EFFECTIVE DATE

(01-01-2025)

PURPOSE

(1)   This transmits revised IRM 3.12.2, Error Resolution Individual Master File General Instructions.

MATERIAL CHANGES

(1)   IRM 3.12.2.1.5(3) Added Program Control requirements for FixERS tool.

(2)   IRM 3.12.2.2.1 Updated references to current year as Tax Year 2024 (TY24) here and throughout the IRM.

(3)   IRM 3.12.2.2.4 Revised the subsection title.

(4)   IRM 3.12.2.2.5.2.1 Deleted the reference to Form 6001-A here and throughout the IRM.

(5)   IRM 3.12.2.2.5.2.2 Removed the reference to use the current date if the return was timely received.

(6)   IRM 3.12.2.2.5.2.3(1) Added a reference to Discovered Remittance IRM 3.8.46. IPU 24U0488 issued 04-05-2024.

(7)   IRM 3.12.2.2.5.2.4 Changed the reference from Married Filing Jointly (MFJ) to Filing Status Code 2 (FSC2) here and throughout the IRM.

(8)   IRM 3.12.2.2.12(6) Added a link to Form 3696-A for Second Correspondence and Non-Pending Letters. IPU 24U0488 issued 04-05-2024.

(9)   IRM 3.12.2.2.12 (9) Corrected the web address for the Letters Job Aid and IAT website. IPU 24U0292 issued 02-26-2024.

(10)   IRM 3.12.2.2.13.5(2) Added a link to Form 3696-A for Second Correspondence and Non-Pending Letters. IPU 24U0488 issued 04-05-2024.

(11)   IRM 3.12.2.3.6(5) Updated the address for Innocent Spouse claims. IPU 24U0488 issued 04-05-2024.

(12)   IRM 3.12.2.3.7 Updated the list of forms, attachments, and notations to identify international returns and added an exception for electronically filed returns.

(13)   IRM 3.12.2.3.12 Revised procedures for conversion of returns, and removed obsolete procedures for Form 1040A and Form 1040EZ. IPU 24U0488 issued 04-05-2024.

(14)   IRM 3.12.2.3.13 Deleted obsolete procedures for Form 1040A and Form 1040EZ. IPU 24U0488 issued 04-05-2024.

(15)   IRM 3.12.2.3.15 (1) and (2) Updated procedures for Re-entry Returns. IPU 24U0292 issued 02-26-2024.

(16)   IRM 3.12.2.3.17(1) Added a table of the two-digit campus codes for CMODE.

(17)   IRM 3.12.2.3.20(3) (c) Added a period to the end of the sentence. IPU 24U0012 issued 01-02-2024.

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(18)   IRM 3.12.2.4.3.6(4) Clarified requirements for second name line in Field 01NL2. IPU 24U0546 issued 04-22-2024.

(19)   IRM 3.12.2.4.3.10(3) Corrected the non-ADP tax period.

(20)   IRM 3.12.2.4.3.11(2) Added Special Processing Codes 3, H, and Q.

(21)   IRM 3.12.2.4.3.14(4) Updated descriptions of exemption positions, and deleted obsolete information on Form 1040A and Form 1040EZ. IPU 24U0488 issued 04-05-2024.

(22)   IRM 3.12.2.4.3.20(4) and (6) Revised requirements for received date in Field 01RCD. IPU 24U0546 issued 04-22-2024.

(23)   IRM 3.12.2.4.3.20(7) (8) and (11) Revised procedures to correct Field 01RCD on all returns, including timely filed. IPU 24U0334 issued 03-04-2024.

(24)   IRM 3.12.2.4.3.24(4) Updated input values for Field 01DAC. IPU 24U0012 issued 01-02-2024.

(25)   IRM 3.12.2.5.5(5) Revised the priority of determining the correspondence reply date. IPU 24U0643 issued 05-13-2024.

(26)   IRM 3.12.2.5.11(1) Removed references to BOE research here and throughout the IRM.

(27)   IRM 3.12.2.6 Removed references and instructions for Fields 03NCC, 03HCR, 03U19, 03PYE, and 03RRC.

(28)   IRM 3.12.2.6.3.3(2) Added Error Code 201 to the list of references.

(29)   IRM 3.12.2.6.3.35 Revised the reference to Refundable Child Tax Credit (RCTC) for TY21.

(30)   IRM 3.12.2.6.3.40 (1) Updated the Overpaid line number on Form 1040.

(31)   IRM 3.12.2.6.3.43 Corrected the prior year 3rd Party Designee procedures.

(32)   IRM 3.12.2.6.3.46 Corrected the priority order to correct Field 03EMW if multiple boxes are checked.

(33)   IRM 3.12.2.7. Added instructions for new Field 04KAM, Form 1099-K Amount.

(34)   IRM 3.12.2.7.3.9 (1) Added clarification that Field 04SFG is transcribed for TY22 and later.

(35)   IRM 3.12.2.7.3.21(2) Added an instruction to revalidate using Field 02RI when the entry in Field 04SSN is corrected.

(36)   IRM 3.12.2.8 Changed Field 05202 to 0521A, Field 05201 to 05202, and Field 05CTR to 05PYC; added references and instructions for Fields 0521B, 0521C, 0521D, 0521E, 05PCK, 0521F, 05TCK, 0521Y, 05EPR, and 05EPA; and removed references and instructions for Fields 05SFL, 05HCC, 05RCC, and 05SL2.

(37)   IRM 3.12.2.8.3.48(2) Changed the reference from Error Code (EC) 121 to 342.

(38)   IRM 3.12.2.10 Removed references and instructions for Field 07MIP, Qualified Mortgage Insurance Premiums.

(39)   IRM 3.12.2.10.3.25 Added instructions to refer to EC 250 and International Returns.

(40)   IRM 3.12.2.11.3.4 Added instruction when both Yes and No boxes are checked, here and throughout IRM.

(41)   IRM 3.12.2.13(3) Clarified procedures when Form 8949 is edited with Z or Y code.

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(42)   IRM 3.12.2.19 Updated the title of Schedule J for TY24.

(43)   IRM 3.12.2.20 Removed references and instructions for Field 21ABD.

(44)   IRM 3.12.2.20.3.5(2) and (5) Added instructions to enter SPC D when an acceptable explanation is provided in lieu of provider TIN.

(45)   IRM 3.12.2.21 Added instructions for updated field names and line numbers in Section 22 for Form 3800.

(46)   IRM 3.12.2.22 Added instructions for updated field names and line numbers in Section 23 for Form 3800.

(47)   IRM 3.12.2.22.1 Corrected Field 234KJ in Section 23. IPU 24U0012 issued 01-02-2024.

(48)   IRM 3.12.2.22.3.2(2) Corrected Field Name 23CHS. IPU 24U0012 issued 01-02-2024.

(49)   IRM 3.12.2.30(2) Updated the amount for Form 8615 to $2,600.

(50)   IRM 3.12.2.32(1) and (2) Updated the amount for Form 8839 to $16,810.

(51)   IRM 3.12.2.35.3.6(3) Added child, sibling, and step sibling to the listed relationships.

(52)   IRM 3.12.2.36 Changed Field 4401A to 4401, and 4408D to 4408; removed references and instructions for Fields 4401B, 4408B, 4408C, 4408E, and 4408F; and updated the social security wage maximum and minimum amounts for TY24.

(53)   IRM 3.12.2.36.1 (1) Corrected tax years listed for Field 4401B, Field 4408C, and Field 4408E. IPU 24U0292 issued 02-26-2024.

(54)   IRM 3.12.2.37 Removed references and instructions for Field 47ABD, 8812 Principal Abode Indicator.

(55)   IRM 3.12.2.44 Changed Field 5604 to 5604A, and Field 5607 to Field 5604; and revised instructions for the bond fields on TY23 and prior returns.

(56)   IRM 3.12.2.48(1) Clarified conditions when Action Code 430 is edited and added link to Community Property procedures. IPU 24U0703 issued 05-30-2024.

(57)   IRM 3.12.2.51.3(5) Updated example for Field 6719. IPU 24U0012 issued 01-02-2024.

(58)   IRM 3.12.2.53 Added instructions for new Fields 69PYF,69SR1, 69RI1, 69SR, and 69RI2.

(59)   IRM 3.12.2.53.1 Added applicable tax years to Section 69 fields. IPU 24U0057 issued 01-05-2024.

(60)   IRM 3.12.2.59 Added instructions for new Fields 7507C and 7532A.

(61)   IRM 3.12.2.59.3.4 (1) Added procedures for Field 7507A. IPU 24U0292 issued 02-26-2024.

(62)   IRM 3.12.2.59.3.5(2) Added a table with examples showing the format of Field 75010. IPU 24U0703 issued 05-30-2024.

(63)   IRM 3.12.2.61(2) Added information on processing Form 9000.

(64)   IRM 3.12.2.62.3.3(5) Updated the invalid and valid conditions for the Form 8997 special gain codes.

(65)   IRM 3.12.2.64 Added instructions for new Fields 97REV and 94EEV; removed references and instructions for Fields 946EV, 94RRV, and 94RCV.

(66)   Exhibit 3.12.2-1 Removed Action Code 336 from chart. IPU 24U0012 issued 01-02-2024

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(67)   Exhibit 3.12.2-1 Corrected the number of calendar days for Action Code 481 and 484. IPU 24U0546 issued 04-22-2024.

(68)   Exhibit 3.12.2-3 Changed the explanation of Return Processing Code 9 to reserved. IPU 24U0746 issued 06-11-2024.

(69)   Exhibit 3.12.2-3 Updated valid Return Processing Codes for TY24.

(70)   Exhibit 3.12.2-4 Added a condition for Special Processing Code C. IPU 24U0292 issued 02-26-2024.

(71)   Exhibit 3.12.2-4 Added Special Processing Code 5 and explanation to the table. IPU 24U0746 issued 06-11-2024.

(72)   Exhibit 3.12.2-4 Updated valid Special Processing Codes for TY24.

(73)   Exhibit 3.12.2-6 Added a condition for Audit Code B. IPU 24U0292 issued 02-26-2024.

(74)   Exhibit 3.12.2-6 Added Audit Code M and explanation to the table. IPU 24U0746 issued 06-11-2024.

(75)   Exhibit 3.12.2-6 Revised the explanation of Audit Code W.

(76)   Exhibit 3.12.2-7 Removed Unallowable 70 information per request from Exam. IPU 24U0292 issued 02-26-2024.

(77)   Exhibit 3.12.2-8 Updated TY23 credit reduction states. IPU 24U0012 issued 01-02-2024.

(78)   Exhibit 3.12.2-9 Corrected line and part numbers in fill-in paragraphs 26, 27, and 30. IPU 24U0703 issued 05-30-2024.

(79)   Exhibit 3.12.2-9 Added fill-in paragraph 43 to request Form 8936 Schedule A.

(80)   Exhibit 3.12.2-12 Added a reference to Discovered Remittance IRM 3.8.46. IPU 24U0488 issued 04-05-2024.

(81)   Exhibit 3.12.2-14 Removed IRC 1341 from the list of frivolous filer definitions. IPU 24U0703 issued 05-30-2024.

(82)   Editorial changes have been made throughout this IRM including spelling, punctuation, removal and update of field names, naming of Form changes, annual updates, corrected typos, plain language, updated error code references to current year programming, and Form and Schedule line numbers for TY24.

(83)   IRM 3.12.2 revised throughout to update organization title Wage and Investment to Taxpayer Services. IPU 24U0546 issued 04-22-2024.

EFFECT ON OTHER DOCUMENTS

IRM 3.12.2, Individual Master File Error Resolution General Instructions, dated November 03, 2023 (effective January 1, 2024) is superseded. Incorporated the following IRM Procedural Updates (IPUs): 24U0012 dated 01-02-2024, 24U0057 dated 01-05-2024, 24U0292 dated 02-26-2024, 24U0334 dated 03-04-2024, 24U0488 dated 04-05-2024, 24U0546 dated 04-22-22024, 24U0643 dated 05-13-2024, 24U0703 dated 05-30-2024, and 24U0746 dated 06-11-2024.

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AUDIENCE

Individual Master File (IMF) Error Resolution Departments, Taxpayer Services (TS) Submission Processing Centers

James L. Fish
Director, Submission Processing
Taxpayer Services Division

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3.12.2
Individual Master File Error Resolution General Instructions

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3.12.2.1 (01-01-2023) **Program Scope and Objectives**	(1)	**Purpose:** Internal Revenue Manual (IRM) 3.12.2 provides instructions for correcting errors identified by the Error Resolution System (ERS) during processing of Individual Master File (IMF) tax returns.
	(2)	**Audience:** These procedures apply to the Internal Revenue Service (IRS) employees who correct errors on tax returns in ERS including: Lead ERS Tax Examining Technicians and ERS Tax Examining Technicians
	(3)	**Policy Owner:** The Director of Submission Processing oversees the policies in this IRM.
	(4)	**Program Owner:** The Code & Edit/ERS Section of the Return Processing Branch of Submission Processing is the program owner of this IRM.
	(5)	**Primary Stakeholders:** Submission Processing (SP) and Modernized e-File (MeF)
	(6)	**Program Goals:** Correct all errors identified by the Error Resolution System (ERS).
3.12.2.1.1 (11-27-2020) **Background**	(1)	The Error Resolution System (ERS) is an online computer application used by tax examiners to correct errors identified on tax returns during Generalized Mainline Framework (GMF) processing in compliance with USC Title 26.
3.12.2.1.2 (01-01-2023) **Authority**	(1)	USC Title 26 provides authority by defining tax law and requirements.
	(2)	Internal Revenue Code (IRC) 6213(b) provides the authority for resolution of mathematical and clerical errors identified during processing of tax returns.
	(3)	Policy Statements for Submission Processing are contained in IRM 1.2.1.4, Policy Statements for Submission Processing Activities.
3.12.2.1.3 (01-01-2023) **Responsibilities**	(1)	The SP Director monitors operational performance for the Submission Processing campuses.
	(2)	The Operations Manager monitors operational performance for their operation.
	(3)	The team manager/lead monitors performance and ensures employees have the tools to perform their duties.
	(4)	The team employees follow the instructions contained in this IRM and maintaining updated IRM procedures.
	(5)	Control clerks monitor the control of error documents. Inventory control procedures are described in IRM 3.12.37, Error Resolution, IMF General Instructions.
3.12.2.1.4 (01-01-2023) **Program Management and Review**	(1)	**Program Reports:** The Monitoring Section under Submission Processing Program Management/Process Assurance monitors the ERS reports following procedures in IRM 3.30.124.
	(2)	**Program Effectiveness:** The program goals are measured by the following reviews:

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3.12.2.1.4

- Embedded Quality Submission Processing (EQSP) (individual quality review)
- Computer Assisted Review of ERS (CARE) is an on-line review of Taxpayer Notice Codes (TPNC) assigned by the ERS tax examiner during processing
- Balanced Measures
- Managerial reviews

(3) **Annual Review:** This IRM is updated and reviewed annually to ensure accuracy and promote consistent tax administration. Review and concurrence is performed by affected offices according to the clearance process established in IRM 1.11.9, Internal Management Documents, Clearing and Approving Internal Management Documents (IMD), prior to publishing.

3.12.2.1.5
(01-01-2025)
Program Controls

(1) All tax examiners must submit a request via the Business Entitlement Access Request System (BEARS). This request must be approved by management before the employee gains access to the Error Resolution System.

(2) Tax returns in ERS are worked on a first in first out (FIFO) basis as they are received from input systems through the General Mainline Framework (GMF).

(3) FixERS tool is to be run each day. Returns suspended with Action Code 484 by the FixERS tool should be worked within two business days.

3.12.2.1.6
(01-01-2023)
Terms and Acronyms

(1) The list of terms and/or abbreviations used throughout this IRM are located in Exhibit 3.12.2-15.

3.12.2.1.7
(01-01-2025)
Related Resources

(1) Use the following required websites, job aids, and tools to complete the work.:

Resource	Title
IRM 3.11.3 - Contains coding and editing procedures for IMF tax returns	Returns and Documents Analysis, Individual Income Tax Returns
IRM 3.12.3 - Contains instructions for ERS Error Codes 001-750, No Reply returns, and Taxpayer Notice Code exhibit	Error Resolution, Individual Income Tax Returns
IRM 3.12.37 - Contains general instructions for suspense records, document control, inventories and management reports.	IMF General Instructions
Job Aid Book 2515-014	Error Resolution System (ERS) for Individual Master File Documents - Prior Year Job Aid
Job Aid Book 2515-015	Error Resolution System (ERS) for Individual Master File Documents - Current Year Job Aid

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Resource	Title
Job Aid Book 2515-019	Error Resolution System (ERS) for Individual Master File Documents - Job Aid for ERS Managers
Document 7071	Name Control Job Aid for Individual Master File (IMF) Taxpayers

3.12.2.2
(01-01-2017)
General Information

(1) The general information contained in this subsection of the manual are:

- Correction Requirements
- Perfecting the Tax Return and Field Error Screen Display
- Command Codes
- ERS Action Codes
- Revalidating with OLE
- Taxpayer Notice Code (TPNC)
- Computer Assisted Review of Error Resolution System (CARE)
- Computer Assisted Pipeline Review (CAPR)
- Correspondence Procedures
- Types of Errors

3.12.2.2.1
(01-01-2025)
Introduction

(1) This IRM section provides instructions for Individual Master File (IMF) Error Resolution System (ERS) processing. The instructions in this manual are for correcting the following:

a. Errors made by taxpayers and tax preparers
b. Errors made by other IRS employees or IRS programming during return processing

(2) ERS will place error records into the Error Inventory.

(3) When the error record displays on the computer screen, the tax examiner will take one of the following actions:

a. Correct the displayed section or field errors.
b. Suspend the document for more information or removal from pipeline processing.

(4) The instructions in this manual are for Form 1040, Form 1040(SP), Form 1040-SR, and Form 1040-SR(SP). Form 1040A and Form 1040EZ were made obsolete in Tax Year 2018 (TY18); all Forms 1040A or 1040EZ must be converted to Form 1040 before processing.

(5) Form 1040-SR was introduced in Tax Year 2019 (TY19). The fields and line numbers of Form 1040-SR are identical to Form 1040 with a larger font size and expanded form length. Form 1040(SP) and Form 1040-SR(SP) are Spanish-language versions of Form 1040/1040-SR with the same fields and line numbers as Form 1040. All instruction for Form 1040 applies equally to

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3.12.2.2.1

Form 1040-SR, 1040(SP) and Form 1040-SR(SP). Form 1040-SR will be processed with Document Code 05 or 06 in the document locator number.

(6) ERS section and error code screen displays for all returns have been realigned to follow the layout of TY24 Form 1040. Fields in Sections 01 through 05 are aligned as follows:

    a.   Section 01 - Entity portion of TY24 Form 1040
    b.   Section 02 - Form 3471 Edit Sheet
    c.   Section 03 - TY24 Form 1040, page 1, line 1 through entire page 2, including paid preparer information.
    d.   Section 04 - TY24 Form 1040, Schedule 1
    e.   Section 05 - TY24 Form 1040, Schedule 2 and 3

Note: Prior year Form 1040 will follow the same format with field designators realigned according to TY24 Form 1040 layout.

(7) Throughout this manual, forms will be referred to by numbers and schedules will be referred to by letters and numbers.

(8) The following introductory information is contained in this subsection of the manual:

- General Guidelines
- Organization of Text

3.12.2.2.2
(01-01-2025)
General Guidelines

(1) **Instructions in this manual are for a typical return. Apply the instructions as far as possible when a unique situation exists. Refer any unusual situations and complex cases to the lead tax examiner.**

(2) Lines in this manual marked with **#** are **for official use only** and must not be disclosed.

(3) This manual is the main source of information for correcting the error record on the computer screen and the related return. Refer to IRM 3.12.2.1.7, Related Resources.

Note: Use the instructions in other IRMs **only** when specifically instructed in this IRM to do so.

(4) When a conflict between any reference, job aid, or training material and this manual occurs, the manual instructions take precedence.

(5) **Deviations from procedures in this IRM may be granted only in accordance with the policy set forth in IRM 1.11.2.2.3**, When Procedures Deviate from the IRM.

3.12.2.2.3
(05-04-2017)
Organization of Text

(1) This manual is organized so that correction procedures can be located quickly. All related procedures are contained in a single location, whenever possible.

(2) The text is organized as follows:

- General Information
- Special Procedures
- Field Errors (Priority III)

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•   Exhibits

3.12.2.2.4
(01-01-2025)
Correction
Requirements

(1) Records will be placed into the Error Inventory or the Workable Suspense Inventory for correction.

Note: If your site is helping the primary site with MeF ERS 100 work, TE's will first need to use CC CMODE to access and update taxpayer records on another campus' database. Refer to IRM 3.12.2.3.17

(2) You must do one of the following when the error record displays on the screen:

a.   Correct the displayed field error or displayed invalid conditions.
b.   Suspend document for more information.
c.   Reject document from pipeline processing

Note: If your site is assisting the primary site with MeF ERS 100 work, the helping site is required to issue the correspondence and use the primary site's signature code. All Unpostables, Entity, Accounting Function, Review or Reject function issues are the responsibility of the primary site.

(3) ERS screen display corrections may also include correcting errors in editing and transcription on the return.

3.12.2.2.5
(01-01-2017)
Perfecting the Tax
Return and Error Screen
Display

(1) The following information will be shown in the header portion of each error record on the error screen display:

•   Document locator number (DLN)
•   Social security number (SSN) or IRS individual taxpayer identification number (ITIN)
•   Name control or check digits, if present
•   Previously assigned taxpayer notice code(s)

3.12.2.2.5.1
(01-01-2023)
Document Locator
Number

(1) The document locator number (DLN) is a unique number assigned to every return processed by the Automatic Data Processing (ADP) Systems.

(2) The DLN is used to control, identify and locate a document.

(3) **Always make certain that the DLN** on the error screen **matches** the DLN of the document before making any corrections to the screen display. See IRM 3.12.2.2.5.1.4, Mixed Data on Paper Returns.

(4) If there is an additional document in your block of work (e.g., the document does not have a DLN, or the DLN does not match the block of work), take it to the manager of the Control/Clerical team for resolution.

3.12.2.2.5.1.1
(01-01-2025)
Julian Date

(1) A Julian date is the numeric day of the year.

Example: April 18, 2025, is Julian Date 108, the 108th day of 2025.

(2) The sixth, seventh and eighth digits of a DLN make up the Julian date.

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3.12.2.2.5.1.1

3.12.2.2.5.1.2
(01-01-2017)
Sequence Number

(1) The twelfth and thirteenth digits of the DLN are the sequence number.

    a.   Returns in a block are numbered from "00" to "99".
    b.   The maximum number of returns in a numbered block is 100.
    c.   Numbered returns in a block must stay in sequence number order.

3.12.2.2.5.1.3
(01-01-2023)
Missing Blocks/Returns

(1) If a block of work is missing, notify the manager of the Control/Clerical team. The manager will coordinate with the Data Conversion Control team and/or Accounting Data Control team to locate the missing block.

(2) If a document is missing from a block of work, take the entire block to your manager. Your manager will notify the Control/Clerical team, who will coordinate with Data Conversion Control team and/or Accounting Data Control team to locate the missing document.

3.12.2.2.5.1.4
(01-01-2017)
Mixed Data on Paper Returns

(1) **Before making any corrections** to the error screen display, **make certain** that the **DLN on the screen display matches the DLN on the document**.

(2) Mixed data situations exist when either of the following are present:

    a.   Information from two different tax returns display on the error record under one DLN.
    b.   The information on the return for the DLN does not match the return on the screen display.

(3) Take the following actions on mixed data:

    a.   **Stop processing block of work.**
    b.   Give the **entire block of work** to your manager.

        Note: Management will decide if the mixed data situation can be corrected via the terminal, or if the individual returns must be deleted and re-input.

3.12.2.2.5.2
(01-01-2017)
Corrections

(1) Correct coding and transcription errors and misplaced entries on displayed fields to ensure taxpayer's entries are in the appropriate fields of the tax return.

(2) Refer to all instructions for each field error.

3.12.2.2.5.2.1
(01-01-2025)
Internal Use Forms

(1) Form 3471, Edit Sheet - This form is used to edit unallowable conditions. Generally edited by Code and Edit or Examination.

(2) Form 4227, Intra-SC Reject/Routing - This form is used when special conditions require more research, referral and/or action before document can be processed.

(3) Form 6001, Letter 12-C Correspondence Action Sheet is used to generate a Letter 12-C to the taxpayer asking for more information needed to continue processing their tax return.

3.12.2.2.5.2.2
(01-01-2025)
Working Trails

(1) A working trail is a written and legible statement placed on a document as a record of action taken. They are used when information may be needed for other campus functions to accurately process tax returns.

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(2) Working trails can contain the following:

- • TIN
- • Information about detached documents (e.g., detached Form 1040-X, etc.)

(3) Write a working trail on any detached document. The following information must be indicated in the working trail of the detached document:

a. The received date of the return
b. Tax period of return in YYYYMM format

3.12.2.2.5.2.3
(04-05-2024)
Attachments to Returns

(1) Take the action described in Exhibit 3.12.2-12, Attachment Guide, when you are led to and find taxpayer correspondence or attachment to a return.

Note: You are not required to research for attachments or correspondence unless specifically instructed to do so in the section or error code; however, be conscientious in taking the appropriate action on any attachments or correspondence found. Particular attention must be paid to remittances in the form of checks, money orders, EIP prepaid debit cards, etc. If a check, money order, or other item of value is found, immediately inform your manager or lead tax examiner, and refer to IRM 3.8.46, Discovered Remittance.

3.12.2.2.5.2.4
(01-01-2025)
Signature Requirements

(1) An **original signature** made by the taxpayer is required below the jurat (perjury) **statement** and within the "Sign here" box. Without the taxpayer's signature [or the signature of both taxpayers if Filing Status Code 2 (FSC 2), married filing jointly], the return is not an official document and may not be processed.

(2) Inspect **all** returns for original signatures.

a. If an original signature is present in the correct location, accept the taxpayer's signature and continue processing the return.
b. If the taxpayer signed elsewhere but arrowed their signature to the correct location, accept the taxpayer's signature and continue processing.
c. If the signature is faxed or scanned, see IRM 3.12.2.2.5.2.4 (3) below.
d. If an FSC 2 return has only one signature, see IRM 3.12.2.2.5.2.4 (4) below.
e. If the return is signed by someone other than the taxpayer or if only one signature is present on an FSC 2 return, review the return for indications of a Power of Attorney and see IRM 3.12.2.2.5.2.4 (5) below.
f. If the taxpayer is a minor child, see IRM 3.12.2.2.5.2.4 (6) below.
g. If you cannot determine whether the signature is original, SSPND 211 to correspond for an original signature.
h. Review the additional exceptions listed in IRM 3.12.2.2.5.2.4 (7) below.
i. If a return is unsigned and none of the above apply, SSPND 640 to send the return to Rejects.

(3) **Faxed or scanned signatures:** Accept as valid signatures only if:

a. Signature was received as a **Reject reply** via fax.
b. Received from Taxpayer Advocate Service (TAS).

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    c.   Received from an IRS area, such as Substitute for Return (SFR) returns, Collections (returns marked "59XXX", excluding "59918") or Accounts Management (Correspondence Imaging Inventory (CII) returns).

    d.   Returns are stamped by RIVO (including Handwritten "RIVO" or "RIVO reviewed").

    e.   Return are edited with SPC **"B"** or **"M"**

    f.   Copies with the remark "Process as Original (PAO)."

    g.   Electronic return prints with an IRSN processed as an original, even when no copy of Form 8453 is attached, or when the electronically filed return was signed with a PIN.

(4) **Joint returns:** Joint returns require the original signature of both taxpayers. Accept the signature of one taxpayer on an FSC 2 return only if:

    a.   One taxpayer is deceased and there is an indication that the signing taxpayer is filing as the surviving spouse

    b.   There is an indication of "POW" (prisoner of war) or "MIA" (missing in action)

    c.   A statement is attached that one spouse is unable to sign the return due to health reasons

    d.   There is an indication that one spouse is in a combat zone or qualified hazardous duty area

    e.   A POA is attached granting the signing spouse signature authority for the other taxpayer. A POA is required even if the taxpayer indicates their spouse is overseas (including military if there is no notation of combat zone/hazardous duty area) or the taxpayer states they received advance permission from IRS.

(5) **Power of Attorney/Form 2848**, Power of Attorney and Declaration of Representative: If a Power of Attorney (POA) or Form 2848 is attached, the designated individual may sign on behalf of the taxpayer. One original signature is acceptable on a joint return when the POA is valid for both taxpayers.

Note: If a guardian, personal representative, executor, trustee, or fiduciary files the return, it must have an original signature. Supporting documentation that the appointee has the legal right to file on behalf of the taxpayer may also be required. See IRM 3.12.2.3.18, Deceased Taxpayer

for related information.

(6) **Minor Child:** If the taxpayer is a minor child and the tax return is:

    a.   Signed by a parent, it **never** requires documentary evidence such as birth certificate, but the parent must sign as "Parent for Minor Child".

       Note: The notation must clearly identify the relationship to the minor.

    b.   Signed by a guardian or other fiduciary designee, it requires documentary   #
       #

(7) **Exceptions:** Do not suspend for a missing original signature in the situations described below:

a. "Substitute for Return Prepared by IRS" is noted, a signed Form 1040-X, Amended U.S. Individual Income Tax Return, is attached for the same period with an original signature, "See 1040-X" is noted, or "dummy" return.

b. "Section 6020(b)" or "prompt assessment" is noted or Form 4810, Request for Prompt Assessment Under IR Code Section 6501(d), is attached.

c. Form 8879, IRS e-file Signature Authorization, is attached with a valid signature, and there is any indication that an electronic filing was rejected, or the return is for a prior year.

d. The return comes from Exam, Collection, or Accounts Management and "Process as Original" (**PAO**) is present on the return.

e. An employee's Integrated Data Retrieval System (IDRS) number is present on the signature line.

f. Taxpayer has signed an attached CP 59 or Letter 143-C on the "Sign Here" line. CSCO will note in the "Sign Here" area whether the taxpayer has signed under the jurat of the CP 59 or Letter 143-C.

g. Automated Substitute for Return (ASFR) is written or stamped in the top margin, a pink Form 3531 is attached, or Letter 2566 (SC/CG) or Letter 3219 (SC/CG) is attached. See IRM 3.12.2.3.2.

h. There is an indication of TRPRT (transcript of a return).

i. Computer Condition Code (CCC) "3" is already present.

j. The return is from the Correspondence Imaging Inventory (CII).

k. Paper-printed MeF returns that are sent from TAS.

l. Efile Graphic Print (includes when the notation is circled out or lined through.)

(8) **Form 8453/Form 8878/Form 8879:** Permit electronic and digital signatures on these forms per the Temporary Deviation from Handwritten Signature Requirement for Limited List of Tax Forms. Do not correspond for original signature on these forms if electronically or digitally signed and received on or after August 28, 2020.

3.12.2.2.5.2.5
(01-01-2019)
Fields Not Visible in Error Code
	(1) Due to the complexity of calculating income, taxes, and credits, the number of required fields can surpass the capacity of the ERS screen. The ERS screens have the following capacity:
	
	    a. Section screens have 3 columns and 18 rows for a total of 54 fields.
	
	        Exception: Section 01 has 2 columns and 18 rows for a total of 36 fields.
	
	    b. Error code screens have 3 columns and 19 rows for a total of 57 fields.
	
	(2) The number of fields displayed for an **error code** cannot exceed 57 fields. Instructions have been added to use command code GTSEC to make corrections to a field that does not display on the error code screen that is necessary for the resolution of the error code.

3.12.2.2.5.2.6 (01-01-2017) **Missing Schedules**	(1) If Code and Edit did not prepare a dummy schedule from the attachments, you are **not** required to prepare a **Dummy** schedule/form when missing from a paper return. (2) GTSEC XX to call up the section and enter all appropriate fields.

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3.12.2.2.5.2.7 (11-27-2020) **Money Fields**	(1)	Refer to each section for specific information on fields transcribed as dollars only or dollars and cents.
	(2)	Some of the fields transcribed in **dollars only** will display in ERS in **dollars and cents**, with two zeros to the right of the decimal point.
	(3)	Any correction to a field with ****** must be entered in dollars only. Any correction to a money amount field without ****** must be entered in **dollars and cents**.
	(4)	**MeF** returns are dollars only.

3.12.2.2.5.2.8 (01-01-2017) **Clear Code C and 000**	(1)	A field labeled **CL** will be displayed for the entry of a clear code when there is a possibility that a change or correction may not be needed. This field is located on line 4 of the screen display, to the right of CRECT. These records are cleared by either of the following actions:

a.   Correcting the error condition and transmitting.
b.   Enter **C** in the Clear Field, when no correction is needed.

Note: If a correction is made, you must transmit **before** entering the clear code **C**.

	(2)	Unfinished records from the previous day will not contain any of the **C** clear codes that were assigned to the record. All clear codes on unfinished records are removed by the system for the new day's inventory. Programming will erase all **C** clear codes when a record has been suspended with CC SSPND.
	(3)	Use the numeric **000** as a clear code to delete an invalid or erroneous action code when there is no reason to suspend the record.
	(4)	Clear Action Codes 410 and 700 **before** resolving other errors in a record. All other action codes, enter **C** in the Clear Field **after** corrections for the action code have been completed.

3.12.2.2.5.2.9 (11-27-2020) **Entity Information**	(1)	Input entity changes when **any** acceptable written notification, as defined in the following, is received from the taxpayer and you are led to the Entity area:

a.   Written notification signed by the taxpayer informing the IRS they want their address changed.
b.   Form 8822, Change of Address, is attached to the return. Enter as intermediate or long entity.

	(2)	When IRS correspondence is returned by the taxpayer with new address information, input changes according to the information received. No signature is required on the address change.

3.12.2.2.5.2.10 (01-01-2022) **State Income Tax Returns/Payments or Contributions to Reduce the Public Debt**	(1)	**State Income Tax Return:** If attached, detach the state income tax return and route to Receipt and Control. Receipt and Control will route the return to the appropriate state taxing agency.
	(2)	**State Income Tax Payments:** If the state income tax return is not attached, but the taxpayer is attempting to pay **state income tax**, assign **TPNC 298**.
	(3)	If a check made out to the Bureau of Public Debt is found attached to the return, route to Receipt and Control.

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3.12.2.2.6 (11-27-2020) **Command Codes**	(1) Use the appropriate Command Codes (CC) when correcting the Error Inventory and the Workable Suspense Inventory or when more research is necessary. The ERS and IDRS Command Codes are as follows:

ERS COMMAND CODE	DESCRIPTION
CMODE	Used to access and update taxpayer records on another campus' database.
CRECT	Used to enter a correction.
DLSEC	Used to delete a section from the data record.
ERINV	Used to research a DLN or TIN on the ERS Control File.
GTREC	Used to access the first error in a block in the Error Inventory or a specific record in the Workable Suspense Inventory. It can also be used to redisplay any uncorrected error.
GTSEC	Used to obtain the display of any section of a record in process.
NWDLN	Used to change (renumber) the DLN and MFT of the record and reject the record.
QRSEL	Used to select tax records to stay on ERS Database one additional day to allow for Quality Review or rework. Definer **E** is used to select MeF returns. Definer **R** is used to select returns for **CARE REVIEW**.
RJECT	Used to reject a record from ERS.
SSPND	Used to enter an Action Code and place a record in suspense.
TRDBV	Used to obtain the display of edited, transcribed, and corrected data from electronic returns and Telefile returns for tax year 1998 and later.
TRERS	Used to display return in **Rejects only** when return was an unpostable.

IDRS COMMAND CODE	DESCRIPTION
ENMOD	Used to request the entity module for a specific Taxpayer Identification Number.
ENREQ	Used to input entity changes for all master files.
ENREQR	Used to input CC IRCHG.

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IDRS COMMAND CODE	DESCRIPTION
IMFOL	Will display entity and tax module information on-line for query access.
INCHG	Response to CC ENREQ for IMF and IRAF accounts. This is a generated command code with a screen format.
INOLE	Used to access the most current entity data from the national (NAP) files.
IRPOL	Research Form 1095-A, Form 1095-B, and Form 1095-C.
IRCHG	Response to CC ENREQR. Used to add a name control to the valid name controls for a given TIN (make an account **IRS valid**). Initiates an account merge of the valid and invalid TINs for a given account.
IRPTR	Contains entity data, cross reference information, DOD/DOB, and income summary information. CC IRPTR is available for researching information (before or after correspondence), to determine items such as gross social security benefits, withholding, social security tax withheld, and Medicare tax withheld. IRPTR is updated monthly. On-line research is available for ten years. IRPTR data will be available as information is processed and is continually updated, per IRM 2.3.35.
NAMEB	Name and address data is entered to research a missing EIN.
NAMEE	Name and address data is entered to research a missing EIN.
NAMEI	Name and address data is entered to research a missing SSN.
NAMES	Name and address data is entered to research a missing SSN.
RTVUE	Contains edited, transcribed, and corrected data from data entry lines of returns and related forms and schedules filed in the current processing year (including two prior tax years).
TXMOD	Used to research a specific tax period for a specific type of tax.

Note: more information is contained in IRM 3.12.37, IMF General Instructions, IRM 2.3, IDRS Terminal Responses, IRM 2.4, IDRS Terminal Input, and Job Aid Book 2515-015.

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(2)   When IDRS is unavailable, **SSPND 351**.

3.12.2.2.7
(01-01-2025)
**Error Resolution System
(ERS) Action Code**

(1)   An ERS Action Code indicates that the document is missing specific informa-tion, must be suspended, and/or must be removed from processing. The ERS Action Code definitions in Exhibit 3.12.2-1 indicate if correspondence, in-house research, or other action(s) are required.

(2)   Action Codes which are edited to the lower center margin of the return indicate actions taken by Code and Edit (C&E) tax examiners.

(3)   Correspondence Action Sheet (Form 6001) is attached by C&E when initiating correspondence.

(4)   When routing within the campus for in-house research it is not necessary to provide further explanation unless specific instructions exist.

(5)   Any Action Code assigned by C&E is transcribed and will always display as a Priority 1 Error.

(6)   Correction Procedures - Use CC SSPND, RJECT, or NWDLN to enter an Action Code on the record, correct an invalid code, resuspend, or delete a record from ERS. If the Action Code assigned by C&E or transcribed by ISRP is invalid or incomplete, use **000** as a Clear Code to delete the Action Code.

Note: Only one Action Code can be assigned at a time.

(7)   Enter a valid Action Code with CC SSPND to clear the record from the screen and place it in either Workable or Unworkable Suspense.

(8)   Enter CC RJECT to delete the ERS record from ERS Inventory and the Service Center Control File (SCCF). Only Action Codes 620, 630, 640, 651, 660 and 670 are valid with CC RJECT.

(9)   Enter an Action Code with CC NWDLN to delete the record from ERS and the SCCF and establish a new DLN for input.

3.12.2.2.8
(01-01-2017)
Revalidating With OLE

(1)   ERS allows for the on-line revalidation of the TIN and name control using the Online Entity System (OLE). Corrections made in ERS to TIN and Name Control will revalidate by accessing the National Account Profile (NAP). The Error Codes where this occurs for primary taxpayers are as follows:

- Error Code 003
- Error Code 004
- Error Code 005
- Error Code 006
- Error Code 007
- Error Code 008
- Error Code 009
- Error Code 011

(2)   The Error Codes where NAP revalidation takes place for Secondary SSN, de-pendents and Earned Income Credit (EIC) children are:

- Error Code 010

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- • Error Code 011
- • Error Code 012
- • Error Code 013

(3) The Error Codes where NAP revalidation takes place for Schedule H information (employer identification numbers (EINs) only) are:

- • Error Code 164
- • Error Code 170
- • Error Code 172

3.12.2.2.9
(04-19-2023)
Taxpayer Notice Code (TPNC)

(1) Taxpayer Notice Codes (TPNC) are used when a math error is present involving the tax liability or refund/amount owed. TPNCs are entered on the ERS screen display following the literal **NC**.

(2) The TPNC entered will print on the notice sent to the taxpayer to explain the change(s) made to the return.

(3) Once a code is transmitted to the record, it cannot be changed unless a correction causes an Error Code with a higher priority or a correction erases an Error Code previously cleared with a TPNC. See IRM 3.12.2.2.13.4(4) and (5).

(4) A TPNC assigned on an Error Code will redisplay on subsequent displays of that record.

(5) ERS can automatically process up to **five** TPNCs. If more than five TPNCs are required, enter TPNC 100 in the fifth position. See IRM 3.12.2.2.9 (10) below.

(6) **Converted returns:** When correspondence is required to correct a converted return, assign **TPNC 111** as the first TPNC. Assign the appropriate TPNC to describe the error condition.

Note: TPNC 111 informs the taxpayer that the return was converted to a Form 1040.

(7) If the same math error code redisplays, the TPNC assigned may not be valid for that Error Code. See error code instructions in IRM 3.12.3 for a list of valid TPNCs.

Note: If the appropriate TPNC is not listed as an allowable TPNC for the error code, **SSPND 470** and take the return to your lead tax examiner. If the lead determines after review that the TPNC must be added to the error code, send a copy of the paper return or the MeF DLN to P&A analyst and HQ analysts.

(8) If you need to change information on the screen **and** assign a TPNC;

1. Correct the appropriate field(s)
2. Transmit
3. When the Error Code redisplays, assign the TPNC(s).

Caution: Enter TPNCs only **after** you have determined no other corrections to the screen display are needed.

(9) **Ripple Errors:** An error may ripple through a return, changing the taxpayer's figures that were originally correct. These ripple errors, especially changes in

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AGI and taxable income, can cause error codes to display that would not otherwise have generated. If an error code is the direct result of a ripple error, assign any previously assigned TPNC.

Example: If the taxpayer's AGI was incorrect, changing it may cause ripple errors to the taxpayer's taxable income, tax, or other calculated amounts.

Caution: **Use caution when entering any previously assigned TPNC. Taxpayer's must be advised of all errors that are present on the return.**

(10) Use TPNC 100 and take the appropriate action when the following apply:

If using TPNC 100	Then
A] As the fifth TPNC when more than five TPNCs apply	1. Indicate that there are more than five TPNCs. 2. Complete a TPNC 100 slip, or equivalent form with **all** applicable TPNCs (including TPNC 100). 3. Attach the form below the entity section on the front of the return. *Note:* Notice Review will retype the notice to include all applicable TPNCs
B] On electronic returns	1. GTSEC 01 and print the entity screen display. 2. Follow the appropriate instructions from A] above to complete a TPNC 100 slip or equivalent. 3. Attach the completed form to the Section 01 screen print. 4. Place the Section 01 screen print in t designated area for electronic returns with **TPNC 100**. *Note:* Fax all Section 01 prints with **TPNC 100** to the primary center daily.

Note: **The list of allowable TPNCs shown at the end of each math Error Code displays only a short description of the actual literal. See Exhibit 3.12.3-1 for a complete list of TPNCs with the actual literals.**

(11) If any of the following apply, indicate on Form 4227 the error condition and TPNCs that would be assigned and **SSPND 640** to return to originator:

a. Substitute for Return Prepared by IRS under authority of Section 6020(b).
b. An assessment made from Form 2859, Request for Quick or Prompt Assessment.

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    c.   The return is an Examination adjustment case, identified as Secured by Examination.

    d.   Form 3198, Special Handling Notice for Examination Case Processing, is attached.

Note: If the originator has indicated that a TPNC can be sent, you may assign one.

3.12.2.2.10
(11-27-2020)
Computer Assisted Review of Error Resolution System (CARE)

(1) Computer Assisted Review of Error Resolution System (CARE) is the **online** quality review of Taxpayer Notice Codes (TPNC) initiated by the Error Resolution System (ERS).

    a.   CARE is used to identify incorrect or erroneous TPNCs.

    b.   TPNCs corrected by CARE prevent delays in refunds or balance due notices issued, and prevent erroneous Computer Paragraph (CP) notices from being generated to the taxpayer

(2) CARE is a **Computer Assisted Review**. All statistical data regarding TPNCs and tax examiner accuracy is gathered by computer programs and downloaded to a database for analysis.

(3) CC QRSEL is used to select documents to stay in the ERS Database one additional day to allow for TPNC review and correction. The selection can be made using the following criteria:

- All of a tax examiner's Work
- All Taxpayer Notice Codes
- Money amount
- Batch and Block Number

(4) Documents are reviewed and reworked using instructions for specific error conditions.

- IMF: IRM 3.12.2, Individual Master File Error Resolution General Instructions, IRM 3.12.3, Error Resolution, Individual Income Tax Returns, IRM 3.22.3, International Error Resolution, Individual Income Tax Returns, and IRM 3.12.37, IMF General Instructions
- BMF - Refer to applicable ERS IRM

(5) Corrected work is then released as usual to subsequent functions. With the CARE process, corrected TPNCs posted to the Master File match the notice received by the taxpayer.

3.12.2.2.10.1
(01-01-2017)
CARE Reports

(1) The High Dollar Notice Listing reports (LC76440-BMF and LC76441-IMF), are found on Control-D and contain the data used to generate daily review sheets. This report is imported into CARE Reports Access Database program. Using the Reports menu, the following types of review sheets can be generated:

    a.   Julian Date

    b.   Notice Report

    c.   Dollar Reports

    d.   Employee Report

    e.   Cart Report

    f.   Custom Select Report

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(2) The LC76301 report can be found on Control-D and contains data showing the before CARE and after CARE status of each return. This report is input into the CARE Access Database to generate accuracy reports for each return. The following accuracy reports can be generated:

   a. Section Accuracy Rates
   b. Individual Tax Examiner Report Summary
   c. Team Report Summary
   d. TPNC Review Report Summary
   e. TPNC Review accuracy by Team
   f. Notice Code Review Totals
   g. Notice Code Review by Team
   h. Notice Code Review by Program
   i. Quality Review Report

(3) The Utility Window is used to specify review begin and end dates. This will allow weekly, monthly, or yearly accuracy reports to be generated.

   a. Local management officials determine which local reports to generate and distribute.
   b. HQ CARE Analyst can request HQ reports to generate and distribute.

3.12.2.2.10.2 (11-27-2020) **Generating CARE Review/Pull Listing**	(1) Each morning, a designated employee loads the applicable Control- D reports (LC76440-BMF and LC76441-IMF) into the CARE Access database. The daily review/pull listings are then generated and printed. (2) Using these listings, the returns are then located and made available to the CARE reviewers. **Note:** If your site is working MeF via CMODE to assist another center, the helping sites, the CARE Analyst will work with campus P&A to fax TPNCs 100 to the primary site for CARE review.
3.12.2.2.10.3 (01-01-2018) **CARE Review Procedures**	(1) In order to prepare the return for review, all previously assigned TPNCs must be removed. Take the following steps in the order shown: 1. Enter the complete DLN (including the serial number of the return) from the review sheet using Command Code GTRECQ, transmit. 2. Enter GTSEC 01, transmit. 3. Enter G in Field 01CCC. 4. Delete G from Field 01CCC when EC 048 displays. (2) The steps above only remove the TPNCs assigned on the record. It won't take you back to the first error displayed on the return if verified fields or processing codes were entered. GTSEC 94 and check for entries in ERS verified fields, such as Field 94EXV, 94CEV. Get each applicable section and check for entries in ERS only input fields, such as Field 0717V or Field 17SEV. GTSEC 01 and check for processing codes, such as RPC O or CCC X. If found, delete the entries. (3) The return is now be ready to be reworked. (4) Refer to the following IRMs for ERS correction procedures:

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IMF IRM	Title
3.12.3	Error Resolution, Individual Income Tax Returns
3.12.37	IMF General Instructions
3.22.3	International Error Resolution, Individual Income Tax Returns

3.12.2.2.11
(01-01-2017)
Computer Assisted
Pipeline Review (CAPR)

(1) For 2002 and later, ERS tax examiners are not required to enter a CAPR Code.

(2) If an entry is made in the first position after the field designator, a CAPR error message will display with the Valid CAPR Codes (M, C, T, E, D, S, and Blank).

3.12.2.2.12
(01-01-2025)
Correspondence
Procedures

(1) Do not correspond on returns TY13 and prior. Use No Reply procedures for missing information on TY13 and prior returns.

Exception: Correspond for missing signature regardless of tax year.

(2) Determine if a valid signature is present. See IRM 3.12.2.2.5.2.4 for complete signature instructions.

Caution: Do not process a return without a valid taxpayer signature unless specific instructions exist; both taxpayers must sign if FSC 2.

(3) Correspond if a return is incomplete or illegible and cannot be processed.

(4) Correspond for all missing information **prior** to referring the return to other IRS entities (e.g., Exam, Entity, etc.) or converting to Form 1040.

(5) Stop processing the return when you identify a correspondence issue and:

   a. Scan the tax return for additional correspondence issues: missing forms, unexplained tax liability, missing original signature, missing information about dependents or EIC children such as name, relationship, or TIN. **Do not** correspond for only the TINs of dependents or EIC children.

   Note: Tolerances and thresholds apply to some forms and affect correspondence. See the following exceptions when corresponding for:
   • Missing original signatures. See IRM 3.12.2.2.5.2.4.
   • Form 1116. Refer to EC 277.
   • Form 8283. Refer to EC 240.
   • Schedule 8812. Refer to EC 344.
   • Schedule EIC. Refer to EC 337.

   #

   research and no supporting documents (e.g., Form W-2 or Form 1099) correspond for support.

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b. Check the return for Form 2848, Power of Attorney and Declaration of Representative, or similar statement to ensure the correspondence is correctly addressed.

c. When a return is for a **minor taxpayer** and the parent's name is known, ensure the parent's name is in Field 01NL2. Look for the parent's name on Form 8615 or the signature line of the return.

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declare liability or non-liability for the self-employment tax.

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(6) A correspondence action sheet (CAS) is a form used to initiate a letter requesting information from a taxpayer. The following CAS forms are used:

a. Form 6001 is used to generate Letter 12-C, Individual Return Incomplete for Processing: Form 1040.

b. Form 3696-A is used to generate miscellaneous Correspondex (C) letters (e.g., Letter 2719-C used for non-pending returns). Refer to *Form 3696-A for Second Correspondence and Non-Pending Letters.*

(7) Prepare Form 6001 to initiate Letter 12-C using the following steps:

a. If taxpayer is single and there is an indication the taxpayer is deceased, check the box "Estate of" at the top of the form.

b. Write legibly.

c. Check all appropriate boxes.

d. Complete all information required for each paragraph selected (e.g., forms, lines, amounts, etc.).

e. Enter money amounts in dollars and cents. Bracket negative amounts.

f. Use Exhibit 3.12.2-9, Letter 12C Fill-in Paragraphs, when paragraph **e** is selected.

    Note: Refer all other fill-in paragraphs to your manager for their text approval and initials next to paragraph **e**.

g. When paragraphs I - N are not enough to request all missing forms and schedules, use paragraph **e** with fill-in paragraph **"36"** instead.

h. Paper returns: Always select the applicable fax number paragraph (h - j) specific to your campus.

    Note: No entry is required in the fill-in fields of the fax number paragraph (h - m).

i. MeF returns: Select the applicable fax number paragraph (k - m) specific to your campus.

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    j. All returns: Select paragraph **o** to include the secure messaging website as an option for taxpayers.

(8) For paper returns, attach the CAS to Form 1040 **below** the caption area.

Caution: When stapling the correspondence action sheet to the return, ensure you are attaching **only one** return.

(9) For MeF, correspondence will be input by tax examiners before suspending the document in IDRS. Input the letter using the IAT CAS Letter Tool.

    a. Before inputting letters, ensure the IAT Letter Tool Set-up is complete following the instructions in IRM 3.12.37.6.2.
    b. Refer to the *Letters Job Aid* on the *IAT website* for additional information on using the IAT Letters Tool.

(10) Enter CC SSPND with the applicable action code below:

- **211** - first correspondence. Use 211 unless specified below.
- **212** - second correspondence, when directed. See IRM 3.12.2.2.12.1.
- **213** - Form 8885 (HCTC) (EC 358)
- **224** - ACA correspondence (EC 100, 101, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 270, and 352). If there are multiple reasons for corresponding and one is for ACA, use 224.

(11) Enter **SSPND 640** to send the return to the originator if **any** of the following is present, or return is incomplete or unprocessable:

Note: Do not correspond.

    a. Substitute for Return Prepared by IRS under the authority of Section 6020(b).
    b. An assessment made from Form 2859, Request for Quick or Prompt Assessment.
    c. An Examination Adjustment case identified as "Secured by Examination".
    d. Form 3198 is attached.

3.12.2.2.12.1
(01-01-2025)
Second Correspondence

(1) When contact with the taxpayer has previously been made by any area of Submission Processing, including Form 3531, Request for Signature or Missing Information to Complete Return, treat missing information on a return as a No Reply, **except in the situations in the following list**. Correspond a second time when **any** of the following exceptions apply, if it had not been requested during first correspondence, **and** the taxpayer provided a **complete reply**:

    a. Error Code 268, Alternative Minimum Tax Liability
    b. Error Code 358, Health Coverage Tax Credit (HCTC)
    c. Form 4137 when you can't determine which taxpayer is liable.
    d. Form 5329 when you can't determine which taxpayer is liable.
    e. Form 8606 when you can't determine which taxpayer is liable.
    f. Form 8919 when you can't determine which taxpayer is liable.
    g. Schedule H when you can't determine which taxpayer is liable.
    h. Schedule SE when you can't determine which taxpayer is liable.
    i. If EC 028 or EC 029 displays after Code & Edit has corresponded or ERS has corresponded for "field errors only".

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(2)   When second correspondence is issued based on the exceptions in (1) a) through i), enter **SSPND 212** and prepare the applicable Form 3696-A for LTR 1263C.

Note: Refer to the *Form 3696-A for Second Correspondence and Non-Pending Letters* located under *Job Aids* in the SERP ERS/Rejects portal.

(3)   If ACA Error Code 100, 101, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 270, or 352 displays after first correspondence and the taxpayer has provided a complete reply, issue second correspondence. **SSPND 212** and follow the procedures under the error code for the appropriate paragraph(s) to send using Form 6001. Also, include paragraph **e** with fill-in **23**.

Exception: If correspondence has been issued for **ACA** EC 190 through 199, EC 270, or EC 352, and another ACA error code displays for the return requesting more information, **do not correspond**. Follow No Reply procedures.

(4)   **Do not correspond** a second time if the information was previously requested and the taxpayer did not furnish the information or furnished an incomplete response. Treat the return as a No Reply using the procedures in IRM 3.12.3.35.

3.12.2.2.13
(01-01-2017)
Types of Errors

(1)   The ERS system will identify errors according to type and priority as follows:

- Action Code Error (Priority I)
- Section Error (Priority II) - Includes terminus error and Integrated System Remittance Processing (ISRP) problem code
- Validity Error (Priority III) - Includes field errors
- Math/Consistency Error (Error Codes) (Priority IV), see IRM 3.12.3

3.12.2.2.13.1
(01-01-2017)
Priority I Errors, Action Code

(1)   Priority I Errors consist of the following:

a.   Invalid or valid Action Code assigned by Code and Edit.
b.   Valid Action Code assigned to Suspense Inventory.

(2)   Use the following error correction for Action Codes:

If the...	Then...
A] Action Code requires a Suspense Action,	1. SSPND with correct Action Code. 2. Go to the bottom of the screen and transmit.
B] Action Code does not require a Suspense Action,	1. Enter numeric **000** in the Clear Field (CL). 2. Go to the bottom of the screen and transmit.

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If the...	Then...
C] Action Code is 001,	1. Enter CC GTSEC for each section that contains data. 2. Add the required data. 3. Enter **C** in the Clear Field. 4. Go to the bottom of the screen and transmit. (record will go through normal validity checks).

Note: Do not remove the document from the block unless the case is a Priority Statute or manual refund case.

3.12.2.2.13.2
(01-01-2017)
Priority II Errors, Section Errors

(1) Priority II Errors may be present if normal ISRP validity checks have been bypassed. These conditions are as follows:

   a. Split screen transmission (Edit Error Code 1). Key Verifier attempted to change the Check Digit, Key Verifier changed four or more digits of the Primary TIN, or the Original Entry Operator indicated that a required section was missing, or the Depositor Account Number (DAN) in Section 06 (that is input twice) was not entered the same both times. The second entry of the DAN is dropped by ISRP. ERS must determine if the entries in Section 06, especially Field 06DAN, have been transcribed correctly.
   b. Invalid section ending point (Edit Error Code 3).
   c. Invalid field length (Edit Error Code 4).
   d. Questionable Section (a section entered twice or entered out of sequence by ISRP) (Edit Error Code 5).
   e. Missing required section.
   f. Terminus errors (no error in record).

(2) The display will only show one section (error) at a time for the transcribed fields (except ERS Action Code and Remittance). Display will be in columnar format with or without data. The error type will also be indicated for ISRP Problem Code errors.

(3) The content will have any individual section, excluding computer generated fields and the Action Code. The Action Code is an uncorrectable field except as defined for CC SSPND and RJECT.

(4) Use the following general guidelines when correcting a Priority II Error:

   a. ISRP Errors - All fields of the section must be examined when this condition exists. If Section 01 of a return is coded, examine the section (via CC GTSEC) for an error to ensure that the return is for the taxpayer whose name is in Section 01. Correct the section. Once the section is correct, transmit from the bottom of the screen.
   b. Missing Section Errors - If data is present for the missing section, enter all the data for the section and transmit. If no data is present for the missing section, refer to specific IRM procedures for initiating research (see IRM 3.12.2.2.6) or correspondence (see IRM 3.12.2.2.12). After initiating research or correspondence, SSPND the record with the appropriate action code.

c. Terminus Errors - All fields of the section must be examined when this condition exists. Make the necessary corrections to the record. Once the section is correct, transmit from the bottom of the screen.

d. Questionable Section - Verify and enter all the data for the displayed sections. When all of the data is correct, transmit from the bottom of the screen.

(5) Correct all displayed fields before transmitting.

(6) Go to the bottom of the screen and transmit when no corrections are necessary.

3.12.2.2.13.3
(01-01-2017)
Priority III Errors, Validity Errors, including Field Errors

(1) Priority III Errors generate when any field fails to meet the requirement(s) for that specific field. The following is a list of some conditions that may create a field error:

a. Non-numeric character in a numeric field.
b. Non-alphabetic character in an alpha field.
c. Blank space in a number field.
d. Blank in the first position of an alpha field.

(2) Priority III Errors will display in columnar format in the order encountered in the record. Overflow fields can be identified by all question marks (for money fields) or a single pound sign in the last position of a Name Line. Every field that displays is in error.

(3) Use the following general guidelines when correcting Priority III Errors:

a. Correct coding and transcription errors.
b. Enter the correct data for each field displayed.
c. If no data is to be in a displayed field, blank the field.
d. Follow section instructions for fields in error.

   Note: When "Unrecognizable Field Error" displays, **SSPND 630**.

3.12.2.2.13.4
(01-01-2017)
Priority IV Errors, Math and Consistency Errors (Error Codes)

(1) Priority IV errors generate when any valid field is used in any computation in which the results are inconsistent with or contradictory to other valid field(s). EC 001-999 will be assigned by the computer. If the computer computation of an amount differs from the taxpayer's amount, the computation fields will be shown as a Priority IV Error. Error types will be one of the following:

• Consistency errors
• Validity errors
• Math errors

(2) The display will show the error code assigned and the fields needed to make the necessary correction(s).

(3) Resolve all errors by either eliminating the error, entering clear codes, or entering a TPNC.

Note: All math error codes will require a correction to a field or the entry of a TPNC.

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(4) When correction causes an error code with a higher priority than the previous error code to display, all clear codes and TPNCs already entered for lower priority error codes will be deleted. All lower priority error codes, still present in the record, will be re-displayed for resolution even when previously cleared with a TPNC or clear code.

(5) When a correction causes a **cleared** error code to no longer be in error; the TPNC or clear code for that error code will be deleted. All TPNCs and clear codes assigned to all lower priority (higher numeric) error code(s) will also be deleted. Any remaining error codes, previously cleared (deleted because of a correction), will re-display.

(6) Use the following general guidelines when correcting a Priority IV Error:

   a.   Compare the displayed fields with the return.
   b.   Correct all fields edited or transcribed incorrectly.
   c.   Enter correct taxpayer amounts for **ERS input only** fields (e.g., Other Statutory Credits).
   d.   Follow the instructions for the displayed error code when correcting fields in error.

3.12.2.2.13.5
(04-05-2024)
Error Codes in Series 500 and 600, Changes in Statutory Credits

(1) Error Codes in the 500 and 600 Series (except 601) provide the opportunity to inform the taxpayer(s) of adjustments made to their statutory credits when there is no change to the refund. This happens when the taxpayer has more statutory credits available than are needed to zero out the tax. These excess credits are not refundable but can be carried over to the following year. Sometimes the taxpayer will make a mathematical error on their return which makes it necessary to use more or less of the credits to offset the tax, but the error still results in no change to their anticipated refund. The taxpayer will be notified of the adjustment to the credit so they can have an accurate record of the carryover credits available to offset tax in the future year. The taxpayer is notified by means of the Letter 2719-C. See the following example:

Before Correction	After ERS Correction
1. Line 16 Tax Amount is $1,000. 2. Investment Credit is $1,500. 3. Credit is limited to $1,000. 4. Credit taxpayer will carry forward is $500.	1. Line 16 Tax Amount is $1,400. 2. Investment Credit is $1,500. 3. Credit is limited to $1,400. 4. Credit taxpayer will carry forward is $100.

(2) Prepare Form 3696-A to initiate the Letter 2719C when the change to credits is $100 or more. Refer to *Form 3696-A for Second Correspondence and Non-Pending Letters*. Complete the following:

   a.   Boxes 1 through 9 (as appropriate), on Form 3696-A.
   b.   "Fill-ins" portion of Form 3696-A.
   c.   "Fill-ins" 01 through 05 of Letter 2719C (these are required).

Note: If preparing Form 3696-A for Form 3800 (TY97 and later), and **line 2** (Passive Activity Credits Included) or **line 3** (Passive Activity Credits Allowed) of

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Form 3800 is present; do not reference on Form 3696-A **individual** general business credit. Instead, reference all Form 3800 credits as "your general business credit".

3.12.2.3
(01-01-2018)
Special Procedures

(1) This subsection addresses the following special situations, return types and procedures:

- Secured/Photocopied/Second Returns
- Automated Substitute for Return (ASFR)
- Frivolous Filer
- Accounts Over 999 Million Dollars
- Injured Spouse Allocation
- Innocent Spouse Relief Request, Form 8857
- International Returns
- KITA: Killed in Terrorist Action
- Military Spouse Residency Relief
- Combat Zone Returns
- Natural Disaster and Emergency Relief Program
- Conversion of Returns
- Misblocked Returns
- Prior-Year Returns
- Re-Entry (Reinput) Returns
- Taxpayer Advocate Service
- Electronic Returns
- Deceased Taxpayer
- Multiple Filers on the Same Return
- Multiple Tax Periods on the Same Return
- Tax Return for an ITIN, Income and Withholding Statements for SSN

(2) **Manual Refund -** Refer any return hand carried by a TS SP liaison for Taxpayer Advocate Service (TAS) as a manual refund to a lead tax examiner or designated tax examiner for processing. (See IRM 3.12.3.24.4.3, EC 260.)

3.12.2.3.1
(11-27-2020)
Secured/Photocopied/ Second Returns

(1) Taxpayers sometimes file returns with Form 1040 to correct or change previous returns. Some taxpayers send copies of original returns with payments or correspondence.

(2) Process the return as an original if the phrase "No TC 150", "Secured by Collection," or "TC-599"-XX is anywhere on the return.

(3) Process a photocopied return as an original when "Process as Original" (PAO) has been edited on the return, indicating that Exam has the original, delinquent return.

(4) Process any return with the phrase **PAO** in the upper left corner of the return as an original return so that it may be posted as a duplicate.

3.12.2.3.2
(01-01-2017)
Automated Substitute for Return (ASFR)

(1) Most **Substitute For Returns** (SFRs) have been automated and are called ASFRs.

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(2)   Take the following action when an ASFR is received in ERS. ASFRs are usually Section 01 validity errors (e.g., a **ZIP Code** problem or an invalid character). You will not have the actual document:

    a.   Research using CC INOLE.
    b.   Re-enter the entity data into the field(s) in error.

3.12.2.3.3
(01-01-2024)
Frivolous Filer

(1)   SSPND 331 (Rejects AC 335) any return on which the taxpayer:

    a.   Argues - **for any reason** - the filing of a tax return or the paying of tax.
    b.   Makes use of a frivolous argument to reduce income or liability.
    c.   Marks out or alters - **in any manner** - the penalty of perjury statement (jurat) above the signature.

(2)   A Frivolous Return Process stamp in the upper left hand corner of the return indicates it has already been reviewed by the Exam FRP Coordinator. Do **not** SSPND 331, continue processing.

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tions, for more examples and complete descriptions.

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(4)   If you suspect a return is frivolous, refer to the following steps. Do **not** resuspend a return to the same office a second time. If a second referral is necessary, make sure it meets the criteria for referral to the second office.

   a.   If the return is electronic, print Section 01 of the return.
   b.   Suspend the return to: #

      • SSPND 331 for frivolous arguments listed in IRM 3.12.2.3.3, Frivolous Filer

#
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3.12.2.3.4   #
(05-24-2022)   #
Accounts Over 999   #
Million Dollars

(2)   If a return meets any of the conditions in (1), void the return with SSPND 620 (For MeF, print all forms, schedules, attachments, and Code and Edit Values), and route it via overnight shipping to the following address:
Kansas City Submission Processing Campus
Accounting Control/Services Operation NMF Stop 6263 P6
333 W. Pershing Rd.
Kansas City, MO 64108

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(6) Consistency errors in the range 5XX and 6XX may display because of the truncated AGI. Keep the effect of the truncated AGI in mind when you follow the procedures at those error codes.

3.12.2.3.5
(01-01-2023)
Injured Spouse
Allocation

(1) An **Injured Spouse** allocation request can be filed by one spouse to protect their share of a joint overpayment. Injured Spouse returns can be identified by one of the following:

   a.   "Injured Spouse" written on the return.
   b.   Form 8379, Injured Spouse Claim Allocation, attached.
   c.   Batched in Blocking Series 920-929 (Form 1040 or Form 1040-X).

(2) Use the following table to determine procedures for handling **Injured Spouse** claims:

If the return...	Then...
A] Has Blocking Series 920-929,	1. Continue processing. 2. Leave Form 8379 or Form 1040-X attached.
B] Does **not** have Blocking Series 920-929 (found in regular block of work),	SSPND 610 to have renumbered.

3.12.2.3.6
(04-05-2024)
Innocent Spouse Relief
Request, Form 8857

(1) Taxpayers file Form 8857 to request relief from a tax liability for which they believe only the spouse should be held responsible. Three types of relief from joint and several liability are available.

   a.   Innocent Spouse Election. An election made by a person who filed a joint return or filed a return as "married filing separately" in a community property state and later said that the understatement of tax on the return stems from the erroneous reporting of an item that belongs to the spouse, of which the claimant had no knowledge or reason to know and taking into account all the facts and circumstances, it would be inequitable to hold that person liable.
   b.   Separate Liability Election. An election made by a person who filed a joint return and later claimed separate liability from their spouse. The claimant must be legally separated, living apart for 12 months or more, or no longer married to the spouse with whom they filed the joint return at the time the claim was filed.
   c.   Equitable Relief. Request made by a person who filed either a joint return or a return as "married filing separately" in a community property state, and later claimed that taking into account all of the facts and circumstances, it would be inequitable to hold that person liable.

Note: IRM 25.15 provides technical and procedural guidance.

(2) Taxpayers are instructed to file Form 8857, Request for Innocent Spouse Relief, to request relief if they are making the preceding claims.

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(3)   When the taxpayer attaches correspondence to the return and indicates **Innocent Spouse**, **Separate Liability Election**, **Equitable Relief**, **Joint and Several Liability**, or Form 8857 is attached to the return, enter **3** in Field 01CCC.

Note: When multiple CCCs are present, CCC 3 **must** be entered first.

(4)   Innocent Spouse Relief requests are processed in Cincinnati only. When the taxpayer attaches correspondence to the return that identifies them as a claimant or when Form 8857 is attached to the return:

1.   Detach the correspondence and Form 8857 and all supporting documentation.
2.   Edit working trails on the return and the correspondence and Form 8857.
3.   Prepare Form 4227, noting "Innocent Spouse Request," and attach it to the detached items.
4.   Give Form 8857 and all documents related to it to your manager.
5.   Leave the return in the block and process as normal.

(5)   **Send all claims *daily*, via traceable mail, to the following address:**
Internal Revenue Service
Cincinnati Centralized Innocent Spouse Operation
Stop 840F
7940 Kentucky Drive
Florence, KY 41042

3.12.2.3.7
(01-01-2025)
International Returns

(1)   Treat any return with an address outside the 50 United States and District of Columbia as an international return.

Note: This **does not** include **APO/FPO** addresses.

Caution: Taxpayers may report income earned in a foreign country or through a business located in a foreign country. As long as the tax return has a domestic address and does not meet international criteria, the foreign income does not make it an international return.

(2)   International tax returns are identified by the presence of one of the following:

*   An address outside the 50 United States and Washington, D.C. This does not include Army/Air Post Office (APO), Diplomatic Post Office (DPO), and Fleet Post Office (FPO) addresses.
*   Form W-2 from American Samoa (Form W-2 AS)
*   Form W-2 from Commonwealth of Northern Mariana Islands (Form W-2 CM)
*   Form W-2 from Guam (Form W-2 GU)
*   Form W-2 from Puerto Rico (Form 499R-2/W-2PR)
*   Form W-2 from United States Virgin Islands (Form W-2 VI)
*   Form 1040 GUAM, Guam Individual Income Tax Return
*   Form 1040-NR, U.S. Nonresident Alien Income Tax Return
*   Form 1040NR-EZ, U.S. income Tax Return for Certain nonresident Aliens With No Dependents

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- Form 1040-PR (TY22 and prior), Planilla para la Declaración de la Contribución Federal sobre el Trabajo por Cuenta Propia (Incluyendo el Crédito Tributario Adicional por Hijos para Residentes Bona Fide de Puerto Rico)
- Form 1040-SS, U.S. Self-Employment Tax Return (Including the Additional Child Tax Credit for Bona Fide Residents of Puerto Rico)
- Form 1040-SS (SP)) (TY23 and later), Declaración de Impuestos Federal sobre el Trabajo por Cuenta Propia (Incluyendo el Crédito Tributario Adicional por Hijos para Residentes Bona Fide de Puerto Rico)
- Form 1042-S or letter signed by **Competent Authority**, Form SSA 1042-S, or Form RRB 1042-S
- Form 2555, Foreign Earned Income
- Form 2555-EZ (2018 and prior), Foreign Earned Income Exclusion
- Form 4563, Exclusion of Income for Bona Fide Residents of American Samoa
- Form 5074, Allocation of Individual Income Tax to Guam or the Commonwealth of the Northern Mariana Islands (CNMI)
- Form 8288-A, Statement of Withholding on Certain Dispositions by Foreign Persons
- Form 8689, Allocation of Individual Income Tax to the U.S. Virgin Islands
- Form 8804, Annual Return for Partnership Withholding Tax (Section 1446)
- Form 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax
- Form 8813, Partnership Withholding Tax Payment Voucher (Section 1446)
- Form 8833, Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b)
- Form 8854, Initial and Annual Expatriation Information Statement
- Form 8891, U.S. Information Return for Beneficiaries of Certain Canadian Registered Retirement Plans
- Form 8898, Statement for Individuals Who Begin or End Bona Fide Residence in a U.S. Possession
- Form 14653, Certification by U.S. Person Residing Outside of the United States for Streamlined Foreign Offshore Procedures
- Form 14654, Certification by U.S. Person Residing in the United States for Streamlined Domestic Offshore Procedures
- Dual Status -- Form 1040 and Form 1040-NR filed together for the same tax year, "Dual Status" or "D/S" indicated on the return (taxpayer claims part year residence and part year non-residence). **Always leave Form 1040 and Form 1040-NR for the same taxpayer together.**
- Nonresident Alien (NRA) -- Primary or both taxpayers are nonresident Alien

    Exception: The primary taxpayer is a nonresident alien (NRA) without a social security number (SSN); however, secondary taxpayer has an SSN/ITIN and is reporting income.

- International Tax Treaty -- taxpayer indicating exemption or exclusion of tax and/or income due to an International Tax Treaty.

    Note: An **American Indian** treaty return is not considered an international return. If no international condition exists, process as a domestic return.

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- Treaty Trader
- Fulbright Grantee
- Notation of **"Streamlined"** on the return, or other indication of Stream-lined Filing Compliance Procedures on the return.
- Other Streamlined certification similar to Form 14653 or Form 14654
- IRC 871, IRC 893, IRC 911, IRC 913, IRC 931, IRC 932, IRC 933, IRC 934 or IRC 935 of the Internal Revenue Code (IRC) is notated anywhere on the return.

> ***Exception:*** For electronically filed returns, if the amount of the exclusion is $0 and there are no other indications of international criteria, DO NOT send to Austin for processing as an international return.

> ***Caution:*** If none of the International conditions listed above are present, consider it a domestic return and process it accordingly.

(3) Except in AUSPC, use **SSPND 651** to forward any international returns described in paragraph 1 or 2 to AUSPC for immediate processing. In AUSPC, use **SSPND 610** to have such returns renumbered.

Caution: Unless the return meets other international criteria, do not transship returns when the taxpayer has **converted income paid in a foreign currency**. The taxpayer may, for instance, earn income in Canadian dollars, convert it to U.S. dollars, and then report it on the return in U.S. dollars.

Note: Foreign income (usually reported on line 1, Form 1040 or line 8z, Schedule 1 of Form 1040), **FEC** noted on line 1, Form 1040, or the presence of **Form 1116** alone does not qualify for treatment as an international return.

3.12.2.3.8
(01-01-2019)
KITA: Killed in Terrorist Action

(1) Route **all** returns identified as **KITA/KIA**, **KITA-Oklahoma City**, **KITA-9/11**, or **KITA-Anthrax** to the KITA coordinator in Accounts Management for processing.

Note: A list of current KITA/KIA coordinators can be found at the SERP home page under the tab Who/Where.

(2) If the taxpayer writes Sec 692(d)(2) on the **Other Payments** line of Form 1040 with a money amount to the right, Code and Edit is instructed to route to the KITA/KIA coordinators.

(3) If the KITA/KIA coordinator determines that the return does not qualify for KITA/KIA, the coordinator will attach a Form 4227 notating **Not eligible for KITA/KIA** to the front of the tax return. The Form 1040 will be returned to Code and Edit to complete processing. If the KITA/KIA coordinator determines that the return is not eligible under Sec 692(d)(2), Code and Edit will **X** any amount on the return where the taxpayer has written **Section 692(d)(2)**.

(4) If the KITA/KIA coordinator determines that the return is not eligible under Sec 692(d)(2), enter the computer's amount for tax in Field 94TTV and assign **TPNC 650**.

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Note: Delete any amount claimed on the return for tax forgiveness under Section 692(d)2.

(5) If Code and Edit failed to identify a return as KITA/KIA, take the following action:

     a. Prepare Form 4227 stating KITA/KIA.
     b. **SSPND 360** (other in-house research) and route the return to the KITA Coordinator.

(6) If the KITA Coordinator determines the taxpayer qualifies for KITA, the Coordinator will ship the return to the Kansas City KITA Coordinator.

(7) The KITA Coordinator will notify ERS Suspense when the return is routed to the Kansas City KITA Coordinator for processing. ERS Suspense tax examiner must RJECT 640 to remove the document from ERS inventory.

3.12.2.3.9
(01-01-2018)
Military Spouse Residency Relief

(1) For TY09 and later, the IRS offers tax relief for civilian spouses of active-duty members of the uniformed services. The Military Spouse Residency Relief Act of 2009 grants an extension of time to pay the income tax until October 15, 2010, without penalty.

(2) To elect the extension, the taxpayers filing a joint return write the phrase **MSRRA** on the top of their tax return.

(3) Taxpayers who file under the filing status married filing separately must attach the declaration below in addition to writing the phrase **MSRRA** on their return: I am claiming _____ as my residence or domicile under the Military Spouses Residency Relief Act (MSRRA). Under penalties of perjury, I declare that I am qualified for relief under MSRRA because I am present in _____ solely to accompany my spouse who is a service member serving in compliance with military orders, and my claimed residence or domicile is the same as my spouse's residence or domicile.

(4) The declaration must be signed and dated by the taxpayer. Neither a stamped signature nor a faxed signature is permitted.

(5) Enter **M** and **P** in Field 01CCC when the taxpayers request an extension under MSRRA and satisfy the requirements.

3.12.2.3.10
(01-01-2023)
Combat Zone Returns

(1) Members of the US armed forces paid by the US armed forces and serving in a combat zone or in a qualified hazardous duty area are entitled to an exclusion of wages earned in that zone and certain extensions of time for filing and paying. To identify that they are entitled to certain extensions of time, these taxpayers write the location or operation of the military endeavor on the top of their tax return.

Note: Do not enter CCC "M" if the return is a Combat Zone return.

(2) Do not allow **write-ins** of income exclusions for **combat zone** pay. If the taxpayer excludes income earned in a combat zone, enter **Y** in Field 01CCC. Delete the exclusion on line 8z of Schedule 1 of Form 1040 or restore in full the wages on line 1 of Form 1040. Assign **TPNC 165**. For additional information, see EC 260.

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- Members of the U.S. armed forces serving in a defined combat zone or in direct support of one are entitled to an exclusion of all or a portion of their compensation received for active service in the armed forces of the United States. The Department of Defense excludes the eligible combat pay from the wages reported on Form W-2, box 1.
- The taxpayer may not further reduce the wages.
- This benefit is available only to members of the US armed forces.
- Employees of firms under contract by the Defense Department may not exclude income earned in a combat zone.

(3) Take the following appropriate action when one of the military operations listed is noted on the return:

If the taxpayer notes...	And...	Then...
A] Operation Enduring Freedom Operation Noble Eagle Operation Iraqi Freedom Egypt Sinai Peninsula-Egypt Jordan Operation New Dawn Combat Zone or similar statement	09/19/2001 and later 03/19/03 to 04/20/03 (Egypt) 03/19/03 and later (Jordan)	Enter **K** in Field 01CCC.
B] Bosnia Croatia Former Yugoslavia Herzegovina Joint Guard Macedonia Operations Allied Force Operation Joint Endeavor	TY97 and later,	Enter **R** in Field 01RPC.
C] Former Yugoslavia	TY94 and TY93,	Enter **D** in Field 01CCC.
D] Desert Storm (Persian Gulf area) Joint Forge Joint Guard Northern Forge Northern Watch	TY90,	Enter **Z** in Field 01CCC.
E] Haiti Operational Uphold Democracy Operation GTMO	TY94 and TY93,	Enter **D** in Field 01CCC.
F] UN Operation	TY92 and later,	Enter **D** in Field 01CCC.
G] Somalia or Somalia Restore Hope	TY93 and TY92,	Enter **D** in Field 01CCC.

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If the taxpayer notes...	And...	Then...
H] Haiti or Operation Unified Response	TY10 and TY09	Enter **D** in Field 01CCC.

(4) Enter **Y** in Field 01CCC if the taxpayer notes a combat zone or tax period not listed in the preceding table.

Note: Several military operations are covered under UN Operation notation. Refer to your lead tax examiner, who will contact National Office.

(5) For further information about military returns, see EC 260.

3.12.2.3.11
(01-01-2017)
Natural Disaster and Emergency Relief Program

(1) The Natural Disaster / Emergency Relief Program provides relief from late filing and/or late payment penalties for taxpayers in declared disaster or emergency areas.

    a.   The program coordinator will notify the campuses when an area has been designated for natural disaster or emergency relief.
    b.   Disaster and emergency notifications will include the dates of the extensions of time to file returns and pay taxes.
    c.   Taxpayers will be required to call to self-identify themselves as disaster filers.

        #
        #
        #

3.12.2.3.12
(04-05-2024)
Conversion of Returns

(1) When working a converted return (e.g., TY17 or prior Form 1040A or Form 1040EZ converted to Form 1040) and a TPNC is required to resolve the error, assign **TPNC 111** as the first notice code to inform the taxpayer the return has been converted to a Form 1040.

(2) When Form 1040 is filed for a **deceased** taxpayer and the return covers a tax period after the taxpayer died, refer to IRM 3.12.37.30.2, Transshipping Form 1040 for 1041 conversion.

3.12.2.3.13
(04-05-2024)
Misblocked Returns

(1) Form 1040 identified as **Injured Spouse** returns must be batched together in blocking series 920-929. See IRM 3.12.2.3.5 to process such returns.

(2) If information is missing, **SSPND 211** to correspond **before** converting the return.

Note: For further information on renumbering documents, refer to IRM 3.12.37, IMF General Instructions.

(3) Take the following actions for misblocked returns.

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If...	Then...
A] A prior year return is found in a current year block,	Process the return using the prior year returns instructions at IRM 3.12.2.3.14, Prior-Year Returns.
B] Form not in the 1040 series is found in a Form 1040 block,	Refer the return to your lead.

3.12.2.3.14
(01-01-2025)
Prior-Year Returns

(1) The computer is programmed to perform calculations for the current year and the two prior years. Follow current-year procedures to resolve errors for these three years. Returns for **TY21 and prior** may require a manual computation. Follow the applicable prior-year procedures.

(2) In processing year 2025, Code and Edit will edit TY24 line numbers on TY23 and prior forms and schedules when there is an entry to be transcribed.

(3) Validity errors and math errors are identified and corrected in the same manner as with current-year returns, with some exceptions or variations. These exceptions or variations are listed in the section descriptions or located at the end of the error code.

(4) Use the following general guidelines when processing prior-year returns:

    a.   Correct coding errors, transcription errors and misplaced entries in displayed fields.

    b.   Always ensure the tax period is entered correctly.

    c.   Use the prior-year tax form to verify an amount manually and give the taxpayer the most beneficial allowable tax computation.

    d.   Refer to Prior-Year Job Aid Book 2515-014.

3.12.2.3.15
(02-26-2024)
Re-Entry (Reinput) Returns

(1) Tax returns that are being put through the system again may have a Form 3893 attached indicating what, if any, actions were taken. These returns may have a notation below the jurat "**Do not correspond for signature**" or similar statement and/or TRDBV prints attached. The following are some of the reasons that documents will be re-entered or reinput:

    a.   Withholding has been adjusted because of a prior refund.

    b.   The period ending is being changed.

    c.   An amended return is being changed to an original return.

    d.   Filing Status is being changed.

    e.   CP 29 or CP 36 is attached.

    f.   Substitute for Return (SFR) or has previously corresponded with the taxpayer.

    g.   SSN / TIN change

    h.   TRPRT print of return - MeF return being reinput

    i.   MFT 32 return being reinput to MFT 30

(2) The following are general guidelines for working Re-entry returns.

    a.   **Do not change corrections shown in brown or red ink on the form/ return.**

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    b.   Do not correspond. Perfect the return using the originally filed return on EUP for MeF, or TRDBV if the originally filed return was paper. If Form 3893 identifies the originator on an unprocessable return, SSPND 640 and return document to the originator.

    c.   Follow normal processing procedures when the originator states "process as an original return".

    d.   Do not correspond for signatures on TRPRT print of return (MeF).

3.12.2.3.16 (01-01-2023) **Taxpayer Advocate Service**	(1) The Taxpayer Advocate Service (TAS) is an independent organization within the 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've tried and been unable to resolve their issue with the IRS, or when they believe an IRS system, process, or procedure just isn't working as it should. 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) The National Taxpayer Advocate has reached agreements with the Commissioner of Taxpayer Services (TS), Small Business and Self-Employed (SB/SE), Tax Exempt and Government Entities (TE/GE), Criminal Investigation (CI), Appeals, and Large Business and International (LB&I) divisions. These Service Level Agreements (SLAs) outline the procedures and responsibilities for the processing of TAS casework when either the statutory or the delegated authority to complete a case transaction rests outside of TAS. Refer to IRM 13.1.7, Taxpayer Advocate Service (TAS) Case Criteria, for a complete list of TAS Case Criteria.

(3) A referral to a TAS office is not necessary even if TAS case criteria is met if an operating division or function can immediately resolve the issue within 24 hours. It is important that all IRS employees handle potential TAS cases with the taxpayer's best interest in mind. More information on 24-hour same-day resolution can be found in IRM 13.1.7.5, Same Day Resolution by Operations.

(4) If action can be taken within 24 hours to resolve the taxpayer's issue, but the taxpayer requests TAS assistance or is not satisfied with the service provided, refer the taxpayer to the NTA toll-free number, 877-777-4778 or TTY/TDD 800-829-4059.

(5) If the IRS employee receives taxpayer contact that meets TAS criteria, and the employee cannot initiate action to resolve the taxpayer's inquiry or provide the relief requested by the taxpayer within 24 hours, refer the case to TAS. A taxpayer does not have to request TAS assistance to be referred to TAS. IRS employees will advise taxpayers of the option to seek TAS assistance when appropriate. TAS will request documentation from the taxpayer to support the requested relief, or when required by the IRM.

(6) Taxpayers, their representatives, or IRS employees may complete Form 911, Request For Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance Order), when a taxpayer meets TAS criteria. Refer Form 911 to the Local TAS Office within 24 hours of receipt. See Exhibit 3.12.2-12, Attachment Guide, for procedures for routing Form 911 to the TAS Office.

(7) Do not refer the following types of cases to TAS as they are exceptions to TAS criteria:

- The taxpayer's complaint or inquiry only questions the constitutionality of the tax system.
- Cases where the focus of the taxpayer's inquiry is solely to employ frivolous tax strategies to avoid or delay filing or paying federal taxes.

3.12.2.3.17
(01-01-2025)
Electronic Returns

(1) Command code (CC) CMODE allows an IDRS user access to different IDRS databases. To change modes, enter CMODE and a two-digit abbreviation for another campus. Below are the two-digit codes for each site:

Site	Two-Digit Code
Andover	AN
Austin	AU
Fresno	FR
Kansas City	KC
Ogden	OG
Philadelphia	PH

(2) Refer to Job Aid Book 2515-015 for procedures for the MeF (Modernized e-File) Reference Guide.

(3) If you have to suspend an electronic return for routing out of ERS, create a paper trail by following these steps.

   a. GTSEC 01 of the return in question and print.
   b. Write or type the number of the action code used for suspension, the error code with the instruction for suspension, and the reason for the suspension on the Section 01 print.

    Example: AC 300, EC 358, Form 965 processing

   c. Complete Form 4227, Intra-SC Reject or Routing Slip, if necessary, and attach it to the print of Section 01.
   d. Place the print in the area designated for routing electronic return suspense.

(4) If the IRM instructs you to assign a **TPNC 100**, create a paper trail by following these steps.

   a. GTSEC 01 of the return in question and print.
   b. Complete a TPNC 100 slip or equivalent form when instructed to send more than five TPNC's. Attach the completed form to the print of Section 01.
   c. Place the print of Section 01 in the area designated for electronic returns TPNCs 100.

(5) If your site is helping the primary site work MeF ERS 100 work, the helping site is required to issue the correspondence and use the primary site's signature code. All Unpostable, Entity, Accounting Function, Review or Reject function issues are the responsibility of the primary site.

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(6) If a center takes on some inventory from another center, the **helping center's CARE analyst** works with their campus P&A to establish communications, and arrange how and when the helping center is to transfer **returns with TPNC 100** to the primary center. **The transfer of returns with TPNC 100 must take place daily.**

(7) Scanned Paper Returns can be identified in the Employee User Portal (EUP) by the following:

   a. A green **C** will be present next to the DLN.
   b. The notation **Converted from Paper** will be present.
   c. The attached PDF scan of the original return, **IRS Form 1040 Document**, will be present.

Note: Transcription errors will be present on Scanned Paper Returns. Some fields may contain invalid or incorrect data if the field is blank or illegible during the scanning process. Verify and perfect the fields in IDRS using the attached Form 1040 Scanned Document.

Note: Only use the **IRS Received Date** to determine the Received Date. The Electronic Postmark Date is the date the return was scanned and not the date received.

3.12.2.3.18
(04-25-2022)
Deceased Taxpayer

(1) If the return is filed by a **spouse, personal representative (executor, administrator, fiduciary designee or trustee) or an individual other than the deceased taxpayer**, you may have to request documentation to verify the legal right of the filer to submit the return on behalf of the deceased taxpayer.

   a. If the **surviving spouse** filed the return and the filing status code (FSC) is 2, no documentation is needed. Enter the surviving spouse's name in Field 01NL2.

#
#
#
#
#
#
#
#
#
#

Note: To be considered complete, Form 1310 must meet the following requirements:
   • Signature must be present.
   • If box A is checked, the return must be FSC 2.
   • If box B is checked, a copy of the court appointment must be attached. If not attached, correspond for a court certificate.
   • If box C is checked, Question 2a and 2b in Part II must be answered with "no." If question 2a or 2b is answered with "yes" or left unanswered, correspond for a court certificate.
   • If box C is checked, Question 3 in Part II must be answered with "yes" unless a court certificate is provided. If Question 3 is

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answered with "no" or left blank and no court certificate is present, correspond for a court certificate that entitles the person to the refund.

d. Enter or correct Field 01NL1 per IRM 3.12.2.4.3.5 and enter or correct Field 01NL2 if adequate documentation (Form 1310 and/or court certificate) is provided.

e. See IRM 3.12.3.7.3.3 (1) through (8) for assignment of computer condition codes.

3.12.2.3.19
(01-01-2023)
Multiple Filers on the Same Return

(1) If filers report wages or other income or withholding that doesn't belong to the primary or secondary taxpayer, allow only the income and withholding for the primary or secondary taxpayer. Adjust the return and assign **TPNC 112**.

Note: See IRM 3.12.2.3.21 before adjusting return.

(2) If the income and withholding you excluded belongs to a dependent claimed on the return, take the following actions:

a. Detach income and withholding statements from the return.
b. Edit in the left margin "Detached income/withholding document" as appropriate.
c. Take detached documents to lead tax examiner. The lead will complete Form 5260, Quick Note, indicating the documents were removed from another taxpayer's return and if they have not filed a return they need to do so. Mail the Quick Note and income and withholding statements to the individual listed on the documents.

Note: Use the following verbiage on Form 5260, "*We have detached the enclosed income and/or withholding statement(s) from your XXXX (XXXX = tax year) tax return. The name(s) on the statement(s) is that of your dependent(s). A separate tax return will need to be filed. If you need more assistance or have any questions, you may call 800-829-0922.*"

(3) If the income and withholding statements do not belong to the Primary or Secondary taxpayers or the dependents:

Note: See IRM 3.12.2.3.21 before taking the following actions.

a. Detach income and withholding statements from the return.
b. Edit in the left margin "Detached income/withholding document" as appropriate.
c. Take detached documents to lead tax examiner. The lead will complete Form 5260, Quick Note, indicating the attached documents were removed from another taxpayer's return and if they have not filed a return they need to do so. Mail the Quick Note and income and withholding statements to the taxpayer shown on the documents.

Note: Use the following verbiage on Form 5260, "*We have detached the enclosed income and/or withholding statement(s) from another taxpayer's tax return. If you have not filed a tax return for this tax year, you will need to file your tax return. If you need more assistance or have any questions, you may call 800-829-0922.*"

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(4)   If a return is received without any income documentation (e.g., Form W-2, Form 1099, etc.) and page 1 and page 2 are two **different** taxpayers, research using CC ERINV to determine if there is another return currently being processed. If found, associate with return. If research shows no other return is currently being processed, SSPND 640.

3.12.2.3.20
(01-02-2024)
Multiple Tax Periods on the Same Return

(1)   If the taxpayer includes in the tax return income from a tax year different from that of the tax period of the return (e.g., Forms W-2 for more than one tax year, or income statements for another tax period, etc.), allow only the income and withholding for the year of the tax return in hand. Adjust the taxpayer's figures to include only income and withholding for that tax year.

(2)   Assign **TPNC 759**.

(3)   If the taxpayers' return includes page 1 and page 2 from two different **tax periods** take the following actions:

a.   Research and determine if the taxpayer had submitted return for either tax period. If tax period for page 2 is posted, correspond with the taxpayer using fill-in **"1"**

b.   If the tax period for page 2 has not posted and page 1 or page 2 has an original signature, verify all required schedules or forms with an amount present on page 2 are attached and take the following actions:
Form 1040: For TY17 and prior, enter line 38 amount in Fields 04OTI, 03TOT, and 03AGI. For all tax years, enter amounts in the appropriate fields to reflect attached forms/schedules (for example Schedule C, Field 0403) if the tax period matches the tax period shown on page 2. Enter N in Field 01RPC (if EC 088 displays, enter **C** in the Clear Field). Assign all appropriate notice codes.

c.   If research indicates that **neither** tax period's return (page 1 or page 2) has posted, correspond with the taxpayer using fill-in **"2"**.

(4)   For all other income and withholding statements that do not belong to that tax period, take the following actions:

a.   Detach income and withholding statements from the return.
b.   Edit in the left margin "Detached income/withholding document" as appropriate.
c.   Take detached documents to lead tax examiner. The lead will complete Form 5260, Quick Note, indicating the attached documents were removed from their return and must be filed on a separate return if they have not been filed for that tax period. Mail the Quick Note and income and withholding statements to the taxpayer shown on the documents.

Note: Use the following verbiage on Form 5260, "*We have detached the enclosed income and/or withholding statement(s) from your XXXX (XXXX=tax year) tax return. The statement(s) are for a different tax year(s). If you have not filed a tax return for this year, you will need to file your tax return. If the enclosed statements are for more than one year, you will need to file a return for each tax year. If you need more assistance, you may call 800-829-0922.*"

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3.12.2.3.21
(01-01-2024)
Tax Return for an ITIN, Income and Withholding Statements for SSN

(1) Some undocumented workers work under an SSN and receive income and withholding statements from employers in the name and SSN of the holder of the SSN, and they attach those documents to their tax return. They file their tax return under their name and ITIN. Accept these returns. Do not correspond because of the discrepancy between the name and SSN in the income and withholding statements and the name and ITIN in the return.

(2) Allow the income and withholding and process the return according to procedures.

(3) Pursue discrepancies between the income and withholding statements and the corresponding figures in the return according to normal procedures. Do not consider the returns suspect.

3.12.2.4
(01-01-2017)
Section 01, Entity And Miscellaneous Information

(1) Section 01 includes the following information.

3.12.2.4.1
(01-01-2024)
Error Record Format, Section 01

(1) Section 01 contains the following fields:

Form 1040	Field Name	Form 1040 Field Location
01PNC	Primary Name Control	Entity Area
01PS	Primary SSN	Entity Area
01SNC	Secondary Name Control	Entity Area
01SS	Secondary SSN	Entity Area
01NL1	Name Line 1	Entity Area
01NL2	Name Line 2	Entity Area
01ADD	Street Address	Entity Area
01C/S	City/State	Entity Area
01ZIP	ZIP Code	Entity Area
01TXP	Tax Period	Page 1 of tax return
01SPC	Special Processing Code	Page 1 of tax return
01FSC	Filing Status Code	Page 1 of tax return
01CCC	Computer Condition Code	Page 1 of tax return
01EXC	Exemption Code Field	Page 1 of tax return
01DSI	Dependency Status Indicator	Page 1 of tax return
01ABI	Age/Blind Indicator	Entity Area (Page 2, TY17 and prior, Form 1040)

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Form 1040	Field Name	Form 1040 Field Location
01DN1	Dependent 1 Name Control	Page 1 of tax return
01DS1	Dependent 1 SSN	Page 1 of tax return
01CT1	Dependent 1 Child Tax and Other Dependent Credit Code	Page 1 of tax return
01DN2	Dependent 2 Name Control	Page 1 of tax return
01DS2	Dependent 2 SSN	Page 1 of tax return
01CT2	Dependent 2 Child Tax and Other Dependent Credit Code	Page 1 of tax return
01DN3	Dependent 3 Name Control	Page 1 of tax return
01DS3	Dependent 3 SSN	Page 1 of tax return
01CT3	Dependent 3 Child Tax and Other Dependent Credit Code	Page 1 of tax return
01DN4	Dependent 4 Name Control	Page 1 of tax return
01DS4	Dependent 4 SSN	Page 1 of tax return
01CT4	Dependent 4 Child Tax and Other Dependent Credit Code	Page 1 of tax return
01RCD	Received Date	Page 1 of tax return
01FPC	Forms Processing Code	Page 1, right of line 7
01RPC	Returns Processing Code Field	Page 1 of tax return - Bottom left margin
01ACD	Audit Code	Page 1 of tax return - Bottom right margin
01PEF	PECF-CD	Page 1, right of entity
01DAC	Digital Assets Code	Page 1, below entity

3.12.2.4.2
(06-23-2021)
Entity Information

(1)   The entity area consists of the taxpayer's name, address and SSN. The tax-payer's name, address and SSN (Fields 01PNC through 01ZIP) are transcribed as short entity, partial entity, intermediate entity, or long entity.

(2)   The following table contains Entity types:

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Entity Type Field Used	Description
A] Short - 1. 01PNC 2. 01PS 3. 01SS	Return that agrees with EIF for name, address or Primary SSN.
B] Partial - 1. 01PS 2. 01SS 3. 01NL1 4. 01NL2	Return with changes in First or Second Name Line.
C] Intermediate - 1. 01PNC 2. 01PS 3. 01SS 4. 01ADD 5. 01C/S 6. 01ZIP	1. Return with changes in any part of the street, address, City/State or first five digits of the ZIP Code. 2. EIF indicates a Change of Address.
D] Long - 1. 01PNC 2. 01PS 3. 01SS 4. 01NL1 5. 01NL2 6. 01ADD 7. 01C/S 8. 01ZIP	1. Return with a change in the Primary SSN. 2. Return with a change in both the Name and Address. 3. Return that does not agree with EIF for Primary SSN, name or address. 4. Return when ISRP cannot use EIF. 5. Entity Control Function has changed the Primary SSN or has assigned a temporary number.

> **Note:** Processing will enter the Secondary SSN, if present, at the NAP file when FSC is 2 and the Secondary SSN field is blank (i.e., short or intermediate entity).

(3) **Prisoner Returns:** If Code and Edit has underlined part of the entity information at the top of the return, that is an indication it is to be transcribed. If not present, search the return packet for indications that the taxpayer is incarcerated; if found, enter the Prisoner ID on NL2 to correct the error. Common indications of incarceration include (but are not limited to):

- A Prisoner ID number following the taxpayer's name
- A return address in a correctional facility
- A stamp on the envelope indicating prisoner correspondence
- A taxpayer statement

3.12.2.4.3
(01-01-2017)
Correction Procedures

(1) Correction procedures for Section 01 fields follow.

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**3.12.2.4.3.1
(01-01-2017)
Field 01PNC, Check
Digits/Name Control**

(1)   Correction procedures for Check Digits and Name Control follow.

**3.12.2.4.3.1.1
(01-03-2017)
Check Digits**

(1)   A Check Digit is a unique two-digit field that identifies the taxpayer from previous filings. The ERS screen will show the check digits as a four-position field, the first two positions being blank and the second two filled with alpha digits. The Check Digit Field is located in the Entity portion of the paper return.

(2)   This field will be invalid if **any** of the following exist:

    a.   First two positions are not blank.
    b.   Third and fourth positions are not alpha characters.
    c.   Additional validity checks by the computer.

(3)   Correction Procedures:

    a.   Enter the Name Control in Field 01PNC when the check digits are invalid. Refer to Document 7071, Name Control Job Aid, or IMF ERS Job Aid Book 2515-015.
    b.   If an ITIN is written in red on the return, use the name control entered in red ink.

Caution: **NEVER ENTER OR CORRECT CHECK DIGITS**.

**3.12.2.4.3.1.2
(02-08-2021)
Name Control**

(1)   Name Control is a four-position field located in the Entity portion of the return and consists of the first four letters of the primary taxpayer's last name.

(2)   This field will be invalid if **any** of the following exist:

    a.   First position is not an alpha.
    b.   The second, third, or fourth positions are not alphas or blank.
    c.   Blanks are between characters.

(3)   Correction Procedures:

    a.   Compare the field with the return and overlay the correct Name Control. Blank the remaining positions when the primary taxpayer's last name is less than four characters. Refer to Document 7071 , Name Control Job Aid.
    b.   If an ITIN is written in red on the return, use the name control entered in red ink.

**3.12.2.4.3.2
(01-01-2023)
Field 01PS, Primary
Social Security Number**

(1)   Every primary taxpayer must have a taxpayer identification number (TIN). That TIN may take several forms: a social security number (SSN), individual taxpayer identification number (ITIN), or IRS number (IRSN). In this IRM, **SSN** is often used in a collective sense and may refer indiscriminately to any one of the three kinds of TIN. The IRSN may be referred to as a **temporary TIN**. The IRS issues the ITIN and IRSN. The Social Security Administration issues the SSN.

    •   The SSN and ITIN may be valid or invalid.
    •   The IRSN is always invalid.

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- Each of these TINs is nine digits long and has the same format: XXX-XX-XXXX.
- The ITIN and IRSN always begin with the number 9. The SSN does not begin with the number 9.
- The fourth and fifth digit of the ITIN and IRSN are restricted to certain values.
- The valid ranges for the fourth and fifth digit of the ITIN are 50 through 65, 70 through 88, 90 through 92, and 94 through 99. The ranges are listed below.
  9XX-50-XXXX through 9XX-65-XXXX
  9XX-70-XXXX through 9XX-88-XXXX
  9XX-90-XXXX through 9XX-92-XXXX
  9XX-94-XXXX through 9XX-99-XXXX
- The values for the fourth and fifth digit of the IRSN are listed below. The fourth and fifth digit of the IRSN identify the center that issued the IRSN. The Fresno Service Center would have issued an IRSN in the format 9XX-89-XXXX and Kansas City one in the format 9XX-09-XXXX, for instance.
  08 and 38: Andover
  07 and 37: Atlanta
  18 and 06: Austin
  19 and 01: Brookhaven
  17 and 02: Cincinnati
  89 and 10: Fresno
  09 and 39: Kansas City
  49 and 03: Memphis
  29 and 04: Ogden
  28 and 05: Philadelphia
  66: Austin ONLY, IRSN for International returns

Note: There is a fourth kind of TIN, the Adoption Taxpayer Identification number (ATIN). It is possible that a primary taxpayer would have an ATIN, but it's unlikely, and therefore isn't described above. Like the other TINs, it's nine digits long and divided into three groups of digits: XXX-XX-XXXX. Like the ITIN, it always begins with a 9, but unlike the ITIN, its fourth digit is always 9 and its fifth digit always 3: 9XX-93-XXXX.

(2) This entry in the field is invalid in **any** of these conditions:

   a. The entry has fewer than nine numeric characters.
   b. The digits are all zeros or all nines.
   c. The field is blank.

(3) Correction procedures. Search the return, attachments, and Form(s) W-2 for a P-SSN when the P-SSN is invalid as outlined in IRM 3.12.2.4.3.2 (2). If you cannot find the P-SSN in the return or attachments, research with CC NAMEI, NAMES, and INOLE for P-SSN. In AUSPC research with RTS for the primary taxpayers' ITIN. Take the following action to correct the field:

If the P-SSN is...	Then...
A] Found (valid),	Enter in Field 01PS.

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If the P-SSN is...	Then...
B] Not Found,	SSPND 211 to correspond. ***Exception:*** Conditions such as taxpayer having "Amish", "Mennonite", "none", "SSN Applied For", "NRA", "SSA 205(c)", or all nines or zeroes entered indicates that the person may be eligible to obtain an ITIN. SSPND 320 to have an IRSN assigned by Entity.

Note: Check for the presence of Form W-7. If present, see Exhibit 3.12.2-12 for routing.

Note: When returns come back from Entity with an IRSN, enter **O** in Field 01RPC and **0** (zero) in the first position of Field 94EXV if applicable. If the taxpayer indicates that they are Amish or Mennonite, don't enter **O** in Field 01RPC or **0** (zero) in the first position of Field 94EXV. Do enter **B** in Field 01RPC though.

(4)   SSPND 351 when IDRS is unavailable.

(5)   **FOR AUSPC ONLY-** If the return has an ITIN, written in **red ink** and **W-7** is stamped in the bottom left hand corner of the return, follow the instruction in the following table:

Note: An ITIN begins with "9" and the fourth and fifth numbers range from 50-65, 70-88, 90-92, and 94-99; (9XX-50-XXXX through 9XX-65-XXXX), (9XX-70-XXXX through 9XX-88-XXXX), (9XX-90-XXXX through 9XX-92-XXXX), or (9XX-94-XXXX through 9XX-99-XXXX). When a TIN begins with "9" and the fourth and fifth digits are **"66"** (9XX-66-XXXX), it is used for **International IRSN only**.

If...	Then...
A] The ITIN Operation stamped or wrote **rejected** for the primary taxpayer,	SSPND 320 to Entity Control for a temporary number. (If a red temporary number is already written (9XX-18-XXXX) on the return with a number that has **18** in the fourth and fifth position of the TIN Field, process using the IRSN. **See Note Below**)
B] No primary ITIN is written, but RTS research shows Form W-7 in status S or U (Suspended or Unworked),	Print the RTS screen and attach the print to the front of the return. SSPND 640 to ITIN. Indicate the status on Form 4227.
C] Original W-7 attached to return,	SSPND 640 to ITIN. Write **W-7 attached** on Form 4227.

Note: When returns come back from Entity with temporary numbers, enter **O** in Field 01RPC and **0** (zero) in the first position of Field 94EXV if applicable.

3.12.2.4.3.3
(06-28-2017)
Field 01SNC, Secondary Name Control
	(1) The Secondary Name Control is a four-position field consisting of the first four letters of the secondary taxpayer's last name. If the last name contains fewer than four characters, the name control will be shorter than four characters.
	
	(2) This field will be invalid if **any** of the following exist:
	
	   a. First position is not an alpha.
	   b. The second, third, and fourth positions are not alphas, hyphens, or blank.
	   c. Blanks occur between characters.
	
	(3) Correction Procedures - Compare the field with the return and overlay the correct Name Control. Blank the remaining positions when the secondary taxpayer's last name is less than four characters.
	
	   a. If the FSC is 3, the secondary name control must not be present. Delete the secondary name control from Field 01SNC.
	   b. Refer to Document 7071, *Name Control Job Aid*, or Job Aid Book 2515-015.

3.12.2.4.3.4
(04-25-2022)
Field 01SS, Secondary Social Security Number
	(1) A secondary social security number (S-SSN), consisting of nine numbers, must be present on every joint return.
	
	Note: Any reference to an SSN will also include the ITIN.
	
	(2) The S-SSN is **required** when any of the following exist:
	
	   a. **Primary taxpayer** is **deceased** and it is a joint return.
	   b. **Self-Employment (SE) Tax** is being paid for the **secondary taxpayer** on Schedule SE.
	   c. **Schedule H** is filed for the **secondary taxpayer**.
	   d. **Form 4137** tax is being paid for the **secondary taxpayer**.
	   e. **Form 5329**, is filed for the secondary taxpayer.
	   f. **Form 8606** is filed for the **secondary taxpayer**.
	   g. **Form 8919** tax is being paid for the **secondary taxpayer** (TY07 and later).
	   h. **Form 8941** is being filed and unable to determine who is filing the form (TY14 and later).
	
	Note: See action to take in (4)C] when S-SSN is **required** and not found.
	
	(3) This field will be invalid if fewer than 9 numeric characters are present.
	
	(4) Search the return, attachments, and Forms W-2 for an S-SSN when the S-SSN is invalid. If you cannot find the S-SSN in the return or attachments, research with CC ENMOD and/or INOLE for a cross-reference with the P-SSN. In AUSPC research with RTS for the secondary taxpayer's ITIN. Take the following action to correct the field:

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If an S-SSN is...	And...	Then...
A] Found,		Enter in Field 01SS.
B] Not Found,	Not required	Delete any invalid data in Field 01SS. **Note:** Request the S-SSN if other correspondence is needed.
C] Not Found,	Is required (see the preceding (2)),	SSPND 211 to correspond. *Exception:* Conditions such as taxpayer having "Amish", "Mennonite", "none", "SSN Applied For", "NRA", "SSA 205(c)", or all nines or zeroes entered indicates that the person may be eligible to obtain an ITIN. SSPND 320 to have an IRSN assigned by Entity.

Note: Check for the presence of Form W-7. If present, see Exhibit 3.12.2-12.

(5) **AUSPC only:** If the ITIN Operation stamped or wrote **rejected** for the secondary taxpayer SSPND 320 to Entity for a temporary number, if required as listed in IRM 3.12.2.4.3.4 (1).

(6) When IDRS is not available, SSPND 351.

(7) When return is a **No Reply** to an IRS request for a valid SSN or non-compliance because of religious beliefs and the S-SSN is required, SSPND 320 to have a temporary SSN assigned by Entity.

3.12.2.4.3.5
(11-27-2020)
Field 01NL1, First Name Line

(1) The First Name Line is thirty-five spaces long. If the Name Line exceeds 35 spaces, a pound sign, # (paper return only), will fill the final position.

(2) This field will be invalid if **any** of the following exist:

  a.   Characters are not alpha, ampersand, hyphen, less-than sign (<), or blank.
  b.   The less-than sign is not present.
  c.   More than two less-than signs are present.
  d.   The first character is a less-than sign, blank, or ampersand.
  e.   The last character is a less-than sign.
  f.   The character immediately following the first less-than sign is not an alpha.

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g.   A blank immediately precedes a less-than sign.

h.   Two or more consecutive embedded blanks are present.

i.   An ampersand occurs between two less-than signs.

j.   Two or more ampersands are present.

k.   An ampersand is present in the First Name Line and the Document Code is 72, or 73.

(3)   Compare the fields displayed with data on the return. Correct any editing and transcription errors.

Note: **Do not enter information beyond column 41 of the ERS screen display.**

(4)   Delete all titles such as Mr., Dr., Reverend, etc.

Exception: Do not delete Mrs. when a woman is using her spouse's name such as "Mrs. John Brown".

(5)   Use the following chart as a guide to correct various error conditions in the First Name Line:

Error Condition	Correction
A] Joint Return, different last names.	Less than sign before and after Primary Taxpayer's last name. **Example:** 01NL1 JOHN A<WHITE<& JANE B GREEN
B] Joint return, one person deceased, same names.	Enter DECD after the first name and/or initial of the deceased taxpayer. **Example:** 01NL1 JOHN A & JANE B DECD<WHITE
C] Joint return, one person deceased, different name.	Enter DECD after the last name of the deceased taxpayer. **Example:** 01NL1 JOHN A<WHITE<& JANE B GREEN DECD **Example:** 01NL1 JOHN A<WHITE<DECD & JANE B GREEN
D] Joint return, both taxpayers deceased, same name.	Enter DECD after the first name and/or initial of each taxpayer. **Example:** 01NL1 JOHN A DECD & JANE B DECD<WHITE

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Error Condition	Correction
E] Joint return, both taxpayers deceased, different names.	Enter DECD after each last name. ***Example:*** 01NL1 JOHN A<WHITE<DECD & JANE B GREEN DECD
F] Joint return and JR or SR to be carried after deceased.	Enter JR or SR before DECD or at the end of the name line. ***Example:*** 01NL1 JOHN A JR DECD & JANE M<WHITE ***Example:*** 01NL1 JOHN A DECD & JANE<WHITE<SR
H] Other than joint return and deceased.	Enter DECD after the last name of the deceased taxpayer. ***Example:*** 01NL1 JOHN A<WHITE<DECD
I] No first name or taxpayer with only one name.	Enter a hyphen preceding the less-than (<) sign. ***Example:*** 01NL1 -<WHITE
J] When in-care-of (%).	Transcribe in Second Name Line using c/o. ***Example:*** 01NL2 C/O DON B BLUE
K] For Minor/Child Name Line.	Enter Minor after last name.
L] For deceased Minor/Child Name Line.	Enter DECD after last name.

Note: Research IDRS when the First Name Line is not present or incomplete. Enter as Short Entity if not found. See IMF Job Aid 2515-015 for more information.

(6) When the name is longer than 35 spaces, abbreviate the First Name Line according to the priority below. When you complete the step that reduces the name to 35 or fewer spaces, stop editing the name.

   a.   Shorten the secondary taxpayer's middle name to the initial.
   b.   Shorten the primary taxpayer's middle name to the initial.
   c.   Delete the secondary taxpayer's second initial.
   d.   Delete the primary taxpayer's second initial.
   e.   Shorten the secondary taxpayer's first name to the initial.
   f.   Shorten the primary taxpayer's first name to the initial.

Note: Use initials only for primary and secondary taxpayers' first name if the total characters will exceed the maximum of 35.

Note: The computer will drop off anything after column 41.

3.12.2.4.3.6
(04-22-2024)
Field 01NL2, Second Name Line

(1) The Second Name Line is 35 spaces long. If the Name Line exceeds 35 spaces or the Second Name Line is missing on a decedent return a pound sign, # (paper return only), will be present.

(2) Names preceded by the in-care-of sign, %, are transcribed in the Second Name Line Field.

(3) When the entity is **Long** or **Partial** and a Second Name Line is present, the First Name Line must be present.

(4) When Field 01CCC contains an L or W, the Second Name Line must be present if the entity is partial or long.

Note: Second Name Line is not required if a balance due or zero balance return.

   a.   Search return for Second Name Line or Form 1310. If found, enter the second name line in Field 01NL2.

       Prepare Form 6001 using paragraph **D**.   #

       Prepare Form 6001 using paragraph e with fill-in #3.   #
   d.   If not a refund return, delete the pound sign (#).

(5) This field will be invalid if any of the following exist:

   a.   Characters are not alpha, numeric, ampersand, hyphen, percent, slash, or blanks.
   b.   A pound sign fills the final position-because the name is longer than 35 characters (paper return only).

(6) Examine the return and determine the type of entity when Field 01NL2 requires correction. See Job Aid Book 2515-015 for a list of acceptable abbreviations.

Note: Do not enter information beyond **column 41** of the ERS screen display. If you have to reduce the number of characters, refer to the steps for abbreviation in IRM 3.12.2.4.3.5 (6).

3.12.2.4.3.7
(01-01-2017)
Field 01ADD, Street Address

(1) Street address contains 35 characters. If more than 35 characters (including spaces), the last position will display with a # sign (paper return only).

(2) This field will be invalid if **any** of the following exist:

   a.   Characters are not alpha, numeric, hyphen, slash, or blanks.
   b.   Pound (#) sign in last position (over 35 characters, paper return only).
   c.   When Field 01ADD is present, the first position must be alpha or numeric, and there cannot be consecutive embedded blanks/spaces.

(3) Use the following rules when entering the street address in Field 01ADD from the return or attachments:

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If the address...	Then...
A] Has % or **in-care of**,	Use C/O.
B] Has One-half,	Use 1/2.
C] Has &,	Use AND.
D] Has a pound (#) sign, abbreviation **No.**, or the word **number** as a prefix to a house, street, route, apt, or P O Box,	Omit the pound (#) sign, abbreviation **No**, or word **number**.
E] Has an apartment number,	1. Enter the abbreviation "APT" before the alpha or numeric. 2. Enter both street address and apartment number.
F] Includes both a street address and a P O Box number,	1. Enter the street address in Field 01NL2. 2. Enter the P O Box in Field 01ADD.
G] More than 35 characters and all of the address is necessary,	1. Correct as long entity. 2. Start address in Field 01NL2. 3. Separate the address in a comprehensible manner.
H] Has consecutive embedded spaces,	Delete the consecutive embedded blanks/spaces.

Note: Do not enter information beyond column 41 of the ERS screen display.

3.12.2.4.3.8
(04-29-2019)
Field 01C/S, City and State

(1) City/State Field is 25 characters. Data may be the City-State or a Major City Code (MCC).

(2) APO/DPO/FPO will be used as the city name for military addresses and is only be used with state codes AA, AE, or AP in the following format:

Field 01C/S	Field 01ZIP
APO/AE	090XX-099XX
APO/AP	962XX-966XX
APO/AA	340XX

Note: DPO or FPO can be substituted for APO in the preceding chart. They use the same state and ZIP code ranges. APO/DPO/FPO filers are instructed to file at AUSPC; however, if received at a different center, process as normal. If the ZIP code is missing, enter the first three digits that apply to the state code and enter **"01"** as the last two digits.

(3) This field will be invalid when **any** of the following apply:

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a.   Any character is other than alpha or blank (the slash is used only to separate the city and state for the computer).

b.   The slash is not preceded by at least three valid characters.

c.   The slash is followed by something other than two alpha characters.

d.   City/State or major city code is present and the first position is blank.

e.   The state is not contained in the following state-code table:

State-Codes	State-Codes
AA-APO/FPO Atlantic	MS-Mississippi
AE-APO/FPO Europe	MO-Missouri
AL-Alabama	MT-Montana
AK-Alaska	NE-Nebraska
AP-APO/FPO Pacific	NV-Nevada
AZ-Arizona	NH-New Hampshire
AR-Arkansas	NJ-New Jersey
CA-California	NM-New Mexico
CO-Colorado	NY-New York
CT-Connecticut	NC-North Carolina
DE-Delaware	ND-North Dakota
DC-District of Columbia	OH-Ohio
FL-Florida	OK-Oklahoma
GA-Georgia	OR-Oregon
HI-Hawaii	PA-Pennsylvania
ID-Idaho	RI-Rhode Island
IL-Illinois	SC-South Carolina
IN-Indiana	SD-South Dakota
IA-Iowa	TN-Tennessee
KS-Kansas	TX-Texas
KY-Kentucky	UT-Utah
LA-Louisiana	VT-Vermont
ME-Maine	VA-Virginia
MD-Maryland	WA-Washington
MA-Massachusetts	WV-West Virginia
MI-Michigan	WI-Wisconsin
MN-Minnesota	WY-Wyoming

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(4)   Compare the screen display with the entry on the return. Correct the field display when a field was transcribed incorrectly. GTSEC 01 and correct all fields in the section when there is a slipped field (when transcription inputs an entry on the wrong line resulting in all subsequent entries for the section being input on wrong lines).

(5)   See IRM 3.12.2.3.7 on International returns.

(6)   Use the following table to correct a field error:

If the City/State...	Then...
A] Exceeds 25 characters,	Consult the lead tax examiner or manager.
B] Is missing and is required,	Enter data for short entity only.
C] Has more than one address and one is a permanent address,	Use the permanent address.
D] Is a **temporary foreign Address,**	Consult your manager or lead tax examiner to determine if a manual refund is required per IRM 3.12.37.
E] Contains numeric characters,	Convert to alpha characters (e.g., 1000 Oaks to Thousand Oaks).
F] Contains ampersand (&),	Convert to **AND**.

3.12.2.4.3.9
(01-01-2024)
Field 01ZIP, ZIP Code

(1)   The field for the ZIP Code is a numeric five-character field.

(2)   An entry in the field is invalid in any of the circumstances below.

   a.   It's not numeric; not 0 (zero) through 9.
   b.   It's fewer than five digits long.
   c.   It's blank.
   d.   Its fourth and fifth character are 00.

(3)   Correction Procedures. Search the return and attachments for the ZIP Code when it is incorrect or not present. Use the following table to correct the field error:

If a ZIP Code is...	And...	Then...
A] found,	is for that address,	Enter the correct five-digit ZIP Code in Field 01ZIP.

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If a ZIP Code is...	And...	Then...
B] found	is not for that address,	1. Determine the three-digit code for the address and enter it in Field 01ZIP. Refer to Exhibit 3.12.2-11 for the three-digit code. 2. Enter 01 in the fourth and fifth position of Field 01ZIP.
C] not found,	the address is an APO or FPO,	Enter the ZIP Code according to this table. 1. AE: 09001 2. AP: 96201 3. AA: 34001
D] not found,	the address is **not** a APO or FPO,	1. Determine the three-digit code for the address and enter it in Field 01ZIP. Refer to Exhibit 3.12.2-11 for the three-digit code. 2. Enter 01 in the fourth and fifth position of Field 01ZIP.

Note: **DO NOT USE** a center ZIP Code or an APO/FPO ZIP Code for a non-APO/FPO address. Use only the first five digits of the ZIP Code. The Field 01ZIP does not hold information beyond the fifth position.

3.12.2.4.3.10
(01-01-2025)
Field 01TXP, Tax Period

(1) The field Tax Period holds the tax year and the ending month of the period. The tax period is in the format YYYYMM. The current period is never transcribed for current-year returns. It is transcribed for prior- and fiscal-year returns.

(2) Process Form 1040 as current year when the tax period is not less than 202412 or more than the current year and month. Process Form 1040 as prior year when the tax period is 196212 - 202411.

(3) Field 01TXP will also be invalid when any of the following exist:

a. Return is for a non-ADP tax period, before 196212.
b. Return shows a future tax period later than the current year and month.

(4) Verify the tax period on the return or attachments and correct any coding or transcription errors. Use the following table to correct field errors:

The tax period is...	The form is...	Then...
A] 202412 (current),	1040	blank Field 01TXP; the programming generates 202412.

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The tax period is...	The form is...	Then...
B] before 196212	1040	SSPND 620. Attach Form 4227 and note **Non-ADP tax year**.
C] future period: later than current year and month	1040	refer to lead tax examiner. See the exception below.

Exception: Refer to EC 260 when the return is an early filed decedent return. (Also refer to EC 002, EC 042 and EC 046.)

3.12.2.4.3.11 (01-01-2025) **Field 01SPC, Special Processing Code**	(1) A special processing code (SPC) is an alphabetic or numeric character that flags a condition or triggers a computation. The number of SPCs in a return may not exceed ten. SPCs are edited vertically in the right margin on Form 1040 between the Secondary SSN and the Presidential Election Campaign boxes. These codes are used for center processing and are not posted to the Master File. These codes supplement the return processing codes.
	(2) This field will be invalid if Form 1040 (Doc Code 05, 06, 11, 12, 21 or 22) is other than 0, 1, 2, 3, 4, 5, 7, 9, A, B, C, D, E, F, G, H, J, K, L, M, N, P, Q, R, S, T, V, Y or Z
	Note: SPC "M" is for RICS use only. Do not remove.
	(3) Correction Procedures - Refer to the Special Processing Code Exhibit 3.12.2-4 to determine the correct codes.
3.12.2.4.3.12 (01-01-2023) **Field 01FSC, Filing Status Code**	(1) The filing status code (FSC) for Form 1040 is determined by the filing status checked by the taxpayer (FSC 1 through 5; or FSC 6 or 7 coded by Code and Edit).
	(2) The meaning of the FSCs are as follows:

- Code 1: Single taxpayer
- Code 2: Married taxpayer filing a joint return
- Code 3: Married taxpayer filing a separate return and spouse is also filing a separate return
- Code 4: Head of Household, for a dependent/exemption claimed in position 3, 5, 6, or 7 of Field 01EXC
- Code 5: Widow(er) with or without dependent child, see EC 034.
- Code 6: Married taxpayer filing a separate return but claims a spouse as a dependent/exemption who has no income and who is not filing a return
- Code 7: Head of Household, for taxpayers who don't claim a dependent/exemption but write a child's name on Form 1040, or show a qualifying child on Form 2441, Form 8814, or Schedule EIC.

Note: For TY18, taxpayers write a qualifying child's name in the space provided in filing status area after Qualifying Surviving Spouse. For TY17 and prior, taxpayers write a qualifying child's name on line 4 of Form 1040.

Note: Taxpayers who write a name in the space provided in filing status area don't have to provide a TIN for the qualifying child. The qualifying child on Form 2441, Form 8814 or Schedule EIC must have a valid TIN for the taxpayer to qualify for this variant of the filing status Head of Household or Widower.

(3)   The entry in this field is invalid if it's not 1 through 7 for Form 1040.

(4)   Use the following table to code Field 01FSC:

If...	And...	Then...
A] The taxpayer checked no boxes,	There is one name in caption,	Enter **1** in Field 01FSC.
B] The taxpayer checked no boxes	There are two names in caption,	Enter **2** in Field 01FSC.
C] Multiple boxes are checked or the FSC is inconsistent with information on return,		Use FSC that corresponds with taxpayer's taxable income and tax computation (see note).

Note: Before determining the FSC, verify that taxpayer meets the qualifying criteria in the filing status chart. Refer to the Filing Status Chart located in the ERS Job Aid Book 2515-015.

(5)   Research IDRS using CC INOLE/RTVUE to determine filing status in prior year(s), if necessary.

(6)   When the correct FSC cannot be determined, SSPND 211 for Form 5129.

3.12.2.4.3.13
(01-01-2023)
Field 01CCC, Computer Condition Codes (CCC)

(1)   Computer Condition Codes (CCC) are alpha and/or numeric character(s) edited by Code and Edit to alert the computer and Master File to a special condition. Some CCCs are also generated by the computer. A CCC will post to the Master File. The number of CCCs may not exceed ten. On TY18 and later, Form 1040, CCC is edited in the spouse standard deduction area next to "spouse itemizes" checkbox.

(2)   This field will be invalid for Form 1040 (Doc Code 05, 06, 11, 12, 21 or 22) - if other than 1, 2, 3, 4, 5, 6, 7, 8, 9, A, B, C, D, E, F, G, H, J, K, L, M, N, O, P, Q, R, U, V, W, X, Y, or Z

(3)   Determine and enter the correct code when necessary. Refer to Computer Condition Code Exhibit 3.12.2-2.

Note: When CCC **3** is required, it must be in the first position.

(4)   SSPND 610 for renumbering when a Form 1040-X has a CCC 5 or 6 preceded by a CCC G and is not in blocking series 990-999 or vice versa.

Note: CCC 5 or 6 must always be preceded by a CCC G.

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3.12.2.4.3.14
(04-05-2024)
Field 01EXC, Exemption Codes, 8 positions

(1)   TY18 and later, the exemption amount that can be claimed is $0. Exemption coding in Field 01EXC is retained for determining family size in certain calculations.

(2)   Exemption Code(s) support the exemption(s) claimed by the taxpayer. Refer to the exemption code chart located in the ERS Job Aid 2515-015.

(3)   Exemption descriptions are as follows:

   a.   Placement of the code within the field identifies the exemption(s).
   b.   The exemption code is computer generated for positions 1 (primary taxpayer) and 2 (secondary taxpayer).
   c.   Code and Edit determines exemption positions 3 through 8.
   d.   Exemption positions 3 through 8 (TY17 and prior, positions 5 through 8) are edited in the margin to the right of the dependents section.

      Note: **Make corrections to Field 01EXC for editing and transcription errors only.** For MeF returns, do not make changes to Field 01EXC based on the description of exemption positions.

(4)   The following are the descriptions of Exemption Positions used by Code and Edit:

   •   Position 3: Child, son, daughter, grandchild, grandson, granddaughter, adopted child, adopted son, adopted daughter, stepchild, stepson, stepdaughter.
   •   Position 4: Child who did not live with the taxpayer because of divorce or separation (TY17 and prior.
   •   Position 5: Parent, father, mother, grandparent, grandfather, grandmother, stepparent, parent-in-law, mother-in-law, father-in-law.
   •   Position 6: Qualifying child (e.g., foster child, sibling, brother, sister, sibling's child, niece, nephew, step-sibling, half-sibling, half-brother, half-sister, ward).
   •   Position 7: Other relationships not included in Position 3, 5, or 6, such as parent's sibling, uncle, aunt, cousin, son-in-law, daughter-in-law, friend, boyfriend, girlfriend, NRA spouse and FSC 4 with other exemptions, dependents who did not live in the U.S. except for parent relationships ("NRA"/"SSA 205c", "Canada", "Mexico", "CN", or "MX"), or no relationship indicated.
   •   Position 8: Excess dependents (overflow).

(5)   This field will be invalid when **any** of the following exist:

   a.   The field is all blank.
   b.   The field contains other than numerics.
   c.   Position one is other than 1.
   d.   The correction input does not have every position entered.
   e.   Position two is other than 0 (zero) or 1.

(6)   Take the following actions to correct the field error:

   a.   Correct transcription and/or coding errors.
   b.   Determine the correct exemption coding from the information on the return.
   c.   Enter an entry in each position of the field.

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(7) Only allow the exemptions that are supported by name (if used in the tax computation) when the taxpayer fails to total the exemptions.

3.12.2.4.3.15
(01-01-2024)
Field 01DSI, Dependency Status Indicator, 1 position

(1) Dependency Status Indicator (DSI) is used when the primary taxpayer (or secondary taxpayer, if FS2) can be claimed as a dependent on someone else's return.

(2) For TY18 and later, ISRP will transcribe the dependent status indicator from page 1 of Form 1040 checkboxes, "someone can claim you as a dependent" and/or "someone can claim your spouse as a dependent".

(3) For TY17 and prior, Code and Edit will code a 1 directly above line 6c, column (4) on Form 1040 when the taxpayer did not make an entry in the box on line 6a and did not enter an exemption for themselves on the line to the right of lines 6a and 6b in the right hand margin of Form 1040. Refer to EC 250.

(4) When 1 is present in Field 01DSI, **all** of the following will apply:

   a. Standard Deduction Computer will be limited. For TY24, the limitation is the larger of $1,300, or earned income plus $450.
   b. For TY17 and prior, the computer will not allow any primary, secondary, or dependent exemptions.

Note: On any return when DSI 1 is valid and Field 94EXV is being used, enter **0** (zero) in positions 1 and 3 through 8 of Field 94EXV.

(5) This field will be invalid if other than blank or 1.

3.12.2.4.3.16
(11-27-2020)
Field 01ABI, Age/Blind Indicators

(1) Age/Blind Indicators (ABI) Field is checked with the primary or secondary qualifies for additional standard deduction amount when 65 or older, or blind.

- TY19 and later, transcribed from page 1, Form 1040, above the Dependents line.
- TY18, transcribed from page 1, Form 1040, below the primary and secondary taxpayer's name lines.
- TY17, transcribed from the four boxes on line 39a, Form 1040. Refer to EC 252.

(2) This field will display with four generated zeros (0000) on the screen display and will be input as follows:

Code	Position	Condition
1	1 (1000)	Primary taxpayer 65 or over
1	2 (0100)	Primary taxpayer blind
1	3 (0010)	Secondary taxpayer 65 or over
1	4 (0001)	Secondary taxpayer blind

(3) When the taxpayer did not check any ABI box, but is claiming an amount equal to a "combined amount" of standard deduction and additional standard deduction amount, check for the following conditions:

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- • An entry for Schedule R.
- • The taxpayer indicates 65 or older near the ABI boxes.
- • Certification of blindness is attached.
- • For TY17 and prior, an entry is present in the Total box on Form line 39a.

Refer to EC 250.

3.12.2.4.3.17
(01-01-2019)
Field 01DN1, 01DN2, 01DN3, 01DN4, Dependent Name Control

(1) Dependent Name Control is a four-position field that consists of the first four letters of the dependent's last name and is located in the dependents area (TY17 and prior, exemption area) of the return. Code and Edit will edit the name control from Schedule EIC, attachments, or the primary taxpayer's name control. They will also **X** dependents without SSNs.

Note: Field 01DN1/2/3/4 is entered on 199612 and later returns.

(2) This field will be invalid when **either** of the following exist:

   a. The first position is not an alpha.
   b. The second, third, or fourth positions are not alpha, hyphen, or blank.

(3) Compare the field with the return and correct accordingly. Blank the field when the dependent's SSN is not present.

3.12.2.4.3.18
(04-25-2022)
Field 01DS1, 01DS2, 01DS3, 01DS4, Dependent SSN

(1) Dependent SSN Field is located in the dependents area (TY17 and prior, exemption area) of the return. Code and Edit will edit the missing SSN from the return and attachments when not present, if possible.

Note: Field 01DS1/2/3/4 is entered on 199612 and later returns.

(2) This field will be invalid when fewer than nine numeric characters are present.

(3) When a correction is required to a TY96 or later return, search the return and attachments for the Dependent SSN and take the following action:

If Dependent SSN is...	Then...
A] Found,	Enter in the appropriate field.
B] Not Found,	Blank the field. *Exception:* See IRM 3.12.2.4.3.18 (4) and IRM 3.12.2.4.3.18 (5)

(4) Enter a value of 1 to 4 (number of allowable dependents) in Field 02DTR when a dependent is listed as **Amish**, **Mennonite**, or if **Form 4029** is indicated.

(5) Search the return and attachments for an official document such as a birth certificate when there is any indication that the dependent **Died**, or was born **and** died in the tax year.

Note: There must be an indication that the child was born alive; an exemption cannot be claimed for a stillborn child.

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If there is an indication of **Died** on the return:

If...	Then...
A] The information clearly shows that the child was born within the tax period of the tax return and died in the same or consecutive tax period. *Note:* The word "Died" in column 2 of the dependent section of the tax return satisfies this requirement.	1. Enter I in Field 01RPC. 2. Enter the number of allowable dependents in Field 02DTR. (If 4 or more, enter 4 in Field 02DTR.) *Note:* If EIC is being claimed and EC 010 redisplays after an entry is made in Field 02DTR, enter **C** in the Clear Field.
B] Data indicates child **was not** born and died within the tax period of the return,	1. Treat as missing. 2. Do **not** enter a value in Field 02DTR.
C] Date of birth is not found,	SSPND 211 to correspond for a copy of the child's birth certificate.

(6) Do not enter a value in the Field 02DTR when **either** of the following are noted (these are not valid reasons for a missing Dependent SSN):

- "U.S. Adoption Pending"
- "12/08"

(7) If a dependent SSN is missing and taxpayer notes **"Pending Adoption"**, and /or **Form W-7A,** Application for IRS Adoption TIN is attached or **"Detached Form W-7" is edited** in the margin then do the following:

a. Research CC ATINQ to determine if an ATIN has been assigned (CC ATINQ with definer S followed by the SSN of the applicant and transmit).
b. If Field STAT-CD> is **"A"**, then enter the ATIN present in Field ATIN> into the ERS SSN Field for the dependent the ATIN was issued.
c. If Field STAT-CD> is **"S"** or **"R"**, SSPND 640 to Rejects and note on Form 4227 **ATINQ STAT CD "S"** or **"R"**.
d. If Field STAT-CD> is **"E", "U",** or **"H"**, disallow the exemption for the dependent using Field 01EXC.
e. If there is no response to CC ATINQ, when EC 010 displays, disallow exemption.

3.12.2.4.3.19
(01-01-2020)
Field 01CT1, 01CT2, 01CT3, 01CT4, Dependent Child Tax and Other Dependent Credit Code, 1 position

(1) The Dependent Child Tax and Other Dependent Credit Code is used for TY98 and later. The taxpayer checks the applicable box in the dependents area to indicate a dependent is eligible for Child Tax Credit or Credit for Other Dependents. An entry for the first four dependents will be transcribed as follows in Field 01CT1/2/3/4.

a. **0** (zero) - default value
b. **1** - taxpayer checks Child Tax Credit
c. **1** - taxpayer checks both boxes

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    d.   **2** - taxpayer checks Credit for Other Dependents (TY18 and later)

(2)   These fields will be invalid if they contain values other than 0 (zero), 1 or 2.

(3)   Verify that Fields 01CT1/2/3/4 are transcribed correctly.

3.12.2.4.3.20
(01-01-2025)
Field 01RCD, Received Date

(1)   The received date is the date that a return was received by the IRS.

    a.   For TY18 and later, received date is edited by hand in dependent's name area on Form 1040.
    b.   For TY17 and prior, the received date is edited by hand to the right of line 6d Form 1040, **or**
    c.   The received date is stamped near the center of Form 1040 by a center, area office, territory office. The city and functional area within the site (e.g., CSCO, Exam, ICT, CII, AM), must be in the date stamp too, **or**
    d.   The received date is stamped in the lower left corner of the return by Lockbox.
    e.   The received date must be entered in Field 01RCD in the format YYYYMMDD: YYYY = year, MM = calendar month, and DD = day of the month.

Caution: The received date will not always appear in the location mentioned above. Accept the earliest received date as long as it is determined to be an IRS received date.

(2)   Do not use a received date that has been circled. Another function has determined that the date is not valid. Follow the instructions in IRM 3.12.2.4.3.20 (9), for determining the received date if the other function has not provided a corrected received date.

(3)   The entry in Field 01RCD is invalid when it is:

- not numeric or
- blank or
- not in the format YYYYMMDD or
- earlier than 19630101 or
- later than the current processing date

(4)   Field 01RCD will also be invalid if the date is not within the following valid month and day ranges:

Month	Day
01 (January)	01-31
02 (February)	01-28 (29 in leap year)
03 (March)	01-31
04 (April)	01-30
05 (May)	01-31
06 (June)	01-30
07 (July)	01-31

Month	Day
08 (August)	01-31
09 (September)	01-30
10 (October)	01-31
11 (November)	01-30
12 (December)	01-31

(5)   The received date **cannot** be **any** of the following:

    a.   later than the date of the error record shown in the title line.
    b.   earlier than the ending month and year of the tax period in Field 01TXP.

(6)   Field 01RCD must hold a valid received date in YYYYMMDD format.

(7)   Correct data in Field 01RCD using the procedures below when the transcribed date is invalid.

(8)   Consider the return filed on time and **enter the return due date in Field 01RCD** when **all** of the following conditions exist:

    a.   The return was originally received on time.
    b.   Code and Edit or ITIN corresponded with the taxpayer.
    c.   No received date is stamped or edited on the return.
    d.   The current date is later than the return due date.

(9)   **Received Date not present:** Determine the received date by the following priorities when a valid date is **not stamped** on the return or a valid handwritten received date is not present:

Note: See IRM 3.12.2.4.3.20 (11) for exceptions.

    a.   Latest postmark on the envelope (post office mark) or the latest date from a designated private delivery service (PDS) mark. When the envelope or label is not attached, use the postmark date stamped or handwritten on the return to determine the received date.

        Note: See IRM 3.12.2.4.3.20.1 for determining a valid post office mark or IRM 3.12.2.4.3.20.2 for determining a valid PDS mark.

        Caution: Some stamps and labels show the date of sale. Do not confuse the date of sale with the date of use. Use only the cancellation date of the stamp or label for the latest postmark.

    b.   Service Center Automated Mail Processing System (SCAMPS) digital dates.
    c.   Latest date by the taxpayer's signature(s).

        Note: For prior-year returns, use the signature date only if it is within the current year.

        Note: Do not use the date of the tax preparer's signature.

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d. Julian date in the DLN minus 10 days

> *Note:* Do **not** accept the date generated by the sending fax machine on an **original** return.

(10) Review the return for the words **"Sent Back for Signature"** or a similar statement with a date present in the lower left corner of the return. These are returns that were originally received **without a signature** and were mailed back to the taxpayer from Receipt and Control. If a date and the phrase **"Sent Back for Signature"** are present, follow the instructions below for determining the received date:

#
#
#
#
#
#
#

(11) Use the following table for processing exceptions to correcting the received date:

If the return...	Then...
A] Is a current year return which was filed on time,	Correct the data in Field 01RCD per priority in (9) above.
B] Has multiple received dates,	Enter the earliest date in Field 01RCD. *Exception:* Use the latest date when the earliest date is before the end of the tax period.
C] Is a renumbered non-remittance,	Enter the calendar date of the Julian date in the original DLN minus 10 days.
D] Is a renumbered remittance,	Enter the calendar date of the Julian date in the original DLN.
E] Is being filed after a timely filed MeF return was rejected (as	Enter 20250415 in Field 01RCD.

#
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(12) If a return was mailed to a state taxing agency:

#
#
#

3.12.2.4.3.20.1
(01-01-2017)
Post Office Marks

(1) Valid United States Postal Service (USPS), foreign country postmarks, USPS private meter marks, or private meter marks are:

- Postage Validation Imprinter (PVI) labels displaying the USPS eagle
- Killer bar strips or other cancellation marks with a date, city, and state
- USPS Metered postmarks
- Private Metered Marks (identified by the absence of "USPS" in the postmark).

3.12.2.4.3.20.2
(01-01-2018)
Private Delivery Service (PDS) Marks

(1) Designated Private Delivery Services (PDS) are in the following list:

a. United Parcel Service (UPS)
UPS Next Day Air Early AM
• UPS Next Day Air
• UPS Next Day Air Saver
• UPS Second Day Air
• UPS Second Day Air A.M.
• UPS Worldwide Express
• UPS Worldwide Express Plus

b. Federal Express (Fed Ex)
• FedEx First Overnight
• FedEx Priority Overnight
• FedEx Standard Overnight
• FedEx 2 Day
• FedEx International First
• FedEx International Next Flight Out
• FedEx International Priority
• FedEx International Economy

Note: **Do not** use "Fed Ex Powership 3" labels for determining the mail date.

c. DHL Express:
• DHL Express 9:00
• DHL Express 10:30
• DHL Express 12:00
• DHL Express Worldwide
• DHL Express Envelope
• DHL Import Express 10:30
• DHL Import Express 12:00
• DHL Import Express Worldwide

(2) **Do not** use marks from a non-designated PDS to determine whether a return is timely filed. The **timely mailing as timely filing** rule applies only to the USPS and to designated PDSs.

3.12.2.4.3.20.3
(01-01-2017)

(1) By law, a timely-mailed return is a timely-filed return. This applies to both USPS and **designated** PDS mail.

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3.12.2.4.3.21
(01-01-2024)
**Field 01RPC Return
Processing Code**

(1) A Return Processing Code (RPC) is an alpha or numeric character entered by a Code and Edit examiner to alert the computer to a special condition or computation. The field is ten spaces long, and the number of RPCs may thus not exceed ten. These codes are used for center Processing and do not post to the Master File.

(2) RPCs are edited as follows:

   a. For TY18 and later, Form 1040: near the bottom-left margin of page 1 of the return
   b. For TY17 and prior, Form 1040: near the **right** of line 22.

(3) This field will be invalid for Form 1040 (Doc Code 05, 06, 11, 12, 21, or 22) when RPC is other than A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, Y, Z, 1, 2, 3, 4, 5, 6, 7, 8, or 9.

(4) Take the following actions to correct Field 01RPC:

   a. Correct coding and transcription errors.
   b. Determine and enter the correct RPC (if necessary). See Exhibit 3.12.2-3 for a list of explanations.
   c. Blank the field when the RPC is illegible and/or you cannot determine the correct RPC from the explanations in Exhibit 3.12.2-3.

(5) Code & Edit edits RPC V on current year returns determined to be **computer generated**. A **computer generated** paper return is identified by a three-alpha character software code in the bottom margin of page 1 or 2, Form 1040.

3.12.2.4.3.22
(11-27-2020)
**Field 01ACD Audit
Codes**

(1) Audit codes are used to alert Examination to certain conditions in the return. Audit codes are edited by Code and Edit in the bottom-right margin of page 1 of the return.

(2) The valid values for the field are Form 1040 (Doc Code 05, 06, 11, 12, 21, 22): A, B, C, D, H, I, J, K, L, P, Q, R, S, T, U, V, W, X, Z, 2 and 3. Any other values are invalid.

(3) Compare the entry in the field with the code in the lower right margin of page 1 of the return. Correct coding and transcription errors.

(4) If the audit code is illegible or incorrect, refer to Exhibit 3.12.2-6, Audit Codes, to determine the correct audit code.

(5) If you cannot determine the correct audit code, delete the code from Field 01ACD.

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3.12.2.4.3.23 (01-01-2019) **Field 01PEF, Presidential Election Campaign Fund Code**	(1)	Presidential Election Campaign is found in the upper right corner of Form 1040 to the right of the address and apartment line (TY17 and prior, to the right of City, State and ZIP Code line).
	(2)	Field 01PEF is a numeric one character in length field.
	(3)	An entry in Field 01PEF is invalid if other than blank, 1, or 2.
	(4)	Compare the field on the screen to the entry and correct screen display.

    a.   Blank if no box marked.
    b.   Enter **"1"** if one box is marked.
    c.   Enter **"2"** if two boxes are marked.

Note: For TY21 and prior, remove the entry in Field 01PEF.

3.12.2.4.3.24 (01-02-2024) **Field 01DAC, Digital Assets Code**	(1)	Digital Assets Code is found in the middle of the Form 1040 under the entity section.
	(2)	Field 01DAC is a numeric one character in length field.
	(3)	An entry in Field 01DAC is invalid if other than 1, 2, 3, 0.
	(4)	Compare the field on the screen to the entry and correct screen display.

    a.   0 is default if **no boxes** are marked.
    b.   1 if the **Yes** box is checked.
    c.   2 if the **No** box is checked.
    d.   3 if **both** boxes are checked.

3.12.2.4.3.25 (01-01-2024) **Field 01FPC, Forms Processing Code**	(1)	A Forms Processing Code (FPC) is an alpha and/or numeric character(s) edited by Code and Edit to alert the computer and Master File to a special condition. The number of FPC's may not exceed ten. A FPC will be edited on Form 1040 to the right of line 7.
	(2)	This field will be invalid if Form 1040 (Doc Code 05, 06, 11, 12, 21, or 22) is other than A, B, D, G, H, J, L, P, Q, R, W, X, 0, 5, 8, or 9.
	(3)	Correction Procedures - Refer to the Forms Processing Code Exhibit 3.12.2-5 to determine the correct codes.

3.12.2.5 (01-01-2020) **Section 02, Form 3471 (Edit Sheet)**	(1)	Section 02 contains edited information from Form 3471, Edit Sheet, for certain Unallowable (UA) conditions, and several ERS input only fields.
3.12.2.5.1 (11-27-2020) **Error Record Format Section 02**	(1)	Section 02 holds the following fields:

Form 1040	Field Name	Field Location (Form 3471)
02RI	Revalidation Indicator	ERS input only

Form 1040	Field Name	Field Location (Form 3471)
02DTR	Dependent TIN Requirement	ERS input only
02CD1	Unallowable Code 1	Line 1
02AM1	Unallowable Amount 1	Line 1
02CD2	Unallowable Code 2	Line 2
02AM2	Unallowable Amount 2	Line 2
02CD3	Unallowable Code 3	Line 3
02AM3	Unallowable Amount 3	Line 3
02AGI	Unallowable AGI	Near bottom of form, box labeled "AGI"
02ITM	Unallowable Itemized	Near bottom of form, box labeled "Itemized"
02NI	Unallowable Net Income	Near bottom of form, box labeled "Net Income"
02TXA	Unallowable Tax Adjustment	Near bottom of form, box labeled "TAX"
02RPD	Return Processed Date	Line 4
0206	Late Filing Code	Line 6
02PDP	Pre-Determined Delinquency Penalty	Line 7
0208	Form 4563 Indicator (International)	Line 8 (for AUSPC only)
0211	ID Number Penalty	Line 11
02W2A	ITIN Return First W-2 SSN	ERS input only
02W2B	ITIN Return Second W-2 SSN	ERS input only
02ARC	ACA Resolution Code	ERS input only

(2)   All fields are positive. Money amounts are entered in **dollars only**.

3.12.2.5.2
(01-01-2017)
Field 02RI, Revalidation Indicator

(1)   This field is for ERS input only and is used to retrieve information from the NAP file for NAP validation in ERS.

(2)   The field is one space long.

(3)   Valid values:

- blank: the default value
- **R**: signifying the request for NAP validation

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| 3.12.2.5.3
(01-01-2017)
Field 02DTR, Dependent TIN Requirement | (1) The field for the Dependent TIN Requirement is for ERS input only. It overrides the programming requirement for the presence of a dependent TIN. ERS examiners enter a value for the number of dependents, up to four, who do not have a TIN for an acceptable reason. See EC 010 for acceptable exceptions to the requirement for a valid dependent TIN. |

(2) The field is one space long, and only numeric values are valid.

(3) Valid values for this field and their significance:

- 0 - the default value
- 1 - one dependent TIN missing for an acceptable reason
- 2 - two dependent TINs missing for an acceptable reason
- 3 - three dependent TINs missing for an acceptable reason
- 4 - four dependent TINs missing for an acceptable reason

| 3.12.2.5.4
(11-27-2020)
Unallowables | (1) There are certain conditions in a tax return that are unallowable by law and not merely questionable. These are identified by Unallowable (UA) Codes and edited by Code & Edit, as instructed in IRM 3.11.3, by Examination on Form 3471, Edit Sheet, or by ERS tax examiners, as instructed in IRM 3.12.3. An unallowable code allows the return to be processed as it was submitted. The fields for the amount of the unallowable display in dollars only. |

\#
\#

(2) These unallowable fields are edited by Code & Edit on Form 3471 for transcription:

- Field 02CD1/02AM1
- Field 02CD2/02AM2
- Field 02CD3/02AM3

(3) These unallowable UA fields are for **ERS input only**:

- Field 02AGI
- Field 02ITM
- Field 02NI
- Field 02TXA
- Field 94UTV

(4) Refer to the Unallowable Codes, Exhibit 3.12.2-7, for a list and explanation of the unallowable codes.

(5) Corrections are not necessary unless the record contains EC 380, 702, 704, 706, 708, 712, 714, 716 or 718.

(6) Enter and correct unallowable codes according to the instructions below.

   a. Enter all codes as they are shown on Form 3471 or the return.

   b. If **more than three** unallowable items are in a return, enter Unallowable Code 98 as the **third** unallowable code, in Field 02CD3, and leave Field 02AM3 blank. Explain the additional codes and amounts in "Processing memo" in Form 3471.

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(7)   Before correcting an unallowable code, determine if the unallowable amount is   #
                                                                                                             #

If the amount is...	And the UA is...	Then...
A] More than the tolerance,		a. GTSEC 02. b. Enter the UA codes. See Exhibit 3.12.2-7. c. Enter the UA amount.
B] Less than the tolerance,	In a field that is creating an ERS error condition,	Move the amount to a catch-all field: for example, move Field 0716 of Schedule A. See the note below.

Note: **Do not adjust** the return. **Do not leave** a working trail for the amount moved.

(8)   Refer to EC 260 for CCC Y conditions.

3.12.2.5.5
(05-13-2024)
**Field 02RPD, Return
Processed Date**

(1)   The Return Processed Date (RPD) is located on line 4 Form 3471 or stamped on the correspondence reply. The return processed date is sometimes called the correspondence received date.

(2)   Correct coding and transcriptions errors.

(3)   Correct invalid format to the date YYYYMMDD. Y=year, M=month, and D=day.

(4)   The entry in Field 02RPD is invalid if **any** of the following conditions are present:

* The day of the month (DD) exceeds the number of days for the transcribed calendar month (MM).
* The first position of the field is blank and the rest of the field is filled.
* The entry has fewer than eight characters.
* The entry is not exclusively numeric.
* The entry is later than the current date.

                                                                                                             #
                                                                                                             #

return processed date in Field 02RPD using the following priority:

a.   IRS fax received date.
b.   Correspondence received date.
c.   Postmark date on reply envelope.

                                                                                                             #

(6)   **Don't** enter a return processed date when:

                                                                                                             #
                                                                                                             #

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• the correspondence was issued in error.

(7) **Austin only -** If the return has an **ITIN** (9XX-50-XXXX through 9XX-65-XXXX, 9XX-70-XXXX through 9XX-88-XXXX, 9XX-90-XXXX through 9XX-92-XXXX, 9XX-94-XXXX through 9XX-99-XXXX) written in red ink and "W-7" is stamped in the bottom left hand corner of the return, resolve the error according to these instructions.

    a.   If the received date is equal to the return processed date, ensure the correct received date is input. Refer to IRM 3.12.2.4.3.20
    b.   If EC 058 redisplays, delete the entry in Field 02RPD.

3.12.2.5.6
(01-01-2025)
Field 0206, Late-Filing Code

returns. Code and Edit will edit the Late Filing Code 1 when the received date   #

computed a delinquency penalty and/or interest. Refer to EC 062.   #

(2) The field will be invalid when other than blank or 1.

(3) Correct coding and transcription errors and use the following table to correct the field error:

If the return is...	And...	Then...
A] Full Paid,	**Any** of the following is present: a. Pre-computed delinquency, b. Failure to Pay Penalty, c. Interest is entered on the return,	a. Enter **1** in Field 0206. b. Enter **20250415** in Field 01RCD if a timely received date is not stamped or edited.
B] Partial Paid,	An amount is indicated for delinquency (Failure to File) penalty,	Enter **1** in Field 0206.

3.12.2.5.7
(01-01-2017)
Field 02PDP, Pre-Determined Delinquency Penalty

(1) Code and Edit will edit the amount on the Edit Sheet when there is a notation on the return that indicates this penalty. Refer to EC 064.

(2) This field will be invalid if other than blank or all numerics.

(3) Correct any coding or transcription errors.

3.12.2.5.8
(01-01-2017)
Field 0208, Form 4563 Indicator (International)

(1) This field is used by **AUSPC only.**

(2) Delete entry if present in this field.

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3.12.2.5.9
(01-01-2018)
Field 0211, Identification
Number Penalty

(1) Identification Number Penalty Field has a maximum of 2 characters and will be invalid if other than two zeroes (00) or 50.

(2) Code and Edit will edit **50** when there is a notation on the return that this penalty is to be assessed and an amount is present. Enter the amount in Field 0211 as two digits (e.g., $50.00 will be entered as **50**).

Note: Examination or Collection will indicate when this penalty is to be assessed.

(3) Correct any editing or transcription errors.

3.12.2.5.10
(01-01-2018)
Fields 02W2A and
02W2B, ITIN Return
First/Second W-2 SSN

(1) These fields will be invalid if other than blank or numeric.

(2) These fields are ERS input only.

(3) If Field 02W2A or 02W2B is equal to the Primary or Secondary SSN, delete the entry.

3.12.2.5.11
(01-01-2025)
Field 02ARC, Affordable
Care Act (ACA)
Resolution Codes

(1) The ACA Resolution Code is an alphanumeric field and can have up to 10 codes. Enter a code in Field 02ARC only when instructed in the error codes listed in the table below when accepting the taxpayer entry.

ACA Resolution Codes	Descriptions
1	Bypasses AVS error checks for EC 191
2	Bypasses AVS error checks for EC 192
3	Bypasses AVS error checks for EC 195
4	Bypasses AVS error checks for EC 197
5	Bypasses AVS error checks for EC 198
6	Bypasses AVS error checks for EC 199

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3.12.2.5.12
(01-01-2024)
Field 02NC>
Non-Compute Code

(1) The Non-Compute Code 2 is computer generated when the return is identified as a Non-Compute by the computer. Taxpayers who want the IRS to compute the tax will only complete the following lines:

   a. TY24, TY23, TY22, TY21, and TY20 - Form 1040 Data through line 15, plus any applicable lines from Schedule 2 and 3.
   b. TY19 Form 1040 - Data through line 11b, plus any applicable lines from Schedule 2 and 3.
   c. TY18 Form 1040 - Data through line 10, plus any applicable lines from Schedule 3, 4 and 5

(2) The taxpayers must not compute the Tax Liability, Balance Due/Refund, or have certain attached schedules for IRS to compute their tax.

   Exception: Section 01-05, 08, 16, 19, 21, 22, 23, 27, 29, 30, 36, 37, 43, 44, 45, 50, 51, 56, 75, and 79 may be present.

(3) Field 02NC> will display with a 2 (identifying the return as a Non-Compute), for TY18 and later, when all of the following exist:

   a. Adjusted Gross Income is present and Total Tax IMF, Balance Due/Refund, Estimated Tax Payments, Estimated Tax Penalty and Remittance Amount are not present.
   b. Computer Condition Code B is not present.
   c. Taxpayer does not exceed tax table limitations for income.
   d. Only Sections 01-05, 08, 16, 19, 21, 22, 23, 27, 29, 30, 36, 37, 43, 44, 45, 50, 51, 56, 75 and 79 are present.

#

(4) Error Codes in the 500 and 600 series will also be generated on all Non-Compute returns.

(5) A return processed as a Non-Compute return generates a CP 51 notice to the taxpayer. The CP 51 informs the taxpayer that the IRS figured their tax for them.

(6) Correction Procedures - Determine from the return if the Tax and/or Balance Due/Refund has been **computed to zero** by the taxpayer, or if the taxpayer is asking IRS to figure the tax. A dash (-), a 0 (zero), or "none" written on any of the lines is an indication the taxpayer **computed their own return.**

   a. When you can determine that the taxpayer has computed their return, enter **B** in Field 01CCC.

      Note: CCC B prevents the return from being identified as a Non-Compute. This practice is recommended because of the current amount of unnecessary CP 51 notices that are generated.

   b. If the taxpayer has computed the tax to zero, has entered withholding and has no subsequent entries (e.g., taxpayer is not asking IRS to figure EIC) and does not have an entry on line 33, Form 1040 (TY19 line 19, TY18 line 18, TY17 line 74), **enter the withholding amount in Field 03BDR** and **don't** enter CCC B.

(7) Correct all field errors when the return is identified as a true Non-Compute and the taxpayer has done **all** the following:

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- • Completed all applicable lines through Taxable Income.
- • Entered any withholding.
- • Entered any applicable lines thereafter (except the total lines).
- • Wrote "**CFE**", if applicable, on the dotted line next to the line for Credit for the Elderly or the Disabled and attached the schedule with the appropriate lines completed.
- • Wrote "**EIC**", if applicable, to the left of the Earned Income Credit line and attached the schedule (if necessary) with the appropriate lines completed.

(8) Assign **TPNC 218** when a return appears to be a Non-Compute, but does not meet the criteria (e.g., "prior-year return", Schedule A present, Schedule C present, etc.). Field 02NC> will be blank.

(9) Verify the coding and transcription on **all** the fields in the following table. Take the appropriate action listed in the table below, when necessary, before transmitting the record:

Verify Field...	And...	Then...
01FSC	The taxpayer failed to check or checked multiple boxes for the FS,	SSPND 211
01EXC	You are unable to arrive at the taxpayer's total for exemptions,	SSPND 211
01ABI	You are unable to arrive at the taxpayer's total for Age/Blind deduction(s),	Refer to EC 250.
01DSI	You are unable to determine if the taxpayer is limiting the Standard Deduction or Exemption amount,	Refer to EC 250
Section 03	Verification of wages, from Forms W-2, shows the amount of wages is greater than the amount reported on the return by $10 or more,	Increase the wages amount. (Continue processing if amount is less than what is reported on the return.)
Section 03	The taxpayer used Social Security or Medicare wages instead of wages in box 1 of Form W-2,	Change the amount to reflect the box 1 wages.

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Verify Field...	And...	Then...
Section 03	1. EIC is claimed based solely on wages that are not supported by a Form W-2 (or similar Form W-2 document), or 2. HSH is not noted on the wage line,	1. Research CC IRPTR, if available. 2. SSPND 211 for documentation if income is not found on IRPTR.
Section 03	Gross social security is being claimed,	1. Research CC IRPTR, if available. 2. Verify and correct the amount, if applicable.
Field 03WH (Form 1040)	1. Withholding is claimed, 2. Supported by only a substitute, typed or handwritten Form W-2 3. The computer computes a refund,	Enter 8 in Field 01CCC. ***Note:*** Always verify the Withholding amount from Forms W-2 and ensure that the amount was transcribed correctly before transmitting the error record.

(10) Refer to EC 260 for information on joint Non-Compute returns. Computer Condition Code "Y" will be assigned when both of the following are present:

a. The separate taxable incomes of the taxpayers are shown above the words "Adjusted Gross Income", on Form 1040.

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> b.   There are no exemptions in positions 3 through 8, or the taxpayer has indicated the allocation of the exemptions to the spouse.

3.12.2.6
(11-27-2020)
Section 03, Simplified Tax Return

(1)   Section 03 includes information transcribed from the Form 1040

3.12.2.6.1
(01-01-2025)
Error Record Format Section 03

(1)   Form 1040 Section 03 consists of the following fields:

Form 1040	Field Name	Form 1040 Field Location
03WG	W-2 Wages	Line 1a
03NCP	Nontaxable Combat Pay Amount	Line 1i
03TWG	Total Wages	Line 1z
03TEI	Tax-Exempt Interest	Line 2a
03INT	Taxable Interest	Line 2b
03QD	Qualified Dividends	Line 3a
03DIV	Ordinary Dividends	Line 3b
03GIR	Gross IRA Distributions	Line 4a
03TIR	Taxable IRA Distributions	Line 4b
03GPA	Gross Pension and Annuity	Line 5a
03TPA	Taxable Pension and Annuity	Line 5b
03GSS	Gross Social Security	Line 6a
03TSS	Taxable Social Security	Line 6b
03CGL	Schedule D Profit/Loss	Line 7
03ADD	Additional Income	Line 8
03TOT	Total Income	Line 9
03TAJ	Total Adjustments	Line 10
03AGI	Adjusted Gross Income	Line 11
03QBI	Qualified Business Income Deduction	Line 13
03INC	Taxable Income	Line 15
03TTX	Tentative Tax	Line 16
03AF	Additional Forms 8814 attached	ERS input only
03AT	Additional Forms 8814 Tax	ERS input only

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Form 1040	Field Name	Form 1040 Field Location
03COD	Child Tax or Other Dependent Credit	Line 19
03NRC	Total Statutory Credit	Line 21
03OTX	Other Taxes	Line 23
03TAX	Total Tax	Line 24
03WH	Withholding	Line 25d
03ESP	Estimated Tax Credit	Line 26
03EIC	Earned Income Credit	Line 27
03ACT	Additional Child Tax Credit	Line 28
03AOC	Refundable Education Credit	Line 29
03PSC	Form 1040C Credit	ERS Input Only
03RCR	Refundable Credits	Line 32
03PAY	Total Payments	Line 33
03BDR	Balance Due Refund	Line 35a or 37
03CEL	Credit Elect	Line 36
03ETP	Estimated Tax Penalty	Line 38
03AI	Third Party Designee Authorization Indicator	Below line 38
03TPN	Third Party Designee Name	Below line 38
03TPI	Third Party Designee ID Number	Below line 38
03EMW	E-File Mandate Waiver Code	Edited to right of spouse IP PIN
03PC	Preparer Code	Edited to right of self-employed checkbox
03PT	Preparer TIN	PTIN in Paid Preparer area, page 2
03PE	Preparer EIN	Firm's EIN in Paid Preparer area, page 2
03PTN	Preparer Telephone Number	Preparer Telephone Number in Paid Preparer area, page 2

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3.12.2.6.2 (01-01-2020) **Invalid Conditions**	(1)	Fields in Section 03 are invalid if not all numeric.
3.12.2.6.3 (01-01-2020) **Correction Procedures**	(1)	Correction procedures for Section 03 fields follow.
3.12.2.6.3.1 (01-01-2023) **Field 03WG W-2 Wages**	(1)	Form W-2 wages are transcribed in Field 03WG from Form 1040 , line 1a (TY18 - TY21 line 1, TY17 line 7).
	(2)	Refer to EC 218.
3.12.2.6.3.2 (01-01-2023) **Field 03NCP Nontaxable Combat Pay**	(1)	EIC nontaxable combat pay is transcribed in Field 03NCP from Form 1040, line 1i (TY21, Form 1040, line 27b; TY20, located to the left of line 27; TY19, to the left of line 18a; TY18, to the left of line 17; TY17, line 66b)
3.12.2.6.3.3 (01-01-2025) **Field 03TWG Total Wages**	(1)	Total wages is transcribed in Field 03TWG from Form 1040, line 1z (TY18 - TY21, line 1; TY17, line 7).
	(2)	Verify the wages with CC IRPTR if the information returns are available as instructed by the error code. SSPND 211 for Form W-2 when the taxpayer does not provide at least one Form W-2 or a similar statement of earnings as instructed by the error code. Refer to EC 118/201/218/337/338.
	(3)	If the taxpayer reports earnings from household employment "HSH" on Form 1040 , line 1b (TY21 and prior, **HSH** noted on the wages line), enter **E** in Field 01SPC.
	Note:	Household employees may not have Forms W-2 to support their entry for wages, line 1b. For TY21 and prior, they are instructed to write "HSH" and the amount of earnings to the left of the entry for wages. Consider this the equivalent of a Form W-2.
3.12.2.6.3.4 (11-27-2020) **Field 03TEI Tax-Exempt Interest**	(1)	Tax-exempt interest is transcribed in Field 03TEI from Form 1040 , line 2a (TY17, located on line 8b).
	(3)	Refer to Error Code 218.
3.12.2.6.3.5 (11-27-2020) **Field 03INT Taxable Interest**	(1)	Taxable interest is transcribed in Field 03INT from Form 1040, line 2b (TY17, located on line 8a).
	(2)	Beginning in TY97, negative taxable interest amounts stemming from inflation-indexed bonds may be claimed on Form 1040, line 8a.
	(3)	Refer to EC 218.

#

3.12.2.6.3.6 (11-27-2020) **Field 03QD Qualified Dividends**	(1)	Qualified dividends are transcribed in Field 03QD from Form 1040, line 3a (TY17, located on line 9b).
	(2)	Qualified dividends and distributions are reported to the taxpayer on Form 1099-DIV, box 1b. Taxpayers are not required to attach Form 1099-DIV to their return.
	(3)	Refer to EC 218.
3.12.2.6.3.7 (11-27-2020) **Field 03DIV, Ordinary Dividends**	(1)	Ordinary dividends are transcribed in Field 03DIV from Form 1040, line 3b (TY17, located on line 9a).
	(2)	Ordinary dividends and distributions are reported to the taxpayer on Form 1099-DIV, box 1a. Taxpayers are not required to attach Form 1099-DIV to their return.
	(3)	Refer to EC 218.
3.12.2.6.3.8 (11-27-2020) **Field 03GIR Gross IRA Distributions**	(1)	Gross IRA distributions are transcribed in Field 03GIR from Form 1040, line 4a (TY17, located on line 15a).
	(2)	Refer to EC 218.
3.12.2.6.3.9 (11-27-2020) **Field 03TIR Taxable IRA Distributions**	(1)	Taxable IRA distributions are transcribed in Field 03TIR from Form 1040, line 4b (TY17, located on line 15b).
	(2)	Refer to EC 218.
3.12.2.6.3.10 (11-27-2020) **Field 03GPA Gross Pensions and Annuities**	(1)	Gross pensions and annuities are transcribed in Field 03GPA from Form 1040, line 5a (TY19 located on line 4c; TY17, located on line 16a). TY18, gross IRAs, pensions, and annuities are located on Form 1040. line 4a.
	(2)	Refer to EC 218.
3.12.2.6.3.11 (01-03-2023) **Field 03TPA Taxable Pensions and Annuities**	(1)	Taxable pensions and annuities are transcribed in Field 03TPA from Form 1040, line 5b (TY19 located on line 4d; TY17, located on line 16b). TY18, taxable IRAs, pensions, and annuities are located on Form 1040, line 4b.
	(2)	Refer to EC 218.
3.12.2.6.3.12 (01-01-2024) **Field 03GSS Gross Social Security Benefits**	(1)	Gross social security benefits are transcribed in Field 03GSS from Form 1040, line 6a (TY19 and TY18, located on line 5a; TY17, located on line 20a).
	(2)	Refer to EC 214.

3.12.2.6.3.13 (01-01-2024) **Field 03TSS Taxable Social Security Benefits**	(1)	Taxable social security benefits are transcribed in Field 03TSS from Form 1040, line 6b (TY19 and TY18 located on line 5b; TY17, located on line 20b).
	(2)	For TY94 and later, social security can be taxed up to 85 percent.
	(3)	For TY93 and prior, up to 50 percent was taxable.
	(4)	Refer to EC 214.
3.12.2.6.3.14 (11-27-2020) **Field 03CGL, Schedule D Profit or Loss**	(1)	Capital gain or loss is transcribed in Field 03CGL from Form 1040, line 7 (TY19, located on line 6; TY18, located on Schedule 1, line 13; TY17, Form 1040, line 13).
	(2)	Refer to EC 204.
3.12.2.6.3.15 (01-01-2024) **Field 03ADD, Additional Income**	(1)	Field 03ADD, *Additional Income*, is transcribed from Form 1040, line 8 (TY19, located on line 7a; TY18, located on Schedule 1, line 22).
	(2)	Refer to EC 218.
3.12.2.6.3.16 (01-03-2023) **Field 03TOT Total Income**	(1)	Total income is transcribed in Field 03TOT from Form 1040, line 9 (TY19, located on line 7b; TY18, located on line 6, Form 1040; TY17, line 22).
	(2)	Refer to EC 218.
3.12.2.6.3.17 (11-27-2020) **Field 03TAJ Total Adjustments**	(1)	Total adjustments amount is transcribed in Field 03TAJ from Form 1040, line 10 (TY20, located on line 10c; TY19, located on line 8a; TY18, located on Schedule 1, line 36; TY17, Form 1040, line 36).
	(2)	Refer to EC 229.
3.12.2.6.3.18 (11-27-2020) **Field 03AGI Adjusted Gross Income**	(1)	Adjusted gross income (AGI) is transcribed in Field 03AGI from Form 1040 , line 11 (TY19, located on line 8b; TY18, located on line 7, Form 1040; TY17, line 37).
	(2)	Refer to EC 230.
3.12.2.6.3.19 (11-27-2020) **Field 03QBI, Qualified Business Income Deduction**	(1)	Qualified Business Income Deduction (QBID) is transcribed in Field 03QBI from Form 1040, line 13 (TY19, located on line 10; TY18, located on line 9).
	(2)	Field 03QBI is valid for TY18 and later only.
	(3)	Refer to EC 248 and 249.
3.12.2.6.3.20 (01-01-2024) **Field 03INC Taxable Income Amount**	(1)	Taxable income is transcribed in Field 03INC from Form 1040, line 15 (TY19, located on line 11b; TY18, located on line 10; TY17, line 43).
	(2)	The transcribed taxable income field has a computer-generated underprint. Refer to EC 250, and 265.

| 3.12.2.6.3.21 (11-27-2020) **Field 03TTX Tentative Tax** | (1) | Tentative tax is transcribed in Field 03TTX from Form 1040, line 16 (TY19, located on line 12a; TY18, located on line 11a; TY17, line 44). |
| | (2) | Refer to EC 265. |

| 3.12.2.6.3.22 (01-01-2020) **Field 03AF, Additional Forms 8814 Attached** | (1) | Field 03AF, Additional Forms 8814 Attached, is for **ERS input only**. This one-position field is valid for Form 1040 only, holds only a positive number and is for use only when more than three Forms 8814 are present. The largest allowable number in the field is 9. |

- Three Forms 8814 may be transcribed with a return in Sections 40, 41, and 42.
- Field 03AF holds the number of Forms 8814 for which there is no transcribed section. For instance, if four Forms 8814 are attached, and the first three are transcribed as Section 40, 41, and 42, enter the number **1** in Field 03AF. If there are five Forms 8814, enter the number **2** in Field 03AF.

| | (2) | Use Command Code GTSEC to verify that the first three Forms 8814 are transcribed in Section 40, 41, and 42. Subtract three from the number of Forms 8814 and enter the result in Field 03AF. If twelve or more Forms 8814 are present, enter the number **9** in Field 03AF. |
| | (3) | Refer to EC 265. |

3.12.2.6.3.23 (01-01-2020) **Field 03AT, Additional Forms 8814 Tax**	(1)	Field 03AT, Additional Forms 8814 Tax, is for **ERS input only** on Form 1040.
	(2)	Enter the additional tax amount in Field 03AT from the Form(s) 8814 not transcribed in Sections 40, 41, and 42.
	(3)	Refer to EC 265.

3.12.2.6.3.24 (11-27-2020) **Field 03COD, Child Tax and Other Dependent Credit Child Tax Credit**	(1)	The amount claimed for Child Tax Credit (CTC) and Credit for Other Dependents (ODC) is transcribed in Field 03COD from Form 1040, line 19 (TY19, located on line 13a; TY18, located on line 12a; TY17, CTC amount is located on line 52).
	(2)	CTC is valid for TY98 and later. ODC is valid for TY18 and later.
	(3)	Refer to EC 287, 289, and 290.

| 3.12.2.6.3.25 (06-10-2021) **Field 03NRC Total Statutory Credits** | (1) | Total statutory credits are transcribed in Field 03NRC from Form 1040, line 21 (TY19, located on line 13b; TY18, located on line 12; TY17, line 55). |
| | (2) | Refer to EC 310. |

| 3.12.2.6.3.26 (11-27-2020) **Field 03OTX, Total Other Taxes** | (1) | Total other taxes amount is transcribed in Field 03OTX from Form 1040, line 23 (TY19, located on line 15; TY18, located on line 14) and applies to TY18 and later returns only. |
| | (2) | Refer to EC 333. |

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3.12.2.6.3.27 (11-27-2020) **Field 03TAX Total Tax**	(1)	Total tax is transcribed in Field 03TAX from Form 1040, line 24 (TY19, located on line 16; TY18, located on line 15; TY17, line 63).
3.12.2.6.3.28 (11-27-2020) **Field 03WH Withholding**	(1)	Withholding is transcribed in Field 03WH from Form 1040, line 25d (TY19, located on line 17; TY18, located on line 16; TY17, line 64).
	(2)	Enter the amount from attachments, if applicable, when withholding is blank, dash (-), or 0 (zero).
	(3)	Refer to EC 118 and 366.
3.12.2.6.3.29 (11-27-2020) **Field 03ESP Estimated Tax Credit**	(1)	Estimated tax credits is transcribed in Field 03ESP from Form 1040, line 26 (TY19, located on line 8, Schedule 3; TY18, located on line 66, Schedule 5; TY17, Form 1040, line 65).
	(2)	Refer to EC 366 and EC 370.
3.12.2.6.3.30 (01-01-2023) **Field 03EIC Earned Income Credit (EIC)**	(1)	Earned Income Credit (EIC) is transcribed in Field 03EIC from Form 1040, line 27 (TY21, located on line 27a, TY20, located on line 27; TY19, located on line 18a; TY18, located on line 17a; TY17, line 66a).
	(2)	Refer to EC 336, 337, and 338.
	(3)	When taxpayers indicate they want the IRS to compute their EIC without qualified children (i.e., "EIC" written near the EIC line and no Schedule EIC attached), Code and Edit will edit "888" on the EIC line to generate ERS correction. Refer to EC 338.
3.12.2.6.3.31 (01-01-2025) **Field 03ACT Additional Child Tax Credit**	(1)	Additional Child Tax Credit (ACTC) is transcribed in Field 03ACT from Form 1040 , line 28 for TY20 and subsequent (TY19, located on line 18b; TY18, located on line 17b; TY17, line 67). TY21, the credit was also identified as Refundable Child Tax Credit (RCTC).
	(2)	This field is applicable for TY98 and later.
	(3)	Refer to EC 344.
3.12.2.6.3.32 (11-27-2020) **Field 03AOC Form 8863 Refundable Education Credit**	(1)	Refundable education credit or American Opportunity Credit (AOC) is transcribed in Field 03AOC from Form 1040, line 29 (TY19, located on line 18c; TY18, located on line 17c; TY17, line 68).
	(2)	Refundable Education Credit is valid for TY09 and later.
	(3)	Refer to EC 347.
3.12.2.6.3.33 (01-01-2024) **Field 03RCR, Refundable Credits**	(1)	Refundable credits is transcribed in Field 03RCR from Form 1040, line 32 (TY19, located on line 18e; TY18, located on line 17), and applies to TY18 and later returns.
	(2)	Refer to EC 364.

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3.12.2.6.3.34 (11-27-2020) **Field 03PAY Total Payments**	(1)	Total payments is transcribed in Field 03PAY from Form 1040, line 33 (TY19, located on line 19; TY18, located on line 18; TY17, line 74).
	(2)	Refer to EC 366.
3.12.2.6.3.35 (01-01-2025) **Field 03BDR, Balance Due/Refund**	(1)	Field 03BDR can be either positive or negative depending on the taxpayer's entry. This field will be:

a. **Negative** (meaning a *refund* due to taxpayer) amount if transcribed from Form 1040, line 35a (TY19, located on line 21a; TY18, located on line 20a; TY17, line 76a).

b. **Positive** (meaning *amount due* to IRS) amount if transcribed from Form 1040, line 37 (TY19, located on line 23; TY18, located on line 22; TY17, line 78).

Note: ISRP will enter the amount as a refund if the only entry by the taxpayer is on the Overpaid line, Form 1040, line 34 (TY19, line 20; TY18, line 19; TY17, line 75).

(2) Refer to EC 370.

3.12.2.6.3.36 (01-01-2023) **Field 03CEL, Estimated Tax Credit Elect**	(1)	Estimated Tax Credit Elect or estimated tax election is transcribed from Form 1040 , line 36 (TY19, located on line 22; TY18, located on line 21; TY17, line 77).
	(2)	Field 03CEL is used to indicate the amount of overpayment the taxpayer wants applied to the next year's tax liability.
	(3)	Refer to EC 370.
3.12.2.6.3.37 (01-01-2024) **Field 03ETP, Pre-Determined Estimated Tax Penalty**	(1)	Estimated tax penalty is transcribed from Form 1040, line 38 (TY19, located on line 24; TY18, located on line 23; TY17, line 79).
	(2)	Forms 2210 and 2210-F are worksheets used by the taxpayer to compute the Underpayment of Estimated Tax Penalty. Form 2210 is used by most filers; Form 2210-F is used by farmers and fishers.
	(3)	Refer to EC 368 and 370.
3.12.2.6.3.38 (01-01-2025) **Field 03AI, Third Party Designee Authorization Indicator**	(1)	Field 03AI is transcribed from the third party designee area above the signature area on Form 1040, below line 38, page 2 (TY18, located on Schedule 6).
	(2)	Use the following procedures to correct Field 03AI:

a. If the Third Party Designee Yes box is checked, enter **1**.

b. TY18, if the 3rd Party Designee box in the paid preparer area is checked on page 1, enter **1**.

c. If taxpayer checks the No box, enter **0** (zero).

d. If taxpayer checks both boxes or does not check a box, enter **0** (zero).

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| 3.12.2.6.3.39
(01-01-2024)
Field 03TPN, Third Party Designee Name | (1) | Field 03TPN is transcribed from the third party designee area above the signature area on Form 1040, below line 38, page 2 (TY18, located on Schedule 6). |
| | (2) | The taxpayer is instructed to enter the name of the person designated to discuss their tax return. This field is 20 characters in length. |

| 3.12.2.6.3.40
(01-01-2024)
Field 03TPI, Third Party Designee Identification Number | (1) | Field 03TPI is transcribed from the third party designee area above the signature area on Form 1040, below line 38, page 2 (TY18, located on Schedule 6). |
| | (2) | The taxpayer is instructed to enter five digits that the designee chooses as a personal identification number. |

3.12.2.6.3.41 (01-01-2025) **Field 03EMW, E-File Mandate Waiver Indicator**	(1)	Paid preparers are required to e-file the tax returns they prepare. Exceptions to that general rule are listed on Form 8948, Preparer Explanation for Not Filing Electronically. When paid preparers submit a paper return, they must include Form 8948 and indicate the exception.
	(2)	Code and Edit will edit 1 through 6 in the lower-right margin of Form 1040, page 2 from the exception box checked by the preparer on Form 8948.
	(3)	Field 03EMW is invalid if other than blank, zero, or 1 through 6. Code 1 indicates box 1 is marked, code 2 is box 2, code 3 is box 3, code 4 is box 4, code 5 is box 5, and code 6 is box 6a-c.
	(4)	Compare the field on the screen with the box checked on Form 8948. If edited or transcribed incorrectly, correct the screen display.
	(5)	If multiple boxes are checked on Form 8948, enter the indicator according to this priority: 6a, 6b, 6c, 3, 2, 1, 4, or 5.

3.12.2.6.3.42 (01-01-2020) **Field 03PT, Preparer TIN**	(1)	The Preparer TIN (PTIN) field is transcribed from the paid preparer's area at the bottom of Form 1040 , page 2 (TY18, located on page 1).
	(2)	Field 03PT is a nine-character alphanumeric code. The first character is **P** or **S**. The remaining eight characters are numbers.
	(3)	Field 03PT is invalid if the entry meets **any** of these conditions:

- is all zeros: 000000000
- is all nines: 999999999
- has fewer than nine characters

(4) Compare the entry in the field with the entry on the return and correct any errors. Correct the field errors below according to the instructions in the table.

If...	Then...
A] the PTIN/SSN is unavailable, incomplete, or illegible,	delete the entry from Field 03PT.
B] the PTIN is all zeros or all nines	delete the entry from Field 03PT.

3.12.2.6.3.43 (01-01-2020) **Field 03PE, Preparer EIN**	(1) Field 03PE, Preparer's EIN, is transcribed from the paid preparer area at the bottom of page 2, Form 1040 (TY18, located on page 1).
	(2) This field is invalid if the Preparer's EIN is present and **any** of the following exist:

	• Not numeric
	    • All zeros (000000000)
	    • All nines (999999999)
	    • Fewer than nine digits

	(3) Compare the field on the screen with the entry on the return and correct the screen display, if necessary. Delete the field when a valid Preparer's EIN is not available.

3.12.2.6.3.44
(01-01-2024)
Field 03PC, Preparer's Code

(1) If the return has been prepared by VITA or IRS, Code and Edit will edit a code to the right of "Check if" box in the paid preparer area of page 2, Form 1040 (TY18, page 1, Form 1040).

(2) Field 03PC will be invalid if the Preparer's Code is other than P, or R.

(3) Compare the entry in Field 03PC with the entry on the return. When edited or transcribed incorrectly, correct the screen display with the correct code as follows:

If return was prepared by...	Then...
A] IRS,	Enter **P** in Field 03PC.
B] Other than the IRS, but reviewed by IRS,	Enter **R** in Field 03PC.

3.12.2.6.3.45
(01-01-2020)
Field 03PTN, Preparer Telephone Number

(1) Field 03PTN is transcribed from the paid preparer area at the bottom of page 2, Form 1040 (TY18, page 1, Form 1040).

(2) Field 03PTN is a ten-digit field that can contain alpha, numeric and blank entries.

3.12.2.6.3.46
(01-01-2024)
Field 03PSC, Form 1040C Credit

(1) This field is **ERS input only.**

(2) Enter the amount of credit in Field 03PSC if there is an indication that a taxpayer is claiming a credit from Form 1040C in the Payments area of Form 1040 or Schedule 3 (TY18, Schedule 5).

Note: Form 1040C serves as a payment voucher for aliens leaving the country before the tax return is due.

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3.12.2.7
(01-01-2024)
Section 04, Additional Income and Adjustments to Income

(1)   Section 04 includes additional income and adjustments to income from Form 1040, Schedule 1.

3.12.2.7.1
(01-01-2025)
Error Record Format Section 04

(1)   Form 1040 Section 04 consists of the following fields:

Form 1040	Field Name	Form 1040 Field Location
04KAM	Form 1099-K Amount	Schedule 1, below Name(s) shown on Form 1040
0401	State Income Tax Refund	Schedule 1, line 1
0402A	Alimony Received	Schedule 1, line 2a
0403	Combined Schedule C Profit/Loss	Schedule 1, line 3
0404	Supplemental Gains and Losses	Schedule 1, line 4
0405	Schedule E Profit/Loss	Schedule 1, line 5
0406	Combined Schedule F Profit/Loss	Schedule 1, line 6
0407	Taxable Unemployment Compensation	Schedule 1, line 7
04SFG	Scholarship and Fellowship Grants	Schedule 1, line 8r (TY22 and later)
04OTI	Other Income	Schedule 1, line 9
04RTA	Form 982 Indicator	Edited in the left margin of line 11
04EDU	Educator Expenses	Schedule 1, line 11
04CBE	Reservist and Other Business Expense	Schedule 1, line 12
04HSA	Combined Health Savings Account Deduction	Schedule 1, line 13
04MOV	Form 3903 Moving Expenses	Schedule 1, line 14
04DSE	Deduction for SE Tax Amount	Schedule 1, line 15
04SEP	SE Retirement Plans Deduction	Schedule 1, line 16
04HID	Self Employed Health Insurance	Schedule 1, line 17

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Form 1040	Field Name	Form 1040 Field Location
04PEW	Penalty on Savings With-drawal	Schedule 1, line 18
04ALP	Alimony Paid	Schedule 1, line 19a
04SSN	Alimony SSN	Schedule 1, line 19b
04IRA	IRA Payment Deduction	Schedule 1, line 20
04SLI	Student Loan Interest Deduction	Schedule 1, line 21
04MSA	Archer Medical Savings Account (MSA) Deduction	Schedule 1, line 23

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3.12.2.7.1

Form 1040	Field Name	Form 1040 Field Location
04ADJ	Other Adjustments	Schedule 1, line 25

3.12.2.7.2
(01-01-2017)
Invalid Conditions

(1) Fields in Section 04 are invalid if not all numeric.

3.12.2.7.3
(01-01-2017)
Correction Procedures

(1) Correction procedures for Section 04 fields follow.

3.12.2.7.3.1
(01-01-2025)
Field 04KAM, Form 1099-K Amount

(1) Amount reported on Form(s) 1099-K that was included in error or for personal items sold at a loss is transcribed in Field 04KAM from Schedule 1, below Names found on Form and above Part I of Schedule 1.

3.12.2.7.3.2
(01-01-2020)
Field 0401, State Income Tax Refund

(1) Taxable refunds, credits, or offsets of state and local income taxes are transcribed in Field 0401 from Schedule 1, line 1 (TY18, located on Schedule 1, line 10; TY17, Form 1040, line 10).

(2) Refer to EC 218.

3.12.2.7.3.3
(11-27-2020)
Field 0402A, Alimony Received

(1) Alimony received is transcribed in Field 0402A from Schedule 1, line 2a (TY18, located on Schedule 1, line 11; TY17, Form 1040, line 11).

(2) **TY19 and TY20 only**, if the date on Schedule 1, line 2b, is **after** December 31, 2018, **do not** enter the amount in Field 0402A.

#

to "recaptured".

(4) Refer to EC 218.

3.12.2.7.3.4
(01-01-2020)
Field 0403, Combined Schedule C Profit or Loss

(1) Business income or loss is transcribed in Field 0403 from Schedule 1, line 3 (TY18, located on Schedule 1, line 12; TY17, Form 1040, line 12).

(2) Refer to EC 202.

3.12.2.7.3.5
(01-01-2020)
Field 0404, Other Gains or Losses

(1) Other gains or losses is transcribed in Field 0404 from Schedule 1, line 4 (TY18, located on Schedule 1, line 14: TY17, Form 1040, line 14).

3.12.2.7.3.6
(01-01-2020)
Field 0405, Schedule E Income or Loss

(1) Rental real estate, royalties, partnerships, S corporations, trusts, etc., are transcribed in Field 0405 from Schedule 1, line 5 (TY18, located on Schedule 1, line 17; TY17, Form 1040, line 17).

(2) Refer to EC 206.

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3.12.2.7.3.7 (01-01-2020) **Field 0406, Combined Schedule F Profit or Loss**	(1)	Farm income or loss is transcribed in Field 0406 from Schedule 1, line 6 (TY18, located on Schedule 1, line 18; TY17, Form 1040, line 18).
	(2)	Refer to EC 208.
3.12.2.7.3.8 (11-27-2020) **Field 0407, Taxable Unemployment Compensation**	(1)	Unemployment compensation is transcribed in Field 0407 from Schedule 1, line 7 (TY18, located on Schedule 1, line 19; TY17, Form 1040, line 19).
	(2)	Taxpayers who received an overpayment of unemployment compensation during the year and repaid it during the tax year are instructed to notate **Repaid**. Refer to EC 218.
	(3)	Alaska Permanent Fund Dividend (**APFD**) recipients and taxpayers receiving "Income Tax Energy Rebates" from New Mexico and Oklahoma are instructed to report these amounts as taxable unemployment compensation.
	(4)	Taxpayers report Supplemental Unemployment Benefits (sub-pay) as wages for TY87 and later.
	(5)	Refer to EC 218.
3.12.2.7.3.9 (01-01-2025) **Field 04SFG, Scholarship and Fellowship Grants**	(1)	Scholarship and Fellowship Grants is transcribed in Field 04SFG from Schedule 1, line 8r (TY22 and later).
	(2)	Refer to EC 218/337/338/344.
3.12.2.7.3.10 (01-01-2020) **Field 04OTI, Other Income**	(1)	Other income is transcribed in Field 04OTI from Schedule 1, line 9 (TY20 and TY19, located on line 8; TY18, located on Schedule 1, line 21; TY17, Form 1040, line 21).
	(2)	Refer to EC 218.
3.12.2.7.3.11 (01-01-2020) **Field 04RTA, Form 982 Indicator**	(1)	Code and Edit edits "1" in the left margin of Schedule 1, line 11, (TY20 and prior, located in the left margin of Schedule 1, line 10) when Form 982, Reduction of Tax Attributes Due to Discharge of Indebtedness (And Section 1082 Basis Adjustment), is attached. Field 04RTA is transcribed when the Form 982 Indicator is edited.
	(2)	This is a one-digit numeric field.
	(3)	This field will be invalid if other than 0 or 1.
3.12.2.7.3.12 (11-27-2020) **Fields 04EDU, Educator Expenses**	(1)	Educator expenses is transcribed in Field 04EDU from Schedule 1, line 11 (TY20 and TY19, located on Schedule 1, line 10; TY18, located on Schedule 1, line 23; TY17, Form 1040, line 23).
	(2)	Refer to EC 220.

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3.12.2.7.3.13 (01-01-2020) **Field 04CBE, Reservist and Others Business Expenses**	(1)	Field 04CBE is transcribed from Schedule 1, line 12 (TY20 and TY19, located on Schedule 1, line 11; TY18, located on Schedule 1, line 24; TY17, Form 1040, line 24).
	(2)	Certain business expenses of reservists, performing artists, and fee-basis government officials are reported on Form 2106.
	(3)	This field will be invalid if other than numeric or blank.
	(4)	Refer to EC 229.
3.12.2.7.3.14 (01-01-2020) **Field 04HSA, Combined Health Savings Account Deduction**	(1)	Health Savings Account deduction is transcribed in Field 04HSA from Schedule 1, line 13 (TY20 and TY19, located on Schedule 1, line 12; TY18, located on Schedule 1, line 25; TY17, Form 1040, line 25).
	(2)	Refer to EC 226.
3.12.2.7.3.15 (01-01-2020) **Field 04MOV, Form 3903 Moving Expenses**	(1)	Moving expenses is transcribed in Field 04MOV from Schedule 1, line 14 (TY20 and TY19, located on Schedule 1, line 13; TY18, located on Schedule 1, line 26; TY17, Form 1040, line 26).
	(2)	Refer to EC 229.
3.12.2.7.3.16 (01-01-2020) **Field 04DSE, Deduction for Self-Employment Tax**	(1)	The deduction for self-employment (SE) tax is transcribed in Field 04DSE from Schedule 1, line 15 (TY20 and TY19, located on Schedule 1, line 14; TY18, located on Schedule 1, line 27; TY17, Form 1040, line 27).
	(2)	Refer to EC 211.
3.12.2.7.3.17 (01-01-2020) **Field 04SEP, Self Employed Retirement Plans Deduction**	(1)	Self-employed SEP, SIMPLE, and qualified plans deduction is transcribed in Field 04SEP from Schedule 1, line 16 (TY20 and TY19, located on Schedule 1, line 15; TY18, located on Schedule 1, line 28; TY17, Form 1040, line 28).
	(2)	Refer to EC 222.
3.12.2.7.3.18 (01-01-2020) **Field 04HID, Self Employed Health Insurance Deduction**	(1)	Self-employed health insurance deduction is transcribed in Field 04HID from Schedule 1, line 17 (TY20 and TY19, located on Schedule 1, line 16; TY18, located on Schedule 1, line 29; TY17, Form 1040, line 29).
	(2)	Refer to EC 229.
3.12.2.7.3.19 (01-01-2020) **Field 04PEW, Penalty on Savings Withdrawal**	(1)	Penalty on early withdrawal of savings is transcribed in Field 04PEW from Schedule 1, line 18 (TY20 and TY19, located on Schedule 1, line 17; TY18, located on Schedule 1, line 30; TY17, Form 1040, line 30).
	(2)	Refer to EC 229.
3.12.2.7.3.20 (11-27-2020) **Field 04ALP, Alimony Paid**	(1)	Alimony paid is transcribed in Field 04ALP from Schedule 1, line 19a (TY20 and TY19, located on Schedule 1, line 18a; TY18, located on Schedule 1, line 31a; TY17, Form 1040, line 31a).
	(2)	TY19 and TY20 only, if the date on line 18c is after December 31, 2018, **do not** enter the amount in Field 04ALP.

	(3)	Refer to EC 078 and EC 229.
3.12.2.7.3.21 (01-01-2025) **Field 04SSN, Alimony SSN**	(1)	Alimony Recipient's SSN is transcribed in Field 04SSN from Schedule 1, line 19b (TY20, located on Schedule 1, line 18b; TY19, located on Schedule 1, line 19b; TY18, located on Schedule 1, line 31b; TY17, Form 1040, line 31b).
	(2)	When a correction is made to the alimony recipient's SSN in Field 04SSN, GTSEC 02 and enter **R** in Field 02RI to revalidate. Refer to EC 078.
3.12.2.7.3.22 (11-27-2020) **Field 04IRA, IRA Deduction**	(1)	IRA deduction is transcribed in Field 04IRA from Schedule 1, line 20 (TY20 and TY19, located on Schedule 1, line 19; TY18, located on Schedule 1, line 32; TY17, Form 1040, line 32).
	(2)	Refer to EC 222.
3.12.2.7.3.23 (11-27-2020) **Field 04SLI, Student Loan Interest Deduction**	(1)	Student loan interest deduction is transcribed in Field 04SLI from Schedule 1, line 21 (TY20 and TY19, located on Schedule 1, line 20; TY18, located on Schedule 1, line 33; TY17, Form 1040, line 33).
	(2)	Refer to EC 224.
3.12.2.7.3.24 (01-03-2023) **Field 04MSA, Archer Medical Savings Account (MSA) Deduction**	(1)	Field 04MSA is transcribed from the dotted portion of Schedule 1, line 23 (TY21, located on Schedule 1, line 23; TY20 and TY19, located on the dotted portion of Schedule 1, line 22; TY18, located on Schedule 1, line 36).
	(2)	Refer to EC 227.
3.12.2.7.3.25 (01-03-2023) **Field 04ADJ, Other Adjustments**	(1)	Field 04ADJ is transcribed from the dotted portion of Schedule 1, line 25 (TY21, located on Schedule 1, line 25; TY20 and TY19, located on the dotted portion of Schedule 1, line 22; TY18, located on Schedule 1, line 36).
	(2)	Refer to EC 229.
3.12.2.8 (11-27-2020) **Section 05, Additional Taxes, Additional Credits and Payments**	(1)	Section 05 includes additional taxes from Form 1040, Schedule 2, and additional credits and payments from Form 1040, Schedule 3.
3.12.2.8.1 (01-01-2025) **Error Record Format Section 05**	(1)	Form 1040 Section 05 consists of the following fields:

Form 1040	Field Name	Form 1040 Field Location
0521A	Excess Advance Premium Tax Credit Repayment	Schedule 2, line 1a
0521B	Repayment of Clean Vehicle Credit	Schedule 2, line 1b

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Form 1040	Field Name	Form 1040 Field Location
0521C	Repayment of Previously Owned Clean Vehicle Credit	Schedule 2, line 1c
0521D	Schedule 2 Part I Form 4255 Recapture Amount	Schedule 2, line 1d
0521E	Form 4255 Excessive Payments Amount	Schedule 2, line 1e
05PCK	Form 4255 Excessive Payments Checkbox	Schedule 2, check-boxes below line 1e
0521F	Form 4255 Chapter 1 Tax Amount	Schedule 2, line 1f
05TCK	Form 4255 Chapter 1 Tax Checkbox	Schedule 2, check-boxes below line 1f
0521Y	Other Additions to Tax	Schedule 2, line 1y
05202	Alternative Minimum Tax	Schedule 2, line 2
05204	Combined Self-Employment Tax	Schedule 2, line 4
05SSM	Unreported Social Security and Medicare Tax from Forms 4137 and 8919	Schedule 2, line 7
05IRA	Combined Tax Retirement Plans	Schedule 2, line 8
05HSH	Combined Household Employ-ment Tax Amount	Schedule 2, line 9
05FHB	First-Time Homebuyer Credit Repayment	Schedule 2, line 10
05AMT	Form 8959 Additional Medicare Tax	Schedule 2, line 11
05NIT	Form 8960 Net Investment Income Tax	Schedule 2, line 12
05USS	Uncollected Social Security Tax on Tips	Schedule 2, line 13
05III	Interest Due on Installment Income (IRC 453 Tax; Code L)	Schedule 2, line 14
05IDT	Interest on Deferred Tax (IRC 453 Tax; Code A)	Schedule 2, line 15
05LIR	Form 8611 Recapture Tax	Schedule 2, line 16
05TAT	Total Additional Taxes	Schedule 2, line 18

Form 1040	Field Name	Form 1040 Field Location
05EPR	Schedule 2 Part II Form 4255 Recapture Amount	Schedule 2, line 19
05965	Section 965 Tax Installment	Schedule 2, line 20
05TL	Section 965 Tax Liability	ERS input only
05PYC	Prior Year Advanced Credit	ERS input only
05301	Foreign Tax Credit	Schedule 3, line 1
05302	Credit for Child and Dependent Care	Schedule 3, line 2
05303	Education Credit	Schedule 3, line 3
05304	Retirement Savings Contribution Credit	Schedule 3, line 4
0505A	Residential Clean Energy Credit	Schedule 3, line 5a
0505B	Energy Efficient Home Improvement Credit	Schedule 3, line 5b
05GBC	General Business Credit	Schedule 3, line 6a
05PYM	Credit for Prior Year Minimum Tax	Schedule 3, line 6b
05ADC	Adoption Credit	Schedule 3, line 6c
05ELD	Credit for the Elderly	Schedule 3, line 6d
05AMC	Form 8910 Alternative Motor Vehicle Credit	Schedule 3, line 6e
05CVC	Clean Vehicles Credit	Schedule 3, line 6f
05MIC	Mortgage Interest Credit	Schedule 3, line 6g
05POC	Previously Owned Clean Vehicles Credit	Schedule 3, line 6m
05OSC	Other Statutory Credits	Schedule 3, line 6h through 6l (6z ERS only)
05ONC	Total Other Nonrefundable Credits	Schedule 3, line 7
05PTC	Reconciled Premium Tax Credit Amount	Schedule 3, line 9
05EXT	Form 4868 Payment with Request for Extension	Schedule 3, line 10

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3.12.2.8.1

Form 1040	Field Name	Form 1040 Field Location
05ESS	Excess Social Security and RRTA Tax	Schedule 3, line 11
05FUE	Form 4136 Fuel Tax Credit	Schedule 3, line 12
05RIC	Form 2439 Regulated Investment Company and Real Estate Investment Trust Credit	Schedule 3, line 13a
05EYR	Credit for Earlier Year Income Repayment	Schedule 3, line 13b
05EPA	Net Elective Payment Election Amount	Schedule 3, line 13c
05OTH	Other Payment or Credit Amount	ERS input only, Schedule 3, line 13d and 13z write-in
05TYP	Other Payment or Credit Type Code	ERS input only, left of line 13z
05OPR	Total Other Payments and Refundable Credits	Schedule 3, line 14

3.12.2.8.2
(01-01-2020)
Invalid Conditions

(1) Fields in Section 05 will display as invalid if not all numeric.

3.12.2.8.3
(01-01-2017)
Correction Procedures

(1) Correction procedures for Section 05 fields follow.

3.12.2.8.3.1
(01-01-2025)
Field 0521A, Excess Advance Premium Tax Credit Repayment

(1) Advance premium tax credit (APTC) repayment is transcribed in Field 0521A from Schedule 2, line 1a (TY23-TY19, Schedule 2, line 2; TY18, Schedule 2, line 46; TY17, Form 1040, line 46).

(2) The field must be numeric, positive, and dollars only.

(3) Refer to EC 190 and EC 270.

3.12.2.8.3.2
(01-01-2025)
Field 0521B, Repayment of Clean Vehicle Credit

(1) Repayment of new clean vehicle credit is transcribed in Field 0521B from Schedule 2, line 1b.

(2) Refer to EC 277.

3.12.2.8.3.3
(01-01-2025)
Field 0521C, Repayment of Previously Owned Clean Vehicle Credit

(1) Repayment of previously owned clean vehicle credit is transcribed in Field 0521C from Schedule 2, line 1c.

(2) Refer to EC 277.

3.12.2.8.2

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3.12.2.8.3.4 (01-01-2025) **Field 0521D, Schedule 2 Part I Form 4255 Recapture Amount**	(1)	Recapture of net EPE from Form 4255, line 2a, column (l), is transcribed in Field 0521D from Schedule 2, line 1d.
	(2)	Refer to EC 277.
3.12.2.8.3.5 (01-01-2025) **Field 0521E, Form 4255 Excessive Payments Amount**	(1)	Excessive payments from Form 4255 is transcribed in Field 0521E from Schedule 2, line 1e.
	(2)	Refer to EC 277.

3.12.2.8.3.6
(01-01-2025)
Field 05PCK, Form 4255 Excessive Payments Checkbox

(1) Field 05PCK is a four-position numeric field transcribed from the checkboxes below Schedule 2, line 1e.

(2) Field 05PCK valid values are defined as follows:

  a. **0** in any position (box is not checked)
  b. **1** in position 1 of the field - Checkbox i is checked
  c. **2** in position 2 of the field - Checkbox ii is checked
  d. **3** in position 3 of the field - Checkbox iii is checked
  e. **4** in position 4 of the field - Checkbox iv is checked

(3) Refer to EC 277.

3.12.2.8.3.7
(01-01-2025)
Field 0521F, Form 4255 Chapter 1 Tax Amount

(1) Increase in Chapter 1 tax from Form 4255 is transcribed in Field 0521F from Schedule 2, line 1f.

(2) Refer to EC 277.

3.12.2.8.3.8
(01-01-2025)
Field 05TCK, Form 4255 Chapter 1 Tax Checkbox

(1) Field 05TCK is a four-position numeric field transcribed from the checkboxes below Schedule 2, line 1f.

(2) Field 05TCK valid values are defined as follows:

  a. **0** in any position (box is not checked)
  b. **1** in position 1 of the field - Checkbox i is checked
  c. **2** in position 2 of the field - Checkbox ii is checked
  d. **3** in position 3 of the field - Checkbox iii is checked
  e. **4** in position 4 of the field - Checkbox iv is checked

(3) Refer to EC 277.

3.12.2.8.3.9
(01-01-2025)
Field 0521Y, Other Additions to Tax

(1) Other additions to tax is transcribed in Field 0521Y from Schedule 2, line 1y.

(2) Refer to EC 277.

3.12.2.8.3.10
(01-01-2025)
Field 05202, Alternative Minimum Tax, Form 6251

(1) Alternative minimum tax (AMT) is transcribed in Field 05202 from Schedule 2, line 2 (TY23-TY19, Schedule 2, line 1; TY18, Schedule 2, line 45; TY17, Form 1040, line 45).

(2) Refer to EC 267.

3.12.2.8.3.11 (01-01-2020) **Field 05204, Combined Self-Employment Tax**	(1)	Combined self-employment tax is transcribed in Field 05204 from Schedule 2, line 4 (TY18, located on Schedule 4, line 57; TY17, Form 1040, line 57).
	(2)	Refer to EC 209.
3.12.2.8.3.12 (01-01-2020) **Field 05SSM, Combined Unreported Social Security and Medicare Tax, Forms 4137 and 8919**	(1)	Combined unreported social security and Medicare tax from Form 4137 and Form 8919 is transcribed in Field 05SSM from Schedule 2, line 7 (TY20 and TY19, located on Schedule 2, line 5; TY18, located on Schedule 4, line 58; TY17, Form 140, line 58).
	(2)	Refer to EC 314.
3.12.2.8.3.13 (01-01-2020) **Field 05IRA, Combined Tax on Retirement Plans**	(1)	Additional tax on IRAs and other retirement plans is transcribed in Field 05IRA from Schedule 2, line 8 (TY20 and TY19, located on Schedule 2, line 6; TY18, located on Schedule 4, line 59; TY17, Form 1040, line 59).
	(2)	Refer to EC 318.
3.12.2.8.3.14 (01-01-2020) **Field 05HSH, Combined Household Employment Taxes, Schedule H**	(1)	Combined household employment taxes is transcribed in Field 05HSH from Schedule 2, line 9 (TY20 and TY19, located on Schedule 2, line 7a; TY18, located on Schedule 4, line 60a; TY17, Form 1040, line 60a).
	(2)	Combined household employment taxes field is valid for TY95 and later. Refer to EC 322, EC 324 and EC 326.
3.12.2.8.3.15 (01-01-2020) **Field 05FHB, First-Time Homebuyer Credit Repayment**	(1)	First-time homebuyer credit repayment is transcribed in Field 05FHB from Schedule 2, line 10 (TY20 and TY19, located on Schedule 2, line 7b; TY18, located on Schedule 4, line 60b; TY17, Form 1040, line 60b).
	(2)	Refer to EC 329.
3.12.2.8.3.16 (01-01-2024) **Field 05AMT, Form 8959 Additional Medicare Tax**	(1)	Field 05AMT, Form 8959 Additional Medicare Tax is transcribed from Schedule 2, line 11 (TY20 and TY19, Schedule 2, line 8a; TY18, Schedule 4, line 62a).
	(2)	Refer to EC 331 and 333.
3.12.2.8.3.17 (01-01-2024) **Field 05NIT, Form 8960 Net Investment Income Tax**	(1)	Field 05NIT, Form 8960 Net Investment Income Tax is transcribed from Schedule 2, line 12 (TY20 and TY19, Schedule 2, line 8b; TY18, Schedule 4, line 62b).
	(2)	Refer to EC 332 and 333.
3.12.2.8.3.18 (01-01-2024) **Field 05USS, Uncollected Tax on Reported Tips**	(1)	Field 05USS, Uncollected tax on reported tips is transcribed in Field 05USS from Schedule 2, line 13 (TY20 and TY19, is a write-in located on Schedule 2, line 8c; TY18, located on Schedule 4, line 62c; TY17, Form 1040, line 62c).
	(2)	Refer to Form W-2, box 12, Deferral Codes A, B, M and/or N. Enter the amount in Field 05USS.
	(3)	Refer to EC 333.

3.12.2.8.3.19 (01-01-2024) **Field 05III, Interest Due on Installment Income (IRC 453 Tax; Code L)**	(1)	Field 05III, Interest Due on Installment Income (IRC 453 tax, code L) is transcribed from Schedule 2, line 14 (TY20 and TY19, located on line 8 with write-in "453(l)(3)".
	(2)	Blank the field if input on TY18 or prior returns,
	(3)	Refer to EC 333 and 334.
3.12.2.8.3.20 (01-01-2024) **Field 05IDT, Interest on Deferred Tax (IRC 453 Tax; Code A)**	(1)	Field 05IDT, Interest on Deferred Tax (IRC 453 tax; code A) is transcribed from Schedule 2, line 15. (TY20 and TY19, located on line 8 with write-in "**IRC 453A(c)**".
	(2)	Blank the field if input on TY18 or prior returns,
	(3)	Refer to EC 333 and 334.
3.12.2.8.3.21 (01-01-2022) **Field 05LIR, Form 8611 Recapture**	(1)	Field 05LIR, Form 8611 Recapture, is transcribed from Schedule 2, line 16 (TY20 and TY19, is a write-in "LIHCR" located on Schedule 2, line 8; TY18, Schedule 4, line 62; TY17, Form 1040, line 62).
	(2)	Refer to EC 333.
3.12.2.8.3.22 (01-01-2022) **Field 05TAT, Total Additional Taxes**	(1)	Field 05TAT, Total Additional Taxes, is transcribed from Schedule 2, line 18 (TY20 and TY19, is a write-in that includes "Other Taxes" located on Schedule 2, line 8; TY18, Schedule 4, line 62; TY17, Form 1040, line 62).
	(2)	Refer to EC 333.
3.12.2.8.3.23 (01-01-2025) **Field 05EPR, Schedule 2 Part II Form 4255 Recapture Amount**	(1)	TY24 only, recapture of net EPE from Form 4255, line 1d, column (l) is transcribed in Field 05EPR from Schedule 2, line 19 in Field 05EPR.
	(2)	Refer to EC 333.
3.12.2.8.3.24 (01-01-2020) **Field 05965, Section 965 Tax Installment**	(1)	Section 965 net tax liability installment applies to TY18 and later, and is transcribed in Field 05965 from Schedule 2, line 20 (TY20 and TY19, located on Schedule 2, line 9; TY18, located on Schedule 4, line 63; TY17, Form 1040, line 63).
	(2)	Refer to EC 188.
3.12.2.8.3.25 (01-01-2020) **Field 05TL, Section 965 Tax Liability**	(1)	Section 965 Tax Liability applies to TY18 and later. Field 05TL is an **ERS input only** field from Part 1, column (d), Form 965-A.
	(2)	Refer to EC 188.
3.12.2.8.3.26 (01-01-2025) **Field 05PYC, Prior Year Advanced Credit**	(1)	Field 05PYC is an **ERS input only** field for additional tax from Schedule 8812 on Schedule 2, line 19 for TY21 only.
	(2)	Refer to EC 333.

3.12.2.8.3.27 (01-01-2024) **Field 05301, Foreign Tax Credit, Form 1116**	(1)	Foreign Tax Credit is transcribed in Field 05301 from Schedule 3, line 1 (TY18, located on Schedule 3, line 48; TY17, Form 1040, line 48).
	(2)	Refer to EC 277 and EC 310.
3.12.2.8.3.28 (01-01-2024) **Field 05302, Credit for Child and Dependent Care Expenses, Form 2441**	(1)	Credit for child and dependent care expenses is transcribed in Field 05302 from Schedule 3, line 2 (TY18, located on Schedule 3, line 49; TY17, Form 1040, line 49).
	(2)	Refer to EC 279 and 280.
3.12.2.8.3.29 (01-01-2024) **Field 05303, Education Credit, Form 8863**	(1)	Education Credit is transcribed in Field 05303 from Schedule 3, line 3 (TY18, located on Schedule 3, line 50; TY17, Form 1040, line 50).
	(2)	Refer to EC 283, 284, and 285.
3.12.2.8.3.30 (01-01-2024) **Field 05304, Retirement Savings Contribution Credit, Form 8880**	(1)	Retirement Savings Contribution Credit is transcribed in Field 05304 from Schedule 3, line 4 (TY18, located on Schedule 3, line 51; TY17, Form 1040, line 51).
	(2)	Refer to EC 286 and 310.
3.12.2.8.3.31 (01-01-2024) **Field 0505A, Residential Clean Energy Credit, Form 5695**	(1)	Residential Energy Credit is transcribed in Field 0505A from Schedule 3, line 5a (TY19 - TY22, located on Schedule 3, line 5; TY18, Schedule 3, line 53; TY17, Form 1040, line 53).
	(2)	Refer to EC 291.
3.12.2.8.3.32 (01-01-2024) **Field 0505B, Energy Efficient Home Improvement Credit, Form 5695**	(1)	Energy Efficient Home Improvement Credit is transcribed in Field 0505B from Schedule 3, line 5b for TY23 and later.
	(2)	Refer to EC 291.
3.12.2.8.3.33 (01-01-2024) **Field 05GBC, General Business Credit, Form 3800**	(1)	General Business Credit is transcribed in Field 05GBC from Schedule 3, line 6a (TY20 and TY19, transcribed when the taxpayer checks box a on Schedule 3, line 6; TY18, located on Schedule 3, line 54; TY17, Form 1040, line 54).
	(2)	Refer to EC 299, 302, 303, and 310.
3.12.2.8.3.34 (01-01-2024) **Field 05PYM, Credit for Prior Year Minimum Tax, Form 8801**	(1)	Credit for Prior Year Minimum Tax, Form 8801, is transcribed in Field 05PYM from Schedule 3, line 6b (TY20 and TY19, transcribed when the taxpayer checks box b on Schedule 3, line 6; TY18, located on Schedule 3, line 54; TY17, Form 1040, line 54).
	(2)	Refer to EC 303, 308, and 310.
3.12.2.8.3.35 (01-01-2024) **Field 05ADC, Adoption Credit, Form 8839**	(1)	Adoption Credit is transcribed in Field 05ADC from Schedule 3, line 6c (TY20 and TY19, input if the taxpayer checks box c on Form 1040, Schedule 3, line 6; TY18, Schedule 3, line 54; TY17, Form 1040, line 54) and writes "Form 8839" to the right of the box.

(2) The non-refundable adoption credit is in effect TY97 through TY09 and TY12 through TY19. For TY10 through TY11, Form 8839 credit is refundable only.

(3) Refer to EC 294 and 299.

3.12.2.8.3.36
(01-01-2024)
Fields 05ELD, Credit for the Elderly or Disabled, Schedule R

(1) Credit for the Elderly or Disabled, Schedule R, is transcribed in Field 05ELD from Schedule 3, line 6d (TY20 and TY19, input if box c on Schedule 3, line 6 is checked; TY18, Schedule 3, line 54; TY17, Form 1040, line 54, and write "Sch R"). Enter the credit amount from Schedule R in Field 05ELD.

(2) If "CFE" or "Sch R" is noted with an amount, and Schedule R is not attached, SSPND 211.

(3) Refer to EC 282.

3.12.2.8.3.37
(01-01-2024)
Field 05AMC, Alternative Motor Vehicle Credit, Form 8910

(1) Alternative Motor Vehicle Credit, Form 8910, is transcribed in Field 05AMC for TY22 and prior only. Field 05AMC is transcribed from Schedule 3, line 6e for TY22 and TY21 (TY20 and TY19, input if the taxpayer checks box c on Form 1040, Schedule 3, line 6; TY18 and prior, the taxpayer checks box c on Schedule 3, line 54 (TY17, Form 1040, line 54), and writes "Form 8910".

(2) TY19, taxpayers can claim "pass-through" alternative motor vehicle credit on Form 3800, Part III, line 1r.

(3) Refer to EC 299.

3.12.2.8.3.38
(01-01-2024)
Field 05CVC, Clean Vehicle Credit, Form 8936

(1) Clean Vehicle Credit, Form 8936 Part III, is transcribed in Field 05CVC from Schedule 3, line 6f (TY20 and TY19, input if the taxpayer checks box c on Form 1040, Schedule 3, line 6; TY18, Schedule 3, line 54; TY17, Form 1040, line 54).

(2) Refer to EC 298, 299, 302, and 303.

3.12.2.8.3.39
(01-01-2024)
Field 05MIC, Mortgage Interest Credit, Form 8396

(1) Mortgage Interest Credit, Form 8396, is transcribed in Field 05MIC from Schedule 3, line 6g (TY20 and TY19, input if the taxpayer checks box c on Schedule 3, line 6; TY18, Schedule 3, line 54; TY17, Form 1040, line 54).

(2) Refer to EC 292, 299, and 310.

3.12.2.8.3.40
(01-01-2024)
Field 05POC, Previously Owned Clean Vehicles Credit, Form 8936

(1) Previously Owned Clean Vehicles Credit, Form 8936 Part IV, is transcribed from Schedule 3, line 6m.

(2) Refer to EC 298, 299, and 310.

3.12.2.8.3.41
(01-01-2024)
Field 05OSC, Other Statutory Credits

(1) Other Statutory Credits is transcribed in Field 05OSC from Schedule 3, line 6h through 6l. Line 6z is ERS input only and must be added to the field total if present. TY20 and TY19, input if the taxpayer includes this amount on Schedule 3, line 6c (TY18, Schedule 3, line 55; TY17, Form 1040, line 55).

(2) Refer to EC 300, 302, 303, and 310.

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3.12.2.8.3.41

3.12.2.8.3.42 (01-01-2024) **Field 05ONC, Total Other Nonrefundable Credits**	(1)	Total Other Nonrefundable Credits is transcribed in Field 05ONC from Schedule 3, line 7 (TY19 and TY20, located on Schedule 3, line 6; TY18, located on Schedule 3, line 54; TY17, Form 1040, line 54).
	(2)	Refer to EC 299, 300, and 303.
3.12.2.8.3.43 (01-01-2023) **Field 05PTC Reconciled Premium Tax Credit**	(1)	Premium Tax Credit is transcribed in Field 05PTC from Schedule 3, line 9 (TY20, located on Schedule 3, line 8; TY19, located on Schedule 3, line 9; TY18, located on Schedule 5, line 70; TY17, Form 1040, line 69).
	(2)	Refer to EC 353 and 354.
3.12.2.8.3.44 (11-27-2020) **Field 05EXT, Form 4868 Payment**	(1)	The amount paid with Form 4868, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return, is transcribed in Field 05EXT from Schedule 3, line 10 (TY 20, located on Schedule 3, line 9; TY19, located on line 10, Schedule 3; TY18, located on line 71, Schedule 5; TY17, Form 1040, line 70).
	(2)	Refer to EC 366.
3.12.2.8.3.45 (01-01-2025) **Field 05ESS Excess Social Security/RRTA**	(1)	Excess social security tax and tier 1 RRTA is transcribed in Field 05ESS from Schedule 3, line 11 (TY20, located on Schedule 3, line 10; TY19, located on line 11, Schedule 3; TY18, located on line 72, Schedule 5; TY17, Form 1040, line 71).
	(2)	Refer to EC 342.
3.12.2.8.3.46 (01-01-2024) **Field 05FUE, Form 4136, Fuel Tax Credit**	(1)	Fuel Tax Credit is transcribed in Field 05FUE from Schedule 3, line 12 (TY20, located on Schedule 3, line 11; TY19, located on line 12, Schedule 3; TY18, located on line 73, Schedule 5; TY17, Form 1040, line 72)
	(2)	Refer to EC 356.
3.12.2.8.3.47 (01-01-2023) **Field 05RIC, Form 2439 Regulated Investment Company and Real Estate Investment Trust Credit**	(1)	Form 2439, Notice to Shareholder of Undistributed Long-Term Capital Gains, may provide a taxpayer with a Regulated Investment Company and Real Estate Investment Trust Credit that is transcribed in Field 05RIC from Schedule 3, line 13a (TY20, line 12a; TY19, line 13, Schedule 3; TY18, line 74, Schedule 5; TY17, Form 1040, line 73). The taxpayer is also instructed to attach Copy B of Form 2439 and to include the amount of credit from Form 2439, line 2, on Schedule 3, line 13a (TY20, Schedule 3, line 12 and check **box a** on Schedule 3, line 12; TY18, Schedule 5, line 74; TY17, Form 1040, line 73).
	(2)	Refer to EC 358.
3.12.2.8.3.48 (01-01-2024) **Field 05EYR, Credit for Earlier Year Income Repayment**	(1)	Credit for Earlier Year Income Repayment is transcribed in Field 05EYR from Schedule 3, line 13b.
	(2)	Refer to EC 358.

| 3.12.2.8.3.49
(01-01-2025)
Field 05EPA, Net Elective Payment Election Amount | (1) | TY24-TY23, net elective payment election amount from Form 3800 is transcribed from Schedule 3, line 13c. |
| | (2) | Refer to Error Code 358. |

| 3.12.2.8.3.50
(01-01-2024)
Field 05OTH, Other Payment or Credit Amount | (1) | Field 05OTH is numeric only, must be a positive amount, and dollars and cents, is **ERS input only** and is found on Schedule 3, line 13z (TY23, Schedule 3, lines 13d and/or a write-in on 13z; TY22, Schedule 3, lines 13b, 13f, 13h, and/or a write-in on 13z; TY21, Schedule 3, lines 13b, 13c, 13d, 13f, 13g, 13h, and/or a write-in on 13z; TY20, Schedule 3, line 12c and/or 12d; TY19, Schedule 3, line 13; TY18, Schedule 5, line 74; TY17, Form 1040, line 73) or on prior year Form 1040 is used for a payment or credit amount without a specific field designator. |
| | (2) | Refer to EC 366. |

| 3.12.2.8.3.51
(01-01-2024)
Field 05TYP, Other Payment or Credit Type Code | (1) | Field 05TYP identifies the payment or credit type code associated with the amount in Field 05OTH, is alphanumeric, and is **ERS input only**. |
| | (2) | Refer to EC 366. |

| 3.12.2.8.3.52
(01-01-2024)
Field 05OPR, Total Other Payments and Refundable Credits | (1) | Total Other Payments and Refundable Credits is transcribed in Field 05OPR from Schedule 3, line 14 (TY20, Schedule 3, line 12f; TY19, located on line 13, Schedule 3; TY18, located on line 74, Schedule 5; TY17, Form 1040, line 73 and checks the box to identify the credit). Refer to EC 358. |

3.12.2.9 (01-01-2020) **Section 06, Direct Deposit**	(1)	Section 06 contains taxpayer information for direct deposit. Refer to EC 137 and 138.
	(2)	Safeguards are in place after error correction to ensure the accuracy of the deposit. If entries in Section 06 do not meet the tests, or if direct deposit is requested on a prior year return, the IRS will issue a paper refund check instead and send a notice CP 53 to the taxpayer to explain why we did not allow the direct deposit.
	(3)	Section 06 must be present for the CP 53 to generate.
	(4)	The Depositor Account Number (Field 06DAN) is transcribed twice in ISRP. If the two transcriptions do not match, a Priority II Section Error will display.

| 3.12.2.9.1
(01-01-2025)
Error Record Format Section 06 | (1) | Section 06 consists of the following fields: |

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3.12.2.9.1

Form 1040,	Field Name	2024/2023/2022 Field Location	Prior Year Field Location
06RTN	Routing and Transit Number (RTN)	Form 1040, line 35b	TY21-TY20 Form 1040, line 35b TY19 Form 1040, line 21b TY18 Form 1040, line 20b TY17 Form 1040, line 76b
06DAN	Depositor Account Number (DAN)	Form 1040, line 35d	TY21-TY20 Form 1040, line 35d TY19 Form 1040, line 21d TY18 Form 1040, line 20d TY17 Form 1040, line 76d
06TDA	Type Depositor Account	Form 1040, line 35c	TY21-TY20 Form 1040, line 35c TY19 Form 1040, line 21c TY18 Form 1040, line 20c TY17 Form 1040, line 76c

3.12.2.9.2
(11-27-2020)
Correction Procedures

(1) Correct coding and transcription errors and misplaced entries in all displayed fields.

    a. If the only entry in Section 06 is a mark in either the Checking or Savings box, enter **C** in the Clear Field.
    b. If the Direct Deposit information section is filled with all X's, DLSEC 06.
    c. If it appears that the taxpayer is requesting a direct deposit, don't DLSEC 06

(2) Verify Field 06DAN was input correctly.

Caution: **When a Section 06 Priority II Error occurs, it is likely the Depositor Account Number (Field 06DAN) has been incorrectly transcribed.**

(3) On paper returns, if either or both of the entries have been altered on lines 35b or 35d (TY19, lines 21b or 21d; TY18, lines 20b or 20d; TY17 and prior, lines 76b or 76d, Form 1040), delete the entries in Fields 06RTN and 06DAN.

(4) If a voided check is attached and the name matches the name on the return, allow direct deposit. Enter all applicable data for the section.

(5) Correction procedures for Section 06 fields follow.

3.12.2.9.2   Internal Revenue Manual   Cat. No. 67652C (11-01-2024)
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3.12.2.9.2.1 (01-01-2020) **Field 06RTN, Routing and Transit Number**	(1)	Routing and Transit Number represents the taxpayer's bank.
	(2)	This field is invalid if it isn't exclusively numeric. Nine digits must be present; blanks aren't valid entries. If fewer than nine digits are present, the computer will generate a zero in each unfilled field. The resulting number isn't the taxpayer's entry and must be deleted as invalid.
	(3)	Verify and correct any transcription errors.
	(4)	Delete the data in Field 06RTN when non-numeric, illegible characters, or fewer than nine digits are present or the routing number has more than nine characters. If the entry has been altered on a paper return, delete the entries in Fields 06RTN and 06DAN.
	(5)	Enter **C** in the Clear Field when EC 137 displays.

3.12.2.9.2.2 (01-01-2020) **Field 06DAN, Depositor Account Number**	(1)	Valid characters are alphanumeric characters and the hyphen.
	(2)	Blank spaces are not allowed within Field 06DAN.
	(3)	Delete the entry in Field 06DAN when any part of the depositor account number is illegible. If the entry has been altered on a paper return, delete the entries in Fields 06RTN and 06DAN.
	(4)	Enter **C** in the Clear Field when EC 138 displays.

| 3.12.2.9.2.3
(01-01-2020)
Field 06TDA, Type Depositor Account | (1) | Two alphanumeric characters are valid in Field 06TDA.

• **C**: checking account
• **S**: savings account |
| | (2) | Enter **C** if the checking box is checked, or **S** if the savings box is checked. |

| 3.12.2.10
(01-01-2020)
Section 07, Schedule A | (1) | Schedule A, Itemized Deductions, is used to list expenses paid during the year that are allowed as a deduction before taxable income is determined on Form 1040. |
| | (2) | There may be items on Schedule A that are unallowable by law. C&E tax examiners will edit unallowable codes, if necessary. ERS tax examiners are responsible for the code(s) when entering Section 07 to the error record. The unallowable codes are listed in IRM Exhibit 3.12.2-7. |

3.12.2.10.1
(01-01-2025)
Error Record Format, Section 07

(1) Fields in Section 07 must be positive entries. Section 07 comprises these fields:

Schedule A	Field Name	Form 1040 Field Location
0701	Medical Expense	Line 1
0703	Percentage of AGI Taxpayer	Line 3

Schedule A	Field Name	Form 1040 Field Location
0704	Total Medical Deduction	Line 4
0704V	Total Medical Deduction Verified	ERS input only
0705A	State and Local Income or Sales Tax	Line 5a
07STI	State and Local Income or Sales Tax Code	Line 5a checkbox
0705B	Real Estate Tax	Line 5b
0705C	Personal Property Taxes	Line 5c
0706	Other Taxes	Line 6
0707	Total Tax Deduction	Line 7
0708A	Financial Home Mortgage Interest	Line 8a
0708B	Personal Seller Home Mortgage Interest	Line 8b
0708C	Deductible Points	Line 8c
0709	Investment Interest	Line 9
0710	Total Interest Deduction	Line 10
0711	Cash Contributions	Line 11
0712	Other Contributions	Line 12
0713	Carryover Contributions	Line 13
0714	Total Contributions	Line 14
0715	Total Casualty/Theft Loss	Line 15
0716	Other Itemized Deductions	Line 16
0717	Total Itemized Deductions	Line 17
0717V	Total Itemized Deductions Verified	ERS input only
07IEI	Itemized Deduction Election Indicator	Line 18

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3.12.2.10.2 (01-01-2017) **Invalid Condition**	(1)	A Section 07 field is in error if not all numeric.
3.12.2.10.3 (01-01-2017) **Correction Procedures**	(1)	Combine related amounts when there is more than one Schedule A attached. Only one Schedule A can be processed per return.
	(2)	Additional correction procedures for Section 07 fields follow.
3.12.2.10.3.1 (01-01-2017) **Field 0701, Medical Expense**		#
3.12.2.10.3.2 (01-01-2023) **Field 0703, Percentage of AGI Taxpayer**	(1)	This amount is transcribed from Schedule A, line 3. Refer to EC 232.
3.12.2.10.3.3 (01-01-2017) **Field 0704, Taxpayer's Total Medical Deduction**	(1)	The amount is transcribed from Schedule A, line 4. Refer to EC 232.
3.12.2.10.3.4 (01-01-2017) **Field 0704V, Total Medical Verified**	(1)	This field is for **ERS input only** and is used whenever the computer cannot correctly compute Schedule A, Medical and Dental Expenses (e.g., certain prior year returns).
3.12.2.10.3.5 (01-01-2019) **Field 0705A, State and Local Income and Sales Tax**	(1)	This field is transcribed from Schedule A, line 5a (TY17, located on line 5). Refer to EC 236.
3.12.2.10.3.6 (02-08-2021) **Field 07STI, State and Local Income or Sales Tax Code**	(1)	State and Local Income or Sales Tax Code Field 07STI indicates when the taxpayer has opted to use the deduction for General Sales Tax (checked box 5a on Schedule A). TY18 and later, Field 07STI indicates the taxpayer has opted to use the deduction for General Sales Tax or State and Local Income Taxes. Refer to EC 236.

(2) The valid codes are as follows:

    a. **2** - For all tax years, taxpayer marked "general sales tax" checkbox on Schedule A, line 5a (TY17 and prior, checkbox on line 5b)

    b. **0** (Zero) or blank - Checkbox(es) not marked

(3) **TY18 and later**, correct Field 07STI as follows:

    a. Enter **2** if box 5a (general sales tax) is checked.

    b. Enter **0** if box 5a is not checked.

(4) **TY17 and prior**, correct Field 07STI as follows:

      a.   Enter **2** if box 5b or both boxes are checked.

      b.   Enter **0** if only box 5a is checked.

      c.   Delete the entry if neither of the boxes are checked.

3.12.2.10.3.7 (01-01-2019) **Field 0705B, Real Estate Taxes**	(1) This field is transcribed from Schedule A, line 5b (TY17, located on line 6). Refer to EC 236.
3.12.2.10.3.8 (01-01-2019) **Field 0705C, Personal Property Taxes**	(1) This field is transcribed from Schedule A, line 5c (TY17, located on line 7). Refer to EC 236.
3.12.2.10.3.9 (01-01-2019) **Field 0706, Other Taxes**	(1) This field is transcribed from Schedule A, line 6 (TY17, located on line 8). Refer to EC 236.
3.12.2.10.3.10 (01-01-2019) **Field 0707, Total Tax Deduction**	(1) The field is transcribed from Schedule A, line 7 (TY17, located on line 9). Refer to EC 236.
3.12.2.10.3.11 (01-01-2019) **Field 0708A, Home Mortgage Interest and Points**	(1) This field is transcribed from Schedule A, line 8a (TY17, located on line 10) and represents home mortgage interest paid to financial institutions. Refer to EC 238.
3.12.2.10.3.12 (01-01-2019) **Field 0708B, Home Mortgage Interest, Not on Form 1098**	(1) This field is transcribed from Schedule A, line 8b (TY17, located on line 11) and represents mortgage interest paid to individuals. Refer to EC 238.
3.12.2.10.3.13 (01-01-2019) **Field 0708C, Deductible Points**	(1) This field is transcribed from Schedule A, line 8c (TY17, located on line 12) and represents deductible points from the purchase of a home. Refer to EC 238.
3.12.2.10.3.14 (01-01-2019) **Field 0709, Investment Interest**	(1) This field is transcribed from Schedule A, line 9 (TY17, located on line 14) and represents Investment Interest paid. Refer to EC 238.
3.12.2.10.3.15 (01-01-2019) **Field 0710, Total Interest Deduction**	(1) This field is transcribed from Schedule A, line 10 (TY17, located on line 15). Refer to EC 238.

3.12.2.10.3.16 (01-01-2019) **Field 0711, Cash Contributions**	(1)	The field is transcribed from Schedule A, line 11 (TY17, located on line 16) and represents cash contributions. Refer to EC 240.
3.12.2.10.3.17 (01-01-2019) **Fields 0712, Other Contributions, Not By Check or Cash**	(1)	This field is transcribed from Schedule A, line 12 (TY17, located on line 17) and is for contributions not by check or cash. Refer to EC 240.
	(2)	Form 8283, *Noncash Charitable Contributions*, is required for any deduction #
3.12.2.10.3.18 (01-01-2019) **Field 0713, Carryover Contributions**	(1)	This field is transcribed from Schedule A, line 13 (TY17, located on line 18). Refer to EC 240.
3.12.2.10.3.19 (01-01-2019) **Field 0714, Total Contributions**	(1)	This field is transcribed from Schedule A, line 14 (TY17, located on line 19). Refer to EC 240.
3.12.2.10.3.20 (01-01-2019) **Field 0715, Total Casualty or Theft Loss**	(1)	This field is transcribed from Schedule A, line 15 (TY17, located on line 20). Refer to EC 242
3.12.2.10.3.21 (01-01-2020) **Field 0716, Other Itemized Deductions**	(1)	TY18 and later, Field 0716 is transcribed from Schedule A, line 16. TY17, Field 0716 is for "gambling losses" on Schedule A, line 28, and cannot be more than gambling winnings listed on page 1 of Form 1040. Refer to EC 246.
3.12.2.10.3.22 (01-01-2025) **Field 0717, Total Itemized Deductions**	(1)	This field is transcribed from Schedule A, line 17 (TY17, located on line 29).
	(2)	This field is the total of Fields 0704, 0707, 0710, 0714, 0715, 0716, and 07OTG. Refer to EC 246.
	(3)	TY13 - TY17, total itemized deductions must be limited when the adjusted gross income exceeds the threshold for the filing status. See EC 246, Prior Year.
3.12.2.10.3.23 (01-01-2019) **Field 0717V, Total Itemized Deductions Verified**	(1)	This field is for **ERS input only**.
	(2)	There are situations in which programming cannot accurately compute total itemized deductions on Schedule A. In these circumstances, compute Schedule A and enter the correct total itemized deduction in Field 0717V.
	a.	TY17 - TY13, total itemized deductions must be limited when the adjusted gross income exceeds the threshold for the filing status. See EC 246, Prior Year.
	b.	When the taxpayer has included amounts on line 16 of Schedule A that are other than gambling losses, and/or casualty and theft losses, see IRM 3.12.3.23.7.5, and if prior year, see IRM 3.12.3.23.7.8.

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3.12.2.10.3.23

3.12.2.10.3.24
(01-01-2025)
Field 07IEI, Itemized Election Indicator

(1) This field is transcribed from Schedule A, line 18 (TY17, located on line 30).

(2) The valid values for this field are 0 (zero) and 1.

(3) Enter **1** in Field 07IEI when the taxpayer has checked the box on Schedule A, line 18 (TY17, line 30) and used an amount on Form 1040, line 9 (TY18, line 8; TY17, line 40) that is less than the standard deduction for the filing status, but greater than zero. Refer to EC 250.

Note: Certain states require taxpayers to itemize deductions on their federal returns if they itemize on their state returns. When electing this option, the taxpayer is instructed to check the box on Schedule A, line 18 (TY17, line 30).

(4) If Form 4563 (Exclusion of Income For Bona Fide Residents in American Samoa) or Form 2555 (Foreign Earned Income) is present, SSPND 651 (AUSPC only, SSPND 610). Refer to IRM 3.12.2.3.7, International Returns.

(5) TY04 and prior, taxpayers will write "IE" to the left of the entry for Itemized Deduction or Standard Deduction on Form 1040 when electing this option.

3.12.2.10.3.25
(01-01-2020)
Unallowables

(1) Unallowable Codes 33 through 46 affect itemized deductions. See Exhibit 3.12.2-7.

(2) Enter the two-digit code and the unallowable amount when any unallowable conditions are found on Schedule A. Enter in the appropriate fields in Section 02.

(3) Enter Unallowable Code 98, for the third code, with no amount and explain the additional codes and amounts in the memo portion of Form 3471 when more than 3 unallowables are identified. (Only three codes may be used.) Or, if applicable, follow local procedures for Unallowable Code 98.

3.12.2.11
(01-01-2017)
Section 08, Schedule B

(1) Schedule B, Interest and Ordinary Dividends, is used to list interest and dividend Income. Part III of Schedule B is used to answer questions concerning foreign accounts and trusts.

3.12.2.11.1
(01-01-2023)
Error Record Format Section 08

(1) Section 08 consists of the following fields:

Schedule B	Field Name	Form 1040 Field Location
08INT	Schedule B Interest	Line 2
0803	Excludable Savings Bond Interest	Line 3
08DIV	Schedule B Dividends	Line 6
08FAQ	Foreign Accounts Indicator	Line 7a, question 1
08FIN	FINCEN Required Code	Line 7a, question 2

(2) All money amount entries in this section must be positive.

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3.12.2.11.2 (01-01-2020) **Invalid Conditions**	(1)	Fields in Section 08 will display in error if not all numeric.
3.12.2.11.3 (01-01-2017) **Correction Procedures**	(1)	Correction procedures for Section 08 fields follow.

3.12.2.11.3.1
(01-01-2017)
Field 08INT, Schedule B Gross Interest

(1) Add any adjustments indicated in Part I (Schedule B) to the line 2 amount. Enter the result in Field 08INT. Allowable adjustments are

- "Nominee Distribution"
- "Accrued Interest"
- "Tax Exempt Interest"

3.12.2.11.3.2
(01-01-2024)
Field 0803, Excludable Savings Bond Interest

(1) This amount represents excluded interest from Series EE and Series I bonds, issued by the Bureau of Public Debt after 1989. This interest is excludable for education expenses incurred by the taxpayer for self, spouse, or dependent. Refer to EC 160.

(2) Taxpayers include the interest from the Series EE bonds in line 2 before deducting the excludable amount on line 3.

(3) When there is an inconsistency or Form 8815, Exclusion of Interest from Series EE and I U.S. Savings Bonds Issued After 1989, is not attached, SSPND 211.

3.12.2.11.3.3
(01-01-2018)
Field 08DIV, Schedule B Gross Dividends

(1) The gross dividend amount in Field 08DIV of Schedule B, Part II, indicates any adjustment to dividends for "Nominee Distribution".

3.12.2.11.3.4
(01-01-2025)
Field 08FAQ, Foreign Accounts Code

(1) This field is coded from the answer to the first question at line 7a of Schedule B: "At any time during 20XX, did you have a financial interest in or signature authority over a financial account..."

(2) The valid codes are 0, 1, 2, and 3.

- **0**: default value
- **1**: the Yes box is checked
- **2**: the No box is checked, or both boxes are checked
- **3**: neither box is checked, entered only by ERS

3.12.2.11.3.5
(01-01-2025)
Field 08FIN, FINCEN Required Code

(1) This field is coded from the answer to the second question at line 7a of Schedule B: "If Yes, are you required to file FinCEN Form 114..."

(2) The valid codes are 0, 1, and 2.

- **0**: neither box is checked (default value)
- **1**: the Yes box is checked
- **2**: the No box is checked, or both boxes are checked

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3.12.2.12
(01-01-2023)
**Sections 09, 10, and 11,
Schedule C**

(1) Schedule C, Profit or Loss From Business, is used by taxpayers to report income and expenses from a business or profession. Refer to EC 202.

(2) TY18 and prior, Schedule C-EZ, Net Profit From Business, is used to report a profit from business when the taxpayer meets **both** the following conditions:

- Expenses are $5,000 or less.
- Cash Method of Accounting was used by the taxpayer.

(3) Three Schedules C may be filed with a return. The first Schedule C displays as Section 09, the second as Section 10 and the third as Section 11.

Note: **For the remainder of this text, Schedule C will be referred to as Section 09; however, all correction procedures will apply equally to Sections 09, 10 and 11.**

3.12.2.12.1
(01-01-2024)
**Error Record Format of
Section 09, 10, and 11**

(1) Section 09 comprises the fields in the table below.

Schedule C	Field Name	Field Location Schedule C
09PBD	Principal Business	Item A
09SSN	Social Security Number	Upper Right Hand Corner
09NCS	NAICS Code	Item B
09BNM	Business Name	Item C
09EIN	Employer Identification Number	Item D
09AMC	Accounting Method Code	Item F
09FRS	First Time Code	Item H
09FRQ	Schedule C Form 1099 Required Code	Item I
09FFD	Schedule C Form 1099 Filed Code	Item J
09STI	Statutory Employee Indicator	ERS input only
0901	Gross Receipts	Line 1
0902	Returns and Allowances	Line 2
0903	Net Gross Receipts	Line 3
0904	Cost of Goods Sold	Line 4
0906	Other Income	Line 6
0909	Car and Truck Expenses	Line 9
0913	Depreciation	Line 13
0915	Insurance	Line 15

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Schedule C	Field Name	Field Location Schedule C
0916A	Mortgage Interest	Line 16a
0917	Legal and Professional Services	Line 17
0918	Office Expenses	Line 18
0921	Repairs and Maintenance	Line 21
0924A	Travel	Line 24a
0924B	Meals and Entertainment	Line 24b
0925	Utilities	Line 25
0926	Schedule C Wages	Line 26
0927A	Other Expenses	Line 27a
0927B	Energy Efficient Building Deduction Amount	Line 27b
09EXP	Total Expenses	Line 28
0930	Expenses for Business Use of Home	Line 30
09AR	At Risk Code	Line 32a/32b
0935	Inventory Beginning Year	Line 35
0941	Inventory End Year	Line 41

(2)   All fields must be positive with the exception of Field 0906, which can be either positive or negative.

3.12.2.12.2
(01-01-2017)
Invalid Conditions

(1)   Fields in Section 09 will display as invalid if not all alpha, numeric, or blank.

(2)   Additional invalid conditions for specific fields in Section 09 follow.

3.12.2.12.3
(01-01-2023)
Correction Procedures

(1)   When the taxpayer has filed **more than three** Schedules C, consolidate according to the following priority.

Priority	Condition
1	Farming
2	Fisheries
3	Not farming or fisheries
4	Gains only or losses only, whenever possible

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Priority	Condition
5	Schedules with lesser amounts of gross receipts, on line 1 Schedule C or line 1d of Schedule C for TY11

Caution: Do **not combine** any Schedules C that have been identified as "Statutory Employee" with "non-statutory" Schedules C.

Note: Do not combine primary taxpayer Schedule C data with secondary taxpayer Schedule C data.

(2) **Statutory Employees**, who are not subject to Self-Employment Tax, receive a Form W-2 with the box checked for Statutory Employee.

- For TY12 and later, these taxpayers are instructed to identify themselves as Statutory employees by checking the box on line 1, Schedule C.

Note: Statutory Employees are individuals in specified occupational groups who are not common law employees. These include: Industrial homeworkers, full-time life insurance salespersons, certain agent or commission drivers (engaged in the distribution of meat products, vegetable products, fruit products, bakery products, beverages (other than milk), or laundry or dry cleaning services) and traveling or city salespersons.

(3) Adjust all fields following the taxpayer's intent when the taxpayer is dividing the income under **Community Property** rules and the FSC is **not** 1, 3, or 4. Refer to EC 260 for instructions when the FSC is 1, 3, 4, or 7.

(4) Additional correction procedures for Section 09 fields follow.

3.12.2.12.3.1
(01-01-2017)
Field 09PBD, Principal Business Description

(1) Principal Business Description is transcribed from Schedule C, Item A.

(2) Principal Business Description will be invalid if not all alpha or blank.

3.12.2.12.3.2
(01-01-2017)
Field 09SSN, Social Security Number

(1) Social security number is transcribed from Schedule C, SSN box.

(2) Field 09SSN will be invalid if other than nine numeric characters.

3.12.2.12.3.3
(01-01-2017)
Field 09NCS, NAICS Code

(1) NAICS Code is transcribed from Schedule C, Item B.

(2) NAICS Code field will be invalid if other than six numeric characters or blanks.

(3) When correcting this field use the following guidelines:

    a.   Enter the code entered by the taxpayer on Schedule C.
    b.   Enter the first NAICS code, if more than one code is present.
    c.   Delete the entry when more than six numeric entries are in the field.
    d.   If fewer than six numbers are present, enter leading zeros until six numbers are present. Add two zeros to the entry 1234, for example, to create 001234.

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| 3.12.2.12.3.4
(01-01-2017)
Field 09BNM, Business Name | (1) | Business Name is transcribed from Schedule C, Item C. |
| | (2) | Business Name is invalid if other than 20 alphanumeric characters. |

3.12.2.12.3.5 (01-01-2017) **Field 09EIN, Employer Identification Number**	(1)	Employer Identification Number is transcribed from Schedule C, Item D.
	(2)	Employer Identification Number (EIN) will be invalid if other than 9 numeric characters.
	(3)	Enter the EIN, entered by the taxpayer on Schedule C, when correcting or adding this field. The following exceptions will apply:

    a.   Delete the entry if other than nine numeric characters are present.

    b.   **Do not** enter a number that is equal to the Primary or Secondary SSN.

| 3.12.2.12.3.6
(01-01-2017)
Field 09AMC, Accounting Method Code | (1) | Accounting Method Code is transcribed from Schedule C, Item F. |
| | (2) | Accounting Method Code Field will be invalid if other than one of the following: |

- Blank (none of the boxes or multiple boxes are checked)
- 1 (**Cash** box is checked)
- 2 (**Accrual** box is checked)
- 3 (**Other** box is checked)

| 3.12.2.12.3.7
(01-01-2017)
Field 09FRS, First-Time Code | (1) | First Time Code is transcribed from Schedule C, Item H. |
| | (2) | First Time Code Field will be invalid if other than the following: |

- Blank (box **is not** checked)
- 1 (box **is** checked)

3.12.2.12.3.8 (01-01-2024) **Field 09STI, Statutory Employee Indicator**	(1)	This ERS input only field is transcribed from Schedule C when the box is checked on line 1.
	(2)	The field is one space long.
	(3)	Valid values:

- blank: box is not checked
- 1: box is checked

3.12.2.12.3.9 (01-01-2023) **Field 09FRQ, Schedule C Form 1099 Required Code**	(1)	This field is transcribed from Item I of Schedule C.
	(2)	The field is one space long, and only numeric values are valid in this field.
	(3)	Valid values:

- **0**: neither box is checked
- **1**: box Yes is checked
- **2**: box No is checked, or both boxes are checked

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3.12.2.12.3.9

3.12.2.12.3.10
(01-01-2023)
Field 09FFD, Schedule C Form 1099 Filed Code

(1) This field is transcribed from item J of Schedule C.

(2) The field is one space long, and only numeric values are valid in this field.

(3) Valid values:

- **0**: neither box is checked
- **1**: box Yes is checked
- **2**: box No is checked, or both boxes are checked

3.12.2.12.3.11
(01-01-2023)
Field 0901, Gross Receipts Amount

(1) This field is transcribed from line 1 of Schedule C.

(2) The field can contain up to eleven numeric characters only.

3.12.2.12.3.12
(01-01-2017)
Field 0902 through 0906

(1) Each field is transcribed from its respective line in Schedule C.

(2) Each field can contain eleven numeric characters only.

3.12.2.12.3.13
(01-01-2024)
Field 0909 through 0927B

(1) These fields are transcribed from Part II, Schedule C.

#

#

represents the taxpayer's total salary and wages paid or incurred for the tax year. It does not include salaries and wages deducted elsewhere on the return or amounts paid to the taxpayer filing this Schedule C. The taxpayer will reduce this deduction by the current year credits claimed on Forms 5884, 8844, and 8845.

#
#

(5) Each field can contain eleven numeric characters only.

3.12.2.12.3.14
(01-01-2023)
Field 09EXP, Total Expenses

(1) This field is transcribed from line 28, Schedule C.

3.12.2.12.3.15
(01-01-2017)
Field 0930, Expenses for Business Use of Home

(1) This field is transcribed from line 30, Schedule C. The taxpayer transfers the amount from Form 8829, line 35. For TY13 and later, the taxpayer may use the Simplified Method in computing Expense for Business use of the Home.

#

3.12.2.12.3.16
(01-01-2023)
Field 09AR, At-Risk Code

(1) The At-Risk Code is transcribed from checkboxes on line 32a and/or 32b of Schedule C.

(2) Invalid Condition - This field will be invalid if other than 1, 2, 3, or blank.

(3) Correction Procedures - When Schedule C is a **loss**, enter Field 09AR as follows:

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If...	Then...
A] The taxpayer checked only box 32a (all is at risk),	Enter **1** in Field 09AR.
B] The taxpayer checked box 32b or both boxes 32a and 32b (some is not at risk),	Enter **2** in Field 09AR.
C] The taxpayer did not check either box 32a or 32b,	Enter **3** in Field 09AR.
D] Multiple Schedules C were	Enter **3** in Field 09AR.
E] Schedule C is for TY85 or before,	Enter **3** in Field 09AR.

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(5)   Refer to EC 070.

3.12.2.12.3.17
(01-03-2017)
Fields 0935 and 0941 -
Beginning and Ending
Inventory

(1)   These fields are transcribed from Part III of Schedule C.

(2)   Each field can contain up to eleven numeric characters only.

3.12.2.13
(01-01-2025)
Section 12, Schedule D
and Form 8949

(1)   Schedule D, Capital Gains and Losses, is used to report capital gains and losses, which includes the following:

- Capital Gain Distributions not reported directly on Form 1040, line 7 (TY19, Form 1040, line 6; TY18, Schedule 1, line 13; TY17, Form 1040, line 13).
- The sale or exchange of a capital asset not reported on another form or schedule.
- Gains from involuntary conversions (other than from casualty or theft) of capital assets not held for business or profit.
- Non-business bad debts.

(2)   Refer to EC 204.

(3)   TY11 and later, taxpayers use Form 8949, Sales and Other Dispositions of Capital Assets, to list short-term and long-term transactions. The totals on line 2, columns (e), (g), and (h), [TY11, columns (e), (f), and (g)] are transferred to the appropriate lines in Part 1 or 2 of Schedule D. **TY18 and later**, when Form

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8949 is coded with a **Z** in column (f) of Part I and/or II, more information will be transcribed regarding investments in Qualified Opportunity Funds (QOF) in Fields 12ZSE through 12ZLF. **TY19 and later**, when Form 8949 is coded with a **Y** in column (f) of Part I and/or II, more information will be transcribed regarding investments in Qualified Opportunity Funds (QOF) in Fields 12YSE through 12YLF.

Note: For TY10 and before, taxpayers used Schedule D-1 to list more transactions. The combined totals of all Schedules D-1 are brought forward to lines 2 and 9 of Schedule D.

(4)   **Part I** of Schedule D is used to report short-term capital gains and losses from assets held one year or less as follows:

- Taxpayers complete a separate Form 8949 for each type of transaction and check box A, B, or C, Part I, to identify the type.
- Taxpayers report their short-term gains or losses in column (h).
- For TY10 and before, taxpayers may complete Schedule D-1 as a continuation sheet for short-term gains or losses reported in Part I (line 2).

(5)   **Part II** of Schedule D is used to report long-term capital gains and losses from assets held more than one year as follows:

- Taxpayers complete a separate Form 8949 for each type of transaction and check box D, E, or F, Part II, to identify the type.
- Taxpayers report their long-term gains or losses in column (h).
- For TY10 and before, taxpayers may complete Schedule D-1 as a continuation sheet for long-term gains reported in Part II (line 9)

(6)   **Part III** of Schedule D is the total of Parts I and II and is used to figure the amount for Form 1040, line 7 (TY19, Form 1040, line 6; TY18, Schedule 1, line 13; TY17, Form 1040, line 13). It is also used to determine whether the computation using Capital Gains Tax Rates is applicable to the taxpayer. Part III directs the taxpayer to the Schedule D Tax Worksheet in the instructions to figure the tax on taxable income that is reported on line 15, Form 1040 (TY19, line 12a; TY18, line 11a; TY17, line 44).

3.12.2.13.1
(01-01-2023)
Error Record Format
Section 12

(1)   Section 12 consists of the following fields:

Schedule D	Field Name	Field Location
12QOF	Qualified Opportunity Fund Checkbox	TY19 Schedule D checkbox above Part I
121AD	Short-Term Basis No Adjustments Sales Amount	Schedule D line 1a, column (d)
121AE	Short-Term Basis No Adjustments Cost Amount	Schedule D line 1a, column (e)
121BD	Short-Term Basis Transaction Sales Price	Schedule D line 1b, column (d)

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Schedule D	Field Name	Field Location
121BE	Short-Term Basis Transactions Cost	Schedule D line 1b, column (e)
121BG	Short-Term Basis Adjustments Amount	Schedule D line 1b, column (g)
122D	Short-Term No Basis Transactions Sales	Schedule D line 2, column (d)
122E	Short-Term No Basis Transaction Cost Amount	Schedule D line 2, column (e)
122G	Short-Term No Basis Adjustments Amount	Schedule D line 2, column (g)
123D	Short-Term No 1099B Transactions Sales	Schedule D line 3, column (d)
123E	Short-Term No 1099B Transaction Cost Amount	Schedule D line 3, column (e)
123G	Short-Term No 1099B Adjustments Amount	Schedule D line 3, column (g)
1205	Short Term Schedule K-1 Gain Loss Amount	Schedule D line 5, column (h)
1207	Net Short-Term Gain or Loss	Schedule D line 7
128AD	Long-Term Basis No Adjustments Sales Amount	Schedule D line 8a, column (d)
128AE	Long-Term Basis No Adjustments Cost Amount	Schedule D line 8a, column (e)
128BD	Long-Term Basis Transactions Sales	Schedule D line 8b, column (d)
128BE	Long-Term Basis Transactions Cost	Schedule D line 8b, column (e)
128BG	Long-Term Basis Adjustments Amount	Schedule D line 8b, column (g)
129D	Long-Term No 1099B Transactions Sales	Schedule D line 9, column (d)
129E	Long-Term No Basis Transaction Cost Amount	Schedule D line 9, column (e)
129G	Long-Term No Basis Adjustments Amount	Schedule D line 9, column (g)
1210D	Long-Term No 1099B Transaction Sales Amount	Schedule D line 10, column (d)
1210E	Long-Term No 1099B Transaction Cost Amount	Schedule D, line 10, column (e)

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Schedule D	Field Name	Field Location
1210G	Long-Term No 1099B Adjustments Amount	Schedule D line 10, column (g)
1212	Long-Term Schedule K-1 Gain Loss Amount	Schedule D line 12
1213	Capital Gain Distribution	Schedule D line 13
1215	Net Long-Term Gain or Loss	Schedule D line 15
1218	28 percent Rate Gain or Loss	Schedule D line 18
1219	Unrecaptured Section 1250 Gain	Schedule D line 19
12ZSE	Form 8949 Z Code QOF Short Term Investment EIN	Form 8949, Part 1, column (a)
12ZSD	Form 8949 Z Code QOF Short Term Investment Date Acquired	Form 8949, Part I, column (b)
12ZSA	Form 8949 Z Code QOF Short Term Investment Adjustment Amount	Form 8949, Part I, column (g)
12ZSF	Form 8949 Z Code QOF Short Term Investment Additional Indicator	Form 8949, Part I, edited to the right of column (h)
12YSE	Form 8949 Y Code QOF Short Term Investment EIN	Form 8949, Part I, column (a)
12YSD	Form 8949 Y Code QOF Short Term Investment Date Sold or Disposed	Form 8949, Part I, column (c)
12YSA	Form 8949 Y Code QOF Short Term Investment Recaptured Deferral	Form 8949, Part 1, column (g)
12YSF	Form 8949 Y Code QOF Short Term Investment Additional Indicator	Form 8949, Part 1, edited to right of column of column (h)
12ZLE	Form 8949 Z Code QOF Long Term Investment EIN	Form 8949, Part II, column (a)
12ZLD	Form 8949 Z Code QOF Long Term Investment Date Acquired	Form 8949, Part II, column (b)
12ZLA	Form 8949 Z Code QOF Long Term Investment Adjustment Amount	Form 8949, Part II, column (g)
12ZLF	Form 8949 Z Code QOF Long Term Investment Additional Indicator	Form 8949, Part II, edited to the right of column (h)
12YLE	Form 8949 Y Code QOF Long Term Investment EIN	Form 8949, Part II, column (a)
12YLD	Form 8949 Y Code QOF Long Term Investment Date Sold or Disposed	Form 8949, Part II, column (c)
12YLA	Form 8949 Y Code QOF Long Term Investment Recapture Deferral	Form 8949, Part II, column (g)

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Schedule D	Field Name	Field Location
12YLF	Form 8949 Y Code QOF Long Term Investment Additional Indicator	Form 8949, Part II, edited to the right of column (h)
12DV	Schedule D Profit/Loss Verified	ERS input only

(2)   Fields 1207, 1215, and 12DV may be either positive or negative. All other fields must be positive and can have up to eleven numeric characters only.

3.12.2.13.2
(01-01-2017)
Invalid Condition

(1)   Section 12 fields will display as invalid if not all numeric.

3.12.2.13.3
(11-27-2020)
Correction Procedures

(1)   Correct coding and transcription errors and misplaced entries in displayed fields.

(2)   Code and Edit will edit RPC T when **all** of the following conditions are met:

   a.   A positive amount of more than $1 is present on Form 1040, line 7 (TY19, Form 1040, line 6; TY18, Schedule 1, line 13; TY17, Form 1040, line 13).
   b.   Schedule D is not present.
   c.   The box on Form 1040, line 7 (TY19, Form 1040, line 6; TY18, Schedule 1, line 13; TY17, Form 1040, line 13) is checked.

(3)   Enter **T** in Field 01RPC when not edited by Code and Edit.

3.12.2.13.3.1
(01-01-2024)
Field 12QOF, Qualified Opportunity Fund Checkbox

(1)   **TY24 - TY19**, Field 12QOF will be transcribed from the checkboxes on Schedule D, above Part I.

(2)   This field is a one-position numeric field

(3)   Valid values:

   a.   **0**: neither box is checked
   b.   **1**: box Yes is checked
   c.   **2**: box No is checked
   d.   **3**: both boxes are checked

(4)   If Field 12QOF displays as a field error on a TY18 or prior return, enter **0**.

3.12.2.13.3.2
(01-01-2017)
Fields 121AD, 121AE, 121BD, 121BE, 121BG, 122D, 122E, 122G, 123D, 123E, 123G, 1205 and 1207

(1)   These fields are transcribed from Part I, Schedule D.

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3.12.2.13.3.2

3.12.2.13.3.3 (01-01-2018) **Fields 128AD, 128AE, 128BD, 128BE, 128BG, 129D, 129E, 129G, 1210D, 1210E, 1210G, 1212, 1213 and 1215**	(1)	These fields are transcribed from Part II, Schedule D.

3.12.2.13.3.4 (01-01-2017) **Fields 1218 and 1219**	(1)	These fields are transcribed from Part III, Schedule D.

3.12.2.13.3.5
(03-01-2021)
Fields 12ZSE, 12ZSD, 12ZSA, 12ZSF, 12ZLE, 12ZLD, 12ZLA, and 12ZLF

(1) **TY18 and later**, these fields are transcribed from Form 8949 when code **Z** is in column (f) of Form 8949, Part I or II, for certain Qualified Opportunity Fund (QOF) investments.

(2) Fields 12ZSE and 12ZLE will display as invalid if other than nine digits. If a field error displays and transcription is correct, overlay with nine zeroes to delete the entry.

(3) Fields 12ZSD and 12ZLD will display as invalid if other than eight numeric digits. If a field error displays, verify transcription:

- If a valid date is **not** present in column (b) on Form 8949, overlay with eight zeroes to delete the entry.
- If a valid date is present in column (b) on Form 8949, enter the date in YYYYMMDD format.

(4) Fields 12ZSA and 12ZLA are eleven digit numeric positive-only fields. If other than numeric digits in column (g) of Form 8949, delete the entry.

(5) Fields 12ZSF and 12ZLF will display as invalid if other than **1** or **0**. If more QOF investment(s) are indicated on Form 8949, enter **1**; otherwise, enter **0**.

3.12.2.13.3.6
(03-01-2021)
Fields 12YSE, 12YSD, 12YSA, 12YSF, 12YLE, 12YLD, 12YLA, 12YLF

(1) **TY19 and later**, these fields are transcribed from Form 8949 when code **Y** is in column f of Form 8949, Part I or II, for certain Qualified Opportunity Fund (QOF) investments.

(2) Fields 12YSE and 12YLE will display as invalid if other than nine digits. If a field error displays and transcription is correct, overlay with nine zeroes to delete the entry.

(3) Fields 12YSD and 12YLD will display as invalid if other than eight numeric digits. If a field error displays, verify transcription:

- If a valid date is **not** present in column (b) on Form 8949, overlay with eight zeroes to delete the entry.
- If a valid date is present in column (b) on Form 8949, enter the date in YYYYMMDD format. .

(4) Fields 12YSA and 12YLA are eleven digit numeric positive-only fields. If other than numeric digits in column (g) of Form 8949, delete the entry.

(5) Fields 12YSF and 12YLF will display as invalid if other than **1** or **0**. If more QOF investment(s) are indicated on Form 8949, enter **1**; otherwise, enter **0**

3.12.2.13.3.7 (01-01-2017) **Field 12DV, Schedule D Profit/Loss Verified**	(1)	This field is for **ERS input only.**

3.12.2.14
(01-01-2023)
Section 13, Schedule E

(1) Schedule E, Supplemental Income and Loss, is used to report income/loss from

- Rents and Royalties, **Part I**
- Partnership and S Corporations, **Part II**
- Estates and Trusts, **Part III**
- Real Estate Mortgage Investment Conduits, **Part IV**
- Summary (Farm Rental), **Part V**

(2) Refer to EC 206.

(3) The passive activity loss rules may limit the amount of losses the taxpayer can deduct in Parts I, II, and III, and on line 40 of Schedule E. A passive activity is any business activity in which the taxpayer **did not** materially participate, or any rental activity, regardless of material participation, except for material participation by a real estate professional.

3.12.2.14.1
(01-01-2023)
Error Record Format, Section 13

(1) Section 13 consists of the following fields:

Schedule E	Field Name	Field Location
13FRQ	Schedule E Form 1099 Required Code	Item A
13FFD	Schedule E Form 1099 Filed Code	Item B
1314A	Repairs Amount, column A	Line 14, column A
1314B	Repairs Amount, column B	Line 14, column B
1314C	Repairs Amount, column C	Line 14, column C
1323A	Total Rental Payments Amount	Line 23a
1323B	Total Royalty Payments Amount	Line 23b
1323C	Total Mortgage Interest for All Properties Amount	Line 23c
1323D	Total Depreciation All Properties Amount	Line 23d
1323E	Total Expenses All Properties Amount	Line 23e

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Schedule E	Field Name	Field Location
1324	Rent/Royalty Income	Line 24
1325	Rent/Royalty Loss	Line 25
1327	Passive Income Indicator	Line 27
1329H	Partnership/S Corpora-tion Passive Income	Line 29a, column (h) TY17, line 29a, column (g)
1329K	Partnership/S Corpora-tion Nonpassive Income	Line 29a, column (k) TY17, line 29a, column (j)
13PIG	Partnership/S Corpora-tion Passive Loss	Line 29b, column (g) TY17, line 29b, column (f)
1329I	Partnership/S Corpora-tion Nonpassive Loss	Line 29b, column (i) TY17 line 29b, column (h)
1330	Partnership/S Corpora-tion Income	Line 30
1331	Partnership/S Corpora-tion Loss	Line 31
1334D	Estate and Trust Passive Income	Line 34a, column (d)
13PET	Estate and Trust Passive Loss	Line 34b, column (c)
1335	Estate and Trust Income	Line 35
1336	Estate and Trust Loss	Line 36
13ES	Schedule K-1 ES Payment Indicator	Dotted portion of line 37
1339	Real Estate Mortgage Investment Conduits (REMIC)	Line 39
1340	Farm Rental Income/ Loss	Line 40
1342	Farm and Fishing Income	Line 42
1343	Real Estate Profession-als Net Income or Loss	Line 43

(2) Fields 1339 and 1340 may be either positive or negative. All other fields must be entered as positive.

(3) All money amount fields are up to eleven numeric characters long.

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| 3.12.2.14.2
(01-01-2020)
Invalid Conditions | (1) | Fields in Section 13 will display as invalid if not all numeric. |
| | (2) | Additional invalid conditions are also given for Fields 1327 and 13ES. |

| 3.12.2.14.3
(01-01-2017)
Correction Procedures | (1) | Correction procedures for Section 13 fields follow. |

3.12.2.14.3.1 (01-01-2025) **Field 13FRQ, Schedule E Form 1099 Required Code**	(1)	This field is transcribed from Item A of Schedule E.
	(2)	The field is one space long, and only the numeric value 0, 1, and 2 are valid.
	(3)	Valid values:

- **0**: neither box is checked.
- **1**: Yes box is checked.
- **2**: No box is checked, or both boxes are checked.

3.12.2.14.3.2 (01-01-2025) **Field 13FFD, Schedule E Form 1099 Filed Code**	(1)	This field is transcribed from Item B of Schedule E.
	(2)	This field will be invalid if other than 0 (zero), 1, or 2.
	(3)	Correct Field 13FFD as follows:

- **0** (zero) - neither box is checked.
- **1** - Yes box is checked.
- **2** - No box is checked, or both boxes are checked.

| 3.12.2.14.3.3
(01-01-2017)
Fields 1314A, 1314B, and 1314C, Repairs | (1) | Field 1314A, 1314B, and 1314C are transcribed from their respective column on line 14 of Schedule E. |

| 3.12.2.14.3.4
(01-01-2017)
Fields 1323A to 1323E | (1) | Field 1323A through 1323E are transcribed from their respective column on line 23 of Schedule E. |

| 3.12.2.14.3.5
(01-01-2017)
Field 1324, Income from Rental Real Estate and Royalties | (1) | Field 1324 is transcribed from line 24 of Schedule E. |

| 3.12.2.14.3.6
(01-01-2017)
Field 1325, Loss from Rental Real Estate and Royalties | (1) | Field 1325 is transcribed from line 25 of Schedule E. |

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3.12.2.14.3.6

3.12.2.14.3.7
(01-01-2017)
Field 1327 Passive Income Indicator

(1)   This field is transcribed from line 27, Schedule E.

(2)   This field will be invalid if other than 0,1, or 2.

(3)   Determine the correct code based on the taxpayer's answer to the question on line 27. Take the following action:

If...	Then...
A] The taxpayer checked the Yes box,	Enter **1** in Field 1327.
B] The taxpayer checked the No box,	Enter **2** in Field 1327.
C] The taxpayer checked both boxes,	Enter **1** in Field 1327.
D] The taxpayer did not check either box,	Enter **0** in Field 1327.

3.12.2.14.3.8
(01-01-2019)
Field 1329H, Partnership/S Corporation Passive Income

(1)   This field is transcribed from line 29a, column (h), Schedule E [TY17 line 29a, column (g), Schedule E].

3.12.2.14.3.9
(01-01-2019)
Field 1329K, Partnership/S Corporation Nonpassive Income

(1)   This field is transcribed from line 29a, column (k), Schedule E [TY17 line 29a column (j), Schedule E].

3.12.2.14.3.10
(01-01-2019)
Field 13PIG, Partnership/S Corporation Passive Loss

(1)   This field is transcribed from line 29b, column (g), Schedule E [TY17 line 29b, column (f), Schedule E].

3.12.2.14.3.11
(01-01-2018)
Field 1329I, Partnership/S Corporation Nonpassive Loss

(1)   This field is transcribed from line 29b, column (i), Schedule E [TY17 line 29b, column (h), Schedule E].

3.12.2.14.3.12
(01-01-2017)
Field 1330, Partnership/S Corporation Income

(1)   This field is transcribed from line 30, Schedule E.

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| 3.12.2.14.3.13
(01-01-2017)
Field 1331, Partnership/S Corporation Loss | (1) | This field is transcribed from line 31, Schedule E. |

| 3.12.2.14.3.14
(01-01-2017)
Field 1334D, Estate/Trust Passive Income | (1) | The field is transcribed from line 34a column (d), Schedule E. |

| 3.12.2.14.3.15
(01-01-2017)
Field 13PET, Passive Estate and Trust Loss | (1) | The field is transcribed from line 34b, column (c), Schedule E. |

| 3.12.2.14.3.16
(01-01-2017)
Field 1335, Estate/Trust Income | (1) | The field is transcribed from line 35, Schedule E. |

| 3.12.2.14.3.17
(01-01-2017)
Field 1336, Estate/Trust Loss | (1) | This field is transcribed from line 36, Schedule E. |

3.12.2.14.3.18
(01-01-2017)
Field 13ES, Schedule K-1 ES Payment

(1) This field is transcribed from the dotted portion of line 37, Schedule E.

(2) This field will be invalid if other than blank or 1.

(3) Check the dotted portion of line 37, and code Field 13ES as indicated in the following table:

If...	Then...
A] The taxpayer Indicates "ES Payment claimed",	Enter **1** in Field 13ES.
B] No indication is present,	Delete any entry in Field 13ES.

| 3.12.2.14.3.19
(01-01-2023)
Field 1339, Real Estate Mortgage Investment Conduits (REMIC) | (1) | This field is transcribed from line 39, Schedule E. |

| 3.12.2.14.3.20
(01-01-2017)
Field 1340, Farm Rental Income or Loss | (1) | This field is transcribed from line 40, Schedule E. |

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3.12.2.14.3.21
(01-01-2017)
Field 1342, Farm and Fishing Income

(1)   This field is transcribed from line 42, Schedule E.

3.12.2.14.3.22
(01-01-2017)
Field 1343, Real Estate Professionals Net Income or Loss

(1)   This field is transcribed from line 43, Schedule E.

3.12.2.15
(01-01-2017)
Sections 14 and 15, Schedule F

(1)   Schedule F, Profit or Loss From Farming, is used to report farm income/ expenses. Refer to EC 208.

(2)   Two Schedules F may be filed with a return. The first Schedule F displays as Section 14 and the second as Section 15.

Note: **For the remainder of this text, Schedule F will be referred to as Section 14; however, all correction procedures will apply equally to Sections 14 and 15.**

(3)   If the taxpayer files more than two Schedules F, Code and Edit will merge the schedules and adjust all transcription fields according to the accounting method used.

(4)   The taxpayer may choose either the cash or accrual accounting method to report farm income. Taxpayers are instructed to report gross income for both cash and accrual on line 9. Code and Edit is instructed to "X" line 9 when the taxpayer is using the accrual method.

   a.   Fields 1401B through 1409 are used for the cash method.
   b.   Fields 1438A through 1450 are used for the accrual method.

3.12.2.15.1
(01-01-2023)
Error Record Format Sections 14 and 15

(1)   Section 14 consists of the following fields:

Schedule F	Field Name	Field Location
14NCS	NAICS Code	Item B
14EIN	Employer Identification Number	Item D
14FRQ	Schedule F Form 1099 Required Code	Item F
14FFD	Schedule F Form 1099 Filed Code	Item G
1401B	Cost of Purchased Items, Cash	Line 1b
1402	Products Raised Sales	Line 2
1403A	Gross Cooperative Distributions Cash	Line 3a

3.12.2.14.3.21   Internal Revenue Manual   Cat. No. 67652C (11-01-2024)
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Schedule F	Field Name	Field Location
1403B	Taxable Cooperative Distributions Cash	Line 3b
1404A	Gross Agricultural Program Payments Cash	Line 4a
1404B	Taxable Agricultural Program Payments Cash	Line 4b
1405B	CCC Loans Forfeited Cash	Line 5b
1406A	Gross Crop Insurance Cash Amount	Line 6a
1406B	Taxable Crop Insurance Amount	Line 6b
1407	Custom Hire Cash	Line 7
1409	Gross Income (Cash)	Line 9
1413	Machine Hire	Line 13
1419	Gas, Fuel, and Oil Deduction	Line 19
1421A	Mortgage Interest	Line 21a
1425	Schedule F Repairs Maintenance	Line 25
1428	Supplies	Line 28
1433	Total Farm Expenses	Line 33
14AR	At Risk Code	Line 36a/36b
1438A	Gross Cooperative Distributions Accrual	Line 38a
1438B	Taxable Cooperative Distributions Accrual	Line 38b
1439A	Gross Agricultural Program Payments Accrual	Line 39a
1440B	CCC Loans Forfeited Accrual	Line 40b
1444	Total Income Accrual	Line 44
1450	Gross Income (Accrual)	Line 50

(2) Field 1409 and 1450 may be either positive or negative. All other fields must be positive.

3.12.2.15.2 (01-01-2020) **Invalid Conditions**	(1) Fields in Section 14 will display as invalid if not all numeric. (2) Additional invalid conditions are given for Fields 14NCS and 14EIN.

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3.12.2.15.2

| 3.12.2.15.3
(01-01-2017)
Correction Procedures | (1) | Additional correction procedures for Section 14 fields follow. |

3.12.2.15.3.1 (01-01-2023) **Field 14NCS, North American Industry Classification System (NAICS) Code**	(1)	The NAICS Code is transcribed from Item B of Schedule F.
	(2)	The NAICS Code Field will be invalid if other than six numeric characters or blanks.
	(3)	When correcting this field, use the following guidelines:

a. Enter the code listed on Schedule F by the taxpayer.
b. Enter the first NAICS code, if more than one code present.
c. Delete the entry when more than six numeric entries in the field on the return.
d. If fewer than six numbers are present, enter leading zeroes until six numbers are present (e.g., return has an entry of 1234, correct to read 001234).

3.12.2.15.3.2 (01-01-2017) **Field 14EIN, Employer Identification Number (EIN)**	(1)	The employer identification number is transcribed from item D of Schedule F.
	(2)	The field is nine spaces long; the entry in the field must be nine digits; and only numeric values are valid.
	(3)	Do not enter or allow a number that is the same as the primary or secondary TIN. Delete the entry if the primary or secondary taxpayer's TIN displays in the field or the entry is too short, and you cannot locate the EIN in the return.

3.12.2.15.3.3 (01-01-2025) **Field 14FRQ, Schedule F Form 1099 Required Code**	(1)	This field is transcribed from item F of Schedule F.
	(2)	The field is one space long, and only numeric values are valid.
	(3)	Valid values:

- **0**: neither box is checked.
- **1**: box Yes is checked.
- **2**: box No is checked, or both boxes are checked.

3.12.2.15.3.4 (01-01-2025) **Field 14FFD, Schedule F Form 1099 Filed Code**	(1)	This field is transcribed from item G of Schedule F.
	(2)	The field is one space long, and only numeric values are valid.
	(3)	Valid values:

- **0**: neither box is checked.
- **1**: box Yes is checked.
- **2**: box No is checked, or both boxes are checked.

| 3.12.2.15.3.5
(01-01-2017)
Fields 1401B through 1409 | (1) | These fields are transcribed from Part I (**Cash** Method of Accounting) of Schedule F. |

3.12.2.15.3.6
(01-01-2017)
Fields 1413 through 1428

(1)   These fields are transcribed from Part II (Farm Expenses) of Schedule F.

3.12.2.15.3.7
(01-01-2017)
Field 1433, Total Farm Expenses

(1)   This field transcribed from line 33 and is the total of all farm expenses in Part II, Schedule F.

3.12.2.15.3.8
(01-01-2020)
Field 14AR, At-Risk Code

(1)   This field is transcribed from line 36a or 36b of Schedule F.

(2)   The field is one space long, and only numeric values and blank are valid.

(3)   Valid values:

- blank: the default value, no box checked
- **1**: box 36a checked
- **2**: box 36b checked **or** both boxes 36a and 36b checked
- **3**: box 36a and 36b unchecked **or**

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(4)   When Schedule F is a **loss**, enter Field 14AR as follows:

If...	Then...
A] the taxpayer checked only box 36a	Enter **1** in Field 14AR.
B] the taxpayer checked box 36b or box 36a and box 36b	Enter **2** in Field 14AR.
C] the taxpayer did not check either box 36a or box 36b,	Enter **3** in Field 14AR.
D] multiple Schedules F were	Enter **3** in Field 14AR.

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3.12.2.15.3.9
(01-01-2017)
Fields 1438A through 1450

(1)   These fields are transcribed from Part III (Farm Income Accrual Method) of Schedule F.

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3.12.2.15.3.9

3.12.2.16
(01-01-2018)
Section 16, Schedule R

(1) Schedule R, Credit for the Elderly or the Disabled, is used to compute the amount of credit for the elderly or disabled. Refer to ECs 086, 280, and 282.

(2) Qualifications for the credit are - the taxpayer is age 65 years or older, or meets **both** of the following:

   a.   Under the age of 65 and permanently and totally disabled.
   b.   Receives a taxable disability income.

3.12.2.16.1
(01-01-2023)
Error Record Format, Section 16

(1) For Section 16 consists of the following fields:

Schedule R	Field Name	Field Location
16FSI	Filing Status Age Indicator Code	Part I Questions
1611	Taxable Disability Income	Line 11
1613C	Other Pensions and Annuities	Line 13c
1620V	Credit for the Elderly Verified	ERS input only

(2) All fields in this section must be positive.

3.12.2.16.2
(01-01-2020)
Invalid Conditions

(1) Section 16 fields will display as invalid if not all numeric.

(2) Additional invalid conditions are given for Field 16FSI.

3.12.2.16.3
(01-01-2017)
Correction Procedures

(1) Correction procedures for Section 16 fields follow.

3.12.2.16.3.1
(04-25-2022)
Field 16FSI, Filing Status Age Indicator Code

(1) Field 16FSI is transcribed from Part I of Schedule R based on the box checked by the taxpayer. This field is transcribed as one digit.

(2) This field will be invalid if Section 16 is present and Field 16FSI is blank or other than 1 through 9.

(3) Use the Filing Status and/or Age Blind Indicator on the return to determine the correct FSI code. Use the following table to correct Field 16FSI:

Example: If the taxpayer has checked the Age/Blind box for "65 or older" and is FSC 1, 4 or 5, enter a 1 in Field 16FSI.

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If...	And...	Then...
A] Any of the following: 1. No FSI box is checked, 2. Multiple FSI boxes are checked, 3. FSI is inconsistent with filing status box checked,		Enter FSI code based on determination.
B] Proper Code cannot be determined,	No tax liability,	DLSEC 16.
C] Proper Code cannot be determined,	A tax liability exists,	SSPND 211.

3.12.2.16.3.2
(01-01-2018)
Field 1611, Taxable Disability Income

(1) This field is transcribed from Part III line 11, Schedule R.

3.12.2.16.3.3
(01-01-2017)
Field 1613C, Other Pensions and Annuities

(1) This field is transcribed from Part III line 13c, Schedule R.

3.12.2.16.3.4
(01-01-2017)
Field 1620V, Credit for the Elderly and Disabled Verified

(1) This field is **ERS input only**. It is to be used whenever the computer cannot correctly compute line 22, Schedule R. Refer to EC 282.

3.12.2.17
(01-01-2017)
Sections 17 and 18, Schedule SE

(1) Schedule SE, Self-Employment Tax, is used to report social security and Medicare Tax on self-employment income for the primary and/or the secondary taxpayer. Refer to EC 209.

(2) Two Schedules SE may be filed with a return.

    a. Section 17 data is for the primary taxpayer.
    b. Section 18 data is for the secondary taxpayer.

Note: **For the remainder of this text, Schedule SE will be referred to as Section 17; however, all correction procedures will apply equally to Sections 17 and 18.**

(3) Taxpayers may elect to compute SE Tax by using the regular method, the optional method, or both methods when they have more than one source of SE Income.

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3.12.2.17

3.12.2.17.1
(01-01-2024)
Error Record Format
Sections 17 and 18

(1)   Section 17 consists of the following fields:

Schedule SE	Field Name	Form 1040 Field Location
17SSN	SE SSN	Header of Schedule SE
1701A	Net Farm Profit/Loss	Line 1a
1701B	Conservation, Reserve Program Payments	Line 1b
1702	Net Non Farm Profit/Loss	Line 2
17TE	Tentative Earnings	Line 3
1704B	Optional Method Income Amount	ERS input only
17QC	SE Quarters Covered	Edited in right margin of line 4c
17CHW	Tentative Church Wages	Line 5a
17TSW	Total Social Security Wages Covered	Line 8d
17SIV	Self-Employed Social Security Income Computer Verified	ERS input only
17MCD	SE Method Code	Edited on bottom center margin
17SEV	SE Tax Verified	ERS input only

(2)   Fields 1701A and 1702 may be either positive or negative. All other fields must be positive.

Exception: Field 1701B is programmed as a negative field.

3.12.2.17.2
(01-01-2020)
Invalid Conditions

(1)   Section 17 fields will display as invalid if not all numeric.

(2)   Additional invalid conditions are given for Fields 17SSN, 17MCD and 17QC.

3.12.2.17.3
(01-01-2017)
Correction Procedures

(1)   Correct coding and transcription errors and misplaced entries in displayed fields.

(2)   Compute and enter accordingly when a transcribed line is blank and there are entries leading to an amount.

(3)   Taxpayers may elect to compute SE Tax using both methods (regular and optional) if they have more than one source of SE Income. This will be indicated by an entry on both lines 3 **and** 4b of the long Schedule SE.

#

(5)   Additional correction procedures for Section 17/18 fields follow.

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3.12.2.17.3.1 (01-01-2020) **Field 17SSN, Social Security Number (SSN)**	(1)	This field is transcribed from the header of Schedule SE as follows:

(1) This field is transcribed from the header of Schedule SE as follows:

   a.   The SSN in Field 17SSN must be for the primary taxpayer.
   b.   The SSN in Field 18SSN must be for the secondary taxpayer.

(2) This field will display as invalid if it contains fewer than nine digits or any non-numeric character(s).

(3) When Section(s) 17/18 is present, Field 17/18SSN cannot be all blanks. A valid S-SSN is required in Field 01SS if Section 18 is present.

3.12.2.17.3.2
(01-01-2020)
Field 1701A, Net Farm Profit/Loss

(1) This field is transcribed from Schedule SE line 1a and is the amount of farm income (Schedule F) and/or farm partnership income.

(2) When Field 1701A is blank, enter the total amount from line 34, Schedule F.

3.12.2.17.3.3
(01-01-2020)
Field 1701B, Conservation Reserve Program Payments Exclusions

(1) This field is transcribed from line 1b and is the amount of Conservation Reserve Program Payments claimed on line 4b, Schedule F.

(2) When Field 1701B is blank, enter the amount from line 4b, Schedule F.

3.12.2.17.3.4
(01-01-2024)
Field 1702, Net Non Farm Profit/Loss

(1) This field is transcribed from Schedule SE, line 2, and is the amount of line 31, Schedule C income and/or other Non-Farm Self-Employment Income.

(2) When Field 1702 is blank, enter the amount from line 31, Schedule C.

3.12.2.17.3.5
(01-01-2020)
Field 17TE, Tentative Earnings

(1) Field 17TE is transcribed from Schedule SE, line 3, and represents the taxpayer's total of lines 1a, 1b, and 2 (1a-1b+2=3).

(2) Code and Edit edits line 3 when it is blank and amounts are present leading to it, or when an entry is present on line 4a or 4b and the lines leading to line 3 are all blank or negative.

3.12.2.17.3.6
(01-01-2017)
Field 1704B, Optional Method Income Amount

(1) This field is for **ERS input only**. It is used when the taxpayer is using one or both of the optional methods.

3.12.2.17.3.7
(01-01-2024)
Field 17QC, Self-Employment Quarters Covered

(1) This code will be used on short year returns only.

(2) This code is edited by Code and Edit in the right margin of line 4c.

(3) This field will display as invalid if transcribed as other than 1, 2, or 3. Code 0 (zero) is also valid, but is computer-generated and cannot be transcribed.

(4) Compare the field on the screen to the entry on the return. Correct any editing or transcription error(s).

(5) Determine the number of quarters covered by the tax period when code is invalid and code as follows:

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If number of...	Then...
A] Quarters is 1	Enter **1** in Field 17QC.
B] Quarters are 2	Enter **2** in Field 17QC.
C] Quarters are 3	Enter **3** in Field 17QC.
D] Quarters are more than 3 or cannot be determined,	Blank the code to generate Code 0 (zero).

Note: A fraction of a quarter counts as a full quarter. The quarters begin in January, April, July and October.

3.12.2.17.3.8
(01-01-2024)
Field 17CHW, Tentative Church Wages

(1)   This field is transcribed from line 5a.

3.12.2.17.3.9
(01-01-2024)
Field 17TSW, Total Social Security Wages Covered

(1)   This field is transcribed from line 8d, and is the sum of lines 8a, 8b, and 8c.

3.12.2.17.3.10
(01-01-2018)
Field 17SIV, Self Employed Social Security Income Computer Verified

(1)   The field is for **ERS input only**.

(2)   This field is eleven spaces long, and only numeric values are valid.

(3)   TY16 and prior - Use this field when ERS programming cannot correctly figure SE Tax.

(4)   Enter the smaller of line 6 or 9 in Part I of Section B (page 2) of Schedule SE.

3.12.2.17.3.11
(01-01-2017)
Field 17SEV, Self-Employment Tax Verified

(1)   This field is for **ERS input only**. It is used when the computer's computation is not reliable for SE Tax.

3.12.2.17.3.12
(01-01-2020)
Field 17MCD, SE Method Code

(1)   Field 17MCD will display as invalid if transcribed as other than 1 or 2. Code 0 (zero) is also valid, but is computer generated and cannot be transcribed.

(2)   Compare the field on the screen with the entry on the return. Correct any editing or transcription error(s).

  a.   Enter **1** in Field 17MCD if income is from a business.
  b.   Enter **2** in Field 17MCD if income is from a farm.
  c.   If income is from a business and a farm, see the following instructions.

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3.12.2.17.3.12.1
(01-01-2017)
Field 17MCD, SE Method Coding

(1) Code Field 17MCD using the following table when invalid:

If...	And...	Then...
A] Line 17 contains an entry,	1. Line 17 is larger than line 15, 2. Line 4b matches the total of lines 15 and 17, 3. Line 15 is blank or zero,	Enter **1** in Field 17MCD.
B] Line 15 or 17 contains an entry,	Not all of the preceding conditions for Code 1 are met,	Enter **2** in Field 17MCD.
C] You cannot determine the code,		Blank Field 17MCD to generate Code 0 (zero).

3.12.2.18
(01-01-2019)
Section 19, Form 1116

(1) Form 1116, Foreign Tax Credit, is used to claim credit for income tax paid to a foreign country or U.S. possession. Refer to EC 277.

3.12.2.18.1
(01-01-2024)
Error Record Format Section 19

(1) Section 19 consists of the following fields from Form 1116:

Form 1116	Field Name	Form 1040 Field Location
19AF	Additional Forms 1116 Attached	Right Margin of Part I
1901A	Gross Income from Foreign Source	Line 1a
1906	Applicable Deduction and Losses	Line 6
1907	Taxable Income from Foreign Source	Line 7
1908	Total Foreign Taxes Paid	Line 8
1914	Total Foreign Taxes Available for Credit	Line 14
1916	Form 1116 Adjustments	Line 16
1917	Net Taxable Income from Foreign Source	Line 17
1921	Maximum Allowable Credit	Line 21
1922	Excess Limitation Account Section 960C	Line 22
1923	Total Limitation	Line 23

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3.12.2.18.1

Form 1116	Field Name	Form 1040 Field Location
1924	Gross Foreign Tax Credit	Line 24
1934	International Boycott Operations Credit Reduction	Line 34
1935	Form 1116 Foreign Tax Credit	Line 35

(2) All fields in this section must be positive, except Field 1916 can be either positive or negative.

3.12.2.18.2
(01-01-2017)
Invalid Conditions

(1) Section 19 fields will display as invalid if not all numeric.

(2) Additional invalid conditions are given for Field 19AF.

3.12.2.18.3
(01-01-2017)
Correction Procedures

(1) When more than one Form 1116 is attached, use the Form 1116 that has entries in Part IV.

(2) Additional correction procedures for Section 19 fields follow.

3.12.2.18.3.1
(01-01-2017)
Field 19AF, Additional Forms 1116 Attached

(1) Code and Edit will code this field in the margin to the right of "Part I".

(2) This field will display as invalid if present and not numeric.

(3) Correct Field 19AF based on the number of Forms 1116 attached to the return as follows:

If...	Then...
A] Only one Form 1116 is attached and incorrect number is transcribed,	Enter **0** (zero) in Field 19AF.
B] Two through nine Forms 1116 are attached,	Enter the number of additional forms in Field 19AF.
C] More than nine Forms 1116 are attached,	Enter **9** in Field 19AF.

3.12.2.18.3.2
(01-01-2024)
Fields 1914, 1916, 1917, 1921, 1922, 1923, and 1924 (Part III)

(1) These fields are transcribed from Part III (Figuring the Credit) of Form 1116.

(2) Field 1914, Total Foreign Taxes Available for Credit, is transcribed from line 14, Form 1116.

(3) Field 1916, Form 1116 Adjustments, is transcribed from line 16, Form 1116.

(4) Field 1917, Net Taxable Income from Foreign Source, is transcribed from line 17, Form 1116.

(5) Field 1921, Maximum Allowable Credit, is transcribed from line 21, Form 1116 (TY17 through TY19, line 21).

(6) Field 1922, Excess Limitation Account Section 960C, is transcribed from line 22, Form 1116 (TY20 through present).

(7) Field 1923, Total Limitation, is transcribed from line 23, Form 1116 (TY20 through present).

(8) Field 1924, Gross Foreign Tax Credit, is transcribed from line 24, Form 1116 (TY17 through TY19, line 22).

3.12.2.18.3.3
(01-01-2024)
Fields 1934 and 1935 (Part IV)

(1) These fields are transcribed from Part IV, Summary of Credits of Form 1116.

(2) Field 1934, International Boycott Operations Credit Reduction, is transcribed from line 34, Form 1116 (TY18 and TY19, line 32; TY17, line 29).

(3) Field 1935 Form 1116 Foreign Tax Credit, is transcribed from line 35, Form 1116 (TY18 and TY19, line 33; TY17, line 30).

3.12.2.19
(01-01-2025)
Section 20, Schedule J

(1) Schedule J, Income Averaging for Individuals with Income from Farming or Fishing, is used to reduce their tax by income averaging their farming or fishing income over the previous three years. Refer to EC 265.

(2) If the taxpayer owes alternative minimum tax (AMT) for the current tax period, Schedule J will not reduce the total tax.

3.12.2.19.1
(01-01-2023)
Error Record Format, Section 20

(1) Section 20 consists of the following fields:

Schedule J	Field Name	Field Location
2002A	Elected Farm Income	Line 2a
2002B	Excess Net Long-Term Gain	Line 2b
2008	3-Year Old Schedule J Tax	Line 8
2012	2-Year Old Schedule J Tax	Line 12
2016	1-Year Old Schedule J Tax	Line 16
2019	3-Year-Old Actual Schedule J Tax	Line 19
2020	2-Year-Old Actual Schedule J Tax	Line 20
2021	1-Year-Old Actual Schedule J Tax	Line 21

(2) All fields in this section must be positive except field 2002A which may be positive or negative.

3.12.2.19.2
(01-01-2020)
Invalid Conditions

(1) Section 20 fields will display as invalid if not all numeric.

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3.12.2.19.3 (01-01-2017) **Correction Procedures**	(1)	Refer to EC 265.

3.12.2.19.3.1 (01-01-2017) **Field 2002A through 2021**	(1)	These fields are transcribed from Schedule J.

3.12.2.20 (01-01-2025) **Section 21, Form 2441**	(1)	Form 2441, Child and Dependent Care Expenses, is used for the computation of a tax credit for expenses incurred and paid for employment related to child care, disabled dependent care or disabled spouse care. Refer to EC 279 and 280.
	(2)	TY96 and later - Taxpayers must provide the TIN for care providers (See IRM 3.12.2.20.3.4 for exceptions) and the TIN for the child or dependent being cared for (See EC 010 for exceptions).

3.12.2.20.1 (01-01-2025) **Error Record Format, Section 21**	(1)	Section 21 consists of the following fields:

Form 2441	Field Name	Field Location
21MFS	Qualifying Married Filing Separate Indicator, Form 2441	Checkbox A
21DI	Form 2441 Student or Disabled Indicator	Checkbox B
21CPN	Child Care Provider Name Control 1	Line 1a
21CPT	Child Care Provider TIN	Line 1c
21HEI	Child Care Provider Household Employee Code	Line 1d
21QI	Qualifying Individual Number	Transcribed based on the number of TINs on line 2
21CN1	Dependent 1 Child Care Name Control	Line 2a, row 1
21DS1	Dependent 1 Child Care SSN	Line 2b, row 1
211DI	Child Care Credit Dependent 1 Disabled Indicator	Line 2c, row 1
21CP1	Dependent 1 Child Care Payment Amount	Line 2d, row 1
21CN2	Dependent 2 Child Care Name Control	Line 2a, row 2
21DS2	Dependent 2 Child Care SSN	Line 2b, row 2

Form 2441	Field Name	Field Location
212DI	Child Care Credit Dependent 2 Disabled Indicator	Line 2c, row 2
21CP2	Dependent 2 Child Care Payment Amount	Line 2d, row 2
2103	Qualifying Expenses Incurred Amount	Line 3
2104	Primary Earned Income	Line 4
2105	Secondary Earned Income	Line 5
21PYE	Prior-Year Expenses	Line 9b
2112	Dependent Care Employer Benefits Amount	Line 12
2116	Qualified Expenses Incurred Amount (Employer)	Line 16
2125	Dependent Care Exclusion	Line 25
2126	Dependent Care Taxable Benefits	Line 26
21CCV	Child Care Credit Verified	ERS input only
21CSR	Child Care SSN Requirement	ERS input only

(2)   All money fields in this section are positive only.

3.12.2.20.2
(01-01-2020)
Invalid Conditions

(1)   Section 21 money amount fields will display as invalid if not all numeric.

(2)   Additional invalid conditions are given for Field 21QI.

3.12.2.20.3
(01-01-2017)
Correction Procedures

(1)   Correction procedures for Section 21 fields follow.

3.12.2.20.3.1
(01-04-2021)
Field 21MFS, Qualifying Married Filing Separate Indicator

(1)   Field 21MFS is transcribed from check box A Form 2441.

(2)   This field is a one-digit numeric field.

(3)   Code 1 if the box is checked. Code 0 if the box is not checked.

3.12.2.20.3.2
(01-01-2024)
Field 21DI, Student or Disabled Indicator

(1)   Field 21DI is valid for TY22 and later only. It is transcribed from check box B Form 2441.

(2)   This field is a one-digit numeric field.

(3)   Code 1 if the box is checked. Code 0 if the box is not checked.

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<table>
<tr><td>

3.12.2.20.3.3
(01-01-2017)
Field 21CPN, Child Care Provider Name Control

</td><td>

(1)   This field is transcribed from line 1(a), Form 2441. It consists of the first four letters of the provider's name.

</td></tr>
<tr><td>

3.12.2.20.3.4
(01-01-2025)
Field 21CPT, Child Care Provider TIN

</td><td>

(1)   This field is transcribed from line 1(c), Form 2441.

(2)   A Care Provider TIN is **not** required when any of the following apply:

</td></tr>
</table>

a.   The provider is a tax-exempt organization.
b.   The provider is a foreign citizen (**LAFCP**, Living Abroad Foreign Care Provider).
c.   Due diligence applies (see the following (3)).

Note: If Field 21CPT is blank because there is a notation that the provider is a tax-exempt organization, a foreign citizen (LAFCP), or due diligence applies, GTSEC 01, enter **D** in Field 01SPC and transmit.

(3)   The provider's TIN is not required when the taxpayer has exercised "due diligence" to comply with the requirement for a TIN. **Due diligence applies** only to notations that indicate **either** of the following:

a.   The provider has moved and the taxpayer is unable to find the provider to get the TIN.
b.   The provider has refused to give the TIN to the taxpayer.

(4)   The following notations are **not acceptable** due diligence statements:

- "Unable" to get the TIN
- TIN is "not available"
- "Unknown"
- "Pending"
- "Applied for"

(5)   Use the following table to correct Field 21CPT:

If...	Then...
A] A care provider TIN is not present because the provider is tax-exempt, a foreign citizen (LAFCP), or due diligence applies,	GTSEC 01, enter **D** in Field 01SPC and transmit. Blank Field 21CPT.
B] More than one provider is listed; however, only one provider's TIN is listed,	Allow the Child and Dependent Care Credit.
C] Field 21CPT has periods (....) because provider's TIN has more or fewer than 9 digits, or Field 21CPT is blank and conditions in A] do not apply,	1. GTSEC 21. 2. Delete the entry in Field 21CPT, if present. 3. Delete the entry in Field 2103. 4. Assign **TPNC 234** when EC 280 displays.

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3.12.2.20.3.5 (01-01-2023) **Field 21HEI, Child Care Provider Household Employee Code**	(1) This field is transcribed from line 1d, Form 2441. (2) This field will display as invalid if other than numeric. (3) Correct Field 21HEI as follows:

If...	Then...
A] Neither box is checked,	Code 0.
B] The "Yes" box is checked,	Code 1.
C] The "No" box is checked,	Code 2.
D] Both "Yes and No" boxes are checked,	Code 3.

3.12.2.20.3.6 (01-01-2023) **Field 21QI, Qualifying Individual Number**	(1) This field is transcribed based on the number of SSNs present on line 2, Form 2441. (2) This field will display as invalid if other than blank or numeric. (3) Determine the correct code, based on the number of qualifying Child Care Dependents SSNs present, as follows:

If the number of Qualifying Child Dependent SSNs are...	Then...
A] 1 through 9,	Code the appropriate number (e.g., Code 3 if 3 SSNs are present).
B] 9 or more,	Code 9.
C] None,	Blank Field 21QI.

3.12.2.20.3.7 (01-01-2024) **Field 21CN1 and 21CN2, Dependent Child Care Name Control 1 and 2**	(1) This field is transcribed from line 2(a), Form 2441. It consists of the first four letters of the child's last name. (2) Use the following priority to correct Field(s) 21CN1/21CN2 when the Child Care dependent's last name is not present and has not been edited by Code and Edit:

- TY18 and later, from dependents section on page 1, Form 1040 (TY17 and prior, from line 6c of Form 1040)
- Schedule EIC
- Attachments
- The primary taxpayer's name control

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3.12.2.20.3.7

3.12.2.20.3.8
(01-01-2020)
**Field 21DS1 and 21DS2,
Dependent Child Care
SSN 1 and 2**

(1)   This field is transcribed from line 2(b), Form 2441.

(2)   Use the following priority to correct Field 21DS1/21DS2 when the Child Care Credit Dependent's SSN is missing, incomplete or illegible and has not been edited by Code and Edit:

- TY18 and later, from dependents section on page 1, Form 1040 (TY17 and prior, from line 6c of Form 1040)
- Schedule EIC
- Attachments

3.12.2.20.3.9
(01-01-2024)
**Field 211DI and 212DI,
Child Care Credit
Dependent 1 and 2
Disabled Indicator**

(1)   Field 211DI and 212DI are valid for TY22 and later only. This field is transcribed from line 2(c), Form 2441.

(2)   This field is a one-digit numeric field.

(3)   Code 1 if the box is checked. Code 0 if the box is not checked.

3.12.2.20.3.10
(01-03-2023)
**Field 21CP1 and 21CP2,
Dependent Child Care
Payment Amount 1 and
2**

(1)   This field is transcribed from line 2(d), Form 2441 (TY21 and prior, located on line 2(c)). This column represents the amount paid for each Child Care Credit Dependent.

3.12.2.20.3.11
(01-01-2024)
**Field 2103, Qualifying
Expenses Incurred
Amount**

(1)   This field is transcribed from line 3, Form 2441.

(2)   Correct Field 2103 as follows:

If...	Then...
A] Line 3 is blank,	1. Compute by adding line 2, column (c) amount(s). 2. Enter in Field 2103.
B] Line 3 has an amount greater than sum of line 2(c) columns,	1. Compute by adding line 2, column (c) amount(s). 2. Enter in Field 2103, if different.
C] The **expenses claimed cannot** be determined,	SSPND 211 to correspond (see note).

Note: If the taxpayer is claiming a credit on Schedule 3, line 2 (TY18, Schedule 3, line 49; TY17, Form 1040, line 49), and they completed the employer-provided dependent care benefits portion of the schedule, they are entitled to the credit if expenses from line 16 are greater than employer-provided benefits from line 15. In this case, the taxpayer completed Part III to compute their allowable expenses and then entered the amount on line 1e, Form 1040 (TY21-TY18, line 1, Form 1040; TY17, line 7, Form 1040, with a notation of "DCB" on dotted portion of line), and then completed the rest of the form. If applicable, use the "DCB" part of the form to back into the expenses and excluded benefits amounts before corresponding.

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3.12.2.20.3.12 (01-01-2023) **Fields 2104 and 2105, Primary and Secondary Earned Income**	(1) These fields are transcribed from lines 4 and 5.
	(2) Determine and input the Earned Income amounts when lines 4 and/or 5 are blank, zero or dash from the following:

- Form(s) W-2
- Line 3 from Schedule SE (minus line 27 adjustment amount)
- Lines 18 (primary) and 19 (secondary), Form 2441
- Amount in Field 04OTI identified as earned income
- Schedule C
- Schedule E (Part II)
- Schedule F

Note: Do not enter the amount from line 4 in Field 2105, when FSC is 1, 3, 4, 5, 6 or 7, unless the taxpayer has an amount on line 5 of Form 2441.

(3) If Form 2441, lines 4 and/or 5, are blank and there is an indication that the spouse is a **student**, disabled, or looking for work and had no earned income, and the number of months is not indicated, SSPND 211.

Exception: Do not correspond if there is no tax liability.

3.12.2.20.3.13 (01-01-2017) **Field 21PYE, Prior-Year Expense**	(1) This field transcribed from line 9b, Form 2441 (TY20 and prior, located to the left of line 9, Form 2441, notated as "CPYE or PYE").
3.12.2.20.3.14 (01-01-2017) **Field 2112, Dependent Care Employer Benefit Amount**	(1) This field is transcribed from line 12, Form 2441. (2) Determine and input the amount for Field 2112 from Form W-2, when there is an amount on line 13 and no entry on line 12, but the taxpayer attempted to complete this portion of the form.
3.12.2.20.3.15 (01-01-2017) **Field 2116, Qualified Expenses Incurred Amount (Employer)**	(1) This field is transcribed from line 16, Form 2441.
3.12.2.20.3.16 (01-01-2017) **Field 2125, Dependent Care Exclusion**	(1) This field is transcribed from line 25, Form 2441.
3.12.2.20.3.17 (01-01-2023) **Field 2126, Dependent Care Taxable Benefits**	(1) This field is transcribed from line 26, Form 2441 (2) Refer to EC 201.

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3.12.2.20.3.18
(01-01-2017)
Field 21CCV, Child Care Credit Verified

(1) This field is for **ERS input only**. It is to be used when the computer cannot correctly compute Child and Dependent Care Credit.

3.12.2.20.3.19
(01-01-2017)
Field 21CSR, Child Care SSN Requirement

(1) This is a one position field and is **ERS input only**.

(2) Child Care SSN Requirement Field will be invalid if other than 0 (zero), 1, 2, or 3.

(3) Take the following steps when it's indicated that the child was born in the tax period of the tax return and died in the same or consecutive tax period. A copy of the birth certificate, death certificate, or hospital record must support the assertion.

     a.   Enter **I** in Field 01RPC.
     b.   Enter **1**, if SSN is not required for Field 21DS1.
     c.   Enter **2**, if SSN is not required for Field 21DS2.
     d.   Enter **3**, if both SSNs are not required.

(4) Enter 1, 2, or 3 in the Child Care SSN Requirement field if the TINs are missing because **Amish**, **Mennonite**, or **Form 4029** is noted.

3.12.2.21
(01-01-2024)
Section 22, Form 3800

(1) Form 3800, General Business Credit, is used to compute the total General Business Credit when the taxpayer has any Business Credit to be claimed. PY24 and later, Form 3800 is divided into two sections, Section 22 and Section 23. Refer to EC 303.

(2) Taxpayers are instructed to attach Form 3800 if there is an amount on Schedule 3, line 6a (The taxpayer will mark box "a" on Schedule 3, line 6; TY18, Schedule 3, line 54; TY17, Form 1040, line 54).

3.12.2.21.1
(01-01-2025)
Error Record Format, Section 22

(1) Section 22 consists of the following fields:

Form 3800	Field Name	Field Location
2201	Non Passive Activity Credit	Part I, line 1
2202	Passive Activity Credit Included	Part I, line 2
2203	Part 1 Passive Activity Credit Allowed Amount	Part I, line 3
2204	Form 3800 Carryforward Credit	Part I, line 4
2205	Form 3800 Carryback Credit Amount	Part I, line 5
2224	Part 2 Passive Activity Credit Allowed Amount	Part II, line 24
2225	Empowerment Zone Credit Included	Part II, line 25
2226	Empowerment Zone Credit Allowed	Part II, line 26
2236	Net Allowable General Business Credit	Part II, line 36

Form 3800	Field Name	Field Location
22IND	Consolidated Part III Indicator	Part III, line I
221AG	Statutory Investment Credit	Part III, line 1a, column g (TY23, column j)
221BB	Form 7207 Elective Payment or Transfer Registration Number	Part III, line 1b, column b
221BF	Form 7207 Credit Transfer Election Amount	Part III, line 1b, column f (TY23, column g)
221BG	Form 7207 Credit Amount	Part III, line 1b, column g (TY23, column j)
221BH	Form 7207 Gross Elective Payment Election Amount	Part III, line 1b, column h
221BJ	Form 7207 Net Elective Payment Election Amount	Part III, line 1b, column j (TY23, column i)
221CG	Increasing Research Activities Credit	Part III, line 1c, column g (TY23, column j)
221DB	Form 3468 Part III Elective Payment or Transfer Registration Number	Part III, line 1d, column b
221DF	Form 3468 Part III Credit Transfer Election Amount	Part III, line 1d, column f (TY23, column g)
221DG	Form 3468 Part III Credit	Part III, line 1d, column g (TY23, column j)
221EG	Disabled Access Credit	Part III, line 1e, column g (TY23, column j)
221FB	Form 8835 Elective Payment or Transfer Registration Number	Part III, line 1f, column b
221FF	Form 8835 Credit Transfer Election Amount	Part III, line 1f, column f (TY23, column g)
221FG	Form 8835 Credit	Part III, line 1f, column g (TY23, column j)

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Form 3800	Field Name	Field Location
221GB	Form 7210 Elective Payment or Transfer Registration Number	Part III, line 1g, column b
221GF	Form 7210 Credit Transfer Election Amount	Part III, line 1g, column f (TY23, column g)
221GG	Form 7210 Credit Amount	Part III, line 1g, column g (TY23, column j)
221GH	Form 7210 Gross Elective Payment Election Amount	Part III, line 1g, column h
221GJ	Form 7210 Net Elective Payment Election Amount	Part III, line 1g, column j (TY23, column i)
221HG	Orphan Drug Credit	Part III, line 1h, column g (TY23, column j)
221IG	New Markets Credit	Part III, line 1i, column g (TY23, column j)
221JG	Small Employer Pension Plan Startup Costs and Auto-enrollment Credit	Part III, line 1j, column g (TY23, column j)
221KG	Employer-Provided Child Care Facilities Credit	Part III, line 1k, column g (TY23, column j)
221LG	Biodiesel Fuels Credit	Part III, line 1l, column g (TY23 column j)
221MG	Low Sulfur Diesel Fuel Credit	Part III, line 1m, column g (TY23, column j)
221NG	Distilled Spirits Credit	Part III, line 1n, column g (TY23, column j)
221OB	Form 3468 Part IV Elective Payment or Transfer Registration Number	Part III, line 1o, column b
221OG	Form 3468 Part IV Credit	Part III, line 1o, column g (TY23, column j)
221OH	Form 3468 Part IV Gross Elective Payment Election Amount	Part III, line 1o, column h

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Form 3800	Field Name	Field Location
221OJ	Form 3468 Part IV Net Elective Payment Election Amount	Part III, line 1o, column j (TY23, column i)
221PG	Energy Efficient Home Credit	Part III, line 1p, column g (TY23, column j)
221QB	Form 7218 Elective Payment or Transfer Registration Number	Part III, line 1q, column b
221QF	Form 7218 Credit Transfer Election Amount	Part III, line 1q, column f
221QG	Form 7218 Credit	Part III, line 1q, column g
221RG	Alternative Motor Vehicle Credit	TY23, Part III, line 1r, column j
221SB	Form 8911 Elective Payment or Transfer Registration Number	Part III, line 1s, column b
221SF	Form 8911 Credit Transfer Election Amount	Part III, line 1s, column f (TY23, column g)
221SG	Form 8911 Credit	Part III, line 1s, column g (TY23, column j)
221TG	Enhanced Oil Recovery Credit	Part III, line 1t, column g (TY23, column j)

(2) Section 22 fields are 11 characters in length. They must be a positive numeric amount and dollars only.

Exception: Field 22IND is 1 character in length. Fields 221BB, 221DB, 221FB, 221GB, 221OB, 221QB, and 221SB are 12 characters in length.

3.12.2.21.2
(01-01-2017)
Invalid Conditions

(1) Fields in Section 22 will display as invalid if not all numeric.

3.12.2.21.3
(01-01-2018)
Correction Procedures

(1) Follow correction procedures found for each field in Section 22.

Note: Make sure all credits have been added and the correct limitation has been applied. If Total Income Tax Liability is over $25,000, the General Business Credit is limited to $25,000 plus 25 percent of the excess over $25,000.

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3.12.2.21.3

3.12.2.21.3.1
(01-01-2018)
**Field 2201, Non-Passive
Activity Credit Amount**

(1) This field is transcribed from line 1, Part I of Form 3800, for TY11 and later.

(2) Correction procedures:

    a.   If an amount is present on line 1, Part I, enter this amount in Field 2201.

    b.   If an amount is not present on line 1, enter the amount present on line 2 (column (c) total of lines 1a through 1zz) of Part III in Field 2201, when box A is checked.

        Note: If multiple Parts III are present, enter the combined total of all line 2 column (c) amounts from all Parts III with box A marked that are present after first Part III (consolidation for all Part III amounts).

3.12.2.21.3.2
(01-01-2018)
**Field 2202, Passive
Activity Credit Included
Amount**

(1) This field is transcribed from line 2, Part I of Form 3800, for TY11 and later.

(2) Correction procedures:

    a.   If an amount is present on line 2, Part I, enter this amount in Field 2202.

    b.   If an amount is not present on line 2, enter the amount present on line 2 column (c) (total of lines 1a through 1zz) of Part III in Field 2202, when box B is checked.

        Note: If multiple Parts III are present, enter the combined total of all line 2 column (c) amounts from all Parts III with box B marked that are present after the first Part III (consolidation for all Part III amounts).

3.12.2.21.3.3
(01-01-2018)
**Field 2203, Part 1
Passive Activity Credit
Allowed Amount**

(1) This field is transcribed from line 3, Part I of Form 3800, for TY11 and later.

(2) Correction procedures:

    a.   If an amount is present on line 3, enter this amount in Field 2203.

    b.   If an amount is not present on line 3, enter the amount present on line 5 column (c) of Part III in Field 2203.

        Note: If multiple Parts III are present, enter the combined total of all line 5 amounts from all Parts III present after the first Part III (consolidation for all Part III amounts).

3.12.2.21.3.4
(01-01-2018)
**Field 2204, Form 3800
Carryforward Credit
Amount**

(1) This field is transcribed from line 4, Part 1 of Form 3800, for TY11 and later.

(2) Correction procedures:

    a.   If an amount is present on line 4, enter this amount in Field 2204.

    b.   If an amount is not present on line 4, enter the amount present on line 2 column (c) of Part III in Field 2204, when box C is checked.

        Note: If multiple Parts III are present, enter the combined total of all line 2 column (c) amounts from all Parts III with box C marked that are present after the first Part III (consolidation for all Part III amounts).

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3.12.2.21.3.5
(01-01-2018)
Field 2205, Form 3800 Carryback Credit Amount
	(1) This field is transcribed from line 5, Part I of Form 3800, for TY11 and later.
	
	(2) Correction procedures:
	
	    a. If an amount is present on line 5, enter this amount in Field 2205.
	    b. If an amount is not present on line 5, enter the amount present on line 2 column (c) of Part III in Field 2205, when box D is checked.
	
	       Note: If multiple Parts III are present, enter the combined total of all line 2 column (c) amounts from all Parts III with box D marked that are present after the first Part III (consolidation for all Part III amounts).

3.12.2.21.3.6 (01-01-2018) **Field 2224, Part 2 Passive Activity Credit Allowed Amount**	(1) This field is transcribed from line 24, Part II of Form 3800, for TY11 and later. (2) If an amount is present on line 24, enter this amount in Field 2224.
3.12.2.21.3.7 (01-01-2018) **Field 2225, Empowerment Zone Employment Credit Included**	(1) This field is transcribed from line 25, Part II of Form 3800, for TY11 and later. (2) If an amount is present on line 25, enter this amount in Field 2225.
3.12.2.21.3.8 (01-01-2018) **Field 2226, Empowerment Zone Employment Credit Allowed**	(1) This field is transcribed from line 26, Part II of Form 3800, for TY11 and later. (2) If an amount is present on line 26, enter this amount in Field 2226.

3.12.2.21.3.9
(01-01-2018)
Field 2236, Net Allowable General Business Credit Amount
	(1) This field is transcribed from line 36, Part II of Form 3800, for TY11 and later.
	
	(2) Correction procedures:
	
	    a. If an amount is present on line 36, enter this amount in Field 2236.
	    b. If an amount is not present on line 36, enter the combined amount from lines 30, 33, 34, and 35 of Form 3800 in Field 2236.

3.12.2.21.3.10 (01-01-2024) **Field 22IND, Consolidated Part 3 Indicator**	(1) This field is transcribed when the box is checked on line I, Part III of Form 3800, for TY22 and prior. (2) If the box is checked on line I, Part III of Form 3800, enter **1** in Field 22IND.
3.12.2.21.3.11 (01-01-2025) **Fields 221AG through 221TG**	(1) These fields are transcribed from lines 1a through 1t, Part III of Form 3800.

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3.12.2.21.3.11

3.12.2.22
(01-01-2025)
Section 23, Form 3800
Part III

(1) Form 3800, General Business Credit, continues in Section 23. Refer to EC 303.

(2) Taxpayers are instructed to attach Form 3800 if there is an amount on Schedule 3, line 6a (The taxpayer will mark box "a" on Schedule 3, line 6; TY18, Schedule 3, line 54; TY17, Form 1040, line 54).

3.12.2.22.1
(01-01-2025)
Error Record Format,
Section 23

(1) Section 23 consists of the following fields:

Form 3800 Part III	Field Name	Field Location
231UB	Form 7213 Part II Elective Payment or Transfer Registration Number	Part III, line 1u, column b
231UF	Form 7213 Part II Credit Transfer Election Amount	Part III, line 1u, column f (TY23, column g)
231UG	Form 7213 Part II Credit	Part III, line 1u, column g (TY23, column j)
231VB	Form 3468 Part V Elective Payment or Transfer Registration Number	Part III, line 1v, column b
231VF	Form 3468 Part V Credit Transfer Election Amount	Part III, line 1v, column f
231VG	Form 3468 Part V Credit	Part III, line 1v, column g
231WG	Employer Differential Wage Payments Credit Amount	Part III, line 1w, column g (TY23, column j)
231XB	Form 8933 Elective Payment or Transfer Registration Number	Part III, line 1x, column b
231XF	Form 8933 Credit Transfer Election Amount	Part III, line 1x, column f (TY23, column g)
231XG	Form 8933 Credit	Part III, line 1x, column g (TY23, column j)
231XH	Form 8933 Gross Elective Payment Election	Part III, line 1x, column h
231XJ	Form 8933 Net Elective Payment Election Amount	Part III, line 1x, column j (TY23, column i)
231YG	Form 8936 Part II Credit	Part III, line 1y, column g (TY23, column j)

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Form 3800 Part III	Field Name	Field Location
231AA	Form 8936 Part V Credit	Part III, line 1aa, column g (TY23, column j)
231BB	Form 8904 Credit	Part III, line 1bb, column g (TY23, column j)
231CC	Form 7213 Part I Credit	Part III, line 1cc, column g (TY23, column j)
231DD	Form 8881 Part II Credit	Part III, line 1dd, column g (TY23, column j)
231EE	Form 8881 Part III Credit	Part III, line 1ee, column g (TY23, column j)
231FF	Form 8864 Credit	Part III, line 1ff, column g (TY23, column j)
23GGB	Form 7211 Elective Payment or Transfer Registration Number	Part III, line 1gg, column b
23GGF	Form 7211 Credit Transfer Election Amount	Part III, line 1gg, column f
23GGG	Form 7211 Credit	Part III, line 1gg, column g
231ZZ	Other Credits Amount	Part III, line 1zz, column g (TY23, column j)
23CHS	Certified Historic Structures Credit	Coded in lower right margin, page 3
23DPI	Form 3800 Part V Column B Data Present Indicator	Coded in the center bottom margin, page 3
2303G	Form 8844 Credit	Part III, line 3, column g (TY23, column j)
234AB	Form 3468 Part VI Elective Payment or Transfer Registration Number	Part III, line 4a, column b

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Form 3800 Part III	Field Name	Field Location
234AF	Form 3468 Part VI Credit Transfer Election Amount	Part III, line 4a, column f (TY23, column g)
234AG	Form 3468 Part VI Credit	Part III, line 4a, column g (TY23, column j)
234EB	Form 8835 Section 6417 Elective Payment or Transfer Registration Number	Part III, line 4e, column b
234EF	Form 8835 Section 6417 Credit Transfer Election Amount	Part III, line 4e, column f (TY23, column g)
234EG	Form 8835 Section 6417 Credit	Part III, line 4e, column g (TY23, column j)
234HG	Small Employer Health Insurance Premiums Credit	Part III, line 4h, column g (TY23, column j)
234JG	Employer Credit for Paid Family and Medical Leave Amount	Part III, line 4j, column g (TY23, column j)
234KG	Form 3468 Part VII Credit	Part III, line 4k, column g (TY23, column j)
23TOT	Total Additional Business Credit Amount	Part III, line 5, column j
23EPC	Elective Payment Election Resolution Code	ERS input only
23BCV	General Business Credits Verified	ERS input only

(2)   Fields in Section 23 must be positive entries, and are 11 characters in length.

Exception: Fields 23DPI and 23EPC are 1 character in length. Fields 231UB, 231VB, 231XB, 23GGB, 234AB, and 234EB are 12 characters in length.

3.12.2.22.2
(01-01-2020)
Invalid Conditions

(1)   Section 23 fields will display as invalid if other than numeric.

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| 3.12.2.22.3
(01-01-2024)
Correction Procedures | (1) | Correct coding and transcription errors and misplaced entries in displayed fields. |
| | (2) | Follow correction procedures found for each field in Section 23. |

| 3.12.2.22.3.1
(01-01-2024)
Fields 231UB Through 231ZZ | (1) | These fields are transcribed from lines 1u through 1zz of Form 3800, Part III. |

| 3.12.2.22.3.2
(01-02-2024)
Field 23CHS, Certified Historic Structures Credit | (1) | This field is edited in the lower right margin of page 3, Form 3800. |
| | (2) | If not edited, enter the amount from line 11f of Form 3468, in Field 23CHS |

\#

3.12.2.22.3.3 (01-01-2024) **Field 23DPI, Form 3800 Part V Column B Data Present Indicator**	(1)	This field is edited in the center bottom margin of page 3, Form 3800.
	(2)	Field 23DPI is 1 character in length, and is used to determine if data is present in Part V, column b of Form 3800.
	(3)	Compare Part V, column b fields on the screen to the entry and correct screen display.

   a.   0 if data is not present
   b.   1 if data is present

| 3.12.2.22.3.4
(01-01-2024)
Fields 2303J Through 234KJ | (1) | These fields are transcribed from lines 3 through 4k of Form 3800, Part III. |

| 3.12.2.22.3.5
(01-01-2024)
Field 23TOT, Total Additional Business Credit Amount | (1) | This field is transcribed from line 5, Part III of Form 3800. |
| | (2) | If an amount is or is not present on line 5, Part III of Form 3800, enter the total of lines 4a through 4z in Field 23TOT. |

| 3.12.2.22.3.6
(01-01-2024)
Field 23BCV, General Business Credits Verified | (1) | Field 23BCV is **ERS input only** and is used when the computer cannot compute General Business Credits correctly. Refer to EC 303. |

| 3.12.2.23
(01-01-2017)
Sections 24 and 25, Form 4137 | (1) | Form 4137, Social Security and Medicare Tax on Unreported Tip Income, is used to figure the Social Security and Medicare Tax owed on tips that they did not report to their employer, including any allocated tips shown on the Form W-2. Refer to EC 314. |
| | (2) | Two Forms 4137 may be filed with a return. |

   a.   Section 24 data is for the primary taxpayer.

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b. Section 25 data is for the secondary taxpayer.

Note: **For the remainder of this text, Form 4137 will be referred to as Section 24; however, all correction procedures will apply equally to Sections 24 and 25.**

3.12.2.23.1
(01-01-2023)
Error Record Format-Section 24 and 25

(1) Section 24 consists of the following fields:

Form 4137	Field Name	Field Location
24SSN	Form 4137 SSN-Primary	Header of Form 4137
24ANM	Employer A Name	Line A, column 1a
24AEN	Employer A EIN	Line A, column 1b
24ARC	Employer A Tips Received	Line A, column 1c
24ARP	Employer A Tips Reported	Line A, column 1d
24BNM	Employer B Name	Line B, column 1a
24BEN	Employer B EIN	Line B, column 1b
24BRC	Employer B Tips Received	Line B, column 1c
24BRP	Employer B Tips Reported	Line B, column 1d
24CNM	Employer C Name	Line C, column 1a
24CEN	Employer C EIN	Line C, column 1b
24CRC	Employer C Tips Received	Line C, column 1c
24CRP	Employer C Tips Reported	Line C, column 1d
24DNM	Employer D Name	Line D, column 1a
24DEN	Employer D EIN	Line D, column 1b
24DRC	Employer D Tips Received	Line D, column 1c
24DRP	Employer D Tips Reported	Line D, column 1d
24ENM	Employer E Name	Line E, column 1a
24EEN	Employer E EIN	Line E, column 1b
24ERC	Employer E Tips Received	Line E, column 1c
24ERP	Employer E Tips Reported	Line E, column 1d
2402	Total Cash and Tips Received	Line 2
2403	Total Cash and Tips Reported	Line 3
2405	Incidental Cash and Tips	Line 5
2406	Unreported Tips Subject to Medicare Tax	Line 6
2408	SS Wages and Tips	Line 8

Form 4137	Field Name	Field Location
24GOV	Government Employee Tips	ERS input only
2413V	Form 4137 Tax Verified	ERS input only

(2)   All money amount fields must be positive.

3.12.2.23.2
(01-01-2017)
Invalid Conditions

(1)   Section 24 fields will display as invalid if not all numeric, except for Employer Name A-E in Fields 24ANM-24ENM/25ANM-25ENM. Employer Name is invalid if other than alphanumeric characters.

(2)   Additional invalid conditions are given for Field 24SSN.

3.12.2.23.3
(04-25-2022)
Correction Procedures

(1)   Compute and enter accordingly when a transcribed line is blank and there are entries leading to an amount.

(2)   Check for an indication that the taxpayer has not already paid the tax when there is zero social security and Medicare tax on tips, or there is no Form 4137 attached, and **either** of the following exist:

   a.   Has no unreported tips.
   b.   Allocated tips on Form W-2.

(3)   For TY07 and later, taxpayers are required to file Form 8919 to figure the social security and Medicare tax on wages instead of crossing out the word "Tips" on Form 4137. If the taxpayer attempts to report wages on Form 4137, SSPND 211 for Form 8919.

(4)   For TY06 and before, take the following actions when the taxpayer writes in the word "Wages" in lieu of the word "Tips" on the Form 4137, or indicates an occupation other than waiter or waitress indicating that the income was not derived from tips:

   a.   Complete and detach the Schedule U. Make sure to change the word "Tips" to "Wages" (SSA is looking for this notation so it can correctly adjust these taxpayers' accounts).
   b.   Send the Schedule U to SSA, via the Receipt and Control Media Transport Unit, or follow local campus procedures for routing to SSA.

   Note: Ensure Section 24/25 data is input.

3.12.2.23.3.1
(01-01-2020)
Field 24SSN, Form 4137 SSN

(1)   On a joint return, the following applies:

   a.   The SSN in Field 24SSN must be the primary taxpayer's.
   b.   The SSN in Field 25SSN must be the secondary taxpayer's.

(2)   If Section 24 or 25 is present, Field 24SSN or 25SSN may not be blank in whole or in part. A valid SSN is required in Field 01SS if Section 25 is present.

(3)   This field will display as invalid if it contains fewer than nine digits or any non-numeric character.

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(4)   For TY09 and later, the information on lines 1A to 1E will be transcribed. The information on these lines identifies the employers and describes the tips the employee received.

3.12.2.23.3.2
(01-01-2017)
Fields 24ANM to 24ENM

(1)   The name of the employer is transcribed from column (a) of line 1A to 1E. Up to 18 characters may be transcribed.

3.12.2.23.3.3
(01-01-2017)
Fields 24AEN to 24EEN

(1)   The EIN of the employer is transcribed from column (b) of line 1A to 1E and is nine spaces long.

(2)   Non-numerical characters and an entry shorter than nine digits are invalid.

(3)   If the taxpayer's entry is not entirely numerical or not nine digits long, delete it.

3.12.2.23.3.4
(01-01-2017)
Fields 24ARC to 24ERC

(1)   The total cash and charge tips the employee received is transcribed from column (c) of line 1A to 1E.

3.12.2.23.3.5
(01-01-2017)
Fields 24ARP to 24ERP

(1)   The total cash and charge tips the employee reported to the employer is transcribed from column (d) of line 1A to 1E.

3.12.2.23.3.6
(01-01-2017)
Field 2402, Total Cash and Tips Received

(1)   This field is transcribed from line 2 and is the total amount of cash and credit card charged tips received by the taxpayer.

#

3.12.2.23.3.7
(01-01-2023)
Field 2403, Total Cash and Tips Reported

(1)   This field is transcribed from line 3 and is the total amount of cash and credit card charged tips that the taxpayer reported to their employer.

#

3.12.2.23.3.8
(01-01-2023)
Field 2405, Incidental Cash and Tips

(1)   This field is transcribed from line 5 and is the amount of cash and credit card charged tips that the taxpayer did not report to their employer because the total was less than $20 in a calendar month.

#

3.12.2.23.3.9
(01-01-2017)
Field 2406, Unreported Tips Subject to Medicare Tax

(1)   The Unreported Tips Subject to Medicare tax are transcribed from line 6.

3.12.2.23.3.10
(01-01-2017)
Field 2408, SS Wages and Tips

(1)   This field is transcribed from line 8 and is the total social security wages and social security tips shown on Form(s) W-2 for the taxpayer.

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3.12.2.23.3.11 (01-01-2017) **Field 24GOV, Government Employee Tips**	(1) Field 24GOV is an **ERS input only** field. It is entered from the dotted portion of line 10.
3.12.2.23.3.12 (01-01-2017) **Field 2413V, Form 4137 Tax Verified**	(1) Field 2413V is an **ERS input only** field. It is used when the computer cannot accurately compute the correct amount.
3.12.2.24 (01-01-2017) **Section 26, Form 4684**	(1) Form 4684, Casualties and Thefts, page 1, Section A, is for figuring casualty or theft gains and losses to property that is not used in a trade or business or for income-producing purposes. Page 2, Section B is for figuring casualty or thefts gains and losses to property that is used in a trade or business or for income-producing purposes. Refer to EC 242. (2) The taxpayer will use a separate column on Form 4684 for each property lost or damaged from one casualty or theft. (3) If more than one Form 4684 is present, the taxpayer is instructed to use only one Form 4684 for lines 13 through 18.

3.12.2.24.1
(01-01-2023)
**Error Record Format
Section 26**

(1) Section 26 consists of the following fields:

Form 4684	Field Name	Field Location
26DDN	Disaster Declaration Number	Above line 1
26ZIP	Most Impacted Property ZIP Code	Line 1, Property A
2613	Total Personal Use Property Gains	Line 13
2614	Total Personal Use Property Losses	Line 14
2616	Gross Casualties and Theft	Line 16

(2) All fields in this section must be positive.

3.12.2.24.2
(01-01-2020)
Invalid Conditions

(1) Fields in Section 26 will display as invalid if not all numeric, except Field 26DDN, which is alpha-numeric.

3.12.2.24.3
(04-25-2022)
Correction Procedures

(1) Correct coding and transcription errors and misplaced entries in displayed fields.

(2) Verify Form 4684 is attached when an amount is present on line 15, Schedule A (TY17, line 20, Schedule A).

#

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      b.   If Form 4684 is **not** attached, SSPND 211 to correspond for Form 4684.

3.12.2.24.3.1
(01-03-2022)
Field 26DDN, Disaster Declaration Number
	(1) The disaster declaration number above line 1, Form 4684, is transcribed in Field 26DDN.
	
	(2) Delete the entry in Field 26DDN as an invalid entry if the taxpayer has entered a FEMA number that:
	
	  a. does not contain two alpha characters and four numeric digits,
	  b. begins with letters other than **DR** or **EM**,
	  c. is made up of consecutive or repeating numbers (e.g., DR-1234, DR-6543, EM-5555),
	  d. is greater than 4800 for FEMA numbers beginning with DR, or
	  e. is greater than 3600 for FEMA numbers beginning with EM.

3.12.2.24.3.2 (01-01-2019) **Field 26ZIP, Most Impacted Property ZIP Code**	(1) The most impacted property ZIP code is transcribed in Field 26ZIP.
3.12.2.24.3.3 (01-01-2019) **Field 2613, Total Personal Use Property Gains**	(1) The total personal use property gains is transcribed in Field 2613.
3.12.2.24.3.4 (01-01-2019) **Field 2614, Total Personal Use Property Losses**	(1) The total personal use property losses is transcribed in Field 2614.
3.12.2.24.3.5 (01-01-2023) **Field 2616, Gross Casualties and Thefts**	(1) Field 2616 is transcribed from line 16, Form 4684. (2) If the transcribed field is blank and there are entries leading to an amount, compute and enter accordingly. *Exception:* Do not compute line 16 of Form 4684 when the disaster loss is attributable to a federally declared disaster that occurred in 2016 or to Hurricane Harvey, Tropical Storm Harvey, Hurricane Irma, Hurricane Maria or the 2017 California wildfires. Ensure **D** is present in Field 01FPC.
3.12.2.25 (01-01-2017) **Section 27, Form 4797**	(1) Form 4797, Sales of Business Property, is used to report gains and losses from sales or exchanges of assets used in a trade or business and involuntary conversions and/or ordinary gains and losses. Refer to ECs 204 and 218.

3.12.2.25.1
(01-01-2023)
Error Record Format Section 27

(1) Section 27 consists of the following fields:

Form 4797	Field Name	Field Location
2701A	Gross Sales or Exchanges Amount	Line 1a
2701B	Total Gain Due to Partial Disposition of MACRS Assets	Line 1b
2701C	Total Loss Due to Partial Disposition of MACRS Assets	Line 1c
2707	Section 1231 Gain/Loss	Line 7
2708	Non-recaptured Net Section 1231 Loss	Line 8
2709	Total Sales of Business Property	Line 9
27LD	Livestock Depreciation	Bottom center of page 1

(2) All fields in this section must be positive except Field 2707 which can be positive or negative.

3.12.2.25.2
(01-01-2017)
Invalid Conditions

(1) Section 27 fields will display as invalid if other than numeric.

3.12.2.25.3
(01-01-2017)
Correction Procedures

(1) Correct coding and transcription errors and misplaced entries on fields displayed.

3.12.2.25.3.1
(01-01-2017)
Field 2701A, Gross Sales or Exchanges Amount

(1) Field 2701A represents the Gross Sales or Exchanges Amount, line 1a.

3.12.2.25.3.2
(01-01-2022)
Field 2701B, Total Gain Due to Partial Disposition of MACRS Assets

(1) Field 2701B represents the Total Gain Due to Partial Disposition of MACRS Assets, line 1b.

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| 3.12.2.25.3.3 (01-01-2022) **Field 2701C, Total Loss Due to Partial Disposition of MACRS Assets** | (1) | Field 2701C represents the Total Loss Due to Partial Disposition of MACRS Assets, line 1c. |

| 3.12.2.25.3.4 (01-01-2017) **Field 2707, Section 1231 Gain/Loss** | (1) | Field 2707 represents the current year Section 1231 gain/losses, Part I, line 7. |

| 3.12.2.25.3.5 (01-01-2017) **Field 2708, Non-recaptured Net Section 1231 Loss** | (1) | Field 2708 represents the total non-recaptured losses from earlier years, Part I, line 8. |

| 3.12.2.25.3.6 (01-01-2017) **Field 2709, Total Sales of Business Property** | (1) | Field 2709 represents the total of all sales of business property, Part I, line 9. |

| 3.12.2.25.3.7 (01-01-2017) **Field 27LD, Livestock Depreciation** | (1) | Field 27LD represents the total of livestock depreciation, bottom of page 1, center. |

3.12.2.26
(11-27-2020)
Section 28, Form 4972

(1) Form 4972, Tax on Lump-Sum Distributions, is used to report "qualified lump-sum distributions". Taxpayers pay the associated tax on line 16, Form 1040 (TY19, Form 1040, line 12a; TY18, line 11a; TY17, line 44), instead of including the qualified distribution as income. Refer to EC 084 and 264.

(2) To "qualify" to report their lump-sum distribution on Form 4972, the taxpayer must satisfactorily answer the questions in Part I. If the questions are not answered satisfactorily, then the Examination function will review the return and decide if Unallowable Codes 16 through 20 apply. The questions from Part I will only be coded for TY96 and later. Refer to EC 084.

(3) The 20 percent Capital Gain Election, Part II, and the 10 year option methods, Part III, are special formulas used to figure a separate tax on a qualified lump-sum distribution for the year that the distribution was received. The tax is paid only once; it is not paid over the next 10 years.

3.12.2.26.1
(01-01-2023)
Error Record Format Section 28

(1) Section 28 consists of the following fields:

Form 4972	Field Name	Field Location
2801	Qualifying Plan Indicator	Line 1
2802	Rollover Indicator	Line 2
2803	Employee Benefit Indicator	Line 3

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Form 4972	Field Name	Field Location
2804	Five Year Member Indicator	Line 4
2805A	Prior-Year Distribution Indicator	Line 5a
2805B	Death Beneficiary Indicator	Line 5b
2806	Form 4972 Capital Gain	Line 6
2811	Current Actuarial Value Amount	Line 11
2812	Adjusted Taxable Amount	Line 12
2818	Federal Estate Tax Amount	Line 18
2830	Form 4972 Tax Taxpayer	Line 30
28TDV	Form 4972 Tax Verified	ERS input only

(2)   All fields in this section must be positive.

3.12.2.26.2
(01-01-2020)
Invalid Conditions

(1)   Section 28 fields will display as invalid if other than numeric.

(2)   Additional invalid conditions are given for Fields 2801 through 2805B.

3.12.2.26.3
(01-01-2017)
Correction Procedures

(1)   Correct coding and transcription errors and misplaced entries in displayed fields.

(2)   Additional correction procedures for Section 28 fields follow.

3.12.2.26.3.1
(01-01-2019)
Fields 2801 through 2830

(1)   Fields 2801 through 2805B are transcribed from Part I, lines 1 through 5b, and will display as invalid if other than 0 (zero), 1, or 2.

(2)   Field 2806 is transcribed from Part II of Form 4972. Fields 2811 through 2830 are transcribed from Part III.

(3)   Compare the screen display with the entries on the return. If transcribed incorrectly, overlay the screen display with the correct code(s) or amount(s).

(4)   Determine the correct coding for Fields 2801 through 2805B from the following table:

If taxpayer checked...	Then...
A] Yes box,	Enter code **1**.
B] No box,	Enter code **2**.
C] Both yes and no boxes,	Enter code **2**.

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If taxpayer checked...	Then...
D] Neither box	Blank the field, except Field 2805B. **Exception:** If line 5b (Field 2805B) is not answered, enter code **0** (zero).

3.12.2.26.3.2
(01-01-2017)
Field 28TDV, Form 4972, Tax Distributions Verified

(1)   Field 28TDV is an **ERS input only** field. Field 28TDV is used when the taxpayer has used a special computation and the computer cannot arrive at the correct amount for Form 4972, Tax on Lump-Sum Distribution Tax.

3.12.2.27
(01-01-2017)
Sections 29 and 30, Form 5329

(1)   Form 5329, Additional Taxes on Qualified Plans (including IRAs) and Other Tax-Favored Accounts, is used to report any additional income tax or excise tax owed in connection with **any** of the following:

- Qualified retirement plan (including IRAs)
- Modified endowment contract
- Annuity
- Coverdell Education Savings Account (formally Education IRA)
- Archer MSA
- Health Savings Accounts (HSAs)
- ABLE Accounts

(2)   Refer to EC 318.

(3)   Two Forms 5329 may be filed with a return. The first Form 5329 displays as Section 29 and the second Form 5329 as Section 30. One is for the primary and one for the secondary taxpayer.

Note: **For the remainder of this text, Form 5329 will be referred to as Section 29; however, all correction procedures will apply equally to Sections 29 and 30.**

3.12.2.27.1
(01-01-2023)
Error Record Format, Section 29 and 30

(1)   Section 29 consists of the following fields:

Form 5329	Field Name	Field Location
29ISI	IRA Spouse Indicator	Upper left portion of the form
2904	Additional Tax on Early Distributions	Line 4
2908	Additional Tax on Distributions from Education Accounts	Line 8
2917	Tax on Excess IRA Contributions	Line 17

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Form 5329	Field Name	Field Location
2925	Tax on Excess ROTH IRA Contributions	Line 25
2933	Tax on Excess Coverdell Education Savings Account Contributions	Line 33
2941	Tax on Excess Archer MSA Contributions	Line 41
2949	Tax on Excess Contributions to HSA	Line 49
2951	Tax on Excess ABLE Contribution Amount	Line 51
2955	Tax on Excess Accumulation Amount	Line 55
29ICC	IRA Condition Code	Lower right margin of page 2 of the form

(2) All fields must be positive.

3.12.2.27.2 (01-01-2020) **Invalid Conditions**	(1) Fields in Section 29 will display as invalid if not all numeric. (2) Additional invalid conditions are given for Fields 29ISI and 29ICC.
3.12.2.27.3 (01-01-2017) **Correction Procedures**	(1) Correct coding and transcription errors and misplaced entries in displayed fields.
3.12.2.27.3.1 (04-25-2022) **Field 29ISI, IRA Spouse Indicator**	(1) This code indicates to which taxpayer the Form 5329 belongs and is entered only on joint returns. This field is edited to the right of the literal "Form 5329" in the upper left portion on Form 5329. (2) This field will display as invalid if transcribed as other than 1 or 2. (3) Correct any editing or transcription error(s). If invalid, compare the name on Form 5329 to the names on Form 1040, and code as follows:

If the code is invalid and...	And Form 5329...	Then...
A] FSC is 2,	Is for the primary taxpayer,	Enter code 1.
B] FSC is 2	Is for the secondary taxpayer,	Enter code 2.

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If the code is invalid and...	And Form 5329...	Then...
C] FSC is 2	Taxpayer cannot be determined,	SSPND 211.
D] FSC is other than 2,		Delete code from field.

3.12.2.27.3.2
(01-01-2017)
Field 2904, Additional Tax on Early Distributions

(1)   This field is transcribed from line 4, Form 5329.

3.12.2.27.3.3
(01-01-2017)
Field 2908, Additional Tax on Certain Distributions From Education Accounts

(1)   This field is transcribed from line 8, Form 5329.

3.12.2.27.3.4
(01-01-2017)
Field 2917, Tax on Excess IRA Contributions

(1)   This field is transcribed from line 17, Form 5329.

3.12.2.27.3.5
(01-01-2017)
Field 2925, Tax on Excess Roth IRA Contributions

(1)   This field is transcribed from line 25, Form 5329.

3.12.2.27.3.6
(01-01-2023)
Field 2933, Tax on Excess Coverdell Education Savings Account Contributions

(1)   This field is transcribed from line 33, Form 5329.

3.12.2.27.3.7
(01-01-2017)
Field 2941, Tax on Excess MSA Contributions

(1)   This field is transcribed from line 41, Form 5329.

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3.12.2.27.3.8
(01-01-2017)
Field 2949, Tax on Excess Contributions to HSA

(1) This field is transcribed from line 49, Form 5329.

3.12.2.27.3.9
(01-01-2017)
Field 2951, Tax on Excess ABLE Contribution Amount

(1) This field is transcribed from line 51, Form 5329.

3.12.2.27.3.10
(01-01-2017)
Field 2955 Tax on Excess Accumulation Amount

(1) This field is transcribed from line 55, Form 5329.

(2) Enter IRA Condition Code 35 in Field 29ICC, when a request for waiver of tax is attached.

3.12.2.27.3.11
(01-01-2017)
Field 29ICC, IRA Condition Codes

(1) These codes are edited in the lower right margin of page 2 of Form 5329 and may contain up to 5 codes (10 characters).

(2) A field error will display when **any** of the following exist:

    a. Not all characters numeric.
    b. The first, third, fifth, seventh, and ninth characters are other than 3.
    c. The total number of characters is not an even number.

(3) Compare the field on the screen with the entry on the return, correcting any editing or transcription error(s). If invalid, code as follows:

If the return...	And...	Then...
A] Indicates a reasonable cause for failure to pay penalty,	CCC M is present in Field 01CCC.	Enter **30** in Field 29ICC. **Note:** If the return is a Combat Zone Return and CCC "M" is present, then delete the CCC "M". See IRM 3.12.2.3.10.
B] Indicates a reasonable cause for failure to file Form 5329,	CCC R is present in Field 01CCC.	Enter **33** in Field 29ICC.
C] Is a Dummy,	An amended Form 5329 is attached,	Enter **32** in Field 29ICC.
D] Needs Manual Assessment/ Abatement,		Enter **35** in Field 29ICC.

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3.12.2.27.3.11

If the return...	And...	Then...
E] Is an Early Filed Decedent,	Has a change of Accounting Period,	Enter **36** in Field 29ICC.
F] Is for a deceased taxpayer,	Taxpayer filed a Form 5329,	Enter **37** in Field 29ICC.
G] Has none of the preceding conditions,		Blank the field.

3.12.2.28
(01-01-2017)
Section 31, Form 6198

(1) Form 6198, At-Risk Limitations, is used to compute the amount of deductible loss, limited to the amount of loss or the amount at risk, whichever is less. Refer to EC 073.

3.12.2.28.1
(01-01-2023)
Error Record Format, Section 31

(1) Section 31 consists of the following fields:

Form 6198	Field Name	Field Location
3105	Overall Profit/Loss	Line 5
3120	Amount At Risk	Line 20
3121	Deductible Loss	Line 21

(2) Field 3105 may be positive or negative. All other fields must be positive.

3.12.2.28.2
(01-01-2020)
Invalid Conditions

(1) Fields in Section 31 will display as invalid if not all numeric.

3.12.2.28.3
(01-01-2017)
Correction Procedures

(1) Combine all related transcription lines when there are multiple Forms 6198.

(2) Additional correction procedures for Section 31 fields follow.

3.12.2.28.3.1
(04-25-2022)
Field 3105, Overall Profit/Loss

(1) Field 3105 is transcribed from line 5, Part I of Form 6198.

(2) Correct Field 3105 as follows:

If...	Then...
A] Line 5 shows a profit,	There is no at-risk issue.
B] Line 5 shows a loss,	Verify an entry is present in line 21.
C] Line 21 cannot be determined,	SSPND 211.

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3.12.2.28.3.2 (01-01-2017) **Field 3120, Amount at Risk**	(1)	Field 3120 is transcribed from line 20, Part IV of Form 6198.
	(2)	This field is invalid if a negative amount.
	(3)	Enter amount from line 10b or 19b, whichever is larger, when line 20 is blank.

3.12.2.28.3.3
(01-01-2017)
Field 3121, Deductible Loss

(1) Field 3121 is transcribed from line 21, Part IV of Form 6198.

(2) If the taxpayer's loss on Schedule C and/or F exceeds the deductible loss (line 21), EC 073 will generate.

3.12.2.29
(01-01-2023)
Section 32, Form 6251

(1) Form 6251, Alternative Minimum Tax-Individuals, is used to ensure that taxpayers do not avoid a significant tax liability. AMT sets a limit on the special benefits that can be used to reduce Total Tax. Refer to EC 268.

(2) TY18 and later, taxpayers are instructed to attach Form 6251 to their return if **any** of the following statements is true:

    a.   Line 7 of Form 6251 is greater than line 10 of Form 6251.
    b.   Form 3800, line 6 or line 25 is more than zero.
    c.   Credit is claimed on Form 8834 or Form 8801.
    d.   The total of lines 2c through 3 of Form 6251 is negative, and line 7 of Form 6251 would exceed line 10 without taking those lines into account.

(3) TY17, taxpayers are instructed to attach Form 6251 to their return if **any** of the following statements is true:

    a.   Line 31 of Form 6251 is greater than line 34 of Form 6251.
    b.   Form 3800, line 6, or line 25 is more than zero.
    c.   Credit is claimed on Form 8834, Form 8801, or Form 8911, Part III.
    d.   The total of Form 6251, lines 8 through 27, is negative, and Form 6251, line 31, would exceed line 34 without taking those lines into account.

(4) TY01 and later - Part III of Form 6251 is the Computation Using Maximum Capital Gains Rates. Taxpayers who must complete Form 6251 must also complete Part III of Form 6251 if they reported Capital Gain Distributions directly on Form 1040, line 7 (TY19, line 6, Form 1040; TY18, Schedule 1, line 13; TY17, Form 1040, line 13), or had a gain on both lines 18 and 19 of Schedule D, or as refigured for AMT purposes.

3.12.2.29.1
(01-01-2023)
Error Record Format Section 32

(1) Section 32 consists of the following fields:

Form 6251	Field Name	Field Location
32HMI	Certain Home Mortgage Interest	ERS input only (from TY17, line 4)
3202C	Investment Interest Expense	Line 2c (TY17, line 8)
3202D	Depletion	Line 2d (TY17, line 9)

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Form 6251	Field Name	Field Location
3202E	Net Operating Loss	Line 2e (TY17, line 10)
3202F	Alternative Tax Net Operating Loss	Line 2f (TY17, line 11)
3202G	Tax Exempt Interest from Private Activity Bonds	Line 2g (TY17, line 12)
3202H	Qualified Small Business Stock - Exclusion Section 1202	Line 2h (TY17, line 13)
3202I	Incentive Stock Options	Line 2i (TY17, line 14)
3202J	Beneficiaries of Estates and Trusts	Line 2j (TY17, line 15
3202K	Disposition of Property	Line 2k (TY17, line 17)
3202L	Depreciation on Assets	Line 2l (TY17, line 18)
3202M	Passive Activity	Line 2m (TY17, line 19)
3202N	Loss Limitations	Line 2n (TY17, line 20)
3202O	Circulation Expenditures	Line 2o (TY17, line 21)
3202P	Long-Term Contracts	Line 2p (TY17, line 22)
3202Q	Mining Cost	Line 2q (TY17, line 23)
3202R	Research and Experimental Costs	Line 2r (TY17, line 24)
3202S	Income from Certain Installment Sales	Line 2s (TY17, line 25)
3202T	Intangible Drilling Costs	Line 2t (TY17, line 26)
3203	Other Adjustments	Line 3 (TY17, line 27)
3208	Form 6251 Foreign Tax Credit	Line 8 (TY17, line 32)
3211V	Alternative Minimum Tax Verified	ERS input only

| | (2) | Fields 32HMI, 3202E, 3202H, 3202T, and 3203 are positive fields only. Fields 3202F, and 3202S are negative fields only (entered as a positive). All other fields in this section may be either positive or negative. The maximum field length for each field is 11 characters. |

3.12.2.29.2
(01-01-2020)
Invalid Conditions

(1) Section 32 fields will display as invalid if not all numeric.

3.12.2.29.3
(01-01-2017)
Correction Procedures

(1) Correct coding and transcription errors and misplaced entries in displayed fields.

(2) Additional correction procedures for Section 32 fields follow.

3.12.2.29.3.1
(01-01-2020)
Field 32HMI, Certain Home Mortgage Interest

(1) Field 32HMI is an ERS input only field for TY17 and prior, Form 6251, Part I, line 4 amount of home mortgage interest adjustment.

3.12.2.29.3.2
(01-01-2019)
Fields 3202C through 3203

(1) These fields are transcribed from Part 1, Alternative Minimum Taxable Income, Form 6251. For each field reference and line number, follow IRM 3.12.2.29.1.

3.12.2.29.3.3
(01-01-2019)
Field 3208, Form 6251 Foreign Tax Credit

(1) This field is transcribed from line 8, Form 6251 (TY17 line 32, Form 6251).

#

3.12.2.29.3.4
(01-01-2018)
Field 3211V, Alternative Minimum Tax Verified

(1) This field is for **ERS input only**. It is used when the computer cannot correctly calculate Form 6251 (e.g., when the taxpayer uses an alternate allowable computation).

3.12.2.30
(01-01-2025)
Section 33, Form 8615

(1) Form 8615, Tax for Certain Children Who Have Unearned Income, is used to determine the tax on unearned income of a taxpayer under the age of 18 (24 if the taxpayer is a full-time student). The unearned income is taxed at the tax rates for estates and trusts for tax years 2018 through 2020, and at the tax rate of the taxpayer's parent for all other tax years.

(2) Form 8615 is filed for certain children who have more than $2,600 (TY23, $2,500; TY22, $2,300; TY21 - TY19, $2,200; TY18 - TY15, $2,100) of investment income. Refer to EC 258.

(3) Form 8615 is attached to the **child's** Form 1040.

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3.12.2.30.1
(01-01-2023)
Error Record Format, Section 33

(1) Section 33 consists of the following fields:

Forms 8615	Field Name	Field Location
33PNC	Parent's Name Control	Box A in the Header of the Form
33PSS	Parent's SSN	Box B in the Header of the Form
3301	Form 8615 Gross Investment Income	Line 1
3302	Form 8615 Deductions	Line 2
3318	Form 8615 Tax	Line 18 TY18-19, line 07 TY17, line 18
3318V	Form 8615 Tax Verified	ERS input only

(2) All money fields in this section must be positive.

3.12.2.30.2
(01-01-2017)
Invalid Conditions

(1) With the exception of Field 33PNC, fields in Section 33 will display as invalid if not numeric.

(2) Additional invalid conditions are given for specific fields in Section 33.

3.12.2.30.3
(01-01-2017)
Correction Procedures

(1) Correct coding and transcription errors and misplaced entries in displayed fields.

(2) Additional correction procedures for Section 33 fields follow.

3.12.2.30.3.1
(01-01-2023)
Field 33PNC, Parent's Name Control

(1) The Parent's Name Control is transcribed from the parent's name line on Form 8615.

(2) Use the following table to correct Field 33PNC when an entry is not present:

If the Parent(s) Name...	And...	Then...
A] Is found on the return, attachments, or through research of Command Code NAMEI,		Enter the Name Control in Field 33PNC.
B] Is **not** found on return, attachments, or through research of Command Code NAMEI,	Field 33PNC is blank,	SSPND 211

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| 3.12.2.30.3.2
(01-01-2023)
Field 33PSS, Parent(s) Social Security Number | (1) | The parent's social security number is transcribed from the Parent's Social Security Number line on Form 8615. |
| | (2) | Use the following table to correct the parental SSN when Field 33PSS is blank or has fewer than 9 digits: |

If Parent's SSN is...	And...	Then...
A] Found on the return or attachments,		Enter the parent's SSN in Field 33PSS.
B] Not Found on return or attachments,	Parental SSN is not present in Field 33PSS or less than 9 digits,	SSPND 211.

| 3.12.2.30.3.3
(01-01-2018)
Field 3301, Form 8615 Gross Investment Income | (1) | This field is transcribed from line 1 of Form 8615. |

| 3.12.2.30.3.4
(01-01-2018)
Field 3302, Form 8615 Deductions | (1) | This field is transcribed from line 2 of Form 8615. |

| 3.12.2.30.3.5
(11-27-2020)
Field 3318, Form 8615 Tax | (1) | This field is transcribed from line 18, Form 8615 (TY18-19, line 7; TY17, line 18, Form 8615). |
| | (2) | TY98 and later - The computer's amount for Form 8615 Tax will be set equal to the taxpayer's figure for Form 8615 Tax. |

| 3.12.2.30.3.6
(11-27-2020)
Field 3318V, Form 8615 Tax Verified | (1) | This field is for **ERS input only** and is used when the computer cannot correctly compute the Form 8615 tax. |

| 3.12.2.31
(01-01-2017)
Section 37, Form 4835 | (1) | Form 4835, Farm Rental Income and Expenses, is used by landlords to report Farm Rental Income. Income is based on crops or livestock produced by the tenant. The landlord may not materially participate in the operation of the farm. |

| 3.12.2.31.1
(01-01-2023)
Error Record Format, Section 37 | (1) | Section 37 consists of the following fields: |

Form 4835	Field Name	Field Location
3701	Income from Livestock	Line 1

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Form 4835	Field Name	Field Location
3702A	Total Cooperative Distributions	Line 2a
3703A	Agricultural Program Payments	Line 3a
3704A	CCC Loans Reported Under Election	Line 4a
3704B	CCC Loans Forfeited Repaid	Line 4b
3705A	Crop Insurance Proceeds Received	Line 5a
3706	Form 4835 Other Income	Line 6

(2)   All fields in this section are positive entries.

3.12.2.31.2
(01-01-2017)
Invalid Conditions

(1)   Section 37 fields will display as invalid if not all numeric.

3.12.2.31.3
(01-01-2017)
Correction Procedures

(1)   Correct coding and transcription errors and misplaced entries in displayed fields.

#

3.12.2.31.3.1
(01-01-2017)
Fields 3701 to 3706

(1)   These fields are transcribed from Part 1, Gross Farm Rental Income, Form 4835.

3.12.2.32
(01-01-2025)
Section 38, Form 8839

(1)   Form 8839, Qualified Adoption Expenses, is used to figure the adoption credit amount and any employer provided adoption benefits that can be excluded from income. Taxpayers can claim up to $16,810 (TY23, $15,950; TY22, $14,890; TY21, $14,440; TY20, $14,300; TY19, $14,080; TY18, $13,810; TY17, $13,570) for qualifying expenses paid to adopt an *eligible child*. Refer to EC 294.

(2)   The taxpayer may claim both a credit and an exclusion for expenses of adopting an *eligible child, if the employer paid or incurred qualified adoption expenses, pursuant to an adoption assistance program*. For example, for an eligible child, the taxpayer may be able to claim a credit of up to $16,810 (TY23, $15,950; TY22, $14,890; TY21, $14,440; TY20, $14,300; TY 19, $14,080; TY18, $13,810; TY17, $13,570) from their income. However, the taxpayer cannot claim both a credit and an exclusion for the same expense.

(3)   If the taxpayer adopted or *unsuccessfully attempted* to adopt with employer-provided adoption benefits **more than three** eligible children, the taxpayer is instructed to provide as many Forms 8839 as necessary to account for all of the adoptions/attempted adoptions.

3.12.2.32.1
(01-01-2023)
Error Record Format, Section 38

(1)   Section 38 consists of the following fields:

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Form 8839	Field Name	Field Location
38NC1	Form 8839 Child 1 Name Control	Line 1a, Child 1
38YB1	Form 8839 Child 1 Year of Birth	Line 1b, Child 1
38DI1	Form 8839 Child 1 Disabled Indicator	Line 1c, Child 1
38SP1	Form 8839 Child 1 Special Needs Indicator	Line 1d, Child 1
38FC1	Form 8839 Child 1 Foreign Indicator	Line 1e, Child 1
38TN1	Form 8839 Child 1 SSN	Line 1f, Child 1
38FA1	Form 8839 Child 1 Final Adoption Indicator	Line 1g, Child 1
38NC2	Form 8839 Child 2 Name Control	Line 1a, Child 2
38YB2	Form 8839 Child 2 Year of Birth	Line 1b, Child 2
38DI2	Form 8839 Child 2 Disabled Indicator	Line 1c, Child 2
38SP2	Form 8839 Child 2 Special Needs Indicator	Line 1d, Child 2
38FC2	Form 8839 Child 2 Foreign Indicator	Line 1e, Child 2
38TN2	Form 8839 Child 2 SSN	Line 1f, Child 2
38FA2	Form 8839 Child 2 Final Adoption Indicator	Line 1g, Child 2
38NC3	Form 8839 Child 3 Name Control	Line 1a, Child 3
38YB3	Form 8839 Child 3 Year of Birth	Line 1b, Child 3
38DI3	Form 8839 Child 3 Disabled Indicator	Line 1c, Child 3
38SP3	Form 8839 Child 3 Special Needs Indicator	Line 1d, Child 3
38FC3	Form 8839 Child 3 Foreign Indicator	Line 1e, Child 3
38TN3	Form 8839 Child 3 SSN	Line 1f, Child 3
38FA3	Form 8839 Child 3 Final Adoption Indicator	Line 1g, Child 3
38SDI	Supporting Documentation Indicator	Edited below line 1g
38PY1	Form 8839 Child 1 Prior Year Adoption Amount	Line 3
38PY2	Form 8839 Child 2 Prior Year Adoption Amount	Line 3

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Form 8839	Field Name	Field Location
38PY3	Form 8839 Child 3 Prior Year Adoption Amount	Line 3
38QE1	Form 8839 Child 1 Qualified Adoption Expenses	Line 5
38QE2	Form 8839 Child 2 Qualified Adoption Expenses	Line 5
38QE3	Form 8839 Child 3 Qualified Adoption Expenses	Line 5
38TA1	Form 8839 Child 1 Total Adoption Credit Amount	Line 11
38TA2	Form 8839 Child 2 Total Adoption Credit Amount	Line 11
38TA3	Form 8839 Child 3 Total Adoption Credit Amount	Line 11
38CF	Form 8839 Carryforward Amount	Line 13
38TEB	Form 8839 Total Employer-Provided Adoption Benefits	Line 21
38EB1	Form 8839 Child 1 Excluded Benefits	Line 27, child 1
38EB2	Form 8839 Child 2 Excluded Benefits	Line 27, child 2
38EB3	Form 8839 Child 3 Excluded Benefits	Line 27, child 3
38EEB	Form 8839 Employer-Provided Excluded Benefits	Line 28
38ETB	Form 8839 Employer-Provided Taxable Benefits	Line 29
38AAI	Form 8839 Multiple Forms Indicator	ERS input only
38ACV	Adoption Credit Verified Amount (PY)	ERS input only

(2) All money fields in this section must be positive.

3.12.2.32.2
(01-01-2020)
Invalid Conditions

(1) Section 38 fields will display as invalid if not all numeric, except Fields 38NC1/ 38NC2/38NC3.

(2) Additional invalid conditions are given for specific fields in Section 38.

3.12.2.32.3
(01-01-2017)
Correction Procedures

(1) Correct coding and transcription errors and misplaced entries in displayed fields.

#

(3)   Additional correction procedures are provided for each field in Section 38.

3.12.2.32.3.1
(01-01-2018)
**Fields 38SDI, Supporting
Documentation Indicator
(TY10 and later only)**

(1)   This is a one-position field edited by Code and Edit or Exam below line 1g, Part I, Form 8839.

(2)   This field will be invalid if other than 0 (zero), 1, or 2.

(3)   If no code is present, use the following table:

Note: Attached documentation must contain the word "adoption".

If...	And...	Then...
A] There is one or more child(ren) listed in column (a) and the adoption is reported as a **final** adoption (box in column (g) is checked,	The adoption documentation is present,	SSPND 460 to Rejects to be placed in the classification bin. Notate "F8839 Class" on Form 4227.
B] There is one or more child(ren) listed in column (a) and the adoption is reported as a **final** adoption (box in column (g) is checked,	The adoption documentation for any child is missing,	Enter **0** (zero) in Field 38SDI.
C] There is one or more child(ren) listed in column (a) and the adoption is **in-process** (box in column (g) is not checked)	The adoption documentation is present that includes the name of each child listed in column (a) AND the documentation also includes the name of at least one of the taxpayers as the adoptive parent,	Enter **1** in Field 38SDI. *Exception:* If any documentation is missing for any child, enter **0** (zero) in Field 38SDI.
D] There is one or more child(ren) listed in column (a) and the adoption is **in-process** (box in column (g) is not checked)	The adoption documentation for any child is missing,	Enter **0** (zero) in Field 38SDI.

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If...	And...	Then...
E] There is one or more child(ren) listed in column (a) and the adoption is **in-process** (box in column (g) is not checked)	The name(s) of any adopted child(ren) or of the taxpayer does not match the name on the adoption documentation,	Enter **2** in Field 38SDI. ***Exception:*** If any documentation is missing for any child, enter **0** (zero) in Field 38SDI.

Note: For FSC 2 returns, it is not required that both taxpayers' names are on the Form 8839 and the associated documentation.

(4)   For returns that have been reviewed by Exam Classification, enter the edited code in Field 38SDI.

3.12.2.32.3.2
(01-01-2017)
Field 38NC1, 38NC2, and 38NC3, Form 8839 Adoptee Name Control

(1)   These fields consist of the first four letters of the eligible child's last name.

(2)   Field 38NC1, 38NC2, and 38NC3 will be invalid if present and **one** of the following exist:

   a.   The first position is not an alpha.
   b.   The second, third, or fourth positions are not alpha, hyphen, or blank.

(3)   Compare the field with Form 8839 and correct accordingly. Blank the remaining positions when the child's last name is fewer than four characters.

3.12.2.32.3.3
(01-01-2017)
Fields 38YB1, 38YB2, and 38YB3, Form 8839 Adoptee Year of Birth

(1)   Field 38YB1, 38YB2, and 38YB3 are each four spaces long and hold the year of birth of the child.

3.12.2.32.3.4
(01-01-2017)
Field 38DI1, 38DI2, and 38DI3, Form 8839 Adoptee Disabled Indicator

(1)   Fields 38DI1/38DI2/38DI3 are one position fields.

(2)   These fields will display as invalid if other than blank or 1.

(3)   Determine the correct code as shown in the following table:

If the taxpayer...	Then...
A] Has no entries on lines for Field 38DI1, 38DI2, or 38DI3,	Blank the field.

If the taxpayer...	Then...
B] Checks a box(es),	Enter code **1**.

| 3.12.2.32.3.5
(01-01-2017)
Fields 38SP1, 38SP2, and 38SP3, Special Needs Indicator | (1) This field will be invalid if other than 1 or 0 (zero).

(2) If the box on line 1(d) is checked, enter **1** in Field 38SP1/2/3. |

3.12.2.32.3.6
(01-01-2017)
Fields 38FC1, 38FC2, and 38FC3, Foreign Child Indicator

(1) This field will be invalid if other than 1 or 0 (zero).

(2) If the box on line 1(e) is checked, enter **1** in Field 38FC1/2/3.

3.12.2.32.3.7
(01-01-2017)
Fields 38TN1, 38TN2, and 38TN3, Form 8839 Adoptee TIN

(1) This field will be invalid if **any** of the following exists:

   a.   Other than nine blanks or nine numeric characters.
   b.   All zeros or all nines.
   c.   The first three digits are 691-699.
   d.   The first three digits are 729-899.
   e.   Digits other than 000-00-0001 that are less than 001-01-0000.
   f.   The first three digits are 900 through 999, and the fourth and fifth digits are not 07, 08, 09, 17, 18, 19, 28, 29, 49, 70-80, 89, or 93.

Note: Refer to ECs 013 and 296.

(2) Correction Procedures - Examine the return and attachments for correct SSN/ITIN/ATIN and take the following action:

If SSN/ITIN/ATIN is...	Then...
A] Found,	Enter in the appropriate field.
B] Not found,	Blank the field.

3.12.2.32.3.8
(01-01-2020)
Fields 38FA1/38FA2/38FA3-Form 8839 Final Adoption Indicator

(1) This field will be invalid if other than 1 or 0 (zero).

(2) If the box on Form 8839 line 1(g) is checked, enter **1** in Field 38FA1/2/3.

3.12.2.32.3.9
(01-01-2017)
Fields 38PY1, 38PY2, and 38PY3, Form 8839 Prior-Year Adoption Amount

(1) These fields are money entries transcribed from line 3, child 1/child 2/child 3 column, Form 8839.

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3.12.2.32.3.9

3.12.2.32.3.10 (01-01-2017) **Fields 38QE1, 38QE2, and 38QE3, Form 8839 Qualified Adoption Expenses Amount**	(1)	These fields are money entries transcribed from line 5, child 1/child 2/child 3 column, Form 8839.
3.12.2.32.3.11 (01-01-2017) **Fields 38TA1, 38TA2, and 38TA3, Form 8839 Total Adoption Credit Amount**	(1)	These fields are money entries transcribed from line 11, child 1/child 2/child 3 column, Form 8839.
3.12.2.32.3.12 (01-01-2023) **Field 38CF, Form 8839 Carryforward Amount**	(1)	This field is transcribed from line 13, Form 8839.
3.12.2.32.3.13 (01-03-2023) **Field 38TEB Form 8839 Total Employer Benefits Amount**	(1)	This field is transcribed from line 21, Form 8839.
3.12.2.32.3.14 (01-01-2017) **Fields 38EB1, 38EB2, and 38EB3, Form 8839 Excluded Benefits**	(1)	These fields are money entries transcribed from line 27, child 1/child 2/child 3 column, Form 8839.
3.12.2.32.3.15 (01-01-2017) **Field 38EEB, Form 8839 Employer Excluded Benefits Amount**	(1)	This field is transcribed from line 28, Form 8839.
3.12.2.32.3.16 (01-01-2017) **Field 38ETB, Form 8839 Employer Taxable Benefits Amount**	(1)	This field is transcribed from line 29, Form 8839.
3.12.2.32.3.17 (01-01-2017) **Field 38AAI, Form 8839 Additional Adoptee Indicator**	(1)	This field is for **ERS input only**.
	(2)	Enter the number of additional Adoptee children in Field 38AAI (e.g., If four children are claimed on Form(s) 8839, enter 1. If five children are claimed, enter 2, and so on). Refer to EC 294.

3.12.2.32.3.18 (01-01-2017) **Field 38ACV, Form 8839 Adoption Credit Verified Amount (PY)**	(1)	This field is for **ERS input only**. It is used when the computer cannot correctly compute Adoption Credit. Refer to EC 294.

3.12.2.33 (01-01-2020) **Section 39, Form 8853**	(1)	TY97 and later, Form 8853, Archer MSAs and Long-Term Care Insurance Contracts, will be attached to Form 1040 to report **any** of the following:

    a.   General information about their medical savings accounts (MSAs).
    b.   Archer MSA deduction.
    c.   Taxable distributions from Archer MSAs.
    d.   Taxable payments from Long-Term Care (LTC) contracts.

(2) Form 8853 must be attached to the tax return if an Archer MSA or LTC amount is reported.

(3) Refer to EC 227.

3.12.2.33.1
(01-01-2023)
Error Record Format Section 39

(1) Section 39 consists of the following fields:

Form 8853	Field Name	Field Location
39MSS	MSA SSN	Upper right-hand corner of page 1
3901	Total Employer MSA Contributions Amount	Line 1
3902	MSA Contributions Amount	Line 2
3903	MSA Limitation Amount	Line 3
3904	Maintaining Employer Compensation Amount	Line 4

(2) All money fields in this section are positive entries.

3.12.2.33.2 (01-01-2020) **Invalid Conditions**	(1)	Section 39 fields will display as invalid if other than numeric or blank.

3.12.2.33.3 (01-01-2017) **Correction Procedures**	(1)	Correct coding and transcription errors and misplaced entries in displayed fields.

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(3) Additional correction procedures are provided for each field in Section 39.

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3.12.2.33.3

3.12.2.33.3.1 (01-01-2018) **Field 39MSS, MSA SSN**	(1)	Field 39MSS is transcribed from the top right corner of page 1 of Form 8853.
	(2)	Field 39MSS is the social security number of the MSA account holder. For a joint return, if both spouses had separate MSAs, only the Primary SSN is entered on this line. Refer to ECs 158 and 159.
	(3)	The validity check for the Form 8853 MSA SSN is the same as the validity check for the Form 8814 SSN. ATINs (9XX-93-XXXX) are not valid for Field 39MSS.
	(4)	Search the return and attachments for correct SSN and take the following action:

If SSN is...	Then...
A] Found,	Enter in appropriate field.
B] Not Found,	Enter the Primary SSN.

| 3.12.2.33.3.2 (01-01-2017) **Field 3901, Total Employer MSA Contributions Amount** | (1) | This field is transcribed from line 1, Form 8853. |

| 3.12.2.33.3.3 (01-01-2017) **Field 3902, MSA Contributions Amount** | (1) | This field is transcribed from line 2, Form 8853. |

| 3.12.2.33.3.4 (01-01-2017) **Field 3903, MSA Limitations Amount** | (1) | This field is transcribed from line 3, Form 8853. |

| 3.12.2.33.3.5 (01-01-2017) **Field 3904, Maintaining Employer Compensation Amount** | (1) | This field is transcribed from line 4, Form 8853. |

3.12.2.34 (01-01-2019) **Sections 40, 41 and 42, Form 8814**	(1)	Form 8814, Parents' Election to Report Child's Interest and Dividends, is used to report the child's interest and dividends on the parents' return instead of filing a separate return for the child. This is not to be confused with Form 8615, Tax for Certain Children Who Have Unearned Income, which is used to compute the tax for the child's return. Refer to EC 261/262/263.
	(2)	Three Forms 8814 may be processed with a return. The first Form 8814 displays as Section 40, the second as Section 41 and the third as Section 42.
	Note:	**For the remainder of this text, Form 8814 will be referred to as Section 40; however, all correction procedures will apply equally to Sections 40, 41, and 42.**

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3.12.2.34.1
(01-01-2023)
Error Record Format, Sections 40, 41, and 42

(1) Section 40, 41, and 42 consists of the following fields:

Form 8814	Field Name	Field Location
40CN1 / 41CN2 / 42CN3	Child's Name Control	Entity Section
40CT1 / 41CT2 / 42CT3	Child's SSN	Entity Section
4001A / 4101A / 4201A	Taxable Interest	Line 1a
4001B / 4101B / 4201B	Tax-Exempt Interest	Line 1b
4002A / 4102A / 4202A	Ordinary Dividends	Line 2a
4003 / 4103 / 4203	Capital Gains Distributions	Line 3
4015 / 4115 / 4215	Tax	Line 15

(2) All money amount fields are positive entries.

3.12.2.34.2
(01-01-2020)
Invalid Conditions

(1) Section 40/41/42 fields, except Fields 40CN1, 41CN2 and 42CN3 will display as invalid if not all numeric.

(2) The same validity checks apply to the Child's Name Control as Dependent Name Control.

(3) The validity check for the Form 8814 child's SSN is the same as the validity check for the Spouse SSN, except the child's SSN (Field 40CT1) can be an ATIN (9XX-93-XXXX).

3.12.2.34.3
(01-01-2017)
Correction Procedures

(1) Correct coding and transcription errors and misplaced entries in displayed fields.

(2) Correction procedures for Section 40/41/42 fields follow.

3.12.2.34.3.1
(01-01-2020)
Fields 40CN1, 41CN2, and 42CN3, Form 8814 Child's Name Control

(1) This field is transcribed from the child's name line in the entity portion of Form 8814.

3.12.2.34.3.2
(04-25-2022)
Fields 40CT1, 41CT2, and 42CT3, Form 8814 Child's SSN

(1) This field is transcribed from the child's social security number section in the entity portion of Form 8814.

(2) SSPND 211 when the SSN cannot be determined.

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3.12.2.34.3.3 (01-01-2020) **Fields 4001A, 4101A, and 4201A, Form 8814 Taxable Interest**	(1)	This field is transcribed from line 1a, Form 8814.
3.12.2.34.3.4 (01-01-2020) **Fields 4001B, 4101B, and 4201B, Form 8814 Tax-Exempt Interest**	(1)	This field is transcribed from line 1b, Form 8814.
3.12.2.34.3.5 (01-01-2020) **Fields 4002A, 4102A, and 4202A, Form 8814 Ordinary Dividends**	(1)	This field is transcribed from line 2a, Form 8814.
3.12.2.34.3.6 (01-01-2020) **Fields 4003, 4103, and 4203, Form 8814 Capital Gains Distributions**	(1)	This field is transcribed from line 3, Form 8814.
3.12.2.34.3.7 (01-01-2020) **Fields 4015, 4115, and 4215, Form 8814 Tax**	(1)	This field is transcribed from line 15, Form 8814.

3.12.2.35
(11-27-2020)
**Section 43, Schedule
EIC**

(1)   Schedule EIC, Earned Income Credit, is used for the computation of a special credit that can be taken by certain taxpayers who have earned income. Refer to ECs 335 through 338.

(2)   The following applies to taxpayers claiming EIC:

Condition	Action
Claims EIC for a qualifying child.	Must attach Schedule EIC.
Wants IRS to figure EIC credit.	Must complete page 1 of Schedule EIC and/or write EIC on the EIC Line.
The primary (and/or secondary, if FSC 2) has an ITIN or IRSN.	EIC will not be allowed.
A qualifying EIC child has an ATIN, ITIN or IRSN.	EIC is not allowed on that child (see note).

Note: Taxpayer may still qualify with another qualifying child. The child must meet the age and relationship test.

(3) TY94 and later. Taxpayers who do not have a qualifying child may be eligible for a smaller amount of EIC. Schedule EIC is not required to claim this credit and it can be claimed on Form 1040. Refer to EC 338.

3.12.2.35.1
(01-01-2023)
**Error Record Format,
Section 43**

(1) Section 43 consists of the following fields:

Schedule EIC	Field Name	Field Location
43MFS	EIC Married Filing Separate Indicator	Checkbox below "Your social security number"
43NC1	EIC Child 1 Name Control	Line 1, Child 1
43IN1	EIC Child 1 Student/Disabled Indicator	Line 4a and b, Child 1, yes or no box
43SS1	EIC Child 1 SSN	Line 2, Child 1
43YB1	EIC Child 1 Year of Birth	Line 3, Child 1
43RC1	EIC Child 1 Relationship Code	Line 5, Child 1
43MO1	EIC Child 1 Number of Months	Line 6, Child 1
43NC2	EIC Child 2 Name Control	Line 1, Child 2
43IN2	EIC Child 2 Student/Disabled Indicator	Line 4a and b, Child 2, yes or no box
43SS2	EIC Child 2 SSN	Line 2, Child 2
43YB2	EIC Child 2 Year of Birth	Line 3, Child 2
43RC2	EIC Child 2 Relationship Code	Line 5, Child 2
43MO2	EIC Child 2 Number of Months	Line 6, Child 2
43NC3	EIC Child 3 Name Control	Line 1, Child 3
43IN3	EIC Child 3 Student/Disabled Indicator	Line 4a and b, Child 3, yes or no box
43SS3	EIC Child 3 SSN	Line 2, Child 3
43YB3	EIC Child 3 Year of Birth	Line 3, Child 3
43RC3	EIC Child 3 Relationship Code	Line 5, Child 3
43MO3	EIC Child 3 Number of Months	Line 6, Child 3
43ESR	EIC Child SSN Not Required	ERS input only
43A1V	EIC Child 1 Age Verified	ERS input only
43A2V	EIC Child 2 Age Verified	ERS input only

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3.12.2.35.1

Schedule EIC	Field Name	Field Location
43A3V	EIC Child 3 Age Verified	ERS input only

3.12.2.35.2
(01-01-2020)
Invalid Conditions

(1) Section 43 fields will display as invalid if not all numeric, except EIC Name Control, Field 43NC1/43NC2/43NC3.

(2) Additional invalid conditions are given for specific fields in Section 43.

3.12.2.35.3
(01-01-2017)
Correction Procedures

(1) Correct coding and transcription errors and misplaced entries in displayed fields.

#

(3) Additional correction procedures are provided for specific fields in Section 43.

3.12.2.35.3.1
(01-24-2022)
Field 43MFS, EIC Married Filing Separate Indicator

(1) Taxpayer's mark this field to certify that they meet the requirements for claiming EIC with Filing Status 3/6.

(2) Compare the field on the screen to the entry and correct screen display.

   a.   0 if box is not checked
   b.   1 if box is checked

3.12.2.35.3.2
(01-01-2017)
Fields 43NC1, 43NC2, and 43NC3, EIC Name Control Child 1, 2, and 3

(1) These fields consist of the first four letters of the child's last name.

(2) Search the return and attachments for the Name Control (e.g., dependents, Form 2441).

(3) The EIC Name Control will be invalid if **either** of the following exist:

   a.   The first position is not an alpha.
   b.   The second, third, or fourth position is not an alphabetical character, hyphen, or blank.

(4) Correction procedures. Edit the name control according to the table below.

If Name Control is...	And...	Then...
A] Not found,		Enter the Primary Name Control in Field 43NC1, 43NC2, or 43NC3.
B] Found,	Has fewer than four characters,	Enter the name control in Field 43NC1, 43NC2, or 43NC3 and blank the remaining positions.
C] Found,	Has four characters,	Enter the name control in Field 43NC1, 43NC2, or 43NC3.

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3.12.2.35.3.3
(01-01-2019)
Fields 43IN1, 43IN2, and 43IN3, EIC Student or Disabled Indicator Child 1, 2, and 3

(1) These fields will display as invalid if other than 0 (zero), 1 or 2.

(2) Determine the correct code according to the table.

If the taxpayer...	Then...
A] checks no box on line 4a and 4b,	Enter 0 (zero).
B] checks the yes box in line 4a,	Enter **1** in Field 43IN1, 43IN2, or 43IN3 according to the taxpayer's entry.
C] checks the yes box in line 4b alone or 4a and 4b both,	Enter **2** in Field 43IN1, 43IN2, or 43IN3 according to the taxpayer's entry.

3.12.2.35.3.4
(01-01-2020)
Fields 43SS1, 43SS2, and 43SS3, EIC SSN Child 1, 2, and 3

(1) These fields are transcribed from line 2.

(2) These fields will display as invalid if entries are other than nine numerics or blank.

(3) Search the return and attachments for a correct SSN. If an SSN is found, enter in the appropriate field.

3.12.2.35.3.5
(01-01-2017)
Fields 43YB1, 43YB2, and 43YB3, EIC Year of Birth Child 1, 2, and 3

(1) These fields are transcribed from line 3. An entry must be present in Field 43YB1 to figure EIC. An entry in Field 43YB2 will allow the computation of the basic credit for two children. An entry in Field 43YB3 will allow the computation of the basic credit for three children.

(2) Take the following action to correct year of birth fields:

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If the Year of Birth is...	And...	Then...
A] Present or not present,	Child does not meet the EIC age, number of months in home, or relationship test,	Delete the data in the EIC Child's field, as appropriate. ***Note:*** Move the data from EIC Child 2/3 fields into EIC Child 1 fields. This is necessary because Field 43YB1 must have an entry if Section 43 is present or a field error will occur in Field 43YB1.
B] Present,	Meets EIC test for age, number of months in home, and relationship,	Enter year of birth in appropriate field.
C] Not present,	The child's SSN is present,	Enter 1970 for the year of birth.

3.12.2.35.3.6
(01-01-2025)
Fields 43RC1, 43RC2, and 43RC3, EIC Child 1, 2, and 3 Relationship Code

(1) These fields are transcribed from line 5 for Child 1, 2, and 3.

(2) These fields are one position long and numeric only. The valid values are 0 through 8. All other values are invalid.

(3) Valid values and their meaning:

- 0: No relationship is indicated or cannot be determined.
- 1: Son, daughter or child
- 2: stepchild
- 3: foster child
- 4: grandchild
- 5: niece, nephew, or sibling's child
- 6: brother, sister, or sibling
- 7: half brother, half sister, or half sibling
- 8: stepbrother, stepsister, or step sibling

3.12.2.35.3.7
(01-01-2019)
Fields 43MO1, 43MO2, and 43MO3, EIC Child 1, 2, and 3 Number of Months

(1) These fields are transcribed from line 6 for Child 1, 2, and 3.

(2) These fields are two positions long and alphanumeric. The valid values are "KC", and 01 through 12. Taxpayers may note partial months: 6 1/2, 6.5, 6+, "more than 6," for example. Round those numbers down. The numbers in the example would all become 06 in Field 43MO1, 43MO2, or 43MO3.

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Note: If taxpayers note the phrase "kidnapped child" or similar statement on line 6 for Child 1, 2 and 3, enter the letters **KC** in Field 43MO1, 43MO2, or 43MO3 to indicate the kidnapped child.

(3) If a single digit displays in the field and the number of months on Schedule EIC is less than ten, enter 0 (zero) in position one of the field (e.g., change **6** to **06**). If the taxpayer's number is greater than 12, enter **12** in the field.

3.12.2.35.3.8
(01-01-2017)
Field 43ESR, EIC Child SSNs Not Required

(1) This is a one-position field and is for **ERS input only.**

(2) The only valid characters in this field are 0 (zero), 1, 2, 3, 4, 5, 6, or 7. All others are invalid.

(3) Enter **I** in Field 01RPC and the appropriate code from the table below when the SSN of any qualifying child for the EIC is missing because the child was born in the tax period of the tax return and died in the same or consecutive tax period. A copy of the birth certificate, death certificate, or hospital record must support the assertion.

If...	Then...
A] EIC Child 1 died,	Enter **1** in Field 43ESR.
B] EIC Child 2 died,	Enter **2** in Field 43ESR.
C] EIC Child 3 died,	Enter **3** in Field 43ESR.
D] EIC Child 1 and 2 died,	Enter **4** in Field 43ESR.
E] EIC Child 1 and 3 died,	Enter **5** in Field 43ESR.
F] EIC Child 2 and 3 died,	Enter **6** in Field 43ESR.
G] EIC Child 1, 2, and 3 died,	Enter **7** in Field 43ESR.

3.12.2.35.3.9
(04-20-2022)
Fields 43A1V, 43A2V, and 43A3V, EIC Age Verified Child 1, 2, and 3

(1) These three-digit fields hold the age of a child and are for **ERS input only**. To calculate the age of the child when the computer cannot, subtract the year of birth in INOLE from the tax year of the return and enter the difference in the appropriate field.

Note: The computer will not recognize a child who was born in and died in the tax period when it computes the EIC. If the required documents in support of the live birth of the child are present and an entry is required in Field 43ESR, then GTSEC 43 and enter **001** in Field 43A1V, 43A2V, or 43A3V. Refer to EC 337, IRM 3.12.3.28.14.4, TIN Requirements for EIC, for the necessary documents.

3.12.2.36
(01-01-2025)
Sections 44 and 45, Schedule H

(1) Schedule H, Household Employment Taxes, is used to report federal employment taxes on wages paid to household employees. Refer to ECs 161 through 187 and 322 through 327. Federal employment taxes are:

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- Social Security/Medicare Tax
- Federal Income Tax Withheld
- Federal Unemployment Tax (FUTA)

(2) The maximum amount of wages subject to social security tax is as follows:

- TY24: $168,600
- TY23: $160,200
- TY22: $147,000
- TY21: $142,800
- TY20: $137,700
- TY19: $132,900
- TY18: $128,400
- TY17: $127,200

Note: This maximum amount of wages applies separately to each employee. Therefore, for TY24 if the employer paid any household employee cash wages of more than $168,600, the employer reports only the first $168,600 of cash wages on line 1 and total cash wages on line 3.

(3) It is possible for the employer to be liable for only page 1 social security, Medicare and federal income taxes or only page 2 (FUTA) of Schedule H tax.

(4) Two Schedules H may be filed with a return.

   a. Section 44 is for the primary taxpayer.
   b. Section 45 is for the secondary taxpayer.

Note: **For the remainder of this text, Schedule H will be referred to as Section 44; however, all correction procedures will apply equally to Sections 44 and 45.**

(5) When taxpayers are not required to file Form 1040, but are liable for Schedule H taxes, they are instructed to file the Schedule H by itself (loose) by April 15th. Code and Edit is instructed to prepare a "dummy" Form 1040 for any **"loose"** Schedule H. Verify the entries for RPC Y, Household Employment Tax, and Balance Due/Refund. Correspond for missing signature.

3.12.2.36.1
(01-01-2025)
Error Record Format, Sections 44 and 45

(1) Money amount fields in Section 44 are positive. Section 44 consists of the following fields for Schedule H:

Schedule H	Field Name	Field Location
44NC	Schedule H Name Control	Header of Schedule H
44SSN	Schedule H SSN	Header of Schedule H
44EIN	Schedule H EIN	Header of Schedule H
4401	Total Social Security Wages	Line 1
4403	Total Medicare Wages	Line 3

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Schedule H	Field Name	Field Location
4405	Schedule H Total Cash Wages/Additional Medicare Tax Amount	Line 5
4406	Schedule H Additional Medicare Tax Amount	Line 6
4407	Federal Withholding	Line 7
4408	Total Social Security/ Medicare/Federal Taxes	Line 8
44NFV	Total Non-FUTA Tax Verified	ERS input only
44FIN	FUTA Indicator	Coded under Boxes, lines 10, 11, and 12
44SC1	FUTA State Code 1	Line 13, Section A or line 17(a), Section B
44SC2	FUTA State Code 2	Line 17(a)
44SC3	FUTA State Code 3	ERS input only
44SC4	FUTA State Code 4	ERS input only
44SC5	FUTA State Code 5	ERS input only
44FCP	FUTA Contributions Paid	Line 14, Section A or line 18(h), Section B.
44TFW	Total FUTA Wages	Line 15, Section A or line 20, Section B
44FTX	FUTA Tax	Line 16, Section A, or line 24 Section B
44FTV	FUTA Tax Verified	ERS input only
44TTC	FUTA Total Tentative Credit	Line 19, Section B
44ASI	Additional States Indicator	Written in the lower left of page 2
44TCR	Total Credit Reduction	Line 23, Section B
44CW1	Credit Reduction Wages 1	ERS input only
44CW2	Credit Reduction Wages 2	ERS input only
44CW3	Credit Reduction Wages 3	ERS input only

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Schedule H	Field Name	Field Location
44CW4	Credit Reduction Wages 4	ERS input only
44CW5	Credit Reduction Wages 5	ERS input only

(2)   All money amount fields in Section 44 are positive entries.

3.12.2.36.2
(01-01-2017)
Invalid Conditions

(1)   Invalid conditions are given for specific fields in Section 44.

3.12.2.36.3
(01-01-2019)
Correction Procedures

(1)   When taxpayers indicate they have already filed a Form 940 for their household employees, delete the Part II information and adjust the fields in Sections 04 and 05 to "back out" the FUTA amount. Do not assign a TPNC for this issue.

Note: Some taxpayers may erroneously report FICA and/or FUTA **twice to the IRS.** This "double taxation" issue usually exists for FUTA and occurs when the taxpayer has already filed Form 940 for household employees, but also files Schedule H reporting the same FUTA information. Usually, this condition can be identified by "write-in" notations on Schedule H or in the "Other Taxes" or "Payments" areas of Schedules or Form 1040.

(2)   Combine data from page 2, Part II, and enter in Section B when the primary or secondary taxpayer has filed more than one Schedule H, and Code and Edit did not combine.

(3)   When Schedule H is attached to a **Fiscal Year Return** with a tax period ending 199511 or earlier, refer to EC 161.

3.12.2.36.3.1
(01-01-2017)
Field 44NC, Schedule H Name Control

(1)   Field 44NC consists of the first four characters of the employer's last name.

(2)   The field will be invalid if **any** of the following exist:

   a.   Schedule H Name Control is blank.
   b.   The first position of the Schedule H Name Control is blank or is not alpha and not numeric.
   c.   The second, third, or fourth positions are not alpha, numeric, ampersand, hyphen, or blank.
   d.   Any character follows a blank.

(3)   Enter the Primary Name Control from the front of the return in Field 44NC when the Name Control is missing or illegible.

3.12.2.36.3.2
(04-25-2022)
Field 44SSN, Schedule H SSN

(1)   This field will be invalid if fewer than nine numeric characters are present.

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(2) When the Schedule H SSN is missing, illegible or other than nine digits, enter the SSN in Field 44SSN using one of the following:

   a.   Page 1 of the tax return.
   b.   Forms W-2, schedules, or attachments.
   c.   Research of CC NAMES, NAMEI, ENMOD and/or RTVUE.

(3) SSPND 211 to correspond for missing SSN when not found.

3.12.2.36.3.3
(01-01-2018)
Field 44EIN, Schedule H EIN

(1) Field 44EIN will be invalid if any of the following exist:

   a.   The Schedule H EIN is not all numeric.
   b.   The EIN is blank, all zeros, or all nines.
   c.   The first two positions are not contained in the following EIN Prefix Codes: 01-06, 10-16, 20-27, 30-48, 50-68, 71-77, 80-88, 90-95, and 99.

(2) Search the return and/or attachments for the correct EIN when missing, illegible, or other than nine digits. If not found or if **"Applied For"** is noted, research CCs NAMEB, NAMEE, INOLE, and/or RTVUE. Take the following action to correct errors in Field 44EIN:

If the EIN is...	Then...
A] Found,	1. Verify EIN using CC INOLET 2. If valid, enter in Field 44EIN.
B] Not Found,	SSPND 320 to Entity (see note).

Note: On a joint return, if **both** of the following conditions exist, enter established EIN and, if necessary, GTSEC 44/45 and adjust the Schedule H Name Control and Schedule H SSN:
1. NAMEB/NAMEE/INOLE indicates the spouse, not listed on Schedule H, is the *established* "EIN owner".
2. The taxpayer listed on Schedule H does not have an *established* EIN.

3.12.2.36.3.4
(01-01-2025)
Field 4401, Total Social Security Wages

(1) Field 4401 is transcribed from line 1, Schedule H (TY23-TY20, line 1a).

(2) Social security tax is figured at a rate of 12.4 percent for TY13 and later.

(3) Delete the entry in Field 4401 when line 1 is less than $2,700 (TY23, $2,600; TY22, $2,400; TY21, $2,300; TY20, $2,200; TY19 and TY18, $2,100; $2,000 for TY17/TY16; $1,900 TY15/TY14). Refer to EC 162.

3.12.2.36.3.5
(01-01-2025)
Field 4403, Total Medicare Wages

(1) Field 4403 is transcribed from line 3, Schedule H.

(2) Medicare tax is figured at a rate of 2.9 percent.

(3) Delete the entry in Field 4403 when line 3 is less than $2,700 (TY23, $2,600; TY22, $2,400; TY21, $2,300; TY20, $2,200; TY19/TY18, $2,100; $2,000 for TY17/16; $1,900 for TY15/TY14). Refer to EC 162.

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3.12.2.36.3.6
(01-01-2025)
**Field 4405, Schedule H
Total Cash Wages
Additional Medicare Tax**

(1) Field 4405 is transcribed from line 5, Schedule H.

(2) Additional Medicare tax is figured at the rate of 0.9 percent.

(3) Delete the entry in Field 4405 when line 5 is less than $2,700 (TY23, $2,600; TY22, $2,300; TY21, $2,300; TY20, $2,200; TY19/TY18, $2,100; $2,000 for TY17/16; $1,900 for TY15/TY14).

3.12.2.36.3.7
(01-01-2017)
**Field 4406, Schedule H
Additional Medicare Tax**

(1) Field 4406 is transcribed from line 6, Schedule H.

3.12.2.36.3.8
(01-01-2017)
**Field 4407, Federal
Withholding**

#

3.12.2.36.3.9
(01-01-2023)
**Field 4408, Total Social
Security/Medicare/
Income Taxes**

(1) Field 4408 is transcribed from line 8, Schedule H (TY23-TY22, line 8d).

(2) TY24, the amount for line 8 is the sum of lines 2, 4, 6, and 7. TY23-TY21, the amount for line 8d is derived by subtracting line 8b and 8c from line 8a. For TY13-19, the amount for line 8 is the sum of lines 2, 4, 6, and 7; TY20, line 8c. Refer to EC 322.

3.12.2.36.3.10
(01-01-2017)
**Field 44NFV, Total
Non-FUTA Tax Verified**

(1) This field is for **ERS input only** and is used when the computer cannot correctly compute Total SS/Medicare/Income Taxes.

3.12.2.36.3.11
(01-01-2020)
**Field 44FIN, FUTA
Indicator**

(1) The coding of the FUTA Indicator Field indicates whether the employer is a single-state filer who timely paid state unemployment contributions that were also fully taxable for that particular state.

(2) The field will be invalid if not blank, 1 or 2.

(3) Use the following table to determine the correct code:

If...	Then...
A] The taxpayer answered **"Yes"** to **all** boxes on lines 10, 11 and 12 for TY13 and later.	Leave Field 44FIN blank or delete the entry in Field 44FIN.
B] The taxpayer answered **"No"** to **any** box on line 10, 11, or 12 for TY13 and later (see exception),	Enter **1** in Field 44FIN.

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If...	Then...
C] Is from a single-state Credit Reduction Filer (see Exhibit 3.12.2-8),	Enter **2** in Field 44FIN. (ERS input only, not valid for TY08 to TY06) **Note:** If there are no Credit Reduction States on Schedule H, do not enter Code 2.

Exception: Do not code if Part II has no money entries (e.g., one of the answers for lines 10 through 12 for TY13 and later was "No", but the taxpayer left the remainder of Part II blank).

(4) Refer to Sections A and B, Part II, Schedule H when the conditions in the preceding (3) are not met. Use the following table to code Field 44FIN:

If Part II of Schedule H...	Then...
A] Has entries in only **Section A**,	Leave Field 44FIN blank or delete the entry in Field 44FIN.
B] Has entries in only **Section B**,	Enter **1** in Field 44FIN.
C] Has entries in **both** Sections A and B,	1. Enter **1** in Field 44FIN. 2. Correct the entries in Fields 44SC1, 44FCP, 44TFW, and 44FTX to the amounts in Section B, if different than Section A.
D] Neither Section A or B has entries,	Leave Field 44FIN blank or delete the entry in Field 44FIN.

3.12.2.36.3.12
(01-01-2024)
Fields 44SC1 and 44SC2, FUTA State Code 1 and 2

(1) These fields contain the two-digit abbreviation for the name of the states (including the District of Columbia (DC), Puerto Rico (PR), and the U.S. Virgin Islands (VI)) to which the employer has to pay unemployment contributions.

(2) The employer is instructed to complete either Section A or B, not both. For TY13 and later, the FUTA State Code must be present when any of the following apply:

   a. An entry is present on line 15 or 16, Section A.
   b. Monetary entries are present below line 19, Section B.

(3) For TY13 and later, Code and Edit will "X" all state codes when:

   a. More than **one** state is present on line 13.

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    b.   More than **two** states are present on line 17, on the return attachments, or "see attached" is noted and there are more than two state codes to be edited.

(4)   These fields will be invalid if they are present and not one of the existing 50 state codes (plus DC, PR, or VI).

Note: State Code value of ZZ is also valid. It is for **ERS input only** and is used when the FUTA Section of Schedule H is nontaxable and the state involved is a Credit Reduction State (not valid TY08 to TY06).

(5)   For TY13 and later, enter the FUTA State Code Fields as follows:

    a.   Enter the two-alpha character state code if present on line 13 or 17(a) in Field 44SC1.
    b.   Enter the proper two-digit state code if the state name was spelled out and not abbreviated.
    c.   Enter the state code that corresponds with the taxpayer's address listed in the Entity portion of the return when there are entries in Sections A and/or B and there are no state codes or state names present.
    d.   If more than one state is present on line 13, enter the first code listed.
    e.   If more than two states are present on line 17, enter up to the first five codes in Fields 44SC1 through 44SC5.

(6)   TY09 through TY07, enter the same state code in Fields 44SC1 and 44SC2 when there are two state reporting numbers present and only one state code is present. Also enter **1** in the Multiple Indicator (Field 44MID) Field.

Note: For TY09 and before, Code and Edit will "X" the duplicate state code that does not have a corresponding state reporting number when multiple listings of the same state code are present.

(7)   Below is a list with the abbreviation for each state, the District of Columbia, Puerto Rico, and the Virgin Islands.

State Codes	State Codes	State Codes
AL: Alabama	AK: Alaska	AZ: Arizona
AR: Arkansas	CA: California	CO: Colorado
CT: Connecticut	DC: District of Columbia	DE: Delaware
FL: Florida	GA: Georgia	HI: Hawaii
ID: Idaho	IL: Illinois	IN: Indiana
IA: Iowa	KS: Kansas	KY: Kentucky
LA: Louisiana	ME: Maine	MD: Maryland
MA: Massachusetts	MI: Michigan	MN: Minnesota
MS: Mississippi	MO: Missouri	MT: Montana
NE: Nebraska	NV: Nevada	NH: New Hampshire

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State Codes	State Codes	State Codes
NJ: New Jersey	NM: New Mexico	NY: New York
NC: North Carolina	ND: North Dakota	OH: Ohio
OK: Oklahoma	OR: Oregon	PA: Pennsylvania
PR: Puerto Rico	RI: Rhode Island	SC: South Carolina
SD: South Dakota	TN: Tennessee	TX: Texas
UT: Utah	VT: Vermont	VA: Virginia
VI: Virgin Island	WA: Washington	WV: West Virginia
WI: Wisconsin	WY: Wyoming	

3.12.2.36.3.13
(01-01-2018)
Fields 44SC3 through 44SC5, FUTA State Code 3 through 5

(1)   Fields 44SC3, 44SC4, and 44SC5 are **ERS input only** fields for Section B.

(2)   For TY13 and later, Code and Edit will "X" all state codes when more than two states are present on line 17(a), on the return attachments, or "see attached" is noted and there are more than two state codes to be edited.

Note: This action will force the return to ERS for input of all state codes.

3.12.2.36.3.14
(01-01-2017)
Field 44FCP, FUTA Contributions Paid

(1)   This field is transcribed from line 14 or 18(h) for TY13 and later. It represents the employer's total contributions paid to the state(s) unemployment fund for the year.

(2)   Blank the field when the taxpayer has entered either of the following notations:

- "0% rate"
- "zero percent rate"

#

3.12.2.36.3.15
(01-01-2017)
Field 44TFW, Total FUTA Wages

(1)   This field is transcribed from line 15 or 20 for TY13 and later.

#

3.12.2.36.3.16
(01-01-2017)
Field 44FTX, FUTA Tax

(1)   This field is transcribed from line 16 or 24 for TY13 and later. Refer to EC 324.

3.12.2.36.3.17
(01-01-2017)
Field 44FTV, FUTA Tax Verified

(1)   This field is for **ERS input only** and is used when the computer cannot correctly compute FUTA Tax.

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3.12.2.36.3.18
(01-01-2018)
Field 44TTC, FUTA Total Tentative Credit

(1)   This field is transcribed from line 19 for TY13 and later. Refer to EC 176.

(2)   Use the following table to correct Field 44TTC:

If...	Then...
A] Line 19 is blank,	Compute by adding lines 18g and 18h and enter the result in Field 44TTC.
B] Lines 18g and 18h are blank,	Compute by adding lines 17g and 17h and enter result in Field 44TTC.
C] Lines 17g and 17h are blank,	Enter **1** in Field 44TTC.

Note: Column (g) can be determined if columns (b) and (d) have entries. To arrive at line 19, the employer must complete all the applicable columns on line 17.

3.12.2.36.3.19
(01-04-2021)
Field 44ASI, Additional States Indicator

(1)   This field is transcribed from editing at the lower left of page 2, Schedule H.

(2)   The valid entries are blank or 1. Refer to EC 187.

(3)   Enter **1** in Field 44ASI when **more than five** state codes are present.

Note: The FUTA certification program uses this indicator.

3.12.2.36.3.20
(01-01-2017)
Field 44TCR, Total Credit Reduction

(1)   This field is transcribed from line 23, Schedule H.

(2)   Refer to Exhibit 3.12.2-8 for a complete list of credit-reduction states and credit-reduction territory.

3.12.2.36.3.21
(01-01-2020)
Fields 44CW1 to 44CW5, Credit-Reduction Wages 1 to 5

(1)   Fields 44CW1 to 44CW5 are for **ERS input only**. The amount for these fields is located on line 17, column (b).

3.12.2.37
(01-01-2024)
Section 47, Schedule 8812,

(1)   Schedule 8812, Credits for Qualifying Children and Other Dependents, is used to claim Additional Child Tax Credit or when the taxpayer qualifies for the re-fundable portion of Child Tax Credit. In TY21, it is also used by the taxpayer to reconcile any Advance Child Tax Credit received, and repay any overpayment. Refer to ECs 287, 289, 290, and 344.

(2)   For TY21, tax forms refer to the refundable portion as the Refundable Child Tax Credit.

(3)   For TY18 and later, taxpayers can claim additional child tax credit only for qualifying children with a valid social security number.

(4)   For TY12 through TY17, Schedule 8812, *Child Tax Credit*, Part I is used by taxpayers who take the Child Tax or Additional Child Tax Credit for qualifying

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children with an ITIN. In Part I, taxpayers declare whether their children meet the physical presence test for the credits.

(5) For TY01 and later, the Additional Child Tax Credit can be claimed by taxpayers with one or more qualifying children for the Child Tax Credit.

3.12.2.37.1
(01-01-2025)
Error Record Format, Section 47

(1) If other than blank, entries in Section 47 fields must be numeric and positive. Section 47 consists of the following fields from Schedule 8812:

Schedule 8812	Field Name	Field Location
47OEI	Additional Child Tax Credit Opt Out Election Indicator	Line 15
47EI	Schedule 8812 Earned Income	Line 18a
47NCP	Non-Taxable Combat Pay	Line 18b
47SSM	Total Social Security and Medicare Taxes	Line 21

3.12.2.37.2
(01-01-2020)
Invalid Conditions

(1) Section 47 fields will display as invalid if not numeric.

3.12.2.37.3
(01-01-2023)
Correction Procedures

(1) Correct coding and transcription errors and misplaced entries in displayed fields.

(2) TY12 and later, if the old Form 8812 is present, correspond for Schedule 8812.

(3) Schedule 8812 instructions can be found in EC 290 and 344.

3.12.2.37.3.1
(01-01-2023)
Field 47OEI, Additional Child Tax Credit Opt Out Election Indicator

(1) Field 47OEI is transcribed from line 15 of Schedule 8812 (TY22 and later).

(2) Code 0 if box is not checked. Code 1 if box is checked.

3.12.2.37.3.2
(01-01-2023)
Field 47EI, Schedule 8812 Earned Income

(1) Field 47EI is transcribed from line 18a (TY21, line 18a; TY19 - TY20, line 6a) of Schedule 8812.

3.12.2.37.3.3
(01-01-2019)
Fields 47NCP, Nontaxable Combat Pay

(1) Field 47NCP is transcribed from line 18b of Schedule 8812 (TY20 and prior, located on line 6b).

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3.12.2.37.3.3

3.12.2.37.3.4
(01-01-2019)
Fields 47SSM, Total Social Security and Medicare Taxes

(1)   Field 47SSM is transcribed from line 21 of Schedule 8812 (TY20 and prior, located on line 9).

(2)   Take the following actions when Schedule 8812 is attached and line 21 is blank or there is an indication that the taxpayer used amounts other than social security or Medicare taxes:

    a.   Total the social security and Medicare taxes using the attached Forms W-2 and other relevant attachments.
    b.   Enter the amount in Field 47SSM.

Note: If Schedule 8812 is **not** attached, never enter the amount for the total of social security and Medicare taxes from the attached Forms W-2.

3.12.2.38
(01-01-2017)
Sections 48 and 49, Form 8606

(1)   Form 8606, Nondeductible IRAs, is used to report various types of IRA-related information.

(2)   Only identifying information and entries in Part II will be transcribed for TY99 and later. When a taxpayer has converted a traditional IRA, the taxpayer must claim the amount converted as taxable income.

(3)   Two Forms 8606 may be processed with a return. The first Form 8606 displays as Section 48 and the second Form 8606 displays as Section 49. One is filed for the primary taxpayer and one for the secondary taxpayer.

Note: **For the remainder of this text, Form 8606 will be referred to as Section 48; however, all correction procedures will apply equally to Sections 48 and 49.**

3.12.2.38.1
(01-01-2023)
Error Record Format, Sections 48 and 49

(1)   Section 48 consists of the following fields from Form 8606:

Form 8606	Field Name	Field Location
48SI	Spouse Indicator	Coded in the top left of form
4807	Traditional, SEP, and SIMPLE IRA Distributions	Line 7
4815C	Taxable Nondeductible Contribution Amount	Line 15c
4816	Total IRA Conversion Amount	Line 16
4817	IRA Basis	Line 17
4818	Taxable IRA Conversion Amount	Line 18
4822	Roth IRA Contributions	Line 22

(2)   Money amount fields in Section 48 and/or 49 must be positive.

3.12.2.38.2
(01-01-2020)
Invalid Conditions

(1)   Fields in Section 48 will display as invalid if not all numeric.

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| 3.12.2.38.3
(01-01-2017)
Correction Procedures | (1) | Correct coding and transcription errors and misplaced entries in displayed fields. |
| | (2) | Additional correction procedures are provided for specific fields. |

3.12.2.38.3.1
(04-25-2022)
Field 48SI, Form 8606 Spouse Indicator

(1) Field 48SI will display as invalid if not 0 (zero), 1 or 2.

(2) Use the following table to correct Field 48SI:

If the return is for...	And Form 8606 is for the...	Then...
A] FSC other than 2,		Enter **0** (zero) in Field 48SI.
B] FSC is 2,	Primary taxpayer,	Enter **1** in Field 48SI.
C] FSC is 2,	Secondary taxpayer,	Enter **2** in Field 48SI.

(3) When you can't determine from the return or attachments which taxpayer is filing Form 8606, SSPND 211.

3.12.2.38.3.2
(01-03-2017)
Field 4807, Traditional, SEP, and SIMPLE IRA Distributions

(1) This field is transcribed from Part I line 7 of Form 8606.

(2) The field is eleven spaces long, and only numeric values are valid.

3.12.2.38.3.3
(01-19-2018)
Field 4815C, Taxable Nondeductible Contribution

(1) This field is transcribed from line 15c of Part I, Form 8606.

3.12.2.38.3.4
(01-01-2017)
Fields 4816 through 4818

(1) These fields are transcribed from their respective lines of Part II, Form 8606.

(2) Attempt to determine the taxpayer's intent from Part II, Form 8606, when these fields display as invalid because of non-numeric data. Back into amounts if necessary. Consult the lead tax examiner if you require assistance.

\#

3.12.2.38.3.5
(01-01-2017)
Field 4822, Roth IRA Contributions

(1) This field is transcribed from line 22 of Part III, Form 8606.

3.12.2.39
(01-01-2017)
Section 50, Form 8863

(1) Form 8863, Education Credits, is used to figure and claim a credit for taxpayers that pay for a student enrolled in a school of higher education. Education Credits are the refundable "American Opportunity Credit" and the nonrefundable "Lifetime Learning Credit". Refer to EC 284.

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(2)　Taxpayers must attach Form 8863 to claim the credit for students eligible for the education credits.

3.12.2.39.1
(01-01-2023)
Error Record Format, Section 50

(1)　Section 50 consists of the following fields from Form 8863:

Form 8863	Field Name	Field Location
5001	Tentative American Opportunity Credit Amount	Line 1
5010	Lifetime Learning Credit Qualified Expenses Amount	Line 10
50NC1	Education Credit Student 1 Name Control	Line 20
50SS1	Education Credit Student 1 SSN	Line 21
50FN1	Education Institution Federal ID Number Student 1	Line 22a (4)
50SN1	Second Education Institution Federal ID Number Student 1	Line 22b (4)
50PY1	Prior-Year Hope Scholarship or AOT Credit Claimed Student 1 Code	Line 23
50AE1	Academic Eligibility Student 1 Code	Line 24
50PS1	Post-Secondary Education Student 1 Code	Line 25
50FE1	Felony Conviction Student 1 Code	Line 26
50NC2	Education Credit Student 2 Name Control	Line 20 of the second page 2
50SS2	Education Credit Student 2 SSN	Line 21 of the second page 2
50FN2	Education Institution Federal ID Number Student 2	Line 22a of the second page 2
50SN2	Second Education Institution Federal ID Number Student 2	Line 22b of the second page 2
50PY2	Prior-Year Hope Scholarship or AOT Credit Claimed Student 2 Code	Line 23 of the second page 2
50AE2	Academic Eligibility Student 2 Code	Line 24 of the second page 2
50PS2	Post-Secondary Education Student 2 Code	Line 25 of the second page 2
50FE2	Felony Conviction Student 2 Code	Line 26 of the second page 2
50NC3	Education Credit Student 3 Name Control	Line 20 of the third page 2

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Form 8863	Field Name	Field Location
50SS3	Education Credit Student 3 SSN	Line 21 of the third page 2
50FN3	Education Institution Federal ID Number Student 3	Line 22a of the third page 2
50SN3	Second Education Institution Federal ID Number Student 3	Line 22b of the third page 2
50PY3	Prior-Year Hope Scholarship or AOT Credit Claimed Student 3 Code	Line 23 of the third page 2
50AE3	Academic Eligibility Student 3 Code	Line 24 of the third page 2
50PS3	Post-Secondary Education Student 3 Code	Line 25 of the third page 2
50FE3	Felony Conviction Student 3 Code	Line 26 of the third page 2
50ASV	American Opportunity Eligible Student Verified Number (ERS input only)	ERS input only

(2) All money fields in this section must be positive and cannot exceed eleven characters in length.

(3) Fields 50NC1, 50NC2, and 50NC3 are alpha only.

3.12.2.39.2
(04-29-2019)
Invalid Conditions

(1) Fields in Section 50 will display as invalid if other than numeric except Fields 50NC1, 50NC2 and 50NC3, student name control.

(2) In name control Fields 50NC1, 50NC2 and 50NC3, alphanumeric values are valid.

3.12.2.39.3
(01-01-2017)
Correction Procedures

(1) Correct coding and transcription errors and misplaced entries in displayed fields.

(2) For TY12 and later, if Form 8863 is not present when education credit is claimed, correspond for Form 8863.

(3) Additional correction procedures for Section 50 fields follow.

3.12.2.39.3.1
(01-01-2017)
Field 5001, Tentative American Opportunity Credit Amount

(1) This field is transcribed from line 1.

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3.12.2.39.3.1

3.12.2.39.3.2 (01-01-2017) **Field 5010, Lifetime Learning Credit Qualified Expenses Amount**	(1) This field is transcribed from line 10.
3.12.2.39.3.3 (01-01-2017) **Fields 50NC1, 50NC2 and 50NC3, Education Credit Student 1, 2, and 3 Name Control**	(1) These fields are transcribed from line 20 as the first four characters of the student's last name. (2) Each field is four spaces long, and only alpha characters are valid.
3.12.2.39.3.4 (01-01-2017) **Fields 50SS1, 50SS2 and 50SS3, Education Credit Student 1, 2, and 3 SSN**	(1) These fields are transcribed from line 21. (2) Each field is nine spaces long, and only positive numeric values are valid.

3.12.2.39.3.5
(01-22-2018)
Fields 50FN1, 50FN2, and 50FN3, Education Institution Federal ID Number Student 1, 2, and 3

(1) Each field is transcribed from the first column at line 22(4) of Form 8863.

(2) Each field is nine spaces long, and only positive numeric values are valid with a default of all zeroes.

Exception: If all nine numbers are the same or equal to "123456789", the number is invalid.

(3) If a field error generates and transcription is correct, overlay EIN with nine zeroes to delete the number.

(4) If Form 1098-T is present, verify taxpayer entered the number correctly on Form 8863. If incorrect, transcribe the number from Form 1098-T.

(5) If the taxpayer provided an invalid EIN or fewer than nine digits on line 4, Form 8863, overlay EIN with nine zeroes to delete the number.

3.12.2.39.3.6
(01-22-2018)
Fields 50SN1, 50SN2, and 50SN3, Second Education Institution Federal ID Number Student 1, 2, and 3

(1) Each field is transcribed from the second column at line 22(4) of Form 8863.

(2) Each field is nine spaces long, and only positive numeric values are valid with a default of all zeroes.

Exception: If all nine numbers are the same or equal to "123456789", the number is invalid.

(3) If a field error generates and transcription is correct, overlay EIN with nine zeroes to delete the number.

(4)   If Form 1098-T is present, verify taxpayer entered the number correctly on Form 8863. If incorrect, transcribe the number from Form 1098-T.

(5) If the taxpayer provided an invalid EIN or fewer than nine digits on line 4, Form 8863, overlay EIN with nine zeroes to delete the number.

3.12.2.39.3.7
(01-01-2018)
Fields 50PY1, 50PY2, and 50PY3, Prior-Year Hope Scholarship or AOT Credit Claimed Student 1, 2, and 3 Code

(1)   This field is transcribed from line 23 of Form 8863.

(2)   Each field allows one numeric character.

(3)   Valid values:

- **0**: neither box is checked
- **1**: box Yes is checked
- **2**: box No is checked, or both boxes are checked

(4)   If the taxpayer doesn't answer question 23, 24, 25, or 26, but enters the tentative AOC on line 1 or figures qualified expenses from line 27 to 30, correspond for the missing entries.

(5)   For TY12 and later, enter **0, 1, or 2** in Field 50PY1/2/3.

(6)   For TY11 and prior, enter **2** in Field 50PY1/2/3.

3.12.2.39.3.8
(01-01-2018)
Fields 50AE1, 50AE2, and 50AE3, Academic Eligibility Student 1, 2, and 3 Code

(1)   This field is transcribed from line 24 of Form 8863.

Note: If the taxpayer has filed more than one Form 8863 for the same student (different Education Institutions) use only "one Form 8863" for that student.

(2)   Each field allows one numeric character.

(3)   Valid values:

- **0**: neither box is checked
- **1**: box Yes is checked
- **2**: box No checked, or both boxes are checked

(4)   If the taxpayer doesn't answer question 23, 24, 25, or 26, but enters the tentative AOC on line 1 or figures qualified expenses from line 27 to 30, correspond for the missing entries.

(5)   For TY12 and later, enter **0, 1, or 2** in Field 50AE1/2/3.

(6)   For TY11 and prior, enter **2** in Field 50AE1/2/3.

3.12.2.39.3.9
(01-01-2018)
Fields 50PS1, 50PS2, and 50PS3, Post-Secondary Education Student 1, 2, and 3 Code

(1)   This field is transcribed from line 25 of Form 8863.

(2)   Each field allows one numeric character.

(3)   Valid values:

- **0**: neither box is checked
- **1**: box Yes is checked
- **2**: box No checked, or both boxes are checked

(4)   If the taxpayer doesn't answer question 23, 24, 25, or 26, but enters the tentative AOC on line 1 or figures qualified expenses from line 27 to 30, correspond for the missing entries.

(5)   For TY12 and later, enter **0, 1, or 2** in Field 50PS1/2/3.

(6)   For TY11 and prior, enter **2** in Field 50PS1/2/3.

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3.12.2.39.3.10 (01-01-2018) **Fields 50FE1, 50FE2, and 50FE3, Felony Conviction Student 1, 2, and 3 Code**	(1) This field is transcribed from line 26 of Form 8863.
	(2) Each field allows one numeric character.
	(3) Valid values:

- **0**: neither box is checked
- **1**: box Yes is checked
- **2**: box No checked, or both boxes are checked

(4) If the taxpayer doesn't answer question 23, 24, 25, or 26, but enters the tentative AOC on line 1 or figures qualified expenses from line 27 to 30, correspond for the missing entries.

(5) For TY12 and later, enter **0, 1, or 2** in Field 50FE1/2/3.

(6) For TY11 and prior, enter **2** in Field 50FE1/2/3.

3.12.2.39.3.11 (01-01-2020) Fields 50ASV, American Opportunity Eligible Student Verified Number

(1) Field 50ASV is **ERS input only**. Enter the number of students eligible for the American Opportunity Credit when eligible students can't be transcribed.

(2) This field is two spaces long, and only positive numeric values are valid.

3.12.2.40 (01-01-2017) Section 51, Form 4952

(1) Form 4952, Investment Interest Expense Deduction, is used to report expenses related to investment interest.

3.12.2.40.1 (01-01-2023) Error Record Format, Section 51

(1) Section 51 consists of the following fields:

Form 4952	Field Name	Field Location
514E	Disposition of Investment Property	Line 4e
514G	Investment Income Elect	Line 4g

(2) Field entries in Section 51 must be positive.

3.12.2.40.2 (01-01-2020) Invalid Conditions

(1) Only numeric values are valid in Section 51 fields.

3.12.2.40.3 (01-01-2017) Correction Procedures

(1) Additional correction procedures are provided for specific fields.

3.12.2.40.3.1 (01-03-2017) Field 514E, Disposition of Investment Property

(1) This field is transcribed from line 4e of Form 4952. If a write-in is present to the left of line 4e, enter it in Field 514E.

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3.12.2.40.3.2
(01-03-2017)
**Field 514G, Investment
Income Elect**

(1)   This field is transcribed from line 4g of Form 4952.

3.12.2.41
(01-01-2017)
**Sections 52 and 53,
Form 8889**

(1)   Form 8889, Health Savings Accounts, is used to report contributions and distributions for a Health Savings Account (HSA). Refer to EC 226.

(2)   Two Forms 8889 may be processed with a return. Section 52 data is for the primary taxpayer, Section 53 for the secondary taxpayer.

Note: **For the remainder of this text, Form 8889 will be referred to as Section 52; however, all correction procedures will apply equally to Sections 52 and 53.**

3.12.2.41.1
(01-01-2023)
**Error Record Format,
Sections 52 and 53**

(1)   Section 52 consists of the following fields:

Form 8889	Field Name	Field Location
5201	High-Deductible Health Plan Check Box	Line 1
5202	HSA Contributions	Line 2
5203	HSA Coverage Deductible	Line 3
5204	Total Archer MSA Contributions	Line 4
5205	Limited HSA Contributions	Line 5
5206	One-Half Adjusted HSA Deductible	Line 6
5207	Additional HSA Contributions	Line 7
5208	Total HSA Contributions High Deductible Coverage	Line 8
5209	Employer HSA Contributions	Line 9
5210	Qualified HSA Funding Distributions	Line 10
5211	Total Qualified Distributions	Line 11
5212	Total Additional HSA Contributions	Line 12
5213	Total HSA Deduction	Line 13
52HSV	HSA Deduction Verified	ERS input only
5214A	Total HSA Distributions	Line 14a
5214B	HSA Rollover Amount	Line 14b
5214C	Allowable HSA Distributions	Line 14c
5215	Unreimbursed Qualified Medical Expenses	Line 15
5216	Taxable HSA Distributions	Line 16

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3.12.2.41.1

Form 8889	Field Name	Field Location
5217A	Additional Percentage Tax Exception Indicator	Line 17a
5217B	Total Additional 20 Percent Tax	Line 17b
5218	Part-Year Coverage	Line 18
5219	Qualified HSA Funding	Line 19
5220	Total Income HDHP Coverage	Line 20
5221	Additional Tax HDHP Coverage	Line 21

(2)   The money amount fields in the section must be positive and dollars only.

3.12.2.41.2
(01-01-2017)
Invalid Conditions

(1)   Fields 5202 through 5222 are eleven spaces long and will display as invalid if not all numeric.

Exception: Field 5217A is a one character field.

(2)   Field 5201 will display as invalid if other than 1 or 2.

3.12.2.41.3
(01-01-2017)
Correction Procedures

(1)   Additional correction procedures are provided for specific fields.

3.12.2.41.3.1
(01-03-2017)
Field 5201,
High-Deductible Health
Plan Check Box

(1)   This field is transcribed from line 1, Form 8889.

(2)   The field allows one numeric character.

(3)   Valid values:

- •   1: box Self-only checked
- •   2: box Family checked

3.12.2.41.3.2
(01-03-2017)
Field 5202, HSA
Contributions

(1)   This field is transcribed from line 2, Form 8889.

3.12.2.41.3.3
(01-03-2017)
Field 5203, HSA
Coverage Deductible

(1)   This field is transcribed from line 3, Form 8889.

3.12.2.41.3.4
(01-01-2018)
Field 5204, Total Archer
MSA Contributions

(1)   This field is transcribed from line 4, Form 8889.

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3.12.2.41.3.5 (01-03-2017) **Field 5205, Limited HSA Contributions**	(1)	This field is transcribed from line 5, Form 8889. Line 5 is the result of line 4 minus line 3.
3.12.2.41.3.6 (01-03-2017) **Field 5206, One-Half Adjusted HSA Deductible**	(1)	This field is transcribed from line 6, Form 8889.
3.12.2.41.3.7 (01-03-2017) **Field 5207, Additional HSA Contributions**	(1)	This field is transcribed from line 7, Form 8889.
3.12.2.41.3.8 (01-03-2017) **Field 5208, Total HSA Contributions High-Deductible Coverage**	(1)	This field is transcribed from line 8, Form 8889. Line 8 is the sum of lines 6 and 7.
3.12.2.41.3.9 (01-03-2017) **Field 5209, Employer HSA Contributions**	(1)	This field is transcribed from line 9, Form 8889.
3.12.2.41.3.10 (01-03-2017) **Field 5210, Qualified HSA Funding Distributions**	(1)	This field is transcribed from line 10, Form 8889.
3.12.2.41.3.11 (01-03-2017) **Field 5211, Total Qualified Distributions**	(1)	This field is transcribed from line 11, Form 8889. Line 11 is the sum of lines 9 and 10.
3.12.2.41.3.12 (01-03-2017) **Field 5212, Total Additional HSA Contributions**	(1)	This field is transcribed from line 12, Form 8889. Line 12 is the result of line 8 minus line 11.
3.12.2.41.3.13 (01-03-2019) **Field 5213, Total HSA Deduction**	(1)	This field is transcribed from line 13, Form 8889. Line 13 is the smaller of line 2 or 12.
	(2)	The taxpayer transfers this amount to line 25, Form 1040. Refer to EC 226.

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3.12.2.41.3.13

3.12.2.41.3.14 (01-01-2017) **Field 52HSV, HSA Deduction Verified**	(1) This is an **ERS input only** field. (2) ERS tax examiners use this field to verify the entry for Field 5213, from line 13 of Form 8889.
3.12.2.41.3.15 (01-03-2017) **Field 5214A, Total HSA Distributions**	(1) This field is transcribed from line 14a, Form 8889.
3.12.2.41.3.16 (01-03-2017) **Field 5214B, HSA Rollover Amount**	(1) This field is transcribed from line 14b, Form 8889.
3.12.2.41.3.17 (01-03-2017) **Field 5214C, Allowable HSA Distributions**	(1) This field is transcribed from line 14c, Form 8889. Line 14c is the result of line 14a minus 14b.
3.12.2.41.3.18 (01-03-2017) **Field 5215, Unreimbursed Qualified Medical Expenses**	(1) This field is transcribed from line 15, Form 8889.
3.12.2.41.3.19 (01-03-2017) **Field 5216, Taxable HSA Distributions**	(1) This field is transcribed from line 16, Form 8889. Line 16 is the result of line 14c minus line 15.
3.12.2.41.3.20 (01-03-2017) **Field 5217A, 20 Percent Exception Check Box**	(1) This field is transcribed from the check box on line 17a, Form 8889. (2) The field allows one numeric character. (3) Valid value: • 1: box on line 17a checked
3.12.2.41.3.21 (01-01-2023) **Field 5217B, Total Additional 20 Percent Tax**	(1) This field is transcribed from line 17b, Form 8889. (2) If the box on line 17a is checked, the taxpayer is instructed to enter 20 percent of the amount on line 16 on line 17b. (3) If the box on line 17a is not checked, the taxpayer is instructed to enter 20 percent of the amount on line 16, that doesn't meet the exceptions, on line 17b.
3.12.2.41.3.22 (01-03-2017) **Field 5218, Part-Year Coverage**	(1) This field is transcribed from line 18, Form 8889.

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| 3.12.2.41.3.23
(01-03-2017)
Field 5219, Qualified HSA Funding | (1) This field is transcribed from line 19, Form 8889. |

| 3.12.2.41.3.24
(01-03-2017)
Field 5220, Total Income HDHP Coverage | (1) This field is transcribed from line 20, Form 8889. Line 20 is the sum of lines 18 and 19. |

| 3.12.2.41.3.25
(01-03-2017)
Field 5221, Additional Tax HDHP Coverage | (1) This field is transcribed from line 21, Form 8889. |

| 3.12.2.42
(05-24-2022)
Section 54, Form 8880 | (1) Form 8880, Credit for Qualified Retirement Savings Contributions, is used to report contributions to a qualified retirement savings plan. Refer to EC 286. |

3.12.2.42.1
(01-01-2023)
Error Record Format, Section 54

(1) Section 54 consists of the following fields transcribed from Form 8880:

Form 8880	Field Name	Field Location
5406A	Primary Contributions	Line 6a
5406B	Secondary Contributions	Line 6b

(2) All fields in Section 54 must be positive.

| 3.12.2.42.2
(01-01-2020)
Invalid Conditions | (1) Fields 5406A and 5406B are eleven spaces long and will display as invalid if not all numeric. |

| 3.12.2.42.3
(01-01-2017)
Correction Procedures | (1) Additional correction procedures are provided for specific fields. |

| 3.12.2.42.3.1
(01-03-2017)
Field 5406A, Primary Contributions | (1) This field is transcribed from line 6, column a, of Form 8880. |

| 3.12.2.42.3.2
(01-03-2017)
Field 5406B, Secondary Contributions | (1) This field is transcribed from line 6, column b, of Form 8880. |

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3.12.2.42.3.2

3.12.2.43
(01-01-2023)
Section 55, Form 8995/8995-A

(1)   Form 8995, Qualified Business Income Deduction Simplified Computation, or Form 8995-A, Qualified Business Income Deduction, is used for TY19 and later to calculate the amount of Qualified Business Income Deduction (QBID) reported on Form 1040, line 13.

3.12.2.43.1
(01-01-2024)
Error Record Format, Section 55

(1)   Section 55 consist of the following fields transcribed from Form 8995/8995-A:

Form 8995/8995-A	Field Name	Field Location Form 8995	Field Location Form 8995-A
55TIL	Total Qualified Business Income or Loss	Line 2	N/A
55QBC	Qualified Business Net Loss Carryforward	Line 3	Schedule C, Line 2
55BIC	Qualified Business Income Component	Line 5	Line 27
55RIL	Qualified REIT Dividends and PTP Income or Loss	Line 6	Line 28
55RDC	Qualified REIT Dividends and PTP Loss Carryforward	Line 7	Line 29
55REI	REIT and PTP Component	Line 9	Line 31
55NCG	Form 8995 Net Capital Gain	Line 12	Line 34
55TQC	Total Qualified Business Loss Carryforward	Line 16	Schedule C, Line 6
55DPA	Form 8995-A Domestic Production Activities Deduction	N/A	Line 38
55TRC	Total Qualified REIT Dividend and PTP Loss Carryforward	Line 17	Line 40

(2)   Fields 55TIL and 55RIL are transcribed as positive or negative in dollars and cents. All other money amounts are transcribed as positive in dollars and cents.

3.12.2.43.2
(01-01-2020)
Invalid Conditions

(1)   Fields in Section 55 will display as invalid if not all numeric.

3.12.2.43.3
(01-01-2020)
Correction Procedures

(1)   Correct coding and transcription errors and misplaced entries in displayed fields.

(2)   Refer to EC 249.

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3.12.2.43.3.1 (01-01-2023) **Field 55TIL, Total Qualified Business Income or Loss**	(1)	If the taxpayer files Form 8995 Field 55TIL is transcribed from Line 2.
	(2)	Field 55TIL is not valid for Form 8995-A.
3.12.2.43.3.2 (11-27-2020) **Field 55QBC, Qualified Business Net Loss Carryforward**	(1)	If the taxpayer files Form 8995 Field 55QBC is transcribed from Line 3.
	(2)	If the taxpayer files Form 8995-A Field 55QBC is transcribed from Schedule C, Line 2.
3.12.2.43.3.3 (11-27-2020) **Field 55BIC, Qualified Business Income Component**	(1)	Field 55BIC is transcribed from Form 8995, Line 5 or from Form 8995-A, Line 27.
3.12.2.43.3.4 (01-01-2023) **Field 55RIL, Qualified REIT Dividends and PTP Income or Loss**	(1)	If the taxpayer files Form 8995 Field 55RILis transcribed from Line 6.
	(2)	If the taxpayer files Form 8995-A Field 55RIL is transcribed from Line 28.
3.12.2.43.3.5 (11-27-2020) **Field 55RDC, Qualified REIT Dividends and PTP Loss Carryforward**	(1)	Field 55RDC is transcribed from Form 8995, Line 7 or from From 8995-A, line 29.
3.12.2.43.3.6 (11-27-2020) **Field 55REI, REIT and PTP Component**	(1)	Field 55REI is transcribed from Form 8995, Line 9 or from Form 8995-A, line 31.
3.12.2.43.3.7 (11-27-2020) **Field 55NCG, Net Capital Gains**	(1)	Field 55NCG is transcribed from Form 8995, Line 12 or from Form 8995-A, Line 34.
3.12.2.43.3.8 (11-27-2020) **Field 55TQC, Total Qualified Business Loss Carryforward**	(1)	If the taxpayer files Form 8995 Field 55TQC is transcribed from Form 8995, Line 16.
	(2)	If the taxpayer files Form 8995-A Field 55TQC is transcribed from Schedule C, Line 6.

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3.12.2.43.3.8

3.12.2.43.3.9
(11-27-2020)
Field 55DPA, Form 8995 Domestic Production Activities Deduction Amount

(1)   Field 55DPA is filed on Form 8995-A only and is transcribed from Form 8995-A, Line 38.

3.12.2.43.3.10
(06-10-2021)
Field 55TRC, Total Qualified REIT Dividend and PTP Loss Carryforward

(1)   Field 55TRC is transcribed from Form 8995, Line 17 or from Form 8995-A, Line 40.

3.12.2.44
(01-01-2017)
Section 56, Form 8888

(1)   Form 8888, Allocation of Refund, is used to allocate the taxpayer's refund for direct deposit into one or more bank accounts.

3.12.2.44.1
(01-01-2025)
Error Record Format Section 56

(1)   Section 56 consists of the following fields transcribed from Form 8888:

Form 8888	Field Name	Field Location
5601A	Account 1 Deposit Amount	Line 1a
5601B	Account 1 Routing Number	Line 1b
5601C	Account 1 Type Deposit Code	Line 1c
5601D	Account 1 Account Number	Line 1d
5602A	Account 2 Deposit Amount	Line 2a
5602B	Account 2 Routing Number	Line 2b
5602C	Account 2 Type Deposit Code	Line 2c
5602D	Account 2 Account Number	Line 2d
5603A	Account 3 Deposit Amount	Line 3a
5603B	Account 3 Routing Number	Line 3b
5603C	Account 3 Type Deposit Code	Line 3c
5603D	Account 3 Account Number	Line 3d
5604A	Bond Purchase 1 Amount	Line 4, TY23 and prior (Delete entry)
5605A	Bond Purchase 2 Amount	Line 5a, TY23 and prior (Delete entry)
5605B	Bond Owner 2 Name	Line 5b, TY23 and prior (Delete entry)

Form 8888	Field Name	Field Location
5605C	Co-owner or Beneficiary 2 Name	Line 5c, TY23 and prior (Delete entry)
56BD2	Beneficiary Designation 2 Indicator	Line 5c check box, TY23 and prior (Delete entry)
5606A	Bond Purchase 3 Amount	Line 6a, TY23 and prior (Delete entry)
5606B	Bond Owner 3 Name	Line 6b, TY23 and prior (Delete entry)
5606C	Co-owner or Beneficiary 3 Name	Line 6c, TY23 and prior (Delete entry)
56BD3	Beneficiary Designation 3 Indicator	Line 6c check box, TY23 and prior (Delete entry)
5604	Paper Check Refund Amount	Line 4 (TY23 and prior, line 7)

3.12.2.44.2
(01-01-2020)
Invalid Conditions

(1) Fields in Section 56 will display as invalid if not all numeric or alpha.

(2) Money amounts are transcribed as positive in dollars and cents.

3.12.2.44.3
(01-01-2017)
Correction Procedures

(1) Correct coding and transcription errors and misplaced entries in displayed fields.

(2) The taxpayer has the option of using Section 06 or Section 56, Form 8888, but not both. If the taxpayer tries to use both, they will receive a paper check.

(3) Injured Spouse filers do not have the option of using Form 8888.

(4) Total Direct Deposit amounts of less than $100 will not be allowed using Form 8888.

(5) See Section 06 Correction Procedures for Fields RTN, DAN, and TDA.

(6) Additional correction procedures are provided for specific fields.

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3.12.2.44.3

3.12.2.44.3.1 (01-01-2017) **Fields 5601A, 5602A, and 5603A, Account 1/2/3 Deposit Amount**	(1) The Deposit Amount is transcribed from line 1a/2a/3a, Form 8888.

3.12.2.44.3.2 (01-01-2017) **Fields 5601B, 5602B, and 5603B, Account 1/2/3 Routing Number**	(1) The Routing Number is transcribed from line 1b/2b/3b, Form 8888.

3.12.2.44.3.3 (01-01-2017) **Fields 5601C, 5602C, and 5603C, Account 1/2/3 Type Deposit Code**	(1) The Account Type Deposit Code is transcribed from line 1c/2c/3c, Form 8888.
	(2) Enter the account type deposit code in Field 5601C/5602C/5602C as follows:
	a. If the Checking box is checked, enter **C**.
	b. If the Savings box is checked, enter **S**.

3.12.2.44.3.4 (01-01-2017) **Fields 5601D, 5602D, 5603D, Account 1/2/3 Account Number**	(1) The Account Number is transcribed from line 1d/2d/3d, Form 8888.

3.12.2.44.3.5 (01-01-2025) **Fields 5604A Through 56BD3**	(1) TY23 and prior, these fields were transcribed from Form 8888, Part II, U.S. Series I Savings Bond Purchases, lines 4 through 6b. Since the bond purchase program was discontinued in 2024, the bond purchase fields must no longer be used for any tax year. Delete any entry in Fields 5604A, 5605A, 5605B, 5605C, 56BD2, 5606A, 5606B, 5606C, and/or 56BD3.
	(2) Refer to EC 145.

3.12.2.44.3.6 (01-01-2025) **Field 5604, Paper Check Refund Amount**	(1) This field is transcribed from line 4, Form 8888 (TY23 and prior, line 7).
	(2) It is the amount the taxpayer wants refunded as a check.
	(3) Refer to EC 142 and 145.

3.12.2.45 (02-26-2020) **Section 57, Form 8978**	(1) Form 8978, Partner's Additional Reporting Year Tax, is used by partners of audited partnerships when the partnership pushed out underpayment to its partners.

3.12.2.45.1 (01-01-2023) **Error Record Format, Section 57**	(1) Section 57 consists of the following fields transcribed from Form 8978:

Form 8978	Field Name	Field Location
57YAC	Source of Review Year Adjustment Code	Checkbox below entity
5714	Total Additional Reporting Year Tax	Line 14

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Form 8978	Field Name	Field Location
5716	Total Penalties	Line 16
5718	Total Interest	Line 18

(2) Amounts are transcribed as dollars and cents. Fields are positive only, except Field 5714, which can be positive or negative.

3.12.2.45.2
(01-01-2020)
Invalid Conditions

(1) Section 57 fields will display as invalid if not all numeric.

3.12.2.45.3
(01-01-2020)
Correction Procedures

(1) Correct coding and transcription errors and misplaced entries in displayed fields.

#

3.12.2.45.4
(01-01-2023)
Field 57YAC, Source of Review Year Adjustments Code

(1) Field 57YAC is transcribed from the checkbox below entity on Form 8978.

(2) Coding for the checkbox is:

- 0 if neither box is checked
- 1 if BBA box is checked
- 2 if AAR box is checked
- 3 if both boxes are checked

3.12.2.46
(01-01-2017)
Sections 58 and 59, Form 5405

(1) Form 5405, Repayment of the First-Time Homebuyer Credit, is used to claim the First-Time Homebuyer Credit (TY08 through TY11) and to repay it (TY10 and later). In TY11 the credit expired, and for TY12 and later Form 5405 is for the repayment of the First-Time Homebuyer Credit only.

(2) Two Forms 5405 may be processed with a return.

a. Section 58 data is for the primary taxpayer.
b. Section 59 data is for the secondary taxpayer.

Note: **For the remainder of this text, Form 5405 will be referred to as Section 58; however, all correction procedures will apply equally to Sections 58 and 59.**

(3) The following description of these sections refers to Section 58 but applies to both sections.

3.12.2.46.1
(01-01-2024)
Error Record Format, Sections 58 and 59

(1) Section 58 consists of the following fields:

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3.12.2.46.1

Form 5405	Field Name	Field Location
58SSN	Social Security Number	Upper right-hand corner of Form 5405
5801	Date of Disposition of Home or Change in Status of Home	Line 1
5803	Disposition Code	Line 3a to 3h
5804	Prior Year Credit Claimed	Line 4
5805	Repayment of Home Purchased in 2008	Line 5
5807	Gain on Sale of Main Home	Line 7
5808	Repayment of Homebuyer Credit	Line 8
5808V	Repayment of Homebuyer Credit Verified	ERS only

3.12.2.46.2
(01-01-2020)
Invalid Conditions

(1) Fields in Section 58 will display as invalid if not all numeric or alpha characters.

3.12.2.46.3
(01-03-2017)
Fields 58SSN and 59SSN, Social Security Number

(1) This field is the block of space for the taxpayer's TIN in the upper right corner of Form 5405.

3.12.2.46.4
(01-03-2017)
Fields 5801 and 5901, Date of Disposition or Change in Status

(1) This field is transcribed from Part I, line 1 of Form 5405 for TY12 and later.

(2) The date format is YYYYMMDD.

3.12.2.46.5
(01-03-2017)
Fields 5803 and 5903, Form 5405 Disposition Code

(1) This field is transcribed from Part I, line 3 of Form 5405 for TY12 and later.

(2) The field is one space long, and only alpha values are valid.

(3) Field values are as follows:

- A: box a checked
- B: box b checked
- C: box c checked
- D: box d checked
- E: box e checked
- F: box f checked
- G: box g checked
- H: box h checked

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- I: no corresponding disposition and the taxpayer has submitted an annual payment

3.12.2.46.6
(01-03-2017)
Fields 5804 and 5904, Credit Claimed in Prior Year Amount

(1) This field is transcribed from Part II, line 4 of Form 5405 for TY12 and later.

3.12.2.46.7
(01-03-2017)
Fields 5805 and 5905, Credit Repaid Home Purchased 2008 Amount

(1) This field is transcribed from Part II, line 5 of Form 5405 for TY12 and later.

3.12.2.46.8
(01-03-2017)
Fields 5807 and 5907, Gain on Sale of Main Home Amount

(1) This field is transcribed from Part II, line 7 of Form 5405 for TY12 and later.

3.12.2.46.9
(01-03-2017)
Fields 5808 and 5908, Repayment of Homebuyer Credit Amount

(1) This field is transcribed from Part II, line 8 of Form 5405 for TY12 and later.

3.12.2.46.10
(01-01-2018)
Fields 5808V and 5908V, Repayment of Homebuyer Credit Verified Amount

(1) This field is for **ERS input only** when an instruction in EC 329 describes its use.

(2) This field is Part II, line 8 of Form 5405 for TY12 and later.

3.12.2.47
(01-01-2017)
Sections 61 and 62, Form 8919

(1) Form 8919, Uncollected Social Security and Medicare Tax on Wages, is used to report social security and Medicare tax on wages (TY07 and later). Refer to ECs 314 and 316.

(2) Two Forms 8919 may be processed with a return.

   a. Section 61 data is for the primary taxpayer.
   b. Section 62 data is for the secondary taxpayer.

Note: **For the remainder of this text, Form 8919 will be referred to as Section 61; however, all correction procedures will apply equally to Sections 61 and 62.**

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3.12.2.47

3.12.2.47.1
(01-01-2023)
**Error Record Format,
Sections 61 and 62**

(1)   Section 61 consists of the following fields:

Form 8919	Field Name	Field Location
61SSN	Social Security Number	Upper Right Hand Portion of the Form
61F1N	Firm 1 Name	Line 1a
61F1E	Firm 1 EIN	Line 1b
61F1R	Firm 1 Reason Code	Line 1c
61F1D	Firm 1 IRS Determination/ Correspondence Date	Line 1d
61F1I	Firm 1 1099-MISC Received Indicator	Line 1e
61F1W	Firm 1 Non-reported Wages Received With no SS/Medicare Tax Withheld	Line 1f
61F2N	Firm 2 Name	Line 2a
61F2E	Firm 2 EIN	Line 2b
61F2R	Firm 2 Reason Code	Line 2c
61F2D	Firm 2 IRS Determination/ Correspondence Date	Line 2d
61F2I	Firm 2 1099-MISC Received Indicator	Line 2e
61F2W	Firm 2 Non-reported Wages Received With no SS/Medicare Tax Withheld	Line 2f
61F3N	Firm 3 Name	Line 3a
61F3E	Firm 3 EIN	Line 3b
61F3R	Firm 3 Reason Code	Line 3c
61F3D	Firm 3 IRS Determination/ Correspondence Date	Line 3d
61F3I	Firm 3 1099-MISC Received Indicator	Line 3e
61F3W	Firm 3 Non-reported Wages Received With no SS/Medicare Tax Withheld	Line 3f
6106	Form 8919 Total Wages Amount	Line 6
6108	Total Social Security Wages and Tips	Line 8
6113	Total Uncollected Social Security and Medicare Tax on Wages	Line 13
6113V	Total Uncollected Social Security and Medicare Tax on Wages Verified	ERS input only

(2)   Money amount fields must be numeric and positive.

3.12.2.47.2 (01-01-2020) **Invalid Conditions**	(1)	Section 61 fields will display as invalid if other than numeric and positive, other than Firm name and Reason Code, which are alpha fields.
3.12.2.47.3 (01-01-2017) **Correction Procedures**	(1)	Correct coding and transcription errors and misplaced entries in displayed fields.
	(2)	Additional correction procedures are provided for specific fields.
	(3)	If Form 8919 has an entry on lines 1a through 5a, then columns b-f must also have entries for the corresponding line number. If any of the lines in columns b-f do not have an entry, enter **Z** in Field 01ACD.
3.12.2.47.3.1 (01-01-2017) **Field 61SSN, Social Security Number**	(1)	This field is transcribed from the upper right hand portion of Form 8919.
	(2)	It is the SSN of the taxpayer who is liable for uncollected social security and Medicare tax on wages.
3.12.2.47.3.2 (01-01-2017) **Fields 61F1N/61F2N/ 61F3N, Firm Name**	(1)	The firm name is transcribed from lines 1-3, column a of Form 8919.
	(2)	This field is 18 characters long.
3.12.2.47.3.3 (01-01-2018) **Fields 61F1E/61F2E/ 61F3E, Firm EIN**	(1)	The firm EIN is transcribed from lines 1-3, column b of Form 8919.
	(2)	An entry of non-numerical characters or less than nine characters long is invalid.
	(3)	If the taxpayer's entry is not numerical or less than nine characters, enter nine zeroes.
3.12.2.47.3.4 (01-01-2017) **Fields 61F1R/61F2R/ 61F3R, Reason Code**	(1)	The reason code is transcribed lines 1-3, column c of Form 8919.
	(2)	If reason code A, B, C, D, E, F, G, or H is present, enter the first reason code present in Field 61F1R.
3.12.2.47.3.5 (01-01-2017) **Fields 61F1D/61F2D/ 61F3D, IRS Determination/ Correspondence Date**	(1)	The IRS determination/correspondence date is transcribed in MMDDYYYY format from lines 1-3, column d of Form 8919.
	(2)	Reason code A, B, or C in column (c) requires that an associated date be present in column (d). If no date is present, correspond for it.
	(3)	If the taxpayers note the name of a firm in column (a), fill the fields according to the instructions in the table below. The instructions refer to Section 61 but apply equally to Section 62.

If...	And...	Then...
An entry is present in column (a),	The reason code in column (c), on the same line, is A, B, or C,	Enter in Field 61F1D, 61F2D, or 61F3D the date provided by the taxpayer on that line.

If...	And...	Then...
An entry is present in column (a),	The reason code in column (c), on the same line, is **not** A, B, or C,	Enter 00000000 (eight zeroes) in Field 61F1D, 61F2D, or 61F3D for that line.

3.12.2.47.3.6
(01-01-2017)
Fields 61F1I/61F2I/61F3I, 1099-MISC Received Indicator

(1)   The 1099-MISC received indicator is transcribed as 1 (one) if a box is checked on lines 1-3, column e of Form 8919.

3.12.2.47.3.7
(01-01-2017)
Fields 61F1W/61F2W/ 61F3W, Non-reported Wages Received with No SS/Medicare Tax Withheld

(1)   The non-reported wages received with no SS/Medicare tax withheld is transcribed from lines 1-3, column f of Form 8919.

3.12.2.47.3.8
(01-01-2023)
Field 6106, Form 8919 Total Wages Amount

(1)   Form 8919 Total Wages Amount is transcribed from line 6 of Form 8919.

(2)   It is the total of lines 1 through 5, column f.

3.12.2.47.3.9
(01-01-2017)
Field 6108, Total Social Security Wages and Tips

(1)   Total social security wages and tips is transcribed from line 8 of Form 8919.

3.12.2.47.3.10
(01-01-2017)
Field 6113, Total Uncollected Social Security and Medicare Tax on Wages

(1)   Total uncollected social security and Medicare tax on wages is transcribed from line 13 of Form 8919.

(2)   It is the sum of the amount on lines 11 and 12.

3.12.2.47.3.11
(01-01-2017)
Field 6113V, Total Uncollected Social Security and Medicare Tax on Wages Verified

(1)   This field is **ERS input only**.

(2)   This field is used only when the computer cannot accurately compute Form 8919.

3.12.2.48
(05-30-2024)
Section 63, Form 8958

(1)   Form 8958, Allocation of Tax Amounts Between Certain Individuals in Community Property States, is entered as Section 63. Refer to IRM 3.12.3.24.4.14, Community Property Returns (EC 260). When Form 8958 is attached with a spouse or RDP SSN listed in column B or C, Code & Edit has instructions to edit Action Code 430 (See IRM 3.12.37.16.3.

3.12.2.47.3.6   Internal Revenue Manual   Cat. No. 67652C (11-01-2024)
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3.12.2.48.1 (01-01-2023) **Error Record Format, Section 63**	(1) Section 63 consists of the following fields:	

Form 8958	Field Name	Field Location
63SPF	Form 8958 Spouse or Partner First Name	First box in the second line of Form 8958
63SPL	Form 8958 Spouse or Partner Last Name	Second box in the second line of Form 8958
63SPN	Form 8958 Spouse or Partner SSN	Third box in the second line of Form 8958

3.12.2.48.2
(04-25-2022)
Field 63SPF, Spouse or Partner First Name

(1) This field is transcribed from the first box in line 2 of Form 8958.

(2) The field is seventeen spaces long, and only alphanumeric values and blank are valid.

(3) If missing, SSPND 211 to correspond for missing first name.

3.12.2.48.3
(04-25-2022)
Field 63SPL, Spouse or Partner Last Name

(1) This field is transcribed from the second box in line 2 of Form 8958.

(2) The field is seventeen spaces long, and only alphanumeric values and blank are valid.

(3) If missing, SSPND 211 to correspond for missing last name.

3.12.2.48.4
(04-25-2022)
Field 63SPN, Spouse or Partner SSN

(1) This field is transcribed from the third box in line 2 of Form 8958.

(2) This field is nine characters long and only numeric values are valid.

(3) If "NRA, none, N/A, Applied for, or ITIN Reject" is notated in place of the SSN, enter nine 9's.

(4) If Spouse or Partner name is present on the return, research using INOLE, NAMES or NAMEI for missing SSN. If unable to find, follow (5) below.

(5) If missing, SSPND 211 and correspond using fill-in **"12"**.

3.12.2.49
(01-01-2020)
Section 64, Form 461

(1) Form 461, Limitation on Business Losses, is used to calculate the limitation on trade or business losses as defined by IRC 461(I).

3.12.2.49.1
(01-01-2023)
Error Record Format, Section 64

(1) Section 64 consists of the following fields from Form 461:

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3.12.2.49.1

Form 461	Field Name	Field Location
6408	Form 461 Other Income or Loss Not Reported	Line 8
6409	Form 461 Gross Income or Loss	Line 9
6410	Non-Attributable Income or Gain	Line 10
6411	Non-Attributable Loss or Deductions	Line 11
6412	Net Income and Gain Less Loss and Deduction	Line 12
6416	Form 461 Excess Business Losses	Line 16

3.12.2.49.2
(01-01-2020)
Invalid Conditions

(1) Fields in Section 64 will display as invalid if not all numeric.

(2) Fields 6410 and 6411 will be transcribed as positive and dollars only. The other fields in Section 64 can be positive or negative.

3.12.2.49.3
(01-01-2020)
Correction Procedures

(1) Correct coding and transcription errors and misplaced entries in displayed fields.

3.12.2.50
(01-01-2017)
Sections 65 and 66,
Form 8941

(1) Form 8941, Credit for Small Employer Health Insurance Premiums, is used to figure the credit for small employer health insurance premiums.

(2) Two Forms 8941 may be processed with a return. The first Form 8941 displays as Section 65 and the second Form 8941 as Section 66. Section 65 is for the primary and Section 66 for the secondary taxpayer.

Note: **For the remainder of this text, Form 8941 will be referred to as Section 65; however, all correction procedures will apply equally to Sections 65 and 66.**

3.12.2.50.1
(01-01-2023)
Error Record Format,
Sections 65 and 66

(1) Section 65 consists of the following fields transcribed from Form 8941:

Form 8941	Field Name	Field Location
65SSN	F8941 ID Number	Upper right of form, immediately below the attachment number
65SHP	SHOP Checkbox	Line A
65EIN	F8941 Employment Taxes EIN Number	Line B
652YR	F8941 Two Year Declaration Checkbox	Line C
6501	F8941 Total Employees Number	Line 1

Form 8941	Field Name	Field Location
6502	F8941 Full Time Employees Number	Line 2
6503	F8941 Average Annual Wage Amount	Line 3
6504	F8941 Health Insurance Premium Paid Amount	Line 4
6505	F8941 Potential Total Premiums Amount	Line 5
6510	State Tax Credit and Premium Subsidy Amount	Line 10
6513	F8941 Employees with Premiums Paid Number	Line 13
6514	F8941 Full Time Employees Premiums Paid Number	Line 14
6515	F8941 Premium Credit Other Sources Amount	Line 15
6516	F8941 Health Insurance Premiums Credit	Line 16
6516V	F8941 Health Insurance Premiums Verified	ERS input only

3.12.2.50.2
(01-01-2020)
Invalid Conditions

(1) Sections 65 and 66 fields will display as invalid if other than numeric and positive.

3.12.2.50.3
(01-01-2020)
Correction Procedures

(1) Correct coding and transcription errors and misplaced entries in displayed fields.

(2) Additional correction procedures are provided for specific fields.

(3) A field error may display for missing or incomplete entries on Form 8941. Research return for Form 3800 and if Part III, line 4h, column c (TY23, column d; TY22 and prior, column b), has an EIN, do not correspond for missing information. Delete Section 65 or 66 as appropriate.

3.12.2.50.3.1
(01-01-2017)
Fields 65SSN and 66SSN, Form 8941 ID Number

(1) This field is transcribed from the upper right hand portion of Form 8941.

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3.12.2.50.3.1

3.12.2.50.3.2
(01-01-2017)
Fields 65SHP and 66SHP, Form 8941, SHOP Checkbox

(1) This field is transcribed from line A.

(2) This field is numeric only and one character in length. This code will be edited to the far right of the question. The values are as follows:

    a.   **0** - Neither box is checked (default).
    b.   **1** - "Yes" box is checked.
    c.   **2** - "No" box is checked.
    d.   **3** - Both "Yes" and "No" boxes are checked.

3.12.2.50.3.3
(01-01-2018)
Fields 65EIN and 66EIN, Form 8941 Employment Taxes EIN Number

(1) This field is transcribed from line B.

(2) The field is nine numeric characters only.

(3) Correspond for the EIN if missing.

Exception: If the Employment Taxes Employer Identification Number, line B is blank and an EIN is on Form 3800, Part III, line 4h, column b **or** Form 8941, line 15, is present and matches line 16, do not correspond for missing information. Delete Section 65 and/or 66 as appropriate.

3.12.2.50.3.4
(01-01-2017)
Field 652YR and 662YR, Two Year Declaration Checkbox

(1) For TY16 and later, this field is transcribed from line C.

(2) Valid values:

    a.   **0** - Neither box is checked (default).
    b.   **1** - "Yes" box is checked.
    c.   **2** - "No" box is checked.
    d.   **3** - Both "Yes" and "No" boxes are checked.

3.12.2.50.3.5
(01-01-2017)
Fields 6501 and 6601, Form 8941 Total Employees Number

(1) This field is transcribed from line 1 for TY14 and later.

(2) The field is four spaces long, and only numeric values are valid.

(3) Correspond for the number of employees if it's missing.

Exception: If the Number of Employees, line 1 is blank and an EIN is on Form 3800, Part III, line 4h, column b **or** Form 8941, line 15, is present and matches line 16, do not correspond for missing information. Delete Section 65 or 66 as appropriate.

3.12.2.50.3.6
(01-01-2017)
Fields 6502 and 6602, Form 8941 Full-Time Employees Number

(1) This field is transcribed from line 2, Form 8941.

(2) Correspond for the number of full-time-equivalent employees if it's missing.

3.12.2.50.3.7
(01-01-2017)
Fields 6503 and 6603, Form 8941 Average Annual Wages Amount

(1) This field is transcribed from line 3, Form 8941.

3.12.2.50.3.8 (01-01-2017) **Fields 6504 and 6604, Form 8941 Health Insurance Premiums Paid Amount**	(1) This field is transcribed from line 4, Form 8941.
3.12.2.50.3.9 (01-01-2017) **Fields 6505 and 6605, Form 8941 Potential Total Premiums Amount**	(1) This field is transcribed from line 5, Form 8941.
3.12.2.50.3.10 (01-01-2017) **Fields 6510 and 6610, Form 8941, State Tax Credit and Premium Subsidy Amount**	(1) This field is transcribed from line 10, Form 8941.
3.12.2.50.3.11 (01-01-2017) **Fields 6513 and 6613, Form 8941 Employees with Premiums Paid Amount**	(1) This field is transcribed from line 13, Form 8941.
3.12.2.50.3.12 (01-01-2017) **Fields 6514 and 6614, Form 8941 Full Time Employees Premiums Paid Number**	(1) This field is transcribed from line 14, Form 8941.
3.12.2.50.3.13 (01-01-2017) **Fields 6515 and 6615, Form 8941 Premium Credit Other Sources Amount**	(1) This field is transcribed from line 15, Form 8941.
3.12.2.50.3.14 (01-01-2017) **Fields 6516 and 6616, Form 8941 Health Insurance Premiums Credit**	(1) This field is transcribed from line 16, Form 8941.

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3.12.2.50.3.15
(01-01-2017)
Fields 6516V and 6616V, Form 8941 Health Insurance Premiums Verified

(1) This field is **ERS input only**.

3.12.2.51
(01-01-2020)
Section 67, Form 6252

(1) Form 6252, Installment Sale Income, is used to report income from the sale of real property

3.12.2.51.1
(01-01-2023)
Error Record Format, Section 67

(1) Section 67 consists of the following fields from Form 6252:

Form 6252	Field Name	Field Location
6701	Description of Property	Line 1
672A	Date Property Acquired	Line 2a
672B	Date Property Sold	Line 2b
6707	Selling Price Less Mortgage and Debts	Line 7
6719	Gross Profit Percentage	Line 19
6721	Payments Received During Year	Line 21
6723	Payments Received in Prior Years	Line 23

3.12.2.51.2
(01-01-2020)
Invalid Conditions

(1) Field 6701 will display as invalid if other than alphanumeric. Field 672A and 672B will display as invalid if other than MMDDYYYY format. Fields 6707 through 6723 will display as invalid if other than numeric.

3.12.2.51.3
(01-02-2024)
Correction Procedures

(1) Correct coding and transcription errors and misplaced entries in displayed fields.

(2) Field 6701 will display as invalid if other than:

   a. **0**: no description (default)
   b. **1**: Timeshare or residential lots
   c. **2**: Sale by an individual of personal use property
   d. **3**: Sale of any property used or produced in the trade or business of farming
   e. **4**: Other

(3) If the taxpayer's entry on Form 6252, line 2a is blank or incomplete, overlay Field 672A with eight zeroes to delete the entry.

(4) If the taxpayer's entry on Form 6252, line 2b is blank or incomplete, overlay Field 672B with eight zeroes to delete the entry.

(5) Field 6719 cannot contain a value greater than **100**. If the percentage on Form 6252, line 19, is more than 100 percent, remove the entry in Field 6719. If line

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19 is less than 100 percent enter Field 6719 as a five digit number, using preceding zeroes if Field 6719 is 5 digits or greater.

Example: if the taxpayer enters .85446 on Line 19 Form 6252, then enter 08544 in Field 6719.

3.12.2.52
(01-03-2023)
Section 68, Form 8910

(1) Form 8910, Alternative Motor Vehicle Credit, is transcribed in Section 68 for TY22 and prior.

3.12.2.52.1
(01-03-2023)
Error Record Format, Section 68

(1) Section 68 consists of the following fields from Form 8910:

Form 8910	Field Name	Field Location
68YR1	Year of Vehicle 1	Line 1, column a
68YR2	Year of Vehicle 2	Line 1, column b
68VN1	Vehicle 1 Identification Number	Line 2, column a
68VN2	Vehicle 2 Identification Number	Line 2, column b

(2) Field 68YR1/68YR2 must be four numeric positions. Field 68VN1/68VN2 must be 17 alphanumeric characters.

3.12.2.52.2
(01-01-2020)
Invalid Conditions

(1) Section 68 fields will display as invalid if other than alpha or numeric.

3.12.2.52.3
(01-03-2023)
Correction Procedures

(1) Correct coding and transcription errors and misplaced entries in displayed fields.

(2) Enter the model year in the format YYYY in Field 68YR1/68YR2.

3.12.2.53
(01-01-2024)
Section 69, Form 8936 and Form 8936 Schedule A

(1) Form 8936, Clean Vehicle Credits, and Form 8936 Schedule A, Clean Vehicle Credit Amount, are transcribed in Section 69.

3.12.2.53.1
(01-01-2025)
Error Record Format, Section 69

(1) Section 69 consists of the following fields from Form 8936 and Form 8936 Schedule A:

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Form 8936 and Form 8936 Schedule A	Field Name	Field Location
69ADJ	Form 8936 Prior Year Modified Adjusted Gross Income Amount	Form 8936, Line 4 (TY24-23)
69PYF	Form 8936 Prior Year Filing Status	Form 8936, line 5 (TY24)
69CVP	Form 8936 New Clean Vehicle Partnership or S Corp Credit Amount	Form 8936, Line 7 (TY24-23)
69QVP	Form 8936 Qualified Commercial Vehicle Partnership or S Corp Credit Amount	Form 8936, Line 20 (TY24-23)
69AFI	Additional Form 8936 Schedule A Indicator	Edited on 1st Form 8936, Schedule A in right margin beside VIN (TY24-23)
69VN1	Form 8936 Schedule A Vehicle 1 Identification Number	1st Form 8936, Schedule A, Line 2 (TY24 and prior)
69SD1	Form 8936 Schedule A Vehicle 1 Placed In Service Date	1st Form 8936, Schedule A, Line 3 (TY24-23)
69SR1	Form 8936 Schedule A Vehicle 1 Sellers Report Transferred Amount	1st Form 8936, Schedule A, line 4a (TY24)
69RI1	Form 8936 Schedule A Vehicle 1 Repayment Indicator	1st Form 8936, Schedule A, line 4b (TY24)
69TC1	Form 8936 Schedule A Vehicle 1 Tentative Credit	1st Form 8936, Schedule A, Line 9 (TY24-23)
69BP1	Form 8936 Schedule A Vehicle 1 Business Use Percentage	1st Form 8936, Schedule A, Line 10 (TY24-23)
69PO1	Form 8936 Schedule A Previously Owned Clean Vehicle 1 Credit	1st Form 8936, Schedule A, Line 17 (TY24-23)
69QC1	Form 8936 Schedule A Qualified Commercial Clean Vehicle 1 Credit	1st Form 8936, Schedule A, Line 26 (TY24-23)

Form 8936 and Form 8936 Schedule A	Field Name	Field Location
69VN2	Form 8936 Schedule A Vehicle 2 Identification Number	2nd Form 8936, Schedule A, Line 2 (TY24 and prior)
69SD2	Form 8936 Schedule A Vehicle 2 Placed In Service Date	2nd Form 8936, Schedule A, Line 3 (TY24-23)
69SR2	Form 8936 Schedule A Vehicle 2 Sellers Report Transferred Amount	2nd Form 8936, Schedule A, line 4a (TY24)
69RI2	Form 8936 Schedule A Vehicle 2 Repayment Indicator	2nd Form 8936, Schedule A, line 4b (TY24)
69TC2	Form 8936 Schedule A Vehicle 2 Tentative Credit	2nd Form 8936, Schedule A, Line 9 (TY24-23)
69BP2	Form 8936 Schedule A Vehicle 2 Business Use Percentage	2nd Form 8936, Schedule A, Line 10 (TY24-23)
69PO2	Form 8936 Schedule A Previously Owned Clean Vehicle 2 Credit	2nd Form 8936, Schedule A, Line 17 (TY24-23)
69QC2	Form 8936 Schedule A Qualified Commercial Clean Vehicle 2 Credit	2nd Form 8936, Schedule A, Line 26 (TY24-23)

3.12.2.53.2
(01-01-2020)
Invalid Conditions

(1) Section 69 fields will display as invalid if other than alpha or numeric.

3.12.2.53.3
(01-01-2024)
Correction Procedures

(1) Correct coding and transcription errors and misplaced entries in displayed fields.

(2) Refer to Error Codes 297, 298, 299, and 302.

3.12.2.53.3.1
(01-01-2024)
Field 69ADJ, Form 8936 Prior Year Modified Adjusted Gross Income Amount

(1) Form 8936 Prior Year Modified Adjusted Gross Income Amount is transcribed from Form 8936, line 4. Field 69ADJ can be positive or negative and up to 11 characters in length.

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3.12.2.53.3.2
(01-01-2025)
Field 69PYF, Form 8936 Prior Year Filing Status
	(1) Field 69PYF is transcribed from Form 8936, line 5, and is a one digit numeric field. The valid values are:
	
	   a. 0 - Default
	   b. 1 - Single taxpayer
	   c. 2 - Married filing a joint return
	   d. 3 - Married taxpayer filing a separate return and spouse is also filing a return
	   e. 4 - Head of Household
	   f. 5 - Qualifying surviving spouse

3.12.2.53.3.3 (01-01-2024) **Field 69CVP, Form 8936 New Clean Vehicle Partnership or S Corp Credit Amount**	(1) Field 69CVP is transcribed from Form 8936, line 7.
3.12.2.53.3.4 (01-01-2024) **Field 69QVP, Form 8936 Qualified Commercial Vehicle Partnership or S Corp Credit Amount**	(1) Field 69QVP is transcribed from Form 8936, line 20.

3.12.2.53.3.5
(01-01-2024)
Field 69AFI, Additional Form 8936 Schedule A Indicator
	(1) Field 69AFI is a numeric only field, 1 position in length. The Additional Form 8936 Schedule A Indicator will be edited on the first Form 8936 Schedule A, in the right margin beside the VIN. Valid values for Field 69AFI include:
	
	   a. 0 if additional Forms 8936 Schedule A are not present.
	   b. 1 if additional Forms 8936 Schedule A are present.

3.12.2.53.3.6 (01-01-2024) **Fields 69VN1 and 69VN2, Form 8936 Schedule A Vehicle 1 and 2 Identification Number**	(1) Field 69VN1, Form 8936 Schedule A Vehicle 1 Identification Number, is transcribed from the first Form 8936 Schedule A, line 2 (TY22 and prior, Form 8936, line 2, column a). Field 69VN2, Form 8936 Schedule A Vehicle 2 Identification Number, is transcribed from the second Form 8936 Schedule A, line 2 (TY22 and prior, Form 8936, line 2, column b). (2) Field 69VN1/69VN2 must be 17 alphanumeric positions. (3) Field 69VN1/69VN2 cannot contain invalid characters of O, Q, L, signs, or spaces.
3.12.2.53.3.7 (01-01-2024) **Fields 69SD1 and 69SD2, Form 8936 Schedule A Vehicle 1 and 2 Placed in Service Date**	(1) Field 69SD1, Form 8936 Schedule A Vehicle 1 Placed in Service Date, is transcribed from the first Form 8936 Schedule A, line 3. Field 69SD2, Form 8936 Schedule A Vehicle 2 Placed in Service Date, is transcribed from the second Form 8936 Schedule A, line 3. These fields are 8 numeric characters in length, and will display in YYYYMMDD format.

| 3.12.2.53.3.8 (01-01-2025) **Fields 69SR1 and 69SR2, Form 8936 Schedule A Vehicle 1 and 2 Sellers Report Transferred Amount** | (1) | Field 69SR1, Form 8936 Schedule A Vehicle 1 Sellers Report Transferred Amount is transcribed from the first Form 8936 Schedule A, line 4a. Field 69SR2, Form 8936 Schedule A Vehicle 2 Sellers Report Transferred Amount is transcribed from the second Form 8936 Schedule A, line 4a. |
| | (2) | Field 69SR1/69SR2 is positive, dollars only, and up to 11 characters in length. |

3.12.2.53.3.9
(01-01-2025)
Fields 69RI1 and 69RI2, Form 8936 Schedule A Vehicle 1 and Vehicle 2 Repayment Indicator

(1) Field 69RI1, Form 8936 Schedule A Vehicle 1 Repayment Indicator, is transcribed from the first Form 8936 Schedule A, line 4b. Field 69RI2, Form 8936 Schedule A Vehicle 2 Repayment Indicator, is transcribed from the second Form 8936 Schedule A, line 4b.

(2) Field 69RI1/69RI2 is one numeric character, and the valid values are:

   a.   0 - Default (box not checked)
   b.   1 - Box is checked

3.12.2.53.3.10
(01-01-2024)
Fields 69TC1 and 69TC2, Form 8936 Schedule A Vehicle 1 and 2 Tentative Credit Amount

(1) Field 69TC1, Form 8936 Schedule A Vehicle 1 Tentative Credit Amount, is transcribed from the first Form 8936 Schedule A, line 9. Field 69TC2, Form 8936 Schedule A Vehicle 2 Tentative Credit Amount, is transcribed from the second Form 8936 Schedule A, line 9.

3.12.2.53.3.11
(01-01-2024)
Fields 69BP1 and 69BP2, Form 8936 Schedule A Vehicle 1 and 2 Business Use Percentage

(1) Field 69BP1, Form 8936 Schedule A Vehicle 1 Business Use Percentage, is transcribed from the first Form 8936 Schedule A, line 10. Field 69BP2, Form 8936 Schedule A Vehicle 2 Business Use Percentage, is transcribed from the second Form 8936 Schedule A, line 10.

(2) Field 69BP1/69BP2 is 3 numerical characters in length that includes one whole number with two decimal digits. Code and Edit will convert the percentage to a three-digit format.

Example: 9% = 009, 25% = 025, 50% = 050, or 100% = 100.

3.12.2.53.3.12
(01-01-2024)
Fields 69PO1 and 69PO2, Form 8936 Schedule A Previously Owned Clean Vehicle 1 and 2 Credit

(1) Field 69PO1, Form 8936 Schedule A Previously Owned Clean Vehicle 1 Credit, is transcribed from the first Form 8936 Schedule A, line 17. Field 69PO2, Form 8936 Schedule A Previously Owned Clean Vehicle 2 Credit, is transcribed from the second Form 8936 Schedule A, line 17.

3.12.2.53.3.13
(01-01-2024)
Fields 69QC1 and 69QC2, Form 8936 Schedule A Qualified Commercial Clean Vehicle 1 and 2 Credit

(1) Field 69QC1, Form 8936 Schedule A Qualified Commercial Clean Vehicle 1 Credit, is transcribed from the first Form 8936 Schedule A, line 26. Field 69QC2, Form 8936 Schedule A Qualified Commercial Clean Vehicle 2 Credit, is transcribed from the second Form 8936 Schedule A, line 26.

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3.12.2.53.3.13

3.12.2.54 (01-01-2017) **Section 70, Form 8867**	(1)	Form 8867, Paid Preparer's Due Diligence Checklist, is transcribed in Section 70.

3.12.2.54.1 (01-01-2023) **Error Record Format, Section 70**	(1)	Section 70 consists of the following fields from Form 8867:

Form 8867	Field Name	Field Location
70EIC	EIC Checkbox	EIC column checkbox
70COD	CTC-ACTC-ODC Checkbox	CTC-ACTC-ODC column checkbox
70AOC	AOTC Checkbox	AOTC column checkbox
70HOH	Head of Household Checkbox (only on TY18 and later)	HOH column checkbox
7015	Form 8867 Answers Certification Code	Line 15

    (2)   Each Section 70 field contains one numeric digit.

3.12.2.54.2 (01-01-2020) **Invalid Conditions**	(1)	Each field in Section 70 allows one numeric character.

3.12.2.54.3 (01-01-2018) **Correction Procedures**	(1)	Correct coding and transcription errors and misplaced entries in displayed fields.
	(2)	For TY11 and prior, delete Section 70.
	(3)	If a **self-filer** submits Form 8867 and an error or omission in the form causes a field or section error, DLSEC 70.
	Caution:	Before deleting Section 70, make sure that the return is from a self-filer. Confirm that the section of the return called "Paid Preparer Use Only" shows no evidence of use by a paid preparer. In paper returns, self-filers may use the section for notes to the IRS or other purposes. Do not consider such use of the section by taxpayers evidence of use by a preparer.

3.12.2.54.3.1 (01-01-2018) **Field 70EIC, EIC Checkbox**	(1)	This field is transcribed from the checkboxes located above line 1 of Form 8867.
	(2)	Enter **1** when EIC box is marked.

3.12.2.54.3.2 (01-01-2019) **Field 70COD and 70CTC, CTC-ACTC-ODC Checkbox**	(1)	This field is transcribed from the checkboxes located above line 1 of Form 8867.
	(2)	Enter **1** when CTC-ACTC-ODC box is marked.

| 3.12.2.54.3.3
(01-01-2018)
Field 70AOC, AOTC Checkbox | (1) | This field is transcribed from the checkboxes located above line 1 of Form 8867. |
| | (2) | Enter **1** when AOTC box is marked. |

| 3.12.2.54.3.4
(01-01-2020)
Field 70HOH, HOH Checkbox | (1) | TY18 and later returns, this field is transcribed from the checkboxes located above line 1 of Form 8867. |
| | (2) | Enter **1** when HOH box is marked. |

| 3.12.2.54.3.5
(01-01-2020)
Field 7015, Form 8867 Answers Certification Code | (1) | This field is transcribed from line 15, Form 8867. |
| | (2) | Valid values for Field 7015 are as follows: |

   a.   **0** - Neither checkbox is checked (default).
   b.   **1** - "Yes" checkbox is checked.
   c.   **2** - "No" checkbox is checked or both "Yes" and "No" checkboxes are checked.

| 3.12.2.55
(01-01-2017)
Section 71, Form 8959 | (1) | Form 8959, Additional Medicare Tax, is transcribed in Section 71. |

| 3.12.2.55.1
(01-01-2023)
Error Record Format, Section 71 | (1) | Section 71 consists of the following fields from Form 8959: |

Form 8959	Field Name	Field Location
7101	Medicare Wages	Line 1
7102	Unreported Tips Form 4137	Line 2
7103	Wages from Form 8919	Line 3
7107	Additional Medicare Tax on Wages	Line 7
7108	Self Employment Income	Line 8
7113	Additional Medicare Tax on SE Income	Line 13
7114	Railroad Retirement Compensation	Line 14
7117	Additional Medicare Tax on Railroad Retire-ment (RRTA) Compensation	Line 17
7118	Additional Medicare Tax Taxpayer Amount	Line 18
7118V	Additional Medicare Tax Verified	ERS input only
7119	Medicare Tax Withheld	Line 19
7123	Additional Medicare Tax Box 14 W-2	Line 23
7124	Total Additional Medicare Tax Withholding	Line 24

   (2)   All fields are numeric only.

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3.12.2.55.2 (01-01-2020) **Invalid Conditions**	(1)	All fields in Section 71 are numeric values only.
3.12.2.55.3 (01-01-2017) **Correction Procedures**	(1)	Correct coding and transcription errors and misplaced entries in displayed fields.
3.12.2.55.3.1 (01-01-2017) **Field 7101, Medicare Wages**	(1)	This field is transcribed from line 1, Form 8959.
	(2)	The amount comes from the total of all Forms W-2, box 5.
3.12.2.55.3.2 (01-01-2017) **Field 7102, Unreported Tips Form 4137**	(1)	This field is transcribed from line 2, Form 8959.
	(2)	The amount comes from line 6, Form 4137.
3.12.2.55.3.3 (01-01-2019) **Field 7103, Wages from Form 8919**	(1)	This field is transcribed from line 3, Form 8959.
	(2)	The amount comes from line 6, Form 8919.
3.12.2.55.3.4 (01-01-2017) **Field 7107, Additional Medicare Tax on Wages**	(1)	This field is transcribed from line 7, Form 8959.
3.12.2.55.3.5 (01-01-2023) **Field 7108, Self Employment Income**	(1)	This field is transcribed from line 8, Form 8959.
	(2)	The amount comes from Schedule SE Part I, line 6.
3.12.2.55.3.6 (01-01-2017) **Field 7113, Additional Medicare Tax on SE Income**	(1)	This field is transcribed from line 13, Form 8959.
3.12.2.55.3.7 (01-01-2017) **Field 7114, Railroad Retirement Compensation**	(1)	This field is transcribed from line 14, Form 8959.
	(2)	The amount comes from Form W-2, box 14.
3.12.2.55.3.8 (01-01-2023) **Field 7117, Additional Medicare Tax on Railroad Retirement (RRTA) Compensation**	(1)	This field is transcribed from line 17, Form 8959.

3.12.2.55.3.9 (01-01-2017) **Field 7118, Additional Medicare Tax Taxpayer Amount**	(1)	This field is transcribed from line 18, Form 8959.

3.12.2.55.3.10
(01-01-2017)
Field 7118V, Additional Medicare Tax Verified

(1) This field is **ERS input only**.

(2) This field is only used when the computer cannot accurately compute Total Additional Medicare Tax (line 18).

3.12.2.55.3.11
(01-01-2017)
Field 7119, Medicare Tax Withheld

(1) This field is transcribed from line 19, Form 8959.

(2) The amount comes from Form W-2, box 6.

3.12.2.55.3.12
(01-01-2023)
Field 7123, Additional Medicare Tax Box 14 W-2

(1) This field is transcribed from line 23, Form 8959.

(2) The amount comes from Form W-2, box 14.

3.12.2.55.3.13
(01-01-2017)
Field 7124, Total Additional Medicare Tax Withholding

(1) This field is transcribed from line 24, Form 8959.

3.12.2.56
(01-01-2017)
Section 72, Form 8960

(1) Form 8960, Net Investment Income Tax - Individuals, Estates, and Trusts, is transcribed in Section 72.

3.12.2.56.1
(01-01-2023)
Error Record Format, Section 72

(1) Section 72 consists of the following fields from Form 8960:

Form 8960	Field Name	Field Location
72IND	Investment Income Indicator (check boxes)	Part I, above line 1
7201	Taxable Interest	Line 1
7202	Ordinary Dividends	Line 2
7203	Annuities	Line 3
7204A	Rents, Royalties, and Partnerships	Line 4a
7204B	Adjustment for Net Income or Loss	Line 4b
7205A	Net Gains from Disposition of Property	Line 5a
7205B	Net Gain or Loss	Line 5b

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Form 8960	Field Name	Field Location
7205C	Adjustment from disposition of Partnership Interest S Corp	Line 5c
7206	Changes to CFCs and PFICs	Line 6
7207	Other Modifications to Investment Income	Line 7
7208	Total Investment Income	Line 8
7209A	Investment Interest Expense	Line 9a
7209B	State Income Tax	Line 9b
7209C	Miscellaneous Investment Expenses	Line 9c
7210	Additional Modifications	Line 10
7211	Total Deductions and Modifications	Line 11
7213	Modified Adjusted Gross Income	Line 13
7216	Form 8960 Taxable Investment Income	Line 16
7217	Net Investment Income Tax	Line 17
7217V	Net Investment Income Tax Verified	ERS input only

(2) All fields are numeric only.

3.12.2.56.2
(01-01-2020)
Invalid Conditions

(1) Section 72 fields will display as invalid if other than numeric. Fields 7201 through 7217V are numeric and dollars only.

3.12.2.56.3
(01-01-2017)
Correction Procedures

(1) Correct coding and transcription errors and misplaced entries on displayed fields.

3.12.2.56.3.1
(01-01-2020)
Field 72IND, Investment Income Indicator

(1) This is transcribed from the boxes in Part I above line 1.

(2) Field 72IND is a one-character position and is coded as follows:

   a. **0** (zero) - No boxes checked
   b. **1** - Section 6013(g) election and no other box checked
   c. **2** - Reg. Section 1.1411-10g and no other box checked
   d. **3** - Both Section 6013(g) and Reg. Section 1.1411-10g election boxes checked
   e. **4** - Section 6013(h) election and no other box checked
   f. **5** - Both Section 6013(h) and Reg. Section 1.1411-10g election boxes checked

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3.12.2.56.3.2 (01-01-2019) **Field 7201, Taxable Interest**	(1)	The field is transcribed from line 1, Form 8960.
	(2)	Field 7201 is dollars only and positive only.
	(3)	This amount comes from Form 1040, line 2b (TY17 Form 1040, line 8a).

3.12.2.56.3.3 (01-01-2019) **Field 7202, Ordinary Dividends**	(1)	This field is transcribed from line 2, Form 8960.
	(2)	Field 7202 is dollars only and positive only.
	(3)	This amount comes from Form 1040, line 3b (TY17 Form 1040, line 9a).

| 3.12.2.56.3.4 (01-01-2017) **Field 7203, Annuities** | (1) | This field is transcribed from line 3, Form 8960. |
| | (2) | Field 7203 is dollars only and positive only. |

| 3.12.2.56.3.5 (01-01-2020) **Field 7204A, Rents, Royalties, Partnerships** | (1) | This field is transcribed from line 4a, Form 8960. Field 7024A is dollars only and may be positive or negative. |
| | (2) | This amount comes from Form 1040, Schedule 1, line 5 (TY18, Schedule 1, line 17; TY17, Form 1040, line 17). |

| 3.12.2.56.3.6 (01-01-2019) **Field 7204B, Adjustment for Net Income or Loss** | (1) | This field is transcribed from line 4b, Form 8960. |
| | (2) | Field 7204B is dollars only and may be positive or negative. |

3.12.2.56.3.7 (01-01-2020) **Field 7205A, Net Gains from Disposition of Property**	(1)	This field is transcribed from line 5a, Form 8960.
	(2)	Field 7205A is dollars only and may be positive or negative.
	(3)	This amount is a combination of Form 1040, line 6 and Schedule 1, line 4 (TY18, lines 13 and 14, Schedule 1, Form 1040; TY17, lines 13 and 14, Form 1040).

| 3.12.2.56.3.8 (01-01-2017) **Field 7205B, Net Gain or Loss** | (1) | This field is transcribed from line 5b, Form 8960. |
| | (2) | Field 7205B is dollars only and may be positive or negative. |

| 3.12.2.56.3.9 (01-01-2017) **Field 7205C, Adjustment from Disposition of Partnership Interest S Corp** | (1) | This field is transcribed from line 5c, Form 8960. |
| | (2) | Field 7205C is dollars only and may be positive or negative. |

| 3.12.2.56.3.10 (01-01-2017) **Field 7206, Changes for CFCs and PFICs** | (1) | This field is transcribed from line 6, Form 8960. |
| | (2) | Field 7206 is dollars only and may be positive or negative. |

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3.12.2.56.3.11 (01-01-2017) **Field 7207, Other Modification**	(1)	This field is transcribed from line 7, Form 8960.
3.12.2.56.3.12 (01-01-2017) **Field 7208, Total Investment Income**	(1)	This field is transcribed from line 8, Form 8960.
3.12.2.56.3.13 (01-01-2017) **Field 7209A, Investment Interest Expense**	(1)	This field is transcribed from line 9a, Form 8960.
3.12.2.56.3.14 (01-01-2017) **Field 7209B, State Income Tax**	(1)	This field is transcribed from line 9b, Form 8960.
3.12.2.56.3.15 (01-01-2017) **Field 7209C, Miscellaneous Investment Expenses**	(1)	This field is transcribed from line 9c, Form 8960.
3.12.2.56.3.16 (01-01-2017) **Field 7210, Additional Modifications**	(1)	This field is transcribed from line 10, Form 8960.
3.12.2.56.3.17 (01-01-2017) **Field 7211, Total Deductions and Modifications**	(1)	This field is transcribed from line 11, Form 8960.
3.12.2.56.3.18 (01-01-2017) **Field 7213, Modified Adjusted Gross Income**	(1)	This field is transcribed from line 13, Form 8960.
3.12.2.56.3.19 (01-01-2017) **Field 7216, Form 8960 Taxable Investment Income**	(1)	This field is transcribed from line 16, Form 8960.
3.12.2.56.3.20 (01-01-2017) **Field 7217, Net Investment Income Tax**	(1)	This field is transcribed from line 17, Form 8960.

3.12.2.56.3.21 (01-01-2017) **Field 7217V, Net Investment Income Tax Verified**	(1) This field is **ERS input only**. (2) This field is used only when the computer cannot accurately compute Form 8960.
3.12.2.57 (01-01-2017) **Section 73, Form 8962, page 1 of 2 (ACA)**	(1) Form 8962, Premium Tax Credit (PTC), is used to figure the amount of any premium tax credit the taxpayer may be able to take and to reconcile any advance payment of the premium tax credit received by the taxpayer for TY14 and later. (2) This form contains **two** sections. Page 1 is Section 73 and Page 2 is Section 74.
3.12.2.57.1 (01-01-2023) **Error Record Format, Section 73**	(1) Section 73 consists of the following fields from Form 8962, page 1:

Form 8962, page 1	Field Name	Field Location
73MFS	Married Filing Separate PTC Exception Checkbox Indicator	Below SSN box
7302B	Dependents Modified AGI	Line 2b
73SOR	Federal Poverty Level State of Residence Checkbox	Line 4
7308B	Monthly Contribution for Health Care	Line 8b
7311A	Annual Premium Amount	Line 11, column A
7311B	Annual Premium of SLCSP Amount	Line 11, column B
7311F	Annual Advance PTC	Line 11, column F
7312A	January Monthly Premium Amount	Line 12, column A
7312B	January Monthly Premium of SLCSP Amount	Line 12, column B
7312F	January Monthly Advance PTC	Line 12, column F
7313A	February Monthly Premium Amount	Line 13, column A
7313B	February Monthly Premium of SLCSP Amount	Line 13, column B
7313F	February Monthly Advance PTC	Line 13, column F
7314A	March Monthly Premium Amount	Line 14, column A
7314B	March Monthly Premium of SLCSP Amount	Line 14, column B

Form 8962, page 1	Field Name	Field Location
7314F	March Monthly Advance PTC	Line 14, column F
7315A	April Monthly Premium Amount	Line 15, column A
7315B	April Monthly Premium of SLCSP Amount	Line 15, column B
7315F	April Monthly Advance PTC	Line 15, column F
7316A	May Monthly Premium Amount	Line 16, column A
7316B	May Monthly Premium of SLCSP Amount	Line 16, column B
7316F	May Monthly Advance PTC	Line 16, column F
7317A	June Monthly Premium Amount	Line 17, column A
7317B	June Monthly Premium of SLCSP Amount	Line 17, column B
7317F	June Monthly Advance PTC	Line 17, column F
7318A	July Monthly Premium Amount	Line 18, column A
7318B	July Monthly Premium of SLCSP Amount	Line 18, column B
7318F	July Monthly Advance PTC	Line 18, column F
7319A	August Monthly Premium Amount	Line 19, column A
7319B	August Monthly Premium of SLCSP Amount	Line 19, column B
7319F	August Monthly Advance PTC	Line 19, column F
7320A	September Monthly Premium Amount	Line 20, column A
7320B	September Monthly Premium of SLCSP Amount	Line 20, column B
7320F	September Monthly Advance PTC	Line 20, column F
7321A	October Monthly Premium Amount	Line 21, column A
7321B	October Monthly Premium of SLCSP Amount	Line 21, column B
7321F	October Monthly Advance PTC	Line 21, column F
7322A	November Monthly Premium Amount	Line 22, column A
7322B	November Monthly Premium of SLCSP Amount	Line 22, column B

Form 8962, page 1	Field Name	Field Location
7322F	November Monthly Advance PTC	Line 22, column F
7323A	December Monthly Premium Amount	Line 23, column A
7323B	December Monthly Premium of SLCSP Amount	Line 23, column B
7323F	December Monthly Advance PTC	Line 23, column F
7324	Total Premium Tax Credit	Line 24
7325	Advance Premium Tax Credit	Line 25

(2)   All fields will be positive and dollars only.

Exception: Fields 73MFS and 73SOR, see instructions for the field.

3.12.2.57.2
(01-01-2020)
Invalid Conditions

(1)   Fields in Section 73 will display as invalid if other than numeric, except Field 73SOR,

(2)   Follow instructions for each field.

3.12.2.57.3
(01-01-2017)
Correction Procedures

(1)   Correct coding and transcription errors and misplaced entries on displayed fields.

(2)   If the taxpayer provides more than one Form 8962, combine the forms onto one Form 8962.

3.12.2.57.3.1
(01-01-2017)
Field 73MFS, Married Filing Separate PTC Exception Checkbox Indicator

(1)   This field is transcribed from the box below box titled "Your SSN". It is a one character field in length, and will be edited with the following values:

a.   "1" - box is checked.
b.   "blank" - box is not checked.

3.12.2.57.3.2
(01-01-2017)
Field 7302B, Dependents Modified AGI

(1)   This field is transcribed from line 2b, Form 8962.

3.12.2.57.3.3
(01-01-2017)
Field 73SOR, Federal Poverty Level State of Residence Checkbox

(1)   This field is transcribed from the edit to the right of line 4. Code and Edit will edit one of the following values:

a.   **A** - Alaska box checked.
b.   **B** - Hawaii box checked.
c.   **C** - Other 48 states/DC, no box checked, or multiple boxes checked.

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(2)   If the checkbox has not been edited, enter the appropriate value from (1).

3.12.2.57.3.4
(01-01-2017)
Field 7308B, Monthly Contribution for Health Care

(1)   This field is transcribed from line 8b, Form 8962.

3.12.2.57.3.5
(01-01-2017)
Field 7311A, Annual Premium Amount

(1)   This field is transcribed from line 11, column a, Form 8962.

3.12.2.57.3.6
(01-01-2017)
Field 7311B, Annual Premium of SLCSP Amount

(1)   This field is transcribed from line 11, column b, Form 8962.

3.12.2.57.3.7
(01-01-2017)
Field 7311F, Annual Advance PTC

(1)   This field is transcribed from line 11, column f, Form 8962.

3.12.2.57.3.8
(01-01-2017)
Fields 7312A, 7313A, 7314A, 7315A, 7316A, 7317A, 7318A, 7319A, 7320A, 7321A, 7322A, and 7323A, Monthly Premium Amount

(1)   These fields are transcribed from column a, lines 12 through 23, for each month (January - December).

3.12.2.57.3.9
(01-01-2017)
Fields 7312B, 7313B, 7314B, 7315B, 7316B, 7317B, 7318B, 7319B, 7320B, 7321B, 7322B, and 7323B, Monthly Premium of SLCSP Amount

(1)   These fields are transcribed from column b, lines 12 through 23, for each month (January - December).

3.12.2.57.3.10
(01-01-2017)
Fields 7312F, 7313F, 7314F, 7315F, 7316F, 7317F, 7318F, 7319F, 7320F, 7321F, 7322F, and 7323F, Monthly Advance PTC

(1)   These fields are transcribed from column f, lines 12 through 23, for each month (January - December).

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| 3.12.2.57.3.11
(01-01-2017)
Field 7324, Total Premium Tax Credit | (1) | This field is transcribed from line 24, Form 8962. |

| 3.12.2.57.3.12
(01-01-2017)
Field 7325, Advance Premium Tax Credit | (1) | This field is transcribed from line 25, Form 8962. |

3.12.2.58
(01-01-2017)
Section 74, Form 8962, page 2 of 2 (ACA)

(1) Form 8962, Premium Tax Credit (PTC), is used to figure the amount of any premium tax credit the taxpayer may be able to take and to reconcile any advance payment of the premium tax credit received by the taxpayer for TY14 and later.

(2) This form contains **two** sections. Page 1 is Section 73, and Page 2 is Section 74.

3.12.2.58.1
(01-01-2023)
Error Record Format, Section 74

(1) Section 74 consists of the following fields from Form 8962, page 2:

Form 8962, page 2	Field Name	Field Location
7430A	Policy Number 1	Line 30a
7430B	SSN of Filer Sharing Allocation 1	Line 30b
7430C	Allocation Start Month 1	Line 30c
7430D	Allocation Stop Month 1	Line 30d
7430E	Premium Percentage 1	Line 30e
7430F	SLCSP Percentage 1	Line 30f
7430G	Advance PTC Percentage 1	Line 30g
7431A	Policy Number 2	Line 31a
7431B	SSN of Filer Sharing Allocation 2	Line 31b
7431C	Allocation Start Month 2	Line 31c
7431D	Allocation Stop Month 2	Line 31d
7431E	Premium Percentage 2	Line 31e
7431F	SLCSP Percentage 2	Line 31f
7431G	Advance PTC Percentage 2	Line 31g
7432A	Policy Number 3	Line 32a
7432B	SSN of Filer Sharing Allocation 3	Line 32b
7432C	Allocation Start Month 3	Line 32c
7432D	Allocation Stop Month 3	Line 32d

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Form 8962, page 2	Field Name	Field Location
7432E	Premium Percentage 3	Line 32e
7432F	SLCSP Percentage 3	Line 32f
7432G	Advance PTC Percentage 3	Line 32g
7433A	Policy Number 4	Line 33a
7433B	SSN of Filer Sharing Allocation 4	Line 33b
7433C	Allocation Start Month 4	Line 33c
7433D	Allocation Stop Month 4	Line 33d
7433E	Premium Percentage 4	Line 33e
7433F	SLCSP Percentage 4	Line 33f
7433G	Advance PTC Percentage 4	Line 33g
7435A	Primary Alternative Family Size	Line 35a
7435B	Primary Monthly Contribution	Line 35b
7435C	Primary Alternative Start Month	Line 35c
7435D	Primary Alternative Stop Month	Line 35d
7436A	Spouse Alternative Family Size	Line 36a
7436B	Spouse Monthly Contribution	Line 36b
7436C	Spouse Alternative Start Month	Line 36c
7436D	Spouse Alternative Stop Month	Line 36d

3.12.2.58.2
(01-01-2017)
Invalid Conditions

(1)   Follow instructions for each field.

3.12.2.58.3
(01-01-2017)
Correction Procedures

(1)   Correct coding and transcription errors and misplaced entries on displayed fields.

3.12.2.58.3.1
(01-01-2017)
Fields 7430A, 7431A, 7432A, and 7433A, Policy Number 1/2/3/4

(1)   These fields are transcribed from lines 30a, 31a, 32a, and 33a.

(2)   The field is 15 characters in length and can contain alpha, numeric, special characters, and spaces.

　　a.   Exchanges are reporting policy numbers with more than 15 characters on Form 1095-A.
　　b.   MeF will record the "right-most" 15 characters from lines 30a, 31a, 32a, or 33a.

　　　　Caution: The Policy Number field must contain an entry in **"all"** fifteen spaces of the field. If the policy number is less than fifteen char-

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acters, left fill the number with zeroes "0". For example: **000000123456789**. Fields 7430A and 7431A, the last position of the fifteen characters is column "21". Fields 7432A and 7433A, the last position of the fifteen characters is column "49". If all 15 characters are not filled, EC 194 will redisplay.

    c.   If the policy number has more than 15 characters, Code & Edit will edit a straight line to the left of the first character to be transcribed.

        Note: A space is considered a character. If a space is shown as part of the policy number, it must be shown on the computer screen.

3.12.2.58.3.2
(01-01-2017)
Fields 7430B, 7431B, 7432B, and 7433B, SSN of Filer Sharing Allocation 1/2/3/4

(1)   These fields are transcribed from lines 30b, 31b, 32b, and 33b.

(2)   The field is numeric only and 9 characters in length.

3.12.2.58.3.3
(01-01-2024)
Fields 7430C, 7431C 7432C, and 7433C, Allocation Start Month 1/2/3/4

(1)   These fields are transcribed from lines 30c, 31c, 32c, and 33c.

(2)   If start month is missing, use Part 2 to determine the start month, and enter in the appropriate field. See IRM 3.12.2.58.3.16 for Month values.

(3)   The field is numeric only and 2 characters in length.

3.12.2.58.3.4
(01-01-2024)
Fields 7430D, 7431D, 7432D, and 7433D, Allocation Stop Month 1/2/3/4

(1)   These fields are transcribed from lines 30d, 31d, 32d, and 33d.

(2)   If stop month is missing, use Part 2 to determine the stop month, and enter in the appropriate field. See IRM 3.12.2.58.3.16 for Month values.

(3)   The field is numeric only and 2 characters in length.

3.12.2.58.3.5
(03-22-2017)
Fields 7430E, 7431E, 7432E, and 7433E, Premium Percentage 1/2/3/4

(1)   These fields are transcribed from lines 30e, 31e, 32e, and 33e.

(2)   The field is numeric only and 3 characters in length.

(3)   Code and Edit will convert the percentage to a three-digit format - no decimal.

Example: 9% = 009, 25% = 025, 50% = 050, or 100% = 100

3.12.2.58.3.6
(03-22-2017)
Fields 7430F, 7431F, 7432F, and 7433F, SLCSP Percentage 1/2/3/4

(1)   These fields are transcribed from lines 30f, 31f, 32f, and 33f.

(2)   The field is numeric only and 3 characters in length.

(3)   Code and Edit will convert the percentage to a three-digit format - no decimal.

Example: 9% = 009, 25% = 025, 50% = 050, or 100% = 100

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3.12.2.58.3.7 (03-22-2017) **Fields 7430G, 7431G, 7432G, and 7433G, Advance PTC Percentage 1/2/3/4**	(1) These fields are transcribed from lines 30g, 31g, 32g, and 33g. (2) The field is numeric only and 3 characters in length. (3) Code and Edit will convert the percentage to a three-digit format - no decimal. ***Example:*** 9% = 009, 25% = 025, 50% = 050, or 100% = 100
3.12.2.58.3.8 (01-01-2024) **Field 7435A, Primary Alternative Family Size**	(1) This field is transcribed from line 35a. (2) The field is numeric only and 2 characters in length. If family size is 1, 2, 3, 4, 5, 6, 7, 8, or 9, place a leading "0" (zero) before the number. ***Example:*** If "4" has been entered on line 35a, enter "04" in Field 7435A.
3.12.2.58.3.9 (01-01-2017) **Field 7435B, Primary Monthly Contribution**	(1) This field is transcribed from line 35b. (2) The field is numeric and dollars only.
3.12.2.58.3.10 (01-01-2024) **Field 7435C, Primary Alternative Start Month**	(1) This field is transcribed from line 35c. (2) If start month is missing, use Part 2 to determine the start month, and enter in the appropriate field. See IRM 3.12.2.58.3.16 for Month values. (3) The field is numeric only and 2 characters in length.
3.12.2.58.3.11 (01-01-2024) **Field 7435D, Primary Alternative Stop Month**	(1) This field is transcribed from line 35d. (2) If stop month is missing, use Part 2 to determine the stop month, and enter in the appropriate field. See IRM 3.12.2.58.3.16 for Month values. (3) The field is numeric only and 2 characters in length.
3.12.2.58.3.12 (01-01-2024) **Field 7436A, Spouse Alternative Family Size**	(1) This field is transcribed from line 36a. (2) The field is numeric only and 2 characters in length. If family size is shown as 1, 2, 3, 4, 5, 6, 7, 8, or 9, place a leading "0" (zero) before the number. ***Example:*** If "4" has been entered on line 36a, enter "04" in Field 7436A.
3.12.2.58.3.13 (01-01-2017) **Field 7436B, Spouse Monthly Contribution**	(1) This field is transcribed from line 36b. (2) The field is numeric and dollars only.
3.12.2.58.3.14 (01-01-2024) **Field 7436C, Spouse Alternative Start Month**	(1) This field is transcribed from line 36c. (2) If start month is missing, use Part 2 to determine the start month, and enter in the appropriate field. See IRM 3.12.2.58.3.16 for Month values. (3) The field is numeric only and 2 characters in length.

3.12.2.58.3.15 (01-01-2024) **Field 7436D, Spouse Alternative Stop Month**	(1) This field is transcribed from line 36d. (2) If stop month is missing, use Part 2 to determine the stop month, and enter in the appropriate field. See IRM 3.12.2.58.3.16 for Month values. (3) The field is numeric only and 2 characters in length.

3.12.2.58.3.16
(01-01-2017)
Values of Fields 7430C, 7430D, 7431C, 7431D, 7432C, 7432D, 7433C, 7433D, 7435C, 7435D, 7436C, and 7436D

(1) The start/stop month values are:

Value	Month	Value	Month	Value	Month
01	January	05	May	09	September
02	February	06	June	10	October
03	March	07	July	11	November
04	April	08	August	12	December

3.12.2.59
(01-01-2025)
Section 75, Form 5695

(1) Form 5695, Residential Energy Credits, is used to claim the Residential Clean Energy Credit or the Energy Efficient Home Improvement Credit. Part I, Residential Clean Energy Credits, is claimed on Schedule 3, line 5a (Field 0505A). Part II, Energy Efficient Home Improvement Credit, is claimed on Schedule 3, line 5b (Field 0505B). Refer to EC 291.

(2) Taxpayers attach Form 5695 if an amount is present on Schedule 3, line 5a and/or line 5b.

3.12.2.59.1
(01-01-2025)
Error Record Format, Section 75

(1) Section 75 consists of the following fields from Form 5695, Residential Energy Credits:

Form 5695	Field Name	Field Location
75001	Qualified Solar Electric Property Costs	Line 1
75002	Qualified Solar Water Heating Property Costs	Line 2
75003	Qualified Small Wind Energy Property Costs	Line 3
75004	Qualified Geothermal Heat Pump Property Costs	Line 4
7505A	Qualified Battery Storage Technology Indicator	Checkbox, line 5a
7505B	Qualified Battery Technology Costs	Line 5b
7507A	Qualified Fuel Cell Property Indicator	Checkbox, line 7a

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Form 5695	Field Name	Field Location
7507C	Joint Occupancy Part I Indicator	Checkbox, line 7c
75008	Qualified Fuel Cell Property Costs	Line 8
75010	Kilowatt Capacity	Left of line 10
75012	Credit Carryforward From Prior Year	Line 12
75016	Credit Carryforward To Next Year	Line 16
7517A	Qualified Energy Efficiency Improvements Indicator	Checkbox, line 17a
7517B	Original User Indicator	Checkbox, line 17b
7517C	Components Expected To Remain In Use Indicator	Checkbox, line 17c
7518A	Insulation Material Costs	Line 18a
7519A	Highest Expense Door Costs	Line 19a
7519C	Other Exterior Doors Costs	Line 19c
7520A	Exterior Windows Costs	Line 20a
7521A	Qualified Property Installation Indicator	Checkbox, line 21a
7521B	Original Service Indicator	Checkbox, line 21b
7522A	Central Air Conditioner Costs	Line 22a
7523A	Natural Gas Propane Oil Water Heater Costs	Line 23a
7524A	Natural Gas Propane Oil Furnace or Boiler Costs	Line 24a
7525A	Panelboards Circuits or Feeders Costs	Line 25a
7526A	Home Energy Audit Indicator	Checkbox, line 26a
7526B	Home Energy Audit Costs	Line 26b
7529A	Electric Gas Heat Pump Costs	Line 29a
7529B	Electric Gas Heat Pump Water Heater Costs	Line 29b
7529C	Biomass Stove and Boiler Costs	Line 29c
7532A	Joint Occupancy Part II Indicator	Checkbox, line 32a

(2)   All money amount fields must be positive.

3.12.2.59.2 (01-01-2024) **Invalid Conditions**	(1)	Fields in Section 75 will display as invalid if not all numeric.
3.12.2.59.3 (01-01-2024) **Correction Procedures**	(1)	Correct coding and transcription errors and misplaced entries in displayed fields. Refer to Error Code 291.
3.12.2.59.3.1 (01-01-2024) **Fields 75001 Through 75004**	(1)	These fields are transcribed from lines 1 through 4 of Form 5695. These fields are 11 numeric characters in length.

3.12.2.59.3.2
(01-01-2024)
Field 7505A, Qualified Battery Storage Technology Indicator

(1) Field 7505A is transcribed from the checkbox on line 5a, Form 5695. Qualified Battery Storage Technology Indicator is one position in length, and the valid entries are as follows:

   a.   0: Neither box is checked
   b.   1: Yes box is checked
   c.   2: No box is checked
   d.   3: Both boxes are checked

3.12.2.59.3.3
(01-01-2024)
Field 7505B, Qualified Battery Technology Costs

(1) Field 7505B, Qualified Battery Technology Costs, is transcribed from line 5b, Form 5695.

3.12.2.59.3.4
(02-26-2024)
Field 7507A, Qualified Fuel Cell Property Indicator

(1) Field 7507A is transcribed from the checkbox on line 7a, Form 5695. Qualified Fuel Cell Property Indicator is one position in length, and the valid entries are as follows:

   a.   0: Neither box is checked
   b.   1: Yes box is checked
   c.   2: No box is checked
   d.   3: Both boxes are checked

3.12.2.59.3.5
(01-01-2025)
Field 7507C, Joint Occupancy Part I Indicator

(1) Field 7507C, Joint Occupancy Part I Indicator, is transcribed from the checkbox on line 7c, Form 5695. Field 7507C is one position in length, and the valid entries are as follows:

   a.   0: Box is not checked (default)
   b.   1: Box is checked

3.12.2.59.3.6
(05-30-2024)
Fields 75008 Through 75016

(1) Field 75008, Qualified Fuel Cell Property Costs, is transcribed from line 8, Form 5695.

(2) Field 75010, Kilowatt Capacity, is transcribed from line 10, Form 5695. This field is 8 positive numerical characters in length, with two decimal positions to be transcribed as a whole number. Code and Edit will convert Kilowatt Capacity to a whole number not exceeding 8 numerical characters in length.

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The first 6 positions represent the characters before the decimal, and the last 2 positions represent the characters after the decimal.

Kilowatt Capacity Entered as Decimal	Enter in Field 75010
123	00012300
222.33	00022233
333.987654321	00033398
.7	00000070
.987654321	00000098
1234567890	56789000 First 6 digits closest to the left of the decimal and first 2 digits to the right of the decimal.
1234567890.987654321987	56789098 First 6 digits closest to the left of the decimal and first 2 digits to the right of the decimal.

(3)   Field 75012, Credit Carryforward From Prior Year amount, is transcribed from line 12, Form 5695.

(4)   Field 75016, Credit Carryforward To Next Year amount, is transcribed from line 16, Form 5695.

3.12.2.59.3.7
(01-01-2024)
Field 7517A, Qualified Energy Efficiency Improvements Indicator

(1)   Field 7517A is transcribed from the checkbox on line 17a, Form 5695. Qualified Energy Efficiency Improvements Indicator is one position in length, and the valid entries are as follows:

    a.   0: Neither box is checked
    b.   1: Yes box is checked
    c.   2: No box is checked
    d.   3: Both boxes are checked

3.12.2.59.3.8
(01-01-2024)
Field 7517B, Original User Indicator

(1)   Field 7517B is transcribed from the checkbox on line 17b, Form 5695. Original Use Indicator is one position in length, and the valid entries are as follows:

    a.   0: Neither box is checked
    b.   1: Yes box is checked
    c.   2: No box is checked
    d.   3: Both boxes are checked

3.12.2.59.3.9
(01-01-2024)
Field 7517C, Components Expected To Remain In Use Indicator

(1)   Field 7517C is transcribed from the checkbox on line 17c, Form 5695. Components Expected To Remain In Use Indicator is one position in length, and the valid entries are as follows:

    a.   0: Neither box is checked
    b.   1: Yes box is checked
    c.   2: No box is checked

d.   3: Both boxes are checked

3.12.2.59.3.10
(01-01-2024)
Field 7520A, Exterior Windows Costs

(1)   Field 7520A, Exterior Windows Costs, is transcribed from line 20a, Form 5695.

3.12.2.59.3.11
(01-01-2024)
Field 7521A, Qualified Property Installation Indicator

(1)   Field 7521A is transcribed from the checkbox on line 21a, Form 5695. Qualified Property Installation Indicator is one position in length, and the valid entries are as follows:

a.   0: Neither box is checked
b.   1: Yes box is checked
c.   2: No box is checked
d.   3: Both boxes are checked

3.12.2.59.3.12
(01-01-2024)
Field 7521B, Original Service Indicator

(1)   Field 7521B is transcribed from the checkbox on line 21b, Form 5695. Original Service Indicator is one position in length, and the valid entries are as follows:

a.   0: Neither box is checked
b.   1: Yes box is checked
c.   2: No box is checked
d.   3: Both boxes are checked

3.12.2.59.3.13
(01-01-2024)
Field 7522A, Central Air Conditioner Costs

(1)   Field 7522A, Central Air Conditioner Costs, is transcribed from line 22a, Form 5695.

3.12.2.59.3.14
(01-01-2024)
Field 7523A, Natural Gas Propane Oil Water Heater Costs

(1)   Field 7523A, Natural Gas Propane Oil Water Heater Costs, is transcribed from line 23a, Form 5695.

3.12.2.59.3.15
(01-01-2024)
Field 7524A, Natural Gas Propane Oil Furnace or Boiler Costs

(1)   Field 7524A, Natural Gas Propane Oil Furnace or Boiler Costs, is transcribed from line 24a, Form 5695.

3.12.2.59.3.16
(01-01-2024)
Field 7525A, Panelboards Circuits or Feeders Costs

(1)   Field 7525A, Panelboards Circuits or Feeders Costs, is transcribed from line 25a, Form 5695.

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3.12.2.59.3.17
(01-01-2024)
Field 7526A, Home Energy Audit Indicator

(1) Field 7526A is transcribed from the checkbox on line 26a, form 5695. Home Energy Audit Indicator is one position in length, and the valid entries are as follows:

   a.   0: Neither box is checked
   b.   1: Yes box is checked
   c.   2: No box is checked
   d.   3: Both boxes are checked

3.12.2.59.3.18
(01-01-2024)
Field 7526B, Home Energy Audit Costs

(1) Field 7526B, Home Energy Audit Costs, is transcribed from line 26b, Form 5695.

3.12.2.59.3.19
(01-01-2024)
Field 7529A, Electric Gas Heat Pump Costs

(1) Field 7529A, Electric Gas Heat Pump Costs, is transcribed from line 29a, Form 5695.

3.12.2.59.3.20
(01-01-2024)
Field 7529B, Electric Gas Heat Pump Water Heater Costs

(1) Field 7529B, Electric Gas Heat Pump Water Heater Costs, is transcribed from line 29b, Form 5695.

3.12.2.59.3.21
(01-01-2024)
Field 7529C, Biomass Stove and Boiler Costs

(1) Field 7529C, Biomass Stove and Boiler Costs, is transcribed from line 29c, Form 5695.

3.12.2.59.3.22
(01-01-2025)
Field 7532A, Joint Occupancy Part II Indicator

(1) Field 7532A, Joint Occupancy Part II Indicator, is transcribed from the checkbox on line 32a, Form 5695. Field 7532A is one position in length, and the valid entries are as follows:

   a.   0: Box is not checked (default).
   b.   1: Box is checked.

3.12.2.60
(01-01-2020)
Section 76, Form 965-A

(1) Form 965-A, Individual Report of Net 965 Tax Liability, is used to report an individual's net 965 tax liability.

3.12.2.60.1
(01-01-2023)
Error Record Format, Section 76

(1) Section 76 consists of the following fields from Form 965-A:

Form 965-A	Field Name	Field Location
76YE1	Election or Transfer Year 1	Part I, column a, 1st entry
76YE2	Election or Transfer Year 2	Part I, column a, 2nd entry
76YE3	Election or Transfer Year 3	Part I, column a, 3rd entry
76YE4	Election or Transfer Year 4	Part I, column a, 4th entry

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Form 965-A	Field Name	Field Location
76YE5	Election or Transfer Year 5	Part I, column a, 5th entry
76ADI	Part I Form 965-A Additional Data Indicator	Part I, to the right of column e (edited if more than 5 entries)
76TL1	Net Tax Liability Transferred Year 1	Part I, column j, 1st entry
76TL2	Net Tax Liability Transferred Year 2	Part I, column j, 2nd entry
76TL3	Net Tax Liability Transferred Year 3	Part I, column j, 3rd entry
76TL4	Net Tax Liability Transferred Year 4	Part I, column j, 4th entry
76TL5	Net Tax Liability Transferred Year 5	Part I, column j, 5th entry
76ID1	Tax Identification Number 1	Part I, column k, 1st entry
76ID2	Tax Identification Number 2	Part I, column k, 2nd entry
76ID3	Tax Identification Number 3	Part I, column k, 3rd entry
76ID4	Tax Identification Number 4	Part I, column k, 4th entry
76ID5	Tax Identification Number 5	Part I, column k, 5th entry
76TR1	Net 965 Tax Liability Triggered 1	Part IV, column f, 1st entry
76TR2	Net 965 Tax Liability Triggered 2	Part IV, column f, 2nd entry
76TR3	Net 965 Tax Liability Triggered 3	Part IV, column f, 3rd entry
76TR4	Net 965 Tax Liability Triggered 4	Part IV, column f, 4th entry
76TR5	Net 965 Tax Liability Triggered 5	Part IV, column f, 5th entry
76AD4	Part IV Form 965-A Additional Data Indicator	Part IV, to the right of column i(edited if more than 5 entries)
76TOT	Total Form 965-A from Part IV	Part IV, total below column i

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3.12.2.60.2 (01-01-2020) **Invalid Conditions**	(1)	Fields in Section 76 will display as invalid if not all numeric.
3.12.2.60.3 (01-01-2020) **Correction Procedures**	(1)	Correct coding and transcription errors and misplaced entries in displayed fields.
3.12.2.60.3.1 (01-01-2020) **Fields 76YE1, 76YE2, 76YE3, 76YE4, and 76YE5, Year of Election or Transfer**	(1)	These fields are transcribed from Form 965-A, Part 1, column a as a four digit numeric year.
3.12.2.60.3.2 (01-02-2020) **Fields 76ADI and 76AD4, Additional Data Indicator**	(1)	Field 76ADI is transcribed from the margin of Form 965-A, Part I, to the right of column e, when additional data is present beyond the fifth entry.
	(2)	Field 76AD4 is transcribed from the margin of Form 965-A, Part IV, to the right of column i, when additional data is present beyond the fifth entry.
	(3)	TY19 and later, this field will display as invalid if other than **0** (zero), or **1**.
	(4)	If Form 965-A does not include more than 5 years in Part I, enter **0** in Field 76ADI. If Form 965-A does not include more than 5 years in Part IV, enter **0** in Field 76AD4.
3.12.2.60.3.3 (01-01-2020) **Fields 76TL1, 76TL2, 76TL3, 76TL4, and 76TL5, Net Tax Liability Transferred**	(1)	These fields are transcribed from Form 965-A, Part I, column j as numeric amounts.
3.12.2.60.3.4 (01-01-2020) **Fields 76ID1, 76ID2, 76ID3, 76ID4, and 76ID5, Tax Identification Number**	(1)	These fields are transcribed from Form 965-A, Part I, column k, as nine digit numbers.
3.12.2.60.3.5 (01-01-2020) **Fields 76TR1, 76TR2, 76TR3, 76TR4, and 76TR5, Net 965 Tax Liability Triggered**	(1)	These fields are transcribed from Form 965-A, Part IV, column f, as numeric amounts.
3.12.2.61 (01-01-2025) **Section 77, Schedule LEP or Form 9000**	(1)	Section 77 contains fields from Form 9000, Alternative Media Preference, and Schedule LEP, Request for Change in Language Preference
	(2)	Two Forms 9000 may be processed with a return.

- Field 77PAM is for the primary taxpayer's Form 9000.
- Field 77SAM is for the secondary taxpayer's Form 9000.

(3) Two Schedules LEP may be processed with a return.

- Field 77PAL is for the primary taxpayer's Schedule LEP.
- Field 77SAL ifs for the secondary taxpayer's Schedule LEP.

3.12.2.61.1
(01-01-2023)
Error Record Format, Section 77

(1) Section 77 consists of the following input fields:

Schedule LEP or Form 9000	Field Name	Field Location
77PAM	Primary Alternative Media Code	Part 1 Line 1, Form 9000
77PAL	Primary Alternative Language Code	Line 1, Schedule LEP
77SAM	Secondary Alternative Media Code	Part 1 Line 1, Form 9000
77SAL	Secondary Alternative Language Code	Line 1, Schedule LEP

3.12.2.61.2
(11-27-2020)
Invalid Conditions

(1) Section 77 fields will display as invalid if not all alphanumeric.

3.12.2.61.3
(01-01-2024)
Field 77PAM, Primary Alternative Media Code

(1) Field 77PAM is a two digit numeric field that is valid when it contains a value between 00 and 05, or is left blank.

(2) Field 77PAM is transcribed from Form 9000, Part I, Line 1.

3.12.2.61.4
(01-01-2024)
Field 77PAL, Primary Alternative Language Code

(1) Field 77PAL is a three digit numeric field that is valid when it contains a value between 000 and 020, or is left blank.

(2) Field 77PAL is transcribed from Schedule LEP, Line 1.

3.12.2.61.5
(01-01-2024)
Field 77SAM, Secondary Alternative Media Code

(1) Field 77SAM is a two digit numeric field that is valid when it contains a value between 00 and 05, or is left blank.

(2) Field 77SAM is transcribed from Form 9000, Part 1, Line 1.

3.12.2.61.6
(01-01-2024)
Field 77SAL, Secondary Alternative Language Code

(1) Field 77SAL is a three digit numeric field that is valid when it contains a value between 000 and 020, or is left blank.

(2) Field 77SAL is transcribed from Schedule LEP, Line 1.

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3.12.2.62
(01-01-2022)
Section 78, Form 8997

(1) Form 8997, Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments, is used to report QOF investments and deferred gain held at the beginning and end of the tax year, as well as any capital gains deferred by investing in a QOF and QOF investments disposed of during the current tax year.

3.12.2.62.1
(01-01-2023)
Error Record Format Section 78

(1) Section 78 consists of the following fields:

Form 8997	Field Name	Field Location
781A	Part I Qualified Opportunity Fund EIN	Part I, column a, first line
781B	Part I Date QOF Investment Acquired	Part I, column b, first line
781D	Part I Special Gain Code	Part I, column d, first line
781E	Part I Amount of Short-Term Deferred Gain Remaining	Part I, column e, first line
781F	Part I Amount of Long-Term Deferred Gain Remaining	Part I, column f, first line
781AI	Form 8997 Part I Additional Info Indicator	Edited in the right margin of Part I, column f
781ST	Part I Total Short-Term Deferred Gain Remaining	Part I, line 2, column e
781LT	Part I Total Long-Term Deferred Gain Remaining	Part I, line 2, column f
782A	Part II Qualified Opportunity Fund EIN	Part II, column a, first line
782B	Part II Date QOF Investment Acquired	Part II, column b, first line
782D	Part II Special Gain Code	Part II, column d, first line
782E	Part II Amount of Short-Term Deferred Gain Remaining	Part II, column e, first line
782F	Part II Amount of Long-Term Deferred Gain Remaining	Part II, column f, first line
782AI	Form 8997 Part II Additional Info Indicator	Edited in the right margin of Part II, column f
782ST	Part II Total Short-Term Deferred Gain Remaining	Part II, line 2, column e
782LT	Part II Total Long-Term Deferred Gain Remaining	Part II, line 2, column f

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Form 8997	Field Name	Field Location
783A	Part III Qualified Opportunity Fund EIN	Part III, column a, first line
783B	Part III Date of Event	Part III, column b, first line
783D	Part III Special Gain Code	Part III, column d, first line
783E	Part III Amount of Short-Term Deferred Gain Included	Part III, column e, first line
783F	Part III Amount of Long-Term Deferred Gain Included	Part III, column f, first line
783AI	Form 8997 Part III Additional Info Indicator	Edited in the right margin of Part III, column f
783ST	Part III Total Short-Term Deferred Gain Remaining	Part III, line 2, column e
783LT	Part III Total Long-Term Deferred Gain Remaining	Part III, line 2, column f
784A	Part IV Qualified Opportunity Fund EIN	Part IV, column a, first line
784B	Part IV Date QOF Investment Acquired	Part IV, column b, first line
784D	Part IV Special Gain Code	Part IV, column d, first line
784E	Part IV Amount of Short-Term Deferred Gain Remaining	Part IV, column e, first line
784F	Part IV Amount of Long-Term Deferred Gain Remaining	Part IV, column f, first line
784AI	Form 8997 Part IV Additional Info Indicator	Edited in the right margin of Part IV, column f
784ST	Part IV Total Short-Term Deferred Gain Remaining	Part IV, line 2, column e
784LT	Part IV Total Long-Term Deferred Gain Remaining	Part 1V, line 2, column f

(2)   See the specific field instructions for valid field formats.

**3.12.2.62.2
(01-01-2022)
Invalid Conditions**

(1)   Section 78 fields will display as invalid if format is incorrect.

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3.12.2.62.3 (01-01-2022) **Correction Procedures**	(1)	Correct coding and transcription errors and misplaced entries on fields displayed.
3.12.2.62.3.1 (01-01-2022) **Fields 781A, 782A, 783A, 784A**	(1)	Field 781A represents the Part I Qualified Opportunity Fund EIN transcribed from Part I, column a, first line.
	(2)	Field 782A represents the Part II Qualified Opportunity Fund EIN transcribed from Part II, column a, first line.
	(3)	Field 783A represents the Part III Qualified Opportunity Fund EIN transcribed from Part III, column a, first line.
	(4)	Field 784A represents the Part IV Qualified Opportunity Fund EIN transcribed from Part IV, column a, first line.
	(5)	These fields are numeric only.
3.12.2.62.3.2 (01-01-2022) **Fields 781B, 782B, 783B, 784B**	(1)	Field 781B represents the Part I Date QOF Investment Acquired transcribed from Part I, column b, first line.
	(2)	Field 782B represents the Part II Date QOF Investment Acquired transcribed from Part II, column b, first line.
	(3)	Field 783B represents the Part III Date of Event transcribed from Part III, column b, first line.
	(4)	Field 784B represents the Part IV Date QOF Investment Acquired transcribed from Part IV, column b, first line.
	(5)	These fields are numeric only.
3.12.2.62.3.3 (01-01-2025) **Fields 781D, 782D, 783D, 784D**	(1)	Field 781D represents the Part I Special Gain Code (SGC) transcribed from Part I, column d, first line.
	(2)	Field 782D represents the Part II Special Gain Code transcribed from Part II, column d, first line.
	(3)	Field 783D represents the Part III Special Gain Code transcribed from Part III, column d, first line.
	(4)	Field 784D represents the Part IV Special Gain Code transcribed from Part IV, column d, first line.
	(5)	These fields are alpha only and are invalid if letter **I** is present. Code A, B, C, D, E, F, and G are defined on Form 8997 instructions. Code H, and J through Z are reserved.
3.12.2.62.3.4 (01-01-2022) **Fields 781E, 782E, 783E, 784E**	(1)	Field 781E represents the Part I Amount of Short-Term Deferred Gain Remaining transcribed from Part I, column e, first line.
	(2)	Field 782E represents the Part II Amount of Short-Term Deferred Gain Remaining transcribed from Part II, column e, first line.
	(3)	Field 783E represents the Part III Amount of Short-Term Deferred Gain Remaining transcribed from Part III, column e, first line.

(4)   Field 784E represents the Part IV Amount of Short-Term Deferred Gain Remaining transcribed from Part IV, column e, first line.

(5)   These fields are positive only and dollars and cents.

3.12.2.62.3.5 (01-01-2022) **Fields 781F, 782F, 783F, 784F**	(1)	Field 781F represents the Part I Amount of Long-Term Deferred Gain Remaining transcribed from Part I, column f, first line.
	(2)	Field 782F represents the Part II Amount of Long-Term Deferred Gain Remaining transcribed from Part II, column f, first line.
	(3)	Field 783F represents the Part III Amount of Long-Term Deferred Gain Remaining transcribed from Part III, column f, first line.
	(4)	Field 784F represents the Part IV Amount of Long-Term Deferred Gain Remaining transcribed from Part IV, column f, first line.
	(5)	These fields are positive only and dollars and cents.

3.12.2.62.3.6 (01-01-2022) **Fields 781AI, 782AI, 783AI, 784AI**	(1)	Field 781AI represents the Part I Special Gain Code transcribed from the right margin of Part I, column f.
	(2)	Field 782AI represents the Part II Special Gain Code transcribed from the right margin of Part II, column f.
	(3)	Field 783AI represents the Part III Special Gain Code transcribed from the right margin of Part III, column f.
	(4)	Field 784AI represents the Part IV Special Gain Code transcribed from the right margin of Part IV, column f.
	(5)	These fields are numeric only. Code 1 if Additional lines have taxpayer information. Code 0 if only the first line has taxpayer information.

3.12.2.62.3.7 (01-01-2022) **Fields 781ST, 782ST, 783ST, 784ST**	(1)	Field 781ST represents the Part I Total Short-Term Deferred Gain Remaining transcribed from Part I, line 2, column e.
	(2)	Field 782ST represents the Part II Total Short-Term Deferred Gain Remaining transcribed from Part II, line 2, column e.
	(3)	Field 783ST represents the Part III Total Short-Term Deferred Gain Remaining transcribed from Part III, line 2, column e.
	(4)	Field 784ST represents the Part IV Total Short-Term Deferred Gain Remaining transcribed from Part IV, line 2, column e.
	(5)	These fields are positive only and dollars and cents.

| 3.12.2.62.3.8
(01-01-2022)
Fields 781LT, 782LT, 783LT, 784LT | (1) | Field 781LT represents the Part I Total Short-Term Deferred Gain Remaining transcribed from Part I, line 2, column f. |
| | (2) | Field 782LT represents the Part II Total Short-Term Deferred Gain Remaining transcribed from Part II, line 2, column f. |

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(3)   Field 783LT represents the Part III Total Short-Term Deferred Gain Remaining transcribed from Part III, line 2, column f.

(4)   Field 784LT represents the Part IV Total Short-Term Deferred Gain Remaining transcribed from Part IV, line 2, column f.

(5)   These fields are positive only and dollars and cents.

3.12.2.63
(01-01-2024)
Section 79, Form 4136

(1)   Form 4136, Credit for Federal Tax Paid on Fuels, is used by taxpayers to claim credit for Federal Excise Tax paid on fuels. This is a refundable credit and is included in payments. Refer to EC 356.

3.12.2.63.1
(01-01-2024)
Error Record Format, Section 79

(1)   Section 79 consists of the following fields:

Form 4136	Field Name	Field Location
79A01	Amount for Credit Reference 1	Column (d)
79C01	Credit Reference Number 1	Column (e)
79A02	Amount for Credit Reference 2	Column (d)
79C02	Credit Reference Number 2	Column (e)
79A03	Amount for Credit Reference 3	Column (d)
79C03	Credit Reference Number 3	Column (e)
79A04	Amount for Credit Reference 4	Column (d)
79C04	Credit Reference Number 4	Column (e)
79A05	Amount for Credit Reference 5	Column (d)
79C05	Credit Reference Number 5	Column (e)
79A06	Amount for Credit Reference 6	Column (d)
79C06	Credit Reference Number 6	Column (e)
79A07	Amount for Credit Reference 7	Column (d)
79C07	Credit Reference Number 7	Column (e)
79A08	Amount for Credit Reference 8	Column (d)
79C08	Credit Reference Number 8	Column (e)
79A09	Amount for Credit Reference 9	Column (d)
79C09	Credit Reference Number 9	Column (e)
79A10	Amount for Credit Reference 10	Column (d)
79C10	Credit Reference Number 10	Column (e)
79A11	Amount for Credit Reference 11	Column (d)
79C11	Credit Reference Number 11	Column (e)
79A12	Amount for Credit Reference 12	Column (d)
79C12	Credit Reference Number 12	Column (e)

Form 4136	Field Name	Field Location
79A13	Amount for Credit Reference 13	Column (d)
79C13	Credit Reference Number 13	Column (e)
79A14	Amount for Credit Reference 14	Column (d)
79C14	Credit Reference Number 14	Column (e)
79A15	Amount for Credit Reference 15	Column (d)
79C15	Credit Reference Number 15	Column (e)
79A16	Amount for Credit Reference 16	Column (d)
79C16	Credit Reference Number 16	Column (e)
79A17	Amount for Credit Reference 17	Column (d)
79C17	Credit Reference Number 17	Column (e)
79A18	Amount for Credit Reference 18	Column (d)
79C18	Credit Reference Number 18	Column (e)
79A19	Amount for Credit Reference 19	Column (d)
79C19	Credit Reference Number 19	Column (e)
79A20	Amount for Credit Reference 20	Column (d)
79C20	Credit Reference Number 20	Column (e)

(2)   Fields in Section 79 must be positive entries.

3.12.2.63.2
(01-01-2024)
Invalid Conditions

(1)   Section 79 fields will display as invalid if other than numeric.

3.12.2.63.3
(01-01-2024)
Correction Procedures

(1)   Correct coding and transcription errors and misplaced entries in displayed fields.

3.12.2.63.3.1
(01-01-2024)
Fields 79A01 through 79C20

(1)   All fields are transcribed from columns (d) and (e) in the order that the taxpayer enters them on Form 4136. If the taxpayer's first entry is on line 3, use Field 79A01 and 79C01, if the taxpayer's second entry on line 7, use Fields 79A02 and 79C02, etc. When correcting any unused fields, ensure to input the default value of 000.

3.12.2.64
(01-01-2025)
Section 94, Verified Fields

(1)   Section 94 contains fields that are ERS input only.

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3.12.2.64

3.12.2.64.1
(01-01-2025)
**Error Record Format,
Section 94**

(1)   Section 94 consists of the following ERS input only fields:

Form 1040	Field Name
94EXV	Exemption Code Verified
94PAV	Primary Age Verified
94SAV	Secondary Age Verified
94CEV	Child Tax Credit Number Eligible Verified
94DEV	Credit for Other Dependent Number Eligible Verified
94UTV	Unallowable Tax Verified
94TSV	Taxable Social Security Verified
94SDV	Limited Standard Deduction Verified
94QBV	Qualified Business Income Deduction Verified
94INV	Taxable Income Verified
94TTV	Tentative Tax Verified
94CDV	Child Tax and Other Dependent Credit Verified
94NRV	Total Statutory Credits Verified
94TXV	Total Tax Verified
94EIV	EIC Earned Income Verified
94AIV	ACTC Earned Income Verified (TY19 and TY20 only)
94ACV	Additional Child Tax Credit Verified
94AOV	Refundable Education Credit Verified
94SEV	Deduction for SE Tax Verified
94IRV	IRA Payment Amount Verified
94SLV	Student Loan Interest Deduction Verified
94ARV	Advance Premium Tax Credit Repayment Verified
94EDV	Education Credit Verified
94RTV	Retirement Savings Contribution Credit Verified
94REV	Residential Clean Energy Credit Verified
94EEV	Energy Efficient Home Improvement Credit Verified
94CVV	Clean Vehicle Credit Verified
94POV	Previously Owned Clean Vehicles Credit Verified
94PTV	Reconciled Premium Tax Credit Verified
94ESV	Excess Social Security Tax Withheld Verified
94OPV	Total Other Payments and Refundable Credits Verified

Form 1040	Field Name
94P2V	New Clean Vehicles Business Credit Verified
94P5V	Commercial Clean Vehicle Credit Verified

3.12.2.64.2
(01-01-2020)
Invalid Conditions

(1) Section 94 fields will display as invalid if other than numeric or blank.

3.12.2.64.3
(01-01-2020)
Correction Procedures

(1) The fields in Section 94 are for **ERS input only**. If non-numeric characters have been input, delete the entry.

3.12.2.64.3.1
(01-01-2020)
Field 94EXV, Exemption Verified, 8 positions

(1) TY18 and later, the exemption amount that can be claimed is $0. Exemption coding in Field 94EXV is retained for determining family size in certain calculations and allowable credits.

(2) Use Field 94EXV to make changes to exemptions claimed by the taxpayer. Field 94EXV will display as blank. When entering data in Field 94EXV, all 8 positions must be entered.

(3) Invalid Condition - This field will be invalid when positions 1 and 2 are other than **1** or **0** (zero).

3.12.2.64.3.2
(01-01-2020)
Field 94PAV, Primary Age Verified

(1) Use Field 94PAV per error code instructions when the primary taxpayer's date of birth in Field 01PYB> is blank or all zeros.

(2) The field is three spaces long, and only numeric values are valid.

(3) Use of the field:

    a.   Enter R in Field 02RI and transmit.
    b.   If Field 01PYB> remains blank or filled with zeros, research with INOLES for the taxpayer's date of birth.
    c.   Determine the taxpayer's age on the first day of the tax year and enter it in Field 94PAV.

3.12.2.64.3.3
(01-01-2020)
Field 94SAV, Secondary Age Verified

(1) Use Field 94SAV per error code instructions when the secondary taxpayer's date of birth in Field 01SYB> is blank or all zeros.

(2) The field is three spaces long, and only numeric values are valid.

(3) Use of the field:

    a.   Enter **R** in Field 02RI and transmit.
    b.   If Field 01SYB> remains blank or filled with zeros, research with INOLES for the taxpayer's date of birth.
    c.   Determine the taxpayer's age on the first day of the tax year and enter it in Field 94SAV.

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3.12.2.64.3.3

3.12.2.64.3.4
(01-01-2022)
Field 94CEV, Child Tax Credit Number Eligible Verified

(1) Use Field 94CEV when the programming cannot accurately figure the total number of children eligible for Child Tax Credit (for example, when there are more than 4 eligible children or eligible children beyond the fourth transcribed dependent).

(2) The field is two spaces long, and only numeric values are valid.

(3) The entry in the field must be two digits. Enter any number smaller than 10 with a leading zero: 01, 03, 06, 09, for example.

(4) Correct field errors according to the table below.

If...	Then...
A] the number of children eligible for and claimed for the Child Tax Credit in Field 01TCE> is **correct,**	Delete the number in Field 94CEV.
B] the number of children eligible for and claimed for the Child Tax Credit in Field 01TCE> is **incorrect,**	1. Determine the correct number of children eligible for the Child Tax Credit. 2. Enter the number of children eligible for the Child Tax Credit in Field 94CEV.

(5) Refer to EC 287, 289 and 290.

3.12.2.64.3.5
(01-01-2020)
Field 94DEV, Credit for Other Dependents Number Eligible Verified

(1) The following instructions apply to TY18 and later only.

(2) Use Field 94DEV when the programming can't accurately figure the total number of dependents eligible for credit for other dependents because, for instance, there are more than 4 eligible persons or eligible persons beyond the fourth transcribed dependent.

(3) The field is two spaces long, and only numeric values are valid.

(4) The entry in the field must be two digits. Enter any number smaller than 10 with a leading zero: 01, 03, 06, 09, for example.

(5) Correct field errors according to the table below.

If...	Then...
A] the number of dependents eligible for and claimed for the Credit for Other Dependents in Field 01TDE> is **correct,**	Delete the number in Field 94DEV.

If...	Then...
B] the number of dependents eligible for and claimed for the Credit for Other Dependents in Field 01TDE> is **incorrect,**	1. Determine the correct number of dependents eligible for the Credit for Other Dependents. Include the number of dependents claimed for CTC who were not eligible because of age or because CTC was claimed for a valid ITIN. 2. Enter the number of dependents eligible for the Credit for Other Dependents in Field 94DEV.

(6) Refer to EC 287, 289, and 290.

3.12.2.64.3.6
(01-01-2020)
Field 94UTV,
Unallowable Tax Verified

(1) Use Field 94UTV to enter the recomputed tax amount when a corrected return contains unallowable codes, and verified fields have been used for taxable income, tax, or itemized deductions.

(2) Refer to EC 706 and 712.

3.12.2.64.3.7
(01-01-2020)
Field 94TSV, Taxable
Social Security Verified

(1) Use Field 94TSV, Taxable Social Security Verified, when the computer can't correctly compute taxable social security.

(2) Refer to EC 214.

3.12.2.64.3.8
(11-27-2020)
Field 94SDV, Standard
Deduction Verified

(1) Use Field 94SDV when **all** the following exist:

a. DSI code is 1.
b. Earned income is **less** than the Basic Standard Deduction (e.g., TY24 FSC1, $14,600).
c. Earned income is present on the "Other Income" line 8z, Schedule 1.

Note: If the taxpayer has included partnership income from Schedule E in the computation of the standard deduction, enter the limited standard deduction amount in Field 94SDV.

(2) Refer to EC 250 and 252.

3.12.2.64.3.9
(01-01-2020)
Field 94QBV, Qualified
Business Income
Deduction Verified

(1) Use Field 94QBV when the computer can't calculate the correct Qualified Business Income Deduction.

(2) Refer to EC 249.

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3.12.2.64.3.9

3.12.2.64.3.10 (01-01-2020) **Field 94INV, Taxable Income Verified**	(1)	Use Field 94INV when the taxpayer has used a special computation or the computer can't calculate the correct taxable income.
	(2)	Refer to EC 250.
3.12.2.64.3.11 (01-01-2020) **Field 94TTV, Tentative Tax Verified**	(1)	Use Field 94TTV when the taxpayer has used a special computation or the computer can't calculate the correct tax amount.
	(2)	Refer to EC 260 and 265.
3.12.2.64.3.12 (01-01-2020) **Field 94CDV, Child Tax Credit and Other Dependent Credit Verified**	(1)	Use Field 94CDV when the taxpayer has used a special computation or the computer can't calculate the correct amount for Child Tax Credit and Credit for Other Dependents.
	(2)	Refer to EC 290.
3.12.2.64.3.13 (01-01-2020) **Field 94NRV, Total Statutory Credits Verified**	(1)	Use Field 94NRV when the taxpayer has used a special computation or the computer can't calculate the correct amount of total statutory credits.
	(2)	Refer to EC 310.
3.12.2.64.3.14 (01-01-2020) **Field 94TXV, Total Tax Verified**	(1)	Use Field 94TXV when the computer cannot calculate the correct total tax.
	(2)	Refer to EC 260 and 334.
3.12.2.64.3.15 (01-01-2023) **Field 94EIV, Schedule EIC Earned Income Verified**	(1)	Use Field 94EIV to verify earned income for Earned Income Credit when the computer cannot calculate the correct amount.
	(2)	Refer to EC 337 and 338.
3.12.2.64.3.16 (01-01-2022) **Field 94AIV, ACTC Earned Income Verified**	(1)	Use Field 94AIV to verify earned income for the Additional Child Tax Credit when the computer cannot calculate the correct amount. Field 94AIV is valid for TY19 and TY20 only.
	(2)	Refer to EC 344.
3.12.2.64.3.17 (01-01-2020) **Field 94ACV, Additional Child Tax Credit Verified**	(1)	Use Field 94ACV when the computer can't calculate the correct amount for additional child tax credit.
	(2)	Refer to EC 344.
3.12.2.64.3.18 (01-01-2020) **Field 94AOV, Refundable Education Credit Verified**	(1)	Field 94AOV is valid for TY09 and later and is used when the computer can't calculate the correct amount of American Opportunity Credit or refundable education credit.
	(2)	Refer to EC 347.

3.12.2.64.3.19 (01-01-2020) **Field 94SEV, Deduction for Self-Employment Tax Verified**	(1)	Use Field 94SEV when the computer cannot correctly calculate the deduction for SE tax as an adjustment to income.
	(2)	Refer to EC 211.
3.12.2.64.3.20 (01-01-2020) **Field 94IRV, IRA Deduction Verified**	(1)	Use Field 94IRV when the computer cannot correctly calculate the IRA deduction as an adjustment to income.
	(2)	Refer to EC 222.
3.12.2.64.3.21 (01-01-2020) **Field 94SLV, Student Loan Interest Deduction Verified**	(1)	Use Field 94SLV when the computer cannot correctly calculate student loan interest deduction as an adjustment to income.
	(2)	Refer to EC 224.
3.12.2.64.3.22 (01-01-2020) **Field 94ARV, Advance Premium Tax Credit Repayment Verified**	(1)	Use Field 94ARV when the computer cannot arrive at the correct advance premium tax credit (APTC) repayment.
	(2)	Refer to EC 190 and 270.
3.12.2.64.3.23 (01-01-2020) **Field 94EDV, Education Credits Verified**	(1)	Use Field 94EDV when the taxpayer has used a special computation or when the computer cannot calculate the correct amount of education credit.
	(2)	Refer to EC 283, 284, and 285.
3.12.2.64.3.24 (01-01-2020) **Field 94RTV, Retirement Savings Contribution Credit Verified**	(1)	Use Field 94RTV to enter the allowable credit when the computer cannot calculate the correct amount for Retirement Savings Contribution Credit.
	(2)	Refer to EC 286.
3.12.2.64.3.25 (01-01-2025) **Field 94REV, Residential Clean Energy Credit Verified**	(1)	Use Field 94REV to enter the allowable credit when the computer cannot calculate the correct amount for Residential Clean Energy Credit.
	(2)	Refer to EC 291.
3.12.2.64.3.26 (01-01-2025) **Field 94EEV, Energy Efficient Home Improvement Credit Verified**	(1)	Use Field 94EEV to enter the allowable credit when the computer cannot calculate the correct amount for Energy Efficient Home Improvement Credit Verified.
3.12.2.64.3.27 (01-01-2024) **Field 94CVV, Clean Vehicle Credit Verified**	(1)	Use Field 94CVV to enter the allowable credit when the computer cannot calculate the correct amount for Clean Vehicle Credit Amount.
	(2)	Refer to EC 298.

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3.12.2.64.3.28 (01-01-2024) **Field 94POV, Previously Owned Clean Vehicles Credit Verified**	(1)	Use Field 94POV to enter the allowable credit when the computer cannot calculate the correct amount for Previously Owned Clean Vehicles Credit for TY23 and later only.
	(2)	Refer to EC 298.
3.12.2.64.3.29 (01-01-2020) **Field 94PTV, Net Premium Tax Credit Amount Verified**	(1)	Use Field 94PTV when the computer cannot arrive at the correct amount for net premium tax credit.
	(2)	Refer to EC 354.
3.12.2.64.3.30 (01-01-2024) **Field 94ESV, Excess Social Security Tax Withheld Verified**	(1)	Use Field 94ESV, Excess Social Security Tax Withheld Verified, when the computer cannot correctly compute excess social security withheld amount.
	(2)	Refer to EC 342.
3.12.2.64.3.31 (01-01-2024) **Field 94OPV, Total Other Payments and Refundable Credits Verified**	(1)	Use Field 94OPV to enter the allowable credit when the computer cannot calculate the correct amount for other payments and refundable credits.
	(2)	Refer to EC 358.
3.12.2.64.3.32 (01-01-2024) **Field 94P2V, New Clean Vehicles Business Credit Verified**	(1)	Use Field 94P2V to enter the allowable credit when the computer cannot calculate the correct amount for New Clean Vehicles Business Credit.
	(2)	Refer to Error Codes 298 and 302.
3.12.2.64.3.33 (01-01-2024) **Field 94P5V, Commercial Clean Vehicle Credit Verified**	(1)	Use Field 94P5V to enter the allowable credit when the computer cannot calculate the correct amount for Commercial Clean Vehicle Credit for TY23 and later only.
	(2)	Refer to EC 302.

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Action Codes

The ERS Action Code indicates that specific information is missing, suspended, or removed from processing.

Action Code 001 will be computer generated or entered from Error Resolution with Command Code SSPND when the BOB Resolution Function has added a missing document by only inputting the Name Control and SSN for the missing document. Follow corrective procedures in IRM 3.12.2.2.13.1 for Priority I Errors.

Action Codes assigned by Code & Edit tax examiners are edited in the lower center margin on page 1 of the return.

Instructions are provided throughout this text for the application of the appropriate Action Code.

Correspondence Action sheets (Forms 6001 and 3696-A) used for initiating correspondence must be prepared and attached to the front of the return when using a taxpayer correspondence action code.

Only one Action Code can be assigned at one time to a record.

Note: The "Susp. Period Bus. Days" column does not include weekends and holidays.

In-House to ERS

Action Code	Definition	Susp. Period Bus. Days	Valid for C&E	Valid for Error Corr.	Valid for Susp. Corr.	Valid for NWDLN	Valid for RJECT	Calendar Days
001	Input Document	00	no	yes	no	no	no	0

Taxpayer Correspondence

Action Code	Definition	Susp. Period Bus. Days	Valid for C&E	Valid for Error Corr.	Valid for Susp. Corr.	Valid for NWDLN	Valid for RJECT	Calendar Days
211	First Correspondence	40	yes	yes	yes	no	no	55-58
212	Second Correspondence	25	yes	yes	yes	no	no	34-37
213	EC 358, HCTC Correspondence	40	yes	yes	yes	no	no	55-58
215	International Correspondence	45	yes	yes	yes	no	no	62-65
216	Second Taxpayer Correspondence International	45	yes	yes	yes	no	no	62-65

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Action Codes

Action Code	Definition	Susp. Period Bus. Days	Valid for C&E	Valid for Error Corr.	Valid for Susp. Corr.	Valid for NWDLN	Valid for RJECT	Calendar Days
217	International Correspon-dence	45	yes	yes	yes	no	no	62-65
224	ACA Corre-spondence	40	yes	yes	yes	no	no	55-58
225	SRP Corre-spondence	40	yes	yes	yes	no	no	55-58

ID Theft RIVO/RICS

Action Code	Definition	Susp. Period Bus. Days	Valid for C&E	Valid for Error Corr.	Valid for Susp. Corr.	Valid for NWDLN	Valid for RJECT	Calendar Days
230	ID Theft	60	yes	yes	yes	no	no	83-86
231	ID Theft Assistance (RICS)	80	yes	yes	yes	no	no	111-114
232	ID Theft (Research needed)	85	yes	yes	no	no	no	118-121

In-House Research

Action Code	Definition	Susp. Period Bus. Days	Valid for C&E	Valid for Error Corr.	Valid for Susp. Corr.	Valid for NWDLN	Valid for RJECT	Calendar Days
300	IRC 965	10	yes	yes	yes	no	no	13-16
310	Statute Control	10	yes	yes	yes	no	no	13-16
320	Entity Control	10	yes	yes	yes	no	no	13-16

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Action Codes

EXAM/CI/RIVO Review

Action Code	Definition	Susp. Period Bus. Days	Valid for C&E	Valid for Error Corr.	Valid for Susp. Corr.	Valid for NWDLN	Valid for RJECT	Calendar Days
331	Frivolous Filer Review (Exam)	03	yes	yes	no	no	no	4-7
332	CI Review	03	yes	yes	no	no	no	4-7
333	Prompt Audit (Exam)	10	yes	yes	yes	no	no	13-16
334	Joint Committee (Exam)	10	yes	yes	yes	no	no	13-16
335	FRP Case (Exam)	10	yes	yes	yes	no	no	13-16
337	Other CID (Exam)	10	yes	yes	yes	no	no	13-16
370	Examina-tion	10	yes	yes	yes	no	no	13-16
383	1040EZ Audit Code	00	yes	no	no	no	no	0

Accounting

Action Code	Definition	Susp. Period Bus. Days	Valid for C&E	Valid for Error Corr.	Valid for Susp. Corr.	Valid for NWDLN	Valid for RJECT	Calendar Days
341	Manual Refund -Accounting	10	yes	yes	yes	no	no	13-16
342	Verification of Credits	10	yes	yes	yes	no	no	13-16
343	Other Ac-counting	10	yes	yes	yes	no	no	13-16

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Action Codes

Action Code	Definition	Susp. Period Bus. Days	Valid for C&E	Valid for Error Corr.	Valid for Susp. Corr.	Valid for NWDLN	Valid for RJECT	Calendar Days
344	Manual Refund ERS	00	no	yes	no	no	no	0

TIN/Entity Research

Action Code	Definition	Susp. Period Bus. Days	Valid for C&E	Valid for Error Corr.	Valid for Susp. Corr.	Valid for NWDLN	Valid for RJECT	Calendar Days
351	TIN Research	00	no	yes	yes	no	no	0
352	Name Research	03	yes	yes	yes	no	no	4-7
353	Address Research	03	yes	yes	yes	no	no	4-7
354	Filing Requirements Research	03	yes	yes	yes	no	no	4-7
355	Other Research	05	yes	yes	yes	no	no	8-11
360	Other In-House Research	10	yes	yes	yes	no	no	13-16

Management Suspense

Action Code	Definition	Susp. Period Bus. Days	Valid for C&E	Valid for Error Corr.	Valid for Susp. Corr.	Valid for NWDLN	Valid for RJECT	Calendar Days
410	Assistance Needed	00	no	yes	no	no	no	0
420	Management Suspense A	05	yes	yes	yes	no	no	8-11

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Exhibit 3.12.2-1 (Cont. 4) (01-01-2025)
Action Codes

Action Code	Definition	Susp. Period Bus. Days	Valid for C&E	Valid for Error Corr.	Valid for Susp. Corr.	Valid for NWDLN	Valid for RJECT	Calendar Days
430	Management Suspense B - Form 8958 / Community Property/ Payment Allocation	10	yes	yes	yes	no	no	13-16
440	Management Suspense C	15	yes	yes	yes	no	no	20-23
450	Management Suspense D, HCTC - EC 358	20	yes	yes	yes	no	no	27-30
460	Management Suspense E	25	yes	yes	yes	no	no	34-37
470	Complex Error Codes	00	no	yes	yes	no	no	0
471	Misc. Suspense (C&E By-Pass)	02	no	yes	yes	no	no	5-8
480	Early Filed Suspense	150	yes	yes	yes	no	no	211-218

FixERS IAT Tool Suspense

Action Code	Definition	Susp. Period Bus. Days	Valid for C&E	Valid for Error Corr.	Valid for Susp. Corr.	Valid for NWDLN	Valid for RJECT	Calendar Days
481	ERS Bypass	01	yes	yes	yes	no	yes	1-3

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Action Codes

Action Code	Definition	Susp. Period Bus. Days	Valid for C&E	Valid for Error Corr.	Valid for Susp. Corr.	Valid for NWDLN	Valid for RJECT	Calendar Days
484	Bypass Reject	01	yes	yes	yes	no	yes	1-3

Note: Returns eligible for processing via the FixERS IAT tool are automatically suspended to Action Code 481 upon receipt. When processed through the tool, any return the tool is unable to fully resolve will be suspended to Action Code 484 for review by a tax examiner.

HQ Requested Suspense Only

Action Code	Definition	Susp. Period Bus. Days	Valid for C&E	Valid for Error Corr.	Valid for Susp. Corr.	Valid for NWDLN	Valid for RJECT	Calendar Days
490	System Problem	05	no	yes	yes	no	no	8-11
491	System Problem	10	no	yes	yes	no	no	13-16
492	System Problems, ACA, EC 011 and EC 750	15	no	yes	yes	no	no	20-23
493	Systemic Issue, ACA, EC 067	20	no	yes	yes	no	no	27-30
494	Complex Systemic Issue, EC 029, Credit Transfers	25	no	yes	yes	no	no	34-37
495	Complex Systemic Issue	30	no	yes	yes	no	no	41-45
496	Complex Systemic Issue, EC 231	35	no	yes	yes	no	no	48-51
497	Complex Systemic Issue	40	no	yes	yes	no	no	55-58

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Action Codes

Action Code	Definition	Susp. Period Bus. Days	Valid for C&E	Valid for Error Corr.	Valid for Susp. Corr.	Valid for NWDLN	Valid for RJECT	Calendar Days
498	Complex Systemic Issue	45	no	yes	yes	no	no	62-65
499	Complex Systemic Issue	50	no	yes	yes	no	no	69-72

Missing Document

Action Code	Definition	Susp. Period Bus. Days	Valid for C&E	Valid for Error Corr.	Valid for Susp. Corr.	Valid for NWDLN	Valid for RJECT	Calendar Days
510	Missing Document	00	yes	no	no	no	no	0
511	Missing Document-1st Suspense	25	no	yes	yes	no	no	34-37
512	Missing Document-2nd Suspense	20	no	no	yes	no	no	27-30
513	Missing Document-3rd Suspense	20	no	no	yes	no	no	27-30
515	Missing Document-Short Term	05	no	yes	yes	no	no	8-11
550	Magnetic Tape Return	00	yes	no	no	no	no	0
551	Magnetic Tape Return	00	yes	no	no	no	no	0

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Action Codes

Rejects

Action Code	Definition	Susp. Period Bus. Days	Valid for C&E	Valid for Error Corr.	Valid for Susp. Corr.	Valid for NWDLN	Valid for RJECT	Calendar Days
610	Renumber	00	yes	yes	no	yes	no	0
611	Remittance Renumber	00	yes	yes	no	yes	no	0
620	NMF/Non-ADP	00	yes	yes	yes	yes	yes	0
630	Reentry	00	no	yes	yes	no	yes	0
640	Void	00	yes	yes	yes	yes	yes	0
651	International Document (AUSPC)	00	yes	yes	yes	yes	no	0
660	Data Control Delete (TEP Delete)	00	no	no	no	no	yes	0
670	Rejected Missing Document	00	no	no	no	no	yes	0

Duplicate DLN (Computer Generated Codes)

Action Code	Definition	Susp. Period Bus. Days	Valid for C&E	Valid for Error Corr.	Valid for Susp. Corr.	Valid for NWDLN	Valid for RJECT	Calendar Days
700	Dup Block DLN	00	no	no	no	no	no	0
711	Dup Doc DLN from Code and Edit	NA	no	no	no	no	no	NA
712	Dup Doc DLN from Error Resolution	NA	no	no	no	no	no	NA

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Action Codes

Action Code	Definition	Susp. Period Bus. Days	Valid for C&E	Valid for Error Corr.	Valid for Susp. Corr.	Valid for NWDLN	Valid for RJECT	Calendar Days
713	Dup Doc DLN from Unpostable Resolution	NA	no	no	no	no	no	NA
714	Dup Doc DLN from Unworkable Suspense	NA	no	no	no	no	no	NA
715	Dup Doc DLN from Workable Suspense	NA	no	no	no	no	no	NA
800	NAP Outage	02	no	yes	no	no	no	5-8

Unpostable Records (Computer Generated Codes)

Action Code	Definition	Susp. Period Bus. Days	Valid for C&E	Valid for Error Corr.	Valid for Susp. Corr.	Valid for NWDLN	Valid for RJECT	Calendar Days
900	Unpostable Record	00	no	no	no	no	no	0

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Exhibit 3.12.2-2   (01-01-2023)
Computer Condition Codes

The number of Computer Condition Codes may not exceed ten (10). Computer Condition Code **"3" must be entered in the first position.** All other codes may be entered as they are encountered. Listed here are the codes and their meanings.

Code	Explanation
A	Both primary and secondary taxpayers are deceased during the tax period of the return.
B	Return appears to be Non-Compute return but taxpayer has actually computed tax liability to "ZERO".
C	Form 1040-NR with IRC 6114.
D	"UN Operation", "Haiti", "Former Yugoslavia (TY94/TY93 only)", or "Somalia (TY93/TY92 only)" return. **_Note:_** Do not enter CCC "M" if the return is a Combat Zone Return: See IRM 3.12.2.3.10.
E	Delete Filing Requirements for taxpayers who are not deceased.
F	Primary taxpayer is deceased during the tax period of the return.
G	Form 1040-X which amends Presidential Election Campaign Fund (PECF) selection.
H	Lump Sum Election is present.
J	Filing Status Code 2, 3 or 6 with Secondary SSN missing and **Amish/Mennonite** or **Form 4029** noted, or Form W-7 attached for the secondary taxpayer.
K	Operation Enduring Freedom (Afghanistan) Combat Zone Operation Iraqi Freedom Combat Zone
L	Refund on an overpaid decedent return is to be issued with the First Name Line and Second Name Line (e.g., executor) interchanged on the refund check.
M	Reasonable cause established by taxpayer for not paying the tax balance due.
N	Generates TC 460, 60 day extension of time to file for taxpayers who are out of the country on the due date of the return.
O	Indicates a manual refund was issued before the return was processed; also freezes amount from refunding when return posts at ECC-MTB.
P	Reasonable cause established by taxpayer to suppress Computer Generation of Estimated Tax Underpayment Penalty.
Q	Qualifying Non-Dependent is listed in filing status section of the return.
R	Reasonable cause for delinquent filing; this code suppresses the generation of delinquency penalty at ECC-MTB. See IRM 20.1.2, Failure To File/Failure To Pay Penalties, for more information on reasonable cause for delinquency.
U	Suppresses credit interest on a No Reply return.
V	Indicates self-employment income has been reduced at least $100 or net earnings reduced below the minimum of $434.

Exhibit 3.12.2-2 (Cont. 1) (01-01-2023)
Computer Condition Codes

Code	Explanation
W	Refund on overpaid return is to be issued to the Second Name Line (e.g., surviving spouse) of a deceased person or to the state-side spouse of a person serving overseas. First Name Line is suppressed on the refund check only.
X	Indicates no account is present at the Master File or mismatch name control at Master File or no match on DM-1 file and either the NAP was inoperational or the EIF was inoperational and the NAP was accessed.
Y	For any circumstances or conditions which may cause the computer determined TOTAL TAX to be different from the taxpayer determined tax despite no taxpayer error; or it can alert Master File to a change in the accounting period.
Z	Generates Transaction Code 340 which restricts the computation of interest and Transaction Code 270 which restricts Failure to Pay Penalty. It also identifies certain Combat Zone taxpayers entitled to an automatic statutory extension of time for filing a return.
1	Edited by RICS to generate systemic freeze conditions on selected IMF returns.
2	Tax Shelter Detection Team non-selected return.
3	Freezes release of overpayment of account at the Master File and generates Transaction Code 570.
4	Edited by Exam on an original return secured after a Substitute For Return (SFR) has been filed in place of the return.
5	Taxpayer amends Political Checkoff by checking one box on Political Checkoff line, Form 1040-X. This code must be preceded by Computer Condition Code G and is valid on Form 1040-X only. Blocking Series must be 990 through 999.
6	Taxpayer amends Political Checkoff by checking both boxes on Political Checkoff line, Form 1040-X. This code must be preceded by Computer Condition Code G and is valid on Form 1040-X only. Blocking Series must be 990 through 999.
7	Entered by Code and Edit when a denial of reasonable cause for late filing or late payment is established.
8	Refund return and only one Form W-2, that is a substitute, altered, handwritten or typed Form W-2 is attached.
9	Secondary Taxpayer is deceased during the tax period of the return.

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Exhibit 3.12.2-3   (01-01-2025)
Return Processing Codes

The number of Return Processing Codes may not exceed ten. These codes are used for center processing and will not post to Master File. Listed here are the codes and their meanings.

Code	Explanation
A	Forces computer to accept EIC amount.
B	Forces computer to compute EIC to zero. Also edited when taxpayer indicates they don't want or qualify for EIC.
C	Identifies "Community Property" taxpayer who doesn't report any individual income items but reports a prorated share of community property income as Adjusted Gross Income. The community property states are: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin.
D	Form 8962 with **QSEHRA** notated. (TY17 and later)
E	A taxpayer with a potentially invalid SSN/Name Control combination has provided documentation that indicates they are the individual listed on the return.
F	Taxpayer has included IRC 965 claims or payments on the return. (TY17 and later)
G	Forces computer to bypass Error Code 118 check.
H	Other Contributions equal to or greater than $500 are present on Schedule A, and Form 8283. (Forms 1040 and 1040-NR ONLY)
I	Taxpayer enters "Died" in the SSN area for a dependent or EIC child and a supporting birth certificate (or death certificate with a date of birth) is present.
J	Total Tax exceeds 50 percent of Adjusted Gross Income.
K	Indicates the return has been cleared by Statute Control. Valid on prior year returns only.
L	Tax return is blank other than Entity or contains all zeros or insignificant entries.
M	Unemployment Compensation box is checked on Form 8962 for TY21.
N	Identifies non-employee compensation.
O	Primary taxpayer TIN invalid-disallow primary exemption and Earned Income Credit.
P	Form 1040-NR, Schedule P with entry for **total proceeds/amount realized from the transfer of partnership interests**
Q	Primary taxpayer TIN invalid, but is the same taxpayer that exists on the valid TIN (name changed without notifying SSA). CC IRCHG done to make taxpayer "IRS valid" and merge valid and invalid accounts.
R	Authenticated by Electronic Filing PIN (eFP). **MeF ONLY - DO NOT ENTER OR DELETE.**
S	Taxpayer is not liable for self-employment tax. (includes ministers who have filed a waiver and Statutory Employees)
T	Forces the computer to accept Capital Gains distribution without Schedule D.

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Exhibit 3.12.2-3 (Cont. 1) (01-01-2025)
Return Processing Codes

Code	Explanation
U	Form 8949, *Sales and Other Dispositions of Capital Assets*, attached with code **Y** or **Z** in column (f).
V	Form 1040 determined to be a computer-generated paper return.
Y	"Loose" Schedule H filed.
Z	Taxpayer **states** "not liable" for alternative minimum tax.
1	Dual status taxpayer
3	Form 5329 not required.
4	Other Contributions equal to or greater than $500,000 are present on Schedule A, and appraisal for donated property is present on Form 8283. (Form 1040 and 1040-NR ONLY)
5	TY22 Return with Deemed Payment Election or Credit Transfer under IRA
6	1/2 SE Deduction bypass (1/2 SE Deduction is not valid for TY97 and prior).
7	Indicates IRC 965(i) elections.
8	MeF Form 1040 Additional Child Tax Credit claimed with Puerto Rico address or all Forms W-2 with PR employee address.
9	Prevailing Wage and Apprenticeship Penalties (PWA) for Elective Payment Election amounts included on Schedule 2, line 17z.

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Exhibit 3.12.2-4   (01-01-2025)
Special Processing Codes

A Special Processing Code (SPC) is an alphabetic or numeric character used to alert the computer to a special condition or computation. The number of SPCs may not exceed ten. These codes are used for center processing and do not post to Master File. This field was created as an overflow for Return Processing Codes.

Code	Valid TYs	Explanation
A	all	Non Passive Activity Loss (NPA).
B	TY10 and later	Edited by the RIVO, ITVA, AM or CSCO ASFR Function to bypass TC 971 AC 506 identity theft criteria.
C	TY24 and prior	Taxpayer is claiming an amount for Residential Energy Credit-greater than the allowable amount for the tax year due to costs for energy efficiency. 1. TY09 and TY10 - allowable amount $1,500 2. TY11 through TY22- allowable amount $500 3. TY23 and later - FSC 2 lived apart is claiming Energy Efficient Home Credit for two primary residences and two Forms 5695
D	all	Form 2441 indicates Tax Exempt Child Care Provider or LAFCP or Due Diligence Statement is attached in lieu of Provider TIN.
E	all	Taxpayer notated "HSH" indicating wages reported includes household employee wages received.
F	all	ERS bypass computation of Child Tax Credit.
G	all	Taxpayers using the filing status married filing separately calculate the IRA deduction by using the same method as taxpayers using the filing status single or head of household.
H		No PDF attached with the MeF return (MeF only)
J	all	Taxpayer notes wages earned in a penal institution.
K	TY09 and later	Taxpayer checks the box on line 7 (line 13, TY10-TY11; line 15 TY09), Form 8863, to declare ineligibility for the refundable American Opportunity Credit.
L	all	More than two dependents claimed on Form 2441 and/or attachments.
M	TY13 and later	RICS ONLY. **Do not remove.**
N		Reserved.
P		Streamline Returns (International ONLY)
Q		Schedule SE is not attached, Schedule C and/or F are attached, and taxpayer(s) are not liable for additional SE Tax (MeF only)
R	all	Form 8936, one or two VIN's is invalid and taxpayer value reduced below zero due to reduction of claimed credit. (Systemically applied).
S	all	Statutory Credit was limited by tax liability. (Systemically applied).
T	TY15	Identify theft returns which will post to MFT 32.

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Exhibit 3.12.2-4 (Cont. 1) (01-01-2025)
Special Processing Codes

Code	Valid TYs	Explanation
V	TY22	Validation required for excess social security tax withholding (MeF only).
Y		Free File Initiative Code FFF present
Z	TY09 and later	Line 2 of Form 5405 (line 12 for TY09 to TY11) *First-Time Homebuyer Credit*, Primary taxpayer: a. is a member of the uniformed services or Foreign Service or and employee of the intelligence community and b. sold the house for which they claimed the First-Time Homebuyer Credit in consequence of government orders for qualified official extended duty. They do not have to repay the credit.
0	TY22 and later	Return received by FixERS tool. (Systemically generated by FixERS tool).
1	TY22 and later	FixERS tool unable to resolve error, suspended for tax examiner review. (Systemically generated by FixERS tool).
2	TY14 and later	AVS failure at recompute processing (GMF 15/25).
3		Qualified Charitable Distribution (QCD) election to Split-Interest Entity (SIE)
4	TY19 and later	Alimony Received and/or Alimony Paid date is after 12-31-2018.
5	TY23 and later	Edited by Code & Edit when **East Palestine Train Derailment Relief** is notated.
7	TY09 and later	Line 2 of Form 5405 (line 12 for TY09 to TY11) *First-Time Homebuyer Credit*, if FSC 2, the Secondary taxpayer: a. is a member of the uniformed services or Foreign Service, or an employee of the intelligence community and b. sold the house for which they claimed the First-Time Homebuyer Credit in consequence of government orders for qualified official extended duty. They do not have to repay the credit.
9		Fraudulent return (identify theft). Results in UPC 147 RC 4 for auto archiving and issuance of CP Notice.

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Exhibit 3.12.2-5   (01-01-2024)
Forms Processing Codes

The number of Forms Processing Codes may not exceed ten. Listed here are the codes and their meanings.

Code	Explanation
A	Form 8332, *Release of Claim to Exemption for Child of Divorced or Separated Parents*, Form 2120, *Multiple Support Declaration*, or a copy of the divorce decree stating their entitlement to claim an exemption for a child who did not live with them because of divorce or separation is attached to the return.
B	CPYE Statement attached to support Form 2441 (MeF Only).
D	TY16 and later. A federally-declared disaster loss is claimed on Form 4684, and Schedule A.
G	Form 8938 is attached.
H	Form 8995-A, Schedule A, Schedule B, Schedule C, and/or Schedule D is attached to the tax return.
J	Form 8886 is attached.
L	Form 8824, *Like-Kind Exchanges*, is attached to the tax return.
P	Form 2106 is attached.
Q	Form 8939 is attached.
R	Form 8990, 8992, 8993, or 8994 is attached.
W	Form 5471 **or** a schedule supporting Form 5471 such as Schedule G-1 is attached to the tax return.
X	Form 8865 is attached.
0	Scanned paper return forced to ERS for special action. See attachment in EUP.
2	Form 7204 is attached.
3	Form 7205 is attached.
5	Form 6251 is attached.
8	Taxpayers assert they are a victim of ID Theft by attaching Form 14039 or a police report to the return by asserting so in response to correspondence, without Form 14039 or a police report. Do not detach the documents from the return.
9	Taxpayer has attached a Spanish language version of the *Identity Theft Affidavit*, Form 14039(SP), to any type of form within the 1040 family. A Spanish version of the CP01S notice will be issued.

Exhibit 3.12.2-5   Internal Revenue Manual   Cat. No. 67652C (11-01-2024)
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Exhibit 3.12.2-6   (01-01-2025)
Audit Codes

Audit Codes are used for center processing to identify certain conditions and trends for the Compliance function within the IRS. Listed here are the codes and their meaning.

Code	Explanation
A	Reserved
B	###### attached.
C	Form 8283, **Noncash Charitable Contributions**, Part I: Any of the following are true: a. Checkbox 2b, Qualified Conservation Contribution, is marked or, b. Checkbox 2b1, Certified Historic Structures, is marked or, c. Line 2, column h, Qualified Conservation Contribution Relevant Basis, contains values other than zero.
D	High-income non-filer return identified by Collection.
E	Allows a credit for an "invalid VIN" due to a transcription error.
H	1. A form in the list below is present: • Form 926, *Foreign Trust* • Form 3520, *Annual Return to Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts* • Form 3520A, *Annual Return of Foreign Trust With a U.S. Owner* • Form 5471, *Information Return of U.S. Persons With Respect to Certain Foreign Corporations* • Form 5472, *Information Return of a Foreign Owned Corporation* OR 2. Schedule B, line 8, is marked "yes"
I	The Yes box on line C of Form 5405 is checked, for a house bought after 4/30/2010 and before 10/1/2010 and a binding contract entered into before 5/1/2010. • The settlement statement is not attached. • The binding contract is not attached.
J	Special Use Only
K	Disclosure statement, refund scheme, preparer identified. Form 1040-NR with 8854 attached.
L	Joint Committee Case, Schedule C is present with a loss of greater than $5,000 request for prompt audit assessment identified by Exam.
M	ScanPaper return, transcribed VIN in Field 69VN1/69VN2 was corrected in ERS on Clean Vehicles Credits for SB/SE post-processing review.
N	Form 1040-NR filer occupation is entertainer or professional athlete.
P	Taxpayer did not reply to our request to complete Form 6251.
Q	Form 8082, *Notice of Inconsistent Treatment or Administrative Adjustment Request (AAR)*, is attached to return.

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Exhibit 3.12.2-6 (Cont. 1) (01-01-2025)
Audit Codes

Code	Explanation
R	ERS/Rejects tax examiners will enter Audit Code R **only at the direction of Exam.** ERS/Rejects tax examiners do not decide when audit code R is appropriate.
S	Reserved
T	Reserved for International Automatics.
U	Form 8862, *Information to Claim Certain Credits After Disallowance*, is attached and the Earned Income Credit portion of the form is completed.
V	Returns reflecting income which may be subject to self-employment tax
W	Form 3800, line 1p has an entry and: • No Form 8908 is attached, or • Form 8908 is attached but Part II is missing, or • Form 8908 is attached but Part II Column A is incomplete or missing.
X	Return referred by ITIN Operations in Austin, TX, for potential audit of ITIN-related issues in Campus Exam. Not for use by ERS examiners. *Note:* ACD X is edited by Exam.
Z	Form 8919, *Uncollected Social Security and Medicare Tax on Wages*, is attached to the return and incomplete.
2	Form 8862, *Information to Claim Certain Credits After Disallowance*, is attached and the Child Tax Credit/Additional Child Tax Credit/Credit for Other Dependents portion of the form completed.
3	Form 8862, *Information to Claim Certain Credits After Disallowance*, is attached and the American Opportunity Tax Credit portion of the form completed.

Exhibit 3.12.2-6   Internal Revenue Manual   Cat. No. 67652C (11-01-2024)

Exhibit 3.12.2-7   (02-26-2024)
Unallowable Codes

Unallowable Codes are used to identify certain conditions in a tax return that are unallowable by law and not merely questionable.

Code	Explanation
16	**Lump Sum Distribution** - Determined by Exam when certain Unallowable conditions are present on Form 4972.
17	**Lump Sum Distribution** - Determined by Exam when certain Unallowable conditions are present on Form 4972.
18	**Lump Sum Distribution** - Determined by Exam when certain Unallowable conditions are present on Form 4972.
19	**Lump Sum Distribution** - Determined by Exam when certain Unallowable conditions are present on Form 4972.
20	**Lump Sum Distribution** - Determined by Exam when certain Unallowable conditions are present on Form 4972.
33	**Personal expenses for medical care** - Medical expenses on Schedule A have been adjusted because items such as health club dues, diet foods, funeral expenses, maternity clothes, and meals or lodgings (unless provided by a hospital or similar institution for medical care) cannot be deducted. (See Publication 502.) Use U/A 33 for Personal or Living Expenses, except transportation, to obtain medical care incidental to medical treatment.
34	**Federal taxes** - The federal taxes on Schedule A cannot be allowed. Taxes that cannot be deducted include federal income tax, social security and railroad retirement taxes, the social security tax you paid for a personal or domestic employee, federal estate and gift taxes, customs duties and federal excise taxes on automobiles, tires, telephone service, and air transportation.
35	**Utility taxes** - The taxes on Schedule A have been adjusted. Utility taxes for sewers, water, phones, and garbage collection cannot be deducted. (This does not include certain sales taxes paid on certain utilities in Minnesota and Wisconsin.)
36	**State and local taxes** - The taxes on Schedule A have been adjusted. State and local taxes, such as those for hotel rooms, air fares, inheritance, stamps, and mortgage transfers cannot be deducted.
37	**Automobile licenses and tags** - The deduction for automobile license, registration, tag fees, or taxes on Schedule A has been disallowed. These amounts may be shown as personal property taxes only if a state charged them annually and in the amount based on the value of your automobile. Since these states do not charge the fees and taxes this way, they are not personal property taxes and cannot be allowed. (Do not code U/A 37 for residents of Alabama, Arizona, Georgia, Minnesota, Nebraska, California, Colorado, Connecticut, Kentucky, Indiana, Iowa, Maine, Massachusetts, Michigan, Mississippi, Montana, Nevada, New Hampshire, Oklahoma, South Carolina, Virginia, Washington and Wyoming.)

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Exhibit 3.12.2-7

Exhibit 3.12.2-7 (Cont. 1) (02-26-2024)
Unallowable Codes

Code	Explanation
38	**Child Support** - The expenses for support of children or dependents on Schedule A cannot be allowed because these expenses are not deductible. (Not to be confused with Child Care.)
40	**Educational expenses** - Educational expenses for someone other than yourself or your spouse cannot be deducted on Schedule A. (See Publication 508) (This includes tuition, books, transportation, lodging, etc., for individuals-other than the taxpayer.)
41	**Personal interest** - Taxpayers cannot deduct personal interest paid. (TY19 and later)
42	**Contributions** - The charitable contributions on Schedule A have been adjusted because payments to individuals, lobbying organizations, foreign charities (except Canadian Charities) and other nonqualifying recipients are not deductible. (See Publication 526) (This also includes the monetary value of the taxpayer's time and labor.)
43	**Auto expenses for trade or business** - Changed the amount of automobile expenses. The correct mileage rate for business miles is 54.5 cents a mile for TY18 (53.5 cents for TY17, 54 cents for TY16).
45	**Sale of personal residence** - The expenses incurred in the sale or purchase of residence cannot be deducted on Schedule A. Closing costs (for example, settlement and legal fees) or realtor commissions are not deductible. (See Publication 523). (Do not use U/A 45 if these items are specifically claimed as part of Moving Expense.)
46	**Personal insurance** - premiums paid for insurance (other than medical insurance) cannot be deducted on Schedule A. (e.g., Life, auto, home liability, etc., not claimed as Employee Business Expense.)
61	Form 8859, **Carryforward of the District of Columbia First-Time Homebuyer Credit**, claim for $1,000 or more.
77	**Disabled Access Credit** - The amount being claimed on your tax return for Disabled Access Credit is being examined. This amount has been frozen and will not be included in any anticipated refund amount. You will receive correspondence when the examination is completed and/or the remainder of the refund amount relating to this issue is released.
79	**Alternative Motor Vehicle Credit/Electric Motor Vehicle Credit** - Taxpayer has claimed the **same vehicle** on more than one of Forms 8936 and/or 8910.
84	**First-Time Homebuyer Credit Recapture** - Our records show the taxpayer could not have transferred the home as part of a divorce settlement.
89	**Health Coverage Tax Credit (HCTC)** - 1) The taxpayer is eligible for the Health Coverage Tax Credit and claimed the HCTC and Premium Tax Credit (PTC) for the same month, or 2) The taxpayer-recipient is 67 years of age or older and ineligible for HCTC.

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Exhibit 3.12.2-7 (Cont. 2) (02-26-2024)
Unallowable Codes

Code	Explanation
92	**Loss of personal residence or property** - The loss on the sale of a residence or other property used for personal purposes is not deductible unless "investment" or "rental" is present on Schedule D or Form 8949. (If Schedule D information or entries on Schedule A or other schedule report a loss on the sale of a personal asset not related to business (such as furniture, jewelry, automobile, personal residence, including loss on sale of residence on Schedule D, but not sale of stocks), do not attempt to make a change or adjustment regarding the loss, unless this is the only amount on Schedule D. See Error Code 204.
98	**More than three (3) Unallowables** - If more than three Unallowable Codes are identified, enter Unallowable Code 98 without an amount in place of the third unallowable.
99	**Unspecified Unallowable** - This Unallowable is to be used only when specifically instructed in IRM 3.12.3.

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Internal Revenue Manual

Exhibit 3.12.2-7

Exhibit 3.12.2-8 (01-02-2024)
Credit-Reduction States and Territories

2023

- California (CA)
- New York (NY)
- Virgin Islands (VI)

2022

- California (CA)
- Connecticut (CT)
- Illinois (IL)
- New York (NY)
- Virgin Islands (VI)

2021-2018

- Virgin Islands (VI)

2017-2016

- California (CA)
- Virgin Islands (VI)

2015

- California (CA)
- Connecticut (CT)
- Ohio (OH)
- Virgin Islands (VI)

2014

- California (CA)
- Connecticut (CT)
- Indiana (IN)
- Kentucky (KY)
- New York (NY)
- North Carolina (NC)
- Ohio (OH)
- Virgin Islands (VI)

2013

- Arkansas (AR)
- California (CA)
- Connecticut (CT)
- Delaware (DE)
- Georgia (GA)
- Indiana (IN)
- Kentucky (KY)
- Missouri (MO)

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Exhibit 3.12.2-8 (Cont. 1) (01-02-2024)
Credit-Reduction States and Territories

- New York (NY)
- North Carolina (NC)
- Ohio (OH)
- Rhode Island (RI)
- Wisconsin (WI)
- Virgin Islands (VI)

2012

- Arizona (AZ)
- Arkansas (AR)
- California (CA)
- Connecticut (CT)
- Delaware (DE)
- Florida (FL)
- Georgia (GA)
- Indiana (IN)
- Kentucky (KY)
- Missouri (MO)
- Nevada (NV)
- New Jersey (NJ)
- New York (NY)
- North Carolina (NC)
- Ohio (OH)
- Rhode Island (RI)
- Vermont (VT)
- Wisconsin (WI)
- Virgin Islands (VI)

2011

- Arkansas (AR)
- California (CA)
- Connecticut (CT)
- Florida (FL)
- Georgia (GA)
- Illinois (IL)
- Indiana (IN)
- Kentucky (KY)
- Michigan (MI)
- Minnesota (MN)
- Missouri (MO)
- Nevada (NV)
- New Jersey (NJ)
- New York (NY)
- North Carolina (NC)
- Ohio (OH)
- Pennsylvania (PA)
- Rhode Island (RI)
- Virginia (VA)

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Exhibit 3.12.2-8 (Cont. 2) (01-02-2024)
Credit-Reduction States and Territories

- Wisconsin (WI)
- Virgin Islands (VI)

2010

- Indiana (IN)
- Michigan (MI)
- South Carolina (SC)

2009

- Michigan (MI)

2008-2006

- There were no credit-reduction states.

2005-2004

- New York (NY)

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Exhibit 3.12.2-9   (01-01-2025)
Letter 12C Fill-in Paragraphs

Fill-in Number	Literal
1	**Multiple tax years, need one year** You sent us a tax return that includes page 1 for tax year XXXX and page 2 for tax year XXXX. To process your tax return for tax year XXXX, send us a completed return with your original signature (and your spouse's if filing jointly). Enclose your Form W-2 and all forms or schedules used to complete your tax return. XXXX = tax year (e.g., 2023)
2	**Multiple tax years, need both years** You sent us a tax return that includes page 1 for tax year XXXX and page 2 for tax year XXXX. To process your tax return, send us a completed return for each tax year with your original signature (and your spouse's if filing jointly). Enclose your Forms W-2 and all forms or schedules used to complete each tax return. XXXX = tax year (e.g., 2023)
3	**Illegible name claiming deceased refund** The name of the person claiming the deceased taxpayer's refund is illegible. Send us the printed name of the person claiming the refund.
4	**Form 1128 required for accounting period change** The tax return you submitted indicates you are changing your accounting period. Send us Form 1128, Application to Adopt, Change, or Retain a Tax Year, a copy of your application, or a statement relating to an application to change your accounting period. We are unable to process your return as submitted without this documentation or IRS authority.
5	**EC 075, Excess Gross Social Security** We have delayed processing your return because we have questions about the withholding or credit you claimed. Send us your official supporting documents such as Form SSA-1099, Form RRB-1099, or other Form 1099 to support the withholding or credit. If we do not receive proper official documents, we may deny your claim.
6	**Qualified Joint Venture** If you are electing to exempt rental real estate business from Schedule C or C-EZ as a Qualified Joint Venture Election, enter "Exempt-QJV" and the exempt amount on the dotted line to the left of Schedule SE, line 3. Subtract that amount from the total of lines 1a, 1b, and 2 and enter the result on line 3, Schedule SE. Send us your corrected Schedule SE.
7	**Gambling: gross amount missing** The gross amount of your gambling winnings received was not reported as income on Form 1040. Send us the amount of your gross winnings shown on Form(s) W-2G, box 1.
8	**Student/Disabled Form 2441/Schedule 2** Special instructions apply for students or disabled persons when completing Child and Dependent Care Expenses, lines 4 and 5. Send us the number of months, during the tax year, that you (or your spouse if filing jointly) were either a full-time student or disabled. Also send us the correct amount for line 4 (and line 5, if filing jointly).

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Exhibit 3.12.2-9 (Cont. 1) (01-01-2025)
Letter 12C Fill-in Paragraphs

Fill-in Number	Literal
9	**Excess SST** The Forms W-2, submitted with your tax return, are insufficient to support the amount you claimed for excess social security and tier 1 RRTA tax withheld on your Form 1040. Send us all the Forms W-2 used to support your claim for excess SST/RRTA.
10	**Form 2439 copy needed** Send us a copy of Form 2439, Notice to Shareholder of Undistributed Long-Term Capital Gains, to support your entry on Form 1040.
11	**EC 260 Form 8958 required** It appears you have allocated community property on your tax return. Send us a completed Form 8958, Allocation of Tax Amounts Between Certain Individuals in Community Property States, to support your return.
12	**EC 260 Form 8958 incomplete** Your Form 8958, Allocation of Tax Amounts Between Certain Individuals in Community Property States, is incomplete. Entries are required for your spouse's or partner's first name, last name, and social security number. Send us a completed Form 8958.
13	**EC 260 Schedule SE allocated** It appears the self-employment tax from Schedule SE has been allocated. Self-employment tax can't be allocated. Please explain your figures and let us know if all the self-employment income reported on Schedule SE belongs to you alone.
14	**EC 380 Form W-2 required** Send us the Forms W-2 used to support the income you reported on Schedule C, line 1. If you received a Form 1099-NEC or Form 1099-MISC for payment in cash for services or for non-employee compensation and the payer did not withhold Social Security and Medicare taxes, send us a completed Schedule SE. If you are not liable for self-employment tax, provide an explanation.
15	**Schedule C/F missing** We are missing information needed to support your entry on Form 1040, _____. It appears more than one schedule was used to compute the amount. Send us all the schedules used to support the amount. **Note:** TY18 and later, complete fill-in with "Schedule 1, line __"; TY17 and prior, complete fill-in with "line __".
16	**Schedule C, line 1 inconsistent** Explain the amount you entered on Schedule C, line 1, for statutory income. Your entry is inconsistent with the statutory wages reported on your Form W-2.
17	**Schedule C, line 1 - SE and W-2 income - Form W-2 present** Send us two completed Schedules C; one for statutory income and one for the other income reported on line 1 of Schedule C. Also, send a completed Schedule SE if you received payment in cash or as a non-employee, and the payer didn't withhold Social Security and Medicare taxes. If you are not liable for self-employment tax, provide an explanation.

Exhibit 3.12.2-9   Internal Revenue Manual   Cat. No. 67652C (11-01-2024)

Exhibit 3.12.2-9 (Cont. 2) (01-01-2025)
Letter 12C Fill-in Paragraphs

Fill-in Number	Literal
18	**Schedule C, line 1 - SE and W-2 income - No Form W-2** Send us two completed Schedules C; one for statutory income and one for the other income reported on line 1, along with Form W-2 to support the wage income. Also, send a completed Schedule SE if you received payment in cash or as a non-employee, and the payer didn't withhold Social Security and Medicare taxes. If you are not liable for self-employment tax, provide an explanation.
19	**Form 8839 and supporting adoption documents** Send us a completed Form 8839 and provide adoption-related documents to support your claim. Documentation must be provided for each child claimed, including any credit carry-forwards from a previous year. The required documentation varies depending on whether the adoption is final or whether the child has special needs. See the Form 8839 instructions for requirements.
20	**Form 5405, line 2** You have conflicting entries on your Form 5405 regarding whether you are required to repay the credit. You checked the box on line 2, Form 5405, and made entries in Part II for a repayment. Send us a corrected Form 5405.
21	**Form 5405 (FTHBC) multiple disposition boxes checked line 3 (line 13 PY)** You checked more than one box (boxes a – h) on Form 5405 to define the disposition of your home. Please tell us which one best describes the disposition of your main home.
22	**Form 5405 (FTHBC) - name/SSN doesn't match Primary** The social security number or name listed on your Form 5405 doesn't match the social security number or name of the primary taxpayer shown on page 1 of your tax return. Send us the correct name and social security number of the person filing Form 5405.
23	**Second Correspondence** Thank you for sending us the information we requested on your tax return for the period shown on page 1 of this letter. We still need more information to process your return.
24	**Missing signature - spouse refuses to sign - FS2 Only** We can't process your return as filed. If this is a joint return, both spouses must sign. If you and your spouse do not agree to file a joint return, you must use a different filing status on your return. See Publication 501 for more information concerning your filing status options.
25	**Claiming exemption for deceased spouse** You may file a joint return if your spouse died during the tax year and you didn't remarry during the tax year. If you have dependent children, you may claim qualifying surviving spouse status for the following two years. Send us your spouse's name and social security number.

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Exhibit 3.12.2-9

Exhibit 3.12.2-9 (Cont. 3) (01-01-2025)
Letter 12C Fill-in Paragraphs

Fill-in Number	Literal
26	**Form 8283, Schedule A** Send us a completed Form 8283, Noncash Charitable Contribution. The appraiser must complete and sign Part IV, Declaration of Appraiser, on Form 8283. If you use appraisals by more than one appraiser, or if two or more appraisers contribute to a single appraisal, all the appraisers must sign Part IV of Form 8283.
27	**Schedule A, charitable contributions - Art** You checked box "a" (Art contribution of $20,000 or more) on line 2 of Form 8283, Noncash Charitable Contributions. An art deduction of $20,000 or more requires a separate qualified appraisal. Also, entries in Section B of Form 8283 require Parts IV and V to be completed. Send us a complete copy of the signed appraisal and a completed Form 8283, if applicable.
28	**Credit for elderly (CFE) - IRS computes** To have the IRS figure your credit for the elderly, you must send us a completed Schedule R. Check the appropriate box in Part I, and fill in Part II, and lines 11 and 13 of Part III, if they apply to you.
29	**EIC - IRS computes** To have the IRS figure your earned income credit, you must send us a completed Schedule EIC.
30	**TY17 through TY12 Schedule 8812, Part I** Schedule 8812, Part I, must be completed for each dependent that has an Individual Taxpayer Identification Number (ITIN) and is a qualifying child for the child tax credit. Send us a completed Schedule 8812.
31	**Form 1095-A** Send us a copy of your Form 1095-A, Health Insurance Marketplace Statement, to support your entries on Form 8962, Premium Tax Credit. If you didn't receive one or your Form 1095-A is incorrect, visit www.healthcare.gov or your state Marketplace website.
32	**Loose Schedule H missing signature** If you are not required to file a tax return, send us a completed Part IV, Schedule H, with your original signature. If someone other than the taxpayer is signing Schedule H, include a power of attorney, court certificate, or Form 2848.
33	**Form 3468, NPS** Send us a copy of the first page of NPS Form 10-168a, Historic Preservation Certification Application (Part 2-Description of Rehabilitation), to support your rehabilitation credit on Form 3468, Investment Credit.
34	**Schedule A, Noncash contributions > $500,000** You claimed a charitable deduction of more than $500,000 on Schedule A, line __. A deduction of more than $500,000 requires a separate qualified appraisal. Also, entries in Section B of Form 8283 require Parts IV and V to be completed. Send us a complete copy of the signed appraisal and a completed Form 8283, if applicable.

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Exhibit 3.12.2-9 (Cont. 4) (01-01-2025)
Letter 12C Fill-in Paragraphs

Fill-in Number	Literal
35	**Form 1040, line 40 (disaster notated)** Schedule A is incomplete or missing from your return. Complete the schedule with information that supports your entry for itemized deductions on Form 1040. If applicable, you must also submit any supporting forms for Schedule A, such as Form 4684.
36	**Multiple missing Forms and Schedules** Your return is incomplete. Your supporting forms and attachments are missing and required to process your return. You must resubmit all applicable forms and schedules to support your entries on pages 1 and 2 of your return. ***Exception:*** Use this fill-in only when paragraphs I through N are not adequate to request all missing forms and schedules.
37	**Liable for Self-Employment Tax on more than one line of the return** The income you reported on lines _____, Form/Schedule ____, indicates you may be liable for self-employment tax. This tax applies when social security and Medicare taxes are not withheld from your earnings. For example, if you received cash for services performed or Form 1099-NEC or Form 1099-MISC for nonemployee compensation, your earnings may be subject to self-employment tax. ***Note:*** Use this fill-in only when income on more than one line of the return appears to be liable for Self-Employment Tax. ***Caution:*** Delete either "Form/" or "/Schedule" from the first sentence, based on the information being requested.
38	**EC 190 - Thank You, 2nd Correspondence (PY)** Thank you for sending us the information we requested. We still need more information. The adjusted gross income transferred from page 1 to page 2 of your return doesn't match your originally filed return. Send us a newly completed tax return with your original signature(s). Include all forms and schedules required to support your tax return entries.
39	**Form 5405 disposition** Your Form 5405 shows a disposition or change in the use of your main home. It also shows conflicting entries regarding whether you are required to repay the credit. If you checked the box on line 2 of Form 5405, no repayment of the credit is required.
40	**FS 3 with spousal income** Your return includes income for a spouse whom you claimed as a dependent. You must refile as either married filing jointly to include spousal income, or each spouse must file as married filing separately and report their individual income. Resubmit a corrected return with your original signature(s). Enclose all forms, schedules, and Forms W-2 used to complete your tax return.
41	**Form 8959, line 19, withholding support** The Forms W-2, submitted with your tax return, are insufficient to support the amount you claimed for withholding on Form 8959, line 19. Submit all applicable Forms W-2 used to support this amount.

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Exhibit 3.12.2-9

Exhibit 3.12.2-9 (Cont. 5) (01-01-2025)
Letter 12C Fill-in Paragraphs

Fill-in Number	Literal
42	Internal Revenue Code (IRC) 965 Transition Tax Statement was either not attached or was incomplete. Send us a completed, signed IRC Section 965 Transition Tax Statement to support the Section 965 claims on your tax return.
43	Form 8936 Schedule A, Clean Vehicle Credit Amount, is incomplete or missing from your return. Send us a completed Form 8936, Schedule(s) A with information that supports the credit(s) claimed on Form 8936, Clean Vehicle Credits.

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Exhibit 3.12.2-10 (01-01-2024)

Reasonable Cause for Late Filing or Late Payment (in limited situations) and Failure to Make Estimated Tax Payments Properly

If a Reasonable Cause for Late Filing and/or Late Payment is established, enter **R** and/or **M** in Field 01CCC.

Exception: Do not enter CCC M if the return is a Combat Zone Return. See IRM 3.12.2.3.10. If Reasonable Cause for Failure to Estimate Taxes is established, enter **P** in Field 01CCC.

Examples of Reasonable Cause for Late Filing or Late Payment

1. Death or serious illness of the taxpayer or the immediate family.
2. Unavoidable absence of the taxpayer.
3. Destruction by fire or other casualty of the taxpayer's residence, place of business or records.
4. Delay caused by erroneous information given by employee of IRS.
5. Delay caused by or related to civil disturbance that was outside taxpayer's control.
6. Timely requested forms not furnished timely.
7. Advice or aid sought in preparing return from representative of IRS office on or before due date, but through no fault of the taxpayer, they were unable to see the representative.
8. Taxpayer was unable to determine amount of deposit or tax due for reasons beyond the taxpayer's control.
9. A taxpayer mailed their return or payment in time to reach the IRS office within the prescribed time period with the normal handling of the mail. Through no fault of the taxpayer, the return was not delivered within the prescribed time period.

Note: The taxpayer's statement that they erroneously addressed their return or payment to the state taxing agency does not in itself constitute reasonable cause for filing or paying late, as a properly addressed envelope is a legal requirement in determining timely mailing/filing. Each case must be judged on its own merit based on the criteria outlined in IRM 20.1.1.3.2, Reasonable Cause.

10. Lack of funds is an acceptable reasonable cause only when it is shown that the taxpayer was unable to pay despite their exercise of ordinary business care and prudence. This determination must be made on the basis of available information.
11. Taxpayer does not have access to their records.

Examples of Reasonable Cause for Failure to Make Estimated Tax Payments Properly

If a Reasonable Cause for failure to pay estimated taxes is established, enter **P** in Field 01CCC.

1. Taxpayer retired after age 62 in the tax year in which the estimated payments were required to be made or in the preceding year.
2. Taxpayer became disabled in the tax year in which the estimated payments were required to be made or in the preceding year.
3. Taxpayer provided evidence of casualty, disaster (though not a federally declared disaster), or other unusual circumstance.

Inability to pay is not a reasonable cause for Late Filing

In cases where ignorance of the law is claimed, do not presume that reasonable cause applies. If taxpayer selects competent counsel, supplies them with all of the necessary and relevant information, requests them to prepare proper tax return, and is then advised incorrectly that returns are not required, then the taxpayer may have reasonable cause. In unusual or exceptional cases, refer the return to the manager for determination. If reasonable cause is not acceptable, enter **7** in Field 01CCC, and prepare Letter 854C. However, a representative's failure to timely mail a return is not reasonable cause. See IRM 20.1.1.3.2, Reasonable Cause.

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Exhibit 3.12.2-11   (06-25-2019)
Three-Digit ZIP Codes

Numerical Order	Area
004, 005, 100-149	New York
010-027, 055	Massachusetts
028-029	Rhode Island
030-038	New Hampshire
039-049	Maine
050-054, 056-059	Vermont
060-069	Connecticut
070-089	New Jersey
090-099	America-Europe
150-196	Pennsylvania
197-199	Delaware
200, 202-205	District of Columbia
206-219	Maryland
201, 220-246	Virginia
247-268	West Virginia
270-289	North Carolina
290-299	South Carolina
300-319, 399	Georgia
320-339, 341, 342, 344, 346, 347, 349	Florida
340	America-Atlantic
350-369	Alabama
370-385	Tennessee
386-397	Mississippi
400-427	Kentucky
430-459	Ohio
460-479	Indiana
480-499	Michigan
500-528	Iowa
530-549	Wisconsin
550-567	Minnesota

Exhibit 3.12.2-11   Internal Revenue Manual   Cat. No. 67652C (11-01-2024)

Exhibit 3.12.2-11 (Cont. 1) (06-25-2019)
Three-Digit ZIP Codes

Numerical Order	Area
570-577	South Dakota
580-588	North Dakota
590-599	Montana
600-629	Illinois
630-658	Missouri
660-679	Kansas
680-693	Nebraska
700-714	Louisiana
716-729	Arkansas
730-732, 734-749	Oklahoma
733, 750-799	Texas
800-816	Colorado
820-831	Wyoming
832-838	Idaho
840-847	Utah
850-865	Arizona
870-884	New Mexico
889-898	Nevada
900-908, 910-961	California
962-966	America-Pacific
967-968	Hawaii
970-979	Oregon
980-986, 988-994	Washington
995-999	Alaska

Abbreviation	Area	Numeric Digits
AA	America-Atlantic	340
AE	America-Europe	090-099
AP	America-Pacific	962-966
AL	Alabama	350-369

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Exhibit 3.12.2-11

Exhibit 3.12.2-11 (Cont. 2) (06-25-2019)
Three-Digit ZIP Codes

Abbreviation	Area	Numeric Digits
AK	Alaska	995-999
AZ	Arizona	850-865
AR	Arkansas	716-729
CA	California	900-908, 910-961
CO	Colorado	800-816
CT	Connecticut	060-069
DC	District of Columbia	200, 202-205
DE	Delaware	197-199
FL	Florida	320-339, 341, 342, 344, 346, 347, 349
GA	Georgia	300-319, 399
HI	Hawaii	967-968
ID	Idaho	832-838
IL	Illinois	600-629
IN	Indiana	460-479
IA	Iowa	500-528
KS	Kansas	660-679
KY	Kentucky	400-427
LA	Louisiana	700-714
ME	Maine	039-049
MD	Maryland	206-219
MA	Massachusetts	010-027, 055
MI	Michigan	480-499
MN	Minnesota	550-567
MS	Mississippi	386-397
MO	Missouri	630-658
MT	Montana	590-599
NE	Nebraska	680-693
NV	Nevada	889-898
NH	New Hampshire	030-038
NJ	New Jersey	070-089
NM	New Mexico	870-884

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Exhibit 3.12.2-11 (Cont. 3) (06-25-2019)
Three-Digit ZIP Codes

Abbreviation	Area	Numeric Digits
NY	New York	004, 005, 100-149
NC	North Carolina	270-289
ND	North Dakota	580-588
OH	Ohio	430-459
OK	Oklahoma	730-732, 734-749
OR	Oregon	970-979
PA	Pennsylvania	150-196
RI	Rhode Island	028-029
SC	South Carolina	290-299
SD	South Dakota	570-577
TN	Tennessee	370-385
TX	Texas	733, 750-799
UT	Utah	840-847
VT	Vermont	050-054, 056-059
VA	Virginia	201, 220-246
WA	Washington	980-986, 988-994
WV	West Virginia	247-268
WI	Wisconsin	530-549
WY	Wyoming	820-831

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Exhibit 3.12.2-12   (04-05-2024)
Attachment Guide

Form/Document	Detach	Information
Automated Substitute for Return (ASFR) Collection Letters: 2320 - 2331 2465 - 2469 2564 and 2566	No	Route the return to Collections.
Form W-7, *Application for an IRS Individual Taxpayer Iden-tification Number*	No	SSPND 651 for transshipment to AUSPC for pro-cessing. **AUSPC only, SSPND 640, if original W-7 is attached to the return.**
Form W-7A, *Application for IRS Adoption TIN*	Yes	Refer to IRM 3.12.37.15.7.
Form 911, *Request for Taxpayer Advocate Service Assistance*	Yes	Note the DLN on Form 911 and route to Taxpayer Advocate Service.
Form 8379, *Injured Spouse Allocation*, or statement/ notation that taxpayer was "Injured Spouse"	No	Refer to IRM 3.12.2.3.5.
Form 8857, *Request for Innocent Spouse Relief*	Yes	Refer to IRM 3.12.2.3.6.
Form 9465, *Installment Agreement Request*, or a statement requesting an in-stallment agreement/payment plan	Yes	Route to Collection.
Form 13441-A, *Health Coverage Tax Credit Program Registration* (misrouted or loose)	Yes	Refer to IRM 3.12.3.30.11.3(4).
LTR 0012C, **Individual Return Incomplete for Pro-cessing: Form 1040,** or LTR 1263C, **Return/Form Incom-plete for Processing; Second Request**	No	a. SSPND 410. b. Take return to your lead tax examiner. c. Lead tax examiner - Research CC ERINV for status of correspondence return and take ap-propriate action.
Personal Documents, SSN card, marriage license: a. Original b. Photocopy	a. Yes b. No	a. Give the document(s) with taxpayer's complete address to your lead tax examiner to return to the taxpayer. b. Take no action.

Exhibit 3.12.2-12 (Cont. 1) (04-05-2024)
Attachment Guide

Form/Document	Detach	Information

Petitions - If the taxpayer attached a "Petition in opposition of tax law provisions" to the return	Yes. Note on the left side of the tax return, "Detached petition and the date"	1. Take petition to your lead tax examiner.
		2. Mail the petition to
		      IRS
		      Room 3244
		      1111 Constitution Avenue, NW
		      Washington, DC 20224

Remittance including EIP prepaid debit cards	No	Hand carry to your manager or designee to follow procedures in IRM 3.8.46, Discovered Remittance.
State and/or local tax returns - original or copy with original signature	Yes	Route to Receipt and Control, Media Transport Unit.
Statement that taxpayer wants refund applied to "Public Debt"	Yes	If a check made out to the Bureau of Public Debt is found attached to the return, route to Receipt and Control per IRM 3.8.46, Discovered Remittance.
Statement that taxpayer is unable to pay tax or requests Installment payments or 433 series,	Yes	Note amount paid (if any), total of tax due on the statement and route to Collection. At SPC option, a photocopy of pages 1 and 2 of the tax return may be routed to Collection instead of making the notations. Refer to Processing Reference Guide for information on hardship returns.

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Exhibit 3.12.2-13   (01-01-2017)
Examples of Self-Employment Income

This list is **not** all-inclusive.

A			
Accountant	Airplane Pilot	Artist	Automatic Data Processing Equipment Operator
Actor/Actress	Analyst	Art Worker	
Administrator	Appraiser	Athlete	
Agent	Architect	Auctioneer	
B			
Babysitter	Barber	Billing Clerk	Brick Mason
Baggage Porter	Bartender	Bookbinder	Brick Setter
Bailiff	Baseball Player	Bowler	Building Contractor
Baker	Bellperson	Broker	Bus Driver
Bank Teller			
C			
Cabinet Maker	Cleaner	Computer Operator	Consultant
Caddie	Clerk (any kind)	Computer Specialist	Cook
Cafeteria Worker	Commercial Artist	Conductor	Cutter
Civil Engineer	Commissions	Construction Worker	
D			
Dancer	Dental Assistant	Director's Fees	Dressmaker
Data Processing Operator	Dentist	Disc Jockey	Driver
Day Trader	Designer	Domestic Cook	
Decorator	Detective	Draftsman	
E			
Economist	Elevator Operator	Engraver	Equipment Operator
Electrician	Engineer (any kind)	Entertainer	
F			
Farmer	Fire person	Fortune Teller	Funeral Director
Farm Worker	Football Player	Freelance Writer	

Exhibit 3.12.2-13   Internal Revenue Manual   Cat. No. 67652C (11-01-2024)

Exhibit 3.12.2-13 (Cont. 1) (01-01-2017)
Examples of Self-Employment Income

A			
G			
Garbage Collector	Gas Station Worker	Golfer	Guide
Gardener	Geologist	Guard	
H			
Hairdresser	Hostess	Housekeeper	
Host	Hotel Worker		
I			
Inspector	Instructor	Interpreter	Investigator
J			
Janitor	Jockey	Judge	
K			
Keypunch Operator			
L			
Laborer	Lawn Care	Lay Midwife	Library Assistant
Launderer	Lawyer	Librarian	Longshore Worker
M			
Mail Carrier	Messenger	Model	Musician
Mail Clerk	Metal Worker	Motion Picture Worker	Music Teacher
Mechanic	Miner	Mover	
N			
Navigator	Nurse	Nursery Worker	
Newspaper Carrier	Nursemaid		
O			
Official (sports)	Optical Worker	Optician	Optometrist
P			
Painter	Photographer	Policewoman	Proofreader
Palmist	Pilot	Pollster	Protective Agency
Parking Lot Attendant	Plumber	Porter	Publisher
Pharmacist	Policeman	Printer	

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Exhibit 3.12.2-13 (Cont. 2) (01-01-2017)
Examples of Self-Employment Income

A			
R			
Radio DJ	Real Estate Worker	Registered Nurse	Retail Trader
Railroad Conductor	Receptionist	Repair person (any kind)	Roofer
Railroad Worker	Recreation Worker	Reporter	
S			
Sales Clerk	Seamstress	Statistical Clerk	Stock Clerk
Scientist (any kind)	Sheriff	Statistician	Surgeon
Sculptor	Singer	Stenographer	Surgical Worker
Secretary	Social Worker	Steward	Surveyor
T			
Tailor	Telephone Operator	Therapist	Truck Driver
Taxicab Driver	Telephone Repairman	Timekeeper	Tutor
Teacher (any kind)	Telephone Worker	Trainer	Typist
Teamster	Teller	Transcriber	
Telegraph Operator	Textile Worker	Translator	
U			
Upholsterer	Usher		
V			
Veterinarian			
W			
Waiter	Washer	Welder	Window Washer
Waitress	Watchman	Wholesale Trader	Writer
Y			
Yardman			

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Exhibit 3.12.2-14   (05-30-2024)
Frivolous Filer Definitions

Term	Definition
Alleged Churches/First Amendment	Receives income from non-religious sources, and may claim a vow of poverty. Submits a return where all, or substantially all, of the gross income is claimed as a contribution deduction on Schedule A of the return.
Altered Form	Return with any or all line items altered with intent of facilitating non-compliance with the tax laws.
Altered Jurat/UCC 1-207	Submits a return that contains income and deductions but the jurat has been altered or stricken. May include reference to UCC 1-207 or a statement that the return was not signed under penalties of perjury.
Amended Returns/Form 843	Files an amended return or a Form 843 to obtain a total refund on all taxes paid on prior years, based on a tax avoidance argument not supported by law.
Bosnian Refugee Claims	Involves claims citing that they are entitled as "Bosnian Refugees" to eliminate any formerly claimed tax.
Challenges to Authority/Due Process	Various administrative authorities such as delegation orders, summons authority, privacy act, etc., questioned or challenged.
Challenges to Authority/Title 26 or Law in Other Documents	Argument that Title 26 of the U.S. Code is not law because it was never enacted as named.
Disclaimer	Submits documentation which contains a disclaimer. It states "disclaims the liability for the tax due" making the liability on the return zero.
Eisner vs. Macomber	The individual reports wages but deducts them as non-taxable compensation/remuneration referencing Eisner vs. Macomber. The individual may alter line items showing non-taxable compensation or non-taxable receipts to back out some or all of their income, generally resulting in a zero tax liability.
EIC with Disability Income	The individual reports disability income as the sole source of income to claim earned income credit, but does not attach a Form W-2 or Form 1099.
Exempt Employees of World Bank Organization	The individual files a return with a statement attached which asserts "World Bank Employee - Wages are not subject to income and/or non-taxable income - World Bank". The individual lists an adjustment equal to the amount of wages and claims adjusted gross income is zero. May also cite IRC 893 which provides a tax exemption to some employees of international organizations.
Federal Reserve Notes are Not Legal Tender	Argument that wages are not taxable because they were paid in federal reserve notes. Argument that the notes are not valid currency or legal tender and thus those who possess them cannot be subject to a tax on them.

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Internal Revenue Manual

Exhibit 3.12.2-14

Exhibit 3.12.2-14 (Cont. 1) (05-30-2024)
Frivolous Filer Definitions

Term	Definition
Fifth Amendment	Makes an improper blanket assertion of the Fifth Amendment right against self-incrimination as a basis for not providing any financial information.
Form 2555 Deduction	The individual submits a return showing income, then deducts that same amount (or a large portion of that amount) by adding "Form 2555" to line 21. Form 2555, Foreign Earned Income, is usually attached showing the individual's foreign address in the United States, the individual also shows their income on Form 2555 as "foreign earned income" even though the employer's address is also in the United States. Correspondence may be attached arguing the term "income" and stating that each of the several states are foreign countries.
In Lieu of Wages/Receipts Not Income	The individual submits a document captioned "In Lieu of U.S. Income Tax Form 1040". The individual argues that salaries and wages are not income within the meaning of the Sixteenth Amendment. The individual also argues that the labor worth a certain amount is exchanged for money worth the same amount and therefore there is no income to be taxed.
IRC 1.861 For Individual Employees	The individual files a return or claim stating that wages are not taxable based on CFR 1.861 and requests a refund of all Federal withholding.
IRC 1001/Even Exchange	The statement, "IRC 1001 and following; even exchange of property-Labor (property) NO GAIN REALIZED Butcher's Union Co. v. Crescent City Co., 111 US 746 S. Ct. Rpt.pp.660-661" is generally found on an at-tachment to the return for Miscellaneous Deductions. All or part of all income is excluded by listing it as an itemized deduction and therefore, eliminating it as taxable income. Schedule A Miscellaneous Deduction line may say "See Statement" referring to the Miscellaneous Itemized Deduction statement.
IRC 3121	The individual contends that IRC 3121 exempts the Federal Insurance Contribution Act (FICA) portion of earnings from the definition of "wages" and therefore from "gross income" for federal income tax purposes. The individual attempts to reduce taxable income by their portion of withheld social security tax.
IRS is a private organization/collects, tributes, not taxes	Argument that the IRS is an entity named the Internal Revenue and Tax Service, Inc., which was incorporated in Delaware in 1933. Also, that since the IRS deposits revenues in the Federal Reserve Bank, it is a col-lection agency for the bank, thereby removing the cloak of governmental immunity. Additionally, they argue that the Department of Treasury is part of the United States and is clandestinely leading the tax-paying public into a "new world order".
Non-negotiable Charge Back	The individual attempts to sell their "birthright" back to the government for a large dollar amount and requests that a "Treasury Direct Account" be set up to hold the money.
Not a person or individual	Argues that they are not a person or individual within the meaning of Internal Revenue Code and are therefore not subject to income taxes.

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Exhibit 3.12.2-14 (Cont. 2) (05-30-2024)
Frivolous Filer Definitions

Term	Definition
Not a citizen/Free Citizen/ Not a resident of the Federal Zone	Argues that they are not a citizen of the U.S. and receive no income or benefits from sources within the U.S. May also claim that they do not live in a federal district or zone.
Not Liable	The individual submits returns or claims with "Not Liable" printed on the return. The returns also reflect zero money amounts.
Obscene/Vulgar/ Harassment	Submits documents or other materials indicating that non-filing stems from dissatisfaction with tax policies or taxation in general, which is often expressed with obscene, vulgar, or crude language and characters in an extremely demeaning manner. This includes individuals who, through receptive correspondence, indicate a refusal to comply with their tax obligations. (Note: This only applies to non-processable returns.)
Protest Against Government Action/Inaction	Argument that refusal to file or pay is justified because they disagree with government policies or spending plans. May claim deductions or credits because of an objection to having taxes used to support various government activities.
Reparation Tax	Return or correspondence referring to a reparation settlement based on the impact of slavery, or may refer to black taxes, reparations for African Americans, or 40 acres and a mule. The Reparation Tax scheme may also include a Form 2439 with a fictitious IRC such as Overpayment of Taxes, Department of the Treasury, or Investment Taxes.
Services not taxable/ Thirteenth Amendment/ Form of servitude	Argument that income results only from sale of goods, and therefore value of services is not taxable. This includes indentured servitude arguments and barter offsets. May also claim that the Thirteenth Amendment outlawed slavery. May claim to be "natural enfranchised individuals and freemen" who are residents of states, and therefore nonresident aliens for the purpose of the Internal Revenue Code.
Sixteenth Amendment	Argues that the Sixteenth Amendment was not properly ratified and therefore the federal government does not have legal authority to collect an income tax without apportionment.
Taxes are Voluntary/Law Does Not Require	Return or correspondence submitted that argues that income taxes are voluntary.
Unsigned Returns	A statement why the return is not signed is attached or added to the return itself indicating disagreement with the tax system.
Untaxed	Argument that they should not be taxed and attempts to drop out of the Social Security System. Also, will withdraw or rescind their SSN, claiming sovereign citizenship.
Valuation	Argument that 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 or labor (barter income), etc.

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Exhibit 3.12.2-14 (Cont. 3) (05-30-2024)
Frivolous Filer Definitions

Term	Definition
Wages deducted in Costs of Goods Sold	A return is submitted with a Schedule C attached claiming a deduction, which is equal or nearly equal to the amount reported as wage income.
Wages/Receipts Not Income	The individual argues that salaries and wages are not "income" within the meaning of the Sixteenth Amendment, which grants Congress the power to "Lay and collect taxes on income, from whatever source derived...". The individual could also argue that labor worth a certain amount is exchanged for money worth the same amount; therefore, there is no income to be taxed.
Zero Return/Nunc Pro Tunc	Cites the phrase "Nunc Pro Tunc" which is Latin for "Then and Now" on the return, Form 1096, and/or Form 1099. Examples include taxpayer lists all zeros and claims a refund of all federal withholding; taxpayer claims an amount for wages, AGI, and Standard Deduction, but enters no tax and claims a refund for all federal withholding; or taxpayer claims wages and AGI and carries AGI to refund line.
Zero Returns/U.S. vs Long	A return with zero money amounts. Reference may be made to "U.S. vs Long".
Zero Wages on a Substitute Form	Taxpayer generally attaches either a substitute Form W-2, Form 1099, or Form 4852 that shows "$0" wages or no wage information. A statement may be included indicating the taxpayer is rebutting information submitted to the IRS by the Payer. Entries are usually for Federal Income Tax withheld, Social Security Tax withheld, and/or Medicare tax withheld. An explanation on the Form 4852 may cite "statutory language behind IRC 3401 and 3121", or may include some reference to the company refusing to issue a corrected Form W-2 for fear of IRS retaliation.

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Exhibit 3.12.2-15   (01-01-2024)
Glossary/Acronyms

Glossary	Definition
ACTION CODES	Numeric codes edited in the bottom center margin of a return to reject documents and identify the reason the document has been rejected.
ACTION TRAIL	A notation in the lower left side margin on page 1 of a return which indicates or explains an action taken.
ADDITIONAL CHILD TAX CREDIT (ACTC)	The name of the refundable portion of the Child Tax Credit (CTC) for tax years prior to TY21, and TY22.
ADOPTION TAXPAYER IDENTIFICA-TION NUMBER (ATIN)	A unique nine-digit temporary taxpayer identification number assigned by the IRS for a child in a domestic adoption where the adopting taxpayers are in the process of legally adopting the child but cannot get a social security number for the child. Taxpayers obtain an ATIN by filing a Form W-7A with the Austin Campus, ATIN unit.
ADVANCE CHILD TAX CREDIT (AdvCTC)	The portion of the Child Tax Credit issued to taxpayers as a monthly advance on their tax returns in TY21. Reconciled using Schedule 8812.
AUDIT CODE	An alpha character edited in the right hand margin of a return to identify a specific condition for the Examination Operation.
CAPTION AREA	The area on a return which includes the taxpayer's TIN, name, and address.
CENTRAL AUTHORIZATION FILE (CAF)	Magnetic tape files containing information about the authorized representatives of certain taxpayers who may file returns and receive tax information, inquires, or refunds on behalf of the taxpayer.
CHECK DIGITS	The two-digit alpha characters used to identify the primary tax-payer's account.
CHILD AND DEPENDENT CARE CREDIT (CDCC)	Credit allowed to certain taxpayers who paid child care expenses.
CHILD TAX CREDIT (CTC)	Credit allowed to certain taxpayers claiming qualifying children on their tax returns.
COMPUTER ASSISTED PIPELINE REVIEW (CAPR)	A computer-based data system designed to detect error trends and provide feedback to Pipeline area based on returns which must be processed through the Error Resolution System (ERS).
COMPUTER CONDITION CODES (CCC)	A single alpha or numeric character edited on a return which either identifies a special condition or directs the computer to take a specific programmed action. CCCs are posted to the Master File.
CORRESPONDENCE ACTION SHEET (CAS)	Form prepared by tax examiners, requesting missing informa-tion, to initiate a letter to the taxpayer.

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Exhibit 3.12.2-15 (Cont. 1) (01-01-2024)
Glossary/Acronyms

Glossary	Definition
DEPENDENCY STATUS INDICATOR (DSI)	A code on the tax return which indicates that the taxpayer can be claimed as a dependent on another person's tax return.
DOCUMENT LOCATOR NUMBER (DLN)	A thirteen or fourteen-digit number assigned to every return and document input through the Automatic Data Processing (ADP) system.
EARNED INCOME CREDIT (EIC)	Earned Income Credit is a special credit for certain qualified taxpayers who work and have limited income. The credit reduces the amount of income tax owed (if any) and is intended to offset some of the increases in living expenses and social security taxes.
ECONOMIC IMPACT PAYMENT (EIP)	Payments issued directly to potentially qualifying taxpayers in TY20 and TY21. Reconciled on the tax return as the Recovery Rebate Credit (RRC).
EMPLOYER IDENTIFICATION NUMBER (EIN)	A nine-digit number that identifies the account of a business taxpayer on the Business Master File.
ENTITY	Term used by the Internal Revenue Service for the information which identifies the taxpayer's name, address, social security number, filing status, and tax period.
ENTITY INDEX FILE	Includes the name and addresses of all taxpayers who file returns within the center area.
ERROR RESOLUTION SYSTEM (ERS)	A system for the examination and correction of returns rejected because of taxpayer and processing errors.
EXTENSION DATE (EXT-DT)	The approved extension return due date can be found as TC 460 under the **Variable Data** column of CC IMFOLT.
FIDUCIARY RETURN	A return signed by someone other than the taxpayer that is accepted by the IRS in recognition of the legal relationship between the taxpayer and the person signing the return. (This includes returns filed for "minor" or "incompetent" taxpayers.)
FILING STATUS (FS)	A category determining the standard deduction and tax rate based on the taxpayer's marital status and living situation.
FISCAL YEAR	A fiscal year is twelve full months ending on the last day of any month other than December.
FORM 4227	Intra-SC Reject or in-house Routing Slip
FORM 6001	Letter 12C Correspondence Action Sheet is prepared by tax examiners to request missing information to initiate a letter to the taxpayer.
FORMS PROCESSING CODES (FPC)	A single character edited on a return to direct the computer to take specific actions in processing the return.
FRIVOLOUS FILER/NON-FILER	Filers and non-filers who use certain types of tax avoidance arguments that are not supported by law.

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Exhibit 3.12.2-15 (Cont. 2) (01-01-2024)
Glossary/Acronyms

Glossary	Definition
INDIVIDUAL MASTER FILE (IMF)	A magnetic tape file containing information about taxpayers filing individual tax returns and related documents.
INDIVIDUAL TAXPAYER IDENTIFI-CATION NUMBER (ITIN)	An ITIN is a number assigned by the IRS to those taxpayers who are not eligible to obtain an SSN. It is used for tax purposes only. An ITIN will begin with "9" and the fourth and fifth digits are 50 through 65, 70 through 88, 90 through 92, or 94 through 99. • 9XX-50-XXXX through 9XX-65-XXXX • 9XX-70-XXXX through 9XX-88-XXXX • 9XX-90-XXXX through 9XX-92-XXXX • 9XX-94-XXXX through 9XX-99-XXXX *Note:* Fourth and fifth digit is **"66"** (9XX-66-XXXX) is used for **International IRSN only**.
INJURED SPOUSE	A person filing a joint return with an overpayment of taxes which is offset by the spouse's tax debt or non-tax debt such as a student loan or back child support. (A claim may be filed to protect the injured spouse's share of the joint overpayment.)
INNOCENT SPOUSE RELIEF	An election made by a person filing a joint return with a claim that the understatement of tax is attributable to an erroneous item of the other spouse in which the claimant person had no knowledge.
INTEGRATED SUBMISSION AND REMITTANCE PROCESSING SYSTEM (ISRP)	A computerized system that will convert paper tax and information documents and remittances received by the IRS into perfected electronic records of taxpayer data.
INTERNATIONAL RETURN	A return on which income is excluded or not reported because of revenues from, payments to, or residency in a foreign country.
JULIAN DATE	A calendar date expressed as the number of days since the beginning of the year. For example, February 1 is Julian Date 032.
JURAT	The perjury statement required in the signature area of a tax return, form, or schedule.
LOCKBOX	A process whereby remittance and documents are mailed to a designated P.O. Box at a commercial bank.
MASTER FILE	A magnetic tape record that contains taxpayer accounts.
MEDICAL SAVINGS ACCOUNT (MSA)	A MSA is a tax-exempt trust or custodial account set up in the USA exclusively for paying the qualified medical expenses of the account holder, spouse, or dependent(s) in conjunction with a high deductible health plan.

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Exhibit 3.12.2-15 (Cont. 3) (01-01-2024)
Glossary/Acronyms

Glossary	Definition
MISBLOCKED RETURN	A Form 1040 found in the wrong type of block or batch.
MISFILED RETURN	A Form 1040 filed when a BMF form should have been used.
MISPLACED ENTRY	An entry on the tax return or ERS screen display that was entered on the **wrong line** by the taxpayer or Code & Edit, **or** transcribed incorrectly by ISRP in the wrong field. Moving the entry to the correct field on the screen **does not create a math error**
NAME CONTROL	The first four characters of the taxpayer's surname.
NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS)	A six-digit numeric code that identifies a particular business activity.
NON-RESIDENT ALIEN	An individual who is neither a citizen nor a resident (for tax purposes) of the United States.
PERFECTING	Making returns acceptable for data entry through editing process.
PIPELINE	The area in the IRS centers that process a return from the time it is received until the data from that return is entered to an account in the IRS' main computer. These areas include Receipt and Control, Code and Edit, Integrated Submission and Remittance Processing System (IRSP), and Input Correction.
POWER OF ATTORNEY (POA)	A form authorizing a representative to perform certain acts on the taxpayer's behalf.
PREPARER CODE	A check mark edited to the right of a Paid Preparer's EIN, TIN, or SSN. For other Preparers (i.e., VITA, TCE, and IRS), it is a single-digit numeric or alpha code.
PREPARER TAX IDENTIFICATION NUMBER (PTIN)	A PTIN is a nine-character alphanumeric identification number of the paid preparer on a return which begins with a "P" followed by eight numbers.
PRIMARY TAXPAYER	The taxpayer who is listed first on the name line of the caption, regardless of whether that taxpayer is male or female.
PRIMARY SOCIAL SECURITY NUMBER (P-SSN)	The social security number associated with the taxpayer whose name appears first on a return. Any reference to an SSN will also include an ITIN and IRSN.
PRIOR YEAR RETURN	A return for a tax period prior to the current tax year.
PROCESSABLE RETURN	A return that meets all of the requirements for ISRP input.
PROCESSABLE RETURN RECEIVED DATE	Date that the IRS received a return. If that date is unknown and a Received Date is required, there is a prescribed formula for determining the date to enter as the Received Date. (Required on Amended, Fiscal Year, Short Year, Prior Year, and Delinquent Returns.)

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Exhibit 3.12.2-15 (Cont. 4) (01-01-2024)
Glossary/Acronyms

Glossary	Definition
RECOVERY REBATE CREDIT (RRC)	Credit taken by taxpayers whose Economic Impact Payments (EIP) in TY20 and TY21 were less than the total amount they qualified for.
RE-INPUT DOCUMENT	A document that did not post to the Master File when originally entered and is now being entered again with a Form 3893, Re-Entry Document Control.
REMIT RETURN	A tax return filed with a payment attached.
REMITTANCE	A check, money order, or cash sent in with a return.
REMITTANCE PROCESSING SYSTEM (RPS)	A computer controlled system through which payments and documents may be processed at a single multi-functional work-station.
RETURN	A legal document used by the taxpayer to report income, deductions, and tax liability.
RETURN DUE DATE	The date, after which, a return is considered delinquent.
RETURN PROCESSING DATE (RPD)	The date when a reply to correspondence is received after the return due date.
RETURN PROCESSING CODE (RPC)	A single character edited on a return to direct the computer to take specific actions in processing the return. This code does not post to the Master File.
SECONDARY TAXPAYER	The taxpayer who is listed second on the Name Line of the caption of a Joint Return, regardless of whether the taxpayer is male or female.
SECONDARY SOCIAL SECURITY NUMBER (S-SSN)	The social security number of the taxpayer whose name appears second on a joint return. Any reference to an SSN will also include an ITIN and IRSN.
SELF-EMPLOYMENT TAX	Social security and Medicare tax levied on self-employment income. This tax is computed on Schedule SE.
SE METHOD CODE	A single-digit numeric code entered in the bottom center margin of Long Schedule SE when the optional method is used to calculate self-employment tax.
SEPARATE LIABILITY ELECTION	An election made by a person claiming separate liability from their spouse.
SHORT LINERS	Taxpayer who acquires insurance through the Exchange (ACA) and choose to pay the full amount of insurance. The taxpayer must complete Form 8962.
SIGNIFICANT ENTRY	Any amount other than zero.
SOCIAL SECURITY NUMBER (SSN)	A nine-digit number identifying the account of an individual on the Individual Master File.

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Exhibit 3.12.2-15 (Cont. 5) (01-01-2024)
Glossary/Acronyms

Glossary	Definition
SPECIAL PROCESSING CODE (SPC)	A single character edited on a return to direct the computer to take specific actions in processing the return. This code does not post to the Master File.
SPOUSAL INDICATOR	A single-digit numeric code edited to a joint return that indicates which taxpayer is filing Form 5329 and /or Form 8606.
SOCIAL SECURITY NUMBER (SSN) SPOUSAL INDICATOR SSA 205(c)	The section of the Social Security Administration (SSA) regulation which denies the issuance of a social security number to a non-residential alien (NRA) who has no source of income in the United States.
STATUTE RETURN	A return filer for a tax period more than three years prior to the current tax period.
STATUTORY EMPLOYEE	Self-employed independent contractors who can report income and expenses on Schedule C, but social security and Medicare taxes withheld are reported on Form W-2.
SUFFIX	Information added at the end of a word, phrase, or series of numbers. For instance, a title may be edited as a suffix to a name as in Firstname Lastname, Exec.
TAXPAYER ADVOCATE SERVICE	An independent organization within the IRS created by Congress to resolve problems encountered by taxpayers in dealing with the IRS.
TAX PERIODS	The time covered by a particular return represented by the year and month in which this period ends. For example, December 31, 2024 will be referred in two ways: YYYYMM = 202412 TY24
TAXPAYER IDENTIFICATION NUMBER (TIN)	A nine-digit number which identifies the account of an individual or business taxpayer. The TIN may be a social security number (SSN), an individual taxpayer identification number (ITIN), Internal Revenue Service number (IRSN), adoption taxpayer identification number (ATIN) or an employer identification number (EIN).
TRANSACTION CODE (TC)	A three-digit numeric code defining the precise nature of an action posted to the Master File.
TRANSCRIPTION	The process of transferring information from documents to a computer-readable form. Also called data conversion, input, and entry.
UNALLOWABLE CODE	A two-digit code edited on Form 3471 to identify conditions on a return that are unallowable by law.
UNCOMPUTED RETURN	A tax return by a taxpayer who chooses to have the IRS compute the tax or refund due.

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Exhibit 3.12.2-15 (Cont. 6) (01-01-2024)
Glossary/Acronyms

Glossary	Definition
UNPOSTABLES	Data which cannot be entered successfully to an account at the Enterprise Computing Center at Martinsburg (ECC-MTB) and is returned to the center for corrective action.
UNPROCESSABLE DOCUMENT	A document that cannot be perfected for the ADP system, usually because of incomplete information.

Acronyms	Definition
ACA	Affordable Care Act
ACD	Audit Code
AdvCTC	Advance Child Tax Credit
APFD	Alaska Permanent Fund Dividend
APO	Army Post Office
APTC	Advance Premium Tax Credit
ASFR	Automated Substitute for Return
ATIN	Adoption Taxpayer Identification Number
AUSPC	Austin Submission Processing Center
BMF	Business Master File
BOB	Block Out of Balance
C&E	Code and Edit
CAF	Centralized Authorization File
CAPR	Computer Assisted Pipeline Review
CAS	Correspondence Action Sheet
CCC	Computer Condition Code
CDCC	Child and Dependent Care Credit
CFE	Credit for the Elderly
CGD	Capital Gains Distribution
CLS	Common Law Spouse
CLW	Common Law Wife
COMM	Commissioner
CONS	Conservator
CP	Computer Paragraph

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Exhibit 3.12.2-15 (Cont. 7) (01-01-2024)
Glossary/Acronyms

Acronyms	Definition
CPA	Certified Public Accountant
DAN	Deposit Account Number
DCB	Dependent Care Benefits
DD	Direct Deposit
DECD	Deceased
DLN	Document Locator Number
DPO	Diplomatic Post Office
DOD	Date of Death
DSI	Dependent Status Indicator
EC	Error Code
ECC-MTB	Enterprise Computing Center at Martinsburg (formerly MCC - Martinsburg Computing Center)
EEFax	Enterprise Electronic Fax
e.g.,	For Example
EGA	Ethics in Government Act
EIC	Earned Income Credit
EIF	Entity Index File
EEIF	Enhanced Entity Index File
EIN	Employer Identification Number
EIP	Economic Impact Payment
EPP	Excess Parachute Payment
ERS	Error Resolution System
ES	Estimated Tax
ESOP	Employee Stock Option
ESPI	Estimated Tax Penalty Indicator
etc.	Et Cetera
EXEC	Executor
EXT-DT	Extension Date
FB	Fringe Benefit
FDB	Fraud Detection Branch
FICA	Federal Insurance Contributions Act

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Exhibit 3.12.2-15 (Cont. 8) (01-01-2024)
Glossary/Acronyms

Acronyms	Definition
FMV	Fair Market Value
FNS	Fuel From Non-Conventional Source
FPC	Forms Processing Code
FPO	Fleet Post Office
FRP	Frivolous Return Program
FS	Filing Status
FTD	Federal Tax Deposit
FTF	Failure to File
FTP	Failure to Pay
FY	Fiscal Year
GDN	Guardian
HHM	Household Member
HSH	Household Employee
HQ	Headquarters
ICS	Integrated Collection System
IDRS	Integrated Data Retrieval System
i.e.,	That is
IMF	Individual Master File
IRA	Individual Retirement Arrangement
IRC	Internal Revenue Code
IRM	Internal Revenue Manual
IRS	Internal Revenue Service
IRSN	Internal Revenue Service Number
ISRP	Integrated Submission and Remittance Processing System
ITIN	Individual Taxpayer Identification Number
KCSPC	Kansas City Submission Processing Center
KITA	Killed in Terrorist Action
LEM	Law Enforcement Manual
LSE	Lump Sum Election
LTC	Long Term Care

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Exhibit 3.12.2-15 (Cont. 9) (01-01-2024)
Glossary/Acronyms

Acronyms	Definition
MCC	• Major City Code • Mortgage Credit Certificate
MeF	Modernized Electronic Filing
MFS	• Married Filing Separately • Multiple Filing Status
MFT	Master File Tax
MIC	Mortgage Interest Credit
MSA	Medical Savings Account
NAICS	North American Industry Classification System
NAP	National Account Profile
NCOA	National Change of Address
NEI	Non-Taxable Earned Income
NO	National Office
NOL	Net Operating Loss
NPS	National Park Service
NQ	Non-Qualifying
NR	No Record
NRA	Non-Resident Alien
ODC	Orphan Drug Tax
OMM	Operation Mass Mailing
OSPC	Ogden Submission Processing Center
OWPT	Overpaid Windfall Profit Tax
PAL	Passive Activities Loss
PBA	Principal Business Activity
PCD	Program Completion Date
PDS	Private Delivery Service
PECF	Presidential Election Campaign Fund
PER REP	Personal Representative
POA	Power of Attorney
POD	Post of Duty
POW/MIA	Prisoner of War/Missing in Action

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Exhibit 3.12.2-15 (Cont. 10) (01-01-2024)
Glossary/Acronyms

Acronyms	Definition
PRI	Wages Earned as a Prisoner
PPR	(Casual Rental of) Personal Property
P-SSN	Primary Social Security Number
PTC	Premium Tax Credit
PTIN	Paid Preparer Tax Identification Number
PY	• Prior Year • Processing Year
QFE	Qualified Farmers Election
QPA	Qualified Performing Artist
RE	Reimbursed Expenses
REC	Residential Energy Credit
REMIC	Real Estate Mortgage Investment Conduit
RPC	Return Processing Code
RPD	Return Processing Date
RPS	Remittance Processing System
RRB	Railroad Retirement Benefits
RRC	Recovery Rebate Credit
RRTA	Railroad Retirement Tax Act
RTN	Routing Transit Number
SCH	Scholarship
SE	Self-Employment
SERP	Servicewide Electronic Research Program
SFR	Substitute for Return
SPC	• Submission Processing Center • Special Processing Code
SRP	Shared Responsibility Payment
SSA	Social Security Administration
SSI	Supplemental Security Income
SSN	Social Security Number
S-SSN	Secondary Social Security Number
SST	Social Security Tax

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Exhibit 3.12.2-15 (Cont. 11) (01-01-2024)
Glossary/Acronyms

Acronyms	Definition
SUB	Supplemental Unemployment Benefit
TANF	Temporary Assistance for Needy Families
TAS	Taxpayer Advocate Service
TC	Transaction Code
TCE	Tax Counseling for the Elderly
TDI	Taxpayer Delinquency Investigation
TE	Tax Examiner
TEI	Tax Exempt Interest
TIA	Tax Information Authorization
TIN	Taxpayer Identification Number
TP	Taxpayer
TPNC	Taxpayer Notice Code
TR	Trustee
TRA	Trade Readjustment Act
TS	Taxpayer Services
TY	Tax Year
USPS	United States Postal Service
VA	Veterans Administration
VIN	Vehicle Identification Number
VITA	Volunteer Income Tax Assistance
W&I	Wage and Investment (renamed Taxpayer Services)
W/H	Withholding

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