets are pre-printed on the form or schedule or when the taxpayer clearly shows a negative amount with brackets “()” or “-” sign. Bracket negative amounts when editing negative entries on transcription lines (e.g., computing and entering a line entry, entering a missing line entry, etc.).
Vertical Line or Decimal Point	Indicates the separation of dollars and cents.
Zero, Dash, None, or N/A	“ZERO,” “DASH”, “NONE”, or “N/A” are valid entries except when specific instructions require editing of an entry.
Rocker	Indicates the amount paid when drawn under a remittance amount.

3.11.217.2.8  
(01-01-2024)

◆ **Frivolous Arguments** ◆

- (1) Businesses use frivolous arguments for expressing dissatisfaction with the substance, form or administration of the tax laws by trying to illegally avoid or reduce tax liabilities. See IRM 25.25.10, Frivolous Return Program, and Exhibit 3.11.217-5, Potential Frivolous Arguments for Examination Review, for a list of recognized frivolous arguments made by businesses.
- (2) Review the return to decide whether it appears to be a frivolous return.

If...	Then...
<p>The return meets any of the conditions shown as a frivolous return. See Exhibit 3.11.217-5, Potential Frivolous Arguments for Examination Review.</p> <p><b>Exception:</b> If the return shows Action Code 331 and has a Form 4227, Intra-SC Reject or Routing Slip, attached with the remarks, "Refer to Exam FRP for audit after processing", continue to next procedure.</p>	<p>Remove return from the batch and place the return in the locally designated basket for Examination, Frivolous Return Program (FRP) for review.</p>
<p>Examination has selected the return as frivolous, shown by an Action Code 331 and a Form 4227, Intra-SC Reject or Routing Slip, with the remarks, "Refer to Exam FRP for audit after processing", but sends the return for processing.</p>	<p>Continue processing the return using procedures in IRM 3.11.217, Form 1120-S Corporation Income Tax Returns. However, do <b>not</b> circle or void the Action Code showing a frivolous return.</p>

- (3) Do not consider the following returns as frivolous, unless there is other evidence of a frivolous argument:

- Returns that have only zeros, blanks, or no entries.
- Returns showing "None", "Not Liable", etc.

3.11.217.2.9  
(01-01-2016)

◆ **Foreign Currency** ◆

- (1) For returns completed in other than U.S. currency, process as filed. However, if corresponding for missing/incomplete item(s), include in the letter to resubmit in U.S. currency.

3.11.217.2.10  
(01-01-2022)

◆ **Protective Claims** ◆

- (1) Remove returns marked as "Protective Claim", "Protective Refund", "Protective Claim for Refund", or similar statement from the batch and route to Accounts Management. Notate "Protective Claim" in the remarks box of Form 4227, Intra-SC Reject or Routing Slip.

**Exception:** If the return is amended, do **not** remove from batch. Edit Computer Condition Code “G” and follow normal processing procedures.

3.11.217.2.11  
(03-27-2024)

**Section 965 Returns  
(201712 through 202012)**

- (1) Section 14103 of the Tax Cuts and Jobs Act (TCJA) of 2017 overhauled Section 965 of the Internal Revenue Code. As a result of Section 965, now titled “Treatment of deferred foreign income upon transition to participation exemption system of taxation”, US shareholders must pay a transition tax on the untaxed foreign earnings of certain specified foreign corporations as if those earnings had been repatriated to the United States.
- (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.

(3) When a return is identified as a Section 965 return, edit as follows:

1. Completely edit the return.
2. Edit CCC "J". See IRM 3.11.217.14.7, CCC "J" - Section 965 Tax.
3. Edit Action Code 460 (Management Suspense). See IRM 3.11.217.3.1, Action Codes.
4. Do **not** correspond on the return. ERS will take care of any correspondence needed.

**Caution:** Notate "K-1 Missing" (or similar language) in the lower left margin (Action Trail) of the return, if correspondence is needed for missing Schedules K-1.

3.11.217.2.12

(01-01-2025)

**Elective or Deemed  
Payment Election (DPE)  
and Credit Transfers**

(1) Under the Inflation Reduction Act (IRA) of 2022 and CHIPS and Science Act of 2022, the S-Corporation can elect to:

- Take certain credits as an "Elective or Deemed Payment".
- Transfer a credit to another taxpayer.
- Claim the credit as a General Business Credit.

(2) For tax periods 202201 - 202212, identify an "Elective or Deemed Payment Election" when the taxpayer writes "IRA22DPE" on Form 1120-S line 23d dotted portion (prior year form revisions), or line 24d (year 2023 revision and subsequent) or on an attachment.

(3) When a return is identified with an "Elective or Deemed Payment Election", do the following:

1. Completely edit the return.
2. Edit RPC "J".
3. Place a flag at the top of the return and attach the "IRA22 DPE/TRE Reminder" sheet to the return.

**Note:** P&A will provide the pre-printed half-sheets for C&E to use.

4. Give the return to the lead.
5. The lead will have the returns re-batched with "DPE" in the batch ID.

(4) For tax periods 202201 - 202212, identify a "Credit Transfer" when the taxpayer writes "IRA22TRE" on Form 1120-S line 23d (prior year form revisions), or line 24d (year 2023 and subsequent) dotted portion or on an attachment. When found, do the following:

1. Completely edit the return.
2. Edit RPC "K".
3. Place a flag at the top of the return and attach the "IRA22 DPE/TRE Reminder" sheet to the return.

**Note:** P&A will provide the pre-printed half-sheets for C&E to use.

4. Give the return to the lead.
5. The lead will have the returns re-batched with "TRE" in the batch ID.

3.11.217.2.13  
(01-01-2026)

#####

- (1) The Document Perfection tax examiner will have the first opportunity to identify a return requiring correspondence, research, or other action to make the return processable. An Action Code is edited to identify these unprocessable returns.
- (2) A return must have specific items before it is considered processable. Perfect all documents to the extent possible from schedules and other attachments. The specific items needed are:
  - An Employer Identification Number (EIN),
  - A legible name (for name control),
  - Valid tax period,
  - Legible tax data, if tax liability is shown, and
  - A signature attesting to the perjury statement Jurat shown the document.
- (3) Conditions which make a return unprocessable are:



- Name so illegible or incomplete that the name control cannot be decided.
  - The EIN or Taxpayer Identification Number (TIN) is other than nine numeric digits and cannot be perfected from information on the return or attachments.
  - The document has two or more different EIN's.
  - Taxpayer has stated that he/she has combined liability for more than one tax period or more than one type of tax.
  - Tax data entries are so incomplete, illegible or contradictory that the tax liability cannot be decided.
  - The return is mis-blocked.
  - The return is unsigned.
  - The return has only entity data and no other statements, attachments from the taxpayer.
  - Any condition set forth as unprocessable in the sections and subsections on processing specific documents.
- (4) If a return has no entity data, or the signature on the return is illegible and the alpha letter of the last name cannot be decided, and the only entries are money amounts, then give the return to the manager.
- (5) Returns that cannot be perfected from schedules and other attachments and necessary data was not gotten through research, follow the guidance to reject the return. If you cannot correspond or send the return back to the taxpayer because of illegible entity data, consider the return unprocessable. See IRM 3.11.217.3.3(3) to determine the action needed for unnumbered and numbered returns.
- (6) If a 1120-S is received with a second Form 1120-S attached and the second return has the same EIN, Tax Period, and money amounts:
- Leave the second return attached to the first.
  - "X" the first page of the second return and treat as an attachment to the first return.

**Exception:** Do not "X" if an amended return. Detach amended return and process separately. The amended return will show on IDRS as a duplicate and be worked by Accounts Management.

- (7) The tax examiner decides the kind of action required and assigns an Action Code to the return which will force it to the Error Resolution System (ERS) (on-line correction system). The code indicates whether correspondence, research, or other action is needed.

3.11.217.3.1  
(01-01-2026)  
**Action Codes**

- (1) Action Codes are used to show whether correspondence, research, or other action is needed. The Action Code sets the suspense period for the return and places the return in the workable or unworkable suspense inventory.
- (2) When necessary, assign a three-digit Action Code.
- (3) Edit the Action Code in the bottom left margin of the return.

**Caution:** Do **not** edit (or write) over another area's edit marks or action trail.

- (4) Assign Action Codes in the following priority:

- Action Code 310 (Statute Control)
- Action Code 320 (Entity Control)
- Action Code 4XX
- Action Code 6XX
- Action Code 3XX
- Action Code 2XX (Correspondence)

(5) Use the following table if more than one Action Code is needed on Form 1120-S, :

If...	Then...
Action Codes include 211, 215, 225, or 226 <b>and</b> Action Code 341,	<ol style="list-style-type: none"> <li>1. Edit the Action Code 211, 215, 225, or 226 on the Form 1120-S, U.S. Income Tax Return for an S Corporation.</li> <li>2. Edit Action Code 341 on the Form 4227, Intra-SC Reject or Routing Slip.</li> </ol>
Action Codes have the same priority,	<ol style="list-style-type: none"> <li>1. Edit the Action Code with the shorter suspense period on the Form 1120-S.</li> <li>2. Edit the second Action Code on the Form 4227, Intra-SC Reject or Routing Slip.</li> <li>3. See IRM 3.11.217.3.1(7) for suspense periods.</li> </ol>
Action Codes have different priority,	<ol style="list-style-type: none"> <li>1. Edit the Action Code with the higher priority on the Form 1120-S. <b>Exception:</b> Use Action Code 211, 215, 225, or 226 before Action Code 341 to make sure the return is complete before a manual refund is issued.</li> <li>2. Edit the second Action Code on the Form 4227, Intra-SC Reject or Routing Slip.</li> <li>3. See Figure 3.11.217-1, Example of Editing Return When More Than One Action Code is Needed.</li> </ol>

**DRAFT** Filed Pursuant to Rev. Proc. 2013-30

Form **1120-S** **U.S. Income Tax Return for an S Corporation** OMB No. 1545-0123

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

20**25**

For calendar year 2025 or tax year beginning , 2025, ending , 20

**A** S election effective date

**B** Business activity code number (see instructions) **712100**

**C** Check if Sch. M-3 attached ☐

**G** Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☐ Yes ☐ No

**H** Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination

**I** Enter the number of shareholders who were shareholders during any part of the tax year **1**

**J** Check if corporation: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes

**Caution:** Include **only** trade or business income and expenses on lines 1a through 22. See the instructions for more information.

<b>Income</b>	<b>1a</b> Gross receipts or sales	<b>1,565</b>	<b>b</b> Less returns and allowances		<b>c</b> Balance	<b>1c</b>	<b>1,565</b>
	<b>2</b> Cost of goods sold (attach Form 1125-A)					<b>2</b>	
	<b>3</b> Gross profit. Subtract line 2 from line 1c					<b>3</b>	<b>1,565</b>
	<b>4</b> Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)					<b>4</b>	<b>100</b>
	<b>5</b> Other income (loss) (see instructions—attach statement)					<b>5</b>	<b>500</b>
	<b>6</b> Total income (loss). Add lines 3 through 5					<b>6</b>	<b>2,165</b>
	<b>7</b> Compensation of officers (see instructions—attach Form 1125-E)					<b>7</b>	
	<b>8</b> Salaries and wages (less employment credits)					<b>8</b>	

**9** **750**

**10** **1,215**

**11** **1,965**

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Action Code	Description	Additional Information	Workday Suspense Period
211	First Taxpayer Correspondence	<ul style="list-style-type: none"> <li>Return is illegible, incomplete, or contradictory and therefore unprocessable.</li> <li>The taxpayer notates on the return or attachment that they are reporting tax for more than one tax period or for more than one type of tax.</li> </ul>	40
212	Second Correspondence		25
215	International Correspondence	<ul style="list-style-type: none"> <li>Return is illegible, incomplete, or contradictory and therefore unprocessable.</li> <li>The taxpayer notates on the return or attachment that they are reporting tax for more than one tax period or for more than one type of tax.</li> </ul>	45
225	Taxpayer Correspondence (Signature Only)	Unsigned returns (only issue for correspondence).	40
226	International Correspondence (Signature Only)	Unsigned foreign returns (only issue for correspondence).	40
310	Statute Control		10
320	Entity Control		10
331	Frivolous Review		3

Action Code	Description	Additional Information	Workday Suspense Period
341	Manual Refund		10
342	Credit Verification		10
343	Other Accounting <b>Note:</b> This Action Code is also used for "Black Liquor" claims on Form 6478, Biofuel Producer Credit (Credit for Alcohol Used as Fuel for 2012 - 2007). See "IRM 3.11.217.24.7, "Schedule K, Line 13f, - Biofuel Producer Credit.		10
347	Form 2553, Election by a Small Business Corporation, attached to Form 1120-S, U.S. Income Tax Return for an S Corporation, and/or taxpayer indicates "Revenue Procedure (Rev. Proc.) 2013-30" (effective September 3, 2013) or "Rev. Proc. 2007-62" on Form 1120-S. <b>Note:</b> Action Code 347 is used to route Form 1120-S to Entity Control for review of the Form 2553 or Rev. Proc. 2013-30 or Rev. Proc. 2007-62. <b>Exception:</b> Do <b>not</b> edit Action Code 347 if the return already has an action trail from Entity Control showing that they have worked it.		20
352	Name Research		3
360	Other-in-House Research		10
370	Examination - Prompt Assessment - Form 4810, Request for Prompt Assessment Under Internal Revenue Code Section 6501(d)		10
420	Management Suspense A		5
440	Management Suspense		15

Action Code	Description	Additional Information	Workday Suspense Period
450	Management Suspense <b>Note:</b> Used to send the return to ERS Rejects Function and/or LB&I review for processing of the Elective Payment Election (EPE) and Credit Transfers for processing under the Inflation Reduction Act of 2022.		20
460	Management Suspense <b>Note:</b> Used to send the return to ERS Rejects Function for processing of the "Section 965" for Tax Period 201712 through 202012.	Section 965, Treatment of Deferred Foreign Income upon Transition to Participation Exemption System of Taxation (Tax Period 201712 through 202012).	25
480	Early Filed Suspense	Early filed return.	150
610	Renumber - Non-Remittance	<ul style="list-style-type: none"> <li>Mis-batched return (e.g., Form 1065 is found in a Form 1120-S batch of work).</li> </ul>	0
611	Renumber - Remittance	<ul style="list-style-type: none"> <li>Mis-batched return (e.g., Form 1065 is found in a Form 1120-S batch of work).</li> </ul>	0
650	International	<ul style="list-style-type: none"> <li>An International return, processed in Ogden Submission Processing Campus (OSPC).</li> </ul>	0

**Reminder:** Beginning with tax returns for periods ending 12-31-2007 and later, Form 2553, Election by a Small Business Corporation, may be filed as an attachment to Form 1120-S requesting to be considered an S Corporation. Edit Action Code (AC) 347 when a Form 2553 is attached to Form 1120-S or taxpayer shows "Revenue Procedure (Rev. Proc.) 2013-30" or "Rev. Proc. 2007-62" on Form 1120-S.

- (8) For more information and applicable Action Codes, see IRM 3.12.38.3.4, Error Resolution System (ERS) Action Codes, and the exhibit in IRM 3.12.38-1, Action Codes.

3.11.217.3.2  
(01-01-2024)  
**Unprocessable  
Conditions and  
Rejection of Documents**

- (1) A tax return is an Ogden Submission Processing Campus (OSPC) **only** return if at least one of the following conditions exists:
- a. The tax return has a foreign address.
  - b. There is a refund credit claimed because of U.S. income tax paid or withheld at source because of the Foreign Investors in Real Property Tax Act whether or not Form 8288-A, Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests, is attached.

3.11.217.3.3  
(01-01-2024)  
**Treatment of All  
Unprocessable Tax  
Returns**

- (1) **Kansas City Submission Processing Campus (KCSPC)** - If the Form 1120-S, U.S. Income Tax Return for an S Corporation, is an **OSPC only** return:
- a. Discontinue perfection of the return.
  - b. Prepare Letter 86C, Referring Taxpayer Inquiry/Forms to Another Office, to inform the taxpayer the IRS sent the return to Ogden Submission Processing Campus (OSPC).
  - c. Edit an Action Trail (e.g., "86C Sent" or similar language) in the lower left corner going vertically up the side of the return.
- (2) If the Form 1120-S is other than an "OSPC only" return, perfect the return.
- a. Examine schedules and other attachments for necessary information and edit the return as needed for processing.
  - b. If perfection is not possible, perfect to the extent possible and proceed as set forth in (3) below.
- (3) Action to Secure Perfection:
- a. Where shown, prepare Form 4227, Intra-SC Reject or Routing Slip, indicating the reason for rejecting the document and that the taxpayer needs to resubmit for processing when it is perfected.
  - b. Attach the Form 4227, Intra-SC Reject or Routing Slip, below the entity area.
  - c. If the tax return is not numbered, withdraw it from processing and forward it to the proper area.
  - d. If the tax return is numbered, edit the proper Action Code in the bottom left margin of the return and leave it in the block.

3.11.217.3.4  
(01-01-2018)  
**◆Correspondence◆**

- (1) There are two types of correspondence that Code and Edit may encounter:
- a. Correspondence received from taxpayers, and
  - b. Correspondence issued to taxpayers.

3.11.217.3.4.1  
(01-01-2022)  
**◆Definition of  
Correspondence from  
Taxpayers◆**

- (1) Correspondence is all written communications from a taxpayer or a taxpayer's representative, excluding tax returns, whether solicited or unsolicited. This includes:
- a. Written communications in response to the IRS requests for information or data.

- b. Written communications, including annotated notice responses that provide more information or dispute a notice.
- c. A telephone call that results in a written referral or research (Form e-4442, Inquiry Referral).

(2) The key to identifying taxpayer's correspondence is to ask the following questions:

- a. Is the taxpayer waiting for a response from the IRS?
- b. Is the taxpayer waiting for the IRS to take action?
- c. Is the taxpayer asking a question?

**Note:** A Post-It-Note, Sticky Note, or some other type of note stuck on the return by another function, "Taxpayer (TP) requests penalties be waived", does not constitute correspondence from the taxpayer.

3.11.217.3.4.2  
(01-01-2025)

◆Issuing  
Correspondence◆

(1) Issue correspondence to resolve any conditions causing the return to be unworkable or unprocessable.

**Exception:** **Section 965 Returns** - Do **not** correspond on the return. ERS will take care of any correspondence needed. Notate "K-1 Missing" (or similar language) in the lower left margin (Action Trail) of the return, if correspondence is needed for missing Schedules K-1. See IRM 3.11.217.2.11, Section 965 Returns (201712 through 202012), for more information.

**Exception:** Do **not** correspond on returns prepared by Collections, IRC 6020(b), or by Examination, "Substitute for Return" (SFR).

(2) If the return is incomplete and does not appear to be a return meant for filing or is a conduit for providing information (e.g., indicates "payment only"), give the return to the lead. The lead must determine the correct course of action. The lead research for a Transaction Code (TC) 150 and any other information necessary to determine if the return will continue processing, is an amended return, or must be routed to another function. An incomplete return could include any of the following:

- A one-page return, with or without a signature.
- Incomplete returns indicating "Payment Only."
- Incomplete returns indicating they have previously e-filed.

**Note:** This list is not all-inclusive. Tax examiners may see other unusual documents not addressed in this subsection or in other areas of the IRM.

(3) Examine the return for **all** unprocessable conditions before initiating correspondence.



If...	And...	Then...
The return needs correspondence,	Requires a response,	<ol style="list-style-type: none"><li>1. Complete an <b>approved</b> Correspondence Action Sheet indicating the letter number (e.g., 86C, 118C, 319C, etc.), Master File Tax (MFT), and the proper paragraphs. <b>Note:</b> Some paragraphs will require fill-ins to enter, such as tax period, form number, Document Locator Number (DLN), etc.</li><li>2. Attach the <b>approved</b> Correspondence Action Sheet to the front of the return below the entity area.</li><li>3. Edit Action Code 211 (First Correspondence) or 215 (International Correspondence) on the return.</li><li>4. Finish editing the return and leave in the batch.</li></ol>

If...	And...	Then...
The return needs correspondence,	<b>Does not</b> require a response,	<ol style="list-style-type: none"> <li>1. Complete an <b>approved</b> Correspondence Action Sheet indicating the letter number (e.g., 86C, 118C, 319C, etc.), Master File Tax (MFT), and the proper paragraphs. <b>Note:</b> Some paragraphs will require fill-ins to enter, such as tax period, form number, DLN, etc.</li> <li>2. Photocopy first page of return and attach the <b>approved</b> Correspondence Action Sheet below the entity area on the front of the return copy. Be sure the name and address clearly show above the <b>approved</b> Correspondence Action Sheet.</li> <li>3. Forward the copy to the Correspondence Area.</li> <li>4. Edit an Action Trail (e.g., <b>1382C Sent</b> or similar language) in the lower left corner going vertically up the side of the return.</li> <li>5. Finish editing the return and leave in the batch.</li> </ol>

**Note:** There are more campus exclusive letters. They are for processing specific forms or conditions. Go to the lead or manager for copies of these letters.

3.11.217.3.4.3  
(01-13-2023)

◆ **Correspondence  
Imaging Inventory (CII)  
Returns** ◆

- (1) Correspondence Imaging Inventory (CII) is an inventory system for scanning all Accounts Management (AM) receipts into digital images and working the cases from those images.

**Note:** Correspondence Imaging System (CIS) changed to Correspondence Imaging Inventory (CII).

- (2) "CII" returns **show** a "CII Image - Do not correspond for Signature" stamp below the signature line or a "CII" annotation on the front of the return.
- (3) Verify all edit marks and make sure placement is correct on a "CII" return.

If...	Then...
The edit marks are black,	Underline the edit mark if correct or circle if incorrect.
The edit marks are red or green,	Circle if incorrect.
The edit marks are missing or incorrect,	Perfect, as necessary.

(4) Follow the instructions below for processing “CII” returns.

If...	And...	Then...
The “CII” return has a Form 13596, Reprocessing Returns, attached,	The return is incomplete (e.g., missing signature, schedules, or forms),	<ul style="list-style-type: none"> <li>a. Do <b>not</b> correspond.</li> <li>b. Remove the return from the batch and route to Accounts Management (AM).</li> <li>c. If the return comes back from AM with the information still incomplete, send the return to AM again to secure all the missing information. Indicate “Additional information needed to process incomplete CII return,” <b>or</b> similar language on Form 4227 (or other proper routing slip).</li> </ul>
The “CII” return has a Form 13596, Reprocessing Returns, attached and the return is incomplete (e.g., missing signature, schedules, or forms),	The return shows correspondence was sent (e.g., CCC “3” is edited on the return),	Do <b>not</b> route the return to Accounts Management (AM). Continue processing the return.
The “CII” return does not have a Form 13596, Reprocessing Returns, attached,	The return is incomplete (e.g., missing signature, schedules, or forms),	Follow normal correspondence procedures.

3.11.217.3.4.4  
(01-01-2022)

◆Internal Revenue  
Service (IRS) Employee  
Contacts◆

- (1) The Internal Revenue Service (IRS) Restructuring and Reform Act of 1998 (RRA 98), Section 3705(a), gives identification requirements for all IRS employees working tax-related matters.
- (2) All IRS employees who communicate by telephone, or face-to-face, or any other method of correspondence with taxpayers or their personal representatives, on tax-related matters must give (at minimum) the following information:
  - a. Telephone Contact - Their title (e.g., Mr., Mrs., Ms., Miss), last name, and badge identification (ID Card) number. Toll-free employees may also give their location for identification purposes. Treat faxes to taxpayers on tax-related matters as correspondence and include the required information.
  - b. Face-to-Face Contact - Their title (e.g., Mr., Mrs., Ms., Miss), give as proper during the conversation, their last name, and badge identification (ID Card) number.
  - c. Correspondence (sent to the taxpayer and authorized representatives) - A telephone number that taxpayers can call for answers to questions. In addition, manually generated correspondence must have the employee's title (e.g., Mr., Mrs., Ms., Miss), last name, Integrated Data Retrieval System (IDRS) number, and letter system number, which are systemically generated by IDRS. Treat faxes to taxpayers on tax-related matters as correspondence and include the required information.
  - d. Correspondex letters - Specific employee name and telephone number if the employee initiating the correspondence is in the best position to respond to any questions the taxpayer may have or if the taxpayer is being asked to give more case-related information. If the taxpayer does not need to contact a specific employee, the correspondence needs only an IRS telephone number and standard signature.
- (3) When a taxpayer requests to speak with a specific employee who previously worked their inquiry or request, or complains about the level of service previously given, make every effort to resolve the **taxpayer's** inquiry. If unable to resolve the issue, refer the inquiry using established procedures to the manager.
- (4) Secretaries, receptionists, or other people who answer the telephone in functional offices need to identify themselves and will give their badge identification (ID Card) number only if they are answering telephones which are routinely used to give tax or account information.
- (5) It is not necessary to repeat the badge identification (ID Card) number on a subsequent contact, when the nature of an employee's work involves multiple contacts with the same taxpayer and the employee has given the taxpayer (either telephone or in-person) their badge identification (ID Card) number on the first contact.

3.11.217.3.4.5  
(01-01-2023)

◆Use of Fax for  
Taxpayer Submissions◆

- (1) Taxpayers may send tax return information via fax as part of return perfection even when submitting a signature. In circumstances where contact with the taxpayer was made and documented, **faxed signatures are acceptable**.
- (2) Contact the taxpayer by telephone or correspondence. Follow local procedures to decide which method of contact to use.
- (3) Indicate the fax paragraph on the **approved** Correspondence Action Sheet to inform the taxpayer of the fax options.

- (4) Use the following resources to make sure you are speaking with the taxpayer or authorized representative before disclosing any tax information:
  - IRM 21.1.3.2.3, Required Taxpayer Authentication
  - IRM 21.1.3.2.4, Additional Taxpayer Authentication
- (5) Before leaving any messages on a taxpayer's answering machine, review:
  - IRM 10.5.1.6.7.2, Answering Machine or Voicemail
  - IRM 10.8.1, Information Technology (IT) Security, Policy and Guidance

3.11.217.3.5  
(01-01-2025)  
**C/SC Letters**

- (1) Listed below are letters which are provided by Headquarters for Submission Processing Campus use in corresponding for items listed in this IRM. It is expected that tax examiners or their supervisors (or delegates) will have access to and be familiar with the Submission Processing Center Correspondence for selection of proper letters. The list is not all-inclusive.
  - Letter 86C, Referring Taxpayer Inquiry/Forms to Another Office - Letter referring taxpayer inquiry/forms to another office.
  - Letter 118C, Corporate Return Incomplete for Processing: Form 1120, Form 1120 Series, Form 1120-S - Letter requesting missing schedules or documents.
  - Letter 319C, Return Covers Other Than 12-Month Accounting Period - Letter advising the taxpayer that the IRS can't process return because it shows an improper tax period, or a period of more than 12 months, or a period less than 12 months without an explanation.
  - Letter 1382C, Penalty Removal Request Incomplete - Letter requesting taxpayer to resubmit request for penalty relief after receiving notice of penalty assessment.
  - Letter 3463C, Missing Information Request to Process Business Returns - Letter requesting missing information to process business returns.

3.11.217.3.6  
(01-01-2022)  
**◆ Compliance  
Secured/Prepared  
Returns ◆**

- (1) Compliance functions (Collections and Examination) secure returns from the taxpayer and prepare returns if the taxpayer does not provide them.
- (2) Compliance notates:
  - Prepared tax returns with "6020(b)" or "SFR" (Substitute for Return).
  - Secured tax returns with "TC 59X" or "ICS" or "Process as Original" with a Form 13133, Expedite Processing Cycle, attached with the "Delinquent Return" box checked.

**Note:** If "RD" (Return Delinquency) is notated on the front of the return **and not circled**, remove from the batch and route to Collections.

3.11.217.3.6.1  
(01-01-2025)  
**◆ IRC 6020(b) Prepared  
by Collections ◆**

- (1) When the taxpayer does not file a required return, IRC 6020(b) is the authority for the IRS to prepare the return.
- (2) These returns are identified by the notation: "PREPARED AND SIGNED UNDER AUTHORITY OF SECTION 6020(b) OF THE INTERNAL REVENUE CODE", which is located in the center bottom of Page 1 of the return.

- a. Returns must have an IRS Received Date. If missing, follow the normal procedures for editing the IRS Received Date. See IRM 3.11.217.7, Received Date.
- b. Compliance Function representatives must sign returns. If not signed, route to Compliance using Form 4227, Intra-SC Reject or Routing Slip.

**Note:** Accept revenue officer (RO) typed or electronic signatures as valid signatures on the return.

- c. Do not edit CCC "D" if the Return Due Date is after July 30, 1996 (without regard to extensions) even if the Compliance Function representative notates "DO NOT ASSESS FAILURE TO PAY PENALTY".
- d. **Do not** correspond with the taxpayer for unprocessable conditions. If the return is unprocessable, edit CCC "3" and continue processing.
- e. Edit CCC "W" if the IRS Received Date is more than two years and nine months after the Return Due Date. **Do not** send the return to Statute Control. See IRM 3.11.217.14.15, CCC "W" = "Cleared by Statute" and IRM 3.11.217.3.7, Statute Returns.

3.11.217.3.6.2  
(01-01-2022)

◆Collection Secured◆

- (1) These returns are identified by the notations: "TC 59X" or "ICS"

- a. **Do not** edit CCC "G" on these returns.
- b. Use **approved** Correspondence Action Sheet to correspond for conditions that are unprocessable (e.g., missing signatures, missing schedules, etc.).
- c. Edit CCC "W" if the received date is more than two years and nine months after the Return Due Date. **Do not** send to Statute Control. See IRM 3.11.217.3.7, Statute Returns.

**Reminder:** If there is an indication of penalties require suppression, edit the proper Computer Condition Code(s). See IRM 3.11.217.14, Computer Condition Codes - General, for more information.

3.11.217.3.6.3  
(01-01-2017)

◆Examination  
Prepared◆

- (1) These returns are identified by the notation "SFR" or "SUBSTITUTE FOR RETURN" on Page 1.

- a. Return must have a received date. If no received date is present, follow the normal procedures for editing the received date.
- b. **Do not** correspond with the taxpayer for unprocessable conditions. If the return is unprocessable, edit CCC "3" and continue processing the return.
- c. If Form 13133, Expedite Processing Cycle, is attached, edit the Computer Condition Codes that are checked on the form.

**Note:** **Do not** enter CCC "D" unless the Return Due Date (without regard to extensions) is July 30, 1996, or prior, even if the CCC "D" box is checked on Form 13133.

- d. Edit CCC "W" if the received date is more than two years and nine months after the Return Due Date. **Do not** send to Statute Control. See IRM 3.11.217.3.7, Statute Returns.

3.11.217.3.6.4  
(01-01-2022)

◆ **Examination Secured** ◆

- (1) These returns are identified by the notation “Process as Original” on Page 1 of the return with a Form 13133, Expedite Processing Cycle, attached with the “Delinquent Return” box checked.

- a. **Do not** edit CCC “G” on these returns.
- b. Use **approved** Correspondence Action Sheet to correspond for conditions that are unprocessable (e.g., missing signatures, missing schedules, etc.).
- c. Edit the Computer Condition Codes that are checked on Form 13133.
- d. Edit CCC “W” if the received date is more than two years and nine months after the Return Due Date. **Do not** send to Statute Control. See IRM 3.11.217.3.7, Statute Returns.

**Reminder:** If Form 13133 (or something similar) shows penalties require suppression, edit the proper Computer Condition Code(s). Please refer to IRM 3.11.217.14, Computer Condition Codes - General, for more information.

3.11.217.3.7  
(01-01-2026)

◆ **Statute Returns** ◆

- (1) Any return with a received date that is two years and nine months or more after the Return Due Date is a potential Statute Control return.
- (2) Route all Statute returns to the Statute Control Unit daily or more often if needed, unless any of the conditions below are present.
- (3) If any of the conditions listed below are present, **do not** route to Statute Control Unit for clearance. Instead, edit CCC “W” and continue processing.
  - Compliance IRC 6020(b) returns. See IRM 3.11.217.3.6.1, IRC 6020(b) Prepared by Collections.
  - Secured by Examination/Collections, secured by TEGE, secured by TEGE Employee Plan (EP) Exam.
  - Returns identified by the notation “Process as Original” on Page 1 of the return with Form 13133, Expedite Processing Cycle, attached with the “Delinquent Return” box checked. See IRM 3.11.217.3.6.4, Examination Secured.
  - Returns with Transaction Code (TC) 59X or Integrated Collection System “ICS” notated on the face of the return.
  - Returns showing “substitute returns prepared by Examination (SFR)” in top margin of the return. See IRM 3.11.217.3.6.3, Examination Prepared.
  - Returns with a stamp indicating a previous clearance by Statute Control within the last 90 days.
  - Return is a 2021 and prior year original. Due to the COVID-19 pandemic and subsequent Submission Processing (SP) and Accounts Management (AM) site closures, SP and AM developed procedures to bypass AM statute clearance and be processed. In addition, any 2022 and prior year returns previously cleared by AM statute will not be returned by SP to AM to be cleared again if the 90-calendar day statute stamp has expired.
- (4) If a return has any of the following computer paragraphs (CPs) or letters attached, **do not** route to Statute Control Unit for clearance. Edit CCC “W” if the return needs processing. See Exhibit 3.11.217-3, Routing Guide for Attachments, for more information.
  - CP 259, Master File Generated 1st TDI Notice.

- CP 959, Master File Generated 1st TDI Notice (Spanish version).
  - CP 518, Final Notice - Return Delinquency.
  - Letter 112C, Payment/Overpayment/Credit Applied; No Record of Return Filed.
  - Letter 282C, Return Not Received: Copy Requested/Received.
  - Letter 2255C, Delinquent Return (Forms 720, 1041, 1065, 1120).
  - Letter 2284C, Delinquent Return (Form 940, 941, 942, 943).
- (5) If a return has a Form 12412, Operations Assistance Request (OAR), from TAS and is a potential statute control return but is not stamped "Cleared by Statute", give it to lead. The lead contacts the TAS employee listed on the OAR for rejection of the return and sends it back to TAS for clearance by the Statute Control Unit.

**Note:** If the return's received date is within 90 days of the statute expiration date, advise the TAS employee of such and route the return directly to Statute Control for clearance.

- (6) Statute returns are unprocessable until cleared by Statute Control.

If...	Then...
The return is numbered,	<ol style="list-style-type: none"> <li>1. Edit Action Code 310 on the return.</li> <li>2. Leave the return in the batch and continue processing the return.</li> </ol>
The return is unnumbered,	<ol style="list-style-type: none"> <li>1. Do <b>not</b> continue processing the return.</li> <li>2. Pull the return from the batch.</li> <li>3. Attach Form 4227, Intra-SC Reject or Routing Slip, and route to Statute Control Unit.</li> </ol>

- (7) Edit CCC "W" if the Statute Control Unit stamps or shows clearance on the front of the return. Exhibit 3.11.217-2, Due Date Chart.
- (8) Statute stamps "No Statute Issue" or shows clearance on the front of the return. Follow the chart below to determine if a CCC "W" is needed:

If...	And...	Then...
The return received date is two years and nine months or more after the Return Due Date,	The return is stamped, "No Statute Issue" or a similar statement indicating there is no statute issue (e.g., "Statute N/A"),	Edit CCC "W".



If...	And...	Then...
The return received date is less than two years and nine months from the Return Due Date,	The return is stamped, "No Statute Issue" or a similar statement indicating there is no statute issue (e.g., "Statute N/A"),	Do <b>not</b> edit CCC "W".

3.11.217.3.8  
(01-01-2025)

◆ **Re-Entry Document Procedures** ◆

- (1) Reprocess a return posted to the wrong account or module to post it to the correct account module.
- (2) **Some re-entry returns will have originally been filed electronically through Modernized E-file (MeF). These returns may be identified by the presence of MeF printouts in lieu of an actual return. Do not correspond for missing signatures on these documents.**
- (3) Each re-entry return must have a Form 3893, Re-Entry Document Control, or Form 13596, Reprocessing Returns, attached.
  - Form 3893 is used to *re-input* documents that have not posted to an account or module.
  - Form 13596 is used to *reprocess* documents to the correct account or module that had previously posted to the wrong account or module.
- (4) Always leave the Form 3893 or Form 13596 on the front of the return. It must remain as a permanent part of the document.
- (5) Examine Form 3893 or Form 13596 to determine the action needed to make the return processable.

**Caution:** If the received date is two years and nine months or more after the Return Due Date, refer to Statute procedures before re-entering or reprocessing the return. See IRM 3.11.217.3.7, Statute Returns.

3.11.217.3.8.1  
(01-01-2025)

◆ **Form 3893 - Re-Entry Document Control** ◆

- (1) Form 3893, Re-Entry Document Control, is used to re-input a return that has not posted to an account or module.
- (2) If more than one return is in the batch and only the top Form 3893 has an entry in Box 1 (Alpha/Numeric block control no.), edit all returns using current processing instructions and keep all returns clipped together.
- (3) Circle CCC "G" if present.
- (4) Do **not** edit CCC "G" on Amended returns.
- (5) Do **not** send Letter 1382C, Penalty Removal Request Incomplete, if a request for penalty relief is attached.
- (6) If the return is not edited according to current processing instructions, circle any Action Codes, Computer Condition Codes, and any other edit marks that are no longer applicable. Re-edit according to current processing instructions.

- (7) If the return is edited according to current processing instructions, make sure that the information from Form 3893 is edited to the return.

Form 3893	Action Taken
Box 14 (Remarks)	Make sure that the information is edited to the return.
Box 15 (Process as)	<ol style="list-style-type: none"> <li>1. Circle any green rocker and edit marks that show a receipt of remittance.</li> <li>2. Do <b>not</b> change any Tax Due amounts.</li> </ol>

- (8) Examine returns that have any color other than red editing in the tax data section to determine if the corrections are the result of improper perfection or taxpayer error.

If...	Then...
Improper perfection,	Edit the same correction in red/green (per local procedure) to the proper area.
Taxpayer error,	Leave the entries as shown on the document.

- (9) A received date must be present on all Re-input returns.

If...	Then...
The IRS Received date is not present,	Edit an IRS Received Date to the middle of the return. See IRM 3.11.217.7, Received Date.
Multiple IRS Received Dates present,	Circle all but the earliest date.

- (10) When more information is needed to make the return processable, prepare **approved** Correspondence Action Sheet or Form 4227, Intra-SC Reject or Routing Slip, for the proper action (e.g., correspondence, research, etc.).

**Exception: Do not correspond for missing Schedules K-1, Shareholder's Share of Income, Deduction, Credits, etc.**

- (11) When perfection is not possible, edit Action Code 640 on the return and attach Form 4227, Intra-SC Reject or Routing Slip, noting "Perfection not Possible" and leave in batch.

3.11.217.3.8.2  
(01-01-2025)

◆ **Form 13596 -  
Reprocessing Returns** ◆

- (1) Form 13596, Reprocessing Returns, is used to reprocess a return to the correct account or module that had previously posted to the wrong account or module.
- (2) Circle CCC "G" if present.
- (3) Do **not** edit CCC "G" on Amended returns.
- (4) Do **not** send Letter 1382C, Penalty Removal Request Incomplete, if a request for penalty relief is attached.
- (5) If the return is not edited according to current processing instructions, circle any Action Codes, Computer Condition Codes, and any other edit marks that are no longer applicable. Re-edit according to current processing instructions.

**Caution:** If you receive a Form 1120-S, U.S. Income Tax Return for an S Corporation, converted from Form 1120, U.S. Corporation Income Tax Return, make sure that the following items are present: EIN, Name Control, NAICS, Received Date, Audit Code "4", tax period (prior year returns), CCC "3" (if applicable for "No Replies"), and CCC "F" (if applicable for Final returns). If not, then edit the needed items. Do not detach Form 1120. See IRM 3.11.217.4.2, Issuing Correspondence, for more information.

- (6) If the return is edited according to current processing instructions, make sure that the information from Form 13596 is edited on the return.

Form 13596	Action Taken
Taxpayer Identification Number (TIN) correction,	Edit the correct TIN on return.
Tax period correction,	Edit the correct tax period ending on the return.
Reasonable cause,	Edit proper Computer Condition Code(s). <ol style="list-style-type: none"> <li>a. Edit CCC "R" if the Failure to File "FTF" box is checked.</li> <li>b. Edit CCC "D" if the Failure to Pay "FTP" box is checked.</li> </ol>

- (7) Examine returns that have any color other than red editing in the tax data section to determine if the corrections are the result of improper perfection or taxpayer error.

If...	Then...
Improper perfection,	Edit the same correction in red/green (per local procedure) to the proper area.
Taxpayer error,	Leave the entries as shown on the document.

- (8) A received date must be present on all reprocessed returns.

If...	Then...
Received date is not present,	Edit a received date to the middle of the return. See IRM 3.11.217.7, Received Date.
Multiple received dates are present,	Circle all but the earliest date.

- (9) Circle any green rocker and edit marks that show a receipt of remittance.
- (10) When more information is needed to make the return processable, prepare **approved** Correspondence Action Sheet or Form 4227, Intra-SC Reject or Routing Slip, for the proper action (e.g., correspondence, research, etc.).

**Exception:** Do not correspond on CII returns, instead route to AM. See IRM 3.11.217.3.4.3(4), Correspondence Imaging Inventory (CII) Returns, for processing instructions.

**Exception:** Do not correspond for missing Schedules K-1, Shareholder's Share of Income, Deduction, Credits, etc.

3.11.217.3.9  
(08-01-2026)

◆ Amended Returns ◆

- (1) A return is considered amended based on the following:
- The Amended box is checked.
  - Words such as "Supplemental", "Corrected", "Superseded", or "Additional" are present.
  - Any indication from the taxpayer that a previous return was filed.
- Note:** Words such as "Copy" or "Duplicate" are not sufficient indicators and must be accompanied by a statement from the taxpayer that a previous return was filed.

- (2) Examine the return for attachments:
- Do not separate any related attachments submitted to explain the reason for the Amended Return. Accounts Management may use the information.
  - Detach any unrelated documents and route them to the correct function using Form 4227, Intra-SC Reject or Routing Slip, and edit the Action Trail on the return.

**Note:** Pull any amended Form 1120-S, U.S. Income Tax Return for an S Corporation, with Case Base Reasoning "CBR" notated and route to Accounts Management.

- (3) Follow the instructions in the chart below when there is an indication of an amended return:

If...	Then...
Compliance Services entered "TC 59X" or "ICS" was edited on the return by Compliance Services,	Do not edit CCC "G". Process the return as an original.

If...	Then...
Statute Control stamped the return "Delinquent Original Cleared for Processing",	Do not edit CCC "G". Process the return as an original.
Form 3893 or Form 13596 is attached,	Do not edit CCC "G". See IRM 3.11.217.3.8.1, Form 3893 - Re-Entry Document Control, and IRM 3.11.217.3.8.2, Form 13596 - Re-processing Returns.
None of the above are present,	Edit CCC "G". No other codes may be used with CCC "G". <b>Exception:</b> CCC "S", CCC "T", CCC "W", CCC "3" and/or Error Resolution System (ERS) Action Codes may be used with CCC "G".

(4) The following data must be edited on all Amended returns:

- Name Control - See IRM 3.11.217.5.4, Entity Perfection - Name Control.
- Employer Identification Number (EIN) - See IRM 3.11.217.5.3, Entity Perfection - Employer Identification Number (EIN).
- Tax Period - See IRM 3.11.217.6, Tax Period.
- CCC "G" - See Exception above.
- Received Date - See IRM 3.11.217.7, Received Date.
- Signature - See IRM 3.11.217.19, Signature.

**Note:** No further editing is required.

(5) **Detach Schedules K-1 for current year (TY2025), two preceding years (TY2024 and TY2023), and future Schedules K-1.** See IRM 3.0.101, Schedule K-1 Processing, for complete instructions to edit and process Schedules K-1.

#  
#  
#

3.11.217.3.10  
(01-05-2016)

**Prompt Assessment or  
Prompt Determination -  
Form 4810**

- (1) A **Prompt Assessment**, Internal Revenue Code (IRC) Section 6501 is requested, either in the form of a letter or on Form 4810, Request for Prompt Assessment Under Internal Revenue Code Section 6501(d). A **Prompt Determination** is requested under Section 505 of the U.S. Bankruptcy Code.

If...	And...	Then...
A Prompt Assessment or Prompt Determination request is not attached to a tax return,		Forward the Prompt Assessment/Prompt Determination request to Examination.
A Prompt Assessment or Prompt Determination is attached to a tax return,	A Transaction Code (TC) 150 has not posted for that return,	Process the return and forward the Prompt Assessment/Prompt Determination request to Examination with a copy of the tax return.
A Prompt Assessment or Prompt Determination is attached to a tax return,	A TC 150 has posted for that return,	Route the return and Prompt Assessment/Prompt Determination request to Examination.  <b>Note:</b> If return is numbered, edit Action Code 370 and continue processing the return.

3.11.217.3.11  
(01-01-2026)

**◆ Refund Returns (45  
Day Jeopardy and High  
Dollar Refunds)◆**

- (1) Document Perfection identifies refunds in jeopardy and requests manual refunds.

**Note:** Expeditious processing of refund returns is critical if the 45-day period is about to expire.

If...	Then...
A refund return is batched in a non-refund batch,	<ol style="list-style-type: none"> <li>1. Pull the return from the non-refund batch using local procedures.</li> <li>2. Code and edit the return as completely as possible.</li> </ol> <p><b>Note:</b> Follow the instructions below when the processing date is more than 20 days after the received date or the Return Due Date (<b>2nd If box</b>) or the refund</p>
<p>The processing date is more than 20 days after the received date or the Return Due Date (whichever is later) and the</p> <p><b>Note:</b> Refund in this instruction means only the amount requested to be refunded to the taxpayer, not overpayments transferred to other periods.</p>	<ul style="list-style-type: none"> <li>• Unnumbered Returns: <ol style="list-style-type: none"> <li>1. Pull the return from the batch.</li> <li>2. Code and edit the return as completely as possible.</li> <li>3. Edit Action Code 341. See Figure 3.11.217-2, Example of Editing Action Code 341.</li> <li>4. Give the return to the manager for expedited processing.</li> </ol> </li> <li>• Numbered Returns: <ol style="list-style-type: none"> <li>1. Code and edit the return as completely as possible.</li> <li>2. Edit Action Code 341 and leave in the batch.</li> </ol> </li> </ul>

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If...	Then...
<p>The refund is</p> <p><b>Note:</b> Refund in this instruction means only the amount requested to be refunded to the taxpayer, not overpayments transferred to other periods.</p>	<ul style="list-style-type: none"> <li>• Unnumbered Returns: <ol style="list-style-type: none"> <li>1. Pull the return from the batch.</li> <li>2. Code and edit the return as completely as possible.</li> <li>3. Edit Action Code 341.</li> <li>4. Make a copy of the first two pages of the return along with any page of the return that appears suspicious for Criminal Investigation (CI). See IRM 3.11.217.2.5, Criminal Investigation (CI) Referral.</li> <li>5. Edit an action trail "Copy to CI" or "CI Referral", or similar language in the lower left corner going vertically up the side of the return.</li> <li>6. Expedite processing.</li> </ol> </li> <li>• Numbered Returns: <ol style="list-style-type: none"> <li>1. Code and edit the return as completely as possible.</li> <li>2. Edit Action Code 341.</li> <li>3. Attach Form 4227, Intra-SC Reject or Routing Slip, to the return, edit Action Code 341 on Form 4227, and leave in batch.</li> <li>4. Make a copy of the first two pages of the return along with any page of the return that appears suspicious for Criminal Investigation (CI). See IRM 3.11.217.2.5, Criminal Investigation (CI) Referral.</li> <li>5. Edit an action trail "Copy to CI" or "CI Referral", or similar language in the lower left corner going vertically up the side of the return.</li> </ol> </li> </ul>

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**Today's Date is June 5**

**DRAFT**

Form **1120-S** **U.S. Income Tax Return for an S Corporation** OMB No. 1545-0123

Department of the Treasury  
Internal Revenue Service

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.  
Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

For calendar year 2025 or tax year beginning , 2025, ending , 20

**2025**

**A** S election effective date **March 30, 2020** **Name** **DJ Willow** **D** Employer identification number **00-0071904**

**B** Business activity code number (see instructions) **236110** **Number and street. If a P.O. box, see instructions.** **999 Cedar Corner** **Room or suite no.** **Feb 19, 2021**

**C** Check if Sch. M-3 attached ☐ **City or town** **Salt Lake City** **State or province** **UT** **Country** **84100** **F** Total assets (see instructions) \$

**G** Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☐ Yes ☐ No

**H** Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination

**I** Enter the number of shareholders who were shareholders during any part of the tax year **1**

**J** Check if corporation: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes

**Caution:** Include only trade or business income and expenses on lines 1a through 22. See the instructions for more information.

<b>Income</b>	<b>1a</b> Gross receipts or sales	<b>1,900,000</b>	<b>b</b> Less returns and allowances	<b>1,000,000</b>	<b>c</b> Balance	<b>1c</b>	<b>900,000</b>
	<b>2</b> Cost of goods sold (attach Form 1125-A)					<b>2</b>	
	<b>3</b> Gross profit. Subtract line 2 from line 1c					<b>3</b>	<b>900,000</b>
	<b>4</b> Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)					<b>4</b>	
	<b>5</b> Other income (loss) (see instructions—attach statement)					<b>5</b>	
	<b>6</b> Total income (loss). Add lines 3 through 5					<b>6</b>	<b>900,000</b>
<b>Deductions</b> (see instructions for limitations)	<b>7</b> Compensation of officers (see instructions—attach Form 1125-E)					<b>7</b>	<b>10,000</b>
	<b>8</b> Salaries and wages (less employment credits)					<b>8</b>	
	<b>9</b> Repairs and maintenance					<b>9</b>	<b>2,000</b>
	<b>10</b> Bad debts					<b>10</b>	
	<b>11</b> Rents					<b>11</b>	<b>2,000</b>
	<b>12</b> Taxes and licenses					<b>12</b>	
	<b>13</b> Interest (see instructions)					<b>13</b>	<b>15,000</b>
	<b>14</b> Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)					<b>14</b>	
	<b>15</b> Depletion (do not deduct oil and gas depletion)					<b>15</b>	
	<b>16</b> Advertising					<b>16</b>	
	<b>17</b> Pension, profit-sharing, etc., plans					<b>17</b>	
	<b>18</b> Employee benefit programs					<b>18</b>	
	<b>19</b> Energy efficient commercial buildings deduction (attach Form 7205)					<b>19</b>	
	<b>20</b> Other deductions (attach statement)					<b>20</b>	<b>5,000</b>
	<b>21</b> Total deductions. Add lines 7 through 20					<b>21</b>	<b>34,000</b>
	<b>22</b> Ordinary business income (loss). Subtract line 21 from line 6					<b>22</b>	<b>866,000</b>
<b>Tax and Payments</b>	<b>23a</b> Excess net passive income or LIFO recapture tax (see instructions)		<b>23a</b>				
	<b>b</b> Tax from Schedule D (Form 1120-S)		<b>23b</b>				
	<b>c</b> Add lines 23a and 23b (see instructions for additional taxes)					<b>23c</b>	
	<b>24a</b> Current year's estimated tax payments and preceding year's overpayment credited to the current year		<b>24a</b>	<b>168,000</b>			
	<b>b</b> Tax deposited with Form 7004		<b>24b</b>				
	<b>c</b> Credit for federal tax paid on fuels (attach Form 4136)		<b>24c</b>				
	<b>d</b> Elective payment election amount from Form 3800		<b>24d</b>				
	<b>z</b> Add lines 24a through 24d					<b>24z</b>	<b>168,000</b>
	<b>25</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>					<b>25</b>	
	<b>26</b> Amount owed. If line 24z is smaller than the total of lines 23c and 25, enter amount owed					<b>26</b>	
	<b>27</b> Overpayment. If line 24z is larger than the total of lines 23c and 25, enter amount overpaid					<b>27</b>	<b>168,000</b>
	<b>28</b> Enter amount from line 27: <b>a</b> Credited to 2026 estimated tax <b>140,000</b> <b>b</b> Refunded					<b>28b</b>	<b>28,000</b>

**c** Routing number **d** Type: ☐ Checking ☐ Savings

**e** Account number

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer **Robert Magnolia** Date **4/24/26** Title **President** May the IRS discuss this return with the preparer shown below? See instructions. ☐ Yes ☐ No

**Paid Preparer Use Only** Preparer's name **Raymond Spruce** Preparer's signature **Raymond Spruce** Date **4-7-26** Check ☐ if self-employed PTIN **00-1645689**

Firm's name **Elm Accounting Service** Firm's EIN

Firm's address **641 Ash Dr. Salt Lake City UT 84100** Phone no.

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11510H Form 1120-S (2025)

**341**

Figure 3.11.217-2 Example of Editing Action Code 341

3.11.217.4 (1) This subsection provides instructions for editing general tax data.

(01-01-2019)

### Examination of Tax Data

3.11.217.4.1  
(01-01-2025)

**Non-Standard or Prior  
Year Format**

- (1) All prior year returns must be reformatted to current year format. Refer to Code and Edit BMF Job Aids for specific year coding.
- (2) If the return is on other than current form format (either a prior year or non-standard form) and the transcription lines cannot be numbered to agree with the current year return:
  - a. Edit all available transcribed tax data items to the tax data part of a blank current year form.
  - b. Place a large "X" across the tax data entries of the prior year (or non-standard) form.
  - c. Staple the forms together, attaching the dummied form (current format) on top so that ISRP can enter the entity data from the prior year (or non-standard) form.

3.11.217.4.2  
(01-04-2018)

**Conversion of Form  
1120 to Form 1120-S**

- (1) If a taxpayer filed Form 1120 and the Entity Control Unpostable Unit has determined the taxpayer has a valid Small Business Election (Form 2553, Election by a Small Business Corporation) on file, Rejects function will convert Form 1120 to a Form 1120-S, U.S. Income Tax Return for an S Corporation. No action is required of Document Perfection. Do **not** detach Form 1120.
- (2) If you receive a Form 1120-S converted from Form 1120 and the Form 13596, Reprocessing Returns, is attached for reprocessing, see IRM 3.11.217.3.8.2, Form 13596 - Reprocessing Returns, for more information.

3.11.217.4.3  
(01-01-2016)

**Significant Entries**

- (1) Reference is made throughout this IRM to "significant entries". A significant entry is defined as any amount other than zero.

**Note:** "Blank", "Dash", "None", "N/A", or "Zero" are not significant entries unless otherwise specified.

3.11.217.4.4  
(01-01-2024)

**Incomplete Return**

- (1) When the return serves only as a transmittal for statements, schedules, and other attachments, or is otherwise incomplete, analyze the supporting documents and edit the missing entries on the form itself.
- (2) Examine attachments and edit the information to proper transcription lines of both the income and deduction sections.
  - a. Edit the income section if Line 6 is the only entry in the income section.
  - b. Edit the deduction section if Line 22 (line 21 for prior year form revisions) is the only entry in the deduction section.
  - c. Edit the income or deduction sections if blank and there is an indication the income or deduction items are included on an attachment (e.g., a notation such as "See attached", "See Schedule F", "Statement attached", etc.).

**Note:** When a doubt exists concerning placement of an income or deduction item because of terminology used by the taxpayer, edit income items as "other income" and deduction items as "other deductions."
- (3) Secured Delinquent Returns are returns secured by compliance personnel. If information is missing from one of these returns, do **not** send the return back to the taxpayer; **correspond** using approved Correspondence Action Sheet.

3.11.217.4.5  
(01-01-2022)  
**Editing Dollars and Cents**

- (1) Document Perfection is not required to edit a vertical line, 00, dash, or decimal point to show dollars and cents.

If...	Then...
The taxpayer has entered money amounts showing dollars and cents separated by a decimal point,	No editing is required.
The taxpayer has entered dollars only where dollars only must be entered,	No editing is required.
The taxpayer has entered dollars only where dollars and cents must be entered,	No editing is required.

3.11.217.4.6  
(01-01-2022)  
**Negative Entries**

- (1) Edit negative entries as follows:

If...	Then...
Brackets “[ ]” or parentheses “( )” are pre-printed on the form,	No editing is required.
The taxpayer shows a negative amount with brackets “[ ]” or parentheses “( )” or a minus “-” sign,	No editing is required.
Editing a negative amount to a transcription line (e.g., computing a line entry, entering a missing entry, etc.),	Bracket “[ ]” (or “( )”) the negative amount.

3.11.217.5  
(01-01-2019)  
**◆Entity Perfection◆**

- (1) This subsection provides instructions related to taxpayer identification for Form 1120-S, U.S. Income Tax Return for an S Corporation.

3.11.217.5.1  
(01-01-2016)  
**◆Entity Perfection - General◆**

- (1) The entity of a tax return identifies the taxpayer on the Business Master File (BMF). The entity area of the return contains the following:
- Employer Identification Number (EIN)
  - Name
  - “In-care-of” Name
  - Address

3.11.217.5.2

(01-01-2023)

## ◆Bankruptcy◆

- (1) If the Form 1120-S, U.S. Income Tax Return for an S Corporation, shows bankruptcy (e.g., shows "RECEIVER", "TRUSTEE", or "DEBTOR IN POSSESSION") in the entity area or on an attachment, route to Entity Control. Follow local procedures using Form 13934, Entity Document/C&E Merge Transmittal.

**Exception:** Do not route Amended returns to Entity.

- (2) Completely edit the return except the name control prior to routing to Entity Control.

**Exception:** Do not route to Entity if there is an indication Entity has already edited the return, usually orange/purple editing of the EIN and name control.

3.11.217.5.3

(01-01-2022)

◆Entity Perfection -  
Employer Identification  
Number (EIN)◆

- (1) The EIN is a nine-digit number (XX-XXXXXXX) assigned to identify the taxpayer.

- (2) Determine the EIN as follows:

If...	And...	Then...
EIN is missing,	You can determine the correct EIN from the attachments or schedules,	Edit the EIN to the proper location.
The EIN is either a Practitioner Tax Identification Number (PTIN) or Individual Taxpayer Identification Number (ITIN),	Unnumbered/ Numbered,	<ul style="list-style-type: none"> <li>Unnumbered               <ol style="list-style-type: none"> <li>1. Remove return from batch.</li> <li>2. Route to Entity Control following local procedures using Form 13934, Entity Document/C&amp;E Merge Transmittal, for EIN assignment.</li> </ol> </li> <li>Numbered               <ol style="list-style-type: none"> <li>1. Edit Action Code 320.</li> <li>2. Leave return in batch.</li> </ol> </li> </ul>

If...	And...	Then...
Multiple EINs are present,	Unnumbered/ Numbered,	<ul style="list-style-type: none"> <li>Unnumbered               <ol style="list-style-type: none"> <li>1. Remove return from batch.</li> <li>2. Route to Entity Control following local procedures using Form 13934, Entity Document/C&amp;E Merge Transmittal, for EIN assignment.</li> </ol> </li> <li>Numbered               <ol style="list-style-type: none"> <li>1. Edit Action Code 320.</li> <li>2. Leave return in batch.</li> </ol> </li> </ul>
The EIN contains any of the following conditions and can't be determined from attachments or schedules: <ul style="list-style-type: none"> <li>• Illegible</li> <li>• Missing</li> <li>• Other than nine digits</li> <li>• All zeros</li> <li>• All nines</li> </ul>	Unnumbered/ Numbered,	<ul style="list-style-type: none"> <li>Unnumbered               <ol style="list-style-type: none"> <li>1. Circle out all illegible EINs, zeros, or nines.</li> <li>2. Research IDRS.</li> <li>3. If found, edit to the proper location.</li> <li>4. If not found, route to Entity Control following local procedures using Form 13934, Entity Document/C&amp;E Merge Transmittal.</li> </ol> </li> <li>Numbered               <ol style="list-style-type: none"> <li>1. Circle out all illegible EINs, zeros, or nines.</li> <li>2. Edit Action Code 320.</li> <li>3. Leave return in batch.</li> </ol> </li> </ul>

If...	And...	Then...
"Pending", "applied for", etc., is shown in the EIN area,	Unnumbered/ Numbered,	<ul style="list-style-type: none"> <li>Unnumbered               <ol style="list-style-type: none"> <li>Research Integrated Data Retrieval System (IDRS).</li> <li>If found, edit to the proper location.</li> <li>If not found, route to Entity Control following local procedures using Form 13934, Entity Document/C&amp;E Merge Transmittal.</li> </ol> </li> <li>Numbered               <ol style="list-style-type: none"> <li>Edit Action Code 320.</li> <li>Leave return in batch.</li> </ol> </li> </ul>

3.11.217.5.4  
(01-01-2025)

◆Entity Perfection -  
Name Control◆

- (1) The Name Control consists of four characters or less.
  - a. Valid characters are alpha, numeric, ampersand (&), hyphen (-), and blank. However, blanks are only valid in the last three positions.
  - b. Disregard the word "The" in the Name Control only when followed by more than one word.
- (2) See Job Aid Document 7071-A, Name Control Job Aid - For Use Outside the Entity Area, to determine the Name Control.
- (3) If Box H(2) "Name Change" is checked, route the return to Entity Control following local procedures using Form 13934, Entity Document/C&E Merge Transmittal.
- (4) Edit the Name Control as follows:

If...	And...	Then...
Able to determine the Name Control,		Underline the Name Control. See Figure 3.11.217-3, Example of Editing a Name Control.

If...	And...	Then...
Unable to determine the Name Control,	Unnumbered/ Numbered,	<ul style="list-style-type: none"><li>• Unnumbered<ol style="list-style-type: none"><li>1. Research Integrated Data Retrieval System (IDRS).</li><li>2. If found, edit to the proper location.</li><li>3. If not found, route to Entity Control following local procedures using Form 13934, Entity Document/C&amp;E Merge Transmittal.</li></ol></li><li>• Numbered<ol style="list-style-type: none"><li>1. Edit Action Code 352 (Name Research).</li><li>2. Leave return in batch.</li></ol></li></ul>

DRAFT

Form **1120-S**

Department of the Treasury  
Internal Revenue Service

**U.S. Income Tax Return for an S Corporation**

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.  
Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

OMB No. 1545-0123

For calendar year 2025 or tax year beginning , 2025, ending , 20

A S election effective date  
**Feb 10, 1981**

B Business activity code number (see instructions)  
**446110**

C Check if Sch. M-3 attached ☐

Name  
**Maple Pharmacy**

Number and street. If a P.O. box, see instructions.  
**1213 Hemlock Dr.**

City or town  
**Buffalo**

D Employer identification number  
**00-1106960**

E Date incorporated  
**Feb 10, 1981**

F Total assets (see instructions)  
\$ **110,200**

G Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☐ Yes ☐ No

H Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination

I Enter the number of shareholders who were shareholders during any part of the tax year **1**

Figure 3.11.217-3 Example of Editing a Name Control

- 3.11.217.5.5  
(01-01-2025)  
◆Entity Perfection -  
“In-Care-Of” Name◆
- (1) An “in-care-of” name can be identified by the words “in care of” or the symbols “c/o” or “%” (percent).

(2) Make sure the “in-care-of” name is in the proper location.

If...	Then...
The “in-care-of” name is located on the street address line preceding the street address,	No editing is required.
The “in-care-of” name is located above the first name line or below the street address,	Arrow the “in-care-of” name so it appears below the first name line and above the street address.
The “in-care-of” name is shown on an attachment,	<div>1. Edit the “in-care-of” name above the street address beginning with the “%” or “c/o” in the first position.</div> <div>2. Continue editing the return.</div>



If...	Then...
The street address for the “in-care-of” name is different from the street address of the <b>S Corporation</b> ,	<ol style="list-style-type: none"> <li>1. Arrow the “in-care-of” street address below the “in-care-of” name or edit the “in-care-of” street address below the “in-care-of” name if located on an attachment.</li> <li>2. Circle the S Corporation’s street address.</li> <li>3. Notate <b>TC 014</b> in the upper left margin.</li> <li>4. Pull the return for research/ input of TC 014 by the Code and Edit Research Clerk.</li> </ol> <p><b>Note:</b> BMF ISRP is not programmed for a mailing address and a location address. A TC 014 must be input into IDRS to capture both a location address and mailing address.</p>

**Note:** Always circle out the in-care-of symbol (“%” or “c/o”) if it is present with an address. **Do not** use the ampersand (&) and the percent sign (%) when editing address information.

(3) Determine a change in the in-care-of name by any of the following:

- A check mark in Box H(2) “Name Change”, or
- A check mark in Box H(3) “Address Change”, or
- Taxpayer edits or added to the “in-care-of” name (e.g., original “in-care-of” name crossed out, new name added, etc.)

If...	Then...
An “in-care-of” name is changed but there is no sign of an address change,	<ol style="list-style-type: none"> <li>1. Edit the “in-care-of” name as shown above.</li> <li>2. Continue editing the return.</li> </ol>
An “in-care-of” name is present and Box H(3) “Address Change” is checked (or there is a sign of an address change),	<ol style="list-style-type: none"> <li>1. Edit the “in-care-of” name as shown above.</li> <li>2. Correct the address.</li> <li>3. Continue editing the return.</li> </ol>

3.11.217.5.6  
(01-01-2025)

◆Entity Perfection -  
Domestic Addresses◆

(1) Perfect the address when the mailing address (Street or P.O. Box) is not easily identified.

**Exception:** Do **not** perfect the address on Amended returns (CCC “G”).

- (2) A business may have two addresses. One is the mailing address, and the other is the location address or physical location of the business.

**Note:** BMF ISRP is not programmed for a mailing address and a location address. A TC 014 must be input into IDRS to capture both a location address and mailing address.

- (3) Perfect the address as follows:

If...	And...	Then...
An attachment shows the address has been changed,		Edit the new address in the entity section of the return. See Figure 3.11.217-4, Example of a Return With a Change of Address.
Form 8822, Change of Address, or Form 8822-B, Change of Address or Responsible Party - Business, is attached,	All apply: <ul style="list-style-type: none"> <li>• Mailing address information is the same on Form 1120-S, Form 8822 or Form 8822-B, Line 7, does not list a location address,</li> <li>• No entry on Form 8822-B, Lines 8 or 9,</li> </ul>	Take no action.

If...	And...	Then...
Form 8822, Change of Address, or Form 8822-B, Change of Address or Responsible Party - Business, is attached,	Any applies: <ul style="list-style-type: none"> <li>• Mailing address information is different,</li> <li>• Form 8822 or Form 8822-B, Line 7, lists a location address,</li> <li>• Form 8822-B, Lines 8 or 9, have an entry,</li> </ul>	Detach Form 8822 or Form 8822-B and route to Entity Control following local procedures using Form 13934, Entity Document/C&E Merge Transmittal.
Both a P.O. Box and a street address are shown,		<ol style="list-style-type: none"> <li>1. Notate Transaction Code "TC 014" in the upper left margin. See Figure 3.11.217-5, Example of a Return With a P.O. Box and Street Address.</li> <li>2. Pull the return for research/input of TC 014 by the Code and Edit Research Clerk.</li> </ol> <p><b>Note:</b> A TC 014 must be input to retain the street address as a location address and the P.O. Box as the mailing address.</p>

If...	And...	Then...
Two street addresses are shown,		<ol style="list-style-type: none"> <li>Underline the second street address.</li> <li>Notate the "TC 014" in the upper left margin.</li> <li>Pull the return for research/input of TC 014 by the Code and Edit Research Clerk.</li> </ol> <p><b>Note:</b> BMF ISRP is not programmed for a mailing address and a location address. A TC 014 must be input into IDRS to capture both a location address and mailing address.</p>
One street address is shown,	The taxpayer changed the address to a P.O. Box,	<ol style="list-style-type: none"> <li>Notate the "TC 014" in the upper left margin.</li> <li>Pull the return for research/input of TC 014 by the Code and Edit Research Clerk.</li> </ol> <p><b>Note:</b> A TC 014 must be input to retain the street address as a location address and the P.O. Box as the mailing address.</p>

If...	And...	Then...
The city and state are not shown on the return, but are shown on an attachment,		Edit the city and state in the entity section of the return.
The ZIP Code is missing or illegible,	Is not available from the return or attachments,	See Document 7475, State and Address Abbreviations, Major City Codes (MCCs), ZIP Codes and Countries to determine the ZIP Code. <b>Note:</b> Edit the three digits followed by "01" of the first ZIP Code listed for the applicable state (e.g., "99501" for Alaska).
Only the first three digits of the ZIP Code can be determined,		Edit "01" for the fourth and fifth digits.
Box H(3) "Change of Address" is checked,	An "in-care-of" name is present,	<ol style="list-style-type: none"> <li>1. Edit the "%" (percent sign) or "c/o" to the left of the "in-care-of name" (in the first position) followed by the correct name.</li> <li>2. Correct the address.</li> <li>3. Continue editing the return.</li> </ol>
It is necessary to edit the street address,		See Document 7475, State and Address Abbreviations, Major City Codes (MCCs), ZIP Codes and Countries, for current Address/Street Abbreviations.
The address contains information other than a street address or P.O. Box,		Do not perfect. ISRP will enter the complete address.

**Note:** Always circle the “in-care-of” symbol (“c/o” or “%”) if it is present with an address. Do not use the ampersand (&) and the percent symbol (%) when editing address information. See Figure 3.11.217-6, Example of a Return with In-Care-Of on the Address Line.

DRAFT

Form **1120-S**

Department of the Treasury  
Internal Revenue Service

U.S. Income Tax Return for an S Corporation

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.  
Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

OMB No. 1545-0123

**2025**

For calendar year 2025 or tax year beginning , 2025, ending , 20

A Selection effective date  
**12-12-92**

B Business activity code number (see instructions)  
**523900**

C Check if Sch. M-3 attached ☐

G Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☐ Yes ☐ No

H Check if: (1) ☐ Final return (2) ☐ Name change (3) ☒ Address change (4) ☐ Amended return (5) ☐ S election termination

I Enter the number of shareholders who were shareholders during any part of the tax year . . . . . **1**

Name  
**Balsam Finance Co**

Number and street. If a P.O. box, see instructions.  
**206 Pine Lane 3501 Chestnut Ave**

City or town  
**San Jose Miami CA FL 33152 95101**

State or province  
**CA FL**

Country  
**FL**

ZIP or foreign postal code  
**33152 95101**

D Employer identification number  
**00-0181650**

E Date incorporated  
**12-12-92**

F Total assets (see instructions):  
\$ **79,850**

To whom it may concern,  
Please change my address to:

**3501 Chestnut Avenue  
Miami, FL 33152**

Thank You  
Sincerely,  
*John Cedar*  
John Cedar

Figure 3.11.217-4 Example of a Return With a Change of Address

**DRAFT**

Form **1120-S** U.S. Income Tax Return for an S Corporation

Department of the Treasury Internal Revenue Service

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

OMB No. 1545-0122

**2025**

For calendar year 2025 or tax year beginning , 2025, ending , 20

**TC014**

**A** S election effective date **06-01-88**

**B** Business activity code number (see instructions) **481000**

**C** Check if Sch. M-3 attached ☐

**D** Employer identification number **00-1234819**

**E** Date incorporated **06-01-88**

**F** Total assets (see instructions) **\$607,040**

**G** Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☐ Yes ☐ No

**H** Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination

**I** Enter the number of shareholders who were shareholders during any part of the tax year **1**

**J** Check if corporation: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes

**Caution:** Include **only** trade or business income and expenses on lines 1a through 22. See the instructions for more information.

Name **Cypress Airlines**

Number and street. If a P.O. box, see instructions. **21 Alder Drive PO Box 116**

Room or suite no.

City or town **Dallas** State or province **TX** Country ZIP or foreign postal code **75260**

Figure 3.11.217-5 Example of a Return With a P.O. Box and Street Address

**DRAFT**

Form **1120-S** U.S. Income Tax Return for an S Corporation

Department of the Treasury Internal Revenue Service

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

OMB No. 1545-0122

**2025**

For calendar year 2025 or tax year beginning , 2025, ending , 20

**A** S election effective date **01-01-90**

**B** Business activity code number (see instructions) **621330**

**C** Check if Sch. M-3 attached ☐

**D** Employer identification number **00-2233456**

**E** Date incorporated **01-01-90**

**F** Total assets (see instructions) **\$ 310,008**

**G** Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☐ Yes ☐ No

**H** Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination

**I** Enter the number of shareholders who were shareholders during any part of the tax year **1**

**J** Check if corporation: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes

**Caution:** Include **only** trade or business income and expenses on lines 1a through 22. See the instructions for more information.

Name **Hickory Evaluations Inc.**

Number and street. If a P.O. box, see instructions. **c/o 244 Aspen Lane**

Room or suite no.

City or town **St. Louis** State or province **MO** Country ZIP or foreign postal code **63155**

Figure 3.11.217-6 Example of a Return With In-Care-Of on the Address Line

- (4) The U.S. Postal Service established new address requirements for Army Post Office (APO), Diplomatic Post Office (DPO), and Fleet Post Office (FPO) addresses. If the old address appears, convert to the new state code abbreviation based on the ZIP Code (e.g., APO New York, NY 091XX would be converted to APO AE 091XX). Consider APO/DPO/FPO addresses as domestic addresses. Refer to APO/DPO/FPO Conversion Chart below:

Address	State Code Abbreviation	ZIP Code
APO/DPO/FPO	AA	340XX
APO/DPO/FPO	AE	090XX - 098XX
APO/DPO/FPO	AP	962XX - 966XX

3.11.217.5.7  
(01-01-2023)

◆Entity Perfection -  
Foreign Address  
(OSPC)◆

- (1) A foreign (international) address is any address that is not in the 50 states or the District of Columbia.
- (2) Consider returns with Army Post Office (APO), Diplomatic Post Office (DPO), and Fleet Post Office (FPO) addresses as domestic addresses. See IRM 3.11.217.5.6, Entity Perfection - Domestic Addresses.
- (3) Route returns with a foreign address to Ogden Submission Processing Campus (OSPC) for processing. Prepare Letter 86C, Referring Taxpayer Inquiry/Forms to Another Office, to inform the taxpayer that the IRS sent the return to Ogden. Edit an Action Trail (e.g., "86C Sent" or similar language) in the lower left corner going vertically up the side of the return.
- (4) Consider returns with addresses in the following U.S. Possessions/Territories as foreign for processing purposes. Edit the same way as domestic addresses.
  - a. Edit a two-character alpha code for the Possession/Territory name.

U.S. Possession	Abbreviation
American Samoa	AS
Federated States of Micronesia	FM
Guam	GU
Marshall Islands	MH
Northern Mariana Islands	MP
Palau	PW
Puerto Rico	PR
Virgin Islands (U.S.)	VI

- b. A ZIP Code **must** be present for U.S. Possessions/Territories. Edit the correct ZIP Code if one is not provided. See Exhibit 3.11.217-7, U.S. Possessions ZIP Codes.
- (5) All other foreign addresses are edited the same as a domestic address with the following exceptions:
  - a. Ensure the foreign country is the last entry in the address.
  - b. Circle the foreign country and edit the Country Code preceded by a "/" and followed by "/"\$ (e.g., "/GM/\$" is edited for Germany). See Document 7475, State and Address Abbreviations, Major City Codes (MCCs), ZIP Codes and Countries, for acceptable Foreign Country Codes.
  - c. Edit a unique country code for returns filed with an address in Canada. See IRM 3.11.217.5.7.1, Country Code - Canada.

**Note:** Coding and Editing BMF Tax Returns, Foreign Addresses Job Aid (Number 2324-002) provides examples for editing foreign addresses.

  - d. If the foreign address is from Australia, Brazil, Canada, Cuba, Italy, Mexico, or The Netherlands, check if the address has a province, state, or territory:



**Note:** There may be other countries with provinces, states, and territories not listed above, see Coding and Editing BMF Tax Returns, Foreign Addresses Job Aid (Number 2324-002) for more information.

If...	Then...
A province, state, or territory name is present,	<ol style="list-style-type: none"> <li>1. Circle the province, state, or territory name.</li> <li>2. Enter the correct abbreviation. See Exhibit 3.11.217-6, Province, Foreign State and Territory Abbreviations.</li> </ol>
A province, state, or territory name is not present,	Continue editing the return.
A province, state, or territory is shown in abbreviated format,	Continue editing the return.

- e. A ZIP Code or state is not required on a foreign address. Foreign addresses use a postal code that is entered before the city or foreign country and is part of the address.

3.11.217.5.7.1  
(01-01-2023)  
◆Country Code -  
Canada◆

- (1) To help Compliance with workload assignment, returns filed with an address in Canada will be edited using a unique Country Code based on the province/territory.

If...	Then...
The foreign address contains a Canadian Province/Territory name, or abbreviation shown in the table below,	<ol style="list-style-type: none"> <li>1. See table below to make sure the correct Canadian Province/Territory is present or edited to the return.</li> <li>2. Circle the country name.</li> <li>3. Edit the correct Country Code based on the province/territory preceded by a "/" and followed by a "\$" as the last entry in the address.</li> </ol>
The foreign address does not contain a Canadian Province/Territory name, or abbreviation shown in the table below,	<ol style="list-style-type: none"> <li>1. Circle the country name.</li> <li>2. Edit the Country Code "/CA/\$" as the last entry in the address.</li> </ol>

- (2) Canadian Province/Territory Abbreviations, Postal Codes, and Canadian Country Codes Table:

Canadian Province/ Territory	Province Abbrevia- tion	Postal Code Beginning <i>Note:</i> If the Canadian Postal Code begins with one of the following, use the corresponding Country Code abbreviation in the right most column.	Country Code
Alberta	AB	T	XA
British Columbia	BC	V	XB
Manitoba	MB	R	XM
New Brunswick	NB	E	XN
Newfoundland and Labrador	NL	A	XL
Northwest Territo- ries	NT	X	XT
Nova Scotia	NS	B	XS
Nunavut	NU	X	XV
Ontario	ON	K, L, M, N, or P	XO
Prince Edward Island	PE	C	XP
Quebec	QC	G, H, or J	XQ
Saskatchewan	SK	S	XW
Yukon	YT	Y	XY

- (3) The rest of the foreign address is edited using procedures in IRM 3.11.217.5.6, Entity Perfection - Domestic Addresses.

3.11.217.6  
(01-01-2021)  
**Tax Period**

- (1) This subsection provides instructions for editing the tax period.

3.11.217.6.1  
(01-01-2026)  
**Tax Period - General**

- (1) Form 1120-S, U.S. Income Tax Return for an S Corporation, must have a tax period.

**Exception:** Form 1120-S is for the current processing calendar year (e.g., 202512).

**Note:** If the Form 1120-S has Schedule K-1s attached, the gusset can only contain the same tax year. If no Schedule K-1s are attached to the Form 1120-S, the gussets can have mixed tax years. For fiscal year filers, use the tax period ending from the Schedule K-1 to determine which tax year the taxpayer is filing for.

- (2) Edit the tax period to the right of the title area of Form 1120-S in YYMM format following the instructions below.

If...	Then...
The return is for the current processing calendar year (e.g., 202512),	Do <b>not</b> edit the tax period.
The return is for a prior year,	Edit the tax period to the right of the form title in YYMM format.
The taxpayer has notated a tax period other than the preprinted year on the return,	Edit the tax period to the right of the form title in YYMM format based on the taxpayer's indication, per paragraph (3).
The tax period is missing, incomplete, or illegible,	<ol style="list-style-type: none"> <li>1. Review the return or attachments for the correct period.</li> <li>2. If found, edit the tax period to the right of the form title in YYMM format.</li> <li>3. If unable to determine the tax period after researching, process the return for the year currently being processed.</li> </ol>

- (3) A tax period will end on the last day of a month. (Ignore a minor discrepancy such as October 30 instead of October 31). The exceptions are a 52-53-week filer, and final or short period returns. The table below identifies examples of tax periods.

Tax Period Ends	Tax Period
Oct. 3, 2025 (52-53-week document)	2509
Oct. 3, 2025 (Final short period return)	2510
Oct. 25, 2025 (52-53-week document)	2510
Oct. 25, 2025 (Final short period return)	2510
Nov. 30, 2025	2511
Dec. 31, 2025	2512 (no editing is required)
Feb. 28, 2026	2602

- (4) Tax periods reported under the 52-53-week rule must end not more than six days before, and not more than three days after, the end of a month. In the edit format, use the numeric designation of the month, the last day of which is closest to the actual ending date.

If...	Then...
The tax period ending is not more than three days after the beginning of the month,	Edit the previous month (e.g., October 3, use the numeric designation for September, YY09).
The tax period ending is not more than six days before the end of the month,	Edit the month shown on the return (e.g., October 25, use the numeric designation for October, YY10).
Tax period ending is more than six days before the end of the month or three days after the beginning of the month, and is not a Final,	Correspond to determine the correct tax period ending.

- (5) If the tax period is for more than 12 months or 53 weeks, **correspond**.
- (6) On a "Final" return, if the month and year is equal to or later than the received date month and year (future return) or the taxpayer has not shown in which month the business ended, edit the tax period to be one month before the received date. See Figure 3.11.217-7, Example of Editing an Early Filed Final Return.

**DRAFT**

Form **1120-S** U.S. Income Tax Return for an S Corporation OMB No. 1545-0123

Department of the Treasury **010126** Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. **2606** **2025**  
Internal Revenue Service Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

For calendar year 2025 or tax year beginning **01/01/26**, ending **10/16, 2026**

**A** S election effective date **06/09/2001** **Name** **Poplar Used Car Sales** **D** Employer identification number **00-4623189**

**B** Business activity code number (see instructions) **441120** **Number and street. If a P.O. box, see instructions.** **204 Balsam Ave** **E** Date incorporated **06/09/2001**

**C** Check if Sch. M-3 attached ☐ **City or town** **Fargo** **State or province** **ND** **Country** **58102** **F** Total assets (see instructions) \$ **0**

**G** Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☐ Yes ☐ No

**H** Check if: (1) ☒ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination

**I** Enter the number of shareholders who were shareholders during any part of the tax year **1**

**J** Check if corporation: (1) ☐ Aggregated activities for section 469 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes

**Caution:** Include only trade or business income and expenses on lines 1a through 22. See the instructions for more information.

**Early Filed Final:**  
**Edit the Tax Period ending date to be one month before the Received Date.**

**RECEIVED**  
**07172026**  
**OGDEN, UT**

**1c** Balance **0**

**2**

**3**

**4**

**5**

**6** **0**

**7**

**8**

**9**

**10**

**11**

**12**

**13**

**14**

**15**

**16**

**17**

Figure 3.11.217-7 Example of Editing an Early Filed Final Return

- (7) On a "Final" return, if the received date is **after** the short period due date **but**

#

CCC "R" and CCC "F". See IRM 3.11.217.6.3(2), Early Filed Return, and Exhibit 3.11.217-2, Due Date Chart, for more information. See Figure 3.11.217-8, Example of Editing CCC "F" and CCC "R" on Form 1120-S.

**Note:** Also edit CCC "D" if the return is a Balance Due.

DRAFT

Form **1120-S**

**U.S. Income Tax Return for an S Corporation**

OMB No. 1545-0123

Department of the Treasury  
Internal Revenue Service

**010125** Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. **2508**  
Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

**2025**

For calendar year 2025 or tax year beginning 01/01/25, 2025, ending 08/31, 2025

A S election effective date  
09/12/2011

B Business activity code number (see instructions)  
811420

C Check if Sch. M-3 attached ☐

Name  
Pine Antiques Shop

Number and street, if a P.O. box, see instructions  
15 East Cypress Blvd

City or town  
Boise

D Employer identification number  
00-3229875

E Date incorporated  
09/12/2011

F Total assets (see instructions)  
\$ 0

G Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☐ Yes ☒ No

H Check if: (1) ☒ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination

I Enter the number of shareholders who were shareholders during any part of the tax year 1

J Check if corporation: (1) ☐ Aggregated activities for section 469 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes

Caution: Include **only** trade or business income and expenses on lines 1a through 22. See the instructions for more information.

1a Gross receipts or sales

1b Cost of goods sold

1c Balance

2

3

4

5

6

7 Compensation of officers (see instructions—attach Form 1125-E)

8 Salaries and wages (less employment credits)

9 Repairs and maintenance

10 Bad debts

11 Rents

12 Taxes and licenses

13 Interest (see instructions)

14 Depreciation from Form 4562 not claimed on Form 1125-S, or elsewhere on return (attach Form 4562)

15 Depletion (do not deduct oil and gas depletion)

16 Advertising

17 Pension, profit-sharing, etc., plans

Received Date after the Short Period Due Date, but before the regular full Tax Period Due Date.

RECEIVED  
001 02182026  
OGDEN, UT  
IRS-OSC

Figure 3.11.217-8 Example of Editing CCC “F” and CCC “R” on Form 1120-S

- (8) The separate short period return of a subsidiary which became affiliated with a “consolidated” group may end on the day preceding such affiliation. As a practical matter, do not question the ending date on any change-of-accounting period return.
- (9) Check all tax periods for the Statute of Limitation (two years and nine months from the normal due date of the return). For statute instruction, see IRM 3.11.217.3.7, Statute Returns.

3.11.217.6.2  
(01-01-2026)  
**Tax Period Beginning -  
Final, Initial, or Short  
Period Return**

- (1) Edit the Tax Period Beginning to the left of the title area of Form 1120-S, U.S. Income Tax Return for an S Corporation, in MMDDYY format following the instructions below: (See Figure 3.11.217-9, Example of Editing the Tax Period Beginning.)

If...	And...	Then...
The return is a final, initial, or a short period,	Tax Period Beginning is present,	Edit the Tax Period Beginning (MMDDYY).

If...	And...	Then...
The return is a final, initial, or a short period,	The day is not present in the Tax Period Beginning,	Edit "01" for the day. For example, taxpayer writes May 2025, edit Tax Period Beginning as 050125.
The return is a final, initial, or a short period,	Tax Period Beginning is not present,	No editing is required.

**Note:** See IRM 3.11.217.6.1, Tax Period - General, for more information.

**DRAFT**

Form **1120-S** U.S. Income Tax Return for an S Corporation

Department of the Treasury Internal Revenue Service

**020125** Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. **2508** Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

OMB No. 1545-0123

**2025**

For calendar year 2025 or tax year beginning **Feb. 01**, 2025, ending **Aug. 15**, 2025

**A** Selection effective date **01-31-84** Name **Maple Pancakes House** **D** Employer identification number **00-0509487**

**B** Business activity code number (see instructions) **523140** Number and street (if a P.O. box, see instructions) **1259 Acacia Blvd.** Room or suite no. **01-31-84**

**C** Check if Sch. M-3 attached ☐ City or town **Fargo** State or province **ND** Country **58102** ZIP or foreign postal code **F** Total assets (see instructions) \$ **75,846**

**G** Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☐ Yes ☒ No

**H** Check if: (1) ☒ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination

**I** Enter the number of shareholders who were shareholders during any part of the tax year **1**

**J** Check if corporation: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes

**Caution:** Include **only** trade or business income and expenses on lines 1a through 22. See the instructions for more information.

Income	1a	Gross receipts or sales	b	Less returns and allowances	c	Balance	1c
	2	Cost of goods sold (attach Form 1125-A)					2
	3	Gross profit. Subtract line 2 from line 1c					3
	4	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)					4
	5	Other income (loss) (see instructions—attach statement)					5
	6	Total income (loss). Add lines 3 through 5					6

**Figure 3.11.217-9 Example of Editing the Tax Period Beginning**

3.11.217.6.3

(01-01-2026)

**Early Filed Return**

(1) **Never send an early filed return back to the taxpayer.**

(2) If the month of the tax period is the same or after the month of the received date, determine how early the return was filed:

If...	Then...
The Tax Period Ending (TPE) is equal to or later than the received date by <b>four months or less</b> (e.g., the received date is in April but the TPE is April, May, June, or July) and is not marked <b>final</b> ,	<ol style="list-style-type: none"> <li>Edit Action Code 480 (Early Filed - Suspense). See Figure 3.11.217-10, Example of Early Filed Return – Editing Action Code 480 vs Action Code 211.</li> <li>Leave return in batch.</li> </ol>

If...	Then...
The Tax Period Ending (TPE) is later than the received date by <b>more than four months</b> (e.g., the received date is in April but the TPE is in September) and it is not marked final,	<ol style="list-style-type: none"> <li>1. Edit Action Code 211 or 215 and attach approved Correspondence Action Sheet to request confirmation of the Tax Period Ending. See Figure 3.11.217-10, Example of Early Filed Return – Editing Action Code 480 vs Action Code 211.</li> <li>2. Completely edit the return. Edit the future tax period shown by the taxpayer. Leave return in batch.</li> </ol>
On a “Final” return, the received date is after the short period due date, but on or before the regular	<ol style="list-style-type: none"> <li>1. Edit CCC “R.”</li> <li>2. Edit CCC “F.”</li> <li>3. Edit CCC “D” if the return is a Balance Due.</li> <li>4. See IRM 3.11.217.6.1, Tax Period - General, for more information.</li> </ol>

#  
#

**Note:** See IRM 3.11.217.6.1, Tax Period - General, for more information.



**DRAFT**

Form **1120-S** **U.S. Income Tax Return for an S Corporation** OMB No. 1545-0123

Department of the Treasury Internal Revenue Service Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. **2606** **2025**

Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

For calendar year 2025 or tax year beginning **07-01, 2025**, ending **06-30, 2026**

A Selection effective date **None** D Employer identification number

**Tax and Payments**

c Credit for federal tax paid on fuels (attach Form 4136) **24c**

d Elective payment election amount from Form 3800 **24d**

z Add lines 24a through 24d **24z**

25 Estimated tax penalty (see instructions). Check if Form 2220 is attached ☐ **25**

26 **Amount owed**, if line 24z is smaller than the total of lines 23c and 25, enter amount owed **26**

27 **Overpayment**. If line 24z is larger than the total of lines 23c and 25, enter amount overpaid **27**

28 Enter amount from line 27: a **Credited to 2026 estimated tax** **28a** b **Refunded** **28b**

c Routing number **04172026** Type: ☐ Checking ☐ Savings

e Account number

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer **Mark Cypress** Date Title

**Paid Preparer Use Only** Preparer's name Preparer's signature Date Check ☐ if self-employed PTIN

Firm's name Firm's EIN

Firm's address Phone no.

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11510H Form **1120-S** (2025)

**480**

**Early Filed: Four Months or Less**

**DRAFT**

Form **1120-S** **U.S. Income Tax Return for an S Corporation** OMB No. 1545-0123

Department of the Treasury Internal Revenue Service Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. **2609** **2025**

Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

For calendar year 2025 or tax year beginning **10-01, 2025**, ending **09-30, 2026**

A Selection effective date **None** D Employer identification number

**Tax and Payments**

c Credit for federal tax paid on fuels (attach Form 4136) **24c**

d Elective payment election amount from Form 3800 **24d**

z Add lines 24a through 24d **24z**

25 Estimated tax penalty (see instructions). Check if Form 2220 is attached ☐ **25**

26 **Amount owed**, if line 24z is smaller than the total of lines 23c and 25, enter amount owed **26**

27 **Overpayment**. If line 24z is larger than the total of lines 23c and 25, enter amount overpaid **27**

28 Enter amount from line 27: a **Credited to 2026 estimated tax** **28a** b **Refunded** **28b**

c Routing number **04172026** Type: ☐ Checking ☐ Savings

e Account number

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer **Pamela Mangrove** Date Title

**Paid Preparer Use Only** Preparer's name Preparer's signature Date Check ☐ if self-employed PTIN

Firm's name Firm's EIN

Firm's address Phone no.

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11510H Form **1120-S** (2025)

**211**

**Early Filed: More than Four Months**

Figure 3.11.217-10 Example of Early Filed Return – Editing Action Code 480 vs Action Code 211

3.11.217.6.4  
(01-01-2026)**Short Period - Editing  
Proof of Entitlement**

- (1) A Short Period Return is one which covers a period of less than 12 months or 52-53 weeks.

- If the Short Period Return is marked "Final", see instructions for editing the tax period in IRM 3.11.217.6.1, Tax Period - General.

- If the Short Period Return is marked “Initial”, “First Return”, “New Corporation”, etc., or meets any of the identifying conditions in the instructions for “Initial Return Code”, see IRM 3.11.217.11, Initial Return Code - Page 1, Box G, Is the corporation electing to be an S corporation beginning with this tax year?
- Process all other Short Period Returns as a “Change of Accounting Period”. In such cases, proof of entitlement to the change is required.

**Reminder:** Edit the Tax Period Beginning in MMDDYY format on short period returns per IRM 3.11.217.6.2, Tax Period Beginning - Final, Initial, or Short Period Return.

- (2) Use the Proof of Entitlement Table below to identify and edit proof of entitlement.

If...	And...	Then...
<p>A statement the S Corporation is changing tax period under:</p> <ol style="list-style-type: none"> <li>1. National Office “Grant Letter” or</li> <li>2. Revenue Procedure 2006-46,</li> </ol>	<p>Command Code BMFOLE shows a Transaction Code (TC) 053 or TC 054,</p> <p><b>Note:</b> This is an indication that the Form 1128, Application to Adopt, Change, or Retain a Tax Year, or National Office “Grant Letter” was approved.</p>	<p>Continue processing the return. See Figure 3.11.217-11, Example of a Short Period Return with Proof of Entitlement.</p> <p><b>Note:</b> No CCC “Y” is needed.</p>
<p>A statement the S Corporation is changing tax period under:</p> <ol style="list-style-type: none"> <li>1. National Office “Grant Letter” or</li> <li>2. Revenue Procedure 2006-46,</li> </ol>	<p>Command Code BMFOLE shows a TC 059,</p> <p><b>Note:</b> This is an indication that the Form 1128, Application to Adopt, Change, or Retain a Tax Year, or National Office “Grant Letter” has <b>not</b> been approved.</p>	<p>The return is unprocessable. Follow the instructions for “Short Period Returns - Editing a Disapproved Application”. See IRM 3.11.217.6.6, Short Period Returns - Editing a Disapproved Application (Form 1128).</p>

If...	And...	Then...
Statement referring to "S" (1120-S) Status Termination or revocation under Section 1362, or Form 1120-S, Page 1, Item H, Box 5, S Election termination or revocation is checked,		Edit CCC "R". <b>Note:</b> No CCC "Y" is needed. <b>Caution:</b> If return reflects tax, or if return was filed after the due date based on a full year, prepare Form 3465, Adjustment Request, and route Form 3465 and a copy of Form 1120-S, Page 1 to Accounts Management (AM) requesting review of interest and/or Failure To File (FTF) penalty.
Statement referring to Termination of Shareholders Interest under Section 1377(a)(2) and Regulations Section 1.1377-1(b),		Continue processing the return. <b>Note:</b> No CCC "Y" is needed.
Statement referring to "S" Status Election and a National Office "Grant Letter" is attached allowing the fiscal year (other than 12/31/XX),		Continue processing the return. <b>Note:</b> No CCC "Y" is needed.

If...	And...	Then...
Notation referring to: 1. Section 444 <b>or</b> 2. Reference to Revenue Procedure 2006-46,	Command Code BMFOLE shows a Transaction Code (TC) 053, TC 054, or TC 055, <b>Note:</b> This is an indication that the Form 1128, Application to Adopt, Change, or Retain a Tax Year, or Form 8716, Election To Have a Tax Year Other Than a Required Tax Year, was approved.	Continue processing the return. <b>Note:</b> No CCC “Y” is needed.
Notation referring to: 1. Section 444 <b>or</b> 2. Reference to Revenue Procedure 2006-46,	Command Code BMFOLE shows a TC 058 or TC 059, <b>Note:</b> This is an indication that the Form 8716, Election To Have a Tax Year Other Than a Required Tax Year, or Form 1128, Application to Adopt, Change, or Retain a Tax Year, has <b>not</b> been approved.	The return is unprocessable. Follow the instructions for “Short Period Returns - Editing a Disapproved Application”. See IRM 3.11.217.6.6, Short Period Returns - Editing a Disapproved Application (Form 1128).

If...	And...	Then...
Form 1128, Application to Adopt, Change, or Retain a Tax Year,	Command Code BMFOLE shows a Transaction Code (TC) 053 or TC 054, <b>Note:</b> This is an indication that the Form 1128 was approved.	Continue processing the return. <b>Note:</b> No CCC "Y" is needed.
Form 1128, Application to Adopt, Change, or Retain a Tax Year,	Command Code BMFOLE shows a TC 059, <b>Note:</b> This is an indication that the Form 1128 has <b>not</b> been approved.	The return is unprocessable. Follow the instructions for Short Period Returns - Editing a Disapproved Application. See IRM 3.11.217.6.6, Short Period Returns - Editing a Disapproved Application (Form 1128).
Form 1128, Application to Adopt, Change, or Retain a Tax Year,	Command Code BMFOLE does <b>not</b> show Transaction Code (TC) 053, TC 054, or TC 059,	See IRM 3.11.217.6.7, Editing Form 1128 With No Indication of Approval or Disapproval.
Statement referring to Qualifying Disposition under Regulations Section 1.1368-1(g)(2)(i),		Edit CCC "Y".
Statement referring to "S" Status Election <b>and</b> taxpayer is changing to required tax year (12/31/XX),		Edit CCC "Y".
Statement the S Corporation is coming out of consolidation,		Edit CCC "Y".
Statement the corporation is a qualified sub chapter S subsidiary,		Edit CCC "Y".

If...	And...	Then...
Notation referring to: 1. "Section 1398 election" (Bankruptcy Petition was filed), <b>or</b> 2. "Second Short Year after Section 1398 Election",		Edit CCC "Y". Do not correspond.

(3) The following table is a list of transaction codes and meanings.

Transaction Code (TC)	Meaning
053	A TC 053 identifies a Fiscal Year Month (FYM) change from Form 1128, Application to Adopt, Change, or Retain a Tax Year, (other than Revenue Procedure 2006-46).
054	A TC 054 identifies a FYM change from Form 1128, Application to Adopt, Change, or Retain a Tax Year, or Form 2553, Election by a Small Business Corporation, approved under Revenue Procedure 2006-46.
055	A TC 055 identifies a FYM change from Form 8716, Election To Have a Tax Year Other Than a Required Tax Year.
058	A TC 058 identifies a <b>Denied</b> Form 8716, Election to Have a Tax Year Other Than a Required Tax Year.
059	A TC 059 identifies a <b>Denied</b> Form 1128, Application to Adopt, Change, or Retain a Tax Year.

**Reminder:** Edit the Tax Period Beginning in MMDDYY format on short period returns according to IRM 3.11.217.6.2, Tax Period Beginning - Final, Initial, or Short Period Return.

**STATEMENT UNDER REVENUE PROCEDURE 2006-46  
IN RELATION TO CHANGE OF TAX PERIOD**

**(1) CORPORATION HAS NOT CHANGED ITS FISCAL YEAR DURING THE  
LAST TEN CALENDAR YEARS.**

**DRAFT**

Form **1120-S** **U.S. Income Tax Return for an S Corporation** OMB No. 1545-0123  
**060125** Do not file this form unless the corporation has filed or  
 is attaching Form 2553 to elect to be an S corporation.  
 Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

Department of the Treasury  
Internal Revenue Service

For calendar year 2025 or tax year beginning **06-01**, 2025, ending **12-31**, 2025

**A** S election effective date **6-1-80**

**B** Business activity code number (see instructions) **453110**

**C** Check if Sch. M-3 attached ☐

**D** Employer identification number **00-5718027**

**E** Date incorporated **6-1-80**

**F** Total assets (see instructions) \$ **2,014,841**

Name **Spruce Inc**

Number and street, if a P.O. box, see instructions. Room or suite no.  
**3112 Willow Ave.**

City or town State or province Country ZIP or foreign postal code  
**Omaha NE 68108**

**G** Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☐ Yes ☐ No

**H** Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination

**I** Enter the number of shareholders who were shareholders during any part of the tax year **1**

**J** Check if corporation: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes

**Caution:** Include **only** trade or business income and expenses on lines 1a through 22. See the instructions for more information.

Income	1a	Gross receipts or sales	<b>1,222,796</b>	b	Less returns and allowances		c	Balance	1c	<b>1,222,796</b>
	2	Cost of goods sold (attach Form 1125-A)					2	<b>794,152</b>		
	3	Gross profit. Subtract line 2 from line 1c					3	<b>428,644</b>		
	4	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)					4			
	5	Other income					5			
	6	Total income					6	<b>428,644</b>		
Deductions	7	Compensation					7			
	8	Salaries					8			
	9	Repairs					9			

**Research Transaction Code (TC):  
TC 053 or TC 054 – Continue processing.  
TC 059 – The return is unprocessable.**

Figure 3.11.217-11 Example of a Short Period Return with Proof of Entitlement

3.11.217.6.5  
(01-01-2022)  
**Short Period - Missing  
Proof of Entitlement**

- (1) If proof of entitlement is missing or the taxpayer says on the return or an attachment that the S Corporation has filed an application but has not received a response, research IDRS using Command Code BMFOLE (or other applicable Command Code) for approval or disapproval information and proceed as follows:

If...	Then...
Command Code BMFOLE shows a Transaction Code (TC) 053, TC 054, or TC 055, <b>Note:</b> This is an indication that the Form 1128, Application to Adopt, Change, or Retain a Tax Year or Form 8716, Election To Have a Tax Year Other Than a Required Tax Year, was approved.	Continue processing the return. <b>Note:</b> No CCC "Y" is needed. <b>Reminder:</b> Edit the Tax Period Beginning on short period returns according to IRM 3.11.217.6.2, Tax Period Beginning - Final, Initial, or Short Period Return.

If...	Then...
Command Code BMFOLE shows a TC 058 or TC 059, <b>Note:</b> This is an indication that the Form 8716, Election To Have a Tax Year Other Than a Required Tax Year, or Form 1128, Application to Adopt, Change, or Retain a Tax Year, has <b>not</b> been approved.	The return is unprocessable. Follow the instructions for "Short Period Returns - Editing a Disapproved Application". See IRM 3.11.217.6.6, Short Period Returns - Editing a Disapproved Application (Form 1128).
Command Code BMFOLE does not show a TC 053, TC 054, TC 055, TC 058, or TC 059,	Correspond with the taxpayer using Letter 319C, Return Covers Other Than 12-month Accounting Period.

**Reminder:** Edit the Tax Period Beginning in MMDDYY format on short period returns per IRM 3.11.217.6.2, Tax Period Beginning - Final, Initial, or Short Period Return.

**Note:** See IRM 3.11.217.6.4(2) for the list of transaction codes and meanings.

3.11.217.6.6  
(01-01-2016)

**Short Period Returns -  
Editing a Disapproved  
Application (Form 1128)**

- (1) If Form 1128, Application to Adopt, Change, or Retain a Tax Year, is disapproved, the return is considered unprocessable:
  - a. Edit Action Code 211 or 215 and **correspond**.
  - b. In the correspondence, instruct the taxpayer to file a return for the next regular full period due. Request a disposition of any remittance paid with the return or other credits which have posted to the short period module.

**Reminder:** Edit the Tax Period Beginning in MMDDYY format on short period returns per IRM 3.11.217.6.2, Tax Period Beginning - Final, Initial, or Short Period Return.

3.11.217.6.7  
(01-01-2026)

**Short Period Returns -  
Editing Form 1128 With  
No Indication of  
Approval or Disapproval**

- (1) When a Form 1128, Application to Adopt, Change, or Retain a Tax Year, is attached with no indication of approval or disapproval **and** no proof of entitlement is present, research Integrated Data Retrieval System (IDRS) using Command Code BMFOLE (or other applicable Command Code) for approval or disapproval and proceed as follows:



If...	Then...
Command Code BMFOLE shows a Transaction Code (TC) 053 or TC 054, <b>Note:</b> This is an indication that the Form 1128, Application to Adopt, Change, or Retain a Tax Year, was approved.	Continue processing the return. <b>Note:</b> No CCC "Y" is needed. <b>Reminder:</b> Edit the Tax Period Beginning on short period returns according to IRM 3.11.217.6.2, Tax Period Beginning - Final, Initial, or Short Period Return.
Command Code BMFOLE shows a TC 059, <b>Note:</b> This is an indication that the Form 1128, Application to Adopt, Change, or Retain a Tax Year, has <b>not</b> been approved.	The return is unprocessable. Follow the instructions for "Short Period Returns - Editing a Disapproved Application". See IRM 3.11.217.6.6, Short Period Returns - Editing a Disapproved Application (Form 1128).
Command Code BMFOLE does <b>not</b> show TC 053, TC 054, or TC 059,	Take the actions in (2) below.

**Reminder:** Edit the Tax Period Beginning in MMDDYY format on short period returns per IRM 3.11.217.6.2, Tax Period Beginning - Final, Initial, or Short Period Return.

**Note:** See IRM 3.11.217.6.4(2), Short Period - Editing Proof of Entitlement, for the list of transaction codes and meanings.

(2) Form 1128, Application to Adopt, Change, or Retain a Tax Year, with neither approval nor disapproval, stop processing Form 1120-S, U.S. Income Tax Return for an S Corporation. Route Form 1120-S and Form 1128 to Entity Control as directed in the paragraphs below.

- a. If Form 1128, Application to Adopt, Change, or Retain a Tax Year, is attached to a **numbered** return, enter Action Code 320. Attach Form 4227, Intra-SC Reject or Routing Slip, and check the box for Entity Control. Edit the Form 1120-S received date to Form 1128. Leave the return in the batch and continue processing the return.

**Note:** Do not detach Form 1128.

- b. If Form 1128 is attached to an **unnumbered** return, edit the Form 1120-S received date to Form 1128, attach Form 4227, Intra-SC Reject or Routing Slip, and route the return to Entity Control. See Figure 3.11.217-12, Example of Form 1128 Attached With No Indication of Approval or Disapproval.

**Note:** Do not detach Form 1128.

## 3.11 Returns and Documents Analysis

- c. Entity will process the Form 1128 and route the return back to Code and Edit with a Form 4227, Intra-SC Reject or Routing Slip, attached. The Form 4227 will show if the Form 1128 is approved, denied, or returned and the words "Process Return" or "Let Unpost".

**Form 1128**  
(Rev. October 2014)  
Department of the Treasury

**Application To Adopt, Change, or Retain a Tax Year**

OMB No. 1545-0134

Attachment Sequence No. **148**

Information about Form 1128 and its separate instructions is available at [www.irs.gov/form1128](http://www.irs.gov/form1128)

**DRAFT**

**Form 1120-S**  
Department of the Treasury  
Internal Revenue Service

**U.S. Income Tax Return for an S Corporation**

OMB No. 1545-0123

**090125** Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

For calendar year 2025 or tax year beginning **9 - 1**, 2025, ending **12 - 31**, 2025

**A** S election effective date **12-02-84** Name **Beech Fashion Inc.** **D** Employer identification number **00-1758893**

**B** Business activity code number (see instructions) **448140** Number and street. If a P.O. box, see instructions. **1177 Poplar Ave.** **E** Date incorporated **12-02-84**

City or town **New York** State or province **NY** Country **10001** **F** Total assets (see instructions) **\$343,175**

**C** Check if Sch. M-3 attached ☐ **G** Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☐ Yes ☐ No

**8** Salaries and wages (less employment credits) **70,000**

**9** **12,000**

**10** **15,000**

**11** **5,000**

**12** **97,000**

**13** **70,142**

**14** **990**

**15** **990**

**16** **990**

**17** **990**

**18** **990**

**19** **990**

**20** **990**

**21** **990**

**22** **990**

**23c** **990**

**24z** **990**

**25** **990**

**26** **990**

**27** **990**

**28b** **990**

**Intra-SC Reject or Routing Slip** Name-Unit **210** Date **031826**

X	Route to	X	Reason
<input type="checkbox"/>	Accounting	<input type="checkbox"/>	Missing or illegible data
<input type="checkbox"/>	Adjustments	<input type="checkbox"/>	EIN
<input type="checkbox"/>	Batching and Numbering	<input type="checkbox"/>	SSN
<input type="checkbox"/>	Clearing and Deposit	<input type="checkbox"/>	Name
<input type="checkbox"/>	Collection	<input type="checkbox"/>	Address
<input type="checkbox"/>	Criminal Investigation	<input type="checkbox"/>	Other (specify)
<input type="checkbox"/>	QRDT <input type="checkbox"/> ITPP	<input type="checkbox"/>	Review for necessary action
<input type="checkbox"/>	Data Control (Balancing)	<input type="checkbox"/>	Renumber to
<input type="checkbox"/>	Document Services	<input type="checkbox"/>	Tax class
<input type="checkbox"/>	Entity Control	<input type="checkbox"/>	Doc. code
<input type="checkbox"/>	Error Resolution	<input type="checkbox"/>	Other
<input type="checkbox"/>	Examination (Audit)	<input type="checkbox"/>	Unpostable code
<input type="checkbox"/>	Files	<input type="checkbox"/>	Action Code
<input type="checkbox"/>	Reject Correction	<input type="checkbox"/>	Reinput
<input type="checkbox"/>	Returns Analysis	<input type="checkbox"/>	Questionable items
<input type="checkbox"/>	Statute Control	<input type="checkbox"/>	Form W-2
<input type="checkbox"/>	Other activity (explain)	<input type="checkbox"/>	Contributions
<input type="checkbox"/>		<input type="checkbox"/>	Other data
<input type="checkbox"/>		<input type="checkbox"/>	Other (explain)

**X Research for approval of Form 1128**

Form **4227** (Rev. 12-01) Cat. No. 269151 Department of the Treasury Internal Revenue Service

**28** Enter amount from line 27. **a** Credited to 2026 estimated tax **b** Refunded

**c** Routing number **d** Type: ☐ Checking ☐ Savings

**e** Account number

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer **Andrey Ash** Date **02/13/26** Title **President**

Preparer's name **Andrey Ash** Preparer's signature **Andrey Ash** Date **02/13/26** Check ☐ if self-employed PTIN

**Paid Preparer Use Only** Firm's name **Andrey Ash** Firm's EIN **Andrey Ash** Firm's address **Andrey Ash** Phone no. **Andrey Ash**

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11510H Form **1120-S** (2025)

Figure 3.11.217-12 Example of Form 1128 Attached with No Indication of Approval or Disapproval

3.11.217.6.8  
(01-01-2026)

**Short Period Return with  
Prepaid Credits**

- (1) Route to Accounting for possible adjustment action any return meeting **both** conditions below.
  - a. A prepaid credit, Line 24a or Line 24b is claimed. (202301 and later)
  - b. The return is a short period (an initial return, a final return, or one with a change of accounting period).
- (2) Take the following action when routing these returns to Accounting:
  - a. Enter Action Code 342 on the return.
  - b. Attach Form 4227, Intra-SC Reject or Routing Slip, check the "Accounting" box and notate "Short period return with ES Credits".
  - c. Continue normal processing.
  - d. If the return shows a refund, follow **Refund Returns** instructions in IRM 3.11.217.3.11, Refund Returns 45 Day Jeopardy and High Dollar Refunds.
  - e. See Figure 3.11.217-13, Example of Short Period Return with ES Credits.

**Note:** 2022 and prior Form Revisions have Prepaid Credits listed on lines 23a and/or 23b.

**Reminder:** Edit the Tax Period Beginning in MMDDYY format on short period returns per IRM 3.11.217.6.2, Tax Period Beginning - Final, Initial, or Short Period Return.

**DRAFT** **Final!**

Form **1120-S** **U.S. Income Tax Return for an S Corporation** OMB No. 1545-0123

**010126** Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. **2604** **2025**

Department of the Treasury Internal Revenue Service Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

For calendar year 2025 or tax year beginning **01-01-26**, 2026, ending **04-30-26**

**A** Selection effective date **1-16-85** Name **Hemlock Valet Inc.** **D** Employer identification number **00-0001230**

**B** Business activity code number (see instructions) **812990** Number and street. If a P.O. box, see instructions. **123 Pine Avenue** Room or suite no. **1-16-85**

City or town **San Jose** State or province **CA** Country ZIP or foreign postal code **95101** **F** Total assets (see instructions) **\$110,120,500**

**C** Check if Sch. M-3 attached ☐

**G** Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☐ Yes ☐ No

**H** Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination

**I** Enter the number of shareholders who were shareholders during any part of the tax year **5**

**J** Check if corporation: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes

**Caution:** Include only trade or business income and expenses on lines 1a through 22. See the instructions for more information.

Income	1a	1b	1c
1a	Gross receipts or sales <b>650,800</b>	Less returns and allowances <b>50,700</b>	c Balance <b>600,100</b>
2	Cost of goods sold (attach Form 1125-A) <b>F</b>		<b>2</b>
3	Gross profit. Subtract line 2 from line 1c		<b>3</b> <b>600,100</b>
4	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)		<b>4</b>
5	Other income (loss) (see instructions—attach statement)		<b>5</b>
6	<b>Total income (loss).</b> Add lines 3 through 5		<b>6</b> <b>600,100</b>
7	Compensation of officers (see instructions—attach Form 1125-B)		<b>7</b> <b>25,000</b>
8	Salaries and wages (less employment credits)		<b>8</b>
9	Repairs and maintenance		<b>9</b> <b>25,000</b>
			<b>10</b> <b>126,300</b>
			<b>11</b> <b>2,000</b>
			<b>12</b> <b>5,800</b>
			<b>13</b>
			<b>14</b> <b>10,000</b>
			<b>15</b>
			<b>16</b> <b>5,100</b>
			<b>17</b>
			<b>18</b> <b>3,000</b>
			<b>19</b>
			<b>20</b> <b>113,000</b>
			<b>21</b> <b>315,200</b>
			<b>22</b> <b>284,900</b>
			<b>23a</b>
			<b>23b</b> <b>50,000</b>
			<b>23c</b> <b>50,000</b>
			<b>24a</b> <b>25,000</b>
			<b>24b</b> <b>7,500</b>
			<b>24c</b>
			<b>24d</b>
			<b>24z</b> <b>32,500</b>
			<b>25</b>
			<b>26</b> <b>17,500</b>
			<b>27</b>
			<b>28b</b>

**RECEIVED**  
**06092026**  
**OGDEN, UT**  
**IRS-OSC**

**Intra-SC Reject or Routing Slip** Name-Unit **210** Date **7-22-26**

X	Route to	X	Reason
<input checked="" type="checkbox"/>	Accounting	<input type="checkbox"/>	Missing or illegible data
<input type="checkbox"/>	Adjustments	<input checked="" type="checkbox"/>	EIN
<input type="checkbox"/>	Batching and Numbering	<input type="checkbox"/>	SSN
<input type="checkbox"/>	Clearing and Deposit	<input type="checkbox"/>	Name
<input type="checkbox"/>	Collection	<input type="checkbox"/>	Address
<input type="checkbox"/>	Criminal Investigation	<input type="checkbox"/>	Other (specify)
<input type="checkbox"/>	QDRT	<input type="checkbox"/>	Review for necessary action
<input type="checkbox"/>	ITPP	<input type="checkbox"/>	Renumber to
<input type="checkbox"/>	Data Control (Balancing)	<input type="checkbox"/>	Tax class
<input type="checkbox"/>	Document Services	<input type="checkbox"/>	Doc. code
<input type="checkbox"/>	Entity Control	<input type="checkbox"/>	Other
<input type="checkbox"/>	Error Resolution	<input type="checkbox"/>	Unpostable code
<input type="checkbox"/>	Examination (Audit)	<input type="checkbox"/>	Action Code
<input type="checkbox"/>	Files	<input type="checkbox"/>	Reinput
<input type="checkbox"/>	Reject Correction	<input type="checkbox"/>	Questionable items
<input type="checkbox"/>	Returns Analysis	<input type="checkbox"/>	Form W-2
<input type="checkbox"/>	Statute Control	<input type="checkbox"/>	Contributions
<input type="checkbox"/>	Other activity (explain)	<input type="checkbox"/>	Other data

**X Short period with ES Credits**

Form 4227 (Rev. 12-01) Cat. No. 269151 Department of the Treasury Internal Revenue Service

**25** Estimated tax penalty (see instructions). Check if Form 2220 is attached ☐

**26** Amount owed. If line 24z is smaller than the total of lines 23c and 25, enter amount owed

**27** Overpayment. If line 24z is larger than the total of lines 23c and 25, enter amount overpaid

**28** Enter amount from line 27: **a Credited to 2026 estimated tax** **b Refunded**

**c** Routing number **d** Type: ☐ Checking ☐ Savings

**e** Account number

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer **Catrina L. Cedar** Date **6-8-26** Title **Vice - Pres.**

**Paid Preparer Use Only** Preparer's name Preparer's signature Date Check ☐ if self-employed PTIN

Firm's name Firm's EIN

Firm's address Phone no.

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11510H Form 1120-S (2025)

**342**

Figure 3.11.217-13 Example of Short Period Return With ES Credits

3.11.217.7  
(01-01-2025)

- (1) The date a document is received in the Campus, or an IRS Office is the date stamped as the "IRS Received Date".

◆ Received Date ◆

- (2) **All Form 1120-S**, U.S. Income Tax Return for an S Corporation, returns require an IRS Received Date.
- (3) A **return is considered timely** if the envelope in which the return is contained is postmarked on or before the due date.

If...	Then...	
	The return is considered timely. See Exhibit 3.11.217-2, Due Date Chart, for more information.	# #
The due date falls on a weekend or legal holiday,	The return is timely if postmarked by the first business day following the weekend or legal holiday.	
postmark date or shipment date is on or before the legal or extended due date,	<p>Edit the received date to agree with the postmark date or shipment date. See Figure 3.11.217-14, Example of Editing a Timely Received Date.</p> <p><b>Note:</b> The postmark date or shipment date includes returns delivered by:</p> <ul style="list-style-type: none"> <li>• U.S. Postal Service (USPS)</li> <li>• Private Delivery Services (PDS), e.g., Federal Express Corporation (FedEx) or United Parcel Service (UPS) "designated" by the IRS. See IRM 3.10.72, Receiving, Extracting and Sorting, for a list of designated private delivery services, or</li> <li>• Returns with a Foreign Postmark</li> </ul> <p><b>Note: For certified mail only</b> - If a postmark is not present, look for a "USPS.com Track &amp; Confirm" record attached to the return (should be in front of the envelope). Use the "Acceptance" date on the record to determine timeliness and follow normal editing procedures. See Exhibit 3.11.217-8, USPS.com Track &amp; Confirm Record. If the "USPS.com Track &amp; Confirm" record is not attached, take no action.</p>	# #  # # # # # # # #

**DRAFT**

Form **1120-S** **U.S. Income Tax Return for an S Corporation** OMB No. 1545-0123

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

For calendar year 2025 or tax year beginning , 2025, ending , 20

**A** S election effective date **07-26-70** **Name** **Larch Hardware, Inc.** **D** Employer identification number **00-7024653**

**B** Business activity code number (see instructions) **444130** **Number and street. If a P.O. box, see instructions.** **19 South 35<sup>th</sup> St.** **E** Date incorporated **07-26-70**

**C** Check if Sch. M-3 attached ☐ **City or town** **Houston** **State or province** **TX** **Country** **77013** **F** Total assets (see instructions) \$ **98,000**

**G** Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☐ Yes ☐ No

**H** Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination

**I** Enter the number of shareholders who were shareholders during any part of the tax year **3**

**J** Check if corporation: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes

**Caution:** Include only trade or business income and expenses on lines 1a through 22. See the instructions for more information.

	1a	b	c	1c
<b>Income</b>	1a Gross receipts or sales	b Less returns and allowances	c Balance	
	2 Cost of goods sold (attach Form 1125-A)			2
	3 Gross profit. Subtract line 2 from line 1c			3
	4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			4
	5 Other income (loss) (see instructions—attach statement)			5 <b>94,593</b>
	6 <b>Total income (loss).</b> Add lines 3 through 5			6 <b>94,593</b>
<b>Losses for limitations</b>	7 Compensation of officers (see instructions—attach Form 1125-E)			7
	8 Salaries and wages (less employment credits)			8
	9 Repairs and maintenance			9 <b>2,150</b>
	10 Bad debts			10 <b>1,500</b>
	11 Rents			11
	12 Taxes and licenses			12
	13			13
	14			14
	15			15

**RECEIVED**  
**16**  
**03/25/2026**  
**OGDEN, UT**  
**IRS-OSC**

**The Return is Timely-**  
**Tax Period – 2512**  
**Due Date – 3/16/26**  
**Received Date – 03/25/26**  
**Postmark Date – 03/16/26**

**Circle 25 from the Received Date and edit 16 above the date.**

**INTERNAL REVENUE SERVICE**  
**OGDEN UT 84201**

Figure 3.11.217-14 Example of Editing a Timely Received Date

- (4) When a Form 1120-S is delinquent and the taxpayer explains the return is late due to the rejection of a timely filed electronic return, check the return for a Modernized Electronic Filing (MeF) rejection notification.

**Note:** Taxpayers are instructed to notate in red in the top margin of the return **REJECTED ELECTRONIC RETURN** to show the timely filed return can't be filed electronically. The notation could be anywhere on the return and is not required, but they are required to attach a copy of the MeF rejection notification in order to show they qualify for an edited Received Date.

- (5) If a MeF rejection notification is not attached, perfection of the received date is not necessary. If a MeF rejection notification is attached, edit the IRS Received Date in MMDDYY format as follows:

**Note:** The taxpayer has 10 days to resubmit an electronically filed return after being rejected and 10 days to submit a paper return after the last rejection. The first transmission of any rejected return must have been filed before the due date of the relevant form for this rule to apply.

If...	And...	Then...
The postmark date is within 10 days of the date of the rejection,		Edit the IRS Received Date to be the date of the rejection. For example, postmark date is 03-22-2026 and first rejection is 03-12-2026. Change received date to 031226.
The postmark date is more than 10 days after the date of the rejection,		Leave the IRS Received Date as is. For example, postmark date is 03-25-2026 and first rejection is 03-12-2026. Leave the received date as is. <b>Exception:</b> Change the received date to the postmark date if the postmark date makes the return timely.
There are two rejections,	Within 10 days of one another and one is within 10 days of the postmark date,	Edit the IRS Received Date to be the date of the first rejection. For example, postmark date is 03-22-2026, the second rejection is 03-12-2026. The first rejection is 03-09-2026. Change the received date to 030926.

If...	And...	Then...
There are two rejections with the time between the first rejection and the second rejection greater than 10 days,	The second rejection is within 10 days of the postmark date,	Edit the IRS Received Date to be the date of the second rejection. For example, postmark date is 03-22-2026, the second rejection is 03-12-2026. The first rejection is 03-01-2026. Change the received date to 031226.
There are two rejections,	Not within 10 days of one another and second rejection not within 10 days of the postmark date,	Leave the IRS Received Date as is. For example, postmark date is 03-25-2026, the second rejection is 03-12-2026. The first rejection is 03-01-2026. Leave the received date as is. <b>Exception:</b> Change the received date to the postmark date if the postmark date makes the return timely.

(6) The received date may or may not be stamped on the face of the return.

(7) A valid received date stamp may consist of the following:

- The word "Received"
- Month (alpha or numeric)
- Day (for example "1" or "01")
- Year - four digits
- "Area Office," Campus, Field Office, "Taxpayer Assistance Center (TAC) Site" plus the city, location, or functional area within one of these sites (e.g., Compliance Services Collection Operations (CSCO), Examination, Image Control Team (ICT), Correspondence Imaging Inventory (CII), Accounts Management (AM), etc.)

**Exception:** Not all IRS offices are designated places for filing, and not all IRS employees are authorized to accept a tax return for processing. If a return contains a received date stamp from other than a Taxpayer As-



sistance Center (TAC), Lockbox, or the IRS campus (Compliance, Accounts Management, or Submission Processing (SP)), circle out the invalid received date and edit the correct received date according to instructions below. For example, returns received by the Taxpayer Advocate Service (TAS) or the IRS Office of Chief Counsel are not properly filed and a received date by that office is not the "IRS Received Date."

- (8) If the received date stamp is not present or the date is illegible or invalid, edit the received date in **MMDDYY** format in the middle of Page 1 of the return. See Figure 3.11.217-15, Example of Editing the Received Date. Edit the received date according to the following priority:

- The earliest legible postmark date (U. S. Postal Service (USPS), foreign postmark, or Private Delivery Service (PDS)) on the envelope. Rules for using the U. S. Postal Service (USPS) postmark or foreign postmark date are as follows:

If...	Then...
An envelope is not attached,	Use the postmark date stamped on the face of the return.
A document was returned for insufficient postage,	Use the postmark date that coincides with the correct delivery of the return.
The postmark is missing, and the envelope is <b>certified</b> ,	Look for the "USPS.com Track & Confirm" record that was attached to the return (should be in front of the envelope). Use the "acceptance" date on the record to determine timeliness and follow normal editing procedures. See Exhibit 3.11.217-8, USPS.com Track & Confirm Record. If the "USPS.com Track & Confirm" record is not attached, take no action.
An envelope has both a USPS and private metered postmark,	Always use the USPS postmark.
An envelope has a foreign and private metered postmark,	Always use the foreign postmark.
An envelope has two private metered postmarks,	Always use the latest private metered postmark.
An envelope has only one private metered postmark,	Use the private metered postmark.

- Service Center Automated Mail Processing System (SCAMPS) digital Date.
- Revenue officer's Signature Date.
- Signature Date. (Only if within current year.)
- Julian Date of the Document Locator Number (DLN) minus 10 days.

- Current Date minus 10 days.

DRAFT

Form **1120-S**

Department of the Treasury  
Internal Revenue Service

U.S. Income Tax Return for an S Corporation

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.  
Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

OMB No. 1545-0123

2025

For calendar year 2025 or tax year beginning , 2025, ending , 20

TC599

A S election effective date  
**7-5-87**

B Business activity code number (see instructions)  
**238100**

C Check if Sch. M-3 attached ☐

Name  
**Willow Cement Co.**

Number and street. If a P.O. box, see instructions.  
**3600 Fir Rd.**

City or town  
**Hartford**

State or province  
**CT**

Country

ZIP or foreign postal code  
**06101**

D Employer identification number  
**00-4560114**

E Date incorporated  
**7-5-87**

F Total assets (see instructions)  
\$ **27,460**

G Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☐ Yes ☐ No

H Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination

I Enter the number of shareholders who were shareholders during any part of the tax year . . . . . **2**

J Check if corporation: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes

Caution: Include **only** trade or business income and expenses on lines 1a through 22. See the instructions for more information.

Income

1a Gross receipts or sales **44,620**

2 Cost of goods sold (attach Form 1125-A) . . . . .

3 Gross profit. Subtract line 2 from line 1c . . . . .

4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797) . . . . .

5 Other income (loss) (see instructions—attach statement) . . . . .

6 **Total income (loss).** Add lines 3 through 5 . . . . .

7 Compensation of officers (see instructions—attach Form 1125-E) . . . . .

8 Salaries and wages (less employment credits) . . . . .

9 Repairs and maintenance . . . . .

25 Estimated tax penalty (see instructions). Check if Form 2220 is attached ☐

26 **Amount owed.** If line 24z is smaller than the total of lines 23c and 25, enter amount owed . . . . .

27 **Overpayment.** If line 24z is larger than the total of lines 23c and 25, enter amount overpaid . . . . .

28 Enter amount from line 27: a **Credited to 2026 estimated tax** b **Refunded**

c Routing number d Type: ☐ Checking ☐ Savings

e Account number

29

26

27

28b

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer **B. Birch, revenue officer 8-3-26** Title

Paid Preparer Use Only

Preparer's name Preparer's signature Date Check ☐ if self-employed PTIN

Firm's name Firm's EIN

Firm's address Phone no.

May the IRS discuss this return with the preparer shown below? See instructions. ☐ Yes ☐ No

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 11510H

Form **1120-S** (2025)

Figure 3.11.217-15 Example of Editing the Received Date

(9) Edit the received date as follows:

If...	And...	Then...
A timely received date is the only received date stamped on the return,		No editing is required.

If...	And...	Then...
Two or more dates are stamped on the return,		<ol style="list-style-type: none"> <li>1. Use the earliest IRS received date stamped on the return.</li> <li>2. Circle all other dates (handwritten, or stamped, not needed for transcription.</li> <li>3. See Figure 3.11.217-16, Example of a Multiple Valid Received Date.</li> </ol> <p><b>Note:</b> Treat received dates that are circled out by another function as if they are not present.</p>
A Federal return is addressed to the IRS,	Delivered to a state agency,	Use the postmark date as the received date.
A Federal return is addressed to a State agency,		Use the IRS date stamp as the received date.
The only received date on the return is a Taxpayer Advocate Service (TAS) Received Date or Chief Counsel Received Date,		Circle out the TAS or Chief Counsel Received Date and edit the received date according to instructions.

**Reminder:** Check any envelope attached to the return for remittance. If found, hand carry remittance to manager.

**DRAFT**

Form **1120-S** **U.S. Income Tax Return for an S Corporation** OMB No. 1545-0123

Department of the Treasury Internal Revenue Service Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

For calendar year 2025 or tax year beginning , 2025, ending , 20

**A** S election effective date **07/05/2011** **Name** **Cypress Gold Inc.** **D** Employer identification number **00-4262501**

**B** Business activity code number (see instructions) **4615** **Number and street. If a P.O. box, see instructions.** **525 Maple Court #2** **E** Date incorporated **07/05/2011**

**C** Check if Sch. M-3 attached ☐ **City or town** **Baltimore** **State or province** **MD** **Country** **ZIP or foreign postal code** **21233** **F** Total assets (see instructions) \$ **150,000**

**G** Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☐ Yes ☐ No

**H** Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination

**I** Enter the number of shareholders who were shareholders during any part of the tax year **4**

**J** Check if corporation: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes

**Caution:** Include only trade or business income and expenses on lines 1a through 22. See the instructions for more information.

<b>Income</b>	<b>1a</b> Gross receipts or sales <b>110,000</b>	<b>b</b> Less returns and allowances	<b>c</b> Balance	<b>1c</b> <b>110,000</b>
	<b>2</b> Cost of goods sold (attach Form 1125-A)			<b>2</b>
	<b>3</b> Gross profit. Subtract line 2 from line 1c			<b>3</b> <b>110,000</b>
	<b>4</b> Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			<b>4</b> <b>1,000</b>
	<b>5</b> Other income (loss) (see instructions—attach statement)			<b>5</b>
	<b>6</b> <b>Total income (loss).</b> Add lines 3 through 5			<b>6</b> <b>111,000</b>
<b>Deductions (see instructions for limitations)</b>	<b>7</b> Compensation of officers (see instructions—attach Form 1125-A)			<b>7</b> <b>20,000</b>
	<b>8</b> Salaries and wages (less employment credit)			<b>8</b>
	<b>9</b> Repairs and maintenance			<b>9</b>
	<b>10</b> Bad debts			<b>10</b>
	<b>11</b> Rents			<b>11</b> <b>17,000</b>
	<b>12</b> Taxes and fees (see instructions—attach Form 1125-A)			<b>12</b>
	<b>13</b> Interest (see instructions—attach Form 1125-A)			<b>13</b>
	<b>14</b> Depreciation from Form 4562 (do not deduct depreciation on Form 1125-A or elsewhere on return (attach Form 4562))			<b>14</b>
	<b>15</b> Depletion (do not deduct depletion on Form 1125-A or elsewhere on return (attach Form 4562))			<b>15</b>
	<b>16</b> Advertising			<b>16</b>
	<b>17</b> Pension, profit-sharing, etc., plans			<b>17</b>
	<b>18</b> Employee benefit programs			<b>18</b>
	<b>19</b> Energy efficient commercial buildings deduction (attach Form 4562)			<b>19</b>
	<b>20</b> Other deductions (attach statement)			<b>20</b> <b>6,000</b>
<b>21</b> <b>Total deductions.</b> Add lines 7 through 20			<b>21</b> <b>43,000</b>	
	<b>22</b> <b>Ordinary business income (loss).</b> Subtract line 21 from line 6			<b>22</b> <b>68,000</b>
<b>Tax and Payments</b>	<b>23a</b> Excess net passive income or LIFO recapture tax (see instructions)	<b>23b</b>		<b>23c</b>
	<b>b</b> Tax from Schedule D (Form 1120-S)	<b>23b</b>		
	<b>c</b> Add lines 23a and 23b (see instructions for additional taxes)			<b>23c</b>
	<b>24a</b> Current year's estimated tax payments and preceding year's overpayment credited to the current year	<b>24a</b>		
	<b>b</b> Tax deposited with Form 7004	<b>24b</b>		
	<b>c</b> Credit for federal tax paid on fuels (attach Form 4136)	<b>24c</b>		
	<b>d</b> Elective payment election amount from Form 3800	<b>24d</b>		
	<b>z</b> Add lines 24a through 24d			<b>24z</b>
	<b>25</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>			<b>25</b>
	<b>26</b> <b>Amount owed.</b> If line 24z is smaller than the total of lines 23c and 25, enter amount owed			<b>26</b>
<b>27</b> <b>Overpayment.</b> If line 24z is larger than the total of lines 23c and 25, enter amount overpaid			<b>27</b>	
<b>28</b> Enter amount from line 27: <b>a</b> Credited to 2026 estimated tax <b>b</b> Refunded			<b>28b</b>	
<b>c</b> Routing number	<b>d</b> Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings			
<b>e</b> Account number				

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer **James Beech** Date **3/11/26** Title

**Paid Preparer Use Only** Preparer's name Preparer's signature Date Check ☐ if self-employed PTIN

Firm's name Firm's EIN

Firm's address Phone no.

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11510H Form **1120-S** (2025)

Figure 3.11.217-16 Example of a Multiple Valid Received Date

- (10) If a return is faxed to another area of the IRS and then sent to Submission for processing, do **not** enter the Enterprise Electronic Fax (EEFax) Date as the IRS Received Date. Enter a received date according to normal procedures.

**Caution:** Do not use the EEFax Date as the IRS Received Date.

3.11.217.8  
(02-01-2024)  
**North American Industry  
Classification System  
(NAICS) Code - Page 1,  
Box B**

- (1) The Principal Business Activity (PBA) Code is based on the North American Industry Classification System Code (NAICS). These codes are a high priority to the IRS. It is critical data for Statistics of Income, Examination, Research, and other Service organizations.
- (2) The NAICS Code is a four-digit (prior year) or six-digit code on Page 1, Box B of Form 1120-S.
- (3) **A NAICS Code is required on Form 1120-S.**

**Exception:** Do **not** edit NAICS Code on an Amended (CCC **G**) return.

- (4) Only one NAICS Code can be used on the return. Edit the NAICS Code as follows:

If...	Then...
A legible six-digit NAICS Code is shown on Page 1, Box B, <b>Note:</b> The number may not have all repeating numbers, e.g., "000000", "333333", "666666", etc.	No editing is required.
A legible four-digit NAICS Code is shown on Page 1, Box B, <b>Note:</b> The number may not have all repeating numbers, e.g., "0000", "3333", "6666", "9999", etc.	No editing is required.
Page 1, Box B is blank and Schedule B, Line 2a has a legible four-digits or six-digits NAICS code,	Edit the NAICS code to Page 1, Box B.
There is more than one NAICS Code on Page 1, Box B,	Circle all but the first NAICS Code listed.
Page 1, Box B is blank, illegible, has repeating numbers, or is other than four or six digits,	Edit NAICS Code "999999".

3.11.217.9  
(01-01-2016)  
**Schedule M-3 Attached -  
Page 1, Box C**

- (1) Edit Computer Condition Code "B" when the box on Form 1120-S, Line C, "Check if Schedule M-3 is attached" is marked or Schedule M-3 (Net Income (Loss) Reconciliation for S Corporations With Total Assets of \$10 Million or More) is attached to the return.

**Note:** Edit Audit Code "8" if Schedule M-3 is attached. See IRM 3.11.217.13.1, Audit Codes.

3.11.217.10  
(01-01-2023)

**Total Assets - Page 1,  
Box F**

- (1) The first source for this entry is Form 1120-S, Page 1, Box F, Total Assets.
- (2) Compare Box F amount with Schedule L, Balance Sheets per Books, Line 15, Column (d), or an equivalent entry on a schedule(s) or attachment(s).
- (3) If Box F and Schedule L, Balance Sheets per Books, Line 15, Column (d),  
(d). Edit the amount to Box F. Bracket if negative.
- (4) If Schedule L, Balance Sheets per Books, Line 15, Column (d), is blank, then compute Lines 1 through 14, Column (d), and compare it with Box F. If there is only one entry in Column (d), Lines 1 through 14, use that figure to compare to Box F.
- (5) If Box F is blank, enter the amount from Schedule L, Line 15, Column (d) to Box F, in dollars only. Bracket if negative.
- (6) If Schedule L, Balance Sheets per Books, is blank, or missing, and there is an amount in Box F, place an **X** to the left of the entry.
- (7) If the amount in Box F is for cents only (e.g., \$.89, -\$.99), place an **X** to the left of the entry.

#

3.11.217.11  
(01-01-2026)

**Initial Return Code -  
Page 1, Box G**

- (1) Edit an Initial Return Code **2** in the margin to the right of Page 1, Box E, **DATE INCORPORATED** if any of the following conditions are met:
  - a. Form 1120-S, Page 1, Box E, Date incorporated, has a date which is within 12 months from the tax period ending date.  
**Reminder:** Edit the Tax Period Beginning on initial returns according to IRM 3.11.217.6.2, Tax Period Beginning - Final, Initial, or Short Period Return.
  - b. Page 1, Box G, "Is the corporation electing to be an S corporation beginning with this tax year?" is checked "Yes".
  - c. There is a taxpayer notation of initial filing, such as, **First Return, New Corporation**, etc.
  - d. The date incorporated is within 24 months from the Tax Period Ending (or is not shown) and the taxpayer's Balance Sheet, **Beginning of tax year** (first two columns of Schedule L, Balance Sheets per Books,) is blank or zeros (see Initial Return - 24 Month Rule Table below). See Figure 3.11.217-17, Example of Editing the Initial Return Code With 24 Month Rule.

**Note:** Do **not** edit Initial Return Code "2" if the Balance Sheet is missing or the Balance Sheet was dummied.

Tax Period Ending	24 Month Cutoff Date
<b>2612</b>	<b>01/01/2025</b>
2611	12/01/2024
2610	11/01/2024
2609	10/01/2024
2608	09/01/2024

Tax Period Ending	24 Month Cutoff Date
2607	08/01/2024
2606	07/01/2024
2605	06/01/2024
2604	05/01/2024
2603	04/01/2024
2602	03/01/2024
2601	02/01/2024
<b>2512</b>	<b>01/01/2024</b>
2511	12/01/2023
2510	11/01/2023
2509	10/01/2023
2508	09/01/2023
2507	08/01/2023
2506	07/01/2023
2505	06/01/2023
2504	05/01/2023
2503	04/01/2023
2502	03/01/2023
2501	02/01/2023
<b>2412</b>	<b>01/01/2023</b>
2411	12/01/2022
2410	11/01/2022
2409	10/01/2022
2408	09/01/2022
2407	08/01/2022
2406	07/01/2022
2405	06/01/2022
2404	05/01/2022
2403	04/01/2022
2402	03/01/2022
2401	02/01/2022
<b>2312</b>	<b>01/01/2022</b>
2311	12/01/2021

<b>Tax Period Ending</b>	<b>24 Month Cutoff Date</b>
2310	11/01/2021
2309	10/01/2021
2308	09/01/2021
2307	08/01/2021
2306	07/01/2021
2305	06/01/2021
2304	05/01/2021
2303	04/01/2021
2302	03/01/2021
2301	02/01/2021
<b>2212</b>	<b>01/01/2021</b>
2211	12/01/2020
2210	11/01/2020
2209	10/01/2020
2208	09/01/2020
2207	08/01/2020
2206	07/01/2020
2205	06/01/2020
2204	05/01/2020
2203	04/01/2020
2202	03/01/2020
2201	02/01/2020
<b>2112</b>	<b>01/01/2020</b>
2111	12/01/2019
2110	11/01/2019
2109	10/01/2019
2108	09/01/2019
2107	08/01/2019
2106	07/01/2019
2105	06/01/2019
2104	05/01/2019
2103	04/01/2019
2102	03/01/2019



Tax Period Ending	24 Month Cutoff Date
2101	02/01/2019

**DRAFT**

Form **1120-S** **U.S. Income Tax Return for an S Corporation** OMB No. 1545-0123

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

For calendar year 2025 or tax year beginning , 2025, ending , 20

**A** S election effective date **8/09/2024** **Name** Aspen Carpet Inc. **D** Employer identification number **00-4171976**

**B** Business activity code number (see instructions) **238300** **Number and street. If a P.O. box, see instructions.** **2875 Tupelo St** **Room or suite no.** **1** **Date incorporated** **8/09/2024**

**C** Check if Sch. M-3 attached ☐ **City or town** Phoenix **State or province** AZ **Country** **ZIP or foreign postal code** 85026 **F** Total assets (see instructions) \$ **8,485**

**G** Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☐ Yes ☒ No

**H** Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination

**I** Enter the number of **1**

**J** Check if corporation **1**

**Caution:** Include only tax-exempt income on line 18.

**IF the Date Incorporated ① is within 24 months of the Tax Period Ending ② (or not shown) AND the taxpayer's beginning Balance Sheet ③ is blank or zeros THEN edit the Initial Return Code 2. ④**

**DRAFT**

**17b** **17c**

**18** **Income (loss) reconciliation.** Combine the total amounts of lines 1 through 10. From the result, subtract the sum of the amounts on lines 11 through 12e and 18.

**Schedule L Balance Sheets per Books**

		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
<b>1</b>	Cash				<b>3,291</b>
<b>2a</b>	Trade notes and accounts receivable				
<b>b</b>	Less allowance for bad debts	( )	( )	( )	( )
<b>3</b>	Inventories				<b>5,194</b>
<b>4</b>	U.S. government obligations				
<b>5</b>	Tax-exempt securities (see instructions)				
<b>6</b>	Other current assets (attach statement)				
<b>7</b>	Loans to shareholders				
<b>8</b>	Mortgage and real estate loans				
<b>9</b>	Other investments (attach statement)				
<b>10a</b>	Buildings and other depreciable assets			<b>28,705</b>	
<b>b</b>	Less accumulated depreciation	( )	( )	<b>23,511</b>	( )
<b>11a</b>	Depletable assets				
<b>b</b>	Less accumulated depletion	( )	( )	( )	( )
<b>12</b>	Land (net of any amortization)				
<b>13a</b>	Intangible assets (amortizable only)				
<b>b</b>	Less accumulated amortization	( )	( )	( )	( )
<b>14</b>	Other assets (attach statement)				
<b>15</b>	Total assets				<b>8,485</b>
<b>Liabilities and Shareholders' Equity</b>					
<b>16</b>	Accounts payable				<b>14,229</b>
<b>17</b>	Mortgages, notes, bonds payable in less than 1 year				
<b>18</b>	Other current liabilities (attach statement)				<b>22,714</b>
<b>19</b>	Loans from shareholders				<b>8,485</b>

Figure 3.11.217-17 Example of Editing the Initial Return Code With 24 Month Rule

3.11.217.12  
(01-01-2026)

**Number of Shareholders  
- Page 1, Line I**

- (1) Follow the instructions below for editing Form 1120-S, Page 1, Line I, Number of Shareholders.

**Note:** If the entry on Line I is written in a non-numeric fashion (“two” instead of “2”), edit the numeric equivalent on Line I and circle the non-numeric characters.

If...	And...	Then...
Form 1120-S, Page 1, Line I, Number of Shareholders, is zero or blank,	No Schedule(s) K-1 are attached and Schedule(s) K-1 <b>are</b> required,	<ol style="list-style-type: none"> <li>1. Leave zero or blank. Do <b>not</b> edit Line I, Number of Shareholders</li> <li>2. Correspond for the Schedules K-1. See IRM 3.11.217.45, Schedule K-1, for corresponding information.</li> </ol> <p><b>Exception:</b> Do <b>not</b> correspond on Section 965 Returns. ERS will take care of any correspondence needed. See IRM 3.11.217.2.11, Section 965 Returns (201712 through 202012), for more information.</p>
Page 1, Line I, Number of Shareholders, is zero or blank,	Schedule(s) K-1 are attached,	Edit the number of Schedules K-1 to Page 1, Line I, Number of Shareholders. See Figure 3.11.217-18, Example of Editing Number of Shareholders.
Page 1, Line I, Number of Shareholders, is zero or blank,	No Schedule(s) K-1 are attached and correspondence is not necessary according to IRM 3.11.217.45 (2),	Edit a “1” to Page 1, Line I, Number of Shareholders.

**Note:** See IRM 3.11.217.45, Schedule K-1 - Shareholder’s Share of Income, Deductions, Credits, etc., for more information.

**DRAFT**

Schedule K-1  
(Form 1120-S)  
Department of the Treasury  
Internal Revenue Service

2025

Final K-1 Amended K-1 OMB No. 1545-0123

**Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items**

1 Ordinary business income (loss) 13 Credits

**DRAFT**

Schedule K-1  
(Form 1120-S)  
Department of the Treasury  
Internal Revenue Service

2025

Final K-1 Amended K-1 OMB No. 1545-0123

**Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items**

1 Ordinary business income (loss) 13 Credits

**DRAFT**

Schedule K-1  
(Form 1120-S)  
Department of the Treasury  
Internal Revenue Service

2025

Final K-1 Amended K-1 OMB No. 1545-0123

**Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items**

1 Ordinary business income (loss) 13 Credits

**DRAFT**

Form **1120-S** U.S. Income Tax Return for an S Corporation OMB No. 1545-0123

Department of the Treasury  
Internal Revenue Service

2025

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.  
Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

For calendar year 2025 or tax year beginning , 2025, ending , 20

A S election effective date 07/03/95 Name Beech & Sons HVAC D Employer identification number 00-0599456

B Business activity code number (see instructions) 441120 Number and street, if a P.O. box, see instructions. Room or suite no. E Date incorporated 07/03/95

1478 Maple St

City or town State or province Country ZIP or foreign postal code F Total assets (see instructions)

Fargo ND 58102 \$ 0

G Is the corporation electing to be an S corporation beginning with this tax year? See instructions. Yes No

H Check if: (1) Final return (2) Name change (3) Address change (4) Amended return (5) S election termination 3

I Enter the number of shareholders who were shareholders during any part of the tax year

J Check if corporation: (1) Aggregated activities for section 465 at-risk purposes (2) Grouped activities for section 469 passive activity purposes

Caution: Include only trade or business income and expenses on lines 1a through 22. See the instructions for more information.

Income	1a	Gross receipts or sales	65,500	b Less returns and allowances		c Balance	1c	65,500
	2	Cost of goods sold (attach Form 1125-A)					2	65,500
	3	Gross profit. Subtract line 2 from line 1c					3	65,500
	4	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)					4	
	5	Other income (loss) (see instructions—attach statement)					5	
	6	Total income (loss). Add lines 3 through 5					6	65,500
(see instructions for limitations)	7	Compensation of officers (see instructions—attach Form 1125-E)					7	
	8	Salaries and wages (less employment credits)					8	
	9	Repairs and maintenance					9	
	10	Bad debts					10	
	11	Rents					11	2,300
	12	Taxes and licenses					12	
	13	Interest (see instructions)					13	17,653
	14	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)					14	
	15	Depletion (do not deduct oil and gas depletion)					15	
	16	Advertising					16	
	17	Other income, profit-sharing, etc. (see instructions)					17	

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Figure 3.11.217-18 Example of Editing Number of Shareholders

3.11.217.13  
(01-01-2025)**Additional Form 1120-S  
Perfection**

- (1) This subsection provides instructions for editing more Form 1120-S information.
- (2) Entries previously entered on the Form 3892, Corporation Edit Sheet, are edited in the left margin near Line 9 (Deductions area) of Form 1120-S.
- (3) Edit entries in numeric order (e.g., 1-2, 4-1). Edited information will be preceded by the applicable number as follows:

If...	Then...
Editing an Audit Code,	Edit "1 -" followed by the correct Audit Code(s). (e.g., "1 - 2"). See IRM 3.11.217.13.1, Audit Codes.
Editing a Penalty and Interest Code,	Edit "2 -" followed by the Penalty and Interest Code. (e.g., "2 - 1"). See IRM 3.11.217.13.2, Penalty and Interest Code.
Editing an Installment Sale Indicator,	Edit "3 -" followed by the correct Installment Sale Indicator. (e.g., "3 - 2"). See IRM 3.11.217.13.3, Installment Sale Indicator.
Editing a Tax Preference Code,	Edit "4 -" followed by the Tax Preference Code. (e.g., "4 - 1"). See IRM 3.11.217.13.4, Tax Preference Code.
Editing Form 8586, Low Income Housing Credit,	Edit "5 -" followed by the Form 8586 credit in dollars only. (e.g., "5 - 357"). See IRM 3.11.217.13.5, Low-Income Housing Credit.
Editing Form 8611, Recapture of Low-Income Housing Credit,	Edit "6 -" followed by the Form 8611 credit in dollars only (e.g., "6 - 753"). See IRM 3.11.217.13.6, Form 8611, Recapture of Low-Income Housing Credit.

- (4) The Return Processing Code (RPC) is edited on Page 1, in the right margin next to Line 1c (Total, Add Lines 1a and 1b) of Form 1120-S. See IRM 3.11.217.13.7, Return Processing Code (RPC), for more information.

3.11.217.13.1  
(01-01-2026)  
**Audit Codes**

- (1) Up to nine (9) Audit Codes may be used at one time.

**Note:** Audit Codes do **not** need to be edited in a specific order on the return.

- (2) Edit Audit Codes in the left margin near Line 9 (Deductions area) of Form 1120-S.
- (3) Edit as "1 -" followed by the correct code(s).
- (4) Audit Code "1":
- Form 8082, Notice of Inconsistent Treatment or Administrative Adjustment Request is attached.
  - Form 8275 or Form 8275R, Disclosure Statement, is attached or statement referring specifically to IRC 6662, (Disclosure).
  - Form 8886, Reportable Transaction Disclosure Statement, is attached. See IRM 3.11.217.14.14, CCC T - Form 8886, Reportable Transaction Disclosure Statement.
- (5) Audit Code "2":

- a. Form 1120-S, Schedule K, Line 16f\*, Foreign taxes paid or accrued, has  
Line 14p, 2017 - 2004: Line 14l). #
  - b. Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation, is attached.
  - c. Schedule N (Form 1120), Foreign Operations of U.S. Corporations, is attached and Questions 1a, 3, 4a (2019 and prior revisions), 5, or 7a are answered "Yes".
  - d. Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, is attached or Schedule N (Form 1120), Foreign Operations of U.S. Corporations, Question 4a is checked "Yes".
  - e. Form 5472, Information Return of a Foreign-Owned Corporation (Under Sections 6038A and 6038C of the Internal Revenue Code), is attached.
  - f. Form 5713, International Boycott Report, is attached **and both** Questions in 7(f) are answered "Yes".
  - g. Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund, is attached and Part V (Distributions From and Dispositions of Stock of a Section 1291 Fund), #
  - h. Form 8832, Entity Classification Election, is attached and Box 6(d), (e), or (f) is checked.
  - i. Form 8833, Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b), is attached.
  - j. Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs) is attached or Schedule N (Form 1120), Foreign Operations of U.S. Corporations, Question 1a is checked "Yes".
  - k. Form 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, is attached.
- (6) Audit Code "3":
- a. Form 8883, Asset Allocation Statement Under Section 338, is attached  
3.11.217.14.13, CCC S - Form 8883, Asset Allocation Statement Under Section 338 for more information. #
  - b. Form 8594, Asset Acquisition Statement Under Section 1060, is attached #
- (7) Audit Code "4":
- a. Entity Control Unpostable Unit determines that a valid Form 2553, Election by a Small Business Corporation is on file, the Form 1120, U.S. Corporation Income Tax Return, must be converted to Form 1120-S, U.S. Income Tax Return for an S Corporation.
- Caution:** If you receive a Form 1120-S converted from Form 1120 and the Form 13596, Reprocessing Returns, is attached for reprocessing, see IRM 3.11.217.3.8.2, Form 13596 - Reprocessing Returns, for more information.
- (8) Audit Code "5":
- a. Form 1120-S, Schedule K, Line 10, Other Income (Loss), reflects a loss #

## (9) Audit Code “6”:

- a. Presence of Form 3115, Application for Change in Accounting Method.

## (10) Audit Code “7”:

- a. Form 1120-S, Schedule K, Line 16f\*, Foreign taxes paid or accrued, has  
2018: Line 14p, 2017 - 2004: Line 14l) #
- b. Form 5713, International Boycott Report, is attached and both questions  
in 7(f) are not answered “Yes”.
- c. Form 8621, Information Return by a Shareholder of a Passive Foreign  
Investment Company, or Qualified Electing Fund is attached and Part V  
(Distributions From and Dispositions of Stock of a Section 1291 Fund), #

## (11) Audit Code “8”:

- a. Edit Audit Code “8” if the following schedule is attached: Schedule M-3,  
Net Income (Loss) Reconciliation for S Corporations With Total Assets of  
\$10 Million or More.

**Reminder:** See IRM 3.11.217.14.1, CCC “B” - Schedule M-3 for more information.

## (12) Audit Code “9”:

- a. The date shown in Box A falls during the tax year for which the S Corpo-  
ration return is being filed **and** the Date Incorporated in Box E is more  
than one year earlier than the Date of Election as an S Corporation in  
Box A. See Figure 3.11.217-19, Example of Editing Audit Code “9”.

(13) Audit Code “C” - Edit audit code **C** when Form 8283, Noncash Charitable  
Contribution, is attached and Part I has any of the following conditions:

- Form 8283 (Noncash Charitable Contributions), Box 2b is checked, or
- Box 2b1 is checked, or
- Line 3, column (h) has an entry.

**DRAFT**

Form **1120-S** **U.S. Income Tax Return for an S Corporation** OMB No. 1545-0125

Department of the Treasury **050125** Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. **1 2604**

Internal Revenue Service **2025** Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

For calendar year 2025 or tax year beginning **May 1**, 2025, ending **Apr 30**, 20**26**

**A** S election effective date **05/01/25** **2** Name **Poplar Travel** **D** Employer identification number **00-1070871**

**B** Business activity code number (see instructions) **561500** Number and street, if a P.O. box, see instructions **P.O. Box 1350** **3** **E** Date incorporated **06/01/07** **2**

**C** Check if Sch. M-3 attached ☐ City or town **New Orleans** State or province **LA** Country **70113** **F** Total assets (see instructions) \$ **15,078**

**G** Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☒ Yes ☐ No

**H** Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination **1**

**I** Enter the number of shareholders who were shareholders during any part of the tax year **1**

**J** Check if corporation has 69 or more passive activity purposes **1**

**Caution:** Include

**IF**

**The date shown in Box A **2** falls during the tax year for which the S Corporation return is being filed **1****

**AND**

**Box E (Date Incorporated) **3** is more than one year earlier than Box A **2****

**THEN**

**Edit Audit Code 9.**

**1-9**

**Income**

1a	Gross income	
2	Cost of goods sold	
3	Gross profit	
4	Net income	
5	Other income	
6	Total income	
7	Corporation's share of income	
8	Salaries	
9	Repairs	
10	Bad debts	
11	Rents	
12	Other income	

**69 passive activity purposes**

**1c**

**2**

**3**

**4** **423**

**5**

**6** **423**

**7**

**8**

**9**

**10**

**11**

**12**

Figure 3.11.217-19

3.11.217.13.2  
(01-01-2022)**Penalty and Interest Code**

- (1) Edit the Penalty and Interest Code in the left margin near Line 9 (Deductions area) of Form 1120-S.
- (2) Edit as "2 - 1" if pre-computed interest or delinquency penalty is shown on a

#  
#  
#

situation, such as an Estimated Tax Penalty, do **not** code **1** and do **not** edit Computer Condition Code **R**.

#

3.11.217.13.3  
(01-01-2022)**Installment Sale Indicator**

- (1) Form 6252, Installment Sale Income, is used to report the sale of property on the installment plan.
- (2) Codes are based solely on the S Corporation's response to Question 3 on Form 6252.
- (3) Edit the Installment Sale Indicator in the left margin near Line 9 (Deductions area) of Form 1120-S.
- (4) **Edit as "3 -" followed by the correct code.**
- (5) Valid codes for installment Sale Indicator are as follows:

Code	One Form 6252	Multiple Forms 6252
1	"Yes" response to Question 3.	At least one form has a "Yes" response.
2	"No" response to Question 3.	All "No" responses or a combination of "No" or blank responses.
3	"Yes" and "No" are checked or Question 3 is blank.	Question 3 is blank on all returns.

- (6) See IRM 3.11.217.42, Form 6252, Installment Sale Income, for more information.

3.11.217.13.4  
(01-01-2023)

#### Tax Preference Code

- (1) Edit the Tax Preference Code in the left margin near Line 9 (Deductions area) of Form 1120-S as "4 - 1" if

- Form 4626, Alternative Minimum Tax - Corporations, for tax periods ending November 30, 2018 (201811) and prior, is attached and an amount is present on Lines 3, 6, or 11.
- Schedule K-1, Shareholder's Share of Income, Deduction, Credits, etc., Line 15, Alternative Minimum Tax (AMT) Items, sum equals an amount

#

computing positive or negative amounts.

**Note:** Entries on Form 1120-S, Schedule K, Lines 15a through Line 15f are an indication that the Schedule K-1 may have Tax Preference Items.

- See Figure 3.11.217-20, Example of Editing the Tax Preference Code.



#

#

3.11.217.13.5  
(01-01-2025)

**Form 8586, Low-Income  
Housing Credit**

- (1) Edit the Form 8586, Low-Income Housing Credit, in the left margin near Line 9 (Deductions area) of Form 1120-S.
- (2) Edit as "5 -" followed by the credit amount in dollars only.
- (3) When editing Form 1120-S, Schedule K, Line 13a or Line 13b for Form 8586, Low-Income Housing Credit, take the following actions:

If...	Then...
Form 8586 is attached <b>with an entry</b> on Lines 1 through Line 3	Enter CCC "9".
Form 8609-A is attached,	Enter CCC "9".
8586 is <b>not</b> attached,	Correspond with the taxpayer for the missing Form 8586.
Form 8586 is attached,	<p>In the left margin near Line 9 (Deductions area) of Form 1120-S, edit "5 -" followed by the amount on Line 5 of Form 8586 in dollars only. See Figure 3.11.217-21, Example of Editing Low-Income Housing Credit (Form 8586).</p> <p><b>Note:</b> If the taxpayer attaches Form 8586 or shows the credit on Schedule K, and no significant entry on Line 13a or Line 13b, do <b>not</b> enter the amount from Form 8586 Line 5 in the left margin.</p>

#  
#

<b>Form 8586</b> (Rev. December 2023) Department of the Treasury Internal Revenue Service	<b>Low-Income Housing Credit</b> Attach to your tax return. Go to <a href="http://www.irs.gov/Form8586">www.irs.gov/Form8586</a> for the latest information.	OMB No. 1545-0984 Attachment Sequence No. <b>36a</b>
Name(s) shown on return <b>Beech One &amp; Two</b>		Identifying number <b>00-6647985</b>
1 Number of Forms 8609-A attached . . . . .		
2 Has there been a decrease in the qualified basis of any buildings accounted for on line 1 since the close of the preceding tax year? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," enter the building identification numbers (BINs) of the buildings that had a decreased basis. If you need more space, attach a schedule.		
(i) (ii) (iii) (iv)		
3 Current year credit from attached Form(s) 8609-A (see instructions) . . . . .		
4 Low-income housing credit from partnerships, S corporations, estates, and trusts . . . . .		
5 Add lines 3 and 4. Estates and trusts, go to line 6. Partnerships and S corporations, stop here and report this amount on Schedule K. All others, stop here and report this amount on Form 3800, Part III, line 4d . . . . .		
6 Amount allocated to beneficiaries of the estate or trust (see instructions) . . . . .		
7 Estates and trusts, subtract line 6 from line 5. Report this amount on Form 3800, Part III, line 4d . . . . .		
7 Compensation of officers (see instructions—attach Form 1125-E) . . . . .		
8 Salaries and wages (less employment credits) . . . . .		
9 Repairs and maintenance . . . . .		
10 Bad debts . . . . .		
11 Rents . . . . .		
12 Taxes and licenses . . . . .		
13 Interest (see instructions) . . . . .		
14 Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562) . . . . .		
15 Depletion (do not deduct oil and gas depletion) . . . . .		
16 Advertising . . . . .		
17 Pension, profit-sharing, etc., plans . . . . .		
18 Employee benefit programs . . . . .		
19 Energy efficient commercial buildings deduction (attach Form 7205) . . . . .		

Figure 3.11.217-21 Example of Editing Low-Income Housing Credit (Form 8586)

3.11.217.13.6  
(01-01-2025)**Form 8611, Recapture of Low-Income Housing Credit**

- (1) Edit the Form 8611, Recapture of Low-Income Housing Credit, in the left margin near Line 9 (Deductions area) of Form 1120-S.
- (2) Edit as "6 -" followed by the credit amount in dollars only.
- (3) Form 8611 is required if Schedule K-1, Box 17, Code E or F shows a Form
- (4) Edit Form 8611 as follows:

If...	Then...
not attached,	Correspond with the taxpayer for the missing Form 8611.
Form 8611 is attached,	In the left margin near Line 9 (Deductions area) of Form 1120-S, edit "6 -" followed by the Line 14, Form 8611 amount (in dollars only).

If...	Then...
Multiple Forms 8611 are attached,	In the left margin near Line 9 (Deductions area) of Form 1120-S, edit "6 -" followed by the total of all Line 14, Forms 8611 amounts (in dollars only).
Form 8611 is reported on Schedule K-1, Box 17, Code E or F or Form 8611 is attached,	Enter CCC "9".

3.11.217.13.7  
(01-01-2026)

#### Return Processing Code (RPC)

- (1) A Return Processing Code (RPC) is an alpha character (e.g., A, B, C, D, E, F) or numeric character (e.g., 2, 4, 6, 7) used to alert the computer to a special condition.
- (2) The RPC is edited on Page 1, in the right margin next to Line 1c (Total, Add Lines 1a and 1b) of Form 1120-S. Thirty-five characters may be edited.

**Note:** RPCs do **not** have to be edited in any specific order.

- (3) The table below lists the RPC and explanation when to edit each RPC.

RPC	Explanation
A	Form 5471, Schedule E, Income, War Profits, and Excess Profits Taxes Paid or Accrued, is attached.
B	Form 5471, Schedule H, Current Earnings and Profits, is attached.
C	Form 5471, Schedule I-1, Information for Global Intangible Low-Taxed Income, is attached.
D	Form 5471, Schedule P, Previously Taxed Earnings and Profits of U.S. Shareholder of Certain Foreign Corporations, is attached.
E	Form 8865, Schedule G, Statement of Application of the Gain Deferred Method Under Section 721(c), is attached.
F	Form 8865, Schedule H, Acceleration Events and Exceptions Reporting Relating to Gain Deferral Method Under Section 721(c), is attached.
G	Form 5471, Schedule G-1, Cost Sharing Arrangement, is attached.
H	Form 5472, Foreign Corporation Engaged in a U.S. Trade or Business, Part VIII has an entry (e.g., description, checkbox marked, percent, or an amount).

RPC	Explanation
J	<p><b>For tax periods 202201 - 202212</b>, taxpayer writes <b>IRA22DPE</b> or <b>CHIPS22DPE</b> on Form 1120-S, line 24d or on an attachment.</p> <p><b>Note:</b> Do not edit RPC “J” on <b>Tax Year 2023 and later</b> returns processed in <b>processing year 2026</b>.</p>
K	<p><b>For tax periods 202201 - 202212</b>, taxpayer writes <b>IRA22TRE</b> at the top of the return or on an attachment.</p> <p><b>Note:</b> Do not edit RPC “K” on <b>Tax Year 2023 and later</b> returns processed in <b>processing year 2026</b>.</p>
L	Form 7204, Consent to Extend the Time to Assess Tax Related to Contested Foreign Income Taxes - Provisional Foreign Tax Credit Agreement, is attached.
M	Form 7205, Energy Efficient Commercial Buildings Deduction, is attached.
1	Not Applicable (N/A) at this time
2	Form 8992, U.S. Shareholder Calculation of Global Intangible Low-Taxed Income (GILTI), is attached.
3	Not Applicable (N/A) at this time.
4	Form 8994, Employer Credit for Paid Family and Medical Leave, is attached.
6	<p>Form 8996, Qualified Opportunity Fund, is attached.</p> <p><b>Note:</b> See IRM 3.11.217.23.2, Form 8996, Qualified Opportunity Fund Checkbox, and IRM 3.11.217.33 Form 8996, Qualified Opportunity Fund, for more information.</p>
7	Form 8990, Limitation on Business Interest Expense Under Section 163(j), is attached.
8	Not Applicable (N/A) at this time
9	Form 8997, Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments, is attached.

3.11.217.14  
(01-01-2022)  
**Computer Condition Codes**

- (1) Computer Condition Codes (CCCs) identify special conditions or computations for the computer. CCCs post to the Master File.
- (2) CCCs are edited in the center of Lines 1 and 2 of the Form 1120-S.

3.11.217.14.1  
(01-01-2023)  
**CCC “B” - Schedule M-3**

- (1) Edit CCC “B” when any of the following conditions are met:

- a. Schedule M-3 (Net Income (Loss) Reconciliation for S Corporations With Total Assets of \$10 Million or More) box on Form 1120-S, Page 1, Box C is checked, or
- b. Schedule M-3 is attached.

- (2) Edit Audit Code "8" if Schedule M-3 is attached. See IRM 3.11.217.13.1, Audit Codes.

3.11.217.14.2  
(01-01-2022)

**◆ CCC "D" - Reasonable Cause for Failing to Pay Timely ◆**

- (1) Do not edit CCC "D" if the taxpayer requests abatement for **Failing to Pay Timely** when the return is submitted. Send Letter 1382C, Penalty Removal Request Incomplete, to inform the taxpayer of the proper procedure to follow to request penalty abatement when a penalty is assessed.
- (2) Edit CCC "D" when the return is stamped: "DO NOT ASSESS FAILURE TO PAY PENALTY".

**Note:** Do not enter CCC "D" if the return was prepared by the IRS under IRC 6020(b) and the Return Due Date (without regard to extensions) is after July 30, 1996.

- (3) Edit CCC "D" on a "Final", Balance Due return if the received date is after the

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- (4) Edit CCC "D" if an S Corporation attaches a statement indicating the S Corporation qualifies for an automatic 3-month extension under Regulations Section 1.6081-5 or shows one of the following:
  - The domestic S Corporation transacts its business and keeps its books and records of account outside the United States and Puerto Rico, or
  - The domestic S Corporation's principal income is from sources within the possessions of the United States.

**Exception:** Do **not** edit CCC "D" if the balance due is paid after the 15th day of the 6th month following the tax period ending date.

- (5) Do **not** edit CCC "D" when pre-computed penalty is shown on the return.

3.11.217.14.3  
(01-01-2025)

**CCC "E" - Potential Identity Theft Filing**

- (1) Effective January 1, 2017, the BMF ID Theft Liaison may edit Computer Condition Code "E" on Form 1120-S (any year) to identify a potential identity edited, take no action.

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**Note:** CCC "E" may be edited by other functions. C&E will continue to follow procedures below.

- (2) If a tax examiner in Submission Processing (SP) Code and Edit (C&E) finds a case with attachments or correspondence indicating the taxpayer is a victim of case to your manager/lead. Your manager/lead will expedite the return to the Planning and Analysis (P&A) staff for referral to one of the SP BMF ID Theft liaisons. The taxpayer must show that they are a victim of "ID Theft"; do **not** send cases that are subject to "Criminal Investigation (CI)", "Examination (Exam)", or "Fraud" review.

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- (3) If the SP Theft Liaison says the return is "ID Theft", the tax examiner will (upon request) edit CCC "E".

3.11.217.14.4  
(01-01-2024)  
**CCC "F" - Final Return**

- (1) Edit CCC "F" when the "Final Return" box is checked or there is another indication the S Corporation is not liable for filing future returns. Notations such as (but not limited to):

- Final
- Deceased
- Out-of-Business
- Liquidation
- Exempt under IRC 501(c)(3)
- Dissolved
- Cites IRC 708(b)(1)(B)
- Notates "Filed in accordance with Rev. Proc. 2003-84"

- (2) The presence of Form 966, Corporate Dissolution or Liquidation is an indication of a possible dissolution. If Form 966 is attached, compare tax periods in Box 7a to the Form 1120-S being edited. If the tax periods are the same and the entity section of Form 966 is for the S Corporation, edit CCC "F"

**Exception:** If "Filed Pursuant to Notice 97-4" is written on Form 966, do **not** use Form 966 as an indication that this is a final return.

- (3) If a prepaid credit is claimed (Lines 24a and 24b (202301 and later)) on a short period "Final" return, enter Action Code 342 on the return. See IRM 3.11.217.6.8, Short Period Return with Prepaid Credits.

**Note:** 2022 and prior Form Revisions have Prepaid Credits listed on lines 23a and/or 23b.

- (4) Edit the Tax Period Beginning on final returns according to IRM 3.11.217.6.2, Tax Period Beginning - Final, Initial, or Short Period Return.

3.11.217.14.5  
(01-01-2016)  
**◆CCC "G" - Amended Returns◆**

- (1) See IRM 3.11.217.3.9, Amended Returns.

3.11.217.14.6  
(01-01-2016)  
**CCC "I" - Tax Straddles and Future Contracts (Form 6781)**

- (1) Edit CCC "I" when Form 6781, Gains and Losses from Section 1256 Contracts and Straddles, is attached.

**Note:** CCC "I" needs to be edited as a capital in block style to distinguish it from CCC "1".

3.11.217.14.7  
(01-01-2024)  
**CCC "J" - Section 965 Tax**

- (1) The instructions in this subsection only apply to tax periods 201712 through 202012.
- (2) CCC "J" shows Section 965 (Repatriation Provision), Treatment of deferred foreign income upon transition to participation exemption system of taxation for U.S. Shareholders of Specified Foreign Corporations per Tax Cuts and Jobs Act of 2017, Provision Section 14103, Public Law 115-97 (H.R. 1).
- (3) Edit CCC "J" **and** Action Code 460 (Management Suspense) when:

- “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 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, is attached.
- Form 965, Schedule H, Disallowance of Foreign Tax Credit and Amounts Reported on Forms 1116 and 1118, is attached.
- 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).
- 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).
- 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).
- Form 1120-S, Schedule K, Line 17d, Other items and amounts, shows a significant entry with the notation “Section 965” or similar language.

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

3.11.217.14.8

(01-01-2022)

**CCC “L” - Treaty Based Positions**

(1) Edit CCC “L” when:

- a. Taxpayer writes “Section 6114 Election” on the return or,
- b. Form 8833, Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b), is attached.

**Note:** Edit Audit Code “2” if Form 8833 is attached to Form 1120-S. See IRM 3.11.217.13.1, Audit Codes.

3.11.217.14.9

(01-01-2025)

**CCC “M” - Form 8949 Sales and Other Dispositions of Capital Assets**

(1) Edit CCC “M” when:

- Tax period ending is 201712 and later, **and**
- Form 8949, Sales and Other Dispositions of Capital Assets, contains a code “Z” or code “Y” in Column (f).



- (2) CCC "M" is for Form 8949 per Tax Cuts and Jobs Act of 2017, P.L. 115-97 (H.R. 1), Section 13823, Opportunity Zones. Taxpayers who elect to defer gain on the sale of an asset by investing in an Opportunity Zone Fund will show that they are deferring the gain by entering code "Z" or "Y" in Column (f).

3.11.217.14.10  
(01-01-2016)  
**CCC "O" - Module Freeze**

- (1) CCC "O" is entered when a Pre-Settlement Manual Refund will be made and a Form 3753, Manual Refund Posting Voucher, Form 5792, Request for IDRS Generated Refund (IGR), or Form 12857, Refund Transfer Posting Voucher, is attached. Verify that the Name Control, EIN, and Tax Period on the return is the same as the data on the form.

- a. Research to determine if "TC 840" (Manual Refund Transaction) has posted:

If...	Then...
"TC 840" has posted,	Enter CCC "O" and continue processing the return.
"TC 840" has not posted,	Enter Action Code 341 to issue Manual Refund.

- (2) TAS manual refund returns, see IRM 3.11.217.3.11, Refund Returns 45 Day Jeopardy and High Dollar Refunds, for processing instructions.

3.11.217.14.11  
(01-01-2022)  
**CCC "P" - BMF Mail Indicator**

- (1) No editing is required.

3.11.217.14.12  
(01-01-2024)  
**◆CCC "R" - Reasonable Cause for Failing to Timely File Return◆**

- (1) Do not edit CCC "R" when a reason is given by the taxpayer for the delay in filing a return. Issue Letter 1382C, Penalty Removal Request Incomplete, and continue editing the return.

**Exception:** Do not send Letter 1382C, Penalty Removal Request Incomplete, if the taxpayer has notated "Late filed return due to CCH software outage" or similar language.

- (2) Edit CCC "R" if an S Corporation attaches a statement indicating the S Corporation qualifies for an automatic 3-month extension under Regulations Section 1.6081-5 or shows one of the following:

- The domestic S Corporation transacts its business and keeps its books and record of account outside the United States and Puerto Rico, or
- The domestic S Corporation's principal income is from sources within the possessions of the United States

**Exception:** Do not edit CCC "R" if the return is filed after the 15th day of the 6th month following the tax period ending date.

- (3) Edit CCC "R" on a "Final" return if the received date is after the short period

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- (4) Edit CCC "R" on the return when there is an indication such as "DO NOT ASSESS FAILURE TO FILE PENALTY" on a secured return annotated with "599".
- (5) Edit CCC "R" on the short period return when the Statement referring to "S" (1120-S) Status Termination or revocation under Section 1362, or Form 1120-S, Page 1, Item H, Box 5, S Election termination or revocation is checked. See IRM 3.11.217.6.4, Short Period - Editing Proof of Entitlement, for more information.
- (6) Edit CCC "R" on the return if an internal use form or routing slip is attached and shows "DO NOT ASSESS FAILURE TO FILE PENALTY."
- (7) All CCC "R" coded returns must have an IRS received date. If one is not present, edit the IRS received date in the middle of the return.

3.11.217.14.13  
(01-01-2016)  
**CCC "S" - Form 8883,  
Asset Allocation  
Statement Under Section  
338**

- (1) Edit CCC "S" when Form 8883, Asset Allocation Statement Under Section 338, is attached to Form 1120-S.

3.11.217.14.14  
(01-01-2017)  
**CCC "T" - Form 8886,  
Reportable Transaction  
Disclosure Statement**

- (1) Edit CCC "T" when Form 8886, Reportable Transaction Disclosure Statement, is attached to Form 1120-S. Edit Audit Code 1 when Form 8886 is attached. See IRM 3.11.217.13.1, Audit Codes.

3.11.217.14.15  
(01-01-2022)  
**♦CCC "W" - Return  
Cleared by Statute  
Control♦**

- (1) Edit CCC "W" when Statute Control cleared the return. See IRM 3.11.217.3.7, Statute Returns.

3.11.217.14.16  
(01-01-2022)  
**CCC "X" -  
Refund/Settlement  
Freeze**

- (1) Edit CCC X when the taxpayer shows on the tax return a request that any balance left over after paying tax or penalties to be applied to another account. Take the following actions to route the request to Accounts Management (AM).
  - Prepare Form 3465, Adjustment Request, and show in the "Routing" box "Adjustments".
  - Notate the requested action in the "Remarks" box.
  - Attach a copy of Page 1 of the tax return to Form 3465.

**Reminder:** Subtract the tax, penalties, and interest amounts from the remittance amount if available.

3.11.217.14.17  
(01-01-2024)  
**CCC "Y" - Short Period  
Return for Change of  
Accounting Period**

- (1) Edit CCC "Y" for Change of Accounting Period. Enter only for short period returns due to change of accounting period (not due to initial or final filing). See **Short Periods** in IRM 3.11.217.6.4, Short Period-Editing Proof of Entitlement, through IRM 3.11.217.6.8, Short Period Return with Prepaid Credits.
- (2) Edit CCC "Y" on a Short Period Form 1120-S when the taxpayer shows any of the following:

- Statement referring to Qualifying Disposition under Regulations Section 1.1368-1(g)(2)(i).
- Statement referring to “S” Status Election and taxpayer is changing to required tax year (12/31/XX).
- Statement the S Corporation is coming out of consolidation.
- Statement the corporation is a qualified sub chapter S subsidiary.
- Notation referring to “Section 1398 election” (Bankruptcy Petition was filed) or “Second Short Year after Section 1398 Election”.

**Note:** See IRM 3.11.217.6.4, Short Period-Editing Proof of Entitlement, through IRM 3.11.217.6.8, Short Period Return with Prepaid Credits for more information.

- (3) If a **prepaid credit is claimed on a short period return (Lines 24a and 24b)**, enter Action Code 342 on the return. See IRM 3.11.217.6.8, Short Period Return with Prepaid Credits.

**Note:** 2022 Form Revision has Prepaid Credits listed on lines 23a and/or 23b.

- (4) **Edit the Tax Period Beginning on short period returns** according to IRM 3.11.217.6.2, Tax Period Beginning - Final, Initial, or Short Period Return.

3.11.217.14.18  
(01-01-2022)  
**CCC “1” - Like-Kind Exchanges**

- (1) Edit CCC “1” if Form 8824, Like-Kind Exchanges (and section 1043 conflict-of-interest sales), is attached.

3.11.217.14.19  
(03-09-2017)  
**CCC “2” - Form 8938, Statement of Specified Foreign Financial Assets**

- (1) Edit CCC “2” if Form 8938, Statement of Specified Foreign Financial Assets, is attached to Form 1120-S.
- (2) See IRM 3.11.217.27.10, Schedule N (Form 1120), Line 8 - Statement of Specified Foreign Financial Assets, and IRM 3.11.217.46, Form 8938, Statement of Specified Foreign Financial Assets, for more information.

3.11.217.14.20  
(01-01-2022)  
**♦CCC “3” - No Reply to Correspondence♦**

- (1) Edit CCC “3” if the return is unprocessable and there is a sign that correspondence was sent, but no reply received.

3.11.217.14.21  
(01-01-2022)  
**CCC “8” - Waiver of Estimated Tax Penalty**

- (1) Edit CCC “8” when any of the following is present:
- Form 2220, Underpayment of Estimated Tax by Corporations, is attached and Part II, Box 6 or Box 7 is checked.
  - Form 2220 is attached and any column on Form 2220, Schedule A, Page 4, Line 38 has entries.

3.11.217.14.22  
(01-01-2026)  
**CCC “9” - Low-Income Housing Forms**

- (1) Edit CCC “9” when any of the following are attached:
- Form 8611, Recapture of Low-Income Housing Credit.
  - Form 8609-A, Annual Statement for Low-Income Housing Credit (prior year Form 8609, Schedule A).
  - Form 8586, Low-Income Housing Credit.
- (2) Edit CCC “9” whenever recapture tax for Low-Income Housing Credit is reported on Schedule K-1, Line 17, Code E or .

3.11.217.15  
(01-01-2016)  
**Return Processing**

- (1) This subsection provides instructions for processing Form 1120-S, U.S. Income Tax Return for an S Corporation. Form 1120-S can be filed for a calendar year or a fiscal year.

3.11.217.15.1  
(01-01-2026)  
**Sequence of Return -  
Form 1120-S**

- (1) Document Perfection is responsible for arranging Form 1120-S in the following order when transcription line entries are present:
- Pages 1, 2, 3, 4, 5, Form 1120-S, U.S. Income Tax Return for an S Corporation
  - Form 8825, Rental Real Estate Income and Expenses of a Partnership or an S Corporation
  - Form 1125-A, Cost of Goods Sold
  - Schedule D, (Form 1120-S) Capital Gains and Losses and Built-in Gains
  - Form 8949, Sales and other Dispositions of Capital Assets
  - Form 8996, Qualified Opportunity Fund
  - Form 4797, Sales of Business Property
  - Schedule N, Foreign Operations of U.S. Corporations
  - Form 4136, Credit for Federal Tax Paid on Fuels
  - Form 8941, Credit for Small Employer Health Insurance Premiums
  - Form 5884-B, New Hire Retention Credit (Tax Periods 2010 and 2011)
  - Form 3800, General Business Credit (Tax Periods 202301 and later)
  - Form 8997, Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments
  - Form 8283, Noncash Charitable Contribution
- Note:** Only the first form needs to be sequence in order and any additional forms can be attached after Form 4255 or as the last attachment in the package.
- Form 6252, Installment Sale Income
  - Form 8936, *Schedule A*, Clean Vehicle Credit Amount (Tax Periods 202301 and later).
  - Form 4255, Certain Credit Recapture, Excessive Payments, and Penalties
  - Schedule K-1 (Form 1120-S), Shareholder's Share of Income, Deductions, Credits, etc.
- Note:** Place all Schedules K-1 (Form 1120-S), filed as attachments to Form 1120-S, as the last attachment in the package or follow local agreement. Detach Schedules K-1 for current year (TY2025), two preceding years (TY2024 and TY2023), and future Schedules K-1
- Form 8938, Statement of Specified Foreign Financial Assets
- Note:** Sequence Form 8938 to the back of the last page of Form 1120-S (after schedules and attachment pages), attaching the Form 8938 so that it is back-to-back with the parent return.
- Note:** Form 8938 will only be sequenced if Form 8938 meets the requirements in IRM 3.11.217.46, Form 8938, Statement of Specified Foreign Financial Assets.

- (2) It is not necessary to sequence the forms or schedules listed above if there are no transcription line entries.

- (3) It is not necessary to sequence an Amended return. See IRM 3.11.217.3.9, Amended Returns, for more information.

3.11.217.15.2  
(01-01-0226)  
**Positive/Negative  
Figures**

- (1) Income Items - Lines 1a, 1b, 1c, 2, 3, 4, 5, and 6 can have positive or negative amounts.
- (2) Deduction Items - All lines in the deduction section can have positive or negative amounts.
- (3) Tax and Payment Items - Following lines are positive only amounts:

- Line 23c - Total tax (Add Lines 23a and 23b)

**Note:** 2022 revision: Line 22c - Total tax

- Line 24a - Current year's estimated tax payments and preceding year's overpayment credited to the current year

**Note:** 2022 revision: Line 23a - Estimated tax payments and overpayment credited

- Line 24b - Tax Deposited with Form 7004

**Note:** 2022 revision: Line 23b - Tax Deposited with Form 7004

- Line 24c - Credit for Federal Tax Paid on Fuels (attach Form 4136)

**Note:** 2022 revision: Line 23c - Credit for Federal Tax Paid on Fuels

- Line 24d - Elective payment election amount from Form 3800
- Line 24z - Total Payments (Add Line 24a through Line 24d)

**Note:** Prior year line numbers: 2021 - 2022 revision: Line 23d - Total Payments, 2019 - 2020 revision: Line 23d - Reserved, 2018 revision: Line 23d - Refundable Credit from Form 8827; 2007 - 2017 revision: Line 23d - Total Payments.

- Line 25 - Estimated Tax Penalty

**Note:** 2022 revision: Line 24 - Estimated Tax Penalty

- Line 28a - Credit Elect Amount

**Note:** 2023 - 2024 Line 28 and 2021-2022 Line 27 - Credit Elect Amount

- (4) Do **not** bracket any negative entries on Lines 26, 27, and 28.

3.11.217.16  
(01-01-2016)  
**Income Items - Lines 1  
through 6, Page 1**

- (1) All line items are edited in dollars only and all the line items are either positive or negative.

3.11.217.16.1  
(01-01-2023)  
**Line 1 - Gross Receipts  
or Sales**

- (1) Line 1a is Gross Receipts or Sales and Line 1b is Returns and Allowances. Do **not** bracket or "X" amount on Line 1b if negative.
- (2) Edit Lines 1a, 1b, and 1c as follows:

If...	And...	Then...
Line 1a is blank,	Amounts are present on Line 1b or Line 1c,	Add Line 1b and Line 1c and edit the total amount to Line 1a. Bracket if negative.
Lines 1a, 1b, and 1c are blank,	The taxpayer shows "Gross Profit" on Line 3,	Add Lines 2 and 3 and edit the amount to Line 1a. Bracket if negative. <b>Exception:</b> If Line 2 is blank, determine from Form 1125-A, Line 8 amount, before computing Line 1a. If cost of goods sold is zero or blank on Form 1125-A, edit the Line 3 amount to Line 1a. Bracket if negative.
Line 1b is blank, check attachments. If found,		Edit the amount to Line 1b. Do <b>not</b> bracket if negative.
Line 1b is blank, check attachments. If not found,	Line 1a is greater than Line 1c,	Compute Line 1b (Line 1a minus Line 1c) and edit the amount to Line 1b.

3.11.217.16.2  
(01-01-2023)

**Line 2 - Cost of Goods Sold**

- (1) Follow instructions below for editing Cost of Goods Sold (Line 2):

If...	And...	Then...
Line 2 is blank,	An amount is present on Form 1125-A, Line 8,	Edit the amount from Form 1125-A, Line 8. Bracket if negative.
Line 2 is blank,	Form 1125-A, Line 8 is blank and Line 6 has an entry,	Edit the amount from Line 6, minus any amount on Line 7. Bracket if negative.
Line 2 is blank,	Form 1125-A, Lines 6 and 8 are blank and there are entries on Lines 1 through 5,	Edit the total of Lines 1 through 5 minus any amount on Line 7. Bracket if negative.

3.11.217.16.3  
(01-01-2026)

**Line 4 - Net Gain (Loss)**

(1) Correspond with the taxpayer for the missing Form 4797, Sales of Business

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Page 1 and Form 4797 is not attached.

(2) Form 4797 is a transcribed form. Place Form 4797 in sequence order if significant entries are present on the following lines. See IRM 3.11.217.31, Form 4797, Sales of Business Property, for more information.

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

Line	Line Description	Year Revision
1a	Gross Proceeds from Sales or Exchanges from Form(s) 1099-B or 1099-S	2025 and later
1b	Total Amount of Gain from Partial Dispositions of MACRS Assets	2021 and later
1c	Total Amount of Loss from Partial Dispositions of MACRS Assets	2021 and later
7	Total Gain or Loss Amount	2025 and later
8	Non-recaptured net Section 1231 Losses from Prior Years Amount	2025 and later
9	Total Gain Less Non-recapture Sect 1231 Losses Amount	2025 and later
17	Total Ordinary Gain or Loss Amount	2025 and later
18a	Form 4684 Part 3 Property Held Total Loss Amount	2025 and later
18b	Form 4797 Gain or Loss Minus F4684 Part 3 Property Held Total Loss Amount	2025 and later

3.11.217.16.4  
(01-01-2016)

**Line 5 - Other Income (Loss)**

(1) Accept taxpayer's entry.

3.11.217.16.5  
(01-01-2017)

**Line 6 - Total Income (Loss)**

(1) Edit Line 6 as follows:



If...	Then...
Line 6 is blank,	<ol style="list-style-type: none"> <li>1. Compute Lines 3 through 5 and edit to Line 6. <b>Note:</b> If Line 3 is blank, compute Line 3 by subtracting Line 2 from Line 1c.</li> <li>2. Bracket if negative.</li> </ol>
Line 6 is the only entry in the Income Section,	<ol style="list-style-type: none"> <li>1. Enter the amount from Line 6 to Line 5.</li> <li>2. Bracket if negative.</li> </ol>

3.11.217.17  
(01-01-2024)  
**Deduction Items and  
Computation of Ordinary  
Income - Lines 7  
through 22, Page 1**

- (1) This subsection provides instructions for editing the Deduction area of Form 1120-S, including the Salary and Wage Code. All line items are edited in dollars only and all the line items are positive or negative unless otherwise stated.

3.11.217.17.1  
(01-01-2016)  
**Line 7 - Compensation  
of Officers**

- (1) Accept taxpayer's entry.

3.11.217.17.2  
(01-01-2016)  
**Line 8 - Salaries and  
Wages**

- (1) Accept taxpayer's entry.

3.11.217.17.3  
(01-01-2026)  
**Salary and Wage Code**

- (1) Edit a "1" in the right margin of Page 1, Line 8 Form 1120-S if an entry greater than zero is present on any of the following:
- Form 1120-S, U.S. Income Tax Return for an S Corporation, Page 1, Line 8.
  - Form 1125-A, Cost of Goods Sold, Line 3. See Figure 3.11.217-22, Example of Editing Salary and Wage Code from Form 1125-A.
  - Form 8825, Rental Real Estate Income and Expenses of a Partnership or an S Corporation, Page 1, Line 13, Columns A through D or Page 2, Line 13, Columns E through H.
  - Schedule F, Profit or Loss From Farming, Line 22.
  - Form 4835, Farm Rental Income and Expenses (Crop and Livestock Shares (Not Cash) Received by Landowner (or Sub-Lessor)), Line 20, or
  - An attachment shows an entry for salaries, wages, labor, or payroll. See Figure 3.11.217-23, Example of Editing Salary and Wage Code from an Attachment.
- (2) Do **not** code for any of the following entries:
- Contract, outside, custom, or miscellaneous labor
  - Temporary help



- Management fees
- Janitorial services
- Maintenance fees
- Commissions
- Payroll taxes
- Casual labor

### Edit the Salary and Wage Code "1" to Form 1120-S

**Form 1125-A**  
(Rev. November 2024)  
Department of the Treasury  
Internal Revenue Service

**Cost of Goods Sold**  
Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.  
Go to [www.irs.gov/Form1125A](http://www.irs.gov/Form1125A) for the latest information.

OMB No. 1545-0123

Name  
**Cedar Chiropractic Clinic, PA**

Employer identification number  
**00-4551212**

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	<b>581,900</b>
4	Additional section 263A costs (attach schedule)	4	

**DRAFT**

**Form 1120-S**  
Department of the Treasury  
Internal Revenue Service

**U.S. Income Tax Return for an S Corporation**  
Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.  
Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

OMB No. 1545-0123  
**2025**

For calendar year 2025 or tax year beginning , 2025, ending , 20

A S election effective date  
**1/01/1988**

Name  
**Cedar Chiropractic Clinic, PA**

D Employer identification number  
**00-4551212**

B Business activity code number (see instructions)  
**621310**

Number and street, if a P.O. box, see instructions.  
**361 Highway 12**

Room or suite no.  
**10/30/1980**

E Date incorporated  
**10/30/1980**

City or town State or province Country ZIP or foreign postal code  
**Tampa FL 33602**

F Total assets (see instructions)  
\$ **591,000**

C Check if Sch. M-3 attached ☐

G Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☐ Yes ☒ No

H Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination

I Enter the number of shareholders who were shareholders during any part of the tax year **2**

J Check if corporation: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes

Caution: Include **only** trade or business income and expenses on lines 1a through 22. See the instructions for more information.

Instructions for limitations	1a	Gross receipts or sales	<b>1,145,500</b>	b Less returns and allowances		c Balance	<b>1,145,500</b>
	2	Cost of goods sold (attach Form 1125-A)					<b>1,145,500</b>
	3	Gross profit. Subtract line 2 from line 1c					<b>5,500</b>
	4	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)					<b>1,151,000</b>
	5	Other income (loss) (see instructions—attach statement)					<b>144,500</b>
	6	<b>Total income (loss).</b> Add lines 3 through 5					<b>18,000</b>
	7	Compensation of officers (see instructions—attach Form 1125-A)					<b>30,200</b>
	8	Salaries and wages (less employment credits)					<b>67,050</b>
	9	Repairs and maintenance					
	10	Bad debts					
	11	Rents					
	12	Taxes and licenses					
	13	Interest (see instructions)					
	14	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)					
	15	Depletion (do not deduct oil and gas depletion)					

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Figure 3.11.217-22 Example of Editing Salary and Wage Code from Form 1125-A

DRAFT

Form **1120-S**

Department of the Treasury  
Internal Revenue Service

**U.S. Income Tax Return for an S Corporation**

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.  
Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

OMB No. 1545-0123

2025

For calendar year 2025 or tax year beginning , 2025, ending , 20

A S election effective date  
**05/05/97**

B Business activity code number (see instructions)  
**598320**

C Check if Sch. M-3 attached ☐

Name  
**Hemlock and Birch, Inc.**

Number and street. If a P.O. box, see instructions.  
**5484 Larch Ln.**

City or town  
**Rochester**

State or province  
**NY**

Country

ZIP or foreign postal code  
**14603**

D Employer identification number  
**00-3367842**

E Date incorporated  
**01/01/97**

F Total assets (see instructions)  
\$ **35,014**

G Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☐ Yes ☒ No

H Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination

I Enter the number of shareholders who were shareholders during any part of the tax year **3**

J Check if corporation: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes

Caution: Include **only** trade or business income and expenses on lines 1a through 22. See the instructions for more information.

1a Gross receipts or sales **27,554**

b Less returns and allowances

c Balance **27,554**

Statement 1 (Other deductions)

Advertising 2,898

Meals and Entertainment 1,657

Cost of Labor 5,035

Repairs & Maintenance 4,465

Totals 14,055

20 Other deductions (attach statement) **See Statement 1**

21 Total deductions. Add lines 7 through 20 **14,055**

22 Ordinary business income (loss). Subtract line 21 from line 6 **13,499**

23a Excess net passive income or LIFO recapture tax (see instructions)

23b Tax from Schedule D (Form 1120-S)

Figure 3.11.217-23 Example of Editing Salary and Wage Code from an Attachment

3.11.217.17.4  
(01-01-2024)  
Line 9 - Repairs and Maintenance

(1) Accept taxpayer's entry.

3.11.217.17.5  
(01-01-2016)  
Line 10 - Bad Debts

(1) Accept taxpayer's entry.

3.11.217.17.6  
(01-01-2016)  
Line 11 - Rents

(1) Accept taxpayer's entry.

3.11.217.17.7  
(01-01-2024)  
Line 12 - Taxes and Licenses

(1) Accept taxpayer's entry.

3.11.217.17.4

Internal Revenue Manual

Cat. No. 51221V (11-21-2025)  
Any line marked with a #  
is for **Official Use Only**

3.11.217.17.8 (1) Accept taxpayer's entry.  
(01-01-2016)

**Line 13 - Interest**

3.11.217.17.9 (1) Accept taxpayer's entry.  
(01-01-2022)

**Line 14 - Depreciation**

3.11.217.17.10 (1) Accept taxpayer's entry.  
(01-01-2016)

**Line 15 - Depletion**

3.11.217.17.11 (1) Accept taxpayer's entry.  
(01-01-2016)

**Line 16 - Advertising**

3.11.217.17.12 (1) Accept taxpayer's entry.  
(01-01-2016)

**Line 17 - Pension Profit  
Sharing Plan**

3.11.217.17.13 (1) Accept taxpayer's entry.  
(01-01-2024)

**Line 18 - Employee  
Benefit Programs**

3.11.217.17.14 (1) Accept taxpayer's entry.  
(04-11-2024)

**Line 19 - Energy  
Efficient Commercial  
Buildings Deduction  
(Form 7205) (202301 and  
later)**

(2) For prior years, Line 19 was used for other deductions.

(3) Edit RPC "M" if Form 7205 is attached. See IRM 3.11.217.13.7, Return Processing Code (RPC), for more information.

3.11.217.17.15 (1) Edit Page 1, Line 20 as follows:  
(01-01-2024)

**Line 20 - Other  
Deductions**

If...	Then...
If the taxpayer uses "Other Deduction" items on Lines 7 through 19,	<ol style="list-style-type: none"> <li>1. Add the "Other Deduction" items and edit the total to Line 20.</li> <li>2. Bracket if negative.</li> <li>3. "X" the Other Deductions items from Lines 7 through 19.</li> </ol>

(2) In prior years, Other Deductions were listed on line 19.

3.11.217.17.16  
(01-01-2024)  
**Line 21 - Total Deductions**

(1) Edit Page 1, Line 21 as follows:

If...	Then...
Line 21 is blank,	1. Add Lines 7 through 20 and edit this amount to Line 21. 2. Bracket if negative.
If Line 21 is the only entry in the “Deduction” section (Lines 7 through 21),	1. Edit the Line 21 amount to Line 20. 2. Bracket if negative.

(2) In prior years, Total Deductions were listed on line 20.

3.11.217.17.17  
(01-01-2025)  
**Line 22 - Ordinary Business Income (loss)**

(1) Edit Page 1, Line 22 as follows:

If...	Then...
Line 22 is blank,	Subtract Line 21 (Total Deductions) from Line 6 (Total Income) and edit this amount to Line 22. Bracket if negative.
If Line 22 is the only entry on Page 1 of the return and the amount is <b>positive</b> ,	Edit the Line 22 amount to <b>both</b> Lines 5 and 6.
If Line 22 is the only entry on Page 1 of the return and the amount is <b>negative</b> ,	Edit the Line 22 amount to <b>both</b> Lines 20 and 21 as a positive amount.

#  
#

IRM 3.11.217.45, Schedule K-1.

**Exception:** Do **not** correspond on Section 965 Returns. ERS will take care of any correspondence needed. See IRM 3.11.217.2.11, Section 965 Returns (201712 through 202012), for more information.

**Note:** 2022 and prior form revisions have line 20 as line 19.

(2) In prior years, Ordinary Business Income was listed on line 21.

3.11.217.18  
(08-11-2025)  
**Lines 23a -28, Lines 22a - 27 (2022 & prior) - Tax and Payments Page 1**

- (1) This subsection provides instructions for editing the Tax and Payments section of Form 1120-S.
- (2) 2022 & prior, Tax and Payments were listed on Lines 22a through 27. If a significant amount is present, edit the line number to Line 23a.
- Note:** A significant entry is defined as any amount other than zero (0).

3.11.217.18.1  
(08-11-2025)

**Line 23b,**

**Line 22b (2022 & prior) -  
Tax from Schedule D  
(Form 1120-S)**

- (1) For 2022 and prior, Tax from Schedule D was listed on line 22b. If a significant amount is present, edit the line number to Line 23a.

**Note:** A significant entry is defined as any amount other than zero (0).

- (2) If there is a significant entry on Line 23b and Schedule D, (Form 1120-S) Capital Gains and Losses and Built-in Gains, is not attached, correspond.

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

3.11.217.18.2  
(08-11-2025)

**Line 23c,**

**Line 22c (2022 & prior) -  
Total Tax**

- (1) For 2022 and prior, Total Tax was listed on line 22c. If a significant amount is present, edit the line number to Line 23c.

**Note:** A significant entry is defined as any amount other than zero (0).

- (2) Total Tax (Line 23c) can only be a positive amount. If blank, edit as follows:

If...	Then...
There is no entry on Line 23c (Total Tax),	Compute and edit the total of Lines 23a and 23b to Line 23c (Total Tax).
There is no entry on any of Lines 23a, 23b, and 23c (Total Tax), and Schedule D, (Form 1120-S) Capital Gains and Losses and Built-in Gains, is present,	Edit the amount from Schedule D, Line 23 to Form 1120-S, Page 1, Line 23c.

- (3) If Lines 23a and 23b are blank, and a significant amount is present on Line 23c (Total Tax), edit as follows:

If...	Then...
Line 23c includes pre-computed interest, delinquency penalty, or other charge,	<ol style="list-style-type: none"> <li>1. "X" the Line 23c (Total Tax) amount.</li> <li>2. Delete the interest, penalty, or other charge from the Total Tax.</li> <li>3. Edit the correct Total Tax to the left of the original entry, if other than "0" (zero).</li> </ol>
Line 23c includes "Tax From Form 4255", Certain Credit Recapture, Excessive Payments, and Penalties (or similar language),	<ol style="list-style-type: none"> <li>1. Accept the taxpayer's entry.</li> <li>2. Do <b>not</b> correspond with the taxpayer for the missing Form 4255, Certain Credit Recapture, Excessive Payments, and Penalties, if not present.</li> </ol>
Line 23c includes "Last In First Out (LIFO) Tax" (or similar language),	Accept the taxpayer's entry.

If...	Then...
No supporting form, schedule, or statement is attached to explain the entry on Line 23c (Total Tax),	Correspond with the taxpayer using Letter 118C, Corporate Return Incomplete for Processing: Form 1120, Form 1120 Series, Form 1120-S.

3.11.217.18.3  
(08-11-2025)

**Line 24a - Estimated Tax Payments**

- (1) Accept taxpayer's entry.
- (2) For 2022 and prior year, Estimated Tax Payments are listed on line 23a. If a significant amount is resent, edit the line number to Line 24a.

**Note:** A significant entry is defined as any amount other than zero (0).

3.11.217.18.4  
(08-11-2025)

**Line 24b  
Line 24c (2022 & prior) -  
Tax Deposited with Form  
7004**

- (1) Accept taxpayer's entry.
- (2) For 2022 and prior, Tax Deposited with Form 7004 is listed on line 23b. If a significant amount is resent, edit the line number to Line 24b.

**Note:** A significant entry is defined as any amount other than zero (0).

3.11.217.18.5  
(08-08-2025)

**Line 24c (2023 & later),  
Line 23c (2022 & prior) -  
Credit for Federal Tax  
Paid on Fuels – Form  
4136**

- (1) For 2022 and prior the credit was listed on line 23c. If a significant amount is resent, edit the line number to Line 24c.
- (2) If Line 24c has a significant entry and Form 4136, Credit for Federal Tax Paid on Fuels, is not present, correspond with the taxpayer for the missing Form 4136.

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

3.11.217.18.6  
(08-11-2025)

**Line 24d (2023 & later) -  
Elective Payment  
Election Amount from  
Form 3800**

- (1) If Line 24d has a significant entry and Form 3800, General Business Credit, is not present, correspond for the missing form.
- (2) For Tax Period 202201 - 202212, the Elective or Deemed Payment Election (DPE) and Credit Transfers was claimed on the dotted portion of line 23d:
  - Edit Line 23d to current year Line 24d, Form 1120-S.
  - See IRM 3.11.217.2.12, Elective or Deemed Payment Election (DPE) and Credit Transfers.

#

3.11.217.18.7  
(08-11-2025)

**Line 23d (2020-2019) -  
Reserved**

- (1) For 2020 - 2019 Line 23d was reserved. If Line 23d has a significant entry, then "X" the entry.

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

3.11.217.18.8

(08-11-2025)

**Line 23d (2018) -  
Refundable Credit from  
Form 8827**

- (1) If the taxpayer shows a credit on Line 23d from Form 8827, Refundable Credit from Form 8827, must be attached to the return. If the form is not present, correspond for the missing form.

3.11.217.18.9

(08-11-2022)

**Line 24z (2023 & later),  
Line 23d (2022, 2021,  
2017 & prior),  
Line 23e (2018 - 2020) -  
Tax and Payments**

- (1) Edit the line number for Total Payments to 2024 format according to the table below:

Form Year	Form Line Number	Edit to 2024 Form Line
2022, 2021, 2017 & prior	23d	24z
2020 - 2018	23e	24z

- (2) For **2023 and later** do the following:

- a. If Line 24z is blank or illegible and there are entries on any of Lines 24a, 24b, 24c, or 24d, compute the total of Lines 24a, 24b, 24c and 24d and edit the total to Line 24z.

**Note:** Line 24z is a new line on the 2023 revision of Form 1120-S, U.S. Income Tax Return for an S Corporation.

- b. If Line 24z has an entry, but there are no entries on Lines 24a through Line 24d, double arrow or edit the amount to Line 24a.

- (3) For **2022, 2021, 2017 and prior** do the following:

- a. If original Line 23d is blank or illegible and there are entries on any of the original Lines 23a, 23b, and 23c, compute the total of Lines 23a, 23b, and 23c and edit the total to edited line number 24z.
- b. If original Line 23d has an entry, but there are no entries on Lines 23a - 23c, double arrow or edit the amount to edit Line 24a.

- (4) For **2018 - 2020** do the following:

- a. - If original Line 23e is blank or illegible and there are entries on any of the original Lines 23a, 23b, 23c, or 23d, compute the total of Lines 23a, 23b, 23c, and 23d and edit the total to edited line number 24z.
- b. If original Line 23e has an entry, but there are no entries on Lines 23a through Line 23d, double arrow or edit the amount to edit line Line 24a.

3.11.217.18.10

(08-11-2025)

**Line 25 (2023 & later),  
Line 24 (2022 & prior) -  
Estimated Tax Penalty**

- (1) Estimated Tax Penalty must be edited when either:

- a. An additional penalty is pre-computed on the return, or
- b. Form 2220, Underpayment of Estimated Tax by Corporations, is attached to the return, and shows liability for estimated tax penalty.

- (2) Estimated Tax Penalty is reported on line 25 (Line 24 for 2022 and prior), editing of the line numbers on prior year returns should be done to 2025 line number format according to the table below.

Form Year	Form Line Number	Edit to 2024 Form Line
2023 and later	25	No editing needed.
2022 and prior	24	25

(3) To edit Form 1120-S, Line 25, do the following:

- a. If the taxpayer follows the instructions on Form 2220, the applicable amount must be shown on Form 2220, Line 38\*, and on Form 1120-S, Line 25. The taxpayer may have also increased Form 1120-S, Line 26 or decreased Form 1120-S, Line 27, accordingly. Do **not** adjust this amount.
- b. If Form 1120-S, Line 25 is blank, edit the amount from Form 2220, Line 38, to Form 1120-S, Line 25.
- c. If Form 1120-S, Line 25 is blank and Form 2220, Line 38 is also blank, review the Form 2220 to determine the taxpayer's method of computation. If there are entries on Form 2220, Line 37, Columns (a) - (d), compute the total amount and enter on Form 1120-S, Line 25.

**Note:** If Form 2220 is attached, some conditions will require CCC "8".

3.11.217.18.11  
(08-11-2025)

**Lines 26 and 27 -  
Amount Owed/  
Overpayment**

- (1) Lines 26 and 27 are edited as positive only. If the taxpayer enters a negative amount, no action is required.
- (2) Edit the proper entry to Line 26 or Line 27 if **both** are blank. Do both of the following:
  1. Add Lines 23c and 25. Subtract Line 24z (Prior year line numbers: 2022 - 2021 Form 1120-S revision: Line 23d, 2018 - 2020 revision: Line 23e; 2017 - 2007 revision: Line 23d).
  2. Edit the positive result on Line 26 **or** the negative result (do **not** bracket) on Line 27.
- (3) If pre-computed interest, delinquency penalty, or other charge is **evident**, make sure that it has not been included in Line 25 or reduced Line 26.

If...	Then...
The amount on Line 26 has pre-computed interest, delinquency penalty, or other charge,	<ol style="list-style-type: none"> <li>1. "X" Line 26 amount.</li> <li>2. Delete the interest, penalty, or other charge from the amount owed.</li> <li>3. Edit the correct amount owed to the left of the original entry.</li> </ol>
The amount on Line 27 is reduced by pre-computed interest, delinquency penalty, or other charge,	<ol style="list-style-type: none"> <li>1. "X" Line 27 amount.</li> <li>2. Compute the Overpayment amount without the interest, penalty, or other charge.</li> <li>3. Edit the correct Overpayment to the left of the original entry.</li> </ol>



- (4) In prior years, Amount Owed/Overpayment is listed on lines 25 and 26.

3.11.217.18.12  
(01-01-2026)

**Lines 28b, 28c, & 28d -  
Direct Deposit  
Information**

- (1) For Tax Year 2025 and later the Direct Deposit information is transcribed directly from Form 1120-S for the following lines:

Line	Line Description
28c	Routing Number
28d	Type of Depositor Account
28e	Depositor Account Number

- (2) If data is present, take no action and continue to process the return.

3.11.217.18.13  
(01-01-2022)

**Backup Withholding**

- (1) If the taxpayer shows **Backup Withholding**, edit an **X** to the left of the amount and continue processing the return.

3.11.217.19  
(01-01-2025)

**◆ Signature ◆**

- (1) A signature and jurat are required on all returns **except** the following:

- Returns prepared under IRC 6020(b). These returns must be signed by a Compliance Function representative. See IRM 3.11.217.3.6.1, IRC 6020(b) Prepared by Collections.

**Note:** Accept electronic or typed revenue officer (RO) signatures as valid on the return.

- Returns prepared by Examination, for example Substitute for Return "SFR" or "SUBSTITUTE RETURN," See IRM 3.11.217.3.6.3, Examination Prepared.
- Dummy returns prepared by the IRS.
- Returns filed under IRC 501(d) (Religious or Apostolic Organization).
- Returns attached to taxpayer response to the IRS correspondence containing a jurat and the taxpayer's signature. See paragraph (5) below.
- Re-entry returns originally electronically filed (E-File). These returns may be identified by the presence of Modernized E-file (MeF) printouts or "efile GRAPHIC print - Do Not Process" or "Tax Return Print (TRPRT) Do Not Process" (or similar language) in lieu of an actual return.

**Note:** If the efile GRAPHIC print **or** TRPRT print says "efile GRAPHIC print - Do Not Process" or "TRPRT Print Do Not Process" in the top margin, circle the words "Do Not Process".

- (2) Do not correspond for a signature on "CII" returns with Form 13596, Reprocessing Returns, attached. See IRM 3.11.217.3.4.3, Correspondence Imaging Inventory (CII) Returns, for processing instructions.
- (3) If a signature is missing, correspond.

**Exception:** Do not correspond on Section 965 Returns. ERS will take care of any correspondence needed. See IRM 3.11.217.2.11, Section 965 Returns (201712 through 202012), for more information.

**Note:** See IRM 3.11.217.3.4.2(2) - Issuing Correspondence - for returns that are incomplete and appear to be duplicate filings.

If...	Then...
<ul style="list-style-type: none"> <li>The return is not signed on the line designated for the taxpayer's signature, or</li> <li>The jurat is not present on the line designated for the taxpayer's signature (a non-standard return), or</li> <li>Only the entity information is present and there are no attachments containing tax data,</li> </ul>	<ol style="list-style-type: none"> <li>Edit Action Code 225 (Correspondence for Signature only) or 226 (International Correspondence for Signature only).</li> <li>Leave in batch and continue editing.</li> </ol>

**Note:** Paper returns sent in by the filer that says their return was rejected through the E-file system require a signature. Form 8879-CORP, *E-file* Authorization for Corporations is not an acceptable signature substitute for a paper return. Prior to Tax Year 2022 (process year 2023), Form 8879-S, **e-file** Signature Authorization for Form 1120-S, was used but the form is now retired.

- (4) If the jurat is altered or stricken (crossed out), see IRM 3.11.217.2.8, Frivolous Arguments, for frivolous return instructions.
- (5) Accept a **signature declaration** (a signature with jurat obtained through the IRS correspondence) if attached to the return.
  - a. If the "signature declaration" is altered or stricken (crossed out), see IRM 3.11.217.2.8, Frivolous Arguments, for frivolous return instructions.
  - b. If the taxpayer responds with a self-prepared "signature declaration", it must contain the same language as the jurat on the tax return: e.g., "UNDER PENALTIES OF PERJURY, I DECLARE THAT I HAVE EXAMINED THIS RETURN INCLUDING ACCOMPANYING SCHEDULES AND STATEMENTS, AND TO THE BEST OF MY KNOWLEDGE AND BELIEF, IT IS TRUE, CORRECT, AND COMPLETE."
  - c. Form 8879-CORP, *E-file* Authorization for Corporations, is not an acceptable signature substitute for a paper return.

**Note:** Prior to Tax Year 2022 (process year 2023), Form 8879-S, *e-file* Signature Authorization for Form 1120-S, was used but the form is now retired.

- (6) Tax examiners are not handwriting experts. 26 Code of Federal Regulations (CFR) 301.6064-1 allows the IRS to presume that the signature on the return, statement, or other document is the true signature of the person who signed the document.

**Note:** Do not accept a "✓" or "X" on the signature line as a valid taxpayer signature.

- (7) The following types of signatures are not valid for Form 1120-S:

- Faxed signatures**

**Exception:** Tax return information can be received via fax as part of return perfection even if a taxpayer signature is required. In circumstances where contact with the taxpayer was made and documented, faxed signatures are acceptable.

- **Electronic signatures**
- **Docusign signatures**
- **Typed font signatures**

**Exception:** Starting July 1, 2013, the revenue officer's (RO's) electronic signature or typed signature will be accepted as a valid signature on the return.

(8) Correspond one time for the signature.

3.11.217.20  
(01-01-2022)  
◆ **Paid Preparer  
Checkbox Indicator** ◆

- (1) The Paid Preparer Checkbox is next to the taxpayer signature area. It shows whether the taxpayer has elected to allow the Paid Preparer to answer questions about the return as it is processed.
- (2) No action is required on Amended returns.
- (3) Take the following actions when an entry is present in the Paid Preparer Checkbox:

If...	Then...
Only the "Yes" box is checked,	Take no action.
<ul style="list-style-type: none"> <li>• "No" box is checked</li> <li>• Neither box is checked <b>or</b></li> <li>• Both boxes are checked</li> </ul>	Circle the Paid Preparer's Telephone Number if present.

3.11.217.21  
(01-01-2019)  
◆ **Paid Preparer  
Section** ◆

- (1) The Paid Preparer section is below the Signature area at the bottom of Form 1120-S, U.S. Income Tax Return for an S Corporation.

3.11.217.21.1  
(01-01-2023)  
◆ **Paid Preparer's Tax  
Identification Number  
(PTIN)** ◆

- (1) The Preparer's Tax Identification Number (PTIN) is to the right of the Preparer's Signature in the PTIN Box at the bottom right margin of Form 1120-S, Page 1.
- (2) No action is required on Amended returns.
- (3) A valid PTIN begins with the alpha "P" followed by an eight-digit number (e.g., PXXXXXXX). Circle the PTIN if invalid, all zeros or all nines.

3.11.217.21.2  
(01-01-2019)  
◆ **Firm's Employer  
Identification Number  
(EIN)** ◆

- (1) The Firm's EIN is located below the Preparer's PTIN Box at the bottom right margin of Form 1120-S, Page 1.
- (2) No action is required on amended returns.
- (3) The Firm's EIN is a nine-digit number. Circle the EIN if it is invalid, all zeros or all nines.

3.11.217.21.3  
(01-01-2019)

◆ **Paid Preparer  
Telephone Number** ◆

- (1) The Paid Preparer's Phone Number is below the Paid Preparer's EIN at the bottom right corner of Form 1120-S, Page 1.

If...	Then...
The return is amended,	No action is required.
The Preparer's Phone Number is more than 10 digits,	No action is required.
The Preparer's Phone Number is illegible or less than 10 digits,	Circle the Phone Number.

3.11.217.22  
(01-01-2016)

**Schedule A - Cost of  
Goods Sold (2010 and  
prior revisions)**

- (1) Schedule A was replaced with Form 1125-A, Cost of Goods Sold.  
(2) See IRM 3.11.217.34, Form 1125-A, Cost of Goods Sold, for processing instructions of prior year returns containing a Schedule A.

3.11.217.23  
(01-01-2019)

**Schedule B - Other  
Information**

- (1) This subsection provides instructions for editing Schedule B, Other Information, on Form 1120-S.

3.11.217.23.1  
(01-01-2022)

**Accounting Method  
Code**

- (1) The Accounting Method Code is transcribed from the taxpayer's response to the boxes on Form 1120-S, Schedule B, Line 1.  
(2) No editing is required.

3.11.217.23.2  
(01-01-2022)

**Form 8996 - Qualified  
Opportunity Fund  
Checkbox**

- (1) If Form 1120-S, Schedule B, Question 15 "Is the corporation attaching Form 8996, Qualified Opportunity Fund, to certify as a Qualified Opportunity Fund" is answered "Yes" and the amount line is blank, search attachments for Form 8996. If Form 8996 is attached with an amount on Line 15 (Form 8996 prior year revision line numbers: 2020: Line 14, 2018: Line 13), then edit the amount to Schedule B, Question 15.

**Note:** Edit this amount using dollars and cents.

- (2) If Form 8996, Qualified Opportunity Fund, is attached, edit Return Processing Code (RPC) 6 to Page 1, in the right margin next to Line 1c (Total, Add Lines 1a and 1b) of Form 1120-S. See IRM 3.11.217.13.7, Return Processing Code (RPC), for more information.  
(3) See IRM 3.11.217.33, Form 8996, Qualified Opportunity Fund, for more information.

3.11.217.23.3  
(01-01-2024)

**Digital Asset Checkbox**

- (1) Form 1120-S, Schedule B, line 16 has a checkbox regarding Crypto Currency Reporting for tax periods ending 202301 and subsequent.

- (2) The valid characters for the checkbox field (listed in the table below) are 0,1,2, and 3. Data will enter:

Character	Description
0	No boxes checked
1	"Yes" box checked
2	"No" box checked
3	Both boxes checked

3.11.217.24  
(01-01-2025)

**Schedule K -  
Shareholders' Pro Rata  
Share Items**

- (1) This subsection provides instructions for editing Schedule K, Shareholders' Pro Rata Share Items, on Form 1120-S.
- (2) Correspond for Schedule K if missing or blank unless the return meets any of the following conditions:
- The tax period 201412 and prior.
  - Attached Schedule K-1 (Form 1120-S), Part III, has no tax data or reports only Ordinary Income, on Line 1.
  - Any of the following are attached:  
Schedule D, (Form 1120-S) Capital Gains and Losses and Built-in Gains  
Form 8825, Rental Real Estate Income and Expenses of a Partnership or an S Corporation  
Form 6478, Biofuel Producer Credit  
Form 4797, Sales of Business Property  
Form 4562, Depreciation and Amortization (Including Information on Listed Property)  
Form 3468, Investment Credit
  - The return is for a short period.
  - The return has no significant entries or is blank.

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

3.11.217.24.1  
(01-01-2023)

**Line 2, Schedule K - Net  
rental real estate income  
(loss)**

- (1) Correspond with the taxpayer for Form 8825, Rental Real Estate Income and Expenses of a Partnership or an S Corporation, if the amount on Form 1120-S, 8825 is not attached.
- (2) For processing of Form 8825, see IRM 3.11.217.28, Form 8825 - Rental Real Estate Income and Expenses of a Partnership or an S Corporation.

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3.11.217.24.2  
(01-01-2016)

**Line 4, Schedule K -  
Interest income**

- (1) If Form 1120-S, Schedule K, Line 4, Interest income, is blank check the supporting attachments for Portfolio Income. If an amount is present, edit to Line 4.
- (2) Bracket if negative.

3.11.217.24.3

(01-01-2022)

**Line 10, Schedule K -  
Other income (loss)**

ductions area). See IRM 3.11.217.13.1, Audit Codes, for more information.

- (2) If 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), edit Computer Condition Code (CCC) "J" and Action Code 460 (Management Suspense). This instruction is only valid for Tax Periods 201712 - 202012.

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

- (3) Form 1120-S, Schedule K-1, Box 10, with Code F (202012 - 201712 form revisions) may show a Section 965(a) return. See IRM 3.0.101, Schedule K-1 Processing, for complete instructions to edit and process Schedules K-1. This instruction is only valid for Tax Periods 201712 - 202012.
- (4) See IRM 3.11.217.2.11, Section 965 Returns (201712 through 202012), IRM 3.11.217.14.7, CCC "J" - Section 965 Tax, and IRM 3.11.217.3.1, Action Codes, for more information. This instruction is only valid for Tax Periods 201712 - 202012.

3.11.217.24.4

(01-01-2022)

**Line 12d, Schedule K -  
Other deductions**

- (1) If 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), edit Computer Condition Code (CCC) "J" and Action Code 460 (Management Suspense). This instruction is only valid for Tax Periods 201712 - 202012.

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

- (2) Form 1120-S, Schedule K-1, Box 12, with Code K (202012 - 201712 form revisions) may show a Section 965(c) return. See IRM 3.0.101, Schedule K-1 Processing, for complete instructions to edit and process Schedules K-1. This instruction is only valid for Tax Periods 201712 - 202012.
- (3) See IRM 3.11.217.2.11, Section 965 Returns (201712 through 202012), IRM 3.11.217.14.7, CCC J - Section 965 Tax, and IRM 3.11.217.3.1, Action Codes, for more information. This instruction is only valid for Tax Periods 201712 - 202012.

3.11.217.24.5

(01-01-2019)

**Line 13a, Schedule K -  
Low-income housing  
credit (section 42(j)(5))**

- (1) If Form 1120-S, Schedule K, Line 13a, Low-income housing credit (section

If...	Then...
Form 8586 is attached,	See IRM 3.11.217.13.5, Form 8586, Low-Income Housing Credit.
Form 8586 is not attached,	Correspond with the taxpayer for the missing Form 8586.

3.11.217.24.6  
(01-01-2019)

**Line 13b, Schedule K -  
Low-income housing  
credit (other)**

- (1) If Form 1120-S, Schedule K, Line 13b, Low-income housing credit (other), has

#

If...	Then...
Form 8586 is attached,	See IRM 3.11.217.13.5, Form 8586, Low-Income Housing Credit.
Form 8586 is not attached,	Correspond with the taxpayer for the missing Form 8586.

3.11.217.24.7  
(01-01-2023)

**Line 13f, Schedule K -  
Biofuel producer credit**

Fuel, for 2012 - 2007), is required. If Form 6478 is not attached, correspond with the taxpayer for the missing form.

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- (2) Check Form 6478, Line 4 against Schedule K, Line 13f.
- If the amounts agree, continue processing the return.
  - If there is a discrepancy, edit the amount from Form 6478, Line 4 to Schedule K, Line 13f.

3.11.217.24.8  
(03-06-2025)

**Line 13g, Schedule K -  
Other credits**

attached:

#  
#

If...	And...	Then...
If the credit type is identified,	The supporting form or a statement <b>is attached</b> to support the credit claimed,	Take no action and allow the amount for the credit being claimed.
If the credit type is identified,	The supporting form or a statement <b>is not attached</b> to support the credit claimed,	Correspond using Letter 118C, Corporate Return Incomplete for Processing: Form 1120, Form 1120 Series, Form 1120-S, for the missing form.

If...	And...	Then...
If the credit type is not identified,	The supporting form or a statement <b>is not attached</b> to support the credit claimed,	Correspond using Letter 118C, Corporate Return Incomplete for Processing: Form 1120, Form 1120 Series, Form 1120-S, for the type of credit being claimed and supporting form for the credit being claimed.

- (2) If Schedule K, line 13g, Other credits, has an entry for Form 8936, *Schedule A*, Clean Vehicle Credits:

If...	Then...
Form 8936, <i>Schedule A</i> , Clean Vehicle Credits, <b>is attached</b> ,	<p>a. If the Tax Period is 202301 and later, Take no action and allow the credit claimed.</p> <p>b. If the Tax Period is prior to 202301, edit as asterisk (*) to left of the entry.</p>
Form 8936, <i>Schedule A</i> , Clean Vehicle Credits, <b>is not attached</b> ,	Correspond using Letter 118C, Corporate Return Incomplete for Processing: Form 1120, Form 1120 Series, Form 1120-S, for the missing form.

3.11.217.24.9  
(01-01-2023)

**Line 14, Schedule K -  
International Checkbox**

- (1) Line 14 - No editing is required. Accept taxpayer's entry.

3.11.217.24.10  
(01-01-2022)

**Line 16f, Schedule K -  
Foreign taxes paid or  
accrued**

- (1) If Form 1120-S, Schedule K, Line 16f\*, Foreign taxes paid or accrued, has an  
9 (Deductions area) \*(Schedule K prior year line numbers: 2020 - 2018: Line  
14p, 2017 - 2004: Line 14l). See IRM 3.11.217.13.1, Audit Codes. #
- (2) If Form 1120-S, Schedule K, Line 16f\*, Foreign taxes paid or accrued, has an  
near Line 9 (Deductions area). \*(Schedule K prior year line numbers: 2020 -  
2018: Line 14p, 2017 - 2004: Line 14l.) See IRM 3.11.217.13.1, Audit Codes. #



3.11.217.24.11  
(01-01-2022)

**Line 14r, Schedule K -  
Other foreign tax  
information**

- (1) These instructions are only valid for Tax Periods 201712 - 202012.
- (2) If 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), edit Computer Condition Code (CCC) "J" and Action Code 460 (Management Suspense).

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

- (3) Form 1120-S, Schedule K-1, Box 14, with Code U (202012 - 201712 form revisions) may show a Section 965 return. See IRM 3.0.101, Schedule K-1 Processing, for complete instructions to edit and process Schedules K-1.
- (4) See IRM 3.11.217.2.11, Section 965 Returns (201712 through 202012), IRM 3.11.217.14.7, CCC J - Section 965 Tax, and IRM 3.11.217.3.1, Action Codes, for more information.

3.11.217.24.12  
(01-01-2019)

**Line 16d, Schedule K -  
Distributions**

- (1) Accept taxpayer's entry.

3.11.217.24.13  
(01-01-2026)

**Line 17d, Schedule K -  
Other items and  
amounts**

- (1) If Form 1120-S, Schedule K, Line 17d, Other items and amounts, shows a significant entry with the notation "Section 965" or similar language and the Tax Period is 201712 - 202012, edit Computer Condition Code (CCC) "J" and Action Code 460 (Management Suspense).
- (2) Form 1120-S, Schedule K-1, Box 17, with Code AD may show a Section 965 return. See IRM 3.0.101, Schedule K-1 Processing, for complete instructions to edit and process Schedules K-1.

3.11.217.24.14  
(01-01-2022)

**Line 18, Schedule K -  
Income/loss  
reconciliation**

- (1) Accept taxpayer's entry on Form 1120-S, Schedule K, Line 18.

3.11.217.25  
(01-01-2024)

**Schedule L - Balance  
Sheets per Books**

- (1) Correspond with the taxpayer for missing or blank Schedule L, Balance Sheets per Books, unless the return meets **any** of the following conditions:
  - Tax periods 0712 and prior.
  - Amended return (CCC "G").
  - Final return.
  - Page 2, Schedule B, Line 11 (prior years: 2017 - 2012: Line 10) is checked "Yes".

**Note:** If both the "Yes" box and the "No" box are checked, or neither box is checked, and **none** of the conditions in the bullets listed here are met, **correspond**.

- There are no significant entries on Page 1, Lines 1 through 22 (Lines 1 through 20 2022 prior year form revision).

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

- Page 1, Box F, Total assets **and** Line 1a, Gross receipts or sales, have
- Schedule L is crossed out or annotated “0” (zero), “-” (dash), “None”, “N/A”, or some similar entry.
- Schedule B, Line 1 (Check accounting method) - The “Cash” box on Schedule B is checked or the taxpayer has notated “Single Entry Records”, “See Books”, “Balance Sheet not available”, or similar entry.

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#

- (2) If the “Yes” box on Form 1120-S, Schedule B, Line 11\* is checked and Total

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#  
#  
#

\*Schedule B, Line 10 (prior years: 2017 - 2012: Line 10).

\*\*Page 1, Box F.

\*\*\*Page 1, Line 1a.

**Reminder: Edit Total Assets, Page 1, Box F** per IRM 3.11.217.10, Total Assets-  
Page 1, Box F.

- (3) The following information is transcribed from Form 1120-S, Page 4, Schedule L, Balance Sheets per Books. No action is necessary to perfect these amounts. Accept the taxpayer’s entry:
- a. Loans to Shareholders, end of year. Schedule L, Line 7 (d).
  - b. Total Assets, beginning of year. Schedule L, Line 15 (b).
  - c. Loans from Shareholders, end of year. Schedule L, Line 19 (d).
  - d. Capital Stock, end of year. Schedule L, Line 22 (d).
  - e. Additional Paid-In Capital, end of year. Schedule L, Line 23 (d).
  - f. Retained Earnings, end of year. Schedule L, Line 24 (d).

3.11.217.26  
(01-01-2019)  
**Schedule M-1 and  
Schedule M-2**

- (1) This subsection provides instructions for Form 1120-S, Schedule M-1, Reconciliation of Income (Loss), and Schedule M-2, Analysis of Accumulated Adjustments Account.

3.11.217.26.1  
(01-01-2016)  
**Schedule M-1 -  
Reconciliation of Income  
(Loss)**

- (1) The following information is transcribed from Schedule M-1, Reconciliation of Income (Loss), Form 1120-S, Page 5 (Page 4 for prior years).
- (2) Schedule M-1, Line 3(b) - Travel and Entertainment. Accept taxpayer’s entry.

3.11.217.26.2  
(01-01-2016)  
**Schedule M-2 - Analysis  
of Accumulated  
Adjustments Account**

- (1) The following information is transcribed from Schedule M-2, Analysis of Accumulated Adjustments Account, Form 1120-S, Page 5 (Page 4 for prior years).
- (2) Schedule M-2, Line 1, Column (a) - Balance at beginning of tax year. Accept taxpayer’s entry.

3.11.217.27  
(01-01-2022)  
**Schedule N (Form 1120)  
- Foreign Operations of  
U.S. Corporations**

- (1) Schedule N is valid for tax periods beginning 01-01-2000. Delete Schedule N if the tax period begins before 01-01-2000.
- (2) S Corporations that, at any time during the tax year, have assets in or operate a business in a Foreign Country or U.S. possession may have to file Schedule N.

- (3) Do **not** correspond if Schedule N is missing. Dummy a Schedule N and edit the applicable entries when Form 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, or Form 8873, Extra-territorial Income Exclusion, is attached to the tax return.
- (4) If Schedule N is present and has no entries, do **not** correspond.
- (5) If more than one Schedule N is attached, combine the information from all Schedules N, including all subsidiaries and:
  - a. Edit to the first Schedule N that has the EIN of the return being processed. "Staple up" any remaining Schedules N, or
  - b. Dummy and edit Schedule N, for the parent return if one is not present on a consolidated return.
- (6) See IRM 3.11.217.15.1(1), Sequence of Return - Form 1120-S, for the sequence order of Schedule N.

3.11.217.27.1  
(01-01-2022)

**Line 1a, Schedule N  
(Form 1120) - Form 8858,  
Information Return of  
U.S. Persons With  
Respect to Foreign  
Disregarded Entities  
(FDEs) and Foreign  
Branches (FBs)**

- (1) Form 8858 (Revision 12-2018), Information Return of U.S. Persons With Respect To Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs), must be filed by U.S. persons with respect to FDEs and FBs. Also, Form 8858 (Revision 12-2018) must be filed by U.S. persons with respect to FDEs and FBs owned by certain controlled foreign corporations or controlled foreign partnerships.
- (2) Edit Audit Code "2" if:
  - a. Schedule N (Form 1120), Question 1a is answered "Yes", or
  - b. Form 8858 is present.

3.11.217.27.2  
(01-01-2016)

**Line 2, Schedule N  
(Form 1120) - Number of  
Forms 8865**

- (1) No entry is required for Schedule N, Line 2 unless Form 8865 is present.
- (2) Edit Line 2 as follows:

If...	And...	Then...
A number is present for Schedule N, Line 2,		Take no further action.
Schedule N, Line 2 is blank,	Form(s) 8865 is attached,	Edit the number of Forms 8865 in the dotted line area of Line 2.
Form 8865 is attached,	Schedule N is not present,	Dummy a Schedule N and edit the number of Forms 8865 to Schedule N, Line 2.

- (3) Edit Audit Code "2" if Form 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, is attached. See IRM 3.11.217.13.1, Audit Codes.

3.11.217.27.3

(01-01-2016)

**Line 3, Schedule N  
(Form 1120) - Form 8865  
Question**

- (1) Edit Audit Code "2" if Schedule N (Form 1120), Question 3 is answered "Yes" or Form 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, is attached. See IRM 3.11.217.13.1, Audit Codes.

3.11.217.27.4

(01-01-2022)

**Lines 4a and 4b,  
Schedule N (Form 1120)-  
Form 5471, Controlled  
Foreign Corporation**

- (1) Line 4a is "Reserved for future use".
- a. For prior year returns (2020 and prior revisions), edit Audit Code "2" if Schedule N, Question 4a is answered "Yes".
- (2) Line 4b - Edit Audit Code "2" if Form 5471 is attached. See IRM 3.11.217.13.1, Audit Codes.
- (3) No entry is required for Schedule N, Line 4b unless Form 5471 is present.
- (4) Edit Line 4b as follows:

If...	And...	Then...
A number is present for Schedule N, Line 4b,		Take no further action.
Schedule N, Line 4b is blank,	Form(s) 5471 is attached,	Edit the number of Forms 5471 in the dotted line area of Line 4b. <b>Note:</b> Document Perfection is responsible for determining the number of all Form(s) 5471 received, whether attached to a parent return in a consolidated group or found as an attachment to a subsidiary return.
Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, is attached,	Schedule N is not present,	Dummy a Schedule N and edit the number of Forms 5471 to Schedule N, Line 4b.

3.11.217.27.5  
(01-01-2016)

**Line 5, Schedule N  
(Form 1120) - Form 3520  
Question**

- (1) Edit Audit Code "2" if Schedule N (Form 1120), Question 5 is answered "Yes".  
See IRM 3.11.217.13.1, Audit Codes.

3.11.217.27.6  
(01-01-2016)

**Line 6b, Schedule N  
(Form 1120) - Foreign  
Country Code**

- (1) Edit Schedule N (Form 1120), Line 6b as follows:

If...	And...	Then...
The taxpayer has entered the name of a Foreign Country in Line 6b,		Write the two letter Country Code to the left of Line 6b. See <b>Acceptable</b> Foreign Countries in Document 7475, State and Address Abbreviations, Major City Codes (MCCs), ZIP Codes and Countries.  <b>Exception:</b> Edit Other Country Code "OC" if the foreign country is not listed in Document 7475.  <b>Note:</b> Use "UK" for England, Northern Ireland, Scotland, and Wales. Also, "Holland" is not an official country name, but is part of The Netherlands.
<b>No</b> Foreign Country is present or "US", "USA", "America", or similar reference to the United States is present,	Question 6a is checked "Yes",	Edit Other Country Code, "OC".
More than one Foreign Country is present,		Edit the Country Code of the first Foreign Country shown.

3.11.217.27.7  
(01-01-2016)

**Line 7a, Schedule N  
(Form 1120) - Form 8873  
Question**

- (1) Edit Audit Code "2" if Schedule N (Form 1120), Question 7a is answered "Yes".  
See IRM 3.11.217.13.1, Audit Codes.

3.11.217.27.8  
(01-01-2022)

**Line 7b, Schedule N  
(Form 1120) - Number of  
Forms 8873**

- (1) No entry is required for Schedule N (Form 1120), Line 7b unless Form 8873, Extraterritorial Income Exclusion, is present.

**Note:** Input of Command Code (CC) REQ77 / FRM77 with IDRS Transaction Code (TC) "971" and correct IDRS Action Code (depending on which election was made) **may be needed** with the Form 8873. See IRM 3.11.217.29, Form 8873, Extraterritorial Income Exclusion.

- (2) Edit Line 7b as follows:

If...	And...	Then...
A number is present for Schedule N, Line 7b,	Form(s) 8873 is attached,	Process Form 8873, Extraterritorial Income Exclusion, per IRM 3.11.217.29, Form 8873, Extraterritorial Income Exclusion.
A number is present for Schedule N, Line 7b,	Form(s) 8873 are not attached,	Take no further action.
Schedule N, Line 7b is blank,	Form(s) 8873 is attached,	<ol style="list-style-type: none"> <li>Edit the number of Forms 8873 in the dotted line area of Line 7b.</li> <li>Process Form 8873 per IRM 3.11.217.29, Form 8873, Extraterritorial Income Exclusion.</li> </ol>
Form 8873 is attached,	Schedule N is not present,	<ol style="list-style-type: none"> <li>Dummy a Schedule N and edit the number of Forms 8873 to Line 7b of Schedule N.</li> <li>Process Form 8873 per IRM 3.11.217.29, Form 8873, Extraterritorial Income Exclusion.</li> </ol>

3.11.217.27.9  
(01-01-2022)

**Line 7c, Schedule N  
(Form 1120) - Total  
Extraterritorial Income  
Exclusion**

- (1) No entry is required for Schedule N (Form 1120), Line 7c unless Form 8873 is present.

- (2) Edit Line 7c as follows:

If...	And...	Then...
An amount is present for Schedule N, Line 7c,	Form 8873 is attached,	Process Form 8873 per IRM 3.11.217.29, Form 8873, Extraterritorial Income Exclusion.
An amount is present for Schedule N, Line 7c,	Form 8873 is not attached,	Take no further action.
Schedule N, Line 7c is blank,	Form(s) 8873 is attached,	<ol style="list-style-type: none"> <li>1. Compute the total amount of extra-territorial income exclusion from Line 52 and edit to the area provided on Line 7c.</li> <li>2. Process Form 8873 per IRM 3.11.217.29, Form 8873, Extraterritorial Income Exclusion.</li> </ol>
Form 8873 is present with a significant entry on Line 52. <b>Note:</b> A significant entry is defined as any amount other than zero.	Schedule N is not attached,	<ol style="list-style-type: none"> <li>1. Dummy a Schedule N and compute the total amount of extra-territorial income exclusion from all attached Forms 8873. Edit the total to the area provided on Schedule N, Line 7c.</li> <li>2. Process Form 8873 per IRM 3.11.217.29, Form 8873, Extraterritorial Income Exclusion.</li> </ol>

**Note:** Input of Command Code (CC) REQ77 / FRM77 with IDRS Transaction Code (TC) "971" and correct IDRS Action Code (depending on which election was made) **may be needed** with the Form 8873. See IRM 3.11.217.29, Form 8873, Extraterritorial Income Exclusion.

3.11.217.27.10  
(01-01-2025)

**Line 8, Schedule N  
(Form 1120) - Statement  
of Specified Foreign  
Financial Assets**

- (1) For Tax Year (TY) 202201 and later, Form 8938, Statement of Specified Foreign Financial Assets, will be transcribed into the General Purpose Programming (GPP) database. If Form 8938 is attached, see IRM 3.11.217.46, Form 8938, Statement of Specified Foreign Financial Assets, for more information.

3.11.217.28  
(01-01-2026)

**Form 8825, Rental Real  
Estate Income and  
Expenses of a  
Partnership or an S  
Corporation**

- (1) If Form 8825, Rental Real Estate Income and Expenses of a Partnership or an S Corporation, is attached to Form 1120-S, compute Line 20a (18a 2024 and prior), Total Gross Rents, when there are entries on Page 1, Lines 2a, 2b, or 2c (Line 2, 2024 and prior), Columns A through D or Page 2, Lines 2a, 2b, or 2c (Line 2, 2024 and prior), Columns E through H. Edit Form 8825 in **positive** amounts in **dollars only** as follows:
- (2) See IRM 3.11.217.15.1(1), Sequence of Return - Form 1120-S, for the sequence order of Form 8825.

If...	And...	Then...
Only one Form 8825 is attached,	Line 20a (18a 2024 and prior) is negative,	"X" the negative amount.
Only one Form 8825 is attached,	Line 20a (18a 2024 and prior) is blank,	Compute and enter a positive amount on Line 20a (18a 2024 and prior). See Figure 3.11.217-24, Example of Editing Form 8825.
Multiple Forms 8825 are attached,	Only one Form 8825 has an entry on Line 20a (18a 2024 and prior),	<ol style="list-style-type: none"> <li>1. Accept positive taxpayer entry ("X" negative amount).</li> <li>2. Place Form 8825 in sequence order if Line 20a (18a 2024 and prior) has a positive amount.</li> <li>3. "X" the remaining Form 8825.</li> </ol>



If...	And...	Then...
Multiple Forms 8825 are attached,	More than one Form 8825 has an entry on Line 20a (18a 2024 and prior) or Line 20a (18a 2024 and prior) is blank,	<ol style="list-style-type: none"><li>1. Add all Form 8825, Lines 2a, 2b, or 2c (Line 2, 2024 and prior) amounts together.</li><li>2. If positive, edit the amount(s) to Line 18a of the first Form 8825.</li><li>3. "X" the remaining Forms 8825.</li><li>4. Place edited Form 8825 in sequence order.</li></ol>

**Compute line 20a of Form 8825**

<b>Form 8825</b> (Rev. November 2025) Department of the Treasury Internal Revenue Service	<b>Rental Real Estate Income and Expenses of a Partnership or an S Corporation</b> Attach to Form 1065 or 1120-S. Go to <a href="http://www.irs.gov/Form8825">www.irs.gov/Form8825</a> for instructions and the latest information.	OMB No. 1545-0123		
Name <b>Oak, Hickory, and Birch PA</b>		Employer identification number <b>00-9914561</b>		
<b>1</b> Enter the address and type of each rental real estate property. For each rental real estate property listed, report the number of days rented at fair rental value and number of days of personal use. Attach page 2 to list additional properties. See instructions.				
(a)	(b)	(c)	(d)	(e)
Physical address of each property (street, city, state, ZIP code)	Type (Enter code 1-8; see page 2 for list.)	Type (Enter code A-I; see page 2 for list.)	Fair rental days	Personal-use days
<b>A</b>	<b>Office Bldg 410 Willow Ave</b>			
	<b>Los Angeles, CA 90052</b>			
<b>B</b>	<b>Office Space 450 Poplar Blvd</b>			
	<b>San Francisco, CA 94101</b>			
<b>C</b>	<b>Office Bldg 12458 Chestnut Way</b>			
	<b>Anaheim, CA, 92803</b>			
<b>D</b>				
Rental Real Estate Income		Properties		
2a	Gross rents	A	B	C
		12,500.00	10,000.00	2,500.00
b	Other income related to rental real estate activity	2b		
15	Reserved for future use	15		
16	Reserved for future use	16		
17	Other deductions (attach Schedule A (Form 8825))	17		
18	Total rental real estate expenses for each property. Add lines 3 through 17	18		
19	Income or (loss) from each rental real estate property. Subtract line 18 from line 2c	19		
20a	Total rental real estate income. Add total rental real estate income from line 2c. See instructions	20a	25000	
20b	Total rental real estate expenses. Add total rental real estate expenses from line 18. See instructions	20b		
21	Net gain (loss) from Form 4797, Part II, line 17, from the disposition of property from rental real estate activities	21		
22a	Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1)	22a		
22b	Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 22a. Attach a statement if more space is needed.	22b		
(1)	Name	(2)	Employer identification number	
23	Net rental real estate income (loss). Combine lines 20a through 22a. Enter the result here and on Schedule K, line 2, of Form 1065 or 1120-S	23		

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 10136Z Form 8825 (Rev. 11-2025)

Figure 3.11.217-24 Example of Editing Form 8825

3.11.217.29  
(01-01-2022)

**Form 8873,  
Extraterritorial Income  
Exclusion**

- (1) Document Perfection is responsible for processing Part I, Elections and Other Information of Form 8873. Elections are identified by inputting Command Code (CC) REQ77 / FRM77 with Transaction Code (TC) **971** and IDRS Action Code 361, 362, or 363 depending on which election was made.

**Note:** "Action Codes" referenced in the Form 8873 instructions are IDRS Action Codes, not to be confused with ERS Action Codes.

- (2) If Part I, Lines 1 through 3 of the Form 8873, are not checked, then no "TC 971" needs to be entered on IDRS.

3.11.217.29.1  
(01-01-2016)

**Form 8873, Line 1 -  
Section 942(a) (3)  
Election**

- (1) If the box is marked for Part 1, Line 1 of Form 8873, enter "TC 971" with IDRS Action Code 361. Use the current date for the Effective Date.

**Note:** Edit Action Trail (e.g., "TC 971-361" or similar language) in the lower left margin going vertically up the side of the return.

3.11.217.29

Internal Revenue Manual

Cat. No. 51221V (11-21-2025)  
Any line marked with a #  
is for **Official Use Only**

3.11.217.29.2

(01-01-2016)

**Form 8873, Line 2 -  
Extraterritorial Income  
Exclusion in Lieu of  
Election**

- (1) If the box is marked for Part I, Line 2 of Form 8873, enter "TC 971" with IDRS Action Code 362. Use the current date for the Effective Date.

**Note:** Edit Action Trail (e.g., "TC 971 - 362" or similar language) in the lower left margin going vertically up the side of the return.

3.11.217.29.3

(01-01-2016)

**Form 8873, Line 3 -  
Domestication Election**

- (1) If the box is marked for Part I, Line 3 of Form 8873, enter "TC 971" with IDRS Action Code 363. Use the current date for the Effective Date.

**Note:** Edit Action Trail (e.g., "TC 971 - 363" or similar language) in the lower left margin going vertically up the side of the return.

3.11.217.30

(01-01-2026)

**Schedule D (Form  
1120-S), Capital Gains  
and Losses and Built-in  
Gains**

- (1) Edit Schedule D, (Form 1120-S) Capital Gains and Losses and Built-in Gains:

If...	Then...
<p><b>All</b> of the following conditions apply:</p> <ol style="list-style-type: none"> <li>Form 1120-S is for 201212 tax year or later <b>and</b></li> <li>The Schedule D is a 2012 or later revision <b>and</b></li> <li>Significant entries are present on one or more of the transcription lines or checkbox is marked.</li> </ol> <p><b>Note:</b> A significant entry is defined as any amount other than zero.</p> <ul style="list-style-type: none"> <li>Transcription lines for <b>2019 and subsequent</b> are as follows:           <ul style="list-style-type: none"> <li>Checkbox above Part I, <b>Note:</b> Valid for tax periods ending 201712 and later.</li> <li>Part I, Line 1a, Columns (d) and (e),</li> <li>Part I, Lines 1b - 3, Columns (d), (e) and (g),</li> <li>Part 1, Line 5 (2025 and later)</li> <li>Part II, Lines 8a, Columns (d) and (e),</li> <li>Part II, Lines 8b - 10, Columns (d), (e) and (g),</li> <li>Part II, Line 13.</li> </ul> </li> <li>Transcription lines for <b>2018 through 2013</b> are as follows:           <ul style="list-style-type: none"> <li>Part I, Line 1a, Columns (d) and (e),</li> <li>Part I, Lines 1b - 3, Columns (d), (e), and (g)</li> <li>Part II, Lines 8a, Columns (d) and (e),</li> <li>Part II, Lines 8b - 10, Columns (d), (e), and (g),</li> <li>Line 13.</li> </ul> </li> </ul>	<ol style="list-style-type: none"> <li>Place Schedule D in sequence order.</li> <li>Edit Schedule D in dollars only.</li> <li>For 2013 and later Schedule D revisions:           <ul style="list-style-type: none"> <li>"X" any negative transcription entries, except the following: Lines 1b(g), 2(g), 3(g), 8b(g), 9(g), and 10(g). These lines can be positive or negative.</li> </ul> </li> <li>For 2012 Schedule D revisions:           <ul style="list-style-type: none"> <li>"X" any negative transcription entries.</li> <li>Change Page 1, Part I, Line 1 to Line 1b and,</li> <li>Change Page 1, Part II, Line 8 to Line 8b.</li> </ul> </li> </ol>
Criteria above is not met,	<p>Cross-out or slash Schedule D.</p> <p><b>Exception:</b> If Form 1120-S, Page 1, Line 23b (22b on prior form revisions) has a significant entry, do <b>not</b> cross-out or slash Schedule D. Continue processing the return.</p>

- (2) See IRM 3.11.217.15.1(1), Sequence of Return - Form 1120-S, for the sequence order of Schedule D.

3.11.217.31  
(01-01-2026)  
**Form 4797, Sales of  
Business Property**

(1) The following are transcribed from Form 4797, Sales of Business Property and no editing is required:

- a. Place Form 4797, Sales of Business Property, in sequence order if significant entries are present on the following lines. See IRM 3.11.217.15.1(1), Sequence of Return - Form 1120-S, for the sequence order of Form 4797.

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

**Note:** See IRM 3.11.217.16.3, Line 4 - Net Gain (Loss), for more information.

Line	Line Description	Valid Tax Year
1a	Gross Proceeds from Sales or Exchanges from Form(s) 1099-B or 1099-S	202501 and later
1b	Total Amount of Gain from Partial Dispositions of MACRS Assets	All Years
1c	Total Amount of Loss from Partial Dispositions of MACRS Assets	All Years
7	Total Gain or Loss Amount	202501 and later
8	Non-recaptured net Section 1231 Losses from Prior Years Amount	202501 and later
9	Total Gain Less Non-recapture Sect 1231 Losses Amount	202501 and later
17	Total Ordinary Gain or Loss Amount	202501 and later
18a	Form 4684 Part 3 Property Held Total Loss Amount	202501 and later
18b	Form 4797 Gain or Loss Minus F4684 Part 3 Property Held Total Loss Amount	202501 and later

3.11.217.32  
(01-01-2025)  
**Form 8949, Sales and  
Other Dispositions of  
Capital Assets**

- (1) Form 8949, Sales and other Dispositions of Capital Assets is valid for tax periods 201712 and later. See Figure 3.11.217-25, Example of Editing Form 8949.
- (2) If the taxpayer has entered a "Z" or "Y" in any of the rows in either Part I, Line 1, Column (f), or Part II, Line 1, Column (f), of Form 8949, then edit CCC "M".
- (3) If the taxpayer has entered a "Z" in any of the rows from **Part I, Line 1, Column (f)**, then edit Form 8949 as follows:
- a. Place Form 8949 in sequence order if significant entries are present. See IRM 3.11.217.15.1(1), Sequence of Return - Form 1120-S. If there is more than one Form 8949 attached, then sequence the Form 8949 with the Part I edited data first.

- b. Underline the EIN (Column (a)) from the first row with a "Z" present in Column (f) if EIN is present.
  - c. Underline the Date Acquired (Column (b)) from the first row with a "Z" present in Column (f) if the day, month, and year are present.
  - d. Underline the dollar amount (Column (g)) from the first row with a "Z" present in Column (f) if the money amount is present.
  - e. If the taxpayer has shown more than one row with a "Z" in Column (f), then edit "Z-1" to the right margin of Part I, Line 1 of Form 8949.
- (4) If the taxpayer has entered a "Y" in any of the rows from Part I, Line 1, Column (f), then edit the Form 8949 as follows:
- a. Place the form in sequence order. If there are more than one Form 8949 attached, then sequence the Form 8949 with the edited data.
  - b. Underline the EIN (Column (a)) from the first row with a "Y" in Column (f) if the EIN is present.
  - c. Underline the Date Sold or Disposed Of (Column (c)) from the first row with a "Y" in Column (f) if the Date Sold or Disposed Of is present.
  - d. Underline the dollar amount (Column (g)) from the first row with a "Y" in Column (f) if a money amount is present.
  - e. If the taxpayer has shown more than one row with a "Y" in Column (f), then edit "Y-1" to the right margin of Part I, Line 1, Row 1 of Form 8949.
  - f. If "Z-1" was edited, then edit "Y-1" under "Z-1".
- (5) If the taxpayer has entered a "Z" in any of the rows from Part II, Line 1, Column (f) then edit Form 8949 as follows:
- a. Place the form in sequence order. See IRM 3.11.217.15.1(1), Sequence of Return - Form 1120-S. If there is more than one Form 8949 attached, then sequence the Form 8949 with the Part I edited data first followed by the Part II edited data.
  - b. Underline the EIN (Column (a)) from the first row with a "Z" present in Column (f) if EIN is present.
  - c. Underline the Date Acquired (Column (b)) from the first row with a "Z" present in Column (f) if the day, month, and year are present.
  - d. Underline the dollar amount (Column (g)) from the first row with a "Z" present in Column (f) if a money amount is present.
  - e. If the taxpayer has shown more than one row with a "Z" in Column (f), then edit "Z-1" to the right margin of Part II, Line 1, Row 1 of Form 8949.
- (6) If the taxpayer has entered a "Y" in any of the rows from **Part II, Line 1, Column (f)**, then edit the Form 8949 as follows:
- a. Place the form in sequence order. If there are more than one Form 8949 attached, then sequence the Form 8949 with the Part I edited data first and then the Part II edited data.
  - b. Underline the EIN (Column (a)) from the first row with a "Y" in Column (f) if the EIN is present.
  - c. Underline the Date Sold or Disposed Of (Column (c)) from the first row with a "Y" in Column (f) if Date Sold or Disposed Of is present.
  - d. Underline the dollar amount (Column (g)) from the first row with a "Y" in Column (f) if money amount is present.
  - e. If the taxpayer has shown more than one row with a "Y" in Column (f), then edit "Y-1" to the right margin of Part II, Line 1, Row 1 of Form 8949.
  - f. If "Z-1" was edited, then edit "Y-1" under "Z-1".

**DRAFT**

Form **8949** Sales and Other Dispositions of Capital Assets

OMB No. 1545-0074

2025

Attachment Sequence No. 12A

Department of the Treasury  
Internal Revenue Service

File with your Schedule D to list your transactions for lines 1b, 2, 3 8b, 9, and 10 of Schedule D.  
Go to [www.irs.gov/Form8949](http://www.irs.gov/Form8949) for instructions and the latest information.

Name(s) shown on return **Spruce Holdings Co** Social security number or taxpayer identification number **00-0015487**

Before you check Box A, B, C, G, H, or I below, see whether you received any Form(s) 1099-B, Form(s) 1099-DA or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-E or Form 1099-DA. They will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.

**Part I Short-Term.** Transactions involving capital assets you held 1 year or less are generally short-term (see instructions). For long-term transactions, see page 2.

**Note:** You may aggregate all short-term transactions reported on Form(s) 1099-B and Form(s) 1099-DA showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 1a; you aren't required to report these transactions on Form 8949 (see instructions).

**You must check Box A, B, C, G, H, or I below. Check only one box.** If more than one box applies for your short-term transactions, complete a separate Form 8949, page 1, for each applicable box. If you have more short-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

☐ (A) Short-term transactions reported on Form(s) 1099-B showing basis **was** reported to the IRS (see **Note** above)

☐ (B) Short-term transactions reported on Form(s) 1099-B showing basis **was not** reported to the IRS

☒ (C) Short-term transactions, other than digital asset transactions, not reported to you on Form 1099-B or Form 1099-DA

☐ (G) Short-term transactions reported on Form(s) 1099-DA showing basis **was** reported to the IRS (see **Note** above)

☐ (H) Short-term transactions reported on Form(s) 1099-DA showing basis **was not** reported to the IRS

☐ (I) Short-term digital asset transactions not reported to you on Form 1099-DA or Form 1099-B

1	(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price) (see instructions)	(e) Cost or other basis See the <b>Note</b> below and see Column (e) in the separate instructions.	(f) Adjustment, if any, to gain or loss If you enter an amount in column (g), enter a code in column (f). See the separate instructions.		(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g).
						(f) Code(s) from instructions	(g) Amount of adjustment	
	<b>00-1210068</b>	<b>1/8/24</b>				<b>Z</b>	<b>(10,000)</b>	<b>Z-1</b>
	<b>00-5644121</b>	<b>4/1/24</b>				<b>Z</b>	<b>(25,000)</b>	

**DRAFT**

Form **1120-S** U.S. Income Tax Return for an S Corporation

OMB No. 1545-0123

2025

Department of the Treasury  
Internal Revenue Service

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.  
Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

For calendar year 2025 or tax year beginning , 2025, ending , 20

A S election effective date **06/03/1995** Name **Spruce Holdings Co** D Employer identification number **00-0015487**

B Business activity code number (see instructions) **546680** Number and street, if a P.O. box, see instructions. Room or suite no. **1066 S Elm** E Date incorporated **06/03/1995**

C Check if Sch. M-3 attached ☐ City or town **Dallas** State or province **TX** Country ZIP or foreign postal code **5.200** F Total assets (see instructions)

G Is the corporation electing to be an S corporation beginning with this tax year? See instructions. ☐ Yes ☐ No

H Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination

I Enter the number of shareholders who were shareholders during any part of the tax year **12**

J Check if corporation: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes

Caution: Include only trade or business income and expenses on lines 1a through 22. See the instructions for more information.

2 Totals. Add negative amounts to positive amounts. See instructions.	Income	1a	Gross receipts or sales	75.85	b	Less returns and allowances	c	Balance	1c	75.85
	2	Cost of goods sold (attach Form 1125-A)							2	
	3	Gross profit. Subtract line 2 from line 1c							3	75.85
	4	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)							4	
	5	Other income (loss) (see instructions—attach statement)							5	
	6	Total income (loss). Add lines 3 through 5							6	75.85
	7	Compensation of officers (see instructions—attach Form 1125-E)							7	
	8	Salaries and wages (less employment credits)							8	
	9	Other compensation (less employment credits)							9	

Note: If you check box B or box C, enter an adjustment to the total income (loss) on line 6.

For Paperwork Reduction Act

Figure 3.11.217-25 Example of Editing Form 8949

3.11.217.33  
(01-01-2022)  
**Form 8996, Qualified  
Opportunity Fund**

- (1) Form 8996, Qualified Opportunity Fund, is valid for tax periods ending 201712 and later. The table below compares Form 8996 line numbers based on the tax year of the return:

2021 and later	2020	2019	2018 and 2017
Line 5	Line 5	Line 5	N/A
Line 6	N/A	N/A	N/A
Line 7	Line 7	Line 6	Line 5
Line 8	Line 8	Line 7	Line 6
Line 10	Line 10	Line 9	Line 8
Line 11	Line 11	Line 10	Line 9
Line 14	Line 14	Line 13	Line 12
Line 15	Line 15	Line 14	Line 13

For prior year conversion instructions, see Exhibit 3.11.217-4, Form 8996 - Prior Year Conversion Chart.

- (2) Place Form 8996 in sequence order if significant entries are present on any of the lines listed in a through h below. See IRM 3.11.217.15.1(1), Sequence of Return - Form 1120-S, for the sequence order of Form 8996.

**Note:** Only Part III, Lines 14 and 15 require editing.

- a. Part I, Line 5 checkbox is marked.
- b. Part I, Line 6 - Reserved for future use.
- c. Part II, Line 7 - Total QOZ property held by the taxpayer on the last day of the first 6-month period of the taxpayer's tax year.
- d. Part II, Line 8 - Total assets held by the taxpayer on the last day of the first 6-month period of the taxpayer's tax year.
- e. Part II, Line 10 - Total QOZ property held by the taxpayer on the last day of the taxpayer's tax year.
- f. Part II, Line 11 - Total assets held by the taxpayer on the last day of the taxpayer's tax year.
- g. Part III, Line 14 - Perfect Line 14 as follows:
  - Edit the Line 14 percent in 0.00 format. For example, edit 50 percent as 0.50.
  - If the percent is greater than 1.00, "X" the percentage amount on Line 14. For example, if the percentage shown is 1.23.
- h. Part III, Line 15 - Perfect Line 15 as follows:
  - If Form 8996, Part III, Line 15 is blank and Part IV, Line 8 has an amount, edit Part IV, Line 8 to Part III, Line 15 in dollars cents.

- (3) If Form 8996, Qualified Opportunity Fund, is attached, then edit Return Processing Code (RPC) "6". See IRM 3.11.217.13.7 Return Processing Code (RPC), for more information.

**Note:** If Form 8996 is attached, then further editing may be needed on Form 1120-S, Schedule B, Line 15. See IRM 3.11.217.23.2(1). Form 8996 Qualified Opportunity Fund.



3.11.217.34  
(01-01-2025)  
**Form 1125-A, Cost of  
Goods Sold (Formerly  
Form 1120-S, Page 2,  
Schedule A)**

- (1) Place Form 1125-A, Cost of Goods Sold, in sequence order if entries are present on Line 1 or Line 7. See IRM 3.11.217.15.1, Sequence of Return - 1120-S.
- (2) Edit Form 1125-A in dollars only.
- (3) Form 1125-A Line 1 - Inventory at the beginning of the year. Accept taxpayer's entry. If Line 1 is blank, edit from the taxpayer's attachment (if present).
- (4) Form 1125-A Line 3 - Cost of labor. No specific editing is necessary, but an entry on this line is indicative of a Salary and Wage Code condition. See IRM 3.11.217.17.3, Salary and Wage Code.
- (5) Form 1125-A Line 7 - Inventory at the end of the year. Accept taxpayer's entry. If Line 7 is blank, edit from the taxpayer's attachment (if present).
- (6) Form 1125-A, **must** be dummied if missing **and** if Line 1 or Line 7 are able to be edited. Use instructions in (2) through (5) above to edit lines. Place dummy Form 1125-A in sequence order.

**Note:** If a negative entry is present on either of Line 1 or Line 7, "X" the amount.

Form 1120S (2010)

Page 2

**Schedule A** Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	250
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach statement)	4	
5	Other costs (attach statement)	5	
6	Total. Add lines 1 through 5	6	250
7	Inventory at end of year	7	100
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

9a Check all methods used for valuing closing inventory: ☐ (i) Cost as described in Regulations section 1.471-3  
☐ (ii) Lower of cost or market as described in Regulations section 1.471-4

Form **1125-A**  
(Rev. November 2024)  
Department of the Treasury  
Internal Revenue Service

**Cost of Goods Sold**  
Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.  
Go to [www.irs.gov/Form1125A](http://www.irs.gov/Form1125A) for the latest information.

OMB No. 1545-0123

Name

Employer identification number

1	Inventory at beginning of year	1	250
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	100
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2, or the appropriate line of your tax return. See instructions	8	

9a Check all methods used for valuing closing inventory. See instructions.  
(i) ☐ Cost  
(ii) ☐ Lower of cost or market  
(iii) ☐ Other (specify method used and attach explanation) \_\_\_\_\_  
For certain small business taxpayers, alternative methods of accounting for inventories:  
(iv) ☐ Non-incidental materials and supplies method  
(v) ☐ AFS method  
(vi) ☐ Non-AFS method

b Check if there was a writedown of subnormal goods ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐

Inventory method: \_\_\_\_\_ enter amount of \_\_\_\_\_ under LIFO. Total: \_\_\_\_\_

Figure 3.11.217-26 Example of Creating a “Dummy” Form 1125-A

(7) See IRM 3.11.217.15.1(1), Sequence of Return - Form 1120-S, for the sequence order of Form 1125-A.

3.11.217.35  
(01-01-2025)  
**Form 4136, Credit for  
Federal Tax Paid on  
Fuels**

(1) If Form 4136, Credit for Federal Tax Paid on Fuels, is missing and a significant entry is claimed on Form 1120-S, Page 1, Line 24c for a Fuel Tax Credit, correspond with the taxpayer for the missing Form 4136.

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

**Note:** 2022 and prior Form Revisions have Fuel Tax Credits listed on line 23c.

- (2) If a fuel credit claim is found on other than the correct line on the return, and Form 4136 is attached, adjust incorrect entry before editing Fuel Tax Credits.
- (3) Form 4136 needs to be placed in sequence order.
- (4) If Fuel Tax Credit is claimed on Page 1, Form 1120-S and Form 4136 is attached, perfect Column (d) as necessary. Column (d) must equal Line 17 of Form 4136. If perfection is not possible, correspond.

- (5) Code and Edit is **no longer required to renumber the lines on prior year Form 4136 to current year format**. Column (d), Amount of credit, is transcribed using the corresponding Credit Reference Number (CRN) in Column (e).
- (6) See IRM 3.11.217.15.1(1), Sequence of Return - Form 1120-S, for the sequence order of Form 4136.

3.11.217.36  
(01-01-2022)  
**Form 8913, Credit for  
Federal Telephone  
Excise Tax Paid Only  
Tax Return**

- (1) This credit was used for tax periods 200612 - 200711 when claiming credit on Form 8913, Credit for Federal Telephone Excise Tax Paid Only Tax Return. No editing is required.

3.11.217.37  
(01-01-2023)  
**Form 8941, Credit for  
Small Employer Health  
Insurance Premiums**

- (1) Place Form 8941, Credit for Small Employer Health Insurance Premiums, in sequence order if significant entries are present.

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

- (2) Significant entries are present on one or more of the transcription lines (T lines). Transcription lines are shown in the Transcription Line Table below.

Transcription Line	Description
A	Small Business Health Options Program (SHOP) Marketplace Box - Did you pay premiums during your tax year for employee health insurance coverage you provided through a Small Business health Options Program (SHOP) Marketplace (or do you qualify for an exception to this requirement)?
B	Employer Identification Number (EIN) - Enter the employer identification number (EIN) used to report employment taxes for individuals included on Line 1 below if different from the identifying number listed above.
C	Does a tax return you (or any predecessor) filed for a tax year beginning in 2014 include a Form 8941, Credit for Small Employer Health Insurance Premiums, with Line A checked "Yes" and Line 12 showing a positive amount?
1	Enter the number of individuals you employed during the tax year who are considered employees for purposes of this credit (total from Worksheet 1, Column (a)).
2	Enter the number of full-time equivalent employees (FTEs) you had for the tax year (from Worksheet 2, Line 3). If you entered 25 or more, skip Lines 3 through 11 and enter -0- on Line 12.

Transcription Line	Description
3	Average annual wages you paid for the tax year (from Worksheet 3, Line 3). This amount must be a multiple of \$1,000.
4	Premiums you paid during the tax year for employees included on Line 1 for health insurance coverage under a qualifying arrangement (total from Worksheet 4, Column (b)).
5	Premiums you would have entered on Line 4 if the total premium for each employee equaled the average premium for the small group market in which the employee enrolls in health insurance coverage (total from Worksheet 4, Column (c)).
10	Enter the total amount of any state premium subsidies paid and any state tax credits available to you for premiums included on Line 4 (see instructions).
13	If Line 12 is zero, skip Lines 13 and 14 and go to Line 15. Otherwise, enter the number of employees included on Line 1 for whom you paid premiums during the tax year for health insurance coverage under a qualifying arrangement (total from Worksheet 4, Column (a)).
14	Enter the number of FTEs you would have entered on Line 2 if you only included employees included on Line 13 (from Worksheet 7, Line 3).
15	Credit for small employer health insurance premiums from partnerships, S corporations, co-operatives, estates, and trusts (see instructions).
16	Add Lines 12 and 15. Cooperatives, estates, and trusts, go to Line 17. Tax-exempt small employers skip Lines 17 and 18 and go to Line 19. Partnerships and S corporations, stop here and report this amount on Schedule K. All others, stop here and report this amount on Form 3800, Part III, Line 4h.

- (3) For prior year Form 8941, Credit for Small Employer Health Insurance Premiums, revisions, if significant amounts/entries are present on Form 8941, see Form 8941 Prior Year Revision Table below.

Form 8941 Prior Year Revision	Action
2013	<ul style="list-style-type: none"> <li>Change Line 1a to Line 1</li> <li>Change Line 1b to Line B</li> </ul>

Form 8941 Prior Year Revision	Action
2012	<ul style="list-style-type: none"> <li>• Change Line 1a to Line 1</li> <li>• Change Line 1b to Line B</li> </ul>

See IRM 3.11.217.47 , Form 1120-S Prior Year Conversion Charts, for more prior year information.

- (4) See IRM 3.11.217.15.1(1), Sequence of Return - Form 1120-S, for the sequence order of Form 8941.

3.11.217.38  
(01-01-2023)  
**Form 5884-B, New Hire  
Retention Credit**

- (1) The status of Form 5884-B, New Hire Retention Credit, is historical and was valid March 19, 2010, to December 31, 2010 (Tax Periods 2010 and 2011).

3.11.217.39  
(01-01-2026)  
**Form 3800, General  
Business Credit**

- (1) Form 3800, General Business Credit, is valid for tax periods ending in 202301 and later. Part III, which may be attached to Form 1120-S, is transcribed to support the Elective payment election (EPE) on Line 24d.

**Note:** Line 1l, Form 8864 (diesel) columns (b), (f), and (g) is transcribed for Tax Period 202507 and later. If the tax period is before 202507 and data is present is on Line 1, columns (b), (f), or (g), then edit the data for non transcription.

- (2) Correspond with Letter 118C, if Form 3800, General Business Credit, is **not** 24d. Edit Action Code "211".

#  
#  
#  
#  
#  
#  
#

- (4) The followings lines are transcribed from Form 3800 Part III (Data will enter):

Form 3800, Part III and Line	Credit From	Form Title	Columns transcribed
Line 1b	Form 7207,	Advanced Manufacturing Production Credit	b, f, g, h, j
Line 1d	Form 3468, Part III	Investment Credit	b, f, g

Form 3800, Part III and Line	Credit From	Form Title	Columns transcribed
Line 1f	Form 8835, Part II	Renewable Electricity Pro- duction Credit	b, f, g
Line 1g	Form 7210	Clean Hydrogen Pro- duction Credit	b, f, g, h, j
Line 1l	Form 8864,	Biodiesel, Renewable Diesel, or Sus- tainable Aviation Fuels Credit	b, f, g
Line 1o	Form 3468, Part IV	Investment Credit	b, g, h, j
Line 1q	Form 7218, Part II	Clean Fuel Pro- duction Credit	b, f, g
Line 1s	Form 8911, Part I	Alternative Fuel Vehicle Refueling Property Credit	b, f, g
Line 1u	Form 7213, Part II	Nuclear Power Production Credit	b,f, g
Line 1v	Form 3468, Part V	Investment Credit	b, f, g
Line 1x	Form 8933	Carbon Oxide Sequestration Credit	b, f, g, h, j
Line 1aa	Form 8936, Part V	Clean Vehicle Credits	b, g
Line 1gg	Form 7211, Part II	Clean Electric- ity Production Credit	b, f, g
Line 4a	Form 3468, Part VI	Investment Credit	b, f, g
Line 4e	Form 8835, Part II	Renewable Electricity Pro- duction Credit	b, f, g

- (5) Edit indicator “1” in the bottom right margin of Form 3800, page 4, Part III when Form 3800, Part V, column b (Elective Payment or Transfer Registration Number) has significant data. See Figure 3.11.217-27, Example of Editing Form 3800, General Business Credit, Part V, Indicator below.

- (6) Correspond with Letter 118C, if Form 3800, General Business Credit, is **not** 24d. Edit Action Code "211".

#

**DRAFT**

**Form 3800**

Department of the Treasury  
Internal Revenue Service

**General Business Credit**

Go to [www.irs.gov/Form3800](http://www.irs.gov/Form3800) for instructions and the latest information.  
You must include all pages of Form 3800 with your return.

OMB No. 1545-0895

**2025**

Attachment Sequence No. **22**

**DRAFT**

Form 3800 (2025) Page **4**

**Part III** **Current Year General Business Credits (GBCs)** (see instructions). If there is more than one number applicable for column (b) or (c) for a line in Part III, enter the number of such items in column (a), complete Part V, and see instructions for what to report on that line in Part III. (continued)

Current year credits from:	(a) No. of items	(b) Elective payment or transfer registration number	(c) Pass-through or transferor credit entity EIN	(d) Credits subject to the passive activity limit, before application of the limit	(e) Credits not subject to the passive activity limits	(f) Credit transfer election amount (enter amounts transferred out as a negative amount)	(g) Combine columns (e) and (f) with the credit from column (d) allowed after the passive activity limit	(h) Gross elective payment election (EPE) amount	(i) Amount of column (g) applied against tax in Part II	(j) Net EPE amount. Enter the smaller of column (h) or column (g) minus column (i)
3 Form 8844										
4 Specified credits:										
a Form 3468, Part VI	1			1,523	4,555	975	5,530	2,098		2,098
b Form 5884										
c Form 6478										
d Form 8586										
e Form 8835, Part II										
f Form 8846										
g Form 8900										
h Form 8941										
i Form 6765 (ESB)										
j Form 8994										
k Form 3468, Part VII										
l Reserved										
m Reserved										
n Other specified credits										
5 Add lines 4a-4z										
6 Add lines 2, 3, and 5										

Form **3800** (2025) 1

**DRAFT**

Form 3800 (2025) Page **8**

**Part V** **Breakdown of Aggregate Amounts on Part III for Facility-by-Facility, Multiple Pass-Through Entities, etc.**

(a) Part III line number	(b) Elective payment or transfer registration number	(c) EIN		Credits subject to the passive activity limit				Not subject to the limit	
		(c)(1) Pass-through entity EIN	(c)(2) Transferor entity EIN	Before applying the limit			(d)(4) Credits from columns (d)(1) less column (d)(2) and (d)(3) allowed after limit	(e) Credits other than transfer election credits	(f)(1) Transfer election credits sold
				(d)(1) Credits other than credit transfer election credits	(d)(2) Credit transfer election credits sold	(d)(3) Credit transfer election credits purchased			
1 4a	0001234567	00-7412003		2,971	( 560 )	975	1,436	2,098	( 3,995 )
2					( )				( )
3					( )				( )
4					( )				( )
5					( )				( )
6					( )				( )
7					( )				( )
8					( )				( )
9					( )				( )
10					( )				( )
11					( )				( )
12					( )				( )

**Figure 3.11.217-27 Example of Editing Form 3800, General Business Credit, Part V, Indicator**

- (7) For prior year conversion instructions, see Exhibit 3.11.217-9, Form 3800 - Prior Year Revisions Comparison Chart.

3.11.217.40  
(01-01-2022)

**Form 8997, Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments**

- (1) Form 8997, Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments, is valid for tax periods ending 201901 and later.
- (2) Place Form 8997 in sequence order if the form is attached and significant entries are present in any of Parts I, II, III or IV.
- (3) No editing is required except for the indicator in Parts I, II, III or IV. Transcription is from Row 1 of each part.
- (4) Part I - Total QOF Investment Holdings due to Deferrals Prior to Beginning of Tax Year (Row 1).
  - a. Column a - QOF EIN.
  - b. Column b - Date QOF Investment acquired.
  - c. Column d - Special gain code.
  - d. Column e - Amount of short-term deferred gain remaining in QOF.
  - e. Column f - Amount of long-term deferred gain remaining in QOF.
  - f. Part I Indicator - If more than one row of tax data is present in Part I, edit "1" in the right margin of Part I, row 1.
  - g. Line 2, Column e - total amount.
  - h. Line 2, Column f - total amount.
- (5) Part II - Current Tax Year Capital Gains Deferred by Investing in QOF (Row 1).
  - a. Column a - QOF EIN.
  - b. Column b - Date QOF investment acquired.
  - c. Column d - Special gain code.
  - d. Column e - Amount of short-term deferred gain remaining in QOF.
  - e. Column f - Amount of long-term deferred gain remaining in QOF.
  - f. Part II Indicator - If more than one row of tax data is present in Part II, edit "1" in the right margin of Part II, Row 1.
  - g. Line 2, Column e - total amount.
  - h. Line 2, Column f - total amount.
- (6) Part III - Inclusion Events and Certain Other Transfers During the Current Tax Year (Row 1).
  - a. Column a - QOF EIN.
  - b. Column b - Date of event.
  - c. Column d - Special gain code.
  - d. Column e - Amount of previously deferred short-term gain now included in taxable income.
  - e. Column f - Amount of previously deferred long-term gain now included in taxable income.
  - f. Part III Indicator - If more than one row of tax data is present in Part III, edit "1" in the right margin of Part III, row 1.
  - g. Line 2, Column e - total amount.
  - h. Line 2, Column f - total amount.
- (7) Part IV - Total QOF Investments Due to Deferrals at Year End (Row 1).
  - a. Column a - QOF EIN.
  - b. Column b - Date QOF Investment acquired.
  - c. Column d - Special gain code.
  - d. Column e - Amount of short-term deferred gain invested in QOF.
  - e. Column f - Amount of long-term deferred gain invested in QOF.



- f. Part IV Indicator - If more than one row of tax data is present in Part IV, edit "1" in the right margin of Part IV, row 1.
- g. Line 2, Column e total amount.
- h. Line 2, Column f total amount.

- (8) If Form 8997, Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments, is attached, edit Return Processing Code (RPC) "9". See IRM 3.11.217.13.7, Return Processing Code (RPC), for more information.

3.11.217.41  
(01-01-2026)

**Form 8283, Noncash  
Charitable Contributions**

- (1) Form 8283, Noncash Charitable Contributions is valid for transcription for Tax Periods ending 201901 and later when data is present on any of the following lines.

**Note:** See IRM 3.11.217.15.1(1), Sequence of Return - Form 1120-S, for the sequence order of Form 8283.

Line	Line Description
2	Information on Donated Property Type Check boxes
3A(c)	Donated Property Appraised Fair Market Value
3A(d)	Donated Property Date Acquired by Donor
3A(f)	Donated Property Donor's Cost or Adjusted Basis
Part IV	Appraiser Signature Indicator
Part IV	Appraiser Identifying Number
Part V	Qualified Organization Property Received Date
Part V	Charitable Organization Employer Identification Number
Part V	Charitable Organization Authorized Signature Indicator
Part V, Lower right corner pg. 2.	Multiple Form 8283 Attached

- (2) Tax Period ending 201812 and prior - Form 8283 is not valid for transcription. Do not put Form 8283 in sequence order.
- (3) Form 8283, Noncash Charitable Contributions is required to be attached to the return if a deduction over \$500 is claimed on Line 12b, Schedule K. Correspond if Form 8283 is not attached.
- (4) If multiple Form 8283 is attached, edit a 1 on page 2, of Form 8283, Part V, lower right corner.

3.11.217.42  
(01-01-2023)

**Form 6252, Installment  
Sale Income**

- (1) Form 6252, Installment Sale Income, is valid for tax periods ending in 201712 and later.
- (2) Only one Form 6252 can be processed. If multiple forms are attached, process the first one with significant transcription entries and delete the others.

**Caution:** Multiple Forms 6252 must be used to determine the Installment Sale Indicator.

- (3) Place Form 6252 in sequence order if entries are present on any of the transcription lines listed below. See IRM 3.11.217.15.1(1), Sequence of Return - Form 1120-S, for the sequence order of Form 6252.

**Note:** Part II, Line 19 is the only line that requires editing, however, an Installment Sale Indicator must be determined from Line 3. See IRM 3.11.217.13.3, Installment Sale Indicator.

- Line 1 - Description of Property
  - Line 2a - Date acquired.
  - Line 2b - Date sold.
  - Line 3 - Was the property sold to a related party?
  - Part I, Line 7 - Subtract Line 6 from Line 5.
  - Part II, line 19 - Gross Profit Percentage.
  - Part II, Line 21 - Payments received during year.
  - Part II, Line 23 - Payments received in prior years.
- (4) **Line 1 - Description of Property** - Taxpayer may enter a code and a description of installment sale property as described in the table below. No editing is required.

Indicator	Description of property
1	Sale property is Timeshare or residential lot
2	Sale by an individual of personal use property (within the meaning of Section 1275(b)(3))
3	Sale of any property used or produced in the trade or business of farming (within the meaning of Section 2032A(e)(4) or (5))
4	Other - All other installment sales not listed

- (5) **Line 3 - Was the property sold to a related party?** - Information is used to determine the Installment Sale Indicator - Edit **3** - followed by the appropriate Installment Sale Indicator code in the left margin of Form 1120-S, Page 1, near line 9 when Form 6252 is present (e.g., **3 - 1**). Valid Installment Indicator codes are as follows:

Code	One Form 6252	More than one Form 6252
1	"Yes" response to Question 3,	At least one form has a "Yes" response.

Code	One Form 6252	More than one Form 6252
2	"No" response to Question 3,	All "No" responses, or a combination of "No" and/or blank responses.
3	"Yes" and "No" are checked or Question 3 is blank,	Question 3 is blank on all forms.

- (6) **Part II, line 19 - Gross Profit Percentage** - If Line 19 is not in 0.0000 format, edit the percentage as follows:

Taxpayer's Entry	Edit
50 percent	0.5000
.123	0.1230
.12345	0.1234

**Note:** ISRP will only transcribe four digits after the decimal. If more than four digits are present, e.g., 0.123456, it is not necessary to delete the extra digits. If the percent is greater than 1.00, X the percentage amount on Line 19. For example, the percentage is 1.2300 or 1.23 percent.

- (7) See IRM 3.11.217.13.3, Installment Sale Indicator, for more information.

3.11.217.43  
(01-01-2026)

**Form 8936, Schedule A-  
Clean Vehicle Credit  
Amount (202301 and  
later)**

- (1) Sequence up to two Form 8936, *Schedule As*. See IRM 3.11.217.15.1, Sequence of Return - Form 1120-S, for more information.
- (2) The following lines will be transcribed from the first two Form 8936, Schedule As attached.
- Part I, Line 2, Vehicle identification number (VIN)
  - Part I, Line 3, Placed in service date
  - Part II, Line 9, Tentative credit amount
  - Part II, Line 11, Credit amount for business use of new clean vehicle
  - Part IV, Line 17, Smaller of line 15 or line 16
  - Part V, Line 26, Smaller of line 24 or line 25
- (3) If more than two Forms 8936, Schedule A are attached, edit an indicator of "1" on page 3 of the second Form 8936, Schedule A in the bottom right margin. See Figure 3.11.217-28

**Figure 3.11.217-28 Example of Editing Form 8936, Schedule A, Indicator**

#

Cat. No. 51221V (11-21-2025)  
Any line marked with a #  
is for **Official Use Only**

3.11.217.44  
(01-01-2025)  
**Form 4255, Certain  
Credit Recapture,  
Excessive Payments,  
and Penalties**

- (1) Form 4255, Certain Credit Recapture, Excessive Payments, and Penalties, is valid for tax period ending 202401 and later.
- (2) Place Form 4255 in sequence order if the form is attached and significant entries are present in Part I, columns (s) or (t). See IRM 3.11.217.15.1, Sequence of Return - Form 1120-S, for the sequence order of Form 4255.
- (3) No editing is required. The following lines will be transcribed from Form 4255.
  - Part I, line 1a, column (s) - Form 7207, Recapture of Net EPE and 100% Excessive payment. Add columns (l) and (n).
  - Part I, line 1a, column (t) - Form 7207, 20% Excessive payment, Prevailing wage, and apprenticeship penalties. Add columns (o) and (p).
  - Part 1, line 1c, column (s) - Form 7210, Recapture of Net EPE and 100% Excessive payment. Add columns (l) and (n).
  - Part 1, line 1c, column (t) - Form 7210, 20% Excessive payment, Prevailing wage, and apprenticeship penalties. Add columns (o) and (p).
  - Part I, line 1d, column (s) - Form 3468, Part IV, Recapture of Net EPE and 100% Excessive payment. Add columns (l) and (n).
  - Part I, line 1d, column (t) - Form 3468, Part IV, 20% Excessive payment, Prevailing wage, and apprenticeship penalties. Add columns (o) and (p).
  - Part 1, line 2a, column (s) - Form 8933, Recapture of Net EPE and 100% Excessive payment. Add columns (l) and (n).
  - Part I, line 2a, column (t) - Form 8933, 20% Excessive payment, Prevailing wage, and apprenticeship penalties. Add columns (o) and (p).

3.11.217.45  
(01-01-2026)  
**Schedule K-1,  
Shareholder's Share of  
Income, Deductions,  
Credits, etc.**

- (1) All Form 1120-S filers must complete and file Schedule K-1, Shareholder's Share of Income, Deductions, Credits, etc., and attach it to the Form 1120-S. If no Schedules K-1 are attached, follow the procedures listed below:

**Note:** Detach Schedules K-1 for current year (TY2024), two preceding years (TY2023 and TY2022), and future Schedules K-1.

#  
#

- (2) Do **not** correspond for Schedule K-1 if:
  - Section 965 Returns - See IRM 3.11.217.2.11, Section 965 Returns (201712 through 202012), for more information.
  - Form 1120-S is a TY2021 and prior tax period.
  - Form 1120-S, Line 22 (line 21 on Form 1120-S 2022 form revision and
  - There are attachments to the return in a standard format which may be used as a Schedule K-1.
  - Re-entry return (Form 13596, Reprocessing Returns or Form 3893, Re-Entry Document Control, is attached to return).
  - Amended (CCC "G") return.
  - IRC 6020(b) return
  - Examination Secured "Substitute for Return" (SFR) returns.
  - There are no entries on Form 1120-S, Lines 1 through 22 (line 21 on Form 1120-S 2022 revision).
  - Form 1120-S has a Form 4251, Return Charge-Out, attached and is being processed as an original return

#  
#

- Payee is a foreign entity.
- (3) When correspondence with the taxpayer is required, see IRM 3.11.217.3.4.2, Issuing Correspondence.
- (4) If Schedule K-1, Line 15\*, Alternative minimum tax (AMT) items, has an  
the left margin near Line 9 (Deductions area) of Form 1120-S. See IRM 3.11.217.13.4, Tax Preference Code. #
- (5) Form 1120-S, Schedule K-1, Box 10 (with code F), Box 12 (with code K), and Box 14 (with code U) may show a Section 965 return. See IRM 3.11.217.2.11, Section 965 Returns (201712 through 202012), for more information. #  
#
- (7) See IRM 3.0.101, Schedule K-1 Processing, for complete instructions to edit and process Schedules K-1.
- (8) See IRM 3.11.217.15.1, Sequence of Return - Form 1120-S, for the sequence order of Schedule K-1.

3.11.217.46  
(01-01-2025)

**Form 8938, Statement of Specified Foreign Financial Assets**

- (1) For Tax Year (TY) 202201 and later, Form 8938, Statement of Specified Foreign Financial Assets, will be transcribed into the General Purpose Programming (GPP) database.
- (2) Process Form 8938 with the following criteria:
  - a. The Tax Period Beginning on Form 1120-S is 202201 or later, and
  - b. Form 8938 is a 2021 revision, and
  - c. Form 8938 has significant entries.

**Note:** A significant entry is defined as any amount other than zero.
- (3) If Form 8938 is attached, but does not meet the criteria in paragraph (2), edit CCC "2" and continue normal processing of the Form 1120-S. Do **not** sequence the form to the back of the return or place the form in a designated basket.
- (4) If the return meets the criteria in paragraph (2), process Form 8938 per the instructions below:
  - a. Completely edit Form 1120-S.
  - b. Edit CCC "2".
  - c. Detach Schedules K-1.
  - d. Pull the Form 8938 from the return and sequence to the back of the last page of Form 1120-S (after schedules and attachment pages), attaching the Form 8938 so that it is back- to- back with the parent return.
  - e. Place the Form 1120-S in a designated basket.
  - f. Only one Form 8938, Pages 1 and 2, can be processed. If multiple Forms 8938 are attached, select the form that has the highest account value in Part V, Line 23; or highest asset value in Part VI, Line 32, and delete the others.

**Note:** The Form 8938 can have multiple "Additional or Continuation Statements". Do not confuse the multiple additional or continuation statements with multiple Form 8938.

- (5) Form 1120-S with Form 8938 attached must be batched separately. The transcription of Form 8938 occurs under Program Code 43300 after the parent Form 1120-S is transcribed.
- (6) See IRM 3.11.217.15.1(1), Sequence of Return - Form 1120-S, for the sequence order of Form 8938.

3.11.217.47  
(01-01-2026)  
**Form 1120-S Prior Year  
Conversion Charts**

- (1) The following charts show information for converting Form 1120-S, U.S. Income Tax Return for an S Corporation (and other applicable forms and schedules) to the current year form (and schedule).
- (2) **Form 1120-S 2022 - 2017 Revision Conversion:**

Line Name	2022-2021 Line	2020-2018 Line	2017 Line	Edit as Line
Other Deduction	19	19	19	20
Total Deduction	20	20	20	21
Ordinary Business Income (Loss)	21	21	21	22
Schedule D Tax (Form 1120-S)	22b	22b	22b	23b
Lines 22a and 23b Combined Total	22c	22c	22c	23c
Estimated Tax Payments	23a	23a	23a	24a
Tax Deposit Form 7004	23b	23b	23b	24b
Federal Taxes Paid on Fuels (Form 4136)	23c	23c	23c	24c
Total Payments	23d	23e	23d	24Z
Estimated Tax Penalty	24	24	24	25
Amount Owed	25	25	25	26
Overpayment	26	26	26	27
Credited Estimated Tax Payments	27	27	27	28

- (3) **Schedule D (Form 1120-S) 2012 Revision Conversion:**

Line Name	2012	Edit as Line
Short-term totals from all Forms 8949 with box A checked in Part I	1	1b

Line Name	2012	Edit as Line
Long-term totals from all Forms 8949 with box A checked in Part I	8	8b

(4) **Form 8996 2022 - 2017 Revision Conversion:**

Line Name	2020 Line	2019 - 2018 Line	Edit as Line
Total qualified opportunity zone property Held Last Day First 6-month	6	5	7
Total assets held Last Day of First 6-month	7	6	8
Total qualified opportunity zone property held last day of tax year	9	8	10
Total assets held by the taxpayer on the last day of tax year	10	9	11
Divide line 12 by 2.0	13	12	14
Is line 13 equal to or more than 0.	14	13	15

(5) **Form 8941 2013 - 2012 Revision Conversion:**

Line Name	2013-2012	Edit as Line
Number of individuals you employed during the tax year	1a	1
Employer identification number EIN	1b	B

(6) **Form 3800 2023 Revision Conversion** - If an amount is present on Form 8300, Part III for any of the line listed below, then edit columns as follows:

Form/Line Number	Edit as Line
Form 7207, Line 1b,	<ul style="list-style-type: none"> <li>Change column (g) to (f)</li> <li>Change column (i) to (j)</li> <li>Change column (j) to column (g)</li> </ul>
Form 3468, Part III, Line 1d	<ul style="list-style-type: none"> <li>Change column (g) to (f)</li> <li>Change column (j) to (g)</li> </ul>
Form 8835, Part II, Line 1f	<ul style="list-style-type: none"> <li>Change column (g) to (f)</li> <li>Change column (j) to (g)</li> </ul>



Form/Line Number	Edit as Line
Form 7210, Line 1g	<ul style="list-style-type: none"><li>• Change column (g) to (f)</li><li>• Change column (i) to (j)</li><li>• Change column (j) to (g)</li></ul>
Form 3468, Part IV, Line 1o	<ul style="list-style-type: none"><li>• Change column (i) to (j)</li><li>• Change column (j) to (g)</li></ul>
Form 8911, Part I, Line 1s	<ul style="list-style-type: none"><li>• Change column (g) to (f)</li><li>• Change column (j) to (g)</li></ul>
Form 7213, Part II, Line 1u	<ul style="list-style-type: none"><li>• Change column (g) to (f)</li><li>• Change column (j) to (g)</li></ul>
Form 8933, Line 1x	<ul style="list-style-type: none"><li>• Change column (g) to (f)</li><li>• Change column (i) to (j)</li><li>• Change column (j) to (g)</li></ul>
Form 8936, Part V, Line 1aa	<ul style="list-style-type: none"><li>• Change column (j) to (g)</li></ul>
Form 3468, Part VI, Line 4a	<ul style="list-style-type: none"><li>• Change column (g) to (f)</li><li>• Change column (j) to (g)</li></ul>
Form 8835, Part II, Line 4e	<ul style="list-style-type: none"><li>• Change column (g) to (f)</li><li>• Change column (j) to (g)</li></ul>

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**Exhibit 3.11.217-1 (04-24-2024)****Acronyms and Abbreviations**

The table below lists commonly used acronyms, abbreviations, and their definitions.

<b>Acronyms and Abbreviations</b>	<b>Definition</b>
ACA	Affordable Care Act
ADP	Automatic Data Processing
AM	Accounts Management
AMRH	Accounts Maintenance Research
APO	Army Post Office
AUR	Automated Underreporter
BBTS	Batch Block Tracking System
BMF	Business Master File
c/o	Care of
C&E	Code and Edit
CAS	Correspondence Action Sheet
CBR	Case Base Reasoning
CCC	Computer Condition Code
CDP	Collection Due Process
CFR	Code of Federal Regulations
CI	Criminal Investigation
CII	Correspondence Imaging Inventory
CP	Computer Paragraph
CSCO	Compliance Services Collection Operations
DLN	Document Locator Number
DPO	Diplomatic Post Office
DPO	Document Perfection Operation
EEFax	Enterprise Electronic Fax
E-File	Electronic Filing
e.g.	For Example
EIN	Employer Identification Number
EQSP	Embedded Quality Submission Processing
EOCU	EO Compliance Unit
ERS	Error Resolution System

**Exhibit 3.11.217-1 (Cont. 1) (04-24-2024)**  
**Acronyms and Abbreviations**

<b>Acronyms and Abbreviations</b>	<b>Definition</b>
etc.	Et Cetera
Exam	Examination
FATCA	Foreign Account Tax Compliance Act
Fax	Facsimile
FB	Foreign Branches
FDE	Foreign Disregarded Entities
FedEx	Federal Express Corporation
FPO	Fleet Post Office
FRP	Frivolous Return Program
FTF	Failure To File
FTP	Failure To Pay
GILTI	Global Intangible Low-Taxed Income
GPP	General Purpose Programming
HIRE	Hiring Incentives to Restore Employment
http	Hyper Text Transfer (or Transport) Protocol
ICS	Integrated Collection System
ICT	Image Control Team
ID	Identification or Identity
IDRS	Integrated Data Retrieval System
IMF	Individual Master File
IPU	IRM Procedural Update
IRC	Internal Revenue Code
IRS	Internal Revenue Service
ISRP	Integrated Submission and Remittance Processing
IT	Information Technology
KCSPC	Kansas City Submission Processing Campus or Kansas City Submission Processing Center
LB&I	Large Business and International
MeF	Modernized E-file
MFT	Master File Tax
MMDDYY	Month, Day, Year

**Exhibit 3.11.217-1 (Cont. 2) (04-24-2024)****Acronyms and Abbreviations**

<b>Acronyms and Abbreviations</b>	<b>Definition</b>
NAICS	North American Industry Classification System
N/A	Not Applicable
NDC	National Distribution Center
OC	Other Country
OID	Original Issue Discount
OMB	Office of Management and Budget
OSPC	Ogden Submission Processing Campus or Ogden Submission Processing Center
PBA	Principal Business Activity
PDS	Private Delivery Service
P.L.	Public Law
PTIN	Preparer Tax Identification Number
POA	Power of Attorney
P.O.	Post Office
QSSS	Qualified Subchapter S Subsidiary
R&C	Receipt and Control
RD	Return Delinquency
Rev. Proc.	Revenue Procedure
RICS	Return Integrity and Compliance Services
RO	Revenue officer
RPC	Return Processing Code
RRA98	Restructuring and Reform Act of 1998
SBSE	Small Business Self-Employed
SCAMPS	Service Center Automated Mail Processing System
SCRIPS	Service Center Recognition Image Processing System
SERP	Servicewide Electronic Research Program
SFR	Substitute for Return
SLA	Service Level Agreement
SME	Subject Matter Expert
SOI	Statistics of Income

**Exhibit 3.11.217-1 (Cont. 3) (04-24-2024)****Acronyms and Abbreviations**

<b>Acronyms and Abbreviations</b>	<b>Definition</b>
SP	Submission Processing
SPDC	Submission Processing Design Center
SSN	Social Security Number
TAC	Taxpayer Assistance Center
TAS	Taxpayer Advocate Service
TBOR	Taxpayer Bill of Rights
TC	Transaction Code
TCJA	Tax Cuts and Jobs Act of 2017
TE	Tax Examiner
TEGE	Tax Exempt and Government Entities
TETR	Telephone Excise Tax Refund
TIN	Taxpayer Identification Number
TP	Taxpayer
TPE	Tax Period Ending
TRPRT	Tax Return Print
TS	Taxpayer Services <b>Note:</b> April 2024, Wage and Investment (W&I) changed to Taxpayer Services.
TY	Tax Year
U.S.	United States
UCC	Uniform Commercial Code
UPS	United Parcel Service
USC	United States Code
USPS	United States Postal Service
UWR	Unified Work Request
ZIP	Zoning Improvement Plan

**Note:** The above list may not be all-inclusive.

**Exhibit 3.11.217-2 (01-01-2026)****Due Date Chart**

<b>Tax Period</b>	<b>Return Due Date (weekends and holidays considered)</b>		<b>Extended Due Date - 6 months (weekends and holidays considered)</b>	<b>#</b>
Jan. 2024	4-16-2024		10-15-2024	#
Feb. 2024	5-15-2024		11-15-2024	#
Mar. 2024	6-17-2024		12-16-2024	#
Apr. 2024	7-15-2024		1-15-2025	#
May 2024	8-15-2024		2-18-2025	#
Jun. 2024	9-16-2024		3-17-2025	#
Jul. 2024	10-15-2024		4-15-2025	#
Aug. 2024	11-15-2024		5-15-2025	#
Sept. 2024	12-16-2024		6-16-2025	#
Oct. 2024	1-15-2025		7-15-2025	#
Nov. 2024	2-18-2025		8-15-2025	#
Dec. 2024	3-17-2025		9-15-2025	#
Jan. 2025	4-15-2025		10-15-2025	#
Feb. 2025	5-15-2025		11-17-2025	#
Mar. 2025	6-16-2025		12-15-2025	#
Apr. 2025	7-15-2025		1-15-2026	#
May 2025	8-15-2025		2-17-2026	#
June 2025	9-15-2025		3-16-2026	#
July 2025	10-15-2025		4-15-2026	#
Aug. 2025	11-17-2025		5-15-2026	#
Sep. 2025	12-15-2025		6-15-2026	#
Oct. 2025	1-15-2026		7-15-2026	#
Nov. 2025	2-17-2026		8-17-2026	#
Dec. 2025	3-16-2026		9-15-2026	#
Jan. 2026	4-15-2026		10-15-2026	#
Feb. 2026	5-15-2026		11-16-2026	#
Mar. 2026	6-16-2026		12-15-2026	#
Apr. 2026	7-15-2026		1-15-2027	#
May 2026	8-17-2026		2-16-2027	#

**Exhibit 3.11.217-2 (Cont. 1) (01-01-2026)****Due Date Chart**

<b>Tax Period</b>	<b>Return Due Date (weekends and holidays considered)</b>		<b>Extended Due Date - 6 months (weekends and holidays considered)</b>	#
June 2026	9-15-2026		3-15-2027	#
July 2026	10-15-2026		4-15-2027	#
Aug. 2026	11-16-2026		5-17-2027	#
Sep. 2026	12-15-2026		6-15-2027	#
Oct. 2026	1-15-2027		7-15-2027	#
Nov. 2026	2-15-2027		8-16-2027	#
Dec. 2026	3-15-2027		9-15-2027	#



**Exhibit 3.11.217-3 (01-01-2026)****Routing Guide for Attachments**

- a. Review all attachments to the return before the return can be considered processable.
  - b. 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".
- c. Edit Action Trail(s) (e.g., **2848 detached** or similar language) in the lower left margin going vertically up the side of the return.
  - d. 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.
  - e. Follow general guidelines below for each attachment:

Form/Document	Detach	Descriptions/Action
Adjustment - Request for Adjustment to another document	Yes	<ul style="list-style-type: none"> <li>Route to appropriate function.</li> <li>Attachment must contain Name, Address, EIN, and Received Date. Edit if missing.</li> </ul>
IRC 965, Transition Tax Statement (or similar 965 statement) <b>Note:</b> Additional Form 965 series below.	No	<ul style="list-style-type: none"> <li>Edit Computer Condition Code "J" <b>and</b> Action Code 460 (Management Suspense) on the return and continue processing.  <b>Caution:</b> Do <b>not</b> correspond on Section 965 Returns. ERS will take care of any correspondence needed.</li> <li>See IRM 3.11.217.2.11, Section 965 Returns (201712 through 202012), for more information.</li> <li>See IRM 3.11.217.3.1, Action Codes, for more information.</li> <li>See IRM 3.11.217.14.7, CCC "J" - Section 965 Tax, for more information.</li> <li>See IRM 3.11.217.24.3, Schedule K, Line 10 - Other Income (Loss), for more information.</li> <li>See IRM 3.11.217.24.4, Schedule K, Line 12d - Other Deductions, for more information.</li> <li>See IRM 3.11.217.24.11, Schedule K, Line 14r - Other Foreign Tax Information, for more information.</li> <li>See IRM 3.11.217.24.13, Schedule K, Line 17d - Other items and amounts, for more information.</li> <li>See IRM 3.0.101, Schedule K-1 Processing, for complete instructions to edit and process Schedule K-1.</li> </ul>

**Exhibit 3.11.217-3 (Cont. 1) (01-01-2026)****Routing Guide for Attachments**

<b>Form/Document</b>	<b>Detach</b>	<b>Descriptions/Action</b>
CP 259, CP 959, (Spanish version) Master File Generated 1st TDI Notice <b>Note:</b> Do not route to Statute Control Unit for clearance. See IRM 3.11.217.3.7, Statute Returns, for more information.	No	<p><b>Correspondence is attached or taxpayer's response shows:</b></p> <ul style="list-style-type: none"> <li>• Taxpayer disagrees that they must file the return.</li> <li>• Only page one of the return is attached.</li> <li>• Employer Identification Number (EIN) on notice does not match EIN on return.</li> <li>• Return requested on notice not the same as return submitted.</li> <li>• Taxpayer asking question(s) or requesting the IRS take action(s) on their account.</li> <li>• Case involves any other IRS action(s) C&amp;E not trained to complete.</li> </ul> <p><b>Then,</b> Route to Compliance Services Collection Operations (CSCO). Use return address on Computer Paragraph (CP) notice:</p> <ul style="list-style-type: none"> <li>• Brookhaven - Mail Stop #662</li> <li>• Memphis - Mail Stop #81</li> <li>• Philadelphia - 4-N31.142</li> </ul> <p><b>If none of the above apply, correspondence or written response to the notice is not attached, and/or, "599" is notated:</b></p> <ol style="list-style-type: none"> <li>1. Move the notice to the back of the return.</li> <li>2. Continue processing the return.</li> </ol> <p><b>Note:</b> If the return is unsigned, but the taxpayer signed the CP notice under the jurat, it is not necessary to correspond for the signature.</p>
CP 259 A through H Master File Generated 1st TDI Notice	No	Route to: Ogden Submission Processing Campus (OSPC) BMF Entity Mail Stop 6273
CP 504/504B Final Notice - Balance Due	No	<ol style="list-style-type: none"> <li>1. Place Computer Paragraph (CP) 504/CP 504B to the front of the return.</li> <li>2. Route notice and return to Accounts Management (AM).</li> </ol>

## Exhibit 3.11.217-3 (Cont. 2) (01-01-2026)

## Routing Guide for Attachments

Form/Document	Detach	Descriptions/Action
CP 518 Delinquency Notice <b>Note:</b> Do not route to Statute Control Unit for clearance. See IRM 3.11.217.3.7, Statute Returns, for more information.	No	<p><b>Correspondence is attached or taxpayer's response shows:</b></p> <ul style="list-style-type: none"> <li>• Taxpayer disagrees that they must file the return.</li> <li>• Only page one of the return is attached.</li> <li>• Employer Identification Number (EIN) on notice does not match EIN on return.</li> <li>• Return requested on notice not the same as return submitted.</li> <li>• Taxpayer asking question(s) or requesting the IRS take action(s) on their account.</li> <li>• Case involves any other IRS action(s) C&amp;E not trained to complete.</li> </ul> <p><b>Then, Route to Compliance Services Collection Operations (CSCO). Use return address on Computer Paragraph (CP) notice:</b></p> <ul style="list-style-type: none"> <li>• Brookhaven - Mail Stop #662</li> <li>• Memphis - Mail Stop #81</li> <li>• Philadelphia - 4-N31.142</li> </ul> <p><b>If none of the above apply, correspondence or written response to the notice is not attached, and/or, "599" is notated:</b></p> <ol style="list-style-type: none"> <li>1. Move the notice to the back of the return.</li> <li>2. Continue processing the return.</li> </ol> <p><b>Note:</b> If the return is unsigned, but the taxpayer signed the CP notice under the jurat, it is not necessary to correspond for the signature.</p>

**Exhibit 3.11.217-3 (Cont. 3) (01-01-2026)**  
**Routing Guide for Attachments**

Form/Document	Detach	Descriptions/Action
Letter 112C, Letter 282C, Letter 2255C, or Letter 2284C  <b>Note:</b> Do not route to Statute Control Unit for clearance. See IRM 3.11.217.3.7, Statute Returns, for more information.	No	<ol style="list-style-type: none"> <li>1. Identify which organization initiated the letter to the taxpayer (e.g., What organization signed the letter?).</li> <li>2. Route letters initiated by Accounts Management (AM) to Accounts Maintenance Research (AMRH):               <ul style="list-style-type: none"> <li>• Ogden - Mail Stop 6712</li> <li>• Kansas City - Mail Stop N2 6800</li> </ul> </li> <li>3. Route letters initiated by Collections as follows:               <ol style="list-style-type: none"> <li>a. <b>If</b> correspondence is attached or taxpayer's response shows any of the following:                   <ul style="list-style-type: none"> <li>• Taxpayer disagrees that they must file the return.</li> <li>• Only page one of the return is attached.</li> <li>• Employer Identification Number (EIN) on letter does not match EIN on return.</li> <li>• Return requested on letter not the same as return submitted.</li> <li>• Taxpayer asking question(s) or requesting the IRS take action(s) on their account.</li> <li>• Case involves any other IRS action(s) C&amp;E not trained to complete.</li> </ul> <p><b>Then,</b> Route to Compliance Services Collection Operations (CSCO). Use return address on letter:</p> <ul style="list-style-type: none"> <li>• Brookhaven - Mail Stop #662</li> <li>• Memphis - Mail Stop #81</li> <li>• Philadelphia - 4-N31.142</li> </ul> </li> <li>b. <b>If</b> none of the above apply, correspondence or written response to the letter is not attached and/or, no "599" is notated:  <b>Then,</b> Move the letter to the back of the return and continue processing the return.</li> </ol> </li> </ol> <p><b>Note:</b> If the return is unsigned, but the taxpayer has signed the letter under the jurat, it is not necessary to correspond for the signature.</p>

**Exhibit 3.11.217-3 (Cont. 4) (01-01-2026)****Routing Guide for Attachments**

<b>Form/Document</b>	<b>Detach</b>	<b>Descriptions/Action</b>
Letter 2030 Initial Letter Issued to Request Verification for Unreported Income, Deductions, Payment and/or Credits on BMF Income Tax Returns Matched to Payer Information Documents Procedures	No	<ol style="list-style-type: none"> <li>1. Place Letter 2030 to the front of return.</li> <li>2. Route letter and return to BMF Automated Underreporter (AUR) in Compliance.</li> </ol>
Letter 2531 Initial Contact for Potential Discrepancy of Income, Deductions and/or Credits Claimed on BMF Income Tax Returns Matched to Payer Information Documents Procedures	No	<ol style="list-style-type: none"> <li>1. Place Letter 2531 to the front of return.</li> <li>2. Route letter and return to BMF Automated Underreporter (AUR) in Compliance.</li> </ol>
Includes tax liability for <b>Multiple</b> Tax Periods or Types of Tax	No	<ul style="list-style-type: none"> <li>• <b>Unnumbered Return</b> - Prepare a dummy return if possible; otherwise, <b>correspond</b>.</li> <li>• <b>Numbered Return</b> - Route to Rejects.</li> </ul>
Other Tax Returns (original signature)	Yes	<ol style="list-style-type: none"> <li>1. Edit the received date to the detached return.</li> <li>2. Route to appropriate function, unless specifically directed otherwise.</li> </ol> <p><b>Exception:</b> Returns attached to a consolidated return will <b>not</b> be detached. Conversion of Form 1120 to Form 1120-S will <b>not</b> be detached. See IRM 3.11.217.4.2, <b>Conversion of Form 1120 to Form 1120-S</b> for more information.</p>
Statement establishing Election to be subject to the Tonnage Tax Regime - Sect 1354	No	Route a copy of the election to:: <b>Brenda E. Sarini,</b> <b>Internal Revenue Agent</b> <b>1719 C Route 10</b> <b>Parsippany, New Jersey</b> <b>07054-4507</b>
Petitions in opposition of tax law provisions	Yes <b>Note:</b> Do not edit an action trail when detaching a petition.	Route to: IRS  1111 Constitution Avenue, NW Washington, DC 20224

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**Exhibit 3.11.217-3 (Cont. 5) (01-01-2026)**  
**Routing Guide for Attachments**

Form/Document	Detach	Descriptions/Action
Pro Forma Form 1120 (Form 1120 with a notation of "Pro Forma", "Pro Forma Form 1120", "Pro Forma Form 1120 New York State", or similar statement is notated on the return) for New York State	No	No action required.
Prompt Assessment/Prompt Determination Request	Yes/No	See Form 4810, Request for Prompt Assessment Under Internal Revenue Code Section 6501(d), information below.
Statement establishing <b>Reasonable Cause</b> for delinquent filing	No	<ol style="list-style-type: none"> <li>Issue Letter 1382C, Penalty Removal Request Incomplete.  <b>Exception:</b> Do not send Letter 1382C, Penalty Removal Request Incomplete, if the taxpayer has notated "Late filed return due to CCH software outage" or similar language.</li> <li>Continue editing the return.</li> <li>See the following IRM references for more information: <ul style="list-style-type: none"> <li>IRM 3.11.217.14.2, CCC "D" - Reasonable Cause for Failing to Pay Timely</li> <li>IRM 3.11.217.14.12 CCC "R" - Reasonable Cause for Failing to Timely File Return</li> </ul> </li> </ol>
Remittance found	No	Immediately hand-carry return and remittance to supervisor.
Request for e-file Waiver Statement notating: "Form 1120-S e-file Waiver Request"	Yes/No	<ul style="list-style-type: none"> <li><b>Yes - Ogden</b> - Route request to: Mail Stop 1057.</li> <li><b>No - Kansas City</b> - Fax request to: 877-477-0575.</li> </ul>
Request for Form 8109 Deposit Slips, or Coupon Books	No	No action required.

## Exhibit 3.11.217-3 (Cont. 6) (01-01-2026)

## Routing Guide for Attachments

Form/Document	Detach	Descriptions/Action
Request for Forms or Schedules	No	<ul style="list-style-type: none"> <li>• <b>If requesting current year forms:</b> <ol style="list-style-type: none"> <li>1. Prepare Form 4190, Order Form for Tax Forms and Publications.</li> <li>2. Forward to National Distribution Center (NDC) for processing.</li> </ol> </li> <li>• <b>If requesting prior year forms:</b> <ol style="list-style-type: none"> <li>1. Prepare Form 6112, Prior Year Tax Products Order Form.</li> <li>2. Forward to National Distribution Center (NDC) for processing.</li> </ol> </li> </ul> <p><b>Note:</b> Use the write-in sections of Form 4190 and Form 6112 for all BMF forms and schedule requests.</p>
Request for Acknowledgement	No	No action required.
Request for Installment Agreement	Yes	Route as follows: <ul style="list-style-type: none"> <li>• <b>Ogden</b> - Route to Collections Mail Stop 5500.</li> <li>• <b>Kansas City</b> - Route to Mail Stop P4 5000.</li> </ul>
Request for Information or Inquiries	Yes	<ol style="list-style-type: none"> <li>1. Photocopy any data necessary to process the return.</li> <li>2. Attach the photocopy to the return.</li> <li>3. Route original attachment to the proper office for necessary action.</li> </ol>

**Exhibit 3.11.217-3 (Cont. 7) (01-01-2026)**  
**Routing Guide for Attachments**

Form/Document	Detach	Descriptions/Action
Request for Money Transfer	Yes/No	<ul style="list-style-type: none"> <li>• <b>Yes</b> - If the taxpayer notates "Transfer of Money" (or similar language) <b>FROM</b> the return you are processing: <ol style="list-style-type: none"> <li>1. Edit CCC "X" to freeze overpayment.</li> <li>2. Detach Transfer of Money request.</li> <li>3. Prepare Form 3465, Adjustment Request, and: <ul style="list-style-type: none"> <li>• Indicate in the "Routing" box "Adjustments".</li> <li>• Notate the requested action in the "Remarks" box.</li> </ul> </li> <li>4. Attach Form 3465, Adjustment Request, to the Transfer of Money request and route to Accounts Management (AM).</li> <li>5. Continue editing the return.</li> </ol> </li> <li>• <b>No</b> - the taxpayer notates "Transfer of Money" (or similar language) <b>TO</b> the return you are processing: <ol style="list-style-type: none"> <li>1. Prepare Form 3465, Adjustment Request, and: <ul style="list-style-type: none"> <li>• Indicate in the "Routing" box "Rejects".</li> <li>• Notate "See attached money transfer request" in the "Remarks" box.</li> </ul> </li> <li>2. Edit Action Code 450 to route the request to Rejects.</li> </ol> </li> </ul>
State Tax Returns Original or Copy with an original signature	Yes	Route to Receipt and Control.
State Tax Returns (Photocopy, facsimile or no signature)	No	Leave attached.
Indication of <b>Final</b> return	No	<ul style="list-style-type: none"> <li>• Edit CCC "F".</li> <li>• See IRM 3.11.217.14.4, Computer Condition Code "F" - Final Return.</li> </ul>
<b>Notices</b> - Payment Agreement or Disagreement with notice amount		Follow local Submission Processing Campus procedures. May involve inputting a STAUP and routing attachment to another function.



## Exhibit 3.11.217-3 (Cont. 8) (01-01-2026)

## Routing Guide for Attachments

Form/Document	Detach	Descriptions/Action
<b>SS-4</b> Application for Employer Identification Number	Yes/No	<ul style="list-style-type: none"> <li><b>Yes - Original</b> - Route to Entity Control.</li> <li><b>No - Copy</b> - No action required.</li> </ul>
<b>Schedule D (Form 1120-S)</b> Capital Gains and Losses and Built-in Gains	No	<ul style="list-style-type: none"> <li>Place in sequence order.</li> <li>See IRM 3.11.217.15.1, Sequence of Return - Form 1120-S, and IRM 3.11.217.30, Schedule D (Form 1120-S) - Capital Gains and Losses and Built-in Gains.</li> </ul>
<b>Schedule F (Form 1040)</b> Profit or Loss From Farming	No	<ul style="list-style-type: none"> <li>Possible Salary and Wage Code "1".</li> <li>See IRM 3.11.217.17.3, Salary and Wage Code.</li> </ul>
<b>Schedule K-1, Form 1120-S</b> Shareholder's Share of Income, Credits, Deductions, etc.	Yes	<ol style="list-style-type: none"> <li>Detach Schedules K-1 for current year (TY2025) and two preceding years (TY2024 and TY2023).</li> <li><b>Always</b> detach Schedules K-1 for future years.</li> <li>See IRM 3.0.101, Schedule K-1 Processing, for complete instructions to edit and process Schedule K-1.</li> <li>See the following IRM references for further instructions regarding Schedule K-1: <ul style="list-style-type: none"> <li>IRM 3.11.217.2.11, Section 965 Returns (201712 through 202012), and</li> <li>IRM 3.11.217.12, Number of Shareholders - Page 1, Line I.</li> <li>IRM 3.11.217.13.4, Tax Preference Code, and</li> <li>IRM 3.11.217.13.6, Form 8611, Recapture of Low-Income Housing Credit, and</li> <li>IRM 3.11.217.14.22, CCC "9" - Low-Income Housing Forms, and</li> <li>IRM 3.11.217.17.17, Line 22 (Line 21 in 2022 prior year form revision)- Ordinary Income, and</li> <li>IRM 3.11.217.24, Schedule K - Shareholders' Pro Rata Share Items, and</li> <li>IRM 3.11.217.45, Schedule K-1.</li> </ul> </li> </ol>
<b>Schedule M-3 (Form 1120-S)</b> Net Income (Loss) Reconciliation for S Corporations With Total Assets of \$10 Million or More	No	<ul style="list-style-type: none"> <li>Edit CCC "B". See IRM 3.11.217.14.1, CCC "B" - Schedule M-3.</li> <li>Edit Audit Code "8". See IRM 3.11.217.13.1, Audit Codes.</li> </ul>

**Exhibit 3.11.217-3 (Cont. 9) (01-01-2026)****Routing Guide for Attachments**

<b>Form/Document</b>	<b>Detach</b>	<b>Descriptions/Action</b>
<b>Schedule N (Form 1120)</b> Foreign Operations of U.S. Corporations	No	<ul style="list-style-type: none"> <li>Place in sequence order if significant entries are present.</li> <li>See IRM 3.11.217.15.1, Sequence of Return - Form 1120-S.</li> <li>See IRM 3.11.217.27, Schedule N (Form 1120) - Foreign Operations of U.S. Corporations.</li> <li>Edit Audit Code "2" if Questions 1a, 3, 4a (2019 and prior revisions), 5, or 7a are answered "Yes".</li> <li>See IRM 3.11.217.13.1, Audit Codes.</li> </ul>
<b>Form 56</b> Notice Concerning Fiduciary Relationship	Yes	<ol style="list-style-type: none"> <li>Edit received date.</li> <li>Route to Entity Control.</li> </ol>
<b>Form 433-B</b> Collection Information Statement for Businesses	Yes	Route as follows: <ul style="list-style-type: none"> <li><b>Ogden</b> - Route to Collections Mail Stop 5500.</li> <li><b>Kansas City</b> - Route to Mail Stop P4 5000</li> </ul>
<b>Form 433-D</b> Installment Agreement	Yes Parts 1, 2, or 3	Route as follows: <ul style="list-style-type: none"> <li><b>Ogden</b> - Route to Collections Mail Stop 5500.</li> <li><b>Kansas City</b> - Route to Mail Stop P4 5000.</li> </ul> <b>Caution:</b> If Parts 2 and/or 3 are present, leave attached to Part 1 when routing.
<b>Form 637</b> Application for Registration (For Certain Excise Tax Activities)	Yes/No	<ul style="list-style-type: none"> <li><b>Yes - TC 150 has not posted</b> to the tax module:               <ol style="list-style-type: none"> <li>Edit received date.</li> <li>Route Form 637 to: Kansas City Submission Processing Campus (KCSPC), Excise Mail Stop 5701G</li> </ol> </li> <li><b>No - TC 150 has posted</b> to the tax module: Route Form 637 and the return to: Kansas City Submission Processing Campus (KCSPC), Excise Mail Stop 5701G</li> </ul>
<b>Form 843</b> Claim for Refund and Request for Abatement	Yes	<ol style="list-style-type: none"> <li>Edit received date.</li> <li>Route to Accounts Management.</li> </ol>
<b>Form 851</b> Affiliations Schedule	No	No action required.

**Exhibit 3.11.217-3 (Cont. 10) (01-01-2026)****Routing Guide for Attachments**

<b>Form/Document</b>	<b>Detach</b>	<b>Descriptions/Action</b>
<b>Form 911</b> Request for Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance Order)	Yes	Route to Taxpayer Advocate Service (TAS).
<b>Form 926</b> Return by a U.S. Transferor of Property to a Foreign Corporation	No	<ul style="list-style-type: none"> <li>Edit Audit Code "2" in the left margin near Line 9 (Deductions area).</li> <li>See IRM 3.11.217.13.1, Audit Codes.</li> </ul>
<b>Form 965</b> , Inclusion of Deferred Foreign Income Upon Transition to Participation Exemption System; <b>Form 965</b> , Schedule A, U.S. Shareholder's Section 965(a) Inclusion Amount; <b>Form 965</b> , Schedule B, Deferred Foreign Income Corporation's Earnings and Profits (E&P); <b>Form 965</b> , Schedule C, U.S. Shareholder's Aggregate Foreign Earnings and Profits Deficit; <b>Form 965</b> , Schedule D, U.S. Shareholder's Aggregate Foreign Cash Position; <b>Form 965</b> , Schedule E, U.S. Shareholder's Aggregate Foreign Cash Position - Detail; <b>Form 965</b> , Schedule F, Foreign Taxes Deemed Paid by Domestic Corporation; <b>Form 965</b> , Schedule G, Foreign Taxes Deemed Paid by Domestic Corporation for U.S. Shareholder Tax Year Ending in 2017; <b>Form 965</b> Schedule H, Disallowance of Foreign Tax Credit and Amounts Reported on Forms 1116 and 1118; <b>Form 965-B</b> , Corporate and Real Estate Investment Trust (REIT) Report of Net 965 Tax Liability and Electing REIT Report of 965 Amounts	No	<ul style="list-style-type: none"> <li>For Tax Years 201712 through 202012, edit Computer Condition Code "J" <b>and</b> Action Code 460 (Management Suspense) on the return and continue processing. <b>Caution:</b> Do <b>not</b> correspond on Section 965 Returns. ERS will take care of any correspondence needed.</li> <li>See IRM 3.11.217.2.11, Section 965 Returns (201712 through 202012), for more information.</li> <li>See IRM 3.11.217.3.1, Action Codes, for more information.</li> <li>See IRM 3.11.217.14.7, CCC "J" - Section 965 Tax, for more information.</li> <li>See IRM 3.11.217.24.3, Schedule K, Line 10 - Other income (loss), for more information.</li> <li>See IRM 3.11.217.24.4, Schedule K, Line 12d - Other deductions, for more information.</li> <li>See IRM 3.11.217.24.11, Line 14r - Other foreign tax information, for more information.</li> <li>See IRM 3.0.101, Schedule K-1 Processing, for complete instructions to edit and process Schedule K-1.</li> </ul>

**Exhibit 3.11.217-3 (Cont. 11) (01-01-2026)**  
**Routing Guide for Attachments**

Form/Document	Detach	Descriptions/Action
<b>Form 966</b> Corporate Dissolution or Liquidation	Yes/No	a. <b>Yes</b> - Qualified Sub chapter S Subsidiary (QSSS), Consolidation, or subsidiary is shown: <ul style="list-style-type: none"> <li>Route to Entity Control.</li> </ul> b. <b>No</b> - No indication of items above: <ul style="list-style-type: none"> <li>Possible CCC "F"</li> <li>IRM 3.11.217.14.4, CCC "F" - Final Return.</li> </ul>
<b>Form 1042</b> Annual Withholding Tax Return for U.S. Source Income of Foreign Persons	Yes	<ul style="list-style-type: none"> <li><b>Ogden</b> - Route to Receipt and Control.</li> <li><b>Kansas City</b> - Route to Ogden Submission Processing Campus (OSPC).</li> </ul>
<b>Form 1042-S</b> Foreign Person's U.S. Source Income Subject to Withholding	No	No action required.
<b>Form 1096</b> Annual Summary and Transmittal of U.S. Information Returns	Yes	Route to Receipt and Control.
<b>Form 1099</b> Information Return of Income and Payments (Copy A only)	Yes	Route to Receipt and Control.
<b>Form 1120-POL</b> U.S. Income Tax Return for Certain Political Organizations	Yes	<ul style="list-style-type: none"> <li><b>Ogden</b> - Route to Receipt and Control (R&amp;C).</li> <li><b>Kansas City</b> - Route to Ogden Submission Processing Campus (OSPC).</li> </ul>
<b>Form 1120-X</b> Amended U.S. Corporation Income Tax Return	No	Give entire return to the Lead.
<b>Form 1125-A</b> Cost of Goods Sold	No	<ul style="list-style-type: none"> <li>Place Form 1125-A in sequence order if significant entries are present.</li> <li>See IRM 3.11.217.34, Form 1125-A, Cost of Goods Sold.</li> </ul>

## Exhibit 3.11.217-3 (Cont. 12) (01-01-2026)

## Routing Guide for Attachments

Form/Document	Detach	Descriptions/Action
<b>Form 1128</b> Application to Adopt, Change, or Retain a Tax Year	No	See IRM 3.11.217.6.4, Short Period - Editing Proof of Entitlement. a. <b>Not Approved</b> <ul style="list-style-type: none"> <li>See IRM 3.11.217.6.6, Short Period Returns - Editing a Disapproved Application-Form 1128</li> </ul> b. <b>No indication of Approval or Disapproval</b> <ul style="list-style-type: none"> <li>See IRM 3.11.217.6.7, Short Period Returns - Editing Form 1128 With No Indication of Approval or Disapproval.</li> </ul>
<b>Form 1138</b> Extension of Time for Payment of Taxes by a Corporation Expecting a Net Operating Loss Carryback	Yes	1. Edit received date. 2. Route to Accounts Management.
<b>Form 1139</b> Corporation Application for Tentative Refund	Yes	1. Edit received date. 2. Route to Accounts Management.
<b>Form 2220</b> Underpayment of Estimated Tax by Corporations	No	<ul style="list-style-type: none"> <li>Conditions may require CCC "8".</li> <li>May need to edit Form 2220, Line 38 to Form 1120-S, Line 25, if no entry is present.</li> <li>See IRM 3.11.217.14.21, CCC 8 - Waiver of Estimated Tax Penalty, and IRM 3.11.217.18.10, Line 25 - Estimated Tax Penalty.</li> </ul>
<b>Form 2553</b> Election by a Small Business Corporation	No	<ul style="list-style-type: none"> <li>Possible Action Code 347. <b>Note:</b> Action Code 347 is used to route Form 1120-S to Entity Control.</li> <li>See IRM 3.11.217.3.1, Action Codes, for more information.</li> </ul>
<b>Form 2848</b> Power of Attorney and Declaration of Representative	Yes/No	Route as follows: a. <b>Yes</b> - <ul style="list-style-type: none"> <li><b>Ogden</b> - Route to Mail Stop 6737.</li> <li><b>Kansas City</b> - Route to: Internal Revenue Service 5333 Getwell Road Mail Stop 8423 Memphis, TN 38118</li> </ul> b. <b>No</b> - No action is required if a "General Power of Attorney", "Durable Power of Attorney", or "Tax Information Authorization" is submitted on any document other than Form 2848 or Form 8821.

**Exhibit 3.11.217-3 (Cont. 13) (01-01-2026)**  
**Routing Guide for Attachments**

Form/Document	Detach	Descriptions/Action
<b>Form 3115</b> Application for Change in Accounting Method	Yes/No	<ul style="list-style-type: none"> <li>Edit Audit Code "6". See IRM 3.11.217.13.1, Audit Codes.</li> <li><b>The original Form 3115</b> stays with the return.</li> <li>If a <b>duplicate</b> Form 3115 is present, and Part I is completed, then route one copy to:            Internal Revenue Service            M/S 6111            Ogden, UT 84201             For Private Delivery Carriers:            Internal Revenue Service            1973 N Rulon White Blvd.            M/S 6111            Ogden, UT 84201</li> <li>If a <b>duplicate</b> Form 3115 is present, and Part I is <b>not</b> completed route one copy to:            Internal Revenue Service            CC:PA:LPD:DRU            P.O. Box 7604            Ben Franklin Station            Washington, DC 20044             For Private Delivery Carriers:            Internal Revenue Service            Attn: CC:PA:LPD:DRU            Room 5336            1111 Constitution Ave., NW            Washington, DC 20224</li> <li><b>Duplicate</b> Form 3115 attached to a subsidiary must also be pulled and routed to the address above. Original stays with return.</li> </ul>
<b>Form 3520</b> Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts	Yes/No	a. <b>Yes</b> - If Form 3520 has an original signature: <ul style="list-style-type: none"> <li><b>Ogden</b> - Route to Receipt and Control (R&amp;C).</li> <li><b>Kansas City</b> - Route to Ogden Submission Processing Campus (OSPC).</li> </ul> b. <b>No</b> - If Form 3520 does not have an original signature, leave attached.
<b>Form 3520-A</b> Annual Information Return of Foreign Trust With a U.S. Owner (Under Section 6048(b))	Yes	<ul style="list-style-type: none"> <li><b>Ogden</b> - Route to Receipt and Control (R&amp;C).</li> <li><b>Kansas City</b> - Route to Ogden Submission Processing Campus (OSPC).</li> </ul>
<b>Form 3753</b> Manual Refund Posting Voucher	No	<ul style="list-style-type: none"> <li>Edit CCC "O".</li> <li>See IRM 3.11.217.14.10, CCC "O" - Module Freeze.</li> </ul>

**Exhibit 3.11.217-3 (Cont. 14) (01-01-2026)****Routing Guide for Attachments**

<b>Form/Document</b>	<b>Detach</b>	<b>Descriptions/Action</b>
<b>Form 3800</b> General Business Credit	No	<ul style="list-style-type: none"> <li>Place in sequence order.</li> <li>See IRM 3.11.217.15.1, Sequence of Return - Form 1120-S.</li> <li>See IRM 3.11.217.39, Form 3800 - General Business Credit (202301 and later).</li> </ul>
<b>Form 3949</b> Information Report Referral	Yes	<ol style="list-style-type: none"> <li>Route Form 3949 according to Page 2 of Form 3949 to CI, Exam, Disclosure, etc., following local procedures.</li> <li>Continue processing the return.</li> </ol>
<b>Form 3949-A</b> Information Referral	Yes	Route as follows: Ogden - <ul style="list-style-type: none"> <li>Route Form 3949-A to Receipt &amp; Control.</li> <li>Continue processing the return.</li> </ul> Kansas City - <ul style="list-style-type: none"> <li>Route Form 3949-A to Ogden Service Center.</li> <li>Continue processing the return.</li> </ul>
<b>Form 4136</b> Credit for Federal Tax Paid on Fuels	No	<ul style="list-style-type: none"> <li>Perfect necessary lines. Place Form 4136, Credit for Federal Tax Paid on Fuels, in sequence order.</li> <li>See IRM 3.11.217.35, Form 4136 - Credit for Federal Tax Paid on Fuels.</li> </ul>
<b>Form 4251</b> Return Charge-Out	No	<ul style="list-style-type: none"> <li>No action required.</li> <li>May be an indication <b>not</b> to correspond for Schedule K-1.</li> <li>IRM 3.11.217.45, Schedule K-1.</li> </ul>
<b>Form 4255</b> Certain Credit Recapture, Excessive Payments, and Penalties	No	<ul style="list-style-type: none"> <li>Place in sequence order.</li> <li>See IRM 3.11.217.15.1, Sequence of Return - Form 1120-S.</li> <li>See IRM 3.11.217.44, Form 4255, Certain Credit Recapture, Excessive Payments, and Penalties (202401 and later).</li> </ul>
<b>Form 4466</b> Corporation Application for Quick Refund of Overpayment of Estimated Tax	No	No action required.
<b>Form 4626</b> Alternative Minimum Tax - Corporations, for tax periods ending November 30, 2018 (201811) and prior	No	<ul style="list-style-type: none"> <li>Tax Cuts and Jobs Act (TCJA) of 2017 - P.L. 115-97 (H.R. 1), Section 12001 repeals the corporate alternative minimum tax (Form 4626).</li> <li>Possible Tax Preference Code.</li> <li>If required, edit the code as "4 - 1" in the left margin near Line 9 (Deductions area).</li> <li>See IRM 3.11.217.13.4, Tax Preference Code.</li> </ul>



**Exhibit 3.11.217-3 (Cont. 15) (01-01-2026)**  
**Routing Guide for Attachments**

Form/Document	Detach	Descriptions/Action
<b>Form 4684</b> Casualties and Thefts	No	No action required.
<b>Form 4797</b> Sales of Business Property (Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))	No	<ul style="list-style-type: none"> <li>Place in sequence order if significant entries are present on Line 1b or Line 1c (2021 and later form revisions).</li> <li>See IRM 3.11.217.15.1, Sequence of Return - Form 1120-S.</li> <li>Support for Form 1120-S, Line 4.</li> <li>See IRM 3.11.217.16.3, Line 4 - Net Gain/Loss and IRM 3.11.217.31, Form 4797, Sales of Business Property.</li> </ul>
<b>Form 4810</b> Request for Prompt Assessment Under Internal Revenue Code Section 6501(d)	Yes/No	<p>a. <b>Yes - TC 150 Not Posted:</b></p> <ul style="list-style-type: none"> <li><b>Unnumbered and Numbered</b> - Route a copy of the return and original Form 4810 to the Examination Function. Process the original return.</li> <li>See IRM 3.11.217.3.10, Prompt Assessment or Prompt Determination - Form 4810.</li> </ul> <p>b. <b>No - TC 150 Posted:</b></p> <ul style="list-style-type: none"> <li><b>Unnumbered</b> - Route Form 4810 and return to the Examination Function.</li> <li><b>Numbered</b> - Edit Action Code 370.</li> </ul>
<b>Form 4835</b> Farm Rental Income and Expenses (Crop and Livestock Shares (Not Cash) Received by Landowner (or Sub-Lessor)	No	<ul style="list-style-type: none"> <li>Possible Salary and Wage Code.</li> <li>See IRM 3.11.217.17.3, Salary and Wage Code.</li> </ul>
<b>Form 5471</b> Schedule E, Income, War Profits, and Excess Profits Taxes Paid or Accrued	No	<ul style="list-style-type: none"> <li>Possible Return Processing Code (RPC) "A".</li> <li>See IRM 3.11.217.13.7, Return Processing Code (RPC), for more information.</li> </ul>
<b>Form 5471</b> , Schedule G-1, Cost Sharing Arrangement,	No	Possible Return Processing Code (RPC) <b>G</b> . See IRM 3.11.217.13.7, Return Processing Code (RPC), for more information.
<b>Form 5471</b> Schedule H, Current Earnings and Profits	No	<ul style="list-style-type: none"> <li>Possible Return Processing Code (RPC) "B".</li> <li>See IRM 3.11.217.13.7, Return Processing Code (RPC), for more information.</li> </ul>
<b>Form 5471</b> Schedule I-1, Information for Global Intangible Low-Taxed Income	No	<ul style="list-style-type: none"> <li>Possible Return Processing Code (RPC) "C".</li> <li>See IRM 3.11.217.13.7, Return Processing Code (RPC), for more information.</li> </ul>



## Exhibit 3.11.217-3 (Cont. 16) (01-01-2026)

## Routing Guide for Attachments

Form/Document	Detach	Descriptions/Action
<b>Form 5471</b> Schedule P, Previously Taxed Earnings and Profits of U.S. Shareholder of Certain Foreign Corporations	No	<ul style="list-style-type: none"> <li>Possible Return Processing Code (RPC) "D".</li> <li>See IRM 3.11.217.13.7, Return Processing Code (RPC), for more information.</li> </ul>
<b>Form 5471</b> Information Return of U.S. Persons With Respect To Certain Foreign Corporations <b>(Including 5471 Schedules J, M, N and O)</b>	No	<ol style="list-style-type: none"> <li>Edit Audit Code "2" in the left margin near Line 9 (Deductions area). See IRM 3.11.217.13.1, Audit Codes.</li> <li>Edit the Number of Forms 5471 to Line 4b of Schedule N.</li> <li>Dummy a Schedule N if not present and edit the number of Forms 5471 to Line 4b.</li> <li>See IRM 3.11.217.27.4, Schedule N (Form 1120), Line 4 - Form 5471, Controlled Foreign Corporation. .</li> </ol>
<b>Form 5472</b> Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business (Under Sections 6038A and 6038C of the Internal Revenue Code)	No	<ul style="list-style-type: none"> <li>Edit Audit Code "2" in the left margin near Line 9 (Deductions area).</li> <li>See IRM 3.11.217.13.1, Audit Codes.</li> <li>Possible Return Processing Code (RPC) "H". See IRM 3.11.217.13.7, Return Processing Code (RPC), for more information.</li> </ul>
<b>Form 5500</b> Annual Return/Report of Employee Benefit Plan	Yes	<ol style="list-style-type: none"> <li>Route to the appropriate area or Submission Processing Campus.</li> <li>Attach Form 4227, Intra-SC Reject or Routing Slip, with the following information: <ul style="list-style-type: none"> <li>Type of return</li> <li>DLN</li> <li>Received date</li> <li>Notation of either "original" or "substitute" return</li> </ul> </li> </ol>
<b>Form 5713</b> International Boycott Report	No	<ul style="list-style-type: none"> <li>Keep original and copy attached.</li> <li>Edit Audit Code "2" if <b>both</b> questions on Form 5713, Line 7(f), are answered "Yes".</li> <li>Edit Audit Code "7" if <b>both</b> questions on Form 5713, Line 7(f) are <b>not</b> answered "Yes".</li> <li>See IRM 3.11.217.13.1, Audit Codes.</li> </ul>
<b>Form 5792</b> Request for IDRS Generated Refund (IGR)	No	<ul style="list-style-type: none"> <li>Possible CCC "O".</li> <li>See IRM 3.11.217.14.10, CCC "O" - Module Freeze.</li> </ul>

**Exhibit 3.11.217-3 (Cont. 17) (01-01-2026)**  
**Routing Guide for Attachments**

Form/Document	Detach	Descriptions/Action
<b>Form 5884-B</b> New Hire Retention Credit	No	<ul style="list-style-type: none"> <li>The status of Form 5884-B, New Hire Retention Credit, is historical and was valid March 19, 2010, to December 31, 2010 (Tax Periods 2010 and 2011).</li> </ul>
<b>Form 6252</b> Installment Sale Income	No	<ul style="list-style-type: none"> <li>Edit Installment Sale Indicator Code in the left margin near Line 9 (Deductions area).</li> <li>See IRM 3.11.217.13.3, Installment Sale Indicator for more information.</li> <li>Place in sequence order if significant entries are present.</li> <li>See IRM 3.11.217.15.1, Sequence of Return - Form 1120-S.</li> <li>See IRM 3.11.217.42 Form 6252, Installment Sale Income, for more information.</li> </ul>
<b>Form 6478</b> Biofuel Producer Credit (Alcohol and Cellulosic Biofuel Fuels Credit for <b>2012</b> - <b>2007</b> )	No	<ol style="list-style-type: none"> <li>Compare Form 6478 with Form 1120-S, Schedule K, Line 13f.</li> <li>See IRM 3.11.217.24.7, Schedule K, Line 13f, - Biofuel Producer Credit.</li> </ol>
<b>Form 6781</b> Gains and Losses from Section 1256 Contracts and Straddles	No	<ul style="list-style-type: none"> <li>Edit CCC "I".</li> <li>See IRM 3.11.217.14.6, CCC "I" - Tax Straddles and Future Contracts (Form 6781).</li> </ul>
<b>Form 7004</b> Application for Automatic Extension of Time to File Certain Business Income Tax, Information, and Other Returns	Yes/No	<ul style="list-style-type: none"> <li><b>Yes</b> - If Form 7004 is for other than the tax return or tax period being filed, route to Receipt and Control.</li> <li><b>No</b> - If Form 7004 is for the tax return it is attached.</li> </ul>
<b>Form 7204</b> , Consent to Extend the Time to Assess Tax Related to Contested Foreign Income Taxes - Pro- visional Foreign Tax Credit Agreement	No	<ol style="list-style-type: none"> <li>Edit RPC "L".</li> <li>See IRM 3.11.217.13.7, Return Processing Codes (RPC).</li> </ol>
<b>Form 7205</b> , Energy Efficient Commercial Buildings Deduction.	No	<ol style="list-style-type: none"> <li>Edit RPC "M".</li> <li>See IRM 3.11.217.13.7, Return Processing Codes (RPC).</li> <li>IRM 3.11.217.17.14, Line 19 - Energy Efficient Commercial Buildings Deduction (Form 7205) (202301 and later).</li> </ol>

## Exhibit 3.11.217-3 (Cont. 18) (01-01-2026)

## Routing Guide for Attachments

Form/Document	Detach	Descriptions/Action
<b>Form 8027</b> Employer's Annual Information Return of Tip Income and Allocated Tips <b>Form 8027-T</b> Transmittal for Form 8027	Yes	<ul style="list-style-type: none"> <li><b>Ogden</b> - Route to Receipt and Control (R&amp;C).</li> <li><b>Kansas City</b> - Route to Ogden Submission Processing Campus (OSPC).</li> </ul>
<b>Form 8050</b> Direct Deposit of Corporate Tax Refund	No	<ul style="list-style-type: none"> <li>Place in sequence order if entries are present.</li> <li>Continue processing the return.</li> <li>See IRM 3.11.217.15.1, Sequence of Return - Form 1120-S.</li> </ul>
<b>Form 8082</b> Notice of Inconsistent Treatment or Administrative Adjustment Request (AAR)	No	<ul style="list-style-type: none"> <li>Edit Audit Code "1" in the left margin near Line 9 (Deductions area).</li> <li>See IRM 3.11.217.13.1, Audit Codes.</li> </ul>
<b>Form 8275</b> Disclosure Statement <b>Form 8275-R</b> Regulation Disclosure Statement	No	<ul style="list-style-type: none"> <li>Edit Audit Code "1" in the left margin near Line 9 (Deductions area).</li> <li>See IRM 3.11.217.13.1, Audit Codes.</li> </ul>
<b>Form 8283</b> Noncash Charitable Contributions	No	<p>a. Edit Audit Code "C" if either:</p> <ul style="list-style-type: none"> <li>Page 1, Part I, Question 2b, Qualified conservation contribution, is checked,</li> <li>Box 2b(1), Certified historic structure, is checked <b>or</b></li> <li>Line 3, column (h), Qualified conservation contribution relevant basis, has an entry.</li> </ul> <p>b. See IRM 3.11.217.13.1, Audit Codes.</p>
<b>Form 8288</b> U.S. Withholding Tax Return for Dispositions by Foreign Persons of U.S. Real Property Interests	Original - Yes	<ul style="list-style-type: none"> <li><b>Ogden</b> - Route to Code and Edit Foreign/FIRPTA Team.</li> <li><b>Kansas City</b> - Route to Ogden Submission Processing Campus (OSPC).</li> </ul>
<b>Form 8288</b> U.S. Withholding Tax Return for Dispositions by Foreign Persons of U.S. Real Property Interests	Copy - No	No action required.
<b>Form 8288-A</b> Statement of Withholding on Certain Dispositions by Foreign Persons	No	<ul style="list-style-type: none"> <li><b>Ogden</b> - Route to Code and Edit Foreign/FIRPTA Team.</li> <li><b>Kansas City</b> - Route to Ogden Submission Processing Campus (OSPC).</li> </ul>

**Exhibit 3.11.217-3 (Cont. 19) (01-01-2026)****Routing Guide for Attachments**

<b>Form/Document</b>	<b>Detach</b>	<b>Descriptions/Action</b>
<b>Form 8288-B</b> Application for Withholding Certificate for Dispositions by Foreign Persons of U.S. Real Property Interests	Original - Yes	<ul style="list-style-type: none"> <li>• <b>Ogden</b> - Route to Code and Edit Foreign/ FIRPTA Team.</li> <li>• <b>Kansas City</b> - Route to Ogden Submission Processing Campus (OSPC).</li> </ul>
<b>Form 8288-B</b> Application for Withholding Certificate for Dispositions by Foreign Persons of U.S. Real Property Interests	Copy - No	No action required.
<b>Form 8404</b> Interest Charge on DISC-Related Deferred Tax Liability	Yes	<ul style="list-style-type: none"> <li>• <b>Ogden</b> - Route to Kansas City Submission Processing Campus (KCSPC).</li> <li>• <b>Kansas City</b> - Route to Receipt and Control (R&amp;C).</li> </ul>
<b>Form 8586</b> Low-Income Housing Credit	No	<ul style="list-style-type: none"> <li>• Possible CCC "9".</li> <li>• See IRM 3.11.217.14.22, CCC "9" - Low-Income Housing Forms.</li> <li>• Follow editing procedures in IRM 3.11.217.13.5, Form 8586, Low-Income Housing Credit.</li> </ul>
<b>Form 8594</b> Asset Acquisition Statement Under Section 1060	No	<ul style="list-style-type: none"> <li>• Edit Audit Code "3" if Form 8594 has an</li> <li>• See IRM 3.11.217.13.1, Audit Codes.</li> </ul>
<b>Form 8609</b> Low-Income Housing Credit Allocation and Certification <b>Form 8609-A</b> (prior year Form 8609 Schedule A) Annual Statement for Low-Income Housing Credit	No	<ul style="list-style-type: none"> <li>• Edit CCC "9".</li> <li>• See IRM 3.11.217.14.22, CCC "9" - Low-Income Housing Forms.</li> </ul>
<b>Form 8611</b> Recapture of Low-Income Housing Credit	No	<ol style="list-style-type: none"> <li>a. Edit Line 14, Form 8611 in the left margin near Line 9 (Deductions area).</li> <li>b. Edit as "6 -" followed by the credit amount.</li> <li>c. Follow editing procedures in IRM 3.11.217.13.6, Form 8611, Recapture of Low-Income Housing Credit.</li> <li>d. Edit CCC "9".</li> <li>e. See IRM 3.11.217.14.22, CCC "9" - Low-Income Housing Forms.</li> </ol>

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## Exhibit 3.11.217-3 (Cont. 20) (01-01-2026)

## Routing Guide for Attachments

Form/Document	Detach	Descriptions/Action
<b>Form 8621</b> Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund	No	<ul style="list-style-type: none"> <li>Edit Audit Code "2" if Form 8621, Part V (Distributions From and Dispositions of Stock of a Section 1291 Fund), Lines 15a through Line</li> <li>Edit Audit Code "7" if Form 8621, Part V (Distributions From and Dispositions of Stock of a Section 1291 Fund), Lines 15a through Line</li> <li>See IRM 3.11.217.13.1, Audit Codes.</li> </ul>
<b>Form 8697 (Refund)</b> Interest Computation Under the Look-Back Method for Completed Long-Term Contracts	Yes	If Form 8697, Part I, Line 9 or Form 8697, Part II, Line 10 shows a refund, then do the following: <ol style="list-style-type: none"> <li>Edit tax period, EIN, and received date on Form 8697, if not already present.</li> <li>Route to Accounts Management (AM).</li> </ol>
<b>Form 8716</b> Election To Have a Tax Year Other Than a Required Tax Year	No	See IRM 3.11.217.6.4 Short Period - Editing Proof of Entitlement.
<b>Form 8752</b> Required Payment or Refund Under Section 7519	Yes/No	<b>KCSPC and OSPC:</b> <b>Yes: Original</b> - Route to Receipt and Control. <b>No: Copy</b> - No action required.
<b>Form 8821</b> Tax Information Authorization	Yes/No	Route as follows: <ol style="list-style-type: none"> <li><b>Yes</b> -               <ul style="list-style-type: none"> <li><b>Ogden</b> - Route to Mail Stop 6737.</li> <li><b>Kansas City</b> - Route to: Internal Revenue Service 5333 Getwell Road Mail Stop 8423 Memphis, TN 38118</li> </ul> </li> <li><b>No</b> - No action is required if a "General Power of Attorney", "Durable Power of Attorney", or "Tax Information Authorization" is submitted on any document other than Form 2848 or Form 8821.</li> </ol>

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**Exhibit 3.11.217-3 (Cont. 21) (01-01-2026)**  
**Routing Guide for Attachments**

Form/Document	Detach	Descriptions/Action
<b>Form 8822</b> Change of Address, or  <b>Form 8822-B</b> Change of Address or Responsible Party - Business	Yes/No	<p>a. <b>Yes</b> - If any of the following applies:</p> <ul style="list-style-type: none"> <li>• Mailing address information is different,</li> <li>• Location address is listed on Form 8822/8822-B, Line 7,</li> <li>• An entry is listed on Form 8822-B, Lines 8 or 9,</li> </ul> <p>Then detach Form 8822 or Form 8822-B and route to Entity Control following local procedures using Form 13934, Entity Document/C&amp;E Merge Transmittal.</p> <p>b. <b>No</b> - If all the following applies:</p> <ul style="list-style-type: none"> <li>• Mailing address information is the same,</li> <li>• No location address is listed on Form 8822/8822-B, Line 7,</li> <li>• No entry on Form 8822-B, Lines 8 or 9,</li> </ul> <p>Then take no action.</p> <p>c. See IRM 3.11.217.5.6(3), Entity Perfection-Domestic Addresses, for more information.</p> <p><b>Note:</b> A business may have two addresses. One is the mailing address and the other is the location address or physical location of the business.</p>
<b>Form 8824</b> Like-Kind Exchanges (and section 1043 conflict-of-interest sales)	No	<ul style="list-style-type: none"> <li>• If Form 8824 is attached, edit CCC "1".</li> <li>• See IRM 3.11.217.14.18, CCC "1" - Like-Kind Exchanges.</li> </ul>
<b>Form 8825</b> Rental Real Estate Income and Expenses of a Partnership or an S Corporation	No	<ul style="list-style-type: none"> <li>• Place in sequence order if significant entries are present.</li> <li>• See IRM 3.11.217.15.1, Sequence of Return - Form 1120-S.</li> <li>• Form 8825 - Compute Line 2, Columns A through H and enter on Line 18a of Form 8825.</li> <li>• See IRM 3.11.217.28, Form 8825 - Rental Real Estate Income and Expenses of a Partnership or an S Corporation.</li> </ul>
<b>Form 8832</b> Entity Classification Election	No	<ul style="list-style-type: none"> <li>• Edit Audit Code "2" if Form 8832 is attached <b>and</b> Box 6(d), (e), or (f) is checked.</li> <li>• See IRM 3.11.217.13.1, Audit Codes.</li> </ul>

**Exhibit 3.11.217-3 (Cont. 22) (01-01-2026)****Routing Guide for Attachments**

<b>Form/Document</b>	<b>Detach</b>	<b>Descriptions/Action</b>
<b>Form 8833</b> Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b)	No	<ul style="list-style-type: none"> <li>Edit CCC "L".</li> <li>See IRM 3.11.217.14.8, CCC "L" - Treaty Based Positions.</li> <li>Edit Audit Code "2" in the left margin near Line 9 (Deductions area).</li> <li>See IRM 3.11.217.13.1, Audit Codes.</li> </ul>
<b>Form 8858</b> Information Return of U.S. Persons With Respect To Foreign Disregarded Entities (FDEs) and Foreign Branches (FB)	No	<ul style="list-style-type: none"> <li>Edit Audit Code "2" in the left margin near Line 9 (Deductions area).</li> <li>See IRM 3.11.217.13.1, Audit Codes.</li> </ul>
<b>Form 8865</b> Return of U.S. Persons With Respect to Certain Foreign Partnerships	No	<ul style="list-style-type: none"> <li>Edit Audit Code "2" in the left margin near Line 9 (Deductions area).</li> <li>See IRM 3.11.217.13.1, Audit Codes.</li> <li>Edit the number of Forms 8865 to Line 2 of the Schedule N.</li> <li>Dummy a Schedule N if not present and edit the number of Forms 8865 to Line 2.</li> <li>See IRM 3.11.217.27.3, Schedule N (Form 1120), Line 3 - Form 8865 Question.</li> </ul>
<b>Form 8865</b> Schedule G, Statement of Application of the Gain Deferred Method Under Section 721(c)	No	<ul style="list-style-type: none"> <li>Possible Return Processing Code (RPC) "E".</li> <li>See IRM 3.11.217.13.7, Return Processing Code (RPC), for more information.</li> </ul>
<b>Form 8865</b> Schedule H, Acceleration Events and Exceptions Reporting Relating to Gain Deferral Method Under Section 721(c)	No	<ul style="list-style-type: none"> <li>Possible Return Processing Code (RPC) "F".</li> <li>See IRM 3.11.217.13.7, Return Processing Code (RPC), for more information.</li> </ul>
<b>Form 8866 (Refund)</b> Interest Computation Under the Look-Back Method for Property Depreciated Under the Income Forecast Method	Yes	<p>If Form 8866, Line 9 shows a refund, then do the following:</p> <ol style="list-style-type: none"> <li>Edit tax period, EIN, and received date on Form 8866, if not already present.</li> <li>Route to Accounts Management (AM).</li> </ol>
<b>Form 8866 (Balance Due)</b> Interest Computation Under the Look-Back Method for Property Depreciated Under the Income Forecast Method	No	No action required.

**Exhibit 3.11.217-3 (Cont. 23) (01-01-2026)**  
**Routing Guide for Attachments**

Form/Document	Detach	Descriptions/Action
<b>Form 8869</b> Qualified Subchapter S Subsidiary Election	Yes/No	<ul style="list-style-type: none"> <li><b>Yes - Original</b> - Route to Entity Control.</li> <li><b>No - Copy</b> - If a copy is present, or a Form 8869 is stamped "IRS Accepted", "IRS Approved", (or similar language), then no action is required.</li> </ul>
<b>Form 8870</b> Information Return for Transfers Associated With Certain Personal Benefit Contracts (Under section 170(f)(10))	Yes	Route to: EO Entity IRS Ogden Campus Mail Stop 6273
<b>Form 8871</b> Political Organization Notice of Section 527 Status	Yes	Route to Receipt and Control to be re-batched.
<b>Form 8872</b> Political Organization Report of Contributions and Expenditures	Yes	Route to Receipt and Control to be re-batched.
<b>Form 8873</b> Extraterritorial Income Exclusion	No	<ul style="list-style-type: none"> <li>a. Edit the number of Form(s) 8873 attached to Line 7b, Schedule N.</li> <li>b. See IRM 3.11.217.27.8, Schedule N (Form 1120), Line 7b - Number of Forms 8873.</li> <li>c. Edit the total of Line 52 of all attached Form 8873 to Line 7c, Schedule N.</li> <li>d. Dummy a Schedule N if not present and edit the number of Forms 8873 to Line 7b and edit the total amount from Line 52, Form 8873 to Line 7c, Schedule N.</li> <li>e. See IRM 3.11.217.27.9, Schedule N (Form 1120), Line 7c - Total Extraterritorial Income Exclusion.</li> <li>f. Input Command Code (CC) REQ77 / FRM77 with IDRS Transaction Code (TC) "971" and appropriate IDRS Action Code depending on which election was made.</li> <li>g. See IRM 3.11.217.29, Form 8873, Extraterritorial Income Exclusion.</li> </ul>
<b>Form 8875</b> Taxable REIT Subsidiary Election (Under section 856(l)(1) of the Internal Revenue Code)	Yes/No	<b>KCSPC and OSPC:</b> <b>Yes: Original</b> - Route to OSPC BMF Entity - Mail Stop 6273. <b>No: Copy</b> - No action required. <b>Note:</b> Form 8875 is processed at <b>OSPC only</b> .



## Exhibit 3.11.217-3 (Cont. 24) (01-01-2026)

## Routing Guide for Attachments

Form/Document	Detach	Descriptions/Action
<b>Form 8883</b> Asset Allocation Statement Under Section 338	No	<ul style="list-style-type: none"> <li>Edit CCC "S" if Form 8883 is attached.</li> <li>See IRM 3.11.217.14.13, CCC "S" - Form 8883, Asset Allocation Statement Under Section 338.</li> <li>Edit Audit Code "3" if Form 8883 has an</li> <li>See IRM 3.11.217.13.1, Audit Codes.</li> </ul>
<b>Form 8886</b> Reportable Transaction Disclosure Statement	No	<ul style="list-style-type: none"> <li>Edit CCC "T".</li> <li>See IRM 3.11.217.14.14, CCC "T" - Form 8886, Reportable Transaction Disclosure Statement.</li> <li>Edit Audit Code "1" if Form 8886 is attached.</li> <li>See IRM 3.11.217.13.1, Audit Codes.</li> </ul>
<b>Form 8913</b> Credit for Federal Telephone Excise Tax Paid Only Tax Return	No	This credit was used for tax periods 200612 - 200711.
<b>Form 8936</b> , <i>Schedule A</i> , Clean Vehicle Credit Amount	No	<ul style="list-style-type: none"> <li>Place in sequence order.</li> <li>See IRM 3.11.217.15.1, Sequence of Return - Form 1120-S.</li> <li>See IRM 3.11.217.43, Form 8936, Schedule A, - Clean Vehicle Credit Amount (202301 and later) for more information.</li> </ul>
<b>Form 8938</b> Statement of Specified Foreign Financial Assets	No	<ul style="list-style-type: none"> <li>Edit CCC "2" if Form 8938, Statement of Specified Foreign Financial Assets, is attached to Form 1120-S. See IRM 3.11.217.14.19, CCC "2" - Form 8938, Statement of Specified Foreign Financial Assets.</li> <li>See IRM 3.11.217.27.10, Schedule N (Form 1120), Line 8 - Statement of Specified Foreign Financial Assets, and IRM 3.11.217.46, Form 8938, Statement of Specified Foreign Financial Assets, for more information.</li> <li>Place in sequence order. See IRM 3.11.217.15.1, Sequence of Return - Form 1120-S.</li> </ul>
<b>Form 8941</b> Credit for Small Employer Health Insurance Premiums	No	<ul style="list-style-type: none"> <li>Place in sequence order if significant entries are present.</li> <li>See IRM 3.11.217.15.1, Sequence of Return - 1120-S, and IRM 3.11.217.37, Form 8941 - Credit for Small Employer Health Insurance Premiums.</li> </ul>

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**Exhibit 3.11.217-3 (Cont. 25) (01-01-2026)**  
**Routing Guide for Attachments**

Form/Document	Detach	Descriptions/Action
<b>Form 8949</b> Sales and Other Dispositions of Capital Assets	No	Edit CCC "M" when: <ul style="list-style-type: none"> <li>• Tax period ending is 201712 and later, <b>and</b></li> <li>• Form 8949, Sales and Other Dispositions of Capital Assets, contains a code "Z" and/or "Y" in Column (f).</li> <li>• See IRM 3.11.217.14.9, CCC "M" - Form 8949 Sales and Other Dispositions of Capital Assets.</li> <li>• Place in sequence order if significant entries are present.</li> <li>• See IRM 3.11.217.15.1, Sequence of Return - Form 1120-S.</li> </ul>
<b>Form 8990</b> Limitation on Business Interest Expense Under Section 163(j)	No	<ul style="list-style-type: none"> <li>• Possible Return Processing Code (RPC) "7".</li> <li>• See IRM 3.11.217.13.7, Return Processing Code (RPC), for more information.</li> </ul>
<b>Form 8992</b> U.S. Shareholder Calculation of Global Intangible Low-Taxed Income (GILTI)	No	<ul style="list-style-type: none"> <li>• Possible Return Processing Code (RPC) "2".</li> <li>• See IRM 3.11.217.13.7, Return Processing Code (RPC), for more information.</li> </ul>
<b>Form 8994</b> Employer Credit for Paid Family and Medical Leave	No	<ul style="list-style-type: none"> <li>• Possible Return Processing Code (RPC) "4".</li> <li>• See IRM 3.11.217.13.7, Return Processing Code (RPC), for more information.</li> </ul>
<b>Form 8996</b> Qualified Opportunity Fund	No	<ul style="list-style-type: none"> <li>• Possible Return Processing Code (RPC) "6".</li> <li>• See IRM 3.11.217.13.7, Return Processing Code (RPC), for more information.</li> <li>• Place in sequence order if significant entries are present.</li> <li>• See IRM 3.11.217.15.1, Sequence of Return - Form 1120-S.</li> <li>• See IRM 3.11.217.23.2, Form 8996 - Qualified Opportunity Fund Checkbox, for more information.</li> </ul>
<b>Form 8997</b> Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments	No	<ul style="list-style-type: none"> <li>• Possible Return Processing Code (RPC) "9".</li> <li>• See IRM 3.11.217.13.7, Return Processing Code (RPC), for more information.</li> <li>• Place in sequence order if significant entries are present.</li> <li>• See IRM 3.11.217.15.1, Sequence of Return - Form 1120-S.</li> </ul>
<b>Form 9465</b> Installment Agreement Request	Yes	Route as follows: <ul style="list-style-type: none"> <li>• <b>Ogden</b> - Route to Collections Mail Stop 5500.</li> <li>• <b>Kansas City</b> - Route to Mail Stop P4 5000.</li> </ul>

**Exhibit 3.11.217-3 (Cont. 26) (01-01-2026)****Routing Guide for Attachments**

<b>Form/Document</b>	<b>Detach</b>	<b>Descriptions/Action</b>
<b>Form 12857</b> Refund Transfer Posting Voucher	No	<ul style="list-style-type: none"> <li>Possible CCC "O".</li> <li>See IRM 3.11.217.14.10, CCC "O" - Module Freeze.</li> </ul>
<b>Form 14039-B</b> Business Identity Theft Affidavit	No	<p>a. If a specific function is indicated by the envelope address or an IRS CP notice or an IRS letter:</p> <ul style="list-style-type: none"> <li>Place the Form 14039-B on top of the return and</li> <li>Route Form 14039-B and the return to the specific function</li> </ul> <p>b. If Ogden or Kansas City receives a Form SS-4, Application for Employer Identification Number, and Form 14039-B, route the returns to: Internal Revenue Service Ogden BMF Entity. Mail Stop 6273 Ogden, UT 84201</p> <p>c. For the following returns:</p> <ul style="list-style-type: none"> <li>Loose Form 14039-B</li> <li>No correspondence attached (e.g., no IRS CP notice or IRS letter)</li> <li>The envelope is not addressed to a specific function</li> </ul> <p>Place the Form 14039-B on top of the return and route to the local Image Control Team (ICT).</p> <ul style="list-style-type: none"> <li>Ogden - Mail Stop 6552</li> <li>Kansas City - Mail Stop C1 6525</li> </ul>
<b>Form 14157</b> Return Preparer Complaint	Yes	Route to: Attn: Return Preparer Office 401 W. Peachtree Street NW Mail Stop 421-D Atlanta, Georgia 30308
<b>Schedule K-2</b> Shareholders' Pro Rata Share Items - International	No	Added to Mail Routing Guide for information purpose only.
<b>Schedule K-3</b> Shareholders' Share of Income, Deductions, Credits, etc. - International	No	Added to Mail Routing Guide for information purpose only.

**Exhibit 3.11.217-4 (01-01-2022)**  
**Form 8996 - Prior Year Conversion Chart**

- 2020 and 2019 Tax Periods

<b>Part II</b>
Change Line 6 to 7
Change Line 7 to 8
Change Line 9 to 10
Change Line 10 to 11
<b>Part III</b>
Change Line 13 to 14
Change Line 14 to 15

- 2018 and 2017 Tax Periods

<b>Part II</b>
Change Line 5 to 7
Change Line 6 to 8
Change Line 8 to 10
Change Line 9 to 11

<b>Part III</b>
Change Line 12 to Line 14
Change Line 13 to Line 15

**Exhibit 3.11.217-5 (01-01-2022)****◆ Potential Frivolous Arguments for Examination Review ◆**

<b>Potential Frivolous Argument</b>	<b>Description</b>
Alleged Churches/First Amendment	Income from non-religious sources and may claim a vow of poverty.
Altered Form	Altering any or all line items with the intent of facilitating non-compliance with the tax laws.
Altered Jurat/Uniform Commercial Code (UCC) 1-207 or UCC 1-308	Return has income and deductions but the jurat is altered or stricken. May include reference to UCC 1-207/UCC 1-308 or a statement that the return was not signed under penalties of perjury.
Amended Returns/Form 843 Claim	Amended return or a Form 843, Claim for Refund and Request for Abatement, filed to obtain a total refund of all taxes paid in prior years, based on a tax avoidance argument.
C-Filings	This frivolous position includes the following four categories: <ul style="list-style-type: none"> <li>a. Files a return claiming several types of deductions, credits, or overpayments/refunds that have no relation to reality and because of their outrageous character, qualify as frivolous returns.</li> <li>b. Files a return containing the filers identifying information but does not request a refund, often lacking sufficient information to determine a tax liability.</li> <li>c. Files a return with several types of rambling dialogue or confusing arguments that no one could reasonably view as a good faith effort to comply with the law.</li> <li>d. Files a return that tries to send some type of message or protest to the IRS, but does not include sufficient identifying information for the IRS to either determine the identity of the taxpayer or correspondent or return address.</li> </ul>
Challenges to Authority/Due Process	Questions several administrative authorities such as delegation orders, summons authority, Privacy Act, etc. Argues that they must be afforded a hearing or a trial before taxes can be assessed or before property can be seized.
Challenges to Authority/Title 26 or "law" in Other Documents	Argues that Title 26 of the United States Code is not law because it was never enacted as named.
Collections Issues	Files frivolous documents contending that several collections issues are invalid (e.g., Offers in Compromise, Collection Due Process Requests, Installment Agreements, Appeals Requests, etc.) because they are not filed and signed by someone with delegated authority. They may have no certificate of assessment attached, do not comply in form or content with a State or Local law, are not in a certain format, or lack a valid Office of Management and Budget (OMB) number, or other frivolous positions.

**Exhibit 3.11.217-5 (Cont. 1) (01-01-2022)****◆ Potential Frivolous Arguments for Examination Review ◆**

<b>Potential Frivolous Argument</b>	<b>Description</b>
Disclaimer	Submits a disclaimer stating, “disclaims the liability for the tax due”, making the liability on the return zero.
Fifth Amendment	Assertion of the Fifth Amendment right against self-incrimination as a basis for not providing any financial information.
Foreign Income	Argues that United States citizens and residents are not subject to tax on their wages or other income derived from sources within the United States, as only foreign-based income or income received by nonresident aliens and foreign S Corporations from sources within the United States is taxable.
Form 1099-OID (Original Issue Discount)	An individual or business files a return reporting false amounts of income (Generally “Other” or “Miscellaneous” income) and claims a false amount of income tax withholding approximately equal to the amount of falsely reported income. Although the returns report income, they do not calculate any tax due. Some of the returns have Form 1099-OID attached and some have Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Other false financial instruments may be filed in the place of or in addition to the Form 1099-OID such as Form 2439, Notice to Shareholder of Undistributed Long-Term Capital Gains, promissory notes, bonds, sight drafts, etc.
IRC 861 Business Employment Tax (BMF 861)	Argument targets employers and advises them that wages are exempt from withholding. These taxpayers rely on Sections 861 through 865 of the Code and the regulations (in particular, Treasury Regulation 1.861-8), promoters of this scheme advise employers to stop withholding and paying payroll taxes on their employee’s wages. In addition, some employers file amended payroll tax returns and request refunds of previously paid payroll taxes.
IRS is a Private Organization/Collects Tribute, Not Taxes	Argues that the IRS is an entity named the Internal Revenue and Tax Service, Inc., which was incorporated in Delaware in 1933, it is a collection agency for the Federal Reserve Bank, or is part of the United Nations and is clandestinely leading the tax-paying public into a “new world order”.
Not a Person	Argues that a taxpayer is not a “person” within the meaning of IRC 7701(a)(14).
Obscene, Vulgar, Harassing	Submits documents or other materials indicating that non-filing is due to dissatisfaction with tax policies or taxation in general. Often, this argument is expressed with obscene, vulgar, or crude language and characters in an extremely demeaning manner.

## Exhibit 3.11.217-5 (Cont. 2) (01-01-2022)

## ◆ Potential Frivolous Arguments for Examination Review ◆

Potential Frivolous Argument	Description
Protest Against Government Action/ Inaction	Argues that refusal to file or pay is justified because they disagree with government policies or spending plans.
Sixteenth Amendment	Argues the Sixteenth Amendment was not properly ratified and therefore the federal government does not have the legal authority to collect an income tax without apportionment.
Straw Men	Argues the government has created an entity separate and distinct from the taxpayer - a "straw man" and any tax obligations are exclusively those of the "straw man".
Taxes are Voluntary/Law Does Not Require	Submits a return, Amended return or correspondence that argues income taxes are voluntary.
U.S. vs. Long	Submits a return with zero money amounts. To explain the zeros inserted on the form the individual references "U.S. vs. Long".
Unsigned Returns	The individual completes a return but does not sign. A statement indicating disagreement with the tax system is attached or added to the return.
Valuation	Income is not taxable because of the declining fair market value of the dollar, because the dollar is not backed by gold/silver, because the value of services is offset by the value of the labor (barter income), etc.
Zero Returns	<p>Submits a return with zero money amounts on all or most line items on the form (e.g., IRC 861, Form 2439, OID, and other BMF filings that claim no income and request refunds). See Revenue Ruling 2004-34. A statement is attached claiming there is no section of the Internal Revenue Code that established an income tax liability. The statement contains arguments about the definition of income. There are several variations on this type of filing such as those bearing the words "nunc pro tunc" and "not liable".</p> <p><b>Note:</b> Returns having only zeros, no entries, are blank, or show "None", "Not Liable", etc. with no evidence of a frivolous argument are not to be considered as frivolous returns.</p>

**Exhibit 3.11.217-5 (Cont. 3) (01-01-2022)****◆ Potential Frivolous Arguments for Examination Review ◆**

Potential Frivolous Argument	Description
Other	<p>All others including those in Notice 2010-33 or any later superseding notice. See also <i>The Truth About Frivolous Tax Arguments</i> on irs.gov. This category includes non-filer accounts resulting from initial compliance check such as cross-reference Taxpayer Identification Numbers (TINs).</p> <p><b>Note:</b> Frivolous arguments citing “Collection Due Process” (CDP) must be reviewed by Collections for possible referral to Appeals. Refer to IRM 5.19.8, Collection Appeal Rights, for more information.</p>



**Exhibit 3.11.217-6 (01-01-2018)****◆ Province, Foreign State and Territory Abbreviations ◆*****Australia State***

<b>Australia State</b>	<b>Abbreviation</b>
Australian Capital Territory	ACT
New South Wales	NSW
Northern Territory	NT
Queensland	QLD
South Australia	SA
Tasmania	TAS
Victoria	VIC
Western Australia	WA

***Brazil State***

<b>Brazil State</b>	<b>Abbreviation</b>
Acre	AC
Alagoas	AL
Amapa	AP
Amazonas	AM
Bahia	BA
Ceara	CE
Distrito Federal	DF
Espirito Santo	ES
Goiias	GO
Maranhao	MA
Mato Grosso	MT
Mato Grosso do Sul	MS
Minas Gerais	MG
Parana	PR
Paraiba	PB
Para	PA
Pernambuco	PE
Piaui	PI
Rio Grande do Norte	RN

**Exhibit 3.11.217-6 (Cont. 1) (01-01-2018)****♦ Province, Foreign State and Territory Abbreviations ♦**

<b>Brazil State</b>	<b>Abbreviation</b>
Rio Grande do Sul	RS
Rio de Janeiro	RJ
Rondonia	RO
Roraima	RR
Santa Catarina	SC
Sergipe	SE
Sao Paulo	SP
Tocantins	TO

***Canada Province/Territory***

<b>Canada Province/Territory</b>	<b>Abbreviation</b>
Alberta	AB
British Columbia	BC
Manitoba	MB
New Brunswick	NB
Newfoundland and Labrador	NL
Northwest Territories	NT
Nova Scotia	NS
Nunavut	NU
Ontario	ON
Prince Edward Island	PE
Quebec	QC
Saskatchewan	SK
Yukon	YT

***Cuba Province***

<b>Cuba Province</b>	<b>Abbreviation</b>
Camaguey	CG
Ciego de Avila	CA
Cienfuegos	CF
Ciudad di La Habana	CH

**Exhibit 3.11.217-6 (Cont. 2) (01-01-2018)****◆ Province, Foreign State and Territory Abbreviations ◆**

<b>Cuba Province</b>	<b>Abbreviation</b>
Granma (Bayamo)	GR
Guantanamo	GT
Holguin	HO
La Habana	HA
Matazas	MT
Municipio Especial Isla de la Juventud	IJ
Pinar del Rio	PR
Sancti Spiritus	SS
Santiago de Cuba	SC
(Victoria de) Las Tunas	LT
Villa Clara	VC

***Italy Province***

<b>Italy Province</b>	<b>Abbreviation</b>
Agrigento	AG
Alessandria	AL
Ancona	AN
Aosta/Aoste	AO
Arezzo	AR
Ascoli Piceno	AP
Asti	AT
Bari	BA
Belluno	BL
Benevento	BN
Bergamo	BG
Biella	BI
Bologna	BO
Bolzano Bozen	BZ
Brescia	BS
Brindisi	BR
Cagliari	CA

**Exhibit 3.11.217-6 (Cont. 3) (01-01-2018)****◆ Province, Foreign State and Territory Abbreviations ◆**

<b>Italy Province</b>	<b>Abbreviation</b>
Caltanissetta	CL
Campobasso	CB
Caserta	CE
Catania	CT
Catanzaro	CZ
Chieti	CH
Como	CO
Cosenza	CS
Cremona	CZ
Crotone	KR
Cuneo	CN
Enna	EN
Ferrara	FE
Firenze	FI
Foggia	FG
Forli	FO
Frosinone	FR
Genoa	GE
Gorizia	GO
Grosseto	GR
Imperia	IM
Isernia	IS
L'Aquila	AQ
La Spezia	SP
Latina	LT
Lecce	LE
Livorno	LI
Lodi	LO
Lucca	LU
Macerata	MC
Mantova	MN

**Exhibit 3.11.217-6 (Cont. 4) (01-01-2018)****◆ Province, Foreign State and Territory Abbreviations ◆**

<b>Italy Province</b>	<b>Abbreviation</b>
Massa-Carrara	MS
Matera	MT
Messina	ME
Milan	MI
Modena	MO
Napoli	NA
Novara	NO
Nuoro	NU
Oristano	OR
Padova	PD
Palermo	PA
Parma	PR
Pavia	PV
Perugia	PG
Pesaro-Urbino	PS
Pescara	PE
Piacenza	PC
Pisa	PI
Pistoia	PT
Pordenone	PN
Potenza	PZ
Prato	PO
Ragusa	RG
Pavenna	RA
Peggio de Calabria	RC
Reggio nell'Emilia	RE
Rieti	RI
Rimini	RN
Roma	RM
Rovigo	RO
Salerno	SA

**Exhibit 3.11.217-6 (Cont. 5) (01-01-2018)****♦ Province, Foreign State and Territory Abbreviations ♦**

<b>Italy Province</b>	<b>Abbreviation</b>
Sassari	SS
Savona	SV
Siena	SI
Siracusa	SR
Sondrio	SO
Taranto	TA
Teramo	TE
Terni	TR
Torino	TO
Trapani	TP
Trento	TN
Treviso	TV
Trieste	TS
Udine	UD
Varese	VA
Venezia	VE
Verbania	VB
Vercelli	VC
Verona	VR
Vibo Valentia	VV
Vincenza	VI
Viterbo	VT

***Mexico State***

<b>Mexico State</b>	<b>Abbreviation</b>
Aguascalientes	AGS
Baja California Norte	BCN
Baja California Sur	BCS
Campeche	CAM
Chiapas	CHIS
Chihuahua	CHIH

**Exhibit 3.11.217-6 (Cont. 6) (01-01-2018)****◆ Province, Foreign State and Territory Abbreviations ◆**

<b>Mexico State</b>	<b>Abbreviation</b>
Coahuila	COAH
Colima	COL
Distrito Federal	DF
Durango	DGO
Guanajuato	GTO
Guerrero	GRO
Hidalgo	HGO
Jalisco	JAL
Mexico	MEX
Michoacan	MICH
Morelos	MOR
Nayarit	NAY
Nuevo Leon	NL
Oaxaca	OAX
Puebla	PUE
Queretaro	QRO
Quintana ROO	QROO
San Luis Potosi	SLP
Sinaloa	SIN
Sonora	SON
Tabasco	TAB
Tamaulipas	TAMPS
Tlaxcala	TLAX
Veracruz	VER
Yucatan	YUC
Zacatecas	ZAC

***The Netherlands Province***

<b>The Netherlands Province</b>	<b>Abbreviation</b>
Drenthe	DR
Flevoland	FLD

**Exhibit 3.11.217-6 (Cont. 7) (01-01-2018)****♦ Province, Foreign State and Territory Abbreviations ♦**

<b>The Netherlands Province</b>	<b>Abbreviation</b>
Friesland	FR
Gelderland	GLD
Groningen	GN
Limburg	LB
North Brabant	NB
North Holland	NH
Overijssel	OV
South Holland	ZH
Utrecht	UT
Zeeland	SLD



## Exhibit 3.11.217-7 (01-01-2018)

## ◆ U.S. Possessions ZIP Codes ◆

*American Samoa (AS)*

American Samoa (AS) City	American Samoa (AS) ZIP Code
Faga'itua	96799
Leone	96799
Olosega Manua'	96799
Pago Pago	96799

*Federated States of Micronesia (FM)*

Federated States of Micronesia (FM) City	Federated States of Micronesia (FM) ZIP Code
Chuuk	96942
Kosrae	96944
Pohnpei	96941
Yap	96943

*Guam (GU)*

Guam (GU) City	Guam (GU) ZIP Code
Agana	96910
Inarajan	96917
Merizo	96916
Tamuning	96931
Umatac	96915
Yona	96915

*Marshall Islands (MH)*

Marshall Islands (MH) City	Marshall Islands (MH) ZIP Code
Ebeye	96970
Majuro	96960

*Northern Marianna Islands (MP)*

Northern Marianna Islands (MP) City	Northern Marianna Islands (MP) ZIP Code
Capitol Hill	96950
Rota	96951

**Exhibit 3.11.217-7 (Cont. 1) (01-01-2018)****◆ U.S. Possessions ZIP Codes ◆**

<b>Northern Marianna Islands (MP) City</b>	<b>Northern Marianna Islands (MP) ZIP Code</b>
Saipan	96950
Tinian	96952

***Palau (PW)***

<b>Palau (PW) City</b>	<b>Palau (PW) ZIP Code</b>
Koror	96940
Palau	96940

***Puerto Rico (PR)***

<b>Puerto Rico (PR) City</b>	<b>Puerto Rico (PR) ZIP Code</b>
Adjuntas	00601
Aguada	00602
Aguadilla	00603
Aguas Buenas	00703
Aguirre	00704
Aibonito	00705
Anasco	00610
Angeles	00611
Arecibo	00612
Arroyo	00714
Bajadero	00616
Barceloneta	00617
Barranquitas	00794
Barrio Obrero Station	00935
Bayamon	00956
Boqueron	00622
Cabo Rojo	00623
Caguas	00725
Camuy	00627
Canovanas	00729
Caparra Heights	00920

**Exhibit 3.11.217-7 (Cont. 2) (01-01-2018)****◆ U.S. Possessions ZIP Codes ◆**

<b>Puerto Rico (PR) City</b>	<b>Puerto Rico (PR) ZIP Code</b>
Carolina	00982
Catano	00962
Cayey	00736
Ceiba	00735
Cerro Gordo	00754
Ciales	00638
Cidra	00739
Coamo	00769
Comerio	00782
Condado	00907
Corozal	00783
Coto Laurel	00780
Culebra	00775
Dorado	00646
Ensenada	00647
Esperanza	00765
Fajardo	00738
Fernandez Juncos	00936
Florida	00650
Fort Buchanan	00934
Garrachales	00652
Guanica	00653
Guayama	00784
Guayanilla	00656
Guaynabo	00965
Gurabo	00778
Hatillo	00659
Hato Rey	00936
Hormigueros	00660
Humacao	00791
Isabela	00662

**Exhibit 3.11.217-7 (Cont. 3) (01-01-2018)****◆ U.S. Possessions ZIP Codes ◆**

<b>Puerto Rico (PR) City</b>	<b>Puerto Rico (PR) ZIP Code</b>
Jayuya	00664
Juana Diaz	00795
Juncos	00777
La Cumbre	00926
Lajas	00667
La Plata	00786
Lares	00669
Las Marias	00670
Las Piedras	00771
Levittown	00949
Loiza	00772
Loiza Street Station	00936
Luquillo	00773
Manati	00674
Maricao	00606
Maunabo	00707
Mayaguez	00680
Mercedita	00715
Minillas Center	00936
Moca	00676
Morovis	00687
Naguabo	00718
Naranjito	00719
Orocovis	00720
Palmer	00721
Patillas	00723
Penuelas	00624
Ponce	00731
Puerta de Tierra	00936
Puerta Real	00740
Punta Santiago	00741

**Exhibit 3.11.217-7 (Cont. 4) (01-01-2018)****◆ U.S. Possessions ZIP Codes ◆**

<b>Puerto Rico (PR) City</b>	<b>Puerto Rico (PR) ZIP Code</b>
Quebradillas	00678
Ramey	00603
Rincon	00677
Rio Blanco	00744
Rio Grande	00721
Rio Piedras	00927
Rosario	00636
Sabana Grande	00637
Sabana Hoyos	00688
Sabana Seca	00952
Saint Just	00978
Salinas	00751
San Antonio	00690
San Francisco	00927
San German	00683
San Juan	00936
San Lorenzo	00754
San Sebastian	00685
Santa Isabel	00757
Santurce	00936
Toa Alta	00953
Toa Baja	00949
Trujillo Alto	00976
University	00936
Utuado	00641
Vega Alta	00692
Vega Baja (Box 1 - 9049)	00694
Vieques	00765
Villalba	00766
Yabucoa	00767
Yauco	00698

**Exhibit 3.11.217-7 (Cont. 5) (01-01-2018)****◆U.S. Possessions ZIP Codes◆*****Virgin Islands - U.S. (VI)***

<b>Virgin Islands - U.S. (VI) City</b>	<b>Virgin Islands - U.S. (VI) ZIP Code</b>
Charlotte Amalie	00802
Christiansted	00820
Cruz Bay	00830
Downtown	00840
Frederiksted	00840
Kingshill	00850
Saint Croix	00820
Saint John	00830
Saint Thomas	00805
Sunny Isle	00850
Veterans Annes	00820

## Exhibit 3.11.217-8 (01-01-2026)

## ◆USPS.com Track &amp; Confirm Record◆

English Customer Service USPS Mobile

**USPS.COM**

Quick Tools Ship a Package Send Mail Manage Your Mail

## Track & Confirm

[PRINT DETAILS](#) [S](#)

YOUR LABEL NUMBER	SERVICE	STATUS OF YOUR ITEM	DATE & TIME
0010309000163721544	First-Class Mail	Delivered	March 13, 2026, 2:48 PM
		Arrival at Unit	March 12, 2026, 3:40 PM
		Acceptance	March 11, 2026, 1:15 PM

**Check on Another Item**  
What's your label (or receipt) number?

[Find](#)

**Exhibit 3.11.217-9 (01-01-2025)****Form 3800 - Prior Year Revisions Comparison Chart**

See Form 3800, Part III, revision(s) below.

<b>Form, Line Number</b>	<b>2023</b>	<b>2024</b>
Form 7207, Line 1b	<ul style="list-style-type: none"> <li>• Column (b)</li> <li>• Column (g)</li> <li>• Column (h)</li> <li>• Column (i)</li> <li>• Column (j)</li> </ul>	<ul style="list-style-type: none"> <li>• Column (b)</li> <li>• Column (f)</li> <li>• Column (h)</li> <li>• Column (j)</li> <li>• Column (g)</li> </ul>
Form 3468, Part III, Line 1d	<ul style="list-style-type: none"> <li>• Column (b)</li> <li>• Column (g)</li> <li>• Column (j)</li> </ul>	<ul style="list-style-type: none"> <li>• Column (b)</li> <li>• Column (f)</li> <li>• Column (g)</li> </ul>
Form 8835, Part II, Line 1f	<ul style="list-style-type: none"> <li>• Column (b)</li> <li>• Column (g)</li> <li>• Column (j)</li> </ul>	<ul style="list-style-type: none"> <li>• Column (b)</li> <li>• Column (f)</li> <li>• Column (g)</li> </ul>
Form 7210, Line 1g	<ul style="list-style-type: none"> <li>• Column (b)</li> <li>• Column (g)</li> <li>• Column (h)</li> <li>• Column (i)</li> <li>• Column (j)</li> </ul>	<ul style="list-style-type: none"> <li>• Column (b)</li> <li>• Column (f)</li> <li>• Column (h)</li> <li>• Column (j)</li> <li>• Column (g)</li> </ul>
Form 3468, Part IV, Line 1o	<ul style="list-style-type: none"> <li>• Column (b)</li> <li>• Column (h)</li> <li>• Column (i)</li> <li>• Column (j)</li> </ul>	<ul style="list-style-type: none"> <li>• Column (b)</li> <li>• Column (h)</li> <li>• Column (j)</li> <li>• Column (g)</li> </ul>
Form 7218, Part II, Line 1q	NEW in 2024	<ul style="list-style-type: none"> <li>• Column (b)</li> <li>• Column (g)</li> <li>• Column (j)</li> <li>• Column (h)</li> <li>• Column (i)</li> </ul>
Form 8911, Part I, Line 1s	<ul style="list-style-type: none"> <li>• Column (b)</li> <li>• Column (g)</li> <li>• Column (j)</li> </ul>	<ul style="list-style-type: none"> <li>• Column (b)</li> <li>• Column (f)</li> <li>• Column (g)</li> </ul>
Form 7213, Part II, Line 1u	<ul style="list-style-type: none"> <li>• Column (b)</li> <li>• Column (g)</li> <li>• Column (j)</li> </ul>	<ul style="list-style-type: none"> <li>• Column (b)</li> <li>• Column (f)</li> <li>• Column (g)</li> </ul>
Form 3468, Part V, Line 1v	New in 2024	<ul style="list-style-type: none"> <li>• Column (b)</li> <li>• Column (f)</li> <li>• Column (g)</li> </ul>
Form 8933, Line 1x	<ul style="list-style-type: none"> <li>• Column (b)</li> <li>• Column (g)</li> <li>• Column (h)</li> <li>• Column (i)</li> <li>• Column (j)</li> </ul>	<ul style="list-style-type: none"> <li>• Column (b)</li> <li>• Column (f)</li> <li>• Column (h)</li> <li>• Column (j)</li> <li>• Column (g)</li> </ul>



**Exhibit 3.11.217-9 (Cont. 1) (01-01-2025)****Form 3800 - Prior Year Revisions Comparison Chart**

<b>Form, Line Number</b>	<b>2023</b>	<b>2024</b>
Form 8936, Part V, Line 1aa	<ul style="list-style-type: none"><li>• Column (b)</li><li>• Column (j)</li></ul>	<ul style="list-style-type: none"><li>• Column (b)</li><li>• Column (g)</li></ul>
Form 7211, Part II, Line 1gg	New in 2024	<ul style="list-style-type: none"><li>• Column (b)</li><li>• Column (f)</li><li>• Column (g)</li></ul>
Form 3468, Part VI, Line 4a	<ul style="list-style-type: none"><li>• Column (b)</li><li>• Column (g)</li><li>• Column (j)</li></ul>	<ul style="list-style-type: none"><li>• Column (b)</li><li>• Column (f)</li><li>• Column (g)</li></ul>
Form 8835, Part II, Line 4e	<ul style="list-style-type: none"><li>• Column (b)</li><li>• Column (g)</li><li>• Column (j)</li></ul>	<ul style="list-style-type: none"><li>• Column (b)</li><li>• Column (f)</li><li>• Column (g)</li></ul>

