



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

3.12.3

NOVEMBER 3, 2023

EFFECTIVE DATE

(01-01-2024)

PURPOSE

- (1) This transmits revised IRM 3.12.3, Error Resolution, Individual Income Tax Returns.

MATERIAL CHANGES

- (1) IRM 3.12.3.3.2.2(1) Corrected Error Code 002 invalid conditions as more than 38 months after the tax period. IPU 23U0016 issued 01-03-2023.
- (2) IRM 3.12.3.4.9.4(2) Revised Reply procedures when evaluating the validity of documents received with the reply. IPU 23U0157 issued 01-23-2023.
- (3) IRM 3.12.3.4.10.3(13) Added an instruction to clear Error Code 019 after all required actions have been taken. IPU 23U0157 issued 01-23-2023.
- (4) IRM 3.12.3.5.8.4(7) Changed Field 01SPC to Field 01FPC, and added an instruction to enter Form Processing Code 9 when Form 14039(SP) is attached. IPU 23U0016 issued 01-03-2023.
- (5) IRM 3.12.3.5.8.5(1) Added a reference to No Reply instructions regarding decedent returns. IPU 22U1024, issued 10/14/2022.
- (6) IRM 3.12.3.5.9.4(8) Changed Field 01SPC to Field 01FPC, and added an instruction to enter Form Processing Code 9 when Form 14039(SP) is attached. IPU 23U0016 issued 01-03-2023.
- (7) IRM 3.12.3.5.9.5 Deleted instruction to enter U in Field 01CCC. IPU 22U1024, issued 10/14/2022.
- (8) IRM 3.12.3.6.2.2(1) Revised Error Code 034 invalid conditions as Computer Condition Code Q is not present. IPU 23U0016 issued 01-03-2023.
- (9) IRM 3.12.3.6.3 Added new Error Code 038 for ScanPaper vendor literals.
- (10) IRM 3.12.3.7.3.3(2) and (9) Added information regarding Computer Condition Codes on decedent returns. IPU 23U0672 issued 05-31-2023.
- (11) IRM 3.12.3.8.2.2(1) Corrected Error Code 064 invalid conditions as Total Wages, Field 03TWG. IPU 23U0016 issued 01-03-2023.
- (12) IRM 3.12.3.9.6.3(2) Revised procedures when Field 04ALP is blank. IPU 23U0295 issued 02-23-2023.
- (13) IRM 3.12.3.9.7.3(2) Added an instruction when Error Code 078 will display after amount is deleted from Field 04ALP. IPU 23U0295 issued 02-23-2023.
- (14) IRM 3.12.3.9.7.3(2) through (4), Added an exception if multiple dates of divorce or separation agreements are noted. IPU 23U0180 issued 01-26-2023.
- (15) IRM 3.12.3.10.4.1(1) Added Field 03WG to Error Code 086 fields displayed. IPU 23U0255 issued 02-10-2023.
- (16) IRM 3.12.3.10.4.3(3) Revised procedures to GTSEC 03 to enter an amount in Field 03WG and adjust Field 03TWG. IPU 23U0016 issued 01-03-2023.

- (17) IRM 3.12.3.13.3.1 Revised Error Code 121 fields displayed to remove the Clear Code field
- (18) IRM 3.12.3.13.3.2(1) Updated the invalid conditions for Error Code 121. IPU 23U0157 issued 01-23-2023.
- (19) IRM 3.12.3.13.3.3(4) and (5) Updated instructions for MeF returns and Field 97MEW>. IPU 23U0203 issued 02-01-2023.
- (20) IRM 3.12.3.13.3.3(7) Revised procedures for the computation of uncollected tax in excess Social Security tax. IPU 23U0446 issued 03-21-2023.
- (21) IRM 3.12.3.13.3.5 Added Allowable Taxpayer Notice Codes for Error Code 121.
- (22) IRM 3.12.3.19.8.3(3) Added a reference to Rejects IRM 33.12.37 for reply and no reply procedures on Section 965 returns. IPU 22U1024, issued 10/14/2022.
- (23) IRM 3.12.3.19.8.3 Updated IRC 965 processing instructions. IPU 23U0219 issued 02-03-2023.
- (24) IRM 3.12.3.20.2.3(9) Removed MeF from the instruction so that it applies to all returns. IPU 22U1024, issued 10/14/2022.
- (25) IRM 3.12.3.20.2.5(1) Revised the TY20 instructions when there is an amount on Schedule 2, line 2. IPU 23U0810 issued 07-07-2023.
- (26) IRM 3.12.3.21.1.2(1) Updated the invalid conditions for Error Code 201. IPU 23U0157 issued 01-23-2023.
- (27) IRM 3.12.3.21.1.3(2) through (6) Revised correction procedures for Forms 2441, 8839, and 8919, and added instructions to clear Error Code 201 in certain conditions. IPU 23U0157 issued 01-23-2023.
- (28) IRM 3.12.3.21.1.3(3) Added procedures for Field 38ETB in Error Code 201. IPU 23U0203 issued 02-01-2023.
- (29) IRM 3.12.3.21.1.3(6) and (7) Added instructions to adjust the amount in Field 03TWG when there is a transferring or computation error. IPU 23U0612 issued 05-09-2023.
- (30) IRM 3.12.3.21.1.3(8) Added instruction to clear Error Code 201 after all required actions have been taken. IPU 23U0295 issued 02-23-2023.
- (31) IRM 3.12.3.21.9.7(2) Added TPNC 558 to Error Code 211 allowable TPNCs. IPU 23U0446 issued 03-21-2023.
- (32) IRM 3.12.3.22.1.1(1) Added Field 03AGI and computer fields to Error Code 214 fields displayed. IPU 23U0255 issued 02-10-2023.
- (33) IRM 3.12.3.22.1.4(6) Added procedures for the box on Form 1040, line 6c, lump-sum election method. IPU 23U0157 issued 01-23-2023.
- (34) IRM 3.12.3.22.1.5(4) Added procedures for the box on Form 1040, line 6c, lump-sum election method. IPU 23U0157 issued 01-23-2023.
- (35) IRM 3.12.3.22.1.9(2) Added TPNC 501 to Error Code 214 allowable TPNCs. IPU 23U0612 issued 05-09-2023.
- (36) IRM 3.12.3.22.3.5(4) Revised the conditions for adding Special Processing Code E. IPU 23U0612 issued 05-09-2023.

- (37) IRM 3.12.3.22.7 Marked Error Code 225 as reserved.
- (38) IRM 3.12.3.22.11.1 Removed Field 04TUI from the Fields Displayed in Error Code 229 and throughout this IRM.
- (39) IRM 3.12.3.22.11.20(2) Added TPNC 133 to Error Code 229 allowable TPNCs. IPU 23U0446 issued 03-21-2023.
- (40) IRM 3.12.3.22.13.3(5) Added instruction for TY21 to enter M in Field 01RPC in certain conditions. IPU 23U0295 issued 02-23-2023.
- (41) IRM 3.12.3.22.5.4(4) and (5) Added procedures regarding TPNC 148 and TPNC 147. IPU 23U0180 issued 01-26-2023.
- (42) IRM 3.12.3.22.8.3(2) Added procedures regarding when both boxes are checked on line 1 of Form 8889. IPU 23U0810 issued 07-07-2023.
- (43) IRM 3.12.3.22.11.20(2) Added TPNC 168 to Error Code 229 allowable TPNCs. IPU 23U0255 issued 02-10-2023.
- (44) IRM 3.12.3.22.11.20(2) Added TPNC 207 to Error Code 229 allowable TPNCs. IPU 23U0612 issued 05-09-2023.
- (45) IRM 3.12.3.22.12.7(2) Added TPNC 207 to Error Code 230 allowable TPNCs. IPU 23U0612 issued 05-09-2023.
- (46) IRM 3.12.3.23.5.3(3) Changed Field 01SPC to Field 01FPC for code D when a disaster loss is claimed on Form 4684. IPU 23U0016 issued 01-03-2023.
- (47) IRM 3.12.3.23.7.4(1) Changed Field 01SPC to Field 01FPC for code D when a disaster loss is claimed on Form 4684. IPU 23U0016 issued 01-03-2023.
- (48) IRM 3.12.3.23.9.3(5) Added TY19 instructions to manually compute qualified business income deduction in certain circumstances. IPU 23U0255 issued 02-10-2023.
- (49) IRM 3.12.3.23.9.3(5) and (6) Added instructions for manually computing qualified business income deduction limitation on TY19 and TY18 returns. IPU 23U0612 issued 05-09-2023.
- (50) IRM 3.12.3.23.9.3(6) Added instructions when there is a negative amount for capital gain on Form 8995 or Form 8995-A. IPU 23U0810 issued 07-07-2023.
- (51) IRM 3.12.3.23.9.5(1) Added TPNC 101 to Error Code 249 allowable TPNCs. IPU 23U0255 issued 02-10-2023.
- (52) IRM 3.12.3.23.9.5(1) Added TPNC 558 to Error Code 249 allowable TPNCs. IPU 23U0446 issued 03-21-2023.
- (53) IRM 3.12.3.23.10.7(5) Changed Field 01SPC to Field 01FPC for code D when a disaster loss is claimed on Form 4684. IPU 23U0016 issued 01-03-2023.
- (54) IRM 3.12.3.23.10.8(11) Added instructions when there is no entry for standard deduction on Form 1040, line 12. IPU 23U0612 issued 05-09-2023.
- (55) IRM 3.12.3.24.2.2(1) Changed the invalid conditions of Error Code 256 to reflect current programming amounts. IPU 23U0063 issued 01-06-2023.
- (56) IRM 3.12.3.24.2.2(1) Corrected the invalid conditions of Error Code 256 to reflect updated programming amounts for TY22. IPU 23U0295 issued 02-23-2023.

- (57) IRM 3.12.3.24.2.3(3) and (4) Added procedures to suspend TY22 returns in certain conditions until programming is updated. IPU 23U0063 issued 01-06-2023.
- (58) IRM 3.12.3.24.2.3 Removed procedures to suspend TY22 returns after programming has been updated. IPU 23U0295 issued 02-23-2023.
- (59) IRM 3.12.3.24.4.3(4) Added procedures when “fractional exemption” is indicated on a MeF return. IPU 23U0180 issued 01-26-2023.
- (60) IRM 3.12.3.24.4.3(5) and (7) Added correction procedures when credit for repayment of amounts included in income from earlier years is claimed. IPU 23U0016 issued 01-03-2023.
- (61) IRM 3.12.3.24.4.9(4) Added instructions for Deemed Payment Election returns. IPU 23U0537 issued 04-24-2023.
- (62) IRM 3.12.3.24.4.10(2) Added instructions for Deemed Payment Election returns. IPU 23U0537 issued 04-24-2023.
- (63) IRM 3.12.3.24.4.13(2) Clarified procedures for the coding of Unallowable Code 92. IPU 23U0446 issued 03-21-2023.
- (64) IRM 3.12.3.24.4.18 Removed instruction to assign TPNC 100. IPU 23U0295 issued 02-23-2023.
- (65) IRM 3.12.3.25.2.3(3) Changed Field 01RPC to Field 01FPC for code 5 when Form 6251 is attached. IPU 23U0016 issued 01-03-2023.
- (66) IRM 3.12.3.25.3.2(1) Changed Field 01RPC to Field 01FPC for code 5 when Form 6251 is attached. IPU 23U0016 issued 01-03-2023.
- (67) IRM 3.12.3.25.3.3(2) Changed Field 01RPC to Field 01FPC for code 5 when Form 6251 is attached. IPU 23U0016 issued 01-03-2023.
- (68) IRM 3.12.3.26.4.3(4) Added Tax Year 2021 instruction to enter M in Field 01RPC if line A of Form 8962 is checked. IPU 22U1024, issued 10/14/2022.
- (69) IRM 3.12.3.26.7.3(5) Added TY22 to Error Code 276 procedure. IPU 23U0255 issued 02-10-2023.
- (70) IRM 3.12.3.26.10.1(1) Added Field 2103 to Error Code 279 fields displayed. IPU 23U0255 issued 02-10-2023.
- (71) IRM 3.12.3.26.10.3(3) and (4) Changed Field 21QI to Field 2103 when the child care provider TIN is missing. IPU 23U0157 issued 01-23-2023.
- (72) IRM 3.12.3.26.10.3(4) Added a reference to Error Code 280 and clarified due diligence conditions. IPU 23U0446 issued 03-21-2023.
- (73) IRM 3.12.3.26.10.3(4) and (5) Revised instruction to GTSEC 21 to delete the entry in Field 2103, and added an instruction to clear Error code 201 in certain conditions. IPU 23U0180 issued 01-26-2023.
- (74) IRM 3.12.3.26.10.10(3) Added instruction if Code & Edit has X'd prior year expense amount when the required statement is missing or incomplete. IPU 22U1024, issued 10/14/2022.
- (75) IRM 3.12.3.26.11.4(3) Changed Field 21QI to Field 2103 when the child care provider TIN is missing. IPU 23U0157 issued 01-23-2023.
- (76) IRM 3.12.3.26.11.4(4) and (5) Clarified procedures to assign TPNC 234 and TPNC 244. IPU 23U0180 issued 01-26-2023.

- (77) IRM 3.12.3.26.11.5(2) through (4) Added procedures to assign TPNC 245 and to manually compute the credit when the qualifying person is age 13 or older. IPU 23U0063 issued 01-06-2023.
- (78) IRM 3.12.3.26.11.5(3) Clarified procedures on TY22 returns when the qualifying persons year of birth is 2009. IPU 23U0180 issued 01-26-2023.
- (79) IRM 3.12.3.26.11.5(4) Moved TPNC 245 instructions from paragraph 2j to new paragraph 4. IPU 23U0537 issued 04-24-2023.
- (80) IRM 3.12.3.26.11.7 Deleted procedures regarding Field 21QI when the child care provider TIN is missing. IPU 23U0157 issued 01-23-2023.
- (81) IRM 3.12.3.26.11.8(4) Added procedures for Field 2103 when there are issues with the child care provider TIN. IPU 23U0157 issued 01-23-2023.
- (82) IRM 3.12.3.26.11.9(3) Added instructions for Field 21D when the taxpayer or spouse is a student or disabled. IPU 23U0180 issued 01-26-2023.
- (83) IRM 3.12.3.26.11.10(4) Added instructions for TY22 when the prior year expense amount exceeds \$2,100. IPU 23U0295 issued 02-23-2023.
- (84) IRM 3.12.3.26.16.10(2) Added TPNC 584 to Error Code 285 allowable TPNCs. IPU 23U0446 issued 03-21-2023.
- (85) IRM 3.12.3.26.20.2(1) Revised the invalid conditions for Error Code 289. IPU 23U0537 issued 04-24-2023.
- (86) IRM 3.12.3.26.21.6(2) Added instructions to identify the point of error in Error Code 290, and added references to Error Code 291 and 299. IPU 23U0537 issued 04-24-2023.
- (87) IRM 3.12.3.26.22.3(4) Added an instruction when the credit on Form 5695 Part II is not limited to tax liability. IPU 23U0672 issued 05-31-2023.
- (88) IRM 3.12.3.26.22.6(2) Added TPNC 558 to Error Code 291 allowable TPNCs. IPU 23U0612 issued 05-09-2023.
- (89) IRM 3.12.3.26.23.6(2) Added TPNC 558 to Error Code 292 allowable TPNCs. IPU 23U0612 issued 05-09-2023.
- (90) IRM 3.12.3.26.27 Added Error Code 298/598 for Form 8936 Schedule A.
- (91) IRM 3.12.3.26.28.3(3) Changed Action Code 420 to Action Code 471. IPU 23U0157 issued 01-23-2023.
- (92) IRM 3.12.3.26.28.3(6) Added procedures regarding TPNC 263. IPU 23U0255 issued 02-10-2023.
- (93) IRM 3.12.3.26.28.5(2) Added TPNC 168 and 570 to Error Code 299 allowable TPNCs. IPU 23U0255 issued 02-10-2023.
- (94) IRM 3.12.3.26.28.5(2) Added TPNC 558 to Error Code 299 allowable TPNCs. IPU 23U0612 issued 05-09-2023.
- (95) IRM 3.12.3.27.2 Added new procedures for Error Code 302, Form 8936 Part II and Part V.
- (96) IRM 3.12.3.27.2.10(2) Added TPNC 695 to Error Code 302 allowable TPNCs. IPU 23U0612 issued 05-09-2023.

- (97) IRM 3.12.3.27.3 Moved General Business Credit procedures from Error Code 302/602 to new Error Code 303/603.
- (98) IRM 3.12.3.27.4 Marked Error Code 304 as Reserved.
- (99) IRM 3.12.3.27.5.9(2) Added TPNC 570 to Error Code 310 allowable TPNCs. IPU 23U0255 issued 02-10-2023.
- (100) IRM 3.12.3.27.6.19(2) Added TPNC 558 to Error Code 314 allowable TPNCs. IPU 23U0612 issued 05-09-2023.
- (101) IRM 3.12.3.27.8.7(2) Added TPNC 558 to Error Code 318 allowable TPNCs. IPU 23U0612 issued 05-09-2023.
- (102) IRM 3.12.3.28.6.9(2) Added TPNC 558 to Error Code 329 allowable TPNCs. IPU 23U0612 issued 05-09-2023.
- (103) IRM 3.12.3.28.10.10(2) Added TPNC 558 to Error Code 333 allowable TPNCs. IPU 23U0612 issued 05-09-2023.
- (104) IRM 3.12.3.28.15.3(14) Added the year of birth range for TY20.
- (105) IRM 3.12.3.27.8.4(2) Added procedure when the box to the left of Schedule 2, line 8 is checked. IPU 23U0446 issued 03-21-2023.
- (106) IRM 3.12.3.28.3.6(2) Added TPNC 277 to Error Code 326 allowable TPNCs. IPU 23U0446 issued 03-21-2023.
- (107) IRM 3.12.3.28.5.5(2) Revised instructions to dummy Section 58 or 59 for a deceased taxpayer. IPU 23U0537 issued 04-24-2023.
- (108) IRM 3.12.3.28.6.3(7) Added instructions when one taxpayer is deceased and Disposition Code I applies. IPU 23U0537 issued 04-24-2023.
- (109) IRM 3.12.3.28.10.3(3) Added an instruction to move an amount identified as UT to Field 05USS. IPU 23U0446 issued 03-21-2023.
- (110) IRM 3.12.3.28.10.4 Corrected the field designator of Field 03OTX and the description of Other Taxes.
- (111) IRM 3.12.3.28.10.7(1) Added instructions to move amount identified as UT to Field 05USS. IPU 23U0446 issued 03-21-2023.
- (112) IRM 3.12.3.30.1.3(10) Added procedure to correct Field 47OEI on TY22 returns when the box is checked on Schedule 8812, line 15. IPU 23U0063 issued 01-06-2023.
- (113) IRM 3.12.3.30.1.10(2) Added TPNC 244 and 245 to Error Code 344 allowable TPNCs. IPU 23U0446 issued 03-21-2023.
- (114) IRM 3.12.3.30.2.4(5) Corrected procedures to refer to the dependents' TIN assignment fields. IPU 23U0157 issued 01-23-2023.
- (115) IRM 3.12.3.30.3.5(2) Added TPNC 558 to Error Code 347 allowable TPNCs. IPU 23U0612 issued 05-09-2023.
- (116) IRM 3.12.3.30.4 Marked Error Code 349 as Reserved.
- (117) IRM 3.12.3.30.5.3(8) Added procedures regarding TPNC 263. IPU 23U0255 issued 02-10-2023.

- (118) IRM 3.12.3.30.5.4(2) Added TPNC 263 to Error Code 350 allowable TPNCs. IPU 23U0255 issued 02-10-2023.
- (119) IRM 3.12.3.30.9.3(3) Revised procedures when more than 20 credit reference numbers and amounts are present. IPU 23U0180 issued 01-26-2023.
- (120) IRM 3.12.3.30.10 Added new Error Code 357, Elective Payment Election
- (121) IRM 3.12.3.30.10.1(1) Added Field 05RCC to Error Code 358 fields displayed. IPU 23U0255 issued 02-10-2023.
- (122) IRM 3.12.3.30.10.2(1) Revised Error Code 358 invalid conditions for Tax Year 2022 - 2021, and for Tax Year 2020 and prior. IPU 23U0016 issued 01-03-2023.
- (123) IRM 3.12.3.30.10.3(5) Added correction procedure for Tax Year 2020 and prior when there is an entry in Field 05OPR. IPU 23U0016 issued 01-03-2023.
- (124) IRM 3.12.3.30.10.8 Added a subsection with a description and procedures for Field 05SL2. IPU 23U0537 issued 04-24-2023
- (125) IRM 3.12.3.30.10.8(2) Added instruction to correspond when unsupported credits are claimed on line 13z of Schedule 3. IPU 23U0180 issued 01-26-2023.
- (126) IRM 3.12.3.30.10.11(2) Updated the list of transaction codes to add TC 660. IPU 23U0537 issued 04-24-2023.
- (127) 3.12.3.30.11.13 Added Allowable Taxpayer Notice Codes to Error Code 358
- (128) IRM 3.12.3.30.13 Marked Error Code 362 as Reserved.
- (129) IRM 3.12.3.30.13.5(3) Added a procedure to manually compute the credit when the qualifying person is age 13 or older. IPU 23U0063 issued 01-06-2023.
- (130) IRM 3.12.3.30.13.10(3) Added instruction if Code & Edit has X'd prior year expense amount when the required statement is missing or incomplete. IPU 22U1024, issued 10/14/2022.
- (131) IRM 3.12.3.30.14.5(2) Added TPNC 242, 263, 283, 681, 682, and 683 to Error Code 364 allowable TPNCs. IPU 23U0255 issued 02-10-2023.
- (132) IRM 3.12.3.30.18.9(2) Added TPNC 731 to Error Code 370 allowable TPNCs. IPU 23U0446 issued 03-21-2023.
- (133) IRM 3.12.3.30.18.9(2) Added TPNC 178 and 710 to Error Code 370 allowable TPNCs. IPU 23U0612 issued 05-09-2023.
- (134) IRM 3.12.3.32.7 Added new Error Code 740, Difference in Balance Due or Refund.
- (135) IRM 3.12.3.32.7.3(2) through (6) Added TY22 to several procedures in Error Code 750. IPU 23U0255 issued 02-10-2023.
- (136) Exhibit 3.12.3-1 Added instructions when page 2 of Form 1040-SR is not attached or illegible and updated line numbers and procedures for other taxes on Schedule 2. IPU 23U0446 issued 03-21-2023.
- (137) Exhibit 3.12.3-1 Updated line numbers for several adjustments to income on Schedule 1. IPU 23U0810 issued 07-07-2023.

- (138) Exhibit 3.12.3-2 Added new Taxpayer Notice Codes 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, and 844, and throughout this IRM.
- (139) Editorial changes and corrections have been made throughout this IRM to include spelling, punctuation, update of error codes, changes to form and field names, and annual updates.

EFFECT ON OTHER DOCUMENTS

This IRM supersedes IRM 3.12.3, dated November 3, 2022 (effective January 1, 2023). This IRM incorporates the following IRM Procedural Updates (IPUs): 23U0016 issued 01/03/2023, 23U0063 issued 01/06/2023, 23U0157 issued 01/23/2023, 23U0180 issued 01/26/2023, 23U0203 issued 02/01/2023, 23U0219 issued 02/03/2023, 23U0255 issued 02/10/2023, 23U0295 issued 02/23/2023, 23U0446 issued 03/21/2023, 23U0537 issued 04/24/2023, 23U0612 issued 05/09/2023, 23U0672 issued 05/31/2023, and 23U0810 issued 07/07/2023.

AUDIENCE

Individual Master File (IMF) Error Resolution Department Tax Examiners, Wage and Investment (W&I) Submission Processing Centers

James L. Fish
Director, Submission Processing
Wage and Investment Division

3.12.3

Individual Income Tax Returns

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 - 3.12.3.3.8.1 Fields Displayed, Form 1040 (EC 008)
 - 3.12.3.3.8.2 Invalid Conditions (EC 008)
 - 3.12.3.3.8.3 Correction Procedures (EC 008)
- 3.12.3.3.9 Error Code 009 (CE) Entity Data and Check Digits/Name Control
 - 3.12.3.3.9.1 Fields Displayed, Form 1040 (EC 009)
 - 3.12.3.3.9.2 Invalid Conditions (EC 009)
 - 3.12.3.3.9.3 Correction Procedures (EC 009)
- 3.12.3.4 Error Codes 010-019
 - 3.12.3.4.1 Error Code 010 (CE) Spouse/Dependent SSN Missing
 - 3.12.3.4.1.1 Fields Displayed, Form 1040 (EC 010)
 - 3.12.3.4.1.2 Invalid Conditions (EC 010)
 - 3.12.3.4.1.3 Correction Procedures (EC 010)
 - 3.12.3.4.1.4 Field 94EXV, Exemption Verified Field (EC 010)
 - 3.12.3.4.1.5 Field 01SS, Secondary SSN (EC 010)
 - 3.12.3.4.1.6 Fields 01DS1, 01DS2, 01DS3 and 01DS4, Dependent SSNs (EC 010)
 - 3.12.3.4.1.7 Fields 21DS1 and 21DS2, Child and Dependent Care Credit SSNs (EC 010)
 - 3.12.3.4.1.8 Fields 43SS1, 43SS2 and 43SS3 EIC Child(ren) SSNs (EC 010)
 - 3.12.3.4.1.9 Prior Year (PY) (EC 010)
 - 3.12.3.4.2 Error Code 011 (CE) NAP Linkage Down
 - 3.12.3.4.2.1 Fields Displayed, Form 1040 (EC 011)
 - 3.12.3.4.2.2 Invalid Conditions (EC 011)
 - 3.12.3.4.2.3 Correction Procedures (EC 011)
 - 3.12.3.4.2.4 Field ERSRI>, ERS Revalidation Indicator (EC 011)
 - 3.12.3.4.2.5 Field DEPRI>, ERS Dependent Revalidation Indicator (EC 011)
 - 3.12.3.4.2.6 Field AVSRI>, AVS Revalidation Indicator (EC 011)
 - 3.12.3.4.2.7 Field EIFAI>, EIF Access Indicator (EC 011)
 - 3.12.3.4.2.8 Field T-DAT>, Tentative Return Due Date Computer (EC 011)
 - 3.12.3.4.2.9 Field PNEXT>, Primary NAP Extension Due Date (EC 011)
 - 3.12.3.4.2.10 Field SNEXT>, Secondary NAP Extension Due Date (EC 011)
 - 3.12.3.4.3 Error Code 012 (CE) Spouse/Dependent SSN Validation
 - 3.12.3.4.3.1 Fields Displayed, Form 1040 (EC 012)
 - 3.12.3.4.3.2 Invalid Conditions (EC 012)
 - 3.12.3.4.3.3 Correction Procedures (EC 012)

- 3.12.3.4.3.4 Field 94EXV, Exemption Verified Field (EC 012)
- 3.12.3.4.3.5 Secondary TIN (EC 012)
- 3.12.3.4.3.6 Dependent TIN (EC 012)
- 3.12.3.4.3.7 Prior Year (EC 012)
- 3.12.3.4.4 Error Code 013 (CE) Duplicate Social Security Numbers
 - 3.12.3.4.4.1 Fields Displayed, Form 1040 (EC 013)
 - 3.12.3.4.4.2 Invalid Conditions (EC 013)
 - 3.12.3.4.4.3 Correction Procedures (EC 013)
- 3.12.3.4.5 Error Code 014 (CE) Entity Data
 - 3.12.3.4.5.1 Fields Displayed, Form 1040 (EC 014)
 - 3.12.3.4.5.2 Invalid Conditions (EC 014)
 - 3.12.3.4.5.3 Correction Procedures (EC 014)
- 3.12.3.4.6 Error Code 015 (CE) Spouse SSN Blank
 - 3.12.3.4.6.1 Fields Displayed, Form 1040 (EC 015)
 - 3.12.3.4.6.2 Invalid Conditions (EC 015)
 - 3.12.3.4.6.3 Correction Procedures (EC 015)
- 3.12.3.4.7 Error Code 016 (CE) FSC 2 and No Ampersand
 - 3.12.3.4.7.1 Fields Displayed, Form 1040 (EC 016)
 - 3.12.3.4.7.2 Invalid Conditions (EC 016)
 - 3.12.3.4.7.3 Correction Procedures (EC 016)
- 3.12.3.4.8 Error Code 017 (CE) Validation of ITIN Deactivation Status
 - 3.12.3.4.8.1 Fields Displayed, Form 1040 (EC 017)
 - 3.12.3.4.8.2 Invalid Conditions (EC 017)
 - 3.12.3.4.8.3 Correction Procedures (EC 017)
- 3.12.3.4.9 Error Code 018 (CE) Date of Death is Before Tax Period
 - 3.12.3.4.9.1 Fields Displayed, Form 1040 (EC 018)
 - 3.12.3.4.9.2 Invalid Conditions (EC 018)
 - 3.12.3.4.9.3 Correction Procedures (EC 018)
 - 3.12.3.4.9.4 Reply Procedures (EC 018)
 - 3.12.3.4.9.5 No Reply Procedures (EC 018)
- 3.12.3.4.10 Error Code 019 (CE) Dependent Date of Birth is Greater Than Tax Period
 - 3.12.3.4.10.1 Fields Displayed, Form 1040 (EC 019)
 - 3.12.3.4.10.2 Invalid Condition (EC 019)
 - 3.12.3.4.10.3 Correction Procedures (EC 019)
- 3.12.3.5 Error Codes 020-030
 - 3.12.3.5.1 Error Code 020 (CE) Major City Code and Address
 - 3.12.3.5.1.1 Fields Displayed, Form 1040 (EC 020)
 - 3.12.3.5.1.2 Invalid Conditions (EC 020)
 - 3.12.3.5.1.3 Correction Procedures (EC 020)

- 3.12.3.5.2 Error Code 021 (CE) Major City Code/ZIP Code
 - 3.12.3.5.2.1 Fields Displayed, Form 1040 (EC 021)
 - 3.12.3.5.2.2 Invalid Conditions (EC 021)
 - 3.12.3.5.2.3 Correction Procedures (EC 021)
- 3.12.3.5.3 Error Code 022 (CE) ZIP Code/State Code
 - 3.12.3.5.3.1 Fields Displayed, Form 1040 (EC 022)
 - 3.12.3.5.3.2 Invalid Conditions (EC 022)
 - 3.12.3.5.3.3 Correction Procedures (EC 022)
- 3.12.3.5.4 Error Code 023 - Reserved
- 3.12.3.5.5 Error Code 024 (CE) International Form 2555/EZ Without Area Office (AO)
 - 3.12.3.5.5.1 Fields Displayed, Form 1040 (EC 024)
 - 3.12.3.5.5.2 Invalid Conditions (EC 024)
 - 3.12.3.5.5.3 Correction Procedures (EC 024)
- 3.12.3.5.6 Error Code 026 (CE) CCC L or W Is Present
 - 3.12.3.5.6.1 Fields Displayed, Form 1040 (EC 026)
 - 3.12.3.5.6.2 Invalid Conditions (EC 026)
 - 3.12.3.5.6.3 Correction Procedures (EC 026)
 - 3.12.3.5.6.4 Field 01CCC - A, F or 9 (EC 026)
- 3.12.3.5.7 Error Code 027 - Reserved
- 3.12.3.5.8 Error Code 028 (CE) Decedent Return Check
 - 3.12.3.5.8.1 Fields Displayed, Form 1040 (EC 028)
 - 3.12.3.5.8.2 Invalid Conditions (EC 028)
 - 3.12.3.5.8.3 Correction Procedures (EC 028)
 - 3.12.3.5.8.4 Reply to Correspondence (EC 028)
 - 3.12.3.5.8.5 No Reply to Correspondence and Undeliverable Mail (EC 028)
- 3.12.3.5.9 Error Code 029 (CE) Unclaimed Credits
 - 3.12.3.5.9.1 Fields Displayed, Form 1040 (EC 029)
 - 3.12.3.5.9.2 Invalid Conditions (EC 029)
 - 3.12.3.5.9.3 Correction Procedures (EC 029)
 - 3.12.3.5.9.4 Reply to Correspondence (EC 029)
 - 3.12.3.5.9.5 No Reply to Correspondence and Undeliverable Mail (EC 029)
 - 3.12.3.5.9.6 Prior Year (EC 029) (Rejects Only)
- 3.12.3.5.10 Error Code 030 (CE) ITIN Filers With Form W-2
 - 3.12.3.5.10.1 Fields Displayed, Form 1040 (EC 030)
 - 3.12.3.5.10.2 Invalid Conditions (EC 030)
 - 3.12.3.5.10.3 Correction Procedures (EC 030)
- 3.12.3.6 Error Code 032-046
 - 3.12.3.6.1 Error Code 032 (CE) FSC 2 or 6 and Exemptions
 - 3.12.3.6.1.1 Fields Displayed, Form 1040 (EC 032)

- 3.12.3.6.1.2 Invalid Conditions (EC 032)
- 3.12.3.6.1.3 Correction Procedures (EC 032)
- 3.12.3.6.2 Error Code 034 (CE) FSC 4 or 5, and Exemptions
 - 3.12.3.6.2.1 Fields Displayed, Form 1040 (EC 034)
 - 3.12.3.6.2.2 Invalid Conditions (EC 034)
 - 3.12.3.6.2.3 Corrections Procedures (EC 034)
- 3.12.3.6.3 Error Code 038 - ScanPaper Literal
 - 3.12.3.6.3.1 Fields Displayed, Form 1040 (EC 038)
 - 3.12.3.6.3.2 Invalid Conditions (EC 038)
 - 3.12.3.6.3.3 Correction Procedures (EC 038)
- 3.12.3.6.4 Error Code 042 (CE) Received Date
 - 3.12.3.6.4.1 Fields Displayed, Form 1040 (EC 042)
 - 3.12.3.6.4.2 Invalid Conditions (EC 042)
 - 3.12.3.6.4.3 Correction Procedures (EC 042)
 - 3.12.3.6.4.4 Field 01TXP, Tax Period (EC 042)
 - 3.12.3.6.4.5 Received Date (EC 042)
 - 3.12.3.6.4.6 Early-Filed Decedent Returns (EC 042)
 - 3.12.3.6.4.7 CCC L or W (EC 042)
- 3.12.3.6.5 Error Code 044 (CE) Tax Period/Received Date
 - 3.12.3.6.5.1 Fields Displayed, Form 1040 (EC 044)
 - 3.12.3.6.5.2 Invalid Conditions (EC 044)
 - 3.12.3.6.5.3 Correction Procedures (EC 044)
 - 3.12.3.6.5.4 Field 01RCD, Received Date (EC 044)
- 3.12.3.6.6 Error Code 046 (CE) Fiscal Year Tax Period
 - 3.12.3.6.6.1 Fields Displayed, Form 1040 (EC 046)
 - 3.12.3.6.6.2 Invalid Conditions (EC 046)
 - 3.12.3.6.6.3 General Information (EC 046)
 - 3.12.3.6.6.4 Correction Procedures (EC 046)
 - 3.12.3.6.6.5 Field 01TXP, Tax Period (EC 046)
 - 3.12.3.6.6.6 Field 01CCC, Computer Condition Codes (EC 046)
- 3.12.3.7 Error Codes 048-058
 - 3.12.3.7.1 Error Code 048 (CE) Amended Return
 - 3.12.3.7.1.1 Fields Displayed, Form 1040 (EC 048)
 - 3.12.3.7.1.2 Invalid Conditions (EC 048)
 - 3.12.3.7.1.3 Correction Procedures (EC 048)
 - 3.12.3.7.2 Error Code 050 (CE) Preparer's Code
 - 3.12.3.7.2.1 Fields Displayed, Form 1040 (EC 050)
 - 3.12.3.7.2.2 Invalid Conditions (EC 050)
 - 3.12.3.7.2.3 Correction Procedures (EC 050)

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- 3.12.3.7.3 Error Code 052 (CE) CCC F or 9 and NAP Year of Death
 - 3.12.3.7.3.1 Fields Displayed, Form 1040 (EC 052)
 - 3.12.3.7.3.2 Invalid Conditions (EC 052)
 - 3.12.3.7.3.3 Correction Procedures (EC 052)
 - 3.12.3.7.4 Error Code 053 (CE) DECD - No CCC F or 9
 - 3.12.3.7.4.1 Fields Displayed, Form 1040 (EC 053)
 - 3.12.3.7.4.2 Invalid Conditions (EC 053)
 - 3.12.3.7.4.3 Correction Procedures (EC 053)
 - 3.12.3.7.5 Error Code 054 (CE) RPC C and Filing Status
 - 3.12.3.7.5.1 Fields Displayed, Form 1040 (EC 054)
 - 3.12.3.7.5.2 Invalid Conditions (EC 054)
 - 3.12.3.7.5.3 Correction Procedures (EC 054)
 - 3.12.3.7.6 Error Code 056 (CE) CCC F or 9 and No DECD
 - 3.12.3.7.6.1 Fields Displayed, Form 1040 (EC 056)
 - 3.12.3.7.6.2 Invalid Conditions (EC 056)
 - 3.12.3.7.6.3 Correction Procedures (EC 056)
 - 3.12.3.7.7 Error Code 058 (CE) Return Processed Date (RPD)
 - 3.12.3.7.7.1 Fields Displayed, Form 1040 (EC 058)
 - 3.12.3.7.7.2 Invalid Conditions (EC 058)
 - 3.12.3.7.7.3 Correction Procedures (EC 058)
 - 3.12.3.8 Error Codes 062-070
 - 3.12.3.8.1 Error Code 062 (CE) Late Filing Code/Received Date
 - 3.12.3.8.1.1 Fields Displayed, Form 1040 (EC 062)
 - 3.12.3.8.1.2 Invalid Conditions (EC 062)
 - 3.12.3.8.1.3 Correction Procedures (EC 062)
 - 3.12.3.8.2 Error Code 064 (CE) Pre-Determined Delinquency Penalty/Received Date
 - 3.12.3.8.2.1 Fields Displayed, Form 1040 (EC 064)
 - 3.12.3.8.2.2 Invalid Conditions (EC 064)
 - 3.12.3.8.2.3 Correction Procedures (EC 064)
 - 3.12.3.8.3 Error Code 066 (CE) Qualified Mortgage Insurance Premiums
 - 3.12.3.8.3.1 Fields Displayed, Form 1040 (EC 066)
 - 3.12.3.8.3.2 Invalid Conditions (EC 066)
 - 3.12.3.8.3.3 Correction Procedures (EC 066)
 - 3.12.3.8.4 Error Code 067 (CE) Reconcile ACA
 - 3.12.3.8.4.1 Fields Displayed, Form 1040 (EC 067, ACA)
 - 3.12.3.8.4.2 Invalid Condition (EC 067, ACA)
 - 3.12.3.8.4.3 Correction Procedures (EC 067, ACA)
 - 3.12.3.8.4.4 Rejects Only (EC 067, ACA)
 - 3.12.3.8.5 Error Code 068 - Reserved

- 3.12.3.8.6 Error Code 070 (CE) At-Risk Code, Schedule C
 - 3.12.3.8.6.1 Fields Displayed, Form 1040 (EC 070)
 - 3.12.3.8.6.2 Invalid Conditions (EC 070)
 - 3.12.3.8.6.3 Correction Procedures (EC 070)
 - 3.12.3.8.6.4 Field 09AR, At-Risk Code (EC 070)
 - 3.12.3.8.6.5 Prior Year (EC 070)
- 3.12.3.9 Error Codes 072-079
 - 3.12.3.9.1 Error Code 072 (CE) At-Risk Code, Schedule F
 - 3.12.3.9.1.1 Fields Displayed, Form 1040 (EC 072)
 - 3.12.3.9.1.2 Invalid Conditions (EC 072)
 - 3.12.3.9.1.3 Correction Procedures (EC 072)
 - 3.12.3.9.1.4 Field 14AR, At-Risk Code (EC 072)
 - 3.12.3.9.1.5 Prior Year (EC 072)
 - 3.12.3.9.2 Error Code 073 (CE) At-Risk Code, Form 6198
 - 3.12.3.9.2.1 Fields Displayed, Form 1040 (EC 073)
 - 3.12.3.9.2.2 Invalid Conditions (EC 073)
 - 3.12.3.9.2.3 Correction Procedures (EC 073)
 - 3.12.3.9.2.4 Fields 09AR and 14AR, At-Risk Code (EC 073)
 - 3.12.3.9.2.5 Field 09NET>, Schedule C Profit or Loss Computer (EC 073)
 - 3.12.3.9.2.6 Field 1434>, Schedule F Profit or Loss Computer (EC 073)
 - 3.12.3.9.3 Error Code 074 (CE) Cash or Accrual Method
 - 3.12.3.9.3.1 Fields Displayed, Form 1040 (EC 074)
 - 3.12.3.9.3.2 Invalid Conditions (EC 074)
 - 3.12.3.9.3.3 Correction Procedures (EC 074)
 - 3.12.3.9.4 Error Code 075 (CE) Excess Gross Social Security
 - 3.12.3.9.4.1 Fields Displayed, Form 1040 (EC 075)
 - 3.12.3.9.4.2 Invalid Conditions (EC 075)
 - 3.12.3.9.4.3 Correction Procedures (EC 075)
 - 3.12.3.9.4.4 Reply Procedures (EC 075)
 - 3.12.3.9.5 Error Code 077 (CE) Self Employed Retirement Plans
 - 3.12.3.9.5.1 Fields Displayed, Form 1040 (EC 077)
 - 3.12.3.9.5.2 Invalid Conditions (EC 077)
 - 3.12.3.9.5.3 Correction Procedures (EC 077)
 - 3.12.3.9.6 Error Code 078 (CE) Alimony SSN
 - 3.12.3.9.6.1 Fields Displayed, Form 1040 (EC 078)
 - 3.12.3.9.6.2 Invalid Conditions (EC 078)
 - 3.12.3.9.6.3 Correction Procedures (EC 078)
 - 3.12.3.9.7 Error Code 079 (CE) Alimony Received/Paid
 - 3.12.3.9.7.1 Fields Displayed, Form 1040 (EC 079)

- 3.12.3.9.7.2 Invalid Conditions (EC 079)
- 3.12.3.9.7.3 Correction Procedures (EC 079)
- 3.12.3.10 Error Codes 083-094
 - 3.12.3.10.1 Error Code 083 (CE) Form 8814 SSN/Name Control
 - 3.12.3.10.1.1 Fields Displayed, Form 1040 (EC 083)
 - 3.12.3.10.1.2 Invalid Conditions (EC 083)
 - 3.12.3.10.1.3 Correction Procedures (EC 083)
 - 3.12.3.10.2 Error Code 084 (CE) Form 4972 Qualifying Indicators
 - 3.12.3.10.2.1 Fields Displayed, Form 1040 (EC 084)
 - 3.12.3.10.2.2 Invalid Conditions (EC 084)
 - 3.12.3.10.2.3 Correction Procedures (EC 084)
 - 3.12.3.10.3 Error Code 085 (CE) Foreign Tax Credit Over Threshold and Form 1116 Not Attached
 - 3.12.3.10.3.1 Fields Displayed, Form 1040 (EC 085)
 - 3.12.3.10.3.2 Invalid Conditions (EC 085)
 - 3.12.3.10.3.3 Correction Procedures (EC 085)
 - 3.12.3.10.3.4 Reply Procedures (EC 085)
 - 3.12.3.10.4 Error Code 086 (CE) Schedule R Disability Income, Wages
 - 3.12.3.10.4.1 Fields Displayed, Form 1040 (EC 086)
 - 3.12.3.10.4.2 Invalid Conditions (EC 086)
 - 3.12.3.10.4.3 Correction Procedures (EC 086)
 - 3.12.3.10.5 Error Code 087 (CE) Schedule SE and RPC N or S
 - 3.12.3.10.5.1 Fields Displayed, Form 1040 (EC 087)
 - 3.12.3.10.5.2 Invalid Conditions (EC 087)
 - 3.12.3.10.5.3 Correction Procedures (EC 087)
 - 3.12.3.10.6 Error Code 088 (CE) SE Liability
 - 3.12.3.10.6.1 Fields Displayed, Form 1040 (EC 088)
 - 3.12.3.10.6.2 Invalid Conditions (EC 088)
 - 3.12.3.10.6.3 Correction Procedures (EC 088)
 - 3.12.3.10.6.4 Reply to Correspondence (EC 088)
 - 3.12.3.10.6.5 Prior Year (EC 088)
 - 3.12.3.10.7 Error Code 089 (CE) SE Method Code
 - 3.12.3.10.7.1 Fields Displayed, Form 1040 (EC 089)
 - 3.12.3.10.7.2 Invalid Conditions (EC 089)
 - 3.12.3.10.7.3 Correction Procedures (EC 089)
 - 3.12.3.10.8 Error Code 090 (CE) Farm/Business Optional Method
 - 3.12.3.10.8.1 Fields Displayed, Form 1040 (EC 090)
 - 3.12.3.10.8.2 Invalid Conditions (EC 090)
 - 3.12.3.10.8.3 General Information (EC 090)
 - 3.12.3.10.8.4 Correction Procedures (EC 090)

- 3.12.3.10.8.5 Prior Year (EC 090)
- 3.12.3.10.9 Error Code 091 (CE) SE Tax Optional Method
 - 3.12.3.10.9.1 Fields Displayed, Form 1040 (EC 091)
 - 3.12.3.10.9.2 Invalid Conditions (EC 091)
 - 3.12.3.10.9.3 General Information (EC 091)
 - 3.12.3.10.9.4 Correction Procedures (EC 091)
 - 3.12.3.10.9.5 Prior Year (EC 091)
- 3.12.3.10.10 Error Code 092 (CE) SE SSN in Sections 17 and 18 are the Same
 - 3.12.3.10.10.1 Fields Displayed, Form 1040 (EC 092)
 - 3.12.3.10.10.2 Invalid Conditions (EC 092)
 - 3.12.3.10.10.3 Correction Procedures (EC 092)
- 3.12.3.10.11 Error Code 094 (CE) SE SSN Not Equal to Secondary SSN
 - 3.12.3.10.11.1 Fields Displayed, Form 1040 (EC 094)
 - 3.12.3.10.11.2 Invalid Condition (EC 094)
 - 3.12.3.10.11.3 Correction Procedures (EC 094)
- 3.12.3.11 Error Codes 096-105
 - 3.12.3.11.1 Error Code 096 (CE) SE SSN Missing
 - 3.12.3.11.1.1 Fields Displayed, Form 1040 (EC 096)
 - 3.12.3.11.1.2 Invalid Conditions (EC 096)
 - 3.12.3.11.1.3 Correction Procedures (EC 096)
 - 3.12.3.11.2 Error Code 098 (CE) Filing Status Code/Section 18
 - 3.12.3.11.2.1 Fields Displayed, Form 1040 (EC 098)
 - 3.12.3.11.2.2 Invalid Conditions (EC 098)
 - 3.12.3.11.2.3 Correction Procedures (EC 098)
 - 3.12.3.11.3 Error Code 099 (CE) SE SSN Not Equal to Primary SSN
 - 3.12.3.11.3.1 Fields Displayed, Form 1040 (EC 099)
 - 3.12.3.11.3.2 Invalid Conditions (EC 099)
 - 3.12.3.11.3.3 Correction Procedures (EC 099)
 - 3.12.3.11.4 Error Code 100 (CE) Form 8941, Primary or Secondary TIN Mismatch (ACA)
 - 3.12.3.11.4.1 Fields Displayed, Form 1040 (EC 100, ACA)
 - 3.12.3.11.4.2 Invalid Conditions (EC 100, ACA)
 - 3.12.3.11.4.3 Correction Procedures (EC 100, ACA)
 - 3.12.3.11.4.4 Reply Procedures (EC 100, ACA)
 - 3.12.3.11.4.5 No Reply Procedures (EC 100, ACA)
 - 3.12.3.11.5 Error Code 101 (CE) Form 8941, SHOP Checkbox and Two-Year Declaration Checkbox (ACA)
 - 3.12.3.11.5.1 Fields Displayed, Form 1040 (EC 101, ACA)
 - 3.12.3.11.5.2 Invalid Conditions (EC 101, ACA)
 - 3.12.3.11.5.3 Correction Procedures (EC 101, ACA)
 - 3.12.3.11.5.4 Reply Procedures (EC 101, ACA)

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- 3.12.3.11.5.5 No Reply Procedures (EC 101, ACA)
 - 3.12.3.11.6 Error Code 102 (CE) Form 4137 SSN in Sections 24 and 25 are the Same
 - 3.12.3.11.6.1 Fields Displayed, Form 1040 (EC 102)
 - 3.12.3.11.6.2 Invalid Conditions (EC 102)
 - 3.12.3.11.6.3 Correction Procedures (EC 102)
 - 3.12.3.11.7 Error Code 103 (CE) Form 4137 SSN Not Equal to Secondary SSN
 - 3.12.3.11.7.1 Fields Displayed, Form 1040 (EC 103)
 - 3.12.3.11.7.2 Invalid Condition (EC 103)
 - 3.12.3.11.7.3 Correction Procedures (EC 103)
 - 3.12.3.11.8 Error Code 104 (CE) Form 4137 SSN Missing
 - 3.12.3.11.8.1 Fields Displayed, Form 1040 (EC 104)
 - 3.12.3.11.8.2 Invalid Conditions (EC 104)
 - 3.12.3.11.8.3 Correction Procedures (EC 104)
 - 3.12.3.11.9 Error Code 105 (CE) Filing Status Code/Section 25
 - 3.12.3.11.9.1 Fields Displayed, Form 1040 (EC 105)
 - 3.12.3.11.9.2 Invalid Condition (EC 105)
 - 3.12.3.11.9.3 Correction Procedures (EC 105)
 - 3.12.3.12 Error Codes 106-113
 - 3.12.3.12.1 Error Code 106 (CE) Form 4137 SSN Not Equal to Primary SSN
 - 3.12.3.12.1.1 Fields Displayed, Form 1040 (EC 106)
 - 3.12.3.12.1.2 Invalid Condition (EC 106)
 - 3.12.3.12.1.3 Correction Procedures (EC 106)
 - 3.12.3.12.2 Error Code 108 (CE) RPC 3 - Section 29/30 Present
 - 3.12.3.12.2.1 Fields Displayed, Form 1040 (EC 108)
 - 3.12.3.12.2.2 Invalid Conditions (EC 108)
 - 3.12.3.12.2.3 Correction Procedures (EC 108)
 - 3.12.3.12.3 Error Code 109 (CE) IRA Spouse Indicator
 - 3.12.3.12.3.1 Fields Displayed, Form 1040 (EC 109)
 - 3.12.3.12.3.2 Invalid Conditions (EC 109)
 - 3.12.3.12.3.3 Correction Procedures (EC 109)
 - 3.12.3.12.4 Error Code 113 (CE) IRA Spouse Indicator 2
 - 3.12.3.12.4.1 Fields Displayed,- Form 1040 (EC 113)
 - 3.12.3.12.4.2 Invalid Conditions (EC 113)
 - 3.12.3.12.4.3 Correction Procedures (EC 113)
 - 3.12.3.13 Error Codes 116-132
 - 3.12.3.13.1 Error Code 116 (CE) Withholding Equals Regulated Investment Company Credit or Total Tax
 - 3.12.3.13.1.1 Fields Displayed, Form 1040 (EC 116)
 - 3.12.3.13.1.2 Invalid Conditions (EC 116)
 - 3.12.3.13.1.3 Correction Procedures (EC 116)

- 3.12.3.13.2 Error Code 118 (CE) Withholding to Income Comparison
 - 3.12.3.13.2.1 Fields Displayed, Form 1040 (EC 118)
 - 3.12.3.13.2.2 Invalid Conditions (EC 118)
 - 3.12.3.13.2.3 Correction Procedures (EC 118)
 - 3.12.3.13.2.4 Withholding (EC 118)
 - 3.12.3.13.2.5 Wages (EC 118)
 - 3.12.3.13.2.6 No Adjustments Necessary (EC 118)
- 3.12.3.13.3 Error Code 121, Excess SST/RRTA
 - 3.12.3.13.3.1 Fields Displayed, Form 1040 (EC 121)
 - 3.12.3.13.3.2 Invalid Conditions (EC 121)
 - 3.12.3.13.3.3 Correction Procedures (EC 121)
 - 3.12.3.13.3.4 Prior Year (EC 121)
 - 3.12.3.13.3.5 Allowable Taxpayer Notice Codes (EC 121)
- 3.12.3.13.4 Error Code 122 (CE) CCC G, B or RPC L Not Present/Zero Return
 - 3.12.3.13.4.1 Fields Displayed, Form 1040 (EC 122)
 - 3.12.3.13.4.2 Invalid Conditions (EC 122)
 - 3.12.3.13.4.3 Correction Procedures (EC 122)
 - 3.12.3.13.4.4 Prior Year (EC 122)
- 3.12.3.13.5 Error Code 123 (CE) Non-Compute Code 2 and Preparer's Data Present
 - 3.12.3.13.5.1 Fields Displayed, Form 1040 (EC 123)
 - 3.12.3.13.5.2 Invalid Conditions (EC 123)
 - 3.12.3.13.5.3 Correction Procedures (EC 123)
 - 3.12.3.13.5.4 Field 02NC> Non-Compute Code (EC 123)
- 3.12.3.13.6 Error Code 124 (CE) CCC A, F or 9
 - 3.12.3.13.6.1 Fields Displayed, Form 1040 (EC 124)
 - 3.12.3.13.6.2 Invalid Conditions (EC 124)
 - 3.12.3.13.6.3 Correction Procedures (EC 124)
- 3.12.3.13.7 Error Code 126 (CE) Unallowable First-Time Homebuyer Credit (UA 84)
 - 3.12.3.13.7.1 Fields Displayed, Form 1040 (EC 126)
 - 3.12.3.13.7.2 Invalid Conditions (EC 126)
 - 3.12.3.13.7.3 Correction Procedures (EC 126)
- 3.12.3.13.8 Error Code 128 (CE) Form 5405 First-Time Homebuyer Credit Data Validation
 - 3.12.3.13.8.1 Fields Displayed, Form 1040 (EC 128)
 - 3.12.3.13.8.2 Invalid Conditions (EC 128)
 - 3.12.3.13.8.3 Correction Procedures (EC 128)
 - 3.12.3.13.8.4 Lines 1, 2 and 3, Form 5405 (EC 128)
 - 3.12.3.13.8.5 Line 7, Form 5405 (EC 128)
 - 3.12.3.13.8.6 Prior Year (EC 128)
- 3.12.3.13.9 Error Code 129 (CE) Form 4136 Credit Reference Number and Amount

- 3.12.3.13.9.1 Fields Displayed, Form 1040 (EC 129)
- 3.12.3.13.9.2 Invalid Conditions (EC 129)
- 3.12.3.13.9.3 Correction Procedures (EC 129)
- 3.12.3.13.10 Error Code 130 (CE) Schedule R Age Indicator/FSC/ABI
 - 3.12.3.13.10.1 Fields Displayed, Form 1040 (EC 130)
 - 3.12.3.13.10.2 Invalid Conditions (EC 130)
 - 3.12.3.13.10.3 Correction Procedures (EC 130)
- 3.12.3.13.11 Error Code 132 (CE) Schedule R Taxable Disability Income
 - 3.12.3.13.11.1 Fields Displayed, Form 1040 (EC 132)
 - 3.12.3.13.11.2 Invalid Conditions (EC 132)
 - 3.12.3.13.11.3 Correction Procedures (EC 132)
- 3.12.3.14 Error Codes 136-146
 - 3.12.3.14.1 Error Code 136 (CE) Pre-Determined Delinquency Penalty
 - 3.12.3.14.1.1 Fields Displayed, Form 1040 (EC 136)
 - 3.12.3.14.1.2 Invalid Conditions (EC 136)
 - 3.12.3.14.1.3 Correction Procedures (EC 136)
 - 3.12.3.14.2 Error Code 137 (CE) Routing and Transit Number (RTN) Verification
 - 3.12.3.14.2.1 Fields Displayed, Form 1040 (EC 137)
 - 3.12.3.14.2.2 Invalid Conditions (EC 137)
 - 3.12.3.14.2.3 General Information (EC 137)
 - 3.12.3.14.2.4 Correction Procedures (EC 137)
 - 3.12.3.14.3 Error Code 138 (CE) Direct Deposit
 - 3.12.3.14.3.1 Fields Displayed, Form 1040 (EC 138)
 - 3.12.3.14.3.2 Invalid Condition (EC 138)
 - 3.12.3.14.3.3 General Information (EC 138)
 - 3.12.3.14.3.4 Correction Procedures (EC 138)
 - 3.12.3.14.4 Error Code 139 (CE) Direct Deposit
 - 3.12.3.14.4.1 Fields Displayed, Form 1040 (EC 139)
 - 3.12.3.14.4.2 Invalid Condition (EC 139)
 - 3.12.3.14.4.3 Correction Procedures (EC 139)
 - 3.12.3.14.5 Error Code 142 (CE) Sections 06 and 56 Both Present
 - 3.12.3.14.5.1 Fields Displayed, Form 1040 (EC 142)
 - 3.12.3.14.5.2 Invalid Conditions (EC 142)
 - 3.12.3.14.5.3 Correction Procedures (EC 142)
 - 3.12.3.14.6 Error Code 144 (CE) Direct Deposit-Injured Spouse
 - 3.12.3.14.6.1 Fields Displayed, Form 1040 (EC 144)
 - 3.12.3.14.6.2 Invalid Conditions (EC 144)
 - 3.12.3.14.6.3 Correction Procedures (EC 144)
 - 3.12.3.14.7 Error Code 145 (CE) Savings Bond

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- 3.12.3.14.7.1 Fields Displayed, Form 1040 (EC 145)
 - 3.12.3.14.7.2 Invalid Conditions (EC 145)
 - 3.12.3.14.7.3 Correction Procedures (EC 145)
 - 3.12.3.14.8 Error Code 146 (CE) Direct Deposit Does Not Equal Balance Due/Refund
 - 3.12.3.14.8.1 Fields Displayed, Form 1040 (EC 146)
 - 3.12.3.14.8.2 Invalid Conditions (EC 146)
 - 3.12.3.14.8.3 Correction Procedures (EC 146)
 - 3.12.3.15 Error Code 157 - Reserved
 - 3.12.3.16 Error Code 158-159
 - 3.12.3.16.1 Error Code 158 (CE) Form 8853 SSN Missing
 - 3.12.3.16.1.1 Fields Displayed, Form 1040 (EC 158)
 - 3.12.3.16.1.2 Invalid Conditions (EC 158)
 - 3.12.3.16.1.3 Correction Procedures (EC 158)
 - 3.12.3.16.2 Error Code 159 (CE) Form 8853 SSN Not Equal to Primary/Secondary SSN
 - 3.12.3.16.2.1 Fields Displayed, Form 1040 (EC 159)
 - 3.12.3.16.2.2 Invalid Conditions (EC 159)
 - 3.12.3.16.2.3 Correction Procedures (EC 159)
 - 3.12.3.17 Error Codes 160-168
 - 3.12.3.17.1 Error Code 160 (CE) Excludable Savings Bond Interest and FSC 3 or 6
 - 3.12.3.17.1.1 Fields Displayed, Form 1040 (EC 160)
 - 3.12.3.17.1.2 Invalid Conditions (EC 160)
 - 3.12.3.17.1.3 Correction Procedures (EC 160)
 - 3.12.3.17.2 Error Code 161 (CE) Schedule H Present Before 199512 or “Loose”
 - 3.12.3.17.2.1 Fields Displayed, Form 1040 (EC 161)
 - 3.12.3.17.2.2 Invalid Condition (EC 161)
 - 3.12.3.17.2.3 Correction Procedures (EC 161)
 - 3.12.3.17.3 Error Code 162 (CE) Schedule H Social Security and Medicare Wages Different or Under \$2,600
 - 3.12.3.17.3.1 Fields Displayed, Form 1040 (EC 162)
 - 3.12.3.17.3.2 Invalid Condition (EC 162)
 - 3.12.3.17.3.3 Correction Procedures (EC 162)
 - 3.12.3.17.3.4 Prior Year (EC 162)
 - 3.12.3.17.4 Error Code 164 (CE) Schedule H Primary SSN or EIN Equal to Schedule H Secondary SSN or EIN
 - 3.12.3.17.4.1 Fields Displayed, Form 1040 (EC 164)
 - 3.12.3.17.4.2 Invalid Condition (EC 164)
 - 3.12.3.17.4.3 Correction Procedures (EC 164)
 - 3.12.3.17.5 Error Code 165 (CE) Schedule H Secondary SSN Not Equal to Secondary SSN
 - 3.12.3.17.5.1 Fields Displayed, Form 1040 (EC 165)

- 3.12.3.17.5.2 Invalid Condition (EC 165)
- 3.12.3.17.5.3 Correction Procedures (EC 165)
- 3.12.3.17.6 Error Code 166 (CE) Schedule H SSN Missing
 - 3.12.3.17.6.1 Fields Displayed, Form 1040 (EC 166)
 - 3.12.3.17.6.2 Invalid Condition (EC 166)
 - 3.12.3.17.6.3 Correction Procedures (EC 166)
- 3.12.3.17.7 Error Code 167 (CE) Filing Status Code and Section 45
 - 3.12.3.17.7.1 Fields Displayed, Form 1040 (EC 167)
 - 3.12.3.17.7.2 Invalid Condition (EC 167)
 - 3.12.3.17.7.3 Correction Procedures (EC 167)
- 3.12.3.17.8 Error Code 168 (CE) Schedule H Primary SSN Not Equal to Primary SSN
 - 3.12.3.17.8.1 Fields Displayed, Form 1040 (EC 168)
 - 3.12.3.17.8.2 Invalid Condition (EC 168)
 - 3.12.3.17.8.3 Correction Procedures (EC 168)
- 3.12.3.18 Error Codes 170-179
 - 3.12.3.18.1 Error Code 170 (CE) Schedule H EIN NAP Not Accessed
 - 3.12.3.18.1.1 Fields Displayed, Form 1040 (EC 170)
 - 3.12.3.18.1.2 Invalid Condition (EC 170)
 - 3.12.3.18.1.3 Correction Procedures (EC 170)
 - 3.12.3.18.2 Error Code 172 (CE) Schedule H EIN NAP Mismatch
 - 3.12.3.18.2.1 Fields Displayed, Form 1040 (EC 172)
 - 3.12.3.18.2.2 Invalid Condition (EC 172)
 - 3.12.3.18.2.3 Correction Procedures (EC 172)
 - 3.12.3.18.3 Error Code 175 (CE) Schedule H FUTA Indicator vs. FUTA Total Tentative Credit
 - 3.12.3.18.3.1 Fields Displayed, Form 1040 (EC 175)
 - 3.12.3.18.3.2 Invalid Condition (EC 175)
 - 3.12.3.18.3.3 Correction Procedures (EC 175)
 - 3.12.3.18.4 Error Code 176 (CE) Schedule H FUTA Total Tentative Credit vs. Total FUTA Wages
 - 3.12.3.18.4.1 Fields Displayed, Form 1040 (EC 176)
 - 3.12.3.18.4.2 Invalid Condition (EC 176)
 - 3.12.3.18.4.3 Correction Procedures (EC 176)
 - 3.12.3.18.5 Error Code 177 (CE) Schedule H State Codes Not in Sequence
 - 3.12.3.18.5.1 Fields Displayed, Form 1040 (EC 177)
 - 3.12.3.18.5.2 Invalid Condition (EC 177)
 - 3.12.3.18.5.3 Correction Procedures (EC 177)
 - 3.12.3.18.6 Error Code 178 (CE) Schedule H FUTA State Codes vs. FUTA Total Tentative Credit
 - 3.12.3.18.6.1 Fields Displayed, Form 1040 (EC 178)
 - 3.12.3.18.6.2 Invalid Condition (EC 178)
 - 3.12.3.18.6.3 Correction Procedures (EC 178)

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- 3.12.3.18.7 Error Code 179 (CE) Schedule H FUTA State Codes
 - 3.12.3.18.7.1 Fields Displayed, Form 1040 (EC 179)
 - 3.12.3.18.7.2 Invalid Condition (EC 179)
 - 3.12.3.18.7.3 Correction Procedures (EC 179)
 - 3.12.3.19 Error Codes 181-188
 - 3.12.3.19.1 Error Code 181 (CE) Schedule H FUTA State Code 1 vs. Total FUTA Wages
 - 3.12.3.19.1.1 Fields Displayed, Form 1040 (EC 181)
 - 3.12.3.19.1.2 Invalid Condition (EC 181)
 - 3.12.3.19.1.3 Correction Procedures (EC 181)
 - 3.12.3.19.1.4 Prior Year (EC 181)
 - 3.12.3.19.2 Error Code 182 (CE) Schedule H State Codes vs. Section 01 State Code
 - 3.12.3.19.2.1 Fields Displayed, Form 1040 (EC 182)
 - 3.12.3.19.2.2 Invalid Condition (EC 182)
 - 3.12.3.19.2.3 Correction Procedures (EC 182)
 - 3.12.3.19.3 Error Code 183 (CE) Schedule H Total Credit Reduction
 - 3.12.3.19.3.1 Fields Displayed, Form 1040 (EC 183)
 - 3.12.3.19.3.2 Invalid Condition (EC 183)
 - 3.12.3.19.3.3 Correction Procedures (EC 183)
 - 3.12.3.19.4 Error Code 184 (CE) Schedule H State Codes and Credit Reduction Wages
 - 3.12.3.19.4.1 Fields Displayed, Form 1040 (EC 184)
 - 3.12.3.19.4.2 Invalid Condition (EC 184)
 - 3.12.3.19.4.3 Correction Procedures (EC 184)
 - 3.12.3.19.5 Error Code 185 - Reserved
 - 3.12.3.19.6 Error Code 186 (CE) Schedule H Credit Reduction Wages vs. Total FUTA Wages
 - 3.12.3.19.6.1 Fields Displayed, Form 1040 (EC 186)
 - 3.12.3.19.6.2 Invalid Condition (EC 186)
 - 3.12.3.19.6.3 Correction Procedures (EC 186)
 - 3.12.3.19.7 Error Code 187 (CE) Schedule H Additional States Indicator
 - 3.12.3.19.7.1 Fields Displayed, Form 1040 (EC 187)
 - 3.12.3.19.7.2 Invalid Condition (EC 187)
 - 3.12.3.19.7.3 Correction Procedures (EC 187)
 - 3.12.3.19.8 Error Code 188 (CE) Form 965-A ERS Validation
 - 3.12.3.19.8.1 Fields Displayed, Forms 1040 (EC 188)
 - 3.12.3.19.8.2 Invalid Condition (EC 188)
 - 3.12.3.19.8.3 Correction Procedures (EC 188)
 - 3.12.3.20 Error Codes 189-199 (ACA)
 - 3.12.3.20.1 Error Code 189 (CE) Form 8962 - Verification of Potentially Excessive Amounts (ACA)
 - 3.12.3.20.1.1 Fields Displayed, Form 1040 (EC 189, ACA)
 - 3.12.3.20.1.2 Invalid Conditions (EC 189, ACA)

- 3.12.3.20.1.3 Correction Procedures (EC 189, ACA)
- 3.12.3.20.1.4 Action Code 499 (EC 189, ACA)
- 3.12.3.20.2 Error Code 190 (CE) No Form 8962 present, APTC received per Marketplace (ACA)
 - 3.12.3.20.2.1 Fields Displayed, Form 1040 (EC 190, ACA)
 - 3.12.3.20.2.2 Invalid Conditions (EC 190, ACA)
 - 3.12.3.20.2.3 Correction Procedures (EC 190, ACA)
 - 3.12.3.20.2.4 Reply Procedures (EC 190, ACA)
 - 3.12.3.20.2.5 No Reply Procedures (EC 190, ACA)
- 3.12.3.20.3 Error Code 191 (CE) Form 8962, Household Income Percentage Less Than 100 (ACA)
 - 3.12.3.20.3.1 Fields Display - Form 1040 (EC 191, ACA)
 - 3.12.3.20.3.2 Invalid Conditions (EC 191, ACA)
 - 3.12.3.20.3.3 Correction Procedures (EC 191, ACA)
 - 3.12.3.20.3.4 Reply Procedures (EC 191, ACA)
 - 3.12.3.20.3.5 No Reply Procedures (EC 191, ACA)
- 3.12.3.20.4 Error Code 192 (CE) Form 8962, Dependent Modified AGI (MAGI) (ACA)
 - 3.12.3.20.4.1 Fields Displayed, Form 1040 (EC 192, ACA)
 - 3.12.3.20.4.2 Invalid Condition (EC 192, ACA)
 - 3.12.3.20.4.3 Correction Procedures (EC 192, ACA)
 - 3.12.3.20.4.4 Reply Procedures (EC 192, ACA)
 - 3.12.3.20.4.5 No Reply Procedures (EC 192, ACA)
- 3.12.3.20.5 Error Code 193 (CE) Form 8962, Part V, Alternative Calculation for Year of Marriage (ACM) (ACA)
 - 3.12.3.20.5.1 Fields Displayed, Form 1040 (EC 193, ACA)
 - 3.12.3.20.5.2 Invalid Condition (EC 193, ACA)
 - 3.12.3.20.5.3 Correction Procedures (EC 193, ACA)
 - 3.12.3.20.5.4 Reply Procedures (EC 193, ACA)
 - 3.12.3.20.5.5 No Reply Procedures (EC 193, ACA)
- 3.12.3.20.6 Error Code 194 (CE) Form 8962, Part IV, Allocation of Policy Amounts (ACA)
 - 3.12.3.20.6.1 Fields Displayed, Form 1040 (EC 194, ACA)
 - 3.12.3.20.6.2 Invalid Conditions (EC 194, ACA)
 - 3.12.3.20.6.3 Correction Procedures (EC 194, ACA)
 - 3.12.3.20.6.4 Reply Procedures (EC 194, ACA)
 - 3.12.3.20.6.5 No Reply Procedures (EC 194, ACA)
- 3.12.3.20.7 Error Code 195 (CE) Form 8962 Present, No One Enrolled in the Marketplace (ACA)
 - 3.12.3.20.7.1 Fields Displayed, Form 1040 (EC 195, ACA)
 - 3.12.3.20.7.2 Invalid Condition (EC 195, ACA)
 - 3.12.3.20.7.3 Correction Procedures (EC 195, ACA)
 - 3.12.3.20.7.4 Reply Procedures (EC 195, ACA)
 - 3.12.3.20.7.5 No Reply Procedures (EC 195, ACA)

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- 3.12.3.20.8 Error Code 196 (CE) Form 8962, Part II, Annual vs. Monthly, Reconciliation of Annual Calculation (ACA)
 - 3.12.3.20.8.1 Fields Displayed, Form 1040 (EC 196, ACA)
 - 3.12.3.20.8.2 Invalid Conditions (EC 196, ACA)
 - 3.12.3.20.8.3 Correction Procedures (EC 196, ACA)
 - 3.12.3.20.8.4 Reply Procedures (EC 196, ACA)
 - 3.12.3.20.8.5 No Reply Procedures (EC 196, ACA)
 - 3.12.3.20.9 Error Code 197 (CE) Form 8962, Annual/Monthly Premium Amount(s), Column A (ACA)
 - 3.12.3.20.9.1 Fields Displayed, Form 1040 (EC 197, ACA)
 - 3.12.3.20.9.2 Invalid Conditions (EC 197, ACA)
 - 3.12.3.20.9.3 Correction Procedures (EC 197, ACA)
 - 3.12.3.20.9.4 Reply Procedures (EC 197, ACA)
 - 3.12.3.20.9.5 No Reply Procedures (EC 197, ACA)
 - 3.12.3.20.10 Error Code 198 (CE) Form 8962, Annual/Monthly SLCSP Amount(s), Column B (ACA)
 - 3.12.3.20.10.1 Fields Displayed, Form 1040 (EC 198, ACA)
 - 3.12.3.20.10.2 Invalid Conditions (EC 198, ACA)
 - 3.12.3.20.10.3 Correction Procedures (EC 198, ACA)
 - 3.12.3.20.10.4 Reply Procedures (EC 198, ACA)
 - 3.12.3.20.10.5 No Reply Procedures (EC 198, ACA)
 - 3.12.3.20.11 Error Code 199 (CE) Form 8962, Annual/Monthly APTC Amount(s), Column F (ACA)
 - 3.12.3.20.11.1 Fields Displayed, Form 1040 (EC 199, ACA)
 - 3.12.3.20.11.2 Invalid Conditions (EC 199, ACA)
 - 3.12.3.20.11.3 Correction Procedures (EC 199, ACA)
 - 3.12.3.20.11.4 Reply Procedures (EC 199, ACA)
 - 3.12.3.20.11.5 No Reply Procedures (EC 199, ACA)
 - 3.12.3.21 Error Codes 201-211
 - 3.12.3.21.1 Error Code 201, Wages
 - 3.12.3.21.1.1 Fields Displayed, Form 1040 (EC 201)
 - 3.12.3.21.1.2 Invalid Conditions (EC 201)
 - 3.12.3.21.1.3 Correction Procedures (EC 201)
 - 3.12.3.21.2 Error Code 202 and 502, Schedule C/C-EZ
 - 3.12.3.21.2.1 Fields Displayed, Form 1040 (EC 202)
 - 3.12.3.21.2.2 Invalid Conditions (EC 202)
 - 3.12.3.21.2.3 Correction Procedures (EC 202)
 - 3.12.3.21.2.4 Field 0403, Schedule C Profit/Loss (EC 202)
 - 3.12.3.21.2.5 Field 0901, Gross Receipts Amount (Schedule C/C-EZ) (EC 202)
 - 3.12.3.21.2.6 Field 0902, Returns and Allowances (EC 202)
 - 3.12.3.21.2.7 Field 0904, Cost of Goods Sold (EC 202)
 - 3.12.3.21.2.8 Field 0906, Other Income (EC 202)

- 3.12.3.21.2.9 Field 09EXP, Total Expenses (Schedule C/C-EZ) (EC 202)
- 3.12.3.21.2.10 Field 0930, Expenses for Business Use of Home (EC 202)
- 3.12.3.21.2.11 Field 09AR, At-Risk Code (EC 202)
- 3.12.3.21.2.12 Field 09NET>, Schedule C Profit or Loss Computer (EC 202)
- 3.12.3.21.2.13 Self-Employment Tax (EC 202)
- 3.12.3.21.2.14 Child and Dependent Care Credit (EC 202)
- 3.12.3.21.2.15 Community Property (EC 202)
- 3.12.3.21.2.16 Correction Procedures (EC 502)
- 3.12.3.21.2.17 Prior Year (EC 202)
- 3.12.3.21.2.18 Allowable Taxpayer Notice Codes (Form 1040) (EC 202)
- 3.12.3.21.3 Error Code 203 (CE) Schedule D and RPC T
 - 3.12.3.21.3.1 Fields Displayed,- Form 1040 (EC 203)
 - 3.12.3.21.3.2 Invalid Conditions (EC 203)
 - 3.12.3.21.3.3 Correction Procedures (EC 203)
 - 3.12.3.21.3.4 Form 1040 (EC 203)
- 3.12.3.21.4 Error Code 204 and 504, Schedule D
 - 3.12.3.21.4.1 Fields Displayed, Form 1040 (EC 204)
 - 3.12.3.21.4.2 Invalid Conditions (EC 204)
 - 3.12.3.21.4.3 Correction Procedures (EC 204)
 - 3.12.3.21.4.4 Field 03CGL, Schedule D Profit or Loss (EC 204)
 - 3.12.3.21.4.5 Field 1207, Net Short-term Gain or Loss (EC 204)
 - 3.12.3.21.4.6 Field 1215, Net Long-term Gain or Loss (EC 204)
 - 3.12.3.21.4.7 Fields 1218 and 1219, Schedule D (EC 204)
 - 3.12.3.21.4.8 Field 12DV, Schedule D Verified (EC 204)
 - 3.12.3.21.4.9 Correction Procedures (EC 504)
 - 3.12.3.21.4.10 Prior Year (EC 204)
 - 3.12.3.21.4.11 Allowable Taxpayer Notice Codes (Form 1040) (EC 204)
- 3.12.3.21.5 Error Code 206 and 506, Schedule E
 - 3.12.3.21.5.1 Fields Displayed, Form 1040 (EC 206)
 - 3.12.3.21.5.2 Invalid Conditions (EC 206)
 - 3.12.3.21.5.3 Correction Procedures (EC 206)
 - 3.12.3.21.5.4 Field 0405, Schedule E Income or Loss (EC 206)
 - 3.12.3.21.5.5 Field 1326>, Rent and Royalties Computer (EC 206)
 - 3.12.3.21.5.6 Field 1332>, Partnership and S Corporation Profit or Loss Computer (EC 206)
 - 3.12.3.21.5.7 Field 1337>, Estate and Trust Profit or Loss Computer (EC 206)
 - 3.12.3.21.5.8 Correction Procedures (EC 506)
 - 3.12.3.21.5.9 Prior Year (EC 206)
 - 3.12.3.21.5.10 Allowable Taxpayer Notice Codes (Form 1040) (EC 206)
- 3.12.3.21.6 Error Code 208 and 508, Schedule F

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- 3.12.3.21.6.1 Fields Displayed, Form 1040 (EC 208)
 - 3.12.3.21.6.2 Invalid Conditions (EC 208)
 - 3.12.3.21.6.3 Correction Procedures (EC 208)
 - 3.12.3.21.6.4 Field 0406, Combined Schedule F Profit/Loss (EC 208)
 - 3.12.3.21.6.5 Field 1409, Gross Income (Cash) (EC 208)
 - 3.12.3.21.6.6 Field 1433, Total Farm Expenses (EC 208)
 - 3.12.3.21.6.7 Field 14AR, At-Risk Code (EC 208)
 - 3.12.3.21.6.8 Field 1450, Gross Income (Accrual) (EC 208)
 - 3.12.3.21.6.9 Field 1434>, Schedule F Profit or Loss Computer (EC 208)
 - 3.12.3.21.6.10 Correction Procedures (EC 508)
 - 3.12.3.21.6.11 Prior Year (EC 208)
 - 3.12.3.21.6.12 Allowable Taxpayer Notice Codes (Form 1040) (EC 208)
 - 3.12.3.21.7 Error Code 209, Schedule SE, Combined SE Tax
 - 3.12.3.21.7.1 Fields Displayed, Form 1040 (EC 209)
 - 3.12.3.21.7.2 Invalid Conditions (EC 209)
 - 3.12.3.21.7.3 Sections 17 and 18, Schedule SE General Information (EC 209)
 - 3.12.3.21.7.4 Correction Procedures (EC 209)
 - 3.12.3.21.7.5 Field 05204, Combined Self-Employment Tax (EC 209)
 - 3.12.3.21.7.6 Field 1701A, Net Farm Profit or Loss (EC 209)
 - 3.12.3.21.7.7 Field 1701B, Conservation Reserve Program Payment (EC 209)
 - 3.12.3.21.7.8 Field 1702, Net Non-Farm Profit or Loss (EC 209)
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 - 3.12.3.21.7.11 Field 17MCD, SE Method Code (EC 209)
 - 3.12.3.21.7.12 Field 17CHW, Tentative Church Wages (Schedule SE) (EC 209)
 - 3.12.3.21.7.13 Field 17TNE>, Total Net Earnings Computer (EC 209)
 - 3.12.3.21.7.14 Field 17TSW, Total Social Security Wages Covered (EC 209)
 - 3.12.3.21.7.15 Field 17SET>, Self-Employment Tax Computer (EC 209)
 - 3.12.3.21.7.16 Field 17SEV, Self-Employment Tax Verified (EC 209)
 - 3.12.3.21.7.17 SE Tax Assessed Under EC 380 (No Reply) (EC 209)
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 - 3.12.3.21.8.2 Invalid Conditions (EC 210)
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 - 3.12.3.21.9 Error Code 211 and 511, Deduction for Self-Employment Tax
 - 3.12.3.21.9.1 Fields Displayed, Form 1040 (EC 211)
 - 3.12.3.21.9.2 Invalid Condition (EC 211)

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- 3.12.3.21.9.3 Correction Procedures (EC 211)
 - 3.12.3.21.9.4 Field 04DSE, Deduction for Self-Employment Tax (EC 211)
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 - 3.12.3.22.1.1 Fields Displayed, Form 1040 (EC 214)
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 - 3.12.3.22.9.2 Invalid Conditions (EC 227)
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 - 3.12.3.23.3 Error Code 238 and 538, Total Interest Deduction
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 - 3.12.3.23.3.2 Invalid Conditions (EC 238)
 - 3.12.3.23.3.3 Correction Procedures (EC 238)
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 - 3.12.3.23.3.5 Prior Year (EC 238)
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 - 3.12.3.23.4 Error Code 240 and 540, Total Contributions
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 - 3.12.3.23.5.2 Invalid Conditions (EC 242)
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 - 3.12.3.23.9.2 Invalid Conditions (EC 249)
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 - 3.12.3.23.10.3 Correction Procedures (EC 250)
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 - 3.12.3.24.2.1 Fields Displayed, Form 1040 (EC 256)

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 - 3.12.3.24.3 Error Code 258 and 558 - Form 8615 Tax
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 - 3.12.3.24.3.4 Taxable Income Amount Verified (EC 258)
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 - 3.12.3.24.3.9 Prior Year/Maximum Rates (EC 258)
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 - 3.12.3.24.4 Error Code 260 (CE) CCC Y
 - 3.12.3.24.4.1 Fields Displayed, Form 1040 (EC 260)
 - 3.12.3.24.4.2 Invalid Conditions (EC 260)
 - 3.12.3.24.4.3 Correction Procedures (EC 260)
 - 3.12.3.24.4.4 Prior Year (EC 260)
 - 3.12.3.24.4.5 Tentative Tax Verified, Field 94TTV (EC 260)
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- 3.12.3.24.5.5 Prior Year (EC 261)
 - 3.12.3.24.5.6 Allowable Taxpayer Notice Codes (Form 1040) (EC 261)
 - 3.12.3.24.6 Error Code 262 and 562, Form 8814 Tax, Section 41
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 - 3.12.3.24.6.5 Prior Year (EC 262)
 - 3.12.3.24.6.6 Allowable Taxpayer Notice Codes (Form 1040) (EC 262)
 - 3.12.3.24.7 Error Code 263 and 563, Form 8814 Tax, Section 42
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 - 3.12.3.24.7.2 Invalid Conditions (EC 263)
 - 3.12.3.24.7.3 Correction Procedures (EC 263)
 - 3.12.3.24.7.4 Correction Procedures (EC 563)
 - 3.12.3.24.7.5 Prior Year (EC 263)
 - 3.12.3.24.7.6 Allowable Taxpayer Notice Codes (Form 1040) (EC 263)
 - 3.12.3.24.8 Error Code 264 and 564, Form 4972 Tax
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- 3.12.3.25.1.15 Prior Year (EC 265)
- 3.12.3.25.1.16 Allowable Taxpayer Notice Codes (Form 1040) (EC 265)
- 3.12.3.25.2 Error Code 267, Form 6251, Alternative Minimum Tax
 - 3.12.3.25.2.1 Fields Displayed, Form 1040 (EC 267)
 - 3.12.3.25.2.2 Invalid Conditions (EC 267)
 - 3.12.3.25.2.3 Correction Procedures (EC 267)
 - 3.12.3.25.2.4 Field 3204>, Alternative Minimum Taxable Income Computer (EC 267)
 - 3.12.3.25.2.5 Field 32EX>, Alternative Minimum Taxable Income Exemption Computer (EC 267)
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 - 3.12.3.25.2.10 Field 3211V, Alternative Minimum Tax Verified (EC 267)
 - 3.12.3.25.2.11 Prior Year (EC 267)
 - 3.12.3.25.2.12 Field 3204>, (PY) Alternative Minimum Taxable Income Computer (EC 267)
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 - 3.12.3.25.2.15 Allowable Taxpayer Notice Codes (Form 1040) (EC 267)
- 3.12.3.25.3 Error Code 268, Alternative Minimum Tax Liability
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 - 3.12.3.25.4.1 Fields Displayed, Form 1040 (EC 269)
 - 3.12.3.25.4.2 Invalid Conditions (EC 269)
 - 3.12.3.25.4.3 Correction Procedures (EC 269)
- 3.12.3.26 Error Codes 270-276 (ACA) and Error Codes 277-300
 - 3.12.3.26.1 Error Code 270, Form 8962 Missing and APTC Repayment Amount Present (ACA)
 - 3.12.3.26.1.1 Fields Displayed, Form 1040 (EC 270, ACA)
 - 3.12.3.26.1.2 Invalid Conditions (EC 270, ACA)
 - 3.12.3.26.1.3 Correction Procedures (EC 270, ACA)
 - 3.12.3.26.1.4 Reply Procedures (EC 270, ACA)
 - 3.12.3.26.1.5 No Reply Procedures (EC 270, ACA)
 - 3.12.3.26.2 Error Code 271, Form 8962, Line 8b, Monthly Contribution (ACA)
 - 3.12.3.26.2.1 Fields Displayed, Form 1040, (EC 271, ACA)
 - 3.12.3.26.2.2 Invalid Conditions (EC 271, ACA)
 - 3.12.3.26.2.3 Correction Procedures (EC 271, ACA)

- 3.12.3.26.2.4 Allowable Taxpayer Notice Codes (Form 1040) (EC 271, ACA)
- 3.12.3.26.3 Error Code 272, Form 8962, Part 5, Ineligible for Alternative Calculation for Marriage (ACM) (ACA)
 - 3.12.3.26.3.1 Fields Displayed, Form 1040 (EC 272, ACA)
 - 3.12.3.26.3.2 Invalid Conditions (EC 272, ACA)
 - 3.12.3.26.3.3 Correction Procedures (EC 272, ACA)
 - 3.12.3.26.3.4 Allowable Taxpayer Notice Codes (Form 1040) (EC 272, ACA)
- 3.12.3.26.4 Error Code 273, Form 8962, Primary/Secondary ACM Monthly Contribution Differs, Line 35A/36A (ACA)
 - 3.12.3.26.4.1 Fields Displayed, Form 1040 (EC 273, ACA)
 - 3.12.3.26.4.2 Invalid Conditions (EC 273, ACA)
 - 3.12.3.26.4.3 Correction Procedures (EC 273, ACA)
 - 3.12.3.26.4.4 Allowable Taxpayer Notice Codes (Form 1040) (EC 273, ACA)
- 3.12.3.26.5 Error Code 274, Form 8962, Line 24, Annual/Monthly Premium Tax Credit (ACA)
 - 3.12.3.26.5.1 Fields Displayed, Form 1040 (EC 274, ACA)
 - 3.12.3.26.5.2 Invalid Conditions (EC 274, ACA)
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 - 3.12.3.26.5.4 Allowable Taxpayer Notice Codes (Form 1040) (EC 274, ACA)
- 3.12.3.26.6 Error Code 275, Form 8962, Line 25, Advance PTC (ACA)
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 - 3.12.3.26.6.2 Invalid Conditions (EC 275, ACA)
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 - 3.12.3.28.11.9 Fields PNFH> and SNFH>, FTHBC Primary and Secondary NAP First Time Homebuyer Credit Computer

- 3.12.3.28.11.10 Field 05TAT, Other Taxes (EC 334)
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- 3.12.3.28.11.15 Prior Year (EC 334)
- 3.12.3.28.11.16 Allowable Taxpayer Notice Codes (Form 1040) (EC 334)
- 3.12.3.28.12 Error Code 335, Earned Income Credit (PY)
 - 3.12.3.28.12.1 Fields Displayed, Form 1040 (EC 335)
 - 3.12.3.28.12.2 Invalid Conditions (EC 335)
 - 3.12.3.28.12.3 Correction Procedures (EC 335)
- 3.12.3.28.13 Error Code 336 (CE) EIC Child Eligibility Verification
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 - 3.12.3.28.13.2 Invalid Conditions (EC 336)
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 - 3.12.3.28.13.4 Prior Year (EC 336)
- 3.12.3.28.14 Error Code 337 and 637 (ME) EIC Math Verification with Schedule EIC Attached
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 - 3.12.3.28.15.4 Taxpayer Requests IRS Compute EIC (EC 338)
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- 3.12.3.28.15.7 Prior Year (EC 338)
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 - 3.12.3.30.1.9 Prior Year (EC 344)
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 - 3.12.3.30.2.1 Fields Displayed, Form 1040 (EC 345)
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 - 3.12.3.30.2.3 Correction Procedures (EC 345)
 - 3.12.3.30.2.4 Fields 01TCE>, 01T6E>, and 94CEV, Total Children Eligible for Child Tax Credit/Refundable Child Tax Credit (EC 345)
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- 3.12.3.30.6 Error Code 352, Form 8962 is Missing and Refundable Credit Claimed (ACA)
 - 3.12.3.30.6.1 Fields Displayed, Form 1040 (EC 352, ACA)
 - 3.12.3.30.6.2 Invalid Conditions (EC 352, ACA)
 - 3.12.3.30.6.3 Correction Procedures (EC 352, ACA)
 - 3.12.3.30.6.4 Reply Procedures (EC 352, ACA)
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 - 3.12.3.30.6.6 Allowable Taxpayer Notice Codes (Form 1040) (EC 352, ACA)
- 3.12.3.30.7 Error Code 353 - Form 8962, PTC Claimed, Not Eligible
 - 3.12.3.30.7.1 Fields Displayed, Form 1040, (EC 353, ACA)
 - 3.12.3.30.7.2 Invalid Conditions (EC 353, ACA)
 - 3.12.3.30.7.3 Correction Procedures (EC 353, ACA)
 - 3.12.3.30.7.4 Allowable Taxpayer Notice Codes (Form 1040) (EC 353, ACA)
- 3.12.3.30.8 Error Code 354 - Form 8962, Premium Tax Credit (ACA)
 - 3.12.3.30.8.1 Fields Displayed, Form 1040 (EC 354, ACA)
 - 3.12.3.30.8.2 Invalid Conditions (EC 354, ACA)
 - 3.12.3.30.8.3 Correction Procedures (EC 354, ACA)
 - 3.12.3.30.8.4 Allowable Taxpayer Notice Codes (Form 1040) (EC 354, ACA)
- 3.12.3.30.9 Error Code 356 - Fuel Tax Credit
 - 3.12.3.30.9.1 Fields Displayed, Form 1040 (EC 356)
 - 3.12.3.30.9.2 Invalid Conditions (EC 356)
 - 3.12.3.30.9.3 Correction Procedures (EC 356)
 - 3.12.3.30.9.4 (PY) Fuel Tax Credit (EC 356)
 - 3.12.3.30.9.5 Allowable Taxpayer Notice Codes (Form 1040) (EC 356)
- 3.12.3.30.10 Error Code 357, Elective Payment Elections
 - 3.12.3.30.10.1 Fields Displayed, Form 1040 (EC 357)
 - 3.12.3.30.10.2 Invalid Conditions (EC 357)
 - 3.12.3.30.10.3 Correction Procedures (EC 357)
- 3.12.3.30.11 Error Code 358, Forms 2439, 8839, 8801, 8885 and Other Credits
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 - 3.12.3.30.11.2 Invalid Conditions (EC 358)
 - 3.12.3.30.11.3 Correction Procedures (EC 358)
 - 3.12.3.30.11.4 Field 05RIC, Schedule 3, Line 13a - Form 2439, Regulated Investment Credit (EC 358)
 - 3.12.3.30.11.5 Field 05SFL, Schedule 3, line 13b - Credit for Qualified Sick and Family Leave (EC 358)
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- 3.12.3.30.11.6.3 Reply Procedures (HCTC) (EC 358)
- 3.12.3.30.11.6.4 No Reply Procedures (HCTC) (EC 358)
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- 3.12.3.30.11.8 Field 05SL2, Schedule 3, line 13h, Qualified Sick and Family Leave Wages Paid in 2022 from Schedule H (EC 358)
- 3.12.3.30.11.9 Schedule 3, Line 13z, Write-in Credit (EC 358)
- 3.12.3.30.11.10 Field 05DHS, Schedule 3, Line 12e, Deferral for Certain Schedule H or SE Filers, Tax Year 2020 (EC 358)
- 3.12.3.30.11.11 Field 05OPR, Schedule 3, Line 14, Unidentified Credit (EC 358)
- 3.12.3.30.11.12 Prior Year (EC 358)
- 3.12.3.30.11.13 Allowable Taxpayer Notice Codes (EC 358)
- 3.12.3.30.12 Error Code 360 - Refundable Payments or Credits Verification
 - 3.12.3.30.12.1 Fields Displayed, Form 1040 (EC 360)
 - 3.12.3.30.12.2 Invalid Conditions (EC 360)
 - 3.12.3.30.12.3 Correction Procedures (EC 360)
- 3.12.3.30.13 Error Code 362, Reserved
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 - 3.12.3.30.14.1 Fields Displayed (EC 363)
 - 3.12.3.30.14.2 Invalid Conditions (EC 363)
 - 3.12.3.30.14.3 Correction Procedures (EC 363)
 - 3.12.3.30.14.4 Field 21CPT, Child and Dependent Care Provider TIN (EC 363)
 - 3.12.3.30.14.5 Fields 21CN1 and 21CN2 and 21DS1 and 21DS2, Dependent Child Care Name Control and SSN (EC 363)
 - 3.12.3.30.14.6 Field 21CSR, Dependent Child Care SSN Requirement (EC 363)
 - 3.12.3.30.14.7 Field 21QI, Qualifying Individuals Number (EC 363)
 - 3.12.3.30.14.8 Field 2103, Qualifying Expenses (EC 363)
 - 3.12.3.30.14.9 Fields 2104 and 2105, Primary and Secondary Earned Income (EC 363)
 - 3.12.3.30.14.10 Field 21PYE, Prior Year Expenses (EC 363)
 - 3.12.3.30.14.11 Fields 2112, 2116, and 2125, Dependent Care Benefits
 - 3.12.3.30.14.12 Allowable Taxpayer Notice Codes (EC 363)
- 3.12.3.30.15 Error Code 364 and 664 - Refundable Credits
 - 3.12.3.30.15.1 Fields Displayed (EC 364)
 - 3.12.3.30.15.2 Invalid Conditions (EC 364)
 - 3.12.3.30.15.3 Correction Procedures (EC 364)
 - 3.12.3.30.15.4 Correction Procedures EC 664
 - 3.12.3.30.15.5 Allowable Taxpayer Notice Codes (Form 1040) (EC 364)
- 3.12.3.30.16 Error Code 366 and 666 - Total Payments
 - 3.12.3.30.16.1 Fields Displayed, Form 1040 (EC 366)

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- 3.12.3.30.16.2 Invalid Conditions (EC 366)
 - 3.12.3.30.16.3 Correction Procedures (EC 366)
 - 3.12.3.30.16.4 Total Payments (EC 366)
 - 3.12.3.30.16.5 Estimated Tax Payments (EC 366)
 - 3.12.3.30.16.6 Extension Request - Form 4868 Credit (EC 366)
 - 3.12.3.30.16.7 Excess SST (EC 366)
 - 3.12.3.30.16.8 Other Cash Credits (EC 366)
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 - 3.12.3.30.16.10 Field 05TYP, Other Payment or Credit Type Code (EC 366)
 - 3.12.3.30.16.11 Correction Procedures (EC 666)
 - 3.12.3.30.16.12 Prior Year (EC 366)
 - 3.12.3.30.16.13 Allowable Taxpayer Notice Codes (Form 1040) (EC 366)
 - 3.12.3.30.17 Error Code 368, ES Penalty Equals Balance Due or Refund
 - 3.12.3.30.17.1 Fields Displayed, Form 1040 (EC 368)
 - 3.12.3.30.17.2 Invalid Conditions (EC 368)
 - 3.12.3.30.17.3 Correction Procedures (EC 368)
 - 3.12.3.30.18 Error Code 369, Refund/Total Tax Liability less than \$100
 - 3.12.3.30.18.1 Fields Displayed, Form 1040 (EC 369)
 - 3.12.3.30.18.2 Invalid Conditions (EC 369)
 - 3.12.3.30.18.3 Correction Procedures (EC 369)
 - 3.12.3.30.18.4 Adjusted Gross Income (AGI) (EC 369)
 - 3.12.3.30.18.5 Total Tax IMF (EC 369)
 - 3.12.3.30.18.6 Field 03BDR>, Balance Due/Overpayment Taxpayer Computer (EC 369)
 - 3.12.3.30.18.7 Balance Due or Refund (EC 369)
 - 3.12.3.30.19 Error Code 370 and 670, Balance Due or Refund
 - 3.12.3.30.19.1 Fields Displayed, Form 1040 (EC 370)
 - 3.12.3.30.19.2 Invalid Conditions (EC 370)
 - 3.12.3.30.19.3 Correction Procedures (EC 370)
 - 3.12.3.30.19.4 Field 03BDR>, Balance Due or Overpayment Taxpayer Computer (EC 370)
 - 3.12.3.30.19.5 Field 03CEL, Estimated Tax Credit Elect (Form 1040) (EC 370)
 - 3.12.3.30.19.6 Field 03ETP, Estimated Tax Penalty (Form 1040) (EC 370)
 - 3.12.3.30.19.7 Field 03BDR, Balance Due or Refund (EC 370)
 - 3.12.3.30.19.8 Correction Procedures (EC 670)
 - 3.12.3.30.19.9 Allowable Taxpayer Notice Codes (Form 1040) (EC 370)
 - 3.12.3.30.20 Error Code 372, \$1,000,000 or More Refund
 - 3.12.3.30.20.1 Fields Displayed, Form 1040 (EC 372)
 - 3.12.3.30.20.2 Invalid Conditions (EC 372)
 - 3.12.3.30.20.3 Correction Procedures (EC 372)
 - 3.12.3.31 Error Codes 374-704

- 3.12.3.31.1 Error Code 374, Pre-Determined ES Penalty
 - 3.12.3.31.1.1 Fields Displayed, Form 1040 (EC 374)
 - 3.12.3.31.1.2 Invalid Condition (EC 374)
 - 3.12.3.31.1.3 Correction Procedures (EC 374)
- 3.12.3.31.2 Error Code 380, SE Income and EIC
 - 3.12.3.31.2.1 Fields Displayed, Form 1040 (EC 380)
 - 3.12.3.31.2.2 Invalid Conditions (EC 380)
 - 3.12.3.31.2.3 Correction Procedures (EC 380)
 - 3.12.3.31.2.4 No Reply (EC 380)
 - 3.12.3.31.2.5 Prior Year (EC 380)
- 3.12.3.31.3 Error Code 531, (CE) \$100 Difference in AGI
 - 3.12.3.31.3.1 Fields Displayed, Form 1040 (EC 531)
 - 3.12.3.31.3.2 Invalid Conditions (EC 531)
 - 3.12.3.31.3.3 Correction Procedures (EC 531)
- 3.12.3.31.4 Error Code 601, (CE) RPC J
 - 3.12.3.31.4.1 Fields Displayed, Form 1040 (EC 601)
 - 3.12.3.31.4.2 Invalid Condition (EC 601)
 - 3.12.3.31.4.3 Correction Procedures (EC 601)
- 3.12.3.31.5 Error Code 702, Unallowable Amount Missing
 - 3.12.3.31.5.1 Fields Displayed, Form 1040 (EC 702)
 - 3.12.3.31.5.2 Invalid Conditions (EC 702)
 - 3.12.3.31.5.3 Correction Procedures (EC 702)
- 3.12.3.31.6 Error Code 704, (CE) U/A Amount With No U/A Code
 - 3.12.3.31.6.1 Fields Displayed, Form 1040 (EC 704)
 - 3.12.3.31.6.2 Invalid Conditions (EC 704)
 - 3.12.3.31.6.3 Correction Procedures (EC 704)
- 3.12.3.32 Error Codes 706-718, Error Code 740, and Error Code 750 (ACA)
 - 3.12.3.32.1 Error Code 706, (CE) Unallowable Code 92 to 99
 - 3.12.3.32.1.1 Fields Displayed, Form 1040 (EC 706)
 - 3.12.3.32.1.2 Invalid Conditions (EC 706)
 - 3.12.3.32.1.3 Correction Procedures (EC 706)
 - 3.12.3.32.2 Error Code 708, (CE) Unallowable Codes 30 through 49 - Schedule A
 - 3.12.3.32.2.1 Fields Displayed, Form 1040 (EC 708)
 - 3.12.3.32.2.2 Invalid Conditions (EC 708)
 - 3.12.3.32.2.3 Correction Procedures (EC 708)
 - 3.12.3.32.3 Error Code 712, U/A Tax Verified Missing
 - 3.12.3.32.3.1 Fields Displayed, Form 1040 (EC 712)
 - 3.12.3.32.3.2 Invalid Conditions (EC 712)
 - 3.12.3.32.3.3 Correction Procedures (EC 712)

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- 3.12.3.32.4 Error Code 714, U/A Tax Verified
 - 3.12.3.32.4.1 Fields Displayed, Form 1040 (EC 714)
 - 3.12.3.32.4.2 Invalid Conditions (EC 714)
 - 3.12.3.32.4.3 Correction Procedures (EC 714)
 - 3.12.3.32.5 Error Code 716, (CE) Unallowable Tax Verified
 - 3.12.3.32.5.1 Fields Displayed, Form 1040 (EC 716)
 - 3.12.3.32.5.2 Invalid Conditions (EC 716)
 - 3.12.3.32.5.3 Correction Procedures (EC 716)
 - 3.12.3.32.6 Error Code 718, (CE) U/A Code Missing
 - 3.12.3.32.6.1 Fields Displayed, Form 1040 (EC 718)
 - 3.12.3.32.6.2 Invalid Conditions (EC 718)
 - 3.12.3.32.6.3 Correction Procedures (EC 718)
 - 3.12.3.32.7 Error Code 740, Difference in Balance Due or Refund
 - 3.12.3.32.7.1 Fields Displayed, Form 1040 (EC 740)
 - 3.12.3.32.7.2 Invalid Conditions (EC 740)
 - 3.12.3.32.7.3 Correction Procedures (EC 740)
 - 3.12.3.32.8 Error Code 750, Additional Required Review of ACA Conditions
 - 3.12.3.32.8.1 Fields Displayed, Form 1040 (EC 750, ACA)
 - 3.12.3.32.8.2 Invalid Conditions (EC 750, ACA)
 - 3.12.3.32.8.3 Correction Procedure (EC 750, ACA)
 - 3.12.3.33 Suspense Procedures
 - 3.12.3.33.1 General Information
 - 3.12.3.33.2 Replies to Correspondence
 - 3.12.3.33.3 Second Correspondence
 - 3.12.3.33.4 No Reply/Incomplete Reply/Undeliverables
 - 3.12.3.33.5 Late Replies

Exhibits

- 3.12.3-1 No Reply to Correspondence
- 3.12.3-2 Taxpayer Notice Codes

3.12.3.1
(11-27-2020)
Program Scope and Objectives

- (1) **Purpose:** Internal Revenue Manual (IRM) 3.12.3 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 IRS employees who correct errors on tax returns in ERS including: Lead Tax Examining Technicians and Tax Examining Technicians
- (3) **Policy Owner:** The Director, Submission Processing (SP).
- (4) **Program Owner:** SP, Paper Processing Branch, Code and Edit/ERS Section.
- (5) **Primary Stakeholders:** Submission Processing (SP) and Modernized E-file (MeF)
- (6) **Program Goals:** Correct all errors that are identified using the Error Resolution System (ERS).

3.12.3.1.1
(11-27-2020)
Background

- (1) The Error Resolution system is an online computer application used by tax examiners to correct errors identified on tax returns during Generalized Mainline Framework (GMF) processing.
- (2) IRC Sec. 6213(b) provides the authority for resolution of mathematical and clerical errors identified during processing of tax returns.

3.12.3.1.2
(01-01-2020)
Authority

- (1) IRC Sec. 6213(b) provides the authority for resolution of mathematical and clerical errors identified during processing of tax returns.

3.12.3.1.3
(01-01-2018)
Responsibilities

- (1) The SP Director is responsible for monitoring operational performance for the Submission Processing campuses.
- (2) The Operations Manager is responsible for monitoring operational performance for their operation.
- (3) The team manager/lead is responsible for performance monitoring and ensuring employees have the tools to perform their duties.
- (4) The team employees are responsible for following the instructions contained in this IRM and maintaining updated IRM procedures.

3.12.3.1.4
(11-27-2020)
Program Management and Review

- (1) **Program Reports:** The Monitoring Section under Submission Processing Program Management/Process Assurance monitors the ERS reports. Daily, weekly, and periodic reports are available to management through Control-D Web Access to manage inventory and capture data for program planning and review. Refer to IRM 3.12.37.4.5, Error Resolution, IMF General Instructions, Related Reports, for a listing and description of ERS reports.
- (2) **Program Effectiveness:** Employees use the following reviews to measure the program goals:
 - 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. Affected offices clear and provide an assessment following IRM 1.11.9, Internal Management Documents, Clearing and Approving Internal Management Documents (IMD), prior to publishing.

3.12.3.1.5
(11-27-2020)

Program Controls

- (1) All tax examiners must submit a request through 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 examiners work returns in ERS on a First In First Out (FIFO) basis when received from input systems through the General Mainline Framework (GMF).
- (3) Control clerks control the error documents using inventory control procedures in IRM 3.12.37, Error Resolution, IMF General Instructions.

3.12.3.1.6
(01-01-2018)

**Terms/Definitions/
Acronyms**

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

3.12.3.1.7
(01-01-2020)

Related Resources

- (1) The table below lists websites, job aids, and tools needed to complete the work in this IRM.

Resource	Title
IRM 3.11.3 - Contains coding and editing procedures for IMF tax returns	Returns and Documents Analysis, Individual Income Tax Returns

Resource	Title
IRM 3.12.2 - Contains instructions for: <ul style="list-style-type: none"> • General Information • Special Procedures • Sections 01 - 94 with correction procedures for field errors (Priority III errors) • Exhibit 3.12.2-1 Action Codes • Exhibit 3.12.2-2 Computer Condition Codes • Exhibit 3.12.2-3 Return Processing Codes • Exhibit 3.12.2-4 Special Processing Codes • Exhibit 3.12.2-5 Forms Processing Codes • Exhibit 3.12.2-6 Audit Codes • Exhibit 3.12.2-7 Unallowable Codes • Exhibit 3.12.2-8 Credit-Reduction States and Territories • Exhibit 3.12.2-9 Letter 12C Fill-in Paragraphs • Exhibit 3.12.2-10 Reasonable Cause for Late Filing or Late Payment (in limited situations) and Failure to Make Estimated Tax Payments Properly • Exhibit 3.12.2-11 Three-Digit ZIP Codes • Exhibit 3.12.2-12 Attachment Guide • Exhibit 3.12.2-13 Examples of Self-Employment Income • Exhibit 3.12.2-14 Frivolous Filer Definitions • Exhibit 3.12.2-15 Glossary/ Acronyms 	Individual Master File Error Resolution, General Instructions
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 for Prior Year Returns

Resource	Title
Job Aid Book 2515-015	Error Resolution System (ERS) for Individual Master File Documents for Current Year Returns
Job Aid Book 2515-019	Error Resolution System (ERS) for Individual Master File Documents for ERS Managers
Document 7071	Name Control Job Aid for Individual Master File (IMF) Taxpayers

3.12.3.2
(11-27-2020)
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 in the pipeline during return processing
- (2) ERS will place error records into the Error Inventory or the Workable Suspense Inventory for correction.
- (3) When the error record displays on the computer screen, the tax examiner will take one of the following actions:
 - a. Correct the displayed field errors or displayed invalid conditions.
 - b. Suspend the document for additional information or removal from pipeline processing.
 - c. Assign a Taxpayer Notice Code (TPNC) to inform the taxpayer of a math error.
- (4) The instructions in this manual are for processing Form 1040, U.S. Individual Income Tax Return; Form 1040(SP), U.S. Individual Income Tax Return in Spanish; Form 1040-SR, U.S. Income Tax Return for Seniors; and Form 1040-SR(SP), U.S. Income Tax Return for Seniors in Spanish. All IRM instructions for Form 1040 apply equally to Form 1040-SR, Form 1040(SP) and Form 1040-SR(SP).
- (5) Form 1040-SR fields and line numbers 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 and Form 1040-SR with the same fields and line numbers as Form 1040.
- (6) Although Form 1040A and Form 1040EZ may be filed for TY17 and prior, these forms must be converted to Form 1040 to be processed. Some information specific to Form 1040A and Form 1040EZ are included for processing these prior year returns.
- (7) ERS section and error code screen displays have been realigned to follow the layout of TY23 Form 1040. Fields in Sections 01 - 05 are aligned as follows:

- a. Section 01 - Entity portion of TY23 Form 1040
 - b. Section 02 - Form 3471 Edit Sheet
 - c. Section 03 - TY23 Form 1040, page 1, line 1 through entire page 2 including paid preparer information.
 - d. Section 04 - TY23 Form 1040, Schedule 1
 - e. Section 05 - TY23 Form 1040, Schedule 2 and 3
- (8) Section 94 includes all the verified fields that are applicable to fields in Sections 01 through 05.
- (9) Throughout this manual, forms will be referred to by numbers and schedules will be referred to by letters and numbers.
- (10) The following introductory information is contained in this subsection of the manual:
- General Guidelines
 - Organization of Text

3.12.3.2.1
(01-01-2018)
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 Related Resources IRM 3.12.3.1.4.
- 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 1.11.2.2.4.**

3.12.3.2.2
(01-01-2017)
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:
- Consistency Error and Math Error Codes, 001 - 750
 - Exhibit 3.12.3-1 - No Reply to Correspondence
 - Exhibit 3.12.3-2 - Taxpayer Notice Codes

3.12.3.3
(01-01-2017)
Error Codes 001-009

- (1) Instructions for Error Codes 001 to 009 follow.

- 3.12.3.3.1
(01-01-2017)
**Error Code 001 (CE)
End-of-Year Reformat**
- (1) Error Code 001 instructions follow.

- 3.12.3.3.1.1
(11-23-2021)
**Fields Displayed, Form
1040 (EC 001)**
- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period

- 3.12.3.3.1.2
(01-01-2020)
**Invalid Conditions (EC
001)**
- (1) **Error Code 001** generates for all returns that are in error status at the end of the 2021 processing year.

- 3.12.3.3.1.3
(01-01-2017)
**Correction Procedures
(EC 001)**
- (1) Correct coding and transcription errors in displayed fields.
- (2) Move the cursor to the bottom of the screen and transmit.
- Caution:** Do not transmit when the cursor is before or within Field 01TXP; this will change the tax period to the current programmed year. You **must** transmit from the bottom of the screen.

- 3.12.3.3.2
(01-01-2017)
**Error Code 002 (CE)
Statute of Limitations
(PY)**
- (1) Error Code 002 instructions follow.

- 3.12.3.3.2.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 002)**
- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01SPC	Special Processing Code
01CCC	Computer Condition Code
01FPC	Form Processing Code
01RPC	Return Processing Code

3.12.3.3.2.2
(01-03-2023)
Invalid Conditions (EC 002)

- (1) **Error Code 002** generates when **both** of the following exist:
- The current processing date is more than 38 months after the ending month of a prior-year tax period of the return (Field 01TXP).
 - Return Processing Code "K" is **not** present in Field 01RPC.

3.12.3.3.2.3
(06-24-2022)
Correction Procedures (EC 002)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Take the following actions when the tax period of the return is **correct**.

If...	And...	Then...
A] The return is coded with SPC B by RIVO, ITVA, AM, or CSCO ASFR,		Enter C in the Clear Field. Note: Do not send the return to Statute Control for clearance.
B] No money amounts are present on the return,		Enter C in the Clear Field. Note: Do not send the return to Statute Control for clearance.

If...	And...	Then...
C] There is an indication on the return of: <ul style="list-style-type: none"> • “OIC/COIC” (Centralized Offer in Compromise), • “ICS” (Integrated Collection System), • “NFR” (Non-filer Reject), • “SFR/6020(b)” • “Secured by Exam/Collections”, • “Secured by TE/GE”, • “Secured by TE/GE EP Exam”, • “Dummy Return” noted, • Form 14039 or Form 14039(SP) is attached, • “ID theft” noted, • TC59X is present on the return. 		Enter C in the Clear Field. Note: Do not send the return to Statute Control for clearance.
D] The return is an original,	Has a Statute Control stamp which indicates the return has been cleared by Statute Control,	Enter K in Field 01RPC.

If...	And...	Then...
E] The return is an original,	Has not been cleared by Statute Control,	<ol style="list-style-type: none"> 1. Research CC IMFOLT using the primary taxpayer's TIN and tax period (FSC 2, also research using the secondary taxpayer's TIN). 2. If a TC 150 is not present on CC IMFOLT (FSC 2, TC 150 is not present for either taxpayer), enter C in the Clear Field. 3. If a TC 150 is present on IMFOLT, SSPND 310. (FSC 2, if a TC 150 is present on IMFOLT for either taxpayer or both taxpayers, SSPND 310.)

- (3) If the tax period of the return is **prior to 196212**, SSPND 620.
- (4) Use the following table to correct the tax period when it is valid on the return and invalid on the screen display:

If the correct tax period is...	Then...
A] The current programmed calendar year,	Delete any entry in Field 01TXP.
B] Other than the current programmed calendar year,	<ol style="list-style-type: none"> 1. Overlay with the correct information in Field 01TXP. 2. Enter the received date in Field 01RCD when EC 044 displays.

3.12.3.3.3
(01-01-2017)
Error Code 003 (CE)
Check Digits/P-SSN

- (1) Error Code 003 instructions follow.

3.12.3.3.3.1
(11-27-2020)

**Fields Displayed, Form
1040 (EC 003)**

- (1) This table shows the fields displayed.

1040	Field Name
01PNC	Check Digits/Name Control
01PS	Primary SSN
01SS	Secondary SSN
01NL1	First Name Line

3.12.3.3.3.2
(01-01-2017)

**Invalid Conditions (EC
003)**

- (1) **Error Code 003** generates when Check Digits are present, but are not valid for the Primary SSN.

Note: Check Digits display in the third and fourth positions of the Name Control (preceded by two spaces). **These two blank spaces must not be deleted.**

3.12.3.3.3.3
(04-25-2022)

**Correction Procedures
(EC 003)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

Note: NEVER ENTER OR CORRECT CHECK DIGITS.

- (2) If the Primary and Secondary SSNs are reversed take the following actions:

- Overlay Fields 01PS and 01SS with correct SSNs.
- Correct Field 01PNC (name control), if necessary.
- Go to the bottom of the screen and transmit.

- (3) Search the return and attachments for a valid P-SSN. If you find it, enter the valid P-SSN in Field 01PS.

- (4) Research using CC INOLE, NAMEI, and/or NAMES for a valid P-SSN (if the correct P-SSN can't be located on the return and attachments), and take the following action:

If research...	Then...
A] Results in a change to the P-SSN,	<ol style="list-style-type: none"> Overlay Field 01PS with the correct P-SSN. Overlay Field 01PNC with the Name Control.
B] Shows the P-SSN is correctly transcribed and the account on the valid side matches the name on the return,	Overlay Field 01PNC with the correct Name Control.
C] Does not allow you to determine the correct P-SSN,	SSPND 211.

3.12.3.3.4

(01-01-2017)

Error Code 004 (CE)**Primary Name Control
Mismatch**

- (1) Error Code 004 instructions follow.

3.12.3.3.4.1

(11-27-2020)

**Fields Displayed, Form
1040 (EC 004)**

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01PNC	Primary Name Control
>>>>	Primary National Account Profile (NAP) Entity Index File (EIF) Name Control
01PS	Primary SSN
01NA1>	Primary NAP Access Indicator
01NR1>	Primary TIN NAP EIF Response Indicator
01NL1	Name Line 1
01NL2	Name Line 2
01ADD	Street Address
01C/S	City/State
01ZIP	ZIP Code
01TXP	Tax Period
01FSC	Filing Status Code
01CCC	Computer Condition Code
01RPC	Return Processing Code
01EXC	Exemption Code
94EXV	Exemption Code Verified
03BDR	Balance Due/Refund
>>>>>	Balance Due/Refund Computer
03BDR>	Balance Due/Overpayment Taxpayer Computer

3.12.3.3.4.2

(01-01-2017)

**Invalid Conditions (EC
004)**

- (1)
- Error Code 004**
- generates when the Primary Name Control mismatches the name control on
- any**
- of the following:

- The invalid segment.
- The valid segment, and Name Line 1 is not present.
- No account is present on the invalid segment and there is **either** no SSA Name Control or a mismatched SSA Name Control, and CCC X is not present.

3.12.3.3.4.3
(04-25-2022)**Correction Procedures
(EC 004)**

- (1) Go to the bottom of the screen and transmit to validate.
- (2) Correct coding and transcription errors and misplaced entries in displayed fields.
- (3) If the name line or name control was edited or transcribed incorrectly, enter the correct information in Field 01PNC and/or Field 01NL1.
- (4) For TY95 or prior, enter **C** in the Clear Field.
- (5) Search the return and/or attachments for a different SSN.
 - a. If a different SSN is found for the primary taxpayer, enter the SSN in Field 01PS.
 - b. If Form W-7 is attached, see Exhibit 3.12.2-12, Attachment Guide.
 - c. Refer to (8) through (11) when a different SSN is not found.

Caution: If a taxpayer provides both an ITIN and an invalid SSN for the primary taxpayer, ensure the ITIN is present in Field 01PS.

- (6) Research the secondary SSN, if present, using CC INOLE for a cross-reference to the primary SSN. If a match is found, enter it in Field 01PS.

Note: Verify the cross-reference SSN to ensure it is the same taxpayer.

- (7) If EC 004 redisplay, an unpostable condition may still exist. Re-verify entries and refer to the remainder of the correction procedures.
- (8) If the **Primary** NAP Access Indicator is **0 (zero) or 1**, and the Name Control is not present, do the following:
 - a. Enter the Name Control in Field 01PNC.
 - b. Go to the bottom of the screen and transmit.
- (9) If the Primary NAP Access Indicator is **2**, research using CC INOLE, NAMEI, NAMES, and/or ENMOD for a valid primary SSN and take the following action:

If...	Then...
A] A different SSN is found,	Enter correct SSN in Field 01PS.
B] The filer has an ITIN and INOLES shows the ITIN Status Code is I , and you can determine the filer is the same as the taxpayer on the valid segment,	Enter the name control from the underprint in Field 01PNC.

If...	Then...
C] The filer is the same as the taxpayer on the valid segment (same first name or initial, middle name or initial),	<ol style="list-style-type: none"> 1. Adjust the entry in Fields 01NL1 and 01PNC to match the underprinted name control, if the taxpayer is claiming any of the following credits: <ul style="list-style-type: none"> • Child Tax Credit • Credit for Other Dependents • Education Credit • Earned Income Credit • Additional Child Tax Credit • American Opportunity Credit 2. Enter X in Field 01CCC, if the taxpayer is not claiming one of the credits listed above.
D] The filer is not the same as the taxpayer on the valid segment,	<ol style="list-style-type: none"> 1. Enter O in Field 01RPC (for TY96 and later). 2. Enter X in Field 01CCC. 3. Enter Y in Field 01CCC (for TY18 and later).
E] The Name Control matches any SSA Name Control,	Enter C in the Clear Field.

- (10) If the Primary NAP Access Indicator is **3**, enter Name Line 1 in Field 01NL1 and name control in Field 01PNC, if not present.
- a. After entering the name line and name control **or** if entries are already present, enter **C** in the Clear Field.
- (11) If the Primary NAP Access Indicator is **8**, research using CC INOLE, NAMEI, NAMES, and/or ENMOD for a valid primary SSN and take the following action:

If...	Then...
A] A different SSN is found,	Enter correct SSN in Field 01PS.
B] The taxpayer has multiple last names on the return, and the underprint for Field 01PNC matches one of them,	Adjust the entry in Fields 01NL1 and 01PNC to match the underprinted name control.
C] The Name Control matches the valid or invalid segment, or any SSA Name Control,	Enter C in the Clear Field.
D] The filer is the same taxpayer on both the valid and invalid segments,	Make the name control IRS valid using the instructions following this table in (12).

If...	Then...
E] The filer is the taxpayer on the invalid segment but not the one on the valid segment,	<ol style="list-style-type: none"> 1. Input TC013 to the invalid segment. (Refer to Job Aid 2515-015 for TC013 instructions using CC ENMOD and ENREQ.) 2. Enter O in Field 01RPC (for TY96 and later) and Y in Field 01CCC (for TY18 and later). 3. Enter C in the Clear Field when EC 004 redisplay.
F] The filer is not the taxpayer on either the valid or invalid segment,	<ol style="list-style-type: none"> 1. Enter O in Field 01RPC (for TY96 and later) and Y in Field 01CCC (for TY18 and later). Caution: If there's an indication that the taxpayer is Amish or Mennonite, don't enter RPC O. Do enter B in Field 01RPC. 2. SSPND 320 to have Entity Control assign a temporary TIN (IRSN).

(12) Use the following instructions to make a name control **IRS valid**.

- a. Input CC ENMOD on the invalid Primary SSN (remember to enter the * following the SSN).
- b. Enter CC ENREQR to generate the CC IRCHG screen.
- c. Ensure that the Doc Code is **63**.
- d. Enter **1** as the Justification Indicator.
- e. Enter "TO VALIDATE NAME CONTROL OF THE PRIMARY TAXPAYER-ERS" in the Remarks field.
- f. Re-access the error record.
- g. Enter **Q** in Field 01RPC.

(13) **For AUSPC Only-** If the return has an ITIN in one of the following ranges:

- 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, use the following table to resolve the error:

If...	And...	Then...
A] Field 01PS is underprinting with a different name control, or XXXX,		<ol style="list-style-type: none"> 1. Go to the bottom of the screen and transmit. 2. Research using CC INOLET, if EC 004 re-displays.
B] After researching CC INOLET the taxpayer's name control on the return does not match a name control on INOLET,		Research the Real Time System (RTS) to see if the ITIN has been established under the name on the return.
C] An account has been established for the ITIN,	The Primary NAP Indicator is 2,	<ol style="list-style-type: none"> 1. Enter the name control from the underprint in Field 01PNC if the taxpayer is claiming any of the following credits: <ul style="list-style-type: none"> • Child Tax Credit • Credit for Other Dependents • Education Credit • Earned Income Credit • Additional Child Tax Credit • American Opportunity Credit 2. Enter X in Field 01CCC, if the taxpayer is not claiming one of the credits listed above.

If...	And...	Then...
D] An account has been established for the ITIN,	The Primary NAP Indicator is 8,	<ol style="list-style-type: none"> 1. Input TC013 on the invalid segment. 2. Print the TC013 screen for ITIN. 3. Input CC ENMOD on the invalid Primary ITIN (remember to enter the * following the ITIN) to make the name control IRS valid. <ol style="list-style-type: none"> a. Enter CC ENREQR to generate the CC IRCHG screen. b. Print the TC013 screen for ITIN. c. Enter “1” as the Justification Indicator. d. Enter in the Remarks field “TO VALIDATE NAME CONTROL OF THE PRIMARY TAXPAYER - ERS” e. Re-access the error record. f. GTSEC 01 and enter Q in Field 01RPC.
E] The ITIN Operation wrote the incorrect ITIN for the Primary Taxpayer,		Research the ITIN using INOLET.
F] If research on the ITIN reveals that the ITIN is correct,		Research NAMES, NAMEI and RTS.
G] A valid Primary ITIN is found,		Enter correct ITIN in Field 01PS.
H] A valid Primary ITIN is not found,		SSPND 211 or 215 (International).

If...	And...	Then...
I] No W-7 is indicated for the Primary taxpayer,		Research using CC NAMEI and NAMES.
J] SSN for Primary not found,		SSPND 211 or 215 (International) to correspond with the taxpayer for a Primary SSN.

3.12.3.3.5
(01-01-2017)
Error Code 005 (CE)
Primary Name
Control/TIN Match on
Invalid Side

- (1) Error Code 005 instructions follow.

3.12.3.3.5.1
(11-27-2020)
Fields Displayed, Form
1040 (EC 005)

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01PNC	Primary Name Control
>>>>>	Primary NAP EIF Name Control
01PS	Primary SSN
01NA1>	Primary NAP Access Indicator
01NR1>	Primary TIN NAP EIF Response Indicator
01SNC	Secondary Name Control
>>>>>	Secondary NAP EIF Name Control
01SS	Secondary SSN
01NA2>	Secondary NAP Access Indicator
01NR2>	Secondary TIN NAP EIF Response Indicator
01NL1	Name Line 1
01NL2	Name Line 2
01ADD	Street Address
01C/S	City/State
01ZIP	ZIP Code
	Section 29 Not Present
	Section 30 Not Present
01TXP	Tax Period

1040	Field Name
01FSC	Filing Status Code
01CCC	Computer Condition Code
01RPC	Return Processing Code
01EXC	Exemption Code
94EXV	Exemption Code Verified
03BDR	Balance Due/Refund
>>>>>	Balance Due/Refund Computer
03BDR>	Balance Due/Overpayment Taxpayer Computer

3.12.3.3.5.2
(01-01-2017)
Invalid Conditions (EC 005)

- (1) **Error Code 005** generates when **all** of the following exist:
- NAP Access Indicator is I (Primary Name Control/TIN match on the invalid side).
 - RPC O is not present.
 - RPC Q is not present.

3.12.3.3.5.3
(01-01-2019)
Correction Procedures (EC 005)

- Go to the bottom of the screen and transmit to validate.
- Correct coding and transcription errors and misplaced entries in displayed fields.
- For TY95 or prior, enter **C** in the Clear Field.
- Search the return and attachments for a different Primary SSN.
 - If a different SSN is found for the primary taxpayer, enter the SSN in Field 01PS.
 - If Form W-7 is attached, see Exhibit 3.12.2-12, Attachment Guide.
 - Refer to (8-10) when a different SSN is not found.

Caution: If the taxpayer provides both an ITIN and an invalid SSN for the primary taxpayer, ensure that the ITIN is present in Field 01PS.

- If the Primary SSN and/or Name Control are illegible or were entered incorrectly, take the following actions:
 - Overlay Field 01PS, 01NL1 and/or 01PNC with the correct information.
 - Go to the bottom of the screen and transmit to validate.
- Research CC INOLE for a new SSA name control.
- If research indicates a New SSA Name Control that matches the taxpayer's Name Control from the return, transmit from the bottom of the screen. If EC 005 redisplay, enter **C** in the Clear Field.
- If the only information on the valid side of the Master File is an SSA Name Control and the information from the return or IDRS research indicates that the taxpayer has previously used a name matching the SSA Name Control on the

valid account (when this is the only information available on the valid account), make the taxpayer IRS valid using Command Code IRCHG (see instructions for input in the following (10))

- (9) Determine that the taxpayer **is** the same when **all** the following items are consistent on both the valid and invalid accounts:

- First name or initial
- Middle name or initial

Note: See the following table for examples of matching criteria. Treat as a match if the taxpayer has a Form W-2, Wage and Tax Statement, or an attachment that shows name/SSN information that matches the available name/SSN information on the valid side of the account.

If the valid side shows:	And the invalid side shows:	Then consider combination a:
J. Martin Green	J. Martin Gold	MATCH
J. Martin Green	John Martin Gold	No Match
J. Martin Green	Martin Gold	No Match
Roberta A. Black	Roberta A. Gray	MATCH
Roberta A. Black	Bobbi A. Gray	No Match
Roberta A. Black	R. A. Gray	No Match
Roberta A. Black	Roberta Gray	No Match
Roberta A. Black	Roberta S. Gray	No Match
Mary A. White	Mary A. Brown	MATCH
Mary White	Mary C. Brown	No Match
Mary A. White	Mary C. Brown	No Match
Mary A. White	Mary Aspen Brown	No Match
Mary A. White	Mary Brown	No Match
Mary A. White	Maryann, Mary Ann, MaryAnn Brown	No Match

- (10) Make the taxpayer “IRS valid” using CC IRCHG when you can determine that the taxpayer on the invalid side is the same as the taxpayer on the valid side. Use the following instructions to input the account change:
- a. Input ENMOD on the invalid Primary SSN (remember to enter the * (asterisk) following the SSN).
 - b. Enter ENREQR to generate the IRCHG screen.
 - c. Ensure that the Doc Code is **63**.
 - d. Enter **1** as the Justification Indicator.
 - e. Enter “TO VALIDATE NAME CONTROL OF THE PRIMARY TAXPAYER-ERS” in the remarks Field
 - f. Re-access the error record.
 - g. Enter **Q** in Field 01RPC.

- (11) Research CC NAMEI or NAMES to search for a different SSN when you can determine that the taxpayer on the invalid side is **not** the same as the taxpayer on the valid side. Take **one** of the following actions:

- Enter the SSN in Field 01PS, if found.
- Enter **O** in Field 01RPC (for TY96 and later) and enter **Y** in Field 01CCC (for TY18 and later) if no new SSN is found or when there are inconsistencies (i.e., does not meet matching criteria between the entity information on the valid and invalid sides of the account).

Exception: If there is an indication that the taxpayer is **Amish** or **Mennonite** and the taxpayer has an IRSN (temporary TIN), do not enter RPC O. Enter **B** in Field 01RPC instead. If EC 005 redispays, enter **C** in the Clear Field.

- (12) If Field 01PS is an IRSN, enter **O** in Field 01RPC (for TY96 and later) and **Y** in Field 01CCC (for TY18 and later).
- (13) If the return has a valid ITIN in one of the following ranges, enter **Q** in Field 01RPC.
- 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

3.12.3.3.6
(01-01-2017)
Error Code 006 (CE)
First-Time Filers

- (1) Error Code 006 instructions follow.

3.12.3.3.6.1
(11-27-2020)
Fields Displayed, - Form
1040 (EC 006)

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01PNC	Primary Name Control
>>>>	Primary NAP EIF Name Control
01PS	Primary SSN
01NA1>	Primary NAP Access Indicator
01NR1>	Primary TIN NAP EIF Response Indicator
01SNC	Secondary Name Control
>>>>	Secondary NAP EIF Name Control
01SS	Secondary SSN
01NA2>	Secondary NAP Access Indicator
01NR2>	Secondary TIN NAP EIF Response Indicator
01NL1	Name Line 1

1040	Field Name
01NL2	Name Line 2
01ADD	Street Address
01C/S	City/State
01ZIP	ZIP Code
	Section 29 Not Present
	Section 30 Not Present
01TXP	Tax Period
01FSC	Filing Status Code
01CCC	Computer Condition Code
01EXC	Exemption Code
94EXV	Exemption Code Verified

3.12.3.3.6.2
(01-01-2017)
Invalid Conditions (EC 006)

- (1) **Error Code 006** generates when **all** of the following exist.
- The NAP EIF Response Indicator is D or N.
 - The entity is not long.
 - The EIF didn't bypass ERS.

3.12.3.3.6.3
(01-01-2017)
Correction Procedures (EC 006)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Enter **C** in the Clear Field if the return is a "DUMMY" Form 1040 with Form 5329 attached.
- (3) Verify from the return and/or attachments that the taxpayer entered the primary SSN correctly. If a valid primary SSN cannot be found, research CC INOLE, NAMEI, and/or NAMES for a valid P-SSN and take the following action:

If Primary SSN was...	Then...
A] Entered incorrectly,	Enter the correct SSN in Field 01PS.
B] Entered using Secondary SSN,	Enter the Primary SSN in Field 01PS.

Note: If the transcribed SSN is not on NAP, but it is on the DM-1, the Name Control underprint will be blank.

- (4) If the long entity is not transcribed, enter it from the return.
- (5) If the address on the return is missing or incomplete, search the return and attachments for the address. Enter the long entity if you find the complete address.

- (6) If you cannot find the address in the return or attachments, research with CC INOLE and take the following action:

If the address is...	Then...
A] Found in INOLE,	Enter the long entity.
B] Not found in INOLE,	<ol style="list-style-type: none"> 1. Enter IRS in Field 01ADD. 2. Enter your center city and state in Field 01C/S and the ZIP Code unique to that center in Field 01ZIP. <p>Note: The unique ZIP Codes are in IRM 3.12.3.4.5.3(3).</p>

- (7) If the address is present on the screen, compare the address to the one on the return, Make any necessary corrections, drop to the bottom of the screen and transmit.

3.12.3.3.7
(01-01-2020)

**Error Code 007 (CE)
Address Information
Different**

- (1) Error Code 007 instructions follow.

3.12.3.3.7.1
(11-27-2020)

**Fields Displayed, Form
1040 (EC 007)**

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01PNC	Primary Name Control
>>>>>	Primary NAP EIF Name CTRL
01PS	Primary SSN
01NA1>	Primary NAP Access Indicator
01NR1>	Primary TIN NAP EIF Response Indicator
01SNC	Secondary Name Control
>>>>>	Secondary NAP EIF Name Control
01SS	Secondary SSN
01NA2>	Secondary NAP Access Indicator
01NR2>	Secondary NAP EIF Response Indicator
01NL1	Name Line 1
01NL2	Name Line 2
01ADD	Street Address
01C/S	City/State

1040	Field Name
01ZIP	ZIP Code
	Section 29 Not Present
	Section 30 Not Present
01TXP	Tax Period
01FSC	Filing Status Code
01CCC	Computer Condition Code
01EXC	Exemption Code
94EXV	Exemption Code Verified

3.12.3.3.7.2
(01-01-2017)
Invalid Conditions (EC 007)

- (1) **Error Code 007** generates when **all** the following exist:
- Account is present at Master File.
 - Address information does not match the EIF or NAP files.
 - Entity was not Long or Intermediate.

3.12.3.3.7.3
(01-01-2020)
Correction Procedures (EC 007)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Search the return and/or attachments for the correct address and take the following action:

If the address is...	Then...
A] Found on the return or attachments,	Enter Long Entity (or follow local procedures).
B] Not found,	<ol style="list-style-type: none"> Enter Partial Entity. Transmit. Enter C in the Clear Field (if EC 007 redisplay).

3.12.3.3.8
(01-01-2017)
Error Code 008 (CE)
Marital Filing Status Change

- (1) Error Code 008 instructions follow.

3.12.3.3.8.1
(01-01-2023)
Fields Displayed, Form 1040 (EC 008)

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01CCC	Computer Condition Code
01NPF>	Primary NAP Previous Filing Status Code
01PNC	Primary Name Control
>>>>>	Primary NAP EIF Name Control
01PS	Primary SSN
01NA1>	Primary NAP Access Indicator
01NR1>	Primary TIN NAP EIF Response Indicator
01SNC	Secondary Name Control
>>>>>	Secondary NAP EIF Name Control
01SS	Secondary SSN
01NA2>	Secondary NAP Access Indicator
01NR2>	Secondary TIN NAP EIF Response Indicator
01NL1	Name Line 1
01NL2	Name Line 2
01ADD	Street Address
01C/S	City/State
01ZIP	ZIP Code
01EXC	Exemption Code Field
94EXV	Exemption Code Verified

3.12.3.3.8.2
(01-01-2017)
Invalid Conditions (EC 008)

- (1) **Error Code 008** generates when the entity is **not** long and the previous filing status (FS) on EIF/NAP is **either**:
- 1, 3, 4, 5, or 7 and the filing status is input as 2.
 - 2 and the filing status is input as 1, 3, 4, 5, or 7.

3.12.3.3.8.3
(04-25-2022)
Correction Procedures (EC 008)

- Correct all coding and transcription errors and misplaced entries in displayed fields.
- Enter C in the Clear Field if the return is a prior-year return.**
- Verify that the filing status code is correct as transcribed, and see the following table:

If the Filing Status...	Then...
A] Is correctly transcribed and consistent with information on the return,	<ol style="list-style-type: none"> 1. Correct Field 01NL1. 2. Correct Field 01SS, if applicable.
B] Is correctly transcribed but inconsistent with other information on the return,	<ol style="list-style-type: none"> 1. Correct Field 01NL1 (see IRM 3.12.2.4.3.5(5), Section 01 for DECD instructions). 2. Correct Field 01SS, if applicable. 3. Correct Field 01FSC and/or position 2 of Field 01EXC, if applicable.

- (4) Take the following actions when the SSN is incorrect:
 - a. Overlay Field 01PS with correct SSN.
 - b. Enter the Name Control in Field 01PNC (if check digits are present).
- (5) Enter the Name Control in Field 01PNC when Check Digits are entered incorrectly or are illegible. **Never enter or correct Check Digits.**
- (6) Research INOLE and/or ENMOD when the correct filing status cannot be determined from the return or attachments.
- (7) If you are unable to determine the correct filing status through research, SSPND 211 and complete Form 6001, Letter 12C Correspondence Action Sheet, with paragraph F for Form 5129.

3.12.3.3.9
(01-01-2017)
Error Code 009 (CE)
Entity Data and Check
Digits/Name Control

- (1) Error Code 009 instructions follow.

3.12.3.3.9.1
(11-27-2020)
Fields Displayed, Form
1040 (EC 009)

- (1) This table shows the fields displayed.

1040	Field Name
01PNC	Primary Name Control
01NL1	Name Line 1
01NL2	Name Line 2
01ADD	Street Address
01C/S	City/State
01ZIP	ZIP Code

3.12.3.3.9.2
(01-01-2017)
Invalid Conditions (EC 009)

- (1) **Error Code 009** generates when **both** of the following exist:
- Entity is short or intermediate.
 - Check Digits/Name Control (Field 01PNC) is blank.

3.12.3.3.9.3
(01-01-2017)
Correction Procedures (EC 009)

- (1) Enter the Name Control in Field 01PNC. Refer to IRM 3.12.2.4.3.1.2, Name Control.

3.12.3.4
(01-01-2017)
Error Codes 010-019

- (1) Instructions for Error Codes 010 to 019 follow.

3.12.3.4.1
(01-01-2017)
**Error Code 010 (CE)
Spouse/Dependent SSN
Missing**

- (1) Instructions for Error Code 010 follow.

3.12.3.4.1.1
(11-27-2020)
**Fields Displayed, Form
1040 (EC 010)**

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01EXC	Exemption Code
94EXV	Exemption Code Verified
01RPC	Return Processing Code
01SPC	Special Processing Code
01SNC	Secondary Name Control
>>>>	Secondary NAP EIF Name Control
01SS	Secondary SSN
01NA2>	Secondary NAP Access Indicator
01NR2>	Secondary TIN NAP EIF Response Indicator
01DS1	Dependent 1 SSN
01DN1	Dependent 1 Name Control
>>>>	Dependent 1 NAP Name Control
01NP1>	Dependent 1 NAP Access Indicator
01DR1>	DEP 1 TIN NAP EIF Response Indicator
01DS2	Dependent 2 SSN

1040	Field Name
01DN2	Dependent 2 Name Control
>>>>	Dependent 2 NAP Name Control
01NP2>	Dependent 2 NAP Access Indicator
01DR2>	DEP 2 TIN NAP EIF Response Indicator
01DS3	Dependent 3 SSN
01DN3	Dependent 3 Name Control
>>>>	Dependent 3 NAP Name Control
01NP3>	Dependent 3 NAP Access Indicator
01DR3>	DEP 3 TIN NAP EIF Response Indicator
01DS4	Dependent 4 SSN
01DN4	Dependent 4 Name Control
>>>>	Dependent 4 NAP Name Control
01NP4>	Dependent 4 NAP Access Indicator
01DR4>	DEP 4 TIN NAP EIF Response Indicator
02DTR	Dependent TIN Requirement
21DS1	Dependent 1 Child Care SSN
21CN1	Dependent 1 Child Care Name Control
>>>>	Dependent 1 Child Care NAP Name Control
21NA1>	Dependent 1 Child Care NAP Access Indicator
21DS2	Dependent 2 Child Care SSN
21CN2	Dependent 2 Child Care Name Control
>>>>	Dependent 2 Child Care NAP Name Control
21NA2>	Dependent 2 Child Care NAP Access Indicator
43SS1	EIC Child 1 SSN
43NC1	EIC Child 1 Name Control
>>>>	EIC Child 1 NAP Name Control
43NP1>	EIC Child 1 NAP Access Indicator
43ER1>	EIC Child 1 NAP EIF Response
43SS2	EIC Child 2 SSN
43NC2	EIC Child 2 Name Control
>>>>	EIC Child 2 NAP Name Control
43NP2>	EIC Child 2 NAP Access Indicator
43ER2>	EIC Child 2 NAP EIF Response

1040	Field Name
43SS3	EIC Child 3 SSN
43NC3	EIC Child 3 Name Control
>>>>	EIC Child 3 NAP Name Control
43NP3>	EIC Child 3 NAP Access Indicator
43ER3>	EIC Child 3 NAP EIF Response
43ESR	EIC Child SSN Not Required

3.12.3.4.1.2 (01-01-2017)

Invalid Conditions (EC 010)

- (1) **Error Code 010** generates when **any** of the following exist:
 - a. The Secondary SSN is missing and position 2 of Field 01EXC is 1.
 - b. SSN(s) are missing for dependents claimed as exemptions and Field 02DTR is 0 (zero).
 - c. SSN(s) are missing for dependents claimed for Child and Dependent Care (Form 2441, Child and Dependent Care Expenses) and Field 21CSR is 0 (zero).
 - d. SSN(s) are missing for dependents claimed for EIC (Schedule EIC) and Field 43ESR is 0 (zero).
- (2) Error Code 010 generates when the number of dependent SSNs present (Fields 01DS1-01DS4) exceeds the number of dependents exemptions claimed in Field 01EXC, positions 3 through 8.

3.12.3.4.1.3 (11-23-2021)

Correction Procedures (EC 010)

- (1) Correct coding and transcription errors and misplaced entries on fields displayed.
 - a. Use Field 01EXC to correct Code & Edit and transcription errors only.
 - b. Use Field 94EXV to disallow dependents.

Note: Field 94EXV is to be used when the taxpayer has failed to provide a valid SSN/ITIN/ATIN for themselves, their spouse or dependents.

Caution: Do not enter C in the Clear Field if an SSN is missing or invalid for the secondary taxpayer or any dependent. Entering C in the Clear Field allows all the dependent(s) for any missing and invalid SSNs.

- (2) When EC 010 generates all missing SSN conditions will be displayed for the Secondary, Dependent, Child and Dependent Care Credit, and/or EIC SSNs. Ensure all invalid conditions have been addressed before entering Field 94EXV.

Note: Use Field 94EXV when allowing or disallowing dependents. If Code & Edit X'd a dependent to force the return to ERS, use Field 01EXC to enter the data before using Field 94EXV to disallow the dependent

- (3) If **Form W-7** is present, see Exhibit 3.12.2-12, Attachment Guide.

- (4) Use the information from page 1, Form 1040, to help perfect information (SSNs and/or name controls) on all forms, schedules, and attachments and vice versa. If a dependent on page 1, Form 1040, can be determined to be the same person listed on any form, schedule, or attachment (i.e., same name), then correct the dependent/qualifying child based on the name found and vice versa.
- (5) When a Dependent SSN, Child and Dependent Care Credit SSN, or EIC Child SSN was deleted in EC 013, enter the number of allowable dependents in Field 94EXV. When **EC 250** generates, assign **TPNC 705** (TY17 and prior, TPNC 605).
- (6) **FOR AUSPC ONLY-** follow the instructions in the table below:

If...	Then...
A] The original Form W-7 is attached to the return, but no ITINs were assigned,	SSPND 640, Write "W-7 attached" on Form 4227.
B] For Secondary or Dependent ITINs: If suspended or unworked is noted on the return, or Real Time System (RTS) research shows Form W-7 in status S or U (Suspended or Unworked),	<ol style="list-style-type: none"> 1. Print the RTS screen and attach it to the front of the return. 2. Note on Form 4227 the status and attach it to the return. 3. SSPND 640 to ITIN.
C] The Secondary ITIN was erased with white out, written illegibly, blank or "W-7" is stamped on the return,	Research using NAMES, NAMEI, and RTS. If no number can be found disallow the exemption.
D] The Dependent ITINs were erased with white out, written illegibly, blank or W-7 is stamped on the return,	Research using RTS. If no number can be found, disallow the exemption(s).
E] For Secondary or Dependent ITINs: If ITIN rejected is noted or RTS shows the ITIN status as revoked,	Disallow the exemption(s) in Field 94EXV.

3.12.3.4.1.4
(01-17-2017)

**Field 94EXV, Exemption
Verified Field (EC 010)**

- (1) Field 94EXV is for **ERS input only**. **All** of the following conditions apply to Field 94EXV:
 - a. Must be entered as all numeric.
 - b. Will display as blank until an entry is made.
 - c. All eight positions must be accounted for and entered.
 - d. The number of allowable dependents must be entered in the appropriate positions.
- (2) Use Field 94EXV when the taxpayer fails to provide a valid SSN/ITIN/ATIN (without a valid reason) for **any** of the following:

- Self
- Spouse
- Dependent(s)

(3) Enter **0** (zero) in the first position of Field 94EXV to disallow the exemption for the **primary** taxpayer if:

- RPC O or DSI 1 is present, and other entries are made in Field 94EXV.
- The primary taxpayer was disallowed in EC 004 or 005.

Caution: One (1) in the first position of Field 94EXV will override the RPC O or DSI 1 and allow the exemption for the primary taxpayer.

(4) Enter **0** (zero) in the second position of Field 94EXV to disallow the exemption for the **secondary** taxpayer per the Secondary SSN instructions in IRM 3.12.3.4.1.5.

(5) A child does not have to be claimed as an exemption to qualify for Child and Dependent Care Credit or to be a qualifying EIC Child. Exemptions are not involved in the computation of Child and Dependent Care Credit or EIC. Enter **C** in the Clear Field when the taxpayer **does not** claim an exemption for the dependent(s) (Field 01EXC) but claims Child Care Credit and/or EIC.

3.12.3.4.1.5
(04-25-2022)

**Field 01SS, Secondary
SSN (EC 010)**

- (1) The secondary taxpayer must have a valid SSN/Name Control to qualify for their exemption and the Earned Income Credit.
- (2) The Secondary SSN (Field 01SS) is **required to process the return** when **any** of the following are present:
 - a. The Primary taxpayer is deceased, and it is a joint return.
 - b. Form 4137 tax is being paid for the secondary taxpayer.
 - c. Form 5329 is filed for the secondary taxpayer.
 - d. Form 8606 is filed for the secondary taxpayer.
 - e. Form 8919 tax is being paid for the secondary taxpayer (TY07 and later).
 - f. Form 8941 is being filed and unable to determine who is filing the form (TY14 and later).
 - g. Schedule H is filed for the secondary taxpayer.
 - h. Self-Employment (SE) Tax is being paid for the secondary taxpayer.
- (3) If the Secondary SSN is missing because the taxpayer indicates **Amish, Mennonite or Form 4029**:
 - a. Enter **1** in the second position of Field 94EXV.
 - b. Enter **B** in Field 01RPC, if EIC is claimed.
 - c. GTSEC 01 and enter **J** in Field 01CCC.
- (4) When the Secondary SSN is missing, search the return and attachments to find the Secondary SSN.
- (5) If the Secondary SSN cannot be found on the return or attachments, research CC INOLE using the **Primary's SSN**. If found, enter the Secondary SSN in Field 01SS.
- (6) If the Secondary SSN is not found using the Primary SSN, research using CC NAMEI and/or NAMES for the Secondary taxpayer. Take the following action to correct Field 01SS:

If the Secondary SSN is...	And...	Then...
A] Found,		Enter Field 01SS.
B] Not found,	Is required (see the preceding (2)),	SSPND 211 to correspond for the Secondary SSN (see note).
C] Not found,	Is not required (see the preceding (2)),	<ol style="list-style-type: none"> 1. Enter 0 (zero) in the second position of Field 94EXV. 2. Enter B in Field 01RPC, if EIC is claimed (see note). 3. If corresponding for another reason, also request the S-SSN.

Note: If conditions permit the immediate assignment of an IRSN (e.g., no reply to an IRS request for a valid secondary SSN) follow steps for “SSN not required” in the preceding table and SSPND 320 to Entity Control to assign a temporary TIN (IRSN).

Caution: Do **not** enter C in the Clear Field when the secondary SSN (Field 01SS) is missing or invalid. This will cause the record to leave ERS without secondary name control SSN NAP validation.

- (7) If the FSC is 4 or 7 and the taxpayer takes an exemption for a spouse, use the following procedures:

If...	Then...
A] All the following apply: <ol style="list-style-type: none"> 1. The spouse is claimed as a dependent. 2. Other dependents are claimed on the return. 3. No income is reported for spouse. 4. Spouse didn't sign the return. 	<ol style="list-style-type: none"> 1. Enter the spouse's exemption in Position 7 of Field 01EXC, and delete from position 2 of Field 01EXC if present. 2. Remove the spouse's name control from Field 01SNC and TIN from Field 01SS. 3. Add the spouse's TIN and name control to Fields 01DSX and 01DNX (X = position 1, 2, 3, or 4) as appropriate.

If...	Then...
B] The spouse is claimed as a dependent and signed the return,	<ol style="list-style-type: none"> 1. Change the FSC to 2. 2. Correct Field 01NL1 to include spouse and enter long entity. 3. Move the spouse's TIN from Field 01DSX to Field 01SS, and name control from Field 01DNX to Field 01SNC. 4. Move the spouse's exemption to position 2 of Field 01EXC. 5. Assign TPNC 102 at EC 250.
C] The spouse is the only dependent claimed,	<ol style="list-style-type: none"> 1. Change FSC to 6. 2. Move the spouse's TIN from Field 01DS1 to Field 01SS, and name control from Field 01DN1 to Field 01SNC. 3. Assign TPNC 109.

3.12.3.4.1.6
(04-25-2022)
Fields 01DS1, 01DS2, 01DS3 and 01DS4, Dependent SSNs (EC 010)

- (1) If a dependent SSN is missing because of **Amish, Mennonite, or Form 4029**, enter the number of allowable dependents (1-4) in Field 02DTR (Dependent SSN Not Required).
- (2) When any dependent claimed has a missing SSN, search the return and attachments for a valid SSN and take the following action:

Note: A dependent SSN may be missing if the child was born within the tax period of the return and died in the same or consecutive tax period. Evidence of live birth-an official document such as a birth certificate, for example-must support the kind and date of birth. The taxpayer must attach supporting documents to the return and write "died" in column 2 of the tax return instead of applying for an SSN.

Note: There must be an indication that the child was born alive. An exemption for a stillborn child is not allowed.

If the Dependent...	And...	Then...
A] SSN is found,		Correct appropriate fields.

If the Dependent...	And...	Then...
B] was born within the tax period of the return and died in the same or consecutive tax period,	supporting documentation is present, see the notes in (2), above.	<ol style="list-style-type: none"> 1. Enter I in Field 01RPC. 2. Enter the number of allowable dependents without a TIN in Field 02DTR. 3. If there are 4 or more allowable dependents without a TIN, enter 4 in Field 02DTR.
C] was born within the tax period of the return and died in the same or consecutive tax period,	supporting documentation identifies a stillborn birth,	<ol style="list-style-type: none"> 1. Do not allow the exemption for a stillborn child. 2. Enter the number of allowable exemptions in Field 94EXV. 3. TY17 and prior, assign TPNC 610 for the denied exemption, if EC 250 displays.
D] was born within the tax period of the return and died in the same or consecutive tax period,	supporting documentation is not attached,	SSPND 211. Complete Form 6001 using paragraph E.
E] is not present and the FSC is 4 (See EC 034),	taxpayer qualifies for head of household without dependents,	Change Field 01FSC to 7.
F] is not present and the FSC is 4 (See EC 034),	taxpayer does not qualify for Head of Household,	<ol style="list-style-type: none"> 1. Change Field 01FSC to 1. 2. Assign TPNC 101 if EC 250 displays (TY17 and prior, assign TPNC 101 and 605 as appropriate if EC 250 displays).

If the Dependent...	And...	Then...
G] is not present in position 3, 6, or 7 and filing status is 5 (see EC 034),	Taxpayer qualifies for a. Head of Household with dependents (ex. date of death more than two years prior to tax period), b. Qualifying surviving spouse without dependents,	a. Change Field 01FSC to 7. b. Enter C in the Clear Field
H] SSN is missing,	Cannot be located on the return or attachments,	Enter the number of allowable dependents in Field 94EXV (see example).

Example: The tax return is FSC 4 with 2 dependents without SSNs. Enter 0 (zero) in the third position of Field 94EXV.
Field 01EXC 10200000
Field 94EXV 10000000

- (3) 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, see IRM 3.12.2.4.3.18 (7).

3.12.3.4.1.7
(04-25-2022)
Fields 21DS1 and 21DS2, Child and Dependent Care Credit SSNs (EC 010)

- (1) If the Child and Dependent Care Credit SSN is missing because of **Amish**, **Mennonite**, or **Form 4029**, enter 1, 2 or 3 in the Child Care SSN Not Required Field (21CSR) as follows:
- a. Enter **1** in Field 21CSR if Child and Dependent Care SSN 1 is not required.
 - b. Enter **2** in Field 21CSR if Child and Dependent Care SSN 2 is not required.
 - c. Enter **3** in Field 21CSR if neither Child Care SSN is required.
- (2) Search the return and attachments for a valid Child and Dependent Care Credit SSN and take the following action:

If Child and Dependent SSN is...	And...	Then...
A] Found,		Correct appropriate fields.

If Child and Dependent SSN is...	And...	Then...
B] Not found,	the taxpayer notes that the child was born within the tax period of the return and died in the same or consecutive tax period (see IRM 3.12.2.4.3.18),	<ol style="list-style-type: none"> 1. Enter I in Field 01RPC. 2. Enter appropriate number in Field 21CSR for SSN not required: <ol style="list-style-type: none"> a. 1 (for child 1), b. 2 (for child 2), or c. 3 (neither child).
C] Not found,	supporting documentation identifies a stillborn birth,	<ol style="list-style-type: none"> 1. Do not allow the exemption for a stillborn child. 2. Enter the number of allowable exemptions in Field 94EXV. 3. Assign TPNC 707 (TY17 and prior, TPNC 610) for the disallowed dependent, if EC 280 displays.
D] Not found,	the taxpayer notes that the child was born within the tax period of the return and died in the same or consecutive tax period, and supporting documentation is not attached,	SSPND 211. Complete Form 6001 using paragraph E.
E] Not found,	No further corrections are needed to Field 94EXV,	Enter C in the Clear Field.

- (3) Error Code 010 will generate when Field 94EXV positions 3-8 are 0 (zero) and the children claimed for Child and Dependent Care Credit with missing SSNs are not the same children claimed as dependents. If Field 94EXV is correct, enter **C** in the Clear Field.

3.12.3.4.1.8
(04-25-2022)

**Fields 43SS1, 43SS2 and
43SS3 EIC Child(ren)
SSNs (EC 010)**

- (1) Search the return and attachments for a valid EIC Child SSN and take the following action:

If an EIC Child SSN is...	And...	Then...
A] Found,		Correct appropriate field.
B] Not found,	the taxpayer notes that the child was born within the tax period of the return and died in the same or consecutive tax period (see IRM 3.12.2.4.3.18) and supporting documentation is present,	<ol style="list-style-type: none"> 1. Enter I in Field 01RPC. 2. Enter the appropriate number in Field 43ESR if SSN is not required: <ol style="list-style-type: none"> a. 1 - EIC Child 1 died b. 2 - EIC Child 2 died c. 3 - EIC Child 3 died d. 4 - EIC Child 1 and 2 died e. 5 - EIC Child 1 and 3 died f. 6 - EIC Child 2 and 3 died g. 7 - EIC Child 1, 2, and 3 died.
C] Not found,	supporting documentation identifies a stillborn birth,	<ol style="list-style-type: none"> 1. Do not allow the exemption for a stillborn child. 2. Enter the number of allowable exemptions in Field 94EXV. 3. Assign TPNC 707 (TY17 and prior, TPNC 610) for the disallowed dependent if EC 337 displays.
D] Not found,	the taxpayer notes that the child was born within the tax period of the return and died in the same or consecutive tax period, and supporting documentation is not attached,	SSPND 211. Complete Form 6001 using paragraph E.

If an EIC Child SSN is...	And...	Then...
E] Not found,	No further corrections are needed to Field 94EXV,	Enter C in the Clear Field.

- (2) Error Code 010 will generate when Field 94EXV positions 3-8 are 0 (zero) and the children claimed for EIC Credit with missing SSNs are not the same children claimed as dependents. If Field 94EXV is correct, enter **C** in the Clear Field.

3.12.3.4.1.9
(11-27-2020)

Prior Year (PY) (EC 010)

- (1) **TY17 and prior**, if the number of dependent names/SSNs exceeds the number of exemptions in positions 3-8, determine the taxpayer's intent by comparing the entries in the exemptions area and the amount claimed on line 42, Form 1040 (line 26, Form 1040A). If it appears the taxpayer did **not** intend to include the exemption, enter the number of exemptions in positions 1-8 in Field 94EXV to equal the amount the taxpayer is claiming for the exemption.
Example: TY17, line 6c has 3 dependents listed and the exemption amount total on line 42 of Form 1040 equals \$12,150 (1 exemption for the primary taxpayer and 2 for the dependents).
Field 01EXC = 10300000
Field 94EXV = 10200000
Note: If the taxpayer has both valid and invalid dependent names/TINs listed and one or more dependents were not claimed, assume that the unclaimed dependent(s) are the dependents with invalid names/TINs where possible.
- (2) For TY96 and later - Before entering Field 94EXV, make sure all invalid conditions have been addressed. When EC 010 generates, all invalid SSN conditions will be displayed for missing Secondary, Dependent, Child and Dependent Care Credit, or EIC SSNs.
- (3) TY95 and prior - Ensure that the exemptions transcribed in Field 01EXC were entered correctly and then enter the exemptions in Field 01EXC in Field 94EXV.

3.12.3.4.2
(01-01-2020)

**Error Code 011 (CE)
NAP Linkage Down**

- (1) Error Code 011 instructions follow.

3.12.3.4.2.1
(11-27-2020)

Fields Displayed, Form 1040 (EC 011)

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
ERSRI>	ERS Response Indicator
DEPRI>	ERS Dependent Revalidation Indicator
AVSRI>	AVS Revalidation Indicator
EIFAI>	EIF Access Indicator

1040	Field Name
T-DAT>	Tentative Return Due Date Computer
PNEXT>	Primary NAP Extension Due Date
SNEXT>	Secondary NAP Extension Due Date
01NA1>	Primary NAP Access Indicator
01NR1>	Primary TIN NAP EIF RES Indicator
01PYB>	Primary NAP Year of Birth
01NA2>	Secondary NAP Access Indicator
01NR2>	Secondary TIN NAP EIF RES Indicator
01SYB>	Secondary NAP Year of Birth
01NP1>	Dependent 1 NAP Access Indicator
01DR1>	Dependent 1 TIN NAP EIF RES Indicator
01YB1>	Dependent 1 NAP Year of Birth
01NP2>	Dependent 2 NAP Access Indicator
01DR2>	Dependent 2 TIN NAP EIF RES Indicator
01YB2>	Dependent 2 NAP Year of Birth
01NP3>	Dependent 3 NAP Access Indicator
01DR3>	Dependent 3 TIN NAP EIF RES Indicator
01YB3>	Dependent 3 NAP Year of Birth
01NP4>	Dependent 4 NAP Access Indicator
01DR4>	Dependent 4 TIN NAP EIF RES Indicator
01YB4>	Dependent 4 NAP Year of Birth
21NA1>	Dependent 1 Child Care NAP Access Indicator
21NR1>	Dep 1 Child Care TIN NAP EIF RES Indicator
21NA2>	Dependent 2 Child Care NAP Access Indicator
21NR2>	Dep 2 Child Care TIN NAP EIF RES Indicator
43NP1>	EIC Child 1 NAP Access Indicator
43ER1>	EIC Child 1 NAP EIF Response
43NP2>	EIC Child 2 NAP Access Indicator
43ER2>	EIC Child 2 NAP EIF Response
43NP3>	EIC Child 3 NAP Access Indicator
43ER3>	EIC Child 3 NAP EIF Response

3.12.3.4.2.2
(01-01-2019)
Invalid Conditions (EC 011)

- (1) **Error Code 011** generates when the NAP Access Indicator and/or the NAP Response Record is not received. A blank in the NAP Request/Response Record means there is a time out situation and "X" means there is a real time problem. This may cause **any** of the following:
 - a. Both the Primary NAP Access Indicator and NAP Response Indicator are blank, or the NAP Access Indicator only contains "X".
 - b. A Secondary SSN is present, the Secondary SSN NAP Access Indicator and NAP Response Indicator are blank, or "X" and the NAP Access Indicator only contains "X."
 - c. A Dependent SSN is present, the Dependent SSN NAP Access Indicator and NAP Response Indicator is blank, or NAP Access Indicator only contains "X."
 - d. A Child and Dependent Care Credit Child SSN is present, the Child and Dependent Care Credit Child NAP Access Indicator and NAP Response Indicator are blank, or the NAP Access Indicator only contains "X".
 - e. An EIC Child SSN is present, the EIC Child NAP Access Indicator is blank and the corresponding NAP Response Indicator is also blank, or the NAP Access Indicator only contains "X".
 - f. NAP date of birth is not all numeric.
- (2) If Fields ERSRI> and/or DEPRI> do not display a **1**, AVS validation is not responding.

3.12.3.4.2.3
(01-01-2019)
Correction Procedures (EC 011)

- (1) Review **all correction procedures** before taking any action.
- (2) Go to the bottom of the screen and transmit.
- (3) Correct coding and transcription errors and misplaced entries in displayed fields.
- (4) **Do not enter C in Clear Field unless instructed.** This will cause the record to leave ERS without Name Control/SSN validation, and may cause an un-postable condition.
- (5) If Fields ERSRI> and/or DEPRI> do not display a **1**, AVS validation is not responding. SSPND 492 and notify your manager or work leader immediately. Using the Clear Field will not send the return to AVS for validation.
- (6) If Error Code 011 redispays and Field 01PYB>, 01SYB>, 01YB1>, 01YB2>, 01YB3>, or 01YB4> includes a non-numeric character, enter **C** in the Clear Field.
- (7) If Error Code 011 redispays, Field ERSRI> and/or DEPRI> displays with a "1" NAP is down, SSPND 800 to temporarily delay processing (see note).

Note: The return may be reworked the same day (if the NAP-ERS linkage is restored) using CC GTRECW or it may be worked the next day as a regular suspense record using CC GTREC. Follow local Submission Processing Center procedures.

3.12.3.4.2.4
(01-01-2017)

**Field ERSRI>, ERS
Revalidation Indicator
(EC 011)**

- (1) Field ERSRI> is a computer-generated field which indicates to ERS whether revalidation is necessary on the primary SSN.

Value	Description
0	Revalidation not necessary
1	National Account Profile (NAP) needs to be accessed

3.12.3.4.2.5
(01-01-2017)

**Field DEPRI>, ERS
Dependent Revalidation
Indicator (EC 011)**

- (1) Field DEPRI> is a computer-generated field which indicates to ERS whether SSN revalidation is necessary for Secondary taxpayer, dependents, or dependents claimed on Schedule EIC and Child Care Credit.

Value	Description
0	Revalidation not necessary
1	Revalidate all SSNs (NAP needs to be accessed)

3.12.3.4.2.6
(01-01-2017)

**Field AVSRI>, AVS
Revalidation Indicator
(EC 011)**

- (1) Field AVSRI> is a computer-generated field which indicates to ERS whether AVS revalidation is necessary.

Value	Description
0	Revalidation against AVS not required
1	Revalidation against AVS required

3.12.3.4.2.7
(01-01-2017)

**Field EIFAI>, EIF Access
Indicator (EC 011)**

- (1) Field EIFAI> is an indicator which signifies whether the Entity Index File has been accessed and the status of the account related to name control, address information, and filing status code.

Value	Description
0	EIF was not accessed (EIF - Entity Index File)
1	EIF was inoperable
2	Account does not reside on the EIF
3	Name control mismatched
4	Address information is different
5	Account mismatches on Filing Status Code
6	Name Control mismatch on TIF (TIF - Taxpayer Information File)
7	No account on the TIF

Value	Description
8	TIF not accessed or inoperable
9	ERS bypass

3.12.3.4.2.8

(01-01-2019)

**Field T-DAT>, Tentative
Return Due Date
Computer (EC 011)**

- (1) Return due date computer (e.g., 20230418)

3.12.3.4.2.9

(01-01-2019)

**Field PNEXT>, Primary
NAP Extension Due Date
(EC 011)**

- (1) Primary NAP extension due date when an approved extension (TC 460) is present (e.g., 20231016)
- (2) FSC 2, and PNEXT> and SNEXT> have different dates, ERS programming will use the latest date.

3.12.3.4.2.10

(01-01-2019)

**Field SNEXT>,
Secondary NAP
Extension Due Date (EC
011)**

- (1) Secondary NAP extension due date when an approved extension (TC 460) is present (e.g., 20231016).
- (2) FSC 2, and PNEXT> and SNEXT> have different dates, ERS programming will use the latest date.

3.12.3.4.3

(01-01-2017)

**Error Code 012 (CE)
Spouse/Dependent SSN
Validation**

- (1) Error Code 012 instructions follow.

3.12.3.4.3.1

(11-27-2020)

**Fields Displayed, Form
1040 (EC 012)**

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01EXC	Exemption Code
94EXV	Exemption Verified
01RPC	Return Processing Code
MEFII>	MeF Imperfect Return Indicator
01SPC	Special Processing Code
01SNC	Secondary Name Control
>>>>	Secondary NAP EIF Name Control

1040	Field Name
01SS	Secondary SSN
01NA2>	Secondary NAP Access Indicator
01NR2>	Secondary NAP EIF Response Indicator
01DS1	Dependent 1 SSN
01DN1	Dependent 1 Name Control
>>>>	Dependent 1 NAP Name Control
01NP1>	Dependent 1 NAP Access Indicator
01DR1>	Dependent 1 NAP EIF Response Indicator
01DS2	Dependent 2 SSN
01DN2	Dependent 2 Name Control
>>>>	Dependent 2 NAP Name Control
01NP2>	Dependent 2 NAP Access Indicator
01DR2>	Dependent 2 NAP EIF Response Indicator
01DS3	Dependent 3 SSN
01DN3	Dependent 3 Name Control
>>>>	Dependent 3 NAP Name Control
01NP3>	Dependent 3 NAP Access Indicator
01DR3>	Dependent 3 NAP EIF Response Indicator
01DS4	Dependent 4 SSN
01DN4	Dependent 4 Name Control
>>>>	Dependent 4 NAP Name Control
01NP4>	Dependent 4 NAP Access Indicator
01DR4>	Dependent 4 NAP EIF Response Indicator
02DTR	Dependent TIN Requirement
21DS1	Dependent 1 Child Care SSN
21CN1	Dependent 1 Child Care Name Control
>>>>	Dependent 1 Child Care NAP Name Control
21NA1>	Dependent 1 Child Care NAP Access Indicator
21DS2	Dependent 2 Child Care SSN
21CN2	Dependent 2 Child Care Name Control
>>>>	Dependent 2 Child Care NAP Name Control
21NA2>	Dependent 2 Child Care NAP Access Indicator
43SS1	EIC Child 1 SSN

1040	Field Name
43NC1	EIC Child 1 Name Control
>>>>	EIC Child 1 NAP Name Control
43NP1>	EIC Child 1 NAP EIF Access Indicator
43ER1>	EIC Child 1 NAP EIF Response
43SS2	EIC Child 2 SSN
43NC2	EIC Child 2 Name Control
>>>>	EIC Child 2 NAP Name Control
43NP2>	EIC Child 2 NAP EIF Access Indicator
43ER2>	EIC Child 2 NAP EIF Response
43SS3	EIC Child 3 SSN
43NC3	EIC Child 3 Name Control
>>>>	EIC Child 3 NAP Name Control
43NP3>	EIC Child 3 NAP EIF Access Indicator
43ER3>	EIC Child 3 NAP EIF Response
43ESR	EIC Child SSN Not Required

3.12.3.4.3.2
(01-01-2019)
Invalid Conditions (EC 012)

- (1) **Error Code 012** generates when Field 94EXV is blank, and any of the following exist:
- The Secondary(Spouse) NAP Access Indicator is 2 or 9, and RPC E is not present.
 - At least 1 Dependent's National Account Profile (NAP) Access Indicator is 2 or 9.
 - At least 1 Child and Dependent Care dependent (Form 2441) has a NAP Access Indicator of 2 or 9.
 - At least 1 EIC child (Schedule EIC) has a NAP Access Indicator of 2 or 9.
 - The MeF Imperfect Return Indicator (1) is present in Field MEFI>.

#

Note: A NAP Access Indicator of 2 means that the account is not present on the NAP, and a NAP Access Indicator of 9 means that there is a Name Control and SSN mismatch.

- (2) The NAP contains entity information relating to Social Security Numbers and the Name Controls that belong to those SSNs. If the Name Control does not match the SSN, Error Code 012 will generate for correction. There is a validation process that takes place after the information is entered in ISRP.

3.12.3.4.3.3
(01-01-2019)
**Correction Procedures
(EC 012)**

- (1) Go to the bottom of the screen and transmit.
- (2) Correct coding and transcription errors and misplaced entries in displayed fields.
 - a. Use Field 01EXC to correct Code & Edit and transcription errors only.
 - b. Use Field 94EXV when disallowing a dependent/exemption.

Note: Field 94EXV Exemption Verified Field is for **ERS Input only**. It is to be used when the taxpayer has failed to provide a valid SSN/ITIN/ ATIN for themselves, their spouse or dependents. Field 94EXV will be invalid if the entry is other than blank or numeric. When entering data in Field 94EXV, all eight positions must be entered.

Reminder: When disallowing an exemption, other error codes may generate because of changes in the amount of Taxable Income, Total Tax and/or credits claimed.

Exception: Beginning in TY18, there is no longer a monetary value associated with exemptions. However, the requirement for all persons listed on the tax return to have a valid TIN remains.

- (3) Use the information from page 1, Form 1040 to help perfect information (SSNs and/or name controls) on all forms, schedules, and attachments and vice versa. If a dependent on page 1, Form 1040, can be determined to be the same person listed on any form, schedule, or attachment (i.e., same name), then correct the dependent/qualifying child based on the name found and vice versa.

Example: If a dependent on the return has a name control that does not match its computer underprint and the same dependent is present on Schedule EIC with a name control that matches the computer underprint; then use the information from Schedule EIC to perfect the dependent's name control and/or SSN.

- (4) **FOR AUSPC ONLY-** If the return has an ITIN in one of the following ranges:
 - 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** follow the instructions in the table below:

If...	And...	Then...
A] The name control for the Secondary or Dependent ITIN is underprinting with XXXX or a different name control, Note: This will be the only time that ERS re-searches a dependent.		Go to the bottom of the screen and transmit.
B] EC 012 redisplay,		Research INOLET on the Secondary and Dependent ITIN.
C] The Secondary taxpayer or the Dependent is found on INOLET with an asterisk,	you can determine through research that the Secondary taxpayer or the dependent is the same person as on the return,	Allow the exemption(s) using Field 94EXV.
D] Secondary taxpayer is not found, or INOLET shows a different person,		Research on NAMES, NAMEI, or the Real Time System (RTS) the Secondary ITIN that underprint with the name control XXXX or with a different name control.
E] Dependent is not found, or INOLET shows a different person,		Research on the Real Time System (RTS) the Dependent ITIN(s) that underprint with the name control XXXX or with a different name control.
F] Research on the RTS shows the ITIN on the return for the Secondary and/or Dependent was assigned,		Allow the exemption(s) using Field 94EXV. (Note the year of birth for each dependent).

If...	And...	Then...
G] For Secondary or Dependent ITINs: If suspended or unworked is noted on the return, or RTS research shows Form W-7 in status S or U (Suspended or Unworked),		<ol style="list-style-type: none"> 1. Print the RTS screen and attach it to the front of the return. 2. Note on Form 4227 the status and attach it to the return. 3. SSPND 640 to ITIN.
H] No Secondary or Dependent ITIN can be found on RTS,		Disallow the exemption(s) using Field 94EXV and assign the appropriate TPNC.
I] Information on the RTS account does not match Secondary or Dependent information on the return,		Disallow the exemption(s) using Field 94EXV and assign the appropriate TPNC.
J] RTS shows the ITIN status as revoked ,		Disallow the exemption(s) using Field 94EXV and assign the appropriate TPNC.

If...	And...	Then...
K] The ITIN Operation established an incorrect name control for the Secondary taxpayer TIN,		<ol style="list-style-type: none"> 1. Research INOLES to determine if same taxpayer. 2. Enter the name control from the underprint in Field 01PNC if the taxpayer is the same on the valid segment and claiming any of the following credits: <ul style="list-style-type: none"> • Child Tax Credit • Credit for Other Dependents • Education Credit • Earned Income Credit • Additional Child Tax Credit • American Opportunity Credit 3. Enter E in Field 01RPC, if the taxpayer is the same on the valid segment and not claiming one of the credits listed above.

3.12.3.4.3.4
(01-17-2017)

**Field 94EXV, Exemption
Verified Field (EC 012)**

- (1) Field 94EXV is for **ERS input only**. **All** of the following conditions apply to Field 94EXV:
 - a. Must be entered as all numeric.
 - b. Will display as blank until an entry is made.
 - c. All eight positions must be accounted for and entered.
 - d. The number of allowable dependents must be entered in the appropriate positions.
- (2) Use Field 94EXV when the taxpayer fails to provide a valid SSN/ITIN/ATIN (without a valid reason) for **any** of the following exemptions:
 - Self
 - Spouse
 - Dependent(s)

- (3) Enter **0** (zero) in the first position of Field 94EXV to disallow the exemption for the **primary** taxpayer if:

- RPC O or DSI 1 is present, and other entries are made in Field 94EXV.
- The primary taxpayer was disallowed in EC 004 or 005.

Caution: One (1) in the first position of Field 94EXV will override the RPC O or DSI 1 and allow the exemption for the primary taxpayer.

- (4) Enter **0** (zero) in the second position of Field 94EXV to disallow the exemption for the **secondary** taxpayer per the Secondary TIN instructions below (3.12.3.4.3.5).
- (5) A child does not have to be claimed as an exemption to qualify for the Child and Dependent Care Credit or to be a qualifying EIC Child. Exemptions are not involved in the computation of Child and Dependent Care Credit or EIC. Enter **C** in the Clear Field when the taxpayer **doesn't** claim an exemption for the dependent(s) (Field 01EXC) but claims Child Care Credit and/or EIC.

3.12.3.4.3.5
(04-01-2022)

Secondary TIN (EC 012)

- (1) Since **TY96**, secondary taxpayers have been required to have a valid Taxpayer Identification Number (TIN) to qualify for an exemption. However, taxpayers are not required by law to change their names with the Social Security Administration (SSA). An invalid TIN is allowed for these taxpayers claiming an exemption, etc.
- a. If the taxpayer is using the SSN issued to them by SSA (or IRS if an ITIN) but their last name is now different, inputting RPC E indicates that the taxpayer on the return is the same taxpayer on the account using a different last name.

Note: The validation process for all spouses is critical, including those that are not being claimed as dependents.

Caution: For **FSC 3 (Married Filing Separately)** returns use the same instructions and research as specified in the following subsections, except for: **Do not enter RPC E and do not enter 1 in the second position of Field 94EXV.**

- (2) Do not allow an exemption for an **IRS**N, which has the format 9XX-XX-XXXX. See (3) through (6) below.
Exception: If the middle two numbers are 50-65, 70-88, 90-92, or 94-99 the number is 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) and is a valid TIN for the exemption.
- (3) Check the return and attachments for a different SSN and/or last name that matches the underprint in Field 01SNC.
- (4) If a different SSN or last name **is** found, use the following table to resolve the error.

If...	Then...
A] A different SSN is found,	Enter it in Field 01SS.

If...	Then...
B] An ITIN is found,	<ol style="list-style-type: none"> 1. Research INOLES for the ITIN Status Code. 2. If the ITIN Status Code is “I” and you can determine the filer is the same as the taxpayer on the valid segment, enter the name control from the underprint in Field 01SNC.
C] A last name is found that matches the Field 01SNC underprint,	<ol style="list-style-type: none"> 1. Enter the name control from the underprint in Field 01SNC if the taxpayer is claiming any of the following credits: <ul style="list-style-type: none"> • Child Tax Credit • Credit for Other Dependents • Education Credit • Earned Income Credit • Additional Child Tax Credit • American Opportunity Credit 2. Enter E in Field 01RPC, if the taxpayer is not claiming one of the credits listed above. <p>Note: RPC E indicates the taxpayer is using the SSN issued to them by SSA (or IRS if an ITIN) but their last name is now different, often because of marriage.</p> <p>Caution: Do not enter RPC E when the SSN is made up of consecutive or repeating numbers-123-45-6789, 222-22-2222, for example. Disallow the exemption.</p>

- (5) If a different SSN or last name **is not** found on the return or attachments, research CC INOLE using the **Primary TIN** and the following table to resolve the error.

If research on the Primary taxpayer's SSN indicates...	Then...
A] A different VALID SSN for the Secondary taxpayer (no * at the end of the SSN),	Enter it in Field 01SS.
B] The secondary taxpayer's TIN is an ITIN,	<ol style="list-style-type: none"> 1. Research INOLES for the ITIN Status Code. 2. If the ITIN Status Code is "I" and you can determine the filer is the same as the taxpayer on the valid segment, enter the name control from the underprint in Field 01SNC.
C] The secondary taxpayer on the return has previously filed a joint return (FSC 2) with the primary taxpayer (no * at the end of the SSN) or the name control matches,	<ol style="list-style-type: none"> 1. Enter the name control from the underprint in Field 01SNC if the taxpayer is claiming any of the following credits: <ul style="list-style-type: none"> • Child Tax Credit • Credit for Other Dependents • Education Credit • Earned Income Credit • Additional Child Tax Credit • American Opportunity Credit 2. Enter E in Field 01RPC, if the taxpayer is not claiming one of the credits listed above. <p>Caution: Do not enter RPC E when the SSN is made up of consecutive or repeating numbers-123-45-6789, 222-22-2222, for example. Disallow the exemption.</p>
D] The secondary taxpayer on the return previously filed a joint return (FSC 2) with the primary taxpayer and there is an * at the end of the SSN,	Research Secondary TIN using CC INOLE. Follow procedures in (6).

- (6) Research the **Secondary TIN** using CC INOLE and the following table to resolve the error.

If research on the Secondary taxpayer's SSN indicates...	Then...
A] The filer has an ITIN and INOLES shows the ITIN Status Code is "I", and you can determine the filer is the same as the taxpayer on the valid segment,	Enter the name control from the underprint in Field 01SNC.

If research on the Secondary taxpayer's SSN indicates...	Then...
<p>B] Any other name control (IMF, IRS, etc.) that matches the name the secondary taxpayer used on the return,</p>	<ol style="list-style-type: none"> 1. Enter the name control from the underprint in Field 01SNC if the taxpayer is claiming any of the following credits: <ul style="list-style-type: none"> • Child Tax Credit • Credit for Other Dependents • Education Credit • Earned Income Credit • Additional Child Tax Credit • American Opportunity Credit 2. Enter E in Field 01RPC, if the taxpayer is not claiming one of the credits listed above. 3. Do not enter RPC E under any of the following conditions: <ol style="list-style-type: none"> a. The secondary taxpayer has an IRSN (temporary TIN). b. The taxpayer on the account is not the same taxpayer shown on the return. c. The SSN is made up of consecutive numbers in either direction or repeating identical numbers: 123-45-6789, 456-78-9123, 987-65-4321, 321-98-7654, 222-22-2222, 111-22-3333, for example. <p>Caution: TINs that follow these patterns are at best exceedingly unlikely to be valid and are in fact frequently used fraudulently. Exercise great care in evaluating the validity of such TINs.</p> d. Disallow the exemption by entering 0 (zero) in the second position of Field 94EXV if any of the conditions above are present.

If research on the Secondary taxpayer's SSN indicates...	Then...
C] Information that matches the following information from the return: <ul style="list-style-type: none"> • First name or initial • Middle name or initial 	See B] Then above.
D] The underprint for the secondary taxpayer matches the underprint of a dependent(s) and the dependent is valid,	See B] Then above.
E] The secondary taxpayer has previously filed with the primary and has no account at Master File (the TIN exists at SSA, but has only a name control),	See B] Then above.
F] An SSA or New SSA name control that matches the name the secondary taxpayer used on the return,	Enter C in the Clear Field.

- (7) If research on the Secondary taxpayer's SSN using CC INOLE does **not** show an IRS, IMF, SSA, or New SSA name control that matches the name control the secondary taxpayer used on the return or the secondary taxpayer has an IRSN (temporary TIN), then research using CC NAMEI or NAMES for a different, valid SSN/ITIN. Use the following table to resolve:

If...	Then...
A] A different, valid SSN <u>is</u> located,	Enter it in Field 01SS.

If...	Then...
B] A different, valid SSN <u>is not</u> located,	<ol style="list-style-type: none"> Enter 0 (zero) in the second position of Field 94EXV. Note: When entering data in Field 94EXV, enter all allowable dependents in positions 1 through 8. Enter B in Field 01RPC, if EIC is claimed. Example: The return is a FSC 2 with 2 dependents. The secondary SSN is invalid and one of the dependent's SSN is also invalid. Enter data in Field 94EXV as follows: FIELD 01EXC 11200000 FIELD 94EXV 10100000

3.12.3.4.3.6
(02-01-2022)

Dependent TIN (EC 012)

- Transmit from the bottom of the screen. If EC 012 redisplay, follow the procedures below.
- Disallow the exemption when the SSN is consecutive or repeating numbers, for example 123-45-6789 or 222-22-2222.
- If any Dependent, Child and Dependent Care Child, or EIC Child has a NAP Access Indicator of 2 or 9 and their name control underprints with the primary or secondary taxpayer's name control, or matches the primary or secondary taxpayer's name(s) on the return, change that child's name control to match the underprint.
- If a Dependent NAP Access Indicator is 2 or 9, and none of the preceding applies, enter the number of allowable dependents in Field 94EXV by totaling the number of exemptions claimed in positions 3 through 8 of Field 01EXC and subtracting the sum of all dependents that have a NAP Access Indicator 2 or 9, or didn't provide a valid reason for not providing an SSN.

Example: Four dependents were claimed, one dependent's NAP Access Indicator is 2 and another dependent's TIN is missing;

Example:

Field 01EXC 10400000

Field 94EXV 10200000

- When **more than four** dependent SSNs are present on the return **or if 1 is present in Field MEFIL>** (MeF Imperfect Return Indicator), use the following instructions:

#

MEFII> is 1, GTSEC 94 and enter the number of allowable dependents with valid TINs in Field 94EXV, and enter the number of eligible dependents for each credit in Field 94CEV and Field 94DEV (TY21, also enter Field 946EV.)

- a. Research the remaining dependents using CC INOLE to determine if their TIN is valid.

Reminder: If the dependent **SSN** is valid, check the tax return to see if the child tax credit box was checked for that dependent. If so, also determine if the dependent is under age 17, while you are already in CC INOLE.

- b. GTSEC 94, enter the number of allowable dependents in Field 94EXV, and enter the number of eligible dependents for each credit in Field 94CEV and 94DEV. (TY21 only, also enter Field 946EV).
- (6) If there are no valid dependents present and the **FSC is 4**, determine if the taxpayer qualifies for the filing status without dependents (See EC 034 for instruction).
 - a. If the taxpayer qualifies for FSC 4 without dependents, change Field 01FSC to 7.
 - b. If the taxpayer does not qualify, change Field 01FSC to 1
 - (7) If there are no valid dependents present and the **FSC is 5**, determine if the taxpayer qualifies for the filing status without dependents (See EC 034 for instruction).
 - a. If the taxpayer qualifies for FSC 4 without dependents (ex. date of death more than two years prior to tax period), change 01FSC to 7.
 - b. If the taxpayer qualifies for FSC 5, enter **C** in the Clear Field.
 - (8) If the Child and Dependent Care Credit or EIC Child(ren) SSNs are invalid and are not the same children claimed as dependents, enter the number of allowable dependents claimed in Field 01EXC in Field 94EXV.

3.12.3.4.3.7
(01-01-2017)
Prior Year (EC 012)

- (1) For TY96 and later - Ensure all invalid conditions have been addressed before entering Field 94EXV. When EC 012 generates, all invalid SSN conditions will be displayed for missing Secondary, Dependent, Child and Dependent Care Credit, or EIC SSNs.
- (2) For TY95 and prior, ensure the exemptions in Field 01EXC were entered correctly, then enter the exemptions from Field 01EXC in Field 94EXV.

3.12.3.4.4
(01-01-2017)
Error Code 013 (CE)
Duplicate Social
Security Numbers

- (1) Error Code 013 instructions follow.

3.12.3.4.4.1
(11-27-2020)
Fields Displayed, Form
1040 (EC 013)

- (1) This table shows the fields displayed.

1040	Field Name
01PS	Primary SSN
01SS	Secondary SSN
01EXC	Exemption Code
94EXV	Exemption Code Verified
01DS1	Dependent 1 SSN
01DN1	Dependent 1 Name Control
01DS2	Dependent 2 SSN
01DN2	Dependent 2 Name Control
01DS3	Dependent 3 SSN
01DN3	Dependent 3 Name Control
01DS4	Dependent 4 SSN
01DN4	Dependent 4 Name Control
21DS1	Dependent 1 Child Care SSN
21CN1	Dependent 1 Child Care Name Control
21DS2	Dependent 2 Child Care SSN
21CN2	Dependent 2 Child Care Name Control
38TN1	Form 8839 Child 1 SSN
38NC1	Form 8839 Child 1 Name Control
38TN2	Form 8839 Child 2 SSN
38NC2	Form 8839 Child 2 Name Control
38TN3	Form 8839 Child 3 SSN
38NC3	Form 8839 Child 3 Name Control
43SS1	EIC Child 1 SSN
43NC1	EIC Child 1 Name Control
43SS2	EIC Child 2 SSN
43NC2	EIC Child 2 Name Control
43SS3	EIC Child 3 SSN
43NC3	EIC Child 3 Name Control

3.12.3.4.4.2
(01-01-2017)
**Invalid Conditions (EC
013)**

- (1) **Error Code 013** generates when **any** of the following exist:
- Primary SSN is equal to the Secondary SSN.
 - Primary SSN is equal to any Dependent SSN or EIC Child SSN.

- c. Secondary SSN is equal to any Dependent SSN or EIC Child SSN.
- d. Any Dependent SSN is equal to another Dependent SSN.
- e. Any Child and Dependent Care Dependent SSN is equal to another Child and Dependent Care Dependent SSN.
- f. Any EIC Child SSN is equal to another EIC Child SSN.
- g. The Primary SSN is equal to any Form 8839 Child SSN.
- h. The Secondary SSN is equal to any Form 8839 Child SSN.
- i. Any Form 8839 Child SSN is equal to another Form 8839 Child SSN.

3.12.3.4.4.3
(01-01-2017)

**Correction Procedures
(EC 013)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Examine the return and attachments for correct SSN and enter the correct SSNs, as appropriate.

Caution: Do not enter the Secondary SSN for the primary taxpayer, even if it is the only number available.

- (3) Search return and/or attachments for the correct SSN. Take the following actions:

If...	Then...
A] Unable to determine the correct Primary SSN,	Research CC INOLE, NAMEI, and NAMES. (SSPND 351 if IDRS is unavailable.)
B] The Primary SSN is located through research,	<ol style="list-style-type: none"> 1. GTSEC 01. 2. Enter Long Entity. (See IRM 3.12.2.4.2.)
C] The Secondary SSN is a duplicate of the Primary SSN and the correct SSN cannot be found on the return or attachment,	Research CC INOLE or ENMOD using the Primary SSN. (SSPND 351 if IDRS is unavailable.)
D] The Secondary SSN is not found through research,	<ol style="list-style-type: none"> 1. Delete the entry in Field 01SS. 2. Enter zero in the second position of Field 94EXV. 3. If the EIC is claimed, enter B in Field 01RPC.
E] A Dependent SSN equals another Dependent's SSN,	Delete all but one of the identical SSNs.
F] A Dependent SSN equals the Primary or Secondary SSN,	<ol style="list-style-type: none"> 1. Delete the dependent's SSN. 2. Disallow the dependent when EC 010 displays by changing Field 94EXV positions 3 through 8, as needed. See IRM 3.12.3.4.1.3(5).

If...	Then...
G] A Child and Dependent Care SSN equals another Child and Dependent Care SSN,	Delete all but one of the identical Child and Dependent Care SSNs.
H] A Form 8839 SSN equals another Form 8839 SSN,	Delete one of the duplicate SSNs on Form 8839, Qualified Adoption Expenses.
I] A Form 8839 SSN equals the Primary or Secondary SSN,	Delete the Form 8839 SSN.
J] An EIC SSN equals another EIC SSN,	Delete one of the EIC SSNs.
K] An EIC SSN equals the Primary or Secondary SSN,	<ol style="list-style-type: none"> 1. Delete the EIC Child's SSN. 2. Disallow the EIC Child when EC 010 displays, by changing Field 94EXV, positions 3 through 8 as needed. See IRM 3.12.3.4.1.3(5).

3.12.3.4.5
(01-01-2017)
Error Code 014 (CE)
Entity Data

- (1) Error Code 014 instructions follow.

3.12.3.4.5.1
(11-27-2020)
Fields Displayed, Form 1040 (EC 014)

- (1) This table shows the fields displayed.

1040	Field Name
01PNC	Name Control
01PS	Primary SSN
01SS	Secondary SSN
01NL1	Name Line 1
01NL2	Name Line 2
01ADD	Street Address
01C/S	City/State
01ZIP	ZIP Code
01TXP	Tax Period
01FSC	Filing Status Code

3.12.3.4.5.2
(01-01-2017)
Invalid Conditions (EC 014)

- (1) **Error Code 014** generates when the Entity data fields present will not generate the proper Master File Entity Code.

3.12.3.4.5.3
(08-11-2021)
Correction Procedures (EC 014)

- (1) If the address in the entity of the return is incomplete, perfect it from the return or attachments according to the instructions in this table. If you perfect the entity with information found in any attachment, enter it as long entity, filling in every required item from 01PS to 01ZIP. See IRM 3.12.2.4.2.

If...	And...	Then...
A] You find a complete address on an attachment consistent with the incomplete address in the entity,	The street address in the entity is complete and agrees with the street address on the attachment and the rest of the address in the entity (the city, state, and ZIP Code) is missing in whole or in part	Enter the perfected city, state, or ZIP Code from the attachment: 1. city and state in Field 01C/S. 2. ZIP Code in Field 01ZIP.
B] You find a complete address on an attachment consistent with the incomplete address in the entity,	The street address in the entity is incomplete and the city, state, and ZIP Code in the entity agree with the city, state, and ZIP Code on the attachment	Perfect the street address in the entity with the street address from the attachment. Enter the perfected street address in Field 01ADD.

Caution: Perfect only present but imperfect information, not missing information, and perfect an incomplete address with the information you find elsewhere in the return or any attachments only if that information is consistent with the imperfect information in the entity. Consider the city, state, and ZIP Code a single block of information.

- (2) If you cannot perfect the entity with other information in the return, research INOLE and take the following action:

If the Address is...	Then...
A] Found,	Enter it as Long Entity (See IRM 3.12.2.4.2).

If the Address is...	Then...
B] Not found,	<ol style="list-style-type: none"> 1. Enter IRS in Field 01ADD. 2. Enter the center city and state in Field 01C/S and unique ZIP Code in Field 01ZIP. See (3) below. <p>Caution: Use the center address only if you can't perfect the address or find an address with INOLE.</p>

Caution: Don't use any other command codes to locate the address.

(3) The city, state, and ZIP Code for each center are below:

Center	01C/S	01ZIP
AUSPC	Austin/TX	73301
KCSPC	Kansas City/MO	64999
OSPC	Ogden/UT	84201

3.12.3.4.6
(01-01-2017)

**Error Code 015 (CE)
Spouse SSN Blank**

(1) Error Code 015 instructions follow.

3.12.3.4.6.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 015)**

(1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01SS	Secondary SSN
01NL1	Name Line 1
01NL2	Name Line 2
01ADD	Street Address
01C/S	City/State
01ZIP	ZIP Code
01FSC	Filing Status Code
01CCC	Computer Condition Code
01DSI	Dependent Status Indicator

1040	Field Name
94EXV	Exemption Code Verified

3.12.3.4.6.2
(01-01-2017)
Invalid Conditions (EC 015)

- (1) **Error Code 015** generates when all of the following exist:

- Field 01FSC is 2, or 6.
- Field 01SS is blank.
- Computer Condition Code J is not present.
- The Document Code is not 72 or 73.

Exception: Error Code 015 will not generate when the Tax Class is 210 and the Blocking Series is 000-299 (SFR).

3.12.3.4.6.3
(04-25-2022)
Correction Procedures (EC 015)

- Correct coding and transcription errors and misplaced entries in displayed fields.
- Enter **C** in the Clear Field if either of the following apply:
 - FSC is 3, or
 - FSC is 2, and spousal exemption has been disallowed in EC 010, 012, or 013.
- Check the return and attachments for a Secondary SSN. If a Secondary SSN is found, enter in Field 01SS.
- If there is any indication that the spouse is not required to obtain an SSN/ITIN (i.e., **Amish/Mennonite** or **Form 4029** indicated for the spouse on the return or attachments):
 - Enter **B** in Field 01RPC if EIC is claimed.
 - If previous entries have been made in Field 94EXV (i.e., EC 012) verify that Field 94EXV has a 1 in the second position to allow the spouse's exemption.
 - Enter **J** in Field 01CCC when FSC is 2, or 6.
- For TY96 and later, the Secondary SSN is required to process the return if any of the following are present:
 - The Primary taxpayer is deceased, and it is a joint return.
 - Form 4137, Social Security and Medicare Tax on Unreported Tip Income, tax is being paid for the secondary taxpayer.
 - Form 5329, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts, is filed for the secondary taxpayer.
 - Form 8606, Nondeductible IRAs, is filed for the secondary taxpayer.
 - Form 8919, Uncollected Social Security and Medicare Tax on Wages, tax is being paid for the secondary taxpayer (TY07 and later).
 - Form 8941, Credit for Small Employer Health Insurance Premiums, is being filed and unable to determine who is filing the form (TY14 and later).
 - Schedule H, Household Employment Taxes, is filed for the secondary taxpayer.
 - Self-Employment (SE) Tax is being paid for the secondary taxpayer.

- (6) If the Secondary SSN cannot be found on the return or attachments, research CC INOLE using the Primary's SSN. If not found on INOLE, use CC NAMES and NAMEI for the secondary taxpayer.

If the Secondary SSN is...	And...	Then...
A] Found,		Enter the SSN in Field 01SS.
B] Not found,	Is required (see the preceding (5)),	SSPND 211 to correspond for the Secondary SSN.
C] Not found,	Is not required (see the preceding (4)),	<ol style="list-style-type: none"> 1. Enter 0 (zero) in the second position of Field 94EXV. 2. Enter B in Field 01RPC if EIC is claimed.

- (7) If conditions permit the immediate assignment of a temporary TIN (e.g., No Reply to an IRS request for a valid Secondary SSN), SSPND 320 to have Entity Control assign a temporary TIN (IRSN).

3.12.3.4.7
(01-01-2017)

**Error Code 016 (CE) FSC
2 and No Ampersand**

- (1) Error Code 016 instructions follow.

3.12.3.4.7.1
(11-27-2020)

**Fields Displayed, Form
1040 (EC 016)**

- (1) This table shows the fields displayed.

1040	Field Name
01NL1	Name Line 1
01FSC	Filing Status Code
01EXC	Exemption Code
03TTX	Tentative Tax
>>>>	Tentative Tax Computer

3.12.3.4.7.2
(01-01-2017)

**Invalid Conditions (EC
016)**

- (1) **Error Code 016** generates when **either** of the following exist:
- a. Filing Status Code (FSC) is 2 but there is no ampersand (&) present in the First Name Line (Field 01NL1).
 - b. FSC is not 2 and there is an ampersand present in First Name Line.

3.12.3.4.7.3
(04-25-2022)

**Correction Procedures
(EC 016)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Determine if FSC must be changed when Tentative Tax is present. Refer to specific procedures in IRM 3.12.2.4.3.12, Field 01FSC in Section 01.

- (3) Determine the filing status (when there is no underprint in Tentative Tax) from the name(s) in caption, signature(s), and/or filing status areas. Take the following actions:

If FSC is determined to be...	Then...
A] Joint,	Correct Field 01NL1 to reflect two names separated by an "&"
B] Other than Joint,	Correct the name line and delete "&", if present.

- (4) When the second name is not available from the signature line, SSPND 211.
- (5) If you are unable to determine the FSC, SSPND 211, and complete Form 6001 using paragraph F for Form 5129.

3.12.3.4.8
(01-01-2017)
Error Code 017 (CE)
Validation of ITIN
Deactivation Status

- (1) Error Code 017 instructions follow.

3.12.3.4.8.1
(11-23-2021)
Fields Displayed, Form
1040 (EC 017)

- (1) This table shows the fields displayed:

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01EXC	Exemption Code
94EXV	Exemption Verified
01RPC	Return Processing Code
01SPC	Special Processing Code
01PS	Primary SSN
01NA1>	Primary NAP Access Indicator
01PIC>	Primary ITIN Status Code
01SS	Secondary SSN
01NA2>	Secondary NAP Access Indicator
01SIC>	Secondary ITIN Status Code
01DS1	Dependent 1 SSN
01NP1>	Dependent 1 NAP Access Indicator
01DC1>	Dependent 1 ITIN Status Code

1040	Field Name
01DS2	Dependent 2 SSN
01NP2>	Dependent 2 NAP Access Indicator
01DC2>	Dependent 2 ITIN Status Code
01DS3	Dependent 3 SSN
01NP3>	Dependent 3 NAP Access Indicator
01DC3>	Dependent 3 ITIN Status Code
01DS4	Dependent 4 SSN
01NP4>	Dependent 4 NAP Access Indicator
01DC4>	Dependent 4 ITIN Status Code
02DTR	Dependent TIN Requirement
21DSI	Dependent 1 Child Care SSN
21NA1>	Dependent 1 Child Care NAP Access Indicator
21CC1>	Child Care 1 NAP ITIN Status Code
21DS2	Dependent 2 Child Care SSN
21NA2>	Dependent 2 Child Care NAP Access Indicator
21CC2>	Child Care 2 NAP ITIN Status Code
03GE>	Gross Exemption Amount Computer
03INC	Taxable Income Amount
>>>>	Taxable Income Computer
01TCE>	Child Tax Credit Total Eligible Computer Number
01TDE>	Other Dependent Credit Total Eligible Computer Number
03COD>	Gross Child and Other Dependent Credit Computer
03COD	Child and Other Dependent Credit Amount
>>>>	Child and Other Dependent Credit Computer
03ACT>	Gross Additional Child Credit Computer
03ACT	Additional Child Tax Credit Amount
>>>>	Additional Child Tax Credit Computer
21QI	Qualifying Individual Number
21GC>	Gross Child Care Credit Computer
05302	Child Care Credit
05RCC	Refundable Child and Dependent Care Credit
50AST>	Education Credit Eligible Student Computer Number

1040	Field Name
05GEC>	Gross Education Credit Computer
05303	Education Credit Amount
>>>>	Education Credit Computer
03AOC	Refundable Education Credit Amount
>>>>	Refundable Education Credit Computer

3.12.3.4.8.2
(01-01-2018)
Invalid Conditions (EC 017)

- (1) Error Code 017 generates when:
- The ITIN Status Code **I** (inactive) is present in any of the fields listed below:
 - Primary ITIN Status Code (01PIC>)
 - Secondary ITIN Status Code (01SIC>)
 - Dependent 1 ITIN Status Code (01DC1>)
 - Dependent 2 ITIN Status Code (01DC2>)
 - Dependent 3 ITIN Status Code (01DC3>)
 - Dependent 4 ITIN Status Code (01DC4>)
 - Child Care 1 ITIN Status Code (21CC1>)
 - Child Care 2 ITIN Status Code (21CC2>)
 - The Primary TIN begins with "9" and "X" is present in Field 01CCC **or** if Filing Status is 2 and Secondary TIN begins with "9" and "E" is present in Field 01RPC.

3.12.3.4.8.3
(02-03-2021)
Correction Procedures (EC 017)

- (1) Go to the bottom of the screen and transmit to validate.
- (2) **REJECTS ONLY** - When returns are in workable suspense inventory, GTSEC 02 and enter **R** in Field 02RI to revalidate. Enter **C** in the Clear Field and continue processing.

Caution: This action is for the Rejects screen only, not Error Code 017.

- (3) Correct coding and transcription errors and misplaced entries in displayed fields.

Caution: Field 94EXV may have been used to resolve Error Codes 010, 012, 013, and 015. If an exemption was disallowed in a previous error code, leave as disallowed.

- (4) Review the ITIN Status Codes for the following Fields:
- 01PIC>
 - 01SIC>
 - 01DC1>
 - 01DC2>
 - 01DC3>
 - 01DC4>

- (5) Review the fields listed in (4) to determine if the ITIN listed has an ITIN Status Code of “I”. If the ITIN Status Code is “I”, use Field 94EXV to **disallow** the exemption.

Reminder: If RPC O is present, enter **0** (zero) in the first position to disallow the primary taxpayer.

- (6) If the ITIN Status Code is “U” for any of the fields in (4), allow the exemption. If a child, research to determine a child’s date of birth for each ITIN Status Code U, prior to allowing or disallowing the Child Tax Credit and/or Additional Child Tax Credit.

Note: The ITIN Status of “U=Unvalidated” is systemically generated at the beginning of 2016 on DM-1 only for all ITINs with zeros in the date of birth.

- (7) If **more than 4** dependents are present, research the dependents with an ITIN using INOLES for the ITIN Status Code. If the ITIN Status Code is “I” or if the TIN is invalid, use Field 94EXV to disallow the dependent.
- (8) Review the Child Care ITIN Status Code in Fields 21CC1> and 21CC2>. If the ITIN Status Code is “I”, enter only the number of Qualifying Individuals in Field 21QI. It is not necessary to enter 0 (zero), just blank Field 21QI.
- (9) If the Child Care Qualifying Individual with an ITIN listed on Form 2441 is **not** one of the four dependent TINs in Field 01DS1/2/3/4, or an additional dependent researched above:
- Research CC INOLES for the ITIN Status Code for all other Child Care Qualifying Individuals with an ITIN.
 - Determine the number of Child Care Qualifying Individuals and enter the number in Field 21QI.
- (10) **Austin only** - If RTS shows the ITIN status as “revoked”, disallow the exemption(s) using Field 94EXV.
- (11) When all required actions have been taken for dependents and Child Care ITINs and EC 017 redispays, enter **C** in the Clear Field.

3.12.3.4.9
(01-01-2017)
Error Code 018 (CE)
Date of Death is Before
Tax Period

- (1) Error Code 018 instructions follow.

3.12.3.4.9.1
(11-27-2020)
Fields Displayed, Form
1040 (EC 018)

- (1) This table shows the fields displayed:

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01CCC	Computer Condition Code
01TXP	Tax Period

1040	Field Name
01EXC	Exemption Code
94EXV	Exemption Code Verified
01RPC	Return Processing Code
01SPC	Special Processing Code
01DSI	Dependent Status Indicator
01PNC	Primary Name Control
01PS	Primary SSN
01PDD>	Primary NAP Date of Death
01SNC	Secondary Name Control
01SS	Secondary SSN
01SDD>	Secondary NAP Date of Death
01DN1	Dependent 1 Name Control
01DS1	Dependent 1 SSN
01DD1>	Dependent 1 NAP Date of Death
01DN2	Dependent 2 Name Control
01DS2	Dependent 2 SSN
01DD2>	Dependent 2 NAP Date of Death
01DN3	Dependent 3 Name Control
01DS3	Dependent 3 SSN
01DD3>	Dependent 3 NAP Date of Death
01DN4	Dependent 4 Name Control
01DS4	Dependent 4 SSN
01DD4>	Dependent 4 NAP Date of Death
21CN1	Child Care Dependent 1 Name Control
21DS1	Child Care Dependent 1 SSN
21DD1>	Child Care Dependent 1 NAP Date of Death
21CN2	Child Care Dependent 2 Name Control
21DS2	Child Care Dependent 2 SSN
21DD2>	Child Care Dependent 2 NAP Date of Death
43NC1	EIC Child 1 Name Control
43SS1	EIC Child 1 SSN
43DD1>	EIC Child 1 NAP Date of Death
43NC2	EIC Child 2 Name Control

1040	Field Name
43SS2	EIC Child 2 SSN
43DD2>	EIC Child 2 NAP Date of Death
43NC3	EIC Child 3 Name Control
43SS3	EIC Child 3 SSN
43DD3>	EIC Child 3 NAP Date of Death

3.12.3.4.9.2
(01-01-2017)
Invalid Conditions (EC 018)

- (1) **Error Code 018** generates when either the Primary, Secondary, or any Dependent NAP date of death is prior to the tax period of the return.

3.12.3.4.9.3
(04-25-2022)
Correction Procedures (EC 018)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- Caution:** Field 94EXV may have been used to resolve error codes 010, 012, 013, 015, and 017. If an exemption was disallowed in the previous error codes, leave as disallowed.
- (2) Research using CC INOLE to verify that the taxpayer is using the correct SSN.
- (3) If the return is for a single deceased taxpayer, or two deceased taxpayers on a joint return, who died **prior** to the tax period; no dependents are listed on the return; and the date of death has been written on the return or attachment, **SSPND 640** for Rejects to route the document for Form 1041 processing.
- (4) If a copy of a death certificate is attached to the return; the death certificate shows a date of death in the tax year of the return; and either the NAP underprint or CC INOLE shows a different DOD, enter **C** in the Clear Field.
- (5) If the date of death is written on the return or is on an attachment and it matches the NAP date of death (prior to the tax period of the return), disallow the exemption, change the filing status as appropriate, and assign the appropriate TPNC(s).
- (6) If the taxpayer has attached documentation from the Social Security Administration stating that the reportedly deceased person is not deceased, accept the explanation and enter **C** in the Clear Field.
- (7) If after review and correction of (1) through (6) and EC 018 still displays, SSPND 211. Complete Form 6001 using paragraph Z.

3.12.3.4.9.4
(01-23-2023)
Reply Procedures (EC 018)

- (1) Drop to the bottom and transmit.
- Note:** If the response indicates the Primary, Secondary, or Dependent originally identified as deceased is not deceased and the taxpayer has gone to Social Security Administration (SSA) and has gotten documentation indicating a correction to SSA records the error code may close if updated information has been received from SSA. SSA data is updated weekly.

- (2) If taxpayer replies to correspondence with copies of official documents from the Social Security Administration or other government offices, evaluate and accept or reject their validity.

If the documents...	And the documents...	Then...
		Accept the validity of the documents. SSPND 320 to Entity. Write on the referral "TP not deceased" or "Dependent not deceased. "
Entity		Response from Entity 1. Entity notates - "DOD removed" , drop to the bottom of the screen and transmit. If EC 018 redisplay, enter C in the Clear Field. 2. Entity notates - "DOD still present/No SSA letter provided" , follow no reply procedures. 3. Entity notates - "DOD is not present" , drop to the bottom of the screen and transmit. Note: EC 018 may not display when you enter C in the first displayed screen.

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(1) If the Primary or the Secondary NAP Date of Death is present and prior to the tax period of the return, enter **3** in the first position of Field 01CCC and correct the filing status as indicated:

If the filing status is...	And...	Then...
A] FSC 1, 3, 4, 5, 6, or 7,		<ol style="list-style-type: none"> 1. Enter 0 in the first position of Field 94EXV. 2. Enter B in Field 01RPC.

If the filing status is...	And...	Then...
B] FSC 2, no dependents,	The primary/spouse shows a date of death that is prior to the period covered on the return and no dependent children are claimed,	<ol style="list-style-type: none"> 1. Delete the name of the deceased taxpayer from Field 01NL1. 2. Change to FSC 1. 3. Correct Field 01PS and/or 01SS as appropriate. 4. Adjust Field 01EXC as appropriate.
C] FSC 2, dependents claimed,	The primary/spouse shows a date of death that is prior to period covered on the return and dependent children are claimed,	<ol style="list-style-type: none"> 1. Delete the name of the deceased taxpayer from Field 01NL1. 2. Change to FSC 4 or 5 as appropriate. 3. Correct Field 01PS and/or 01SS as appropriate. 4. Adjust Field 01EXC as appropriate.

- (2) If a dependent NAP date of death is prior to the tax period of the return, enter the number of allowable dependents in Field 94EXV by totaling the number of exemptions claimed in positions 3 through 8 of Field 01EXC and subtracting the sum of all dependents that have a date of death prior to the tax period of the return.

Example: 4 dependents were claimed, one dependent's date of death is prior to the tax period of the return:

Example:

Field 01EXC 10400000

Field 94EXV 10300000

- (3) If a Child Care Dependent's NAP date of death is prior to the tax period of the return and the child is **not** being claimed as a dependent on the return, delete the SSN from Field 21DS1 and/or 21DS2, as appropriate. If EC 280 displays, assign **TPNC 706**.
- (4) If a Child Tax Credit/Additional Child Tax Credit child's NAP date of death is prior to the tax period of the return, GTSEC 01 and enter **0** (zero) in Field 01CT1/2/3/4 of the appropriate child. If EC 290 and/or 344 displays, assign **TPNC 706** (TY17 and prior, assign TPNC 609).

- (5) If a Schedule EIC child's NAP date of death is prior to the tax period of the return and the child is **not** being claimed as a dependent on the return, delete the SSN from Field 43SS1/2/3, as appropriate. If EC 337 displays, assign **TPNC 706**.
- (6) If there are more than four dependent SSNs present on the return and all four of the transcribed SSNs have a NAP Access Indicator of 2 or 9, validate the other dependents using CC INOLE. Enter the number of allowable dependents in Field 94EXV.

Note: If it is determined that a Child Care Dependent or an EIC child's TIN is invalid and the same child is listed as a fifth or subsequent dependent, adjust positions 3 through 8 of Field 94EXV accordingly.

- (7) If no valid dependents are present in Field 94EXV (positions 3 through 8 are 0 (zero)) and Field 01FSC is 4, determine if the taxpayer qualifies for FSC 4 without dependents (see IRM 3.12.3.6.2.3, EC 034).
 - a. If the taxpayer qualifies for FSC 4 without dependents, change Field 01FSC to 7.
 - b. If the taxpayer does not qualify, changed Field 01FSC to 1.
- (8) If no valid dependents are present in Field 94EXV (positions 3 through 8 are 0 (zero)) and Field 01FSC is 5, determine if the taxpayer qualifies, see IRM 3.12.3.6.2.3, EC 034. If the:
 - a. taxpayer qualifies for FSC 4 without dependents (Ex. date of death more than two years prior to tax period), change Field 01FSC to 7.
 - b. taxpayer qualifies for FSC 5, enter **C** in the Clear Field.
- (9) If the Child Care Dependent or EIC Child(ren) TINs are invalid and are not the same children claimed as exemptions, enter the number of allowable exemptions claimed in Field 01EXC in Field 94EXV.
- (10) If RPC O or DSI 1 is present, and entries are made in Field 94EXV, enter **0** (zero) in the first position of Field 94EXV to disallow the exemption for the primary taxpayer.
- (11) If a change to Field 94EXV causes Error Code 250 to generate, it may be necessary to assign a combination of TPNCs if more than one date of death is prior to the tax period of the return or the filing status has been changed.
- (12) For TY95 and prior, ensure that the exemptions transcribed in Field 01EXC were entered correctly, then enter the exemptions in 01EXC into 94EXV.

3.12.3.4.10
(01-01-2018)
Error Code 019 (CE)
Dependent Date of Birth
is Greater Than Tax
Period

- (1) Error Code 019 instructions follow.

3.12.3.4.10.1

(11-27-2020)

**Fields Displayed, Form
1040 (EC 019)**

(1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01EXC	Exemption Code
94EXV	Exemption Code Verified
01RPC	Return Processing Code
T-DAT>	Tentative Return Due Date Computer
01PS	Primary SSN
01NA1>	Primary NAP Access Indicator
01PAD>	Primary NAP TIN Assignment Date
01SS	Secondary SSN
01NA2>	Secondary NAP Access Indicator
01SAD>	Secondary NAP TIN Assignment Date
01DS1	Dependent 1 SSN
01YB1>	Dependent 1 NAP Date of Birth
01NP1>	Dependent 1 NAP Access Indicator
01AD1>	Dependent 1 TIN Assignment Date
01DS2	Dependent 2 SSN
01YB2>	Dependent 2 NAP Date of Birth
01NP2>	Dependent 2 NAP Access indicator
01AD2>	Dependent 2 TIN Assignment Date
01DS3	Dependent 3 SSN
01YB3>	Dependent 3 NAP Date of Birth
01NP3>	Dependent 3 NAP Access Indicator
01AD3>	Dependent 3 TIN Assignment Date
01DS4	Dependent 4 SSN
01YB4>	Dependent 4 Date of Birth
01NP4>	Dependent 4 NAP Access Indicator
01AD4>	Dependent 4 TIN Assignment Date
21DS1	Child Care Dependent 1 SSN
21YB1>	Child Care Dependent 1 NAP Date of Birth

1040	Field Name
21DS2	Child Care Dependent 2 SSN
21YB2>	Child Care Dependent 2 NAP Date of Birth
43SS1	EIC Child 1 SSN
43YB1>	EIC Child 1 NAP Date of Birth
43NP1>	EIC Child 1 NAP Access Indicator
43AD1>	EIC Child 1 TIN Assignment Date
43SS2	EIC Child 2 SSN
43YB2>	EIC Child 2 NAP Date of Birth
43NP2>	EIC Child 2 NAP Access Indicator
43AD2>	EIC Child 2 TIN Assignment Indicator
43SS3	EIC Child 3 SSN
43YB3>	EIC Child 3 NAP Date of Birth
43NP3>	EIC Child 3 NAP Access Indicator
43AD3>	EIC Child 3 TIN Assignment Indicator
01TCE>	Child Tax Credit Total Eligible Computer Number
94CEV	Child Tax Credit Total Eligible Verified Number
01TDE>	Other Dependent Credit Total Eligible Computer Number
94DEV	Other Dependent Credit Total Eligible Verified Number
03COD>	Gross Child and Other Dependent Credit Computer
03ACT>	Gross Additional Child Tax Credit Computer Amount
50AST>	Education Credit Eligible Student Computer Number
05GEC>	Gross Education Credit Computer
E-NUM>	Qualified EIC Dependents Number
03EIC	EIC Amount
>>>>>	EIC Amount Computer

3.12.3.4.10.2
(01-01-2017)
Invalid Condition (EC 019)

- (1) **Error Code 019** generates when any Dependent NAP date of birth is greater than the tax period of the return.

3.12.3.4.10.3
(01-23-2023)
Correction Procedures (EC 019)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

Caution: Field 94EXV may have been used to resolve Error Codes 010, 012, 013, 015, 017, and 018. If an exemption was disallowed in the previous error codes, leave as disallowed.

- (2) If a dependent date of birth is greater than the tax period of the return (for example: child's date of birth is 01-15-2023 and tax period is 2022), enter the number of allowable dependents in Field 94EXV. Total the number of exemptions claimed in positions 3 through 8 of Field 01EXC and subtract the sum of all dependents that have a date of birth greater than the tax period of the return.

Example: 4 dependents were claimed, one dependent's date of birth is greater than the tax period of the return:

Example:

Field 01EXC 10400000

Field 94EXV 10300000

- (3) If a Child Care qualifying person's NAP Date of Birth is greater than the tax period of the return, GTSEC 21 and enter the number of eligible qualifying individuals for Child Care Credit in Field 21QI. If EC 280 displays, assign **TPNC 708** (TY17 and prior, assign TPNC 606).

Caution: Field 21QI may have been used to resolve Error Code 017 for an expired ITIN. If the dependent was disallowed in EC 017, leave as disallowed.

- (4) If a Child Tax Credit/Additional Child Tax Credit child's (dependent) date of birth is after the tax period of the return, GTSEC 01 and enter **0** (zero) in Field 01CT1/2/3/4 of the appropriate child. If EC 290 and/or 344/345 display, assign **TPNC 708** (TY17 and prior, assign TPNC 606).
- (5) If a Schedule EIC Child's NAP Date of Birth is after the tax period of the return and the child is not being claimed as a dependent on the return, delete the SSN from Field 43SS1/2/3, as appropriate. If EC 337 displays, assign **TPNC 750**.
- (6) If there are more than four dependent SSNs present on the return and all four of the transcribed SSNs have a NAP Access Indicator of 2 or 9, validate the other dependents using CC INOLE. Enter the number of allowable dependents in Field 94EXV.

Note: If it is determined that a Child and Dependent Care Credit dependent or an EIC child's TIN is invalid and the same child is listed as a fifth or subsequent dependent, adjust positions 3 through 8 of Field 94EXV accordingly.

- (7) If no valid dependents are present in Field 94EXV (positions 3 through 8 are 0 (zero)) and Field 01FSC is 4, determine if the taxpayer qualifies for FSC 4 without dependents (see IRM 3.12.3.6.2, EC 034).
- If the taxpayer qualifies for FSC 4 without dependents, change Field 01FSC to 7.
 - If the taxpayer does not qualify, change Field 01FSC to 1.

- (8) If no valid dependents are present in Field 94EXV (positions 3 through 8 are 0 (zero)) and Field 01FSC is 5, determine if the taxpayer qualifies, see IRM 3.12.3.6.2, EC 034. If the taxpayer qualifies for FSC 5, enter **C** in the Clear Field.
- (9) If the Child and Dependent Care Credit or EIC Child(ren) TINs are invalid and are not the same children claimed as dependents enter the number of dependents claimed in Field 01EXC in Field 94EXV.
- (10) If RPC O or DSI 1 is present, and entries are made in Field 94EXV, enter **0** (zero) in the first position of Field 94EXV to disallow the exemption for the primary taxpayer.
- (11) For TY95 and prior, ensure that the exemptions transcribed in Field 01EXC were entered correctly, then enter the exemptions in Field 01EXC into Field 94EXV.
- (12) If a change to Field 94EXV causes a change to taxable income, assign **TPNC 708** when Error Code 250 displays. (TY17 and prior, assign TPNC 606.)
- (13) When all required actions have been taken and EC 019 redisplay, enter **C** in the Clear Field.

3.12.3.5
(01-01-2017)
Error Codes 020-030

- (1) Instructions for Error Codes 020 to 030 follow.

3.12.3.5.1
(01-01-2017)
Error Code 020 (CE)
Major City Code and
Address

- (1) Error Code 020 instructions follow.

3.12.3.5.1.1
(11-27-2020)
Fields Displayed, Form
1040 (EC 020)

- (1) This table shows the fields displayed.

1040	Field Name
01NL2	Name Line 2
01ADD	Street Address
01C/S	City/State
01ZIP	ZIP Code

3.12.3.5.1.2
(01-01-2017)
Invalid Conditions (EC
020)

- (1) **Error Code 020** generates when a valid Major City Code is present in City/State and the street address is not present.

3.12.3.5.1.3
(01-01-2017)
**Correction Procedures
(EC 020)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Search the return and/or attachments for correct address. If found, enter in Field 01ADD. Refer to IRM 3.12.2.4.3.7.
- (3) Research CC INOLE when an address is not found on the return or attachments and take the following action:

If the address is...	Then...
A] Found,	Enter street address in Field 01ADD.
B] Not found,	Follow procedures for EC 014 in IRM 3.12.3.4.5.3(2).

3.12.3.5.2
(01-01-2019)
**Error Code 021 (CE)
Major City Code/ZIP
Code**

- (1) Error Code 021 instructions follow.

3.12.3.5.2.1
(11-27-2020)
**Fields Displayed, Form
1040 (EC 021)**

- (1) This table shows the fields displayed.

1040	Field Name
01C/S	City/State
01ZIP	ZIP Code

3.12.3.5.2.2
(01-01-2019)
**Invalid Conditions (EC
021)**

- (1) **Error Code 021** generates when a valid Major City Code is present (01C/S) and **one** of the following exist:
 - a. ZIP Code (Field 01ZIP) is blank.
 - b. ZIP Code (Field 01ZIP) is present but is not correct for that Major City Code.

3.12.3.5.2.3
(01-01-2019)
**Correction Procedures
(EC 021)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Search the return and/or attachments for the correct ZIP Code and take the following action:

If the ZIP Code is...	Then...
A] Found, but is not correct for the Major City Code,	Enter the City and State in Field 01C/S.

If the ZIP Code is...	Then...
B] Found, and is correct for the Major City Code,	Enter in Field 01ZIP.
C] Not Found and a Major City Code is present in Field 01C/S,	<ol style="list-style-type: none"> 1. Enter the City and State in Field 01C/S. 2. Enter the ZIP Code in Field 01ZIP. See Exhibit 3.12.2-11, Three-Digit ZIP Code. 3. Enter 01 as the fourth and fifth characters of Field 01ZIP.

3.12.3.5.3
(01-01-2019)
**Error Code 022 (CE) ZIP
Code/State Code**

- (1) Error Code 022 instructions follow.

3.12.3.5.3.1
(11-27-2020)
**Fields Displayed, Form
1040 (EC 022)**

- (1) This table shows the fields displayed.

1040	Field Name
01C/S	City/State
01ZIP	ZIP Code

3.12.3.5.3.2
(01-01-2019)
**Invalid Conditions (EC
022)**

- (1) **Error Code 022** generates when a valid State Code is present in Field 01C/S and **either** of the following exist:
- a. ZIP Code (Field 01ZIP) is not present.
 - b. ZIP Code (Field 01ZIP) is present but is not correct for that State Code.

3.12.3.5.3.3
(01-01-2019)
**Correction Procedures
(EC 022)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Search the return and/or attachments for the correct ZIP Code. Enter in Field 01ZIP if found.
- (3) If a valid ZIP Code can't be found on the return and/or attachments, enter the first ZIP Code listed for the state in Field 01ZIP with 01 as the fourth and fifth characters. See Exhibit 3.12.2-11, Three-Digit ZIP Code.

3.12.3.5.4
(01-01-2020)
**Error Code 023 -
Reserved**

- (1) Reserved.

3.12.3.5.5 (1) Error Code 024 instructions follow.
(01-01-2018)

Error Code 024 (CE)
International Form
2555/EZ Without Area
Office (AO)

3.12.3.5.5.1 (1) The following fields are displayed:
(01-01-2017)

- Section 34 Present
- Section 35 Present

Fields Displayed, Form
1040 (EC 024)

3.12.3.5.5.2 (1) **Error Code 024** generates when Section 34 or Section 35 is present, and File
(01-01-2018) Location Code is not 20 (first two digits of the DLN).
Invalid Conditions (EC
024)

3.12.3.5.5.3 (1) Search the attachments for Form 2555 and take the following action:
(01-01-2017)

Correction Procedures
(EC 024)

If Form 2555 is...	Then...
A] Found,	1. SSPND 651. AUSPC , SSPND 610. 2. Notate on Form 4227, "Inter- national Return".
B] Not Found,	Use Command Code DLSEC and delete Section 34/35.

3.12.3.5.6 (1) Error Code 026 instructions follow.
(01-01-2017)

Error Code 026 (CE)
CCC L or W Is Present

3.12.3.5.6.1 (1) This table shows the fields displayed.
(11-27-2020)

Fields Displayed, Form
1040 (EC 026)

1040	Field Name
CL	Clear Code
01NL1	Name Line 1
01NL2	Name Line 2
01CCC	Computer Condition Code
02NC>	Non-Compute Code Computer
03BDR>	Balance Due/Overpayment Taxpayer Computer
>>>>	Balance Due/Overpayment Computer

3.12.3.5.6.2
(01-01-2017)
Invalid Conditions (EC 026)

- (1) **Error Code 026** generates when **both** of the following exist:
- Computer Condition Code (CCC) L or W is present in Field 01CCC.
 - Second Name Line (Field 01NL2) is not present.

3.12.3.5.6.3
(04-25-2022)
Correction Procedures (EC 026)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Verify that CCC L or W is correct. If CCC L or W is **not required**, delete the code(s) from Field 01CCC.

Note: CCC L or W is required only on refund or Non-Compute Returns.

- (3) Correct CCC L or W when it is determined to be incorrect using the following table:

If Second Name Line payee is...	Then...
A] An individual that is not court appointed,	Enter W in Field 01CCC.
B] A court appointed individual,	Enter L in Field 01CCC.
C] Place of business (court appointed or not),	Enter L in Field 01CCC.
D] Both a surviving spouse and a court appointed personal representative,	Enter L in Field 01CCC.

- (4) Search the return and/or attachments for the Second Name Line (Field 01NL2), when CCC L or W is determined to be correct and take the following action:

If Second Name Line is...	Then...
A] Found and Entity is short or intermediate,	Enter C in the Clear Field.
B] Found edited or on the return or attachments,	<ol style="list-style-type: none"> Enter the First Name Line in Field 01NL1, if not present. Enter the Second Name Line in Field 01NL2.

If Second Name Line is...	Then...
C] Not found,	<p>a. Second Name Line is not needed if a balance due or zero return, enter C in the Clear Field.</p> <p>spond with the Estate for Form 1310. Complete Form 6001 using paragraph D.</p> <p>spond. Complete Form 6001 using paragraph e with fill-in #3.</p>

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3.12.3.5.6.4

(04-25-2022)

Field 01CCC - A, F or 9 (EC 026)

- (1) Computer Condition Codes A, F and/or 9 are used to designate the death of a taxpayer **during** the tax period. Their application is as follows:
 - a. CCC **A** designates that **both** taxpayers died **during** the tax period.
 - b. CCC **F** designates that the **Primary** taxpayer died **during** the tax period.
 - c. CCC **9** designates that the **Secondary** taxpayer died **during** the tax period.
- (2) Search the return and attachments for the date of death when the Primary and/or Secondary taxpayer is deceased.
- (3) Research CC INOLE (using Definer S) for the date of death when it is not found on the return or attachments.
- (4) Add or correct CCC A, F or 9 using the following table:

If deceased taxpayer is the...	And the date of death is...	Then...
A] Primary,	During the tax period of the return,	Enter F in Field 01CCC.
B] Primary,	After the tax period of the return,	Delete F from Field 01CCC if present.
C] Secondary,	During the tax period of the return,	Enter 9 in Field 01CCC.
D] Secondary,	After the tax period of the return,	Delete 9 from Field 01CCC if present.
E] Primary and Secondary,	During the tax period of the return,	Enter A in Field 01CCC.
F] Primary and Secondary,	After the tax period of the return,	Delete A from Field 01CCC if present.

- (5) If the date of death is not found through research, SSPND 211. Complete Form 6001 using paragraph C.
- (6) If no corrections are necessary, enter **C** in Clear Field.

3.12.3.5.7
(01-01-2018)
**Error Code 027 -
Reserved**

- (1) Reserved.

3.12.3.5.8
(01-01-2017)
**Error Code 028 (CE)
Decedent Return Check**

- (1) Error Code 028 instructions follow.

3.12.3.5.8.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 028)**

- (1) The following table shows the fields displayed:

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01PS	Primary SSN
01PNC	Primary Name Control
>>>>>	Primary NAP EIF Name Control
01PDD>	Primary NAP Date of Death
01SS	Secondary SSN
01SNC	Secondary Name Control
>>>>>	Secondary NAP EIF Name Control
01SDD>	Secondary NAP Date of Death
01NL1	Name Line 1
01NL2	Name Line 2
01CCC	Computer Condition Code
01FPC	Form Processing Code
01RPC	Return Processing Code
01SPC	Special Processing Code
03WH	Withholding
03CEL	Estimated Tax Credit Elect
03ESP	Estimated Tax Payments
PETP>	Primary NAP Estimated Tax/Credit Elect Payment Code

1040	Field Name
SETP>	Secondary NAP Estimated Tax/Credit Elect Payment Code
03BDR	Balance Due/Refund
>>>>	Balance Due/Overpayment Computer
03BDR>	Balance Due/Overpayment Taxpayer Computer

3.12.3.5.8.2
(01-01-2019)
Invalid Conditions (EC 028)

#

3.12.3.5.8.3
(04-25-2022)
Correction Procedures (EC 028)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If FSC is 3 or 6 and spouse is deceased, enter **C** in the Clear Field.

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- (4) If a death certificate or a Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer, is attached to the return that shows the taxpayer died in the tax year of the return, enter the following computer condition code(s) in Field 01CCC by relevant condition.
 - a. CCC F - if the primary taxpayer is deceased.
 - b. CCC 9 - if the secondary taxpayer is deceased.
 - c. CCC A - if both the primary and secondary taxpayers are deceased.

Note: Review Field 01NL1 for the notation DECD after the taxpayer(s) who is deceased. If not present, enter after the appropriate name, see IRM 3.12.2.4.3.5(5).
- (5) If Form 1310 or other information attached to the return identifies the recipient of the refund, enter one of the following computer condition codes in Field 01CCC:
 - a. CCC L - if the name on line 2 of Form 1310 has a court appointed individual, a place of business (court appointed or not) or both a surviving spouse **and** a court appointed personal representative.

- b. CCC W - if the name on line 2 of Form 1310 has the name of the surviving spouse or an individual that is not court appointed.
- (6) If there is **no** indication on the return that the taxpayer is deceased, SSPND 211 to correspond for any missing or incomplete item in the list below. There is no tolerance for unsupported withholding for these returns. Income must be supported too, if any refundable credit is claimed on the return.
 - a. Establishment of death, Form 1310, and death certificate - complete Form 6001 using paragraph 0.
 - b. Support for income or withholding - complete Form 6001 using paragraph G.

3.12.3.5.8.4
(01-03-2023)
**Reply to
Correspondence (EC
028)**

- (1) Drop to the bottom and transmit.
Note: If the response indicates the Primary, Secondary, or Dependent originally identified as deceased is not deceased and the taxpayer has gone to Social Security Administration (SSA) and has gotten documentation indicating a correction to SSA records, the error code could fly if updated information has been received from SSA. SSA data is updated weekly.
- (2) If taxpayer replies to correspondence with copies of official documents from the Social Security Administration or other government offices, evaluate and accept or reject their validity.

If the documents...	And the documents...	Then...
		Accept the documents. SSPND 320 to Entity. Write on the referral TP not deceased or Dependent not deceased .

#

If the documents...	And the documents...	Then...
Entity,		Response from Entity 1. Entity notates - "DOD removed" , drop to the bottom of the screen and transmit. If EC 028 redisplay enter C in the Clear Field. 2. Entity notates - "DOD still present/No SSA letter provided" , follow no reply procedures. 3. Entity notates - "DOD is not present" , if EC 028 displays, drop to the bottom of the screen and transmit. EC 028 may not display when you enter C in the first displayed screen.
		RJECT 640 and send the document for 1041 processing.
		Reject the documents and follow the procedures for no reply.

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- (7) If the taxpayer states that they filed the return and Form 14039, Identity Theft Affidavit, is attached, enter **8** in Field 01FPC. If the taxpayer states that they filed the return and Form 14039(SP), Identity Theft Affidavit (Spanish Version) is attached, enter **9** in Field 01FPC.
- (8) If the taxpayer states **not my return**, see IRM 3.12.3.33.2(1).
- (9) If the reply indicates that the filer of the deceased person's return is the surviving spouse, and the filing status is single or head of household, consider the reply insufficient and follow procedures in IRM 3.12.3.5.8.5(2) and (3).

3.12.3.5.8.5
(10-14-2022)
**No Reply to
Correspondence and
Undeliverable Mail (EC
028)**

- (1) If there is an indication of deceased on the return, the procedures in (2) and (3) below do not apply. Instead, follow procedures in IRM 3.12.3.5.8.3(1) through (5) and Exhibit 3.12.3-1 regarding decedent returns.

#

- (4) If the reply indicates the filer is the surviving spouse of the person in whose name they filed the return and the filing status of the deceased taxpayer is single or head of household, consider the reply insufficient and follow the procedures for no reply in (2) or (3).
- (5) Send no reply, undeliverable, and insufficient reply paper returns to be filed back in the block of work.
- (6) Send undeliverable and insufficient reply MeF returns to the Alpha File.

3.12.3.5.9
(01-01-2017)
**Error Code 029 (CE)
Unclaimed Credits**

- (1) Error Code 029 instructions follow.

3.12.3.5.9.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 029)**

(1) This table shows the fields visible at the error code.

1040	Field Name
CL	Clear Field
01FSC	Filing Status Code
01TXP	Tax Period
01PS	Primary TIN
01PNC	Primary Name Control
>>>>>	NAP EIF Primary Name Control
01SS	Secondary TIN
01SNC	Secondary Name Control
>>>>>	NAP EIF Secondary Name Control
01CCC	Computer Condition Code
01RPC	Return Processing Code
01SPC	Special Processing Code
03WH	Withholding
03CEL	Estimated Tax Credit Elect
03ESP	Estimated Tax Payments
PETP>	Primary NAP Estimated Tax/Credit Elect Code
SETP>	Secondary NAP Estimated Tax/Credit Elect Code
05EXT	Form 4868 Payment
03BDR	Balance Due Refund
>>>>>	Balance Due/Refund Computer
03BDR>	Balance Due/Overpayment Taxpayer Computer

3.12.3.5.9.2
(11-27-2020)

**Invalid Conditions (EC
029)**

(1) Error Code 029 generates when all the following conditions are present:

#

3.12.3.5.9.3
(04-25-2022)
**Correction Procedures
(EC 029)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) **Read all instructions under Correction Procedures before taking any action.**

#

- (7) Verify the taxpayer's amount for income tax withheld in Field 03WH of Form 1040 with Forms W-2 or Forms 1099 or other statements of earnings and withholding the taxpayer provides. If the forms the taxpayer provides don't allow you to verify the withholding, use the information available with IRPTR.

Caution: Before suspending for any required support for withholding, read the rest of the error code to determine if another correspondence paragraph should be included.

#

3.12.3.5.9.4
(01-03-2023)

**Reply to
Correspondence (EC
029)**

- (1) **READ ALL INSTRUCTION UNDER REPLY TO CORRESPONDENCE, BEFORE TAKING ANY ACTION.**

Enter the estimated tax payments and credit elect in Field 03ESP of Form 1040 and transmit. When EC 364/366 displays, assign **TPNC 558**.

- (3) If the taxpayer's reply indicates the payment was posted to the wrong tax year, move the payment to the correct tax year. See the instructions in IRM 3.12.37.26.6, *Credit Transfers*.

- (5) If the payment(s) was misapplied and:

- a. You can determine the correct taxpayer, transfer the misapplied credit to the taxpayer's account. See the instructions in IRM 3.12.37.26.6. Enter **SSPND 494**. Research using CC IMFOLT or TXMODA, which will reflect the posting of the payment(s). After the credit transfer has been posted, process the return.

- (6) If the taxpayers' reply includes page 1 and/or page 2 of their return and the money amounts do not match the original return that was submitted, take the following actions:

- a. Do not make any changes to the return in ERS.
b. Enter **3** in Field 01CCC.
c. When EC 029 redisplay, enter **C** in the Clear Field.

- (7) If the taxpayer indicates **not my return**, either by checking the box on LTR 12C or stating "not my return" or similar statement, see IRM 3.12.3.33.2(1).

- (8) If the taxpayer states they filed the return and Form 14039 is attached, enter **8** in Field 01FPC. If the taxpayer states they filed the return and Form 14039(SP) is attached, enter **9** in Field 01FPC.

3.12.3.5.9.5
(10-14-2022)
**No Reply to
Correspondence and
Undeliverable Mail (EC
029)**

- (1) For current year return, if the filer doesn't reply to correspondence or correspondence is undeliverable, enter **3** (in the first position) in Field 01CCC, and enter **T** in Field 01SPC. When EC 029 redispays, enter **C** in the Clear Field.
- (2) For prior year return, if the filer doesn't reply to correspondence or correspondence is undeliverable, enter **RJECT 640**.
- (3) Send no reply and undeliverable paper returns to be filed back in the block of work.
- (4) Send undeliverable MeF returns to the Alpha File. See IRM 3.12.37.25.7.3, Identity Theft - Related Replies, for input of history item.

3.12.3.5.9.6
(01-01-2024)
**Prior Year (EC 029)
(Rejects Only)**

- (1) If correspondence was issued in a previous calendar year (e.g., 2023) and the response is received or suspense period expires in the next calendar year (e.g., 2024), Error Code 029 will not display. Take the following actions:
 - a. Enter GTREC and the DLN, transmit.
 - b. Determine if the return you are working is a Reply or No Reply.
 - c. If the return has a "Reply", GTSEC 02, enter the correct reply received date in Field 02RPD and follow the instructions, EC 029, IRM 3.12.3.5.9.4 for replies. If EC 029 redispays, enter C in the Clear Field. If additional errors display, continue to process as normal.
 - d. If the return is a "No Reply" or the correspondence is undeliverable, enter **RJECT 640** per IRM 3.12.3.5.9.5 for no reply/undeliverable.

3.12.3.5.10
(01-01-2018)
**Error Code 030 (CE) ITIN
Filers With Form W-2**

- (1) Error Code 030 instructions follow.

3.12.3.5.10.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 030)**

- (1) This table shows the fields displayed at EC 030.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01NL1	Name Line 1
01PS	Primary TIN
01SS	Secondary TIN
03WG	W-2 Wages
02W2A	ITIN Return First W-2 SSN (ERS input only)
02W2B	ITIN Return Second W-2 SSN (ERS input only)
04SFG	Scholarship and Fellowship Grants

3.12.3.5.10.2
(01-01-2019)
Invalid Conditions (EC 030)

- (1) **Error Code 030** generates on only **paper** returns when there is an amount in the W-2 Wages Field 03WG and the Primary TIN begins with "9", or if FSC is 2 and the Secondary TIN begins with "9".

3.12.3.5.10.3
(08-26-2022)
Correction Procedures (EC 030)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) AUSPC only - if the TIN is a newly assigned IRSN or ITIN, GTSEC 02 and enter **R** in Field 02RI.
- (3) If either the primary or secondary TIN is an **ITIN** (ITINs begin with 9, and the fourth and fifth digits range from 50-65, 70-88, 90-92, or 94-99), follow these instructions:
- If at least one Form W-2 is attached, check the "Employee's Social Security Number" on the first Form W-2. If the TIN in box "a" is a nine-digit TIN, and:

Note: Also consider the TIN on Form 4852, substitute Form W-2, or a pay stub.

 - the Form W-2 TIN **matches** either the primary or secondary TIN, move to the next Form W-2, if present.
 - the Form W-2 TIN is **different** from the TIN in Field 01PS and/or Field 01SS, enter the TIN from Form W-2, box "a", in Field 02W2A.
 - If Field 02W2A has been entered in step (a) and there are still more Forms W-2 attached, check the "Employee's Social Security Number", on each subsequent Form W-2. If the TIN in box "a" is a nine-digit TIN, and is different from the TIN in Field 01PS/01SS/02W2A, enter the TIN from Form W-2, box "a", in Field 02W2B.
 - If the TIN in Form W-2 box "a" has been truncated (displaying only the last four digits) and:
 - the last four digits of the Form W-2 TIN **match** the last four digits of either the primary or secondary TIN, move to the next Form W-2, if present.
 - the last four digits of the Form W-2 TIN are **different** from the last four digits of the TIN in Field 01PS/01SS/02W2A/02W2B, **SSPND 211** to correspond using paragraph 2 on Form 6001
 - If Form W-2 box "a" is blank or illegible, and there are no other Forms W-2 attached, enter **C** in the Clear Field
 - If EC 030 redisplay, enter **C** in the Clear Field.
- (4) Enter **C** in the Clear Field if:
- No Form W-2 or substitute is attached to the return.
 - All Forms W-2 attached to the return have a TIN that **matches** either the primary or secondary TIN on the return.
 - Field 01PS and/or Field 01SS contain an IRSN instead of an ITIN.

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procedures in (3) above to evaluate Forms W-2 provided in the reply.

- (6) For no reply, enter **U** in Field 01CCC. When EC 030 redisplay, enter **C** in the Clear Field.

- 3.12.3.6 (01-01-2017)
Error Code 032-046
- (1) Instructions for Error Codes 032 to 046 follow.

- 3.12.3.6.1 (01-01-2017)
Error Code 032 (CE) FSC 2 or 6 and Exemptions
- (1) Error Code 032 instructions follow.

- 3.12.3.6.1.1 (11-27-2020)
Fields Displayed, Form 1040 (EC 032)
- (1) This table shows the fields displayed at EC 032.

1040	Field Name
01NL1	Name Line 1
01FSC	Filing Status Code
01CCC	Computer Condition Code
01EXC	Exemption Code
94EXV	Exemption Code Verified
01ABI	Age/Blindness Indicator
0208	Form 4563 Indicator (Intl)

- 3.12.3.6.1.2 (01-01-2017)
Invalid Conditions (EC 032)
- (1) **Error Code 032** generates when the FSC is 2 or 6, and:
- an exemption is not present in the second position of Field 01EXC, **and**
 - Computer Condition Code G is not present.

- (2) **Error Code 032** generates when the FSC is not 2 or 6, and:
- an exemption is present in the second position of Field 01EXC, **or**
 - either age or blind indicator for the secondary taxpayer is present, **and**.
 - Computer Condition Code G is not present.

- 3.12.3.6.1.3 (04-25-2022)
Correction Procedures (EC 032)
- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) When the first and second position of field 01EXC are inconsistent with the FSC, determine the correct FSC and exemption coding from the return, attachments, or signature area and correct the coding.
- (3) When the FSC is not 2 or 6, change the entry in position 2 in Field 01EXC to 0. See EC 250.
- (4) Use the table below to correct information at odds with the filing status.

If the box checked is for...	And...	Then...
A] FSC 2,	the spousal date of death is before the period of the return and the taxpayer takes no dependents	<ol style="list-style-type: none"> delete the name of the deceased spouse from field 01NL1. change the FSC to 1.
B] FSC 2,	the spousal date of death is before the period of the return and the taxpayer takes one or more dependents	<ol style="list-style-type: none"> delete the name of the deceased spouse from field 01NL1. change the FSC to 4 or 5 according to the FSC Chart in Section 01.
C] FSC 3,	the spouse is claimed as a dependent/ exemption and the spouse has no income (no W-2 or Schedule C, for example, is in the spouse's name)	<ol style="list-style-type: none"> Change FSC to 6. Add an entry for the spouse in position 2 of Field 01EXC.
D] FSC 1, 3, 4, or 7,	a spousal ABI indicator is present in Field 01ABI in position 3 and/or 4	delete the spousal ABI indicator(s).
E] FSC 3 or 4,	the spouse is claimed as a dependent/ exemption, and the spouse has income (a W-2 or Schedule C is in the spouse's name, for example)	SSPND 211. Complete Form 6001 using paragraph e with fill-in #40.
F] FSC is 1 or 4,	the spouse or common law spouse is claimed as a dependent, reports no income, and other dependents are claimed, did not sign the return,	Remove the entry for the spouse from position 2 of Field 01EXC, and add it to position 7. Also, remove the spouse TIN from Field 01SS and the name control from Field 01SNC. Add the spouse TIN and name control to Fields 01DSX and 01DNX (X = dependent 1, 2, 3, or 4) as appropriate.

If the box checked is for...	And...	Then...
G] FSC 4,	the taxpayer uses the tax rate for FSC 4, and the only dependent is a spouse who is not NRA and did not sign the return,	1. change FSC to 6. 2. ensure that the entry for the spouse is in position 2 of Field 01EXC.
H] FSC 5,	the spousal date of death falls in the period covered on the return and research indicates a joint account	1. change FSC to 2. 2. correct Field 01NL1. 3. correct Field 01EXC.
I] FSC 5,	the spousal date of death falls in the period covered on the return and research does not indicate a joint account and only one name is in the caption,	SSPND 211. Note: Correspondence should state that taxpayers may file a joint return for the year of the spouse's death and that the surviving spouse who meets the conditions for it may use the filing status qualifying surviving spouse for the two years following the spouse's death.

- (5) When you are unable to determine the correct FSC or exemptions, SSPND 211. Complete Form 6001 using paragraph F for Form 5129.

3.12.3.6.2
(01-01-2018)

**Error Code 034 (CE) FSC
4 or 5, and Exemptions**

- (1) Error Code 034 instructions follow.

3.12.3.6.2.1
(01-01-2024)

**Fields Displayed, Form
1040 (EC 034)**

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01CCC	Computer Condition Code
01EXC	Exemption Code
94EXV	Exemption Code Verified
01DN1	Dependent 1 Name Control

1040	Field Name
01DS1	Dependent 1 SSN
01CT1	Dependent 1 Child Tax and Other Dependent Credit Code
01DN2	Dependent 2 Name Control
01DS2	Dependent 2 SSN
01CT2	Dependent 2 Child Tax and Other Dependent Credit Code
01DN3	Dependent 3 Name Control
01DS3	Dependent 3 SSN
01CT3	Dependent 3 Child Tax and Other Dependent Credit Code
01DN4	Dependent 4 Name Control
01DS4	Dependent 4 SSN
01CT4	Dependent 4 Child Tax and Other Dependent Credit Code
21CN1	Child Care Credit Dependent 1 Name Control
>>>>>	Child Care Dependent 1 NAP Name Control
21DS1	Child Care Credit Dependent 1 SSN
21CN2	Child Care Credit Dependent 2 Name Control
>>>>>	Child Care Dependent 2 NAP Name Control
21DS2	Child Care Credit Dependent 2 SSN
	Section 21 Not Present
40CN1	Form 8814 Child's Name Control 1
40CT1	Form 8814 Child's SSN 1
	Section 40 Not Present
41CN2	Form 8814 Child's Name Control 2
41CT2	Form 8814 Child's SSN 2
	Section 41 Not Present
42CN3	Form 8814 Child's Name Control 3
42CT3	Form 8814 Child's SSN 3
	Section 42 Not Present
43NC1	Schedule EIC Child 1 Name Control
>>>>>	Schedule EIC 1 NAP Name Control
43SS1	Schedule EIC Child 1 SSN

1040	Field Name
43NC2	Schedule EIC Child 2 Name Control
>>>>>	Schedule EIC 2 NAP Name Control
43SS2	Schedule EIC Child 2 SSN
43NC3	Schedule EIC Child 3 Name Control
>>>>>	Schedule EIC 3 NAP Name Control
43SS3	Schedule EIC Child 3 SSN
	Section 43 Not Present

3.12.3.6.2.2
(01-03-2023)
Invalid Conditions (EC 034)

- (1) **Error Code 034** generates when Computer Condition Code G is not present, and **any** condition below is present.
- Field 94EXV is present; the FSC is 4; Computer Condition Code Q is not present; and the sum of the entries in position 3, 4, 5, 6, and 7 of Field 94EXV is zero.
 - Field 94EXV is **not** present; the FSC is 4; Computer Condition Code Q is not present; and the sum of the entries in position 3, 4, 5, 6, and 7 of Field 01EXC is zero.
 - Field 94EXV is present; the FSC is 5; and the sum of the entries in position 3, 4, and 6 of Field 94EXV is zero.
 - Field 94EXV is **not** present; the FSC is 5; and the sum of the entries in position 3, 4, and 6 of Field 01EXC is zero.

3.12.3.6.2.3
(11-23-2021)
Corrections Procedures (EC 034)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) When the taxpayer's filing status is inconsistent with the dependent exemptions, use the table below to correct the filing status code.

If the FSC is...	And dependents...	And a child's name...	Then...
A] 4 and the taxpayer can be claimed as a dependent (DSI) on someone else's return,			<ol style="list-style-type: none"> Change the FSC to 1. DLSEC 43, if present. Assign TPNC 110 if EC 250 displays.

If the FSC is...	And dependents...	And a child's name...	Then...
B] 4	Are not claimed in positions 3, 5, 6, and 7,	Is present on one of the following: 1. Next to filing status or the entry space at far right of the filing status checkboxes, Form 1040. MeF returns, click on the pen next to filing status. 2. Form 2441 or 8814 with a valid name/SSN. 3. Schedule EIC with a qualifying child.	Change the FSC to 7.
C] 4	Are not claimed in positions 3, 5, 6, and 7,	Is not present on one of the following: 1. Next to filing status or the entry space at far right of the filing status checkboxes, Form 1040. MeF returns, click on the pen next to filing status. 2. Form 2441 or 8814 with a valid name/SSN, 3. Schedule EIC with a qualifying child,	1. Change the FSC to 1. 2. Assign TPNC 108 if EC 250 displays.
D] 4	all have been disallowed (Field 94EXV, position 3 through 8 are 0),		1. Change the FSC to 1. 2. Assign TPNC 101 if EC 250 displays (TY17, assign TPNC 101 and 605 if EC 250 displays).
E] 5	Are not claimed in positions 3, 4, and 6, or have been disallowed,	Is present on one of the following: 1. Next to filing status or the entry space at far right of the filing status checkboxes, Form 1040. MeF returns, click on the pen next to filing status. 2. Form 2441 or 8814 with a valid name/SSN, 3. Schedule EIC with a qualifying child,	Enter C in the Clear Field.

If the FSC is...	And dependents...	And a child's name...	Then...
F] 5	Are not claimed in positions 3, 4, and 6, or have been disallowed,	Is not present on one of the following: 1. Next to filing status or the entry space at far right of the filing status checkboxes, Form 1040. MeF returns, click on the pen next to filing status. 2. Form 2441 or 8814 with a valid name/SSN, 3. Schedule EIC with a qualifying child,	1. Change the FSC to 1 2. Assign TPNC 101 if EC 250 displays.
G] 5	Are not claimed in positions 3, 4, and 6, or have been disallowed, but an exemption is present in position 5, for a valid parent ,		1. Change the FSC to 4. 2. Assign TPNC 104 if EC 250 displays.

Note: Since TY05, Section 2(a)(1)(B) of the IRC, allows taxpayers who claim FSC 5 and maintain a household for a child (son, stepson, daughter, stepdaughter, cousin) even though they may not be allowed to claim the child as a dependent, can file as qualifying surviving spouse.

3.12.3.6.3 (01-01-2024)

Error Code 038 - ScanPaper Literal

- (1) Error Code 038 instructions follow.

3.12.3.6.3.1 (01-01-2024)

Fields Displayed, Form 1040 (EC 038)

- (1) The following table shows the fields displayed at EC 038:

1040	Field Name
CL	Clear Code Field
01FSC	Filing Status Code
01TXP	Tax Period
01FPC	Form Processing Code

3.12.3.6.3.2 (01-01-2024)

Invalid Conditions (EC 038)

- (1) Error Code 038 displays when a zero (0) is present in Field 01FPC.

3.12.3.6.3.3
(01-01-2024)
**Correction Procedures
(EC 038)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) When a zero is present in Field 01FPC and an attached PDF in EUP indicates the return is ScanPaper, find the vendor literal within the attached PDF and refer to the Literal Definition in the table below. Follow the IRM instructions for the issue found in the Literal Definition which includes correcting transcription/scanning errors.

Vendor Literal	Literal Definition
Review Write-in at top of 1040 to determine Combat Zone Status	There is a write-in at the top of the return, and it is not one of the MeF allowable options.
Correct transcription of 01DAC	The taxpayer marked both checkboxes or neither checkbox.
Review EIC eligibility write-in	The taxpayer indicated "clergy" or no by Form 1040, line 27. Refer to Error Code 336, 337, and 338.
Correspond for support for Schedule 1, line 4	The taxpayer included an amount on Schedule 1, line 4. Correspond for Form 4797.
Schedule A, line 16 gambling losses greater than Schedule 1, line 8b, gambling winnings	The taxpayer claimed a gambling loss on Schedule A, line 16 that is greater than the gambling winnings on Schedule 1, line 8b.
Correspond for Form 965-A if required.	An amount is present on Schedule 2, line 20.
Validate taxpayer entry for Schedule A, line 16	The taxpayer provided a write-in that was not on the vendor list as acceptable write-ins. Review the write-in for validity.
Enter Audit Code B	Home Business Expense Amount is greater than the allowable amount or Form 8829 is not present.
Correspond for Form 6198	"Form 6198" appears as a write-in by Schedule E, line 21, or "Any Amount Is Not At Risk Indicator" is present and there is an amount greater than the allowable amount in Non Passive Loss Amount , line 21. Refer to Error Code 072.
Correspond for Form 4835	Schedule E, line 40 is present, or Schedule E, line 42 is present and there is no Form 4835 attached. Refer to Error Code 206.
Taxpayer selected ACTC Opt-Out and claimed ACTC (Schedule 8812)	The taxpayer selected the ACTC Opt-Out Indicator and claimed ACTC. Refer to Error Code 344 and 345.

Vendor Literal	Literal Definition
Student name not provided on line 20	Form 8863 is missing information. Not provided will be present, and needs review.

- (3) After reviewing the Vendor Literal and taking all necessary actions, enter **C** in the Clear Field.
- (4) If the return is not ScanPaper, delete **0** from Field 01FPC.

3.12.3.6.4
(01-01-2017)
**Error Code 042 (CE)
Received Date**

- (1) Error Code 042 instructions follow.

3.12.3.6.4.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 042)**

- (1) This table shows the fields displayed at EC 042.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01CCC	Computer Condition Code
01RCD	Received Date

3.12.3.6.4.2
(01-01-2017)
**Invalid Conditions (EC
042)**

- (1) **Error Code 042** generates when the received date is earlier than the ending month and year of tax period.

3.12.3.6.4.3
(01-01-2018)
**Correction Procedures
(EC 042)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to specific instructions for Fields 01TXP and 01RCD.
- (3) Follow instructions in IRM 3.12.3.6.4.6, for Early-Filed Decedent returns.

3.12.3.6.4.4
(01-01-2018)
**Field 01TXP, Tax Period
(EC 042)**

- (1) Correct the tax period according to the table below.

Reminder: 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 3.12.3.6.4.5(4) for determining the received date if the other function has not provided a received date.

If the return is...	Then...
A] for the tax period due in the processing year,	Delete any entry in Field 01TXP.

If the return is...	Then...
B] not for the tax period due in the processing year,	<ol style="list-style-type: none"> 1. Enter the correct information in Field 01TXP. 2. Enter the received date in Field 01RCD.
C] for a tax period after the current processing year and month,	Refer the return to the lead tax examiner to determine if the return has been filed early. Use SSPND 480 for returns filed early.

3.12.3.6.4.5
(01-01-2023)

Received Date (EC 042)

- (1) Field 01RCD must contain a received date when the return:
 - is amended or
 - is for a fiscal, prior, or short year or
 - is a decedent return filed early or
 - is processed after June 3 or
 - has a Julian date in the DLN of 155 or later or
 - supersedes a return filed earlier.
- (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 paragraph 4, below, for determining the received date if the other function has not provided a received date.
- (3) Correct the date in Field 01RCD when the date is invalid because:
 - a. the day of the month, DD, exceeds the number of days for the month, MM.
 - b. the date is later than the date of the error record in the title line.
 - c. the date is earlier than the ending month and year of the tax period in Field 01TXP.

Reminder: The format of the received date is YYYYMMDD: YYYY for the year, MM for the month, and DD for the day.

- (4) Determine the received date according to the list below when the date is necessary but not stamped or written on the return.

Exception: For TY20 returns, if there is an indication that the return was received on or before May 17, 2021, but there is not a received date present or envelope attached, enter **20210415** in Field 01RCD.

Exception: For TY19 returns, if there is an indication that the return was received on or before July 15, 2020 but there is not a received date present or envelope attached, enter **20200415** in Field 01RCD.

- a. Latest postmark on the envelope (post office mark) or the latest date from a designated private delivery service (PDS) mark. 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 marks.

Note: When the envelope or label is not attached, use the postmark date stamped or handwritten on the return to determine the received date.

- 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 tax preparer's signature date.

- d. Julian date in the DLN minus 10 days.
- (5) Review the return for the words *"Sent Back for Signature"* or similar statement with a date present in the lower left corner of the return. These are returns that were originally received **missing a signature** and were mailed back to the taxpayer from Receipt and Control. If a date and the notation, *"Sent Back for Signature"* is present, follow the instructions below for determining the received date:
- a. If the return is a **Balance Due** and a received date is present: showing a date **within 30** days of the "Returned for signature date stamp", honor the date the return was sent back for signature.
 - b. If the return is a **Balance Due** and a received date is present showing a date **more than 30** days after the "Returned for signature date stamp", honor the latest received date.
 - c. If the return is a **Refund, Credit Elect, or zero balance**, honor the latest received date.

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- (6) Use the following table for processing exceptions to correct the received date:

If the return...	Then...
A] Is timely filed,	Delete the data in Field 01RCD.
B] Has multiple received dates,	Enter the earliest date in Field 01RCD. Exception: Use the latest date when the earliest date is prior to the end of the tax period.
C] Is a renumbered non-remittance,	
D] Is a renumbered remittance,	Enter the calendar date of the Julian date in the original DLN.

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If the return...	Then...
E] Is being filed after a timely filed MeF return was rejected (as	Enter 20240415 in Field 01RCD.

#

Field 01RCD.

3.12.3.6.4.6
(04-25-2022)
**Early-Filed Decedent
Returns (EC 042)**

- (1) When FSC is other than 2, the taxpayer died after December 31, 2023 and the return is for tax year 2024 and filed before January 2, 2025 (Early-Filed Decedent), process as follows:
 - a. Use the tax period for the month and year the death occurred.
 - b. Ensure that CCC Y has been entered in Field 01CCC.
- (2) Enter CCC **A** if **both** the primary and the secondary taxpayers died during the tax period of the return.
- (3) Search the return and/or attachments for the date of death when the Primary and/or Secondary taxpayer is deceased.
- (4) Research CC INOLE (using Definer S) for the date of death when it is not found on the return or attachments.
- (5) If the date of death cannot be found, SSPND 211. Complete Form 6001 using paragraph C.
- (6) If an Early-Filed Decedent Return is a **joint** return and **both taxpayers are not deceased**, SSPND 480 and delay processing and correspondence until January.

3.12.3.6.4.7
(01-01-2017)
CCC L or W (EC 042)

- (1) Correct CCC L or W when the return is a refund or Non-Compute decedent return (Field 01NL2 must be present) as follows:

If Second Name Line payee is...	Then...
A] An individual that is not court appointed,	Enter W in Field 01CCC.
B] A court appointed individual,	Enter L in Field 01CCC.
C] A place of business (court appointed or not),	Enter L in Field 01CCC.
D] Both a surviving spouse <i>and</i> a court appointed personal representative,	Enter L in Field 01CCC.

If Second Name Line payee is...	Then...
E] Not present and CCC L or W is determined to be correct,	Enter Second Name Line in Field 01NL2.

- (2) If CCC L or W is determined to be incorrect, delete the L or W from Field 01CCC.

3.12.3.6.5
(01-01-2017)

**Error Code 044 (CE) Tax
Period/Received Date**

- (1) Error Code 044 instructions follow.

3.12.3.6.5.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 044)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01CCC	Computer Condition Code
01RCD	Received Date

3.12.3.6.5.2
(01-01-2017)

**Invalid Conditions (EC
044)**

- (1) **Error Code 044** generates when the received date is not present, and **any** of the following exist:
- The Tax Period has been input (Field 01TXP).
 - Computer Condition Code G is present.
 - The Doc Code is not 72 and the Julian Date in the DLN is 155 through 365 (366 if a leap year).

3.12.3.6.5.3
(11-27-2020)

**Correction Procedures
(EC 044)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

Reminder: 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 3.12.3.6.5.4(3), below, for determining the received date if the other function has not provided a received date.

- (2) Search the return for correct tax period and take the following action:

If the return is for...	And the return is...	Then...
A] the tax period due in the processing year	filed on time	Delete the data in Field 01TXP. Exception: If the DLN Julian is 155 or higher, follow IRM 3.12.3.6.5.4(3) to determine and enter the received date.
B] the tax period due in the processing year	late	Enter the received date in Field 01RCD. See IRM 3.12.2.4.3.20 for a description of the received date.
C] a tax period not due in the processing year		Enter the received date in Field 01RCD. See IRM 3.12.2.4.3.20 for a description of the received date.

3.12.3.6.5.4
(01-01-2023)
**Field 01RCD, Received
Date (EC 044)**

- (1) Field 01RCD must contain a received date when the return
 - is amended
 - is for a fiscal, prior, or short year or
 - is a decedent return filed early or
 - is processed after June 3 or
 - has a Julian date in the DLN of 155 or later or
 - supersedes a return filed earlier.
- (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 paragraph 3, below, for determining the received date if the other function has not provided a received date.
- (3) Determine the received date according to the list below when the date is necessary but not stamped or written on the return.

Exception: For **TY20** returns, if there is an indication that the return was received on or before May 17, 2021 but there is not a received date present or envelope attached, enter **20210415** in Field 01RCD.

Exception: For **TY 201912 - 202002** returns, if there is an indication that the return was received on or before July 15, 2020 but there is not a received date present or envelope attached, enter **20200415** in Field 01RCD.

- a. Latest postmark on the envelope (post office mark) or the latest date from a designated private delivery service (PDS) mark. 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 marks.

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Note: When the envelope or label is not attached, use the postmark date stamped or handwritten on the return to determine the received date.

- 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 tax preparer's signature date.

- d. Julian date in the DLN minus 10 days.
- (4) Use the earliest stamped received date when a return has multiple received dates

Exception: Use the latest stamped date when the earliest date is prior to the end of the tax period.

- (5) Review the return for the words *"Sent Back for Signature"* or similar statement with a date present in the lower left corner of the return. These are returns that were originally received **missing a signature** and were mailed back to the taxpayer from Receipt and Control. If a date and the notation, *"Sent Back for Signature"* is present, follow the instructions below for determining the received date:

- a. If the return is a **Balance Due** and a received date is present: showing a date **within 30** days of the "Returned for signature date stamp", honor the date the return was sent back for signature.
- b. If the return is a **Balance Due** and a received date is present showing a date **more than 30** days after the "Returned for signature date stamp", honor the latest received date.
- c. If the return is a **Refund**, honor the latest received date.

#

- (6) Use the following table for processing exceptions to correct the received date:

If the return...	Then...
A] Is timely filed,	Delete the data in Field 01RCD. Exception: If the DLN Julian is 155 or higher, follow procedures in (3) above to determine and enter the received date.

If the return...	Then...
B] Has multiple received dates,	Enter the earliest date in Field 01RCD. Exception: Use the latest date when the earliest date is prior to the end of the tax period.
C] Is a renumbered non-remittance,	
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 20240415 in Field 01RCD.

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Field 01RCD.

- (8) Prior Year - Use the same criteria for determining the received date as for current-year returns, except that you will only use the signature date if it is within the current year.

3.12.3.6.6
(01-01-2017)
Error Code 046 (CE)
Fiscal Year Tax Period

- (1) Error Code 046 instructions follow.

3.12.3.6.6.1
(01-01-2023)
Fields Displayed, Form
1040 (EC 046)

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
>>>>	Tax Period-Entity Index File
01PS	Primary SSN
01CCC	Computer Condition Code

3.12.3.6.6.2
(01-01-2017)

Invalid Conditions (EC 046)

- (1) **Error Code 046** generates when **all** of the following exist:
- Computer Condition Codes A, E, F or Y are not present.
 - The ending month in the tax period is other than 12 and does not agree with the Entity Index File.
 - Doc Code is not 26, 27, 72, or 73.

3.12.3.6.6.3
(11-23-2021)

General Information (EC 046)

- (1) A fiscal year return is a twelve-month period that ends on the last day of any month other than December.
- (2) Special computations are necessary for the following:
- When Wage income does not match the amount shown on Form(s) W-2 since Form(s) W-2 is for a calendar year period. Withholding, however, should always agree with the amount shown on the Form W-2 attached to the return.
 - When Code & Edit perfects the tax period to the correct YYMM date; MM will reflect the month in which the tax period ends.
- (3) Tax computation may be different for the two calendar year periods within the fiscal year.
- If a fiscal year package is developed, for tax computation the fiscal year computation must be used.
 - If no fiscal year package is developed, use the rates in effect when the fiscal year began (e.g., 202202 use 202112 tax rates).
- (4) See Error Code 260 for additional procedures for tentative tax and Alternative Minimum Tax.

3.12.3.6.6.4
(01-01-2017)

Correction Procedures (EC 046)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Follow correction procedures for Fields 01TXP and 01CCC.
- (3) Enter **C** in the Clear Field based on other "in house" requests (e.g., Un-postables Unit requests a particular year to be entered).

3.12.3.6.6.5
(11-23-2021)

Field 01TXP, Tax Period (EC 046)

- (1) Field 01TXP contains the ending month and year of the period covered by the return (e.g., ending in October 2023 would be 202310).
- (2) Process Form 1040 as current year when the tax period is not less than 202312 or more than the current year and month. Process Form 1040 as prior year when the tax period is 196212 - 202311. When the tax period on the return is prior to 196212, SSPND 620.
- (3) Correct as follows when the tax period is valid on the return, but invalid on the screen display:

If the return shows...	Then...
A] A valid prior or current Fiscal Year,	<ol style="list-style-type: none"> Enter the taxpayer's entry in Field 01TXP. Enter C in the Clear Field if EC 046 redispays.

If the return shows...	Then...
B] The calendar year but the computer underprint for Field 01TXP indicates a Fiscal Tax Period,	Bring up the computer underprint, Note: Caution must be taken that the correct tax year ending is input.
C] A tax period that is the current programmed calendar year,	Delete any data from Field 01TXP (the programmed calendar year will generate).
D] A future period (later than current processing year/month),	Refer to your lead tax examiner (see exception).

Exception: For Early-Filed Decedent Returns, refer to ECs 042 and 260.

3.12.3.6.6.6

(01-01-2019)

Field 01CCC, Computer Condition Codes (EC 046)

- (1) Determine the applicable CCC when the ending month on the return is other than 12 and take the following action:

If the return is...	And...	Then...
A] Blank and there is an indication of no future filing requirement,		Enter E in Field 01CCC.
B] A Short Year Return,		Enter Y in Field 01CCC.
C] An Early-Filed Decedent Return,	The primary taxpayer died during the tax period of the return,	Enter F and Y in Field 01CCC.
D] An Early-Filed Decedent Return,	Both the primary and secondary taxpayers died during the tax period of the return,	Enter A and Y in Field 01CCC.

- (2) In decedent returns, if the primary taxpayer died **during** the tax period of the return, enter **F** in Field 01CCC. If the secondary taxpayer died **during** the period of the return, enter **9** in Field 01CCC. However, if both the primary and secondary taxpayers died **during the tax period of the return**, enter **A** in Field 01CCC.

3.12.3.7

(01-01-2017)

Error Codes 048-058

- (1) Instructions for Error Codes 048 to 058 follow.

3.12.3.7.1

(01-01-2017)

**Error Code 048 (CE)
Amended Return**

- (1) Error Code 048 instructions follow.

3.12.3.7.1.1
(11-27-2020)

**Fields Displayed, Form
1040 (EC 048)**

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01PEF	Presidential Election Campaign Fund Code
01CCC	Computer Condition Code

3.12.3.7.1.2
(01-01-2018)

**Invalid Conditions (EC
048)**

- (1) **Error Code 048** generates when Computer Condition Code G is present.

3.12.3.7.1.3
(01-01-2018)

**Correction Procedures
(EC 048)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If the return is prepared for Presidential Election Campaign Fund (PECF) ("Dummy PECF" edited on the return, or Field 01CCC includes 5 or 6), enter **C** in the Clear Field.
- (3) If (2) does not apply, delete G from Field 01CCC.

3.12.3.7.2
(01-01-2017)

**Error Code 050 (CE)
Preparer's Code**

- (1) Error Code 050 instructions follow.

3.12.3.7.2.1
(11-27-2020)

**Fields Displayed, Form
1040 (EC 050)**

- (1) This table shows the fields displayed.

1040	Field Name
03PT	Preparer's TIN
03PE	Preparer's EIN
03PC	Preparer's Code

3.12.3.7.2.2
(01-01-2017)

**Invalid Conditions (EC
050)**

- (1) **Error Code 050** generates when the Preparer's EIN is present, and a Preparer's Code is also present.

3.12.3.7.2.3
(01-01-2018)

**Correction Procedures
(EC 050)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

- (2) Delete the entry in Field 03PE when the Preparer's Code (Field 03PC) is correct per the following table:

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

3.12.3.7.3
(01-01-2017)
Error Code 052 (CE)
CCC F or 9 and NAP
Year of Death

- (1) Error Code 052 instructions follow.

3.12.3.7.3.1
(01-01-2023)
Fields Displayed, Form
1040 (EC 052)

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01NL1	First Name Line
01NL2	Second Name Line
01TXP	Tax Period
01FSC	Filing Status Code
01CCC	Computer Condition Code
01EXC	Exemption Code Field
01PDD>	Primary NAP Date of Death
01SDD>	Secondary NAP Date of Death
02NC>	Non-Compute Code Computer
03BDR>	Balance Due/Overpayment Taxpayer Computer
>>>>	Balance Due/Overpayment Computer

3.12.3.7.3.2
(01-01-2017)
Invalid Conditions (EC
052)

- (1) **Error Code 052** generates when FSC is 2 and **any** of the four conditions below are present:
- CCC "A" is present, **and either**
Primary NAP Year of Death is not equal to Year Of Tax Period, **or**
Secondary NAP Year of Death is not equal to Year Of Tax Period, **or**
CCC **F** or **9** is present;

- b. CCC "F" is present, **and either**
Primary NAP Year Of Death is not equal to Year Of Tax Period, **or**
Secondary NAP Year Of Death is equal to Year of Tax Period, **or**
CCC **A** or **9** is present;
- c. CCC "9" is present, **and either**
Secondary NAP Year Of Death is not equal to Year Of Tax Period, **or**
Primary NAP Year Of Death is equal to Year of Tax Period, **or**
CCC **A** or **F** is not present,
- d. CCC "A" or "F" is not present, **and**
Primary NAP Year Of Death is equal to Year Of Tax Period
- e. CCC "A" or "9" is not present, **and**
Secondary NAP Year Of Death is equal to Year Of Tax Period.

(2) Filing status is other than 2, and any of the three conditions below are present:

- a. CCC "9" or "A" is present.
- b. CCC "F" is present, **and**
Primary NAP Year Of Death is not equal to Year Of Tax Period,
- c. CCC "F" is not present, **and**
Primary NAP Year Of Death is equal to Year of Tax Period.

3.12.3.7.3.3
(01-01-2024)

**Correction Procedures
(EC 052)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) See IRM 3.12.2.3.18 for deceased taxpayer instructions. Computer Condition Codes A, F and/or 9 are used to designate the death of a taxpayer **during** the tax period. Their application is as follows:
 - a. CCC **A** designates that **both** taxpayers died **during** the tax period.
 - b. CCC **F** designates that the **Primary** taxpayer died **during** the tax period.
 - c. CCC **9** designates that the **Secondary** taxpayer died **during** the tax period.
- (3) Verify that CCC L or W is correct when Field 01NL2 is present on a decedent return. If CCC L or W is not required, delete the code(s) from Field 01CCC.

Note: CCC L or W is required only on refund or Non-compute Returns.

- (4) Correct CCC L or W using the following table:

If Second Name Line payee is...	Then...
A] An individual that is not court appointed,	Enter W in Field 01CCC.
B] A court appointed individual,	Enter L in Field 01CCC.
C] A place of business (court appointed or not),	Enter L in Field 01CCC.
D] Both a surviving spouse and a court appointed personal representative,	Enter L in Field 01CCC.

- (5) GTSEC 02, enter **R** in Field 02RI to revalidate entity information.

- (6) Search the return and attachments for the date of death when the Primary (Field 01PDD>) and/or Secondary (Field 01SDD>) taxpayer's date of death is all zeros and the name lines indicate either Primary and/or Secondary taxpayer is deceased.
- (7) When the date of death cannot be found on the return or attachments, or when the return indicates that the Primary is deceased and the computer reflects that the Secondary is deceased, or vice versa, SSPND 211. Complete Form 6001 using paragraph C.
- (8) If the date of death is found, use the following table to add or correct CCC A, F, or 9:

If the...	And the date of death is...	Then...
A] Primary taxpayer is deceased	During the tax period of the return,	Enter F in Field 01CCC.
B] Primary taxpayer is deceased	After the tax period of the return,	Delete CCC F if present.
C] Secondary taxpayer is deceased	During the tax period of the return,	Enter 9 in Field 01CCC.
D] Secondary taxpayer is deceased	After the tax period of the return,	Delete CCC 9 if present.
E] Primary and Secondary taxpayers are deceased,	During the tax period of the return,	Enter A in Field 01CCC.
F] Primary and Secondary taxpayers are deceased,	After the tax period of the return,	Delete CCC A if present.

- (9) If Field 01PDD> and 01SDD> are displaying zeros and there is no indication on the return that either taxpayer is deceased, delete CCC A, F, L, W, and/or 9, if present.
- (10) If no corrections are necessary, enter **C** in the Clear Field.

3.12.3.7.4
(01-01-2017)
Error Code 053 (CE)
DECD - No CCC F or 9

- (1) Error Code 053 instructions follow.

3.12.3.7.4.1
(11-27-2020)
Fields Displayed, Form 1040 (EC 053)

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01NL1	First Name Line
01NL2	Second Name Line

1040	Field Name
01FSC	Filing Status
01CCC	Computer Condition Code

3.12.3.7.4.2
(01-01-2017)
Invalid Conditions (EC 053)

- (1) **Error Code 053** generates when FSC is 2 and **either** of the following exist:
- CCC F is not present, the first four characters before the ampersand (&) are "DECD", and Primary NAP Year of Death is equal to the tax year.
 - CCC 9 is not present, the first four characters before the less than sign (<) are "DECD", and Secondary NAP Year of Death is equal to the tax year.

3.12.3.7.4.3
(01-01-2024)
Correction Procedures (EC 053)

- Correct coding and transcription errors and misplaced entries in displayed fields.
- See IRM 3.12.2.3.18 for deceased taxpayer instructions.
- Verify that CCC L or W is correct. If CCC L or W is not required, delete the code(s) from Field 01CCC.

Note: CCC L or W is required only on refund or Non-compute Returns.

- (4) Correct CCC L or W using the following table:

If Second Name Line payee is...	Then...
A] An individual that is not court appointed,	Enter W in Field 01CCC.
B] A court appointed individual,	Enter L in Field 01CCC.
C] A place of business (court appointed or not),	Enter L in Field 01CCC.
D] Both a surviving spouse <i>and</i> a court appointed personal representative,	Enter L in Field 01CCC.

- Search the return and attachments for the date of death when the Primary and/or Secondary taxpayer is deceased.
- Research CC INOLE (using Definer S) for date of death when it is not found on the return or attachments.
- When the date of death cannot be found on the return or attachments, or when the return indicates that the Primary is deceased and the computer reflects that the Secondary is deceased, or vice versa, SSPND 211. Complete Form 6001 using paragraph C.
- If the date of death is found, use the following table to add or correct CCC A, F or 9:

If the...	And the date of death is...	Then...
A] Primary taxpayer is deceased	During the tax period of the return,	Enter F in Field 01CCC.
B] Primary taxpayer is deceased	After the tax period of the return,	Delete CCC F if present.
C] Secondary taxpayer is deceased	During the tax period of the return,	Enter 9 in Field 01CCC.
D] Secondary taxpayer is deceased	After the tax period of the return,	Delete CCC 9 if present.
E] Primary and Secondary taxpayers are deceased,	During the tax period of the return,	Enter A in Field 01CCC.
F] Primary and Secondary taxpayers are deceased,	After the tax period of the return,	Delete CCC A if present.

- (9) If no corrections are necessary, enter **C** in the Clear Field.

3.12.3.7.5
(01-01-2017)
Error Code 054 (CE)
RPC C and Filing Status

- (1) Error Code 054 instructions follow.

3.12.3.7.5.1
(11-27-2020)
Fields Displayed, Form 1040 (EC 054)

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01RPC	Return Processing Code

3.12.3.7.5.2
(01-01-2017)
Invalid Conditions (EC 054)

- (1) **Error Code 054** generates when **both** the following exist:
- RPC C is present.
 - The Filing Status is not 1, 3, 4, or 7.

3.12.3.7.5.3
(01-01-2018)
Correction Procedures (EC 054)

- Correct any coding and transcription errors and misplaced entries in displayed fields.
- Delete RPC C in Field 01RPC when FSC is 2, 5, or 6 and is correct.
- Manually verify returns when the taxpayer filed as a Married Filing Separate and resides in a community property state and prorates the income, deductions, etc., on their tax return. The computer may not agree with the taxpayer, depending on the method of proration used. (See IRM 3.12.3.24.4.14) The following are community property states:

- Arizona
- California
- Idaho
- Louisiana
- Nevada
- New Mexico
- Texas
- Washington
- Wisconsin

- (4) **Registered Domestic Partners (RDPs)** who reside in Nevada, Washington, or California must follow state community property laws and report half the combined community income of the individual and their partner. They can use only FSC 1, or if they qualify, FSC 4 for federal tax purposes. If the taxpayer notes RDP or CCA (Chief Counsel Advice), manually verify the return using the Community Property Return correction procedures. See IRM 3.12.3.24.4.14.1.

3.12.3.7.6
(01-01-2017)

**Error Code 056 (CE)
CCC F or 9 and No
DECD**

- (1) Error Code 056 instructions follow.

3.12.3.7.6.1
(11-27-2020)

**Fields Displayed, Form
1040 (EC 056)**

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01NL1	First Name Line
01NL2	Second Name Line
01FSC	Filing Status Code
01CCC	Computer Condition Code

3.12.3.7.6.2
(01-01-2017)

**Invalid Conditions (EC
056)**

- (1) **Error Code 056** generates when FSC is 2 and **either** of the following exist:
- a. CCC F is present, and the first four characters before the ampersand (&) are not "DECD".
Note: A space is necessary after "DECD" when the next character is an ampersand.
 - b. CCC 9 is present, and the first four characters before the less than sign (<) are not "DECD".

3.12.3.7.6.3
(01-01-2019)

**Correction Procedures
(EC 056)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

- (2) Delete CCC F or 9 when **neither** the **primary** and/or **secondary** taxpayer is deceased.
- (3) Correct the first name line as follows:

If the deceased taxpayer is the...	And...	Then...
A] Primary or the Secondary,	The date of death is during or after the tax period of the return,	Enter "DECD" in Field 01NL1.
B] Primary and Secondary,	They are using different last names,	Verify "DECD" was correctly entered in Field 01NL1.

Note: Refer to IRM 3.12.2.4.3.5 and ERS Job Aid Book 2515-015 for examples of how to enter "DECD" in Field 01NL1.

- (4) If no corrections are necessary, enter **C** in the Clear Field.

3.12.3.7.7
(01-01-2017)
Error Code 058 (CE)
Return Processed Date (RPD)

- (1) Error Code 058 instructions follow.

3.12.3.7.7.1
(01-01-2023)
Fields Displayed, Form 1040 (EC 058)

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01CCC	Computer Condition Code
01RCD	Received Date
02RPD	Return Processed Date

3.12.3.7.7.2
(01-01-2017)
Invalid Conditions (EC 058)

- (1) **Error Code 058** generates when **either** of the following exist:
- Return Processed Date (Field 02RPD) is earlier than the ending month and year of the Tax Period.
 - Field 02RPD is equal to or prior to the received date in Field 01RCD.
 - Field 02RPD is significant and 01CCC contains a **U**.

3.12.3.7.7.3
(04-20-2021)
Correction Procedures (EC 058)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

- (2) Verify that the return was held in suspense and the reply was received after the due date of the return. Take the following actions:

If the Return Processing Date...	And...	Then...
A] Is the same as the received date (Field 01RCD),		<ol style="list-style-type: none"> 1. Delete the entry in Field 01RCD if return was timely filed. 2. Correct the entries in Fields 02RPD and/or 01RCD (See Caution below, and IRM 3.12.2.4.3.20 and IRM 3.12.2.5.5) if return was not timely filed.
B] Is prior to the due date of the return		<ol style="list-style-type: none"> 1. Delete the entry in Field 02RPD. 2. Delete CCC U if present.
C] Is after the return due date,	Correspondence was issued unnecessarily,	<ol style="list-style-type: none"> 1. Delete the entry in Field 02RPD. 2. Delete CCC U if present.
D] Is after the return due date,	The reply is complete,	Correct Field 02RPD (See Caution below and IRM 3.12.2.5.5).
E] Is after the return due date,	The reply was incomplete, No Reply, or Undeliverable,	Enter U in Field 01CCC.
F] Is present and U is present in Field 01CCC		<p>Determine if Return Processing Date or CCC U should be present.</p> <p>Note: If RPD was entered in EC 197-199, delete the entry in Field 02RPD.</p>

#

- (3) Enter Field 02RPD using the following priority:

- a. Eefax date
- b. Correspondence received date.

- c. Postmark date on the reply envelope.
- d. Current date, minus 10 days.

Note: Field 02RPD cannot be later than the current processing date nor earlier than or equal to the received date (Field 01RCD). The field format is YYYYMMDD.

- (4) **AUSPC 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, use the following to resolve the error:
 - 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 redisplay, delete the entry in Field 02RPD.

3.12.3.8
(01-01-2017)
Error Codes 062-070

- (1) Instructions for Error Codes 062 to 070 follow.

3.12.3.8.1
(01-01-2017)
Error Code 062 (CE)
Late Filing
Code/Received Date

- (1) Error Code 062 instructions follow.

3.12.3.8.1.1
(11-27-2020)
Fields Displayed, Form
1040 (EC 062)

- (1) This table shows the fields displayed.

1040	Field Name
01RCD	Received Date
0206	Late Filing Code

3.12.3.8.1.2
(01-01-2017)
Invalid Conditions (EC
062)

- (1) **Error Code 062** generates when the late-filing code (Field 0206) is 1 and the received date (Field 01RCD) is not present.

3.12.3.8.1.3
(01-01-2017)
Correction Procedures
(EC 062)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Determine from the return and/or Edit Sheet, Form 3471, whether the late-filing code is correct. The late-filing code 1 is entered when **both** of the following apply:
 - b. The taxpayer has entered penalty and/or interest on the return.

- (3) Take the following action to correct the error code:

#

If the late-filing code is...	Then...
A] incorrect,	delete the entry in Field 0206.
B] correct,	enter the received date in Field 01RCD. Refer to IRM 3.12.2.4.3.20 to determine the received date. Reminder: Do not use a received date that has been circled. Another function has determined that the date is not valid.

Caution: The late-filing code assesses a 5 percent delinquency penalty regardless of the received date.

3.12.3.8.2
(01-01-2017)
Error Code 064 (CE)
Pre-Determined
Delinquency
Penalty/Received Date

- (1) Error Code 064 instructions follow.

3.12.3.8.2.1
(01-01-2023)
Fields Displayed, Form
1040 (EC 064)

- (1) This table shows the fields displayed.

1040	Field Name
01RCD	Received Date
02PDP	Pre-Determined Delinquency Penalty
03TWG	Total Wages
03AGI	Adjusted Gross Income
>>>>	Adjusted Gross Income Computer

3.12.3.8.2.2
(01-03-2023)
Invalid Conditions (EC
064)

- (1) **Error Code 064** generates when Pre-Determined Delinquency Penalty (Field 02PDP) is significant and Doc Code is not 26 or 27, **and either:**
- The received date (Field 01RCD) is not present, **or**
 - The received date (Field 01RCD) is present, **and either** Field 02PDP is equal to the Total Wages amount (Field 03TWG), **or** The difference **between** Field 02PDP and Adjusted Gross Income (Field

#

3.12.3.8.2.3
(01-03-2017)

**Correction Procedures
(EC 064)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Determine from the return and Form 3471 whether the penalty is correct and take the following action.

If the pre-determined delinquency penalty...	And the penalty...	Then...
A] is not correct,	belongs in another field	<ol style="list-style-type: none"> 1. Delete the entry in Field 02PDP. 2. Move the amount to correct field.
B] is not correct,	does not belong in another field	Delete the entry in Field 02PDP.
C] is correct,		Enter the received date in Field 01RCD. Reminder: 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 for determining the received date if the other function has not provided a received date.
D] has been included in any other field(s),		<ol style="list-style-type: none"> 1. Remove the penalty from the amount in the field(s). 2. GTSEC 03 and check Field 03ETP.

3.12.3.8.3
(01-01-2017)

**Error Code 066 (CE)
Qualified Mortgage
Insurance Premiums**

- (1) Error Code 066 instructions follow.

3.12.3.8.3.1
(01-01-2019)

**Fields Displayed, Form
1040 (EC 066)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
03AGI	Adjusted Gross Income
>>>>	Adjusted Gross Income Computer
07MIP	Qualified Mortgage Insurance Premium

3.12.3.8.3.2
(01-01-2019)

**Invalid Conditions (EC
066)**

- (1) Error Code 066 generates when Schedule A Qualified Mortgage Insurance Premiums is present, and the AGI Computer is greater than \$109,000 (\$54,500 for FSC 3 or 6).

3.12.3.8.3.3
(02-16-2021)

**Correction Procedures
(EC 066)**

- (1) Correct coding and transcription errors in displayed fields.
- (2) For TY21 through TY07, if the Adjusted Gross Income Computer is greater than \$109,000 (\$54,500 for FSC 3 or 6):
- Delete the entry in Field 07MIP.
 - Assign **TPNC 647** when EC 238 generates.
- (3) For TY06 and prior, if Schedule A has an entry on line 13, enter the amount in Field 0709.

3.12.3.8.4
(01-01-2017)

**Error Code 067 (CE)
Reconcile ACA**

- (1) Error Code 067 instructions follow.

3.12.3.8.4.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 067, ACA)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
02ARC	ACA Resolution Code (ERS input only)

3.12.3.8.4.2
(01-01-2017)

**Invalid Condition (EC
067, ACA)**

- (1) For 201412 and later, data received from AVS are invalid characters.

3.12.3.8.4.3
(06-19-2017)
**Correction Procedures
(EC 067, ACA)**

- (1) Drop to the bottom of the screen and transmit.
 - (2) If EC 067 redispays, SSPND 493.
- Note:** Inform management when suspending EC 067.

3.12.3.8.4.4
(01-01-2017)
**Rejects Only (EC 067,
ACA)**

- (1) ACTVT return next day.
- (2) If EC 067 displays, drop to the bottom of the screen and transmit.
- (3) If EC 067 redispays, give return to work leader to be sent to HQ Tax Analyst.

3.12.3.8.5
(11-23-2021)
**Error Code 068 -
Reserved**

- (1) Reserved.

3.12.3.8.6
(01-01-2017)
**Error Code 070 CE)
At-Risk Code, Schedule
C**

- (1) Error Code 070 instructions follow.

3.12.3.8.6.1
(01-01-2018)
**Fields Displayed, Form
1040 (EC 070)**

- (1) This table shows the fields displayed.

1040	Field Name
	Section 09 Not Present
0901	Total Gross Receipts
0902	Returns and Allowances
0904	Cost of Goods Sold
0906	Other Income
09EXP	Total Expenses
0930	Expenses for Business Use of Home
09NET>	Section 09 Schedule C Profit/Loss Computer
09AR	At-Risk Code
	Section 10 Not Present
1001	Total Gross Receipts
1002	Returns and Allowances
1004	Cost of Goods Sold
1006	Other Income
10EXP	Total Expenses
1030	Expenses for Business Use of Home

1040	Field Name
10NET>	Section 10 Schedule C Profit/Loss Computer
10AR	At- Risk Code
	Section 11 Not Present
1101	Total Gross Receipts
1102	Returns and Allowances
1104	Cost of Goods Sold
1106	Other Income
11EXP	Total Expenses
1130	Expenses for Business Use of Home
11NET>	Section 11 Schedule C Profit/Loss Computer
11AR	At-Risk Code
	Section 31 Present

3.12.3.8.6.2
(01-01-2017)
Invalid Conditions (EC 070)

- (1) **Error Code 070** generates when **either** of the following exist:
- Any Schedule C loss per computer is present, and the At-Risk Code for that Schedule is not present.
 - The At-Risk Code is 2, any Schedule C Profit or Loss per computer is

#

3.12.3.8.6.3
(04-25-2022)
Correction Procedures (EC 070)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Take the following actions to correct Schedule C/C-EZ:

If Schedule C...	And...	Then...
A] Clearly identifies the activity as a hobby ,	Did not claim the loss on Schedule 1, line 3,	Delete the section.
B] Line 7 is positive,	Line 7 is the first amount entered on Schedule C,	Enter this amount in Field 0901.
C] Line 1 or 7 is negative,		Enter as a negative amount in Field 0906 (Other Income).
Code is 2,	Form 6198 is attached,	Enter Section 31.

#

If Schedule C...	And...	Then...
Code is 2,	Form 6198 (Section 31) is not attached.	SSPND 211. Complete Form 6001 using paragraph S.

#

3.12.3.8.6.4
(01-01-2017)
**Field 09AR, At-Risk
Code (EC 070)**

- (1) When Schedule C/C-EZ is a **loss**, correct Field 09AR as follows:

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] The taxpayer reported a loss on Schedule C-EZ , line 3,	Enter 3 in Field 09AR.

#

3.12.3.8.6.5
(01-01-2018)
Prior Year (EC 070)

- (1) TY07 and prior, enter **3** in Field 09AR. Do not correspond for missing Form 6198.

3.12.3.9
(11-27-2020)
Error Codes 072-079

- (1) Instructions for Error Codes 072 to 078 follow.

3.12.3.9.1
(01-01-2017)
Error Code 072 (CE)
At-Risk Code, Schedule F

(1) Error Code 072 instructions follow.

3.12.3.9.1.1
(01-01-2018)
Fields Displayed, Form 1040 (EC 072)

(1) This table shows the fields displayed.

1040	Field Name
1409	Gross Income Cash
1433	Total Farm Expenses
1434>	Schedule F Profit/Loss Computer
14AR	At-Risk Code
1450	Gross Income Accrual
	Section 14 Not Present
1509	Gross Income Cash
1533	Total Farm Expenses
1534>	Schedule F Profit/Loss Computer
15AR	At-Risk Code
1550	Gross Income Accrual
	Section 15 Not Present
	Section 31 Present

3.12.3.9.1.2
(01-01-2017)
Invalid Conditions (EC 072)

(1) **Error Code 072** generates when **either** of the following exist:

a. Any Schedule F loss per computer is present, and the At-Risk Code for that Schedule is not present.

#

#

3.12.3.9.1.3
(04-25-2022)
Correction Procedures (EC 072)

(1) Correct coding and transcription errors and misplaced entries in displayed fields.

Caution: Schedule F line 35 response is often mistakenly entered in Field 14AR. Line 35 is not a transcription line.

(2) Take the following action to correct Schedule F:

If Schedule F...	And...	Then...
A] Clearly identifies the activity as a hobby ,	Did not claim a loss on Schedule 1, line 6 (TY18, Schedule 1, line 18),	DLSEC 14/15.
B] Lines 1 through 9 and lines 37 through 50 are blank,	The taxpayer indicates Schedule F is a gain,	SSPND 211.
Code is 2,	Form 6198 is attached,	GTSEC 31 and enter all data.
Code is 2,	Form 6198 (Section 31) is not attached,	SSPND 211. Complete Form 6001 using paragraph S.

#

3.12.3.9.1.4
(01-01-2017)
**Field 14AR, At-Risk
Code (EC 072)**

(1) When Schedule F is a **loss**, correct Field 14AR/15AR as follows:

If...	Then...
A] The taxpayer checked only box 36a (all is at risk),	Enter 1 in Field 14AR.
B] The taxpayer checked box 36b or both boxes 36a and 36b (some is not at risk),	Enter 2 in Field 14AR.
C] The taxpayer did not check either box 36a or 36b,	Enter 3 in Field 14AR.
D] Multiple Schedules F were	Enter 3 in Field 14AR.

#

If...	Then...
E] The taxpayer says he received a subsidy or completed one of the worksheets for the Excess Farm Loss, and checked box 36b,	Enter 3 in Field 14AR.

#

3.12.3.9.1.5 (01-01-2018)
Prior Year (EC 072)

(1) TY07 and prior, enter **3** in Field 14AR.

3.12.3.9.2 (01-01-2017)
Error Code 073 (CE)
At-Risk Code, Form 6198

(1) Error Code 073 instructions follow.

3.12.3.9.2.1 (01-01-2020)
Fields Displayed, Form 1040 (EC 073)

(1) This table shows the fields displayed.

1040	Field Name
0403	Combined Schedule C Profit/Loss
>>>>	Combined Schedule C Profit/Loss Computer
0406	Combined Schedule F Profit/Loss
>>>>	Combined Schedule F Profit/Loss Computer
0901	Total Gross Receipts
0902	Returns & Allowances
0904	Cost of Goods Sold
0906	Schedule C Other Income
09EXP	Total Expenses
0930	Expenses for Business Use of Home
09NET>	Section 09 Schedule C Profit/Loss Computer
09AR	At-Risk Code
1001	Total Gross Receipts
1002	Returns & Allowances
1004	Cost Of Goods Sold
1006	Schedule C Other Income

1040	Field Name
10EXP	Total Expenses
1030	Expenses for Business Use of Home
10NET>	Section 10 Schedule C Profit/Loss Computer
10AR	At-Risk Code
1101	Total Gross Receipts
1102	Returns & Allowances
1104	Cost Of Goods Sold
1106	Schedule C Other Income
11EXP	Total Expenses
1130	Expenses for Business Use of Home
11NET>	Section 11 Schedule C Profit/Loss Computer
11AR	At-Risk Code
1409	Gross Income Cash
1433	Total Farm Expenses
1434>	Schedule F Profit/Loss Computer
14AR	At-Risk Code
1450	Gross Income Accrual
1509	Gross Income Cash
1533	Total Farm Expenses
1534>	Schedule F Profit/Loss Computer
15AR	At-Risk Code
1550	Gross Income Accrual
3105	Overall Profit/Loss
3120	At-Risk Amount
3121	Deductible Loss
	Section XX Not Present

3.12.3.9.2.2
(01-01-2017)
**Invalid Conditions (EC
073)**

- (1) **Error Code 073** generates when Schedule C or F have losses that exceed the loss reported in Deductible Loss (Field 3121) and the At-Risk Code Indicator of 2 or 3.

3.12.3.9.2.3
(04-25-2022)

**Correction Procedures
(EC 073)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

Caution: Schedule F line 35 response is often mistakenly entered in Field 14AR. Line 35 is not a transcription line.

- (2) Take the following action to correct the Error Code:

If Schedule C, F and/or Form 6198 is present...	And...	Then...
A] Have been combined,	The loss exceeds the Form 6198, line 21 amount,	Adjust the amount in the EXP fields displayed using the amount in Field 3121 to determine the amount to use in the appropriate EXP field.
B] At-Risk Code is 3,	Form 6198 applies to a Schedule E loss,	<ol style="list-style-type: none"> 1. Adjust the amount in Field 3121 to equal the Schedule C/F net loss. 2. SSPND 211, if line 21 cannot be determined.

- (3) Recompute Schedule C and/or F when no corrections are necessary.

3.12.3.9.2.4
(01-01-2017)

**Fields 09AR and 14AR,
At-Risk Code (EC 073)**

- (1) When Schedule C or F is a loss, correct the at-risk code as follows:

If...	Then...
A] The taxpayer checked: <ol style="list-style-type: none"> 1. box 32a, Schedule C, 2. box 36a, Schedule F, 	<ol style="list-style-type: none"> 1. Enter 1 in Field 09AR. 2. Enter 1 in Field 14AR.
B] The taxpayer checked: <ol style="list-style-type: none"> 1. box 32b or both boxes 32a and 32b, Schedule C, 2. box 36b or both boxes 36a and 36b, Schedule F, 	<ol style="list-style-type: none"> 1. Enter 2 in Field 09AR. 2. Enter 2 in Field 14AR.
C] The taxpayer did not check: <ol style="list-style-type: none"> 1. either box 32a or 32b, Schedule C, 2. either box 36a or 36b, Schedule F, 	<ol style="list-style-type: none"> 1. Enter 3 in Field 09AR. 2. Enter 3 in Field 14AR.

3.12.3.9.2.5
(01-01-2017)

**Field 09NET>, Schedule
C Profit or Loss
Computer (EC 073)**

(1) Re-compute Schedule C using the following table, as appropriate:

If the taxpayer...	Then...
A] Indicates that the loss on line 31 is limited e.g., 1. Form 8582 attached, 2. PAL , 3. Entire disposition of passive activity , 4. Combination of Form 6198 and 8582,	Adjust the entry in Field 09EXP so that the loss per computer equals the amount the taxpayer claimed (i.e., calculate the taxpayer's limited loss by adding line 7 to line 31.) See D] below before adjusting Field 09EXP. Enter the result in Field 09EXP. See Note below.
B] Checks line 32a (All is at risk) or leaves blank and indicates the loss should be limited,	1. Adjust the entry in Field 09EXP so that the loss per computer equals the amount the taxpayer claimed. See D] below before adjusting Field 09EXP. 2. Enter 1 in Field 09AR. See Note below.
C] Checks line 32b (some is not at risk) and line 21 (Field 3121), Form 6198, is less than Schedule C, Field 09NET>,	Adjust the entry in Field 09EXP so that the loss per computer equals line 21, Form 6198. See D] below before adjusting Field 09EXP. See Note below.
D] Has an amount for Form 8829,	Subtract that amount from the total prior to entering it in Field 09EXP.

Note: Adjust Schedule SE, if necessary.

3.12.3.9.2.6
(01-01-2017)

**Field 1434>, Schedule F
Profit or Loss Computer
(EC 073)**

(1) Re-compute Schedule F using the following table, as appropriate:

If the taxpayer...	Then...
A] Indicates that the loss on line 34, Schedule F is limited e.g., 1. Form 8582 attached, 2. PAL , 3. Entire disposition of passive activity , 4. Combination of Form 6198 and 8582,	Adjust the entry in Field 1433 (Schedule F, line 33), so that the loss per computer equals the amount the taxpayer claimed (i.e., calculate the taxpayer's limited loss by adding line 34 as a positive amount to line 9). Enter the result in Field 1433.
B] Checks line 36a (All is at risk) or leaves blank and indicates the loss should be limited,	1. Adjust the entry in Field 1433 so that the loss per computer equals the amount the taxpayer claimed. 2. Enter 1 in Field 14AR.

If the taxpayer...	Then...
C] Checks line 36b (some is not at risk) and line 21, Form 6198, is less than Schedule F, line 34,	Adjust the entry in Field 1433 so that the loss per computer equals line 21, Form 6198.

Note: Adjust Schedule SE, if necessary.

3.12.3.9.3
(01-01-2017)

Error Code 074 (CE)
Cash or Accrual Method

(1) Error Code 074 instructions follow.

3.12.3.9.3.1
(01-01-2020)

Fields Displayed, Form 1040 (EC 074)

(1) This table shows the fields displayed.

1040	Field Name
1401B	Cost or Other Basis
1402	Products Raised Sales
1403A	Gross Cooperative Distributions Cash
1403B	Taxable Cooperative Distributions Cash
1404A	Gross Agricultural Program Payments Cash
1404B	Taxable Agricultural Program Payments Cash
1405B	CCC Loans Forfeited Cash
1406A	Gross Crop Insurance Cash Amount
1406B	Taxable Crop Insurance Amount
1407	Custom Hire Section 14
1409	Gross Income
1438A	Gross Cooperative Distributions Accrual
1438B	Taxable Cooperative Distributions Accrual
1439A	Gross Agricultural Program Payments Accrual
1440B	CCC Loans Forfeited Accrual
1444	Total Income Accrual
1450	Total Gross Income
1501B	Cost or Other Basis
1502	Products Raised Sales
1503A	Gross Cooperative Distributions Cash
1503B	Taxable Cooperative Distributions Cash
1504A	Gross Agricultural Program Payments Cash

1040	Field Name
1504B	Taxable Agricultural Program Payments Cash
1505B	CCC Loans Forfeited Cash
1506A	Gross Crop Insurance Cash Amount
1506B	Taxable Crop Insurance Amount
1507	Custom Hire Section 15
1509	Gross Income
1538A	Gross Cooperative Distributions Accrual
1538B	Taxable Cooperative Distributions Accrual
1539A	Gross Agricultural Program Payments Accrual
1540B	CCC Loans Forfeited Accrual
1544	Total Income Accrual
1550	Total Gross Income
	Section XX Not Present

3.12.3.9.3.2
(01-01-2018)
Invalid Conditions (EC 074)

- (1) **Error Code 074** generates when **both** of the following exist:
- The "Cash Method" fields (Field 1401B through 1409) have entries.
 - The "Accrual Method" fields (Field 1438A through 1450) have entries.

3.12.3.9.3.3
(01-01-2017)
Correction Procedures (EC 074)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Delete the entry in Field 1409 when **all** of the following exist:
- An amount is present on line 9.
 - Lines 1a through 8 are blank.
 - An amount is present on line 50.
- (3) Take the following action when you are unable to determine the accounting method:

If Line 45 or 48...	Then...
A] Has inventory present,	<ol style="list-style-type: none"> Use Accrual method. Delete the data from Fields 1401B - 1409.
B] Is blank,	<ol style="list-style-type: none"> Use Cash method. Delete the data from Fields 1438A - 1450.

3.12.3.9.4
(01-01-2017)
Error Code 075 (CE)
Excess Gross Social
Security

(1) Error Code 075 instructions follow.

3.12.3.9.4.1
(01-01-2024)
Fields Displayed, Form
1040 (EC 075)

(1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
03GSS	Gross Social Security
03TSS	Taxable Social Security
03WH	Withholding
94TSV	Taxable Social Security Verified

3.12.3.9.4.2
(01-01-2017)
Invalid Conditions (EC
075)

(1) **Error Code 075** generates when Taxable Social Security Verified is not present, and **either** of the following exist:

a. Gross Social Security exceeds \$72,000 for FSC 2.
b. Gross Social Security exceeds \$36,000 for FSC 1, 3, 4, 5, 6, or 7.

3.12.3.9.4.3
(01-01-2023)
Correction Procedures
(EC 075)

(1) Correct coding and transcription errors and misplaced entries in displayed fields.
(2) Use the following table if the amount claimed by the taxpayer exceeds the maximum amount:

If...	And...	Then...

#

If...	And...	Then...
B] Box is checked on Form 1040, line 6c, for lump-sum election (TY21-TY20, " LSE " is noted to the left of Form 1040, line 6a),		Enter the line 6b amount in Field 94TSV. Note: If taxable amount is zero, enter \$1 in Field 94TSV.
C] Box is not checked on Form 1040, line 6c, for lump-sum election (TY21-TY20, " LSE " is not noted,		Enter C in the Clear Field.

- (3) If no withholding is present, enter **C** in the Clear Field.

3.12.3.9.4.4
(01-01-2017)
Reply Procedures (EC 075)

- (1) If taxpayers reply with a statement that they didn't file the return, that it was filed without their knowledge and permission, or that they believe that their identity has been used without their permission in the return, enter **SPC 8**.

3.12.3.9.5
(01-01-2017)
Error Code 077 (CE) Self Employed Retirement Plans

- (1) Error Code 077 instructions follow.

3.12.3.9.5.1
(01-01-2023)
Fields Displayed, Form 1040 (EC 077)

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01ACD	Audit Code
0403	Combined Schedule C Profit/Loss
0405	Combined Schedule E Profit/Loss
0406	Combined Schedule F Profit/Loss
04OTI	Other Income
04DSE	Deduction for Self-Employment Tax
04SEP	Self-Employed Retirement Plans Deduction
04HID	Self-Employed Health Insurance Deduction
	Section 09 Not Present
	Section 10 Not Present
	Section 11 Not Present

1040	Field Name
	Section 13 Not Present
	Section 14 Not Present
	Section 15 Not Present
	Section 17 Not Present
	Section 18 Not Present

3.12.3.9.5.2
(01-01-2017)

Invalid Conditions (EC 077)

(1) Error Code 077 generates when all of the following apply:

- SE Retirement Plans Deduction Amount is present, *and*
- Combined Schedule C Profit/Loss is not present, *and*
- Sections 09, 10, and 11 are not present, *and*
- Schedule E Profit/Loss is not present, *and*
- Section 13 is not present, *and*
- Combined Schedule F Profit/Loss is not present, *and*
- Sections 14 and 15 are not present.

3.12.3.9.5.3
(01-01-2023)

Correction Procedures (EC 077)

(1) Correct coding and transcription errors and misplaced entries in displayed fields.

(2) Take one of the following actions:

If...	And...	Then...
<p>A] Schedules C, E and F are not present and lines 3, 5, and 6 of Schedule 1 are blank, and Other income on Schedule 1, line 8 does not include an amount identified as SE income and RPC N is not present.</p>	<p>Form W-2 indicates one of the codes below, a tax-deferred savings plan amount is on Schedule 1, line 16 (TY20-TY19, line 15):</p> <ul style="list-style-type: none"> • “D” - Section 401(k) • “E” - Section 403(b) • “F” - Section 408(k)(6) • “G” - Section 457 • “S” or SIMPLE plan • “T” or employer-paid “qualified adoption expenses” • Section 125, Cafeteria Plan (CAF, etc., unless included in Box 1 wages) • Section 414(h), mandatory salary deferral (PERS Public Employee Retirement System, etc.) • “TSP” - Thrift Savings Plan 	<p>1.</p> <p>a) Verify taxpayer reported the wages in box 1 of Form W-2 on line 1, Form 1040.</p> <p>Note: Taxpayers may report wages from box 3 or 5 in error.</p> <p>b) GTSEC 03 and adjust the entry in Field 03WG, if taxpayer didn't report the wages from box 1 or reported wages from box 3 or 5 of Form W-2 on line 1, Form 1040. Transmit.</p> <p>2. Delete entry in Field 04SEP.</p> <p>3. When EC 229 displays, assign TPNC 161.</p>
<p>B] Schedules C, E and F are not present and Schedule 1, lines 3, 5, and 6 are blank, and Other income on Schedule 1, line 8 does not include an amount identified as SE income and RPC N is not present.</p>	<p>Section 501(c)(18)(D) and local plan amounts are included in the wages reported in box 12a, b, c, or d of Form W-2 or Section 125, Cafeteria Plan (CAF, etc., are included in box 1 wages)</p>	<p>Enter C in the Clear Field.</p>

If...	And...	Then...
C] Schedules C, E and F are not present and Schedule 1, lines 3, 5, and 6 are blank, and Other income on Schedule 1, line 8 does not include an amount identified as SE income and RPC N is not present.	Form W-2 does not have any of the tax savings plans listed in A] above,	1. Delete entry in Field 04SEP. 2. When EC 229 displays, assign TPNC 155 .
D] Schedules C, E and F are not present and Schedule 1, lines 3, 5, and 6 are blank, and Other income on Schedule 1, line 8 includes an amount identified as SE income and RPC N is present or Schedule SE is present		Enter C in the Clear Field.

3.12.3.9.6
(01-01-2017)

Error Code 078 (CE)
Alimony SSN

- (1) Error Code 078 instructions follow.

3.12.3.9.6.1
(11-23-2021)

Fields Displayed, Form 1040 (EC 078)

- (1) This table shows the fields displayed.

1040	Field Name
01PS	Primary SSN
01SS	Secondary SSN
01TXP	Tax Period
01FSC	Filing Status Code
0402A	Alimony Received
04SSN	Alimony SSN
04ALP	Alimony Paid
0211	Identification Number Penalty

3.12.3.9.6.2
(01-01-2017)
Invalid Conditions (EC 078)

- (1) **Error Code 078** generates when Field 01FSC is not 3 and one of the following apply:
- Alimony SSN (Field 04SSN) is present, and Alimony Paid (Field 04ALP) is **not** present.
 - Alimony SSN (Field 04SSN) is equal to the Primary SSN (Field 01PS).
 - Alimony SSN (Field 04SSN) is **not** present and Alimony Paid (Field 04ALP) is present.
 - The Alimony SSN (04SSN) is equal to the Secondary SSN (Field 01SS).

3.12.3.9.6.3
(02-23-2023)
Correction Procedures (EC 078)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) **TY19 and later**, if Field 04ALP is blank (Schedule 1, line 19a was X'd by Code & Edit, or deleted in Error Code 079) because the date on line 19c (TY19-TY20, line 18c) is **after** December 31, 2018, enter nine zeros in Field 04SSN to delete the recipient's SSN. When EC 229 displays, assign **TPNC 163**. If there is no date on line 19c, or the date is **before** January 1, 2019, enter the line 19a amount in Field 04ALP.

Note: TY19 and later, when Field 04ALP is blank, enter nine zeros in Field 04SSN to delete the recipient's SSN entry.

- (3) TY18 and prior, enter nine zeros in Field 04SSN when Field 04ALP is blank.
- (4) If return has "multiple" Alimony SSNs present, enter any **valid** Alimony SSN in Field 04SSN.

Note: An invalid recipient TIN:

- has fewer or more than 9 digits.
- is made up of repeating digits (e.g., 111-11-1111, 111-22-3333, or 888-77-6666).
- is a sequential series (e.g., 123-45-6789 or 987-65-4321).

- (5) If Field 04SSN equals Field 01PS or 01SS, FSC is 2 or 6, and the amount reported on Schedule 1, line 2a, Alimony Received (Field 0402A), equals Schedule 1, line 19a (TY19-TY20, line 18a), Alimony Paid (Field 04ALP), complete the following actions:
- GTSEC 04.
 - Delete entries in Fields 0402A, and 04ALP, and enter nine zeros in Field 04SSN.
 - Assign **TPNC 164** when EC 229 displays.
- (6) If Field 04SSN is the same as Field 01SS, FSC is 2, 4, or 6, and the amount in Field 04ALP is **not** equal to Field 0402A, complete the following actions:
- Enter nine zeros in Field 04SSN, and delete the entry in Field 04ALP.
 - Assign **TPNC 164** when EC 229 displays.
- (7) Search the return and/or attachments for the Alimony SSN.
- If the Alimony SSN is found, enter in Field 04SSN.
 - If the Alimony SSN is not found, follow the procedures in paragraph 8.

- (8) Research CC RTVUE/TRDBV (for a prior tax year) when the correct Alimony SSN is not found or is illegible on the return. Take the following action:

If Alimony SSN...	And...	Then...
A] Is found,	Alimony SSN is a valid SSN (see (4) above) or does not meet the criteria in (5) and (6) above	Enter SSN in Field 04SSN.
B] Not found,	the taxpayer notates any of the following: a. Unable to obtain b. Unknown c. None d. Applied for e. NRA f. SSA 205(c),	Complete the following actions in order: 2. Enter 999999991 in Field 04SSN (eight nines and a one).
C] Not found,	no notation is present,	Complete the following actions in order: 2. Enter 999999991 in Field 04SSN (eight nines and a one).

#

3.12.3.9.7
(11-27-2020)

Error Code 079 (CE)
Alimony Received/Paid

- (1) Error Code 079 procedures follow.

3.12.3.9.7.1
(01-01-2023)

Fields Displayed, Form 1040 (EC 079)

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01SPC	Special Processing Code
0402A	Alimony Received

1040	Field Name
04ALP	Alimony Paid

3.12.3.9.7.2
(02-03-2021)
Invalid Conditions (EC 079)

- (1) Error Code 079 generates on TY19 and subsequent returns when SPC 4 is present (date on Schedule 1, line 2b or line 19c (TY20-TY19, line 18c) is after 12/31/2018).

3.12.3.9.7.3
(02-23-2023)
Correction Procedures (EC 079)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If **MeF and 4 is present in Field 01SPC**, delete the amount in Field 04ALP. When EC 078 displays, enter nine zeros in Field 04SSN. When EC 079 redisplay, enter **C** in the Clear Field. When EC 229 displays, assign TPNC 163.
- Exception:** If the return shows more than one date of original divorce or separation agreement, and one or more of the dates are 12-31-2018 or earlier, adjust Field 04ALP to reflect the alimony associated with the 12-31-2018 or earlier date(s). Then remove **4** from Field 01SPC.
- (3) TY19 and later, if the date on line 2b is after 12/31/2018, delete the amount in Field 0402A. When EC 079 redisplay, enter **C** in the Clear Field. When EC 218 displays, assign TPNC 118.
- Exception:** If the return shows more than one date of original divorce or separation agreement and one or more of the dates are 12-31-2018 or earlier, adjust Field 0402A to reflect the alimony associated with the 12-31-2018 or earlier date(s). Then remove **4** from Field 01SPC.
- (4) TY19 and later, if the date on line 19c (TY19-TY20, line 18c) is after 12/31/2018, delete the amount in Field 04ALP. When EC 079 redisplay, enter **C** in the Clear Field. When EC 229 displays, assign TPNC 163.
- Exception:** If the return shows more than one date of original divorce or separation agreement and one or more of the dates are 12-31-2018 or earlier, adjust Field 04ALP to reflect the alimony associated with the 12-31-2018 or earlier date(s). Then remove **4** from Field 01SPC.
- (5) TY19 and later, if the date on line 2b or 19c is after 12/31/2018 and there is no entry in Field 0402A or 04ALP, enter **C** in the Clear Field.
- (6) TY19 and later, if the date on line 2b/19c is **NOT** after 12/31/2018 or if there is no date present on either line 2b or 19c, delete **4** from Field 01SPC.
- (7) TY18 and prior, delete **4** from Field 01SPC.

3.12.3.10
(01-01-2017)
Error Codes 083-094

- (1) Instructions for Error Codes 083 to 094 follow.

3.12.3.10.1
(01-01-2017)
Error Code 083 (CE)
Form 8814 SSN/Name
Control

- (1) Error Code 083 instructions follow.

3.12.3.10.1.1
(01-01-2023)
Fields Displayed, Form
1040 (EC 083)

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01PS	Primary SSN
01SS	Secondary SSN
40CN1	Form 8814 Child Name Control 1
40CT1	Form 8814 Child SSN 1
41CN2	Form 8814 Child Name Control 2
41CT2	Form 8814 Child SSN 2
42CN3	Form 8814 Child Name Control 3
42CT3	Form 8814 Child SSN 3

3.12.3.10.1.2
(01-01-2017)
Invalid Conditions (EC
083)

- (1) **Error Code 083** generates when **any** of the following exist:
- Form 8814 Child Name Control (Fields 40CN1, 41CN2, and/or 42CN3) is not present.
 - Form 8814 Child SSN (Fields 40CT1, 41CT2, and/or 42CT3) is not present.
 - Any Form 8814 SSN is equal to the Primary SSN (Field 01PS) or the Secondary SSN (Field 01SS).
 - The SSNs for two or more Forms 8814 are the same.

3.12.3.10.1.3
(04-25-2022)
Correction Procedures
(EC 083)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

Note: Code & Edit will edit the parent's Name Control for the Form 8814 Child Name Control if a child's Name Control is not present.

- Compare the Primary SSN and Secondary SSN to the box on Form 8814 labeled "Your social security number". Overlay the correct SSN, if found.
- DLSEC Section 40 when Form 8814 has been filed with a child's Form 1040.
- Search the return (dependent area) and/or attachments for the child's correct SSN and/or Name Control. Overlay appropriate field, if found.
- Take the following action if the child's SSN and/or Name Control is not found:

If the child's...	And...	Then...
A] Name Control is not found,		Enter the parent's Name Control in Fields 40CN1, 41CN2 and/or 42CN3.
B] SSN is not found,	The taxpayer did not provide the child's SSN because of religious beliefs,	Enter C in the Clear Field.
C] SSN is not found	The preceding does not apply,	SSPND 211 to correspond.
D] SSN is not found,	The notation "Applied For" or "ITIN Rejected" is present	Enter C in the Clear Field.

- (6) If there is more than one Form 8814 present for the same child:
- Combine all transcription lines on the first Form 8814 and enter in Section 40.
 - If this procedure does not resolve the error condition, SSPND 211 for an explanation from the taxpayer.

3.12.3.10.2
(01-01-2017)
Error Code 084 (CE)
Form 4972 Qualifying
Indicators

- (1) Error Code 084 instructions follow.

3.12.3.10.2.1
(01-01-2017)
Fields Displayed, Form
1040 (EC 084)

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01CCC	Computer Condition Code
02CD1	Unallowable Code 1
02AM1	Unallowable Amount 1
02CD2	Unallowable Code 2
02AM2	Unallowable Amount 2
02CD3	Unallowable Code 3
02AM3	Unallowable Amount 3
02RPD	Return Processed Date
2801	Qualifying Plan Indicator
2802	Rollover Indicator

1040	Field Name
2803	Employee Beneficiary Indicator
2804	Five-Year Member Indicator
2805A	Prior-Year Distribution Indicator
2805B	Death Beneficiary Indicator
	Section XX Not Present

3.12.3.10.2.2
(01-01-2017)

Invalid Conditions (EC 084)

(1) **Error Code 084** generates when:

- Section 28 is present, and Unallowable Codes 16 through 20 are not present, and any field from Field 2801 through 2805A is **not** present **or**
- Field 2801 is 2 or
- Field 2802 is 1 or
- Field 2803 and 2804 are 2 or
- Fields 2805A or 2805B is 1 or
- Field 2801, 2802, 2803, 2804, 2805A, or 2805B is blank.

Note: Action Code 370 will automatically generate when no other action code is assigned to the return and Section 28 is present, Unallowable Codes 16 through 20 are not present and **any** of the preceding conditions listed are present. The Examination Branch must review these returns first, then the Rejects Unit can work them. If the preceding item a) is not satisfied, then the return will generate to ERS first.

3.12.3.10.2.3
(02-27-2020)

Correction Procedures (EC 084)

- Correct coding and transcription errors and misplaced entries in displayed fields.
- DLSEC 28 when Form 4972 has entries only in Part I but no amounts in Part II or III. The taxpayer must complete Part I of Form 4972 to qualify for the 10-year averaging method.
- Verify and correct coding for Field 2801 through 2805B, in Part I of Form 4972, according to the table.

If the taxpayer checked...	Then...
A] the box "Yes"	Enter 1.
B] the box "No"	Enter 2.
C] Box "Yes" and "No"	Enter 2.
D] Neither box	blank the field.

Exception: If line 5b (Field 2805B) is not answered, enter code 0 (zero).

#

- a. Neither "yes" or "no" box checked for any of questions 1 through 5a.
- b. "No" for question 1 (Field 2801 is 2).
- c. "Yes" for question 2 (Field 2802 is 1).
- d. "No" for both questions 3 and 4 (Field 2803 and Field 2804 are both 2).
- e. "Yes" for question 5a (Field 2805A is 1).
- f. "Yes" for question 5b (Field 2805B is 1).

#(5) **Rejects**

1. Refer to Examination's instructions or actions on the memo portion of the Form 3471, Edit Sheet, and take the following action:

If the return...	Then...
A] Is not selected,	Enter C in the Clear Field.
B] Is selected,	Enter the Unallowable Code(s) and amount(s), from the Edit Sheet, in Fields 02CD1 through 02AM3.

#

2. Clear Action Code 370 after completing all work as instructed by Examination. Enter **C** in the Clear Field when EC 084 redisplay on the screen.

3.12.3.10.3
(01-01-2017)
Error Code 085 (CE)
Foreign Tax Credit Over
Threshold and Form
1116 Not Attached

- (1) Error Code 085 instructions follow.

3.12.3.10.3.1
(01-01-2020)
Fields Displayed, Form
1040 (EC 085)

- (1) This table shows fields displayed.

1040	Field Name
CL	Clear Code
01ACD	Audit Code
05202	Excess APTC Repayment Amount
03TBC>	Income Tax Before Credits Computer

1040	Field Name
05301	Foreign Tax Credit
05302	Credit for Child and Dependent Care
	Section 19 Not Present

3.12.3.10.3.2
(01-01-2017)
Invalid Conditions (EC 085)

- (1) Error Code 085 generates when Foreign Tax Credit is present, and Section 19 is not present, **and either**
 - a. Filing Status equals 2 and Foreign Tax Credit is greater than \$600.
 - b. Filing Status is other than 2 and Foreign Tax credit is greater than \$300.

3.12.3.10.3.3
(01-01-2020)
Correction Procedures (EC 085)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If Form 1116 is attached to the return, GTSEC 19 and transcribe form.
- (3) If Field 05301 has an entry and Form 1116 is not attached, correspond for the form when:
 - a. FSC is 2 and Field 05301 is greater than \$600.
 - b. FSC is other than 2 and Field 05301 is greater than \$300.

Note: Do not correspond for Form 1116 if Field 03TBC> is **blank**.

3.12.3.10.3.4
(02-22-2019)
Reply Procedures (EC 085)

- (1) If a reply is received and the amount on Form 1116, line 35 (TY19-TY18, line 33) has changed from the amount originally reported on Schedule 3, line 1 (TY18, Schedule 3, line 48), enter the new amount in Field 05301.
- (2) If EC 310 displays, assign TPNC **558**.

3.12.3.10.4
(01-01-2017)
**Error Code 086 (CE)
Schedule R Disability
Income, Wages**

- (1) Error Code 086 instructions follow.

3.12.3.10.4.1
(02-10-2023)
Fields Displayed, Form 1040 (EC 086)

- (1) This table shows the fields displayed.

1040	Field Name
03WG	W-2 Wages
03TWG	Total Wages
03GIR	Total IRA Distributions
03TIR	Taxable IRA Distributions
03GPA	Gross Pensions and Annuities

1040	Field Name
03TPA	Taxable Pensions and Annuities
01ABI	Age/Blind Indicator
16FSI	Filing Status Age Indicator Code
1611	Taxable Disability Income

3.12.3.10.4.2
(01-01-2017)
Invalid Conditions (EC 086)

- (1) **Error Code 086** generates when **either** of the following exist:
- Field 16FSI (Filing Status Age Indicator Code) is other than 6 and Field
 - Field 16FSI (Filing Status Age Indicator Code) is 6 and Field 1611

#

3.12.3.10.4.3
(01-03-2023)
Correction Procedures (EC 086)

- Correct coding and transcription errors and misplaced entries in displayed fields.
- Delete entry in Field 1611 when the taxpayer is 65 years or older at the end of the tax year.
- Verify the Taxable Disability Income in box 1, when the taxpayer is under 65 years. Take the following action to correct the error code:

If Form 1099-R shows...	Then...
A] "Distribution Code 3" or states "Disability",	<ol style="list-style-type: none"> Add Form 1099-R, box 2a to the amount on line 1a, Form 1040 (TY21-TY18, line 1), enter the amount in Field 03WG, and adjust Field 03TWG. If the amount has been entered in Field 03TPA, delete the entry. If EC 218 displays, assign TPNC 114.
B] "Non disability",	<ol style="list-style-type: none"> Add Schedule R, line 11 amount to Form 1040, line 4b and include amount in Field 03TPA. Reduce Field 1611 by that amount.

If Form 1099-R shows...	Then...
C] "Distributions" (see exception),	<div>1. Add Schedule R, line 11 amount to Form 1040, line 4b, and include amount in Field 03TPA.</div> <div>2. Reduce Field 1611 that amount.</div>

Exception: If the Form 1099-R was issued by the **military** and is identified as a distribution (e.g., Code "7" is in box 7), then include amount in Field 03TPA and reduce Field 1611 by that amount.

#

- (5) Verify that the Taxable Disability Income from line 11, Schedule R, was included on line 1a and 1z, Form 1040 (TY21-TY18, line 1) when the taxpayer is under 65 years of age, and adjust appropriate fields. If EC 218 displays, assign **TPNC 114**.

3.12.3.10.5
(01-01-2017)
Error Code 087 (CE)
Schedule SE and RPC N
or S

- (1) Error Code 087 instructions follow.

3.12.3.10.5.1
(11-23-2021)
Fields Displayed, Form
1040 (EC 087)

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01RPC	Return Processing Code
01CCC	Computer Condition Code
04OTI	Other Income
17TE	Tentative Earnings
17TSW	Total Social Security Wages Covered
17CHW	Tentative Church Wages
18TE	Tentative Earnings
18TSW	Total Social Security Wages Covered
18CHW	Tentative Church Wages

3.12.3.10.5.2
(01-01-2017)
Invalid Conditions (EC 087)

- (1) **Error Code 087** generates when **both** of the following exist:
- RPC N or S is present.
 - Section 17 or 18 is present.

3.12.3.10.5.3
(01-01-2017)
Correction Procedures (EC 087)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Manually verify earned income when both RPC N and Schedule SE are present, because the computer will use Schedule SE (only) for earned income purposes.

If RPC is...	And SE Tax...	Then...
A] N,	Was computed by taxpayer or IRS (EC 380) and SE tax was calculated on "Other Income" from Section 03,	Delete RPC N.
B] N,	Was computed by the taxpayer or IRS (EC 380) and does not include "Other Section 03,	Enter C in the Clear Field.
C] S,	Was computed by the taxpayer,	Delete RPC S.

#

Note: RPC S should never be present when there is a valid Schedule SE.

3.12.3.10.6
(01-01-2017)
Error Code 088 (CE) SE Liability

- (1) Error Code 088 instructions follow.

3.12.3.10.6.1
(01-01-2023)
Fields Displayed, Form 1040 (EC 088)

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01RPC	Return Processing Code
01ACD	Audit Code
P-MIN>	Primary NAP Minister SE Tax Exempt Code
H-MIN>	Secondary NAP Minister SE Tax Exempt Code
04OTI	Other Income
04HID	Self-Employed Health Insurance Deduction

1040	Field Name
05204	Combined Self-Employment Tax
09STI	Section 09 Statutory Employee Indicator
09NET>	Section 09 Profit/Loss Computer
10STI	Section 10 Statutory Employee Indicator
10NET>	Section 10 Profit/Loss Computer
11STI	Section 11 Statutory Employee Indicator
11NET>	Section 11 Profit/Loss Computer
	Section 13 Present
1331	Partnership/S Corporation Loss
1336	Estate/Trust Loss
1434>	Section 14 Profit/Loss Computer
1534>	Section 15 Profit/Loss Computer

3.12.3.10.6.2
(01-01-2017)
**Invalid Conditions (EC
088)**

- (1) **Error Code 088** generates when the Primary/Secondary NAP minister Tax Exempt Code (Field P-MIN>/H-MIN>) is 0 (zero), 2, 8, or A, and

- a. Section 13 is not present, **and**
 Earned income Credit Amount Computer is not present, **and**
 Schedule SE (Section 17 or 18) is not present, **and**
 Field 01RPC does not contain code S, **and**
 Field 01ACD does not contain code V, **and**
any of the following conditions applies:

Statutory Employee Form W-2 Income is not present or Statutory Employee Indicator (Field 09STI/10STI/11STI) is not 1 and Schedule C Profit/Loss Computer

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- (2) Section 13 is present, **and**
 Partnership/S Corp Loss is not present, **and**
 Estate and Trust Loss is not present, **and**
 Earned Income Credit Amount computer is not present, **and**
 Schedule SE (Section 17 or 18) is not present, **and**
 Field 01RPC does not contain code S, **and**
 Field 01ACD does not contain code V, **and**
any of the following conditions applies:

Statutory Employee Form W-2 Income is not present or Statutory Employee Indicator (Field 09STI/10STI/11STI) is not 1 and Schedule C Profit/Loss Computer

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3.12.3.10.6.3
(04-25-2022)

**Correction Procedures
(EC 088)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

Note: Code & Edit removes non-statutory wages from Schedule C/C-EZ and moves the amount to Form 1040, line 1a (TY21-TY18, line 1).

- (2) GTSEC 17/18 and enter all fields of data available if Schedule SE is attached to the return.

- (3) If Code & Edit has added income to the return (from Form 1099-NEC, box 1; Form W-2; third party data, for instance) that the taxpayer did not report, review the return to determine if the taxpayer used the unreported income.

- a. If the taxpayer used the income to qualify for a credit (CTC, ACTC, or EIC, for instance), or attempts to pay income tax for it, consider the taxpayer's omission a clerical error and allow the income to remain in the return. If the income is subject to SE tax or you can't determine if it's subject to SE Tax, correspond for liability of SE Tax.
- b. If the taxpayer did not use the income to qualify for a credit or include it in the return, delete the income added by C&E from the return and delete RPC N.

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- (5) For TY12 and later - If the taxpayer checked the box next to line 1 of Schedule C as a **statutory employee**, enter **1** in Field 09STI, 10STI, or 11STI.

Note: Statutory employees are in general individuals in four occupational groups who are not employees under common law. The most common occupations are:

- industrial homeworkers
- full-time life insurance sales agents
- drivers who distribute meat products, vegetable products, fruit products, bakery products, beverages (other than milk) or pick up and deliver laundry or dry cleaning and
- traveling or city salespersons.

- (6) Use the following table if the taxpayer has an amount for deductible part of SE tax on Schedule 1, line 15 (TY20-TY19, line 14), attaches Schedule C/F or Field 04OTI includes SE income, and/or has an amount for SE tax on Schedule 2, line 4, and Schedule SE is not attached:

If...	Then...
A] You can determine which taxpayer is liable for the SE tax,	do not correspond. Back into the taxpayers amount as follows: 1. Divide the SE tax amount on Schedule 2, line 4, by .153. 2. Divide the result in 1 by .9235. 3. GTSEC 17 and/or 18 4. Enter the result from 2 in Field 1701A/1702 and 17TE.
B] You can't determine the SE tax liability or SE income and the taxpayer does not self-identify as a statutory employee ,	SSPND 211. Complete Form 6001 using paragraph W.

Reminder: When dummying in Section 17 or 18, review the form(s) to determine if the taxpayer has already paid the maximum Social Security tax. Correct or provide the entries for line 8a, 8b, and 8c on Schedule SE and enter the sum of those three lines in Field 17TSW or 18TSW if an entry in one or both of those fields affects the liability for SE tax.

- (7) When figuring the **farm income** subject to the self-employment tax, reduce the net profit or loss from Schedule F by the amount the taxpayer reports on **line 4b of Schedule F**. This income is **not** subject to the self-employment tax for TY08 and later.
- (8) Search the return and attachments for an explanation by the taxpayer why the income reported on Schedule C, Schedule F, or other income is **not subject to the SE Tax**. If the taxpayer reports income derived from **the sale of livestock associated with 4H** or other similar organizations, enter **C** in the Clear Field. If the taxpayer reports income earned in foreign currency, see paragraph 12 before proceeding.

a. If the taxpayers state that they are **not liable** for SE Tax because they have an **ITIN**, GTSEC 01 and enter **V** in Field 01ACD.

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- c. If the taxpayer is not paying SE Tax on the amount reported, see EC 380 IRM 3.12.3.31.2.3(4) before you enter RPC **S** when the taxpayer indicates any of the following:

Caution: Do **not** enter RPC **S** if one spouse is exempt from SE tax and the other spouse is liable for SE tax or a taxpayer has income exempt from the SE tax and income subject to the SE tax.

- Minister
- Statutory employee
- Exempt
- Exempt-Notary
- Not liable
- Hobbies - Delete Schedule C and/or F as appropriate
- Sporadic activity
- **Amish** or **Mennonite**
- “**QJV**,” noted to the left of Schedule 2, line 4 (TY18, line 57, Schedule 4).
- Any statement the income was received from **Indian Tribal Fund** (Indian Gaming Proceeds, Indian Gaming Earnings (IGE), Indian Tribal Distribution, Native American, Indian Tribal Earnings, for example).
- A **minor** child’s return with wages from a parent or earned from a newspaper route or as (news)paper carrier.

Note: If the taxpayer is someone else’s dependent and notes “wages from parent”, “paper carrier”, “child’s non-SE earned income”, or similar statement, delete the **N** in Field 01RPC. Instead add the wages and any other earned income together. Add \$350 to that figure. Enter that total, up to the allowable standard deduction for the filing status, in Field 94SDV.

- **Form 4361**, *Application for Exemption From Self-Employment Tax for Use by Ministers, Members of Religious Orders and Christian Science Practitioners*, is attached or noted.

Note: If there is an indication that the taxpayer is a minister, see EC 380, IRM 3.12.3.31.2.3(4).

- **Form 4029**, *Application for Exemption From Social Security and Medicare Taxes and Waiver of Benefits*, is attached or noted.

Note: If Form 4029 is noted or attached, and Field P-MIN> or H-MIN> displays as “0”, research with IMFOLE to check the SE minister exempt code. When the SE minister exempt code is other than 1, 4, or 5, detach Form 4029, or if noted, make a copy of page 1 of the return and the page with Form 4029 notation. Route Form 4029 or copies to PSC CAWR, according to your local mail-dex or routing guide.

Note: See Exhibit 3.12.2-13, Examples of Self-Employment Income.

- (9) If taxpayer reports “Cancellation of Debt” on Schedule 1, line 8c (TY21-TY19, line 8), enter **C** in the Clear Field. It is not subject to SE tax.
- (10) Compare the taxpayer’s Schedule(s) C net profit/loss to Field 09NET>/10NET>/11NET>, and compare Schedule(s) F net profit/loss to Field 1434>/

1534>. If the taxpayer's amount(s) differ from the computer's, GTSEC the section(s), and correct any coding or transcription errors. Refer to Error Code 202 for Schedule C procedures, and Error Code 208 for Schedule F procedures.

- (11) Review the source(s) of income in Field 04OTI. If the total SE income in Field 04OTI is less than \$434, delete the **N** in Field 01RPC.
- (12) Foreign income **earned in a foreign currency** and no Form 2555, may take the form of wages or earnings from self-employment.
 - a. Taxpayers who earn income in foreign countries, and are not eligible for the exclusion with Form 2555, convert that income to U.S. dollars and report it in U.S. dollars. The income may take the form of wages or earnings from self-employment. Income from the countries in the table below is exempt from the SE tax and is considered earned income. Enter **RPC S** if the only income from self-employment is from one of the countries in the table or all income from self-employment is exempt from the SE tax.

Income from these countries is exempt from the SE tax			
Australia	Finland	Japan	Slovenia
Austria	France	Luxembourg	South Korea
Belgium	Germany	The Netherlands	Spain
Brazil	Greece	Norway	Sweden
Canada	Hungary	Poland	Switzerland
Chile	Iceland	Portugal	The United Kingdom: England, Northern Ireland, Scotland, and Wales
The Czech Republic	Ireland	Slovak Republic	Uruguay
Denmark	Italy		

- b. Income from countries not in the table above may be subject to the SE tax. For that income, follow the procedures in the preceding paragraphs to determine if you should correspond for liability for the SE tax.
- c. If the taxpayer does not provide information that allows you to determine the origin of the foreign income, you may find it in two forms. Look for a figure for income in the forms below that matches the foreign income reported on Form 1040 or Schedule C.
 - In the address of the business named in Schedule C.
 - On line 1a in column A, B, or C of Form 1116.

- d. If you cannot identify the origin of the income, follow the procedures in the preceding paragraphs to determine if you should correspond for liability for SE tax.
- (13) If the tax return indicates that the self-employment income is offset by a loss
Clear Field. For FSC 2, enter **C** in the Clear Field when self-employment
- (14) For **TY08 and later**, do not accept a Form 4137 with the word "Tips" changed to "Wages". Taxpayers are required to file Form 8919 for wages. In these cases SSPND 211 for Form 8919.
- (15) If an **explanation can't be located and the income is not exempt foreign income described in paragraph 12**, SSPND 211 for liability of SE tax. Do not consider zero (represented by the number 0, the word zero, or any other token) a declaration of non-liability.

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Note: TY08 and later. If the FSC is 2 and a Schedule C with income from **rental real estate** is attached, **SSPND 211**. Complete Form 6001 using paragraph e with fill-in #6.

3.12.3.10.6.4
(06-14-2019)
**Reply to
Correspondence (EC
088)**

- (1) Use procedures in IRM 3.12.3.10.6.3 to process the taxpayer's reply. If other income is **not** subject to self-employment tax, delete **N** in Field 01RPC.
- (2) Take the following action if the taxpayer replies that they are not subject to SE Tax or similar statement, not liable because they have an ITIN, or does not provide an explanation:
- Enter Audit Code **V** in Field 01ACD.
 - Continue normal ERS processing.

Exception: If the taxpayer indicates **Amish, Mennonite, or Form 4029**, enter **S** in Field 01RPC.

3.12.3.10.6.5
(04-25-2022)
Prior Year (EC 088)

- (1) Code & Edit removes non-statutory wages from Schedule C/C-EZ and moves them to the wages line (TY21-TY18, line 1, Form 1040; TY17, line 7, Form 1040). GTSEC 17/18 and enter all fields of data available if Schedule SE is attached to the return.
- (2) Use the following tables if the taxpayer has an amount for the deductible part of SE tax on Form 1040 (e.g., TY19, Schedule 1, line 14; TY17, Form 1040, line 27), attaches Schedule C/F, and/or has an amount for SE tax on Form 1040 (e.g., TY19, Schedule 2, line 4; TY17, line 57), and Schedule SE is not attached:

If...	Then...
A] For TY19-TY13 you can determine which taxpayer is liable for the SE tax,	do not correspond. Back into the taxpayers amount as follows: 1. Divide the SE tax amount (e.g., TY19, Schedule 2, line 4; TY17, Form 1040, line 57), by .153. 2. Divide the result in 1 by .9235. 3. GTSEC 17 and/or 18 4. Enter the result from 2 in Field 1701A/1702 and 17TE.
B] For TY12 , you can determine which taxpayer is liable for the SE tax,	do not correspond. Back into the taxpayers amount as follows: 1. Divide the SE tax amount on line 56 by .133 2. Divide the result from 1 by .9235. 3. GTSEC 17 and/or 18. 4. Enter the result from 2 in 1701A/1702 and 17TE.
C] you cannot determine the SE tax liability or SE income and the taxpayer does not self-identify as a statutory employee	SSPND 211. Complete Form 6001-A using paragraph W.

Note: When figuring the **farm income** subject to the self-employment tax, reduce the net profit or loss from Schedule F by the amount the taxpayer reports on **line 4b of Schedule F**. This income is **not** subject to the self-employment tax for TY08 and later.

- (3) For **TY07 and prior**: If the taxpayer has attached a Form 4137 and indicated “Wages” in lieu of “Tips”:
- Accept the taxpayer’s entry.
 - Verify that the taxpayer’s entry on line 1 of Form 4137 is included on line 7 of Form 1040.
 - Delete RPC N if present.
 - Complete and detach the Schedule U. Make sure to change the word “Tips” to “Wages.”
 - Send the Schedule U to SSA via Receipt and Control Media Transport Unit, or follow local procedures.

3.12.3.10.7
(01-01-2017)
Error Code 089 (CE) SE
Method Code

- (1) Error Code 089 instructions follow.

3.12.3.10.7.1
(01-01-2017)

**Fields Displayed, Form
1040 (EC 089)**

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
0403	Combined Schedule C Profit/Loss
>>>>	Combined Schedule C Profit/Loss Computer
	Section 09 Not Present
09NET>	Section 09 Schedule C Profit/Loss Computer
	Section 10 Not Present
10NET>	Section 10 Schedule C Profit/Loss Computer
	Section 11 Not Present
11NET>	Section 11 Schedule C Profit/Loss Computer
1701A	Net Farm Profit or Loss
1701B	Conservation Reserve Program Payments
1702	Net Non-Farm Profit/Loss
17TE	Tentative Earnings
1704B	SE Optional Method Income
17MCD	SE Method Code
1801A	Net Farm Profit or Loss
1801B	Conservation Reserve Program Payments
1802	Net Non-Farm Profit/Loss
18TE	Tentative Earnings
1804B	SE Optional Method Income
18MCD	SE Method Code
	Section XX Not Present

3.12.3.10.7.2
(01-01-2017)

**Invalid Conditions (EC
089)**

- (1) **Error Code 089** generates when **both** of the following exist:

- Combined Schedule C Profit/Loss Computer is greater than \$434.
- The SE Method Code for that section is 1.

3.12.3.10.7.3
(01-01-2020)

**Correction Procedures
(EC 089)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Use the following table to correct the Error Code:

If Schedule SE...	Then...
A] Is computed using the optional method (entry on line 4b, Schedule SE) and the Total Schedule C Net Profit/Loss Computer (Field 09NET>, 10NET>, 11NET>) is more than the total optional method,	<ol style="list-style-type: none"> 1. Delete the SE Method Code in Field 17MCD/18MCD. 2. Verify entries on lines 1a, 1b, and 2, Schedule SE. 3. GTSEC 17/18 <ol style="list-style-type: none"> a. enter Fields 1701A/1801A, 1701B/1801B, and 1702/1802, b. enter re-computed total in Field 17TE/18TE, c. delete entry in Field 1704B/1804B. 4. If EC 209 displays, assign TPNC 272.
B] Has an entry on line 2,	<ol style="list-style-type: none"> 1. Verify the amount entered on line 2, Schedule SE from Schedules C and K-1 are correct. 2. Verify the amounts used on Schedule SE are for the same taxpayer. 3. Delete the SE Method in Field 17MCD/18MCD. 4. If EC 209 displays, assign TPNC 272.

(3) Enter **C** in Clear Field when no corrections are necessary.

3.12.3.10.8
(01-01-2017)

Error Code 090 (CE)
Farm/Business Optional
Method

(1) Error Code 090 instructions follow.

3.12.3.10.8.1
(01-01-2023)

Fields Displayed, Form
1040 (EC 090)

(1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
	Section 17 Not Present
1701A	Net Farm Profit/Loss
1701B	Conservation Reserve Program Payments Exclusion

1040	Field Name
1702	Net Non-Farm Profit/Loss
17TE	Tentative Earnings
1704B	Optional Method Income Amount
17CHW	Tentative Church Wages Line 5a
17MCD	SE Method Code
	Section 18 Not Present
1801A	Net Farm Profit/Loss
1801B	Conservation Reserve Program Payments Exclusion
1802	Net Non-Farm Profit/Loss
18TE	Tentative Earnings
1804B	Optional Method Income Amount
18CHW	Tentative Church Wages Line 5a
18MCD	SE Method Code

3.12.3.10.8.2
(01-01-2017)
Invalid Conditions (EC 090)

- (1) **Error Code 090** generates when **both** of the following exist:
- The sum Net Farm Profit/Loss (Field 1701A/1801A), Social Security Retirement or Disability Benefits and Conservation Reserve program Payments Exclusions (Field 1701B/1801B), and Net Non-Farm Profit/Loss (Field 1702/1802) is not equal to Tentative Earnings (Field 17TE/18TE).
 - SE Method Code is not present.

3.12.3.10.8.3
(11-27-2020)
General Information (EC 090)

- (1) The self-employment optional method is designed to allow taxpayers to contribute to Social Security even if they have a net loss or only a small profit. This allows them to make contributions to Social Security even in years in which they are not liable so that they will have benefits available when they retire. The optional method is usually recognizable by the entry of **\$6,560 (TY22, \$6,040; TY21, \$5,880)** on line 4b of the Schedule SE or the entry of **\$1,004 (TY22, \$924; TY21, \$900)** for Self-Employment Tax on Schedule 2, line 4. If the taxpayer is using the optional method, tax examiners must input an SE optional method code in Field 17MCD.

3.12.3.10.8.4
(01-01-2019)
Correction Procedures (EC 090)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields. GTSEC 17/18, correct transcription and misplaced entries.

Note: The most common misplaced entries are lines 3 and 4b.

Note: For the remainder of this text Schedule SE will be referred to as **Section 17**; however, all correction procedures apply equally to **Section 17 and 18**.

- a. Enter **1** in Field 17MCD if income is from a non-farm business.
 - b. Enter **2** in Field 17MCD if income is from a farm.
 - c. Refer to IRM 3.12.2.17.3.12.1 if income is from both a non-farm business and a farm.
- (2) Search the return and/or attachments for missing or misplaced entries and correct as appropriate. The amount for line 1b of Schedule SE is taken from line 4b, Schedule F. Use the following table to correct the error code.

If Schedule SE...	And...	Then...
A] Line 3 (Field 17TE) is negative,	Line 5a is less than \$109 (taxpayer is not using the Optional Method),	DLSEC 17.
B] Lines 1a, 1b, 2, 3 and 4a are blank,	Line 4b has an entry (taxpayer is using optional method),	<ol style="list-style-type: none"> a. Enter the line 4b amount in Field 1704B. b. Enter correct Method Code in Field 17MCD. c. Enter amount from Schedule C, E (Partnership Income, if appropriate), F, or Schedule 1, line 9 (TY19-TY20, line 8), if appropriate, in Field 1701A/1702, as required.
C] Lines 1a, 1b, 2, and 3 are blank,	Line 4a has an entry,	<ol style="list-style-type: none"> a. Divide line 4a by .9235. b. Enter amount in Fields 1702 and 17TE.
D] Line 3 is blank,		<ol style="list-style-type: none"> a. Add the taxpayer's entries on lines 1a, 1b, and 2. b. Enter amount in Field 17TE.
E] Line 5a is blank,	Line 5b is present (taxpayer has Church Wages),	<ol style="list-style-type: none"> a. Search return and attachments for correct amount or divide line 5b amount by .9235. b. Enter amount in Field 17CHW.

- (3) Delete from Field 1702 any amount the taxpayer has noted as “**Exempt-Notary**”, to the left of line 3, and has subtracted from lines 1a, 1b, and 2.
- (4) Adjust the entry in Fields 1701A, 1701B, 1702 and 17TE when taxpayer is not using the Optional Method and the sum of Fields 1701A, 1701B, and 1702 does not equal Field 17TE.

Note: For TY08 and later, the figure for Field 1701B is taken from line 4b, Schedule F.

- (5) Determine if the taxpayer is using the **Optional Method**. Taxpayers may choose the optional method when they want to pay more Self-Employment Tax than required and have a loss, a gain of under \$7,103 (TY22, \$6,540; TY21, \$6,367), or they meet **any** of the following tests:
 - a. Gross “farm income” on line 9 or 50 of Schedule F is equal to or less than \$9,840 (TY22, \$9,060; TY21, \$8,820).
 - b. Net “farm income” on line 34 of Schedule F is less than \$7,103 (TY22, \$6,540; TY21, \$6,367).
 - c. Net non-farm profits on line 31 of Schedule C is less than \$7,103 (TY22, \$6,540; TY21, \$6,367) and less than two-thirds of gross non-farm income (Schedule C, line 7).
- (6) Use the following table to correct the Optional Method Code, as appropriate, when edited incorrectly or missing:

If the taxpayer is using the Optional Method for a...	And...	Then...
A] Loss and paying SE Tax,	Loss is a farm loss,	Enter 2 in Field 17MCD.
B] Loss and paying SE Tax,	Loss is a business loss,	Enter 1 in Field 17MCD.
C] Net earnings,	Line 15 is blank or zero, and line 17 matches line 4b,	Enter 1 in Field 17MCD.
D] Net earnings,	Line 15-17 are blank, or you are unable to determine the code,	Blank the field to generate Code 0 (zero).
E] Net earnings,	All other situations,	Enter 2 in Field 17MCD.

- (7) Re-compute and enter Field 17TE (line 1a minus line 1b plus line 2 of Schedule SE) when the taxpayer **incorrectly used the Optional Method**.

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- a. The amount has been changed because of a math error on Schedule F.
- b. There is an obvious transfer error from Schedule F.

Note: If line 1a of Schedule SE is blank, enter the amount from Schedule F unless the optional method is the only method used.

- (9) Take the following action when the taxpayer has zero taxable income, writes "**Section 1402(a)(12)**", multiplies net earnings by .9235 and further reduces the result by multiplying by .9235 **again**:
 - a. Adjust the entry in Field 17TE to show taxpayer's true net earnings.
 - b. Assign **TPNC 269** if EC 209 displays:
- (10) Accept the taxpayer's entry if they are paying SE Tax because of **Chapter 11 Bankruptcy**. They will enter on the dotted line to the left of line 3, Schedule SE "Chap. 11 Bankruptcy Income" and the amount of their net profit or loss. They will combine that amount with the total of lines 1a, 1b, and/or 2 and enter the result on line 3.
- (11) Enter **C** in the Clear Field, when no corrections are necessary.

3.12.3.10.8.5
(01-01-2023)
Prior Year (EC 090)

- (1) The optional method is usually recognizable by the entry of \$6,040 for TY22, \$5,880 for TY21, \$5,640 for TY20, \$5,440 for TY19, \$5,280 for TY18, \$5,200 for TY17, \$5,040 for TY16, \$4,880 for TY15, \$4,800 for TY14, \$4,640 for TY13, on line 4b of the Schedule SE or the entry of \$924 for TY22, \$900 for TY21, \$863 for TY20, \$832 for TY19, \$808 for TY18, \$796 for TY17, \$771 for TY16, \$747 for TY15, \$734 for TY14, \$710 for TY13, for Self-Employment Tax on Form 1040. If the taxpayer is using the optional method, enter the appropriate optional method code in Field 17MCD/18MCD.
- (2) If the taxpayer is using the optional method, enter the appropriate optional method code in Field 17MCD/18MCD. Taxpayers may choose the optional method when they have a loss, a gain of under \$6,540 for TY22, \$6,367 for TY21, \$6,107 for TY20, \$5,891 for TY19, \$5,717 for TY18, \$5,631 for TY17, \$5,457 for TY16, \$5,284 for TY15, \$5,198 for TY14, \$5,024 for TY13, or they meet **any** the following tests:
 - a. Gross "farm income", on line 11 or 51, Schedule F, is equal to or less than \$9,060 for TY22, \$8,820 for TY21, \$8,460 for TY20, \$8,160 for TY19, \$7,920 for TY18, \$7,800 for TY17, \$7,560 for TY16, \$7,320 for TY15, \$7,200 for TY14, \$6,960 for TY13.
 - b. Net "farm income", on line 36, Schedule F, is less than \$6,540 for TY22, \$6,367 for TY21, \$6,107 for TY20, \$5,891 for TY19, \$5,717 for TY18, \$5,631 for TY17, \$5,457 for TY16, \$5,284 for TY15, \$5,198 for TY14, \$5,024 for TY13.
 - c. Net non-farm profits, on line 31, Schedule C, is less than \$6,540 for TY22, \$6,367 for TY21, \$6,107 for TY20, \$5,891 for TY19, \$5,717 for TY18, \$5,61 for TY17, \$5,457 for TY16, \$5,284 for TY15, \$5,198 for TY14, \$5,024 for TY13, and less than two-thirds of gross non-farm income (Schedule C, line 7).
- (3) **For TY10**, taxpayers are instructed to reduce their self-employment earnings reported on line 3 of Schedule SE by the deduction for self-employed health

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3.12.3.10.9
(01-01-2017)

**Error Code 091 (CE) SE
Tax Optional Method**

- (1) Error Code 091 instructions follow.

3.12.3.10.9.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 091)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
1701A	Net Farm Profit or Loss
1701B	Conservation Reserve Program Payments Exclusion
1702	Net Non-Farm Profit or Loss
17TE	Tentative Earnings
1704B	Optional Method Income Amount, ERS input only
17MCD	SE Method Code
1801A	Net Farm Profit or Loss
1801B	Conservation Reserve Program Payments exclusion
1802	Net Non-Farm Profit or Loss
18TE	Tentative Earnings
1804B	Optional Method Income Amount, ERS input only
18MCD	SE Method Code

3.12.3.10.9.2
(01-01-2017)

**Invalid Conditions (EC
091)**

- (1) **Error Code 091** generates when **either** of the following exist:
- Field 1704B/1804B (Optional Method Income Amount) is present, and Field 17MCD/18MCD (SE Method Code) is not present.
 - Field 17MCD/18MCD (SE Method Code) is present, and Field 1704B/1804B (Optional Method Income Amount) is not present.

3.12.3.10.9.3
(11-27-2020)

**General Information (EC
091)**

- (1) The self-employment optional method is designed to allow taxpayers to contribute to Social Security even if they have a net loss or only a small profit. This allows them to make contributions to Social Security even in years in which they are not liable so that they will have benefits available when they retire. The optional method is usually recognizable by the entry of **\$6,560 (TY, \$6,040; TY21, \$5,880)** on line 4b of the Schedule SE or the entry of **\$1,004 (TY22, \$924; TY21, \$900)** for self-employment tax on Schedule 2, line 4. If the taxpayer is using the optional method, tax examiners must input an SE optional method code in Field 17MCD/18MCD.

3.12.3.10.9.4
(11-27-2020)

**Correction Procedures
(EC 091)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

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**.

- (2) Determine if the taxpayer is using the Optional Method. A taxpayer may choose the optional method when they want to pay more Self-Employment Tax than required and have a loss, a gain of under \$7,103 (TY22, \$6,540; TY21, \$6,367), or they meet **any** the following tests:
- Gross "farm income", Schedule F, line 9 or 50, is equal to or less than \$9,840 (TY22, \$9,060; TY21, \$8,820).
 - Net "farm income", Schedule F, line 34, is less than \$7,103 (TY22, \$6,540; TY21, \$6,367).
 - Net non-farm profits, Schedule C, line 31, is less than \$7,103 (TY22, \$6,540 (TY21, \$6,367), and less than two-thirds of gross non-farm income (Schedule C, line 7).
- (3) Use the following table to correct the Optional Method Code, as appropriate, when edited incorrectly or missing:

If...	And...	Then...
A] Line 17 contains an entry,	1. Line 17 is larger than line 15. 2. Line 4b matches the total of line 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 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).

- (4) Use the following table to determine the correct entry for Field 1704B:

If...	And...	Then...
A] The Schedule SE Method Code is present,	An amount is present on line 4b, Schedule SE,	Enter the amount in Field 1704B.
B] The Schedule SE Method Code is present,	An amount is not present on line 4b, Schedule SE,	Delete the Method Code.

If...	And...	Then...
C] There is an amount in Field 1704B,	The taxpayer is using the Optional Method,	Enter the appropriate code in Field 17MCD (see previous chart).
D] There is an amount in Field 1704B,	The taxpayer is not using the Optional Method,	Delete the entry in Field 1704B.

3.12.3.10.9.5
(01-01-2020)
Prior Year (EC 091)

- (1) The optional method is usually recognizable by the entry of \$6,040 for TY22, \$5,880 for TY21, \$5,640 for TY20, \$5,440 for TY19, \$5,280 for TY18, \$5,200 for TY17, \$5,040 for TY16, \$4,880 for TY15, \$4,800 for TY14, \$4,640 for TY13, on line 4b of the Schedule SE or the entry of \$900 for TY21, \$863 for TY20, \$832 for TY19, \$808 for TY18, \$796 for TY17, \$771 for TY16, \$747 for TY15, \$734 for TY14, \$710 for TY13, for self-employment tax on Form 1040. If the taxpayer is using the optional method, tax examiners must input an SE optional method code in Field 17MCD/18MCD.
- (2) Determine if the taxpayer is using the Optional Method. A taxpayer may choose the optional method when they have a loss, a gain of under \$6,540 for TY22, \$6,367 for TY21, \$6,107 for TY20, \$5,891 for TY19, \$5,717 for TY18, \$5,631 for TY17, \$5,457 for TY16, \$5,284 for TY15, \$5,198 for TY14, \$5,024 for TY13, or they meet **any** the following tests:
 - a. Gross "farm income", Schedule F, line 11 or 51, is equal to or less than \$9,060 for TY22, \$8,820 for TY21, \$8,460 for TY20, \$8,160 for TY19, \$7,920 for TY18, \$7,800 for TY17, \$7,560 for TY16, \$7,320 for TY15, \$7,200 for TY14, \$6,960 for TY13,.
 - b. Net "farm income", Schedule F, line 36, is less than \$6,540 for TY22, \$6,367 for TY21, \$6,107 for TY20, \$5,891 for TY19, \$5,717 for TY18, \$5,631 for TY17, \$5,457 for TY16, \$5,284 for TY15, \$5,198 for TY14, \$5,024 for TY13.
 - c. Net non-farm profits, Schedule C, line 31, is less than \$6,540 for TY22, \$6,367 for TY21, \$6,107 for TY20, \$5,891 for TY19, \$5,717 for TY18, \$5,631 for TY17, \$5,457 for TY16, \$5,284 for TY15, \$5,198 for TY14, \$5,024 for TY13, and less than two-thirds of gross non-farm income (Schedule C, line 7).

3.12.3.10.10
(01-01-2017)
**Error Code 092 (CE) SE
SSN in Sections 17 and
18 are the Same**

- (1) Error Code 092 instructions follow.

3.12.3.10.10.1
(01-01-2017)
**Fields Displayed, Form
1040 (EC 092)**

- (1) This table shows the fields displayed.

1040	Field Name
01PS	Primary SSN

1040	Field Name
01SS	Secondary SSN
17SSN	SE SSN Primary
18SSN	SE SSN Secondary

3.12.3.10.10.2
(01-01-2017)
Invalid Conditions (EC 092)

- (1) **Error Code 092** generates when **both** of the following exist:

- a. Sections 17 and 18 are present.
- b. Field 17SSN is equal to Field 18SSN.

3.12.3.10.10.3
(04-25-2022)
Correction Procedures (EC 092)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Search the return and/or attachments for the correct Primary or Secondary SSN. If not found on the return or attachments, research CC INOLE, NAMEI, NAMES, IMFOL and/or ENMOD for the correct Primary or Secondary SSNs (SSPND 351 if IDRS is not available). Take the following action to correct the Error Code:

If Schedules SE...	And...	Then...
A] Are for the same taxpayer,		Combine the two schedules.
B] Are for different taxpayers and the Secondary SSN is not found,	No indication of previous IRS correspondence,	SSPND 211 to correspond.
C] Taxpayer cannot be determined,		SSPND 211 for clarification.

3.12.3.10.11
(01-01-2017)
Error Code 094 (CE) SE SSN Not Equal to Secondary SSN

- (1) Error Code 094 instructions follow.

3.12.3.10.11.1
(01-01-2017)
Fields Displayed, Form 1040 (EC 094)

- (1) This table shows the fields displayed.

1040	Field Name
01PS	Primary SSN
01SS	Secondary SSN
17SSN	SE-SSN-Primary

1040	Field Name
1701A	Net Farm Profit/Loss
1701B	Conservation Reserve Program Payment Exclusion
1702	Net Non-Farm Profit/Loss
17TE	Tentative Earnings
17QC	SE Quarters Covered
17TSW	Total Social Security Wages Covered
17MCD	SE Method Code
	Section 17 Not Present
18SSN	SE-SSN-Secondary
1801A	Net Farm Profit/Loss
1801B	Conservation Reserve Program Payment Exclusion
1802	Net Non-Farm Profit/Loss
18TE	Tentative Earnings
18QC	SE Quarters Covered
18TSW	Total Social Security Wages Covered
18MCD	SE Method Code
	Section 18 Not Present

3.12.3.10.11.2
(01-01-2017)
Invalid Condition (EC 094)

- (1) **Error Code 094** generates when Section 18 is present, and SE SSN-Secondary (Field 18SSN) does not equal Secondary SSN (Field 01SS).

3.12.3.10.11.3
(04-25-2022)
Correction Procedures (EC 094)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

Note: A Primary SSN with transposed digits may be automatically corrected by the Auto-TIN program, and may seem to be a transcription error at first glance. If the Primary SSN appears to be transcribed incorrectly but no EC 004/005 generated, research using CC INOLE before correcting any apparent transcription error. If the Primary SSN is correct as transcribed, **do not** correct the Primary SSN.

- (2) Search the return and/or attachments for the correct Secondary or Schedule SE SSN. If not found on return or attachments, research CC INOLE, NAMEI, NAMES, IMFOL, and/or ENMOD for the correct SSN(s). If IDRS is not available, SSPND 351. Take the following action to correct the Error Code:

If the Secondary Schedule SE...	And...	Then...
A] Is reversed with Section 17,		<ol style="list-style-type: none"> DLSEC 17 (the current Section 18 will convert to Section 17). GTSEC 18. Enter all data fields for the Secondary Taxpayer's SE Schedule.
B] Has multiple SSNs,		Enter the SSN from the Form 1040 in Field 18SSN.
C] SSN is not found,	No indication of previous IRS correspondence,	SSPND 211 to correspond for the Secondary SSN.
D] Taxpayer (primary or secondary) cannot be determined,	Both Primary and Secondary SSNs are present in Section 01,	SSPND 211 for clarification.

3.12.3.11
(01-01-2017)
Error Codes 096-105

- (1) Instructions for Error Codes 096 to 105 follow.

3.12.3.11.1
(01-01-2017)
Error Code 096 (CE) SE SSN Missing

- (1) Error Code 096 instructions follow.

3.12.3.11.1.1
(01-01-2017)
Fields Displayed, Form 1040 (EC 096)

- (1) This table shows the fields displayed.

1040	Field Name
01PS	Primary SSN
01SS	Secondary SSN
18SSN	SE-SSN-Secondary

3.12.3.11.1.2
(01-01-2017)
Invalid Conditions (EC 096)

- (1) **Error Code 096** generates when Section 18 is present, and SE SSN is not present.

3.12.3.11.1.3
(04-25-2022)

**Correction Procedures
(EC 096)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Search return and/or attachments for correct SSN. If not found on the return or attachments, research CC INOLE, NAMEI, NAMES, IMFOL, and/or ENMOD for the missing SSN and take the following action (SSPND 351 if IDRS is not available).

If Schedule SE SSN...	And...	Then...
A] Is found,		Overlay Field 18SSN.
B] Not found,	No indication of previous IRS correspondence,	SSPND 211 to correspond.
C] Taxpayer (primary or secondary) cannot be determined,	Both Primary and Secondary SSNs are present in Section 01,	SSPND 211 for clarification.

3.12.3.11.2
(01-01-2017)

**Error Code 098 (CE)
Filing Status
Code/Section 18**

- (1) Error Code 098 instructions follow.

3.12.3.11.2.1
(01-01-2017)

**Fields Displayed, Form
1040 (EC 098)**

- (1) This table shows the fields displayed.

1040	Field Name
01PS	Primary SSN
01SS	Secondary SSN
01FSC	Filing Status Code
18SSN	SE-SSN-Secondary

3.12.3.11.2.2
(01-01-2017)

**Invalid Conditions (EC
098)**

- (1) **Error Code 098** generates when Section 18 is present, and Filing Status Code is not 2.

3.12.3.11.2.3
(04-25-2022)

**Correction Procedures
(EC 098)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Verify from the return and/or attachments or through research of CC INOLE, NAMEI, and/or NAMES that the SSN in Field 01PS is correct.
 - a. Overlay incorrect SSN in Fields 01PS or 18SSN, as appropriate.

- b. Correct Field 18SSN if no correction is necessary to Field 01PS.

Note: The computer will accept the SE Schedule as Section 17.

(3) FSC 3:

- a. If the SE Schedule appears to be for the secondary taxpayer and they **did not sign** the return, follow the IRM 3.12.2.3.19, Multiple Filers on the Same Return.
- b. If the SE Schedule appears to be for the secondary taxpayer and they **signed** the return, SSPND 211 for clarification.

3.12.3.11.3

(01-01-2017)

**Error Code 099 (CE) SE
SSN Not Equal to
Primary SSN**

- (1) Error Code 099 instructions follow.

3.12.3.11.3.1

(01-01-2017)

**Fields Displayed, Form
1040 (EC 099)**

- (1) This table shows the fields displayed.

1040	Field Name
01PS	Primary SSN
01SS	Secondary SSN
17SSN	SE SSN Primary
1701A	Net Farm Profit/Loss
1701B	Conservation Reserve Program Payments Exclusion
1702	Net Non-Farm Profit/Loss
17TE	Tentative Earnings
17QC	SE Quarters Covered
17TSW	Total Social Security Wages Covered
17MCD	SE Method Code
18SSN	SE SSN -Secondary
1801A	Net Farm Profit/Loss
1801B	Conservation Reserve Program Payments Exclusion
1802	Net Non-Farm Profit/Loss
18TE	Tentative Earnings
18QC	SE Quarters Covered
18TSW	Total Social Security Wages Covered
18MCD	SE Method Code

3.12.3.11.3.2
(01-01-2017)
Invalid Conditions (EC 099)

- (1) **Error Code 099** generates when both Sections 17 and 18 are present and Field 17SSN does not equal the Primary SSN (Field 01PS).

3.12.3.11.3.3
(01-01-2017)
Correction Procedures (EC 099)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

Note: A Primary SSN with transposed digits may be automatically corrected by the AUTO-TIN program, and may seem to be a transcription error at first glance. If the Primary SSN appears to be transcribed incorrectly but no EC 004/005 generated, research using CC INOLE before correcting any apparent transcription error. If the Primary SSN is correct as transcribed, **do not** correct the Primary SSN.

- (2) Search the return and/or attachments for the correct Primary SSN. If not found on the return or attachments, research CC INOLE, NAMEI, NAMES, ENMOD, and/or IMFOL for the correct SSN. Overlay correct fields, as appropriate.
- (3) DLSEC 17 (the current Section 18 will convert to Section 17), GTSEC 18 and enter all data fields for the Secondary taxpayer's Schedule SE when the Primary and Secondary SSNs are reversed.

3.12.3.11.4
(01-01-2017)
**Error Code 100 (CE)
Form 8941, Primary or
Secondary TIN Mismatch
(ACA)**

- (1) Error Code 100 instructions follow.

3.12.3.11.4.1
(01-01-2024)
**Fields Displayed, Form
1040 (EC 100, ACA)**

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
234HJ	Small Employer Health Insurance Premiums Credit
	Section 23 Not Present
01PS	Primary SSN
65SSN	Form 8941 ID Number
6516	Form 8941 Health Insurance Premium Credit
>>>>	Small Employer Health Insurance Computer
	Section 65 Not Present
01SS	Secondary SSN
66SSN	Form 8941 ID Number

1040	Field Name
6616	Form 8941 Health Insurance Premium Credit
>>>>	Small Employer Health Insurance Computer
	Section 66 Not Present

3.12.3.11.4.2
(01-01-2017)
Invalid Conditions (EC 100, ACA)

- (1) Error Code generates when Tax Period is 201412 or greater, Form 8941 is present, and Form 8941 ID Number Field 65SSN/66SSN does not equal 01PS and/or 01SS

3.12.3.11.4.3
(04-25-2022)
Correction Procedures (EC 100, ACA)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Correct the SSN in Field 65SSN/66SSN.
- Enter the SSN from Field 01PS in Field 65SSN and/or enter the SSN from Field 01SS in Field 66SSN.
 - Verify Fields 65SSN or 66SSN for possible transposed numbers.
 - If the "Identifying Number" box is blank, check through the return and attachments for business forms (Schedule C/E) to determine which taxpayer is the small business employer.
- (3) If unable to determine Field 65SSN and/or Field 66SSN, **SSPND 224**, correspond for missing SSN, completing Form 6001, using paragraph U.

Exception: If the Form 8941, line 15 is present and matches line 16 **or** Form 3800, Part III, line 4h, column b has an EIN, do not correspond for missing information. Delete Section 65 or 66 as appropriate.

3.12.3.11.4.4
(01-01-2017)
Reply Procedures (EC 100, ACA)

- GTSEC 02 and input correspondence received date in Field 02RPD.
- (2) Enter the SSN provided by the taxpayer in the appropriate section (primary Section 65; secondary Section 66) and ensure all remaining fields are transcribed in the appropriate section.
- (3) If response is incomplete, see IRM 3.12.3.11.4.5.

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3.12.3.11.4.5
(01-01-2017)
No Reply Procedures (EC 100, ACA)

- (1) If No reply, enter CCC **U** in Field 01CCC and enter the Primary SSN in Field 65SSN. Ensure all remaining fields are transcribed in Section 65.
- (2) Delete Section 66 as appropriate

3.12.3.11.5
(01-01-2017)

(1) Error Code 101 instructions follow.

Error Code 101 (CE)
Form 8941, SHOP
Checkbox and Two-Year
Declaration Checkbox
(ACA)

3.12.3.11.5.1
(01-01-2024)

(1) This table shows the fields displayed.

Fields Displayed, Form
1040 (EC 101, ACA)

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01CCC	Computer Condition Code
2236	Net Allowable General Business Credit Amount
	Section 22 Not Present
234HJ	Small Employer Health Insurance Premiums Credit
23TOT	Total Additional Business Credit Amount
	Section 23 Not Present
65SSN	Form 8941 ID Number
65SHP	SHOP Checkbox
652YR	Form 8941 Two-Year Declaration Checkbox
6516	Form 8941 Health Insurance Premium Credit
>>>>	Small Employer Health Insurance Computer
	Section 65 Not Present
66SSN	Form 8941 ID Number
66SHP	SHOP Checkbox
662YR	Form 8941 Two-Year Declaration Checkbox
6616	Form 8941 Health Insurance Premium Credit
>>>>	Small Employee Health Insurance Computer
	Section 66 Not Present

3.12.3.11.5.2
(01-01-2019)
Invalid Conditions (EC 101, ACA)

- (1) Error Code 101 generates when:
- Section 65/66 is present, and
 - Field 65SHP/66SHP is blank, 2, or 3, and
 - Field 6516/6616 is present, and
 - Field 6516/6616 is not equal to Field 6515/6615, **or**
 - When Section 65/66 is present, and Form 8941 Two-Year Declaration Checkbox is other than **2**.

3.12.3.11.5.3
(04-25-2022)
Correction Procedures (EC 101, ACA)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If the **same amount** is present on lines **15 and 16** of Form 8941 **or** an **EIN** is present on Form 3800, Part III, line 4h, column b, enter DLSEC 65 or 66, as appropriate.
- (3) If Field 65SHP/66SHP (Form 8941, line A) is **blank** (neither box checked) **or** **“3”** (both boxes checked), take the following action:
- For TY15 and later, **SSPND 224** and complete Form 6001 using paragraph 3 (AUSPC ONLY, complete Form 13900, Letter 4087C Correspondence Action Sheet, when appropriate using paragraph t).
 - For TY14 and prior, enter **C** in the Clear Field.
- (4) If the taxpayer marks **“No”** on line A, take the following actions:
- Enter **2** in Field 65SHP/66SHP, if not present.
 - Subtract Field 22HIP from Field 22TOT and enter the total in Field 22TOT. If zero, delete Field 22TOT.
 - Delete entries in Fields 22HIP, 6516 and/or 6616, if present.
 - If EC 101 redispays enter **C** in the Clear Field.
 - If EC 301 and/or 302 displays, assign **TPNC 800**.
- (5) For TY16 and later, if Field 652YR/662YR (Form 8941, line C) is **“0”** (neither box checked) **or** **“3”** (both boxes checked), enter **SSPND 224** and complete Form 6001 using paragraph 3 (AUSPC ONLY, complete Form 13900 using paragraph t).
- (6) If the taxpayer marks **“Yes”** on line C, take the following actions:
- Enter **1** in Field 652YR/662YR, if not present.
 - Subtract Field 22HIP from Field 22TOT and enter the total in Field 22TOT. If zero, delete Field 22TOT.
 - Delete entries in Fields 22HIP, 6516 and/or 6616, if present.
 - If EC 101 redispays enter **C** in the Clear Field.
 - If EC 301 and/or 302 displays, assign **TPNC 800**.

3.12.3.11.5.4
(01-01-2017)
Reply Procedures (EC 101, ACA)

GTSEC 02 and input correspondence received date in Field 02RPD.

- (2) If the taxpayer's reply for line A (Field 65SHP/66SHP) is:
- Yes**, enter **1** in Field 65SHP/66SHP.
 - No**, enter **2** in Field 65SHP/66SHP and see IRM 3.12.3.11.5.3(4).
 - Both **Yes** and **No**, enter **3** in Field 65SHP/66SHP, if not present, and when EC 101 redispays, enter **C** in the Clear Field.

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- d. Neither Yes or No box is marked for line A on LTR 12C or a Form 8941, enter **C** in the Clear Field.

(3) If the taxpayer's reply for line C (Field 652YR/662YR) is:

- Yes**, enter **1** in Field 652YR/662YR and see IRM 3.12.3.11.5.3(6).
- No**, enter **2** in Field 652YR/662YR.
- Both **Yes** and **No**, enter **3** in Field 652YR/662YR, if not present, and when EC 101 redisplay, enter **C** in the Clear Field.
- Neither Yes or No box is marked for line C on LTR 12C or a Form 8941, enter **C** in the Clear Field.

3.12.3.11.5.5
(01-01-2017)
**No Reply Procedures
(EC 101, ACA)**

- If No reply, enter **U** in Field 01CCC, and transmit.
- When EC 101 redisplay and Field 65SHP/66SHP and/or Field 652YR/662YR is **blank/0** or **3**, enter **C** in the Clear Field.

3.12.3.11.6
(01-01-2017)
**Error Code 102 (CE)
Form 4137 SSN in
Sections 24 and 25 are
the Same**

- Error Code 102 instructions follow.

3.12.3.11.6.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 102)**

- This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01PS	Primary SSN
01SS	Secondary SSN
24SSN	Form 4137 SSN-Primary
25SSN	Form 4137 SSN-Secondary

3.12.3.11.6.2
(01-01-2017)
**Invalid Conditions (EC
102)**

- Error Code 102** generates when **both** Sections 24 and 25 are present and Field 24SSN is equal to Field 25SSN.

3.12.3.11.6.3
(04-25-2022)
**Correction Procedures
(EC 102)**

- Correct coding and transcription errors and misplaced entries in displayed fields.
- Take the following actions when the primary taxpayer was entered in Section 25 and the secondary taxpayer was entered in Section 24:
 - DLSEC Section 24 (this will cause Section 25 to convert to Section 24).
 - GTSEC 25 and enter secondary taxpayer information.

- (3) When both the Primary and Secondary SSNs are present in Section 01 and you cannot determine to which taxpayer the Form 4137 applies, SSPND 211 for clarification.
- (4) Search the return and/or attachments for the primary and/or secondary taxpayer's SSN. If not found on the return or attachments, research CC INOLE, NAMEI, NAMES, IMFOL, and/or ENMOD (SSPND 351 if IDRS is unavailable). Then take the following action:

If...	And...	Then...
A] Both Forms 4137 are for the same taxpayer,		1. Combine them into one Form 4137. 2. Enter in appropriate section.
B] One Form 4137 belongs to each taxpayer,	Correct SSN is found,	Enter in appropriate field(s).
C] One Form 4137 belongs to each taxpayer,	Correct SSN cannot be found,	SSPND 211 to correspond for the missing SSN.

3.12.3.11.7
(01-01-2017)

**Error Code 103 (CE)
Form 4137 SSN Not
Equal to Secondary SSN**

- (1) Error Code 103 instructions follow.

3.12.3.11.7.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 103)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01PS	Primary SSN
01SS	Secondary SSN
	Section 24 Not Present
24SSN	Form 4137 SSN-Primary
2402	Total Cash and Tips Received
2403	Total Cash and Tips Reported
2405	Incidental Cash and Tips
2408	Total SS Wages and Tips
24GOV	Government Employee Tips

1040	Field Name
	Section 25 Not Present
25SSN	Form 4137 SSN-Secondary
2502	Total Cash and Tips Received
2503	Total Cash and Tips Reported
2505	Incidental Cash and Tips
2508	Total SS Wages and Tips
25GOV	Government Employee Tips

3.12.3.11.7.2
(01-01-2017)
Invalid Condition (EC 103)

- (1) **Error Code 103** generates when Section 25 is present, and the Form 4137 SSN (Field 25SSN) does not equal Secondary SSN (Field 01SS).

3.12.3.11.7.3
(04-25-2022)
Correction Procedures (EC 103)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

Note: A Primary SSN with transposed digits may be automatically corrected by the Auto-TIN program, and may seem to be a transcription error at first glance. If the Primary SSN appears to be transcribed incorrectly but no EC 004/005 generated, research using CC INOLE before correcting any apparent transcription error. If the Primary SSN is correct as transcribed, **do not** correct the Primary SSN.

- (2) When both the Primary and Secondary SSNs are present in Section 01 and you cannot determine to which taxpayer the Form 4137 applies, SSPND 211 for clarification.
- (3) Search the return and/or attachments for the correct Secondary SSN. If not found on the return or attachments, research CC INOLE, NAMEI, NAMES, IMFOL, and/or ENMOD (SSPND 351 if IDRS is unavailable). Then take the following action:

If the correct SSN...	And...	Then...
A] Is found,		Enter in the appropriate field(s).
B] Not found,	No indication of previous IRS correspondence,	SSPND 211 to correspond for the Secondary SSN.

3.12.3.11.8
(01-01-2017)

**Error Code 104 (CE)
Form 4137 SSN Missing**

- (1) Error Code 104 instructions follow.

3.12.3.11.8.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 104)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01PS	Primary SSN
01SS	Secondary SSN
25SSN	Form 4137 SSN Secondary

3.12.3.11.8.2
(01-01-2017)

**Invalid Conditions (EC
104)**

- (1) **Error Code 104** generates when Section 25 is present, and Form 4137 SSN (Field 25SSN) is not present.

3.12.3.11.8.3
(04-25-2022)

**Correction Procedures
(EC 104)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) When both the Primary and Secondary SSNs are present in Section 01 and Form 4137 is present, but you cannot determine to which taxpayer the Form 4137 applies, SSPND 211 for clarification.
- (3) Search the return and/or attachments for the correct SSN. If not found, research CC INOLE, NAMEI, NAMES, IMFOL, and/or ENMOD (SSPND 351 if IDRS is unavailable). Then take the following action:

If the correct SSN...	And...	Then...
A] Is found,		Enter in the appropriate field(s).
B] Can't be found,	No indication of previous IRS correspondence,	SSPND 211 to correspond.

3.12.3.11.9
(01-01-2017)

**Error Code 105 (CE)
Filing Status
Code/Section 25**

- (1) Error Code 105 instructions follow.

3.12.3.11.9.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 105)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01PS	Primary SSN
01SS	Secondary SSN
25SSN	Form 4137 SSN-Secondary

3.12.3.11.9.2
(01-01-2017)

**Invalid Condition (EC
105)**

- (1) **Error Code 105** generates when Section 25 is present, and Filing Status Code is not 2.

3.12.3.11.9.3
(01-01-2017)

**Correction Procedures
(EC 105)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Verify from the attachments or through research using CC INOLE, NAMEI, NAMES, IMFOL, and/or ENMOD that the SSN in Field(s) 01PS and/or 25SSN are correct. Overlay any incorrect data.
- (3) Correct Field 25SSN when no correction is necessary to Field 01PS.

Note: The computer will accept the Form 4137 as Section 24.

3.12.3.12
(01-01-2020)

Error Codes 106-113

- (1) Error Code 106-113 instructions follow.

3.12.3.12.1
(01-01-2017)

**Error Code 106 (CE)
Form 4137 SSN Not
Equal to Primary SSN**

- (1) Error Code 106 instructions follow.

3.12.3.12.1.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 106)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01PS	Primary SSN
01SS	Secondary SSN
24SSN	Form 4137 SSN-Primary

1040	Field Name
2402	Total Cash and Tips Received
2403	Total Cash and Tips Reported
2405	Incidental Cash and Tips
2408	Total SS Wages and Tips
24GOV	Government Employee Tips
25SSN	Form 4137 SSN-Secondary
2502	Total Cash and Tips Received
2503	Total Cash and Tips Reported
2505	Incidental Cash and Tips
2508	Total SS Wages and Tips
25GOV	Government Employee Tips

3.12.3.12.1.2
(01-01-2017)
Invalid Condition (EC 106)

- (1) **Error Code 106** generates when both Sections 24 and 25 are present and Field 24SSN does not equal the Primary SSN in Field 01PS.

3.12.3.12.1.3
(01-01-2017)
Correction Procedures (EC 106)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

Note: A Primary SSN with transposed digits may be automatically corrected by the Auto-TIN program and may seem to be a transcription error at first glance. If the Primary SSN appears to be transcribed incorrectly but no EC 004/005 generated, research using CC INOLE before correcting any apparent transcription error. If the Primary SSN is correct as transcribed, **do not** correct the Primary SSN.

- (2) Take the following actions when the primary taxpayer was entered in Section 25 and the secondary taxpayer was entered in Section 24:
- DLSEC Section 24 (this will cause Section 25 to convert to Section 24).
 - GTSEC 25 and enter secondary taxpayer's information.
- (3) Verify from the return and/or attachments or through research using CC INOLE, NAMEI, NAMES, ENMOD, and/or IMFOL that the SSN in Field(s) 01PS, 24SSN, and/or 25SSN are correct. Overlay any incorrect data.

3.12.3.12.2
(01-01-2020)
**Error Code 108 (CE)
RPC 3 - Section 29/30
Present**

- (1) Error Code 108 instructions follow.

3.12.3.12.2.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 108)**

(1) This table show fields displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01RPC	Return Processing Code
2904	Tax on Early IRA Distributions
2917	Tax on Excess IRA Contributions
2925	Tax on Excess Roth IRA Contributions
2933	Tax on Excess Education Contributions
2941	Tax on Excess MSA Contributions
2949	Tax on Excess Contributions to HSA
2951	Tax on Excess ABLE Contribution
2955	Tax on Excess QRP Accumulations
3004	Tax on Early IRA Distribution
3017	Tax on Excess IRA Contributions
3025	Tax on Excess Roth IRA Contributions
3033	Tax on Excess Education Contributions
3041	Tax on Excess MSA Contributions
3049	Tax on Excess Contributions to HSA
3051	Tax on Excess ABLE Contribution
3055	Tax on Excess QRP Accumulations

3.12.3.12.2.2
(01-01-2017)

**Invalid Conditions (EC
108)**

(1) **Error Code 108** generates when **both** of the following exist:

- a. Section 29 or 30 is present.
- b. Return Processing Code 3 is present.

3.12.3.12.2.3
(06-15-2018)

**Correction Procedures
(EC 108)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Delete RPC 3 if either Section 29 or 30 is present.
- (3) If the FSC is 2, Section 29 or 30 is present, and it appears that one taxpayer is required to file Form 5329 and the other is not, delete RPC 3, GTSEC 29 or 30 (whichever is present) and enter the difference between the amount on Schedule 2, line 6 (TY18, Schedule 4, line 59) and the amount supported by Form 5329 in Field 2904/3004.

3.12.3.12.3 (1) Error Code 109 instructions follow.

(01-01-2017)

Error Code 109 (CE) IRA Spouse Indicator

3.12.3.12.3.1 (1) This table shows the fields displayed.

(01-01-2017)

Fields Displayed, Form 1040 (EC 109)

1040	Field Name
01FSC	Filing Status Code
29ISI	IRA Spouse Indicator
30ISI	IRA Spouse Indicator
	Section 29/30 Not Present

3.12.3.12.3.2 (1) **Error Code 109** generates when **any** of the following exist:

(01-01-2017)

Invalid Conditions (EC 109)

- a. The IRA Spouse Indicators (Fields 29ISI and 30ISI) are both present and are equal to each other.
- b. FSC is 2 and either Field 29ISI or 30ISI is not 1 or 2.
- c. FSC is other than 2 and either Field 29ISI or 30ISI is present.

3.12.3.12.3.3 (1) Correct coding and transcription errors and misplaced entries in displayed fields.

(04-25-2022)

Correction Procedures (EC 109)

- (2) Delete any entry in Fields 29ISI and/or 30ISI when FSC is other than 2.
- (3) Take the following action when FSC is 2, two names are reported on one Form 5329, and Fields 29ISI and/or 30ISI are blank:

If Form 5329 is for the...	Then...
A] Primary taxpayer,	Enter 1 in Field 29ISI or 30ISI, as appropriate.
B] Secondary taxpayer,	Enter 2 in Field 29ISI or 30ISI, as appropriate.

- (4) When you cannot determine which taxpayer the Form 5329 belongs to, SSPND 211 to correspond using paragraph U on Form 6001.

3.12.3.12.4 (1) Error Code 113 instructions follow.

(01-01-2017)

Error Code 113 (CE) IRA Spouse Indicator 2

3.12.3.12.4.1 (1) This table shows the fields displayed.

(01-01-2017)

Fields Displayed,- Form 1040 (EC 113)

1040	Field Name
01PS	Primary SSN
01SS	Secondary SSN
01NL1	First Name Line
01NL2	Second Name Line
01ADD	Street Address
01C/S	City/State
01ZIP	ZIP Code
29ISI	IRA Spouse Indicator
30ISI	IRA Spouse Indicator
	Section 29/30 Not Present

3.12.3.12.4.2
(01-01-2017)
Invalid Conditions (EC 113)

- (1) **Error Code 113** generates when the IRA Spouse Indicator (Field 29ISI/30ISI) is 2 and **both** the following exist:
- Return is Long or Partial Entity.
 - S-SSN (Field 01SS) is not present.

3.12.3.12.4.3
(04-25-2022)
Correction Procedures (EC 113)

- Correct coding and transcription errors and misplaced entries in displayed fields.
- Delete entry in Fields 29ISI and/or 30ISI when the FSC is other than 2.
- Search the return and/or attachments for the Secondary SSN when it is required. If not found on the return, research using CC NAMEI and/or NAMES. If not found, research INOLE, ENMOD, or IMFOL using the Primary SSN (SSPND 351 if IDRS is unavailable). Then take the following action:

If the Secondary SSN...	And...	Then...
A] Is found,		Enter in Field 01SS.
B] Is not found,	No indication of previous IRS correspondence,	SSPND 211 to correspond for the Secondary SSN.
C] Is not found,	Return is No Reply,	SSPND 320 to have Entity Control assign a temporary TIN (IRSN).

- 3.12.3.13 (01-01-2017)
Error Codes 116-132
- (1) Instructions for Error Codes 116 to 132 follow.

- 3.12.3.13.1 (01-01-2017)
**Error Code 116 (CE)
Withholding Equals
Regulated Investment
Company Credit or Total
Tax**
- (1) Error Code 116 instructions follow.

- 3.12.3.13.1.1 (11-23-2021)
**Fields Displayed, Form
1040 (EC 116)**
- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
03TAX	Total Tax IMF
03WH	Withholding
05RIC	Form 2439 Regulated Investment Company Credit

- 3.12.3.13.1.2 (01-01-2017)
Invalid Conditions (EC 116)
- (1) **Error Code 116** generates when Withholding equals **either** of the following:
- Form 2439 Regulated Investment Company Credit
 - Total Tax IMF

- 3.12.3.13.1.3 (01-01-2017)
Correction Procedures (EC 116)
- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Correct the applicable fields on the screen display when the taxpayer has duplicated withholding amount for Total Tax or Form 2439 Regulated Investment Company Credit.
- (3) Enter **C** in Clear Field when no corrections are necessary.

- 3.12.3.13.2 (01-01-2017)
**Error Code 118 (CE)
Withholding to Income
Comparison**
- (1) Error Code 118 instructions follow.

- 3.12.3.13.2.1 (01-01-2023)
**Fields Displayed, Form
1040 (EC 118)**
- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01CCC	Computer Condition Code

1040	Field Name
01SPC	Special Processing Code
01RPC	Return Processing Code
02NC>	Non-Compute Code Computer
03TWG	Total Wages
03INT	Taxable Interest
03DIV	Taxable Dividends
03TIR	Taxable IRA Distribution
03GPA	Gross IRAs, Pensions, and Annuities
03TPA	Taxable IRAs, Pensions, and Annuities
03GSS	Gross Social Security Benefits
03TSS	Taxable Social Security
03AGI	Adjusted Gross Income
>>>>	Adjusted Gross Income Computer
03WH	Withholding
03BDR	Balance Due/Refund
>>>>>	Balance Due/Overpayment Computer
03BDR>	Balance Due/Overpayment Taxpayer Computer
03CEL	Estimated Tax Credit Elect
04SFG	Scholarship and Fellowship Grants
04OTI	Other Income
0407	Taxable Unemployment Compensation
03ESP	Estimated Tax Payments
	Section 09 Not Present
09NET>	Section 09 Schedule C Profit/Loss Computer
	Section 10 Not Present
10NET>	Section 10 Schedule C Profit/Loss Computer
	Section 11 Not Present
11NET>	Section 11 Schedule C Profit/Loss Computer
	Section 13 Not Present
1332>	Partnership S Corporation Income/Loss Computer
	Section 14 Not Present
1434>	Section 14 Schedule F Profit/Loss Computer

1040	Field Name
	Section 15 Not Present
1534>	Section 15 Schedule F Profit/Loss Computer
7124>	Form 8959 Total Add'l Medicare Tax Withholding Computer

3.12.3.13.2.2
(01-01-2019)
Invalid Conditions (EC 118)

#

3.12.3.13.2.3
(10-27-2020)
Correction Procedures (EC 118)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Research using CC IMFOLT using the tax period of the return for TC 971 with AC 134 or TC 971 with AC 199 posted on the account. If the transaction code is on IMFOLT, enter **G** in Field 01RPC. RIVO has selected this return for further research (fraud or ID Theft) prior to posting.
- (3) A taxpayer may have voluntary federal withholding on certain payments made by governments. Taxpayers may have 10 percent withholding on Unemployment Compensation. A taxpayer may have withholding at a rate of 7 percent, 10 percent, 15 percent, or 25 percent on the following:
 - Social Security and Tier 1 railroad retirement benefits.
 - Certain crop disaster payments.
 - Commodity Credit Corporation loans.

Note: Taxpayers are not required to attach Form W-2G, Form 1099-G, Form 1099-INT, Form 1099-DIV, or SSA-1099 to their tax returns.

- (4) Add all Wages and Withholding on Form(s) W-2, Form W-2G, and Form 1099 for verification of entries on the return.

Note: Enter **8** in Field 01CCC and continue processing, when withholding is supported by a Form(s) W-2 that is a substitute, **handwritten**, non-standard typed, or altered and return is a refund return.

3.12.3.13.2.4

(01-01-2023)

Withholding (EC 118)

Frivolous Filer.

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- (5) Taxpayers are instructed to report on Form 1040, line 25c (TY19, line 17; TY18, line 16), any federal income tax withheld that is shown on the following forms:

a. Federal income tax withheld on Form(s) W-2G, box 4

- Verify the amount on line 25c matches the total withholding of the attached forms/schedules. If the verified amount on line 25c and the verified amounts, if any, on lines 25a and 25b equal the taxpayer's amount of withholding on line 25d, enter **G** in Field 01RPC. If unable to determine, see (9) below.

- (7) On paper returns, when **wages are reported** on line 1, Form 1040, and no Forms W-2, W-2G, W-2P, valid Forms 1099, or similar statements are attached:
 - a. Research CC **IRPTR** for the amount or a combination of amounts that matches the entry for withholding.
 - b. Enter **G** in Field 01RPC, if IRPTR research **matches** the withholding amount.

- (8) When **wages are not reported** on line 1 of Form 1040 (check Schedule C for statutory employee wages) and there are no Forms W-2, W-2G, W-2P, Forms 1099, or similar statements attached, research CC **IRPTR** for support of withholding. If withholding claimed does **not match** IRPTR data, research CC **IMFOL** and use the following table:

If IMFOL shows...	Then...
A] TC 430, TC 660, TC 670, or TC 716 that matches Field 03WH	Move the amount to Field 03ESP.
B] TC 430, TC 660, TC 670, or TC 716 that do not match Field 03WH	SSPND 211 and complete Form 6001 using paragraph G .
C] No TC 430, TC 660, TC 670, or TC 716,	SSPND 211 and complete Form 6001 using paragraph G .

- (9) If none of the previous correction procedures apply, research CC **IRPTR** for withholding support.

01RPC.

supported on IRPTR, or the data is not available in IRPTR, **SSPND 211** for withholding support. Complete Form 6001 using paragraph **G**.

3.12.3.13.2.5
(04-25-2022)

Wages (EC 118)

- (1) Verify the wages entered on line 1 of Form 1040 by adding all wages on Form(s) W-2, W-2G and Form 1099 and take the following action:

If Wages...	Then...
A] Were included on Schedule C or F ,	<ol style="list-style-type: none"> Adjust the Schedule C or F and move the wages to Field 03WG (see exception). Adjust Schedule SE, if necessary. <p>Exception: Do not move Schedule C income for Insurance salespeople, Ministers, or Statutory Employees to the wages line. Enter G in Field 01RPC.</p>
B] On Form 1040 were X'd by Code & Edit and it appears that self-employment income of \$434 or more was included on the wages line,	<ol style="list-style-type: none"> Enter the self-employment income in Field 04OTI. Adjust the entry in Field 03WG. Enter N in Field 01RPC.

If Wages...	Then...
C] On Form 1040 were X'd by Code & Edit and gambling income is present,	<ol style="list-style-type: none"> 1. Enter the gambling income in Field 04OTI. 2. Adjust the entry in Field 03WG (see following note). <p>Note: If the taxpayer did not provide a breakdown of winnings and losses for an amount identified as net and the gross amount is not indicated, SSPND 211, and complete Form 6001 using paragraph e with fill-in #7. If a breakdown is present, and the gambling losses lead to a Schedule A greater than the standard deduction, enter the winnings in Field 04OTI and the losses in Field 0716.</p>

3.12.3.13.2.6
(04-25-2022)
**No Adjustments
Necessary (EC 118)**

- (1) Enter **G** in Field 01RPC when **any** of the following apply and no adjustments are necessary to Wages, Taxable Interest, Taxable Dividends, Taxable Pensions, Taxable IRA Distributions and Taxable Social Security and/or Withholding:

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- b. Income is reported on Form **4972**.
- c. **Community Property** is involved and/or RPC C and FSC 1, 3, 4, or 7 are both present.
- d. A **scholarship**, fellowship, grant, or stipend amount reported as wages has been adjusted.
- e. Withholding from **Gambling** Income (Form W-2G).

Note: If the taxpayer did not provide a breakdown of winnings and losses for an amount identified as "**net**" and the gross amount is not indicated, SSPND 211 and complete Form 6001, using paragraph e with fill-in #7. If a breakdown is present, and the losses lead to a Schedule A greater than the standard deduction, enter the winnings in the field for Other Income and the losses in Field 0716.

- f. An Operation Noble Eagle, Operation **Iraqi** Freedom, Sinai Peninsula-Egypt, Desert Storm, Somalia, Former Yugoslavia, Operation Joint Endeavor, Operation Enduring Freedom, Joint Guard, Joint Forge, Northern Watch, Allied Force or Northern Forge and taxpayer excluded wages (also see IRM 3.12.2.3.10).
- g. "**Indian Gaming** Proceeds", "Indian Tribal Income", "Indian Tribal Distributions", "Indian Tribal Earnings", "Native American", or similar statement is noted to the left of Schedule 1, line 9 (TY19-TY20, line 8). See IRM 3.12.3.13.2.4 (4).

Note: Sometimes abbreviated (i.e., IGP, ITI, ITD, ITE, etc.)

- h. Taxpayer indicates the full refund to be applied to next year's **Estimated Tax**.

3.12.3.13.3
(01-01-2017)
**Error Code 121, Excess
SST/RRTA**

- (1) Error Code 121 instructions follow.

3.12.3.13.3.1
(01-01-2024)
**Fields Displayed, Form
1040 (EC 121)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01CCC	Computer Condition Code
01SPC	Special Processing Code
03WG	W-2 Wages
03NCC	Non-Itemized Charitable Contributions Deduction
03WH	Withholding
05USS	Uncollected SS Tax on Tips
05ESS	Excess SST/RRTA
94ESV	Excess Social Security Tax Withheld Verified Amount
97MEW>	MeF Excess Withholding

3.12.3.13.3.2
(01-23-2023)
**Invalid Conditions (EC
121)**

- (1) **Error Code 121** generates in either of the following conditions:
- When SPC "V" is present in Field 01SPC.
 - When the taxpayer's figure for excess SST/RRTA withholding is equal to or exceeds the computer's computation of excess SST/RRTA tax and SPC "V" is not present.

3.12.3.13.3.3
(01-01-2024)
**Correction Procedures
(EC 121)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) To qualify for a refund of excess SST or RRTA, the taxpayer must have **more than one employer** and the total SST/RRTA withholding must exceed the amount below:
- TY23, \$9,932.40
 - TY22: \$9,114.00
 - TY21: \$8,853.60

Exception: If the taxpayer has separate Forms W-2 with the same EIN, **allow** the excess SST/RRTA tax in the following situations:

- a) Some employers hire **agents**. Agents file separate Forms W-2 for the wages paid by each employer. Form W-2, box b, shows the EIN of the agent. If the phrase “agent for [name of employer]” is listed in box c of Form W-2 and the Forms W-2 have the same EIN, consider the Forms W-2 to be from different employers. Also look for pay stub or Form 4852.
- b) Forms W-2 issued by a Certified Professional Employer Organization (CPEO). The Form W-2 will not show it was issued by a CPEO, but if the taxpayer has notated it was issued by CPEO, verify the employer shown on the Form W-2 is listed on the List of CPEOs at <https://www.irs.gov/tax-professionals/cpeo-public-listings>. Allow the credit if the employer is shown on this list.

(3) If the taxpayer has **only one employer** and that employer withheld excessive SST/RRTA:

- a. Enter 1 in Field 94ESV Delete the taxpayer’s entry for excessive SST/RRTA withholding.
- b. Complete Form 3696-A, IDRS Correspondence Action Sheet, to initiate LTR 404C.
- c. Assign **TPNC 294**.

(4) If **multiple** Forms W-2 are present, verify each one has a different EIN (except for those described in (2) above).

Note: For **FSC 2**, each taxpayer must figure their excess SST withholding for each spouse alone and then combine their separate excess SST withholding on their joint tax return.

- a. If the EINs are **different**, consider the Forms W-2 to be from different employers, compute the excess SST using the worksheet in (7) below.
- b. If the EINs are the **same**, consider the Forms W-2 to be from one employer (except for those described in (2) above).
 - 1. Enter 1 in Field 94ESV.
 - 2. Complete Form 3696-A to initiate LTR 404C.
 - 3. Assign **TPNC 294**.

(5) On all **MeF returns**, or on paper returns when there are **insufficient Forms W-2** to support the wages/withholding and the taxpayer’s claim for excess SST/RRTA, research CC IRPTR. When computing the Social Security tax withheld for each taxpayer, allow \$1 per Form W-2 for rounding.

- a. If IRPTR supports the taxpayer’s claim for excess SST, compute the excess SST using the worksheet in (7) below. Allow \$1 per Form W-2 for rounding.
- b. If the data is not available in IRPTR, SSPND 211. Complete Form 6001 using paragraph e with fill-in #9.
- c. If excess RRTA is being claimed without supporting Forms W-2 attached or in IRPTR, SSPND 211. Complete Form 6001 using paragraph e with fill-in #9.

(6) **MeF Returns only**, if the taxpayer’s total amount for Social Security wages (box 3, Form W-2) and Social Security tips (box 7, Form W-2) is less than

\$160,200 (TY22, \$147,000; TY21, \$142,800) and the taxpayer has an entry in Field 05ESS, SSPND 211 for Forms W-2.

Exception: If the entry in Field 05ESS is less than \$5, do not SSPND 211. Instead, compute the excess SST using the worksheet in (7) below. If the taxpayer incorrectly figured the amount of excess SST, follow procedures in (8) below.

(7) If the taxpayer qualifies, compute the excess 2023 SST/RRTA using the following table:

Note: In the computation of excess withholding for Social Security tax, include the uncollected Social Security tax on tips and group-term life insurance included in total tax. See step 2 in the worksheet below.

Note: For FSC 2, if both taxpayers qualify, compute each taxpayer's excess withholding separately. Then combine the amounts to verify the taxpayers' entry.

	EXCESS SOCIAL SECURITY TAX/RRTA WORKSHEET (2023)	Primary Taxpayer	Secondary Taxpayer
1.	Add all Social Security tax withheld but not more than \$9,932.40 for each employer. This tax is shown in box 4, Form W-2 and RRTA Tier 1 shown in box 14.	_____	_____
2.	Enter any uncollected Social Security tax on tips or group-term life insurance from Form W-2, box 12, codes A and M.	_____	_____
3.	Add lines 1 and 2.	_____	_____
4.	Social Security/RRTA limit	9,932.40	9,932.40
5.	Subtract line 4 from line 3. If the result is negative, enter zero.	_____	_____
6.	Combine the primary and secondary taxpayer's line 5 amounts for the total excess SST/RRTA.	_____	

(8) If the taxpayer **incorrectly** figured the amount of excess SST/RRTA:

- a. Enter the correct amount in Field 94ESV.
- b. Assign **TPNC 294** when EC 121 redisplay.

3.12.3.13.3.4
(01-01-2024)
Prior Year (EC 121)

- (1) Refer to current-year correction procedures to determine if the taxpayer qualifies for excess SST.
- (2) To qualify for excess SST/RRTA, each taxpayer must have more than one employer and the total withholding must exceed the amount listed in the following chart:

Tax Year	Maximums
TY22	\$9,114.00 for Social Security Tax (SST), or \$9,114.00 for Railroad Retirement Tax (RRTA) Wages \$147,000
TY21	\$8,853.60 for Social Security Tax (SST), or \$8,853.60 for Railroad Retirement Tax (RRTA) Wages \$142,800
TY20	\$8,537.40 for Social Security Tax (SST), or \$8,537.40 for Railroad Retirement Tax (RRTA) Wages \$137,700
TY19	\$8,239.80 for Social Security Tax (SST), or \$8,239.80 for Railroad Retirement Tax (RRTA) Wages \$132,900
TY18	\$7,960.80 for Social Security Tax (SST), or \$7,960.80 for Railroad Retirement Tax (RRTA) Wages \$128,400
TY17	\$7,886.00 for Social Security Tax (SST), or \$7,886.00 for Railroad Retirement Tax (RRTA) Wages \$127,200
TY16/15	\$7,347.00 for Social Security Tax (SST), or \$7,347.00 for Railroad Retirement Tax (RRTA) Wages \$118,500
TY14	\$7,254.00 for Social Security Tax (SST), or \$7,254.00 for Railroad Retirement Tax (RRTA) Wages \$117,000

- (3) Use the worksheet provided in the Prior Year Job Aid Book 2515-014 to compute the excess SST for each taxpayer. TY22 and prior, if the taxpayer **incorrectly** figured the amount of excess SST/RRTA:
- Enter the correct amount in Field 94ESV.
 - Assign **TPNC 294** when EC 121 redisplay.

3.12.3.13.3.5
(01-01-2024)

**Allowable Taxpayer
Notice Codes (EC 121)**

- (1) This table shows the allowable Taxpayer Notice Codes for Error Code 121.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.

TPNC	Description
294	You computed your excess SST or RRTA Tax Withheld incorrectly.

3.12.3.13.4
(01-01-2017)

**Error Code 122 (CE)
CCC G, B or RPC L Not
Present/Zero Return**

- (1) Error Code 122 instructions follow.

3.12.3.13.4.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 122)**

- (1) This table shows the fields displayed.

1040	Field Name
01CCC	Computer Condition Code
01RPC	Return Processing Code
02NC>	Non-Compute Code
03WG	W-2 Wages
03TWG	Total Wages
03AGI	Adjusted Gross Income
>>>>	AGI Computer
03TTX	Tentative Tax
>>>>	Tentative Tax Computer
03TAX	Total Tax IMF
03WH	Withholding
03BDR>	Balance Due/Overpayment Taxpayer Computer
>>>>	Balance Due/Overpayment Computer

3.12.3.13.4.2
(01-01-2017)

**Invalid Conditions (EC
122)**

- (1) **Error Code 122** generates when **all** the following exist:
- Adjusted Gross Income Computer, Tentative Tax, Total Tax and Balance Due/Overpayment are not present.
 - Computer Condition Codes B and G are not present.
 - Return Processing Code L is not present.
 - Special Processing Code P is not present.
 - Only Sections 01-05, 08, 16, 19, 21, 22, 23, 27, 29-30, 36, 37, 43-45, 50, 51, and 56 are present.

3.12.3.13.4.3
(03-28-2018)
**Correction Procedures
(EC 122)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If the tax return is blank, other than Entity, or contains all zeros or insignificant entries (e.g., gross Social Security, gross pensions, or Form 5329 as the only items present), enter **L** in Field 01RPC and **B** in Field 01CCC.
- (3) If there is a statement attached indicating no future filing requirements and the taxpayer is **not** deceased, enter **E** in Field 01CCC.
- (4) If the return appears to be a Non-Compute return, but the taxpayer has computed Total Tax, and Balance Due/Refund to zero, enter **B** in Field 01CCC.
- (5) If a “**loose**” Schedule H is present with a dummy Form 1040, ensure that the Household Employment Taxes line, Total Tax line, and Balance Due/Refund line have entries reflecting the Schedule H Tax.
- (6) If return is **misblocked**, refer to IRM 3.12.2.3.13.

3.12.3.13.4.4
(01-01-2017)
Prior Year (EC 122)

- (1) For **TY06**, if the taxpayer claims Federal Telephone Excise Tax (TETR):
 - a. Enter **T** in Field 05TYP.
 - b. Add money amount to Field 05OTH

3.12.3.13.5
(01-01-2017)
**Error Code 123 (CE)
Non-Compute Code 2
and Preparer's Data
Present**

- (1) Error Code 123 instructions follow.

3.12.3.13.5.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 123)**

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01CCC	Computer Condition Code
03PT	Preparer TIN
03PE	Preparer EIN
02NC>	Non-Compute Code
03WH	Withholding
03BDR	Balance Due/Refund
03CEL	Estimated Tax Credit Elect
03PC	Preparer Code

3.12.3.13.5.2
(01-01-2017)
Invalid Conditions (EC 123)

- (1) **Error Code 123** generates when Non-Compute Code 2 is present in Field 02NC>, Document Code is not 26 or 27, and **any** of the following are also present:

- a. Preparer Code
- b. Preparer SSN
- c. Preparer EIN

Description: A Non-Compute return is a return that has not been computed by the taxpayer. Taxpayers who want the IRS to compute their tax for them are instructed to compute the return through the taxable income and any specific credit and payment entries that are applicable to them. The computer will generate a **2** in Field 02NC> when it determines that the return has not been computed by the taxpayer. The ERS tax examiner will review the return to determine if it **is** or **is not** a computed return and use the instructions that follow to resolve the error condition.

Note: Non-Compute returns generate a notice telling the taxpayer that we figured their tax for them. It is important to identify and correct returns that have been incorrectly identified by the computer as Non-Compute (i.e., the taxpayer has computed the tax to zero) to avoid the issuance of unnecessary notices.

3.12.3.13.5.3
(01-01-2020)
Correction Procedures (EC 123)

- (1) Read all instructions for this error code.
- (2) Correct coding and transcription errors and misplaced entries in displayed fields.
- (3) When Field 02NC> displays with a 2, 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. See IRM 3.12.2.5.12, Field 02NC> Non-Compute Code.
- (4) If the taxpayer has computed the tax to zero, has entered an amount for withholding and no subsequent entries (i.e., taxpayer is not asking IRS to figure EIC), and does not have an entry on line 35a (TY19, line 21a; TY18, line 20a), enter the withholding amount in Field 03BDR.
- (5) If the taxpayer has computed the tax and/or Balance Due/Refund to zero, enter **B** in Field 01CCC.
- (6) If the taxpayer is asking IRS to figure their tax for them and it is determined that the return is a true Non-Compute return, enter **C** in the Clear Field.

3.12.3.13.5.4
(01-01-2024)
**Field 02NC>
Non-Compute Code (EC 123)**

- (1) Description-The programming generates the Non-Compute Code 2 when it identifies a return that the taxpayer apparently wants the IRS to figure. Taxpayers who want the IRS to compute their tax complete only the following lines:
- a. TY23 Form 1040 - Lines 1 through 15 plus any applicable lines from 19, 20, 23, 25a through 32, and Schedules 1 through 3.
 - b. TY22 Form 1040 - Lines 1 through 15 plus any applicable lines from 19, 20, 23, 25a through 32, and Schedules 1 through 3.
 - c. TY21 Form 1040 - Lines 1 through 15 plus any applicable lines from line 19, 20, 23, 25a through 32, and Schedules 1 through 3.

- (2) The taxpayers must not compute the tax liability and balance due/refund, and they may attach only certain forms and schedules.

Exception: Section 01-05, 08, 16, 19, 21, 22, 23, 27, 29, 30, 37, 43, 44, 45, 50, 51, 54, 56, 67, and 79 may be present. Further rules for filing as a Non-Compute are explained in Publication 17.

- (3) Field 02NC> will display with a 2 (identifying the return as a Non-Compute) 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, 37, 43, 44, 45, 50, 51, 54, 56, 67 and 79 are present.

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- (4) 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.
- (5) Error Codes in the 500 and 600 series will also be generated on all Non-Compute returns.
- (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**.
- (7) Enter **B** in Field 01CCC when you can determine that the taxpayer has computed their return. A CCC B will prevent the return from being identified as a Non-Compute.

Note: This practice is recommended because it reduces the number of unnecessary CPs 51.

- (8) Correct all field errors when the return is identified as a true Non-Compute and the taxpayer has done **all** the following:
- 1. Completed all lines through Taxable Income.
 - 2. Entered any withholding.
 - 3. Entered any applicable lines thereafter (except the total lines).
 - 4. 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.
 - 5. Wrote "**EIC**", if applicable, to the left of the Earned Income Credit line and attached the schedule with the appropriate lines completed.
- (9) 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.

- (10) Verify the coding and transcription on **all** the fields in the following table. Take the appropriate action listed in the table when necessary before transmitting the record:

Verify Field(s)...	And...	Then...
01FSC	The taxpayer failed to check or checked multiple boxes for the FS,	SSPND 211 using Form 6001 (F)
01EXC	You are unable to arrive at the taxpayer's total for exemptions,	SSPND 211 using Form 6001 (F)
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 W-2s 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 SSA/Medicare Wages instead of Form W-2 box 1 wages,	Change the amount to reflect the box 1 wages.
Section 03	<ol style="list-style-type: none"> 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 wages line, 	<ol style="list-style-type: none"> 1. Research CC IRPTR, if available. 2. SSPND 211 for documentation.
Section 03	Gross Social Security is being claimed,	<ol style="list-style-type: none"> 1. Research CC IRPTR, if available. 2. Verify and correct the amount, if applicable.

Verify Field(s)...	And...	Then...
Field 03WH (Form 1040),	<ol style="list-style-type: none"> 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 (see note).

Note: Always verify the Withholding amount from the Form(s) W-2 and ensure that the amount was transcribed correctly before transmitting the error record.

- (11) Refer to EC 260 for information on joint Non-Compute returns. A CCC Y will be assigned when any of the following are present:
- a. The separate taxable incomes of the taxpayers are shown above the words "Adjusted Gross Income" on Form 1040.
 - b. There are no exemptions in positions 3 through 8, or the taxpayer has indicated the allocation of the exemption to the spouse.

3.12.3.13.6
(01-01-2017)
Error Code 124 (CE)
CCC A, F or 9

- (1) Error Code 124 instructions follow.

3.12.3.13.6.1
(11-27-2020)
Fields Displayed, Form 1040 (EC 124)

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01NL1	First Name Line
01NL2	Second Name Line
01CCC	Computer Condition Code
02NC>	Non-Compute Code
03BDR>	Balance Due/Overpayment Taxpayer Computer
>>>>	Balance Due/Overpayment Computer

3.12.3.13.6.2
(01-01-2017)
Invalid Conditions (EC 124)

- (1) **Error Code 124** generates when **all** of the following exist:
- a. CCC A, F or 9 is present.
 - b. Balance Due/Overpayment Computer is a negative amount (refund).
 - c. No Second Name Line is present.

3.12.3.13.6.3
(04-25-2022)

**Correction Procedures
(EC 124)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Verify that CCC L or W is correct.

Note: CCC L or W is required only on refund or Non-compute decedent Returns.

- (3) Correct CCC L or W using the following table:

If Second Name Line payee is...	Then...
A] An individual that is not court appointed or a surviving spouse,	Enter W in Field 01CCC.
B] A court appointed individual,	Enter L in Field 01CCC.
C] A place of business (court appointed or not),	Enter L in Field 01CCC.
D] Both a surviving spouse <i>and</i> a court appointed personal representative,	Enter L in Field 01CCC.

- (4) Search the return and attachments for the date of death when the Primary and/or Secondary taxpayer is deceased.
- (5) Research CC INOLE (using Definer S) for the date of death when it is not found on the return or attachments.
- (6) Correct CCC A, F or 9 using the following table:

If deceased taxpayer is the...	And the date of death is...	Then...
A] Primary,	During the tax period of the return,	<ol style="list-style-type: none"> 1. Enter F in Field 01CCC. 2. Go to the bottom of the screen and transmit. 3. Enter C in the Clear Field when the EC redisplay.
B] Primary,	After the tax period of the return,	Delete CCC F if present.

If deceased taxpayer is the...	And the date of death is...	Then...
C] Secondary,	During the tax period of the return,	<ol style="list-style-type: none"> 1. Enter 9 in Field 01CCC. 2. Go to the bottom of the screen and transmit. 3. Enter C in the Clear Field when the EC redisplay.
D] Secondary,	After the tax period of the return,	Delete CCC 9 if present.
E] Both the Primary and Secondary,	During the tax period of the return,	<ol style="list-style-type: none"> 1. Enter A in Field 01CCC. 2. Go to the bottom of the screen and transmit. 3. Enter C in the Clear Field when the EC redisplay.
F] Both the Primary and Secondary,	After the tax period of the return,	Delete CCC A if present.

- (7) If the date of death cannot be found, SSPND 211. Complete Form 6001 using paragraph C.
- (8) When CCC A, F or 9 is correct, search return for the Second Name Line. If found, enter the **Second Name Line** in Field 01NL2.
- (9) When the Second Name Line cannot be determined, SSPND 211. Complete Form 6001 using paragraph D.
- (10) If no corrections are necessary, enter **C** in the Clear Field.

3.12.3.13.7
(01-01-2017)

**Error Code 126 (CE)
Unallowable First-Time
Homebuyer Credit (UA
84)**

- (1) Error Code 126 instructions follow.

3.12.3.13.7.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 126)**

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code

1040	Field Name
01TXP	Tax Period
01PS	Primary SSN
01SS	Secondary SSN
02CD1	Unallowable Code 1
02AM1	Unallowable Amount 1
02CD2	Unallowable Code 2
02AM2	Unallowable Amount 2
02CD3	Unallowable Code 3
02AM3	Unallowable Amount 3
58SSN	Section 58 Social Security Number
PNFH>	Primary NAP First-Time Homebuyer Credit
5803	Form 5405 Disposition Code Section 58
5808	First-Time Homebuyer Credit Repayment Section 58
58FRC>	First-Time Homebuyer Credit Repayment Computer Section 58
	Section 58 Not Present
59SSN	Section 59 Social Security Number
SNFH>	Secondary NAP Homebuyer Credit Computer
5903	Form 5405 Disposition Code Section 59
5908	First-Time Homebuyer Credit Repayment Section 59
59FRC>	First-Time Homebuyer Credit Repayment Computer Section 59
	Section 59 Not Present

3.12.3.13.7.2
(01-01-2017)
Invalid Conditions (EC 126)

- (1) EC 126 generates when one of the following conditions is present:
- a. Unallowable Code 84 is not present, Section 58 is present, Section 58 First-Time Homebuyer Credit Repayment Computer is not significant, and Section 58 Form 5405 Disposition Code **E** is present, **or**
 - b. Unallowable Code 84 is not present, Section 59 is present, Section 59 First-Time Homebuyer Credit Repayment Computer is not significant, and Section 59 Form 5405 Disposition Code **E** is present.

3.12.3.13.7.3
(02-27-2020)
Correction Procedures (EC 126)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If Form 5405 box 3e is **not** marked, delete Disposition Code **E** in Field 5803/5903.

- (3) Use the following table to correct First-Time Homebuyer Credit (FTHBC) issues:

If...	And...	Then...
The taxpayer marked box 3e on Form 5405,	an amount is present in Field PNFH> or SNFH>,	<ol style="list-style-type: none"> 1. Enter SSPND 410 and take the return or MeF screen print to the work leader to take the following actions: 2. If Field PNFH> shows an amount, research CC IMFOLT using the primary taxpayer's TIN on the return and TY08 and/or TY09. If Field SNFH> shows an amount, research CC IMFOLT using the secondary taxpayer's TIN on the return and TY08 and/or TY09. 3. Look for TC 766 with Credit Reference Number (CRN) REF-NUM 258 (FTHBC was received). Note: If a TC 150 is not present on CC IMFOLT (TY08 or TY09), look for an XREF TIN. If an XREF TIN is present, research the XREF TIN using CC IMFOLT and TY08 and/or TY09 for TC 766/CRN 258. 4. If TC 766/CRN 258 is present (on either TIN or XREF TIN), look for the filing status used in TY08/TY09. 5. If the FSC was 2 in the year the credit was received (on either TIN or XREF TIN), enter C in the Clear Field. Note: If FSC 2, compare the spouse's name on IMFOLT to the name listed on Form 5405, line 3e. It should be the same person. 6. If there is no TC 766/CRN 258 (on either TIN or XREF TIN) or the FSC was not 2 in the year the credit was received, enter Unallowable Code 84 in Field 02CD1 and the amount in Field PNFH>/SNFH> in Field 02AM1. Note: Enter the unallowable code and amount in the first available unallowable field.

- (4) If none of the above procedures apply, enter **C** in the Clear Field.

3.12.3.13.8
(01-01-2017)

(1) Error Code 128 instructions follow.

**Error Code 128 (CE)
Form 5405 First-Time
Homebuyer Credit Data
Validation**

3.12.3.13.8.1
(01-01-2017)

(1) This table shows the fields displayed.

**Fields Displayed, Form
1040 (EC 128)**

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01SPC	Special Processing Code
01PS	Primary TIN
01PNC	Primary Name Control
>>>>>	Primary NAP EIF Name Control
01SS	Secondary TIN
01SNC	Secondary Name Control
>>>>>	Secondary NAP EIF Name Control
58SSN	Form 5405 SSN
5801	Main Home Change Date
5803	Form 5405 Disposition Code
5807	Gain on Sale of Main Home
5808	First-Time Homebuyer Credit Repayment
	Section 58 Not Present
59SSN	Form 5405 SSN
5901	Main Home Change Date
5903	Form 5405 Disposition Code
5907	Gain on Sale of Main Home
5908	First-Time Homebuyer Credit Repayment
PNFH>	Primary NAP First-Time Homebuyer Credit
PNRI>	Primary NAP FTHBC Repayment Installment
SNFH>	Secondary NAP First-Time Homebuyer Credit
SNRI>	Secondary NAP FTHBC Repayment Installment
05FHB	First-Time Homebuyer Credit Repayment Amount

1040	Field Name
>>>>>	Combined First-Time Homebuyer Credit Repayment Computer
	Section 59 Not Present

3.12.3.13.8.2
(01-01-2017)
Invalid Conditions (EC 128)

- (1) Error Code 128 generates when First-Time Homebuyer Credit is present, Section 58 or Section 59 is present, and any of the following conditions are present:
 - a. Section 58 Social Security Number is not equal to Primary SSN.
 - b. Section 59 Social Security Number is not equal to Secondary SSN.
 - c. First-Time Homebuyer Credit Repayment Section 58 is significant, Main Home Change Section 58 Date is not significant, and Form 5405 Disposition Section 58 Code is not present or Form 5405 Disposition Section 58 Code is "E".
 - d. First-Time Homebuyer Credit Repayment Section 59 is significant, Main Home Change Section 59 Date is not significant, and Form 5405 Disposition Section 59 Code is not present or Form 5405 Disposition Section 59 Code is "E".

3.12.3.13.8.3
(04-25-2022)
Correction Procedures (EC 128)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) **A Primary SSN with transposed digits may be automatically corrected by the Auto-TIN program and may seem to be a transcription error at first glance.** If the Primary SSN appears to be transcribed incorrectly but no EC 004/005 generated, research using CC INOLE before correcting any apparent transcription error. If the Primary SSN is correct as transcribed, **do not** correct the Primary SSN, correct Field 58SSN.
- (3) **If a change is made to the primary or secondary taxpayer's SSN, enter "R" in Field 02RI to revalidate the SSN.**
- (4) If the FSC is 2, only one Form 5405 (repayment) is filed with the return and an amount is present in Field PNRI> and Field SNRI> equals the amount on Form 5405 line 8, take the following actions:
 - a. GTSEC 59 and enter secondary SSN in Field 59SSN.
 - b. Enter the amount in Field SNRI> in Field 5908.
 - c. Enter the amount in Field PNRI> in Field 5808.
- (5) If the FSC is 2, only one Form 5405 (repayment) is filed with the return, Field PNRI> is blank, and Field SNRI> equals the amount on line 8, Form 5405, take the following actions:
 - a. GTSEC 59 and enter secondary SSN in Field 59SSN.
 - b. Enter the amount in Field SNRI> in Field 5908.
 - c. DLSEC 58.
- (6) For FTHBC Repayment, ensure the following data is transcribed correctly:
 - a. Field 58SSN/59SSN, Social Security Number.

- b. Field 5803/5903, Disposition Code.
- c. Field 5808/5908, repayment amount.

Note: If FSC is other than 2 and Section 59 is present, DLSEC 59.

- (7) Ensure the date format, YYYYMMDD, is correct in Field 5801/5901.
- (8) If correspondence is necessary, identify all issues with Form 5405 and request all necessary information.
- (9) If **FSC 1, 3, 4, 5, 6, or 7** only one Form 5405 should be filed with the return. If Form 5405 is attached take the following action:
 - a. If **one Form 5405** is filed, ensure all data is entered into Section 58.
 - b. If **two Forms 5405** are filed, ensure the data for the primary taxpayer is entered into Section 58 (Form 5405 name and SSN match the primary taxpayer's name and SSN).
 - c. If no SSN is present on Form 5405 but the name on Form 5405 matches the primary taxpayer, ensure the primary taxpayer's SSN is entered in Field 58SSN.
 - d. If the Form 5405 name or SSN **does not match** the primary taxpayer's name or SSN, **SSPND 211** for clarification. Complete Form 6001 using paragraph e with fill-in #22.
- (10) For **FSC 2** returns, no more than two Forms 5405 can be filed with the return. If Form 5405 is attached take the following action:
 - a. If Form 5405 is filed for the **primary** taxpayer, ensure all data is entered into Section **58** (Form 5405 name or SSN match the primary taxpayer's name or SSN).

Note: If no SSN is present on Form 5405 but the name on Form 5405 matches the primary taxpayer, ensure all data is entered into Section 58.
 - b. If Form 5405 is filed for the **secondary** taxpayer, ensure all data is entered into Section **59** (Form 5405 name or SSN match the secondary taxpayer's name or SSN).

Note: If no SSN is present on Form 5405 but the name on Form 5405 matches the secondary taxpayer, ensure all data is entered into Section 59.
 - c. If **two** Forms 5405 are attached and you are **unable to determine** which form is for the primary or secondary taxpayer, enter the data on the first Form 5405 into Section 58 and enter the data on the second Form 5405 in Section 59.

3.12.3.13.8.4
(04-25-2022)
Lines 1, 2 and 3, Form 5405 (EC 128)

- (1) If the disposition date on line 1 of Form 5405 is missing, **SSPND 211** if any of the following conditions apply. Complete Form 6001 using paragraph P.
 - a. The taxpayer has checked the box at line 2 of Form 5405.
 - b. The taxpayer has checked any box at line 3 of Form 5405.
 - c. The taxpayer has an entry on line 7 of Form 5405.

Note: FSC 2 filers may submit only one Form 5405. if that is the case and the amount is greater than \$500, SSPND 211 for the date.

- (2) If the taxpayer checks the box at line 2:
- Enter **Z** in Field 01SPC for the primary taxpayer's Form 5405.
 - Enter **7** in Field 01SPC for the secondary taxpayer's Form 5405.
- Note:** If the return is a joint filing and only one Form 5405 is present, create the Form 5405 for the other taxpayer with GTSEC 58 or 59. Enter the taxpayer's TIN and the disposition date in the section you create.
- Delete any entry in Field 5803 or 5903.
 - Enter **C** in the Clear Field.
- (3) If the disposition date on line 1 of Form 5405 is present, do the following:
- Ensure that the date format, YYYYMMDD, is correct.
 - If **no box is checked** on line 3 of Form 5405,
 - an amount is present in Field PNRI> and Form 5405 is for the primary taxpayer enter the letter **I** in Field 5803, or
 - an amount I present in Field SNRI> and Form 5405 is for the secondary taxpayer enter the letter **I** in Field 5903, or
 - if unable to determine, **SSPND 211** for the disposition date of the house. Complete Form 6001 using paragraph P.
 - If boxes **a and g** on line 3 are checked, enter disposition code **A** in Field 5803 or 5903.
 - If boxes **b and g** on line 3 are checked, enter disposition code **B** in Field 5803 or 5903.
 - If boxes **b and f or g** on line 3 are checked and no amount is present on line 5, enter disposition code **B** in Field 5803 or 5903.
 - If two or more boxes are checked on line 3 of Form 5405 and the procedures in c) d) or e) above do not apply, **SSPND 211** for clarification. Complete Form 6001 using paragraph e with fill-in #21.
 - If box "e" on line 3 of Form 5405 is checked and the name of the ex-spouse is missing, **SSPND 211** for the name. Complete Form 6001 using paragraph P.
 - If box "a" or "c" on line 3 of Form 5405 is checked and the amount on line 7 is missing, **SSPND 211** for the amount. Complete Form 6001 using with paragraph P.

3.12.3.13.8.5
(04-25-2022)
Line 7, Form 5405 (EC 128)

- (1) If an amount is present on line 7 of Form 5405 and any of the following is missing, SSPND 211. Complete Form 6001 using paragraph P.
- the disposition date, on line 1
 - a disposition, noted by a checked box at line 3
- (2) If none of the previous procedures for Error Code 128 apply, enter **C** in the Clear Field.

3.12.3.13.8.6
(04-25-2022)
Prior Year (EC 128)

- (1) For TY11 and prior, if the taxpayer is making a repayment of the FTHBC and attaches only page 2 of Form 5405, with the required entries in Parts III and IV, do not correspond for page 1 of Form 5405. If the filing status is joint and you can't determine which taxpayer is making the repayment, research using CC IMFOLF to help with the determination. If after research you are still not able to determine which taxpayer is making the repayment, SSPND 211. Complete Form 6001-A using paragraph U.

- (2) If **two** Forms 5405 are attached and you are **unable to determine** which form is for the primary or secondary taxpayer, consider the first Form 5405 for the primary and the second Form 5405 for the secondary and enter the data into the appropriate Sections 58 and 59.
- (3) **TY09, TY10, and TY11** - The amount on Form 5405, line 4, must equal the smaller of 10 percent of the amount on line 1, or:
- \$8,000 when the first box at line 3 is checked.
 - \$4,000 for the filing status MFS when the first box at line 3 is checked.
 - \$6,500 for the long-term resident when the second box at line 3 is checked.
 - \$3,250 for the long-term resident whose filing status is MFS when the second box at line 3 is checked.

3.12.3.13.9
(01-01-2017)
Error Code 129 (CE)
Form 4136 Credit
Reference Number and
Amount

- (1) Error Code 129 instructions follow.

3.12.3.13.9.1
(01-01-2024)
Fields Displayed, Form
1040 (EC 129)

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
79A01	Amount of Credit Reference Number 1
79C01	Credit Reference Number 1
79A02	Amount of Credit Reference Number 2
79C02	Credit Reference Number 2
79A03	Amount of Credit Reference Number 3
79C03	Credit Reference Number 3
79A04	Amount of Credit Reference Number 4
79C04	Credit Reference Number 4
79A05	Amount of Credit Reference Number 5
79C05	Credit Reference Number 5
79A06	Amount of Credit Reference Number 6
79C06	Credit Reference Number 6
79A07	Amount of Credit Reference Number 7
79C07	Credit Reference Number 7
79A08	Amount of Credit Reference Number 8

1040	Field Name
79C08	Credit Reference Number 8
79A09	Amount of Credit Reference Number 9
79C09	Credit Reference Number 9
79A10	Amount of Credit Reference Number 10
79C10	Credit Reference Number 10
79A11	Amount of Credit Reference Number 11
79C11	Credit Reference Number 11
79A12	Amount of Credit Reference Number 12
79C12	Credit Reference Number 12
79A13	Amount of Credit Reference Number 13
79C13	Credit Reference Number 13
79A14	Amount of Credit Reference Number 14
79C14	Credit Reference Number 14
79A15	Amount of Credit Reference Number 15
79C15	Credit Reference Number 15
79A16	Amount of Credit Reference Number 16
79C16	Credit Reference Number 16
79A17	Amount of Credit Reference Number 17
79C17	Credit Reference Number 17
79A18	Amount of Credit Reference Number 18
79C18	Credit Reference Number 18
79A19	Amount of Credit Reference Number 19
79C19	Credit Reference Number 19
79A20	Amount of Credit Reference Number 20
79C20	Credit Reference Number 20

3.12.3.13.9.2
(01-01-2024)

Invalid Conditions (EC 129)

- (1) Error Code 129 generates when Section 79 is present, and any of the following exist:
- Any credit reference number is present, and the associated credit reference number amount is not present.
 - Any credit reference number amount is present, and the associated Credit Reference Number is not present.

3.12.3.13.9.3
(01-01-2024)
**Correction Procedures
(EC 129)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Review column (d) and (e) of Form 4136, and ensure each amount of credit in column (d) is transcribed in an amount field (e.g., Field 79A01), and each amount has an associated credit reference number from column (e) transcribed in the matching code field (e.g., Field 79C01).

Note: Section 79 holds up to 20 different amounts of credit and credit reference numbers. The fourth and fifth position of the field designator do not match to line numbers, (e.g., 79A20, 20 is the 20th amount of credit transcribed from column (d) of Form 4136).

- (3) If a credit reference number is present, and the associated amount of credit is not present on Form 4136, delete the credit reference number.
- (4) If an amount of credit is present, and the associated credit reference number is not present, enter the associated credit reference number from Form 4136.

3.12.3.13.10
(01-01-2017)
**Error Code 130 (CE)
Schedule R Age
Indicator/FSC/ABI**

- (1) Error Code 130 instructions follow.

3.12.3.13.10.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 130)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01ABI	Age/Blind Indicator
16FSI	Filing Status Age Indicator Code
01PYB>	Primary Year of Birth
01SYB>	Secondary Year of Birth

3.12.3.13.10.2
(01-01-2017)
**Invalid Conditions (EC
130)**

- (1) **Error Code 130** generates when **both** of the following exist:
 - a. Section 16 is present.
 - b. Filing Status Age Indicator Code (Field 16FSI) is inconsistent with Filing Status Code (Field 01FSC) and/or Age/Blind Indicators (Field 01ABI) claimed on the return.

3.12.3.13.10.3
(04-25-2022)
**Correction Procedures
(EC 130)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

- (2) Refer to Fields 01PYB> and 01SYB> or research CC INOLE for the taxpayer's age and correct Field 16FSI and/or Field 01ABI when the taxpayer checked **any** of the following:
- Filing Status Indicator box checked is inconsistent with **either** Filing Status (Field 01FSC) or Age/Blind Indicator (Field 01ABI).
 - Multiple boxes checked.
- (3) When you are unable to determine taxpayer's age through research, SSPND 211. Complete Form 6001 using paragraph F.
- (4) Use the following table to correct coding and transcription errors and misplaced entries on the displayed fields:

If the taxpayer...	And...	Then...
A] Computes Credit for the Elderly,	Does not use the credit because of zero or no tax liability,	DLSEC 16.
B] Checked FSC 3,	There is an indication that they did not live apart from their spouse during the entire year,	DLSEC 16 and disallow the credit.
C] Responds to correspondence and indicates 65 or over,	The Additional Standard Deduction for age was not taken,	Correct the Age/Blind Indicator (Field 01ABI), to allow the 65 or over deduction.

3.12.3.13.11
(01-01-2017)
Error Code 132 (CE)
Schedule R Taxable
Disability Income

- (1) Error Code 132 instructions follow.

3.12.3.13.11.1
(01-01-2023)
Fields Displayed, Form
1040 (EC 132)

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
16FSI	FS Age Indicator
01PYB>	Primary Year of Birth
01SYB>	Secondary Year of Birth
1611	Taxable Disability Income

3.12.3.13.11.2
(01-01-2017)
Invalid Conditions (EC 132)

- (1) **Error Code 132** generates when **both** of the following exist:
 - a. Taxable Disability Income (Field 1611) is present.
 - b. FS Age Indicator (Field 16FSI) is 1, 3, 7, or 8.
- (2) **Error Code 132** also generates when the Filing Status Indicator (Field 16FSI)

#

3.12.3.13.11.3
(04-25-2022)
Correction Procedures (EC 132)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) DLSEC 16 when the taxpayer computes Credit for the Elderly and does not use the credit because the tax liability is zero.
- (3) Use the following table to correct the Error Code:

If the...	Then...
A] Box checked on Schedule R is 1, 3, 7, or 8,	Delete the amount in Field 1611.
B] Box checked on Schedule R is 6,	<ol style="list-style-type: none"> 1. Add \$5,000 to the taxable disability income of the spouse under age 65. 2. Enter this amount in Field 1611.

- (4) SSPND 211 when a determination cannot be made for the correct FSI or Taxable Disability Income amount. Complete Form 6001 using paragraph P.

3.12.3.14
(01-01-2017)
Error Codes 136-146

- (1) Instructions for Error Codes 136 to 146 follows.

3.12.3.14.1
(01-01-2017)
**Error Code 136 (CE)
Pre-Determined
Delinquency Penalty**

- (1) Error Code 136 instructions follow.

3.12.3.14.1.1
(11-27-2020)
Fields Displayed, Form 1040 (EC 136)

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
02PDP	Pre Delinquent Penalty
03BDR	Balance Due/Refund

3.12.3.14.1.2
(01-01-2017)
Invalid Conditions (EC 136)

- (1) **Error Code 136** generates when Pre-Determined Delinquency Penalty (Field 02PDP) exceeds 25 percent of Balance Due Refund.

3.12.3.14.1.3
(01-01-2017)
Correction Procedures (EC 136)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Use the following table to correct the error code:

If Form 3471 is...	And...	Then...
A] Attached,	An amount is present on line 7,	Enter amount in Field 02PDP.
B] Attached,	No amount present on line 7.	Delete any entry in Field 02PDP.
C] Not attached,		Delete any entry in Field 02PDP.

- (3) If there is a notation on the return that indicates this penalty, Code and Edit examiners are instructed to enter the noted amount on the Edit Sheet, to be transcribed in Field 02PDP. If amount is present, enter in Field 02PDP.
- (4) Enter **C** in the Clear Field if no corrections are necessary.

Caution: Be sure that Field 02PDP is correct before you enter C. An incorrect entry results in an erroneous notice.

3.12.3.14.2
(01-01-2017)
**Error Code 137 (CE)
Routing and Transit
Number (RTN)
Verification**

- (1) Error Code 137 instructions follow.

3.12.3.14.2.1
(11-27-2020)
Fields Displayed, Form 1040 (EC 137)

- (1) This table shows the fields displayed.

Form 1040	Field Name
CL	Clear Code
06RTN	Routing and Transit Number
06DAN	Deposit Account Number
06TDA	Type Depositor Account
5601A	Account 1 Deposit Amount
5601B	Account 1 Routing Number
5601C	Account 1 Type Deposit Code
5601D	Account 1 Account Number

Form 1040	Field Name
5602A	Account 2 Deposit Amount
5602B	Account 2 Routing Number
5602C	Account 2 Type Deposit Code
5602D	Account 2 Account Number
5603A	Account 3 Deposit Amount
5603B	Account 3 Routing Number
5603C	Account 3 Type Deposit Code
5603D	Account 3 Account Number
	Section 56 Not Present

3.12.3.14.2.2
(01-01-2017)
Invalid Conditions (EC 137)

- (1) **Error Code 137** generates when Section 06 and/or Section 56 is present, and **any** of the following exist:
- The first two positions of the Routing Number (Fields 06RTN, 5601B, 5602B, and 5603B) are not 01-12 or 21-32.
 - The first eight positions of the Routing Number, when passed through a mathematical procedure, do not match the ninth position of the RTN.
 - The RTN is not present on the file of valid RTNs that the IRS receives from Financial Management Services (FMS).

3.12.3.14.2.3
(01-01-2017)
General Information (EC 137)

- (1) TY06 and later - The taxpayer may get their refund directly deposited into one account using the direct deposit information on the return or get their refund directly deposited in up to three accounts using Form 8888.
- (2) Direct Deposit is allowed only on returns where the direct deposit information is complete and unaltered (unless it can be substantiated by the presence of a voided check from the taxpayer). A letter is generated for returns containing incomplete information. This letter explains to the taxpayer that their request for direct deposit was rejected and that a refund check will be mailed to them. This letter should not be sent if it is obvious the taxpayer made no entries in the direct deposit area of the return.
- (3) Altering of the direct deposit information after completion of the return by the taxpayer has caused great concern. There is no way to determine who altered the information. For that reason, if the direct deposit information has been **altered** in any way, such as whited out, marked through, written over, or is illegible, then the altered information must be deleted **from the fields** to force generation of the letter mentioned previously. There should be no exceptions to this unless the information can be substantiated by the presence of a voided check from the taxpayer.

Note: Do **not** DLSEC 06/56. Section 06 or 56 must be present for the system to generate a letter to the taxpayer regarding direct deposit information.

3.12.3.14.2.4
(11-27-2020)
**Correction Procedures
(EC 137)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields. If the only entry in Section 06 is a check in either the Checking or Savings box, enter **C** in the Clear Field.
- (2) DLSEC 06/56 if the Direct Deposit Information is:
 - a. filled with all X's.
 - b. blank or contains all alphas
- (3) If any entry in line 35b or 35d (TY19, line 21b or 21d; TY18, line 20b or 20d; TY17, line 76b or 76d, Form 1040; line 48b or 48d, Form 1040A; line 13b or 13d, Form 1040EZ) or line 1b or 1d, line 2b or 2d, or line 3b or 3d of Form 8888 has been **altered**, delete the entry in Field 06RTN and 06DAN and 5601B and 5601D and 5602B and 5602D and 5603B and 5603D. Do **not** DLSEC 06 or 56.

Note: Consider the entries as **altered** when any direct deposit information has been whited out, marked through, written over or is illegible.

Exception: Allow direct deposit if a voided check is attached and the name matches the name on the return. Enter all applicable data for the section.

- (4) Use the following table to correct the Error Code:

If Field 06RTN / 5601B / 5602B / 5603B is...	And...	Then...
A] Blank,		Enter C in the Clear Field. Exception: If the taxpayer made no entries in the direct deposit section of the return, DLSEC 06/56.
B] Present,	The RTN is correct as transcribed,	Enter C in the Clear Field.

3.12.3.14.3
(01-01-2017)
**Error Code 138 (CE)
Direct Deposit**

- (1) Error Code 138 instructions follow.

3.12.3.14.3.1
(11-27-2020)
**Fields Displayed, Form
1040 (EC 138)**

- (1) This table shows the fields displayed.

Form 1040	Field Name
CL	Clear Code
06DAN	Deposit Account Number

Form 1040	Field Name
06TDA	Type Depositor Account
5601A	Account 1 Deposit Amount
5601B	Account 1 Routing Number
5601C	Account 1 Type Deposit Code
5601D	Account 1 Account Number
5602A	Account 2 Deposit Amount
5602B	Account 2 Routing Number
5602C	Account 2 Type Deposit Code
5602D	Account 2 Account Number
5603A	Account 3 Deposit Amount
5603B	Account 3 Routing Number
5603C	Account 3 Type Deposit Code
5603D	Account 3 Account Number
	Section 56 Not Present

3.12.3.14.3.2
(01-01-2017)
Invalid Condition (EC 138)

- (1) **Error Code 138** generates when Section 06 and/or Section 56 is present, and **any** of the following exist:
- The Depositor Account Number (Fields 06DAN, 5601D, 5602D, and 5603D) contains other than alphas, numerics, hyphens and spaces, or a non-blank character follows a space.
 - The Type Depositor Account Code (Fields 06TDA, 5601C, 5602C, and 5603C) is other than C or S.
 - The Depositor Account Number (Fields 06DAN, 5601D, 5602D, and 5603D) contains all zeros and/or blanks.

3.12.3.14.3.3
(01-01-2017)
General Information (EC 138)

- (1) TY06 and later - The taxpayer may have their refund directly deposited into one account by using the direct deposit information on the return or have their refund directly deposited in up to three accounts by using Form 8888.
- (2) Direct deposit is allowed only on returns with complete and unaltered direct deposit information unless the alteration is consistent with a voided check from the taxpayer. A letter is generated for returns with incomplete information. This letter explains to the taxpayers that their request for direct deposit was rejected and that a refund check will be mailed to them. This letter should not be sent if it is obvious the taxpayer made no entries in the direct deposit area of the return.
- (3) Altering of the direct deposit information has caused great concern because there is no way to determine who altered the information. For that reason if the direct deposit information has been **altered** in any way, such as whited out, marked through, written over, or is illegible, then the direct deposit information must be deleted to force generation of the letter mentioned previously. There

may be no exception to this procedure unless the altered information is consistent with a voided check from the taxpayer.

3.12.3.14.3.4
(11-27-2020)

**Correction Procedures
(EC 138)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If any entry in line 35b or 35d (TY19, line 21b or 21d; TY18, line 20b or 20d; TY17, line 76b or 76d, Form 1040; line 48b or 48d, Form 1040A; line 13b or 13d, Form 1040EZ) or line 1b or 1d, line 2b or 2d, or line 3b or 3d of Form 8888 has been **altered**, delete the entry in Field 06RTN and 06DAN/5601B and 5601D and/or 5602B and 5602D and/or 5603B and 5603D.

Exception: Allow direct deposit if a voided check is attached and the name matches the name on the return. Enter all applicable data for the section.

- (3) Use the following table to correct the error code:

If the taxpayer...	Then...
A] Includes spaces, quotation marks, or apostrophes in the Fields 06DAN, 5601D, 5602D, or 5603D,	<ol style="list-style-type: none"> 1. Delete spaces, quotation marks, or apostrophes. 2. Adjust remaining digits to the left.
B] Checked neither box or checked both boxes for "Type of Account",	Enter C in Fields 06TDA, 5601C, 5602C, or 5603C.

- (4) Enter **C** in the Clear Field when no corrections are necessary. If the Direct Deposit Information section of the return is filled with all X's, DLSEC Section 06/56.

3.12.3.14.4
(01-01-2017)

**Error Code 139 (CE)
Direct Deposit**

- (1) Error Code 139 instructions follow.

3.12.3.14.4.1
(11-27-2020)

**Fields Displayed, Form
1040 (EC 139)**

- (1) (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
06RTN	Routing and Transit Number
06DAN	Depositor Account Number
06TDA	Type Depositor Account
5601A	Account 1 Deposit Amount
5601B	Account 1 Routing Number
5601C	Account 1 Type Deposit Code

1040	Field Name
5601D	Account 1 Account Number
5602A	Account 2 Deposit Amount
5602B	Account 2 Routing Number
5602C	Account 2 Type Deposit Code
5602D	Account 2 Account Number
5603A	Account 3 Deposit Amount
5603B	Account 3 Routing Number
5603C	Account 3 Type Deposit Code
5603D	Account 3 Account Number

3.12.3.14.4.2
(01-01-2017)
Invalid Condition (EC 139)

- (1) Error Code 139 generates when the Computer Condition Code “**G**” is not present, Refund Indicator is not significant, Section 56 is present, and a Deposit Amount is not present, but its corresponding Routing and Transit Number is present.

3.12.3.14.4.3
(01-01-2017)
Correction Procedures (EC 139)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If any of the Routing and Transit Numbers are present and the Deposit Amount is blank, enter **C** in the Clear Field.

3.12.3.14.5
(01-01-2017)
**Error Code 142 (CE)
Sections 06 and 56 Both Present**

- (1) Error Code 142 instructions follow.

3.12.3.14.5.1
(01-01-2023)
Fields Displayed, Form 1040 (EC 142)

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01RPC	Return Processing Code
01CCC	Computer Condition Code
06RTN	Routing and Transit Number
06DAN	Deposit Account Number
06TDA	Type Depositor Account
5601A	Account 1 Deposit Amount

1040	Field Name
5601B	Account 1 Routing Number
5601C	Account 1 Type Deposit Code
5601D	Account 1 Account Number
5602A	Account 2 Deposit Amount
5602B	Account 2 Routing Number
5602C	Account 2 Type Deposit Code
5602D	Account 2 Account Number
5603A	Account 3 Deposit Amount
5603B	Account 3 Routing Number
5603C	Account 3 Type Deposit Code
5603D	Account 3 Account Number
5604	Bond Purchase 1 Amount
5605A	Bond Purchase 2 Amount
5605B	Bond Owner 2
5605C	Co-owner -Beneficiary 2
56BD2	Beneficiary Indicator 2
5606A	Bond Purchase 3 Amount
5606B	Bond Owner 3
5606C	Co-owner -Beneficiary 3
56BD3	Beneficiary Indicator 3
5607	Paper Check Refund Amount

3.12.3.14.5.2
(01-01-2017)
Invalid Conditions (EC 142)

(1) **Error Code 142** generates when **all** of the following exist:

- a. Section 06 is present.
- b. Section 56 is present.
- c. Computer Condition Code G is not present.

Note: The taxpayer may use Section 06 or Section 56 for direct deposit, not both.

3.12.3.14.5.3
(01-01-2017)
Correction Procedures (EC 142)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) DLSEC Section 06.

3.12.3.14.6
(01-01-2017)

**Error Code 144 (CE)
Direct Deposit-Injured
Spouse**

- (1) Error Code 144 instructions follow.

3.12.3.14.6.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 144)**

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01CCC	Computer Condition Code
5601A	Account 1 Deposit Amount
5601B	Account 1 Routing Number
5601C	Account 1 Type Deposit Code
5601D	Account 1 Account Number
5602A	Account 2 Deposit Amount
5602B	Account 2 Routing Number
5602C	Account 2 Type Deposit Code
5602D	Account 2 Account Number
5603A	Account 3 Deposit Amount
5603B	Account 3 Routing Number
5603C	Account 3 Type Deposit Code
5603D	Account 3 Account Number

3.12.3.14.6.2
(01-01-2017)

**Invalid Conditions (EC
144)**

- (1) **Error Code 144** generates when **all** of the following exist:
- Doc Code is 11.
 - Block Series is 920 through 929.
 - Section 56 is present.
 - Computer Condition Code G is not present.

3.12.3.14.6.3
(01-01-2017)

**Correction Procedures
(EC 144)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If no corrections are necessary enter **C** in the Clear Field.

3.12.3.14.7
(01-01-2017)

**Error Code 145 (CE)
Savings Bond**

- (1) Error Code 145 instructions follow.

3.12.3.14.7.1
(11-27-2020)

**Fields Displayed, Form
1040 (EC 145)**

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
5604	Bond Purchase 1 Amount
5605A	Bond Purchase 2 Amount
5605B	Bond Owner 2
5605C	Co-owner Beneficiary 2
56BD2	Beneficiary Indicator 2
5606A	Bond Purchase 3 Amount
5606B	Bond Owner 3
5606C	Co-owner Beneficiary 3
56BD3	Beneficiary Indicator 3
5607	Paper Check Refund Amount

3.12.3.14.7.2
(01-01-2017)

**Invalid Conditions (EC
145)**

- (1) **Error Code 145** generates for Tax Period 201012 and later when Section 56 is present, CCC G is not present and **any** of the following exist:
- The sum of Bond Purchase 1, 2, and 3 Amount exceeds \$5,000.
 - An ampersand (&) or the word **and** is present, with a space before and after, in the Bond Owner 2 or 3 Name, or the Co-owner - Beneficiary 2 or 3 Name.
 - A 1 is present in the Beneficiary Indicator 2, and Names are not present in Bond Owner 2 or Co-owner - Beneficiary 2.
 - A 1 is present in the Beneficiary Indicator 3, and Names are not present in Bond Owner 3 or Co-owner - Beneficiary 3.
 - FSC is 2 and:
 - Co-owner - Beneficiary 2 Name is present, and Bond Owner 2 name is not present.
 - Co-owner - Beneficiary 3 Name is present, and Bond Owner 3 name is not present.
 - A Name is present for Bond Owner 2/Co-owner - Beneficiary 2, and Bond Purchase 2 Amount is not present.
 - A Name is present for Bond Owner 3/Co-owner - Beneficiary 3, and Bond Purchase 3 Amount is not present.

3.12.3.14.7.3
(01-01-2017)

**Correction Procedures
(EC 145)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If no corrections are necessary, enter **C** in the Clear Field.

3.12.3.14.8 (1) Error Code 146 instructions follow.
(01-01-2017)

Error Code 146 (CE)
Direct Deposit Does Not
Equal Balance
Due/Refund

3.12.3.14.8.1 (1) This table shows the fields displayed.
(01-01-2023)

Fields Displayed, Form
1040 (EC 146)

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01RPC	Return Processing Code
5601A	Account 1 Deposit Amount
5602A	Account 2 Deposit Amount
5603A	Account 3 Deposit Amount
03BDR>	Balance Due/Refund Taxpayer Computer
5608>	Total Refund Computer

3.12.3.14.8.2 (1) Error Code 146 generates when the Total Direct Deposit amount from Form
(01-01-2017) 8888 does not equal the taxpayer's Balance Due/Refund.

Invalid Conditions (EC
146)

3.12.3.14.8.3 (1) Correct coding and transcription errors and misplaced entries in displayed
(01-01-2017) fields.

Correction Procedures
(EC 146)

(2) If no corrections are necessary, enter **C** in the Clear Field.

3.12.3.15 (1) Reserved.
(01-01-2017)

Error Code 157 -
Reserved

3.12.3.16 (1) Instructions for Error Codes 158 to 159 follow.
(01-01-2017)

Error Code 158-159

3.12.3.16.1 (1) Error Code 158 instructions follow.
(01-01-2017)

Error Code 158 (CE)
Form 8853 SSN Missing

3.12.3.16.1.1
(01-01-2017)
**Fields Displayed, Form
1040 (EC 158)**

- (1) This table shows the fields displayed.

1040	Field Name
01PS	Primary SSN
01SS	Secondary SSN
39MSS	Form 8853 MSA SSN

3.12.3.16.1.2
(01-01-2017)
**Invalid Conditions (EC
158)**

- (1) **Error Code 158** generates when Section 39 is present, and Field 39MSS is blank.

3.12.3.16.1.3
(04-25-2022)
**Correction Procedures
(EC 158)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Field 39MSS must have an entry if the taxpayer is reporting MSA information (page 1, Form 8853). If Field 39MSS is blank, follow procedures in paragraphs (3) through (6) below.
- (3) If blank, enter the same SSN from Field 01PS into Field 39MSS, on **other than joint returns**, for MSA cases.
- (4) Enter the same SSN from Field 01PS into Field 39MSS for **joint returns** when Form 8853 information suggests the MSA is for the primary taxpayer (e.g., the only MSA name on Form 8853 is the primary's name).
- (5) Take the following action for **joint returns** when Form 8853 information suggests the MSA is for the secondary taxpayer (e.g., the only MSA name on Form 8853 is the secondary's name):
- Enter the same SSN from Field 01SS into Field 39MSS when Field 01SS is present.
 - Research from available information for the missing SSN using CC INOLE, NAMEI, NAMES, IMFOL, and/or ENMOD when Field 01SS is not present. SSPND 211 if an SSN is not available through research. SSPND 320 to have Entity Control assign a temporary TIN (IRSN) if No Reply.
- Note:** If IDRS research is not available, SSPND 351.
- (6) SSPND 211 for **joint returns** if Form 8853 information does not reveal which taxpayer has the MSA (e.g., both or no names on Form 8853). If no reply, enter the same SSN from Field 01PS into Field 39MSS if No Reply.

3.12.3.16.2
(01-01-2017)
**Error Code 159 (CE)
Form 8853 SSN Not
Equal to
Primary/Secondary SSN**

- (1) Error Code 159 instructions follow.

3.12.3.16.2.1
(01-01-2017)

Fields Displayed, Form 1040 (EC 159)

- (1) This table shows the fields displayed.

1040	Field Name
01PS	Primary SSN
01SS	Secondary SSN
39MSS	Form 8853 MSA SSN

3.12.3.16.2.2
(01-01-2017)

Invalid Conditions (EC 159)

- (1) **Error Code 159** generates when Section 39 is present, and Field 39MSS is present, but is not equal to the Primary SSN (Field 01PS) or the Secondary SSN (Field 01SS).

3.12.3.16.2.3
(01-01-2017)

Correction Procedures (EC 159)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

Note: A primary SSN with transposed digits may be automatically corrected by the Auto-TIN program, and may seem to be a transcription error at first glance. If the primary SSN appears to be transcribed incorrectly but no EC 004/005 generated, research using CC INOLE before correcting any apparent transcription error. If the primary SSN is correct as transcribed, **do not** correct the primary SSN.

- (2) Check through the return and attachments for the proper SSN and enter in Field 39MSS.
- (3) Enter the same SSN from Field 01PS into Field 39MSS, for **other than joint returns**, if Form 8853 information reveals a different SSN in Field 39MSS than in Field 01PS.
- (4) Enter the same SSN from Field 01PS into Field 39MSS for **joint returns** if Form 8853 information suggests the MSA is for the primary taxpayer (e.g., the only MSA name on Form 8853 is the primary's name), but the Primary SSN (Field 01PS) differs from Field 39MSS, and it can be determined Field 39MSS was not the spouse's SSN (e.g., a transposed number entered by the taxpayer in Field 39MSS).
- (5) Take the following action on **joint returns** if Form 8853 information suggests the MSA is for the secondary taxpayer (e.g., the only MSA name on Form 8853 is the secondary's name):
- Check through the return and attachments for the spouse's SSN when **Field 01SS is not present**. Enter the same SSN from Field 39MSS into Field 01SS if not found.
 - Research from available information for the spouse's correct SSN using CC NAMEI, NAMES, INOLE, IMFOL or ENMOD when **Field 01SS is present** but the Secondary SSN (Field 01SS) differs from Field 39MSS, and it can be determined Field 39MSS was not the primary's SSN (e.g., a transposed number entered by the taxpayer in Field 39MSS), and the correct SSN cannot be determined from attachments.
 - Enter the same SSN from Field 01SS into Field 39MSS when IDRS is not available or if the correct SSN cannot be identified from research.

- (6) Enter the same SSN from Field 01PS into Field 39MSS on **joint returns** if Form 8853 information does not reveal which taxpayer has the MSA (e.g., both or no names on Form 8853).

Exception: Enter the Field 01SS into Field 39MSS if it can be determined the taxpayer provided a transposed SSN in Field 39MSS representing the spouse's SSN.

3.12.3.17
(01-01-2017)
Error Codes 160-168

- (1) Instructions for Error Codes 160 to 168 follow.

3.12.3.17.1
(01-01-2017)
**Error Code 160 (CE)
Excludable Savings
Bond Interest and FSC 3
or 6**

- (1) Error Code 160 instructions follow.

3.12.3.17.1.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 160)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
0803	Excludable Savings Bond Interest
08INT	Schedule B Interest
03INT	Taxable Interest

3.12.3.17.1.2
(01-01-2017)
**Invalid Conditions (EC
160)**

- (1) **Error Code 160** generates when **all** of the following exist:
- Section 08 is present.
 - Excludable Savings Bond Interest (Field 0803) is present.
 - Filing Status Code (Field 01FSC) is equal to 3 or 6.

3.12.3.17.1.3
(01-01-2019)
**Correction Procedures
(EC 160)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Delete the amount from Field 0803 and adjust the entry in Fields 03INT and 08INT when there is an amount present on Schedule B for Excludable Savings Bond Interest.

Note: If EC 218 displays, assign **TPNC 117**. Entries in Field 08INT should only be present when certain adjustments to interest are made. See IRM 3.12.2.11.3.1.

3.12.3.17.2
(01-01-2017)

**Error Code 161 (CE)
Schedule H Present
Before 199512 or
“Loose”**

- (1) Error Code 161 instructions follow.

3.12.3.17.2.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 161)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01RPC	Return Processing Code
03TOT	Total Income Amount
>>>>	Total Income Amount Computer
	Section 44 Present
	Section 45 Present

3.12.3.17.2.2
(01-01-2017)

**Invalid Condition (EC
161)**

- (1) **Error Code 161** generates when **either** of the following exists:
- RPC Y is present, and Section 44 is not present, and Section 45 is not present.
 - RPC Y is present, and Total Income Computer is present.

3.12.3.17.2.3
(01-01-2017)

**Correction Procedures
(EC 161)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Delete **Y** from Field 01RPC when the tax period is prior to 199512.
- (3) Use the following table when the return is **199512 and later** [RPC Y should only be present for a “loose” Schedule H return (i.e., with a Dummy 1040)]:

If...	Then...
A] Schedule H is not found,	Delete Y from Field 01RPC.
B] Total Income Computer is present,	Delete Y from Field 01RPC, as appropriate.

3.12.3.17.3
(01-01-2023)

**Error Code 162 (CE)
Schedule H Social
Security and Medicare
Wages Different or
Under \$2,600**

- (1) Error Code 162 instructions follow.

3.12.3.17.3.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 162)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
4401A	Total Social Security Wages
4401B	Qualified Sick and Family Wages
4403	Total Medicare Wages
4408C	Non-Refundable Portion of Sick and Family Leave Amount After 3/31/21
4408F	Refundable Portion of Sick and Family Wages Amount After 3/31/21
4501A	Total Social Security Wages
4501B	Qualified Sick and Family Wages
4503	Total Medicare Wages
4508C	Non-Refundable Portion of Sick and Family Leave Amount After 3/31/21
4508F	Refundable Portion of Sick and Family Wages Amount After 3/31/21

3.12.3.17.3.2
(06-04-2021)

**Invalid Condition (EC
162)**

- (1) **Error Code 162** generates when **one** of the following exist:
- Section 44 or 45 Total Social Security Wages (line 1a) or Total Medicare Wages (line 3) is present and is less than \$2,600 (TY22. \$2,400; TY21, \$2,300).
 - Section 44 or 45 Total Social Security Wages (line 1a) is greater than
 - Section 44 or 45 Qualified Sick and Family Wages (line 1b) is greater than Total Social Security Wages (line 1a).

#

3.12.3.17.3.3
(06-04-2021)

**Correction Procedures
(EC 162)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

- (2) Compare the Social Security Wages (TY23-TY20, line 1a) and Total Medicare Wages (line 3) from Schedule H and take the following action:

If Schedule H...	And...	Then...
A] lines 1a and 3 are less than: 1. \$2,600 for TY23 2. \$2,400 for TY22 3. \$2,300 for TY21		1. Delete the entry in Field 4401A, 4401B, and 4403. 2. If EC 322 displays, assign TPNC 279 .
B] line 1a is blank,	line 2a has an entry,	1. Divide the line 2 amount by 0.124 (12.4 percent). 2. Enter the result in Field 4401A.
C] TY20 and later, line 1b is blank,	line 2b has an entry,	1. Divide the line 2 amount by 0.062 (6.2 percent). 2. Enter the result in Field 4401B.
D] line 3 is blank,	line 4 has an entry,	1. Divide the line 4 amount by 0.029 (2.9 percent). 2. Enter the result in Field 4403.
E] line 1a is greater than line 3,	you can determine the correct amount for each line,	Enter the correct amount in Field 4401A and 4403.
F] line 1a is greater than line 3,	you cannot determine the correct amount for each line,	1. Increase Field 4403 so that it is equal to the amount in Field 4401A. 2. If EC 322 displays, assign TPNC 278 .
G] TY20 and later, line 1b is greater than line 1a,	the amount on line 1a is \$2,600 (TY22, \$2,400; TY21, \$2,300) or more,	1. Decrease Field 4401B so that it is equal to the amount in Field 4401A. 2. If EC 322 displays, assign TPNC 278 .

Note: Employers are instructed to **not** report an amount of less than \$2,600 (TY22, \$2,400; TY21, \$2,300) on lines 1a and 3 of Schedule H.

3.12.3.17.3.4
(01-01-2019)
Prior Year (EC 162)

- (1) If the taxpayer reports wages on line 1a (TY19 and prior, line 1) and 3 of Schedule H less than the minimum wages for the tax year in the table below, delete the entry in Field 4401A and 4403.

Tax year	Minimum wages
2022	\$2,400
2021	\$2,300
2020	\$2,200
2019, 2018	\$2,100
2017, 2016	\$2,000
2015, 2014	\$1,900
2013, 2012	\$1,800
2011, 2010, 2009	\$1,700
2008	\$1,600
2007, 2006	\$1,500
2005, 2004, 2003	\$1,400
2002, 2001	\$1,300
2000	\$1,200
1999, 1998	\$1,100
1997, 1996, 1995	\$1,000

- (2) ERS programming will use \$2,300 as the minimum wage amount. If the return is TY20 and prior and the amount is above the minimum for the tax year, GTSEC 44 and enter the taxpayer's line 8, Schedule H net taxes amount in Field 44NFV.
- (3) If EC 322 displays, assign **TPNC 279**.

3.12.3.17.4
(01-01-2017)
Error Code 164 (CE)
Schedule H Primary SSN
or EIN Equal to
Schedule H Secondary
SSN or EIN

- (1) Error Code 164 instructions follow.

3.12.3.17.4.1
(01-01-2023)
Fields Displayed, Form
1040 (EC 164)

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period

1040	Field Name
01PS	Primary SSN
01SS	Secondary SSN
44SSN	Schedule H Primary SSN
44EIN	Schedule H Primary EIN
45SSN	Schedule H Secondary SSN
45EIN	Schedule H Secondary EIN

3.12.3.17.4.2
(01-01-2017)
Invalid Condition (EC 164)

- (1) **Error Code 164** generates when Section 44 and 45 are present and **either** of the following exist:
- Section 44 SSN is equal to Section 45 SSN.
 - Section 44 EIN is equal to Section 45 EIN.

3.12.3.17.4.3
(04-25-2022)
Correction Procedures (EC 164)

- Correct coding and transcription errors and misplaced entries in displayed fields.
- Search the return and/or attachments for the Schedule H SSN or EIN.
- If both Schedules H are for the same employer, combine the two schedules into one Schedule H.

Note: If either of the combined Schedule H uses "Section B", Part II, adjust the FUTA Indicator, FUTA Contributions Paid, FUTA Total Tentative Credit, Total FUTA Wages, and FUTA Tax as appropriate.

- If both Schedules H are for different employers**, check through the return and attachments for another SSN and/or EIN. If found, enter in appropriate field. If another SSN or EIN cannot be located on the return, research using CC INOLE, NAMEI, NAMES, IMFOL, ENMOD, NAMEB, and NAMEE. If IDRS is not available, SSPND 351.

 - If no SSN is found, SSPND 211. If No Reply, SSPND 320 to have Entity Control assign a temporary TIN (IRSN).
 - If no EIN is found, SSPND 320 to Entity for assignment of an EIN.
- When the SSNs are present for the primary and secondary taxpayer in Section 01, and no determination can be made as to which taxpayer the Schedule H applies, SSPND 211 for clarification.

Reminder: On a joint return, Section 44 must be for the primary taxpayer and Section 45 must be for the secondary taxpayer. If Section 45 is present, Field 01SS must contain the valid Secondary SSN.

3.12.3.17.5
(01-01-2017)

(1) Error Code 165 instructions follow.

Error Code 165 (CE)
Schedule H Secondary
SSN Not Equal to
Secondary SSN

3.12.3.17.5.1
(01-01-2024)

(1) This table shows the fields displayed.

Fields Displayed, Form
1040 (EC 165)

1040	Field Name
01PS	Primary SSN
01SS	Secondary SSN
44NC	Schedule H Name Control, Primary
44SSN	Schedule H SSN, Primary
44EIN	Schedule H EIN, Primary
4401A	Total Social Security Wages
4401B	Qualified Sick and Family Wages
4403	Total Medicare Wages
4405	Schedule H Total Cash Wages/Additional Medicare Tax Section 44 Amount
4406	Schedule H Additional Medicare Tax Section 44 Amount
4407	Federal Withholding
4408B	Non-Refundable Credit for Qualified Sick and Family Leave
4408C	Non-Refundable Portion of Sick and Family Leave Amount After 3/31/21
4408D	Total Social Security/Medicare/Federal Taxes
4408E	Refundable Portion of Qualified Sick and Family Wages
4408F	Refundable Portion of Qualified Sick and Family Wages Amount After 3/31/21
44FIN	FUTA Indicator
44SC1	FUTA State Code 1
44SC2	FUTA State Code 2
44FCP	FUTA Contributions Paid
44TFW	Total FUTA Wages
44FTX	FUTA Tax
44TTC	FUTA Total Tentative Credit (line 19)
45NC	Schedule H Name Control, Secondary
45SSN	Schedule H SSN, Secondary

1040	Field Name
45EIN	Schedule H EIN, Secondary
4501A	Total Social Security Wages
4501B	Qualified Sick and Family Wages
4503	Total Medicare Wages
4505	Schedule H Total Cash Wages/Additional Medicare Tax Section 45 Amount
4506	Schedule H Medicare Tax Section 45 Amount
4507	Federal Withholding
4508B	Non-Refundable Credit for Qualified Sick and Family Leave
4508C	Non-Refundable Portion of Sick and Family Leave Amount After 3/31/21
4508D	Total Social Security/Medicare/Federal Taxes
4508E	Refundable Portion of Qualified Sick and Family Wages
4508F	Refundable Portion of Qualified Sick and Family Wages Amount After 3/31/21
45FIN	FUTA Indicator
45SC1	FUTA State Code 1
45SC2	FUTA State Code 2
45FCP	FUTA Contributions Paid
45TFW	Total FUTA Wages
45FTX	FUTA Tax
45TTC	FUTA Total Tentative Credit (line 19)

3.12.3.17.5.2
(01-01-2017)
Invalid Condition (EC 165)

- (1) **Error Code 165** generates when **both** of the following exist:
- Section 45 is present.
 - Schedule H Secondary SSN (Field 45SSN) is present and does not equal Secondary SSN (Field 01SS).

3.12.3.17.5.3
(04-25-2022)
Correction Procedures (EC 165)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If the Name of employer matches the name of the secondary taxpayer, EC 010 or EC 012 displayed previously, and Field 01SS was changed, correct Field 45SSN to match Field 01SS.
- (3) Search the return and/or attachments for the correct Schedule H SSN when two Schedules H are present.

- (4) If the correct Schedules H SSNs are not found on the return or attachments, research using CC INOLE, NAMEI, NAMES, IMFOL, and ENMOD. Take the following action:

If Schedule H SSN (Field 45SSN) is...	Then...
A] Reversed with Section 44,	<ol style="list-style-type: none"> 1. DLSEC 44 (the current Section 45 will convert to Section 44). 2. GTSEC 45. 3. Enter all data fields for the secondary taxpayer's Schedule H into Section 45.
B] Found,	Overlay Field 45SSN with the correct SSN.
C] Not found,	SSPND 211 (if No Reply, SSPND 320 to Entity).

- (5) When the SSNs are present for the primary and secondary taxpayer in Section 01, and no determination can be made as to which taxpayer the Schedule H applies, SSPND 211 for clarification.

Reminder: On a joint return, Section 44 must be for the primary taxpayer and Section 45 must be for the secondary taxpayer. If Section 45 is present, Field 01SS must contain the valid Secondary SSN.

3.12.3.17.6
(01-01-2017)

**Error Code 166 (CE)
Schedule H SSN Missing**

- (1) Error Code 166 instructions follow.

3.12.3.17.6.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 166)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01PS	Primary SSN
01SS	Secondary SSN
45SSN	Schedule H SSN, Secondary

3.12.3.17.6.2
(01-01-2017)

**Invalid Condition (EC
166)**

- (1) **Error Code 166** generates when **both** of the following exist:
- a. Section 45 is present.
 - b. Schedule H Secondary SSN (Field 45SSN) is not present.

3.12.3.17.6.3
(04-25-2022)

**Correction Procedures
(EC 166)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Search the return and/or attachments for the correct SSN.
- (3) If the correct SSN is not found on the return or attachments, research CC INOLE, NAMEI, NAMES, IMFOL, and ENMOD. Take the following action:

If Schedule H is for the...	And Secondary SSN is...	Then...
A] Primary taxpayer (i.e., primary taxpayer name on the form),		Enter the Primary SSN from Field 01PS in Field 45SSN.
B] Secondary taxpayer (i.e., secondary taxpayer name on the form),	Found,	Overlay Field 45SSN with correct SSN.
C] Secondary taxpayer (i.e., secondary taxpayer name on the form),	Not Found,	SSPND 211 (if No Reply, SSPND 320 to Entity).

- (4) When the SSNs are present for the primary and secondary taxpayer in Section 01, and no determination can be made as to which taxpayer the Schedule H applies, SSPND 211 for clarification.

Reminder: On a joint return, Section 44 must be for the primary taxpayer and Section 45 must be for the secondary taxpayer. If Section 45 is present, Field 01SS must contain the valid Secondary SSN.

3.12.3.17.7
(01-01-2017)

**Error Code 167 (CE)
Filing Status Code and
Section 45**

- (1) Error Code 167 instructions follow.

3.12.3.17.7.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 167)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01PS	Primary SSN
01SS	Secondary SSN
45SSN	Schedule H SSN, Secondary

3.12.3.17.7.2
(01-01-2017)
Invalid Condition (EC 167)

- (1) **Error Code 167** generates when **both** of the following exist:
- Section 45 is present.
 - Filing Status Code is not 2.

3.12.3.17.7.3
(01-01-2017)
Correction Procedures (EC 167)

- Correct coding and transcription errors and misplaced entries in displayed fields.
- Search the return and/or attachments for the correct SSN.
- If the correct SSN is not found on the return or attachments, research using CC INOLE, NAMEI, NAMES, IMFOL, and ENMOD. Overlay any incorrect data.
- Correct Field 45SSN when no correction is necessary to Field 01PS by overlaying the SSN from Field 01PS. The computer will then accept Schedule H as Section 44.

3.12.3.17.8
(01-01-2017)
**Error Code 168 (CE)
Schedule H Primary SSN
Not Equal to Primary
SSN**

- (1) Error Code 168 instructions follow.

3.12.3.17.8.1
(01-01-2024)
Fields Displayed, Form 1040 (EC 168)

- (1) This table shows the fields displayed.

1040	Field Name
01PS	Primary SSN
44NC	Schedule H Name Control, Primary
44SSN	Schedule H SSN, Primary
44EIN	Schedule H EIN, Primary
4401A	Total Social Security Wages
4401B	Qualified Sick and Family Wages
4403	Total Medicare Wages
4405	Schedule H Total cash Wages/Additional Medicare Tax Section 44 Amount
4406	Schedule H Additional Medicare Tax Section 44 Amount
4407	Federal Withholding
4408B	Non-Refundable Credit for Qualified Sick and Family Leave
4408C	Non-Refundable Portion of Sick and Family Leave Amount After 3/31/21
4408D	Total Social Security/Medicare/Federal Taxes
4408E	Refundable Portion of Qualified Sick and Family Wages
4408F	Refundable Portion of Qualified Sick and Family Wages Amount After 3/31/21

1040	Field Name
44FIN	FUTA Indicator
44SC1	FUTA State Code 1
44SC2	FUTA State Code 2
44FCP	FUTA Contributions Paid
44TFW	Total FUTA Wages
44FTX	FUTA Tax
44TTC	FUTA Total Tentative Credit (line 19)
01SS	Secondary SSN
45NC	Schedule H Name Control, Secondary
45SSN	Schedule H SSN, Secondary
45EIN	Schedule H EIN, Secondary
4501A	Total Social Security Wages
4501B	Qualified Sick and Family Wages
4503	Total Medicare Wages
4505	Schedule H Total Cash Wages/Additional Medicare Tax Section 45 Amount
4506	Schedule Additional Medicare Tax Section 45 Amount
4507	Federal Withholding
4508B	Non-Refundable Credit for Qualified Sick and Family Leave
4508C	Non-Refundable Portion of Sick and Family Leave Amount After 3/31/21
4508D	Total Social Security/Medicare/Federal Taxes
4508E	Refundable Portion of Qualified Sick and Family Wages
4508F	Refundable Portion of Qualified Sick and Family Wages Amount After 3/31/21
45FIN	FUTA Indicator
45SC1	FUTA State Code 1
45SC2	FUTA State Code 2
45FCP	FUTA Contributions Paid
45TFW	Total FUTA Wages
45FTX	FUTA Tax
45TTC	FUTA Total Tentative Credit (line 19)

3.12.3.17.8.2
(01-01-2017)
Invalid Condition (EC 168)

- (1) **Error Code 168** generates when **both** of the following exist:
- Sections 44 and 45 are present.
 - Section 44 SSN (Field 44SSN) does not equal Primary SSN (Field 01PS).

3.12.3.17.8.3
(01-01-2017)
Correction Procedures (EC 168)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

Note: A Primary SSN with transposed digits may be automatically corrected by the Auto-TIN program and may seem to be a transcription error at first glance. If the Primary SSN appears to be transcribed incorrectly but no EC 004/005 generated, research using CC INOLE before correcting any transcription error. If the Primary SSN is correct as transcribed, **do not** correct the Primary SSN.

- (2) Verify from the return and/or attachments that the correct Primary SSN was transcribed.
- (3) If the correct Primary SSN is not found on the return or attachments, research using CC INOLE, NAMEI, NAMES, ENMOD, and IMFOL. Overlay any incorrect data.

3.12.3.18
(01-01-2017)
Error Codes 170-179

- (1) Instructions for Error Codes 170 to 179 follow.

3.12.3.18.1
(01-01-2017)
**Error Code 170 (CE)
Schedule H EIN NAP Not Accessed**

- (1) Error Code 170 information follows.

3.12.3.18.1.1
(01-01-2017)
Fields Displayed, Form 1040 (EC 170)

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
44NC	Schedule H Name Control, Primary
>>>>	Schedule H NAP Name Control, Primary
44EIN	Schedule H EIN, Primary
44NAP>	Schedule H NAP Access Indicator, Primary
44RES>	Schedule H NAP Response Indicator, Primary
44SSN	Schedule H SSN, Primary
45NC	Schedule H Name Control, Secondary
>>>>	Schedule H NAP Name Control, Secondary
45EIN	Schedule H EIN, Secondary

1040	Field Name
45NAP>	Schedule H NAP Access Indicator, Secondary
45RES>	Schedule H NAP Response Indicator, Secondary
45SSN	Schedule H SSN, Secondary
	Section XX Not Present

3.12.3.18.1.2
(01-01-2017)
Invalid Condition (EC 170)

- (1) **Error Code 170** generates when **both** of the following exist:
- Schedule H NAP Access Indicator (Field 44NAP/45NAP) is blank, 0 (zero) or 1.
 - Schedule H NAP Response Indicator (Field 44RES/45RES) is blank.

3.12.3.18.1.3
(01-01-2017)
Correction Procedures (EC 170)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Enter Schedule H Name Control, if blank. Go to the bottom of the screen and transmit.
- (3) When EC 170 redisplay and Fields 44NAP> and 44RES> or Fields 45NAP> and 45RES> are blank, SSPND 800 to temporarily delay processing of the return. The return may be reworked the same day using CC GTRECW if the ERS-NAP linkage is restored; or it may be worked the next day as a regular Suspense record using CC GTREC. Follow local Center procedures.

3.12.3.18.2
(01-01-2017)
**Error Code 172 (CE)
Schedule H EIN NAP
Mismatch**

- (1) Error Code 172 instructions follow.

3.12.3.18.2.1
(01-01-2017)
Fields Displayed, Form 1040 (EC 172)

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
44NC	Schedule H Name Control, Primary
>>>>	Schedule H NAP Name Control, Primary
44EIN	Schedule H EIN, Primary
44NAP>	Schedule H NAP Access Indicator, Primary
44SSN	Schedule H SSN, Primary
45NC	Schedule H Name Control, Secondary
>>>>	Schedule H NAP Name Control, Secondary
45EIN	Schedule H EIN, Secondary

1040	Field Name
45NAP>	Schedule H NAP Access Indicator, Secondary
45SSN	Schedule H SSN, Secondary
	Section XX Not Present

3.12.3.18.2.2
(01-01-2017)
Invalid Condition (EC 172)

- (1) **Error Code 172** generates when the Schedule H NAP Access Indicator (Field 44NAP/ 45NAP) is 2 or 3.

3.12.3.18.2.3
(01-01-2017)
Correction Procedures (EC 172)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Enter Schedule H Name Control when Field 44NC/45NC is blank. Go to the bottom of the screen and transmit.
- (3) Enter **C** in the Clear Field if the Name Control matches any NAP Name Control.
- (4) If a Schedule H NAP Access Indicator is **2**, the EIN does not exist at NAP. Research using CC INOLE, NAMEB, NAMEE, ENMOD, and RTVUE (for previous years) for correct EIN. Take the following action:

If research finds...	Then...
A] A different EIN,	Correct Field 44EIN/45EIN.
B] That the filer does not have an EIN on Master File,	SSPND 320 to Entity.

- (5) If a Schedule H NAP Access Indicator is **3**, the Schedule H Name Control does not match the NAP Name Control. Research using CC INOLE, NAMEB, NAMEE, ENMOD, and RTVUE (for previous years) for correct EIN. Take the following action:

If research finds...	Then...
A] The name control matches a BMF NAP name control,	Enter C in the Clear Field.
B] A different EIN,	Correct Field 44EIN/45EIN.
C] The Schedule H filer shown on the BMF name line on INOLE, (e.g., John Smith on the Schedule H, but the name control underprint is Jones, and INOLE shows Mary Jones & John Smith),	<ol style="list-style-type: none"> 1. Correct Field 44NC/45NC to the established BMF name control. 2. Correct Field 44SSN/ 45SSN, as appropriate.

If research finds...	Then...
D] That the spouse on a joint return (not listed on the Schedule H) has the established EIN and the Schedule H filer does not,	1. Correct Field 44EIN/45EIN using the established EIN. 2. Correct Field 44NC/45NC and 44SSN/45SSN, as appropriate.
E] That the filer has changed names,	SSPND 320 to Entity for the input of TC013. Exception: If there is a pending TC013 on ENMOD, enter C in the Clear Field.
F] That the filer does not have an EIN on Master File,	SSPND 320 to Entity to have an EIN assigned.

- (6) If the taxpayer is using the EIN and money amounts from their Form W-2, delete Section 44/45 and assign **TPNC 280** if EC 334 displays.

3.12.3.18.3
(01-01-2017)

Error Code 175 (CE)
Schedule H FUTA
Indicator vs. FUTA Total
Tentative Credit

- (1) Error Code 175 instructions follow.

3.12.3.18.3.1
(01-01-2023)

Fields Displayed, Form
1040 (EC 175)

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
44FIN	FUTA Indicator
44TTC	FUTA Total Tentative Credit (line 19)
44TFW	Total FUTA Wages
45FIN	FUTA Indicator
45TTC	FUTA Total Tentative Credit (line 19)
45TFW	Total FUTA Wages

3.12.3.18.3.2
(01-01-2017)

Invalid Condition (EC
175)

- (1) **Error Code 175** generates when **either** of the following exist:
- FUTA Indicator, Field 44FIN/45FIN, is 1 and FUTA Total Tentative Credit, Field 44TTC/45TTC, is blank.
 - FUTA Indicator is **not** 1 and FUTA Total Tentative Credit is present.

3.12.3.18.3.3

(01-01-2017)

**Correction Procedures
(EC 175)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Use the following table to correct the Error Code:

If the FUTA Indicator...	And...	Then...
A] 1 applies if any of the No boxes on line 10, 11, or 12 is checked,	There is no entry or a zero on line 19,	<ol style="list-style-type: none"> 1. Determine line 19, by adding amounts on line 18, columns (g) and (h). 2. Enter the amount in Field 44TTC/45TTC. 3. If line 18, columns (g) and (h) cannot be determined,
B] 1 applies if any of the No boxes on line 10, 11, or 12 is checked,	The taxpayer entered 0 (zero) on line 19 or line 19 is blank and no tentative credit is used,	
C] Blank applies (all Yes boxes on lines 10, 11 and 12 are checked,	line 19 has an entry,	Enter 1 in Field 44FIN.

#

Note: If either of the combined Schedules H uses "Section B", Part II, adjust the FUTA Indicator, FUTA Contributions Paid, FUTA Total Tentative Credit, Total FUTA Wages, and FUTA Tax as appropriate.

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).

3.12.3.18.4

(01-01-2017)

**Error Code 176 (CE)
Schedule H FUTA Total
Tentative Credit vs. Total
FUTA Wages**

- (1) Error Code 176 instructions follow.

3.12.3.18.4.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 176)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
44FIN	FUTA Indicator
44TTC	FUTA Total Tentative Credit (line 19)
44TFW	Total FUTA Wages
45FIN	FUTA Indicator
45TTC	FUTA Total Tentative Credit (line 19)
45TFW	Total FUTA Wages

3.12.3.18.4.2
(01-01-2017)

**Invalid Condition (EC
176)**

- (1) **Error Code 176** generates when **both** of the following exist:
- FUTA Total Tentative Credit (Field 44TTC/45TTC) has an entry.
 - Total FUTA Wages (Field 44TFW/45TFW) is blank.

3.12.3.18.4.3
(04-25-2022)

**Correction Procedures
(EC 176)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Manually compute Total FUTA Wages if Schedule H, line 20, is blank or has entry of zero (0) and line 21 has an entry, by dividing line 21 by .060 (6.0 percent). Enter the computed amount into Field 44TFW/45TFW.
- (3) If lines 20 and 21 of Schedule H are both blank or both lines have an zero (0), SSPND 211 for line 20 amount. **Do not** enter a wage amount from elsewhere on Schedule H.

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3.12.3.18.5
(01-01-2017)

**Error Code 177 (CE)
Schedule H State Codes
Not in Sequence**

- (1) Error Code 177 instructions follow.

3.12.3.18.5.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 177)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period

1040	Field Name
44FIN	FUTA Indicator
44SC1	FUTA State Code 1
44SC2	FUTA State Code 2
44SC3	FUTA State Code 3 (ERS Input Only)
44SC4	FUTA State Code 4 (ERS Input Only)
44SC5	FUTA State Code 5 (ERS Input Only)
45FIN	FUTA Indicator
45SC1	FUTA State Code 1
45SC2	FUTA State Code 2
45SC3	FUTA State Code 3 (ERS Input Only)
45SC4	FUTA State Code 4 (ERS Input Only)
45SC5	FUTA State Code 5 (ERS Input Only)

3.12.3.18.5.2
(01-01-2017)
Invalid Condition (EC 177)

- (1) **Error Code 177** generates when more than one FUTA state code is present, but at least one state code is missing between the first and last reported state codes.

3.12.3.18.5.3
(01-01-2017)
Correction Procedures (EC 177)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Enter State Codes in order. Use the following table as a guide for entering State Codes:

If...	Then...
A] State Code -2 is present,	State Code -1 must also be present.
B] State Code -3 is present,	State Code -1 and -2 must also be present.
C] There is only one State Code,	It belongs in State Code -1 Field.
D] The State Codes are not in sequence,	Must be rearranged so that they are in sequence.

3.12.3.18.6
(01-01-2017)

Error Code 178 (CE)
Schedule H FUTA State
Codes vs. FUTA Total
Tentative Credit

- (1) Error Code 178 instructions follow.

3.12.3.18.6.1
(01-01-2023)

Fields Displayed, Form
1040 (EC 178)

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
44FIN	FUTA Indicator
44SC1	FUTA State Code 1
44SC2	FUTA State Code 2
44TTC	FUTA Total Tentative Credit (line 19)
44TFW	Total FUTA Wages
45FIN	FUTA Indicator
45SC1	FUTA State Code 1
45SC2	FUTA State Code 2
45TTC	FUTA Total Tentative Credit (line 19)
45TFW	Total FUTA Wages

3.12.3.18.6.2
(11-27-2020)

Invalid Condition (EC
178)

- (1) **Error Code 178** generates when the following exist:
- FUTA State Code-1 is present (Field 44SC1/45SC1) **and**
 - FUTA State Code-2 is present (Field 44SC2/45SC2) **and**
 - FUTA Total Tentative Credit is blank (Field 44TTC/45TTC, line 19).

3.12.3.18.6.3
(11-27-2020)

Correction Procedures
(EC 178)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

- (3) Determine the entry for Field 44TTC (line 19) by adding line 18, columns (g)

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#

3.12.3.18.7
(11-27-2020)

Error Code 179 (CE)
Schedule H FUTA State
Codes

- (1) Error Code 179 instructions follow.

3.12.3.18.7.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 179)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
44FIN	FUTA Indicator
44SC1	FUTA State Code 1
44SC2	FUTA State Code 2
44SC3	FUTA State Code 3 (ERS Input Only)
44SC4	FUTA State Code 4 (ERS Input Only)
44SC5	FUTA State Code 5 (ERS Input Only)
44TTC	FUTA Total Tentative Credit (line 19)
44TFW	Total FUTA Wages
45FIN	FUTA Indicator
45SC1	FUTA State Code 1
45SC2	FUTA State Code 2
45SC3	FUTA State Code 3 (ERS Input Only)
45SC4	FUTA State Code 4 (ERS Input Only)
45SC5	FUTA State Code 5 (ERS Input Only)
45TTC	FUTA Total Tentative Credit (line 19)
45TFW	Total FUTA Wages

3.12.3.18.7.2
(01-01-2017)

**Invalid Condition (EC
179)**

- (1) **Error Code 179** generates when at least two of the FUTA State Codes that are present in a section are the same.

3.12.3.18.7.3
(01-01-2017)

**Correction Procedures
(EC 179)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
(2) Delete the second state code if the same state is listed more than once.

3.12.3.19
(01-01-2017)

Error Codes 181-188

- (1) Instructions for Error Codes 181 to 188 follow.

3.12.3.19.1 (1) Error Code 181 instructions follow.
(01-01-2017)

Error Code 181 (CE)
Schedule H FUTA State
Code 1 vs. Total FUTA
Wages

3.12.3.19.1.1 (1) This table shows the fields displayed.
(01-01-2023)

Fields Displayed, Form
1040 (EC 181)

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01C/S	City/State
44FIN	FUTA Indicator
44SC1	FUTA State Code 1
44SC2	FUTA State Code 2
44TTC	FUTA Total Tentative Credit (line 19)
44TFW	Total FUTA Wages
44FTX	FUTA Tax
45FIN	FUTA Indicator
45SC1	FUTA State Code 1
45SC2	FUTA State Code 2
45TTC	FUTA Total Tentative Credit (line 19)
45TFW	Total FUTA Wages
45FTX	FUTA Tax

3.12.3.19.1.2 (1) **Error Code 181** generates when **either** of the following exist:
(01-01-2017)

- a. FUTA State Code 1 is present and is not ZZ, and Total FUTA Wages is not present.
- b. FUTA State Code 1 is **not** present, and Total FUTA Wages is present.

3.12.3.19.1.3 (1) Correct coding and transcription errors and misplaced entries in displayed fields.
(04-25-2022)

(2) Use the following table to resolve this Error Code:

Correction Procedures
(EC 181)

If Field 44TFW...	And...	Then...
A] Has an amount present,	Field 44SC1/45SC1 is blank or incorrect state code,	Enter the state code that corresponds with the taxpayer's address on the front of the Form 1040.
B] Is blank,	44FTX/45FTX is present,	<ol style="list-style-type: none"> 1. Manually compute Field 44TFW/45TFW by one of the following: <ol style="list-style-type: none"> a. Section A Filer - divide the FUTA tax entry line 16, by .006 (0.6 percent), and enter the result in Total FUTA Wages. b. Section B Filer - SSPND 211 for explanation of taxpayer's computation of line 24. 2. If Total FUTA Wages cannot be determined, SSPND 211.
C] Is blank,	Field 44FTX/45FTX is not present,	Delete the FUTA State Code.

- (3) If Total FUTA Wages are present, enter the appropriate FUTA State Code in Field 44SC1-5. If the state code is not present on Schedule H, enter the state code that corresponds with the taxpayer's address listed in the Entity portion of the return.

3.12.3.19.1.4
(01-01-2017)
Prior Year (EC 181)

- (1) For TY11 some taxpayers are allowed to compute line 14 using .008 for wages paid through June 30th and .006 for wages paid beginning July 1st. Enter amount on line 14 in Field 44FTV or 45FTV as appropriate.
- (2) For TY10 and prior, if Field 44TFW/45TFW is blank and Field 44SC1/45SC1 is present, delete the State Reporting Number if present.

3.12.3.19.2
(01-01-2017)

**Error Code 182 (CE)
Schedule H State Codes
vs. Section 01 State
Code**

- (1) Error Code 182 instructions follow.

3.12.3.19.2.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 182)**

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01C/S	City/State
44SC1	FUTA State Code 1
44SC2	FUTA State Code 2
44SC3	FUTA State Code 3 (ERS Input Only)
44SC4	FUTA State Code 4 (ERS Input Only)
44SC5	FUTA State Code 5 (ERS Input Only)
45SC1	FUTA State Code 1
45SC2	FUTA State Code 2
45SC3	FUTA State Code 3 (ERS Input Only)
45SC4	FUTA State Code 4 (ERS Input Only)
45SC5	FUTA State Code 5 (ERS Input Only)

3.12.3.19.2.2
(01-01-2017)

**Invalid Condition (EC
182)**

- (1) **Error Code 182** generates when **all** of the following exist:
- The return is not an electronic return.
 - The File Location Code is not 20, 21, or 52.
 - The Entity Code is "Long" or "Intermediate".
 - Field 01C/S is not "AA", "AE", or "AP".
 - Field 01C/S contains a slash (/).
 - None of the FUTA State Codes present (other than ZZ) are the same as the State Code from Field 01C/S.

3.12.3.19.2.3
(01-01-2017)

**Correction Procedures
(EC 182)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Ensure the FUTA State Code matches what was reported on Schedule H. Refer to IRM 3.12.2.37.3.18 for further information.
- (3) Use the following table to correct the FUTA State Code:

If the FUTA State Code...	Then...
A] Was incorrectly abbreviated by the employer,	Change the FUTA State Code, as appropriate (see the following example).
B] Entry is correct,	Enter C in the Clear Field.
C] Listed by the taxpayer does not qualify for credit reduction,	Delete all fields for that FUTA State Code.

Example: If the State Code is “AL” on Schedule H and the address on the return shows the employer lives in Alaska and there is no indication on the return that they do business in Alabama, then change the code to “AK”.

3.12.3.19.3
(01-01-2017)
Error Code 183 (CE)
Schedule H Total Credit
Reduction

- (1) Error Code 183 instructions follow.

3.12.3.19.3.1
(01-01-2023)
Fields Displayed, Form
1040 (EC 183)

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
44TCR	Total Credit Reduction
44SC1	FUTA State Code 1
44CW1	Credit Reduction Wages 1 (ERS Input Only)
44SC2	FUTA State Code 2
44CW2	Credit Reduction Wages 2 (ERS Input Only)
44SC3	FUTA State Code 3 (ERS Input Only)
44CW3	Credit Reduction Wages 3 (ERS Input Only)
44SC4	FUTA State Code 4 (ERS Input Only)
44CW4	Credit Reduction Wages 4 (ERS Input Only)
44SC5	FUTA State Code 5 (ERS Input Only)
44CW5	Credit Reduction Wages 5 (ERS Input Only)
45TCR	Total Credit Reduction
45SC1	FUTA State Code 1
45CW1	Credit Reduction Wages 1 (ERS Input Only)
45SC2	FUTA State Code 2

1040	Field Name
45CW2	Credit Reduction Wages 2 (ERS Input Only)
45SC3	FUTA State Code 3 (ERS Input Only)
45CW3	Credit Reduction Wages 3 (ERS Input Only)
45SC4	FUTA State Code 4 (ERS Input Only)
45CW4	Credit Reduction Wages 4 (ERS Input Only)
45SC5	FUTA State Code 5 (ERS Input Only)
45CW5	Credit Reduction Wages 5 (ERS Input Only)

3.12.3.19.3.2
(01-01-2017)
Invalid Condition (EC 183)

- (1) **Error Code 183** generates when **both** of the following exist:
- FUTA total credit reduction (Field 44TCR/ 45TCR) is present.
 - Credit reduction wages 1 to 5 are not present.

3.12.3.19.3.3
(01-02-2018)
Correction Procedures (EC 183)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If Field 44TCR/45TCR has an entry and the state listed in Field 44SC1/2/3/4 is not a credit reductions state, per Exhibit 3.12.2-8 for the tax year of the return, delete the entry in Field 44TCR/45TCR.
- (3) Use the following table to determine if FUTA total credit reduction should be transcribed.

If...	Then...
A] there are any credit reduction states beyond the first two states,	all the other credit reduction fields from Schedule H are ERS input only .
B] you enter credit reduction wages	the wages must be associated with the proper FUTA state code.
C] a state listed by the taxpayer does not qualify for credit reduction,	Delete all fields for that FUTA State Code.

Note: For a complete list of credit reduction states and territories, see Exhibit 3.12.2-8, Credit Reduction States and Territories.

3.12.3.19.4
(01-01-2017)
**Error Code 184 (CE)
Schedule H State Codes
and Credit Reduction
Wages**

- (1) Error Code 184 instructions follow.

3.12.3.19.4.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 184)**

(1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
44SC1	FUTA State Code 1
44CW1	Credit Reduction Wages 1 (ERS Input Only)
44SC2	FUTA State Code 2
44CW2	Credit Reduction Wages 2 (ERS Input Only)
44SC3	FUTA State Code 3 (ERS Input Only)
44CW3	Credit Reduction Wages 3 (ERS Input Only)
44SC4	FUTA State Code 4 (ERS Input Only)
44CW4	Credit Reduction Wages 4 (ERS Input Only)
44SC5	FUTA State Code 5 (ERS Input Only)
44CW5	Credit Reduction Wages-5 (ERS Input Only)
45SC1	FUTA State Code-1
45CW1	Credit Reduction Wages-1 (ERS Input Only)
45SC2	FUTA State Code-2
45CW2	Credit Reduction Wages-2 (ERS Input Only)
45SC3	FUTA State Code-3 (ERS Input Only)
45CW3	Credit Reduction Wages-3 (ERS Input Only)
45SC4	FUTA State Code-4 (ERS Input Only)
45CW4	Credit Reduction Wages-4 (ERS Input Only)
45SC5	FUTA State Code-5 (ERS Input Only)
45CW5	Credit Reduction Wages-5 (ERS Input Only)

3.12.3.19.4.2
(01-01-2017)

**Invalid Condition (EC
184)**

(1) **Error Code 184** generates when **any** of the following exist:

- a. The FUTA state code and tax period indicate that the state is a credit reduction state for that tax period, but the corresponding field for FUTA credit reduction wages is blank and the multiple ID indicator is not present.
- b. The FUTA state code and tax period do not indicate that the state is a credit reduction state, but the corresponding field for FUTA credit reduction wages has an entry.
- c. The field for FUTA reduction wages has an entry and the corresponding field for the FUTA state code is blank.

3.12.3.19.4.3
(01-02-2018)

**Correction Procedures
(EC 184)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

Note: The credit reduction wages are located on Schedule H, line 17, column (b), adjacent to the credit reduction state entered on line 17, column (a).

- (2) Take the following action to resolve this error code:

If...	Then...
A] A state subject to credit reduction is present,	Enter the credit reduction wages for that state in the applicable field (Field 44CW1/2/3/4/5).
B] The taxpayer indicates no wages for a credit reduction state,	Enter 1 in the wage field (Field 44CW1/2/3/4/5) for that credit reduction state.
C] The state code listed by the taxpayer does not qualify for credit reduction,	Delete the credit reduction wages from Field 44CW1/2/3/4/5 for that FUTA State Code.

Caution: The sum of all Credit Reduction Wages cannot exceed Total FUTA Wages (Field 44TFW).

Note: For a complete list of credit reduction states and territories, see Exhibit 3.12.2-8, Credit Reduction States and Territories.

3.12.3.19.5
(11-27-2020)

**Error Code 185 -
Reserved**

- (1) Reserved.

3.12.3.19.6
(01-01-2017)

**Error Code 186 (CE)
Schedule H Credit
Reduction Wages vs.
Total FUTA Wages**

- (1) Error Code 186 instructions follow.

3.12.3.19.6.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 186)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
44TFW	Total FUTA Wages
44SC1	FUTA State Code 1
44CW1	Credit Reduction Wages 1 (ERS Input Only)

1040	Field Name
44SC2	FUTA State Code 2
44CW2	Credit Reduction Wages 2 (ERS Input Only)
44SC3	FUTA State Code 3 (ERS Input Only)
44CW3	Credit Reduction Wages 3 (ERS Input Only)
44SC4	FUTA State Code 4 (ERS Input Only)
44CW4	Credit Reduction Wages 4 (ERS Input Only)
44SC5	FUTA State Code 5 (ERS Input Only)
44CW5	Credit Reduction Wages 5 (ERS Input Only)
45TFW	Total FUTA Wages
45SC1	FUTA State Code 1
45CW1	Credit Reduction Wages 1 (ERS Input Only)
45SC2	FUTA State Code 2
45CW2	Credit Reduction Wages 2 (ERS Input Only)
45SC3	FUTA State Code 3 (ERS Input Only)
45CW3	Credit Reduction Wages 3 (ERS Input Only)
45SC4	FUTA State Code 4 (ERS Input Only)
45CW4	Credit Reduction Wages 4 (ERS Input Only)
45SC5	FUTA State Code 5 (ERS Input Only)
45CW5	Credit Reduction Wages 5 (ERS Input Only)

3.12.3.19.6.2
(01-01-2017)
Invalid Condition (EC 186)

- (1) **Error Code 186** generates for either Section 44 or 45 when the taxpayer's

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3.12.3.19.6.3
(01-01-2018)
Correction Procedures (EC 186)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Decrease credit reduction wages to agree with total FUTA wages, if the sum of Field 44CW1-5 exceeds the amount of total FUTA wages (Field 04TFW).

Note: For a complete list of credit reduction states and territories, see Exhibit 3.12.2-8, Credit Reduction States and Territories.

3.12.3.19.7
(01-01-2019)
Error Code 187 (CE)
Schedule H Additional States Indicator

- (1) Error Code 187 instructions follow.

3.12.3.19.7.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 187)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
44ASI	Additional States Indicator
44SC5	FUTA State Code 5 (ERS Input Only)
45ASI	Additional States Indicator
45SC5	FUTA State Code 5 (ERS Input Only)

3.12.3.19.7.2
(01-01-2019)

**Invalid Condition (EC
187)**

- (1) **Error Code 187** generates when **both** of the following exist:

- The Additional States Indicator has an entry.
- The FUTA State Code 5 is blank.

3.12.3.19.7.3
(01-01-2019)

**Correction Procedures
(EC 187)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

Note: The Additional States Indicator, Field 44ASI/45ASI, is entered by ERS when more than five State Codes are present.

3.12.3.19.8
(01-01-2019)

**Error Code 188 (CE)
Form 965-A ERS
Validation**

- (1) Error Code 188 instructions follow.

3.12.3.19.8.1
(11-23-2021)

**Fields Displayed, Forms
1040 (EC 188)**

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01RPC	Return Processing Code
05965	Section 965 Tax Installment Amount
05TL	Section 965 Tax Liability Amount (ERS input only)
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
	Section 76 Not Present
76YE1	Election or Transfer Year 1
76YE2	Election or Transfer Year 2

1040	Field Name
76YE3	Election or Transfer Year 3
76YE4	Election or Transfer Year 4
76YE5	Election or Transfer Year 5
76ADI	Part I Form 965-A Additional Data Indicator
76TL1	Net Tax Liability Transferred Year 1
76TL2	Net Tax Liability Transferred Year 2
76TL3	Net Tax Liability Transferred Year 3
76TL4	Net Tax Liability Transferred Year 4
76TL5	Net Tax Liability Transferred Year 5
76ID1	Tax Identification Number 1
76ID2	Tax Identification Number 2
76ID3	Tax Identification Number 3
76ID4	Tax Identification Number 4
76ID5	Tax Identification Number 5
76TR1	Net 965 Tax Liability Triggered 1
76TR2	Net 965 Tax Liability Triggered 2
76TR3	Net 965 Tax Liability Triggered 3
76TR4	Net 965 Tax Liability Triggered 4
76TR5	Net 965 Tax Liability Triggered 5
76AD4	Part IV Form 965-A Additional Data Indicator
76TOT	Part IV Form 965-A Total

3.12.3.19.8.2
(01-01-2020)
Invalid Condition (EC 188)

- (1) Error Code 188 generates when the Tax Period is greater than or equal to **201812** and one of the following conditions is present:
- Return Processing Code “F” is present in Field 01RPC and **no entry is present** in Field 05965 (Section 965 Installment) **and** Fields 05TL (Section 965 Tax Liability).
 - An **entry is present** in Field 05965 (Section 965 Installment) **and** Fields 05TL (Section 965 Tax Liability), and “F” is **not** present in Field 01RPC.
 - The amount in Field 05965 (Section 965 Installment) is greater than the amount in Field 05TL (Section 965 Tax Liability).

3.12.3.19.8.3
(02-03-2023)
**Correction Procedures
(EC 188)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If there is no amount on Schedule 2, line 20 (TY19-TY20, line 9), Field 05965 is blank, Form 965-A is not attached, and there is no indication of Section 965 election on Schedule 1, line 8z (TY19-TY20, line 8), delete **F** in Field 01RPC.
- (3) If there is an amount on Schedule 2, line 20 (TY19-TY20, line 9), search the return for Form 965-A, Individual Report of Net 965 Tax Liability. If not attached, SSPND 211. Complete Form 6001 using paragraph I, J, or K. See IRM 3.12.37.29.1 for Reply and No Reply Procedures on Section 965 returns.
- (4) Enter **F** in Field 01RPC, if not present, when Form 965-A is attached, and there are money amounts in Part I of Form 965-A **for the year of the tax return**.
- (5) When there is an entry in Field 05TL and RPC F is present, this creates a TC 971 AC 114 on the taxpayers account. The TC 971 AC 114 records the taxpayers total liability for the 965(i) election amount deferred. The TC 971 AC 114 should only be placed on the taxpayers account on the first year the taxpayer elects IRC 965(i) deferral.
- (6) If Form 965-A is attached and the taxpayer is making a subsequent payment, remove RPC F if it's present and do not make an entry in Field 05TL.
- (7) If Form 965-A is attached, and Field 05965 has an amount from Schedule 2, line 20 (TY19-TY20, line 9). Review the Form 965-A to determine if an entry in Field 05TL is required. An entry is required in Field 05TL when Form 965-A, Part IV, Column F has a negative entry and that entry has been entered on Part I, Column F lines 5-8 as a positive number. When all this criteria is met enter the amount from Form 965-A, Part I, Column F in Field 05TL and enter an F in Field 01RPC
- (8) After correcting Field 05965, Field 05TL and/or Field 01RPC and there are no further corrections, enter **C** in the Clear Field.

3.12.3.20
(01-01-2017)
**Error Codes 189-199
(ACA)**

- (1) Instructions for Error Codes 189 to 199 follow.

3.12.3.20.1
(01-01-2017)
**Error Code 189 (CE)
Form 8962 - Verification
of Potentially Excessive
Amounts (ACA)**

- (1) Error Code 189 instructions follow.

3.12.3.20.1.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 189, ACA)**

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code

1040	Field Name
01TXP	Tax Period
01CCC	Computer Condition Code
01SPC	Special Processing Code
01EXC	Exemption Code
94EXV	Exemption Code Verified (ERS Input only)
02ARC	ACA Resolution Code (ERS Input only)
7311A	Annual Premium Amount
7312A	January Monthly Premium Amount
7313A	February Monthly Premium Amount
7314A	March Monthly Premium Amount
7315A	April Monthly Premium Amount
7316A	May Monthly Premium Amount
7317A	June Monthly Premium Amount
7318A	July Monthly Premium Amount
7319A	August Monthly Premium Amount
7320A	September Monthly Premium Amount
7321A	October Monthly Premium Amount
7322A	November Monthly Premium Amount
7323A	December Monthly Premium Amount
7311B	Annual Premium of SLCSP Amount
7312B	January Monthly Premium of SLCSP Amount
7313B	February Monthly Premium of SLCSP Amount
7314B	March Monthly Premium of SLCSP Amount
7315B	April Monthly Premium of SLCSP Amount
7316B	May Monthly Premium of SLCSP Amount
7317B	June Monthly Premium of SLCSP Amount
7318B	July Monthly Premium of SLCSP Amount
7319B	August Monthly Premium SLCSP Amount
7320B	September Monthly Premium SLCSP Amount
7321B	October Monthly Premium SLCSP Amount
7322B	November Monthly Premium SLCSP Amount
7323B	December Monthly Premium SLCSP Amount

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1040	Field Name
7311F	Annual Advance PTC Amount
7312F	January Monthly Advance PTC Amount
7313F	February Monthly Advance PTC Amount
7314F	March Monthly Advance PTC Amount
7315F	April Monthly Advance PTC Amount
7316F	May Monthly Advance PTC Amount
7317F	June Monthly Advance PTC Amount
7318F	July Monthly Advance PTC Amount
7319F	August Monthly Advance PTC Amount
7320F	September Monthly Advance PTC Amount
7321F	October Monthly Advance PTC Amount
7322F	November Monthly Advance PTC Amount
7323F	December Monthly Advance PTC Amount
7324	Total Premium Tax Credit Amount
7324>	AVS Total PTC Computer Amount
7325	Advance Premium Tax Credit Amount
7325>	AVS Taxpayer Total APTC Computer Amount

3.12.3.20.1.2
(05-09-2022)
**Invalid Conditions (EC
189, ACA)**

- (1) Error Code 189 generates when Field 02ARC does not contain "A" and:
- The Taxpayer Annual Premium Amount or the sum of Monthly Premium Amount (Jan. - Dec.) is equal to or greater than \$25,000, and does not match Exchange Premium Amount and Computed Total Premium Tax Credit equal to or greater than \$25,000, **or**
 - The Taxpayer Annual Premium of SLCSP Amount or the sum of Monthly Premium of SLCSP Amount (Jan. - Dec.), is equal to or greater than \$25,000, and does not match Exchange Annual SLCSP Amount and Computed Total Premium Tax Credit equal to or greater than \$25,000, **or**
 - The Taxpayer Total Advance Premium Tax Credit Amount is equal to or greater than \$25,000, and does not match Exchange Advance Premium Tax Credit Amount, **or**
 - Taxpayer attached Form 8962, Premium Tax Credit (PTC), but no one on the return was enrolled in a Qualified Health Plan (QHP) through the Marketplace, **and**
 - The Taxpayer Annual Premium Amount or the sum of Monthly Premium Amount (Jan. - Dec.) is equal to or greater than \$25,000 and AVS Computed Total Premium Tax Credit equal to or greater than \$25,000, **or**
 - The Taxpayer Annual Premium of SLCSP or the sum of Monthly Premium of SLCSP Amount (Jan. - Dec.) is equal to or greater than

\$25,000 and AVS Computed Total Premium Tax Credit equal to or greater than \$25,000, **or**

- The Taxpayer Total Advance Premium Tax Credit Amount is equal to or greater than \$25,000.

3.12.3.20.1.3
(03-20-2017)
**Correction Procedures
(EC 189, ACA)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Ensure Form 8962 line 11, columns (a), (b), and (f); lines 12-23, columns (a), (b), and (f); and lines 24 and 25 are transcribed correctly. If transcribed correctly, **SSPND 499**.

3.12.3.20.1.4
(01-01-2023)
**Action Code 499 (EC
189, ACA)**

- (1) If Form 1095-A, Health Insurance Marketplace Statement, is attached, review the following fields have been entered correctly on Form 8962:
 - a. Line 11, column (a) or lines 12-23, column (a) (Premium Amount), **and**
 - b. Line 11, column (b) or lines 12-23, column (b) (Premium of SLCSP Amount), **and**
 - c. Line 11, column (f) or lines 12-23, column (f) (Advance PTC Amount),
 - d. If any amount has been entered incorrectly on Form 8962, correct the taxpayers' entry on the screen.
 - e. If all amounts on Form(s) 1095-A have been entered correctly on Form 8962, enter **A** in Field 02ARC. If EC 189 redispays, enter **C** in the Clear Field.

Exception: TY20 only, if the amount in Field 7325> is more than the amount in Field 7324>, DLSEC 73. If EC 190 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).

Caution: If more than one Form 1095-A is attached for the same covered individual(s) for the same month(s), do not combine the SLCSP amounts in column (b), unless the individuals were enrolled in health plans in different states.

- (2) If Form 1095-A is **not** attached, research BOE/IRPOL and review the following fields have been entered correctly on Form 8962:
 - a. Line 11, column (a) or lines 12-23, column (a) (Premium Amount), **and**
 - b. Line 11, column (b) or lines 12-23, column (b) (Premium of SLCSP Amount), **and**
 - c. Line 11, column (f) or lines 12-23, column (f) (Advance PTC Amount),
 - d. If any amount has been entered incorrectly on Form 8962, correct the taxpayers' entry on the screen.
 - e. If all amounts on Form(s) 1095-A have been entered correctly on Form 8962, enter **A** in Field 02ARC. If EC 189 redispays, enter **C** in the Clear Field.

Exception: TY20 only, if the amount in Field 7325> is more than the amount in Field 7324>, DLSEC 73. If EC 190 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).

Caution: If BOE/IRPOL shows more than one Form 1095-A for the same covered individual(s) for the same month(s), do not combine the SLCS amounts in column (b), unless the individuals were enrolled in health plans in different states.

(3) If the change to an entry on the ERS screen increases the credit amount or decreases the repayment amount, then:

a. When ACA Error Code 271-276 or 353-354 displays, assign **TPNC 795**.

Exception: TY20 only, if the amount in Field 7325> is more than the amount in Field 7324>, DLSEC 73. If EC 190 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2). If a subsequent math error displays because of this tax change, assign **TPNC 798**.

(4) If the change to an entry on the ERS screen decreases the credit amount or increases the repayment amount, then:

a. Reinput the taxpayer's original amounts shown on Form 8962.

b. When EC 189 redisplay, enter **C** in the Clear Field.

c. If EC 197, EC 198, and/or EC 199 displays, enter **SSPND 224** and complete Form 6001 with paragraph 9 (AUSPC ONLY, complete Form 13900 as appropriate using paragraph o).

3.12.3.20.2
(01-01-2017)

**Error Code 190 (CE) No
Form 8962 present,
APTC received per
Marketplace (ACA)**

(1) Error Code 190 instructions follow.

3.12.3.20.2.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 190, ACA)**

(1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01DSI	Dependent Status Indicator
01CCC	Computer Condition Code
01SPC	Special Processing Code
01EXC	Exemption Code
94EXV	Exemption Code Verified (ERS input only)
02ARC	ACA Resolution Code (ERS input only)
05202	Advance Premium Tax Credit (APTC) Repayment

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1040	Field Name
05202>	Computed APTC Repayment Amount
94ARV	Advance Premium Tax Credit Repayment Verified (ERS input only)
05PTC	Reconciled Premium Tax Credit Amount
05PTC>	Reconciled Premium Tax Credit Computer
	Section 73 Not Present
	Section 74 Not Present

3.12.3.20.2.2
(01-01-2020)
Invalid Conditions (EC 190, ACA)

- (1) Error Code 190 generates when Tax Period is 201412 or greater, Section 73/74 is **not** present, and:
 - a. The Marketplace indicates APTC payments were made, **or**
 - b. The taxpayer has an entry in Field 05202/05PTC.

3.12.3.20.2.3
(01-01-2023)
Correction Procedures (EC 190, ACA)

- (1) Go to the bottom of the screen and transmit to validate.
- (2) Correct coding and transcription errors and misplaced entries on displayed fields.
- (3) Search the return for Form 8962. If attached, transcribe Section 73/74. (TY21 MeF returns, review the ACA Explanation for a complete Form 8962. If incomplete, refer to (8) and (9) below.)

Exception: Do **not** input Section 73, if no transcribable amounts are present on line 11 or lines 12 through 23, columns a, b and/or f.

- (4) If Form 8962 and Form 1095-A are attached and the taxpayer has requested the IRS to compute it for them, enter **C** in the Clear Field.
- (5) **TY20 only**, if Form 8962 is not attached and an amount is present in Field 05PTC, **SSPND 224**. Complete Form 6001 using paragraphs K and d. Select **8962 (Credit)**. (AUSPC ONLY, complete Form 13900 when appropriate using paragraphs 1, 2, or 3 and s or Form 13975 using paragraph Y).
- (6) **TY20 only**, if there is an entry in Field 05202, delete the amount. If a subsequent math error displays because of this tax change, assign **TPNC 796**.
- (7) **TY20 only**, if there is not an amount on Schedule 3, line 8, or in Field 05PTC, enter **C** in the Clear Field.
- (8) **TY23-TY21 and TY19 and prior**, if Form 8962 is not attached and an **amount is present** in Field 05202/05PTC, **SSPND 224**. Complete Form 6001 using paragraphs K and d. (AUSPC ONLY, complete Form 13900 when appropriate using paragraphs 1, 2, or 3 and s or Form 13975 using paragraph Y).
- (9) **TY23-TY21 returns**, if (1) - (4) and (8) above do not apply, review the ACA Explanation or attached statement. If the taxpayer explanation provided involves one of the situations below, enter **C** in the Clear Field.

- a. Taxpayer states that another person (e.g., the other parent, grandparent, or legal guardian) will file the Form 8962 for their dependent.
 - b. Taxpayer indicates they are a victim of identity theft.
 - c. Taxpayer states they did not have insurance through the marketplace or exchange.
 - d. The ACA Explanation is an incomplete Form 8962 (no transcribable amounts are present on line 11 or lines 12-23, columns a, b and/or f).
 - e. The ACA Explanation is a Form 8962 with a name and SSN of someone other than the taxpayer.
 - f. Taxpayer requests the IRS to compute the Form 8962 for them.
 - g. The ACA Explanation contains only a Form 1095-A.
 - h. The ACA Explanation contains a voided Form 1095-A ("VOID" box checked at top of Form 1095-A).
 - i. The ACA Explanation contains a notice of non-coverage or no enrollment from the marketplace.
- (10) **TY23-TY21 and TY19 and prior**, if (1) - (4) and (8) - (9) above do not apply, **SSPND 224**. Complete Form 6001 using paragraph 4. (AUSPC ONLY, complete Form 13900 when appropriate using paragraph j or Form 13975 using paragraph Y).

3.12.3.20.2.4
(02-16-2022)

Reply Procedures (EC 190, ACA)

- (2) If the taxpayer's reply states or indicates they did not go to the Marketplace, drop to the bottom and transmit. If they did not, EC 190 will not redisplay. If EC 190 redisplay, enter **C** in the Clear Field.
- (3) If Field 01SPC contains a **T**, enter **C** in the Clear Field.
- (4) If the taxpayer responds with "**Not My Return**", see IRM 3.12.3.33.2(1).
- (5) **TY20 only**, if the taxpayer responds with a completed Form 8962 with an amount on line 29, do not transcribe Section 73. Enter **C** in the Clear Field.
- (6) **TY20 only**, if the taxpayer responds with a completed Form 8962 with no amount on line 29, transcribe Section 73 and/or 74 (transcribe only the information present on Form 8962).

Exception: Do **not** input Section 73, if no transcribable amounts are present on line 11 or lines 12 through 23, columns a, b and/or f.

- (7) **TY19 and prior**, when the taxpayer has checked the **yes** box on line 6, Form 8962, and the entry on Schedule 2, line 2 (TY18, Schedule 2, line 46), equals the amount on line 25, Form 8962, accept the taxpayer's entry on line 25 and enter it in Field 94ARV.
- (8) **TY23-TY21 and TY19 and prior**, if the taxpayer responds with a completed Form 8962, transcribe Section 73 and/or 74 (transcribe only the information present on Form 8962).

Exception: Do **not** input Section 73, if no transcribable amounts are present on line 11 or lines 12 through 23, columns a, b and/or f.

Note: Do **not** assign a TPNC for a Form 8962 transferring error when no amount is present on Schedule 2, line 2, or Schedule 3, line 9 (TY20, line 8).

- (9) If the taxpayer provides a newly computed Schedule 2, Schedule 3, and/or page 2 Form 1040, input new money amounts as provided by the taxpayer. If the return provided with the reply is not signed by the taxpayer, accept the taxpayer's entries and update the amounts from the reply.

Exception: Do not change Direct Deposit if different from original return.

- (10) If the taxpayer (child/student) has claimed their own exemption and replies with their parent's completed Form 8962 (taxpayer's SSN is not present on the top right corner of Form 8962), enter **C** in the Clear Field.

Caution: Form 8962 must be filed with the tax return that includes the exemption. The parent's Form 8962 cannot be filed with the child/student tax return. The parent's exemption is not included in the return.

- (11) If the taxpayer provides a Form 8962 with a name and SSN for someone **not listed on the return**, enter **C** in the Clear Field
- (12) If the taxpayer responds by attaching Form 8962 and Form 1095-A and requests the IRS to compute for them, enter **C** in the Clear Field.
- (13) If the taxpayer responds with a voided Form 1095-A ("VOID" box checked at top of Form 1095-A) or a notice of non-coverage or no enrollment from the marketplace, enter **C** in the Clear Field.
- (14) If the taxpayer includes **only** Form 1095-A, enter **C** in the Clear Field.
- (15) If the taxpayer's response is incomplete, follow IRM 3.12.3.20.2.5.

Note: Other ACA error codes may display when Form 8962 is incomplete.

3.12.3.20.2.5
(07-07-2023)
**No Reply Procedures
(EC 190, ACA)**

- (1) For no reply or incomplete reply, enter **U** in Field 01CCC and take one of the following actions:
- TY20 only**, if an amount is present on Schedule 2, line 2, remove the amount from Field 05202. When a subsequent error code displays because of this tax change, assign **TPNC 796**.
 - If an **amount is present** on Schedule 3, line 9 (TY20, line 8), enter **C** in the Clear Field.
- Note:** When EC 352 displays, assign **TPNC 794**.
- If **no amount** is present on Schedule 2, line 2 or Schedule 3, line 9 (TY20, line 8), enter **C** in the Clear Field.

#

3.12.3.20.3
(01-01-2017)
**Error Code 191 (CE)
Form 8962, Household
Income Percentage Less
Than 100 (ACA)**

- (1) Error Code 191 instructions follow.

3.12.3.20.3.1

(01-01-2023)

**Fields Display - Form
1040 (EC 191, ACA)**

(1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01ST	Computer Condition Code
01SPC	Special Processing Code
01EXC	Exemption Code
94EXV	Exemption Code Verified (ERS input only)
02ARC	ACA Resolution Code (ERS input only)
05202	Excess APTC Repayment Amount
05PTC	Reconciled Premium Tax Credit Amount
7301>	Computed Family Size
7302A>	Computed PTC MAGI Amount
7302B	Dependents Modified AGI
7303>	Computed Household Income
73SOR	Federal Poverty Level State of Residence Checkbox
7304>	Computed Federal Poverty Level Amount
7305>	Computed HHI as Percent of Federal Poverty Level
7324	Total Premium Tax Credit
7324>	Computed Total PTC Amount
7325	Advance Premium Tax Credit
7325>	Computed Taxpayer Total APTC Amount
	Section 74 Present

#

3.12.3.20.3.2

(01-01-2017)

**Invalid Conditions (EC
191, ACA)**

(1) Error Code 191 generates when Tax Period is 201412 or greater and the computed Household Income (HHI) percentage (Field 7305>) is less than 100 percent of the Federal Poverty Level (FPL) and Field 7325 (Form 8962, line 25) is blank and the Marketplace indicates no Advance Premium Tax Credit (APTC) payments were made for anyone listed on the return.

3.12.3.20.3.3

(04-25-2022)

**Correction Procedures
(EC 191, ACA)**

(1) Correct coding and transcription errors and misplaced entries in displayed fields.

(2) **TY20 only**, if **UCE** is noted on Schedule 1, line 8, enter **C** in the Clear Field.

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- (4) **SSPND 224** and complete Form 6001 using paragraph 5 (AUSPC ONLY, complete Form 13900 as appropriate using paragraph k).

3.12.3.20.3.4
(01-03-2022)

Reply Procedures (EC 191, ACA)

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- (2) **TY20 only**, if **UCE** is noted on Schedule 1, line 8, enter **C** in the Clear Field.
- (3) If Field 01SPC contains a **T**, enter **C** in the Clear Field.
- (4) If the taxpayer responds with **"Not My Return"**, see IRM 3.12.3.33.2(1).
- (5) If the taxpayer provides a revised Form 8962, GTSEC 73 and change only the amounts reflected on the revised Form 8962 in Field 7311F or Fields 7312F thru 7323F and Field 7325.

Exception: TY20 only, if the amount in Field 7325> is more than the amount in Field 7324>, DLSEC 73. If EC 190 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).

- (6) If the taxpayer provides the name of the family member(s) claimed on the return who are covered by a Qualified Health Plan, but not qualified for Medicaid, enter **"1"** in Field 02ARC.

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- (7) If the taxpayer agrees they are not eligible for PTC take the following actions:
- Delete Section 73/74.
 - When EC 364/366 displays, assign TPNC **558**.
- (8) If the name provided is not on the return as a dependent or the taxpayer provides an incomplete response, see IRM 3.12.3.20.3.5.

3.12.3.20.3.5
(01-02-2018)

No Reply Procedures (EC 191, ACA)

- (1) If No reply or incomplete reply:
- Enter **U** in Field 01CCC, and transmit.
 - Enter **C** in the Clear Field when EC 191 redispays.

3.12.3.20.4
(01-01-2017)

**Error Code 192 (CE)
Form 8962, Dependent
Modified AGI (MAGI)
(ACA)**

- (1) Error Code 192 instructions follow.

3.12.3.20.4.1
(01-01-2023)

Fields Displayed, Form 1040 (EC 192, ACA)

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01CCC	Computer Condition Code
01SPC	Special Processing Code
01EXC	Exemption Code
94EXV	Exemption Code Verified (ERS input only)
02ARC	ACA Resolution Code (ERS input only)
7301>	Computed Family Size
7302A>	Computed PTC MAGI Amount
7302B	Dependents Modified AGI
7303>	Computed Household Income
73SOR	Federal Poverty Level State of Residence Checkbox
7304>	Computed Federal Poverty Level Amount
7305>	Computed HHI as Percent of Federal Poverty Level
7307>	Computed Application Figure
7308A>	Computed Annual Contributions to Health Care
7308B	Monthly Contribution for Health Care
7308B>	Computed Monthly Contribution
	Section 74 Present

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3.12.3.20.4.2
(01-01-2017)
Invalid Condition (EC 192, ACA)

- (1) Error Code 192 generates when Tax Period is 201412 or greater, Dependents Modified AGI (Field 7302B) is present, and Dependents Modified AGI (Field 7302B) equals Computed PTC MAGI Amount (Field 7302A>) **or** there are no dependents listed on the return.

3.12.3.20.4.3
(04-25-2022)
Correction Procedures (EC 192, ACA)

- (1) Correct coding and transcription errors and misplaced entries on displayed fields.
- (2) If the taxpayer didn't include the amount on line 2b in figuring line 3, Form 8962 (e.g., same amount on lines 2a, 2b, and 3), delete the entry in Field 7302B.
- (3) If **FSC 2** and the taxpayer has split the income in Field 7302A> between the primary and secondary taxpayer's income on lines 2a and 2b, and line 3 of Form 8962 matches Field 7302A>, delete the entry in Field 7302B.

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- (5) If (1) - (4) above do not apply, **SSPND 224** and complete Form 6001 using paragraph 6 (AUSPC ONLY, complete Form 13900 as appropriate using paragraph I).

3.12.3.20.4.4
(01-01-2018)

Reply Procedures (EC 192, ACA)

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- (2) If Field 01SPC contains a **T**, enter **C** in the Clear Field.
- (3) If the taxpayer responds with **“Not My Return”**, see IRM 3.12.3.33.2(1).
- (4) If the taxpayer’s response didn’t include the amount on line 2b in figuring line 3 (e.g., same entry on lines 2a and 2b), delete entry in Field 7302B.
- (5) If taxpayer indicates misplaced entry, delete the amount in Field 7302B.
- (6) If the taxpayer states the entry on line 2b, Form 8962 is correct, enter **“2”** in Field 02ARC.
- (7) If the taxpayer’s response is incomplete, see IRM 3.12.3.20.4.5.

3.12.3.20.4.5
(01-02-2018)

No Reply Procedures (EC 192, ACA)

- (1) If No Reply or incomplete reply, enter **U** in Field 01CCC, and transmit.
- (2) When EC 192 redispays, enter **“2”** in Field 02ARC.

3.12.3.20.5
(02-17-2017)

**Error Code 193 (CE)
Form 8962, Part V,
Alternative Calculation
for Year of Marriage
(ACM) (ACA)**

- (1) Error Code 193 instructions follow.

3.12.3.20.5.1
(01-01-2023)

Fields Displayed, Form 1040 (EC 193, ACA)

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01DSI	Dependency Status Indicator
01CCC	Computer Condition Code
01RPC	Return Processing Code
01SPC	Special Processing Code

#

1040	Field Name
01EXC	Exemption Code
94EXV	Exemption Code Verified (ERS input only)
02ARC	ACA Resolution Code (ERS input only)
7301>	Computed Family Size
7435A	Primary Alternative Family Size
7435B	Primary Monthly Contribution
7435B>	Computed ACM Primary Monthly Contribution
7435C	Primary Alternative Start Month
7435D	Primary Alternative Stop Month
7436A	Spouse Alternative Family Size
7436B	Spouse Monthly Contribution
7436B>	Computed ACM Spouse Monthly Contribution
7436C	Spouse Alternative Start Month
7436D	Spouse Alternative Stop Month

#

3.12.3.20.5.2
(02-17-2017)
Invalid Condition (EC 193, ACA)

- (1) Error Code 193 generates when Tax Period is 201412 or greater, the taxpayer has entries on Form 8962, Part V, lines 35 and/or 36, indicating Alternate Calculation of Marriage (ACM) and all ACM entries are not present or ACM family size inconsistent with return family size.

3.12.3.20.5.3
(04-25-2022)
Correction Procedures (EC 193, ACA)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (3) If start/stop months are missing for Fields 7435C, 7435D, 7436C, or 7436D, use Part II to determine the start/stop months, and enter them in the appropriate field. See IRM 3.12.2.60.3.16 for Start/Stop Month values. If unable to determine, see (4) below.
- (4) If EC 193 redisplay, **SSPND 224** and complete Form 6001 using paragraph c (AUSPC ONLY, complete Form 13900 as appropriate using paragraph r).

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3.12.3.20.5.4
(01-01-2018)
Reply Procedures (EC 193, ACA)

- (2) If Field 01SPC contains a **T**, enter **C** in the Clear Field.
- (3) If the taxpayer responds with “**Not My Return**”, see IRM 3.12.3.33.2(1).

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- (4) If the taxpayer provides the missing information or a corrected/revised Form 8962, enter into the appropriate fields.
- (5) If the taxpayer indicates they are not eligible for ACM, delete all ACM fields transcribed from line 35 and/or 36.
- (6) If the taxpayer's response is incomplete, see IRM 3.12.3.20.5.5.

3.12.3.20.5.5
(01-02-2018)
**No Reply Procedures
(EC 193, ACA)**

- (1) If No Reply or incomplete reply, enter **U** in Field 01CCC, and transmit.
- (2) When EC 193, redispays, enter **C** in the Clear Field.

3.12.3.20.6
(02-17-2017)
**Error Code 194 (CE)
Form 8962, Part IV,
Allocation of Policy
Amounts (ACA)**

- (1) Error Code 194 instructions follow.

3.12.3.20.6.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 194, ACA)**

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01CCC	Computer Condition Code
01SPC	Special Processing Code
01EXC	Exemption Code
94EXV	Exemption Code Verified (ERS input only)
02ARC	ACA Resolution Code (ERS input only)
	Section 73 Present
7430A	Policy Number 1
7430B	SSN of Filer Sharing Allocation 1
7430C	Allocation Start Month 1
7430D	Allocation Stop Month 1
7430E	Premium Percentage 1
7430F	SLCSP Percentage 1
7430G	Advance PTC Percentage 1
7431A	Policy Number 2

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1040	Field Name
7431B	SSN of Filer Sharing Allocation 2
7431C	Allocation Start Month 2
7431D	Allocation Stop Month 2
7431E	Premium Percentage 2
7431F	SLCSP Percentage 2
7431G	Advance PTC Percentage 2
7432A	Policy Number 3
7432B	SSN of Filer Sharing Allocation 3
7432C	Allocation Start Month 3
7432D	Allocation Stop Month 3
7432E	Premium Percentage 3
7432F	SLCSP Percentage 3
7432G	Advance PTC Percentage 3
7433A	Policy Number 4
7433B	SSN of Filer Sharing Allocation 4
7433C	Allocation Start Month 4
7433D	Allocation Stop Month 4
7433E	Premium Percentage 4
7433F	SLCSP Percentage 4
7433G	Advance PTC Percentage 4
01C/S	City/State

3.12.3.20.6.2
(02-17-2017)
Invalid Conditions (EC 194, ACA)

- (1) Error Code 194 generates when Tax Period is 201412 or greater, the taxpayer has Shared Policy Allocation shown on Part IV, lines 30, 31, 32, or 33, but does not provide all the required data or the entry for the policy number (Field 7430A, 7431A, 7432A, or 7433A) does not match the Marketplace Policy Number.

3.12.3.20.6.3
(04-25-2022)
Correction Procedures (EC 194, ACA)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (3) Policy numbers can contain, alpha, numeric, special characters and spaces. The field is 15 characters in length.
- a. Exchanges are reporting policy numbers with more than 15 characters on Form 1095-A.

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- 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 characters, left fill the number with zeros “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.

- d. If the policy number is transcribed correctly and EC 194 still displays, follow the correspondence procedures in (5) below.

- (4) If start/stop months are missing, Fields 7430C, 7430D, 7431C, 7431D, 7432C, 7432D, 7433C, or 7433D, use Part II to determine the start/stop months, and enter them in the appropriate field. See IRM 3.12.2.60.3.16 for Start/Stop Month values. If unable to determine see (5) below.
- (5) If EC 194 redisplay, **SSPND 224** and complete Form 6001 using paragraph b (AUSPC ONLY, complete Form 13900 as appropriate using paragraph q).

3.12.3.20.6.4
(01-01-2018)

Reply Procedures (EC 194, ACA)

- (2) If Field 01SPC contains a **T**, enter **C** in the Clear Field.
- (3) If the taxpayer responds with “**Not My Return**”, see IRM 3.12.3.33.2(1).
- (4) If the taxpayer provides missing or corrected/revised information on Form 8962, change only the corrected or revised information.

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- (5) If the taxpayer decides not to allocate the policy, delete all allocation field entries for lines 30, 31, 32 and/or 33.
- (6) If the taxpayer’s response is incomplete, see IRM 3.12.3.20.6.5.

3.12.3.20.6.5
(01-02-2018)

No Reply Procedures (EC 194, ACA)

- (1) If No Reply or incomplete reply, enter **U** in Field 01CCC, and transmit.
- (2) When EC 194 redisplay, enter **C** in the Clear Field.

3.12.3.20.7
(01-01-2017)

**Error Code 195 (CE)
Form 8962 Present, No
One Enrolled in the
Marketplace (ACA)**

- (1) Error Code 195 instructions follow.

3.12.3.20.7.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 195, ACA)**

- (1) This table show the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01CCC	Computer Condition Code
01SPC	Special Processing Code
01EXC	Exemption Code
94EXV	Exemption Code Verified (ERS input only)
02ARC	ACA Resolution Code (ERS input only)
	Section 73 Present
	Section 74 Present
05202	Advance Premium Tax Credit Repayment
05PTC	Reconciled Premium Tax Credit Amount.
01C/S	City/State

#

#

3.12.3.20.7.2
(01-01-2017)
**Invalid Condition (EC
195, ACA)**

- (1) Error Code 195 generates when Tax Period is 201412 or greater, Form 8962 is present, but no one on the return was enrolled in a Qualified Health Plan (QHP) through the Marketplace.

3.12.3.20.7.3
(01-01-2023)
**Correction Procedures
(EC 195, ACA)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) **TY20 only**, if there is an entry in Field 05202, delete the amount in Field 05202 and transmit. Then DLSEC 73. If EC 190 or EC 334 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).
- (3) If (2) above does **not** apply and **Form 1095-A is attached**, take the following actions:
- Compare the **annual** totals on Form 1095-A, line 33, columns A/B/C to enter **“3”** in Field 02ARC.
 - Compare the **monthly** amounts on Form 1095-A, lines 21-32, columns A/B/C, to Form 8962, lines 12-23, columns a/b/f. If **each** amount on Form 1095-A, lines 21-32, columns A/B/C, matches Form 8962, lines 12-23,

#

#

- c. Enter **C** in the Clear Field, when the money amounts do **not** meet the requirements in a) or b) above.

Caution: If there is more than one Form 1095-A for the same covered individual(s) for the same month(s), do not combine the SLCSP amounts in column (b), unless the individuals were enrolled in health plans in different states.

- (4) If (2) above does **not** apply and **Form 1095-A is not attached, SSPND 495** for BOE/IRPOL research.

- (5) **BOE/IRPOL researcher** - Use the following instructions:

- a. Research BOE in the following order, **primary SSN, secondary SSN, dependent SSN**. Health care coverage could cover all listed on the return, only some listed on the return, or only one person listed on the return.

Note: When multiple Forms 1095-A are found, compare the policy numbers. If they are the same, check for a corrected or voided submission. If present, use the latest version.

- b. If Form 1095-A is found on BOE/IRPOL, follow the comparison instructions in (3) a) or b) above. If Form 1095-A **matches** Form 8962 as indicated in a) or b) above, enter **3A** in Field 02ARC.
- c. If Form 1095-A is found on BOE/IRPOL and does **not match** or is **not found** on BOE/IRPOL, **SSPND 224**. Complete Form 6001 using paragraph a (AUSPC ONLY, complete Form 13900 as appropriate using paragraph p).

Exception: TY20 only, if there is an entry in Field 05202, delete the amount in Field 05202 and transmit. Then DLSEC 73. If EC 190 or EC 334 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).

3.12.3.20.7.4
(07-26-2021)
Reply Procedures (EC 195, ACA)

- (1) After activation the return transfers into "workable suspense inventory". This screen displays as, "**ACTION CODE 422 - 40 DAY SUSPENSE, CRECT CL**"
 - a. Enter **C** in the Clear Field.
NOTE: This action is for the Rejects screen only - NOT Error Code 195.
 - b. If EC 195 displays, continue with instructions below.
 - c. If EC 195 does not display and the record is completed, GTRECW the DLN and follow (2) below.
 - d. If another error code displays, follow (2) below.

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- (3) If Field 01SPC contains a **T**, enter **C** in the Clear Field.
- (4) If the taxpayer responds with "**Not My Return**", see IRM 3.12.3.33.2(1).
- (5) If taxpayer indicates no repayment or credit due, DLSEC 73/74.
- (6) If taxpayer provides Form 1095-A, take the following action:

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- a. Compare, line by line, the **annual** amounts on Form 1095-A, line 33, column A/B/C to Form 8962, line 11, column a/b/f. If each amount
- b. Compare, line by line, the **monthly** amounts on Form 1095-A, lines 21-32, columns A/B/C, to Form 8962, lines 12-23, columns a/b/f. If each
- c. Form 1095-A includes a name of dependent listed on the return (e.g., beyond the 4th dependent) enter “3” in Field 02ARC.

Caution: If there is more than one Form 1095-A for the same covered individual(s) for the same month(s), do not combine the SLCSP amounts in column (b), unless the individuals were enrolled in health plans in different states.

Exception: TY20 only, if there is an entry in Field 05202, delete the amount in Field 05202 and transmit. Then DLSEC 73. If EC 190 or EC 334 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).

see IRM 3.12.3.20.7.5.

3.12.3.20.7.5
(07-26-2021)
**No Reply Procedures
(EC 195, ACA)**

- (1) If No Reply:

- enter today's date in Field 02RPD.
- b. Enter 7 in Field 02ARC.

Exception: TY20 only, if there is an entry in Field 05202, delete the amount in Field 05202 and transmit. Then DLSEC 73. If EC 190 or 334 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).

Caution: Do not enter CCC U for no reply or incomplete reply for EC 195.

GTSEC 02 and enter the **correspondence** received date in Field 02RPD.

Exception: TY20 only, if there is an entry in Field 05202, delete the amount in Field 05202 and transmit. Then DLSEC 73. If EC 190 or 334 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).

- (3) When EC 195 redispays, enter **C** in the Clear Field.

3.12.3.20.8
(02-17-2017)
**Error Code 196 (CE)
Form 8962, Part II,
Annual vs. Monthly,
Reconciliation of Annual
Calculation (ACA)**

- (1) Error Code 196 instructions follow.

3.12.3.20.8.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 196, ACA)**

(1) This table show the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01CCC	Computer Condition Code
01SPC	Special Processing Code
01EXC	Exemption Code
94EXV	Exemption Code Verified (ERS input only)
02ARC	ACA Resolution Code (ERS input only)
	Section 74 Present
7308B	Monthly Contribution for Health Care
7311A	Annual Premium Amount
7311B	Annual Premium of SLCSP Amount
7311F	Annual Advance PTC
7312A	January Monthly Premium Amount
7312B	January Monthly Premium of SLCSP
7312F	January Monthly Advance PTC
7313A	February Monthly Premium Amount
7313B	February Monthly Premium of SLCSP
7313F	February Monthly Advance PTC
7314A	March Monthly Premium Amount
7314B	March Monthly Premium of SLCSP
7314F	March Monthly Advance PTC
7315A	April Monthly Premium Amount
7315B	April Monthly Premium of SLCSP
7315F	April Monthly Advance PTC
7316A	May Monthly Premium Amount
7316B	May Monthly Premium of SLCSP
7316F	May Monthly Advance PTC
7317A	June Monthly Premium Amount

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1040	Field Name
7317B	June Monthly Premium of SLCSP
7317F	June Monthly Advance PTC
7318A	July Monthly Premium Amount
7318B	July Monthly Premium of SLCSP
7318F	July Monthly Advance PTC
7319A	August Monthly Premium Amount
7319B	August Monthly Premium of SLCSP
7319F	August Monthly Advance PTC
7320A	September Monthly Premium Amount
7320B	September Monthly Premium of SLCSP
7320F	September Monthly Advance PTC
7321A	October Monthly Premium Amount
7321B	October Monthly Premium of SLCSP
7321F	October Monthly Advance PTC
7322A	November Monthly Premium Amount
7322B	November Monthly Premium of SLCSP
7322F	November Monthly Advance PTC
7323A	December Monthly Premium Amount
7323B	December Monthly Premium of SLCSP
7323F	December Monthly Advance PTC

3.12.3.20.8.2
(01-01-2018)
**Invalid Conditions (EC
196, ACA)**

- (1) Error Code 196 generates when Tax Period is 201412 or greater, the taxpayer used the **annual** calculation (line 11), but should have used the monthly calculation (lines 12 thru 23) of Form 8962, when:
 - a. entries are present in Part IV, Allocation of Policy Amounts, or
 - b. entries are present in Part V, Alternative Calculation for Year of Marriage, or
 - c. the amounts from the Marketplace vary from month to month for premium and second lowest cost silver plan.
- (2) Error Code 196 generates when the Tax Period is 201412 or greater, the taxpayer used the **monthly** calculation on Form 8962, and:
 - The taxpayer has entries for monthly premium amounts on one or more monthly lines (12-23, column a) and,
 - The sum of monthly premium amounts are within tolerance of the Marketplace premium amounts and,
 - The taxpayer is reporting a fewer number of months of coverage than what was reported by the Marketplace.

3.12.3.20.8.3
(04-25-2022)

**Correction Procedures
(EC 196, ACA)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (3) If Form 8962, page 2, has entries, **GTSEC 74** and verify transcription.
- (4) If there are no entries in Fields 7311A, 7311B, **and** 7311F (line 11, annual calculation lines of Form 8962), enter **C** in the Clear Field.
- (5) If EC 196 still displays, **SSPND 224** and complete Form 6001 (AUSPC ONLY, complete Form 13900).
 - a. Use paragraph 7 when the taxpayer has used the **annual** calculation (line 11) on Form 8962 (AUSPC - paragraph m).
 - b. Use paragraph 8 when the taxpayer has used the **monthly** calculation (lines 12-23) on Form 8962 (AUSPC - paragraph n).

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Exception: TY20 only, if Form 8962 line 25 amount is greater than line 24 amount, GTSEC 05, delete the amount in Field 05202 and transmit. Then DLSEC 73. If EC 190 or 334 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).

3.12.3.20.8.4
(07-26-2021)

**Reply Procedures (EC
196, ACA)**

- (2) If Field 01SPC contains a **T**, enter **C** in the Clear Field.
- (3) If the taxpayer responds with "**Not My Return**", see IRM 3.12.3.33.2(1).
- (4) If the taxpayer provides Form 8962, GTSEC 73 and correct the amounts from Form 8962 in the appropriate fields.

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Exception: TY20 only, if Form 8962 line 25 amount is greater than line 24 amount, GTSEC 05, delete the amount in Field 05202 and transmit. Then DLSEC 73. If EC 190 or 334 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).

- (5) If the taxpayer indicates the Annual Calculation (line 11) is correct, enter **C** in the Clear Field
- (6) If the taxpayer's response is incomplete, see IRM 3.12.3.20.8.5.

3.12.3.20.8.5
(07-26-2021)

**No Reply Procedures
(EC 196, ACA)**

- (1) If No Reply or incomplete reply, enter **U** in Field 01CCC, and transmit.

Exception: TY20 only, if Form 8962 line 25 amount is greater than line 24 amount, GTSEC 05, delete the amount in Field 05202 and transmit. Then DLSEC 73. If EC 190 or 334 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).

- (2) When EC 196 redispays, enter **C** in the Clear Field.

3.12.3.20.9
(01-01-2017)

(1) Error Code 197 instructions follow.

Error Code 197 (CE)
Form 8962,
Annual/Monthly
Premium Amount(s),
Column A (ACA)

3.12.3.20.9.1
(01-01-2023)

(1) This table shows the fields displayed.

Fields Displayed, Form
1040 (EC 197, ACA)

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01CCC	Computer Condition Code
01SPC	Special Processing Code
01EXC	Exemption Code
94EXV	Exemption Code Verified (ERS input only)
02ARC	ACA Resolution Code (ERS input only)
7311A	Annual Premium Amount
7312A	January Monthly Premium Amount
7313A	February Monthly Premium Amount
7314A	March Monthly Premium Amount
7315A	April Monthly Premium Amount
7316A	May Monthly Premium Amount
7317A	June Monthly Premium Amount
7318A	July Monthly Premium Amount
7319A	August Monthly Premium Amount
7320A	September Monthly Premium Amount
7321A	October Monthly Premium Amount
7322A	November Monthly Premium Amount
7323A	December Monthly Premium Amount
01C/S	City/State
	Section 74 Present

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3.12.3.20.9.2
(01-01-2017)
Invalid Conditions (EC 197, ACA)

- (1) Error Code 197 generates when Tax Period is 201412 or greater and the taxpayer's Annual Premium amount (Field 7311A) or Monthly Premium amount(s) (Fields 7312A thru 7323A) does not equal Marketplace Annual/Monthly Premium amount(s).

3.12.3.20.9.3
(01-01-2023)
Correction Procedures (EC 197, ACA)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) When the taxpayer has notated "**QSEHRA**" (Qualified Small Employer Health Reimbursement Arrangement) at the top margin of Form 8962, enter **D** in Field 01RPC.

- (3) If **Form 1095-A is attached**, take the following actions:

- a. Compare the **annual** totals on Form 1095-A, line 33, column A, to Form Field 02ARC. If EC 197 redisplay, enter **C** in the Clear Field. #
- b. Compare the **monthly** amounts on Form 1095-A, lines 21-32, column A, enter **4** in Field 02ARC. If EC 197 redisplay, enter **C** in the Clear Field. #
- c. Enter **C** in the Clear Field when the money amounts do not meet the requirements in a) or b) above.

Exception: TY20 only, if Form 8962 line 25 amount is greater than line 24 amount, GTSEC 05, delete the amount in Field 05202 and transmit. Then DLSEC 73. If EC 190 or 334 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).

- (4) If **Form 1095-A is not attached**, **SSPND 495** for BOE/IRPOL research.

- (5) **BOE/IRPOL researcher** - use the following instructions:

- a. Research BOE in the following order: **primary SSN, secondary SSN, dependent SSN**. Health care coverage could cover all listed on the return, only some listed on the return, or only one person listed on the return.

Note: When multiple Forms 1095-A are found, compare the policy numbers. If they are the same, check for a corrected or voided submission. If present, use the latest version.

- b. If Form 1095-A is found on BOE/IRPOL, follow the comparison instructions in (3) a) or b) above. If Form 1095-A **matches** Form 8962 as indicated in (3) a) or b) above, enter **4A** in Field 02ARC.
- c. If Form 1095-A is found on BOE/IRPOL and does **not match** or is **not found** on BOE/IRPOL, **SSPND 224**. Complete Form 6001 using paragraph 9 (AUSPC ONLY, complete Form 13900 as appropriate using paragraph o).

Exception: TY20 only, if Form 8962 line 25 amount is greater than line 24 amount, GTSEC 05, delete the amount in Field 05202 and transmit. Then DLSEC 73. If EC 190 or 334 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).

3.12.3.20.9.4

(07-26-2021)

Reply Procedures (EC 197, ACA)

- (2) If Field 01SPC contains a **T**, enter **C** in the Clear Field.
- (3) If the taxpayer responds with **"Not My Return"**, see IRM 3.12.3.33.2(1).
- (4) If the taxpayer provided Form 1095-A matches taxpayer entries on Form 8962, (compare Form 1095-A, line 33, column A, to Form 8962, line 11, column a,

enter **C** in the Clear Field.

Exception: TY20 only, if Form 8962 line 25 amount is greater than line 24 amount, GTSEC 05, delete the amount in Field 05202 and transmit. Then DLSEC 73. If EC 190 or 334 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).

- (5) If the Form 1095-A does not match the amounts on Form 8962 or the taxpayer's response is incomplete, see IRM 3.12.3.20.9.5.

3.12.3.20.9.5

(07-26-2021)

No Reply Procedures (EC 197, ACA)

and enter today's date in Field 02RPD.

Exception: TY20 only, if Form 8962 line 25 amount is greater than line 24 amount, GTSEC 05, delete the amount in Field 05202 and transmit. Then DLSEC 73. If EC 190 or 334 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).

Caution: Do not enter CCC U for no reply or incomplete reply for EC 197.

GTSEC 02 and enter the **correspondence** received date in Field 02RPD.

Exception: TY20 only, if Form 8962 line 25 amount is greater than line 24 amount, GTSEC 05, delete the amount in Field 05202 and transmit. Then DLSEC 73. If EC 190 or 334 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).

- (3) Enter **C** in the Clear Field.

3.12.3.20.10

(01-01-2017)

Error Code 198 (CE)**Form 8962,****Annual/Monthly SLCSP****Amount(s), Column B****(ACA)**

- (1) Error Code 198 instructions follow.

3.12.3.20.10.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 198, ACA)**

(1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01CCC	Computer Condition Code
01SPC	Special Processing Code
01EXC	Exemption Code
94EXV	Exemption Code Verified (ERS input only)
02ARC	ACA Resolution Code (ERS input only)
7311B	Annual SLCSP Amount
7312B	January Monthly Premium of SLCSP Amount
7313B	February Monthly Premium of SLCSP Amount
7314B	March Monthly Premium of SLCSP Amount
7315B	April Monthly Premium of SLCSP Amount
7316B	May Monthly Premium of SLCSP Amount
7317B	June Monthly Premium of SLCSP Amount
7318B	July Monthly Premium of SLCSP Amount
7319B	August Monthly Premium of SLCSP Amount
7320B	September Monthly Premium of SLCSP Amount
7321B	October Monthly Premium of SLCSP Amount
7322B	November Monthly Premium of SLCSP Amount
7323B	December Monthly Premium of SLCSP Amount
01C/S	City/State
	Section 74 Present

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3.12.3.20.10.2
(01-01-2017)

**Invalid Conditions (EC
198, ACA)**

(1) Error Code 198 generates when Tax Period is 201412 or greater and the taxpayer's Annual Premium SLCSP amount (Field 7311B) or Monthly Premium SLCSP amount(s) (Fields 7312B thru 7323B) does not equal Marketplace Annual/Monthly Premium SLCSP amounts.

3.12.3.20.10.3
(01-01-2023)

**Correction Procedures
(EC 198, ACA)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) When the taxpayer has notated “**QSEHRA**” (Qualified Small Employer Health Reimbursement Arrangement) at the top margin of Form 8962, enter **D** in Field 01RPC.
- (3) If **Form 1095-A is attached**, take the following actions:
 - a. Compare the **annual** totals on Form 1095-A, line 33, column B to Form Field 02ARC. If EC 198 redisplay, enter **C** in the Clear Field. #
 - b. Compare the **monthly** amounts on Form 1095-A, lines 21-32, column B enter **5** in Field 02ARC. If EC 198 redisplay, enter **C** in the Clear Field. #
 - c. Enter **C** in the Clear Field when the money amounts do **not** meet the requirements in a) or b) above.

Exception: TY20 only, if Form 8962 line 25 amount is greater than line 24 amount, GTSEC 05, delete the amount in Field 05202 and transmit. Then DLSEC 73. If EC 190 or 334 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).

Caution: If there is more than one Form 1095-A for the same covered individual(s) for the same month(s), do not combine the SLCSP amounts in column (b), unless the individuals were enrolled in health plans in different states.

- (4) If **Form 1095-A is not attached**, **SSPND 495** for BOE/IRPOL research.

- (5) **BOE/IRPOL researcher** - use the following instructions:

- a. Research BOE in the following order: **primary SSN, secondary SSN, dependent SSN**. Health care coverage could cover all listed on the return, only some listed on the return, or only one person listed on the return.

Note: When multiple Forms 1095-A are found, compare the policy numbers. If they are the same, check for a corrected or voided submission. If present, use the latest version.

- b. If Form 1095-A is found on BOE/IRPOL, follow the comparison instructions in (3) a) or b) above. If Form 1095-A **matches** Form 8962 as indicated in (3) a) or b) above, enter **5A** in Field 02ARC.
- c. If Form 1095-A is found on BOE/IRPOL and does **not match** or is **not found** on BOE/IRPOL, **SSPND 224**. Complete Form 6001 using paragraph 9 (AUSPC ONLY, complete Form 13900 as appropriate using paragraph o).

Exception: TY20 only, if Form 8962 line 25 amount is greater than line 24 amount, GTSEC 05, delete the amount in Field 05202 and transmit. Then DLSEC 73. If EC 190 or 334 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).

Caution: If there is more than one Form 1095-A for the same covered individual(s) for the same month(s), do not combine the SLCSP amounts in column (b), unless the individuals were enrolled in health plans in different states.

3.12.3.20.10.4
(07-26-2021)

Reply Procedures (EC 198, ACA)

- (2) If Field 01SPC contains a **T**, enter **C** in the Clear Field.
- (3) If the taxpayer responds with **"Not My Return"**, see IRM 3.12.3.33.2(1).
- (4) If the taxpayer provided Form 1095-A matches taxpayer entries on Form 8962, (compare Form 1095-A, line 33, column B, to Form 8962, line 11, column b,

enter **C** in the Clear Field.

Exception: TY20 only, if Form 8962 line 25 amount is greater than line 24 amount, GTSEC 05, delete the amount in Field 05202 and transmit. Then DLSEC 73. If EC 190 or 334 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).

Caution: If there is more than one Form 1095-A for the same covered individual(s) for the same month(s), do not combine the SLCSP amounts in column (b), unless the individuals were enrolled in health plans in different states.

- (5) If the Form 1095-A does not match the amounts on Form 8962 or the taxpayer's response is incomplete, see IRM 3.12.3.20.10.5.

3.12.3.20.10.5
(07-26-2021)

No Reply Procedures (EC 198, ACA)

and enter today's date in Field 02RPD.

Exception: TY20 only, if Form 8962 line 25 amount is greater than line 24 amount, GTSEC 05, delete the amount in Field 05202 and transmit. Then DLSEC 73. If EC 190 or 334 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).

Caution: Do not enter CCC U for no reply or incomplete reply for EC 198.

GTSEC 02 and enter the **correspondence** received date in Field 02RPD.

Exception: TY20 only, if Form 8962 line 25 amount is greater than line 24 amount, GTSEC 05, delete the amount in Field 05202 and transmit. Then DLSEC 73. If EC 190 or 334 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).

(3) Enter **C** in the Clear Field.

3.12.3.20.11
(01-01-2017)

Error Code 199 (CE)
Form 8962,
Annual/Monthly APTC
Amount(s), Column F
(ACA)

(1) Error Code 199 instructions follow.

3.12.3.20.11.1
(01-01-2023)

Fields Displayed, Form
1040 (EC 199, ACA)

(1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01CCC	Computer Condition Code
01SPC	Special Processing Code
01EXC	Exemption Code
94EXV	Exemption Code Verified (ERS input only)
02ARC	ACA Resolution Code (ERS input only)
7311F	Annual Advance PTC
7312F	January Monthly Advance PTC
7313F	February Monthly Advance PTC
7314F	March Monthly Advance PTC
7315F	April Monthly Advance PTC
7316F	May Monthly Advance PTC
7317F	June Monthly Advance PTC
7318F	July Monthly Advance PTC
7319F	August Monthly Advance PTC
7320F	September Monthly Advance PTC
7321F	October Monthly Advance PTC
7322F	November Monthly Advance PTC
7323F	December Monthly Advance PTC
01/C/S	City/State
	Section 74 Present

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3.12.3.20.11.2
(01-01-2017)
Invalid Conditions (EC 199, ACA)

- (1) Error Code 199 generates when Tax Period is 201412 or greater and the taxpayer's Annual Advance PTC amount (Field 7311F) or Monthly Advance PTC amount(s) (Fields 7312F thru 7323F) does not equal Marketplace Annual/Monthly Advance PTC amount(s).

3.12.3.20.11.3
(01-01-2023)
Correction Procedures (EC 199, ACA)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) When the taxpayer has notated "**QSEHRA**" (Qualified Small Employer Health Reimbursement Arrangement) at the top margin of Form 8962, enter **D** in Field 01RPC.

- (3) If **Form 1095-A is attached**, take the following actions:

- a. Compare the **annual** totals on Form 1095-A, line 33, column C to Form

Field 02ARC. If EC 199 redisplay, enter **C** in the Clear Field. #

- b. Compare the **monthly** amounts on Form 1095-A, lines 21-32, column C

enter **6** in Field 02ARC. If EC 199 redisplay, enter **C** in the Clear Field. #

- c. Enter **C** in the Clear Field, when the money amounts do **not** meet the requirements in a) or b) above.

Exception: TY20 only, if Form 8962 line 25 amount is greater than line 24 amount, GTSEC 05, delete the amount in Field 05202 and transmit. Then DLSEC 73. If EC 190 or 334 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).

- (4) If **Form 1095-A is not attached**, **SSPND 495** for BOE/IRPOL research.

- (5) **BOE/IRPOL researcher** - use the following instructions:

- a. Research BOE in the following order: **primary SSN, secondary SSN, dependent SSN**. Health care coverage could cover all listed on the return, only some listed on the return, or only one person listed on the return.

Note: When multiple Forms 1095-A are found, compare the policy numbers. If they are the same, check for a corrected or voided submission. If present, use the latest version.

- b. If Form 1095-A is found on BOE/IRPOL, follow the comparison instructions in (3) a) or b) above. If Form 1095-A **matches** Form 8962 as indicated in (3) a) or b) above, enter **6A** in Field 02ARC.
- c. If Form 1095-A is found on BOE/IRPOL and does **not match** or is **not found** on BOE/IRPOL, **SSPND 224**. Complete Form 6001 using paragraph 9 (AUSPC ONLY, complete Form 13900 as appropriate using paragraph o).

Exception: TY20 only, if Form 8962 line 25 amount is greater than line 24 amount, GTSEC 05, delete the amount in Field 05202 and transmit. Then DLSEC 73. If EC 190 or 334 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).

3.12.3.20.11.4

(07-26-2021)

Reply Procedures (EC 199, ACA)

- (2) If Field 01SPC contains a **T**, enter **C** in the Clear Field.
- (3) If the taxpayer responds with **"Not My Return"**, see IRM 3.12.3.33.2(1).
- (4) If the taxpayer provided Form 1095-A matches taxpayers entries on Form

C in the Clear Field.

Exception: TY20 only, if Form 8962 line 25 amount is greater than line 24 amount, GTSEC 05, delete the amount in Field 05202 and transmit. Then DLSEC 73. If EC 190 or 334 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).

- (5) If the Form 1095-A does not match the amounts on Form 8962 or the taxpayer's response is incomplete, see IRM 3.12.3.20.11.5.

3.12.3.20.11.5

(07-26-2021)

No Reply Procedures (EC 199, ACA)

and enter today's date in Field 02RPD.

Exception: TY20 only, if Form 8962 line 25 amount is greater than line 24 amount, GTSEC 05, delete the amount in Field 05202 and transmit. Then DLSEC 73. If EC 190 or 334 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).

Caution: Do not enter CCC U for no reply or incomplete reply for EC 199.

GTSEC 02 and enter the **correspondence** received date in Field 02RPD.

Exception: TY20 only, if Form 8962 line 25 amount is greater than line 24 amount, GTSEC 05, delete the amount in Field 05202 and transmit. Then DLSEC 73. If EC 190 or 334 displays, follow procedures in IRM 3.12.3.20.2.3(6). If EC 270 displays, follow procedures in IRM 3.12.3.26.1.3(2).

- (3) Enter **C** in the Clear Field.

3.12.3.21

(01-01-2017)

Error Codes 201-211

- (1) Instructions for Error Codes 201 to 211 follow.

3.12.3.21.1

(11-03-2022)

Error Code 201, Wages

- (1) Error Code 201 instructions follow.

3.12.3.21.1.1
(11-03-2022)

Fields Displayed, Form 1040 (EC 201)

- (1) This table shows the fields displayed in Error Code 201.

1040	Field Name
CL	Clear Code
01SPC	Special Processing Code
03WG	W-2 Wages
03NCP	Non-Taxable Combat Pay
03TWG	Total Wages
2126	Dependent Care Taxable Benefits
38ETB	Form 8839 Employer Provided Taxable Benefits Amount
6106	Section 61 Form 8919 Total Wages Amount
6206	Section 62 Form 8919 Total Wages Amount

3.12.3.21.1.2
(01-01-2024)

Invalid Conditions (EC 201)

- (1) Error Code 201 generates when SPC E is not present, and total wages does not agree with the sum of Fields 03WG, 2126, 38ETB, 6106 and 6206.

3.12.3.21.1.3
(05-09-2023)

Correction Procedures (EC 201)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If there is an entry on Form 1040, line 1e, and Form 2441 is present, GTSEC 21 and verify transcription of all fields. If there is an entry on Form 1040, line 1e and Form 2441 is not attached or is incomplete, SSPND 211 to correspond for Form 2441.
- (3) If there is an entry on Form 1040, line 1f, and Form 8839 is present, GTSEC 38 and verify transcription of all fields. If there is an entry on Form 1040, line 1f, and Form 8839 is not attached or is incomplete, SSPND 211 to correspond for Form 8839.

Note: Field 38ETB (Form 8839, line 29) can be a positive or negative amount, but it will always display in Error Code 201 as a positive amount. If Field 01TWG is computed correctly, enter a **C** in the Clear Field.

- (4) If there is an entry on Form 1040, line 1g, and Form 8919 is present, GTSEC 61/62 and verify transcription of all fields. If there is an entry on Form 1040, line 1g, and Form 8919 is not attached or is incomplete, SSPND 211 to correspond for Form 8919.
- (5) If there is an entry on Form 1040, line 1b, for household employee wages or the taxpayer noted "HSH", enter **E** in Field 01SPC.
- (6) If there is an error transferring amount(s) from Form 2441, Form 8839, and/or Form 8919, manually compute total wages and enter the amount in Field 03TWG. When Error Code 218 displays, assign **TPNC 124**.

- (7) If there is an error computing the amount on Form 1040, line 1z, manually compute total wages and enter the amount in Field 03TWG. If Error Code 218 displays, assign **TPNC 124**
- (8) TY22, if there is an entry on Form 1040, line 1c, 1d, and/or 1h, enter a **C** in the Clear Field.
- (9) If no further corrections are needed, enter a **C** in the Clear Field.

3.12.3.21.2
(01-01-2017)
**Error Code 202 and 502,
Schedule C/C-EZ**

- (1) Error Code 202/502 instructions follow.

3.12.3.21.2.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 202)**

- (1) This table shows the fields displayed.

1040	Field Name
01CCC	Computer Condition Code
01FPC	Form Processing Code
01RPC	Return Processing Code
01ACD	Audit Code Field
03WG	W-2 Wages
0403	Combined Schedule C Profit/Loss
>>>>	Combined Schedule C Profit/Loss Computer
0405	Schedule E Profit/Loss
04OTI	Other Income
09STI	Section 09 Statutory Employee Indicator
0901	Total Gross Receipts
0902	Returns and Allowances
0904	Cost of Goods Sold
0906	Schedule C Other Income
09EXP	Schedule C Total Expenses
0930	Expenses for Business Use of Home
09AR	At-Risk Code
09NET>	Section 09 Schedule C Profit/Loss Computer
10STI	Section 10 Statutory Employee Indicator
1001	Total Gross Receipts
1002	Returns and Allowances
1004	Cost of Goods Sold
1006	Schedule C Other Income

1040	Field Name
10EXP	Schedule C Total Expenses
1030	Expenses for Business Use of Home
10AR	At-Risk Code
10NET>	Section 10 Schedule C Profit/Loss Computer
11STI	Section 11 Statutory Employee Indicator
1101	Total Gross Receipts
1102	Returns and Allowances
1104	Cost of Goods Sold
1106	Schedule C Other Income
11EXP	Schedule C Total Expenses
1130	Expenses for Business Use of Home
11AR	At-Risk Code
11NET>	Section 11 Schedule C Profit/Loss Computer
1702	Net Profit/Loss Non-Farm (Primary)
17TE	Tentative Earnings (Primary)
1802	Net Profit/Loss Non-Farm (Secondary)
18TE	Tentative Earnings (Secondary)
2104	Primary Earned Income
2105	Secondary Earned Income
	Section XX Not Present

3.12.3.21.2.2
(01-01-2017)
Invalid Conditions (EC 202)

- (1) **Error Code 202** generates when **both** of the following exist:
 - a. The taxpayer's Combined Schedule C Profit/Loss (Field 0403) and the computer's Combined Schedule C Profit/Loss amounts differ.
 - b. A math error is present or no Schedule C is present.
- (2) **Error Code 502** generates when **both** of the following exist:
 - a. A math error is not present.
 - b. Any of the allowable Carryover Statutory Credits differ from their respective computer-generated amounts.

3.12.3.21.2.3
(04-25-2022)
Correction Procedures (EC 202)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

Note: The first Schedule C displays as Section 09, the second as Section 10, and the third as Section 11. For the remainder of this text all instructions in this Error Code will be referred to as Section 09; however, all correction procedures will apply equally to Sections 09, 10 and 11.

- (2) Use the following table when the literal "SECTION 09/10/11 NOT PRESENT" displays and an entry is present in Field 0403.

If...	And...	Then...
A] Schedule C or supporting statement is attached,	Not transcribed,	1. GTSEC 09. 2. Enter all fields of data available.
B] Schedule C or supporting statement is not attached,	Support is from Form 1099-NEC, Form 1099-MISC or Schedule K-1,	1. Enter N in Field 01RPC, if applicable. 2. Move the entry from Field 0403 to Field 04OTI.
C] Schedule C is not attached or incomplete (e.g., lines 1-7 are blank),	No support,	

#

Note: If you SSPND for Schedule C or F and the net income from the forms after liability for the self-employment tax.

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3.12.3.21.2.4
(04-25-2022)
**Field 0403, Schedule C
Profit/Loss (EC 202)**

- (1) Use the following table when the taxpayer's amount in Field 0403 differs from its computer underprint for the total of Sections 09, 10, and 11.

If...	And...	Then...
A] The taxpayer shows a loss on Schedule C but does not transfer the amount to Schedule 1, line 3,	The taxpayer has stated they want to omit the loss or identified the loss is from a hobby,	DLSEC 09.

If...	And...	Then...
B] The taxpayer shows a gain or loss on Schedule C but does not transfer the amount to Schedule 1, line 3,	Has not used the gain or loss in the tax computation,	<ol style="list-style-type: none"> 1. Verify that the taxpayer is not limiting the loss with Form 6198. 2. Assign TPNC 121. Note: Before assigning a TPNC, adjust Sections 17/18 and 21, as appropriate.
C] The taxpayer correctly figured Schedule C. Line 31 of the first Schedule C matches Field 09NET>, and line 31 of the second Schedule C matches Field 10NET>,	Incorrectly combined or transferred the amount to Schedule 1, line 3,	Assign TPNC 121 . Note: Before assigning a TPNC, adjust Sections 17/18 and 21, as appropriate.
D] There is an indication that an additional Schedule C is missing (e.g., two Schedules SE, one Schedule C),		SSPND 211 and complete Form 6001 using paragraph e with fill-in #15.
E] More than 3 Schedules C are attached,	They include statutory and non-statutory income,	Combine the statutory and non-statutory schedules separately . Note: Never combine statutory and non-statutory income. Do not enter RPC S if even one Schedule C is subject to SE Tax, no matter whether Schedule SE is present or not.
F] A negative amount is included in expenses on Schedule C, Part II,		Move the negative amount to Field 0906 as a positive, and adjust Field 09EXP to remove the negative amount.

priate TPNC.

3.12.3.21.2.5
(04-25-2022)

**Field 0901, Gross
Receipts Amount
(Schedule C/C-EZ) (EC
202)**

(1) Use the following table to resolve errors in Field 0901.

If...	And...	Then...
A] line 1, Schedule C-EZ is blank	TY12 and later, line 2 or 3 has an entry,	Enter the sum of lines 2 and 3 in Field 0901.
B] line 1, Schedule C is blank and the first amount in Part I appears on line 7 as a positive amount ,		Enter the positive amount in Field 0901.
C] line 1, Schedule C is blank and the first amount in Part I appears on line 7 as a negative amount ,		Enter the negative amount in Field 0906.
D] line 1, Schedule C is blank and the only entry appears on line 3 or line 5,		Enter that amount in Field 0901.
E] line 1, Schedule C has an amount; line 2 is blank; line 3 has an amount; and the taxpayer uses the amount on line 3 to compute line 7,	the amount on line 3 is larger than the amount on line 1,	Enter the amount on line 3 in Field 0901.

If...	And...	Then...
F] Schedule C includes wages, except for statutory wages, Note: See (2) below for instructions concerning statutory employees.		<ol style="list-style-type: none"> 1. Remove the wages from the amount in Field 0901. 2. Add the wages to the amount in Field 03WG. 3. Enter At-Risk code 3 in Field 09AR if the resulting Schedule C total is a loss. 4. Correct Fields 1702/1802 and 17TE/18TE, if necessary. See the self-employment tax in the next section.
G] line 1, 2, or 4, Schedule C, has a negative amount,		Move the negative amount from the applicable field to Field 0906 as positive or negative amount as appropriate.

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01CCC. Assign the appropriate TPNC.

- (2) If wages are present and the taxpayer has self-identified as a **statutory employee**, do **not** adjust the entry in Field 0901.

Note: Statutory employees are in general individuals in four occupational groups who are not employees under common law. The most common occupations are:

- industrial homeworkers
- full-time life insurance sales agents
- drivers who distribute meat products, vegetable products, fruit products, bakery products, beverages (other than milk) or pick up and deliver laundry or dry cleaning and
- traveling or city salespersons.

- a. Verify whether the statutory wages are included correctly in any amount in Fields 0901 and 03WG.
- b. If the Form W-2 submitted in reply to a request for support of statutory wages shows only regular wages, remove the unsupported statutory wages from Field 0901 and enter them in Field 03WG.

(3) For TY12 and later, correct Schedule C using the table below.

If...	And...	Then...
A] The box to the left of the line 1 amount is checked to identify wages earned by a statutory employee and there is no evidence that the taxpayer has combined statutory and non-statutory income,	Form W-2 is present: a. the amount on line 1, Schedule C, agrees with the amount for statutory wages reported on Form W-2, and b. only statutory wages are reported on line 1, Schedule C, Note: The Statutory Employee box on Form W-2 will be checked.	1. Enter 1 in Field 09STI. 2. Enter S in Field 01RPC if all of the Schedules C report only wages earned by a statutory employee.
B] The box to the left of the line 1 amount is checked to identify wages earned by a statutory employee and there is no evidence that the taxpayer has combined statutory and non-statutory income,	no Form W-2 in support of the statutory wages is present or the Form W-2 doesn't support the reported statutory wages and the taxpayer provides no explanation for the difference, Note: The Statutory Employee box on Form W-2 will be checked.	SSPND 211. a. Correspond for the missing Form W-2. Complete Form 6001 using paragraph G , or b. Correspond for an explanation of any difference between the statutory wages reported on Form W-2 and Schedule C. Complete Form 6001 using paragraph e with fill-in #16.
C] the Schedule(s) C report only wages earned by a statutory employee,	no non-statutory schedules are attached,	Enter S in Field 01RPC. Reminder: Enter RPC S only if no other self-employment income is present or all other self-employment income is exempt from the SE tax.
D] the taxpayer reports statutory wages and self-employment income on Schedule C, or you can clearly see that the taxpayer has reported both kinds of income on the same Schedule C,	no Form W-2 in support of the statutory wages is present, or the Form W-2 doesn't support the reported statutory wages and the taxpayer provides no explanation for the difference, Note: The Statutory Employee box on Form W-2 will be checked.	SSPND 211. Request a separate Schedule C for statutory wages and self-employment income. a. If Form W-2 is present, complete Form 6001 using paragraph e with fill-in #17. b. If Form W-2 is not present, complete Form 6001 using paragraph e with fill-in #18.

3.12.3.21.2.6
(01-01-2017)

Field 0902, Returns and Allowances (EC 202)

- (1) When an entry for Returns and Allowances, line 2, is missing and cannot be found on the attachments:
- Compute the entry by subtracting line 3 from line 1.
 - Enter the amount into Field 0902.

Caution: Schedule C-EZ, line 2 is often mistakenly entered in Field 0902 and not 09EXP.

- (2) If the taxpayer entered a **negative** amount on line 2, move the amount to Field 0906 as a positive amount.

3.12.3.21.2.7
(01-01-2017)

Field 0904, Cost of Goods Sold (EC 202)

- (1) Correct Field 0904 as follows:

If the entry on line 4, Cost of Goods Sold...	And...	Then...
A] Is missing,	is present on line 42 of Part III, or attachments,	Enter the amount in Field 0904.
B] Is missing,	is not present on line 42, Part III, or attachments,	<ol style="list-style-type: none"> 1. Compute the amount by subtracting line 5 from line 3. 2. Enter this amount in Field 0904.
C] Is a negative amount,	the taxpayer is treating it as positive,	<ol style="list-style-type: none"> 1. Delete the amount from Field 0904. 2. Enter the amount in Field 0906 as a positive amount.

3.12.3.21.2.8
(01-01-2019)

Field 0906, Other Income (EC 202)

- (1) Compare Form W-2 amount to line 6, Schedule C and take the following action:

Exception: Statutory Employees may report wages on Schedule C.

If Form W-2...	Then...
A] Is not identified as "Statutory Employee" income,	<ol style="list-style-type: none"> 1. Deduct the amount from Field 0906. 2. Adjust the entry in Field 03WG.

If Form W-2...	Then...
B] Is identified as "Statutory Employee" income,	<ol style="list-style-type: none"> 1. Deduct amount from Field 0906. 2. Enter amount in Field 0901 (follow Field 09STI instructions).

3.12.3.21.2.9
(01-01-2017)

Field 09EXP, Total Expenses (Schedule C/C-EZ) (EC 202)

- (1) Total Expenses are transcribed from line 28, Schedule C, or **line 2**, Schedule C-EZ.
- (2) When no total is shown on line 28 and entries are present on lines 8 through 27a, compute Part II and enter the total in Field 09EXP.

3.12.3.21.2.10
(01-01-2017)

Field 0930, Expenses for Business Use of Home (EC 202)

- (1) Form 8829, *Expenses for Business Use of Home*, is claimed on line 30, Schedule C, and the amount is transcribed in Field 0930. Take the following actions:

If...	And...	Then...
A] Form 8829 is attached,	No amount is present on line 30, Schedule C,	Enter the amount from Form 8829, line 35, in Field 0930.
B] Form 8829 is not attached,		<ol style="list-style-type: none"> 1. Enter Audit Code B in Field 01ACD.

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3.12.3.21.2.11
(04-25-2022)

Field 09AR, At-Risk Code (EC 202)

- a. Check for the presence of Form 6198.
 - b. If Form 6198 is not attached, SSPND 211. Complete Form 6001 using paragraph S.
- (2) If Schedule C is a **loss**, enter the At-Risk Code as follows:

If...	Then...
A] The taxpayer checked only box 32a (all is at risk),	Enter 1 in Field 09AR.

#

If...	Then...
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] The taxpayer reported a loss on Schedule C-EZ , line 3,	Enter 3 in Field 09AR.

#3.12.3.21.2.12
(01-01-2017)**Field 09NET>, Schedule C Profit or Loss Computer (EC 202)**

- (1) Field 09NET> is the computer-generated total of the Schedule C Profit/Loss. Use the following table when Field 09NET> differs from line 31, Schedule C:

Note: When more than one Schedule C is attached, compare each Schedule C total to its computer total (e.g., compare the first Schedule C, line 31, to Field 09NET>, and the second Schedule C, line 31, to Field 10NET>, and so on) to determine which Schedule C is in error.

If...	Then...
A] Schedule C appears to have a transcription error caused by 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),	<ol style="list-style-type: none"> 1. GTSEC 09. 2. Correct all fields displayed.

If...	Then...
B] The taxpayer has reported Partnership income (e.g., fractional amount is indicated) on Schedule C, Exception: If Schedule C income is divided between both spouses on a Married Filing Joint return, do not enter as partnership income.	<ol style="list-style-type: none"> 1. GTSEC 04 and move the partnership income from Field 0403 to Field 0405. 2. DLSEC 09/10/11, as applicable. 3. GTSEC 13. 4. Enter the appropriate amount in Fields 1330 (gain) or 1331 (loss). <p>Note: Also, enter the taxpayer's share of Gross Income in Field 1342 when Farming or Fishing Income is indicated.</p>
C] The taxpayer checked the box on line 32a or 32b, or box 32a is blank and the taxpayer has limited the loss on Schedule C,	<ol style="list-style-type: none"> 1. Adjust the entry in Field 09EXP to reflect the taxpayer's limited loss (add the taxpayer's loss amount to line 7 amount). 2. If line 7 is negative, adjust the entry in Fields 0901 - 0906, if necessary. 3. If the only entries are lines 28 and 30 and line 31 is 0 (zero), delete entries in 09EXP and 0930. 4. Enter this amount in Field 09EXP. <p>Note: If an amount is claimed on Schedule C, line 30, subtract the Form 8829 amount from the computation before entering in Field 09EXP.</p>

If...	Then...
<p>D] The taxpayer has limited the gain or loss on Schedule C, line 31, by using or noting any of the following:</p> <ol style="list-style-type: none"> 1. Form 8582, Passive Activity Loss Limitations, is attached. 2. PAL is noted. 3. Entire Disposition of Passive Activity is noted, 	<ol style="list-style-type: none"> 1. Adjust the entry in Field 09EXP to reflect the taxpayer's limited loss (add the taxpayer's loss amount to line 7 amount). 2. If line 7 is negative, adjust the entry in Fields 0901 - 0906, if necessary. 3. If the only entries are lines 28 and 30 and line 31 is 0 (zero), delete entries in 09EXP and 0930. 4. Enter this amount in Field 09EXP. <p>Note: If an amount is claimed on Schedule C, line 30, subtract the Form 8829 amount from the computation before entering in Field 09EXP.</p>
<p>E] The taxpayer has checked box 32b (some is not at risk) or no box has been checked, and the taxpayer has limited the loss on Schedule C, line 31, using Form 6198, <i>At-Risk Limitations</i>,</p>	<ol style="list-style-type: none"> 1. Adjust the amount in Field 09EXP to reflect the taxpayer's limited loss by adding Form 6198, line 21 (as a positive amount), to Schedule C, to line 7. 2. If line 7 is negative, adjust the entry in Fields 0901 - 0906, if necessary. 3. Enter the result in Field 09EXP. <p>Note: If an amount is claimed on Schedule C, line 30, subtract the Form 8829 amount from the computation before entering in Field 09EXP.</p>

If...	Then...
F] The taxpayer has limited the Schedule C, line 31, gain or loss using a combination of Forms 8582 and 6198,	<ol style="list-style-type: none"> Adjust the entry in Field 09EXP so that the computer loss equals the amount the taxpayer claimed on one of the following (whichever gives the taxpayer the highest AGI): <ol style="list-style-type: none"> Form 8582 Form 6198 Schedule C, line 31 Schedule 1, line 3 If line 7 is negative, adjust the entry in Fields 0901-0906, if necessary. If a math error results, assign TPNC 128. <p>Note: The taxpayer may limit a gain or limit a loss to a larger loss using Form</p>
G] Schedule C was transcribed correctly, and no other corrections are necessary,	<ol style="list-style-type: none"> Recompute Schedule C by adding all line items leading to the entries on lines 7 and/or 28. If the amounts differ, enter the recomputed amounts in the appropriate fields. Assign TPNC 121. <p>Note: Before assigning a TPNC, adjust Sections 17/18 and 21, if applicable.</p>

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private TPNC.

3.12.3.21.2.13
(01-01-2017)
Self-Employment Tax
(EC 202)

- (1) Use the following table to correct the Schedule SE when correcting a Schedule C math or transferring error:

If a math error or a transferring error...	And...	Then...
A] Increases the Self-Employment Income,		Correct the entry in Fields 1702/1802 and 17TE/18TE before assigning the appropriate notice code.
B] Reduces Field		1. DLSEC 17/18 as applicable. 2. Enter V in Field 01CCC. (see note)
C] Reduces the Self-Employment Income by \$100 or more,	The Self-Employment income is less than or equal to \$160,200 (TY22, \$147,000; TY21, \$142,800),	1. Correct the entry in Fields 1702/1802 and 17TE/18TE. 2. Enter V in Field 01CCC before assigning the appropriate notice code.

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Note: Before deleting Section 17/18, check Schedule 1, line 8z (TY19-20, line 8),
Field 01RPC if income is not included on Schedule SE.

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3.12.3.21.2.14
(02-06-2019)

**Child and Dependent
Care Credit (EC 202)**

- (1) Adjust the entry in Fields 2104 and 2105 (Earned Income), as appropriate, when a math error is present on Schedule C.

Note: If EC 280 displays, assign the previous TPNC.

3.12.3.21.2.15
(01-01-2017)

**Community Property (EC
202)**

- (1) Use the following table when the taxpayer is dividing the income under Community Property Rules or is a Registered Domestic Partner:

If...	Then...
A] The FSC is other than 1, 3, or 4,	Follow the taxpayer's intent and adjust all applicable fields.
B] The FSC is 1, 3, 4, or 7,	Refer to IRM 3.12.3.24.4.14.1, for Special Computation Instructions.

3.12.3.21.2.16
(01-01-2017)

**Correction Procedures
(EC 502)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
(2) Refer to all of the instructions for the Error Code.
(3) Enter **C** in the Clear Field if there are no corrections to be made.

3.12.3.21.2.17
(04-25-2022)

Prior Year (EC 202)

- (1) For TY11 line 1 was divided into four parts: 1a, 1b, 1c, and 1d. Line 1d was the sum of line 1a, 1b, and 1c.
- a. If the taxpayer reports income on 1a or 1b and the sum of line 1a and 1b entered on line 1d is accurate, enter the figure on line 1d in Field 0901. If line 1a or 1b is significant and line 1d is blank, add line 1a and 1b together and enter the sum in Field 0901.
- Note:** Taxpayers were instructed not to report income on line 1a and to report all non-statutory self-employment income on line 1b. If income is reported on line 1a, consider it reported on line 1b.
- b. Enter income reported on line 1c in Field 0901 and enter 1 in Field 09STI.

- (2) For TY11 taxpayers report statutory wages on line 1c of Schedule C.

Note: Statutory employees are individuals in specified occupational groups who are not common-law employees; these include: Industrial home workers, 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.

- a. Verify whether the statutory wages are included correctly in any amount in Field 0901 and 03WG.
- b. If the Form W-2 submitted in reply to a request for support of statutory wages shows only regular wages, remove the unsupported statutory wages from Field 0901 and enter them in Field 03WG.
- c. Correct Schedule C with the table below.

If...	And...	Then...
A] 1. TY10 and prior, the box beside the entry on line 1 of Schedule C is checked to mark wages earned by a statutory employee, and there is no evidence that the taxpayer has mingled statutory and non-statutory income 2. TY11, the taxpayer entered statutory wages on line 1c or 1d of Schedule C and there is no evidence that the taxpayer has mingled statutory and non-statutory income	Form W-2 is present and 1. the entry on line 1 (line 1c for TY11) of Schedule C agrees with the figure for statutory wages reported in the Form W-2 and 2. only statutory wages are reported on line 1 of Schedule C (line 1c and 1d for TY11) Note: The box Statutory Employee in the Form W-2 will be checked.	1. Enter 1 in Field 09STI. 2. Enter S in Field 01RPC if all of the Schedules C report only wages earned by a statutory employee.

If...	And...	Then...
B] 1. TY10 and prior, the box beside the entry on line 1 of Schedule C is checked to mark wages earned by a statutory employee and there is no evidence that the taxpayer has mingled statutory and non-statutory income 2. TY11, the taxpayer entered statutory wages on line 1c or 1d of Schedule C and there is no evidence that the taxpayer has mingled statutory and non-statutory income	no Form W-2 in support of the statutory wages is present or the Form W-2 doesn't support the reported statutory wages and the taxpayer provides no explanation for the difference Note: The box Statutory Employee in the Form W-2 will be checked.	SSPND 211 to correspond for: 1. the missing Form W-2 for the statutory wages or 2. an explanation of any difference between the statutory wages reported with the Form W-2 and Schedule C. Complete Form 6001 using paragraph e with fill-in #16.
C] the Schedule(s) C report only wages earned by a statutory employee,	no non-statutory schedules are attached	enter Sin Field 01RPC. Reminder: Enter RPC S only if no other self-employment income is present or all other self-employment income is exempt from the SE tax.
D] the taxpayer reports statutory wages and self-employment income on the same Schedule C, or you can otherwise clearly see that the taxpayer has reported both kinds of income on the same Schedule C,	no Form W-2 in support of the statutory wages is present, or the Form W-2 doesn't support the reported statutory wages, and the taxpayer provides no explanation for the difference, Note: The box Statutory Employee in the Form W-2 will be checked.	SSPND 211 to request a separate Schedule C for statutory wages and self-employment income. Use paragraph e of Form 6001 for the correspondence. 1. TY12 and later a. Form W-2 present, use fill-in #17. b. Form W-2 not present, use fill-in #18.

3.12.3.21.2.18
(01-01-2017)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 202)**

(1) This table shows the Allowable Taxpayer Notice Codes for **Error Code 202**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

(2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
121	Computed or transferred Schedule C/C-EZ incorrectly.
128	Incorrectly limited the amount of loss on Schedule C by the amount at risk on Form 6198 or 8582.
218	We computed your tax for you.
550	No reply, Form 6198 "Some is not at risk."
558	You gave us information that changed the refund or amount you owe.

3.12.3.21.3
(01-01-2017)
Error Code 203 (CE)
Schedule D and RPC T

- (1) Error Code 203 instructions follow.

3.12.3.21.3.1
(01-01-2023)
Fields Displayed,- Form
1040 (EC 203)

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01RPC	Return Processing Code
03CGL	Schedule D Profit/Loss
>>>>	Schedule D Profit/Loss Computer
	Section 12 Not Present
1207	Net Short-Term Gain/Loss
1215	Net Long-Term Gain/Loss

3.12.3.21.3.2
(01-01-2017)
Invalid Conditions (EC
203)

- (1) **Error Code 203** generates for **Form 1040** when RPC T is present, and **any** of the following exist:
- Section 12 is present.
 - Field 03CGL is blank.
 - Field 03CGL is negative.

3.12.3.21.3.3
(01-01-2017)
Correction Procedures
(EC 203)

- (1) Correct coding and transcription errors and misplaced entries on fields displayed.

3.12.3.21.3.4
(04-25-2022)
Form 1040 (EC 203)

- (1) Delete RPC T when Section 12 is present with entries in Fields 1207 and/or 1215.
- (2) Use the following table to correct errors on Form 1040:

If Field 03CGL is...	And...	Then...
A] Blank,	No misplaced entries or transcription errors are found,	Delete RPC T.
B] Negative, Schedule D is not present,		1. GTSEC 12. 2. Enter negative amount in Field 1207. 3. Delete RPC T when EC 203 redisplay.
C] Negative, Schedule D is not present,		SSPND 211 to correspond for missing Schedule D.

#

3.12.3.21.4
(01-01-2017)
Error Code 204 and 504, Schedule D

- (1) Error Code 204/504 instructions follow.

3.12.3.21.4.1
(01-01-2023)
Fields Displayed, Form 1040 (EC 204)

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01FPC	Form Processing Code
01RPC	Return Processing Code
03CGL	Schedule D Profit or Loss
>>>>	Schedule D Profit or Loss Computer
0404	Other Gains or Losses
12QOF	Qualified Opportunity Fund Checkbox
121AD	Short Term Basis No Adjustments Sales Amount
121AE	Short Term Basis No Adjustments Cost Amount
121BD	Short-Term Basis Transactions Sales Amount
121BE	Short-Term Basis Transactions Cost Amount
121BG	Short Term Basis Adjustments Amount

1040	Field Name
122D	Short-Term No Basis Transactions Sales Amount
122E	Short Term No Basis Transaction Cost Amount
122G	Short Term No Basis Adjustments Amount
123D	Short-Term No 1099B Transactions Sales Amount
123E	Short Term No 1099B Transaction Cost Amount
123G	Short term No 1099B Adjustments Amount
1205	Short Term Schedule K-1 Gain Loss Amount
1207	Net Short-Term Gain or Loss
128AD	Long Term Basis No Adjustments Sales Amount
128AE	Long Term Basis No Adjustments Cost Amount
128BD	Long-Term Basis Transactions Sales Amount
128BE	Long Term Basis Transactions Cost Amount
128BG	Long Term Basis Adjustments Amount
129D	Long Term No Basis Transactions Sales Amount
129E	Long Term No Basis Transaction Cost Amount
129G	Long Term No Basis Adjustments Amount
1210D	Long Term No 1099B Transaction Sales Amount
1210E	Long Term No 1099B Transaction Cost Amount
1210G	Long Term No 1099B Adjustments Amount
1212	Long Term Schedule K-1 Gain Loss Amount
1213	Capital Gain Distribution
1215	Net Long Term Gain or Loss
12DV	Schedule D Profit/Loss Verified
1218	28% Rate Gain or Loss
1219	Unrecaptured Section 1250 Gain Amount
514E	Form 4952 Disposition of Investment Property
514G	Form 4952 Investment Income Elect
	Section 51 Not Present
	Section 12 Not Present
12ZSA	Form 8949 Z-Code QOF Short Term Investment Adjustment
12YSA	Form 8949 Y-Code QOF Short Term Investment Adjustment

1040	Field Name
12ZLA	Form 8949 Z-Code QOF Long Term Investment Adjustment
12YLA	Form 8949 Y-Code QOF Long Term Investment Adjustment
6707	Selling Price Less Mortgage and Debts
6721	Payments Received During Year
6723	Payments Received in Prior Years

3.12.3.21.4.2
(01-01-2017)
Invalid Conditions (EC 204)

- (1) **Error Code 204** generates when Schedule D Profit/Loss (Field 03CGL) differs from the computer's Schedule D Profit/Loss underprint amount and **either** of the following conditions exist:
 - a. A math error is present.
 - b. Section 12 is not present.
- (2) **Error Code 504** generates when a math error is not present and any of the allowable Carryover Statutory Credits differ from their respective computer-generated amounts.

3.12.3.21.4.3
(04-25-2022)
Correction Procedures (EC 204)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Use the following table when no Section 12 fields display (Section 12 Not Present) on the screen and an entry is present in Field 03CGL:

If...	And...	Then...
A] Schedule D is attached,	Not transcribed,	1. GTSEC 12. 2. Enter all data present for the fields displayed.
B] Schedule D is not attached but a supporting statement is included,	You can determine the amount for column (h), Schedule D,	1. GTSEC 12. 2. Enter the amounts into the appropriate fields displayed.
C] Schedule D is not attached but a supporting statement is included,	You cannot determine the amount for column (h) of Schedule D,	SSPND 211 for Schedule D.

If...	And...	Then...
D] Schedule D is not attached	Line 7 (TY19, line 6; TY18, Schedule 1, line 13) is a gain, and the taxpayer checked the box to the left of Form 1040, line 7 (TY19, line 6; TY18, Schedule 1, line 13),	Enter " T " in Field 01RPC.
E] Schedule D is not attached	The taxpayer noted carry-over loss or attached a prior-year Schedule D (regardless of the amount),	SSPND 211 for Schedule D.
F] Schedule D is not attached		SSPND 211 for Schedule D.
G] Schedule D is not attached	Line 7 (TY19, line 6; TY18, Schedule 1, line 13) is a	Enter Field 03CGL amount in Field 1207.
H] Schedule D is not attached	Line 7 (TY19, line 6; TY18, Schedule 1, line 13) is a	SSPND 211 for Schedule D.
I] Schedule D is not attached	Line 7 (TY19, line 6; TY18, Schedule 1, line 13) is a	<ol style="list-style-type: none"> 1. Enter the amount in Field 03CGL. 2. GTSEC 12 and enter the amount in Field 1207. <p>Note: If EC 265 displays, correspond for Schedule D.</p>

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(3) Use the following table when Section 12 is present:

If Schedule D is attached and...	And...	Then...
A] The only entry is a gain from the sale of personal residence ,	There is an indication the taxpayer is either : 1. Postponing the gain, claiming lifetime exclusion, or 2. Using the gain in the replacement cost,	DLSEC 12.
B] Is a loss and there is no entry on line 7 (TY19, line 6; TY18, Schedule 1, line 13),	The taxpayer indicates that the loss is to be carried over ,	DLSEC 12.
C] Is a gain/loss and there is no entry or an incorrect entry on line 7 (TY19, line 6; TY18, Schedule 1 line 13),	The taxpayer does not indicate the loss is to be carried over,	Assign TPNC 122 .
D] The taxpayer indicates partnership income (e.g., fractional amount shown),		Enter the taxpayer's amount in Field 12DV.

- (4) Refer to specific instructions for the fields before assigning a TPNC when none of the preceding corrections apply.

3.12.3.21.4.4
(04-25-2022)

**Field 03CGL, Schedule D
Profit or Loss (EC 204)**

- (1) If line 16 of Schedule D is a loss, the computer will limit Schedule D Profit/Loss Computer to the smaller of:

- The loss on line 16, or
- \$3,000 (\$1,500 for FSC 3 or 6).

Note: The maximum loss allowable for Schedule D is \$3,000 (\$1,500 for FSC 3 or 6). The computer will not recognize a loss over \$3,000 in Field 12DV and will underprint with 0 (zero).

- (2) Use the following table when the taxpayer's amount for Schedule D in Field 03CGL, Form 1040, line 7 (TY19, line 6; TY18, Schedule 1, line 13), differs from its computer underprint (Section 12):

If Schedule D...	And...	Then...
A] Has passive activities indicated by any of the following: 1. Form 8582 attached, 2. PAL 3. Entire disposition of passive activity ,		the following fields as appropriate: a. Field 1207 b. Field 1215 c. Field 1218
B] Line 16 is a loss of more than \$3,000,	The taxpayer indicates a portion of the loss as "bad debt" or "Sect. 1244",	Move the entire "bad debt" amount to Field 0404.
C] Line 16 is a loss of more than \$3,000,	The taxpayer failed to limit their loss to \$3,000 (\$1,500 for FSC 3 or 6),	Assign TPNC 122 .
D] Line 16 is a gain (or a loss of \$3,000 or less),	No entries are leading to line 16,	1. Enter line 16 amount in Field 1207. 2. Assign TPNC 122 . Note: If EC 265 displays, SSPND 211 for a complete Schedule D.

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- (3) Use the following table to correct Field 03CGL when the taxpayer claims a **personal residence loss**:

If...	Then...
A] The taxpayer does not use the personal loss in the computation of Schedule D,	Delete the loss amount.
B] The only entry on Schedule D is for a personal residence loss, and the taxpayer did not enter the amount on Form 1040, line 7 (TY19, line 6; TY18, Schedule 1, line 13)	DLSEC 12.

If...	Then...
C] Only the personal residence loss is present on Schedule D,	<ol style="list-style-type: none"> 1. GTSEC 02. 2. Enter Unallowable Code 92 in Field 02CD1. 3. Enter the amount of loss claimed in Field 02AM1. <p>Exception: Do not code unallowable for a personal residence loss identified as “rental” or “inheritance”.</p> <p>Note: EC 706 will display for further corrections to Section 02.</p>
D] Only the personal residence loss is present on Schedule D,	<ol style="list-style-type: none"> 1. GTSEC 02. 2. Enter Unallowable Code 92 in Field 02CD1. 3. Enter the amount of loss claimed in Field 02AM1. 4. Enter -3000.00 (-1500.00 for FSC 3) in Field 12DV. 5. If Error Code 204 redispays, assign TPNC 122. <p>Exception: Do not code unallowable for a personal residence loss identified as “rental” or “inheritance”.</p> <p>Note: EC 706 will display for further corrections to Section 02.</p>
E] There are other amounts used in the computation of Schedule D,	<ol style="list-style-type: none"> 1. Leave loss where entered. 2. GTSEC 02. 3. Enter Unallowable Code 92 in Field 02CD1. 4. Enter full amount of loss in Field 02AM1. <p>Exception: Do not code unallowable for a personal residence loss identified as “rental” or “inheritance”.</p> <p>Note: EC 706 will display for further corrections to Section 02.</p>

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- (4) If the correction procedures in (2) and (3) do not apply, assign **TPNC 122**, if appropriate.

3.12.3.21.4.5
(01-01-2017)

**Field 1207, Net
Short-term Gain or Loss
(EC 204)**

- (1) Use the following table to correct Field 1207 (transcribed from line 7, Schedule D).

If the taxpayer...	Then...
A] Has entries on lines 1a through 6, column (h), Schedule D,	<ol style="list-style-type: none"> 1. Correct any transferring errors in Fields 121AD, 121AE, 121BD, 121BE, 121BG, 122D, 122E, 122G, 123D, 123E, and 123G from Forms 8949, Sales and Other Dispositions of Capital Assets, Part I. Note: Form 8949 is completed by transaction type. 2. Verify the total on line 7 by adding the amounts on lines 1a through 6, column (h). 3. Enter verified amount in Field 1207, if different.
B] Made an error in computing Net Short-term gain or loss,	Assign TPNC 122 .

3.12.3.21.4.6
(04-25-2022)

**Field 1215, Net
Long-term Gain or Loss
(EC 204)**

- (1) Use the following table to correct Field 1215 (transcribed from line 15, Schedule D):

If the taxpayer...	And...	Then...
A] Has entries on lines 8a through 14, column (h), Schedule D,		<ol style="list-style-type: none"> 1. Correct any transferring errors in Fields 128AD, 128AE, 128BD, 129BE, 128BG, 129D, 129E, 129G, 1010D, 1210E, and 1210G from Forms 8949, Sales and Other Dispositions of Capital Assets, Part II, if present. Note: Form 8949 is completed by transaction type. 2. Verify the total on line 15 by adding the amounts on lines 8a through 14, column (h). 3. Enter verified amount in Field 1215, if different.
B] Includes a loss from Form 4797 in the line 15, column (h) total amount,	The loss is supported by Form 4797,	<ol style="list-style-type: none"> 1. Adjust the entry in Field 1215 to exclude the Form 4797 loss. 2. Enter the Form 4797 loss amount in Field 0404. 3. DLSEC 12 if no other entries are present.
C] Includes a loss from Form 4797 in the line 15, column (h) total amount,	The loss is not supported by Form 4797,	SSPND 211 to correspond for Form 4797.
D] Made an error in computing Net Long-term gain or loss,		Assign TPNC 122 .

3.12.3.21.4.7
(01-01-2017)
**Fields 1218 and 1219,
Schedule D (EC 204)**

- (1) Ensure Field 1218 is correctly transcribed from line 18, Schedule D.
- (2) Ensure Field 1219 is correctly transcribed from line 19, Schedule D.

3.12.3.21.4.8
(01-01-2017)
**Field 12DV, Schedule D
Verified (EC 204)**

- (1) This field is used whenever the computer cannot correctly compute Schedule D. Such as any of the following instances:
 - a. Losses on Schedule D for Non-Resident Alien Spouse Returns with FSC 4 (limited to \$1,500).
 - b. Partnership
 - c. All filing status codes are limited to a \$3,000 loss on Form 4797.

Note: Field 12DV will not recognize a loss greater than \$3,000 (\$1,500 if FSC is 3)

3.12.3.21.4.9
(01-01-2017)
**Correction Procedures
(EC 504)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to instructions for EC 204.
- (3) Enter **C** in the Clear Field when there are no corrections to be made.

3.12.3.21.4.10
(01-01-2018)
Prior Year (EC 204)

- (1) For TY07 and prior, enter the taxpayer's entry in Field 12DV.

3.12.3.21.4.11
(01-01-2023)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 204)**

- (1) This table shows the Allowable Taxpayer Notice Codes for **Error Code 204**.
Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
122	Computed or transferred Schedule D incorrectly.
218	We computed your tax for you.
508	We didn't allow carryover loss. Schedule D not attached.
558	You gave us information that changed the refund or amount you owe.

TPNC	Description
633	We included capital gains distributions from Form 2439 on your return.

3.12.3.21.5
(01-01-2017)
**Error Code 206 and 506,
Schedule E**

- (1) Error Code 206/506 instructions follow.

3.12.3.21.5.1
(01-01-2020)
**Fields Displayed, Form
1040 (EC 206)**

- (1) This table shows the fields displayed.

1040	Field Name
01ACD	Audit Code Field
0405	Schedule E Profit/Loss
>>>>	Schedule E Profit/Loss Computer
1323D	Total Depreciation for All Properties
1323E	Total Expenses for All Properties
1324	Rents and Royalties Income
1325	Rents and Royalties Loss
1326>	Rents and Royalties Profit/Loss Computer
1330	Partnership and S Corporation Income
1331	Partnership and S Corporation Loss
1332>	Partnership and S Corp Profit/Loss Computer
1335	Estate and Trust Income
1336	Estate and Trust Loss
1337>	Estate and Trust Profit/Loss Computer
1339	Real Estate Mortgage (REMIC)
1340	Farm Rent Income/Loss
1342	Farm Income
1343	Real Estate Professionals Net Income or Loss
3105	Overall Profit or Loss
3120	Amount at Risk
3121	Deductible Loss
	Section 13 Not Present

3.12.3.21.5.2

(01-01-2017)

Invalid Conditions (EC 206)

- (1) **Error Code 206** generates when **either** of the following exist:
- The taxpayer's Field 0405 (Schedule E Profit/Loss) and the computer's Schedule E Profit/Loss underprint differ and a math error is present.
 - The taxpayer's Schedule E Profit/Loss (Field 0405) is present, and Schedule E (Section 13) is not present.
- (2) **Error Code 506** generates when a math error is not present, and any of the allowable Carryover Statutory Credits differ from their respective computer-generated amounts.

3.12.3.21.5.3

(04-25-2022)

Correction Procedures (EC 206)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Use the following table when the literal "SECTION 13 NOT PRESENT" displays and an entry is present in Field 0405:

If...	And...	Then...
A] Schedule E is attached,	Not transcribed,	GTSEC 13 and enter all fields of data available from Schedule E.
B] Schedule E is not attached,	A supporting statement is present such as: <ol style="list-style-type: none"> Schedule K-1 Form 1065 Form 1099-MISC, box 1 and 2 in particular Form 4835 Source of income is indicated on Schedule 1, line 5 (TY18, Schedule 1, line 17;). 	<ol style="list-style-type: none"> Enter all fields of data available in the appropriate field (i.e., enter Form 4835 net profit or loss in Field 1340). Enter the taxpayer's share of Gross Farming and Fishing Income in Field 1342 as indicated on Schedule C or F, Schedule(s) K-1, attachments, or Form 4835 (line 7).
C] Schedule E is not attached,	No supporting statement(s) is attached,	

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If the taxpayer has a loss on Schedule E and no entry on Schedule 1, line 5 (TY18, Schedule 1, line 17), and the amount has not been used in the tax computation, accept as a math error, unless the taxpayer states an intention to

omit the loss amount. Check for **Form 6198** or **Form 8582** to see if the taxpayer intended to **limit the loss**, before assigning **TPNC 126**.

(3) Use the following table when **Section 13** displays:

If the taxpayer...	And...	Then...
A] Attaches multiple Schedules E,		<ol style="list-style-type: none"> GTSEC 13. Combine all Schedules E and enter the total for each transcribed line in the appropriate field in Section 13. <p>Caution: The taxpayer may have used one Schedule E as a summary and entered only totals of other attached Schedules E.</p>
B] Indicates any of the following in Part I, Schedule E: <ol style="list-style-type: none"> Partnership PTP Fractional income A percentage breakdown Co-owner 		<ol style="list-style-type: none"> GTSEC 13. Adjust the field entries in Part I to reflect taxpayer's intent. <p>Note: Do not move amount(s) to the partnership area.</p>
C] Is limiting rental loss to \$25,000 (\$12,500 for FSC 3),		Adjust the entry in Field 1325 to reflect the amount the taxpayer claimed.
D] Appears to be limiting rental loss ,	Modified AGI is \$150,000 (\$75,000 for FSC 3), or more, and/or Form 8582 is attached,	Adjust the appropriate fields so that only the amount claimed by the taxpayer is allowed.
E] Claims Investment Interest Expense Deduction from Form 4952,		Add deduction amount to any entry in Field 1331.
F] Indicates "depletion" on Schedule E,		Follow taxpayer's intent and enter amount in Field 1324 or 1325, as appropriate.

If the taxpayer...	And...	Then...
G] Claimed Windfall Profits Tax on Schedule E,		
H] Part I has entries, lines 24 and 25 are blank,	A positive entry is present on line 21.	1. Add positive line 21 amounts. 2. Enter amount into Field 1324.
I] Part I has entries, lines 24 and 25 are blank,	A loss entry is present on line 21 and/or 22.	1. Add loss amounts from lines 21 and 22. 2. Enter amount into Field 1325.
J] Parts II, III, and/or IV have entries,		Compute and enter amount into appropriate field.
K] Indicates rounding,		
L] The transcribed amount in Field 0405 differs from the computer's underprint,		See the instructions for the specific fields before entering appropriate TPNC. If no further corrections are needed, assign TPNC 126 .

#3.12.3.21.5.4
(01-01-2017)**Field 0405, Schedule E
Income or Loss (EC 206)**

- (1) Use the following table when the taxpayer's amount for Schedule E in Field 0405 from Schedule 1, line 5 (TY18, Schedule 1, line 17) differs from its computer underprint (Section 13):

If Schedule E...	Then...
A] Appears to be transcribed incorrectly because of slipped fields (when transcription inputs an entry on the wrong line resulting in all subsequent entries for the section being input on wrong lines),	1. GTSEC 13. 2. Correct transcription for all fields in this section.
B] Has a "carryover loss" indicated,	adjusting the appropriate field(s) in Section 13.

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3.12.3.21.5.5
(01-01-2017)

**Field 1326>, Rent and
Royalties Computer (EC
206)**

- (1) This field is computer generated and not correctable. It is used as a comparison point for the taxpayer's amount on line 26.
- (2) Adjust the entry in Field 1325 so that the total of lines 24 and 25 reflect the amount claimed by the taxpayer when the taxpayer indicates that the **loss** was adjusted by using **any** of the following:
 - a. Form 8582, *Passive Activity Loss Limitations*, is attached.
 - b. "Entire disposition of passive activity."
 - c. "**PAL**" is noted near line 26.

3.12.3.21.5.6
(04-25-2022)

**Field 1332>, Partnership
and S Corporation Profit
or Loss Computer (EC
206)**

- (1) This field is computer generated and not correctable. It is used as a comparison point for the taxpayer's amount on line 32.
- (2) Use the following table when the taxpayer's amount on Schedule E, line 32, differs from Field 1332>:

If...	And...	Then...
A] TY03 and later - Any of the " any amount is not at risk " questions, Part II, column (f) are checked,		SSPND 211. Complete Form 6001 using paragraph S.
B] TY03 and later - Any of the " any amount is not at risk " questions, Part II, column (f) are checked,	The taxpayer has limited the loss on line 31,	Adjust the entry in Field 1331 to equal the loss the taxpayer claimed.
C] TY03 and later - None of the " any amount is not at risk " questions, Part II, column (f) are checked,	The taxpayer indicates that the loss on line 32 should be limited,	Adjust the entry in Field 1331 so that the total of lines 30 and 31 is equal to the loss claimed by the taxpayer.

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If...	And...	Then...
D] The taxpayer is limiting the gain or loss on line 32 through a combination of Form 6198 and Form 8582,		<ol style="list-style-type: none"> Adjust the entry in Field 1330 or 1331 to reflect the amount the taxpayer claimed on one of the following, whichever gives the highest AGI: <ol style="list-style-type: none"> Form 6198 Form 8582 Schedule 1, line 5 (TY18, line 17) Line 41, Schedule E If a math error results, assign TPNC 128.
E] The partnership income is used as earned income,	A math error will change the SE Income and/or the Child and Dependent Care Credit,	<ol style="list-style-type: none"> GTSEC 17/18 (if SE Schedule is present). Adjust the entries in Fields 1702/1802 and 17TE/18TE. (See note before adjusting Section 17/18.) GTSEC 21 (if Form 2441 is present). Adjust the entries in Field 2104/2105. Assign the appropriate TPNC for the error on Schedule E. <p>Note: If EC 280 displays, reassign the previous TPNC.</p>

Note: If the taxpayer's amount of SE Income (Field 17TE/18TE) is \$160,200

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following:

- a. GTSEC 01.
- b. Enter **N** in Field 01RPC.
- c. Enter **V** in Field 01CCC.
- d. DLSEC 17 and/or 18, as appropriate.
- e. If EC 209 displays, assign **TPNC 273**.

3.12.3.21.5.7
(01-01-2017)

**Field 1337>, Estate and
Trust Profit or Loss
Computer (EC 206)**

- (1) This field is computer generated and not correctable. It is used as a comparison point for the taxpayer's amount on line 37.

3.12.3.21.5.8
(01-01-2017)

**Correction Procedures
(EC 506)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to instructions for EC 206.
- (3) Enter **C** in the Clear Field when there are no corrections to be made.

3.12.3.21.5.9
(01-01-2017)

Prior Year (EC 206)

- (1) For TY11 and prior, accept the taxpayer's entry.

3.12.3.21.5.10
(01-01-2017)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 206)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 206**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
126	Computed or transferred Schedule E incorrectly.
128	Incorrectly limited the amount of loss on Schedule E by the amount at risk on Form 6198 or 8582.
218	We computed your tax for you.
550	No Reply, Form 6198 "some is not at risk."
558	You gave us information that changed the refund or amount you owe.

3.12.3.21.6
(01-01-2017)

(1) Error Code 208/508 instructions follow.

**Error Code 208 and 508,
Schedule F**

3.12.3.21.6.1
(01-01-2023)

(1) The following fields are displayed:

**Fields Displayed, Form
1040 (EC 208)**

1040	Field Name
01CCC	Computer Condition Code
01ACD	Audit Code Field
03WG	W-2 Wages
03TWG	Total Wages
0405	Schedule E Profit or Loss
0406	Combined Schedule F Profit or Loss
>>>>	Combined Schedule F Profit or Loss Computer
0407	Taxable Unemployment Compensation
04OTI	Other Income
1330	Partnership and S Corp Income
1331	Partnership and S Corp Loss
1340	Farm Rental Income or Loss
1342	Farm and Fishing Income
1409	Gross Income (Cash)
1433	Total Farm Expenses
14AR	At-Risk Code
1450	Total Gross Income (Accrual)
1434>	Schedule F Profit or Loss Computer
1509	Gross Income (Cash)
1533	Total Farm Expenses
15AR	At-Risk Code
1550	Total Gross Income (Accrual)
1534>	Schedule F Profit or Loss Computer
1701A	Net Profit or Loss Farm (Primary)
1701B	Conservation Reserve Program Payment
17TE	Tentative Earnings (Primary)
1801A	Net Profit or Loss Farm (Secondary)
1801B	Conservation Reserve Program Payment

1040	Field Name
18TE	Tentative Earnings (Secondary)
2104	Primary Earned Income
2105	Secondary Earned Income
	Section XX Not Present

3.12.3.21.6.2
(01-01-2017)
Invalid Conditions (EC 208)

- (1) **Error Code 208** generates when **either** of the following exists:
- The taxpayer's combined Schedule F Profit/Loss (Field 0406) and the computer's combined Schedule F Profit/Loss underprint differ and a math error is present.
 - The taxpayer's Schedule F Profit/Loss (Field 0406) is present, and Schedule F is not present.
- (2) **Error Code 508** generates when a math error is not present and any of the allowable Carryover Statutory Credits differ from their respective computer-generated amounts.

3.12.3.21.6.3
(04-25-2022)
Correction Procedures (EC 208)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- Note:** The first Schedule F displays as Section 14 and the second as Section 15. For the remainder of this text, all instructions in this Error Code will be referred to as Section 14; however, all procedures will apply equally to Sections 14 and 15.
- (2) Use the following table when the literal "SECTION 14/15 NOT PRESENT" displays and an entry is present in Field 0406:

If...	And...	Then...
A] Schedule F is attached or a substitute,		<ol style="list-style-type: none"> GTSEC 14. Enter all fields of data available.
B] Schedule F is not attached,	The amount reported on Schedule 1, line 6 (TY18, Schedule 1, line 18) is from Form 4835,	<ol style="list-style-type: none"> Move entry in Field 0406 to Field 0405. GTSEC 13. Enter the line 32, Form 4835, amount in Field 1340. Enter the Form 4835, line 7 amount in Field 1342.

If...	And...	Then...
C] Schedule F is not attached,	No supporting information is attached,	<p>Note: If you SSPND for Schedule C or F and the amount is a</p> <p>Schedule SE present, also include paragraph V on Form 6001 for self-employment tax liability.</p>

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- (3) The taxpayer must choose either the cash or accrual accounting method to report farm income. Use the following table to determine the correct method used by the taxpayer:

If Schedule F...	And...	Then...
A] Indicates the Accrual Method was used to report Gross Income,	Field 1409 has an entry,	Delete the entry in Field 1409.
B] Part I has entries,	The taxpayer indicates Cash Method,	<ol style="list-style-type: none"> 1. Add income amounts, in right hand column, on lines 1c through 8. 2. Enter amount into Field 1409.
C] Part II has entries		<ol style="list-style-type: none"> 1. Add expense amounts from lines 10 through 32f. 2. Enter amount into Field 1433.
D] Part III has entries,	The taxpayer indicates Accrual Method,	<ol style="list-style-type: none"> 1. Compute income amounts on lines 37 through 49. 2. Enter amount into Field 1450.

If Schedule F...	And...	Then...
E] Lines 1a through 9 and lines 37 through 50 are blank,		SSPND 211.

3.12.3.21.6.4
(04-25-2022)

**Field 0406, Combined
Schedule F Profit/Loss
(EC 208)**

- (1) Use the following table when the taxpayer's amount in Field 0406 differs from its computer underprint for the combined total of Sections 14 and 15.

If...	And...	Then...
A] The taxpayer shows a gain/loss on Schedule(s) F but did not transfer the amount to Schedule 1, line 6 (TY18 Schedule 1, line 18),	clearly identified the loss as a hobby,	DLSEC 14.
B] The taxpayer shows a gain/loss on Schedule(s) F but did not transfer the amount to Schedule 1, line 6 (TY18, Schedule 1, line 18),	Has not used the gain/loss in the tax computation,	<ol style="list-style-type: none"> 1. Verify that the taxpayer is not limiting the loss with Form 6198. 2. Assign TPNC 127. <p>Note: Before assigning a TPNC, adjust Sections 17/18 and 21, as appropriate. Assign TPNC 127. Note: Do not assign TPNC 127 if partnership is indicated on the return. Refer to IRM 3.12.3.21.6.9.</p>
C] The taxpayer correctly figured Schedule(s) F (i.e., the first Schedule F, line 34, matches Field 1434> and the second Schedule F, line 34, matches Field 1534>),	Incorrectly combined/ transferred the amount to Schedule 1, line 6 (TY18, Schedule 1, line 18),	Assign TPNC 127 .

If...	And...	Then...
D] There is an indication that an additional Schedule F is missing (e.g., two Schedules SE, one Schedule F),		SSPND 211 and complete Form 6001 using paragraph e with fill-in #15.

appropriate TPNC.

3.12.3.21.6.5
(01-01-2017)

**Field 1409, Gross
Income (Cash) (EC 208)**

- (1) Use the following table to correct Field 1409 (Total of Gross Farm Income for the Cash Method):

If...	And...	Then...
A] No amount is present in Field 1409,	The taxpayer has indicated Cash Method,	1. Add lines 1c through 8 in the right hand column. 2. Enter total in Field 1409.
B] An amount is present in Field 1409 and lines 1a through 8 are blank,	An amount is also present in Field 1450,	Delete the entry in Field 1409.

Note: Code and Edit is instructed to "X" line 9 when the taxpayer is using the Accrual Method.

3.12.3.21.6.6
(01-01-2017)

**Field 1433, Total Farm
Expenses (EC 208)**

- (1) Take the following actions when no amount is present for Field 1433:

- a. Add lines 10 through 32f.
- b. Enter total in Field 1433.

3.12.3.21.6.7
(04-25-2022)

**Field 14AR, At-Risk
Code (EC 208)**

- a. Check for the presence of Form 6198.
- b. If Form 6198 is not attached, SSPND 211. Complete Form 6001 using paragraph S.

- (2) If Schedule F, line 34, shows a **loss**, enter the At-Risk Code as follows:

If...	Then...
A] The taxpayer checked only box 36a,	Enter 1 in Field 14AR.

If...	Then...
B] The taxpayer checked box 36b or both boxes 36a and 36b,	Enter 2 in Field 14AR.
C] The taxpayer did not check box 36a or 36b,	Enter 3 in Field 14AR.
D] Multiple Schedules F were	Enter 3 in Field 14AR.

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3.12.3.21.6.8
(01-01-2017)
**Field 1450, Gross
Income (Accrual) (EC
208)**

- (1) When no amount is present in Field 1450 and the taxpayer has indicated the Accrual Method, compute Part III and enter the total in Field 1450.

3.12.3.21.6.9
(04-25-2022)
**Field 1434>, Schedule F
Profit or Loss Computer
(EC 208)**

- (1) Field 1434> is the computer-generated total of the Schedule F Profit/Loss, and is not correctable. The computer uses the following fields to arrive at Field 1434>:

- Cash Method: Field 1409 minus Field 1433 = Field 1434>.
- Accrual Method: Field 1450 minus Field 1433 = Field 1434>.

- (2) Use the following table when Field 1434> differs from line 34, Schedule F:

Note: When more than one Schedule F is attached, compare each Schedule F total to its computer total (i.e., compare the first Schedule F, line 34, to Field 1434>, and the second Schedule F, line 34, to Field 1534>) to determine which Schedule F is in error.

If...	Then...
A] Schedule F appears to have a transcription error caused by 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),	<ol style="list-style-type: none"> 1. GTSEC 14. 2. Correct all fields displayed.

If...	Then...
B] The taxpayer reported partnership income on Schedule F (e.g., fractional amount is indicated),	<ol style="list-style-type: none"> 1. Move the partnership income from Field 0406 to Field 0405. 2. GTSEC 13 and enter the amount from Schedule F, line 34, in Field 1330 (gain) or 1331 (loss). Also, enter taxpayer's share of Gross Income from Schedule F, line 9, in Field 1342 (see note). 3. DLSEC 14. <p>Note: Apply the percentage the taxpayer used on Schedule F, line 34, to the amount to be entered in Field 1342. For example, if the taxpayer indicates 1/2 on line 34, divide the amount on line 9 by 2 and enter the result into Field 1342.</p>
C] The taxpayer has limited the loss on Schedule F, line 34, and checked the box on line 36b,	Adjust the entry in Field 1433 to equal the loss the taxpayer claimed.
D] The taxpayer has left the box on line 36b blank and indicated the loss on line 34 should be limited (e.g., Form 6198, At-Risk Limitations , is attached,	<p>Adjust the entry in Field 1433 to equal the loss the taxpayer claimed.</p> <p>Note: Do not change the At-Risk Code.</p>
E] The taxpayer has Indicated a limitation by using or noting any of the following: <ul style="list-style-type: none"> • Form 8582, Passive Activity loss Limitations, is attached. • "PAL" is noted • "Entire Disposition of Passive Activity" is noted, 	Adjust the entry in Field 1433 to equal the loss the taxpayer claimed.

If...	Then...
F] The taxpayer has limited the gain or loss on line 34 through a combination of Forms 6198 and 8582,	<ol style="list-style-type: none"> Adjust the entry in Field 1433 to equal the amount the taxpayer claimed on one of the following (whichever gives the taxpayer the highest AGI): <ol style="list-style-type: none"> Form 6198 Form 8582 Schedule F, line 34 Schedule 1, line 6 (TY18, Schedule 1, line 18) If a math error results, assign TPNC 128. <p>Note: The taxpayer may limit a gain or limit a loss to a larger loss</p>
G] Schedule F was transcribed correctly and no other corrections are necessary,	<ol style="list-style-type: none"> Recompute Schedule F by adding all line items leading to the entries on lines 9 and 33 (except Part III). If the amounts differ, enter the recomputed amounts in the appropriate fields. Assign TPNC 127. <p>Note: Before assigning a TPNC, adjust Sections 17/18 and 21, if applicable.</p> <p>Exception: If there is a math error that changes the line 34</p> <p>correspond for verification of the entries on Schedule F, lines 1a through 33 (cash) or lines 37 through 50 (accrual).</p>
	<p>Note: If Self-Employment Income</p> <p>in Field 01CCC.</p>

#

If...	Then...
	Exception: If a math error will (TY19-TY20, line 8), for SE or non- included on any Schedule SE, GTSEC 01 and enter N in Field 01RPC.

#

Note: The taxpayer may have a negative entry on line 32f, if the taxpayer indicates either “**Pre-productive expenses**” or “**Sect. 263A**” to the left of line 32f as long as there are amounts in lines 10 through 32e that are greater than line 32f. The taxpayer is instructed to subtract pre-productive expenses from the total of the other expenses and enter the result on line 33.

3.12.3.21.6.10
(01-01-2017)
**Correction Procedures
(EC 508)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to instructions for EC 208.
- (3) Enter **C** in the Clear Field when there are no corrections to be made.

3.12.3.21.6.11
(01-01-2018)
Prior Year (EC 208)

- (1) TY07 - enter **3** in Field 14AR.

3.12.3.21.6.12
(01-01-2017)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 208)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 208**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
127	Computed or transferred Schedule F incorrectly.
128	Incorrectly limited the amount of loss on Schedule F by the amount at risk on Form 6198 or 8582.
218	We computed your tax for you.
550	No Reply, Form 6198 “Some is not at risk”.

TPNC	Description
558	You gave us information that changed the refund or amount you owe.

3.12.3.21.7
(01-01-2017)
**Error Code 209,
Schedule SE, Combined
SE Tax**

- (1) Error Code 209 instructions follow.

3.12.3.21.7.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 209)**

- (1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01CCC	Computer Condition Code
01RPC	Return Processing Code
05204	Combined SE Tax
>>>>	Combined SE Tax Computer
17SSN	SE SSN, Primary
1701A	Net Farm Profit or Loss
1701B	Conservation Reserve Program Payment
1702	Net Non-Farm Profit or Loss
17TE	Tentative Earnings
1704B	Optional Method Income Amount
17CHW	Tentative Church Wages
17TNE>	Total Net Earnings Computer
17TSW	Total Social Security Wages Covered
17SIV	Self-Employed Social Security Income Computer Verified
1710>	SE SS Tax Computer
1711>	SE Medicare Tax Computer
17SET>	SE Tax Computer
17SEV	SE Tax Verified
17MCD	SE Method Code
18SSN	SE SSN, Secondary

1040	Field Name
1801A	Net Farm Profit or Loss
1801B	Conservation Reserve Program Payment
1802	Net Non-Farm Profit or Loss
18TE	Tentative Earnings
1804B	Optional Method Income Amount
18CHW	Tentative Church Wages
18TNE>	Total Net Earnings Computer
18TSW	Total Social Security Wages Covered
18SIV	Self-Employed Social Security Income Computer Verified
1810>	SE SS Tax Computer
1811>	SE Medicare Tax Computer
18SET>	SE Tax Computer
18SEV	SE Tax Verified
18MCD	SE Method Code
03EIC	EIC Amount
>>>>>	EIC Amount Computer
03NCP	Nontaxable Combat Pay Election
02CD1	Unallowable Code 1
02AM1	Unallowable Amount 1
02TXA	Unallowable Tax Adjustment

3.12.3.21.7.2
(01-01-2020)
Invalid Conditions (EC 209)

- (1) **Error Code 209** generates when the difference between Combined SE Tax

#

3.12.3.21.7.3
(01-01-2020)
**Sections 17 and 18,
Schedule SE General
Information (EC 209)**

- (1) Schedule SE is used to report Social Security self-employment tax of a primary or secondary taxpayer.
- Section 17** is always for the **primary** taxpayer.
 - Section 18** is always for the **secondary** taxpayer.

Note: Henceforth Schedule SE will be referred to as Section 17. All instructions will apply equally to Section 17 and 18.

- (2) Check for one of the following indicators to determine if the taxpayer may be exempt from paying SE Tax when the taxpayer indicates zero SE tax or does not complete Schedule SE:
- **Statutory Employee** line 1 box checked on Schedule C, (TY11- amount on Schedule C, line 1c)
 - **Exempt**
 - **Exempt-Notary**
 - **Not liable**
 - **QJV** (qualified joint venture) noted to the left of Schedule 2, line 4 (TY18, Schedule 4, line 57; TY17, Form 1040, line 57)
 - **Form 4361** (minister or member of a religious order)
 - **Form 4029** (Members of Certain Religious Sects having conscientious objections to SE Tax)
- (3) Take the following steps when any of the preceding conditions apply and no tax is present for exempt income:
- a. Enter **S** in Field 01RPC (if not already present).
 - b. Delete Section 17/18.

Exception: Do not enter RPC S if one spouse is exempt and the other spouse is liable for Self-Employment.

- (4) 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 Schedule SE (TY19 and prior, Section B - Long Schedule SE).

#

- (6) The SE tax rates for TY15 and later are 12.4 percent for Social Security Tax and 2.9 percent for Medicare Tax. The earnings subject to the SE Social Security tax are **limited** by an income cap established for a tax year: Income greater than the cap is not subject to tax for Social Security.
- TY23: \$160,200
 - TY22: \$147,000
 - TY21: \$142,800

Note: The taxpayer's SE rate is 15.3 percent (12.4 percent + 2.9 percent) of the limited amount plus 2.9 percent of any amount over that limit.

3.12.3.21.7.4
(05-01-2017)
**Correction Procedures
(EC 209)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Use the following table if Schedule SE is attached:

If...	Then...
A] Field 17TE is \$433 or more,	GTSEC 17/18 and enter all fields of data available. Note: If the taxpayer enters \$433.00 to \$433.99, adjust the entry in Fields 1702 and 17TE to \$434.
B] SE Income is from Church Wages (Field 17CHW) of \$109 or more,	GTSEC 17/18 and enter all fields of data available. Note: If the taxpayer enters \$433.00 to \$433.99, adjust the entry in Fields 1702 and 17TE to \$434.
C] SE Income is less than \$433,	1. DLSEC 17/18. 2. Assign TPNC 273 .
D] the taxpayer pays the self-employment tax for scholarships, grants or fellowships excluded from gross income Note: Such excluded income is usually noted beside the figure on Form 1040, line 1 but not included in the wages amount. Such income not reported on Form W-2 is not considered earned income for EIC purposes.	1. Correspond for W-2 to support the scholarship, grant or fellowship. 2. If the taxpayer does not provide a W-2, delete the Schedule SE (or Form 8919 or Form 4137) or remove the scholarship from the form if true self-employment income is reported. 3. Assign: a. TPNC 273 for Schedule SE b. TPNC 274 for Form 4137 c. TPNC 614 for Form 8919.

- (3) Refer to IRM 3.12.3.21.7.17 if Section 17 was added at EC 380.
- (4) Adjust the entry in Field 17TE to show the taxpayer's true net earnings when the taxpayer has zero taxable income and **all** of the following are present:
- The taxpayer multiplied net earnings by .9235.
 - The taxpayer then further reduced the previous result by multiplying by .9235 **again**.
 - Taxpayer writes **Section 1402(a)(12)**.

Assign **TPNC 269** if EC 209 redisplay.

3.12.3.21.7.5
(04-25-2022)
**Field 05204, Combined
Self-Employment Tax
(EC 209)**

- (1) Field 05204 is transcribed from Schedule 2, line 4, and will underprint with the computer's calculation of Combined SE Tax when it differs from the taxpayer's amount.

- (2) If an amount is present for self-employment tax on Schedule 2, line 4 (TY18, Schedule 4, line 57; TY17, Form 1040, line 57), Schedule SE is not attached (or incomplete), and the self-employed income is determined to be **less than** \$433.00, assign **TPNC 273**.
- (3) Use the following table when an amount is present for self-employment tax, Schedule SE is not attached (or incomplete), and the self-employed income is determined to be \$433.00 **or more**:

#

If you...	And...	Then...
A] Can determine which taxpayer is liable for SE Tax,	The amount of SE Income used by the taxpayer to compute self-employment tax,	GTSEC 17/18 and enter data for the appropriate fields.
B] Cannot determine either SE Tax liability or SE Income,		SSPND 211.

3.12.3.21.7.6
(01-01-2018)
Field 1701A, Net Farm Profit or Loss (EC 209)

- (1) Field 1701A represents the taxpayer's farm income (Schedule F) and/or farm partnership.

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apply:

- The amount has been changed because of a math error on Schedule F.
- There is an obvious transfer error from Schedule F.

Note: If line 1, Schedule SE, is blank, enter amount from Schedule F, unless the optional method is the only method used.

- (3) If the taxpayer made a transferring error, adjust Fields 1701A and 17TE. Assign **TPNC 270**.

3.12.3.21.7.7
(04-25-2022)
Field 1701B, Conservation Reserve Program Payment (EC 209)

- (1) Field 1701B holds the taxpayer's Conservation Reserve Program Payment included in the sum reported on line 4b of Schedule F.

Note: Line 4 of Schedule F holds several payments besides the payment for participation in the Conservation Reserve Program. Line 1b of Schedule SE may be blank even though line 4a and 4b of Schedule F show payments.

- (2) If Schedule F is not attached, SSPND 211.
- (3) If Schedule F is attached and the amount on line 4b of Schedule F is not present on line 1b of Schedule SE, then enter the line 4b, Schedule F amount in Field 1701B.

3.12.3.21.7.8
(01-01-2018)

**Field 1702, Net
Non-Farm Profit or Loss
(EC 209)**

- (1) Field 1702 represents the taxpayer's Non-Farm income (Schedule C, and/or non-farm partnership).

- a. The amount has been changed because of a math error on Schedule C.
b. There is an obvious transferring error from Schedule C.

Note: If line 2 Schedule SE is blank, enter amount from Schedule C, unless the optional method is the only method used.

- (3) If the taxpayer made a transferring error, adjust Fields 1702 and 17TE. Assign **TPNC 271**.

3.12.3.21.7.9
(01-01-2017)

**Field 17TE, Tentative
Earnings (EC 209)**

- (1) Field 17TE is transcribed from line 3, Schedule SE. Field 17TE represents the total from lines 1a, 1b, and 2 (1a-1b+2=3).

- (2) **Adjust the entry in Field 17TE whenever Fields 1701A and 1702 have been corrected because of an error on Schedule C or F.**

- (3) If the taxpayer noted **Exempt-Notary** with an amount to the left of line 3, Schedule SE, and subtracted the noted amount from the total of lines 1a, 1b and 2, reduce the amount in Field 1702 by the **Exempt-Notary** amount (if not already done by Code and Edit).

- (4) If the taxpayer noted **Chap. 11 Bankruptcy Income** with an amount to the left of line 3, Schedule SE, accept the taxpayer's entry if they are paying SE Tax because of Chapter 11 Bankruptcy. They will combine that amount with the total of lines 1 and/or 2 and enter the result on line 3.

3.12.3.21.7.10
(01-01-2019)

**Field 1704B, Optional
Method Income Amount
(EC 209)**

- (1) This field is for **ERS Input Only**. It is used when the taxpayer is using one or both optional methods.
(2) If the taxpayer has used the optional method, an amount is present on line 15 or 17 and line 4b.

- (3) The optional method is usually recognizable by the entry of **\$6,560 (TY22, \$6,040; TY21, \$5,880)** on line 4b of Schedule SE or the entry of **\$1,004 (TY22, \$924; TY21, \$900)** for SE tax on Schedule 2, line 4 (TY18, line 57, Schedule 4). If the taxpayer is using only the optional method, an optional method code must be entered in Field 17MCD. The optional method code will suppress the math process that reduces self-employment income by .9235 for the entry on line 4b.

Note: The self-employment optional method is designed to allow taxpayers to contribute to Social Security even if they have a net loss or only a small profit. This allows them to make contributions to Social Security even in years in which they are not liable, so that they will have benefits available when they retire.

- (4) Use the following table when the taxpayer is using the optional method:

If the optional method is...	And...	Then...
A] For a loss and paying SE Tax,	Loss is from a farm ,	1. Enter 2 in Field 17MCD. 2. Enter the taxpayer's entry on line 4b in Field 1704B.
B] For a loss and paying SE Tax,	Loss is from a business ,	1. Enter 1 in Field 17MCD. 2. Enter the taxpayer's entry on line 4b in Field 1704B.
C] For net earnings, line 15 is equal to two-thirds of gross farm income (Schedule F, line 9 or 50) or, line 17 is equal to two-thirds of gross non-farm income (Schedule C, line 7),	Line 15 is blank or zero and line 17 matches line 4b,	1. Enter 1 in Field 17MCD. 2. Enter the taxpayer's entry on line 4b in Field 1704B.
D] For net earnings, line 15 is equal to two-thirds of gross farm income (Schedule F, line 9 or 50) or, line 17 is equal to two-thirds of gross non-farm income (Schedule C, line 7),	All other situations,	1. Enter 2 in Field 17MCD. 2. Enter the taxpayer's entry on line 4b in Field 1704B.
E] For net earnings,	Lines 15-17 are blank, or you are unable to determine the code,	Blank the field to generate 0 (zero).
F] To compute SE tax,	Did not meet the qualifying tests, as shown on Part II of Schedule SE,	Re-compute and enter Field 17TE by adding lines 1a, 1b and 2 of Schedule SE.

Note: For more detailed and specific instructions regarding the "Optional Method" see EC 090.

- (5) Taxpayers with farm and non-farm SE income may elect to compute SE tax by using **both** the **regular** and **optional** methods. These Schedules SE typically show an **entry on lines 3 and 4b** of Schedule SE. The computer cannot accu-

rately figure the SE tax in these cases. Modify the record according to the following steps. Complete all actions before transmitting the changes.

- a. Divide the amount on line 6 by .9235 and enter the result in either Field 1701A for farm income or Field 1702 for non-farm income. (If a loss is included in line 6, add that amount as a positive, and adjust Field 1701A/1702.)
- b. Adjust the figure in Field 17TE so that it includes the sum of the modified and original income in Fields 1701A, 1701B, and 1702.
- c. Delete the figure from Field 1704B.
- d. Delete any method code present in Field 17MCD.
- e. For **TY10 only** - after performing (a) through (d) and an amount is present on line 29, Form 1040, manually compute line 12, Schedule SE and enter the correct amount in Field 17SEV and/or 18SEV as appropriate.

3.12.3.21.7.11
(01-01-2019)

Field 17MCD, SE Method Code (EC 209)

- (1) Code and Edit edits the optional method code in the bottom center margin of Schedule SE.
- (2) Use the following codes to correct Field 17MCD:
 - a. 1 - If a business loss.
 - b. 2 - If a farm loss.

3.12.3.21.7.12
(01-01-2017)

Field 17CHW, Tentative Church Wages (Schedule SE) (EC 209)

- (1) Field 17CHW is transcribed from line 5a, Schedule SE (TY19 and prior, Section B, Long Schedule SE).

Caution: Before assigning a TPNC, verify that the taxpayer has made an entry on line 5a. TY19 and prior, Field 17CHW is frequently entered erroneously by transcription when the taxpayer is using the Short Schedule SE.

3.12.3.21.7.13
(01-01-2018)

Field 17TNE>, Total Net Earnings Computer (EC 209)

- (2) Use the following table when Field 17TNE> does not match the taxpayer's entry on Schedule SE, line 6 (TY19 and prior, Schedule SE, Section A, line 4, or Section B, line 6) (Instructions apply equally to Sections 17 and 18):

If the taxpayer(s)...	And...	Then...
A] Incorrectly multiplied or failed to multiply line 3 (Field 17TE) and/or line 5a (17CHW) by .9235,		Assign TPNC 268 .

#

If the taxpayer(s)...	And...	Then...
B] Left line 3, Schedule SE blank,		<ol style="list-style-type: none"> 1. Add the taxpayer's entries on lines 1a, minus line 1b, plus line 2. 2. Enter the total in Field 17TE.
	Line 5a is less than \$109 and the taxpayer is not using the Optional Method or the SE Tax line is blank,	DLSEC 17 and/or 18.
		Delete the entry in Fields 1701A, 1701B, 1702, and 17TE as appropriate.
E] Left lines 1a, 1b, 2, and 3 blank and these cannot be determined from the return or attachments,	Line 4a has an entry,	<ol style="list-style-type: none"> 1. Divide line 4a by .9235. 2. Enter amount in Fields 1702 and 17TE.
F] Left lines 1a, 1b, 2, and 3 blank and these cannot be determined from the return or attachments,	The taxpayer is using the optional method (line 4b has an entry),	<ol style="list-style-type: none"> 1. Enter the line 4b amount in Field 1704B. 2. Correct Field 17MCD. 3. Enter amount from Schedule C, E (Partnership Income, if appropriate), F, or Schedule 1, line 8 (TY18, line 21), if appropriate, in Field 1701 and/or 1702 as required.
G] Left line 5a blank,	The taxpayer has Church Wages (line 5b is present),	<ol style="list-style-type: none"> 1. Search return and attachments for correct amount or divide line 5b amount by .9235. 2. Enter in Field 17CHW.

#

If the taxpayer(s)...	And...	Then...
H] Sum of Fields 1701A, 1701B and 1702 does not equal Field 17TE,	The taxpayer is not using the Optional Method,	Adjust the entry in Fields 1701A, 1701B, 1702 and 17TE, as necessary.
I] Made a math error on Schedule SE,		Compare and enter the correct SE Income from Schedule C and/or F or from "Partnership" or "Other Income" if used in figuring SE Tax.

3.12.3.21.7.14
(01-01-2017)

Field 17TSW, Total Social Security Wages Covered (EC 209)

- (1) This field is transcribed from line 8d of Schedule SE and is the total of lines 8a, 8b and 8c.

Note: Code and Edit is instructed to add the applicable taxpayer's SST Wages from Forms W-2 if the taxpayer's amount is equal to or more than the maximum amount of wages and SE earnings subject to Social Security Tax for the tax year (Schedule SE, line 7) and lines 8b and 8c are blank. If wages per Form W-2 differ from line 8a and are less than the maximum amount, the Form W-2 amount will be edited on line 8d.

- (2) Use the following table to correct Field 17TSW:

If the taxpayer has...	And...	Then...
A] Not entered an amount on line 8d,	Has an entry on line 8a, 8b, and/or 8c,	<ol style="list-style-type: none"> 1. Compute the line 8d amount by adding lines 8a+ 8b + 8c. 2. Enter the amount in Field 17TSW.
B] No entry on line 8a, 8b, 8c, or 8d,	Form W-2, for the liable taxpayer, is attached showing SST wages in boxes 3 and 7,	<ol style="list-style-type: none"> 1. Total the SST wages amount from Form(s) W-2. 2. Enter the amount in Field 17TSW. <p>Note: Only enter the amount from the Form W-2 if there is an amount present in the SST withheld box 4.</p>

If the taxpayer has...	And...	Then...
C] Entered an amount on line 8d that is \$160,200 (TY22, \$147,000; TY21, \$142,800) or more,	<ol style="list-style-type: none"> Lines 8a - 8c are blank, The total SST wages on Form(s) W-2 is less than \$160,200 (TY22, \$147,000; TY21, \$142,800), 	<ol style="list-style-type: none"> Total the SST wages amount from Form(s) W-2. Enter the amount in Field 17TSW.

Note: Enter **V** in Field 01CCC if an entry is made in Field 17TSW which will reduce #
employment income is less than or equal to the maximum amount of wages subject to Social Security tax for that tax year.

3.12.3.21.7.15
(01-01-2017)
Field 17SET>, Self-Employment Tax Computer (EC 209)

- (1) Field 17SET> is the computer's amount for SE Tax. The computer adds its computation of Social Security Tax (line 10, Schedule SE) and SE Medicare Tax (line 11, Schedule SE) to compute SE Tax.
- (2) Use the following table to correct Field 17SET>:

If the taxpayer...	And...	Then...
A] Indicates zero SE tax or does not complete Schedule SE,	<p>Indicates any of the following:</p> <ol style="list-style-type: none"> Statutory Employee Exempt Exempt-Notary Not Liable Form 4361/4029 <p>Note: Statutory Employees are individuals in specified occupational groups who are not common law employees; these include: Industrial home-workers, 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.</p>	<ol style="list-style-type: none"> Enter S in Field 01RPC. DLSEC 17. <p>Note: Do not enter S or delete the section if the taxpayer has other SE taxable income, or if one spouse is exempt (or statutory employee) and one is not.</p>

If the taxpayer...	And...	Then...
B] Has other income of \$434 or more that is subject to SE Tax, but also indicates exempt income,	Includes exempt income on line 1a, 1b, 2 or 3,	<ol style="list-style-type: none"> 1. Delete exempt income amount from Fields 1701A-1702 as appropriate. 2. Delete exempt income amount from Field 17TE.
C] Is computing only half of their SE tax [i.e., reducing SE Tax by one half or altered line 10 or 11 computation by multiplying by .062 (6.2 percent)/.0145 (1.45 percent)],		<ol style="list-style-type: none"> 1. DLSEC 17. 2. GTSEC 04. 3. Adjust the entry in Fields 05204/05SSM, accordingly. Transmit. 4. GTSEC 24/25 and enter the data. Transmit. 5. If EC 211 displays, assign TPNC 159. <p>Note: There must be a clear indication that the taxpayer is attempting to compute only half of their SE Tax. If there is any doubt, do not delete Section 17/18. Assign TPNC 268</p>
D] Made an error computing SE Tax on line 12 (line 5 on the Short SE),		Assign TPNC 268 .
E] Used the Short Schedule SE,	Has included Social Security Wages in their calculation,	Enter the Social Security wage amount from Form(s) W-2 in Field 17TSW.
F] Computation does not agree with the computer's computation,	No corrections are necessary,	Assign the appropriate TPNC.
G] Transferred the amount from line 12 (line 5 on the Short SE) to Schedule 2, line 4 incorrectly,		Assign TPNC 268 .

Note: If the taxpayer is claiming Form 2441, *Child and Dependent Care Expenses*, and a math error is present for SE Tax, GTSEC 21 and adjust the earned income entries in Field 2104 and/or 2105 to reflect the proper amount of “earned income” for the correct computation of Child and Dependent Care Credit. When EC 280 displays, assign the appropriate TPNC.

3.12.3.21.7.16
(01-01-2018)
**Field 17SEV,
Self-Employment Tax
Verified (EC 209)**

- (1) This field is for **ERS input only**. It is used when the computer's calculation of SE Tax is not reliable (i.e., Prior Year returns, Fiscal Year, etc.).
- (2) For prior year SE Tax rates and maximum amounts, see Prior Year at IRM 3.12.3.21.7.18. Fiscal year instructions can be found in EC 260.
- (3) When the return is a Short Period Return and/or Bankruptcy Return, enter **Y** in Field 01CCC.

3.12.3.21.7.17
(01-01-2020)
**SE Tax Assessed Under
EC 380 (No Reply) (EC
209)**

- (1) When Section 17/18 is entered under EC 380 procedures, the taxpayer's AGI will change and may cause a change to the computer's amount for EIC. Use the following table when SE tax was assessed under EC 380 as a No Reply:

If Field 05204 underprint...	Then...
A] Is less than the EIC underprint (Field 03EIC),	Assign TPNC 580 . Note: TPNC 580 should be used only when the SE Tax to be assessed is equal to or less than the EIC amount.
B] Is more than the EIC underprint (Field 03EIC),	<ol style="list-style-type: none"> 1. GTSEC 01. 2. Enter V in Field 01ACD. Transmit. 3. DLSEC 17. 4. Enter N in Field 01RPC, if applicable. 5. Enter C in the Clear Field when EC 380 redisplay.

3.12.3.21.7.18
(01-01-2023)
Prior Year (EC 209)

- (1) For TY20 and prior, SE tax must be manually computed and entered in Field 17SEV/18SEV.
- (2) For TY20 and prior, Field 17SIV, Self-Employed Social Security Income Computer Verified is the smaller of line 6 or 9 and used when ERS programming cannot figure SE Tax correctly.
- (3) Self-Employment Medicare Tax is paid on all earnings while SE Social Security Tax is **limited** as follows:

Tax year	SS tax rate	Income cap for SS tax	Medicare tax rate	SE tax rate
2022	12.4%	\$147,000	2.9%	15.3%

Tax year	SS tax rate	Income cap for SS tax	Medicare tax rate	SE tax rate
2021	12.4%	\$142,800	2.9%	15.3%
2020	12.4%	\$137,700	2.9%	15.3%
2019	12.4%	\$132,900	2.9%	15.3%
2018	12.4%	\$128,400	2.9%	15.3%
2017	12.4%	\$127,200	2.9%	15.3%
2016	12.4%	\$118,500	2.9%	15.3%
2015	12.4%	\$118,500	2.9%	15.3%
2014	12.4%	\$117,000	2.9%	15.3%
2013	12.4%	\$113,700	2.9%	15.3%

Note: TY22-TY13, the taxpayer's SE rate is 15.3 percent (12.4 percent + 2.9 percent) of the limited amount plus 2.9 percent of any amount over that limit. TY12, the taxpayer's SE rate is 13.3 percent (10.4 percent + 2.9 percent) of the limited amount plus 2.9 percent of any amount over that limit.

- (4) For TY20 and prior - For maximum wage amounts, tables, worksheets, and to manually verify prior year SE tax, see the Prior Year Job Aid Book 2515-014.
- (5) The optional method is usually recognizable by the entry of **\$6,040 for TY22, \$5,880 for TY21, \$5,640 for TY20, \$5,440 for TY19, \$5,280 for TY18, \$5,200 for TY17, \$5,040 for TY16, \$4,880 for TY15, \$4,800 for TY14, \$4,640 for TY13, in Field 1704B** or the entry of **\$924 for TY22, \$900 for TY21, \$863 for TY20, \$832 for TY19, \$808 for TY18, \$796 for TY17, \$771 for TY16, \$747 for TY15, \$734 for TY14, \$710 for TY13, for self-employment tax.**

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math error is present, manually compute SE tax and enter the amount in Field 17SEV or Field 18SEV.

3.12.3.21.7.19
(01-01-2023)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 209)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 209**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.

TPNC	Description
121	Computed or transferred Schedule C/C-EZ incorrectly.
127	Computed or transferred Schedule F incorrectly.
128	Incorrectly limited the amount of loss on Schedule C, E, or F by the amount at risk on Form 6198 or 8582.
135	USDA Settlement income not included in Schedule F computation.
218	We computed your tax for you.
268	Computed or transferred SE Tax incorrectly.
269	Changed the amount of self-employment tax. Net earnings cannot be reduced twice.
270	Transferred Schedule F amount to Schedule SE incorrectly.
271	Transferred Schedule C/C-EZ amount to Schedule SE incorrectly.
272	You don't qualify to use the Optional Method.
273	You don't owe SE tax.
550	No Reply, Form 6198, "Some is not at risk".
558	You gave us information that changed the refund or amount you owe.
580	We computed your SE Tax on your SE income that was used in EIC computation.
735	We adjusted Schedule SE to include Black Farmer Litigation Settlement Payment.
***	Any previously assigned TPNC.

3.12.3.21.8
(01-01-2017)

**Error Code 210 (CE) SE
Tax Verified Present, SE
Income Computer Zero**

(1) Error Code 210 instructions follow.

3.12.3.21.8.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 210)**

(1) The following fields are displayed:

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period

1040	Field Name
05204	Combined SE Tax
>>>>	Combined SE Tax Computer
17SSN	SE-SSN Primary
1701A	Net Farm Profit or Loss
1701B	Conservation Reserve Program Payments
1702	Net Non-Farm Profit or Loss
17TE	Tentative Earnings
1704B	Optional Method Income Amount
17CHW	Tentative Church Wages
17TNE>	Total Net Earnings Computer
17TSW	Total Social Security Wages
17SIV	Self-Employed Social Security Income Computer Amount Verified (ERS only)
1710>	SE Social Security Tax Computer
1711>	SE Medicare Tax Computer
17SET>	SE Tax Computer
17SEV	SE Tax Verified (ERS input only)
18SSN	SE-SSN Secondary
1801A	Net Farm Profit or Loss
1801B	Conservation Reserve Program Payments
1802	Net Non-Farm Profit or Loss
18TE	Tentative Earnings
1804B	Optional Method Income Amount
18CHW	Tentative Church Wages
18TNE>	Total Net Earnings Computer
18TSW	Total Social Security Wages
18SIV	Self-Employed Social Security Income Computer Amount Verified (ERS only)
1810>	SE Social Security Tax Computer
1811>	SE Medicare Tax Computer
18SET>	SE Tax Computer
18SEV	SE Tax Verified (ERS input only)

3.12.3.21.8.2
(01-01-2017)

Invalid Conditions (EC 210)

- (1) **Error Code 210** generates when Combined SE Tax Computer is significant, and all of the following conditions exist:
- SE Social Security Income Computer Section 17 is not present.
 - SE Medicare Income Computer Section 17 is not present.
 - SE Social Security Income Computer Section 18 is not present and
 - SE Medicare Income Computer Section 18 is not present.

3.12.3.21.8.3
(01-01-2017)

Correction Procedures (EC 210)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to specific procedures for EC 209.

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- (4) If none of the above procedures apply, enter **C** in the Clear Field.

3.12.3.21.9
(01-01-2017)

Error Code 211 and 511, Deduction for Self-Employment Tax

- (1) Error Code 211/511 instructions follow.

3.12.3.21.9.1
(01-01-2023)

Fields Displayed, Form 1040 (EC 211)

- (1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01CCC	Computer Condition Code
01RPC	Return Processing Code
04DSE	Deduction for Self-Employment Tax
>>>>>	Deduction for SE Tax Computer
94SEV	Deduction for SE Tax Verified (ERS only)
04SEP	SE Retirement Plans Deduction
04HID	Self-Employed Health Insurance Deduction
05204	Combined SE Tax
>>>>	Combined SE Tax Computer
17SSN	SE-SSN-Primary
1701A	Net Farm Profit or Loss
1701B	Conservation Reserve Program Payments
1702	Net Non-Farm Profit or Loss
17TE	Tentative Earnings

1040	Field Name
1704B	Optional Method Income Amount
17CHW	Tentative Church Wages
17TNE>	Total Net Earnings Computer
17TSW	Total Social Security Wages
17SIV	Self-Employed Social Security Income Computer Amount Verified (ERS input only)
1710>	SE Social Security Tax Computer
1711>	SE Medicare Tax Computer
17SET>	SE Tax Computer
17SEV	SE Tax Verified (ERS input only)
17MCD	SE Method Code
18SSN	SE-SSN-Secondary
1801A	Net Farm Profit or Loss
1801B	Conservation Reserve Program Payments
1802	Net Non-Farm Profit or Loss
18TE	Tentative Earnings
1804B	Optional Method Income Amount
18CHW	Tentative Church Wages
18TNE>	Total Net Earnings Computer
18TSW	Total Social Security Wages
18SIV	Self-Employed Social Security Income Computer Amount Verified (ERS input only)
1810>	SE Social Security Tax Computer
1811>	SE Medicare Tax Computer
18SET>	SE Tax Computer
18SEV	SE Tax Verified (ERS input only)
18MCD	SE Method Code
	Section XX Not Present

3.12.3.21.9.2
(01-01-2017)
Invalid Condition (EC 211)

(1) **Error Code 211** generates when **all** of the following exist:

- a. Total Adjustments is not equal to Total Adjustments Computer.
- b. The difference between Deduction for Self-Employment Tax (Field 04DSE) and Deduction for Self-Employment Tax Computer is not within tolerance of the difference between combined Self-Employment and Self-Employment Computer.

c. Math error is present.

(2) **Error Code 511** generates when **both** of the following exist:

- a. A math error is not present.
- b. Any of the allowable statutory credits are not within tolerance of their respective computer-generated amounts.

3.12.3.21.9.3
(01-01-2020)

**Correction Procedures
(EC 211)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Use the following table when Schedule SE is present:

If taxpayer...	Then...
A] Figured the Schedule SE deduction incorrectly ,	Assign TPNC 158 .
B] Entered the deduction for SE tax on Schedule 1, line 17 (TY19-TY20, line 16),	<ol style="list-style-type: none"> 1. Delete the entry in Field 04HID. 2. Adjust the entry in Field 04DSE accordingly.

- (3) Move the Schedule 1, line 15 (TY19-TY20, line 14) entry to Field 04HID when Schedule SE is not present, and **all** of the following apply:
 - a. Self-employment income is present.
 - b. Schedule 1, line 17 (TY19-TY20, line 16) is blank.
- (4) Determine if the amount is an IRA deduction (see EC 222 instructions) when Schedule 1 line 15 (TY19-TY20, line 14) has an entry and Schedule SE is not present and the previous (3) does not apply.
- (5) Assign **TPNC 160** when Schedule 1, line 15 (TY19-TY20, line 14) has an entry and Schedule SE is not present, and the preceding (3) and (4) do not apply:
- (6) Refer to EC 209 when "**Section 1402(a)(12) Election**" is noted on Schedule SE.

3.12.3.21.9.4
(01-01-2018)

**Field 04DSE, Deduction
for Self-Employment Tax
(EC 211)**

- (1) This field is transcribed from Schedule 1, line 15 (TY19-TY20, line 14).
- (2) TY23-TY20, multiply the amount on Schedule SE, line 12, by 50 percent (.50) to compute the deduction for SE tax
- (3) Assign **TPNC 158** if the taxpayer paid SE tax and did not claim a deduction on Schedule 1, line 15 (TY19-TY20, line 14) or claimed an incorrect amount.

3.12.3.21.9.5
(01-01-2017)

**Correction Procedures
(EC 511)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for the EC 211.
- (3) Enter **C** in the Clear Field, if no corrections are needed.

3.12.3.21.9.6
(01-01-2018)
Prior Year (EC 211)

- (1) **TY22-TY20**, to figure the deduction for the SE tax, multiply the amount on line 12 by 50 percent (.50).
- (2) **TY19-TY13** - The deduction for the SE tax is figured as follows:
 - a. **Short Schedule SE**, Multiply the amount on line 5 by 50 percent (.50).
 - b. **Long Schedule SE**, Multiply the amount on line 12 by 50 percent (.50).
- (3) **TY12** - The deduction for the SE tax is figured as follows:
 - a. **Short Schedule SE**, if the amount on line 5 is \$14,643.30 or less, multiply line 5 by 57.51 percent (.5751) **or** if the amount on line 5 is more than \$14,643.30, multiply line 5 by 50 percent (.50) and add \$1,100 to the result.
 - b. **Long Schedule SE**, add 59.6 percent (.596) of line 10 and one-half of line 11
 - c. Enter the result from a) or b) in Field 94SEV.
- (4) **TY11** - The deduction for the SE tax is figured as follows:
 - a. **Short Schedule SE**
 - If the amount on line 5 is \$14,204 or less, multiply line 5 by 57.51 percent (.5751).
 - If the amount on line 5 is more than \$14,204 multiply line 5 by 50 percent (.50) and add \$1,067 to the result.
 - b. **Long Schedule SE**
Add 59.6 percent (.596) of line 10 and one-half of line 11.
 - c. Enter the result from a) or b) in Field 94SEV.
- (5) **TY10 and prior**. The deduction is one-half of the amount on line 5 of the short Schedule SE or line 12 of long Schedule SE. To figure the deduction, multiply the figure on the relevant line by .5 and enter in Field 94SEV.
- (6) If the taxpayer paid SE tax and did not claim a deduction as an adjustment to income or claimed an incorrect amount, assign **TPNC 158**.
- (7) **TY89 and prior** - If EC 211 displays for SE Tax, enter **6** in Field 01RPC to suppress the computation of one-half of SE Tax.

3.12.3.21.9.7
(03-21-2023)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 211)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 211**.
Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.

TPNC	Description
158	No amount entered or amount entered incorrectly for deductible part of SE Tax.
159	Disallowed SE Tax deduction. Should have used Form 4137.
160	Disallowed SE deduction because no SE Tax reported.
273	You don't owe SE Tax.
558	You gave us information that changed the refund or amount you owe.
***	Any previously assigned TPNC

3.12.3.22
(01-01-2017)

Error Codes 214-231

- (1) Instructions for Error Codes 214 to 230 follow.

3.12.3.22.1
(01-01-2017)

Error Code 214 and 514, Taxable Social Security

- (1) Error Code 214/514 instructions follow.

3.12.3.22.1.1
(01-01-2024)

Fields Displayed, Form 1040 (EC 214)

- (1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
03WG	W-2 Wages
03INT	Taxable Interest
03TEI	Tax-Exempt Interest
03DIV	Taxable Dividends
03QD	Qualified Taxable Dividends
03GIR	Gross IRA Distribution
03TIR	Taxable IRA Distribution
03GPA	Gross IRAs, Pensions and Annuities
03TPA	Taxable IRAs, Pensions and Annuities
03GSS	Gross Social Security
03TSS	Taxable Social Security
>>>>>	Taxable Social Security Computer

1040	Field Name
94TSV	Taxable Social Security Verified
03AGI	Adjusted Gross Income
>>>>>	Adjusted Gross Income Computer
0401	State Income Tax Refund
0402A	Alimony Received
0404	Supplemental Gains/Losses
0407	Taxable Unemployment Compensation
04OTI	Other Income
03ADD	Additional Income
03ADD>	Additional Income Computer
03TOT	Total Income
>>>>>	Total Income Computer
03NCC	Non-Itemized Charitable Contributions Deduction
>>>>>	Non-Itemized Charitable Contributions Deduction Computer
04EDU	Educator Expense Amount
>>>>>	Educator Expense Computer Amount
04CBE	Reservist/Other Business Expenses
04HSA	Health Savings Account Deduction
>>>>>	Health Savings Account Deduction Computer
04MOV	Moving Expenses
04DSE	Deduction for SE Tax
>>>>>	Deduction for SE Tax Computer
04SEP	SE Retirement Plans Deduction
04HID	Self-Employed Health Insurance Deduction
04PEW	Penalty on Savings Withdrawal
04ALP	Alimony Paid
04IRA	IRA Deduction
>>>>>	IRA Deduction Computer
04SLI	Student Loan Interest Deduction
>>>>>	Student Loan Interest Deduction Computer
04MSA	Archer Medical Savings Account (MSA) Deduction
>>>>>	Archer MSA Deduction Computer

1040	Field Name
04ADJ	Other Adjustments
03TAJ	Total Adjustments
>>>>	Total Adjustments Computer
0803	Excludable Savings Bond Interest
	Section 08 Not Present

3.12.3.22.1.2
(01-01-2019)
Invalid Conditions (EC 214)

- (1) **Error Code 214** generates when **both** of the following exist:
 - a. Taxable Social Security Benefits (Field 03TSS) differs from Taxable Social Security Benefits Computer.
 - b. A math error is present in Total Tax or Balance Due/Overpayment.
- (2) **Error Code 514** generates when **both** of the following exist:
 - a. Math error is not present.
 - b. Return is a Non-Compute or any of the allowable Carryover Statutory Credits differ from their respective computer-generated amounts.

3.12.3.22.1.3
(01-01-2017)
Correction Procedures (EC 214)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

3.12.3.22.1.4
(01-23-2023)
Gross Social Security Benefits (EC 214)

- (1) Field 03GSS is transcribed from line 6a, Form 1040 and is a **dollars only** field. Taxpayers sometimes enter the gross Social Security benefits in dollars and cents. ISRP operators occasionally transcribe the dollars and cents, **and** the line separating them as a number.

Reminder: Ensure transcription is correct in Fields 03GSS and 03TSS before proceeding.

- (2) If **no amount** is present for **gross** Social Security on Form 1040, line 6a (TY19/18, line 5a):
 - a. Enter the gross amount in Field 03GSS from Form SSA-1099, box 5, if attached.
 - b. Research CC IRPTR for SSA data. (Refer to Command Code IRPTR in Job Aid Book 2515-015.)
 - If current year SSA data is found, enter the gross Social Security Benefit amount in Field 03GSS. If FSC 2, research IRPTR for SSA data for secondary taxpayer. If EC 214 redispays, assign **TPNC 131**.

Caution: If the record in IRPTR shows any **repayment(s)**, subtract it from the amount marked with PENS/ANN. The difference is the gross amount of Social Security payments.

- If IRPTR shows Social Security is **disability** payments, move the amount from Field 03TSS to wages, Field 03WG and Field 03TWG, and delete amount in Field 03GSS. If EC 218 displays, assign **TPNC 114**.
- If current year IRPTR is not available, SSPND 211 for total Social Security benefits amount. Complete Form 6001 using paragraph Q.

- (3) If Form 1040, line 6a is a **negative amount** and the taxpayer;
- included the amount in total income, correspond for an explanation.
 - did not** include the amount in total income, delete the entry in Field 03GSS.
- (4) **TY20 only**, if **UCE** is noted on Schedule 1, line 8, enter the taxable Social Security amount on Form 1040, line 6b, in Field 94TSV.

Exception: If there is a previous math error, manually compute the taxable Social Security without using the negative UCE amount from Schedule 1, line 8, and enter the correct amount in Field 94TSV.

- (5) If the **same amount** is present for **gross** (line 6a/5a) **and taxable** (line 6b/5b) Social Security and there is no clear indication that the amount is Unemployment Compensation, research CC IRPTR (current year, if available, or the previous year's data) to locate the gross Social Security amount. Use the following table for specific instructions:

If IRPTR data...	And...	Then...
A] Is not available (current or previous year), or doesn't show Social Security benefits,		SSPND 211. Complete Form 6001 using paragraph Q.
B] Shows Social Security benefits as Disability payments,		<ol style="list-style-type: none"> 1. Move Gross Social Security amount from Field 03TSS to wages, Field 03WG. 2. Delete amount in Field 03GSS. 3. Assign TPNC 114, if EC 218 displays.

If IRPTR data...	And...	Then...
C] Shows Social Security benefits,	Current year amount is available,	<ol style="list-style-type: none"> 1. Use the amount in IRPTR to adjust the entry in Field 03GSS.Note: If the record in IRPTR shows any repayment(s), subtract it from the amount marked with PENS/ANN. The difference is the gross amount of Social Security payments. 2. Assign TPNC 131, if EC 214 redisplay.
D] Shows Social Security benefits,	If the previous year payer's entry for Gross Social Security is correct,	Assign TPNC 131 .
E] Shows Social Security benefits,	If previous year	SSPND 211. Complete Form 6001 using paragraph Q.

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- (6) If the box is checked on Form 1040, line 6c, for lump-sum election method (TY21-TY20, "**LSE**" noted to the left of line 6a, use the following table:

If the taxpayer's entry for taxable Social Security is...	Then...
A] \$1 or more,	Enter line 6b amount in Field 94TSV.
B] \$0 (zero),	Enter \$1 in Field 94TSV.

3.12.3.22.1.5
(01-23-2023)

Taxable Social Security Benefits (EC 214)

- (1) Field 03TSS is transcribed from line 6b, Form 1040. This field underprints with the computer's amount when it disagrees with the transcribed amount.

Note: An entry in Field 0803 affects the computation of taxable Social Security. *Before* assigning TPNC 131, ensure this field truly represents excludable savings bond interest (i.e., Form 8815 is attached to the return).

- (2) If FSC is other than 3 or 6, the computer determines the Social Security amount by following the formula shown in Job Aid 2515-015.

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- (3) **TY20 only**, if **UCE** is noted on Schedule 1, line 8, enter the taxable Social Security amount on Form 1040, line 6b, in Field 94TSV.

Exception: If there is a previous math error, manually compute the taxable Social Security without using the negative UCE amount from Schedule 1, line 8, and enter the correct amount in Field 94TSV.

- (4) If the box is checked on Form 1040, line 6c, for lump-sum election method (TY21-TY20, **LSE** noted to the left of line 6a, see IRM 3.12.3.22.1.4(6)).
- (5) If the taxpayer is filing as FSC 4 with NRA spouse, Taxable Social Security

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- (6) For **TY13 and later**, assign **TPNC 147** if taxable Social Security is in error because the taxpayer has claimed an **IRA deduction** greater than the amount allowed for the filing status as outlined here:

- \$15,000 for Filing Status 2 (TY22-TY19, \$14,000; TY18-TY13, \$13,000)
- \$7,500 for all other Filing Status Codes (TY22-TY19, \$7,000; TY18-TY13, \$6,500).

- (7) If the taxpayer claims **both** IRA deduction and self-employed SEP/SIMPLE deduction and the "Modified AGI" level is exceeded, See EC 222. The computer will limit the IRA deduction to zero. However, **for purposes of calculating the taxable Social Security**, the computer **will not** limit the IRA deduction to zero; but will limit it to the lesser of the taxpayer's figure or the maximum IRA deduction amount based on filing status and the tax year. The computation for taxable Social Security should still be correct even though the maximum IRA deduction amount was applied instead of zero. If a case is found to differ, assign **TPNC 149**.

- (8) When the taxpayer's entry for Gross and Taxable Social Security are the same and there is a clear indication that the amount is actually **Unemployment Compensation** (e.g., Form 1099-G is attached), move the amount from Field 03TSS to Field 0407. Delete the entry from the Gross Social Security Field 03GSS.

- (9) If the amount is from attached Form **1099-R**, move the amount from Field 03TSS to the Taxable Pensions/Annuities Field 03TPA. Delete the entry from the Gross Social Security Field 03GSS.

- (10) When the Social Security amount is for disability and the taxpayer notates any reference to **9/11** or "IRC 104(a)(5), Pub 3920", enter the amount in Field 03TSS in Field 94TSV.

- (11) Use the following table when a **negative** amount is claimed by the taxpayer for Social Security Benefits:

If the negative amount is...	And...	Then...
		<ol style="list-style-type: none"> 1. Enter \$1 in Field 94TSV and transmit. 2. Assign TPNC 132 when EC 214 redisplay.
	Schedule A is not attached,	SSPND 211. Complete Form 6001 using paragraph R.
	Schedule A is attached,	<ol style="list-style-type: none"> 1. Enter the amount in Field 0716. 2. Delete the amount in Fields 03GSS and 03TSS.

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(12) Assign **TPNC 131**, if no other corrections are necessary.

3.12.3.22.1.6
(03-20-2017)

Reply Procedures (EC 214)

(1) Use the following reply table when correspondence was issued because the taxpayer used a negative amount for Social Security Benefits.

If the taxpayer chooses to...	Then...
A] Take the deduction on Schedule A,	Refer to the instructions in the
B] Submit an amended return for the prior year with the credit figured,	Enter the credit in Field 05RIC. See the reference to "IRC Sec.1341" in EC 366, Other Cash Credits.

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3.12.3.22.1.7
(01-01-2019)

Correction Procedures (EC 514)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for EC 214, and refer to IRM 3.12.2.5.12 for Non-Compute information.
- (3) Enter **C** in the Clear Field when there are no corrections to be made.

3.12.3.22.1.8
(01-01-2018)

Prior Year (EC 214)

- (1) For **TY19 - TY13**, assign **TPNC 147** if taxable Social Security is in error because the taxpayer has claimed an IRA deduction **greater** than the amount allowed for the filing status as outlined here:
 - a. TY19, \$14,000 for Filing Status 2
 - b. TY19, \$7,000 for all other Filing Status Codes

- c. TY18-TY13, \$13,000 for Filing Status 2
- d. TY18-TY13, \$6,500 for all other Filing Status Codes.

- (2) For TY12 and earlier, see IRM 3.12.3.22.5.8.
- (3) For TY09 and prior, accept the taxpayer's entry and enter it in the verified field.

3.12.3.22.1.9
(05-09-2023)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 214)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 214**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
131	Computed taxable Social Security Benefits incorrectly.
132	We didn't allow the negative entry of Social Security benefits reported on your tax return. You can only reduce your Social Security benefits by the amount received and repaid in the same year.
147	You or your spouse claimed more than the amount allowed for your IRA deduction.
149	You can't claim an IRA deduction if you were an active participant in an SEP, SIMPLE, or qualified plan.
168	You must itemize deductions to claim more than the allowable amount in charitable contributions.
218	We computed your tax for you.
501	No Reply - Schedule 1 was incomplete or not attached to return.
558	You gave us information that changed the refund or amount you owe.
***	Any previously assigned TPNC.

3.12.3.22.2
(01-01-2017)

**Error Code 217 (CE)
Total Income Computer
Equals or Exceeds
\$1,000,000,000**

- (1) Error Code 217 instructions follow.

3.12.3.22.2.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 217)**

- (1) The following fields are displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
03TWG	Total Wages
03INT	Taxable Interest
03TEI	Tax-Exempt Interest
03DIV	Taxable Dividends
03QD	Qualified Taxable Dividends
03GIR	Total IRA Distributions
03TIR	Taxable IRA Distributions
03GPA	Gross IRAs, Pensions and Annuities
03TPA	Taxable IRAs, Pensions and Annuities
03GSS	Gross Social Security
03TSS	Taxable Social Security
0401	State Income Tax Refund
0402A	Alimony Received
0404	Other Gains and Losses
0407	Taxable Unemployment Compensation
04SFG	Scholarship and Fellowship Grants
04OTI	Other Income
03ADD	Additional Income Amount
03ADD>	Additional Income Computer
03TOT	Total Income
>>>>	Total Income Computer

3.12.3.22.2.2
(01-01-2018)

**Invalid Conditions (EC
217)**

- (1) Error Code 217 generates when either Total Income Computer or Total Adjusted Gross Income Computer equals or exceeds \$1,000,000,000 and Total Income Computer is equal to or less than -\$1,000,000,000.

3.12.3.22.2.3
(11-21-2018)

**Correction Procedures
(EC 217)**

- (1) Correct coding and transcription errors and misplaced entries on all displayed fields.

- (2) If Total Income or Adjusted Gross Income equals or exceeds \$1,000,000,000 (gain or loss), SSPND 620, and refer the return to the lead tax examiner.

Note: See IRM 3.12.2.3.4, Accounts Over 999 Million Dollars.

- (3) If no corrections are necessary, enter **C** in the Clear Field.

3.12.3.22.3
(01-01-2017)

**Error Code 218 and 518,
Total Income**

- (1) Error Code 218/518 instructions follow.

3.12.3.22.3.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 218)**

- (1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01CCC	Computer Condition Code
01FPC	Form Processing Code
01RPC	Return Processing Code
01ACD	Audit Code
03WG	W-2 Wages
03TWG	Total Wages
03INT	Taxable Interest
03TEI	Tax-Exempt Interest
03DIV	Taxable Dividends
03GIR	Total IRA Distribution
03TIR	Taxable IRA Distribution
03GPA	Gross IRAs, Pensions and Annuities
03TPA	Taxable IRAs, Pensions and Annuities
03GSS	Gross Social Security
03TSS	Taxable Social Security
>>>>	Taxable Social Security Computer
94TSV	Taxable Social Security Verified
0401	State Income Tax Refund
0402A	Alimony Received
0404	Other Gains or Losses
0407	Taxable Unemployment Compensation

1040	Field Name
04SFG	Scholarship and Fellowship Grants
04OTI	Other Income
03ADD	Additional Income Amount
03ADD>	Additional Income Amount Computer
03TOT	Total Income
>>>>	Total Income Computer
	Section 08 Not Present
0803	Excludable Savings Bond Interest
	Section 64 Present

3.12.3.22.3.2
(01-01-2017)
Invalid Conditions (EC 218)

- (1) **Error Code 218** generates when **both** the following exist:
 - a. The taxpayer's figure for Total Income and the computer's amount for Total Income differ.
 - b. A math error is present.
- (2) **Error Code 518** generates when **either** of the following exist:
 - a. A math error is not present, and the return is a Non-Compute.
 - b. Any of the allowable Carryover Statutory Credits differ from their respective computer-generated amounts.

3.12.3.22.3.3
(04-25-2022)
Correction Procedures (EC 218)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Correct totals not transferred or transferred incorrectly from:
 - Schedule B
 - Form 4797
 - Form 2439 to Schedule D, line 11
 - Fields and sections leading to Total Income
 - Additional Income, Field 03ADD
- (3) If the total of amounts on Form 1040, lines 1-8 don't equal the amount on line 9 in Field 03TOT, determine if Schedule 1 is present. If supporting schedule(s) and/or form(s) are attached (e.g., Schedule C, Form 4797, etc.), enter the amount(s) in the appropriate field(s) in Section 04. If there is an amount on Form 1040, line 8, and Schedule 1 is missing and can't be dummied from attachments, **SSPND 211**. Complete Form 6001 using paragraph L, M, or N to request Schedule 1.
- (4) If Code & Edit has added income to the return (from Form 1099-NEC, Form 1099-MISC, Form W-2, or third party data, for instance) that the taxpayer didn't report, review the return to determine if the taxpayer used the unreported income.

- a. If the taxpayer used the income to qualify for a credit (CTC, ACTC, or EIC, for instance) or attempts to pay income tax for it, consider the taxpayer's omission a clerical error and allow the income to remain in the return. If the income is subject to SE tax or you can't determine if it's subject to SE tax, correspond for liability of SE Tax.
 - b. If the taxpayer did not use the income to qualify for a credit or include it in the return, delete the income added by Code & Edit from the return and delete RPC N, if appropriate.
- (5) Refer to IRM 3.12.2.3.10, if a military return has an "income adjustment".
- (6) Take the following action when an amount is present on lines 1 through 8 of Form 1040, and/or lines 1 through 9 of Schedule 1(TY20, lines 1-8), but was not used in the tax computation:

If an amount was not used...	And...	Then...
A] But the taxpayer entered a gain or loss on the return,	It is not clear that the taxpayer intended to omit the amount,	Accept as a math error and assign the appropriate TPNC.
B] But Code and Edit incorrectly entered an amount,		Delete the entry from the field entered in error.

- (7) Take the following action when no entries are present on lines 1-8 of Form 1040 and lines 1-9 of Schedule 1:

If Total Income (Field 03TOT) is...	And...	Then...
A] Partially supported		Enter the amount in Field 04OTI.
		SSPND 211 to correspond.
C] Not supported by attachments,		Enter the amount in Field 04OTI.
D] Not supported by attachments,		SSPND 211 to correspond.

#

- (8) Take the following actions when a math or transferring error is present that changes earned income, and Form 2441, Child and Dependent Care Credit, is attached:
- a. GTSEC 21.

- b. Adjust the appropriate entries in Fields 2104 and/or 2105.
- c. When EC 280 displays, assign the previous TPNC.

(9) See the instructions for the following specific fields before entering **TPNC 141** when none of the preceding correction procedures apply.

(10) See IRM 3.12.2.5.12 before assigning a TPNC. 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.).

3.12.3.22.3.4
(11-03-2022)

**Field 03WG, W-2 Wages
(EC 218)**

- (1) Form W-2 wages are transcribed in Field 03WG from line 1a, Form 1040 (TY21-TY18, line 1; TY17, line 7).
- (2) If the taxpayer attempts to reduce wages by excluding combat pay, do not allow the exclusion. Add the excluded income to wages and check the result against the wages reported in box 1 of the relevant Form(s) W-2. All wages shown in box 1 of all the Forms W-2 must be reported on the return.

3.12.3.22.3.5
(05-09-2023)

**Field 03TWG, Total
Wages (EC 218)**

- (1) TY21 and prior, include in Field 03TWG and treat as earned income, amounts that represent payments for teaching, research, room and board, travel, or other services such as any of the following types of income.

Note: Do not exclude from income any portion of this income, including any tuition reduction:

- Stipend
- Scholarship
- Fellowship grant
- Income identified as “Sch” on the wages line

(2) If the taxpayer attempts to reduce wages by excluding combat pay, do not allow the exclusion. Add the excluded income to wages and check the result against the wages reported in box 1 of the relevant Form(s) W-2. All wages shown in box 1 of all the Forms W-2 must be reported on the return.

(3) Include **DCB** amount in Field 03TWG when **Employer-Provided Dependent Care Benefits (DCB)** are present on Form W-2 (identified as DCB) and/or on Form 2441, Child and Dependent Care Credit and the taxpayer did not transfer the Taxable DCB to Form 1040, line 1e (TY21-TY18, line 1). Assign **TPNC 138**.

Note: Any unused DCB is taxable income and should be reported on line 1e (TY21-TY18, the taxpayer should write “DCB” beside the entry on line 1).

(4) Household employees may not have Form(s) W-2 to support an entry for wages. TY22, the amount is reported on Form 1040, line 1b. (TY21-TY18, taxpayers are instructed to write “**HSH**” to the left of the entry for wages. Consider this entry the equivalent of a Form W-2.)

Reminder: Enter **SPC E** when the taxpayer identifies income from household employment with the abbreviation HSH, or TY22, when there is an entry on Form 1040, line 1b.

(5) If the taxpayer reports income from Form 1099-NEC or Form 1099-MISC on line 1 of Form 1040, remove that income from the amount in Field 03TWG and

enter it in Field 04OTI of Form 1040. If the income is from non-employee compensation (Form 1099-NEC, box 1, or TY19 and prior, Form 1099-MISC, box 7), enter **N** in Field 01RPC.

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- (7) If the taxpayer did not include the allocated tips in box 8 of Form W-2 in the income reported on line 1c (TY21-TY18, line 1) and did not attach a Form 4137, **SSPND 211** for Form 4137.
- (8) When allocated tips, in box 8 of Form W-2, are less than the Social Security tips, in box 7 of Form W-2, and the taxpayer attached Form 4137 but failed to include the amount from Field 2402/2502 in Field 03TWG, adjust Field 03TWG by adding the allocated tips on line 2 of Form 4137 to the taxpayer's entry in Field 03TWG. Assign **TPNC 115**.

3.12.3.22.3.6

(04-25-2022)

Field 03INT, Interest (EC 218)

- (1) Use the following table to evaluate the taxpayer's entry for interest on line 2b of Form 1040 and in Field 03INT.

If the interest...	And...	Then...
A] is reported on Schedule B,	the taxpayer transferred the interest incorrectly to Form 1040,	1. Adjust the entry in Field 03INT. 2. Assign TPNC 116 if the error persists.
B] is made up entirely or in part of excludable savings-bond interest , reported on line 3 of Schedule B,	Form 8815 is not attached ,	SSPND 211 to request Form 8815.
C] is negative,	the interest is from a inflation-indexed bonds -a Treasury inflation-protection security (TIPS), for instance-for tax period 1997 and later. Note: Interest from an inflation-indexed bond is reported in box 2 of Form 1099-OID and may be negative.	Accept taxpayer's entry.

3.12.3.22.3.7

(04-25-2022)

Field 03DIV, Taxable Dividends (EC 218)

- (1) If Field 03DIV is blank and Field 03QD has an amount that the taxpayer used in the total income computation on line 9, move the amount from Field 03QD to Field 03DIV.
- (2) Use the following table when Field 03DIV has an entry:
NOTE: If qualified dividends (line 3a) is larger than ordinary dividends (line 3b), SSPND 211 for clarification **unless:**
- A determination can be made from attached Forms 1099.
 - The taxpayer used the qualified dividend amount on line 3a in the computation of the total on line 9, combine amounts on lines 3b and 3a and enter the total in Field 03DIV.

If taxable dividends...	And...	Then...
A] From Schedule B were transferred incorrectly by the taxpayer,		1. Adjust the entry in Field 03DIV. 2. Assign TPNC 119 .
B] Were entered as a negative on line 3b,	Taxpayer subtracted non-taxable dividends or Capital Gain Distributions that were not included on line 6, Schedule B,	1. Recalculate line 6, Schedule B, and line 3b, accordingly. 2. Enter recalculated amount in Field 03DIV. 3. If EC 218 redisplay, assign TPNC 119 . Note: The taxpayer is instructed not to include non-taxable dividend distributions on Schedule B.
C] Were entered as a negative on line 3b,	The taxpayer does not include non-taxable dividends on line 6, Schedule B, but claims a negative amount on line 3b, based on non-taxable dividends,	1. Delete the amount in Field 03DIV. 2. Assign TPNC 119 .
D] Were entered as a negative on line 3b,	No explanation is present,	SSPND 211 to correspond.
E] Claimed on line 3b were from the Alaska Permanent Fund ,	Is on Form 1040,	Move the amount to Field 04OTI.

Note: Taxpayers are instructed to enter the Alaska Permanent Fund dividend amount on the Other Income line on Form 1040.

3.12.3.22.3.8
(01-01-2020)

**Fields 03GIR and 03TIR,
IRA Distributions (EC
218)**

- (1) Adjust the entry in Field 03TIR to equal Field 03GIR when the taxpayer used Total IRA Distribution (Field 03GIR) in the Total Income (Field 03TOT).
- (2) TY06 and later, the taxpayer may report qualified charitable distributions. Taxpayers are instructed to enter the entire amount on line 4a and the taxable amount (if any) on line 4b and note "QCD" on the dotted line.
- (3) When a **negative** amount is present in Field 03TIR, move the amount to Field 04OTI.

3.12.3.22.3.9
(01-01-2020)

**Fields 03GPA and
03TPA, Pensions and
Annuities (EC 218)**

- (1) Adjust the entry in Field 03TPA to equal Field 03GPA, when the taxpayer used Total Pensions, and Annuities (Field 03GPA) in the Total Income (Field 03TOT).
- (2) When a **negative** amount is present in Field 03TPA, move the amount to Field 04OTI.
- (3) Retired public safety officers (PSOs) may exclude up to \$3,000 from the taxable portion of their pension or annuity. These taxpayers will note "PSO" and the excluded amount next to line 5b of Form 1040. Accept the taxpayer's entry for taxable pension or annuity when "PSO" is noted.

3.12.3.22.3.10
(01-01-2023)

**Field 03TSS, Taxable
Social Security (EC 218)**

- (1) Take the following action when a negative amount is present for Taxable Social Security on line 6b, Form 1040:

If the negative amount is...	And...	Then...
	TY18 and later,	Assign TPNC 132 .
		SSPND 211. Complete Form 6001 using paragraph R.
	The taxpayer replies with the credit amount figured,	Refer to IRM 3.12.3.30.10.7.

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3.12.3.22.3.11
(01-01-2023)

**Field 0401, State Income
Tax Refund (EC 218)**

- (1) Use the following table when a negative amount is shown for the State Income Tax Refund on Schedule 1, line 1 (TY18, Schedule 1, line 10):

If Schedule A	And	Then
A] is attached,		<ol style="list-style-type: none"> 1. GTSEC 07. 2. Add the amount in Field 0401 as a positive value to the amount in Field 0705A, 0707, and 0717 and transmit. 3. Delete the entry in Field 0401 and transmit. 4. Assign TPNC 120 if EC 218 redisplay.
B] is not attached for 201812 or later ,		<ol style="list-style-type: none"> 1. Delete the entry in Field 0401. 2. Assign TPNC 156.
C] is not attached for tax period 201811 or prior,	the amount in Field 0401 is larger than the total standard deduction amount for the FSC,	<ol style="list-style-type: none"> 1. GTSEC 07. 2. Enter amount as a positive value in Fields 0705A, 0707 and 0717 and transmit. 3. Delete the entry in Field 0401 and transmit. 4. If EC 250 displays, assign TPNC 120.
D] is not attached for 201811 or prior,	the amount in Field 0401 is not larger than the total standard deduction amount for the FSC,	<ol style="list-style-type: none"> 1. Delete the entry in Field 0401. 2. Assign TPNC 120.

3.12.3.22.3.12
(11-27-2020)
**Field 0402A, Alimony
Received (EC 218)**

- (1) **TY19 and later**, if Field 0402A was deleted in EC 079 because the date on line 2b is **after** December 31, 2018, assign **TPNC 118**.
- (2) Use the following table when a negative amount is shown for the alimony received on Schedule 1, line 2a:

If ...	And...	Then...
	Alimony recipient's SSN is not present,	<ol style="list-style-type: none"> 1. GTSEC 04. 2. Enter the amount in Field 04ALP. 3. Enter 999999991 in Field 04SSN. 4. Delete the entry in Field 0402A.
	Alimony recipient's SSN is present,	<ol style="list-style-type: none"> 1. GTSEC 04. 2. Enter the amount in Field 04ALP. 3. Enter Alimony recipient's SSN in Field 04SSN. 4. Delete the entry in Field 0402A.
C] There is no indication of recapture,		Correspond for explanation of entry.

#3.12.3.22.3.13
(04-25-2022)**Field 0404, Other
Gains/Losses (EC 218)**

- (1) Use the following table when an amount of other gains or losses is reported on Schedule 1, line 4 (TY18, Schedule 1, line 14):

If Form 4797...	And...	Then...
A] Is not attached and the taxpayer notes Form 4684 to the left of Schedule 1, line 4 (prior year, line 14),	Section B, Form 4684, is not attached,	SSPND 211 to correspond for Form 4684.
B] Is not attached and the taxpayer notes Form 4684 to the left of Schedule 1, line 4 (prior year, line 14),	Section B, Form 4684, is attached ,	Accept entry in Field 0404.
C] Or a substitute statement is not attached ,		SSPND 211 to correspond for Form 4797.
D] Amount was transferred in error by the taxpayer,		<ol style="list-style-type: none"> 1. Adjust the entry in Field 0404, as necessary. 2. Assign TPNC 123 if needed.

3.12.3.22.3.14
(01-01-2023)

**Field 0407,
Unemployment
Compensation (EC 218)**

- (1) Taxpayers who received an overpayment of unemployment compensation, during the tax year and repaid it during the tax year, are instructed to do the following:
 - a. Subtract their repayment amount from the total received and enter on Schedule 1, line 7 (TY18, Schedule 1, line 19).
 - b. Note "Repaid" and the repaid amount to the left of the unemployment compensation line.
- (2) **TY20 only**, the American Rescue Plan enacted on March 11, 2021 allows taxpayers to exclude from income up to \$10,200 of unemployment compensation paid in 2020 if modified AGI is less than \$150,000. For FSC 2, each spouse receiving unemployment compensation can exclude up to \$10,200. The full amount of unemployment compensation should be reported on Schedule 1, line 7, and the excluded amount should be reported as a negative on Schedule 1, line 8, with the notation **UCE**.
- (3) Alaska Permanent Fund Dividend (APFD) recipients and taxpayers receiving "Income Tax Energy Rebates" from New Mexico and Oklahoma are instructed to claim these amounts as Taxable Unemployment Compensation.
- (4) Supplemental Unemployment Benefits (sub-pay) should be reported as wages (for TY87 and later).
- (5) Use the following table when a **negative** amount for unemployment compensation, is present on Schedule 1, line 7 (TY18, line 19) in Field 0407:

If the negative amount is...	And...	Then...
	TY18 and later,	1. Delete the entry in Field 0407. 2. Assign TPNC 129 .
		SSPND 211. Complete Form 6001 using paragraph R.
	The taxpayer replies with the credit amount figured,	Refer to IRM 3.12.3.30.10.7.

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3.12.3.22.3.15
(01-01-2023)

**Field 040TI, Other
Income (EC 218)**

- (1) Field 040TI is transcribed from Schedule 1, line 9, as the total of lines 8a through 8z (TY20, line 8).
- (2) **TY20 only**, the American Rescue Plan enacted on March 11, 2021 allows taxpayers to exclude from income up to \$10,200 of unemployment compensation paid in 2020 if modified AGI is less than \$150,000. For FSC 2, each spouse receiving unemployment compensation can exclude up to \$10,200. The full amount of unemployment compensation should be reported on Schedule 1, line 7, and the excluded amount should be reported as a negative on Schedule 1, line 8, with the notation **UCE**.

- (3) Delete the entry in Field 04OTI and assign **TPNC 113** when the amount on Schedule 1, line 8z (TY20, line 8), is for non-taxable income items such as any of the following:

- Child Support
- Workers' Compensation
- Welfare Payments
- Restitution of the Holocaust (Nazi Regime or similar statement)

Note: Third Party Sick Pay and Strike Pay are fully taxable. Allow these entries when they are included as Wages or as Other Income.

- (4) Negative deductions included on Schedule A may be moved to Field 04OTI. If the deduction was included in Field 04OTI and the amount in Field 03TOT does not match its computer underprint, assign **TPNC 804**.
- (5) For MeF returns, always look for a write-in or an explanation for any item on Schedule 1, line 8z (TY20, line 8) that should be included in Field 04OTI, before assigning a TPNC.
- (6) If **Section 965/965(a)** is notated on Schedule 1, line 8z (TY20, line 8), or IRC 965 Transition Tax Statement is attached, enter **F** in Field 01RPC and transmit. When EC 218 redisplay, enter **SSPND 300**.
- (7) Form 1040, if there is a **clear indication** of self-employment of:
- a. \$2,000 or more, and the taxpayer does **not** claim the EIC
 - Correspond for self-employment tax liability with SSPND 211. Complete Form 6001 using paragraph V.
 - b. \$434 or more and the taxpayer **does** claim the EIC
 - Correspond for self-employment tax liability with SSPND 211. Complete Form 6001 using paragraph V.

Note: Income reported as non-employee compensation on Form 1099-NEC, box 1 (TY19 and prior, Form 1099-MISC, box 7) is considered a clear indication of self-employment compensation. However, the income reported in box 3 of Form 1099-MISC, Other Income, is not considered self-employment income unless the taxpayer declares it so, by including it in Schedule C or F, for instance. Otherwise, Other Income in box 3 of Form 1099-MISC is **not** a clear indication of self-employment income.

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and no Schedule SE including that amount is attached, enter **N** in Field 01RPC.

Note: When a DSI taxpayer notates "wages from parent", "paper carrier", "child's non-SE earned income", or similar statement, **do not enter RPC N**. Instead, enter this amount and any other earned income plus \$350 up to the allowable Standard Deduction Amount in Field 94SDV.

- (9) When Form(s) **8814** is attached, ensure income is included in Field 04OTI.

- (11) Use the following table when Form W-2G, Gambling Winnings, is attached or gambling winnings are indicated on Schedule 1, line 8b (TY20, line 8):

Note: Gambling losses are allowed only as an itemized deduction and may not exceed the amount of winnings reported as income.

If the gambling winnings...	And...	Then...
A] Have not been included on line 1 or Schedule 1, line 8b or 9 (TY20, line 1 or Schedule 1, line 8) or in AGI,		<ol style="list-style-type: none"> 1. Enter amount in Field 04OTI. 2. If EC 218 redisplay, assign TPNC 114.
B] Are not present,	There are losses reported on Schedule 1, line 8b or 9 (TY20, line 8),	<ol style="list-style-type: none"> 1. Delete the loss. 2. Assign TPNC 133.
C] Are exceeded by the amount of loss reported on Schedule A,		<ol style="list-style-type: none"> 1. GTSEC 07. 2. Limit the loss in Field 0716 to the amount of winnings in Field 04OTI. 3. Assign TPNC 133.
D] Are identified as a "net" amount,	The gross amount is not indicated,	SSPND 211 to correspond. Complete Form 6001, using paragraph e with fill-in #7.

If the gambling winnings...	And...	Then...
E] are combined with losses and a net amount is reported	there's indication that the taxpayer is a professional gambler	<ol style="list-style-type: none"> 1. Delete the amount from Field 04OTI and move it to Field 0403. 2. Correspond for Schedule C. Complete Form 6001 using paragraph L, M, or N and Schedule 1, line 8b or 9 (TY20, line 8). 3. If the amount is \$434 or more, also correspond for Schedule SE.
F] Are combined with the losses and reported as "net" amount,	Schedule A is attached,	<ol style="list-style-type: none"> 1. GTSEC 07. 2. Enter the amount of loss (not to exceed the winnings) into Field 0716. 3. Enter amount of winnings in Field 04OTI.
G] Are combined with the losses and reported as net amount,	Schedule A is not attached , and the amount of loss exceeds the Total Standard Deduction Amount for the appropriate FSC,	<ol style="list-style-type: none"> 1. GTSEC 07. 2. Enter the amount of loss (not to exceed the winnings) into Field 0716. 3. Enter amount of winnings in Field 04OTI. 4. If EC 250 displays, assign TPNC 207.
H] Are combined with the losses and reported as net amount,	Schedule A is not attached , and the amount of loss does not exceed the Total Standard Deduction Amount for the appropriate FSC,	<ol style="list-style-type: none"> 1. Delete the gambling loss. 2. Assign TPNC 133.

- (12) **TY18 and later**, when the taxpayer deducts Employee Business Expense from Form 2106 on Schedule 1, line 8z (TY20, line 8), check the occupation on Form 2106. Use the following table based on the occupation:

If the occupation is...	Then...
A] Armed Forces reservist, qualified performing artist, or fee basis state or local government official,	Move the negative amount from Field 04OTI to Field 04CBE as a positive.
B] Other than listed above and no indication of employee with impairment-related work expenses,	a. Delete the Form 2106 amount in Field 04OTI. b. Assign TPNC 772 .

- (13) If the taxpayer attempts to exclude wages earned in a combat zone, even in an authorized combat zone, delete the exclusion from Field 04OTI and add it, as a positive amount, to wages. Verify that all the wages are properly reported. Transmit the changes and assign **TPNC 165** when EC 218 redisplay. See IRM 3.12.2.3.10 for more information about military returns and the exclusion of combat pay.

3.12.3.22.3.16
(01-01-2017)
International Forms 2555 and 2555EZ, Foreign Earned Income, AUSPC only (EC 218)

- (1) Code and Edit is instructed to "X" Form 2555 if the taxpayer does not meet the requirements of the Bona Fide Residence or Physical Presence Test and edit Action Code 610 to have the tax return renumbered to domestic. Use the following instructions:

If Form 2555...	Then...
A] Has been deleted by Code and Edit	Assign TPNC 309 .
B] Is present,	Refer to International Returns at 3.12.2.3.7.

3.12.3.22.3.17
(01-01-2019)
Correction Procedures (EC 518)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for EC 218, and refer to IRM 3.12.2.5.12 for Non-Compute information.
- (3) Enter **C** in the Clear Field if there are no corrections to be made.

3.12.3.22.3.18
(01-01-2023)
Prior Year (EC 218)

- (1) 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.).
- (2) **TY17 and prior**, take the following action when a negative amount is present for taxable Social Security benefits on Form 1040, line 20b (Form 1040A, line 14b):

If the negative amount is...	And...	Then...	
	No Schedule A is attached,	Assign TPNC 132 .	#
	Schedule A is attached,	1. GTSEC 07. 2. Add amount to Field 0716 for TY17 and prior. 3. Delete amounts in Fields 03GSS and 03TSS. 4. If EC 218 redisplay, assign TPNC 130 .	#
		SSPND 211. Complete Form 6001 using paragraph R.	#
	The taxpayer replies with the credit amount figured,	Refer to IRM 3.12.3.30.10.7.	#

- (3) **TY17 and prior**, use the following table when a negative amount for unemployment compensation is present on Form 1040, line 19 (Form 1040A, line 13; Form 1040EZ, line 3):

If the negative amount is...	And...	Then...	
	No Schedule A is attached,	1. Delete the entry in Field 0407. 2. Assign TPNC 129 .	#
	Schedule A is attached, and you can determine the amount received and repaid is for a prior year ,	1. Delete the entry in Field 0407. 2. Enter that same amount in Field 0716. 3. Assign TPNC 125 .	#
	Schedule A is attached, you cannot determine the amount received and repaid within this year ,	SSPND 211 to correspond for explanation of negative amount.	#
		SSPND 211. Complete Form 6001 using paragraph R.	# #

If the negative amount is...	And...	Then...
	The taxpayer replies with the credit amount figured,	Refer to IRM 3.12.3.30.10.7.

#

- (4) For TY13 and TY14, take the following actions when an amount for **USDA Settlement, Black Farm Settlement, African American Farmer Settlement, Debt Forgiveness, or Letter references The Pigford vs Glickman Civil Action Suit** on line 21, was **X'd** by Code & Edit, Schedule F is attached with income, and **Schedule SE is attached**:
- GTSEC 14.
 - Add the amount on line 21, Form 1040, to line 9, Schedule F and enter in Field 1409.
 - GTSEC 17/18.
 - Adjust the entry in Fields 1701/1801 and 17TE/18TE to include the total.
 - When EC 209 displays, assign **TPNC 135**.
- (5) **TY17 and prior**, use the following table when the taxpayer deducted Employee Business Expenses on Form 1040, line 21:

If Schedule A...	And...	Then...
A] Is attached, or Schedule A is not attached, and the amount is greater than the Standard Deduction for the appropriate FSC,		<ol style="list-style-type: none"> GTSEC 07. Include the employee business expense amount in Field 0716. Adjust Field 04OTI to remove the employee business expense amount. If EC 218 redisplay, assign TPNC 166.
B] Is not attached,	The amount is not greater than the Standard Deduction for the appropriate FSC,	<ol style="list-style-type: none"> Delete the amount. Assign TPNC 166.

- (6) For **TY09 only**, the first \$2,400 of unemployment compensation is exempt from the income tax. If Form 1099-G is present, verify that the taxpayers reported on line 19/13/3 of Form 1040/A/EZ the gross unemployment compensation reduced by up to \$2,400. If the gross unemployment compensation is less than \$2,400, the taxable amount is zero. This procedure applies separately to the

primary and secondary taxpayer. Reduce the taxable unemployment compensation, if necessary, in Field 0407 and assign **TPNC 588**.

3.12.3.22.3.19
(01-01-2024)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 218)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 218**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
112	Allowed only the income and withholding for the taxpayer on page 1 of the return. The other person must file their own return to report income.
113	Welfare payments, workers' compensation, etc., aren't taxable income.
114	You didn't include all the income shown on your Form(s) W-2, W-2G, etc., in the total income reported.
115	We adjusted total income to include tips from Form 4137.
116	Computed or transferred total taxable interest amount incorrectly.
117	Disallowed excludable savings bond interest because FSC 3.
118	Removed amount of alimony received. Date of divorce or separation agreement is after December 31, 2018.
119	Computed or transferred total taxable dividend income incorrectly.
120	State income tax payments must be claimed as an itemized deduction on Schedule A. These payments can't be subtracted from the income reported on your tax return.
121	Computed or transferred Schedule C/C-EZ incorrectly.
122	Computed or transferred Schedule D incorrectly.
123	Transferred capital gain or loss from Form 4797 incorrectly.
124	Computed or transferred total wages incorrectly.

TPNC	Description
125	We didn't allow the amount claimed as a repayment of unemployment compensation for a prior year on your tax return.
126	Computed or transferred Schedule E incorrectly.
127	Computed or transferred Schedule F incorrectly.
129	You can't claim negative Unemployment Compensation.
130	Adjusted Schedule A to include the amount claimed as Repayment of Social Security benefits on your tax return.
131	Computed taxable Social Security Benefits incorrectly.
132	We didn't allow the negative entry of Social Security Benefits reported on your tax return. You can only reduce your Social Security benefits by the amount received and repaid in the same year.
133	You can't claim gambling losses unless you itemize your deductions.
134	Disallowed child's income from Form 8814 because income greater than maximum allowed for the tax year.
136	Adjusted total income because Form 4684 must be included in income.
138	Adjusted total income to include the taxable amount of employer-provided benefits in excess of child and dependent care expenses.
141	Computed your total income incorrectly.
156	Disallowed negative amount of state and local income taxes.
165	Disallowed combat pay excluded from income not identified as combat pay on Form W-2.
166	You should claim Employee Business Expenses on Schedule A.
170	We changed the amount claimed as ordinary dividends because qualified dividends can't exceed ordinary dividends.
173	Error in Part III of Form 8889, or failed to include the income on return.
175	Computed AGI incorrectly.
207	Gambling loss is more than standard deduction. Adjusted Schedule A.
216	Computed Part I or tax amount or transferred from Form 8814 to your tax return incorrectly.

TPNC	Description
501	No Reply - Schedule 1 was incomplete or not attached to return.
558	You gave us information that changed the refund or amount you owe.
588	TY09 only - The first \$2,400 of unemployment compensation is not taxable. We reduced the unemployment compensation you reported.
759	We adjusted your return because you reported income and withholding from different tax years.
772	Disallowed Form 2106 deduction. Not Armed Forces reservist, qualified performing artist, fee-basis official or impairment-related expenses.
804	Negative deduction can't be claimed on Schedule A. Entry has been added to the income section.
825	Adjusted Form 2441 because dependent on Form 2441 was born after the tax period.
***	Any previously assigned TPNC.

3.12.3.22.4
(01-01-2017)
**Error Code 220 and 520,
Educator Expenses
Deduction (TY02 and
later)**

- (1) Error Code 220/520 instructions follow.

3.12.3.22.4.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 220)**

- (1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
04EDU	Educator Expenses Deduction
>>>>>	Educator Expenses Deduction Computer
03TAJ	Total Adjustments
>>>>>	Total Adjustments Computer
03AGI	Adjusted Gross Income
>>>>>	Adjusted Gross Income Computer

3.12.3.22.4.2

(01-01-2020)

Invalid Conditions (EC 220)

- (1) **Error Code 220** generates when **all** of the following exist:
 - a. Total Adjustments (Field 03TAJ) is not equal to Total Adjustments Computer.
 - b. Educator Expenses (Field 04EDU) amount is not equal to Educator Expenses Computer amount.
 - c. A math error is present.
- (2) **Error Code 520** generates when **all** of the following exist:
 - a. A math error is not present.
 - b. Total Adjustments (Field 03TAJ) is not equal to Total Adjustments Computer.
 - c. Educator Expenses (Field 04EDU) amount is not equal to Educator Expenses Computer amount.
 - d. The return is either a Non-Compute or any of the allowable carry over credits is not within tolerance.

3.12.3.22.4.3

(01-01-2023)

Correction Procedures (EC 220)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) For TY23-TY22, taxpayers can deduct up to \$300 if FSC 1, 3, 4, 5, 6, or 7 (\$600 if FSC 2) annually for classroom expenses.
- (3) For TY21-TY02, taxpayers can deduct up to \$250 if FSC 1, 3, 4, 5, 6, or 7 (\$500 if FSC 2) annually for classroom expenses.
- (4) If an amount is present on this line that matches an IRA deduction, and the occupation is **not** an educator, teacher, etc., then treat as a misplaced entry and move to the IRA field.
- (5) When Educator Expenses exceed \$300 for FSC 1, 3, 4, 5, 6, or 7 (\$250 for TY21-TY02) or \$600 for FSC 2 (\$500 for TY21-TY02) assign **TPNC 142**.

3.12.3.22.4.4

(01-01-2019)

Correction Procedures (EC 520)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to instructions for EC 220 and IRM 3.12.2.5.12 for Non-Compute information.
- (3) Enter **C** in the Clear Field when there are no corrections.

3.12.3.22.4.5

(01-01-2020)

Prior Year (EC 220)

- (1) **For TY06** - Educator Expenses and MSA deduction were both claimed on line 23, Form 1040.
 - a. If the taxpayer is claiming both the Educator Expenses and MSA on line 23, Form 1040, reduce the entry in Field 04EDU by the MSA amount and enter in Field 04MSA.
 - b. If MSA is the only amount being claimed on line 23, Form 1040, delete the entry in Field 04EDU and enter in Field 04MSA.

3.12.3.22.4.6

(01-01-2017)

Allowable Taxpayer Notice Codes (Form 1040) (EC 220)

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 220**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 first on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
142	Claimed more Educator Expenses deduction than allowed based on your filing status.
218	We computed your tax for you.
558	You gave us information that changed the refund or amount you owe.
***	Any previously assigned TPNC.

3.12.3.22.5

(01-01-2017)

Error Code 222 and 522, IRA Deduction

- (1) Error Code 222/522 instructions follow.

3.12.3.22.5.1

(01-01-2024)

Fields Displayed, Form 1040 (EC 222)

- (1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01SPC	Special Processing Code
03TOT	Total Income
>>>>	Total Income Computer
04OTI	Other Income Amount
04EDU	Educator Expenses Deduction
>>>>>	Educator Expenses Deduction Computer
04CBE	Reservist/Other Business Expenses
04HSA	Health Savings Account Deduction
>>>>>	Health Savings Account Computer
04MOV	Form 3903 Moving Expenses

1040	Field Name
04DSE	Deduction for SE Tax
>>>>>	Deduction for SE Tax Computer
04SEP	SE Retirement Plans Deduction
04HID	Self-Employed Health Insurance Deduction
04PEW	Penalty on Savings Withdrawal
04SSN	Alimony SSN
04ALP	Alimony Paid
04IRA	IRA Deduction
>>>>>	IRA Deduction Computer
94IRV	IRA Deduction Verified
04SLI	Student Loan Interest Deduction
>>>>>	Student Loan Interest Deduction Computer Amount
04MSA	Archer MSA Deduction
>>>>>	Archer MSA Deduction Computer
04ADJ	Other Adjustments
03TAJ	Total Adjustments
>>>>	Total Adjustments Computer
03AGI	Adjusted Gross Income
>>>>	Adjusted Gross Income Computer
03NCC	Non-Itemized Charitable Contributions Deduction
>>>>>	Non-Itemized Charitable Contributions Deduction Computer

3.12.3.22.5.2
(01-01-2020)
Invalid Conditions (EC 222)

- (1) **Error Code 222** generates when **all** the following exist:
 - a. Total Adjustments is not equal to Total Adjustments Computer
 - b. IRA Deduction Amount is not equal to IRA Deduction Amount Computer
 - c. A math error is present
- (2) **Error Code 522** generates when **all** the following exist:
 - a. A math error is not present.
 - b. Total Adjustments does not equal Total Adjustments Computer.
 - c. The return is Non-Compute or any of the allowable Carryover Statutory Credits differ from their respective computer-generated amount.

3.12.3.22.5.3
(01-01-2019)

**Correction Procedures
(EC 222)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Delete the entry in Field 04IRA if any of the following are present:
 - a. Taxpayer indicates a “roll-over” is claimed as IRA deduction on Schedule 1, line 20 (TY20, line 19).

Note: Also delete the rollover amount in Field 03TPA if present.

- b. Form 8606 (Nondeductible IRAs) is attached.
 - c. Code & Edit has **X'd** the IRA deduction because an amount is present, other than outlined in the specific TY charts, and Form W-2 is attached, and an amount equal to the IRA deduction is present on the Form W-2 with one of the following codes and/or type of compensation:
 - “D” Section 401(k)
 - “E” Section 403(b)
 - “F” Section 408(k)(6)
 - “G” Section 457
 - “Q” or Basic Quarters/Subsistence Allowance or Combat Pay
 - “S” or SIMPLE plan
 - “T” or employer-paid “qualified adoption expenses”
 - Section 125, Cafeteria Plan (CAF, etc.)
 - Section 414(h), mandatory salary deferral (PERS, Public Employee Retirement System, etc.)
 - Thrift Savings Plan or “TSP”
- (3) Reduce Field 04IRA to equal Field 03TAJ when all of the following conditions apply:
 - a. The only adjustment to income is for the IRA deduction, on Schedule 1, line 20 (TY20, line 19).
 - b. There are no other adjustments to total income from Schedule 1, line 11 through line 26 (TY20, Schedule 1, lines 10-22).
 - c. The taxpayer’s figure on Schedule 1, line 26, (TY20, line 22) is equal to the IRA deduction computer underprint.
 - d. The reduction of Field 04IRA does not cause the computer underprint to differ from Field 03AGI, Form 1040.
- (4) When the computer underprint for Field 04IRA is blank, the IRA deduction is not allowed. Correct as follows:

If...	Then...
A] The taxpayer notes in the adjustments section “ Not an active participant - Notice 87-16 ”,	1. Delete the taxpayer’s entry. 2. Enter the amount in Field 04ADJ.
B] Field 04SEP is present,	Assign TPNC 149 .
C] Field 04SEP is not present,	Assign TPNC 148 .

- -
 -
 -
 - (5) If the taxpayer writes in “401(k)”, “403(b)”, “414(h)”, “457”, in the adjustment section of the return, delete the entry. Also, check Form(s) W-2 to verify the taxpayer used Wages and not SSA or Medicare Wages.

If the taxpayer...	Then...
A] Used Form(s) W-2 Social Security and Medicare Wages from box 3 or 5 instead of box 1 wages,	Adjust the Wages field to reflect box 1 wages only.
B] Is taking a deduction and the wages have already been reduced,	Disallow the deduction and assign TPNC 161 when EC 230 generates.

3.12.3.22.5.4

(01-01-2024)

TY23 IRA Deduction (EC 222)

- (1) TY23 maximum IRA deduction amounts are as follows:
 - a. Filing status married filing jointly: \$15,000
 - b. All other filing statuses: \$7,500
- (2) Joint filers combine and report their IRA deduction on one line (Schedule 1, line 20).
- (3) The IRA deduction computer is limited when SE retirement plans deduction (Field 04SEP) and IRA deduction (Field 04IRA) are present and the IRA deduction amount exceeds the allowable deduction for the filing status and modified AGI as outlined in the chart below.

Filing status code	Modified AGI	Allowable IRA Deduction
1, 4, or 7	\$83,000 or greater	Zero
1, 4, or 7	Less than \$83,000	IRA deduction up to \$7,500
2 or 5	\$228,000	Zero
5	Less than \$228,000	IRA deduction up to \$7,500
2	Less than \$228,000	IRA deduction up to \$15,000
3 or 6	\$10,000 or greater	Zero
3 or 6	Less than \$10,000	IRA deduction amount claimed but not greater than \$7,500

- (4) If the IRA deduction is not allowed by the computer (Field 04IRA underprint is blank), assign **TPNC 148**.
- (5) When the computer's amount for IRA deduction differs from the taxpayer's amount (limitation amounts in preceding (3)), assign **TPNC 147**.

3.12.3.22.5.5
(01-26-2023)

TY22 IRA Deduction (EC 222)

- (1) TY22 maximum IRA deduction amounts are as follows:
 - a. Filing status married filing jointly: \$14,000
 - b. All other filing statuses: \$7,000
- (2) Joint filers combine and report their IRA deduction on one line (Schedule 1, line 20).
- (3) The IRA deduction computer is limited when SE retirement plans deduction (Field 04SEP) and IRA deduction (Field 04IRA) are present and the IRA deduction amount exceeds the allowable deduction for the filing status and modified AGI as outlined in the chart below.

Filing status code	Modified AGI	Allowable IRA Deduction
1, 4, or 7	\$78,000 or greater	Zero
1, 4, or 7	Less than \$78,000	IRA deduction up to \$7,000
2 or 5	\$214,000 or greater	Zero
5	Less than \$214,000	IRA deduction up to \$7,000
2	Less than \$214,000	IRA deduction up to \$14,000
3 or 6	\$10,000 or greater	Zero
3 or 6	Less than \$10,000	IRA deduction amount claimed but not greater than \$7,000

Note: The modified AGI is the computer's amount for total income minus the sum of computer's amount for the following deductions:

- educator expenses
 - reservist and other business expenses
 - health savings account computer
 - moving expenses
 - one-half deduction of SE tax computer
 - SE retirement plans
 - self-employed health insurance
 - penalty on savings withdrawal
 - alimony paid
 - Archer MSA computer
 - other write-in adjustments
- (4) If the IRA deduction is not allowed by the computer (Field 04IRA underprint is blank), assign **TPNC 148**.
 - (5) When the computer's amount for IRA deduction differs from the taxpayer's amount (limitation amounts in preceding (3)), assign **TPNC 147**.

3.12.3.22.5.6
(03-23-2022)

TY21 IRA Deduction (EC 222)

- (1) TY21 maximum IRA deduction amounts are as follows:
 - a. Filing status married filing jointly: \$14,000
 - b. All other filing statuses: \$7,000
- (2) Joint filers combine and report their IRA deduction on one line (Schedule 1, line 20).
- (3) The IRA deduction computer is limited when SE retirement plans deduction (Field 04SEP) and IRA deduction (Field 04IRA) are present and the IRA deduction amount exceeds the allowable deduction for the filing status and modified AGI as outlined in the chart below.

Filing status code	Modified AGI	Allowable IRA Deduction
1, 4, or 7	\$76,000 or greater	Zero
1, 4, or 7	Less than \$76,000	IRA deduction up to \$7,000
2 or 5	\$208,000 or greater	Zero
5	Less than \$208,000	IRA deduction up to \$7,000
2	Less than \$208,000	IRA deduction up to \$14,000
3 or 6	\$10,000 or greater	Zero
3 or 6	Less than \$10,000	IRA deduction amount claimed but not greater than \$7,000

Note: The modified AGI is the computer's amount for total income minus the sum of computer's amount for the following deductions:

- educator expenses
- reservist and other business expenses
- health savings account computer
- moving expenses
- one-half deduction of SE tax computer
- SE retirement plans
- self-employed health insurance
- penalty on savings withdrawal
- alimony paid
- Archer MSA computer
- other write-in adjustments

- (4) If the IRA deduction is not allowed by the computer (Field 04IRA underprint is blank), assign **TPNC 148**.
- (5) When the computer's amount for IRA deduction differs from the taxpayer's amount (limitation amounts in preceding (3)), assign **TPNC 147**.

3.12.3.22.5.7
(11-27-2020)

TY20 IRA Deduction (EC 222)

- (1) TY20 maximum IRA deduction amounts are as follows:
 - a. Filing status married filing jointly: \$14,000
 - b. All other filing statuses: \$7,000
- (2) Joint filers combine and report their IRA deduction on one line (Schedule 1, line 19).
- (3) The IRA deduction computer is limited when SE retirement plans deduction (Field 04SEP) and IRA deduction (Field 04IRA) are present and the IRA deduction amount exceeds the allowable deduction for the filing status and modified AGI as outlined in the chart below.

Filing status code	Modified AGI	Allowable IRA Deduction
1, 4, or 7	\$75,000 or greater	Zero
1, 4, or 7	Less than \$75,000	IRA deduction up to \$7,000
2 or 5	\$206,000 or greater	Zero
5	Less than \$206,000	IRA deduction up to \$7,000
2	Less than \$206,000	IRA deduction up to \$14,000
3 or 6	\$10,000 or greater	Zero
3 or 6	Less than \$10,000	IRA deduction amount claimed but not greater than \$7,000

Note: The modified AGI is the computer's amount for total income minus the sum of computer's amount for the following deductions:

- educator expenses
 - reservist and other business expenses
 - health savings account computer
 - moving expenses
 - one-half deduction of SE tax computer
 - SE retirement plans
 - self-employed health insurance
 - penalty on savings withdrawal
 - alimony paid
 - Archer MSA computer
 - other write-in adjustments
- (4) If the IRA deduction is not allowed by the computer (Field 04IRA underprint is blank), assign **TPNC 148**.
 - (5) When the computer's amount for IRA deduction differs from the taxpayer's amount (limitation amounts in preceding (3)), assign **TPNC 147**.

3.12.3.22.5.8
(01-01-2020)

TY19 IRA Deduction (EC 222)

- (1) TY19 maximum IRA deduction amounts are as follows:
 - a. Filing status married filing jointly: \$14,000
 - b. All other filing statuses: \$7,000
- (2) Joint filers combine and report their IRA deduction on one line (Schedule 1, line 19).
- (3) The IRA deduction computer is limited when SE retirement plans deduction (Field 04SEP) and IRA deduction (Field 04IRA) are present and the IRA deduction amount exceeds the allowable deduction for the filing status and modified AGI as outlined in the chart below.

Filing status code	Modified AGI	Allowable IRA Deduction
1, 4, or 7	\$74,000 or greater	Zero
1, 4, or 7	Less than \$74,000	IRA deduction up to \$7,000
2 or 5	\$203,000 or greater	Zero
5	Less than \$203,000	IRA deduction up to \$7,000
2	Less than \$203,000	IRA deduction up to \$14,000
3 or 6	\$10,000 or greater	Zero
3 or 6	Less than \$10,000	IRA deduction amount claimed but not greater than \$7,000

Note: The modified AGI is the computer's amount for total income minus the sum of computer's amount for the following deductions:

- educator expenses
- reservist and other business expenses
- health savings account computer
- moving expenses
- one-half deduction of SE tax computer
- SE retirement plans
- self-employed health insurance
- penalty on savings withdrawal
- alimony paid
- Archer MSA computer
- other write-in adjustments

- (4) If the IRA deduction is not allowed by the computer (Field 04IRA underprint is blank), assign **TPNC 148**.
- (5) When the computer's amount for IRA deduction differs from the taxpayer's amount (limitation amounts in preceding (3)), assign **TPNC 147**.

3.12.3.22.5.9
(03-13-2019)

**Correction Procedures
(EC 522)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to instructions for EC 222 and IRM 3.12.2.5.12 for Non-Compute information.
- (3) Enter **C** in the Clear Field when there are no corrections.

3.12.3.22.5.10
(11-27-2020)

Prior Year (EC 222)

- (1) Refer to Prior Year Job Aid 2515-014 for AGI limitations.
- (2) For TY18, the maximum IRA deduction amounts are as follows:
 - a. Filing status married filing jointly: \$13,000
 - b. All other filing statuses: \$6,500
- (3) Joint filers combine and report their IRA deduction on one line (Schedule 1, line 32).
- (4) The IRA deduction computer is limited when SE retirement plans deduction (Field 04SEP) and IRA deduction (Field 04IRA) are present and the IRA deduction amount exceeds the allowable deduction for the filing status and modified AGI as outlined in the chart below.

Filing status code	Modified AGI	Allowable IRA Deduction
1, 4, or 7	\$73,000 or greater	Zero
1, 4, or 7	Less than \$73,000	IRA deduction up to \$6,500
2 or 5	\$199,000 or greater	Zero
5	Less than \$199,000	IRA deduction up to \$6,500
2	Less than \$199,000	IRA deduction up to \$13,000
3 or 6	\$10,000 or greater	Zero
3 or 6	Less than \$10,000	IRA deduction amount claimed but not greater than \$6,500

Note: The modified AGI is the computer's amount for total income minus the sum of computer's amount for the following deductions:

- educator expenses
- reservist and other business expenses
- health savings account computer
- moving expenses
- one-half deduction of SE tax computer
- SE retirement plans
- self-employed health insurance
- penalty on savings withdrawal
- alimony paid

- Archer MSA computer
 - other write-in adjustments
- (5) For TY17, the maximum IRA deduction amounts are as follows:
- a. Filing status married filing jointly: \$13,000
 - b. All other filing statuses: \$6,500
- (6) Joint filers combine and report their IRA deduction on one line (line 32, Form 1040; line 17, Form 1040A).
- (7) The IRA deduction computer is limited when SE retirement plans deduction (Field 04SEP) and IRA deduction (Field 04IRA) are present and the IRA deduction amount exceeds the allowable deduction for the filing status and modified AGI as outlined in the chart below.

Filing status code	Modified AGI	Allowable IRA Deduction
1, 4, or 7	\$72,000 or greater	Zero
1, 4, or 7	Less than \$72,000	IRA deduction up to \$6,500
2 or 5	\$196,000 or greater	Zero
5	Less than \$196,000	IRA deduction up to \$6,500
2	Less than \$196,000	IRA deduction up to \$13,000
3 or 6	\$10,000 or greater	Zero
3 or 6	Less than \$10,000	IRA deduction amount claimed but not greater than \$6,500

Note: The modified AGI is the computer's amount for total income minus the sum of computer's amount for the following deductions:

- educator expenses
 - reservist and other business expenses
 - health savings account computer
 - Archer MSA computer
 - moving expenses
 - one-half deduction of SE tax computer
 - self-employed health insurance
 - SE retirement plans
 - penalty on savings withdrawal
 - alimony paid
 - other write-in adjustments
- (8) For TY16, the maximum IRA deduction amounts are as follows
- a. Filing status married filing jointly: \$13,000
 - b. All other filing statuses: \$6,500

- (9) Joint filers combine and report their IRA deduction on one line (line 32, Form 1040; line 17, Form 1040A).
- (10) The IRA deduction computer is limited when SE retirement plans deduction (Field 04SEP) and IRA deduction (Field 04IRA) are present and the IRA deduction amount exceeds the allowable deduction for the filing status and modified AGI as outlined in the chart below.

Filing status code	Modified AGI	Allowable IRA Deduction
1, 4, or 7	\$71,000 or greater	Zero
1, 4, or 7	Less than \$71,000	IRA deduction up to \$6,500
2 or 5	\$194,000 or greater	Zero
5	Less than \$194,000	IRA deduction up to \$6,500
2	Less than \$194,000	IRA deduction up to \$13,000
3 or 6	\$10,000 or greater	Zero
3 or 6	Less than \$10,000	IRA deduction amount claimed but not greater than \$6,500

Note: The modified AGI is the computer's amount for total income minus the sum of computer's amount for the following deductions:

- educator expenses
- reservist and other business expenses
- health savings account computer
- Archer MSA computer
- moving expenses
- one-half deduction of SE tax computer
- self-employed health insurance
- SE retirement plans
- penalty on savings withdrawal
- alimony paid
- domestic production activities
- other write-in adjustments

- (11) For **TY15**, the maximum IRA deduction amounts are as follows
- Filing status married filing jointly: \$13,000
 - All other filing statuses: \$6,500
- (12) Joint filers combine and report their IRA deduction on one line (line 32, Form 1040; line 17, Form 1040A).
- (13) The IRA deduction computer is limited when SE retirement plans deduction (Field 04SEP) and IRA deduction (Field 04IRA) are present and the IRA

deduction amount exceeds the allowable deduction for the filing status and modified AGI as outlined in the chart below.

Filing status code	Modified AGI	Allowable IRA deduction
1, 4, or 7	\$71,000 and greater	Zero
1, 4, or 7	Less than \$71,000	IRA deduction up to \$6,500.
2 or 5	\$193,000 and greater	Zero
5	Less than \$193,000	IRA deduction up to \$6,500.
2	Less than \$193,000	IRA deduction up to \$13,000.
3 or 6	\$10,000 and greater	Zero
3 or 6	Less than \$10,000	IRA deduction amount claimed but not greater than \$6,500.

Note: The modified AGI is the computer's amount for total income minus the sum of computer's amount for the following deductions:

- educator expenses
- reservist and other business expenses
- health savings account computer
- Archer MSA computer
- moving expenses
- one-half deduction of SE tax computer
- self-employed health insurance
- SE retirement plans
- penalty on savings withdrawal
- alimony paid
- domestic production activities
- other write-in adjustments

(14) For **TY14**, the maximum IRA deduction amounts are as follows:

- Filing status married filing jointly: \$13,000
- All other filing statuses: \$6,500

(15) Joint filers combine and report their IRA deduction on one line (line 32, Form 1040; line 17, Form 1040A).

(16) The IRA deduction computer is limited when SE retirement plans deduction (Field 04SEP) and IRA deduction (Field 04IRA) are present and the IRA deduction amount exceeds the allowable deduction for the filing status and modified AGI as outlined in the chart below.

Filing status code	Modified AGI	Allowable IRA deduction
1, 4, or 7	\$70,000 and greater	Zero
1, 4, or 7	Less than \$70,000	IRA deduction up to \$6,500.
2 or 5	\$191,000 and greater	Zero
5	Less than \$191,000	IRA deduction up to \$6,500.
2	Less than \$191,000	IRA deduction up to \$13,000.
3 or 6	\$10,000 and greater	Zero
3 or 6	Less than \$10,000	IRA deduction amount claimed but not greater than \$6,500.

Note: The modified AGI is the computer's amount for total income minus the sum of computer's amount for the following deductions:

- educator expenses
- reservist and other business expenses
- health savings account computer
- Archer MSA computer
- moving expenses
- one-half deduction of SE tax computer
- self-employed health insurance
- SE retirement plans
- penalty on savings withdrawal
- alimony paid
- domestic production activities
- other write-in adjustments

(17) For **TY13**, the maximum IRA deduction amounts are as follows:

- Filing status married filing jointly: \$13,000
 - All other filing statuses: \$6,500
- a. Joint filers combine and report their IRA deduction on one line (line 32, Form 1040; line 17, Form 1040A).
 - b. The IRA deduction computer is limited when SE retirement plans deduction (Field 04SEP) and IRA deduction (Field 04IRA) are present and the IRA deduction amount exceeds the allowable deduction for the filing status and modified AGI as outlined in the chart below.

Filing status code	Modified AGI	Allowable IRA deduction
1, 4, or 7	\$69,000 and greater	Zero

Filing status code	Modified AGI	Allowable IRA deduction
1, 4, or 7	Less than \$69,000	IRA deduction up to \$6,500.
2 or 5	\$188,000 and greater	Zero
5	Less than \$188,000	IRA deduction up to \$6,500.
2	Less than \$188,000	IRA deduction up to \$13,000.
3 or 6	\$10,000 and greater	Zero
3 or 6	Less than \$10,000	IRA deduction amount claimed but not greater than \$6,500.

Note: The modified AGI is the computer's amount for total income minus the sum of computer's amount for the following deductions:

- educator expenses computer
- reservist and other business expenses
- health savings account computer
- Archer MSA computer
- moving expenses
- one-half deduction of SE tax computer
- self-employed health insurance
- SE retirement plans
- penalty on savings withdrawal
- alimony paid
- domestic production activities
- other write-in adjustments

(18) For **TY12**, the maximum IRA deduction amounts are as follows

- Filing status married filing jointly: \$12,000
 - All other filing statuses: \$6,000
- Joint filers combine and report their IRA deduction on one line (line 32, Form 1040; line 17, Form 1040A).
 - The IRA deduction computer is limited when SE retirement plans deduction (Field 04SEP) and IRA deduction (Field 04IRA) are present and the IRA deduction amount exceeds the allowable deduction for the filing status and modified AGI as outlined in the chart below.

Filing status code	Modified AGI	Allowable IRA deduction
1, 4, or 7	\$68,000 and greater	Zero
1, 4, or 7	Less than \$68,000	IRA deduction up to \$6,000.

Filing status code	Modified AGI	Allowable IRA deduction
2 or 5	\$183,000 and greater	Zero
5	Less than \$183,000	IRA deduction up to \$6,000.
2	Less than \$183,000	IRA deduction up to \$12,000.
3 or 6	\$10,000 and greater	Zero
3 or 6	Less than \$10,000	IRA deduction amount claimed but not greater than \$6,000.

Note: The modified AGI is the computer's amount for total income minus the sum of computer's amount for the following deductions:

- educator expenses computer
- reservist and other business expenses
- health savings account computer
- Archer MSA computer
- moving expenses
- one-half deduction of SE tax computer
- self-employed health insurance
- SE retirement plans
- penalty on savings withdrawal
- alimony paid
- domestic production activities
- other write-in adjustments

(19) Take the following action when Field 04IRA underprints with a different amount on TY11-TY08 prior-year returns:

If the tax period is...	And...	Then...
A] TY11 through TY08,	FSC is 2 and one spouse was a non-working spouse,	Enter taxpayers' figure up to a. \$12,000 for TY11-TY08
B] TY11 through TY08,	FSC is 2 and both taxpayers have earned income and both taxpayers are claiming an IRA deduction,	1. Add the primary and secondary deduction amounts (not to exceed earned income or the contribution limit). 2. Enter total in Field 04IRA.

- (20) If the IRA deduction is not allowed by the computer (Field 04IRA underprint is blank), assign **TPNC 148**.
- (21) When the computer's amount for IRA deduction differs from the taxpayer's amount (limitation amounts listed above by TY), assign **TPNC 147**.

3.12.3.22.5.11
(01-01-2024)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 222)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 222**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
141	Computed total income incorrectly.
147	You claimed more than the amount allowed for your IRA deduction.
148	Your modified AGI exceeds the limitation for figuring your IRA deduction.
149	You can't claim an IRA deduction if you were an active participant in the SEP, SIMPLE, or qualified plan.
159	Disallowed SE Tax Deduction. Should have filed Form 4137.
168	You must itemize deduction to claim more than the allowable amount in charitable contributions.
218	We computed your tax for you.
558	You gave us information that changed the refund or amount you owe.
***	Any previously assigned TPNC.

3.12.3.22.6
(01-01-2017)
**Error Code 224 and 524,
Student Loan Interest
Deduction**

- (1) Error Code 224/524 instructions follow.

3.12.3.22.6.1

(01-01-2024)

**Fields Displayed, Form
1040 (EC 224)**

(1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
03TOT	Total Income
>>>>>	Total Income Computer
04EDU	Educator Expenses Deduction
>>>>>	Educator Expenses Deduction Computer
04CBE	Reservist/Other Business Expenses
04HSA	Health Savings Account Deduction
>>>>>	Health Savings Account Computer
04MOV	Moving Expenses
04DSE	Deduction for SE Tax
>>>>>	Deduction for SE Tax Computer
04SEP	SE Retirement Plans Deduction
04HID	SE Health Insurance Deduction
04PEW	Penalty on Savings Withdrawal
04ALP	Alimony Paid
04IRA	IRA Deduction
>>>>>	IRA Deduction Computer
04SLI	Student Loan Interest Deduction
>>>>>	Student Loan Interest Deduction Computer
94SLV	Student Loan Interest Deduction Verified
04MSA	Archer MSA Deduction
>>>>>	Archer MSA Deduction Computer
04ADJ	Other Adjustments
03TAJ	Total Adjustments
>>>>	Total Adjustments Computer
03AGI	Adjusted Gross Income (AGI)
>>>>	Adjusted Gross Income (AGI) Computer
03NCC	Non-Itemized Charitable Contributions Deduction
>>>>>	Non-Itemized Charitable Contributions Deduction Computer

3.12.3.22.6.2
(01-01-2017)
Invalid Conditions (EC 224)

- (1) **Error Code 224** generates when **all** the following exist:
 - a. Total Adjustments is not equal to Total Adjustments Computer.
 - b. Student Loan Interest Deduction (Field 04SLI) is not equal to Student Loan Interest Deduction Computer.
 - c. A math error is present.
- (2) **Error Code 524** generates when **all** the following exist:
 - a. A math error is not present.
 - b. Any of the allowable statutory credits are not within tolerance of their respective computer-generated amounts.
 - c. The return is a Non-Compute.

3.12.3.22.6.3
(11-27-2020)
Correction Procedures (EC 224)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) The maximum allowable amount for the Student Loan Interest Deduction is \$2,500.
- (3) The Student Loan Interest Deduction is not allowed for FS 3/6.
- (4) The deduction is **phased out** when the modified AGI is between \$75,000 and \$90,000 (TY22-TY19, \$70,000 and \$85,000) and the filing status is 1, 4, 5, or 7. For filing status 2, the deduction is phased out when modified AGI is between \$155,000 and \$185,000 (TY22, \$145,000 and \$175,000; TY21-TY19, \$140,000 and \$170,000).

Note: The Student Loan Deduction **Modified AGI** is Form 1040, line 9 (TY19, line 7b) minus amounts on Schedule 1, lines 11 through 20 (TY19-TY20, lines 10 through 19) and any other adjustments on line 24 (TY19-TY20, write-ins on the dotted line next to line 22).

- (5) If the computer underprint for Student Loan Interest Deduction in Field 04SLI is **blank**, take the action in the following table:

If...	And...	Then...
A] The FSC is 1, 4, 5, or 7,	The Modified AGI amount is equal to or greater than \$90,000 (TY22-TY19, \$85,000),	The Student Loan Interest Deduction is disallowed. Assign TPNC 151 .
B] The FSC is 2,	The Modified AGI amount is equal to or greater than \$185,000 (TY22, \$175,000; TY21-TY19, \$170,000)	The Student Loan Interest Deduction is disallowed. Assign TPNC 151 .
C] The FSC is 3 or 6,		The Student Loan Interest Deduction is disallowed. Assign TPNC 151 .

- (6) If the taxpayer made a math error figuring the Student Loan Interest Deduction in Field 04SLI, assign **TPNC 152**.

3.12.3.22.6.4
(01-01-2019)

**Correction Procedures
(EC 524)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for EC 224, and refer to IRM 3.12.2.5.12 for Non-Compute information.
- (3) Enter **C** in the Clear Field when there are no corrections to be made.

3.12.3.22.6.5
(01-01-2019)

Prior Year (EC 224)

- (1) For 201912 and prior, the computer uses the thresholds for TY20 to limit the Student Loan Interest Deduction and may not limit the deduction properly. SSPND to work leader for manual computation.
- (2) Take the following action when an amount is present for the Student Loan Interest Deduction:

If...	and...	Then...
A] The Filing Status is 1, 4, 5, or 7,	The Modified AGI amount is equal to or greater than: 1. \$80,000 for TY18-TY14 2. \$75,000 for TY13-TY12	1. Disallow the Student Loan Deduction. 2. Assign TPNC 151 .
B] The Filing Status is 2,	The Modified AGI amount is equal to or greater than: 1. \$165,000 for TY18 2. \$160,000 for TY16-TY14 3. \$155,000 for TY13-TY12	1. Disallow the Student Loan Deduction. 2. Assign TPNC 151 .
C] The Filing Status is 3 or 6,		1. Disallow the Student Loan Deduction. 2. Assign TPNC 151 .
D] The Student Loan Interest Deduction exceeds the maximum for the following years: TY18 through TY12, \$2,500	The AGI for FSC 1, 4, 5, or 7 is less than: 1. \$80,000 for TY18-TY14 2. \$75,000 or less for TY13-TY12	1. Manually compute and enter the amount in Field 04SLI. 2. Assign TPNC 152 .

If...	and...	Then...
E] The Student Loan Interest Deduction exceeds the maximum for the following years: TY18 through TY12, \$2,500	The AGI for FSC 2 is less than: 1. \$165,000 for TY18-TY17 2. \$160,000 for TY16-TY14 3. \$155,000 for TY13-TY12	1. Manually compute and enter the amount in Field 04SLI. 2. Assign TPNC 152 .

- (3) For TY11 and prior, accept the taxpayer's entry.

3.12.3.22.6.6
(01-01-2024)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 224)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 224**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
151	We didn't allow the amount claimed. AGI exceeds amount for filing status or FSC 3.
152	We changed the amount of student loan interest, error in computation.
168	You must itemize deduction to claim more than the allowable amount in charitable contributions.
218	We computed your tax for you.
558	You gave us information that changed the refund or amount you owe.
***	Any previously assigned TPNC.

3.12.3.22.7
(01-01-2024)
**Error Code 225 -
Reserved**

- (1) R.

3.12.3.22.8
(01-01-2017)

**Error Code 226 and 526,
Health Savings Account
Deduction**

- (1) Error Code 226 instructions follow.

3.12.3.22.8.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 226)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
04HSA	Health Savings Account Deduction
>>>>>	Health Savings Account Deduction Computer
	Section 52 Not Present
5201	High Deductible Health Plan Indicator
5202	HSA Contributions
5203	HSA Annual Deductible
5204	Total Archer MSA Contributions
5205	HSA Limited Deductible Allowed
5206	One-Half Adjusted HSA Deductible
5207	Additional HSA Contributions
5208	Total HSA High-Deductible Coverage
5209	Employer HSA Distributions
5210	Qualified HSA Funding Distributions Amount
5211	Total Contributions Funding Distributions Amount
5212	HSA Contributions Limit Amount
5213	Form 8889 HSA Deduction Amount
5214A	Total HSA Distributions Amount
5214B	HSA Distributions Rollover Amount
5214C	Net HSA Distributions Amount
5215	Unremembered Qualified Medical Expenses Amount
5216	Taxable HSA Distribution Amount
5217A	Additional Percentage Tax Exception Indicator
5217B	Additional Percentage Distribution Tax Amount
5218	Part-Year Coverage
5219	Qualified HSA Funding
5220	Total Income HDHP Coverage

1040	Field Name
5221	Additional Tax HDHP Coverage
>>>>	Form 8889 Additional Tax Section 52 Computer
	Section 53 Not Present
5301	High Deductible Health Plan Indicator
5302	HSA Contributions
5303	HSA Annual Deductible
5304	Total Archer MSA Contributions
5305	HSA Limited Deductible Allowed
5306	One-Half Adjusted HSA Deductible
5307	Additional HSA Contributions
5308	Total HSA High-Deductible Coverage
5309	Employer HSA Distributions
5310	Qualified HSA Funding Distributions Amount
5311	Total Contributions Funding Distributions Amount
5312	HSA Contributions Limit Amount
5313	Form 8889 HSA Deduction Amount
5314A	Total HSA Distributions Amount
5314B	HSA Distributions Rollover Amount
5314C	Net HSA Distributions Amount
5315	Unremembered Qualified Medical Expenses Amount
5316	Taxable HSA Distribution Amount
5317A	Additional Percentage Tax Exception Indicator
5317B	Additional Percentage Distributions Tax Amount
5318	Part-Year Coverage
5319	Qualified HSA Funding
5320	Total Income HDHP Coverage
5321	Additional Tax HDHP Coverage
>>>>	Form 8889 Additional Tax Section 53 Computer

3.12.3.22.8.2
(01-01-2017)
**Invalid Conditions (EC
226)**

- (1) **Error Code 226** generates when **all** of the following exist:
- Total Adjustments is not equal to Total Adjustments Computer.

- b. Health Savings Account Deduction is not equal to Health Savings Account Deductions Computer.
- c. A math error is present.

(2) **Error Code 526** generates when **all** of the following are present:

- a. A math error is not present.
- b. Total Adjustments is not equal to Total Adjustments Computer.
- c. The return is a Non-Compute or any of the allowable Carryover Credits differ from their respective computer-generated amounts.

3.12.3.22.8.3
(07-07-2023)

**Correction Procedures
(EC 226)**

- (1) Correct all coding and transcription errors and misplaced entries on all displayed fields.

Note: Check for the presence of two Form 8889 and verify that both have been input. All money amounts must be positive and dollars only.

- (2) If both boxes are checked on line 1 of Form 8889, enter **2** in Field 5201/5301.

- (3) If an amount is present on Schedule 1, line 13 (TY20-TY19, line 12) and Form 8889 is not attached (regardless of the amount, no tolerance amount for Form 8889), SSPND 211.

- (4) If you can determine the taxpayer is including on Form 8889, line 13, the smaller of **Form 5329**, line 43, or the excess, if any, of Form 5329, line 42, over Form 5329, line 44, accept the line 13 amount:

- a. GTSEC 52/53.
- b. Enter the total HSA Deduction in Field 52HSV/53HSV.

- (5) If the taxpayer made an error computing Health Savings Account Deduction, assign **TPNC 153**.

3.12.3.22.8.4
(01-01-2019)

**Correction Procedures
(EC 526)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

- (2) Refer to instructions for EC 226 and IRM 3.12.2.5.12 for Non-Compute information.

- (3) Enter **C** in the Clear Field when there are no corrections.

3.12.3.22.8.5
(01-01-2020)

**Allowable Taxpayer
Notice Codes (EC 226)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 226**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	

TPNC	Description
111	Your return has been converted to a Form 1040.
153	Incorrectly figured/transferred HSA deduction.
171	No Reply, Form 8889 was incomplete or not attached to return.
558	You gave us information that changed the refund or amount you owe.
***	Any previously assigned TPNC.

3.12.3.22.9
(01-01-2017)
**Error Code 227 and 527,
Archer MSA Deduction**

- (1) Error Code 227/527 instructions follow.

3.12.3.22.9.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 227)**

- (1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
04MSA	Archer MSA Deduction
>>>>>	Archer MSA Deduction Computer
3901	Form 8853 Archer MSA Employer Total Contributions Amount
3902	Form 8853 Archer MSA Contributions Amount
3903	Form 8853 MSA Limitation Amount
3904	Form 8853 MSA High Deductible Compensation Amount
	Section 39 Not Present

3.12.3.22.9.2
(01-01-2017)
**Invalid Conditions (EC
227)**

- (1) **Error Code 227** generates when **all** of the following exist:
- Total Adjustments is not equal to Total Adjustments Computer.
 - The difference between Archer MSA Deduction Amount (Field 04MSA)
 - A math error is present.
- (2) **Error Code 527** generates when **all** of the following exist:
- A math error is not present.
 - Any of the allowable Carryover Statutory Credits differ from their respective computer-generated amounts.

#

3.12.3.22.9.3
(01-01-2024)

**Correction Procedures
(EC 227)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If the taxpayer claimed more than the maximum amount allowable for the tax period of the return being corrected, assign **TPNC 157**. The computer will not exceed the maximum allowable Archer MSA Deduction amount for the tax period of the return. See the following table for the maximum allowable Archer MSA deduction, per tax period:

Tax period	Maximum allowable MSA deduction
TY23	\$5,925
TY22	\$5,550
TY21	\$5,363

3.12.3.22.9.4
(01-01-2017)

**Correction Procedures
(EC 527)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for EC 227.
- (3) Enter **C** in the Clear Field when there are no corrections to be made.

3.12.3.22.9.5
(01-01-2024)

Prior Year (EC 227)

- (1) If the taxpayer claimed more than the maximum amount allowable for the tax period of the return being corrected, assign **TPNC 157**. If an entry is present on TY20 and prior for Archer MSA deduction, limit the amount to the maximum for the tax period as shown in the following table:

Tax period	Maximum allowable MSA deduction
TY20	\$5,325
TY19	\$5,250
TY18	\$5,175
TY17	\$5,063
TY16	\$5,025
TY15	\$4,988
TY14	\$4,914
TY13	\$4,838
TY12	\$4,725

3.12.3.22.9.6
(01-01-2020)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 227)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 227**.
Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
157	You or your spouse claimed more than the amount allowed for your Archer MSA deduction.
218	We computed your tax for you.

3.12.3.22.10
(11-27-2020)

**Error Code 228 and 528,
Non-Itemized Charitable
Contribution Deduction**

- (1) Error Code 228/528 instructions follow.

3.12.3.22.10.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 228)**

- (1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
03AGI	Adjusted Gross Income
>>>>>	Adjusted Gross Income Computer
03NCC	Non-Itemized Charitable Contributions Deduction
>>>>>	Non-Itemized Charitable Contributions Deduction Computer

3.12.3.22.10.2
(11-27-2020)

**Invalid Conditions (EC
228)**

- (1) **Error Code 228** generates when all of the following exist:
- Total Adjustments is not equal to Total Adjustments Computer.
 - The taxpayer's amount for Non-Itemized Charitable Contributions Deduction is not equal to Non-Itemized Charitable Contributions Deduction Computer.
 - A math error is present.
- (2) **Error Code 528** generates when all of the following exist:
- A math error is not present.
 - Any of the allowable Carryover Statutory Credits differ from their respective computer-generated amounts.

3.12.3.22.10.3
(01-01-2023)

**Correction Procedures
(EC 228)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) TY21-TY20, if the amount in Field 03NCC from Form 1040, line 12b (TY20, line 10b), is greater than \$300 (TY21, FSC 2, greater than \$600; TY20, FSC 3/6, greater than \$150), determine if Schedule A is attached and itemized deductions are claimed on Form 1040, line 12a for TY21 (TY20, line 12). If itemized deductions are claimed, move the amount from Field 03NCC to Field 0711, and adjust Field 0714 and Field 0717.

Exception: If an amount is already present in Field 0711, increase it by the amount on Form 1040, line 12b. Then delete the entry in Field 03NCC. If EC 229 displays, assign **TPNC 168**.

- (3) TY21-TY20, if the amount on Form 1040, line 12b (TY20, line 10b) is greater than \$300 (TY21, FSC 2, greater than \$600; TY20, FSC 3/6, greater than \$150), and Schedule A is not attached (or Schedule A is not being used), assign **TPNC 168**.
- (4) TY23-TY22, or TY19 and prior, when there is an entry in Field 03NCC, move the entry to the correct field if it's a misplaced entry. If the taxpayer is attempting to deduct non-itemized charitable contributions on a TY22 and later, or TY19 or prior return without Schedule A, assign **TPNC 758**.

3.12.3.22.10.4
(01-01-2018)

**Correction Procedures
(EC 528)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for EC 228.
- (3) Enter **C** in the Clear Field when there are no corrections to be made.

3.12.3.22.10.5
(01-01-2024)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 228)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 228**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
101	We recompute your tax using FSC 1.
105	We recomputed your tax using FSC 5.
111	Your return has been converted to a Form 1040.
168	You must itemize deductions to claim more than the allowable amount in charitable contributions.
558	You gave us information that changed the refund or amount you owe.

TPNC	Description
758	Removed non-itemized charitable contribution as not valid for the tax year.
***	Any previously assigned TPNC.

3.12.3.22.11

(01-01-2018)

**Error Code 229 and 529,
Total Adjustments**

- (1) Error Code 229/529 instructions follow.

3.12.3.22.11.1

(01-01-2024)

**Fields Displayed, Form
1040 (EC 229)**

- (1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01FPC	Form Processing Code
04EDU	Educator Expenses Deduction
>>>>>	Educator Expenses Deduction Computer
04CBE	Reservist/Other Business Expenses
04HSA	Health Savings Account Deduction
>>>>>	Health Savings Account Deduction Computer
04MOV	Moving Expenses
04DSE	Deduction for Self-Employment Tax
>>>>>	Deduction for Self-Employment Tax Computer
04SEP	SE Retirement Plans Deduction
04HID	Self-Employed Health Insurance Deduction
04PEW	Penalty on Savings Withdrawal
04ALP	Alimony Paid
04IRA	IRA Deduction
>>>>>	IRA Deduction Computer
04SLI	Student Loan Interest Deduction
>>>>>	Student Loan Interest Deduction Computer
04MSA	Archer MSA Deduction
>>>>>	Archer MSA Deduction Computer
04ADJ	Other Adjustments

1040	Field Name
03TAJ	Total Adjustments
>>>>	Total Adjustments Computer
03AGI	Adjusted Gross Income
>>>>	Adjusted Gross Income Computer
03NCC	Non-Itemized Charitable Contributions Deduction
>>>>>	Non-Itemized Charitable Contributions Deduction Computer

3.12.3.22.11.2
(01-01-2018)
Invalid Conditions (EC 229)

- (1) **Error Code 229** generates when the taxpayer's amount for Total Adjustments (Field 03TAJ) is not equal to Total Adjustments Computer and both of the following exist:
 - a. The difference between the taxpayer's amount and the computer-generated deduction exceeds the tolerance.
 - b. A math error is present.
- (2) **Error Code 529** generates when a math error is not present and either of the following exist:
 - a. The return is a Non-Compute.
 - b. Any of the allowable Carryover Statutory Credits differ from their respective computer-generated amounts.

3.12.3.22.11.3
(04-25-2022)
Correction Procedures (EC 229)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Use the following table when Field 03TAJ has an entry and Schedule 1, lines 11 through 26 (TY19-TY20, lines 10 through the dotted portion of line 22), are blank:

If support from forms and attachments are...	And...	Then...
A] Attached,		Enter the appropriate line items.
B] Not attached,	Schedule 1, line 26 (TY19-TY20, line 22),	Enter the adjustments to income amount in Field 04ADJ.
C] Not attached	Schedule 1, line 26 (TY19-TY20, line 22)	SSPND 211 to correspond for an explanation of deduction.

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#

- (3) Delete any non-taxable income entered as wages (or elsewhere on the return as income) and then deducted as an Adjustment to Income, then delete the adjustment. Examples of non-taxable income follow:
- Basic Quarters/Subsistence Allowance
 - Child Support
 - Supplemental Social Security Income (SSI)
 - Aid to Dependent Children
 - VA Benefits
 - Workers' Compensation
 - Personal Physical Injury Lawsuit Awards
 - Welfare Payments
 - Tax Sheltered Annuities
 - Police Officer/Fireman Injured in The Line Of Duty
 - Restitution of the Holocaust (Nazi Regime or similar statement)
- (4) Delete any negative amount shown on Schedule 1, lines 11 to 26 (TY19-TY20, lines 10 to 22) from the corresponding field and enter it as a positive amount in Other Income Field (Field 04OTI), unless it can be determined that it is a misplaced entry that belongs elsewhere. Adjust the entry in Field 03TAJ accordingly.
- (5) See the instructions for the following specific fields before assigning **TPNC 174** if the taxpayer made a math error.
- (6) If the taxpayer claims Gambling Losses on line 24z (TY19-TY20, the dotted portion of Schedule 1, line 22), then do the following:
- a. Delete the gambling loss amount from Field 04ADJ.
 - b. Apply the procedures in EC 218. See IRM 3.12.3.22.3.15(11).
- (7) TY23-TY21, if a Tuition and Fees Deduction is claimed, remove the amount. Assign **TPNC 145**.

3.12.3.22.11.4
(01-01-2020)

**Field 04EDU, Educator
Expenses Deduction (EC
229)**

- (1) If an amount is present on Schedule 1, line 11 (TY19-TY20, line 10), ensure it is transcribed in Field 04EDU.

3.12.3.22.11.5
(01-01-2023)

**Field 04CBE,
Reservists/Other
Business Expenses (EC
229)**

- (1) Use the following table to resolve error conditions related to reservists, performing artists, and fee-basis officials:

If the adjustment is for...	And...	Then...
A] An amount present on Schedule 1, line 12 (TY19-TY20, line 11) and Form 2106 is not attached,	The amount claimed	SSPND 211.

#

If the adjustment is for...	And...	Then...
B] “Qualified Performing Artist” - TY18 and later, Form 2106 is attached,		
C] “Fee-Basis Official” - reported by State and Local Government officials to deduct their business expenses and FBO or Fee Basis Official is listed on Form 2106 in “Occupation in which you incurred expenses”		
D] “Armed Forces Reservist” - Taxpayer is claiming an adjustment for Reserve Component and RC or Armed Forces Reservist is listed on Form 2106 in “Occupation in which you incurred expenses”		

#

- (2) TY18 and later, if another occupation is shown on Form 2106 than those shown in the “If the adjustment is for...” column of the chart in (1) above, delete the amount in Field 04CBE and assign **TPNC 772**.

3.12.3.22.11.6
(04-25-2022)

Field 04HSA, Health Savings Account Deduction (EC 229)

- (1) When an amount is present on Schedule 1, line 13 (TY19-TY20, line 12) and Form 8889 is not attached, SSPND 211. See Error Code 226 for specific instructions regarding Health Savings Account Deduction.

3.12.3.22.11.7
(04-25-2022)

Field 04MOV, Moving Expenses (EC 229)

- (1) TY18 and later, members of the Armed Forces use Form 3903 to calculate deductible moving expenses. TY17 and prior, taxpayers used Form 3903 to

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3.12.3.22.11.8
(01-01-2020)

**Field 04DSE, Deduction
for Self-Employment Tax
(EC 229)**

- (1) The computer will automatically adjust the entry in Field 04DSE underprint per any adjustment to Schedule SE.

3.12.3.22.11.9
(01-01-2023)

**Field 04SEP,
Self-Employed Qualified
Retirement Plans (EC
229)**

- (1) Take the following actions when Code & Edit has **X**'d Schedule 1, line 16 (TY19-TY20, line 15):

If...	And...	Then...
A] One of the following conditions is present: 1. Schedule C or an entry on Schedule 1, line 3, or 2. Schedule E (Part II) or an entry on Schedule 1, line 5, or 3. Schedule F or an entry on Schedule 1, line 6,	Form W-2 does not show one of the codes described immediately below in B],	Enter the taxpayer's amount in Field 04SEP5.

If...	And...	Then...
B] Schedules C, E (Part II), and F are not present and Fields 0403, 0405, and 0406 are all blank,	<p>Form W-2 indicates one of the codes below as a tax-deferred savings plan for the amount on line 28:</p> <ol style="list-style-type: none"> D - Section 401(k) E - Section 403(b) F - Section 408(k)(6) G - Section 457 S or SIMPLE plan T or employer-paid qualified adoption expenses Section 125, Cafeteria Plan (CAF, etc., unless included in Box 1 wages) Section 414(h), mandatory salary deferral (PERS, Public Employee Retirement System, etc.) Thrift Savings Plan or TSP <p>Note: Section 501(c)(18)(D) and local plan amounts are included in the wages reported in box 1 of Form W-2. They are also allowable as Adjustments to Income in Field 04SEP.</p>	<ol style="list-style-type: none"> GTSEC 03. Verify the taxpayer reported the wages shown in box 1 of Form W-2 on line 1 of Form 1040. Taxpayers may report wages from box 3 or 5 in error. If the taxpayer didn't report the wages in box 1 of Form W-2 on line 1, adjust the entry in Field 03WG and 03TWG. Transmit. Delete any entry in Field 04SEP. Assign TPNC 161.
C] Schedule C, E (Part II), and F are not present and Fields 0403, 0405, and 0406 are all blank,	Form W-2 does not show one of the codes described immediately above in B],	<ol style="list-style-type: none"> Delete any entry in Field 04SEP. Assign TPNC 155.

- 3.12.3.22.11.10 (01-01-2023) **Field 04HID, Self-Employed Health Insurance Deduction (EC 229)** (1) If you changed the taxpayer's entry in Field 04HID per EC 358, assign **TPNC 670**. #
- 3.12.3.22.11.11 (01-01-2020) **Field 04PEW, Penalty on Savings Withdrawal (EC 229)** #
- 3.12.3.22.11.12 (11-27-2020) **Field 04ALP, Alimony Paid (EC 229)** (1) **TY19 and later**, if Field 04ALP was deleted in EC 079 because the date on line 19c (TY20-TY19, line 18c) is after December 31, 2018, assign **TPNC 163**.
(2) Delete the amount from the Alimony Paid (Field 04ALP) and move to Field 0402A when the taxpayer is using Alimony Paid as income rather than an adjustment. #
- 3.12.3.22.11.13 (01-01-2020) **Field 04IRA, Form 1040, IRA Deduction (EC 229)** (1) Delete the entry in Field 04IRA if **any** of the following are present:
Note: Assign **TPNC 161** after the amount has been deleted from Field 04IRA.
a. The taxpayer indicates "rollover" on Schedule 1, line 20 (TY19-TY20, line 19).
Note: Also delete the rollover amount from Field 03TPA if present.
b. Form 8606 (Nondeductible IRAs) is attached.
c. Schedule 1, line 20 is present, line 26 is zero or blank, and there are no entries present on lines 11 through 25 (TY19-TY20, Schedule 1, line 19 is present, line 22 is zero or blank, and there are no entries present on lines 10 through the dotted portion of line 22) Assume the taxpayer has an IRA that was not deductible.
d. An amount is present other than \$6,500 or \$7,500 (TY22-TY19, \$6,000 or \$7,000), or for FSC 2, \$13,000, \$14,000 or \$15,000 (TY22-TY19, FSC 2, \$12,000, \$13,000, or \$14,000), Form W-2 is attached, and an amount equal to line 20 (TY20-TY19, line 19) is present on Form W-2 with one of the following codes and/or type of compensation:
• "D" Section 401(k)
• "E" Section 403(b)
• "F" Section 408(k)(6)
• "G" Section 457
• "Q" or Basic Quarters/Subsistence Allowance or Combat Pay
• "S" or SIMPLE plan
• "T" or employer-paid "qualified adoption expenses"
• Section 125, Cafeteria Plan
• Section 414(h), mandatory salary deferral (PERS, Public Employee Retirement System, etc.)
• Thrift Savings Plan or "TSP"
• Whistle Blower Fees (WBF)

- (2) Reduce Field 04IRA to equal Field 03TAJ when Schedule 1 line 20 is greater than line 26 and there are no entries present on lines 11 through 25 (TY19-TY20, line 10 through the dotted portion of line 22). Assume the taxpayer's IRA was partially deductible.

3.12.3.22.11.14
(01-01-2020)
**Field 04SLI, Form 1040,
Student Loan Interest
Deduction (EC 229)**

- (1) See Error Code 224 for specific instructions when the underprint for the taxpayer's student loan interest deduction differs from the entry on Schedule 1, line 21 (TY19-TY20, line 20).

3.12.3.22.11.15
(01-01-2020)
**Field 04MSA, Archer
MSA Deduction (EC 229)**

- (1) This amount is entered by the taxpayer on Schedule 1, line 23 (TY19-TY20, dotted portion of line 22). Enter the amount in Field 04MSA.

Note: If MeF programming enters the MSA amount in both Fields 04MSA and 04ADJ, delete the amount from Field 04ADJ.

3.12.3.22.11.16
(01-01-2024)
**Field 04ADJ, Other
Adjustments (EC 229)**

- (1) Line 25, Schedule 1 is the total of lines 24a through 24z, Schedule 1 and is transcribed into Field 04ADJ (TY19-TY20, the dotted portion of Schedule 1, line 22). Line 24z is used for any adjustment that has no specific line on the return. See table below for the locations of adjustments and take the action specified for each specific adjustment.

If the adjustment is for	On Schedule 1, line	Then
A] "Jury Duty Pay" Employees who gave their pay for jury duty to their employers because the employer continued to pay their salary while they served.	24a and the taxpayer did not include the amount in income,	1. Delete the amount for Field 04ADJ, if present. 2. Assign TPNC 169 .
B] "Jury Duty Pay" Employees who gave their pay for jury duty to their employers because the employer continued to pay their salary while they served.	24a and the taxpayer did include the amount income,	Enter the taxpayer's amount in Field 04ADJ.
C] PPR , Deductible expenses related to income reported on line 8k from the rental of personal property engaged in for profit	24b	Include the taxpayer's amount in Field 04ADJ.

If the adjustment is for	On Schedule 1, line	Then
D] USOC Nontaxable amount of the value of Olympic and Paralympic medals and USOC prize money reported on line 8l	24c	Include the taxpayer's amount in Field 04ADJ
E] Reforestation amortization and expenses	24d and do not have to file a Schedule C or F	Include the taxpayer's amount in Field 04ADJ.
F] Sub-pay TRA Repayment of supplemental unemployment benefits under the Trade Act of 1974.	24e and the sub-pay was received and repaid during the same tax year,	<ol style="list-style-type: none"> 1. GTSEC 03 2. Deduct the amount from wages (Adjust Field 03WG and 03TWG). Transmit 3. Delete sub-pay adjustment in Field 04ADJ, if present
G] "501(c)(18)", Contributions to Section 501(c)(18)(D) pension plan	24f	Include the taxpayer's amount in Field 04ADJ.
H] "403(b)" Contributions by certain chaplains to Section 403(b) plans.	24g	Include the taxpayers amount in Field 04ADJ
I] "UDC" Attorney fees and court costs for actions involving certain unlawful discrimination claims	24h	Include the taxpayer's amount in Field 04ADJ.
J] "WBF" Attorney fees and court costs you paid in connection with an award from the IRS for information you provided that helped the IRS detect tax law violations.	24i	Include the taxpayer's amount in Field 04ADJ.
K] Housing deduction from Form 2555	24j	Include the taxpayer's amount in Field 04ADJ.

If the adjustment is for	On Schedule 1, line	Then
L] “ ED67(e) ” Excess deductions of Section 67(e) expenses from Schedule K-1	24k	Include the taxpayer’s amount in Field 04ADJ.
M] “ Combat Zone ”, taxpayer is claiming an amount for service in combat zone	24z	Don’t allow the adjustment. Assign TPNC 165 .
N] “ DPAD ” TY19 and later , Form 8903, line 23, domestic production activities deduction from cooperatives	24z	Enter taxpayer’s amount in Field 04ADJ. Exception: If Section 55 is present with a QBID deduction, move the DPAD amount to Field 55DPA.
O] “ DPAD ” TY18 and prior , this deduction is for fiscal-year pass-through entities that have a domestic production activities deduction	24z	Enter the taxpayer’s amount in Field 04ADJ.
P] TY23-TY21, a write-in for Tuition and Fees Deduction, Form 8917,	24z	Don’t allow the adjustment. Assign TPNC 145 .

- (2) Refer to IRM 3.12.2.3.10 if any return has an adjustment for the exclusion of combat pay. Do not allow the exclusion.
- (3) If taxpayers write in an adjustment from Form 982, do not allow the adjustment. Excludable income should not in general appear on the tax return. Subtract the excludable income from the amount reported as other income (Schedule 1, line 9; TY19-TY20, line 8) on the tax return, and subtract the corresponding adjustment from the total adjustments.
- (4) Include other claims for adjustment to income as an itemized deduction on Schedule A, such as follows:

If the other adjustment is for...	Then...
A] “Disabled” employees - They can deduct impairment-related work expenses on Schedule A, line 16,	<ol style="list-style-type: none"> 1. GTSEC 07. 2. Enter amount in Field 0716. 3. Delete the entry in Field 04ADJ if present. 4. Assign TPNC 166, if necessary.
B] “Form 2106” or “RE”, TY17 and prior, Employee Business Expenses and Reimbursed Expenses,	<ol style="list-style-type: none"> 1. GTSEC 07. 2. Enter amount in Field 0716. 3. Delete the entry in Field 04ADJ, if present. 4. Assign TPNC 166.

- (5) If the taxpayer claims an adjustment to income on Schedule 1, line 24z (TY19-TY20, line 22), that is not listed above, assign **TPNC 801**.

3.12.3.22.11.17
(01-01-2019)
**Correction Procedures
(EC 529)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for EC 229, and refer to IRM 3.12.2.5.12 for Non-Compute information.
- (3) Enter **C** in the Clear Field if there are no corrections to be made.

3.12.3.22.11.18
(01-01-2024)
Prior Year (EC 229)

- (1) **TY20 only**, if there is an entry on Form 1040, line 10b for non-itemized charitable contributions, adjust the entry in Field 04ADJ to include the amount, up to \$300 (\$150 for FSC 3/6), and delete the entry in Field 03NCC. If the amount on Form 1040, line 10b is more than \$300 (\$150 for FSC 3/6), assign TPNC 168..
- (2) If a deduction is claimed for Tuition and Fees as an adjustment to income, use the following table to resolve error conditions related to **Form 8917**:

If...	Then...
A] TY22-TY21, Tuition and Fees Deduction is claimed,	<ol style="list-style-type: none"> 1. Remove the Tuition and Fees Deduction amount from Field 04ADJ, if present. 2. Assign TPNC 145.
B] TY20-TY14, Tuition and Fees deduction is claimed and Form 8917 is not present,	SSPND 211. See exception below before corresponding.
C] TY20-TY09, taxpayer claims Tuition and Fees deduction on Form 8917, and Education Credit on Form 8863 for the same person	<ol style="list-style-type: none"> 1. Remove the Tuition and Fees Deduction amount from Field 04ADJ, if present. 2. Assign TPNC 143.

If...	Then...
D] TY20-TY14, Tuition and Fees deduction is claimed and Form 8917 is present,	<ol style="list-style-type: none"> 1. Manually compute the tuition deduction amount on Form 8917. 2. Adjust the amount in Field 04ADJ to include the manually computed tuition deduction amount.
E] TY13-TY07, Tuition and Fees deduction is claimed,	Adjust the amount in Field 04ADJ to include the tuition and fees deduction amount.

Exception: TY20 and prior, Tuition and Fees Deduction is not allowed when the FSC is 3 or 6; FSC is 2 and modified AGI is greater than \$160,000; FSC is 1, 4, 5, or 7 and modified AGI is greater than \$80,000; or Field 01DSI is 1. Assign **TPNC 154**.

- (3) TY17 and prior, use the following table to resolve error conditions related to **Form 2106**:

If the adjustment is for...	And...	Then...
A] An amount is present on Form 1040, line 24, and Form 2106 or Form 2106-EZ is not attached,	The amount claimed	SSPND 211.
B] “Qualified Performing Artist” - Form 2106 or Form 2106-EZ is attached and AGI is more than \$16,000,	Schedule A is attached,	<ol style="list-style-type: none"> 1. GTSEC 07. 2. Move amount to Field 0716. 3. If a math error results assign TPNC 167.
C] “Qualified Performing Artist” - Form 2106 or Form 2106-EZ is attached and AGI is more than \$16,000,	Schedule A is not present and the QPA amount is less than the Standard Deduction amount for the Filing Status, or if a math error displays,	<ol style="list-style-type: none"> 1. Delete amount in Field 04CBE. 2. Assign TPNC 167.

#

If the adjustment is for...	And...	Then...
D] “Qualified Performing Artist” - Form 2106 or Form 2106-EZ is attached and AGI is more than \$16,000,	Schedule A is not present and the QPA amount is more than the Standard Deduction amount for the Filing Status (including the 2 percent limitation),	<ol style="list-style-type: none"> 1. GTSEC 07. 2. Move amount to Field 0716. 3. If a math error results, assign TPNC 167.
E] Other deduction for “ Form 2106 ” or “ RE ”, Employee Business Expenses and Reimbursed Expenses,		<ol style="list-style-type: none"> 1. GTSEC 07. 2. Enter amount in Field 0716. 3. Delete the entry in Field 04ADJ, if present. 4. Assign TPNC 166.

(4) Delete the entry in Field 04IRA if **any** of the following are present:

Note: Assign **TPNC 161** after the amount has been deleted from Field 04IRA.

- a. The taxpayer indicates “rollover” on TY19-TY20, Schedule 1, line 19 (TY18 Schedule 1, line 32; TY17, Form 1040, line 32; Form 1040A, line 17).

Note: Also delete the rollover amount from Field 03TIR or 03TPA if present.

- b. Form 8606 (Nondeductible IRAs) is attached.
- c. IRA deduction on TY19-TY20, Schedule 1, line 19 (TY18, line 32; TY17, Form 1040, line 32) is present, total adjustments on line 22 (TY18, line 36; TY17, Form 1040, line 36) is zero or blank, and there are no entries present on lines 10-22 (TY18, lines 33-36) (assume the taxpayer has an IRA that was not deductible).
- d. An amount is present other than \$6,000 or \$7,000 (\$13,000, \$14,000, or \$15,000 for FSC 2) for TY22-TY19, Form W-2 is attached, and an amount equal to line 20 (TY20-TY19, line 19) is present on Form W-2 with one of the following codes and/or type of compensation:
 - “D” Section 401(k)
 - “E” Section 403(b)
 - “ F” Section 408(k)(6)
 - “G” Section 457
 - “Q” or Basic Quarters/Subsistence Allowance or Combat Pay
 - “S” or SIMPLE plan
 - “T” or employer-paid “qualified adoption expenses”
 - Section 125, Cafeteria Plan
 - Section 414(h), mandatory salary deferral (PERS, Public Employee Retirement System, etc.)
 - Thrift Savings Plan or “TSP ”
 - Whistle Blower Fees (WBF)

- (5) TY09 and prior, accept the taxpayers' entry and enter in Field 04MSA.

3.12.3.22.11.19

(01-01-2024)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 229)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 229**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
112	Allowed only the income and withholding for the taxpayer on the return. The other person must file their own return to report income.
133	You can't claim gambling losses unless you itemize your deductions.
143	Didn't allow tuition and fees deduction. You cannot claim both the Tuition and Fees Deduction and Education Credit for the same person.
144	Computed or transferred Form 8917 incorrectly.
145	Didn't allow tuition and fees deduction. This deduction is not allowed for the tax year.
147	You or your spouse claimed more than the amount allowed for your IRA deduction.
149	You can't claim an IRA deduction if you were an active participant in the SEP, SIMPLE, or qualified plan.
151	You claimed more than the amount allowed for your student loan interest deduction (limited to zero if married filing separate or maximum AGI). We adjusted your deduction amount accordingly.
152	We changed the amount of student loan interest deduction on your return. There was an error in the computation.
153	Computed or transferred Form 8889, Health Savings Accounts (HSAs), incorrectly.
154	Didn't allow the tuition and fees deduction because AGI exceeds the maximum; filing status is married filing separately; or you can be claimed as a dependent.
155	Disallowed the deduction for self-employed qualified retirement plan. No self-employment income.

TPNC	Description
156	Disallowed negative amount of state and local income taxes.
161	We disallowed your adjustment for your tax Deferred Savings Plan. Your Form W-2 wages already reflected this adjustment.
163	Didn't allow the adjustment to income for alimony paid. Date of divorce or separation agreement is after December 31, 2018.
164	We disallowed the amount of alimony paid to the spouse claimed as an exemption on your return.
165	We didn't allow the amount claimed as Combat Pay.
166	You should claim Employee Business Expenses on Schedule A.
167	Disallowed qualified performing artists (QPA) expenses.
168	You must itemize deduction to claim more than the allowable amount in charitable contributions.
169	Disallowed jury duty pay.
171	No Reply - Health Savings Account Deduction disallowed, Form 8889 was incomplete or not attached to return.
172	We didn't allow the amount claimed as Archer MSA on your return because Form 8853 was incomplete or not attached to your tax return.
174	You computed your total adjustments incorrectly.
185	Computed other itemized deductions on Schedule A incorrectly.
207	Gambling loss is more than standard deduction. This amount was included on Schedule A.
218	We computed your tax for you.
501	No Reply, Schedule 1 incomplete or not attached.
551	No Reply, Form 3903/3903F incomplete or not attached.
553	No Reply, Form 2106/EZ amount on Schedule A
557	No Reply, Form 8903
558	You gave us information that changed the refund or amount you owe.
597	No Reply, Form 8917

TPNC	Description
598	No Reply - Disallowed exemption for child that didn't live with you. Form 8332, Form 2120 or a copy of a divorce decree was incomplete or not attached to your tax return.
647	We didn't allow the Qualified Mortgage Insurance Premiums. Your adjusted gross income is greater than the maximum amount allowed for your filing status.
670	We reduced the deduction for health insurance for the self-employed by the amounts you reported on Form 8885
758	Removed non-itemized charitable contribution as not valid for the tax year.
761	No Reply, Form 2106/EZ, adjustment to income
772	Disallowed Form 2106 deduction. Not Armed Forces reservist, qualified performing artist, fee-basis official or impairment-related expenses.
801	We didn't allow the amount claimed as an allowable adjustment to income.
825	Adjusted Form 2441 because dependent on Form 2441 was born after the tax period.
***	Any previously assigned TPNC.

3.12.3.22.12
(01-01-2017)
**Error Code 230 and 530,
Adjusted Gross Income**

- (1) Error Code 230/530 instructions follow.

3.12.3.22.12.1
(01-01-2024)
**Fields Displayed, Form
1040 (EC 230)**

- (1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01RPC	Return Processing Code
04OTI	Other Income
03TOT	Total Income
>>>>>	Total Income Computer
04EDU	Educator Expenses Deduction
>>>>>	Educator Expenses Deduction Computer
04CBE	Reservist/Other Business Expenses

1040	Field Name
04HSA	Health Savings Account Deduction
>>>>>	Health Savings Account Deduction Computer
04MOV	Moving Expenses
04DSE	Deduction for Self-Employment Tax
>>>>>	Deduction for Self-Employment Tax Computer
04SEP	SE Retirement Plans Deduction
04HID	Self-Employed Health Insurance Deduction
04PEW	Penalty on Savings Withdrawal
04ALP	Alimony Paid
04IRA	IRA Deduction
>>>>>	IRA Deduction Computer
04SLI	Student Loan Interest Deduction
>>>>>	Student Loan Interest Deduction Computer
04MSA	Archer MSA Deduction
>>>>>	Archer MSA Deduction Computer
04ADJ	Other Adjustments
03TAJ	Total Adjustments
>>>>>	Total Adjustments Computer
03AGI	Adjusted Gross Income
>>>>>	Adjusted Gross Income Computer
	Section 63 Not Present

3.12.3.22.12.2
(01-01-2017)
Invalid Conditions (EC 230)

- (1) **Error Code 230** generates when **both** of the following exist:
 - a. The taxpayer and the computer's amounts for AGI (Field 03AGI) differ.
 - b. A math error is present.
- (2) **Error Code 530** generates when a math error is not present and **either** of the following exist:
 - a. Return is a Non-Compute
 - b. Any of the allowable Carryover Statutory Credits differ from their respective computer-generated amounts.

3.12.3.22.12.3
(04-25-2022)
Correction Procedures (EC 230)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

- (2) TY18 and later, if the taxpayer's AGI amount on line 11 (TY19, line 8b) differs from the total income amount on line 9 (TY19, line 7b), search for the difference on Schedule 1, *Additional Income and Adjustments to Income*. If not present, SSPND 211. Complete Form 6001 using paragraph L, M, or N.
- (3) Take the following actions if the deferred income amount matches the amount on Form 1040, Schedule 1, line 16 (TY19-TY20, line 16):
- Verify the taxpayer used the Form W-2 box 1 wages instead of the Social Security wages in box 3. Adjust wages, if necessary
 - If the deferred income amount matches Schedule 1, line 16 (TY19-TY20, line 16), remove the amount in Field 04SEP. Assign **TPNC 161**
- (4) Take the following action when a **negative** amount is shown in the Adjustment to Income section, lines 11 to 26 of Schedule 1 (TY19-TY20, lines 10 to 22):
- Delete the amount from the corresponding field and enter it as a positive amount in Other Income, Field 04OTI.
 - Adjust the entry in Field 03TAJ, Form 1040 accordingly.
- Note:** If it can be determined that the amount is a misplaced entry, correct the appropriate fields.
- (5) Take the following actions when an amount is on Schedule 1, line 26 (TY19-TY20, line 22) and Schedule 1, lines 11 - 25 (TY19-TY20, lines 10 through 21) are **blank**:

If...	And...	Then...
A] Support can be found on forms or attachments,		Enter the appropriate line items in Fields 04EDU through 04ADJ).
B] Support is not found attached,		SSPND 211 to correspond for an explanation of deduction.
C] Support is not found attached,		<ol style="list-style-type: none"> GTSEC 04. Enter the line 26 amount in Field 04OTI as a negative amount. Transmit. If EC 218 displays, adjust the entry in Field 03TOT as appropriate.

#

- (6) See other adjustments in EC 229 when the taxpayer has a **write-in adjustment** on line 24z or line 25 (TY19-TY20, the dotted portion of Schedule 1, line 22).

- (7) See IRM 3.12.2.5.12 before assigning a TPNC. 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.).
- (8) If (1) through (7) have been reviewed and corrected as appropriate and EC 230 still displays, assign **TPNC 175**.

3.12.3.22.12.4
(01-01-2020)

**Adjusted Gross Income
(AGI) (EC 230)**

- (1) To arrive at the Adjusted Gross Income, the computer uses Total Income, Field 03TOT minus Total Adjustments, Field 03TAJ.
- (2) Refer to IRM 3.12.2.3.10 if any return has an adjustment for the exclusion of combat pay. Don't allow the exclusion.
- (3) Math verify all schedules and/or attachments and adjustments leading to the total adjusted gross income, when **Community Property or Registered Domestic Partners** is involved. See Error Code 260 for specific correction procedures.
- (4) Assign appropriate TPNC when no corrections to the preceding fields are necessary.

3.12.3.22.12.5
(01-01-2017)

**Correction Procedures
(EC 530)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for Error Code 230 and also IRM 3.12.2.5.12 for Non-Compute information.
- (3) Enter **C** in the Clear Field when there are no corrections to be made.

3.12.3.22.12.6
(01-01-2019)

Prior Year (EC 230)

- (1) 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 present, etc.).
- (2) For TY22 and prior, Code and Edit is instructed to “X” the IRA deduction if either of the following exist:
 - a. The taxpayer indicates “rollover”.
 - b. An amount is present other than \$6,000 or \$7,000 (FSC 2, \$13,000, \$14,000, or \$15,000) for TY22-TY19, and Form W-2 is attached, and an amount equal to line 20 (TY20-TY19, line 19) is present on Form W-2 with one of the following codes and/or type of compensation:
 - “D” Section 401(k)
 - “E” Section 403(b)
 - “F” Section 408(k)(6)
 - “G” Section 457
 - “Q” or Basic Quarters/Subsistence Allowance or Combat Pay
 - “S” or SIMPLE plan
 - “T” or employer-paid “qualified adoption expenses”
 - Section 125, Cafeteria Plan
 - Section 414(h), mandatory salary deferral (PERS, Public Employee Retirement System, etc.)
 - Thrift Savings Plan or “TSP”

Note: Take the following actions if the deferred income amount matches the line 25 amount:

1. Disallow the deduction.
2. Verify and adjust wages (as necessary) by assuring the taxpayer used the Form W-2 Wages instead of the Social Security Wages.
3. Assign **TPNC 161**.

3.12.3.22.12.7
(01-01-2024)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 230)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 230**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
112	Allowed only the income and withholding for the taxpayer on the return. The other person must file their own return to report income.
147	You claimed more than the amount allowed for your IRA deduction.
152	We changed the amount of student loan interest deduction on your return because there was an error in the computation.
153	We changed the amount of health savings account deduction because there was an error in computation or transfer of Form 8889.
155	Disallowed the deduction for self-employed qualified retirement plan. No self-employment income.
156	Disallowed negative amount of state and local income taxes.
161	We didn't allow the amount claimed as a deduction for self-employed SEP, SIMPLE, and qualified plans. Your Form W-2 wages already reflected this adjustment.
171	No Reply - Health Savings Account Deduction disallowed, Form 8889 was incomplete or not attached to return.
172	We didn't allow the amount claimed as Archer MSA on your return because Form 8853 was incomplete or not attached to your tax return.

TPNC	Description
174	You computed your total adjustments on your tax return incorrectly.
175	Computed AGI incorrectly.
207	Gambling loss is more than standard deduction. This amount was included on Schedule A.
218	We computed your tax for you.
501	No Reply - Schedule 1, Additional Income and Adjustments to Income, incomplete or not attached to your tax return.
551	No Reply. Form 3903/3903F
558	You gave us information that changed the refund or amount you owe.
758	Removed non-itemized charitable contribution as not valid for the tax year.
761	No Reply. Form 2106/EZ incomplete or not attached, adjustment to income
801	We didn't allow the amount claimed as an allowable adjustment to income.
825	Adjusted Form 2441 because dependent on Form 2441 was born after the tax period.
***	Any previously assigned TPNC.

3.12.3.22.13

(01-01-2017)

**Error Code 231, Form
8962 Discrepancy Based
on MAGI Difference
Below Tolerance (ACA)**

(1) Error Code 231 instructions follow.

3.12.3.22.13.1

(01-01-2024)

**Fields Displayed, Form
1040 (EC 231, ACA)**

(1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01RPC	Return Processing Code
01CCC	Computer Condition Code
03TEI	Tax-Exempt Interest
03GSS	Gross Social Security

1040	Field Name
03TSS	Taxable Social Security
>>>>>	Taxable Social Security Computer
94TSV	Taxable Social Security Verified
03CGL	Schedule D Profit/Loss
>>>>>	Schedule D Profit/Loss Computer
0403	Combined Schedule C Profit/Loss
>>>>	Combined Schedule C Profit/Loss Computer
0405	Schedule E Profit/Loss
>>>>	Schedule E Profit/Loss Computer
0406	Combined Schedule F Profit/Loss
>>>>	Combined Schedule F Profit/Loss Computer
0407	Taxable Unemployment Compensation
04OTI	Other Income Amount
03ADD	Additional Income Amount
03ADD>	Additional Income Computer
03TOT	Total Income
>>>>>	Total Income Computer
04EDU	Educator Expense Amount
>>>>>	Educator Expense Amount Computer
04HSA	Combined Health Savings Account Deduction Amount
>>>>>	Combined Health Savings Account Deduction Computer
04DSE	Deduction for SE Tax
>>>>>	Deduction for SE Tax Computer
04IRA	IRA Deduction
>>>>>	IRA Deduction Computer
04SLI	Student Loan Interest Deduction
>>>>>	Student Loan Interest Deduction Computer
04MSA	Archer MSA Deduction
>>>>>	Archer MSA Deduction Computer
04ADJ	Other Adjustments
03TAJ	Total Adjustments
>>>>>	Total Adjustments Computer

1040	Field Name
03AGI	Adjusted Gross Income
>>>>>	AGI Computer
03NCC	Non-Itemized Charitable Contributions Deduction
>>>>>	Non-Itemized Charitable Contributions Deduction Computer
7302A>	AVS PTC MAGI Computer Amount
7302B	Dependents Modified AGI Amount
7303>	AVS Household Income Computer Amount
7308B	Monthly Contribution Health Care Amount
7308B>	AVS Monthly Contribution Computer Amount
05202	Excess APTC Repayment Amount
05202>	AVS APTC Repayment Computer Amount
3445	Foreign Earned Income Exclusion Section 34
3450	Housing Deduction Section 34
3545	Foreign Earned Income Exclusion Section 35
3550	Housing Deduction Section 35
TFIEX>	Total Foreign Earned Income Exclusion Computer

3.12.3.22.13.2
(01-01-2017)

Invalid Conditions (EC 231, ACA)

- (1) Error Code 231 generates for Tax Periods 201412 and subsequent when:
- Form is other than Form 1040-SS or Form 1040-PR, **and**
 - Form 8962 (Section 73) is present, **and**
 - Math Status Code is not "1", **and**
 - Non-Compute Code is "0", **and**
 - AVS Household Income Computer Amount does not equal **the sum of** [Adjusted Gross Income **plus** Tax Exempt Interest **plus** Total Foreign Earned Income Exclusion Amount **plus** Housing Deduction **plus** Dependents MAGI Amount **plus** (Gross Social Security minus Taxable Social Security)], **and either**
 - The difference between AVS Monthly Contribution Computer Amount and
between AVS APTC Repayment Computer Amount and Excess APTC

#

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3.12.3.22.13.3
(02-23-2023)

Correction Procedures (EC 231, ACA)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If the taxpayer completed **only Part I** of Form 8962 and Part II is blank or no transcribable amounts are present on lines 11 through 23, columns A, B, and F, enter DLSEC 73.

Note: Do not DLSEC 74 if significant entries are present on page 2 of Form 8962.

- (3) If the taxpayer completed only **column f** in Part II of Form 8962, they don't qualify for PTC and must repay all of their APTC. Follow the taxpayer's intent and delete the amount from Fields 7302B and 7308B.

Note: TY20 and prior, this repayment applies to **FSC 3** filers who don't check the exception box (located above Part I), when line 5 of Form 8962 is more than **400 percent**, some **DSI** filers, and when no one in the family who is enrolled at marketplace is lawfully present.

- (4) Take the following actions if Adjusted Gross Income differs from AGI Computer:
- GTSEC 03 and verify all fields have been transcribed correctly.
 - GTSEC 04 and verify all fields have been transcribed correctly.
 - Compare transcribed Fields 03TSS, 03CGL, 0403, 0405, 0406, 04EDU, 04DSE, 04IRA, 04SLI, and 04MSA with their computer underprints.
 - If one of these lines differ, GTSEC the appropriate section that pertains to that line.
 - Verify transcribed lines (Refer to instructions in Error Code 202, etc.).
- (5) **TY21 only**, if the unemployment compensation box on Form 8962, line A, is checked, enter **M** in Field 01RPC.
- (6) If unable to determine the point of error for Adjusted Gross Income, SSPND 496.

3.12.3.22.13.4
(11-23-2021)

**Allowable Taxpayer
Notice Codes, Form
1040 (EC 231)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 231**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
113	Welfare payments, workers' compensation, etc., aren't taxable income.
114	You didn't include all the income shown on your Forms W-2, W-2G, etc., in the total income reported.
115	We adjusted total income to include tips shown on Form 4137.
116	Computed or transferred total taxable interest amount incorrectly.

TPNC	Description
117	Disallowed excludable savings bond interest because FSC 3.
119	Computed or transferred total taxable dividend income incorrectly.
120	State income tax payments must be claimed as an itemized deduction on Schedule A.
121	Computed or transferred Schedule C/C-EZ incorrectly.
122	Computed or transferred Schedule D incorrectly.
123	Transferred capital gain or loss from Form 4797 incorrectly.
125	We didn't allow the amount claimed as a repayment of unemployment compensation for a prior year on your tax return. This amount should be claimed on Schedule A.
126	Computed or transferred Schedule E incorrectly.
127	Computed or transferred Schedule F incorrectly.
128	Incorrectly limited the amount of loss on Schedule C, E or F by the amount at risk on Form 6198 or 8582.
130	Adjusted Schedule A to include the amount claimed as repayment of Social Security benefits.
131	Computed taxable Social Security benefits incorrectly.
132	We didn't allow the negative entry of Social Security benefits reported.
133	You can't claim gambling losses unless you itemize your deductions.
134	We removed your child's income from your tax return and refigured your tax. Your child's investment income on Form 8814 was greater than the maximum allowed.
136	Adjusted total income. Form 4684 must be included with income.
138	The taxable amount of your Employer-Provided Dependent Care Benefits must be included as wages.
141	Computed total income incorrectly.
142	We changed the amount claimed as Educator Expenses Deduction.
143	We didn't allow the Tuition and Fees Deduction. Can't claim both the Tuition and Fees Deduction credit and Education Credit for the same person.
144	Computed or transferred Form 8917 incorrectly.

TPNC	Description
147	You claimed more than the amount allowed for your IRA deduction.
148	Your modified AGI is more than the maximum for claiming an IRA deduction.
149	We didn't allow the IRA deduction if you were an active participant in the SEP, SIMPLE, or qualified plan.
151	Disallowed student loan interest deduction; FSC 3 or AGI exceeds maximum.
152	Computed student loan interest deduction incorrectly.
153	Computed or transferred health savings account deduction on Form 8889 incorrectly.
154	Disallowed Tuition and Fees Deduction; FSC 3, AGI exceeds maximum, or claimed as dependent.
157	Changed Archer MSA Form 8853 Deduction; claimed more than the maximum allowable amount.
158	Changed the deductible part of self-employment tax; error in computation or Schedule SE was incomplete or not attached.
159	Disallowed deductible part of self-employment tax; should have used Form 4137.
160	Disallowed deductible part of self-employment tax on your tax return because no tax was reported.
161	Disallowed your adjustment for Deferred Savings Plan. Your Form W-2 wages already reflected this adjustment.
164	Disallowed the alimony paid because the recipient's SSN matches the spouse on your return.
165	Disallowed the amount excluded as combat pay.
166	You should claim employee business expenses on Schedule A.
167	Disallowed qualified performing artists (QPA) expenses.
169	Disallowed the adjustment claimed as jury duty pay.
170	We changed the amount claimed as ordinary dividends because qualified dividends can't exceed ordinary dividends.
171	No Reply. HSA Deduction disallowed, Form 8889 was incomplete or not attached.
172	No Reply. Archer MSA disallowed because Form 8853 was incomplete or not attached.
174	You computed your total adjustments incorrectly.

TPNC	Description
175	Computed AGI incorrectly.
207	Gambling loss is more than standard deduction. This amount was included on Schedule A.
216	Computed Part I or tax amount or transferred from Form 8814 incorrectly.
218	We computed your tax for you.
273	You don't owe SE tax.
501	No Reply. Schedule 1 was incomplete or not attached to return.
550	No Reply. "some is not at risk" on Schedule C/E/F, Form 6198 was incomplete or not attached.
551	No Reply. Form 3903 was incomplete or not attached.
553	No Reply. Form 2106/EZ was incomplete or not attached to support the deduction on Schedule A.
558	You gave us information that changed the refund or amount you owe.
588	TY09 only - The first \$2,400 of unemployment compensation paid to a person is not taxable. We reduced the unemployment compensation you reported.
597	No Reply. Form 8917 was incomplete or not attached.
598	No Reply - Disallowed exemption for child that didn't live with you. Form 8332 or Form 2120 or a copy of a divorce decree incomplete or not attached.
647	Disallowed Qualified Mortgage Insurance Premiums on Schedule A.
759	We adjusted your tax return because you reported income or withholding from different tax years.
761	No Reply - Form 2106/EZ was incomplete or not attached to support the adjustment to income.
801	We didn't allow the amount claimed as an allowable adjustment to income.
804	Negative deductions can't be claimed on Schedule A, and entry has been added to the income section.

3.12.3.23
(01-01-2017)

Error Codes 232-250

(1) Instructions for Error Codes 232 to 250 follow.

- 3.12.3.23.1 (01-01-2017)
Error Code 232 and 532, Medical Deduction
- (1) Error Code 232/532 instructions follow.

- 3.12.3.23.1.1 (01-01-2023)
Fields Displayed, Form 1040 (EC 232)
- (1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01PYB>	Primary NAP Date of Birth
01SYB>	Secondary NAP Date of Birth
01ABI	Age and Blindness Indicator Field
0701	Other Medical Expenses
03AGI	Adjusted Gross Income Amount
>>>>>	Adjusted Gross Income Computer
0703	Percentage of AGI Taxpayer
0703A>	Percentage of AGI 100 Computer
0703B>	Percentage of AGI 75 Computer
0704	Total Medical Deduction
>>>>>	Total Medical Deduction Computer
0704V	Total Medical Deduction Verified

- 3.12.3.23.1.2 (01-01-2017)
Invalid Conditions (EC 232)
- (1) **Error Code 232** generates when **both** of the following exist:
- The taxpayer's amount for Total Medical Deduction (Field 0704) differs from the computer's amount for Total Medical Deduction.
 - A math error is present.
- (2) **Error Code 532** generates when **both** of the following exist:
- A math error is not present.
 - Any of the allowable Carryover Statutory Credits differ from their respective computer-generated amounts.
- 3.12.3.23.1.3 (01-01-2023)
Correction Procedures (EC 232)
- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) The threshold for medical and dental expenses is 7.5 percent of the AGI, computed on line 3, Schedule A. The computer amount displays in Field 0703B>.

Note: For TY17 and prior correction procedures, see IRM 3.12.3.23.1.5.

- (3) When there is an amount on line 4 of Schedule A and line 1 is blank, **back into** the entry for Field 0701 using the AGI. Take the following actions:
- Add lines 3 and 4 together. If line 3 is blank, multiply the AGI by 7.5 percent.
 - Enter the sum in Field 0701.
- (4) Use the following table when the taxpayer claims Personal or Living Expenses (except transportation to obtain medical care) as necessary expenses for medical care. Some examples are as follows:
- Health club dues
 - Diet foods
 - Funeral expenses
 - Maternity clothes
 - Meals and lodging (Unless provided by a hospital or similar institution for medical care.)

If the amount is...	Then...	
	1. GTSEC 02. 2. Enter Unallowable Code 33 in Field 02CD1 and the amount in Field 02AM1.	#
	Take no action.	#

- (5) If you changed the taxpayer's entry for Field 0701 per EC 358, assign **TPNC 803**.
- (6) Take the following actions when the taxpayer has made an error figuring their medical deductions:

If the taxpayer...	Then...
A] Used the wrong percentage to compute Field 0703,	Assign TPNC 763 .
B] - Transferred incorrect AGI from Form 1040 to Schedule A, line 2, or - Entered the same amount on Schedule A, lines 3 and 4 and equal to 7.5 percent of the AGI, or - Made a math error figuring line 4, Schedule A,	Assign TPNC 177 .

- (7) If a previous math error changed the AGI and the taxpayer computed line 4 correctly in their original computation, reassign previous TPNC.

3.12.3.23.1.4
(01-01-2017)
**Correction Procedures
(EC 532)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for Error Code 232.
- (3) Enter **C** in the Clear Field when there are no corrections to be made.

3.12.3.23.1.5
(01-06-2021)
Prior Year (EC 232)

- (1) TY17 and prior, if the taxpayer transferred incorrect AGI from page 1 to page 2 of Form 1040, assign **TPNC 176**.
- (2) For **TY16 - TY13**, Schedule A has two Fields 0703A> and 0703B> displaying the percentage of the AGI allowed by the computer based on the information provided by the taxpayer on the return. Schedule A, line 3, has instructions to use either 10 percent or 7.5 percent if the taxpayer (either taxpayer if FSC 2) was born before January 2, 1952 for TY16 (1951 for TY15, 1950 for TY14, 1949 for TY13).
 - a. Field 0703A> will display 10 percent of the AGI.
 - b. Field 0703B> will display 7.5 percent of the AGI.
- (3) TY16 - TY13, if the taxpayer used 7.5 percent to compute line 3, Field 01ABI does not have a "1" in position 1 or 3 of Field 01ABI, **and** Field 01PYB or 01SYB is before January 2, 1952 for TY16 (1951 for TY15, 1950 for TY14, 1949 for TY13), take the following actions:
 - a. Manually compute Schedule A, line 4, using 7.5 percent of AGI. Subtract the computed amount from Field 0701, and enter the amount in Field 0704V, or
 - b. If a previous math error displayed changing the AGI, manually compute Schedule A, line 4, using 7.5 percent of the new AGI amount (AGI Computer) and enter the amount in Field 0704V.
- (4) TY16 - TY13, if **FSC is 4** and Field 0704 does not agree with the computer underprint, search the return for the following information:
 - a. MeF Returns - On the left side of the EUP/RRD screen, search for a notation entitled "GEN DEP" or a notation of why the taxpayer is using 7.5 percent on line 3. Click on the notation. If the taxpayer indicates they are eligible for 7.5 percent because their spouse meets the age requirements, manually compute Schedule A, line 4 using 7.5 percent of AGI, or if a previous math error displayed changing the AGI, manually compute using 7.5 percent of the new AGI amount (AGI computer) and enter the amount in Field 0704V. If a notation is **not** found regarding a spouse, assign TPNC 763.
 - b. Paper returns - Search for a notation why the taxpayer is using 7.5 percent on line 3. If the taxpayer indicates they are eligible for 7.5 percent because their spouse meets the age requirements, manually compute Schedule A, line 4, using 7.5 percent of AGI, or if a previous math error displayed changing the AGI, manually compute using 7.5 percent of the new AGI amount (AGI computer) and enter amount in Field 0704V. If there is **no** indication the spouse meets the age requirement, assign TPNC 763.

Note: FSC 4 filers whose spouse files as FSC 3 (separate) can claim the 7.5 percent rate if the taxpayer filing FSC 3 is 65 or over.

- (5) TY16 - TY13, if line 3, Schedule A, does **not** match either Field 0703A> or 0703B>, take the following actions:
- Determine if the taxpayer should have used 7.5 percent or 10 percent to compute line 3. If Field 01ABI does **not** have a "1" in position 1 or 3 of Field 01ABI, and Field 01PYB or 01SYB is after January 1, 1952 for TY16 (1951 for TY15, 1950 for TY14, 1949 for TY13), compute line 3 using 10 percent. Otherwise, use 7.5 percent.
 - Subtract the computed amount from Field 0701, and enter in Field 0704V.
- (6) When there is an amount on Schedule A, line 4, and line 1 is blank, **back into** the entry for Field 0701 using the AGI on line 2. Take the following actions:
- Compute line 3 using 10 percent of the AGI, unless Field 01ABI has a "1" in position 1 or 3 or the taxpayer (FSC 2, either taxpayer) was born before January 2, 1952 for TY16 (1951 for TY15, 1950 for TY14, 1949 for TY13), then compute line 3 using 7.5 percent.
 - Add lines 3 and 4 together.
 - Enter the sum in Field 0701.
- (7) For **TY12 and prior**, ERS programming cannot compute Total Medical Deduction. Manually compute Total Medical Deduction using 7.5 percent and enter in Field 0704V. If previous math error displayed changing AGI, recompute Schedule A, line 4, and enter in Field 0704V.
- (8) If the taxpayer used the wrong percentage to compute line 3, assign **TPNC 763**. If EC 246 displays, assign TPNC 763.

3.12.3.23.1.6
(01-01-2023)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 232)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 232**.
- Note:** The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
176	Transferred AGI from page 1 to page 2 incorrectly. (TY17 and prior)
177	Computed Medical and Dental Expenses on Schedule A incorrectly.
218	We computed your tax for you.
558	You gave us information that changed the refund or amount you owe.

TPNC	Description
763	We changed the amount you used on line 4, Schedule A. You used the wrong percentage.
803	We reduced the medical and dental expenses on Schedule A by the amounts you reported on Form 8885.
***	Any previously assigned TPNC.

3.12.3.23.2
(01-01-2017)

**Error Code 236 and 536,
Total Taxes - Real Estate
and/or State and Local
Tax**

- (1) Error Code 236/536 instructions follow.

3.12.3.23.2.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 236)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
07STI	General Sales Tax Indicator
0705A	State and Local Income Tax
0705B	Real Estate Tax
0705C	Personal Property Taxes
0706	Other Taxes
0707	Total Tax Deduction
>>>>	Total Tax Deduction Computer
04OTI	Other Income
0717	Total Itemized Deduction
0717>	Total Itemized Deduction Computer
03TAX	Total Tax IMF

3.12.3.23.2.2
(01-01-2019)

**Invalid Condition (EC
236)**

- (1) **Error Code 236** generates when the taxpayer's amount for Total Itemized Deductions differs from the computer's amount and the difference between Total

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- (2) **Error Code 536** generates when **both** of the following exist:

- a. A math error is not present.
- b. Any of the allowable Carryover Statutory Credits differ from their respective computer-generated amounts.

3.12.3.23.2.3
(04-25-2022)

**Correction Procedures
(EC 236)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) For TY18 and later, the taxpayer has the option of using either the deduction for State and Local Income Taxes or General Sales Taxes on line 5a, Schedule A. Enter **2** in Field 07STI if box 5a (general sales tax) is checked.
- (3) Use the following table when **negative amounts** are used in the computation of total tax deductions, Schedule A.

If...	Then...
The taxpayer <ul style="list-style-type: none"> • writes in Form 8829, Rebate, Refund, NJ Saver, or COLA or • doesn't identify the item 	<ol style="list-style-type: none"> 1. Adjust the amounts in Taxes You Paid of Schedule A by removing the negative entries. 2. GTSEC 04. 3. Enter the negative amounts into Field 04OTI as positive figures. Transmit. 4. Assign TPNC 804. <p>Caution: This action will change the AGI and could affect the calculation of any item that uses the AGI.</p>

- (4) If Field 0707 does not match the computer underprint on **MeF** returns, search the left column of EUP for "Other Deductible Tax Statement" or similar statement showing amounts that should be reported on line 6, Schedule A. If found, enter the amount in Field 0706.
- (5) If there is an amount on line 7 of Schedule A and Fields 0705A through 0706 are blank, **SSPND 211** for the entries missing from line 5a - 6.
- (6) If the taxpayer has computed total tax deduction, on line 7, in dollars and cents
- (7) TY18 and later, if the deduction for state and local taxes exceeds the limit of \$10,000 (\$5,000 for married filing separately), assign **TPNC 730**. TY17 and prior, see IRM 3.12.3.23.2.5(1).
- (8) If the taxpayer made a math error, assign **TPNC 178**.

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3.12.3.23.2.4
(01-01-2017)
**Correction Procedures
(EC 536)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for Error Code 236.
- (3) Enter **C** in the Clear Field if no corrections are necessary.

3.12.3.23.2.5
(01-06-2021)
Prior Year (EC 236)

- (1) **TY17 and prior**, if the total deduction for state and local taxes in Fields 0705A, 0705B and 0705C, exceeds \$10,000 (\$5,000 for married filing separately), allow the taxpayer's amount by manually computing line 1 through 29 of Schedule A. GTSEC 07, and enter the amount in Field 0717V.
- (2) For TY17 and prior, correct the coding in Field 07STI as follows:
 - a. Enter **2** if box 5b (general sales tax) or both boxes are checked.
 - b. Delete the entry if neither of the boxes are checked.
- (3) For **TY10 and TY09**, if the taxpayer claims a deduction for **New Motor Vehicle Taxes** on line 7, Schedule A, recompute Schedule A and enter the amount in Field 0717V.

3.12.3.23.2.6
(01-01-2024)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 236)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 236**.
Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
178	Computed Taxes You Paid on Schedule A incorrectly.
185	Computed Other Itemized Deductions incorrectly.
730	We changed the amount claimed as itemized deductions on your tax return because your deduction for state and local taxes is more than the amount allowed for your filing status.
804	Negative deductions can't be claimed on Schedule A. Entry has been added to the income section.
***	Any previously assigned TPNC.

3.12.3.23.3
(01-01-2017)
**Error Code 238 and 538,
Total Interest Deduction**

- (1) Error Code 238/538 instructions follow.

3.12.3.23.3.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 238)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01ACD	Audit Code
0708A	Financial Home Mortgage Interest
0708B	Personal Seller Home Mortgage Interest
0708C	Deductible Points
07MIP	Qualified Mortgage Insurance Premiums
0709	Investment Interest Paid
0710	Total Interest Deduction
>>>>	Total Interest Deduction Computer
0716	Other Non Limited Miscellaneous Deductions

3.12.3.23.3.2
(01-01-2017)

**Invalid Conditions (EC
238)**

- (1) **Error Code 238** generates when **both** of the following exist:
- The taxpayer's amount for Total Interest Deductions (Field 0710) differs from the computer's amount for Total Interest Deductions.
 - A math error is present.
- (2) **Error Code 538** generates when **both** of the following exist:
- A math error is not present.
 - Any of the allowable Carryover Statutory Credits differ from their respective computer-generated amounts.

3.12.3.23.3.3
(04-25-2022)

**Correction Procedures
(EC 238)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Correct as follows, when there is an amount in Field 0710 and lines 8a through 9 are **blank**:

If the taxpayer...	Then...
A] Claimed Real Estate Taxes in Field 0705B,	Enter the line 10 amount in Field 0708A.
B] Did not claim Real Estate Taxes in Field 0705B,	SSPND 211 to correspond for an explanation of the deduction.

- (3) TY21 and prior, if you deleted the entry in Field 07MIP at EC 066 because the AGI exceeds \$109,000 (\$54,500 for FSC 3 or 6), assign **TPNC 647**.

- (4) Correct as follows when a **negative** amount is used in the computation of Total Interest Deduction (Field 0710):

If...	Then...
A] Taxpayer indicates “Form 8829”, “Form 8396” (MIC) “Nominee” or the amount is being claimed elsewhere on the return (Sch C or E, for instance) and provides the gross interest and the amount of reduction (as a negative),	Enter in Field 0708A the net deduction for interest. Caution: If you can’t determine the net deduction or the net deduction with the taxpayer’s figures is negative, see B] below. Note: Taxpayers reduce the gross interest by the amount taken on another form and report only the net allowable interest for the itemized deduction.
B] MeF Return or the taxpayer does not explain the negative number for paper or MeF,	<ol style="list-style-type: none">1. Delete the negative amount.2. GTSEC 033. Enter the negative amount to Field 03INT as a positive. Transmit.4. Assign TPNC 804. Caution: This action will change the AGI and could affect the calculation of any item that uses the AGI.

- (5) Assign **TPNC 179** when the taxpayer made a math error.

Caution: Check to see if the taxpayer has used **line 9 as a subtotal line**. Adjust as appropriate, before assigning a TPNC.

3.12.3.23.3.4
(01-01-2017)
**Correction Procedures
(EC 538)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for Error Code 238.
- (3) Enter **C** in the Clear Field when there are no corrections to be made.

3.12.3.23.3.5
(02-27-2020)
Prior Year (EC 238)

- (1) For TY09 and prior, accept the taxpayers’ entry.
- the following:
- a. GTSEC 02.

#

- b. Enter Unallowable Code 41 in Field 02CD1 and the amount in Field 02AM1 and transmit
- c. Move personal interest amount to Field 0716.
- d. Adjust the entry in Field 0710 accordingly.

#

3.12.3.23.3.6

(01-01-2017)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 238)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 238**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
179	Computed total Interest You Paid on Schedule A incorrectly.
218	We computed your tax for you.
558	You gave us information that changed the refund or amount you owe.
647	We didn't allow the Qualified Mortgage Insurance Premiums. Your adjusted gross income is greater than the maximum amount allowed for your filing status.
804	Negative deductions can't be claimed on Schedule A. Entry has been added to the income section.
***	Any previously assigned TPNC.

3.12.3.23.4

(01-01-2017)

**Error Code 240 and 540,
Total Contributions**

- (1) Error Code 240/540 instructions follow.

3.12.3.23.4.1

(01-01-2023)

**Fields Displayed, Form
1040 (EC 240)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code

1040	Field Name
01TXP	Tax Period
01RPC	Return Processing Code
01ACD	Audit Code
	Section 14 Present
03AGI	Adjusted Gross Income
>>>>>	Adjusted Gross Income Computer
0711	Cash Contributions
0712	Other Contributions
0713	Carryover Contributions
0714	Total Contributions
>>>>	Total Contributions Computer

3.12.3.23.4.2
(01-01-2019)
Invalid Conditions (EC
240)

- (1) **Error Code 240** generates when **both** of the following exist:
- a. The taxpayer’s amount for Total Contributions (Field 0714) differs from the computer’s amount for Total Contributions.

b. A math error is present.
- (2) **Error Code 540** generates when one of the following exists:
- a. Other Contributions (0712) is equal to or greater than \$500,000 and RPC 4 is not present, or

b. Other Contributions (0712) is greater than \$500 and RPC H is not present, or

c. A math error is not present and any allowable Carryover Statutory Credits differs from its computer-generated amounts.

3.12.3.23.4.3
(01-01-2023)
Correction Procedures
(EC 240)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If Other Contributions in Field 0712 is greater than \$500,000 and a signed copy of a qualified appraisal is:
- a. Present and Section B of Form 8283 is complete, enter **4** in Field 01RPC.

#

- c. Not present, SSPND 211. Complete Form 6001 using paragraph e with fill-in #34.

Reminder: Also request Form 8283 if it's incomplete.

- (3) If the amount on Schedule A, line 12 is more than \$500 and an entry of more than \$500 in Part I of Form 8283 is for a donated motor vehicle, airplane, or boat, Form 1098-C must also be present. The donee organization must provide the Form 1098-C. If the Form 1098-C is missing, deny the deduction for the motor vehicle, airplane, or boat. Remove it from the amount in Field 0712 and assign **TPNC 181**

Note: Taxpayers may submit a statement provided by the donee organization in place of the Form 1098-C. The substitute form must show all the necessary information to be acceptable: the name of the donee, the date of the contribution, the make and model and year of the vehicle, and the fair-market value of the vehicle.

- (4) If other contributions in Field 0712 is more than \$500 and Form 8283 is:
- a. present and complete, enter **H** in Field 01RPC.
 - b. not present or incomplete, SSPND 211 and correspond for Form 8283.
- (5) TY18 and later, the computer will multiply AGI Computer by 60 percent to arrive at the Contributions limit. The computer will use 0 (zero) if the AGI is less than 0 (zero). Total Contributions (Field 0714) is limited to the smaller of the Contributions limit or Total Contributions. Field 0714 will underprint with the computer's amount if it is less than the taxpayer's amount.

Note: The taxpayer's limitation on contributions may be 20, 30, 50, 60 or 100 percent depending on the type of property given and the type of organization given to.

- (6) If there is an amount on the dotted portion of Schedule A, line 11, or the taxpayer has notated **qualified contributions** for qualified disaster relief efforts or certain cash contributions, the charitable deductions must be **manually limited to 100 percent** of the taxpayer's AGI.

Caution: The computer will allow for a 100 percent AGI limitation when Section 14/15 (Schedule F) is present, and Field 0714 is equal to the AGI amount in Field 03AGI. Some taxpayers engaged in **farming or ranching** will not necessarily file a Schedule F. If you can determine the filer is engaged in farming or ranching and does not file a Schedule F (for example, indications of farm or ranch related income on other schedules), allow a deduction up to 100 percent of AGI as noted in (9) below.

- (7) TY18 and later, when line 11 of Schedule A is more than 60 percent of the AGI amount on Form 1040, look for an amount on the dotted portion of Schedule A, line 11 or a notation of a gift made for relief efforts in a federally declared disaster area or qualified contributions to certain qualified charitable organizations. If there is an amount on the dotted portion of Schedule A, line 11, or notation, allow a deduction up to 100 percent of AGI as noted in (9) below.

- a. For MeF returns, click on the pens for an amount or a notation of qualified contributions. The pen may be located on top left corner of Form 1040 or scroll below the Form 1040 for the description. A pen may also be located on Schedule A, line 11.
 - b. If the amount or notation is not present, SSPND 211. Complete Form 6001 using paragraph e with the following literal: *If you included qualified disaster relief contributions in the total amount on Schedule A, line 11, identify the qualified contribution amount in your response.*
- (8) TY18 and later, when line 14 of Schedule A is more than 60 percent of the AGI amount on Form 1040 based on an amount in **Field 0713**, allow a deduction up to 100 percent of AGI as noted in (9) below.
- (9) TY18 and later, when a qualified contribution amount or notation is present or Field 0713 has an amount, use the following instructions to limit the charitable deductions to **100 percent** of the taxpayer's AGI:
- a. TY18 and later, Ensure line 14 of Schedule A is the total of lines 11, 12, and 13 and that it is not greater than the taxpayers' AGI on Form 1040, line 11 (TY19, line 8b; TY18, line 7).
 - b. Manually compute the total itemized deductions and enter the computed amount in Field 0717V.
 - c. If the taxpayers' original amount on line 14 of Schedule A is more than 100 percent of AGI on Form 1040, assign **TPNC 180**.
- (10) If the amount on line 12 of Schedule A is greater than \$500 and Form 8283, *Noncash Charitable Contributions*, is missing or incomplete, SSPND 211 for Form 8283.
- (11) If Form 8283 is present, enter Audit Code **C** in Field 01ACD in these two instances:
- a. Box a, **Art contribution of \$20,000 or more** is checked on line 4, page 2, of Form 8283 and a signed appraisal is attached. If a signed appraisal is **not** attached, SSPND 211. Complete Form 6001 using paragraph e with fill-in #27.
 - b. There is an entry on Section B, Part I, line 3 (TY19, line 5), and any
- (12) If an amount is present on Schedule A, line 14, and lines 11 through 13 are blank, SSPND 211 for entry required.
- (13) Take the following actions when unallowable expenses for contributions to an individual or non-qualifying organizations are claimed. Deductions for foreign charities-except Canadian charities-lobbying organizations, or the monetary value of the taxpayers time or labor are examples of unallowable deductions.

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If the amount is...	Then...
	<ol style="list-style-type: none"> 1. GTSEC 02. 2. Enter Unallowable Code 42 in Field 02CD1 and the unallowable deduction amount in Field 02AM1.
	Take no action.

#

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- (14) Assign **TPNC 180** if the taxpayer made a math error in computing Field 0714.

3.12.3.23.4.4
(01-01-2019)
**Correction Procedures
(EC 540)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for Error Code 240.
- (3) If other Contributions in Field 0712 is greater than \$500 and Form 8283 is:
 - a. present and complete, enter H in Field 01RPC;
 - b. not present or incomplete, correspond for Form 8283.
- (4) Enter **C** in the Clear Field when there are no corrections to be made.

3.12.3.23.4.5
(01-01-2018)
Prior Year (EC 240)

- (1) For TY07 and prior, accept the taxpayer's entry.

3.12.3.23.4.6
(02-06-2019)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 240)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 240**.
Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

Note: Always assign TPNC 111 first.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
180	Computed total Gifts to Charity on Schedule A incorrectly.
181	No Reply. Form 8283 was incomplete or not attached.
218	We computed your tax for you.
558	You gave us information that changed the refund or amount you owe.
***	Any previously assigned TPNC.

3.12.3.23.5
(01-01-2017)
**Error Code 242 and 542,
Casualty and Theft Loss,
Form 4684**

- (1) Error Code 242/542 instructions follow.

3.12.3.23.5.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 242)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01FPC	Form Processing Code
0404	Other Gains and Losses
03AGI	Adjusted Gross Income
>>>>>	AGI Computer
0714	Total Contributions
0715	Total Casualties and Thefts
>>>>	Total Casualties and Thefts Computer
26DDN	Disaster Declaration Number
26ZIP	Most Impacted Property ZIP Code
2613	Total Personal Use Property Gains
2614	Total Personal Use Property Losses
2616	Gross Casualties and Theft
26CTP>	Casualty Theft Loss Percentage Computer
	Section 26 Not Present
0716	Other Non Limited Miscellaneous Deductions

3.12.3.23.5.2
(01-01-2019)

**Invalid Conditions (EC
242)**

- (1) **Error Code 242** generates when **both** of the following exist:
- The taxpayer's amount for Total Casualties and Theft (Field 0715) differs from the computer's amount.
 - A math error is present.
- (2) **Error Code 542** generates when **both** of the following exist:
- A math error is not present.
 - Any of the allowable Carryover Statutory Credits differ from their respective computer-generated amounts.

3.12.3.23.5.3
(01-03-2023)

**Correction Procedures
(EC 242)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) **Move the amount reported on line 15** of Schedule A to Field 0714 when it represents misplaced charitable contributions that should have been reported on Schedule A, line 14.

- (3) **TY16 and later** - If a federally declared disaster is notated on the return and the taxpayer has claimed a disaster loss, Form 4684, **Casualties and Thefts**, must be attached.
- If Form 4684 is not attached, SSPND 211 for Form 4684.
 - If Form 4684 is present, GTSEC 07 and enter the difference between the amount on Schedule A, line 15 (TY17 and prior, Schedule A, line 20) and the computer underprint for Field 0715 in Field 0716. Enter **D** in Field 01FPC.

Note: Taxpayers who are not claiming any other itemized deductions on Schedule A are allowed to include their **standard deduction** amount with their **disaster** loss on Schedule A, line 16, and transfer that total to Form 1040, line 12 (TY21, line 12a; TY20, line 12; TY19, line 9). The amount on Schedule A, line 16, must be identified as such. If the only amounts on Schedule A are identified as **Net Qualified Disaster Loss** and **Standard Deduction Claimed with Qualified Disaster Loss** or similar notation, delete amount(s) in Field 2616 and Field 0715, and enter the total of the standard deduction and Form 4684 line 15 amount in Field 0716.

- (4) Correct Field 0715 by using the following table when the amount on line 15 of Schedule A is not supported by an amount on Form 4684:

If the amount on line 15, Schedule A...	Then...
A] Is from either of the following: <ol style="list-style-type: none"> Form 4684, Section B, lines 32 or 38b, Form 4684, Section B, line 34 (losses from investment schemes-the Madoff Ponzi scheme, for one, though there are others), Form 4797, line 18(a), 	<ol style="list-style-type: none"> GTSEC 07. Move the amount to Field 0716. DLSEC Section 26 (as appropriate). Assign TPNC 182 if EC 246 displays.
B] Is from either of the following: <ol style="list-style-type: none"> Form 4684, Section B, lines 31 or 38a, Form 4797, line 18(b), 	<ol style="list-style-type: none"> Move the amount to Field 0404 (as a negative entry, if a loss). Assign TPNC 136 if EC 218 displays.
C] Is present and Form 4684 is not attached,	SSPND 211 to correspond for Form 4684.

- (5) Compute and enter amount in Field 2616 when line 16 of Form 4684 is blank and entries are present on lines 1 through 15, Form 4684.

Exception: Do not compute line 16 of Form 4684 when the disaster loss is attributable to a federally declared disaster that occurred in 2016, 2018, 2019 (before 12/21/2019), 2020, or 2021 (before 2/26/2021) or Hurricane Harvey, Tropical Storm Harvey, Hurricane Irma, Hurricane Maria, or the California wildfires in 2017 and January 2018. Ensure **D** is present in Field 01FPC.

- (6) If the taxpayer has an entry on Form 4684, correct any taxpayer errors using the following table:

If the taxpayer...	Then...
A] Failed to deduct \$100 on Form 4684, line 11,	<ol style="list-style-type: none"> 1. Recompute the line 16 entry. 2. Adjust the entry in Field 2616. 3. Assign TPNC 182 if EC 242 redisplay.
B] Used more than one Form 4684,	Make sure that the taxpayer only deducted the \$100 on line 11 once per incident (one for each Form 4684).
C] Does not deduct 10 percent of the AGI, Form 4684, line 17, TY13 and later,	Assign TPNC 182 .
D] Used the entry of 10 percent of the AGI, Form 4684, line 17, TY13 and later, as the total for Field 0715, Schedule A,	Assign TPNC 182 .
E] Made an error transferring the Form 4684 total to Schedule A,	Assign TPNC 182 .
F] Made a math error,	Assign TPNC 182 .

3.12.3.23.5.4
(01-01-2017)
**Correction Procedures
(EC 542)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for Error Code 242.
- (3) Enter **C** in the Clear Field when there are no corrections to be made.

3.12.3.23.5.5
(04-25-2022)
Prior Year (EC 242)

- (1) If the taxpayer has an entry on Form 4684, correct any taxpayer errors using the following table:

If the taxpayer...	Then...
A] Failed to deduct \$100 for TY17 - TY10 on Form 4684, line 11,	<ol style="list-style-type: none"> 1. Recompute the line 16 entry. 2. Adjust the entry in Field 2616. 3. Assign TPNC 182 if EC 242 redisplay.
B] Used more than one Form 4684,	Make sure that the taxpayer only deducted the \$100 for TY17 - TY10 on line 11 once per incident).

If the taxpayer...	Then...
C] TY17 and prior, made an error figuring Form 4684, because of an error in transferring the AGI from page 1 to page 2 of Form 1040,	Assign TPNC 176 .
D] Failed to deduct 10 percent of the AGI on Form 4684, line 17, TY17 - TY11 (line 19 for TY10),	Assign TPNC 182 .
E] Used the entry of 10 percent of the AGI on Form 4684, line 17, TY17 - TY11, (line 19 for TY10) as the total for Field 0715, Schedule A,	Assign TPNC 182 .
F] Made an error transferring the Form 4684 total to Schedule A,	Assign TPNC 182 .
G] Made a math error,	Assign TPNC 182 .

(2) For **TY09 and prior**:

- a. Accept the taxpayer's entry.
- b. Delete the entry in Field 0715 and move it to Field 0716.
- c. DLSEC 26.

3.12.3.23.5.6

(01-01-2017)

Allowable Taxpayer Notice Codes (Form 1040) (EC 242)(1) This table shows the allowable Taxpayer Notice Codes for **Error Code 242**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

(2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
176	Transferred AGI from Page 1 to Page 2 incorrectly.
182	Computed or transferred Form 4684 incorrectly.
218	We computed your tax for you.
552	No Reply, Form 4684.
558	You gave us information that changed the refund or amount you owe.

TPNC	Description
***	Any previously assigned TPNC.

3.12.3.23.6
(01-01-2017)

**Error Code 244 -
Reserved**

- (1) Error Code 244 - Reserved.

3.12.3.23.7
(01-01-2017)

**Error Code 246 and 546,
Total Itemized
Deductions**

- (1) Error Code 246/546 instructions follow.

3.12.3.23.7.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 246)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01FPC	Form Processing Code
01RPC	Return Processing Code
03AGI	Adjusted Gross Income
>>>>>	Adjusted Gross Income Computer
0704	Total Medical Deduction
>>>>	Total Medical Deduction Computer
0707	Sch A Tax Deduction
>>>>	Sch A Tax Deduction Computer
0710	Total Interest Deduction
>>>>	Total Interest Deduction Computer
0714	Sch A Total Contributions Deduction
>>>>	Sch A Total Contributions Deduction Computer
0715	Total Casualty/Theft Loss
>>>>	Total Casualty/Theft Loss Computer
0716	Other Non Limited Miscellaneous De- ductions
0717	Total Itemized Deductions
0717>	Total Itemized Deductions Computer

1040	Field Name
07LIM>	Schedule A Total Itemized Percentage Computer
0717V	Total Itemized Deductions Verified
07IEI	Itemized Deduction Election Indicator

3.12.3.23.7.2
(01-01-2017)
Invalid Conditions (EC 246)

- (1) **Error Code 246** generates when **both** of the following exist:
 - a. The taxpayer's and computers amount for Total Itemized Deductions differ.
 - b. A math error is present.
- (2) **Error Code 546** generates when **both** of the following exist:
 - a. A math error is not present.
 - b. Any of the allowable Carryover Statutory Credits differ from their respective computer-generated amounts.

3.12.3.23.7.3
(01-01-2017)
Correction Procedures (EC 246)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Follow instructions for specific fields.
- (3) Assign the appropriate TPNC when no corrections are necessary.

3.12.3.23.7.4
(01-03-2023)
Field 0716, Other Miscellaneous Deductions (EC 246)

- (1) **TY16 and later** - Taxpayers who are claiming a disaster loss must attach a completed Form 4684, *Casualties and Thefts*, to support the deduction on Schedule A, line 16 (line 28, TY17 and TY16).

Note: A federally declared disaster that occurred in 2016, 2018, 2019 (before 12/21/2019), 2020, or 2021 (before 2/26/2021) or Hurricane Harvey, Tropical Storm Harvey, Hurricane Irma, Hurricane Maria or the California wildfires in 2017 and January 2018 must be noted on the return.

 - a. If Form 4684 is present, ensure the disaster amount claimed on line 15 is included in Field 0716. Enter **D** in Field 01FPC.
 - b. If the only deduction on Schedule A, line 16 (TY17, line 28), is for a disaster amount, check to see if Form 4684 is attached. If Form 4684 is attached and the taxpayer used the amount on line 15 of Form 4684 plus their standard deduction, enter that amount in Field 0716.

Note: Taxpayers who are not claiming any other itemized deductions on Schedule A are allowed to include their standard deduction amount on Schedule A, line 16 (line 28, TY17 and prior), and transfer that total to Form 1040, line 12 (TY21, line 12a; TY20, line 12; TY19, line 9).
 - c. If Form 4684 is not attached, SSPND 211 for Form 4684.
- (2) If the entry on Schedule A, line 16 is unidentified, SSPND 211 for clarification.

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If supporting attachments are...	Then...
A] Found,	<ol style="list-style-type: none"> 1. GTSEC 07. 2. Enter the amounts in the appropriate fields on the screen display.
B] Not found,	SSPND 211 to correspond for an explanation.

- (4) Take the following actions when the taxpayer has **used only a percentage** of the Total Itemized Deductions:
- Adjust all transcription fields to follow the taxpayer's intent.
 - Assign the appropriate TPNC if a math error results.
- (5) If the taxpayer has attached Schedule A, but did not use the amount in the computation of taxable income (i.e., Standard Deduction is more beneficial) on Form 1040, line 12 (TY21, line 12a; TY20, line 12; TY19, line 9), and did not check the itemized election box on line 18, Schedule A, follow the taxpayer's intent and DLSEC 07.
- (6) **TY18 or later**, use the following table to correct lines 15 through 17, Schedule A:

If Schedule A...	And...	Then...
A] Line 15 has an entry,	Form 4684 is not present,	<ol style="list-style-type: none"> 1. If the amount on line 15 is the total amount for gifts to charity, then move the amount from Field 0715 to Field 0714. 2. If the amount on line 15 is not the total amount for gifts to charity, SSPND 211.
B] Line 16 includes an entry from line 10, Form 2106,	"Impairment-related work expenses" is indicated,	Enter the amount on line 10, Form 2106 in Field 0716.
C] Line 16 has an amount for gambling losses in excess of gambling winnings reported on Form 1040, Schedule 1, line 8b (TY19-TY20, line 8),		<ol style="list-style-type: none"> 1. Adjust the entry in Field 0716 to the amount of gambling winnings. 2. Assign TPNC 184.

If Schedule A...	And...	Then...
D] Line 16 has an entry for miscellaneous deductions that are not deductible in TY18 and later (e.g., union dues, work clothes, professional subscriptions, investment counseling, tax preparation fees, etc.),	<p>Identified as other than:</p> <ol style="list-style-type: none"> 1. Gambling losses equal to or less than gambling winnings reported as income. 2. Net qualified disaster loss (Form 4684, line 15) and standard deduction claimed with qualified disaster loss. 3. Casualty and theft losses of income-producing property. 4. Schedule K-1 loss. 5. Federal estate tax on income in respect of a decedent (IRD). 6. Amortizable bond premiums. 7. Ordinary loss attributable to a contingent payment debt instrument or an inflation-indexed debt instrument. <ol style="list-style-type: none"> 9. Unrecovered investment in a pension. 10. Impairment-related work expenses of a disabled person. 	<ol style="list-style-type: none"> 1. Adjust Field 0716 to remove the amount(s) that are not deductible. 2. If EC 246 redisplay, assign TPNC 185.

#

If Schedule A...	And...	Then...
E] Line 16 amount is the total amount for itemized deductions,		Move the amount from Field 0716 to Field 0717.

- (7) **TY17 and prior**, refer to prior year procedures in IRM 3.12.3.23.7.8.
- (8) Assign **TPNC 187** when the taxpayer has made a math error totaling Schedule A.

3.12.3.23.7.6
(02-03-2021)
Schedule A
Unallowables (EC 246)

- (1) Unallowable Codes 30 through 49 will always affect Itemized Deductions. Take

#

If...	Then...
A] An amount is claimed for any of the following: 1. Contributions to an individual or nonqualifying organizations such as foreign charities (except Canadian Charities), lobbying organizations, etc. 2. The monetary value of the taxpayer's time and labor .	1. GTSEC 02.

#

Note: Unallowable Codes 38, 40, 43, 45 and 46 regarding Miscellaneous Deductions are defined in IRM 3.12.2. See Exhibit 3.12.2-7, Unallowable Codes.

3.12.3.23.7.7
(01-01-2017)
Correction Procedures
(EC 546)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for Error Code 246.
- (3) Enter **C** in the Clear Field if there are no corrections to be made.

3.12.3.23.7.8
(04-25-2022)
Prior Year (EC 246)

- (1) For TY17 - TY13, the Schedule A **total itemized deductions** should be limited when the AGI exceeds the threshold for the filing status. The computer cannot accurately compute the limit for these tax periods. If the taxpayer limited their Itemized Deductions when they **shouldn't** have, manually compute itemized deductions and enter in Field 0717V. Assign **TPNC 187**. See the following table for the AGI threshold by tax year.

Tax Year	FS 1	FS 2/5	FS 3/6	FS 4
TY17	\$261,500	\$313,800	\$156,900	\$287,650
TY16	\$259,400	\$311,300	\$155,650	\$285,350
TY15	\$258,250	\$309,900	\$154,950	\$284,050

Tax Year	FS 1	FS 2/5	FS 3/6	FS 4
TY14	\$254,200	\$305,050	\$152,525	\$279,650
TY13	\$250,000	\$300,000	\$150,000	\$275,000

- (2) TY17-TY13, if the taxpayer has **limited** their total Schedule A, Itemized Deductions of the following apply: #

- A previous math error is not present.
- The amount reported on Form 1040 is less than the sum of Schedule A.
- The taxpayer's AGI is **more than** the amount shown in the table above by tax year and filing status.

Note: If a previous math error is present and AGI exceeds the applicable threshold, manually compute the limited Itemized Deductions amount and enter it in Field 0717V.

- (3) TY13-TY17, there are situations where an AGI of over one **million** dollars is present along with a Schedule A when the computer cannot accurately compute the Schedule A amount. This is occurring specifically when the taxpayer has included amounts on line 28 of Schedule A that are for other than gambling losses and casualty and theft losses. In these cases, manually compute the Schedule A and enter the total in Field 0717V.
- (4) If the taxpayer has **not** limited the Schedule A and should have, because the AGI is more than the amount in the table above (1) by tax year and filing status), use the Itemized Deductions Worksheet found in the Prior Year Job Aid to compute the limited total itemized deductions. Use (1) above to determine the correct amount to use on line 6 of the worksheet. Enter the correct amount in Field 0717V. If EC 246 redisplay, assign **TPNC 186**.
- (5) TY17 and prior, use the following table to correct lines 20 through 28, Schedule A:

If Schedule A...	And...	Then...
A] Line 20 has an entry,	Form 4684 is not present,	<ol style="list-style-type: none"> 1. If the amount on line 20 is the total amount for gifts to charity, then move the amount from Field 0715 to 0714. 2. If the amount on line 20 is not the total amount for gifts to charity, SSPND 211.

If Schedule A...	And...	Then...
B] Line 21 is blank, Unreimbursed Expenses from line 10, Form 2106 (line 6, Form 2106-EZ) is present,	The occupation box on Form 2106 or Form 2106-EZ indicates "Handi-capped",	Enter the amount on line 10, Form 2106 (line 6, Form 2106-EZ) in Field 0716.
C] Line 21 is blank, Unreimbursed Expenses from line 10, Form 2106 (line 6, Form 2106-EZ) is present,	The occupation box indicates "Qualified Performing Artist" (QPA) and the AGI is \$16,000 or less,	Enter the amount in Field 04CBE.
D] Line 21 is blank, Unreimbursed Expenses from line 10, Form 2106 (line 6, Form 2106-EZ) is present,	The occupation box indicates "Qualified Performing Artist" and the AGI is more than \$16,000,	Manually compute all itemized deductions, including "QPA" amount as subject to 2 percent AGI limitation. Enter in Field 0717V.
E] Line 21 is blank, Unreimbursed Expenses from line 10, Form 2106 (line 6, Form 2106-EZ) is present,	None of the preceding notations are present,	Manually compute all itemized deductions, including Form 2106 amount as subject to 2 percent AGI limitation. Enter in Field 0717V.
	There is no explanation on the dotted portion of the line or the written explanation indicates the expense claimed is job related travel, transportation, meals, or entertainment,	SSPND 211 to correspond for Form 2106/2106-EZ. Exception: Do not correspond if Schedule A, line 27 is zero.
G] Line 28 has an amount for gambling losses in excess of gambling winnings reported on line 21 of Form 1040,		1. Adjust the entry in Field 0716 to the amount of gambling winnings. 2. Assign TPNC 184.

#

If Schedule A...	And...	Then...
H] Line 28 has an entry for miscellaneous deductions that are clearly subject to the 2 percent AGI limit (e.g., union dues, work clothes, professional subscriptions, investment counseling, and/or tax preparation fees),		Adjust Field 0716 by removing the portion of the amount subject to the 2 percent limit. Manually compute itemized deductions, applying the 2 percent limitation, and enter the correct amount in Field 0717V. If EC 246 redisplay, assign TPNC 183 .
I] TY17 and prior, line 28 has an amount of	Form 3903/3903F is not attached,	SSPND 211 to correspond for Form 3903/3903F.
J] The amount on line 28 is the total amount for itemized deductions,		Move the amount from Field 0716 to Field 0717.

#

- (6) For **TY10**, if the taxpayer claims a deduction for **New Motor Vehicle Taxes** on line 7, Schedule A:
- Recompute Schedule A and enter the amount in Field 0717V
 - With an amount present on line 5, and the box on line 5b is checked, assign **TPNC 589**.
- (7) **TY09** and prior, accept the taxpayer's entry and enter in Field 0717V.

3.12.3.23.7.9
(11-23-2021)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 246)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 246**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
133	You can't claim gambling losses unless you itemize your deductions.
178	Computed Taxes You Paid on Schedule A incorrectly.

TPNC	Description
180	Computed gifts to charity incorrectly.
182	Computed or transferred Form 4684 incorrectly.
183	Computed total Miscellaneous deduction incorrectly, or deductions are subject to 2% limitation.
184	We can't allow the gambling losses greater than gambling winnings shown on your return.
185	Computed Other Itemized Deductions incorrectly.
186	You didn't limit your Itemized Deductions correctly. You are required to limit your Itemized Deductions because of your AGI.
187	Computed or transferred Itemized Deductions incorrectly.
218	We computed your tax for you.
552	No Reply, Form 4684
553	No Reply, Form 2106/EZ on Schedule A
558	You gave us information that changed the refund or amount you owe.
589	We have disallowed the amount claimed as an itemized deduction for new motor vehicle taxes on Schedule A, Itemized Deduction, filed with your tax return. You are not allowed to claim both the state and local general sales tax and new motor vehicle taxes for tax year 2009.
730	We changed the amount claimed as itemized deductions on your tax return because your deduction for state and local taxes is more than the amount allowed for your filing status.
763	We changed the amount you used on line 4, Schedule A. You used the wrong percentage.
***	Any previously assigned TPNC.

3.12.3.23.8
(01-01-2020)
Error Code 248,
Validation of Qualified
Business Income
Deduction Claim

(1) Error Code 248 instructions follow.

3.12.3.23.8.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 248)**

- (1) The following fields display for Error Code 248, Form 1040.

Form 1040	Field Name
CL	Clear Field
01FSC	Filing Status Code
01TXP	Tax Period
01RPC	Return Processing Code
01ACD	Audit Code Field
03DIV	Taxable Dividends Amount
0403	Combined Schedule C Profit/Loss
0404	Supplemental Gains and Losses
0405	Schedule E Profit/Loss
0406	Combined Schedule F Profit/Loss
55BIC	Qualified Business Income Component
55REI	REIT and PTP Component
55NCG	Form 8995 Net Capital Gain
55DPA	Form 8995-A Domestic Production Activities Deduction
03QBI	Qualified Business Income Deduction
>>>>>	Form 8995 Qualified Business Income Deduction Computer
94QBV	Qualified Business Income Verified
	Section XX Not Present

3.12.3.23.8.2
(01-01-2020)

**Invalid Conditions (EC
248)**

- (1) Error Code 248 generates when the Qualified Business Income Deduction amount is not supported by business income reported on the return.

3.12.3.23.8.3
(01-06-2020)

**Correction Procedures
(EC 248)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) TY18 only, if Section 55 is present with data from Form 8995 or Form 8995-A, DLSEC 55.
- (3) If no corrections are necessary, enter **C** in the Clear Field.

3.12.3.23.9
(01-01-2020)

(1) Error Code 249/549 instructions follow.

**Error Code 249 and 549,
Qualified Business
Income Deduction
Limitation**

3.12.3.23.9.1
(01-01-2023)

(1) The following fields display for Error Code 249.

**Fields Displayed, Form
1040 (EC 249)**

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01SPC	Special Processing Code
01DSI	Dependency Status Indicator
01RPC	Return Processing Code
01ACD	Audit Code
03QD	Qualified Taxable Dividends Amount
03CGL	Schedule D Profit-Loss
>>>>>	Schedule D Profit-Loss Computer
03AGI	Adjusted Gross Income
>>>>>	Adjusted Gross Income Computer
0717	Total Itemized Deduction
0717>	Total Itemized Deduction Computer
03NCC	Non-Itemized Charitable Contributions Deduction
>>>>>	Non-Itemized Charitable Contributions Deduction Computer
03TTI>	Tax Table Income Computer
03QBI	Qualified Business Income Deduction
>>>>>	Qualified Business Income Deduction Computer
94QBV	Qualified Business Income Deduction Verified
03INC	Taxable Income Amount
>>>>>	Taxable Income Computer
	Section 12 Not Present
1207	Net Short-Term Gain or Loss
1215	Net Long-Term Gain or Loss
	Section 55 Not Present
55BIC	Qualified Business Income Component

1040	Field Name
55REI	REIT and PTP Component
55NCG	Form 8995 Net Capital Gains
55DPA	Form 8995 Domestic Production Activities Deduction

3.12.3.23.9.2
(01-01-2020)
Invalid Conditions (EC 249)

- (1) **Error Code 249** generates when the Tax Period is greater than or equal to 201812 and the taxpayer's Qualified Business Income Deduction (QBID) amount differs from the computer amount.
- (2) **Error Code 549** generates when the Tax Period is greater than or equal to 201812 and the following exist:
 - a. The taxpayer's Qualified Business Income Deduction (QBID) amount differs from the computer amount.
 - b. A math error is not present and any of the allowable carryover statutory credits are not within tolerance of their respective computer-generated amounts.

3.12.3.23.9.3
(07-07-2023)
Correction Procedures (EC 249)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If the FSC is 3, married filing separate, and Form 1040, line 12 (TY21, line 12a; TY20, line 12; TY19, line 9) is 0 (zero), blank, or an amount other than the standard deduction, see IRM 3.12.3.23.10.9.
- (3) If the dependent status indicator box is checked, GTSEC 01 and enter **1** in Field 01DSI. See IRM 3.12.3.23.10.8.
- (4) **TY19** and later, search the return for Form 8995 or Form 8995-A to support the QBID amount on Form 1040, line 13 (TY19, line 10). If not attached, SSPND 211 to correspond for Form 8995-A.
- (5) **TY19**, if the standard deduction is claimed on the return or if there is a previous math error affecting taxable income, the computer's QBID amount may be incorrect. Manually compute the income limitation using the correct taxable income (lines 11 through 15 of Form 8995 or lines 33 through 39 of Form 8995-A), and enter the manually computed QBID amount in Field 94QBV. If the change to QBID is the result of a previous math error (ripple error), assign the previously assigned TPNC.
- (6) **TY19** and later, if the taxpayer has used a negative amount of net capital gain on Form 8995, line 12, or Form 8995-A, line 34, remove the amount from Field 55NCG and transmit. When EC 249 redisplay, assign **TPNC 615**.
- (7) **TY18 only**, manually compute the QBID limitation using the worksheet below, and take the following action:
 - a. If the taxpayer's amount is equal to or less than the QBID limitation, enter the taxpayer's QBID amount in Field 94QBV. GTSEC 55 and transmit.

- b. If the taxpayer's amount is more than the QBID limitation, enter the QBID limitation amount in Field 94QBV. GTSEC 55 and transmit. When EC 249 redispays, assign **TPNC 615**.

Line	TY18 QBID Limitation Worksheet	Amounts
1	Enter the computer's amount for Tax Table Income (Field 03TTI>).	_____
2	Enter the computer's amount for Schedule D (Field 03CGL) if equal to or greater than zero. If negative, enter zero.	_____
3	Enter the qualified dividends from Form 1040, line 3a (Field 03QD).	_____
4	Subtract line 2 and 3 from line 1.	_____
5	Multiply line 4 by 20% (0.20). (QBID limitation)	_____

- (8) If the taxpayer **incorrectly** figured the QBID amount on Form 1040, line 13 (TY19, line 10; TY18, line 9), or claimed more than the computed limitation amount for QBID, assign **TPNC 615**.

3.12.3.23.9.4
(01-24-2020)
**Correction Procedures
(EC 549)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for Error Code 249, and refer to IRM 3.12.2.5.12 for Non-Compute information and IRM 3.12.2.2.13.5 for changes in statutory credits information.
- (3) Enter **C** in the Clear Field after initiating the Letter 2719C or if there are no further corrections to be made.

3.12.3.23.9.5
(03-21-2023)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 249)**

- (1) This table shows the allowable Taxpayer Notice Codes for Error Code 249.
Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

TPNC	Description
100	
101	We recomputed your tax using FSC 1.
111	Your return has been converted to a Form 1040.
119	Computed or transferred total taxable dividend income incorrectly.
121	Computed or transferred Schedule C/C-EZ incorrectly.
122	Computed or transferred Schedule D incorrectly.

TPNC	Description
123	Transferred capital gain or loss from Form 4797 incorrectly.
126	Computed or transferred Schedule E incorrectly.
127	Computed or transferred Schedule F incorrectly.
141	Computed total income incorrectly.
170	We changed ordinary dividends because qualified dividends can't exceed ordinary dividends.
175	Computed AGI incorrectly.
177	Computed Medical Expenses on Schedule A incorrectly.
178	Computed Taxes You Paid on Schedule A incorrectly.
179	Computed Interest You Paid on Schedule A incorrectly.
180	Computed Gifts to Charity on Schedule A incorrectly.
182	Computed or transferred Form 4684 incorrectly.
183	Computed total miscellaneous deductions incorrectly, or deductions are subject to the 2% limitation.
184	We reduced gambling losses to equal gambling winnings.
185	Computed Other Itemized Deductions incorrectly.
186	Itemized Deductions limited incorrectly because of AGI.
187	Computed or transferred Schedule A incorrectly.
188	We used the attached Schedule A rather than the standard deduction since you filed as FSC 3.
189	We used your itemized deductions rather than the standard deduction for a lower taxable income.
190	We recomputed taxable income using the standard deduction. Remaining total Itemized Deductions are less than the standard deduction.
191	You incorrectly computed your standard deduction when you can be claimed as a dependent on another person's return.
192	You incorrectly figured the additional standard deduction for Age/Blind.
193	FSC 3 and checked the box that spouse itemizes. You can't use the standard deduction when the spouse uses Schedule A.
194	No amount for standard deduction or amount entered inconsistent with filing status.
541	No Reply. Form 8995/8995-A was not attached to the return.

TPNC	Description
558	You gave us information that changed the refund or amount you owe.
615	Error in computing QBID.
730	Deduction for state and local taxes is more than the amount allowed.
731	Error in subtraction of standard deduction or itemized deductions and QBID from AGI.
***	Any previously assigned TPNC

3.12.3.23.10
(01-01-2019)
**Error Code 250 and 550,
Taxable Income**

- (1) Error Code 250/550 instructions follow.

3.12.3.23.10.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 250)**

- (1) The following fields display for Error Code 250.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01EXC	Exemption Code
94EXV	Exemption Code Verified
01CCC	Computer Condition Code
01FPC	Form Processing Code
01RPC	Return Processing Code
01DSI	Dependency Status Indicator
01ABI	Age/Blindness Indicator
01PYB>	NAP Primary Year of Birth
01SYB>	NAP Secondary Year of Birth
0208	Form 4563 Indicator
03TWG	Total Wages
03INT	Taxable Interest Income
04OTI	Other Income Amount
03AGI	Adjusted Gross Income Amount
>>>>>	Adjusted Gross Income Computer
	Section 07 Not Present

1040	Field Name
0717	Total Itemized Deductions
0717>	Total Itemized Deductions Computer
07IEI	Itemized Deduction Election Indicator
03ASD>	Additional Standard Deduction Computer
03SD>	Standard Deduction Computer
94SDV	Limited Standard Deduction Verified
03NCC	Non-Itemized Charitable Contributions Deduction
>>>>>	Non-Itemized Charitable Contributions Deduction Computer
03TTI>	Tax Table Income Computer
03QBI	Qualified Business Income Deduction
03INC	Taxable Income
>>>>	Taxable Income Computer
94INV	Taxable Income Amount Verified
01NL1	Name Line 1

3.12.3.23.10.2
(01-01-2019)
Invalid Conditions (EC 250)

- (1) **Error Code 250** generates when **both** of the following exist:
 - a. The taxpayer's and the computer's figures for Taxable Income Amount differ.
 - b. A math error is present.
- (2) **Error Code 550** generates when **both** of the following exist:
 - a. No math error is present.
 - b. Any of the allowable Carryover Statutory Credits differ from their respective computer-generated amounts.

3.12.3.23.10.3
(01-01-2019)
Correction Procedures (EC 250)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Compare the taxpayer's entries on the return with the computer's amount for each field to help you locate the point of error.

Note: There may be **more** than one error present. **Refer to all instructions before taking appropriate action.**

Caution: Do not assume that changes to Field 01FSC or 94EXV made in EC 004, 005, 010, 012, 013, 015, 017 or 018 are the only errors present. Use the following comparison points to help you identify errors present in EC 250.

3.12.3.23.10.4
(01-01-2019)

**Field 03AGI, Adjusted
Gross Income (EC 250)**

- (1) Compare the taxpayer's entry for AGI on Form 1040, line 11 with the computer underprint for Field 03AGI.
- (2) If the two figures are not the same, the taxpayer has made an error figuring the AGI.

Exception: If a previous math error exists on the return, it may be necessary to manually compute lines 11 through 15 to determine the actual error condition.

3.12.3.23.10.5
(01-01-2023)

**Field 01FSC, Filing
Status Code (EC 250)**

- (1) The FSC is determined by the filing status box checked by the taxpayer or edited by Code and Edit on the return. This code directs the computer to the correct standard/additional standard deduction amount, and the Tax Table or Tax Rate Schedule for computation of the tax liability. Refer to IRM 3.12.2.4.3.12.
- (2) If filing status claimed is 2 or 5, and there is an indication either the primary or secondary taxpayer is **deceased**, the date of death must be present. If not present, research using CC INOLE for the date of death and to determine the appropriate filing status. If you are unable to find the date of death on the return or through research, SSPND 211. Complete Form 6001 using paragraph C.
- (3) If the taxpayer's entry for the standard deduction is equal to the standard deduction amount for a filing status different from the one claimed by the taxpayer, determine from paragraph (4) below, whether the taxpayer is eligible for the filing status associated with the standard deduction amount on the return. Change the filing status to match the taxpayer's intention if the taxpayer is **eligible** for the other filing status. If the taxpayer is not eligible for the other filing status, assign **TPNC 194**. See the following list of standard deduction amounts:

Filing Status	TY23 Standard Deduction Amount	TY22 Standard Deduction Amount	TY21 Standard Deduction Amount
1	\$13,850	\$12,950	\$12,550
2/5	\$27,700	\$25,900	\$25,100
3/6	\$13,850	\$12,950	\$12,550
4/7	\$20,800	\$19,400	\$18,800

- (4) If multiple boxes are checked or no box is checked, or if the FSC checked is inconsistent with other information on the return, use the FSC which corresponds with the taxpayer's taxable income and tax computations as long as the qualifying criteria are met, per the following FSC table:

Note: Use dependents claimed and the standard deduction amount claimed to determine the FSC, especially when the tax is the same for different filing statuses.

If...	And...	Then...
A] FSC 4,	No dependents are claimed and a child's name is present on any of the following: 1. The line for qualifying person in the filing status section on page 1 of Form 1040. 2. Form 2441 or 8814 with a valid Name/TIN. 3. Schedule EIC with a qualifying child.	Change FSC 4 to 7.
B] FSC 4,	No dependents are claimed and a child's name is not present on any of the following: 1. The line for qualifying person in the filing status section on page 1 of Form 1040. 2. Form 2441 or 8814 with a valid Name/TIN. 3. Schedule EIC with a qualifying child.	1. Change FSC 4 to 1. 2. Assign TPNC 108 .
C] FSC 4,	Only invalid dependents are present (Field 94EXV, position 3 through 8 are 0 (zero)),	1. Change FSC 4 to 1. 2. Assign TPNC 101 .
D] FSC 3,	1. The spouse is claimed as a dependent, and 2. No income is reported for the spouse on the return.	1. Change FSC 3 to 6. 2. Enter the spouse in position 2 of Field 01EXC.
E] FSC 3,	1. The spouse is claimed as a dependent, and 2. Any indication on the return spouse has income, such as Form W-2 or Schedule C,	1. SSPND 211. 2. Complete Form 6001 using paragraph e with fill-in #40.

If...	And...	Then...
F] FSC 3,	All the following apply: 1. The spouse is claimed as a dependent. 2. Spouse has or has no income reported on the return. 3. There are two names in the caption. 4. Both spouses signed the return.	1. Change FSC 3 to 2. 2. Enter the spouse in position 2 of Field 01EXC. 3. Assign TPNC 102 , if EC 250 redisplay.
G] FSC 1 or 4,	The spouse or common law spouse is the only dependent claimed,	1. Change FSC 1 or 4 to 6. 2. Assign TPNC 109 .
H] FSC 1 or 4,	All the following apply: 1. The spouse or common-law spouse is claimed as a dependent. 2. Other dependents are claimed on the return. 3. No income is reported for spouse. 4. Spouse didn't sign the return.	Enter the spouse in position 7 and delete from position 2 of Field 01EXC.
I] FSC 1 or 4,	The spouse or common-law spouse is claimed as a dependent and signed the return,	1. Change FSC to 2. 2. Correct 01NL1 to include spouse. 3. Assign TPNC 102 , if appropriate. Note: When changing filing status from 2 to a different filing status, or from a different filing status to a 2, and Field 01NL1 is blank, enter Long Entity (refer to IRM 3.12.2.4.2).

If...	And...	Then...
J] FSC 5,	The taxpayer noted spouse's date of death is within 2 years prior to the tax period of the return, no dependents are claimed in position 3, 5, 6, or 7 and a child's name is not present on any of the following: <ol style="list-style-type: none"> 1. The line for qualifying person in the filing status section on page 1 of Form 1040. 2. Form 2441 or 8814 with a valid name/SSN. 3. Schedule EIC with a qualifying child. 	<ol style="list-style-type: none"> 1. Change FSC to 1. 2. Assign TPNC 101.
K] FSC 5,	The taxpayer noted spouse's date of death is not within 2 years prior to the tax period of the return,	<ol style="list-style-type: none"> 1. Change FSC to 4, if a dependent is present in position 3, 5, 6, or 7 of Field 01EXC. 2. Change FSC to 7 if a child's name is present on any of the following: <ul style="list-style-type: none"> • The line for qualifying person in the filing status section on page 1 of Form 1040. • Form 2441 with a valid name/SSN. • Schedule EIC with a qualifying child. 3. Assign TPNC 104.
L] FSC 5,	The taxpayer notated the spouse's date of death on the return as during the tax period of the return,	<ol style="list-style-type: none"> 1. Change FSC to 2. 2. Correct Field 01NL1. 3. Assign TPNC 106. <p>Note: When changing filing status from 2 to a different filing status, or from a different filing status to a 2, and Field 01NL1 is blank, enter "Long Entity" (refer to IRM 3.12.2.4.2).</p>

If...	And...	Then...
M] FSC 2,	The taxpayer noted spouse's date of death is prior to the tax period of the return and no dependent children are claimed,	<ol style="list-style-type: none"> 1. Change FSC to 1. 2. Correct Field 01NL1. 3. Assign TPNC 101. Note: When changing filing status from 2 to a different filing status, or from a different filing status to a 2, and Field 01NL1 is blank, enter "Long Entity" (refer to IRM 3.12.2.4.2).
N] FSC 2,	The taxpayer noted spouse's date of death is more than 2 years prior to the tax period of the return,	<ol style="list-style-type: none"> 1. Change FSC to 4 or 7, as appropriate, if dependent(s) is claimed and assign TPNC 104, or 2. Change FSC to 1 if no dependent(s) is claimed and assign TPNC 101. Note: When changing filing status from 2 to a different filing status, or from a different filing status to a 2, and Field 01NL1 is blank, enter "Long Entity" (refer to IRM 3.12.2.4.2).
O] FSC 2,	The taxpayer noted spouse's date of death is within 2 years prior to the tax period of the return and a dependent is present in position 3, 6, or 7 of Field 01EXC (i.e., for TY22, the spouse's date of death must have been in TY21 or TY20),	<ol style="list-style-type: none"> 1. Change FSC to 5. 2. Assign TPNC 105. Note: When changing filing status from 2 to a different filing status, or from a different filing status to a 2, and Field 01NL1 is blank, enter "Long Entity" (refer to IRM 3.12.2.4.2).

Note: Since TY05, Section 2(a)(1)(B) of the IRC, allows taxpayers who claim FSC 5 and maintain a household for a child (son, stepson, daughter, stepdaughter, cousin) even though they may not be allowed to claim the child as a dependent, to file as qualifying surviving spouse. Taxpayers are instructed to enter the qualifying child's name on the line for qualifying person in the filing status section on page 1 of Form 1040.

- (5) If the filing status can't be determined, SSPND 211. Complete Form 6001 using paragraph F.

3.12.3.23.10.6
(01-01-2024)

**Field 01ABI,
Age/Blindness Indicator
(EC 250)**

- (1) Taxpayers check the Age/Blind boxes to indicate if they and/or their spouse is **age 65 or over** or **blind** to qualify for the additional standard deduction.

Note: The age/blind checkboxes are located on page 1 of Form 1040 under the primary and secondary taxpayer's name line.

- (2) The computer will automatically include the additional standard deduction amount applicable to the filing status in Field 01FSC and the entries in Field 01ABI in Field 03ASD>.
- (3) Field 01ABI is four spaces long. The value for an unchecked box is zero. The value for a checked box is the number one (1). The table below describes the function of each element of the field.

Position	Code	Condition
1	1	Primary taxpayer 65 or older
2	1	Primary taxpayer blind
3	1	Secondary taxpayer 65 or older
4	1	Secondary taxpayer blind

- (4) The addition to the standard deduction differs by filing status, and each eligible taxpayer may take up to two additions. TY23, a single taxpayer who is blind and older than age 65, for instance, might add \$3,700 (2 x \$1,850) to the standard deduction for the filing status single.

Filing Status	TY23 Addition to the Standard Deduction	TY22 Addition to the Standard Deduction	TY21 Addition to the Standard Deduction
1	\$1,850	\$1,750	\$1,700
2/5	\$1,500	\$1,400	\$1,350
3/6	\$1,500	\$1,400	\$1,350
4/7	\$1,850	\$1,750	\$1,700

- (5) When the taxpayer takes an amount on line 12 (TY21, line 12a; TY20, line 12) that is equal to a "combined amount" of standard deduction and additional standard deduction (TY23 amounts shown in the chart in paragraph 7) but **doesn't check a box** for age 65 or older, or blind on page 1 of Form 1040, determine if the taxpayer meets the criteria for age or blindness in a) - c).

- a. Field 01PYB>/01SYB> shows the taxpayer is 65 or older (born before January 2, 1959 for TY23).

Note: When Field 01PYB> or 01SYB> displays all zeros, see paragraph 6 below.

- b. Certificate of blindness is attached.
- c. An entry on Schedule R that indicates the taxpayer is blind or age 65 or older.

- d. Use the following table to resolve the additional standard deduction amount claimed when Age/Blind boxes are not checked.

If...	Then...
A] The taxpayer meets the criteria for age or blindness,	<ol style="list-style-type: none"> 1. Adjust the entry in Field 01ABI. 2. Assign TPNC 192 if the taxpayer's amount still differs from the computer amount.
B] The taxpayer doesn't meet the criteria for age or blindness,	<ol style="list-style-type: none"> 1. Delete the entry in Field 01ABI. 2. Assign TPNC 194.

- (6) When Field 01PYB> or 01SYB> displays all zeros and you can't determine the correct coding for Field 01ABI, **GTSEC 02** and enter **R** in Field 02RI. If the date still doesn't display in the field(s) **and** the amount on line 12 (TY21, line 12a; TY20, line 12) equals the standard deduction with the addition for age or blindness for the filing status, research CC INOLE to determine the taxpayer's age. Enter the age of the primary taxpayer in Field 94PAV and the age of the secondary taxpayer in Field 94SAV.
- (7) If the taxpayer's entry for the standard deduction is inconsistent with the standard deduction for the taxpayer's filing status, correct Field 01ABI using the following table.

Field 01FSC	TY23 Standard Deduction Amount, Field 03SD>	Field 01ABI	TY23 Additional Standard Deduction Amount, Field 03ASD>	TY23 Combined Amount on line 12 of Form 1040
1	\$13,850	1000 or 0100 1100	\$1,850 \$3,700	\$15,700 \$17,550
2	\$27,700	1000, 0100, 0010, or 0001	\$1,500	\$29,200
2	\$27,700	1100, 0110, 0011, 1001, 1010, or 0101	\$3,000	\$30,700
2	\$27,700	1110, 1101, 1011, or 0111	\$4,500	\$33,200
2	\$27,700	1111	\$6,000	\$33,700
3	\$13,850	1000 or 0100 1100	\$1,500 \$3,000	\$15,350 \$16,850
4 or 7	\$20,800	1000 or 0100 1100	\$1,850 \$3,700	\$22,650 \$24,500
5	\$27,700	1000 or 0100 1100	\$1,500 \$3,000	\$29,200 \$30,700

Field 01FSC	TY23 Standard Deduction Amount, Field 03SD>	Field 01ABI	TY23 Additional Standard Deduction Amount, Field 03ASD>	TY23 Combined Amount on line 12 of Form 1040
6	\$13,850	1000, 0100, 0010, or 0001	\$1,500	\$15,350
6	\$13,850	1100, 0110, 0011, 1001, 1010, or 0101	\$3,000	\$16,850
6	\$13,850	1110, 1101, 1011, or 0111	\$4,500	\$18,350
6	\$13,850	1111	\$6,000	\$19,850

- (8) If the taxpayer's entry on Form 1040, line 12 (TY21, line 12a; TY20, line 12) is **not equal** to a standard/additional standard deduction amount (TY23 amounts in paragraph 7), use this table to resolve the discrepancy.

If...	And...	Then...
A] The amount on line 12 (TY21, line 12a; TY20, line 12) is larger than the standard deduction and/or additional standard deduction for the filing status,	Schedule A is attached,	GTSEC 07 and enter Schedule A.
B] The amount on line 12 (TY21, line 12a; TY20, line 12) is larger than the standard deduction and/or additional standard deduction for the filing status,	Schedule A is not attached,	SSPND 211 for Schedule A.
C] The amount on line 12 (TY21, line 12a; TY20, line 12) is smaller than the standard deduction and/or additional standard deduction for the filing status,	Schedule A is not attached,	Assign TPNC 194 .

- (9) If the taxpayer **checks** one or more of the boxes for age or blindness but doesn't take the correct addition to the standard deduction and Schedule A is not present, allow the additional standard deduction and assign **TPNC 192**.

- (10) If the entry on line 12 (TY21, line 12a; TY20, line 12) is equal to a standard deduction with an addition for age or blindness for the tax year (TY23 in paragraph 7 above), but for a different FSC than the FSC on the return, assign **TPNC 194**.
- (11) When FSC is 3 and the taxpayer has checked any box for age or blindness for the spouse, delete the spousal indicators from Field 01ABI. If EC 250 redisplay, assign **TPNC 194** along with any other required TPNCs.

3.12.3.23.10.7
(01-03-2023)
Field 03SD> and Field 03ASD> (EC 250)

- (1) Taxpayers elect to use the standard deduction, additional standard deduction, or itemized deductions on Form 1040, line 12 (TY21, line 12a; TY20, line 12), to reduce their taxable income.
- (2) Compare the taxpayer's entry on Form 1040, line 12 (TY21, line 12a; TY20, line 12), with Fields 03SD>/03ASD>.

Note: These fields are computer-generated and are not correctable. To change the amount in these computer-generated fields, corrections must be made in the transcribable fields of EC 250.

- (3) See the following specific field instructions for the correction of fields that will generate a correction of line 12 (TY21, line 12a; TY20, line 12).
- Refer to *Field 01ABI* correction procedures when the amount on line 12 (TY21, line 12a; TY20, line 12) was figured using the age/blind criteria.
 - Refer to *Married Filing Separately and Spouse Itemizes/Dual Status Alien Checkbox* correction procedures when the amount on line 12 (TY21, line 12a; TY20, line 12) was figured using FSC 3 and Schedule A.
- (4) If the taxpayer is not FSC 3, doesn't check the spouse itemizes box, doesn't attach Schedule A, and entered an amount less than the standard deduction, assign **TPNC 194**.
- (5) If the taxpayer is reporting a casualty loss sustained from a federally declared disaster that occurred in 2016, 2018, 2019 (before 12/21/2019), 2020, or 2021 (before 2/26/2021), or from **Hurricane** Harvey, Tropical Storm Harvey, Hurricane Irma, Hurricane Maria, or the California wildfires in 2017 and January 2018, follow the procedures below.
- a. If both Form 4684 and Schedule A are present, ensure they are transcribed, and the disaster loss is present in Field 0716. Enter **D** in Field 01FPC.
- Note:** Taxpayers who are not claiming any other itemized deductions on Schedule A can include their standard deduction amount with their disaster loss on Schedule A, line 16, and transfer that total to Form 1040, line 12 (TY21, line 12a; TY20, line 12). The amount on Schedule A, line 16, must be identified as such.
- b. If **either** Form 4684 or Schedule A are not present, SSPND 211. Complete Form 6001 using the appropriate paragraph.
 - c. If **both** Form 4684 and Schedule A are **not** present, and taxpayer's amount on line 12 (TY21, line 12a; TY20, line 12) of Form 1040 is

greater than the standard deduction/additional standard deduction amount, SSPND 211. Complete Form 6001 using paragraph e with fill-in #35.

- d. If a previous math error is present, manually compute the taxable income and enter the computed amount in Field 94INV.

3.12.3.23.10.8
(01-01-2024)

Field 01DSI, Dependent Status Indicator (EC 250)

- (1) When the dependent status indicator box is checked, enter **1** in Field 01DSI.

Note: A dependent status indicator checkbox is located directly below both the primary and secondary taxpayer's name on page 1 of Form 1040.

Exception: If FSC is 1, 3, 4, 5, or 7 and the DSI box is checked for the secondary but the DSI box for the primary is **not** checked, then delete the entry in Field 01DSI.

- (2) The dependent status indicator (DSI) is used to tell the computer that the person filing the tax return can be claimed as a dependent on someone else's tax return. When the DSI code is present, the standard deduction amount may be **limited**, depending on the taxpayer's income.

- (3) The following are indications of a dependent being claimed on someone else's tax return:

- a. "Student" or "minor" is shown as occupation (or in the entity).
- b. A parent's signature is present.
- c. Form 8615 is attached.
- d. The taxpayer has earned income of less than \$10,000 (or an established amount set by the local center).
- e. The taxpayer has used a limited standard deduction amount.

- (4) Taxpayers who can be claimed as a dependent on someone else's tax return **can't claim any dependents**.

Exception: If the FSC is 2 and there is no tax liability [tentative tax on line 16 (TY19, line 12a; TY18, line 11a) is blank, zero, or a negative amount] when claiming only one dependent (other is a DSI), allow the other spouse dependent using Field 94EXV.

- a. Enter **0** (zero) in positions 1 and 3 through 8 or positions 2 through 8, based on the exemption being allowed in Field 94EXV.
- b. Enter **00** in Fields 94CEV and 94DEV.

- (5) Taxpayers who are claimed as a dependent by another person may be required to **limit** their standard deduction if their earned income is less than the standard deduction for their filing status. The **minimum** standard deduction amount is \$1,250 (TY22, \$1,150; TY21-TY19, \$1,100). Even taxpayers with no earned income are still entitled to a minimum of \$1,250 (TY22, \$1,150; TY21-TY19, \$1,100). If the taxpayer has earned income, the standard deduction amount is the **larger** of **\$1,250** (TY22, \$1,150; TY21-TY19, \$1,100) **or earned income plus \$400** (TY21-TY19, \$350), **up to the full standard deduction amount** (\$13,850 for FSC 1 in TY23). For example, on a TY23 return:

- If the taxpayer has earned income of \$1,250, add \$400 to that and the **limited** standard deduction is \$1,650.

- If the taxpayer has earned income of only \$600 plus \$400 = \$1,000. However, the **limited** standard deduction is \$1,250 because that is the TY23 minimum standard deduction amount.
 - If the taxpayer has earned income of \$14,000, the taxpayer is entitled to \$13,850, which is the TY23 **full** standard deduction amount for Filing Status 1.
- (6) Wages, salaries, certain “other income”, tips, and professional fees are considered “earned income” (for examples, see the Earned Income Section of Job Aid Book 2515-015). Schedule E, Rental and Partnership Income, or Schedule C or F Income may or may not be earned income. Follow the taxpayer’s intent.
- (7) The portion of any stipend, scholarship, or fellowship grant that represents payment for teaching, research, or other services are also considered earned income. Any amount of non-compensatory stipend, scholarship, or fellowship grant (TY22, reported on Schedule 1, line 8r; TY21 and prior, identified by “**SCH**” on the wages line), that is includable in gross income constitutes earned income **only** for purposes of the standard deduction. Include the non-compensatory stipend, scholarship, or fellowship grant in earned income for the purpose of figuring the allowable standard deduction.
- (8) When earned income is present on the return, that is **not** included as Wages, Schedule C, or Schedule F income, take the following actions:

Note: Refer to the Standard Deduction Worksheet for Dependents in Job Aid Book 2515-015 to calculate the correct limited standard deduction amount.

- a. Recompute earned income.
- b. Compare to Total Itemized Deductions, if Schedule A is present. If both the earned income and the itemized deductions are less than the Total Standard Deduction for FSC claimed, use whichever is greater.
- c. Enter the results in the appropriate fields.

Caution: Do not use Field 94EIV to verify earned income for the purpose of computing the limited standard deduction amount (Field 94SDV). Use the procedures in the following (9).

- (9) When a “DSI” return has “Other Income” in Field 04OTI from Schedule 1, line 8z (TY21-TY19, line 8), use the procedures in the following table.

If the “Other Income” is...	And...	Then...
	Schedule SE is not attached,	Enter N in Field 01RPC. Exception: If the taxpayer notes wages from parent, paper carrier, child’s non-SE earned income , or similar statement, do not enter RPC N. Instead, enter this amount and any other earned income plus \$400 (TY21-TY19, plus \$350) up to the allowable standard deduction amount in Field 94SDV.
B] Earned and non-earned income,	The taxpayer’s total of earned income (including line 1) is less than the basic standard deduction,	Enter the total earned income amount plus \$400 (TY21-TY19, plus \$350) in Field 94SDV. [Minimum of \$1,250 (TY22, \$1,150; TY21-TY19, \$1,100), see the preceding (5)]
C] “Earned Income”	The taxpayers total of earned income (including line 1) is less than the basic standard deduction,	Enter the total earned income amount plus \$400 (TY21-TY19, plus \$350) in Field 94SDV. [Minimum of \$1,250 (TY22, \$1,150; TY21-TY19, \$1,100), see the preceding (5)].

#

(10) Use the following table for correction procedures for Field 01DSI.

If the Filing Status is...	And...	Then...
A] FSC 1,	<ol style="list-style-type: none"> 1. The taxpayer did not check the dependent status indicator checkbox on page 1 of Form 1040, and, 2. The taxpayer has limited the standard deduction (or has enough income so that the standard deduction is not limited), 	<p>Enter 1 in Field 01DSI, when there is an indication that the taxpayer is claimed on someone else's return.</p> <p>Note: See the preceding (3) for indications of dependents claimed on someone else's return.</p>
B] FSC 1,	<ol style="list-style-type: none"> 1. The taxpayer has checked the dependent status indicator checkbox on page 1 of Form 1040, and, 2. The taxpayer didn't limit the standard deduction (or has enough income so that the standard deduction is not limited), 	<p>Delete the DSI code when information on the return (e.g., occupation, income amount or signature) indicates the taxpayer is entitled to the full standard deduction. Assign the appropriate TPNC.</p>
C] FSC 2,	<ol style="list-style-type: none"> 1. The taxpayers checked either the primary or secondary dependent status indicator box on page 1 of Form 1040, and 2. A tax liability exists (tentative tax), 	<ol style="list-style-type: none"> 1. Delete the DSI code and transmit. 2. Assign TPNC 198. <p>Exception: Enter 1 in Field 01DSI if there is no tax liability (tentative tax is zero/blank/negative).</p>
D] FSC 3 or 5,	The taxpayer has checked the dependent status indicator checkbox on page 1 of Form 1040,	<p>Delete entry in Field 01DSI if present. Assign the appropriate TPNC.</p>

If the Filing Status is...	And...	Then...
E] FSC 4,	The taxpayer has checked the dependent status indicator checkbox on page 1 of Form 1040,	<ol style="list-style-type: none"> 1. Change FSC to 1. 2. Assign TPNC 110, if EC 250 redisplay. Note: When unable to determine the proper coding, SSPND 211 with Form 5129.

- (11) If the taxpayer, who can be claimed as a dependent on someone else's tax return, made an error figuring their standard deduction amount, assign **TPNC 191**. If there is **no** entry for standard deduction on Form 1040, line 12 (TY21, line12a; TY20, line 12), assign **TPNC 194**.

3.12.3.23.10.9
(04-25-2022)

Married Filing Separately and Spouse Itemizes or Dual Status Alien Checkbox (EC 250)

- (1) If the FSC is 3 and the taxpayer's spouse has filed a separate return with itemized deductions or they are a dual status alien, the taxpayer is instructed to check the designated box under their spouse's name line on page 1 of Form 1040.
- (2) If the return is identified as "**Dual Status**", follow the procedures under IRM 3.12.2.3.7 when **all** of the following conditions are met:
- a. The FSC is other than 3.
 - b. The box indicating dual status alien is checked on page 1, Form 1040.
 - c. The standard deduction is not claimed.
- (3) If the **FSC is 3** and the taxpayer has **not** entered a standard deduction amount or **0** (zero) on line 12 (TY21, line 12a; TY20, line 12), Form 1040, check to see if the taxpayer has checked the "spouse itemizes" box on page 1 of Form 1040.
- (4) Use the following table for correction procedures involving FSC 3 and standard/itemized deductions.

If the taxpayer...	And...	Then...
A] Has checked the spouse itemizes box on page 1 of Form 1040,	<ul style="list-style-type: none"> • Didn't enter an amount or entered 0 (zero) on Form 1040, line 12 (TY21, line 12a; TY20, line 12), and • Schedule A is attached (or an attachment showing Itemized Deductions), but not transcribed, 	<ol style="list-style-type: none"> 1. GTSEC 07. 2. Enter all applicable fields.

If the taxpayer...	And...	Then...
B] Has checked the spouse itemizes box on page 1 of Form 1040,	<ul style="list-style-type: none"> • Didn't enter an amount or entered 0 (zero) on Form 1040, line 12 (TY21, line 12a; TY20, line 12), and • Schedule A is not attached (nor an attachment showing Itemized Deductions), 	<ol style="list-style-type: none"> 1. GTSEC 07, 2. Transmit.
C] Has checked the spouse itemizes box on page 1 of Form 1040,	<ul style="list-style-type: none"> • Claimed the standard deduction amount on Form 1040, line 12 (TY21, line 12a; TY20, line 12), and • Schedule A is attached (or an attachment showing Itemized Deductions), 	<ol style="list-style-type: none"> 1. GTSEC 07. 2. Enter all applicable fields. 3. Assign TPNC 188, if EC 250 redisplay. <p>Note: Enter Section 07 even if standard deduction or additional standard deduction amount is greater than itemized deductions.</p>
D] Has checked the spouse itemizes box on page 1 of Form 1040,	<ul style="list-style-type: none"> • Claimed the standard deduction amount on Form 1040, line 12 (TY21, line 12a; TY20, line 12), and • Schedule A is not attached (nor an attachment showing Itemized Deductions), 	<ol style="list-style-type: none"> 1. GTSEC 07 and transmit. 2. Assign TPNC 193.
E] Has checked the spouse itemizes box on page 1 of Form 1040,	<ul style="list-style-type: none"> • Claimed an amount greater than the standard deduction amount on Form 1040, line 12 (TY21, line 12a; TY20, line 12), and • Schedule A is not attached (nor an attachment showing Itemized Deductions), 	SSPND 211 for Schedule A.
F] Didn't check the spouse itemizes box on page 1 of Form 1040,	Schedule A is attached,	<ol style="list-style-type: none"> 1. GTSEC 07 (if necessary). 2. Enter all applicable fields 3. Assign TPNC 188 if EC 250 redisplay. <p>Note: Enter Section 07 even if standard deduction or additional standard deduction amount is greater than itemized deductions.</p>

If the taxpayer...	And...	Then...
G] Didn't check the spouse itemizes box on page 1 of Form 1040,	<ul style="list-style-type: none"> Form 1040 line 12 (TY21, line 12a; TY20, line 12) is blank, and Schedule A is not attached, (nor an attachment showing Itemized Deductions), 	Allow the standard deduction amount and assign TPNC 194 .
H] The taxpayer claims a fractional amount of the Schedule A total,		<ol style="list-style-type: none"> GTSEC 07. Adjust all applicable fields. Assign the appropriate TPNC, if a math error results. <p>Note: For Community Property and Registered Domestic Partners states, refer to IRM 3.12.3.24.4.14(3).</p>
I] The taxpayer claims an amount on Form 1040, line 12 (TY21, line 12a; TY20, line 12) that is greater than zero and less than the standard deduction,	Schedule A is not attached (nor an attachment showing Itemized Deductions),	<ol style="list-style-type: none"> GTSEC 07. Enter the amount claimed on Form 1040, line 12 (TY21, line 12a; TY20, line 12), in Fields 0716 and 0717.

- (5) If the taxpayer has checked the "spouse itemizes" box on page 1 of Form 1040, **claimed the spouse as a dependent** and attached Schedule A:

- Change position 2 in Field 01EXC from **1** to **0**.
- Change FSC to 3, if it was transcribed as 6.
- GTSEC 07 and transcribe Schedule A, if present.

Reminder: Taxpayers **can't** claim their spouse when checking the box that spouse itemizes on a separate return and attaching Schedule A.

3.12.3.23.10.10
(01-01-2023)
**Schedule A and Related
Information (EC 250)**

- (1) **TY21**, if Schedule A is present and there is an amount in Field 03NCC from Form 1040, line 12b, delete the amount in Field 03NCC. Then, GTSEC 07, and enter the amount in Field 0711 and adjust Fields 0714 and 0717.

Exception: If a different amount is already present in Field 0711, increase it by the amount on Form 1040, line 12b. Then delete the entry in Field 03NCC. If EC 250 redisplay, assign **TPNC 168**.

- (2) If the taxpayer is not FSC 3, does not check the spouse itemizes box on page 1 of Form 1040, or attach Schedule A, and entered 0 (zero) or blank for the standard deduction, assign **TPNC 194**.

Caution: Refer to DSI instructions (IRM 3.12.3.23.10.8) and/or instructions for FSC 3 (IRM 3.12.3.23.10.9) before assigning TPNC 194.

- (3) If the taxpayer has claimed **both** the standard deduction and Schedule A, the computer will use the more beneficial amount. Assign **TPNC 196**.
- (4) If an error on Schedule A reduces total itemized deductions to an amount less than the standard deduction, the computer will use the more beneficial standard deduction amount. Assign **TPNC 190**.

Caution: Before assigning **TPNC 190**, refer to **IRM 3.12.3.23.10.11**.

- (5) If the taxpayer attached (but did not use) a Schedule A, which was greater than the total standard deduction, but instead entered a standard deduction amount on Form 1040, line 12 (TY21, line 12a; TY20, line 12), assign **TPNC 189**.
- (6) If Form 1040, line 12 (TY21, line 12a; TY20, line 12), has an entry that is greater than the standard deduction amount or additional standard deduction amount for the filing status claimed, use the following table to resolve the error condition:

If...	And...	Then...
A] Schedule A, or an attachment showing itemized deductions is present,	Section 07 was not transcribed,	1. GTSEC 07. 2. Enter applicable fields.
B] The taxpayer has entries on Schedule A,	The taxpayer failed to total the itemized deductions on line 17, Schedule A,	Enter the amount from Form 1040 line 12 (TY21, line 12a; TY20, line 12) in Field 0717.
C] Schedule A or an attachment showing itemized deductions is not present,	the amount on Form 1040 line 12 (TY21, line 12a; TY20, line 12) is greater than the standard deduction, and does not match any of the additional standard deduction amounts,	SSPND 211 for Schedule A.
D] The taxpayer transferred an incorrect amount from line 17 of Schedule A to line 12 (TY21, line 12a; TY20, line 12) of Form 1040,		Assign TPNC 187 .

- (7) If the taxpayer didn't check the **itemized election** box (Field 07IEI) and used the Schedule A amount, but the standard deduction/additional standard deduction amount is greater, assign **TPNC 555**.

Note: See IRM 3.12.3.23.10.6 for the table of the TY22 standard deduction/ additional standard deduction amounts.

3.12.3.23.10.11
(01-01-2019)

Field 07IEI, Schedule A/Itemized Election Indicator (EC 250)

- (1) If the taxpayer elects to use itemized deductions even though the standard deduction amount may be greater, checks the box on Schedule A, line 18. This is done because it yields more benefits on the taxpayer's State Income Tax Return and/or Alternative Minimum tax calculations.

Note: The taxpayer may note **IE** on or near Form 1040, line 12 (TY21, line 12a; TY20, line 12) in lieu of checking the box on line 18, Schedule A.

- (2) Use the following table to resolve the entry in Field 07IEI:

If the taxpayer...	And...	Then...
A] Checked the box on line 18, Schedule A, or noted IE,	The Schedule A total amount is less than the standard deduction but greater than zero,	Enter 1 in Field 07IEI.
B] Noted IE on line 12 (TY21, line 12a; TY20, line 12) of Form 1040,	Schedule A is not attached and the amount on Form 1040 line 12 (TY21, line 12a; TY20, line 12) is less than the standard deduction amount,	1. GTSEC 07 and enter the amount in Fields 0716 and 0717. 2. Enter 1 in Field 07IEI.
C] Did not check the box on line 18 of Schedule A,	The Schedule A total amount is less than the standard deduction, Form 6251 is not attached,	Assign TPNC 555 .
D] Did not check the box on line 18 of Schedule A,	The Schedule A total amount is less than the standard deduction, Form 6251 is attached, and the taxpayer did not take the adjustment for standard deduction on line 1, Form 6251,	Enter 1 in Field 07IEI.

If the taxpayer...	And...	Then...
E] Did not check the box on line 18 of Schedule A,	The Schedule A total amount is less than the standard deduction, Form 6251 is attached, and the taxpayer did take the Adjustment for Standard Deduction on line 1, Form 6251,	Assign TPNC 555 .

3.12.3.23.10.12
(01-01-2020)

**Taxable Income, Field
03INC (EC 250)**

- (1) If the return covers a period less than 12 full months, see Short Year-Tax Return procedures in Error Code 260.
- (2) Taxpayers write “**Sch. Q**” or “**AMTI REMIC**” to the left of Form 1040, line 15, to explain their adjusted taxable income. The following table shows correction procedures for the taxable income adjusted because of Schedule Q or AMTI REMIC. The procedures for Schedule Q in the table apply equally to AMTI REMIC.

If...	Then...
A] The Schedule Q amount is greater than the computer’s underprint for Field 03INC,	2. Enter the amount in Field 94INV.
	Assign TPNC 731 .
1040, line 15,	1. Accept the computer’s figure for Taxable Income. 2. Assign any previously assigned TPNC.
line 15,	2. Enter the amount in Field 94INV.

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- (3) If either of the following write-in deductions are notated on the taxable income

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- Taxpayers who write “**CCF**” and an amount to the left of the taxable income line, Form 1040, are reducing their taxable income in accordance with Capital Construction Fund (CCF) deposits.
- Taxpayers who write “**DPAD 199A(g)**”, “**DPAD**” or “**199A(g)**” are to attach a statement notating DPAD 199A(g) and the deduction amount.

These taxpayers have a domestic production activities deduction passed through from an agricultural or horticultural cooperative under IRC 199A(g).

Exception: When there is a previous math error that changes the taxpayer's taxable income, subtract the **CCF or DPAD** amount from Taxable Income Computer and enter the amount in Field 94INV.

(4) If **Form 8903** is attached, and the difference in taxable income equals the

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(5) If the taxpayer's entry for Field 03INC differs from its computer underprint and the preceding conditions do not apply, assign **TPNC 731**.

3.12.3.23.10.13
(04-25-2022)

Prior Year (EC 250)

(1) 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.), assign **TPNC 218**.

(2) **For TY20 and prior, the computer cannot compute the correct amount for Taxable Income.** Use the following procedures:

Reminder: The computer is programmed to perform calculations for the current year and the two prior years.

- a. Verify that all fields displayed have been transcribed correctly.
- b. Manually compute Taxable Income (TXI) and enter the amount in the Taxable Income Verified Field (94INV).

(3) TY20 and prior, the computer uses the TY21 standard deduction (if Section 07 is not present). The computer will not calculate exemption amounts for TY17 and prior. Refer to the Prior-Year Chart in Prior Year Job Aid Book 2515-014 for the correct amounts for the tax year.

(4) Taxpayers who indicate they can be claimed on someone else's return and do not itemize, must limit their standard deduction. Refer to Prior Year Job Aid 2515-014 for the limited standard deduction amounts.

(5) TY17 and prior, if there is an error in subtracting the standard deduction or itemized deduction from AGI, manually verify taxable income and enter in Field 94INV. If EC 250 redisplay, assign **TPNC 199**.

(6) TY17 and prior, use the following table for correction procedures for **exemptions**.

If...	And...	Then...
A] RPC O is present,	Taxpayer did not claim EIC,	Manually verify taxable income without the primary's exemption amount and enter in Field 94INV. If EC 250 re-displays, assign TPNC 205 .
B] RPC O is present,	Taxpayer with SSN claims EIC,	Manually verify taxable income without the primary's exemption amount and enter in Field 94INV. If EC 250 re-displays, assign TPNC 748 .
C] RPC O is present,	Taxpayer with ITIN or IRSN claims EIC,	Manually verify taxable income without the primary's exemption amount and enter in Field 94INV. If EC 250 re-displays, assign TPNC 205 . When EC 337/338 generates, also assign TPNC 702 .
D] The taxpayer incorrectly added the exemptions claimed (lines 6a-6c),		Manually verify taxable income and enter in Field 94INV. If EC 250 redisplay, assign TPNC 200 .
E] The taxpayer correctly added the exemptions claimed (lines 6a-6c),	The taxpayer made an error computing the exemption amount based on the total exemptions claimed on line 6d,	Manually verify taxable income and enter in Field 94INV. If EC 250 redisplay, assign TPNC 200 .

- (7) TY17 and prior, if Field 94EXV differs from Field 01EXC because of corrections made in EC 010, 012, 013, 015, 017, or 018, refer to the following table.

If...	Then...
A] The spouse's exemption was disallowed at EC 010, 012, or 013),	Manually verify taxable income without spouse's exemption and enter in Field 94INV. If EC 250 redisplay, assign TPNC 206 (no EIC claim) or TPNC 701 (with EIC claim).
B] Any dependent SSN is missing, incomplete, or has an invalid SSN, consecutive or repeating numbers for example 123-45-6789 or 222-22-2222, or if the SSN was deleted in EC 013,	Manually verify taxable income without dependent's exemption and enter in Field 94INV. If EC 250 redisplay, assign TPNC 605 .
C] Any dependent born after tax period of return,	Manually verify taxable income without dependent's exemption and enter in Field 94INV. If EC 250 redisplay, assign TPNC 606 .
D] Any SSN matches that of a deceased person,	Manually verify taxable income without deceased person's exemption and enter in Field 94INV. If EC 250 redisplay, assign: <ul style="list-style-type: none"> • TPNC 607, if primary's SSN. • TPNC 608, if spouse's SSN. • TPNC 609, if a dependent's SSN.
E] Dependent SSN missing - any dependent born and died within tax period of return and no support provided,	Manually verify taxable income without dependent's exemption and enter in Field 94INV. If EC 250 redisplay, assign TPNC 610 .
F] The primary exemption was disallowed due to an expired ITIN (Field 01PIC> is I),	Manually verify taxable income without primary's exemption and enter in Field 94INV. If EC 250 redisplay, assign TPNC 642 .
G] The spouse's exemption was disallowed due to an expired ITIN (Field 01SIC> is I),	Manually verify taxable income without secondary's exemption and enter in Field 94INV. If EC 250 redisplay, assign TPNC 643 .
H] Any dependent exemption was disallowed due to an expired ITIN (Field 01DC1>, 01DC2, 01DC3>, 01DC4> is I),	Manually verify taxable income without dependent's exemption and enter in Field 94INV. If EC 250 redisplay, assign TPNC 644 .

- (8) TY17 and prior, use the following table for correction procedures for Field 01DSI.

If the Filing Status is...	And...	Then...
A] FSC 1,	<ol style="list-style-type: none"> 1. The taxpayer did not check the box on line 6a, 2. Did not make an entry or entered 0 (zero) or dash on the line to the far right of the box, 3. An exemption was claimed, 	<ol style="list-style-type: none"> 1. Enter 1 in Field 01DSI and transmit. 2. Manually verify taxable income without the exemption amount and enter in Field 94INV. 3. Assign TPNC 202 if EC 250 redispays. EXCEPTION: When information on the return (e.g., occupation, income amount or signature) indicates the taxpayer is entitled to the full standard deduction and exemption, delete the DSI code if present, manually verify taxable income with the exemption and enter in Field 94INV. Assign the appropriate TPNC.
B] FSC 1,	<ol style="list-style-type: none"> 1. The taxpayer has checked the box on line 6a, 2. The taxpayer has limited the standard deduction (or has sufficient income so that the standard deduction is not limited), 	Enter 1 in Field 01DSI when there is an indication that the taxpayer is claimed on someone else's return. Manually verify taxable income without the exemption and enter in Field 94INV.

If the Filing Status is...	And...	Then...
C] FSC 2,	The taxpayer has checked the box on line 6a/6b	Manually verify taxable income with the exemptions and enter in Field 94INV. If EC 250 redisplay, assign TPNC 203 . Note: Do not enter 1 in Field 01DSI. Exception: Enter 1 in Field 01DSI if there is no tax liability (tentative tax is zero/blank/negative).
D] FSC 2,	<ol style="list-style-type: none"> 1. The taxpayer did not check the box on 6a/6b, 2. The taxpayer did not claim an exemption on the line to the right of the box, 3. A tax liability exists (tentative tax), 	<ol style="list-style-type: none"> 1. Delete the DSI Code and transmit. 2. Manually verify taxable income with the exemptions and enter in Field 94INV. 3. Assign TPNC 203 if EC 250 redisplay.
E] FSC 3 or 5,	The taxpayer has checked the box on line 6a,	Delete entry in Field 01DSI if present. Manually verify taxable income with the exemption and enter in Field 94INV.
F] FSC 1 or 3,	The taxpayer did not check the box on line 6a and did not claim an exemption,	Enter 1 in Field 01DSI if appropriate (follow taxpayers' intent). Manually verify taxable income without the exemption and enter in Field 94INV.

If the Filing Status is...	And...	Then...
G] FSC 4	<ol style="list-style-type: none"> 1. The taxpayer did not check the box on line 6a, 2. Did not make an entry or enters 0 (zero) or dash on the line to the far right of the box, 3. Either suppresses the exemption value or not, 	<ol style="list-style-type: none"> 1. Change FSC to 1. 2. Manually verify taxable income without the exemption and enter in Field 94INV. 3. Assign TPNC 110 (if a tax liability exists, do not delete the DSI code). <p>Note: When unable to determine the proper coding, SSPND 211 with paragraph F for Form 5129.</p>
H] Form 1040EZ line 5 amount for combined standard deduction and exemption amount is incorrect,		Manually verify taxable income and enter in Field 94INV. If EC 250 redisplay, assign TPNC 197

- (9) Taxpayers who can be claimed as a dependent on someone else's tax return **cannot claim any dependents.**

Exception: If the FSC is 2 and there is no tax liability, allow the exemptions using Field 94EXV.

- Enter **0** (zero) in positions 1 and 3 through 8 of Field 94EXV.
- Enter **00** in Field 94CEV.
- Assign **TPNC 195** when the taxpayer attempts to claim exemptions for dependents and is a DSI filer.

- (10) TY17 and prior, the computer will not calculate an exemption amount. For TY17, TY16, TY15, TY14, and TY13, the exemptions were limited because of a high AGI amount. See the following table for the personal exemption amounts and limitation thresholds by tax year:

Tax Year	Exemption Amount	AGI FSC 1	AGI FSC 2 or 5	AGI FSC 3 or 6	AGI FSC 4 or 7
TY17	\$4,050	\$261,500	\$313,800	\$156,900	\$287,650
TY16	\$4,050	\$259,400	\$311,300	\$155,650	\$285,350
TY15	\$4,000	\$258,250	\$309,900	\$154,950	\$284,050
TY14	\$3,950	\$254,200	\$305,050	\$152,525	\$279,650

Tax Year	Exemption Amount	AGI FSC 1	AGI FSC 2 or 5	AGI FSC 3 or 6	AGI FSC 4 or 7
TY13	\$3,900	\$250,000	\$300,000	\$150,000	\$275,000

- a. For TY17, TY16, TY15, TY14, and TY13, if the taxpayer has limited or should have limited their exemption amount because of a high AGI (as shown in the previous chart), manually compute the exemption amount and taxable income and enter the correct amount in Field 94INV, Taxable Income Verified.

Caution: In any case where a previous math error is present, and the limitation of exemption amount applies, manually compute the exemption amount and taxable income and enter the correct amount in Field 94INV, Taxable Income Verified.

- b. If the taxpayer made an error limiting the exemption amount, assign **TPNC 201**.
- c. If the taxpayer limited the exemption amount but shouldn't have, assign **TPNC 200**.
- (11) Form 1040EZ, TY17-TY13, refer to the chart below by filing status for the combined standard deduction and personal exemption amount for taxpayers who are not claimed as a dependent by someone else.

Tax Year	FSC	Combined Amount	Standard Deduction	Personal Exemption
TY17	1	\$10,400	\$6,350	\$4,050
TY17	2	\$20,800	\$12,700	\$8,100
TY16	1	\$10,350	\$6,300	\$4,050
TY16	2	\$20,700	\$12,600	\$8,100
TY15	1	\$10,300	\$6,300	\$4,000
TY15	2	\$20,600	\$12,600	\$8,000
TY14	1	\$10,150	\$6,200	\$3,950
TY14	2	\$20,300	\$12,400	\$7,900
TY13	1	\$10,000	\$6,100	\$3,900
TY13	2	\$20,000	\$12,200	\$7,800

- (12) TY17 and prior, if the taxpayer made an error subtracting the exemption or combined standard deduction/exemption amount, assign **TPNC 208**.

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previous math error is present, manually compute taxable income and enter the amount in Field 94INV, Taxable Income Verified.

3.12.3.23.10.14
(01-01-2024)

**Allowable Taxpayer
Notice Codes (EC 250)**

(1) This table shows the allowable Taxpayer Notice Codes for **Error Code 250**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

(2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
101	We recomputed your tax using FSC 1.
102	We recomputed your tax using FSC 2.
103	We recomputed your tax using FSC 3.
104	We recomputed your tax using FSC 4.
105	We recomputed your tax using FSC 5.
106	We recomputed your tax using FSC 2. You can use this FS for the year of your spouse's death.
108	You didn't show the name of the person who qualifies you for FSC 4. We recomputed your tax using FSC 1.
109	We refigured your tax using FSC 3. You can't claim your spouse as an dependent when using FSC 1 or 4.
110	You can't qualify for FSC 4 if you can be claimed as a dependent on another person's return.
111	Your return has been converted to a Form 1040.
120	State income tax payments must be claimed on Schedule A.
176	Transferred AGI from page 1 to page 2 incorrectly.
180	Computed Gifts to Charity on Schedule A incorrectly.
187	Computed or transferred Schedule A incorrectly.
188	We used the attached Schedule A rather than the Standard Deduction since you filed as FSC 3.
189	We used your Itemized Deductions rather than the Standard Deduction for a lower taxable income.
190	We recomputed your taxable income using the Standard Deduction. Remaining total Itemized Deductions are less than the Standard Deduction.
191	You incorrectly computed your Standard Deduction when you can be claimed as a dependent on another person's return.

TPNC	Description
192	You incorrectly figured the Additional Standard Deduction for Age/Blind.
193	FSC 3 and checked the box that spouse itemizes. You can't use the standard deduction when the spouse uses Schedule A.
194	No amount for standard deduction or amount entered inconsistent with filing status.
195	If you are claimed as a dependent, you cannot claim any exemptions for dependents.
196	You can't claim both the Standard Deduction and Itemized Deductions. We used the amount that resulted in a lower taxable income.
197	Figured combined Standard Deduction and Personal Exemption amount incorrectly.
198	You can't be claimed as a dependent on another person's return if you file FSC 2 and have a tax liability. (TY18 and later)
199	You subtracted your standard deduction or itemized deductions from your AGI incorrectly. (TY17 and prior)
200	We changed your total exemption amount based on the number of exemptions you listed.
201	You didn't limit your exemptions correctly based on AGI and filing status.
202	You can't claim an exemption for yourself if you can be claimed as a dependent on another person's return.
203	Increased exemptions and lowered tax because you can't be claimed as a dependent on another person's return if you file FSC 2 and have a tax liability. (TY17 and prior)
204	We can't allow the exemption for your spouse with the filing status you used.
205	Disallowed primary exemption. Your SSN or ITIN was missing or invalid.
206	Disallowed secondary exemption. Spouse's SSN or ITIN was missing or invalid.
207	Gambling loss is more than standard deduction. This amount was included on Schedule A.
208	Error in the subtraction of your exemption or combined standard deduction/exemption amount. (TY17 and prior)
210	Refigured standard deduction, exemption, and tax for the correct tax year.

TPNC	Description
217	Based on our computation of your taxable income, you don't owe any tax.
218	We computed your tax for you.
541	No Reply. Form 8995/8995-A was not attached to the return.
554	No Reply, Schedule A.
555	We used your standard deduction amount instead of your itemized deduction because it lowers your taxable income.
558	You gave us information that changed the refund or amount you owe.
598	No Reply. Disallowed exemption for child that didn't live with you. Form 8332, Form 2120, or a copy of a divorce decree was incomplete or not attached.
605	For one or more of your dependents, SSN or ITIN was missing or invalid.
606	Disallowed exemption claimed for dependent born after December 31 of the year of the tax return.
607	Disallowed primary exemption. Deceased prior to the tax period.
608	Disallowed secondary exemption. Deceased prior to the tax period.
609	Disallowed exemption for dependent who was deceased prior to the tax period.
610	Disallowed exemption for dependent without TIN who was born and died. No birth certificate attached.
615	Computed QBID amount incorrectly.
642	Disallowed primary exemption. ITIN expired.
643	Disallowed spouse's exemption. ITIN expired.
644	Disallowed dependent exemption. ITIN expired.
701	Disallowed spouse's exemption and EIC. Spouse's SSN missing or invalid.
731	Error in subtraction of standard deduction (or itemized deductions) and QBID from AGI. (TY18 and later)
748	Disallowed primary exemption and EIC. SSN or name doesn't match SSA records.
758	Removed non-itemized charitable contribution as not valid for the tax year.

TPNC	Description
759	We adjusted your return because you reported income or withholding from different tax years. We processed your return with only the income and withholding for the year of the tax return.
817	Primary or secondary ITIN has expired. Disallowed certain credits: Education credits, CTC, ACTC.
818	Primary or secondary SSN or ITIN missing or invalid. Disallowed certain credits: Education credits, CTC, ACTC.
825	Adjusted Form 2441 because dependent on Form 2441 was born after the tax period.
***	Any previously assigned TPNC.

3.12.3.24
(01-01-2017)
Error Codes 252-264

- (1) Instructions for Error Codes 252 to 264 follow.

3.12.3.24.1
(01-01-2019)
Error Code 252 - Reserved

- (1) Error Code 252 - Reserved.

3.12.3.24.2
(01-01-2017)
**Error Code 256 (CE)
Form 8615 Deductions**

- (1) Error Code 256 instructions follow.

3.12.3.24.2.1
(01-01-2023)
Fields Displayed, Form 1040 (EC 256)

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
0717	Total Itemized Deductions
0717>	Total Itemized Deductions Computer
3302	Form 8615 Deductions
	Section 07 Not Present

3.12.3.24.2.2
(02-23-2023)
Invalid Conditions (EC 256)

- (1) **Error Code 256** generates when **any** of the following exist:
- Schedule A is not present, and Form 8615 Deductions (Field 3302) is greater than \$2,500 (TY22, \$2,300; TY21-TY19, \$2,200).
 - Schedule A is present, and Total Itemized Deductions Computer plus \$1,150 (TY21-TY19, \$1,100) is greater than \$2,500 (TY22, \$2,300; TY21-TY19, \$2,200) but less than Form 8615 Deductions.
 - Total Itemized Deductions Computer plus \$1,150 (TY21-TY19, \$1,100) is less than \$2,500 (TY22, \$2,300; TY21-TY19, \$2,200), and Form 8615 Deductions is greater than \$2,500 (TY22, \$2,300; TY21-TY19, \$2,200).

3.12.3.24.2.3
(02-23-2023)
Correction Procedures (EC 256)

- Correct coding and transcription errors and misplaced entries in displayed fields.
- Field 3302 is transcribed from line 2 of Form 8615.
- DLSEC 33 when Form 8615 Deductions (Field 3302) amount minus \$1,150 (TY21-TY19, \$1,100) is greater than total itemized deductions computer. If Error Code 265 displays, assign **TPNC 220**.
- If Error Code 256 generated because a previous error affected Field 0717, DLSEC 33. If Error Code 265 displays, assign **TPNC 220**.
- DLSEC 33 when the taxpayer used the standard deduction and the amount on line 2 of Form 8615 is greater than \$2,500 (TY22, \$2,300; TY21-TY19, \$2,200). If Error Code 265 displays, assign **TPNC 220**.

3.12.3.24.2.4
(01-01-2020)
Prior Year (EC 256)

- TY18 and prior, the computer cannot accurately compute the Form 8615 deductions.
- DLSEC 33 when Form 8615 Deductions (Field 3302) amount minus \$1,050 for TY18-TY16 (\$1,000 for TY15-TY14), is greater than total itemized deductions computer. If Error Code 265 displays, assign **TPNC 220**.
- DLSEC 33 when the taxpayer used the standard deduction and the amount on line 2 of Form 8615 is greater than \$2,100 for TY18-TY16; \$2,000 for TY15-TY14. If Error Code 265 displays, assign **TPNC 220**.
- TY13 and prior, enter **C** in the Clear Field.

3.12.3.24.3
(01-01-2017)
**Error Code 258 and 558
- Form 8615 Tax**

- Error Code 258/558 instructions follow.

3.12.3.24.3.1
(01-01-2023)
Fields Displayed, Form 1040 (EC 258)

- This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01NL1	First Name Line

1040	Field Name
01NL2	Second Name Line
01DSI	Dependency Status Indicator
03INC	Taxable Income Amount
>>>>	Taxable Income Computer
94INV	Taxable Income Verified
33PNC	Parent's Name Control
33PSS	Parent's SSN
3301	Form 8615 Gross Investment Income
3302	Form 8615 Deductions
3318	Form 8615 Tax
>>>>	Form 8615 Tax Computer
3318V	Form 8615 Tax Verified

3.12.3.24.3.2
(01-01-2017)

Invalid Conditions (EC 258)

- (1) **Error Code 258** generates when Section 33 is present, and **either**:
 - a. Form 8615 Tax is not equal to Form 8615 Tax Computer
 - b. Form 8615 Tax Computer is equal to Tentative Tax Computer
 - c. A math error is present, and Total Tax IMF is not equal to Total Tax Computer.
- (2) **Error Code 258** generates when Section 33 is present, Form 8615 Tax Verified (Field 3318V) is not present, and **either** of the following exist:
 - a. The difference between Taxable Income and Taxable Income Computer is \$500 or more.
 - b. The difference between Taxable Income and Taxable Income Computer is less than \$500, Taxable Income Computer is present, and Form 8615 Tax (Field 3318) is not present.
- (3) **Error Code 558** generates when a math error is not present, and any of the allowable Carryover Statutory Credits differ from their respective computer-generated amounts.

3.12.3.24.3.3
(04-25-2022)

Correction Procedures (EC 258)

- (1) Take the following correction procedures **first**:
 - a. Correct any coding and transcription errors and misplaced entries in displayed fields.
 - b. Check Field 01DSI for errors.
 - c. If Schedule D is present, GTSEC 12 and verify it was transcribed correctly.
 - d. Delete any negative entries made by the taxpayer. Follow specific instructions for each field outlined.

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Note: References to the term "parent" includes "legal guardian."

- (2) DLSEC 33 if EC 258 displays because of a previous math error (e.g., the difference between Taxable Income and Taxable Income Computer is \$500.00 or more). If EC 265 displays, assign **TPNC 220** if applicable.
- (3) Check the name area, page 1 of Form 1040, and the signature area to determine if an entry belongs in Field 01NL2.
- (4) Use the following table if EC 258 displays (TY04 and later) because Taxable Income Computer is present, and Form 8615 Tax (Field 3318) is not present:

If...	And...	Then...
A] An entry is present on tentative tax, Form 1040, line 16,		Enter the tentative tax amount into Field 3318 (exclude any amount from Form 4972 and 8814).
B] The taxpayer figured Form 8615, line 18 (TY19, line 7) to 0 (zero),		Then enter \$1 in Field 3318V.
C] No entry is present on Form 1040, line 16, and Form 8615, line 18 is blank,	<ol style="list-style-type: none"> 1. The taxpayer did not compute Form 8615 tax, and 2. Taxable Income Computer is 	Enter \$1 in Field 3318V.
D] No entry is present on Form 1040, line 16, and Form 8615, line 18 is blank,	<ol style="list-style-type: none"> 1. The taxpayer did not compute Form 8615 tax, and 2. Taxable Income Computer is 	<ol style="list-style-type: none"> 1. DLSEC 33. 2. Assign TPNC 215 if EC 265 displays, if applicable (see note).

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Note: Check the name area, page 1, Form 1040 and the signature area to determine if an entry belongs in Field 01NL2.

- (5) SSPND 410 to the lead tax examiner when Form 8615 must be manually computed.
- (6) Use the following table when a tax return has a Form 8615:

Note: If a child cannot sign their own tax return, a parent or legal guardian is instructed to sign the child's name followed by "By (adult's signature), parent/guardian for minor child". Code and Edit will edit the parent's name as the Second Name Line and edit "Minor" to the taxpayer's name when a return is received from a minor taxpayer and the parent signs the return.

If...	Then...
A] Field 01NL2 does not have an address entry,	Enter the parent's name in Field 01NL2.
B] Field 01NL2 has address data,	Do not enter the parent's name in Field 01NL2.
C] Any of the following: -A signature is missing, -There is any doubt about the signer's relationship to the child,	SSPND 211.

- (7) Take the following actions when the taxpayer indicates that they will pay the **maximum tax** rate, **or** sends in an incomplete return, and they requests the IRS to compute the tax on Form 8615, even if the Form 8615 is not present:

- a. GTSEC 33 and enter the child's Net Investment Income into Field 3301.
- b. Compute Form 8615 tax using line by line instructions in Part I, lines 1 through 5, and Part III, lines 14 and 15. On line 2, use \$2,500 (TY22, \$2,300; TY21-TY19, \$2,200), whether or not the taxpayer itemized.
- c. Enter the result in Field 3318V (Form 8615 Tax Verified).
- d. On the next screen, assign **TPNC 218**.

3.12.3.24.3.4
(01-01-2017)
**Taxable Income Amount
Verified (EC 258)**

- (1) This field is for **ERS input only**. It is to be used when the taxpayer has used a special computation and the computer cannot arrive at the correct taxable income.

3.12.3.24.3.5
(04-25-2022)
**Field 3301, Form 8615
Gross Investment
Income (EC 258)**

- (1) Use the following table to correct Field 3301:

If line 1...	Then...
A] Is blank,	1. Add the amount on line 3 to the amount on line 2, Form 8615. 2. Enter this amount in Field 3301.
B] Is \$2,500 or less (TY22, \$2,300 or less; TY21-TY19, \$2,200 or less),	1. DLSEC 33. 2. Assign TPNC 215 when EC 265 displays.
C] Cannot be determined,	SSPND 211.

3.12.3.24.3.6
(01-01-2017)
**Field 3318, Form 8615
Tax (EC 258)**

- (1) This field is transcribed from line 18 of the Form 8615 (TY19-TY18, line 7).
(2) The computer's amount for Form 8615 Tax will be set equal to the taxpayer's figure for Form 8615 Tax.

3.12.3.24.3.7
(01-01-2017)

**Field 3318V, Form 8615
Tax Verified (EC 258)**

- (1) This field is to be used whenever the computer cannot correctly compute the Form 8615 Tax.

3.12.3.24.3.8
(01-01-2017)

**Correction Procedures
(EC 558)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for Error Code 258.
- (3) Enter **C** in the Clear Field if there are no corrections to be made.

3.12.3.24.3.9
(01-01-2019)

**Prior Year/Maximum
Rates (EC 258)**

- (2) If the taxpayer indicates that they will pay the **maximum tax** rate or sends in an incomplete return and they request IRS to compute the tax, Form 8615, even if the Form 8615 is not present, do the following:
- GTSEC 33 and enter the child's net investment income into Field 3301.
 - Compute Form 8615 tax using line by line instructions in Steps 1 (lines 1 through 5) and 3 (lines 14 and 15) of the form. Subtract:
 - \$2,100 for TY17 - TY16
 - \$2,000 for TY15 - TY13
 - Multiply line 5 by the "maximum" tax rates listed and enter the result in Field 3318V:
 - TY17 - TY13, apply 35 percent
- (3) TY12 and prior - Accept the taxpayer's entry for Prior Year Form 8615 and enter in Field 3318V

3.12.3.24.3.10
(01-01-2017)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 258)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 258**.
- Note:** The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
191	You incorrectly computed your Standard Deduction when you can be claimed as a dependent on another person's return.
214	Transferred tax from Form 8615 incorrectly.
215	You don't need to file Form 8615.
218	We computed your tax for you.

TPNC	Description
221	We refigured your tax liability by subtracting the tax paid on Form 8615.
558	You gave us information that changed the refund or amount you owe.
559	We refigured the tax on your tax return using the maximum tax rate. Form 8615 didn't include the parent's taxable income.
***	Any previously assigned TPNC.

3.12.3.24.4
(01-01-2017)

Error Code 260 (CE)
CCC Y

- (1) Error Code 260 instructions follow.

3.12.3.24.4.1
(01-01-2023)

Fields Displayed, Form
1040 (EC 260)

- (1) The following fields are displayed:

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
02RI	Revalidation Indicator
01CCC	Computer Condition Code
01EXC	Exemption Code
94EXV	Exemption Code Verified (ERS input only)
01RPC	Return Processing Code
01ACD	Audit Code Field
03INC	Taxable Income
>>>>	Taxable Income Computer
94INV	Taxable Income Verified
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
94TTV	Tentative Tax Verified
05USS	Uncollected Tax on Tips
03TAX	Total Tax IMF
>>>>>	Total Tax IMF Computer

1040	Field Name
94TXV	Total Tax IMF Verified
05ESS	Excess SST Withheld
03BDR>	Balance Due/Overpayment Taxpayer Computer
>>>>>	Balance Due/Overpayment Computer
02CD1	Unallowable Code 1
02AM1	Unallowable Amount 1
02CD2	Unallowable Code 2
02AM2	Unallowable Amount 2
02CD3	Unallowable Code 3
02AM3	Unallowable Amount 3
63SPF	Form 8958 Spouse or Partner First Name
63SPL	Form 8958 Spouse or Partner Last Name
63SPN	Form 8958 Spouse or Partner SSN
	Section 63 Not Present

3.12.3.24.4.2
(01-01-2017)
Invalid Conditions (EC 260)

- (1) **Error Code 260** generates when Computer Condition Code Y is present in Field 01CCC.

3.12.3.24.4.3
(01-26-2023)
Correction Procedures (EC 260)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) **All MeF Returns must be revalidated.** Enter **R** in Field 02RI and transmit.
- (3) If EC 260 displays, Field 01RPC has an “O” in the field, and other exemptions (e.g., secondary or dependents) have been disallowed using Field 94EXV, then position 1 of Field 94EXV must be “0” (zero) to disallow the exemption for the primary taxpayer.
- If RPC O **doesn’t** display in Field 01RPC, delete CCC Y.
 - If RPC O **displays** in Field 01RPC and Field 94EXV is blank, delete CCC Y.
 - If RPC O **displays** in Field 01RPC, and Field 94EXV has an entry, take the following actions:
 - Enter **0** (zero) in the first position of Field 94EXV to disallow the exemption for the primary taxpayer.
 - Delete CCC Y, when EC 260 redisplay.
- (4) **CCC Y is present on returns to force them to ERS because they require special handling or special tax computations when programming can’t**

accurately compute tax. CCC Y may be edited by Code and Edit, generated by MeF Code and Edit business rules, or computer generated on certain returns.

- Paper Returns - Code and Edit will leave an action trail to identify why CCC Y was edited.
- **MeF Returns** - Code and Edit values can be found on the left side of the EUP screen with the notation "Code and Edit Values". To determine the reason CCC Y was edited, click on this notation and it will display at the bottom of the screen.

Note: On MeF returns, if **Fractional exemption** is noted, review and correct the entry in position 8 of Field 01EXC when more than nine dependents are claimed in position 3, 5, 6, or 7. If Field 01EXC is correct, delete CCC Y.

- (5) Some of the most common Y-coded cases are listed here with correction procedures following.
- a. **MeF Returns.**
 - b. Excess SST
 - c. Prior-year returns: 202111 and prior
 - d. Tentative Tax Verified, Field 94TTV
 - e. Total Tax Verified, Field 94TXV
 - f. Multiple Filers on Same Return
 - g. Multiple Tax Periods on Same Return
 - h. Fiscal-year tax return
 - i. Short-year tax return (includes Bankruptcy)
 - j. Annualized Income
 - k. Decedent returns filed early
 - l. Unallowables with CCC Y on MeF returns
 - m. Gambling Income netted to zero and Form(s) W-2G or a similar statement attached
 - n. Joint non-compute returns
 - o. Certain "combat zone" returns
 - p. KITA: killed in terrorist actions
- (6) Form **SSA/RRB 1042-S** - CCC Y generates on MeF Form 1040 with Form SSA or RRB 1042-S attached. Form SS/RRB 1042-S is issued by the Social Security Administration to report benefits to nonresident aliens. In some circumstances, these benefits can be reported on Form 1040. Follow these procedures for MeF returns.

If...	And...	Then...
A] Form SSA/RRB 1042-S is attached,	Other income (wages, pension, interest, etc.) is reported on the return along with the Social Security benefits,	Enter C in the Clear Field.

If...	And...	Then...
B] Form SSA/RRB 1042-S is attached,	No other income is reported,	SSPND 651 for International processing. (AUSPC SSPND 610.)

- (7) **Write-ins included in total tax** - If taxpayer notes UT Tax, COBRA, or any other item beside the entry on Schedule 2, line 8 (TY18, Schedule 4, line 62), refer to EC 334, in IRM 3.12.3.28.11.10. **Delete CCC Y** if no other conditions in the return require it.
- (8) **Manual Refunds** - Any return delivered by a W&I SP liaison for Taxpayer Advocate Service (TAS) as a manual refund should be processed by a lead tax examiner or designated tax examiner according to the following procedures and in the order shown.
- Edit CCC **O** (the letter O) on a paper return.
 - Enter **O** (the letter O) in Field 01CCC.
 - Code and Edit will "X" the refund line for no transcription. GTSEC 03 and delete any entry in Field 03BDR.
 - Delete **Y** from Field 01CCC.
 - Process the return according to procedures.
 - Correspondence.** If the return requires correspondence for missing or incomplete information, then:
 - Complete Form 6001/A (Letter 12C), Correspondence Action Sheet, and request all information that is missing or incomplete.
 - Inform the TAS liaison of all information being requested.
 - SSPND 351 and give the return back to the W&I SP liaison.
 - Other suspense action.** If the return requires other suspense action, then:
 - Suspend the return with SSPND 351.
 - Inform the W&I SP liaison of the reason of the suspense and give the return back to the W&I SP liaison.
 - Assigning TPNCs.** When a math error occurs in the return, then:
 - Assign any TPNCs according to procedures.
 - Inform the W&I SP liaison of the TPNCs.
 - SSPND 351 at EC 370 and give the return to the W&I SP liaison.
 - At EC 370:**
 - Print the screen of the error code and highlight the computer-generated refund and attach the print to the front of the return. Do not obscure the entity.
 - Enter the taxpayer's figure for the refund in Field 03BDR.
 - If EC 370 redispays because of a math error in the refund, then:
 - print the screen of the error code and highlight the computer-generated refund.
 - attach the print to front of the return, leaving the entity visible.
 - assign the appropriate TPNC.
 - Give the processed return back to the W&I SP liaison.
 - Manual refunds delivered by a W&I SP liaison for returns held in Rejects with Action Code 351.
 - Follow the instruction given by the W&I SP liaison concerning correspondence and TPNCs.
 - Refer to paragraph f) and h) above.

- (9) Delete CCC Y when edited incorrectly by Code and Edit or incorrectly generated by the computer.
- (10) Enter **C** in the Clear Field after all corrections have been made.

3.12.3.24.4.4
(01-18-2022)
Prior Year (EC 260)

- (1) The ERS programming can figure tax for three tax periods, the most recent complete calendar year and the two before. In processing year 2024 the programming can figure tax for tax year 2023, 2022, and 2021. All TY20 and prior tax returns require manual computation.

Caution: If using CC TXCMP to determine the tax amount and it differs from the taxpayer's amount by less than \$10, accept the taxpayer's amount for tax.

- (2) For **TY20 and prior**, the computer can't compute the correct amount for **taxable income, tentative tax, credits, other taxes and refundable credits**. Manually verify the amounts and enter the correct amounts in the verified fields whenever the computer can't compute the correct amount.

Caution: If a previous math error is present, manually verify prior year returns and enter the correct amount in the applicable verified fields.

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math error is present, manually compute Taxable Income and enter the correct amount in Taxable Income Verified, Field 94INV, and compute the correct amount for Tentative Tax and enter it in Tentative Tax Verified, Field 94TTV. Refer to EC 250 Prior Year, IRM 3.12.3.23.10.13 and EC 265 Prior Year, IRM 3.12.3.25.1.15.

- (4) All other instructions for correcting prior year returns are in the appropriate error codes.

3.12.3.24.4.5
(01-01-2019)
**Tentative Tax Verified,
Field 94TTV (EC 260)**

- (1) This is an **ERS Input Only** field. When the computer can't arrive at the correct tax, the Tentative Tax is entered in this field. On TY19 and prior returns, ensure Form 8814 Tax and Form 4972 Tax are correctly computed (if present), before entering tentative tax verified.

3.12.3.24.4.6
(01-01-2017)
**Total Tax Verified, Field
94TXV (EC 260)**

- (1) This is an **ERS Input Only** field. It is used when the taxpayer has used a special computation and the computer can't arrive at the correct total tax. The total tax is manually computed and entered in this field.

3.12.3.24.4.7
(01-17-2017)
**Multiple Filers on Same
Return (EC 260)**

- (1) If filers include wages or other income or withholding that doesn't belong to the primary or secondary taxpayer, Code and Edit will edit CCC Y and Action Trail "Multiple Filers".
- (2) See IRM 3.12.2.3.19 to work the return.
- (3) Delete CCC Y.

3.12.3.24.4.8

(01-17-2017)

Multiple Tax Periods on Same Return (EC 260)

- (1) If the taxpayer includes income for a tax year different from then printed on the form, Code and Edit will edit CCC Y and Action Trail "Multiple Tax Periods".
- (2) See IRM 3.12.2.3.20 to work the return.
- (3) Delete CCC Y.

3.12.3.24.4.9

(04-24-2023)

Fiscal-Year Tax Return (EC 260)

- (1) A fiscal year return is a twelve-month period that ends on the last day of any month other than December.
- (2) Special computations are necessary in these instances.
 - a. Wages do not match the amount shown on Form(s) W-2 because the wages from Form(s) W-2 are for a calendar year.

Note: Withholding, in contrast, should always agree with the amount shown on the Form(s) W-2.
 - b. Code and Edit perfects the tax period in the format YYMM. MM shows the final month of the tax period.
- (3) Tax computation may be different for each of the two calendar years within the fiscal year.
 - a. If the taxpayer has provided a fiscal-year computation, figure tax with the taxpayer's fiscal-year computation.
 - b. If the taxpayer has not provided a fiscal-year computation, figure tax with the rates in effect when the fiscal year began. For fiscal year 202402 you would use the tax rates for 202312, for instance.
- (4) TY22 and later short-year and fiscal-year returns, if "IRA22DPE" or "IRA22TRE" is noted on Schedule 3, line 13a, or elsewhere on the return, determine if **5** is present in Field 01RPC. If RPC 5 is not present, take the following actions:
 - a. If "IRA22DPE" is noted on Schedule 3, line 13a, or elsewhere on the return, enter **3** in Field 01CCC, and enter **5** in Field 01RPC.
 - b. If "IRA22TRE" is noted on Schedule 3, line 13a, or elsewhere on the return, enter **5** in Field 01RPC.
 - c. Follow local procedures to route a scan or copy of the return to the local SP point of contact for Deemed Payment Election (DPE) returns.

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3.12.3.24.4.10

(04-24-2023)

Short-Year Tax Returns (EC 260)

- (1) Taxpayers file a short-year Tax Return when they change an accounting period. Except in situations where an automatic change is available, the taxpayer must apply for and receive permission for the change before it can be accepted. Be sure CCC Y is present to change the accounting period at the Master File. SSPND 211 if one of the following is not attached to the return:
 - a. A statement relating to an application.

- b. A copy of the application.
 - c. Form 1128.
- (2) TY22 and later short-year and fiscal-year returns, if “IRA22DPE” or “IRA22TRE” is noted on Schedule 3, line 13a, or elsewhere on the return, determine if **5** is present in Field 01RPC. If RPC 5 is not present, take the following actions:
 - a. If “IRA22DPE” is noted on Schedule 3, line 13a, or elsewhere on the return, enter **3** in Field 01CCC, and enter **5** in Field 01RPC.
 - b. If “IRA22TRE” is noted on Schedule 3, line 13a, or elsewhere on the return, enter **5** in Field 01RPC.
 - c. Follow local procedures to route a scan or copy of the return to the local SP point of contact for Deemed Payment Election (DPE) returns.
- (3) It is not necessary to change the accounting period for bankruptcy returns (**IRC 1398 Election**), and Form 1128 is thus not necessary. If a return is identified as a “Bankruptcy” return, verify the taxpayer’s amount of tax and enter in Field 94TTV. Then enter **C** in the Clear Field. Do not delete CCC Y.
- (4) The tax for short-year returns must be computed from **annualized income** unless the return is a short-year final return. See IRM 3.12.3.24.4.11 for instructions for the annualized income.

Note: If the taxpayer died during the tax period and CCC Y is present, delete Y from Field 01CCC and compute the return as a return for the full year.

- (5) **The standard deduction is not allowed. The taxpayer must itemize deductions** in computing annualized taxable income or the tax on such income. If ERS corresponds for Schedule A and the taxpayer’s reply is considered a no reply or the taxpayer notes “No Itemized Deductions”, use zero for the total itemized deductions.
- (6) **Withholding** is allowed only for periods that contain the month of December because Form(s) W-2 are written for calendar years.

Example: Taxpayers who file a short-year return for January 14 through September 30 may not claim the withholding shown on their Form(s) W-2 for that tax period. The withholding would be allowed only for the filing year beginning October 1 because it would include December.

- (7) When the taxable income is based on the Annualized Basis, the **Credits** are also limited in the same manner. The credit to be allowed must be computed using the same percentage used to prorate the Exemption amount and entered separately, then the computer will allow the credit against the tax on the basis of annualized taxable income.
- (8) A **net operating loss** for a Short Year Taxable Return is to be computed in the regular manner, by reference to the actual income and deductions for the Short Taxable Year without placing them upon an annualized basis. The same rule would apply in computing a net operating loss carryover where one of the intervening years is a Short Taxable Year. The amount of the loss allowable would be determined by the actual net loss income of the short year without annualization.

- (9) For Self-Employment Quarters Covered on Schedule SE, determine the entry in Field 17QC using the following:
- A fraction of a quarter counts as a full quarter. The quarters begin in January, April, July, and October. If the tax period covers more than three quarters, blank the field.
 - Code 1 - One Quarter
 - Code 2 - Two Quarters
 - Code 3 - Three Quarters

Note: A taxpayer filing a short-period return is not eligible for the earned income credit **unless** a short-period return is filed for a deceased taxpayer and the return satisfies all the requirements for the credit. Otherwise enter RPC B. Refer to Error Code 336/338.

3.12.3.24.4.11
(01-02-2019)

Annualized Income (EC 260)

- (1) Total Annualized Income is:
 - The Adjusted Gross Income.
 - Minus Itemized Deductions.
 - Minus the prorated Exemption amount
 - Times 12.
 - Divided by the number of months in the Short Year Period.
- (2) Determine the **Taxable Income** on a Short Year Tax Return as follows:
 - Verify the total income shown on Form 1040, line 9 (TY19, line 7b; TY18, line 6).
 - Verify the subtraction of Adjustments to Income to arrive at Adjusted Gross Income.
 - Subtract the total amount of Itemized Deductions (Standard Deduction is not allowed for Short Year Tax return).
 - TY18 and later, skip to (f). TY17 and prior, prorate the exemption amount. To figure the prorated amount:
 - 1) Divide the number of months (or days) in the Short Year Tax period by 12 months (or 365/366 days) (part of a month is considered a full month).
 - 2) Multiply this percentage by the total exemption(s) amount for a calendar year.

Example: If a short-year period is for 9 months and only one exemption is claimed, the percentage is 75 percent. 9 divided by 12 = 75 percent (the prorated percentage) 75 percent times \$4,050 = \$3,038 (the prorated exemption amount).
 - Subtract the prorated exemption amount from the result of the preceding (c).
 - Multiply that amount by 12.
 - Divide by the number of months in the short-year period to arrive at the total annualized income.
- (3) To **compute the tax**, use the total Annualized Income and appropriate tax rate table or schedule. Then use the same percentage used to prorate the exemption amount to prorate the tax.

Example: If the tax is determined to be \$600, multiply this amount by the same percentage you used to prorate the exemption. Thus, the correct prorated tax would be \$450 in the case of the example used previously. (\$600 times 75 percent = \$450)

- (4) When a taxpayer changed to a **52-53 week** fiscal year, the tax is annualized in the same manner except the computation is done on a daily basis, rather than a monthly basis. If the taxpayer used total days in a year instead of months (12), you can use the same formula. Substitute 365/366 days for 12 months and divide by the number of days in the period covered to get your prorated percentage.

Note: Self-employment tax is figured on actual Self-Employment income and is not annualized. For "Self-Employment Quarters Covered" (Field 17QC), refer to IRM 3.12.2.17.3.7.

3.12.3.24.4.12
(04-25-2022)

**Decedent Returns Filed
Early (EC 260)**

- (1) If the early filed return is **not a joint return** and the taxpayer died after December 31, 2020, and the return is early filed, process it using the tax period for the month and year of the death. Code and Edit edits CCC Y for non-joint decedent returns that are filed early. The CCC Y also serves the purpose of changing the accounting period at Enterprise Computing Center at Martinsburg (ECC-MTB). Do not delete the CCC Y from these returns. Taxpayers are entitled to computations for tax year 202112. Schedules for the self-employment tax and the tax rates for tax year 2021 are in the tax packet for Form 1040ES.
- (2) If the early filed return is a **joint return** and only **one** taxpayer is deceased, SSPND 480. Wait until January to request any missing information, since the return cannot be processed before that time.

Note: These returns must be renumbered in January with a current list year DLN.

- (3) If both the primary and secondary taxpayers died during the tax period of the return, enter **A** in Field 01CCC.
- (4) If the date of death is not present, SSPND 211. Complete Form 6001 using paragraph C.

3.12.3.24.4.13
(03-21-2023)

**Unallowables with CCC
Y (EC 260)**

- (1) When the taxpayer has claimed FSC 5 for more than two consecutive years, the third return filed with FSC 5 becomes unpostable because of the improper use of the filing status. Process these returns according to the steps below.
- Delete Y from Field 01CCC, if present.
 - Change the FSC to 4.
 - If EC 250 generates (the taxpayer is using the standard deduction in this instance), assign **TPNC 104** along with any other required TPNCs.
- (2) Unallowables identified on a **Modernized E-file Return** (MeF) will generate Y in Field 01CCC for manual verification of the unallowable condition. Initiate the following action:

Note: Click on the applicable pen or scroll to the bottom of the return to identify the unallowable condition and amount. The MeF UA condition does not have to be in a transcribed field.

If...	Then...
A] The unallowable condition was correctly identified,	<ol style="list-style-type: none"> 1. Verify the information in Section 02 is correct. 2. Enter C in the Clear Field.
B] The unallowable condition was not correctly identified,	<ol style="list-style-type: none"> 1. Delete the Unallowable Code. 2. Delete the money amount.
C] EC 260 displays with an Unallowable 92 , review the asset description (usually on Schedule D or Form 8949). When the asset includes “inherited”, “inheritance”, or “rental”, or the loss is not from the sale of a personal asset (i.e., furniture, jewelry, automobile, personal residence, etc.),	<ol style="list-style-type: none"> 1. Delete the Unallowable Code. 2. Delete the money amount. <p>Note: UA 92 should only be coded for a loss on the sale of a personal residence or other personal property. Delete the Unallowable Code and money amount when the loss is for sale of stock or shares that includes words like home, house, car, auto, etc.</p>
D] EC 260 displays for gambling income reported on Schedule 1, line 8b (TY20-TY19, line 7),	<ol style="list-style-type: none"> 1. On MeF returns, research for a notation of “Other Income Type Statement”. 2. If present and taxpayer has gambling winnings and reinvested gambling winnings, follow procedures in EC 218, IRM 3.12.3.22.3.15(11). Treat reinvested gambling winnings as losses.

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3.12.3.24.4.14
(01-02-2018)
**Community Property
Returns (EC 260)**

- (1) Taxpayers who reside in a community property state may allocate their income, deductions, and other items on their tax return. Taxpayers can use FSC 1, 3, or 4. The programming may not always agree with the taxpayer’s method of proration. Manually verify all community property returns.
- (2) Taxpayers use Form 8958, *Allocation of Tax Amounts between Certain Individuals in Community Property States* to determine the allocation of tax amounts between married filing separate spouses or registered domestic partners with community property rights. See IRM 3.12.2.50, Section 63, for a description of Form 8958.
- (3) The community property states are:
 - Arizona
 - California
 - Idaho
 - Louisiana

- Nevada
- New Mexico
- Texas
- Washington
- Wisconsin

- (4) **Registered Domestic Partners (RDPs)** who reside in Nevada, Washington, or California must follow state community property laws and report half the combined community income of the individual and their partner. They can use only FSC 1, or if they qualify, FSC 4 for federal tax purposes. For TY11 and prior, taxpayers may attach an allocation worksheet from Publication 555 or a copy of the partner's Form W-2 or Form 1099-R along with an explanation of the allocation of income. They may also note RDP or CCA (Chief Counsel Advice) on the return. Manually verify the return using the Community Property Return correction procedures in the next subsection.

3.12.3.24.4.14.1
(04-25-2022)

**Community Property
Return Correction
Procedures (EC 260)**

- (1) Enter Audit Code H and CCC 3 when **FSC is 1, 3, 4 or 7** and an NRA (or SSA 205(c)) spouse is indicated and the taxpayer has split wages or income from a trade or business.
- (2) TY12 and later. If Form 8958, *Allocation of Tax Amounts Between Certain Individuals in Community Property States*, is not present, **SSPND 211**. Complete Form 6001 using paragraph e with fill-in #11.
- (3) If Form 8958 is attached, ensure that the spouse's or partner's first name is present in Field 63SPF, the last name in Field 63SPL, and the TIN in Field 63SPN.
- If the spouse's or partner's name or Social Security Number (SSN) is missing or illegible, **SSPND 211**. Complete Form 6001 using paragraph e with fill-in #12.
 - If "NRA, none, N/A, Applied for, or ITIN Reject" is notated in place of the SSN, enter nine 9's (nines) in Field 63SPN.
- (4) TY17 and prior, if the taxpayer takes a fractional exemption, allow the full exemption and assign **TPNC 200**.
- (5) Math verify all schedules and/or attachments, and adjustments leading to the total AGI on Form 1040, line 11 (TY19, line 8b; TY18, line 7; TY17, line 37), when **Community Property or Registered Domestic Partners** is noted. If the taxpayer's AGI differs from the manually computed amount, accept or correct the taxpayer's figure for the AGI. Look for Form 8958 and other forms that account for split income. Use the table below to evaluate the return.

If...	Then...
A] The taxpayer has split income at total income on line 9 (TY19, line 7b; TY18, line 6; TY17, line 22) or AGI on line 11 (TY19, line 8b; TY18, line 7; TY17, line 37),	<ol style="list-style-type: none"> 1. Verify the accuracy of all figures leading to the AGI, including the accuracy of any forms, schedules, or attachments used in calculating any of those figures. 2. If no corrections are necessary, enter C in Field 01RPC.

If...	Then...
B] There is an entry on line 11 (TY19, line 8b; TY18, line 7; TY17, line 37) and no amounts leading to the AGI total,	<ol style="list-style-type: none"> 1. Search the return for forms, schedules, and attachments that explain why no income is reported but an AGI is present. 2. Verify the accuracy of the reported AGI from the forms, schedules, or attachments. 3. If no corrections are necessary, enter C in Field 01RPC.
C] The taxpayer made a mistake in figuring the AGI,	<ol style="list-style-type: none"> 1. Correct the AGI. 2. Enter C in Field 01RPC.

Note: RPC C allows the programming to accept the AGI. Only enter RPC C when:

- the taxpayer's figure for the AGI for split income is correct but differs from the underprint for Field 03AGI for Form 1040, or
- ERS has corrected the taxpayer's figure for the AGI for split income and the corrected figure differs from the underprint for Field 03AGI for Form 1040.

- (6) **Tax computation-** If the total of Schedule A, *Itemized Deductions*, has been allocated, adjust Schedule A and all transcription fields for Section 07.
- (7) Correct **Statutory Credits** as follows:

If...	Then...
A] The taxpayer allocated the amount on Form 1040, line 20 (TY19, line 13b),	Adjust Schedule 3, lines 1 through 7 (TY20-TY19, lines 1-6) and the related schedules and forms.
B] The taxpayer claims the Child and Dependent Care Credit,	Manually compute the earned income on the schedule without regard for community property laws.

- (8) Correct **Self-Employment Tax** as follows:

If...	And...	Then...
A] Both names are on the allocated schedules,	The taxpayer(s) indicates on their allocated schedules "Partnership" or states that spouse was involved in a working capacity,	

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If...	And...	Then...
B] Unable to resolve discrepancy,	the taxpayers are not registered domestic partners or California same-sex spouses, Note: Registered domestic partners and California same-sex spouses are required to split self-employment income for sole proprietorships and partnerships for the purpose of paying the self-employment tax.	SSPND 211. Complete Form 6001 using paragraph e with fill-in #13.
C] A reply is not received,		Follow taxpayer's intent.

(9) Correct **Payments** as follows:

If...	Then...
A] Allocated basis can be determined on line 33 (TY19, line 19; TY18, line 18; TY17, line 74),	Adjust lines 25a - 32 (TY19, line 17 - 18e; TY18, lines 16 - 17; TY17, lines 64 - 74) accordingly.

If...	Then...
B] The allocated basis can't be determined,	Reduce (to zero if necessary) the amount(s), in the order given here, so that the remaining total(s) will equal the amount the taxpayer claimed: <ol style="list-style-type: none"> 1. Withholding. 2. Other Payments (Excess Social Security, Other Cash Credits, Additional Child Tax Credit, Gas Tax Credits, 1040C Credits, and Tax Withheld at Source). 3. Earned income (computed without regard to Community property laws). 4. 4868 Credits. 5. Estimated Tax Payments.

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missing.

- (11) If the intent of the taxpayer cannot be determined, SSPND 211.

3.12.3.24.4.15
(01-01-2017)

Gambling Income
"Netted to Zero" and
Form(s) W-2G Attached
(EC 260)

- (1) If Form(s) W-2G are present or gambling winnings are included in the return but the taxpayer did not break down winnings and losses - **netting the winnings and losses to zero** instead - Code and Edit edits CCC Y and notes **Gambling** in the lower left margin of the return. This working trail alerts ERS to the presence of Form(s) W-2G. Add the winnings from the Forms W-2G together and include them in Field 04OTI as follows:

If...	And...	Then...
A] The taxpayer has a Schedule A,		<ol style="list-style-type: none"> 1. Include the gross winnings amount in Field 04OTI and 03ADD. 2. Include this same amount in Field 0716.
B] The taxpayer does not have a Schedule A,	The amount of allowable gambling losses does not exceed the Standard Deduction,	Disallow the gambling losses and assign TPNC 133 .

If...	And...	Then...
C] The taxpayer does not have a Schedule A,	If the taxpayer's allowable gambling losses exceed the Standard Deduction,	<ol style="list-style-type: none"> 1. GTSEC 07 and enter the gambling losses in Field 0716. 2. If a math error results, assign TPNC 133.

3.12.3.24.4.16
(01-01-2020)

**Joint Non-Compute
Returns (EC 260)**

- (1) When a return is a joint Non-Compute, CCC Y will be assigned if **both** of the following conditions exist:

- a. The separate taxable incomes of taxpayers are shown above the words "Adjusted Gross Income", Form 1040.
- b. There are no exemptions in position 3 through 8, or the taxpayer has indicated the allocation of the exemptions to the spouse.

Note: When exemptions are not allocated, but are present in positions 3 through 8, delete the Y Code and process as FSC 2. Compute the tax using Married Filing Separate Rates.

- (2) When the combined total tax for Married Filing Separate computes less than the tax using Married Filing Joint computation, adjust the return. GTSEC the appropriate sections for the PRIMARY taxpayer and adjust the following fields:

- Name (01NL1)
- Exemption (01EXC)
- Filing Status Code (01FSC)
- Age/Blind Indicator (01ABI)
- Taxable Income (03INC)
- Withholding (03WH)

- (3) Prepare a Non-Compute return for the SECONDARY taxpayer by taking the following actions:

1. Enter necessary information shown in (2).
2. Route the completed SECONDARY RETURN FOR PROCESSING (follow local procedure).
3. Enter **C** in the Clear Field.
4. Enter the DLN of original return on the signature line of the dummy return.

- (4) Enter **C** in the Clear Field, when Married Filing Separate computation total is more than the Married Filing Joint computation.

- (5) When the preceding procedures have been followed, enter **C** in the Clear Field when no further corrections are needed to the record.

3.12.3.24.4.17
(01-01-2017)
**“Combat Zone” and
“Military” Y Coded
Returns (EC 260)**

- (1) Code and Edit will edit CCC Y for any combat zone or military return that has either of the following:
 - A “write-in” for the exclusion of wages earned in a military operation.
 - A notation of a military operation that is not included in IRM 3.12.2.3.10.
- (2) If a “write-in” for an exclusion of combat pay is present:
 - a. Add the “excluded amount” to wages.
 - b. When Error Code 218, 228, or 230 displays, assign **TPNC 165**.
 - c. When Error Code 260 redisplay, enter **C** in the Clear Field.

3.12.3.24.4.18
(02-23-2023)
**KITA - Killed in Terrorist
Actions (EC 260)**

- (1) Returns Identified as KITA by Technical will be coded for processing and walked through pipeline for processing.
- (2) KITA returns will be coded by Technical as follows:
 - Edit the tax and if applicable the minimum payment/credit amount on the return (in red).
 - Edit CCC Y on the returns where the tax was adjusted.
 - Edit RPC G if withholding is present on the return.
 - Code the entity portion based on IRM 3.11.10 (Returns and Documents Analysis - Revenue Receipts).
 - Edit CCC O on the return if a manual refund was prepared.
 - Edit CCC U on No Reply returns.
- (3) Error Code 260 displays because total tax, Field 03TAX, does not match the IMF Total Tax Computer amount. Use the following correction procedures listed to process these returns.
 - a. Enter the total tax in Total Tax Verified, Fields 94TXV.
 - b. Enter **C** in the Clear Field when EC 260 redisplay.

Note: If additional error codes are present, SSPND 370 and contact the KITA/KIA Coordinator.

3.12.3.24.5
(01-01-2017)
**Error Code 261 and 561,
Form 8814 Tax, Section
40**

- (1) Error Code 261/561 instructions follow.

3.12.3.24.5.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 261)**

- (1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
04OTI	Other Income Amount
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
40CN1	Form 8814 Name Control-1

1040	Field Name
40CT1	Form 8814 SSN-1
4001A	Form 8814 Taxable Interest-1
4001B	Form 8814 Tax-exempt Interest-1
4002A	Form 8814 Ordinary Dividends-1
4003	Form 8814 Capital Gains Distributions-1
4004>	Form 8814 Income Computer-1
4015	Form 8814 Tax-1
>>>>	Form 8814 Tax Computer-1
	Section 41 Present
	Section 42 Present

3.12.3.24.5.2
(01-01-2017)

Invalid Conditions (EC 261)

- (1) **Error Code 261** generates when **all** of the following exist:
 - a. Section 40 is present.
 - b. Tentative Tax Verified is blank.
 - c. The computer amount for Form 8814 differs from taxpayer's amount (Field 4015).
- (2) **Error Code 561** generates when **both** of the following exist:
 - a. A math error is not present.
 - b. Any of the allowable Statutory Credits differ from their respective computer-generated amounts.

3.12.3.24.5.3
(04-25-2022)

Correction Procedures (EC 261)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Use the following table to resolve Error Code 261:

If the taxpayer...	And...	Then...
A] Checked box 1 on Form 1040, line 16,	Form 8814 is missing or incomplete,	SSPND 211.
B] Has an entry on Form 8814, line 3 ,	Schedule D is missing or if you can determine the taxpayer failed to include the income on Schedule D,	SSPND 211.
C] Entry on Form 8814, line 4 , differs from the amount in Field 4004>,		Assign TPNC 216 .

If the taxpayer...	And...	Then...
D] Incorrectly transferred the income or failed to transfer the income from Form 8814, line 12 , to Schedule 1, line 8z (TY20-TY19, line 8),		<ol style="list-style-type: none"> 1. Include the Form 8814, line 12, income in Field 04OTI. 2. Assign TPNC 216 if EC 218 generates.
E] Incorrectly figured the tax amount on Form 8814, line 15 ,		Assign TPNC 216 .
F] Attached more than three Forms 8814		<ol style="list-style-type: none"> 1. Enter the amounts from Form(s) 8814, line 15, that were not transcribed in Field 03AT. 2. Enter the number of Form(s) 8814 attached in excess of three into Field 03AF (e.g., if 5 Forms 8814 are present, enter 2 in Field 03AF). <p>Note: The computer will only use Field 03AT in the computation of Tentative Tax if Field 03AF has an entry.</p>
G] Is a minor child filing a Form 1040, who has limited the standard deduction amount, claimed no exemption amount, signed the return,	Attached Form 8814, but did not use it,	<ol style="list-style-type: none"> 1. DLSEC 40. 2. Enter 1 in Field 01DSI.

- (3) If Code & Edit **X'd** Form 8814, or the taxpayer's amount on Form 8814, line 4, is equal to or greater than \$12,500 (TY22, \$11,500; TY21-TY19, \$11,000), SSPND 410 and take the return to the work leader to take the following actions:
- a. Make a copy of Form 8814.
 - b. Mail the copy of Form 8814, a blank Form 8615, and a blank Form 1040 back to the taxpayer explaining that the child must file a separate return.
 - c. Leave the original Form 8814 attached to the return and DLSEC 40.

- d. Adjust the amount in Field 04OTI by subtracting from it the amount reported on line 12 of Form 8814.

Note: Taxpayers may in addition, report their children's taxable or tax-exempt interest, regular or qualified dividends, or capital gain distributions on their return. In that case, subtract the children's investment income shown on Form 8814 from the corresponding income reported on Form 1040, line 7 (TY19, line 6; TY18, Schedule 1, line 13), and Schedule D.

- e. When EC 218 displays, assign **TPNC 134**.

3.12.3.24.5.4
(01-01-2017)

**Correction Procedures
(EC 561)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for Error Code 261.
- (3) Enter **C** in the Clear Field if there are no corrections to be made.

3.12.3.24.5.5
(01-01-2019)

Prior Year (EC 261)

- (1) The taxpayer cannot file Form 8814 if line 4 is equal to or exceeds the amount listed in the following table for the tax period of the return. If so, SSPND 410 and take the return to the work leader to take the following actions:

- a. Make a copy of Form 8814.
- b. Mail the copy of Form 8814, a blank Form 8615, and a blank Form 1040 back to the taxpayer explaining that the child must file a separate return.
- c. Leave the original Form 8814 attached to the return and DLSEC 40.
- d. Adjust the amount in Field 04O08 by subtracting from it the amount reported on line 12 of Form 8814.

Note: Taxpayers may in addition, report their children's taxable or tax-exempt interest, regular or qualified dividends, or capital gain distributions on their return. In that case subtract the children's investment income shown on Form 8814 from the corresponding income reported on Form 1040.

- e. When EC 218 displays, assign **TPNC 134**.

Tax Periods	Amount
TY22	\$11,500
TY21 - TY19	\$11,000
TY18 - TY15	\$10,500
TY14 - TY13	\$10,000
TY12 - TY09	\$9,500
TY08	\$9,000

3.12.3.24.5.6
(01-01-2017)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 261)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 261**.
- Note:** The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
216	Computed Part 1 or tax amount or transferred from Form 8814 to your tax return incorrectly.
***	Any previously assigned TPNC.

3.12.3.24.6
(01-01-2017)
**Error Code 262 and 562,
Form 8814 Tax, Section
41**

- (1) Error Code 262/562 instructions follow.

3.12.3.24.6.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 262)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
04OTI	Other Income Amount
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
41CN2	Form 8814 Name Control-2
41CT2	Form 8814 SSN-2
4101A	Form 8814 Taxable Interest-2
4101B	Form 8814 Tax-exempt Interest-2
4102A	Form 8814 Ordinary Dividends-2
4103	Form 8814 Capital Gains Distributions-2
4104>	Form 8814 Income Computer-2
4115	Form 8814 Tax-2

1040	Field Name
>>>>	Form 8814 Tax Computer-2
	Section 40 Present
	Section 42 Present

3.12.3.24.6.2
(01-01-2017)
Invalid Conditions (EC 262)

- (1) **Error Code 262** generates when **all** of the following exist:
- Section 41 is present.
 - Tentative Tax Verified is blank.
 - The computer amount for Form 8814 differs from taxpayer's amount (Field 4115).
 - A math error is present.
- (2) **Error Code 562** generates when **both** of the following exist:
- A math error is not present.
 - Any of the allowable Statutory Credits differ from their respective computer-generated amounts.

3.12.3.24.6.3
(04-25-2022)
Correction Procedures (EC 262)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Use the following table to resolve Error Code 262:

If the taxpayer...	And...	Then...
A] Checked box 1 on Form 1040, line 16,	Form 8814 is missing or incomplete,	SSPND 211.
B] Has an entry on Form 8814, line 3 ,	Schedule D is missing or if you can determine the taxpayer failed to include the income on Schedule D,	SSPND 211.
C] Entry on Form 8814, line 4 , differs from the amount in Field 4104>,		Assign TPNC 216 .
D] Incorrectly transferred the income or failed to transfer the income from Form 8814, line 12 , to Schedule 1, line 8z (TY20-TY19, line 8),		<ol style="list-style-type: none"> 1. Include the Form 8814, line 12, income in Field 04OTI. 2. Assign TPNC 216 if EC 218 generates.

If the taxpayer...	And...	Then...
E] Incorrectly figured the tax amount on Form 8814, line 15 ,		Assign TPNC 216
F] Attached more than three Forms 8814		<ol style="list-style-type: none"> 1. Enter the amounts from Form(s) 8814, line 15, that were not transcribed in Field 03AT. 2. Enter the number of Form(s) 8814 attached in excess of three into Field 03AF (e.g., if 5 Forms 8814 are present, enter 2 in Field 03AF). <p>Note: The computer will only use Field 03AT in the computation of Tentative Tax if Field 03AF has an entry.</p>
G] Is a minor child filing a Form 1040, who has limited the standard deduction amount, claimed no exemption amount, signed the return,	Attached Form 8814, but did not use it,	<ol style="list-style-type: none"> 1. DLSEC 41. 2. Enter 1 in Field 01DSI.

- (3) If Code & Edit **X'd** Form 8814, or the taxpayer's amount on Form 8814, line 4, is equal to or greater than \$12,500 (TY22, \$11,500; TY21-TY19, \$11,000), SSPND 410 and take the return to the work leader to take the following actions:

- a. Make a copy of Form 8814.
- b. Mail the copy of Form 8814, a blank Form 8615, and a blank Form 1040 back to the taxpayer explaining that the child must file a separate return.
- c. Leave the original Form 8814 attached to the return and DLSEC 41.
- d. Adjust the amount in Field 04OTI by subtracting from it the amount reported on line 12 of Form 8814.

Note: Taxpayers may in addition, report their children's taxable or tax-exempt interest, regular or qualified dividends, or capital gain distributions on their return. In that case subtract the children's investment income shown on Form 8814 from the corresponding

income reported on Form 1040, line 7 (TY19, line 6; TY18, Schedule 1, line 13), and Schedule D.

- e. When EC 218 displays, assign **TPNC 134**.

3.12.3.24.6.4
(01-01-2017)
**Correction Procedures
(EC 562)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for Error Code 262.
- (3) Enter **C** in the Clear Field if there are no corrections to be made.

3.12.3.24.6.5
(01-01-2018)
Prior Year (EC 262)

- (1) The taxpayer cannot file Form 8814 if line 4 is equal to or exceeds the amounts listed in the following table for the tax period of the return. If so, SSPND 410 and take the return to the work leader to take the following actions:
 - a. Make a copy of Form 8814.
 - b. Mail the copy of Form 8814, a blank Form 8615, and a blank Form 1040 back to the taxpayer explaining that the child must file a separate return.
 - c. Leave the original Form 8814 attached to the return and DLSEC 41.
 - d. Adjust the amount in Field 04OTI by subtracting from it the amount reported on line 12 of Form 8814.

Note: Taxpayers may in addition, report their children's taxable or tax-exempt interest, regular or qualified dividends, or capital gain distributions on their return. In that case subtract the children's investment income shown on Form 8814 from the corresponding income reported on Form 1040, line 13, and Schedule D.

- e. When EC 218 displays, assign **TPNC 134**.

Tax Periods	Amount
TY22	\$11,500
TY21 - TY19	\$11,000
TY18 - TY15	\$10,500
TY14 - TY13	\$10,000
TY12 - TY09	\$9,500
TY08	\$9,000

3.12.3.24.6.6
(01-01-2017)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 262)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 262**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
216	Computed Part 1 or tax amount or transferred from Form 8814 to your tax return incorrectly.
***	Any previously assigned TPNC.

3.12.3.24.7
(01-01-2017)

**Error Code 263 and 563,
Form 8814 Tax, Section
42**

- (1) Error Code 263/563 instructions follow.

3.12.3.24.7.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 263)**

- (1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
04OTI	Other Income Amount
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
42CN3	Form 8814 Name Control-3
42CT3	Form 8814 SSN-3
4201A	Form 8814 Taxable Interest-3
4201B	Form 8814 Tax-exempt Interest-3
4202A	Form 8814 Ordinary Dividends-3
4203	Form 8814 Capital Gains Distributions-3
4204>	Form 8814 Income Computer-3
4215	Form 8814 Tax-3
>>>>>	Form 8814 Tax Computer-3
	Section 40 Present
	Section 41 Present

3.12.3.24.7.2

(01-01-2017)

Invalid Conditions (EC 263)

- (1) **Error Code 263** generates when **all** of the following exist:
- Section 42 is present.
 - Tentative Tax Verified is blank.
 - The computer amount for Form 8814 differs from taxpayer's amount (Field 4215).
 - A math error is present.
- (2) **Error Code 563** generates when **both** of the following exist:
- A math error is not present.
 - Any of the allowable Statutory Credits differ from their respective computer-generated amounts.

3.12.3.24.7.3

(04-25-2022)

Correction Procedures (EC 263)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Use the following table to resolve Error Code 263:

If the taxpayer...	And...	Then...
A] Checked box 1 on Form 1040, line 16,	Form 8814 is missing or incomplete,	SSPND 211.
B] Has an entry on Form 8814, line 3 ,	Schedule D is missing or if you can determine the taxpayer failed to include the income on Schedule D,	SSPND 211.
C] Entry on Form 8814, line 4 , differs from the amount in Field 4204>,		Assign TPNC 216 .
D] Incorrectly transferred the income or failed to transfer the income from Form 8814, line 12 , to Schedule 1, line 8z (TY20-TY19, line 8),		<ol style="list-style-type: none"> 1. Include the Form 8814, line 12, income in Field 04OTI. 2. Assign TPNC 216 if EC 218 generates.
E] Incorrectly figured the tax amount on Form 8814, line 15 ,		Assign TPNC 216 .

If the taxpayer...	And...	Then...
F] Attached more than three Forms 8814,		<ol style="list-style-type: none"> 1. Enter the amounts from Form(s) 8814, line 15, that were not transcribed in Field 03AT. 2. Enter the number of Form(s) 8814 attached in excess of three into Field 03AF (e.g., if 5 Forms 8814 are present, enter 2 in Field 03AF). <p>Note: The computer will only use Field 03AT in the computation of Tentative Tax if Field 03AF has an entry.</p>
G] Is a minor child filing a Form 1040, who has limited the standard deduction amount, claimed no exemption amount, signed the return,	Attached Form 8814, but did not use it,	<ol style="list-style-type: none"> 1. DLSEC 42. 2. Enter 1 in Field 01DSI.

- (3) If Code & Edit **X'd** Form 8814, or the taxpayer's amount on Form 8814, line 4, is equal to or greater than \$12,500 (TY22, \$11,500; TY21-TY19, \$11,000), SSPND 410 and take the return to the work leader to take the following actions:

- a. Make a copy of Form 8814.
- b. Mail the copy of Form 8814, a blank Form 8615, and a blank Form 1040 back to the taxpayer explaining that the child must file a separate return.
- c. Leave the original Form 8814 attached to the return and DLSEC 42.
- d. Adjust the amount in Field 04OTI by subtracting from it the amount reported on line 12 of Form 8814.

Note: Taxpayers may in addition, report their children's taxable or tax-exempt interest, regular or qualified dividends, or capital gain distributions on their return. In that case subtract the children's investment income shown on Form 8814 from the corresponding income reported on Form 1040, line 7 (TY19, line 6; TY18, Schedule 1, line 13), and Schedule D.

- e. When EC 218 displays, assign **TPNC 134**.

3.12.3.24.7.4
(01-01-2017)
**Correction Procedures
(EC 563)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for Error Code 263.
- (3) Enter **C** in the Clear Field if there are no corrections to be made.

3.12.3.24.7.5
(01-01-2019)
Prior Year (EC 263)

- (1) The taxpayer cannot file Form 8814 if line 4 is equal to or exceeds the amount listed in the following table for the tax period of the return. If so, SSPND 410 and take the return to the work leader to take following actions:

- a. Make a copy of Form 8814.
- b. Mail the copy of Form 8814, a blank Form 8615, and a blank Form 1040 back to the taxpayer explaining that the child must file a separate return.
- c. Leave the original Form 8814 attached to the return and DLSEC 42.
- d. Adjust the amount in Field 04OTI by subtracting from it the amount reported on line 12 of Form 8814.

Note: Taxpayers may in addition, report their children's taxable or tax-exempt interest, regular or qualified dividends, or capital gain distributions on their return. In that case subtract the children's investment income shown on Form 8814 from the corresponding income reported on Form 1040, line 13, and Schedule D.

- e. When EC 218 displays, assign **TPNC 134**.

Tax Periods	Amount
TY22	\$11,500
TY21 - TY19	\$11,000
TY18 - TY15	\$10,500
TY14 - TY13	\$10,000
TY12 - TY09	\$9,500
TY08	\$9,000

3.12.3.24.7.6
(01-01-2017)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 263)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 263**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, -you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.

TPNC	Description
216	Computed Part 1 or tax amount or transferred from Form 8814 to your tax return incorrectly.
***	Any previously assigned TPNC.

3.12.3.24.8
(01-01-2017)

**Error Code 264 and 564,
Form 4972 Tax**

- (1) Error Code 264/564 instructions follow.

3.12.3.24.8.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 264)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
03TTX	Tentative Tax
2806	Form 4972 Capital Gain
2811	Current Actuarial Value Amount
2812	Adjusted Taxable Amount
2818	Federal Estate Tax Amount
2830	Form 4972 Tax Taxpayer
>>>>	Form 4972 Tax Computer
28TDV	Form 4972 Tax Verified
2801	Qualifying Plan Indicator
2802	Rollover Indicator
2803	Employee Benefit Indicator
2804	Five Year Member Indicator
2805A	Prior Year Distribution Indicator
2805B	Death Beneficiary Indicator

3.12.3.24.8.2
(01-01-2020)

**Invalid Conditions (EC
264)**

- (1) **Error Code 264** generates when **all** of the following are met:
- Section 28 is present.
 - Form 4972 Tax Taxpayer (Field 2830) does not match the computer's amount.
 - Tentative Tax Verified (Field 94TTV) is not present.
 - Total Tax IMF is not equal to Total Tax Computer.

- (2) **Error Code 564** generates when **all** of the following exist:
- A math error is not present.
 - Any of the allowable Carryover Statutory Credits differ from their respective computer-generated amounts.
 - Tentative Tax Verified (Field 94TTV) is not present.

3.12.3.24.8.3
(01-01-2017)

**Correction Procedures
(EC 264)**

- Correct coding and transcription errors and misplaced entries in displayed fields.
- For TY00 and later, Form 4972 tax on Lump-Sum distribution may be computed using either the **ten year** tax option or the 20 percent capital gain election. The taxpayer may also use a combination of the two methods.
- Fields 2801 through 2805B **must be** coded. Refer to EC 084 instructions.
- Individual taxpayers who receive **more than one** lump-sum distribution in one tax year must combine their distributions on one Form 4972 and must use the same averaging method for all of these distributions.
- If the taxpayer **deducts** an amount on Form 4972, line 30, and identifies it as enter in Field 28TDV. #
- If the taxpayer writes "**MRD**" (indicating a Multiple Recipient Distribution) to #
#
- If taxpayers file a joint return and each has received a Lump-Sum Distribution, a separate Form 4972 must be filed for each taxpayer. When a Form 4972 is present for both taxpayers, take the following actions:
 - Manually verify the second Form 4972 (use the following Form 4972 Tax Rate Schedule) and add the taxpayers additional tax amount to the computer's amount for additional tax.
 - Enter the correct amount in Field 28TDV.

If the amount on Part III, line 23 or 26 is over:	But not over -	Enter the following amount in Part III, line 24 or 27:	of the amount over -
\$-0-	1,190	11%	\$-0-
1,190	2,270	\$130.90 + 12%	1,190
2,270	4,530	260.50 + 14%	2,270
4,530	6,690	576.90 + 15%	4,530
6,690	9,170	900.90 + 16%	6,690
9,170	11,440	1,297.70 + 18%	9,170
11,440	13,710	1,706.30 + 20%	11,440
13,710	17,160	2,160.30 + 23%	13,710

If the amount on Part III, line 23 or 26 is over:	But not over -	Enter the following amount in Part III, line 24 or 27:	of the amount over -
17,160	22,880	2,953.80 + 26%	17,160
22,880	28,600	4,441.00 + 30%	22,880
28,600	34,320	6,157.00 + 34%	28,600
34,320	42,300	8,101.80 + 38%	34,320
42,300	57,190	11,134.20 + 42%	42,300
57,190	85,790	17,388.00 + 48%	57,190
85,790		31,116.00 + 50%	85,790

- (8) Assign **TPNC 222** if the taxpayer made an error figuring the tax on Form 4972 or incorrectly transferred the amount to Form 1040, line 16 (TY19, line 12).

3.12.3.24.8.4
(01-01-2017)
**Field 28TDV, Form 4972
Tax Distribution Verified
(EC 264)**

- (1) This field is used for **ERS input only**. Use Field 28TDV when the taxpayer used a special computation and the computer cannot arrive at the correct amount for Form 4972, Tax on Lump-Sum Distributions.

3.12.3.24.8.5
(01-01-2017)
**Correction Procedures
(EC 564)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for Error Code 264.
- (3) Enter **C** in the Clear Field if there are no corrections to be made.

3.12.3.24.8.6
(01-01-2019)
Prior Year (EC 264)

Section 28. Include the amount in Tentative Verified Tax Field.

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3.12.3.24.8.7
(11-23-2021)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 264)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 264**.
- Note:** The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a conversion-a return converted to Form 1040-you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.

TPNC	Description
218	We computed your tax for you.
222	Computed Form 4972 incorrectly.
558	You gave us information that changed the refund or amount you owe.
***	Any previously assigned TPNC.

3.12.3.25
(01-01-2017)

Error Codes 265-269

- (1) This subsection contains information about Error Codes 265 through 269.

3.12.3.25.1
(01-01-2017)

Error Code 265 and 565, Tentative Tax

- (1) Error Code 265/565 instructions follow.

3.12.3.25.1.1
(01-01-2023)

Fields Displayed, Form 1040 (EC 265)

- (1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01RPC	Return Processing Code
01CCC	Computer Condition Code
01EXC	Exemption Code
01DSI	Dependent Status Indicator
03TWG	Total Wages
03INT	Taxable Interest
03DIV	Ordinary Dividends
03QD	Qualified Dividends
03CGL	Schedule D Profit/Loss
03INC	Taxable Income
>>>>	Taxable Income Computer
94INV	Taxable Income Verified (ERS input only)
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
03CGE>	Capital Gains Excess Computer
CGTAX>	Capital Gains Tax Computer

1040	Field Name
94TTV	Tentative Tax Verified (ERS input only)
03BDR	Balance Due/Refund
>>>>>	Balance Due/Refund Computer
03BDR>	Balance Due/Overpayment Taxpayer Computer
	Section 12 Not Present
1207	Net Short-Term Gain or Loss
1215	Net Long-Term Gain or Loss
1218	28% Rate Gain or Loss
1219	Unrecaptured Section 1250 Gain
	Section 51 Not Present
514E	Form 4952 Disposition of Investment Income
514G	Form 4952 Investment Income Elect
	Section 20 Not Present
2002A	Elected Farm Income
2002B	Excess Net Long-Term Gain
2008	3 Year Old Schedule J Tax
2012	2 Year Old Schedule J Tax
2016	1 Year Old Schedule J Tax
2017>	Gross Schedule J Tax Computer
2019	3-Year-Old Schedule J Tax
2020	2-Year-Old Schedule J Tax
2021	1-Year-Old Schedule J Tax
2023>	Schedule J Tax Computer
	Section 33 Not Present
3318	8615 Tax
>>>>>	8615 Tax Computer
	Section 28 Not Present
2830	Form 4972 Tax Taxpayer
>>>>>	Form 4972 Tax Computer
	Section 34 Present
	Section 35 Present
03AF	Additional Forms 8814 Filed Number
03AT	Additional Forms 8814 Tax Amount

1040	Field Name
4015	Form 8814 Tax-1
>>>>	Form 8814 Tax-1 Computer
4115	Form 8814 Tax-2
>>>>	Form 8814 Tax-2 Computer
4215	Form 8814 Tax-3
>>>>	Form 8814 Tax-3 Computer

3.12.3.25.1.2
(01-01-2017)
Invalid Conditions (EC 265)

- (1) **Error Code 265** generates when **both** of the following exist:
 - a. The taxpayer's and computer's amounts for both Tentative Tax and Total Tax differs.
 - b. A math error is present.
- (2) **Error Code 565** generates when a math error is not present and **either** of the following exist:

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- b. The return is computed and any of the allowable Carryover Statutory Credits are not within tolerance of their respective computer-generated amounts.

3.12.3.25.1.3
(01-01-2019)
Correction Procedures (EC 265)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Follow correction procedures for Filing Status Code, Tentative Tax (current or prior year), Tentative Tax Verified, Taxable Income Amount Verified, and Form 8615 Tax as shown in the following text.

Caution: If you have changed the Filing Status in a previous error code, do not assume that EC 265 displayed for that reason only. There may be another error.
- (3) If the return should have been Y coded for special computation, enter **Y** in Field 01CCC and follow instructions in Error Code 260.
- (4) Compare balance due/refund, Form 1040, line 35a/37 (TY19, line 21a/23; TY18, line 20a/22) to the computer's balance due/refund (Field 03BDR>). **If balance due/refund (Field 03BDR) taxpayer matches Field 03BDR>, adjust displayed fields accordingly.**
- (5) See IRM 3.12.2.5.12 before assigning a TPNC. 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.).

3.12.3.25.1.4
(04-25-2022)

**Field 01FSC, Filing
Status Code (EC 265)**

- (1) Field 01FSC is determined by the "Filing Status Box" checked by the taxpayer on the return. This code directs the computer to the correct Tax Table or Tax Rate Schedule for computation of the tax liability. Refer to IRM 3.12.2.4.3.12.
- (2) Change **FSC 4** to:
 - a. **7** if no valid dependent is claimed in Field 01EXC and a child's name is present on the line following the filing statuses, or Form 2441 is attached with a qualifying child present, or Schedule EIC is attached with a qualifying child.
 - b. **1** if no dependent is claimed in position 3, 5, 6 or 7 of Field 01EXC. Assign **TPNC 108** if EC 265 redispays.
 - c. **1** if all dependents have been disallowed (Field 94EXV, position 3 through 8 are 0). Assign **TPNC 101** if EC 265 redispays.
- (3) Change **FSC 3 to FSC 6** if **both** of the following conditions exist:
 - a. An exemption for spouse is claimed.
 - b. No indication spouse has income, such as Form W-2 or Schedule C.

Note: Do not change FSC 3 or 4 to 6 if there is an indication the spouse has income such as a Form W-2 or Schedule C. SSPND 211 for combined tax liability and spouse's signature, or proper adjustment.
- (4) Change **FSC 3 to FSC 2** if **all** of the following conditions exist:
 - a. An exemption for spouse is claimed.
 - b. No indication spouse has income, such as Form W-2 or Schedule C.
 - c. There are two names in the caption.
 - d. There are two signatures, one for each taxpayer on the return.

Note: Do not change FSC 3 to 2 if there is an indication the spouse has income such as a Form W-2 or Schedule C. SSPND 211 for combined tax liability and spouse's signature, or proper adjustment.
- (5) If **FSC 1 or 4** is claimed and **a spouse or common law spouse** is the **only** dependent claimed, change Field 01FSC to 6. Take the following actions:
 - a. If the spouse's exemption is not present in the second position of Field 01EXC, correct by entering 1 in the second position.
 - b. If you can determine that the dependent spouse has included income on the return, SSPND 211 for correct filing status and signature.
 - c. Otherwise assign **TPNC 109**.
- (6) If **FSC 1 or 4** is claimed and the **spouse/common law spouse and other dependents or parents** are claimed and the spouse did not sign the return, take the following actions:
 - a. Delete the exemption for the spouse and leave FSC as 1 or 4.

Note: If the spouse has no income on the return, move the spousal exemption to position 7 in Field 01EXC.

 - b. Assign **TPNC 204** when EC 250 displays.
 - c. If you can determine from an attached Form W-2 or schedule that the spouse included income on the return, SSPND 211 for correct filing status and signature.

- (7) If **FSC 5** is checked, ensure that a dependent can be claimed in position 3, 6 or 7 of Field 01EXC or a qualifying child's name is written on the line below filing status and that the spouse's date of death is within **2 years prior** to the tax period of the return (e.g., for TY22, the spouse's date of death must have been in 2021 or 2020 to qualify for FSC 5).
- (8) If the spouse's date of death is **not within 2 years prior** to the tax period of the return, change FSC 5 to:
- 4**, if entries are present in position 3, 5, 6 or 7 of Field 01EXC.
 - 7**, if **any** of the following are present:
 - A child's name is present on the line following the filing statuses.
 - Schedule EIC is attached with a qualifying child.
 - Form 2441 is attached with a qualifying child.
 - 1**, if a) and b) do not apply.
- (9) If FSC 5 is checked and the spouse's date of death is **during the tax period** of the return,
- Change FSC 5 to 2.
 - Correct Fields 01NL1 and 1EXC to reflect a joint account.
 - Assign **TPNC 106**, if the change results in a math error.
- Note:** When changing filing status from 2 to a different filing status, or from a different filing status to a 2, and Field 01NL1 is blank, enter **Long Entity** (refer to IRM 3.12.2.4.2).
- (10) If **FSC 2** is checked and spouse's date of death is **prior** to the tax period covered on return:
- Delete the name of deceased spouse from Field 01NL1.
 - Change the FSC to 1, if no dependent children are claimed.
 - Change to FSC 4 or 5, as appropriate, if dependent children are claimed.
- (11) If **multiple boxes or no boxes** are checked or if the FSC checked is inconsistent with other information on the return, use the FSC which corresponds with the taxpayer's taxable income and tax computations as long as the qualifying criteria are met. Refer to the FSC Chart in Job Aid Book 2515-015.
- (12) If FSC determination cannot be made, SSPND 211.

3.12.3.25.1.5
(01-01-2017)
**Field 94INV, Taxable
Income Amount Verified
(EC 265)**

- (1) This field is for **ERS input only**. It is to be used when the taxpayer has used a special computation and the computer cannot arrive at the correct taxable income.

3.12.3.25.1.6
(11-23-2021)
**Field 03TTX, Tentative
Tax (EC 265)**

- (1) Tentative Tax is transcribed from Form 1040, line 16 and underprints with the Tentative Tax Computer Field.
- (2) If Tentative Tax Computer is different from the taxpayer's amount on Form 1040, line 16, determine if the taxpayer:
- Included the correct tax amount from Form 8814, Form 4972, or Form 8889 in the Tentative Tax total.
 - Used Schedule D Tax, Qualified Dividends and Capital Gains Tax, Schedule J Tax, or Form 8615 Tax.

Caution: Ensure Form 4972, Form 8615, Form 8814 (Sections 40/41/42), Form 8889 or Schedule J has been entered, if present.

- (3) Taxpayers who include a **write-in tax** on Form 1040, line 16, are instructed to check box "3", and identify the tax and amount. If the taxpayer includes an amount for one of the write-in taxes listed below, use the following procedures.

Caution: Refer the return to the lead tax examiner for manual computation when a previous math error has changed the taxable income.

If...	Then...
A] Section 965 or 965(a) or Transition tax statement for IRC 965 attached	<ul style="list-style-type: none"> • Enter F in Field 01RPC and transmit. • When EC 265 redisplay, SSPND 300.
B] 1291 TAX Form 8621 Form 8621 attached, amount on line 16e	Enter the tentative tax on line 16 in Field 94TTV.
C] 1291 TAX Form 8621 attached, amount on line 16f	<ul style="list-style-type: none"> • Subtract the amount reported on Form 8621, line 16f, from the amount in Field 03TTX and • Add the Form 8621 line 16f amount to the entry in Field 05TAT. <p>Note: If EC 265 redisplay and there are further write-ins, refer the return to the lead tax examiner.</p>
D] QEF, qualified electing fund interest on tax Sect. 453A(c) interest Sect 453(l)(3) 1294	<ul style="list-style-type: none"> • Adjust the entry in Field 94TTV, if necessary. <p>Note: Delete a negative entry in Field 03TTX.</p>
E] 962 962 election	<p>Note: The taxpayer may include a statement showing the calculation of the tax and for TY20, the tax may be reduced by foreign tax credits claimed on Form 1118.</p>

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If...	Then...
F] Form 8978 , Partner's Additional Reporting Year Tax, positive amount from Form 8978, line 14	
G] ECR Education Credit Recapture Tax	<ul style="list-style-type: none"> Adjust the entry in Field 94TTV, if necessary.
H] HCTC Repayment of advance payments of the Health Coverage Tax Credit	<ul style="list-style-type: none"> GTSEC 03 and enter the amount in Field 03HCR. Adjust the entry in Field 94TTV, if necessary
I] FITPP , TY07 only	<ul style="list-style-type: none"> Adjust the entry in Field 94TTV, if necessary. <p>Note: Delete a negative entry in Field 03TTX.</p>

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- (4) When a return **appears to be a Non-Compute** but does not meet the criteria (e.g., Prior Year Return, Schedule A, Schedule C etc.), assign **TPNC 218**. See IRM 3.12.2.5.12 for Non-Compute information.
- (5) When **Tentative Tax** is blank, dash, or zero, take the following action:

If...	And...	Then...
A] An amount is present on line 22 (TY19, line 14) of Form 1040,	There are no intervening amounts,	Adjust Tentative Tax Field 03TTX to equal the amount from line 22 (TY19, line 14) of Form 1040.
B] An amount is present on line 22 (TY19, line 14) of Form 1040,	There are intervening amounts,	Adjust Tentative Tax Field 03TTX by adding the Credits to the amount on line 22 (TY19, line 14) amount.
C] An amount is present on Total Tax , line 24 of Form 1040 (TY19, line 16),	There are no intervening amounts,	Adjust Tentative Tax Field 03TTX to equal the Total Tax amount Field 03TAX.
D] An amount is present on Total Tax , Form 1040, line 24 (TY19, line 16),	There are intervening amounts,	Adjust Tentative Tax by adding the credits to the total tax amount.

- (6) If none of the preceding and or subsequent procedures apply and the taxpayer has made an error in figuring their tentative tax, assign **TPNC 209**.

3.12.3.25.1.7
(04-25-2022)

**Field 03TTX, Tax
Computation Using
Maximum Capital Gains
Rates (EC 265)**

- (1) For TY04 and later, taxpayers will figure their Tentative Tax using either the Schedule D Tax Worksheet or Qualified Dividends and Capital Gain Tax Worksheet instead of the Tax Tables/Tax Rate Schedules.
- (2) Taxpayers are instructed to use the Schedule D Tax Worksheet when Taxable Income is greater than zero, Schedule D is present, and line 18 or line 19 is greater than zero.
- (3) Taxpayers are instructed to use the Qualified Dividends and Capital Gain Tax Worksheet when Taxable Income is greater than zero, and any of the following are present:
- Qualified dividends are reported on line 3a.
 - Capital gain distributions are reported on Form 1040, line 7 (TY19, line 6), and Schedule D is not present.
 - Schedule D is present, and Schedule D lines 15 and 16 are both more than zero.
- (4) The computer will perform the Schedule D tax computation even if the taxpayer did not and the result will display in Field **CGTAX>**, Capital Gains Tax Computer.

Exception: If CGTAX> is significant and Schedule J (Section 20) is present, and no previous math error, manually verify the Capital Gains Tax and enter in Field 94TTV.

- (5) If Schedule D is present, **ensure Fields 1215, 1218, and 1219 are correctly transcribed**. Search the return and attachments for Form 4952. Make sure that Field **514E** and **514G** are properly filled.
- (6) If a **negative** amount is present on line 19 of **Schedule D**, delete the amount in Field 1219.
- (7) If qualified dividend amount on Form 1040 line **3a is larger than line 3b**, ordinary dividends amount, take the following action:
- a. Verify that Schedule B was correctly transferred to Form 1040.
 - b. Check for an attached Form 1099 and verify whether the taxpayer entered the ordinary dividends on line 3b and qualified dividends on line 3a. Correct Fields 03DIV and 03QD if the taxpayer entered the figures incorrectly.
 - c. If line 3a is still larger than line 3b, SSPND 211 and request the taxpayer to verify the entry on lines 3a and 3b. Complete Form 6001 using paragraph H.
- (8) If an entry is present on Form 1040, line 3b, and line **3a is blank**, check for the notation "Form 8814" with an amount. [MeF - click on pen on line 3a]. If notation is present, enter the amount in Field 03QD.

Note: Form 8814 is not required.

- (9) If the entry in Field 1215 is a negative amount, and there are entries in Field 03QD **and** Field 514E, manually compute the Capital Gains Tax and enter in Field 94TTV.
- (10) If Schedule D, Part 1, was dummied in for an amount reported on Form 1040, line 7 (TY19, line 6) and it appears the taxpayer computed their tax using long-term tax rates, SSPND 211 for Schedule D.
- (11) If the taxpayer's amount for tax differs from Field **CGTAX>**, assign **TPNC 211**.

3.12.3.25.1.8
(04-25-2022)
**Fields 03TTX, Capital
Gains Distributions
(RPC T) (EC 265)**

- (1) Taxpayers reporting capital gain distributions **only** are not required to file Schedule D. They are required to figure tentative tax with the qualified dividends/capital gains tax worksheet instead of with the tax tables or tax rate schedules.
- (2) These taxpayers report capital gain distributions on Form 1040, line 7 (TY19, line 6), and check the box that Schedule D is not required.
- (3) If line 3a is larger than line 3b, verify that there are no transfer errors from Schedule B or transcription errors. Check the taxpayer's figure on lines 3a and 3b against the dividends reported on any Forms 1099 the taxpayer provides. If you cannot determine the correct amount for lines 3a and 3b, SSPND 211 and request the taxpayer to verify the entry on lines 3a and 3b. Complete Form 6001 using paragraph H.
- (4) If Field **CGTAX>** differs from the taxpayer's amount on Form 1040, line 16, take the following actions:
 - a. determine if taxpayer checked the box that Schedule D is not required on Form 1040, line 7 (TY19, line 6),
 - b. if box is checked, verify RPC T is transcribed in Field 01RPC,
 - c. if not present, enter **T** in Field 01RPC,
 - d. if EC 265 redispays, assign **TPNC 211**.
- (5) If **RPC T** or qualified dividends are present and the computer amount for tentative tax is different from the taxpayer's amount, assign **TPNC 211**.

3.12.3.25.1.9
(01-01-2019)
**Field 94TTV, Tentative
Tax Verified (EC 265)**

- (1) When the computer cannot arrive at the correct tax, enter the tentative tax in Field 94TTV. This is an **ERS input only** field. Ensure any tax from Form(s) 8814 or Form 4972 is correctly computed, before entering tentative tax verified.
- (2) When the taxpayer attaches Form 4970, *Tax on Accumulation Distribution of Trusts*, include the amount in the tentative tax verified field.

3.12.3.25.1.10
(01-01-2019)
**Schedule J, Income
Averaging for Farmers
and Fisherman (EC 265)**

- (1) For TY97 and later, taxpayers can elect to use Schedule J to figure their tax by averaging over the previous 3 years all or part of their taxable income from their farm trade or business of farming or fishing.
Note: This election does not apply when figuring tentative minimum tax on Form 6251, line 10.
- (2) If Schedule J is attached, ensure Section 20 was correctly transcribed.

- (3) Schedule J, lines 8, 12 and 16 can never be **less than zero**. If the taxpayer enters a negative amount on any of these lines, change the negative amount to zero.
- (4) If the amount on line 2a, Schedule J, is greater than \$0, or if CGTAX> is significant, enter the amount for Form 1040, line 16, in Field 94TTV.

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- (6) If the taxpayer made an **error figuring Field 2023> or transferring** Schedule J Tax to Form 1040, assign **TPNC 212**.

3.12.3.25.1.11
(01-01-2023)
**Form 8814, Parents'
Election to Report
Child's Interest and
Dividends (EC 265)**

- (1) For TY89 and later, certain taxpayers may be eligible to claim on their own return the income and tax of their child(ren). To make this election, the parent must file a separate Form 8814 for each eligible child. The taxpayer is instructed to check **box 1** on Form 1040, line 16, and include the Form 8814 Tax amount in the tentative tax amount.
- (2) If the taxpayer checks **box 1** on Form 1040, line 16, but did not attach Form 8814, SSPND 211.
- (3) If Form(s) 8814 is attached, ensure Section 40/41/42 was correctly transcribed.
- (4) If **more than three** Forms 8814 are attached:
 - a. Enter the line 15 amount(s) from the Form(s) 8814, which were not transcribed, in Field 03AT.
 - b. Enter the number of Form(s) 8814 attached in excess of three in Field 03AF (e.g., if 5 Forms 8814 present, enter 2 in Field 03AF).

Note: The computer will only use Field 03AT in the computation of Tentative Tax if Field 03AF has an entry.

- (5) If the taxpayer made an error figuring Form 8814, assign **TPNC 216**.
- (6) If the taxpayer correctly figured Form 8814 Tax (Field 4015/4115/4215), but Field 03TTX is incorrect, assign **TPNC 219**.
- (7) For further Form 8814 information, refer to EC 261 instructions.

3.12.3.25.1.12
(04-25-2022)
**Form 4972, Tax on
Lump-Sum Distributions
(EC 265)**

- (1) Taxpayers electing to pay Form 4972 Tax are instructed to check **box 2** on Form 1040, line 16, and include the Form 4972 Tax amount in the tentative tax amount.
- (2) If the taxpayer checks **box 2** on Form 1040, line 16, but did not attach Form 4972, SSPND 211.
- (3) If Form 4972 is attached, GTSEC 28 and verify transcription. If the taxpayer has more than one Form 4972 attached, refer to EC 264 correction procedures at IRM 3.12.3.24.8.3.
- (4) If the taxpayer correctly figured Form 4972 Tax (Field 2830), but Field 03TTX is incorrect, assign **TPNC 219**.

3.12.3.25.1.13
(04-25-2022)

**Form 8615, Tax for
Certain Children Who
Have Unearned Income
(EC 265)**

- (1) For TY98 and later, the computer's amount for Form 8615 Tax will be set equal to the taxpayer's figure for Form 8615 Tax.
- (2) If Form 8615 is attached but **not transcribed**, GTSEC 33 and enter all fields as follows:

If...	Then...
A] Line 1 is blank,	<ol style="list-style-type: none"> 1. Add the amount on line 3 to the amount on line 2. 2. Enter this amount in Field 3301.
B] Line 1 is \$2,500 (TY22, \$2,300; TY21-TY198, \$2,200) or less,	<ol style="list-style-type: none"> 1. Do not input Section 33. 2. Assign TPNC 215.
C] Line 1 cannot be determined,	SSPND 211.

- (3) When taxpayers compute Form 8615 tax **needlessly** (e.g., not required to file), assign **TPNC 215**.
- (4) If the taxpayer made an error in transferring Form 8615 Tax, assign **TPNC 214**.
- (5) If Section 33 (Form 8615) was **deleted** in EC 256 or EC 258, assign **TPNC 220**.
- (6) When a taxpayer's **parent** attempts to pay the child's Form 8615 tax on the parent's own tax return, DLSEC 33 and assign **TPNC 221**. After assigning TPNC 221, refer the return to the lead tax examiner for preparation of Form 5260, Quick Note, to the taxpayer with the taxpayer's Form 8615. Use the following literal:
 "We are returning the Form 8615 that was attached to your income tax return. The additional taxes computed on the Form 8615 have been deleted from your tax liability. You will receive a notice showing the recomputation of your tax. To avoid penalty or interest on any tax due, please resubmit the Form 8615 with the child's signed individual income tax return (Form 1040) as soon as possible. If your child's income is less than \$12,500 and composed solely of interest or dividends, you may be eligible to file an amended return with Form 8814 (Parents' Election to Report Child's Interest and Dividends). If your child is not eligible to use Form 8814, your child must file their own tax return with Form 8615." (TY22, use \$11,500 instead of \$12,500. TY21-TY19, use \$11,000 instead of \$12,500.)

3.12.3.25.1.14
(01-01-2017)

**Correction Procedures
(EC 565)**

- (1) Refer to all instructions for Error Code 265, and refer to IRM 3.12.2.5.12 for Non-Compute information.
- (2) Correct coding and transcription errors and misplaced entries in displayed fields.
- (3) Enter **C** in the Clear Field, if there are no corrections to be made.

3.12.3.25.1.15
(04-25-2022)
Prior Year (EC 265)

- (1) 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.), assign **TPNC 218**.
- (2) For **TY20 and prior**, the computer can't compute the correct amount for Tentative Tax. Therefore, a manual computation is required on all tax returns for TY20 and prior.

Note: For TY20 and prior, the computer will use TY21 computation to compute Tentative Tax.

Caution: If using CC TXCMP to determine the tax amount and it differs from the taxpayer's amount by less than \$10, accept the taxpayer's amount for tax.

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- (4) If the taxpayer has used a **special method** for computing tentative tax that is **not valid** for the tax period on the return (see (3)), use the appropriate tax table or tax rate schedule to manually verify tentative tax. Enter the correct Tentative Tax Verified (Field 94TTV) and assign appropriate TPNC.
- (5) TY17 and prior - If Tentative Tax Computer is different from the taxpayer's amount on **Form 1040A**, line 28, determine if the taxpayer:
 - a. Used Qualified Dividends and Capital Gain Tax (TY17, amount on line 9b and/or line 10 of Form 1040A) or Form 8615 Tax. If so, enter the Tentative Tax amount on line 28 in Field 94TTV, if necessary.

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0328 is less than Tentative Tax Computer (>>>>) **SSPND 410** and see Note below.

Note: Refer the return to lead tax examiner for manual computation when a previous math error changes the Taxable Income. Enter the manually computed amount for Alternative Minimum Tax in Field 94TTV.

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Enter the Tentative Tax amount on line 28 in Field 94TTV, if necessary.

- (6) **TY17 - TY07** - If the taxpayer has used Form 4972 and/or Form(s) 8814, verify the amount is included in Tentative Tax and enter in the Tentative Tax Verified Field.

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3.12.3.25.1.16

(01-01-2024)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 265)**(1) This table shows the allowable Taxpayer Notice Codes for **Error Code 265**.**Note:** The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.(2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
101	We recomputed your tax using FSC 1.
102	We recomputed your tax using FSC 2.
103	We recomputed your tax using FSC 3.
104	We recomputed your tax using FSC 4.
106	We recomputed your tax using FSC 2. You can use this FS for the year of your spouse's death.
108	You didn't show the name of the person who qualifies you for FSC 4. We recomputed your tax using FSC 1.
109	We refigured your tax using FSC 6. We considered your spouse as a dependent (spouse only dependent claimed and no income).
110	We recomputed your tax using FSC 1. You can't qualify as FSC 4 if you can be claimed as a dependent on another person's return.
111	Your return has been converted to a Form 1040.
176	Transferred AGI from page 1 to page 2 incorrectly.
199	We changed the amount claimed on your tax return because there was an error in the subtraction of your standard deduction or itemized deductions from your adjusted gross income.
202	We didn't allow your personal exemption on your tax return. Information on your tax return indicates that you are being claimed as a dependent on another person's tax return; therefore, you can't claim an exemption for yourself.
208	We changed the amount of taxable income because there was an error in the subtraction of your exemption or combined standard deduction/exemption amount.

TPNC	Description
209	Entered incorrect tax from tax tables or tax rate schedules.
210	Refigured standard deduction, exemption, and tax for the correct tax year.
211	We changed the amount of tax shown on your return. The tax rates on Qualified Dividends and Capital Gains are generally lower than the standard rates. It appears your tax was not computed using these rates or the amount of tax was computed incorrectly.
212	Computed or transferred Schedule J tax incorrectly.
214	Transferred tax on Form 8615 incorrectly.
215	You don't need to file Form 8615.
216	Computed Part I or tax amount or transferred from Form 8814 incorrectly.
217	When we figured your taxable income, you didn't owe any tax.
218	We computed your tax for you.
219	Added Tax and Additional Tax incorrectly.
220	We recomputed your tax using the tax table, tax rate schedules, or capital gains tax computations. We were unable to compute your tax on Form 8615 because of a math error found on another part of your tax return.
221	We refigured your tax liability by subtracting the tax paid on Form 8615.
530	We didn't allow the reduction of Section 965 tax amount from total tax.
531	We didn't allow the reduced tax amount because you didn't provide a completed Section 965 Transition Tax Statement.
558	You gave us information that changed the refund or amount you owe.
559	Used maximum rate to figure Form 8615.
560	We used the tax table or tax rate schedules to figure your tax. We considered your capital gains to be short-term because your Schedule D wasn't attached to your tax return.
598	No Reply - Disallowed exemption claimed for child that didn't live with you. Form 8332, Form 2120 or a copy of a divorce decree was incomplete or not attached to your tax return.

TPNC	Description
825	Adjusted Form 2441 because dependent on Form 2441 was born after the tax period.
***	Any previously assigned TPNC.

3.12.3.25.2
(01-01-2017)
**Error Code 267, Form
6251, Alternative
Minimum Tax**

- (1) Error Code 267 instructions follow.

3.12.3.25.2.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 267)**

- (1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01FPC	Form Processing Code
01RPC	Return Processing Code
01ACD	Audit Code
01DSI	Dependent Status Indicator
01ABI	Age/Blind Indicator
03AGI	Adjusted Gross Income
>>>>>	AGI Computer
03SD>	Standard Deduction Computer
03ASD>	Additional Standard Deduction Computer
07IEI	Itemized Election Indicator
03NCC	Non-Itemized Charitable Contributions Deduction
03TTI>	Tax Table Income Computer
03QBI	Qualified Business Income Deduction
>>>>>	Form 8995 Qualified Business Income Deduction Computer
03INC	Taxable Income
>>>>	Taxable Income Computer
05201	Alternative Minimum Tax
>>>>	Alternative Minimum Tax Computer
	Section 07 Not Present

1040	Field Name
0704	Total Medical Deduction
>>>>	Total Medical Deduction Computer
0707	Schedule A Total Taxes
>>>>	Schedule A Total Taxes Deduction Computer
0705A	State Local Income or Sales Tax Amount
0706	Other Taxes Amount
32HMI	F6251 Home Mortgage Interest
07LIM>	Schedule A Total Itemized Percentage Computer
0401	State Income Tax Refund
	Section 51 Not Present
514E	Disposition of Investment Income
514G	Investment Income Elect
3202F	Alternative Tax Net Operating Loss
3203	F6251 Other Adjustments Amount
3204>	Alternative Minimum Taxable Income Computer
32EX>	Alternative Minimum Tax Exemption Computer
	Section 12 Not Present
1218	28% Rate Gain or Loss
1219	Unrecaptured Section 1250 Gain Amount>
T-ALT>	Tax on Alternative Minimum Taxable Income Computer
3208	Form 6251 Foreign Tax Credit
T-TWO>	Tentative Minimum Tax Computer
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
05202	Excess APTC Repayment Amount
05301	Foreign Tax Credit
>>>>>	Foreign Tax Credit Computer
	Section 20 Present
	Section 28 Not Present
2830	Form 4972 Tax
>>>>	Form 4972 Tax Computer
3211V	Alternative Minimum Tax Verified

1040	Field Name
	Section 32 Not Present
	Section 33 Present
5714	Total Additional Reporting Year Tax

3.12.3.25.2.2
(01-01-2017)
Invalid Conditions (EC 267)

- (1) **Error Code 267** generates when **both** of the following exist:
- Alternative Minimum Tax differs from Alternative Minimum Tax Computer.
 - A math error is present.

3.12.3.25.2.3
(01-03-2023)
Correction Procedures (EC 267)

- (1) Correct any coding and transcription errors and misplaced entries in displayed fields.
- (2) If there is **no amount** in Field 05201 and Form 6251 is **not** attached, follow procedures in Error Code 268, IRM 3.12.3.25.3.3.
- (3) If the literal **“Section 32 Not Present”** displays **when an entry is present in Field 05201**:
- If Form 6251 is attached, enter **5** in Field 01FPC. Then GTSEC 32 and enter all transcribable data.
Exception: If no transcribable data is available, GTSEC 32 and transmit.
 - If Form 6251 is not attached, GTSEC 32 and transmit. If EC 267 redisplay, SSPND 211 for missing Form 6251.
- (4) For TY16 - TY13, if **FSC 3**:
- Form 6251, line 2, has an entry greater than zero, and
 - Field 0704 has an entry, and
 - the “Age” box for the primary taxpayer is not checked on page 2, Form 1040, and
 - other fields leading to line 28, Form 6251, match (e.g., Field 0709 and underprint match line 3, Form 6251, etc.), accept the taxpayer’s entry on line 35, Form 6251, and enter it in Field 3211V.

3.12.3.25.2.4
(03-23-2022)
Field 3204>, Alternative Minimum Taxable Income Computer (EC 267)

- (1) Field 3204> is the computer’s amount for line 4. It is used as a comparison point for the taxpayer’s line 4 entry.
- (2) If Field 3204> does not agree with the taxpayer’s entry for line 4, **GTSEC 32 and verify transcription** of all entries.

Note: Refer to Job Aid Book 2515-015 and 2515-014 (PY) for Form 6251 fields, and IRM 3.12.2.29.1 for fields that can be transcribed as either positive or negative amounts.

- (3) A negative entry is not allowed for Intangible Drilling Costs on Form 6251. Delete the negative amount from Field 3202T, if present. (Field 3202T is for positive amounts only.)

Field 3211V if no previous math error has occurred and any of the following situations are present:

- a. **TY21** only, if there is an amount in Field 03NCC, and Field 3204> differs from the entry on Form 6251, line 4, by the amount in Field 03NCC.
- b. If the amount on Form 6251, line 1, differs from taxable income on Form 1040, line 15 or Field 03TTI> when Schedule A is present, check for the presence of any of the following:
 - Alternative Tax Net Operating Loss (ATNOL) on Schedule 1, line 8z (TY20, line 8).
 - Capital Construction Fund (CCF), left of line 11, Form 1040.
 - Alcohol Fuel Credit under Section 87, left of line 11, Form 1040.
 - Schedule Q, left of line 11, Form 1040.

Note: If a math error has already occurred in the return, refer the return to the lead tax examiner for manual computation.

- c. If the amount on line 2b, Form 6251, differs from Schedule 1, line 1, check for the presence of **write-ins** on Schedule 1, line 8z (TY20, line 8).
 - State or Local Personal Property Tax Refund.
 - State, Local or Foreign Real Estate Tax Refund.
- (5) If Schedule A is attached and Field 07LIM> has an amount, but the taxpayer is **not using** the Schedule A to compute taxable income (i.e., Standard Deduction is more beneficial), DLSEC 07.
Exception: If the taxpayer is using the Itemized Election (box checked on Schedule A, line 18), enter **1** in Field 07IEI.
- (6) If the filer is **FSC 3** and Form 6251, line 4 total exceeds \$831,150 (TY22, \$776,100; TY21, \$752,800), the taxpayer must add an additional amount to that sum. The computer will figure the amount. If the taxpayer incorrectly figured line 4 of Form 6251, assign **TPNC 226**.
- (7) If the previous instructions do not apply or do not resolve the error condition and Field 3204> still does not agree with the taxpayer's entry on Form 6251, line 4, assign **TPNC 226**.

3.12.3.25.2.5
(11-27-2020)

Field 32EX>, Alternative Minimum Taxable Income Exemption Computer (EC 267)

- (1) Field 32EX> shows the **limitation** of the standard exemption at line 5 of Form 6251. The figure in Field 32EX> is not the allowable exemption.
- (2) If the taxpayer's figure for alternative minimum taxable income on line 4 of Form 6251 is equal to or greater than the amount for the filing status in the list in paragraph 3, the taxpayer's exemption at line 5 is reduced to zero, and the taxpayer should enter the figure on line 4 on line 6.
- (3) If the taxpayer's entry on line 4 is equal to or greater than the amount for the filing status in the list below and the taxpayer's entry on line 5 is greater than zero, assign **TPNC 227**.
 - a. **FSC 1 or 4** and line 4 is equal to or greater than \$903,350 (TY22, \$843,500; TY21, \$818,000).
 - b. **FSC 2 or 5** and line 4 is equal to or greater than \$1,662,300 (TY22, \$1,552,200; TY21, \$1,505,600).
 - c. **FSC 3 or 6** and line 4 is equal to or greater than \$831,150 (TY22, \$776,100; TY21, \$752,800).

3.12.3.25.2.6
(01-01-2019)

**Field T-ALT>, Tax on
Alternative Minimum
Taxable Income
Computer (EC 267)**

- (1) Field T-ALT> is the computer's amount for Form 6251, line 7. It is used as a comparison point for the taxpayer's amount for Form 6251, line 7.
- (2) If **Schedule D is present**, ensure Fields 1218 and 1219 are transcribed if lines 18 and/or 19 are present. EC 265 may generate when these fields are not input, but are used by the taxpayer.
- (3) If **Form 4952 is present**, ensure Fields 514E and 514G are transcribed, if lines 4e and/or 4g are present
- (4) Some taxpayers may use an alternate method when calculating line 7 of Form
any of the following conditions are present:
 - a. Schedule 2, line 1 is zero.
 - b. Line 2k of Form 6251 has an entry.
 - c. Line 14 of Form 6251 differs from line 19 of Schedule D.
 - d. Lines 7 and 40 of Form 6251 are the same.
 - e. Schedule J was verified in EC 265.

Exception: If there has been a previous math error, refer to the lead tax examiner for manual computation.

- (5) If the taxpayer makes note of an Internal Revenue Code (IRC) regulation, or similar statement explaining why line 7 is different from what the IRS may

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3.12.3.25.2.7
(01-01-2019)

**Field 3208, Alternative
Minimum Foreign Tax
Credit (EC 267)**

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3.12.3.25.2.8
(01-01-2019)

**Field T-TWO>, Tentative
Minimum Tax Computer
(EC 267)**

- (1) This field is the computer-generated amount for line 9 of Form 6251.

3.12.3.25.2.9
(01-01-2019)

**Field >>>>, Alternative
Minimum Tax Computer
(EC 267)**

- (1) This field is the underprint for Field 05201, Schedule 2, line 1. It is the computer-generated alternative minimum tax amount for line 11 of Form 6251.
- (2) If the taxpayer is a Schedule J filer and has used the amount from line 23 of Schedule J on line 10 of Form 6251, assign **TPNC 225**.
- (3) If no other corrections are necessary, use the following table to correct the error condition:

If the taxpayer has made an error...	Then...
A] Figuring alternative minimum taxable income,	Assign TPNC 226 .

If the taxpayer has made an error...	Then...
B] Figuring or transferring alternative minimum tax	Assign TPNC 227 .

3.12.3.25.2.10
(01-01-2019)

Field 3211V, Alternative Minimum Tax Verified (EC 267)

- (1) Use this field when the computer cannot arrive at the correct alternative minimum tax, because, for instance, the taxpayer figures it according to a section of **IRC** cited in explanation of the calculation.
- (2) If the taxpayer notes “**not liable**”, in those or like words, enter **RPC Z**.
- (3) If the programming figures alternative minimum tax greater than zero and the manually figured alternative minimum tax is zero, enter **RPC Z**.

3.12.3.25.2.11
(01-01-2019)

Prior Year (EC 267)

- (2) Some taxpayers may use an alternate method when calculating Form 6251, line 7 (TY17, and prior, line 31). Refer to IRM 3.12.3.25.2.14, Field T-ALT> (PY).
- (3) For TY11 and prior, enter the taxpayer’s amount in Field 3211V.

3.12.3.25.2.12
(01-01-2020)

Field 3204>, (PY) Alternative Minimum Taxable Income Computer (EC 267)

- (1) For TY19 through TY12, manual computation must be performed. Field 3204> is the computer’s amount for line 28 of Form 6251.
- (2) For TY11 and prior, enter the taxpayer’s alternative minimum tax amount in Field 3211V.
- (3) GTSEC 32 and verify transcription of all entries.

Note: Refer to Prior Year Job Aid Book 2515-014 for Form 6251 fields that can be transcribed as either positive or negative amounts.

- (4) If the amount on line 1 of Form 6251 differs from the AGI or the amount on the Itemized or standard deduction line from Form 1040 when Schedule A is

er’s total amount from the alternative minimum tax total line of Form 6251 in Field 3211V, when any of the following situations are present:

- Alternative Tax Net Operating Loss (ATNOL) on line 21, Form 1040
- Capital Construction Fund (CCF), left of line 44, Form 1040
- Alcohol Fuel Credit under Section 87, left of line 44, Form 1040
- Schedule Q, left of line 44, Form 1040
- For TY08, Form 8914, *Exemption Amount for Taxpayers Housing Mid-western Displaced Individuals*

Note: If a previous math error is present refer to the lead tax examiner for manual computation.

- (5) If line 35 of Form 6251 equals Field >>>> but does not equal line 45, Form 1040, check for **Deferred Minimum Tax** noted to the left of line 45 of Form 1040. Take the following action based on the notation:

Note: Do not assign **TPNC 227** (error in transferring) if the taxpayer has noted “EZE” or “Deferred Minimum Tax” to the left of line 45, Form 1040.

- a. Empowerment Zone Employment (EZE), **Form 8844**, is valid for TY10-TY06. EZE credit is a credit **against both the regular tax and the alternative minimum tax**. Correct as follows:
 - 1) If Form 8844 is present, verify that any Empowerment Zone Employment Credit amount is entered in Field 2226 (Form 3800, line 26). If an error in alternative minimum tax results because of the EZE credit, assign **TPNC 229**.
 - 2) If the taxpayer has correctly computed Alternative Minimum Tax and EZE credit, but the computer cannot correctly compute the proper amounts, enter the total of all statutory credits in Field 94NRV. Enter Field 3211V, if necessary, to verify the tax on alternative minimum taxable income.
- b. Deferred Minimum Tax - If the taxpayer noted “Deferred Minimum Tax” to the left of line 45, Form 1040, enter the amount identified as “Deferred Minimum Tax” in Field 05TAT.

Note: If “Deferred Minimum Tax” represents the *only* entry for line 45, Form 1040, then Form 6251 is not required to be attached.

- (6) Manually compute the alternative minimum taxable income line on Form 6251 when Field 32EX> does not agree with the taxpayer’s entry for alternative minimum taxable income line on Form 6251.
- a. If the manually computed amount **equals** the taxpayer’s entry for alternative minimum taxable **income** on Form 6251, manually compute through the alternative minimum tax line and enter the computed amount into Field 3211V.
 - b. If the manually computed amount **differs** from the taxpayer’s entry for alternative minimum taxable **income** on Form 6251, manually compute through the alternative minimum tax line and enter the computed amount into Field 3211V. When EC 267 redisplay, assign **TPNC 226**.

Note: If a previous math error is present, refer to the lead tax examiner for manual computation.

- (7) If Schedule A is attached and Field 07LIM> has an amount, but the taxpayer is not using the Schedule A to compute taxable income (i.e., standard deduction is more beneficial), DLSEC 07.

Exception: If the taxpayer is electing to use the itemized deductions (**IE** is written on or near the total itemized deduction line of Form 1040 or Schedule A), enter **1** in Field 07IEI.

3.12.3.25.2.13
(11-27-2020)

**Field 32EX>, (PY) AM
Taxable Income
Exemption Computer
(EC 267)**

- (1) Field 32EX> represents the amount of limitation applied to the standard amounts for line 29, (ie., not a direct comparison to line 29).
- (2) For TY17 and prior, if the amount on line 29 of Form 6251 differs from the amount in Field 32EX>, then do the following:
 - a. Manually compute line 29, Form 6251.
 - b. If the manually computed amount for alternative minimum tax exemption of Form 6251 is **equal to taxpayers' entry for alternative minimum tax exemption on Form 6251**, manually compute the remainder of Form 6251 through line 35 and enter the computed amount in Field 3211V.
 - c. If the manually computed amount for alternative minimum tax exemption on Form 6251 **differs from the taxpayers' entry for alternative minimum tax exemption on Form 6251**, manually compute the remainder of Form 6251 through line 35, enter the computed amount in Field 3211V and assign **TPNC 227**.
- (3) **Form 8615, Tax for Certain Children Who Have Unearned Income**, filers: A return for certain children under age 24 requires completion of exemption worksheet to arrive at the figure on line 29 of Form 6251.
- (4) If **Section 33 is present** take the appropriate action according to the following table:

If...	But less than...	Then...
A] The amount on line 29 of Form 6251 is at least: <ul style="list-style-type: none"> • \$7,500 for TY17 • \$7,400 for TY16 • \$7,400 for TY15 • \$7,250 for TY14 • \$7,150 for TY13 • \$6,950 for TY12 • \$6,800 for TY11 • \$6,700 for TY10 	<ul style="list-style-type: none"> • \$54,300 for TY17 • \$53,900 for TY16 • \$53,600 for TY15 • \$52,800 for TY14 • \$51,900 for TY13 • \$50,600 for TY12 • \$48,450 for TY11 • \$47,450 for TY10 	<ol style="list-style-type: none"> 1. Accept the amount on line 29 of Form 6251 and manually compute through line 35. 2. Enter the result in Field 3211V.

If...	But less than...	Then...
B] The amount on line 29 of Form 6251 is equal to or greater than: <ul style="list-style-type: none"> • \$54,300 for TY17 • \$53,900 for TY16 • \$53,600 for TY15 • \$52,800 for TY14 • \$51,900 for TY13 • \$50,600 for TY12 • \$48,450 for TY11 • \$47,450 for TY10 		Assign TPNC 227 .

- (5) If **Section 33 is not present** take the appropriate action according to the following table:

If...	And...	Then...
A] The amount on line 29 of Form 6251 is equal to or more than: <ul style="list-style-type: none"> • \$7,500 but less than \$54,300 for TY17 • \$7,400 but less than \$53,900 for TY16 • \$7,400 but less than \$53,600 for TY15 • \$7,250 but less than \$52,800 for TY14 • \$7,150 but less than \$51,900 for TY13 • \$6,950 but less than \$50,600 for TY12 • \$6,800 but less than \$48,450 for TY11 • \$6,700 but less than \$47,450 for TY10 	Field 01DS1 has an entry,	<ol style="list-style-type: none"> 1. Accept the amount on line 29 of Form 6251. 2. Manually compute through line 35. 3. Enter the result in Field 3211V.

If...	And...	Then...
B] The amount on line 29 of Form 6251 is equal to or more than: <ul style="list-style-type: none"> • \$7,500 but less than \$54,300 for • \$7,400 but less than \$53,900 for TY16 • \$7,400 but less than \$53,600 for TY15 • \$7,250 but less than \$52,800 for TY14 • \$7,150 but less than \$51,900 for TY13 • \$6,950 but less than \$50,600 for TY12 • \$6,800 but less than \$48,450 for TY11 • \$6,700 but less than \$47,450 for TY10 	Field 01DSI is blank,	1. Accept the amount on line 29, Form 6251. 2. Manually compute through line 35. 3. Enter the result in Field 3211V.
C] The amount on line 29 of Form 6251 is equal to or more than: <ul style="list-style-type: none"> • \$54,300 for TY17 • \$53,900 for TY16 • \$53,600 for TY15 • \$52,800 for TY14 • \$51,900 for TY13 • \$50,600 for TY12 • \$48,450 for TY11 • \$47,450 for TY10 	Field 01DSI is blank,	Assign TPNC 227 .

- (6) If the manually computed amount for Alternative Minimum Tax is zero, enter \$1.00 in Field 3211V.

3.12.3.25.2.14
(01-01-2019)

**Field T-ALT>, (PY) Tax
On Alternative Minimum
Taxable Income
Computer (EC 267)**

- (1) If Schedule D is present, ensure lines 18 and 19 are entered in Fields 1218 and 1219.
- (2) If Form 4952 is present, ensure lines 4e and 4g are entered in Fields 514E and 514G.
- (3) Some taxpayers may use an alternate method when calculating line 31 of it in Field 3211V when any of the following are present:
 - Schedule J was verified in EC 265.
 - TY08 - Line 17 of Form 6251 has an entry, or lines 32 and 55 of Form 6251 are the same, or line 45 of Form 1040 is zero, or line 39 differs from line 19 of Schedule D.
 - TY07 - Line 16 of Form 6251 has an entry, or lines 31 and 55 of Form 6251 are the same, or line 45 of Form 1040 is zero, or line 38 differs from line 19 of Schedule D.

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Caution: If a previous math error is present, refer to the lead tax examiner for manual computation.

3.12.3.25.2.15
(01-01-2024)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 267)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 267**.
Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
185	Computed Other Itemized Deductions incorrectly.
218	We computed your tax for you.
225	We changed the amount of Alternative Minimum Tax on your return because Schedule J is not used in the computation of Alternative Minimum Tax.
226	Figured Form 6251, Part I, alternative minimum taxable income incorrectly.
227	Figured Form 6251, Part II, alternative minimum tax incorrectly or transferred Form 6251 to Form 1040 incorrectly.
229	Computed Form 6251 incorrectly due to presence of Form 8844.
558	You gave us information that changed the refund or amount you owe.

TPNC	Description
605	For one or more of your dependents the SSN or ITIN was missing or the last name doesn't match our records or the records provided by the Social Security Administration.
843	Computed or transferred Form 8936, Clean Vehicle Credits, incorrectly.
***	Any previously assigned TPNC

3.12.3.25.3
(01-01-2017)
**Error Code 268,
Alternative Minimum Tax
Liability**

- (1) Error Code 268 instructions follow.

3.12.3.25.3.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 268)**

- (1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01FPC	Form Processing Code
01RPC	Return Processing Code
01ACD	Audit Code
01DSI	Dependent Status Indicator
01ABI	Age/Blind Indicator
03AGI	Adjusted Gross Income
>>>>>	AGI Computer
03SD>	Standard Deduction Computer
03ASD>	Additional Standard Deduction Computer
07IEI	Itemized Election Indicator
03TTI>	Tax Table Income Computer
03QBI	Qualified Business Income Deduction
>>>>>	Qualified Business income Deduction Computer
03NCC	Non-Itemized Charitable Contributions Deduction
>>>>>	Non-Itemized Charitable Contributions Deduction Computer
03INC	Taxable Income

1040	Field Name
>>>>>	Taxable Income Computer
05201	Alternative Minimum Tax
>>>>>	Alternative Minimum Tax Computer
	Section 07 Not Present
0704	Total Medical Deduction
>>>>	Total Medical Deduction Computer
0707	Total Taxes Schedule A
>>>>	Total Tax Deduction Computer
0705A	State Local Income or Sales Tax Amount
0706	Other Taxes Amount
32HMI	F6251 Home Mortgage Interest
07LIM>	Schedule A Total Itemized Percentage Computer
0401	State Income Tax Refund
	Section 51 Not Present
514E	Disposition of Investment Income
514G	Investment Income Elect
3202F	Alternative Tax Net Operating Loss
3203	F6251 Other Adjustments Amount
3204>	Alternative Minimum Taxable Income Computer
32EX>	Alternative Minimum Tax Exemption Computer [the limitation, not the allowable exemption]
	Section 12 Not Present
1218	28% Rate Gain or Loss
1219	Unrecaptured Section 1250 Gain Amount
T-ALT>	Tax on Alternative Minimum Taxable Income Computer
3208	Form 6251 Foreign Tax Credit
T-TWO>	Tentative Minimum Tax Computer
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
05202	Excess APTC Repayment Amount
05301	Foreign Tax Credit
>>>>	Foreign Tax Credit Computer
	Section 20 Present

1040	Field Name
	Section 28 Not Present
2830	Form 4972 Tax
>>>>	Form 4972 Tax Computer
3211V	Alternative Minimum Tax Verified
	Section 32 Not Present
	Section 33 Present

3.12.3.25.3.2
(01-03-2023)
Invalid Conditions (EC 268)

- (1) **Error Code 268** generates when FPC 5 is not present, Alternative Minimum Tax Computer is greater than \$99, and **either** of the following exist:
- Field 01DSI is not present.
 - Audit Code P or RPC Z is not present.

3.12.3.25.3.3
(01-03-2023)
Correction Procedures (EC 268)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

Note: If Section 32 is present, enter **5** in Field 01FPC.

- (2) If the literal "Section 32 Not Present" displays and Form 6251 is present:

- Enter **5** in Field 01FPC.
- GTSEC 32 and enter all fields available.

Note: Refer to Job Aid Book 2515-015 and 2515-014 (PY) for Form 6251 fields, and IRM 3.12.2.29.1 for fields that can be transcribed as either positive or negative amounts.

- (3) If Form 8844, *Empowerment Zone Employment Credit*, is present, verify that the credit amount is entered in Field 22EZT (Form 3800, Part III, line 3).
- (4) When the taxpayer indicates "**not liable**" (or similar statement) for Alternative Minimum Tax, on Schedule 2, line 1 (TY18, line 45; TY17, Form 1040, line 45) or on Form 6251, enter **Z** in Field 01RPC if there has not been a previous math error. **Do not enter RPC Z if an amount is present for Alternative Minimum Tax.** If there has been a previous math error, refer to lead tax examiner for manual computation.

Note: With exception of MeF - Assume that a taxpayer entry of 0 (zero), on Schedule 2, line 1 (TY18, line 45; TY17, Form 1040, line 45), is an indication of "not liable", unless the taxpayer has used 0 (zero) on all unused lines.

- (5) If the amount on line 5 (line 29, TY17 and prior) of Form 6251 differs from the computer amount in Field 32EX>, check to see if taxpayer could be "**a certain child with unearned income**", see EC 256 IRM 3.12.3.24.2.3(5) for instruction.
- (6) If any of the following conditions are present, enter **Z** in Field 01RPC:

- a. Field 03TTX is greater than T-ALT>
 - b. Zero (0) is entered on Schedule 2, line 1, unless TP has used zeros **on all unused lines**.
 - c. If a credit form is attached showing the taxpayer has already calculated ALT-MIN (i.e., an amount entered on credits alt-min line) which is lower than the taxpayer's entry on Form 1040, line 16.
 - d. Schedule J was verified in EC 265.
- (7) When none of the above corrections apply and Form 6251 is not attached, **SSPND 211**. Complete Form 6001 using paragraph T.
- (8) If **No Reply** for Form 6251, enter Audit Code **P**.

3.12.3.25.3.4
(01-01-2020)
Prior Year (EC 268)

- (1) TY09 and prior, do not correspond. Enter Audit Code P.

3.12.3.25.4
(01-01-2017)
Error Code 269 (CE)
Audit Code P or RPC Z

- (1) Error Code 269 instructions follow.

3.12.3.25.4.1
(11-27-2020)
Fields Displayed, Form 1040 (EC 269)

- (1) The following fields are displayed:

1040	Field Name
CL	Clear Code
01RPC	Return Processing Code
01ACD	Audit Code

3.12.3.25.4.2
(01-01-2017)
Invalid Conditions (EC 269)

- (1) **Error Code 269** generates when Audit Code P is present or RPC Z is present.

Note: This error code will not generate for Doc Code 72 or 73.

3.12.3.25.4.3
(01-01-2017)
Correction Procedures (EC 269)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

- (2) Delete the **P** from Field 01ACD if Section 32 is present.

Note: Audit Code P should only be entered when it is a **No Reply**.

- (3) Delete from Field 01ACD or Field 01RPC, as applicable, if there is no indication Audit Code P or RPC Z should be present.

Note: RPC Z should **not** be present if there is an amount on Schedule 2, line 1 (TY18, line 45; TY17, Form 1040, line 45).

- (4) Delete the **Z** from Field 01RPC if the taxpayer did not state "not liable" or a similar statement is attached.

- (5) Enter **C** in the Clear Field when Audit Code P or RPC Z is correct.

Note: RPC Z is entered based on EC 268 instructions. Audit Code P is entered based on EC 267 No Reply instructions.

3.12.3.26
(01-01-2017)
**Error Codes 270-276
(ACA) and Error Codes
277-300**

- (1) Instructions for Error Codes 270 to 300 follow.

3.12.3.26.1
(01-01-2017)
**Error Code 270, Form
8962 Missing and APTC
Repayment Amount
Present (ACA)**

- (1) Error Code 270 instructions follow.

3.12.3.26.1.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 270, ACA)**

- (1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01CCC	Computer Condition Code
01RPC	Return Processing Code
01SPC	Special Processing Code
01EXC	Exemption Code
94EXV	Exemption Code Verified (ERS input only)
05202	Advance Premium Tax Credit Repayment
05202>	Computed APTC Repayment Amount
94ARV	Advance Premium Tax Credit Repayment Verified (ERS input only)
	Section 73 Not Present
	Section 74 Not Present

#

#

3.12.3.26.1.2
(01-01-2019)
**Invalid Conditions (EC
270, ACA)**

- (1) Error Code 270 generates when Tax Period is 201412 or greater, APTC repayment (Field 05202) is present, Section 73/74 is missing, and the Marketplace indicates coverage but no APTC was received.

3.12.3.26.1.3
(04-25-2022)
**Correction Procedures
(EC 270, ACA)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) **TY20 only**, delete the entry in Field 05202. When a subsequent error displays because of this tax change, assign **TPNC 796**.
- (3) **TY23-TY21** and **TY19 and prior**, **SSPND 224** and complete Form 6001 using paragraphs K and d. [AUSPC ONLY, complete Form 13900 when appropriate using paragraphs Z (requesting Form 8962) and s].

3.12.3.26.1.4
(04-12-2021)
**Reply Procedures (EC
270, ACA)**

- (1) **TY20 only**, delete the entry in Field 05202. When a subsequent error displays because of this tax change, assign **TPNC 796**.
- (2) **TY23-TY21** and **TY19 and prior**, if a response is received after the due date received date in Field 02RPD.
- (3) If the taxpayer responds with “**Not My Return**”, see IRM 3.12.3.33.2(1).
- (4) **TY23-TY21** and **TY19 and prior**, if the taxpayer provides Form 8962, enter data in the appropriate fields, Sections 73 and/or 74.
- (5) **TY23-TY21** and **TY19 and prior**, if an incomplete reply is received, see IRM 3.12.3.26.1.5.

#

3.12.3.26.1.5
(04-12-2021)
**No Reply Procedures
(EC 270, ACA)**

- (1) **TY20 only**, delete the entry in Field 05202. When a subsequent error displays because of this tax change, assign **TPNC 796**.

#

3.12.3.26.2
(01-01-2017)
**Error Code 271, Form
8962, Line 8b, Monthly
Contribution (ACA)**

- (1) Error Code 271 instructions follow.

3.12.3.26.2.1
(01-01-2023)
**Fields Displayed, Form
1040, (EC 271, ACA)**

- (1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01RPC	Return Processing Code
01SPC	Special Processing Code
01EXC	Exemption Code
94EXV	Exemption Code Verified (ERS input only)
03TEI	Tax Exempt Interest

1040	Field Name
09NET>	Section 09 Schedule C Profit/Loss Computer
10NET>	Section 10 Schedule C Profit/Loss Computer
11NET>	Section 11 Schedule C Profit/Loss Computer
0403	Combined Schedule C Profit/Loss
>>>>	Combined Schedule C Profit/Loss Computer
0405	Schedule E Profit/Loss
>>>>>	Schedule E Profit/Loss Computer
1434>	Schedule F Profit/Loss Computer
1534>	Schedule F Profit/Loss Computer
0406	Combined Schedule F Profit/Loss
>>>>	Combined Schedule F Profit/Loss Computer
03GSS	Gross Social Security Benefits
03TSS	Taxable Social Security Benefits
>>>>>	Taxable Social Security Benefits Computer
03CGL	Schedule D Profit/Loss
>>>>>	Schedule D Profit/Loss Computer
03TOT	Total Income
>>>>>	Total Income Computer
03TAJ	Total Adjustments
>>>>>	Total Adjustment Computer
03AGI	Adjusted Gross Income
>>>>	Adjusted Gross Income Computer
7301>	Computed Family Size
7302A>	Computed PTC MAGI Amount
7302B	Dependents Modified AGI
7303>	Computed Household Income
73SOR	Federal Poverty Level State of Residence Checkbox
7304>	Computed Federal Poverty Level Amount
7305>	Computed HHI as Percent of Federal Poverty Level
7307>	Computed Applicable Figure
7308A>	Computed Annual Contribution to Health Care
7308B	Monthly Contribution for Health Care
7308B>	Computed Monthly Contribution

1040	Field Name
	Section 34 Not Present
	Section 35 Not Present
3445	Foreign Earned Income Exclusion Sec. 34
3450	Housing Deduction Sec. 34
3545	Foreign Earned Income Exclusion Sec. 35
3550	Housing Deduction Sec. 35
TFIEX>	Total Foreign Earned Income Exclusion Computer
	Section 74 Present

3.12.3.26.2.2
(01-01-2017)
Invalid Conditions (EC 271, ACA)

- (1) Error Code 271 generates when Tax Period is 201412 or greater and the Monthly Contribution for Health Care (Field 7308B) differs from the computer underprint (Field 7308B>).

3.12.3.26.2.3
(01-28-2022)
Correction Procedures (EC 271, ACA)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
 - a. Verify Field 01EXC equals the total number of dependents on Form 1040.
 - b. If it does not match, correct Field 01EXC.
- (2) Verify Fields 7302B and 7308B are transcribed correctly.
- (3) If **FSC 2** and the taxpayer has split the primary and secondary taxpayers income between lines 2a and 2b, and line 3 is equal to AGI, delete the entry in Field 7302B.
- (4) Verify Field 73SOR is coded and transcribed correctly.
 - a. "A" Alaska box checked
 - b. "B" Hawaii box checked
 - c. "C" Other 48 states/DC, no box checked, or multiple box checked
- (5) If the taxpayer completed only **column f** in Part II of Form 8962, they don't qualify for PTC and must **repay all** of their APTC. The **Yes** box on line 6, Form 8962, may also be checked. Follow the taxpayer's intent and delete the amount from Fields 7302B and 7308B.

Note: TY20 and prior, this repayment applies when line 5 of Form 8962 is more than **400 percent**, some **DSI** filers, **FSC 3** filers who didn't check the exception box (located above Part I), and when no one in the family who is enrolled at marketplace is lawfully present.

- (6) **TY21 only**, if the unemployment compensation box on Form 8962, Line A, is checked, enter **M** in Field 01RPC.

- (7) If after review and/or corrections of (1) through (6) EC 271 redispays, assign **all appropriate** TPNCs.
- If Field 7308B differs from 7308B> due to a math error, assign **TPNC 784**.
 - If the dependents transcribed in Field 01EXC equal the total number of dependents on Form 1040, and Field 94EXV has an entry, assign **TPNC 762**.

3.12.3.26.2.4
(01-01-2023)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 271, ACA)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 271**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
205	Disallowed primary exemption. Your SSN or ITIN was missing or invalid.
206	Disallowed secondary exemption. Spouse's SSN or ITIN was missing or invalid.
558	You gave us information that changed the refund or amount you owe.
598	No Reply. Disallowed exemption for child that didn't live with you. Form 8332, Form 2120, or a copy of a divorce decree was incomplete or not attached.
605	Disallowed exemption for one or more of your dependents. SSN or ITIN was missing or invalid.
606	Disallowed exemption for dependent born after December 31st of the tax year of the return. May affect Credit for Child and Dependent Care Expenses, CTC or ACTC.
607	Disallowed primary exemption. Deceased prior to the tax period. May affect Credit for Child and Dependent Care Expenses, CTC, ACTC, or EIC.
608	Disallowed secondary exemption. Spouse deceased prior to the tax period. May affect Credit for Child and Dependent Care Expenses, CTC, ACTC, or EIC.
609	Disallowed exemption for dependent who was deceased prior to the tax period. May affect Credit for Child and Dependent Care Expenses, CTC, ACTC, or EIC.

TPNC	Description
610	Disallowed exemption for dependent without TIN who was born and died. No birth certificate attached.
642	Disallowed primary exemption. ITIN has expired.
643	Disallowed spouse's exemption. ITIN has expired.
644	Disallowed dependent exemption. ITIN has expired.
701	Disallowed spouse's exemption and EIC. Spouse's SSN was missing or invalid.
748	Disallowed primary exemption and EIC. SSN doesn't match our records.
762	Changed tax family size on Form 8962. Primary, secondary, or dependent has an issue with their taxpayer identification number.
784	We changed monthly contribution, Part 1, Form 8962.
795	We changed amounts on Form 8962, Part II, to match Form 1095-A.
798	We changed amounts on Form 8962, Part II, to match Form 1095-A. We have removed excess APTC from your return. (TY20 only)
***	Any previously assigned TPNC

3.12.3.26.3
(01-01-2017)
Error Code 272, Form 8962, Part 5, Ineligible for Alternative Calculation for Marriage (ACM) (ACA)

(1) Error Code 272 instructions follow.

3.12.3.26.3.1
(01-01-2023)
Fields Displayed, Form 1040 (EC 272, ACA)

(1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01RPC	Return Processing Code
01SPC	Special Processing Code
01EXC	Exemption Code
94EXV	Exemption Code Verified

#

1040	Field Name
7301>	Computed Family Size
7302A>	Computed PTC MAGI Amount
7302B	Dependents Modified AGI
7303>	Computed Household Income
73SOR	Federal Poverty Level State of Residence Checkbox
7304>	Computed Federal Poverty Level Amount
7305>	Computed HHI as percent of Federal Poverty Level
7307>	Computed Applicable Figure
7308A>	Computed Annual contribution to Health Care
7308B	Monthly Contribution for Health Care
7308B>	Computed Monthly Contribution
7325	Advance Premium Tax Credit
7325>	Computed Taxpayer Total APTC Amount
7435A	Primary Alternative Family Size
7435B	Primary Monthly Contribution
7435B>	Computed ACM Primary Monthly Contribution
7435C	Primary Alternative Start Month
7435D	Primary Alternative Stop Month
7436A	Spouse Alternative Family Size
7436B	Spouse Monthly Contribution
7436B>	Computed ACM Spouse Monthly Contribution
7436C	Spouse Alternative Start Month
7436D	Spouse Alternative Stop Month

3.12.3.26.3.2
(01-01-2017)
Invalid Conditions (EC 272, ACA)

- (1) Error Code 272 generates when Tax Period is 201412 or greater and the taxpayer is ineligible for Alternative Calculation for Marriage (ACM):
- Field 7325 is blank, and taxpayer has entries on lines 35a - 35d or 36a - 36d, or
 - Taxpayer has an entry on line 35a or 36a, Form 8962, and filing status is other than "2".

3.12.3.26.3.3
(01-24-2019)
Correction Procedures (EC 272, ACA)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

- a. Verify Field 01EXC equals the total number of dependents on Form 1040.
 - b. If it does not match, correct Field 01EXC.
- (2) If after review and/or correction of (1) EC 272 redispays, assign **all** appropriate TPNCs.
- a. If Field 7325 is blank and line 35a-35d or 36a-36d has entries, or entries on line 35a or 36a and FSC is other than 2, assign **TPNC 793**.
 - b. If the dependents transcribed in Field 01EXC equal the total number of dependents on Form 1040, and Field 94EXV has an entry, assign **TPNC 762**.

3.12.3.26.3.4
(01-01-2023)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 272, ACA)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 272**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
205	We didn't allow your personal exemption. Your SSN or ITIN was missing or the last name does not match the records provided SSA.
206	Disallowed secondary exemption. Spouse's SSN or ITIN was missing or invalid.
558	You gave us information that changed the refund or amount you owe.
605	One or more of your dependents' SSN or ITIN was missing or invalid.
762	Changed your tax family size on line 1 of Form 8962 because of an issue with a TIN.
793	We didn't allow ACM from Part 5, Form 8962.
795	We changed amounts on Form 8962, Part II, to match Form 1095-A.
798	We changed amounts on Form 8962, Part II, to match Form 1095-A. We have removed APTC from your return. (TY20 only)
***	Any previously assigned TPNC

3.12.3.26.4 (1) Error Code 273 instructions follow.
(01-01-2017)

**Error Code 273, Form
8962, Primary/Secondary
ACM Monthly
Contribution Differs,
Line 35A/36A (ACA)**

3.12.3.26.4.1 (1) The following fields are displayed:
(01-01-2023)

**Fields Displayed, Form
1040 (EC 273, ACA)**

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01RPC	Return Processing Code
01SPC	Special Processing Code
01EXC	Exemption Code
94EXV	Exemption Code Verified (ERS input only)
03TEI	Tax Exempt Interest
03GSS	Gross Social Security Benefits
03TSS	Taxable Social Security Benefits
>>>>>	Taxable Social Security Benefits Computer
03AGI	Adjusted Gross Income
>>>>	Adjusted Gross Income Computer
7301>	Computed Family Size
7302A>	Computed PTC MAGI Amount
7302B	Dependents Modified AGI
7303>	Computed Household Income
73SOR	Federal Poverty Level State of Residence Checkbox
7304>	Computed Federal Poverty Level Amount
7305>	Computed HHI as Percent of Federal Poverty Level
7307>	Computed Applicable Figure
7308A>	Computed Annual Contribution to Health Care
7308B	Monthly Contribution for Health Care
7308B>	Computed Monthly Contribution
7435A	Primary Alternative Family Size
7435B	Primary Monthly Contribution
7435B>	Computed ACM Primary Monthly Contribution

1040	Field Name
7436A	Spouse Alternative Family Size
7436B	Spouse Monthly Contribution
7436B>	Computed ACM Spouse Monthly Contribution
	Section 34 Not Present
	Section 35 Not Present
3445	Foreign Earned Income Exclusion Sec. 34
3450	Housing Deduction Sec. 34
3545	Foreign Earned Income Exclusion Sec. 35
3550	Housing Deduction Sec. 35
TFIEX>	Total Foreign Earned Income Exclusion Computer

3.12.3.26.4.2
(01-01-2017)
Invalid Conditions (EC 273, ACA)

- (1) Error Code 273 generates when Tax Period is 201412 or greater and the Primary/Spouse Monthly Contribution (Field 7435B and/or 7436B) amount differs from the computer amount for Computed ACM Primary/Spouse Monthly Contribution (Field 7435B> and/or 7436B>).

3.12.3.26.4.3
(10-14-2022)
Correction Procedures (EC 273, ACA)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
 - a. Verify Field 01EXC equals the total number of dependents on Form 1040.
 - b. If it does not match, correct Field 01EXC.
- (2) Verify Fields 7302B and 7308B are transcribed correctly.
- (3) Verify Field 73SOR is coded and transcribed correctly.
 - a. "A" Alaska box checked
 - b. "B" Hawaii box checked
 - c. "C" Other 48 states/DC, no box checked, or multiple box checked
- (4) **TY21 only**, if the unemployment compensation box on Form 8962, line A, is checked, enter **M** in Field 01RPC.
- (5) If after review and/or correction of (1) through (4) EC 273 redispays, assign **all** appropriate TPNCs.
 - a. If Field 7435B and/or 7436B differs from Field 7435B> and/or 7436B>, assign **TPNC 785**.
 - b. If the dependents transcribed in Field 01EXC equal the total number of dependents on Form 1040, and Field 94EXV has an entry, assign **TPNC 762**.

3.12.3.26.4.4
(01-01-2023)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 273, ACA)**

(1) This table shows the allowable Taxpayer Notice Codes for **Error Code 273**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

(2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
205	We didn't allow your personal exemption. Your SSN or ITIN was missing or the last name does not match the records provided by SSA.
206	We didn't allow the personal exemption for your spouse. The SSN or ITIN was missing or the last name of your spouse does not match the records provided by SSA.
558	You gave us information that changed the refund or amount you owe.
605	For one or more of your dependents the SSN or ITIN was missing or the last name doesn't match our records or the records provided by the Social Security Administration.
762	We changed your tax family size on line 1 of Form 8962, Premium Tax Credit. We made the change because you, your spouse, or one or more of the dependents listed on your tax return has an issue with their taxpayer identification number.
785	We changed the monthly contribution, Form 8962, Part 5, which you calculated incorrectly.
795	We changed amounts on Form 8962, Part II, to match Form 1095-A.
798	We changed amounts on Form 8962, Part II, to match Form 1095-A. We have removed APTC from your return. (TY20 only)
***	Any previously assigned TPNC

3.12.3.26.5
(01-01-2017)

**Error Code 274, Form
8962, Line 24,
Annual/Monthly
Premium Tax Credit
(ACA)**

(1) Error Code 274 instructions follow.

3.12.3.26.5.1

(01-01-2023)

**Fields Displayed, Form
1040 (EC 274, ACA)**

(1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01RPC	Return Processing Code
01SPC	Special Processing Code
01EXC	Exemption Code
94EXV	Exemption Code Verified (ERS input only)
73MFS	MFS PTC Exception Checkbox Indicator
7308A>	Computed Amount Contribution to Health Care
7308B	Monthly Contribution Health Care Amount
7308B>	Computed Monthly Collection
7311A	Annual Premium Amount
7311B	Annual Premium of SLCSP Amount
7311D>	Computed Annual Max PTC Amount
7311E>	AVS Annual PTC Computer Amount
7312D>	AVS Computed January Max PTC Amount
7313D>	AVS Computed February Max PTC Amount
7314D>	AVS Computed March Max PTC Amount
7315D>	AVS Computed April Max PTC Amount
7316D>	AVS Computed May Max PTC Amount
7317D>	AVS Computed June Mac PTC Amount
7318D>	AVS Computed July Max PTC Amount
7319D>	AVS Computed August Max PTC Amount
7320D>	AVS Computed September Max PTC Amount
7321D>	AVS Computed October Max PTC Amount
7322D>	AVS Computed November Max PTC Amount
7323D>	AVS Computed December Max PTC Amount
7312E>	AVS January PTC Computer Amount
7313E>	AVS February PTC Computer Amount
7314E>	AVS March PTC Computer Amount
7315E>	AVS April PTC Computer Amount
7316E>	AVS May PTC Computer Amount

1040	Field Name
7317E>	AVS June PTC Computer Amount
7318E>	AVS July PTC Computer Amount
7319E>	AVS August PTC Computer Amount
7320E>	AVS September PTC Computer Amount
7321E>	AVS October PTC Computer Amount
7322E>	AVS November PTC Computer Amount
7323E>	AVS December PTC Computer Amount
7324	Total Premium Tax Credit Amount
7324>	AVS Total Computer PTC Amount
	Section 74 Not Present
7435B	Primary Monthly Contribution
7435B>	Computed ACM Primary Monthly Contribution
7436B	Spouse Monthly Contribution
7436B>	Computed ACM Spouse Monthly Contribution

3.12.3.26.5.2
(01-01-2017)
Invalid Conditions (EC 274, ACA)

- (1) Error Code 274 generates when Tax Period is 201412 or greater and:
 - a. the taxpayer's amount for Annual Premium Tax Credit (Form 8962, line 11e/24) differs from the computer amount for Annual Total Premium Tax Credit, or
 - b. the taxpayer's amount for Monthly Premium Tax Credit (Form 8962, lines 12e-23e and/or line 24) differs from the computer amount for Monthly Total Premium Tax Credit.

3.12.3.26.5.3
(01-06-2021)
Correction Procedures (EC 274, ACA)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields
 - a. Verify Field 01EXC equals the total number of dependents on Form 1040.
 - b. If it does not match, correct Field 01EXC.
- (2) If FSC 3 or 6, take one of the following actions:
 - a. TY14 - enter "1" in Field 73MFS.
 - b. TY15 and later - assign **TPNC 790**. See (6) below before sending TPNC.
- (3) If the taxpayer has used the Annual calculation (line 11), verify the transcription of Fields 7311A, 7311B, and 7324.
- (4) If the taxpayer has used the Monthly calculation, GTSEC 73 and verify the transcription of Fields 7312A - 7323A, 7312B - 7323B, and 7324.
- (5) If Field 7308B has an entry, Field 7308B> is blank, and EC 271 did not display, take the following actions:

- a. Compare Form 1040, line 11 (TY19, line 8b; TY18, line 7) to Form 8962, line 2a to determine if the amounts are the same.
 - b. If Form 1040 has an entry on line 2a and/or lines 6a and 6b (TY19/TY18, line 2a and or lines 5a and 5b), and the amount on Form 8962, line 2a is the same as Form 1040, line 11 (TY19, line 8b; TY18, line 7), the taxpayer has computed Form 8962, line 2a incorrectly.
 - c. Compare Form 1040, line 11 (TY19, line 8b; TY18, line 7) to Form 8962, line 2a. If b) above does not apply, determine if the amount was transferred incorrectly.
 - d. Assign **TPNC 784**. See (6) below before assigning TPNC.
- (6) If after review and/or correction of (1) through (5) EC 274 redispays, assign **all** appropriate TPNCs.
- a. Assign **TPNC 790** for (2) above.
 - b. Assign **TPNC 784** for (5) above.
 - c. If Field 7324 does not match Field 7324> due to a math error in Part II of Form 8962, assign **TPNC 786**.
 - d. If Field 01EXC entries equal the total number of dependents on Form 1040, and Field 94EXV has an entry, assign **TPNC 762**.

3.12.3.26.5.4

(01-01-2023)

Allowable Taxpayer Notice Codes (Form 1040) (EC 274, ACA)

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 274**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
205	We didn't allow your personal exemption. Your SSN or ITIN was missing or the last name does not match the records provided SSA.
206	We didn't allow the personal exemption for your spouse. The SSN or ITIN was missing or the last name of your spouse doesn't match the records provided by SSA.
558	You gave us information that changed the refund or amount you owe.
605	For one or more of your dependents the SSN or ITIN was missing or the last name doesn't match our records or the records provided by the Social Security Administration.

TPNC	Description
762	We changed your tax family size on line 1 of Form 8962, Premium Tax Credit. We made the change because you, your spouse, or one or more of the dependents listed on your tax return has an issue with their taxpayer identification number.
784	We changed the monthly contribution amount on Form 8962, Premium Tax Credit, because you incorrectly calculated it in Part 1 - Annual and Monthly Contributions.
786	We changed line 24, Form 8962 because you incorrectly calculated Column E.
790	We didn't allow the amount you claimed as Net Premium Credit on your tax return. You're not eligible to claim the credit because your filing status is married filing separately.
795	We changed amounts on Form 8962, Part II, to match Form 1095-A.
798	We changed amounts on Form 8962, Part II, to match Form 1095-A. We have removed APTC from your return. (TY20 only)
***	Any previously assigned TPNC

3.12.3.26.6
(01-01-2017)
**Error Code 275, Form
8962, Line 25, Advance
PTC (ACA)**

- (1) Error Code 275 instructions follow.

3.12.3.26.6.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 275, ACA)**

- (1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01RPC	Return Processing Code
01SPC	Special Processing Code
01EXC	Exemption Code
94EXV	Exemption Code Verified (ERS input only)
7311A	Annual Premium Amount
7311B	Annual Premium of SLCSP Amount

#

1040	Field Name
7311F	Annual Advance PTC
7312F	January Monthly Advance PTC
7313F	February Monthly Advance PTC
7314F	March Monthly Advance PTC
7315F	April Monthly Advance PTC
7316F	May Monthly Advance PTC
7317F	June Monthly Advance PTC
7318F	July Monthly Advance PTC
7319F	August Monthly Advance PTC
7320F	September Monthly Advance PTC
7321F	October Monthly Advance PTC
7322F	November Monthly Advance PTC
7323F	December Monthly Advance PTC
7325	Advance Premium Tax Credit
7325>	Computed Taxpayer Total APTC Amount

3.12.3.26.6.2
(01-01-2017)
Invalid Conditions (EC 275, ACA)

- (1) Error Code 275 generates when Tax Period is 201412 or greater and the taxpayers' amount for Annual/Monthly Advance PTC (Field 7311F/Fields 7312F thru 7323F) differs from computer amount for Advance PTC (Field 7325>).

3.12.3.26.6.3
(05-21-2018)
Correction Procedures (EC 275, ACA)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If the taxpayer has an amount on Form 8962, line 25 and the computer underprint is blank, take the following actions:
 - a. If Form 8962, line 11f (Field 7311F) has an entry that equals line 25, and the taxpayer has entries on any of lines 12-23 and no entries in column f, lines 12-23, enter the amount from line 11F in the first monthly APTC field (Fields 7312F - 7323F) with an entry on the line.
 - b. If the taxpayer has an entry for line 25 and lines 11f through 23f are blank, determine if the taxpayer used the amount on line 25 in the computation of either line 26 or 29. If so, enter the line 25 amount in the first column f field with a line entry.
- (3) If Form 8962, line 25, is blank and entries are present leading to it on lines 11-23, column f, verify the transcription of column f (Field 7311F or Fields 7312F-7323F). If transcription is correct, enter the computer underprint from Field 7325> in Field 7325. If a subsequent ACA error code displays, delete the entry from Field 7325 and assign **TPNC 787**.

- (4) If after review and/or correction of (1) and (2) EC 275 redispays, assign **all** appropriate TPNCs.
- a. If Field 7325 does not match Field 7325>, assign **TPNC 787**.

3.12.3.26.6.4
(01-01-2023)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 275, ACA)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 275**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
205	We didn't allow personal exemption. Your SSN or ITIN was missing or the last name does not match the records provided by SSA.
206	We didn't allow the personal exemption of your spouse. The SSN or ITIN was missing or the last name of your spouse doesn't match the records provided by SSA.
558	You gave us information that changed the refund or amount you owe.
605	For one or more of your dependents the SSN or ITIN was missing or the last name doesn't match our records or the records provided by the Social Security Administration.
787	We changed line 25, Form 8962 because you incorrectly calculated Column F.
795	We changed amounts on Form 8962, Part II, to match Form 1095-A.
798	We changed amounts on Form 8962, Part II, to match Form 1095-A. We have removed APTC from your return. (TY20 only)
***	Any previously assigned TPNC

3.12.3.26.7
(01-01-2017)

**Error Code 276, Form
8962, Advance PTC
Repayment (ACA)**

- (1) Error Code 276 instructions follow.

3.12.3.26.7.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 276, ACA)**

- (1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01RPC	Return Processing Code
01SPC	Special Processing Code
01EXC	Exemption Code
94EXV	Exemption Code Verified (ERS input only)
01DSI	Dependent Status Indicator
7324	Total Premium Tax Credit
7324>	Computed Total PTC Amount
7325	Advance Premium Tax Credit
7325>	Computed Taxpayer Total APTC Amount
7327>	Computed Excess APTC Amount
05202	Advance Premium Tax Credit Repayment
05202>	Computed PTC Repayment Amount
94ARV	Excess APTC Repayment Verified Amount

#

#

3.12.3.26.7.2
(01-01-2020)

**Invalid Conditions (EC
276, ACA)**

- (1) Error Code 276 generates when Tax Period is 201412 or greater and the entry for Advance Premium Tax Credit Repayment, Field 05202 does not match Computed PTC Repayment Amount, Field 05202>.

3.12.3.26.7.3
(02-10-2023)

**Correction Procedures
(EC 276, ACA)**

- (1) DROP TO THE BOTTOM OF THE SCREEN AND TRANSMIT.
- (2) Correct coding and transcription errors and misplaced entries in displayed fields.
- Verify Field 01EXC equals the total number of dependents on Form 1040.
 - If it does not match, correct Field 01EXC.
- (3) **TY20 only**, when Field 05202> contains an amount, **DLSEC 73** to delete Form 8962. If Error Code 190 displays, delete the entry in Field 05202. If EC 190 redisplay, enter **C** in the Clear Field. If Error Code 270 displays, follow procedures in IRM 3.12.3.26.1.3(2). TY20, when Field 05202> does NOT contain an amount, follow procedures in (5) below.

- (4) **TY21 only**, if the unemployment compensation box on Form 8962, Line A, is checked, enter **M** in Field 01RPC.
- (5) **TY23-TY21** and **TY19 and prior**, if after review and/or correction of (2) Error Code 276 redispays, assign **all** appropriate TPNCs.
 - a. If Field 05202 does not match Field 05202>, assign **TPNC 789**.
 - b. If Field 01DSI is correctly coded as 1 (taxpayer can be claimed as a dependent on another's return), the taxpayer must repay all APTC. Assign **TPNC 789**.
 - c. If the dependents transcribed in Field 01EXC equal the total number of dependents on Form 1040, and Field 94EXV has an entry, assign **TPNC 762**.

3.12.3.26.7.4
(01-01-2023)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 276, ACA)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 276**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
205	We didn't allow your personal exemption. Your SSN or ITIN was missing or the last name doesn't match the records provided by SSA.
206	We didn't allow the personal exemption for your spouse. The SSN or ITIN was missing or the last name of your spouse doesn't match the records provided by SSA.
558	You gave us information that changed the refund or amount you owe.
605	For one or more of your dependents the SSN or ITIN was missing or the last name doesn't match our records or the records provided by the Social Security Administration.
762	We changed your tax family size on line 1 of Form 8962, Premium Tax Credit. We made the change because you, your spouse, or one or more of the dependents listed on your tax return has an issue with their taxpayer identification number.
789	Form 8962, line 29 was transferred incorrectly or calculated incorrectly.
795	We changed amounts on Form 8962, Part II, to match Form 1095-A.

TPNC	Description
798	We changed amounts on Form 8962, Part II, to match Form 1095-A. We have removed APTC from your return. (TY20 only)
***	Any previously assigned TPNC

3.12.3.26.8
(01-01-2017)

**Error Code 277 and 577,
Foreign Tax Credit**

- (1) Error Code 277/577 instructions follow.

3.12.3.26.8.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 277)**

- (1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
05202	Taxpayer Advance Premium Tax Credit Repayment
05202>	Computed APTC Repayment Amount
03TBC>	Income Tax Before Credits Computer
05301	Foreign Tax Credit
>>>>>	Foreign Tax Credit Computer
03TAX	Total Tax IMF
>>>>>	Total Tax IMF Computer
	Section 19 Not Present

3.12.3.26.8.2
(01-01-2017)

**Invalid Conditions (EC
277)**

- (1) **Error Code 277** generates when Foreign Tax Credit differs from Foreign Tax Credit Computer and a math error is present.
- (2) **Error Code 577** generates when a math error is not present and the return is a Non-Compute or the difference between Foreign Tax Credit and Foreign Tax Credit Computer is not within tolerance.

Note: Statutory Credit is limited to the amount of Tentative Tax Computer.

3.12.3.26.8.3
(04-25-2022)

**Correction Procedures
(EC 277)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

- (2) Use the following table when the taxpayer uses Form 1116, *Foreign Tax Credit*, to claim credit for income tax paid to a foreign country or to a U.S. possession:

If...	And...	Then...
A] Form 1116 is attached,	Not transcribed,	1. GTSEC 19. 2. Enter all data present on form in the fields displayed.
B] More than one Form 1116 is attached,		Enter the amount from the form that has entries in Part IV. (See IRM 3.12.2.18.3.1)
C] The amount claimed on Schedule 3, line 1 (TY18, line 48) is \$300 (\$600 if FSC 2) or less,	Form 1116 or similar statement is not attached,	GTSEC 19 and enter the amount from Schedule 3, line 1 (TY18, line 48), in Field 1935.
D] The amount claimed for Foreign Tax Credit is greater than the tentative tax on Form 1040, line 16 plus excess advance premium tax credit on Schedule 2, line 2,	The underprint for Field 05301 is equal to the underprint for Field 03TTX plus 05202>,	Assign TPNC 231 . Note: See the procedure in F] before assigning TPNC 231.
E] The amount claimed for Foreign Tax Credit is greater than the amount needed to offset tax,	Includes the amount in Total Tax and/or Balance Due Refund,	Assign TPNC 231 .
F] An amount is claimed for Foreign Tax Credit but not used because the tax liability on Form 1040, line 18 (TY19, line 12b) is zero,		Delete the amount in Field 05301. Note: Do not assign a TPNC.

- (3) Compare Form 1040, line 18 (TY19, line 12b), to Field 03TBC> when the computer's underprint for a personal credit is more than the amount claimed by the taxpayer. If there is difference because the taxpayer made an error adding tax, alternative minimum tax, and excess APTC, assign **TPNC 230**.

3.12.3.26.8.4
(01-01-2017)
**Correction Procedures
(EC 577)**

- (1) Refer to all instructions for EC 277, and refer to IRM 3.12.2.5.12 for Non-Compute information and IRM 3.12.2.2.13.5 for changes in statutory credits information.
- (2) Enter **C** in the Clear Field after initiating the Letter 2719C or if there are no further corrections to be made.

Note: Do not prepare a Letter 2719C when EC 288 displays.

3.12.3.26.8.5
(11-27-2020)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 277)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 277**.
Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
230	We found an error in the addition of your Tax, Alternative Minimum Tax and APTC repayment.
231	Disallowed part or all of your foreign tax credit. Foreign tax credit is limited to the total amount of your tentative minimum tax liability.
513	No Reply - Form 1116, Foreign Tax Credit, was incomplete or not attached to your tax return.
***	Any previously assigned TPNC.

3.12.3.26.9
(01-01-2017)
**Error Code 278 (CE)
Transcription in Dollars
Only, AGI and Child Care
Credit**

- (1) Error Code 278 instructions follow.

3.12.3.26.9.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 278)**

- (1) The following fields are displayed:

1040	Field Name
CL	Clear Code
03AGI	Adjusted Gross Income
>>>>	Adjusted Gross Income Computer

1040	Field Name
03TBC>	Income Tax Before Credits Computer
05302	Child and Dependent Care Credit
05302>	Child and Dependent Care Credit Computer
21CCV	Child Care Credit Verified
05RCC	Refundable Child and Dependent Care Credit
05RCC>	Refundable Child and Dependent Care Credit Computer
94RCV	Refundable Child Care Credit Verified
01TXP	Tax Period

3.12.3.26.9.2
(11-23-2021)
Invalid Conditions (EC 278)

- (1) **Error Code 278** generates when Field 01TXP is 202112-202211, Section 21 is present, Child and Dependent Care Credit Computer (Field 05302>) or Refundable Child and Dependent Care Credit (Field 05RCC) is present, and Adjusted Gross Income (Field 03AGI) is equal to one of the following amounts: \$125,000.00, \$127,000.00, \$129,000.00, \$131,000.00, \$133,000.00, \$135,000.00, \$137,000.00, \$139,000.00, \$141,000.00, \$143,000.00, \$145,000.00, \$147,000.00, \$149,000.00, \$151,000.00, \$153,000.00, \$155,000.00, \$157,000.00, \$159,000.00, \$161,000.00, \$163,000.00, \$165,000.00, \$167,000.00, \$169,000.00, \$171,000.00, \$173,000.00, \$175,000.00, \$177,000.00, \$179,000.00, \$181,000.00, \$183,000.00, \$400,000.00, \$402,000.00, \$404,000.00, \$406,000.00, \$408,000.00, \$410,000.00, \$412,000.00, \$414,000.00, \$416,000.00, \$418,000.00, \$420,000.00, \$422,000.00, \$424,000.00, \$426,000.00, \$428,000.00, \$430,000.00, \$432,000.00, \$434,000.00, \$436,000.00, or \$438,000.00.
- (2) **Error Code 278** generates when Field 01TXP is 202212 or later, or 202111 or prior, Section 21 is present, Child and Dependent Care Credit Computer (Field 05302>) is present, and Adjusted Gross Income (Field 03AGI) is equal to one of the following amounts: \$15,000.00, \$17,000.00, \$19,000.00, \$21,000.00, \$23,000.00, \$25,000.00, \$27,000.00, \$29,000.00, \$31,000.00, \$33,000.00, \$35,000.00, \$37,000.00, \$39,000.00, \$41,000.00, or \$43,000.00.

3.12.3.26.9.3
(11-23-2021)
Correction Procedures (EC 278)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Ensure that the proper amount (in **dollars and cents**) is entered in Field 03AGI, Adjusted Gross Income (AGI). This is necessary to properly compute Child and Dependent Care Credit Computer.
- (3) **TY21 only**, when box B is checked on Form 2441, and cents (other than 00) are present in AGI, manually compute Refundable Child and Dependent Care Credit. Enter verified amount in Field 94RCV.
- (4) **TY21 only**, when box B is not checked on Form 2441, and cents (other than 00) are present in AGI, manually compute Child and Dependent Care Credit. Enter verified amount in Field 21CCV.

- (5) TY20 and prior, when cents (other than 00) are present in AGI, manually compute Child and Dependent Care Credit. Enter verified amount in Field 21CCV.
- (6) Enter **C** in the Clear Field if no corrections are necessary (taxpayer AGI entry for *cents* is 00, dash, or blank).

3.12.3.26.10
(11-03-2022)
**Error Code 279, Child
and Dependent Care
Provider**

- (1) Error Code 279 instructions follow.

3.12.3.26.10.1
(01-01-2024)
**Fields Displayed, Form
1040 (EC 279)**

- (1) The following fields are displayed in Error Code 279:

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01SPC	Special Processing Code
21CPT	Child Care Provider TIN
01PS	Primary SSN
01SS	Secondary SSN
01DS1	Dependent SSN 1
01DS2	Dependent SSN 2
01DS3	Dependent SSN 3
01DS4	Dependent SSN 4
21DS1	Child Care Dependent 1 SSN
21DS2	Child Care Dependent 2 SSN
21QI	Qualifying Individual Number
2103	Qualified Expenses
05302	Child Care Credit
05302>	Child Care Credit Computer

3.12.3.26.10.2
(11-03-2022)
**Invalid Conditions (EC
279)**

- (1) Error Code 279 generates when Child Care Provider TIN in Field 21CPT:
 - a. Is all zeros,
 - b. Is equal to Primary SSN, Secondary SSN, or Dependent SSN 1/2/3/4, or
 - c. Consists of 9 repeating digits or consecutive digits.

3.12.3.26.10.3
(03-21-2023)

**Correction Procedures
(EC 279)**

- (1) Correct any coding and transcription errors and misplaced entries in displayed fields.
- (2) If the entry in Field 21CPT matches Field 01PS, Field 01SS, or Field 01DS1/2/3/4, delete the entry in Field 2103. If EC 279 redisplay, enter **C** in the Clear Field. When EC 280 displays, assign **TPNC 244**.
- (3) If the entry in Field 21CPT consists of 9 repeating digits or 9 consecutive digits, research the provider's TIN using Command Code INOLE.
 - a. If the provider's name matches the established account on INOLE, enter **C** in the Clear Field.
 - b. If the provider's name does **not** match the established account on INOLE, delete the entry in Field 2103. If EC 279 redisplay, enter **C** in the Clear Field. When EC 280 displays, assign **TPNC 244**.
- (4) Delete the entry in Field 2103 when the taxpayer failed to provide a child and dependent care provider TIN [see IRM 3.12.3.26.11.4(1) and (2)] and **all** of the following apply:
 - a. The provider is not a tax-exempt organization, and
 - b. The provider is not a foreign citizen (identified by **LAFCP**, Living Abroad Foreign Care Provider, or similar statement), and
 - c. The taxpayer has not exercised due diligence.

Note: Due diligence applies only to notations that indicate the provider has moved and the taxpayer is unable to find the provider to get the TIN, or the provider has refused to give the TIN to the taxpayer. Notations that indicated the taxpayer is unable to get the TIN, that the TIN is not available, that it is unknown, pending, applied for, or any notations other than the two listed previously are not acceptable due diligence statements.
- (5) If Field 21CPT is blank because the provider is a tax-exempt organization, a foreign citizen (LAFCP), or due diligence applies, enter **C** in the Clear Field.
- (6) If no further corrections are necessary in EC 279, enter **C** in the Clear Field.

3.12.3.26.11
(01-01-2023)

**Error Code 280 and 580,
Child and Dependent
Care Credit**

- (1) Error Code 280/580 instructions follow.

3.12.3.26.11.1
(01-01-2024)

**Fields Displayed, Form
1040 (EC 280)**

- (1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01EXC	Exemption Code
94EXV	Exemption Code Verified

1040	Field Name
01RPC	Return Processing Code
01SPC	Special Processing Code
02DTR	Dependent TIN Not Required
01ACD	Audit Code
05302	Child and Dependent Care Credit
21GC>	Gross Child and Dependent Care Computer
05302>	Child and Dependent Care Credit Computer
21MFS	Form 2441 Qualifying Filing Separate Indicator
21ABD	Form 2441 Principal Abode Indicator
21CPT	Child Care Provider TIN
21QI	Qualifying Individual Number
21CN1	Dependent 1 Child Name Control
>>>>>	Dependent 1 NAP Name Control
211DI	Child Care Credit Dependent 1 Disabled Indicator
21YB1>	Dependent 1 Date of Birth
21DD1>	Dependent 1 Date of Death
21NA1>	Dependent 1 NAP Access Indicator
21NR1>	Dependent 1 TIN NAP EIF RES Indicator
21CC1>	Child Care 1 NAP ITIN Status Code
21DS1	Dependent 1 SSN
21CP1	Dependent 1 Child Care Payment
21CN2	Dependent 2 Child Care Name Control
>>>>>	Dependent 2 NAP Name Control
212DI	Child Care Credit Dependent 2 Disabled Indicator
21YB2>	Dependent 2 Date of Birth
21DD2>	Dependent 2 Date of Death
21NA2>	Dependent 2 NAP Access Indicator
21NR2>	Dependent 2 TIN NAP EIF RES Indicator
21CC2>	Child Care 2 NAP ITIN Status Code
21DS2	Dependent 2 SSN
21CP2	Dependent 2 Child Care Payment
2103	Qualified Expenses
2104	Primary Earned Income

1040	Field Name
2105	Secondary Earned Income
2106>	Child and Dependent Care Base Computer
03AGI	Adjusted Gross Income
>>>>>	AGI Computer
21PYE	Prior Year Expenses
>>>>	Prior Year Expenses Computer
2112	Dependent Care Employer Benefits
2116	Qualified Expenses Incurred Amount (Employer)
2125	Dependent Care Exclusion
21CCV	Child Care Credit Verified
21CSR	Dependent Child Care SSN Requirement
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
03TBC>	Income Tax Before Credits Computer
03TAX	Total Tax IMF
>>>>>	Total Tax IMF Computer
05RCC	Refundable Child and Dependent Care Credit
05RCC>	Refundable Child and Dependent Care Credit Computer
94RCV>	Refundable Child Care Credit Verified
	Section 21 Not Present

3.12.3.26.11.2
(01-01-2017)
Invalid Conditions (EC 280)

- (1) **Error Code 280** generates when both of the following exist:
 - a. The taxpayer's amount for Child and Dependent Care Credit (Field 05302) and the computer's amount differ.
 - b. A math error is present.
- (2) **Error Code 580** generates when either of the following exist:
 - a. A math error is not present and the return is a Non-Compute.
 - b. Any of the allowable carryover statutory credits differ from their respective computer-generated amounts.

3.12.3.26.11.3
(04-25-2022)
Correction Procedures (EC 280)

- (1) Correct any coding and transcription errors and misplaced entries in displayed fields.

Caution: When EC 280 displays, Field 21QI may already have an entry if Child Care Dependents TINs were addressed at EC 010, 012, 013, or 017. See IRM 3.12.3.26.11.7.

- (2) If the literal "Section 21 Not Present" displays when an entry is present in Field 05302 and Form 2441 is present, GTSEC 21 and enter all fields of data available.
- (3) **TY21**, taxpayers are eligible to take the Child and Dependent Care Expenses as a fully refundable credit when they meet the principal abode requirement. Taxpayers who had a principal abode in the United States for more than one half of 2021 will check box B at the top of Form 2441, and they will figure their credit on Schedule 3, line 13g. Enter 1 in Field 21ABD when box B is checked on TY21 Form 2441. When the taxpayer does not meet the principal abode requirement, they will not check box B at the top of Form 2441. These taxpayers qualify for nonrefundable Child and Dependent Care Expenses Credit and will figure the credit on line 2, Schedule 3. If the taxpayer has claimed Child and Dependent Care Expenses on line 13g, Schedule 3 and box B on Form 2441 is blank, assign **TPNC 630** along with all applicable TPNCs. Read the entire error code to determine other points of error before assigning a TPNC.
- (4) When FSC is 3/6 and Form 2441 is attached, take the following action:

If...	Then...
A] TY18 and later, the "Married Persons Filing Separately" box near the top of Form 2441 is checked,	Enter 1 in Field 21MFS.
B] TY18 and later, the "Married Persons Filing Separately" box near the top of Form 2441 is NOT checked,	Assign TPNC 239 .
C] TY17 and prior, when FSC is 3/6,	Assign TPNC 239 .

- (5) Use the following table when an entry is present in Field 05302 and Form 2441 is missing:

If Income Tax Before Credits Computer (Field 03TBC> underprint) is...	Then...
A] Greater than zero,	SSPND 211 to correspond for Form 2441.

If Income Tax Before Credits Computer (Field 03TBC> underprint) is...	Then...
B] Not present,	Do not correspond for Form 2441. 1. Delete entry in Field 05302. 2. Adjust the entry in Field 03NRC to exclude Child Care Credit when EC 310 displays.

- (6) Take the following action when the taxpayer claims a credit amount that is greater than amount needed to offset tax and includes the amount in Total Tax and/or Balance Due/Refund:
 - a. GTSEC 03 or GTSEC 05.
 - b. Enter the computer's amount in the credit field(s).
 - c. Adjust the entry in Field 03NRC to reflect change.
 - d. Assign **TPNC 232** when EC 334 displays.
- (7) Delete the amount in Field 05302 when the taxpayer computes Child and Dependent Care Credit for Schedule 3, line 2 (TY18, line 49, Schedule 3) but does not use the credit because the tax liability on line 18 (TY19, line 12b), is zero. Do not assign a TPNC.
- (8) If Fields 05302> and 03TTX are blank, Field 03AGI is a negative amount, and the credit is not offsetting Form 6251 or 8962 tax amounts (Field 03TBC>), **SSPND 471** and take the return to your lead.

Note: Lead - send the MeF DLN or a copy of the paper return to HQ.

- (9) Refer to correction procedures for Field 21PYE, Prior Year Expenses, when Field 21GC> and Field 05302 underprint differ from the taxpayer's entry on line 9b, Form 2441.
- (10) Assign any previously assigned TPNC if a previous math error made a change to the amount of credit available.
- (11) Assign **TPNC 232** if the taxpayer makes an error in the computation of Child Care Credit (e.g., taxpayer made an error transferring their AGI to Form 2441, used wrong percentage based on AGI, etc.) or made an error in transferring the amount of the credit to Form 1040.
- (12) If the computer's underprint for a personal credit is more than the amount claimed by the taxpayer, compare Form 1040, line 18 (TY19, line 12b) to the amount in Field 03TBC>. If there is a difference because the taxpayer made an error adding tax, alternative minimum tax, and excess APTC, assign **TPNC 230**.

3.12.3.26.11.4
(01-26-2023)
**Field 21CPT, Child and
Dependent Care
Provider TIN (EC 280)**

- (1) A provider TIN must be present for a taxpayer to qualify for the Child and Dependent Care Credit, unless the taxpayer is showing one of the "tax-exempt" organizations as shown in the following (2) and/or notes "tax-exempt", "due diligence applies", "LAFCP" (Living Abroad Foreign Care Provider) or "provider is a foreign citizen."

Note: Due diligence applies only to notations that indicate the provider has moved and the taxpayer is unable to find the provider to get the TIN or the provider has refused to give the TIN to the taxpayer. Notations that indicated the taxpayer is “unable” to get the TIN, that the TIN is not available, that it is unknown, pending, applied for, or any notations other than the two listed previously are not acceptable due diligence statements.

(2) Tax-exempt organizations include, but are not limited to, the following:

- Churches, synagogues, mosques, or temples
- Schools - both public and private
- YMCA/YWCA or YMHA/YWHA
- Other nonprofit organizations

(3) Delete the entry in Field 2103 when **all** of the following apply:

- a. The provider is not a tax-exempt organization, and
- b. The provider is not a foreign citizen (LAFCP), and
- c. The provider’s TIN is missing and other correspondence is not required, and
- d. Due diligence does not apply.

Note: Due diligence applies only to notations that indicate the provider has moved and the taxpayer is unable to find the provider to get the TIN, or the provider has refused to give the TIN to the taxpayer.

Exception: Do not delete the entry in Field 2103 when more than one provider name is entered on line 1, Form 2441, but only one Child and Dependent Care Provider is valid. Do not disallow the credit.

(4) If Field 2103 was deleted or Code & Edit **X’d** line 3 per the conditions in (3) above, assign **TPNC 234**.

(5) If Field 2103 was deleted in Error Code 279 because the child care provider TIN matches the SSN of the primary taxpayer, spouse, or a dependent, assign **TPNC 244**.

3.12.3.26.11.5
(04-24-2023)

**Fields 21CN1 and 21CN2
and 21DS1 and 21DS2,
Dependent Child Care
Name Control and SSN
(EC 280)**

(1) If a Dependent NAP Access Indicator (Field 21NA1> or Field 21NA2>) or NAP Response Indicator (Field 21NR1> or 21NR2>) is “X”, GTSEC 02 to revalidate. Enter **R** in Field 02RI and transmit.

(2) Search the Form 1040 and attachments for an SSN related to the Child and Dependent Care dependents listed on Form 2441 when a valid SSN is not present on line 2, column (b), and take the following action:

Note: A Child and Dependent Care qualifying dependent **doesn’t** have to be claimed as a dependent to qualify for the Child and Dependent Care Credit.

If a Child and Dependent Care SSN...	And...	Then...
A] Is found on the return or attachment,	The dependent is listed on line 2, Form 2441,	Enter the SSN in the related Field 21DS1/DS2.
B] Is missing,	One of the following is noted: 1. “Amish” , “Mennonite” 2. Born in the tax period of the tax return and died in the same or consecutive tax period,	Follow IRM 3.12.3.26.11.6 instructions for Field 21CSR.
C] Is missing, incomplete, or invalid,	is claimed as a dependent,	Assign TPNC 705 . (TY17 and prior, assign TPNC 605.)
D] Was deleted at EC 013,		Assign TPNC 705 . (TY17 and prior, assign TPNC 605.)
E] Is not valid because the NAP date of birth is after the tax period,		Assign TPNC 708 . (TY17 and prior, assign TPNC 606.)
F] Is not valid because the SSN matches that of a deceased person whose date of death is prior to the tax year of the return,		Assign TPNC 706 . (TY17 and prior, assign TPNC 609.)
G] Is an expired ITIN for a qualifying child on Form 2441, Note: Child Care ITIN status code, Field 21CC1>/21CC2> is “I” .	is claimed as a dependent,	Assign TPNC 710 . (TY17 and prior, assign TPNC 644.)
H] Is missing or invalid for a qualifying child on Form 2441,	The qualifying child is not claimed as a dependent on tax return,	Assign TPNC 235 .

If a Child and Dependent Care SSN...	And...	Then...
I] Is an expired ITIN for a qualifying child on Form 2441, Note: Child Care ITIN status code, Field 21CC1>/21CC2> is "I".	The qualifying child is not claimed as a dependent on tax return,	Assign TPNC 646 .

- (3) **TY23-TY22 only**, if a qualifying person is over the age of 13 (year of birth 2008 or prior), and Field 211DI/212DI is zero (box on line 2, column c is NOT checked to indicate the qualifying person is disabled), assign **TPNC 245**.
- (4) **TY21 and prior**, if the only issue is the age of the qualifying person is 13 or older, manually compute the credit (including that person's qualified expenses), and enter the amount in Field 21CCV.

3.12.3.26.11.6
(01-01-2019)

**Field 21CSR, Dependent
Child Care SSN
Requirement (EC 280)**

- (1) Any Child Care Credit qualifying dependent is not required to have an SSN when any of the following are noted:
- **Amish**
 - **Mennonite**
 - **Form 4029**
 - The dependent was **born** in the tax period of the tax return and **died** in the same or consecutive tax period, and supporting documentation is included.
- Caution:** The taxpayer must provide evidence of the birth and death in the form of a copy of the birth certificate, death certificate, or hospital record.
- (2) If a Child and Dependent Care SSN **isn't** required per (1), code Fields 21CSR and 01RPC as follows:
- a. Enter **I** in Field 01RPC.
 - b. Enter 1 in Field 21CSR if Field 21DS1 is not required.
 - c. Enter 2 in Field 21CSR if Field 21DS2 is not required.
 - d. Enter 3 in Field 21CSR if neither Field 21DS1 or 21DS2 is required.
- (3) If a **disabled spouse** is also the qualifying individual for Child and Dependent Care Benefits, delete the spouse's TIN from the appropriate field in Section 21 and enter 1 in Field 21CSR.
- (4) If any Child and Dependent Care dependent was **born** and **died** within the tax period of the return and no supporting documentation has been provided, assign **TPNC 707** (TY17 and prior, assign TPNC 610).

3.12.3.26.11.7
(01-23-2023)

**Field 21QI, Qualifying
Individuals (EC 280)**

- (1) When EC 280 displays, Field 21QI may already have an entry if dependents 1-4 TIN was addressed at EC 010, 012, 013, or 017.
- (2) Code Field 21QI with the number of qualifying individuals as follows:
 - a. Enter 1, if one child care dependent SSN is present.
 - b. Enter 2, if two child care dependent SSNs are present.
 - c. Enter the number of qualifying persons up to and including 9, if three or more qualifying child care dependent SSNs are present.
 - d. Enter 9, if more than 9 qualifying child care dependent SSNs are present.

Note: If a qualifying individual was not claimed in the first four positions as a dependent on the front of the return, research using CC INOLE to verify if the SSN is valid.

Note: If no child care dependent SSN is available, blank Field 21QI (blank will be treated as 0 (zero) in ERS).

3.12.3.26.11.8
(01-23-2023)

**Field 2103, Qualifying
Expenses (EC 280)**

- (1) The amount of credit is computed from the Qualified Expenses reported on line 2, column (d) [TY21 and prior, column (c)] for the child and/or dependent with a valid SSN.

Note: Code and Edit is instructed to compute and enter the amount from line 2, column (d) [TY21 and prior, column (c)], on line 3 if there is an amount present on line 2, column (d) [TY21 and prior, column (c)], and line 3 is blank.

Note: If more than \$3,000 (TY21, \$8,000) is claimed for a Child and Dependent Care Dependent, the amount will be limited to \$3,000 (TY21, \$8,000) for one child, \$6,000 (TY21, \$16,000) for 2 or more Child Care Dependents.

- (2) If Code & Edit "X'd" line 3, Form 2441 when the taxpayer did not provide the child care provider TIN, assign TPNC **234**.

- (3) Delete the entry in Field 2103 if Code and Edit failed to "X" line 3, Qualified Expenses, Form 2441 when all of the following apply:

- a. The provider is not a tax-exempt organization, and
- b. The provider is not a foreign citizen (LAFCP), and
- c. The provider's TIN is missing and other correspondence is not required, and
- d. Due diligence does not apply.

Note: Due diligence applies only to notations that indicate the provider has moved and the taxpayer is unable to find the provider to get the TIN, or the provider has refused to give the TIN to the taxpayer.

Exception: Do not delete the entry in Field 2103 (line 3 of Form 2441) when more than one provider name is entered on line 1, Form 2441, but only one Child and Dependent Care Provider is valid. Do not disallow the credit.

- (4) If Field 2103 was deleted in EC 279 (or Code & Edit "X'd" line 3, Form 2441) because the provider TIN in Field 21CPT matches the SSN of primary, secondary, or any dependent, consists of 9 repeating digits or 9 consecutive digits, refer to IRM 3.12.3.26.10.3. Assign **TPNC 244**

- (5) If any dependent has an invalid TIN and so is ineligible for the Child and Dependent Care Credit and the figure in Field 2106> is not equal to the qualified expenses of the eligible child(ren), up to \$3,000 (TY21, \$8,000), figure the credit for the qualified expenses in Field 21CP1 or 21CP2 of the eligible child(ren). Use only the qualified expenses, up to \$3,000 (TY21, \$8,000), for the eligible child(ren) to figure total qualified expenses. Enter the allowable credit for the eligible child(ren) in Field 21CCV.

Caution: The figure in Field 2106>, the base for the calculation of the credit, is the smallest of line 3, 4, and 5 of Form 2441. The qualified expenses are not always the smallest of those three figures. Use the smallest of those three figures for figuring the credit.

Example: Assume a joint return. Each taxpayer has \$30,000 in earned income. The multiplier for the credit is .20. The first dependent has \$1,600 in qualified expenses and the second dependent has \$4,500 in qualified expenses. The second dependent is ineligible for the credit. The qualified expenses in Field 2106> would be \$3,000, instead of \$1,600. The ERS programming subtracts the qualified expenses of the ineligible child, up to \$3,000 (TY21, \$8,000), from the total qualified expenses [from \$6,000 in this example] to find the qualified expenses for the base of the credit. Figure the credit for qualified expenses [\$1,600] and enter the allowable credit in Field 21CCV [in this example, \$320.00, \$1,600 x .20].

- (6) Total the amounts from line 2, column (d) [TY21 and prior, column (c)], and any attachments representing these amounts, and enter the amount in Field 2103 when the taxpayer's entry on line 3 is blank, dash or 0 (zero) and line 2, column (d) [TY21 and prior, column (c)], contains entries.
- (7) Verify that the taxpayer transferred the amount on line 31 of Form 2441 to line 3 of Form 2441 and completed the rest of the form. Use Part III of the form, if applicable, to "back into" the expense and excluded amount, before corresponding for missing information.
- (8) If all of the following conditions are met, SSPND 211:
- Column (d) [TY21 and prior, column (c)] of line 2 **and** line 3 are blank.
 - The expenses cannot be determined and the taxpayer is claiming a credit on Schedule 3, line 2.
 - The taxpayer completed Part III, Dependent Care Benefits, of Form 2441.

Note: The taxpayer may claim the credit if expenses (line 16) are greater than employer-provided benefits (line 12).

- (9) If **Part III** of Form 2441 has been completed, the amount on line 31 should be carried back to line 3, Part II. Adjust the entry in Field 2103 accordingly when the amount is in error or incorrectly carried over to line 3. Then assign **TPNC 237**.

3.12.3.26.11.9
(01-26-2023)
**Fields 2104 and 2105,
Primary and Secondary
Earned Income (EC 280)**

- (1) The taxpayer may be entitled to the credit when they indicate that they were "looking for work" during the tax year. They are **not** entitled to the credit if they were unemployed the entire year and had no earned income. This would apply to either spouse on a joint return, or a taxpayer filing as Head of Household. Only expenses incurred for the care of a child or a qualifying individual are ac-

ceptable. SSPND 211, when the expenses claimed appear to be other than for child or dependent care, such as “mileage”, “resume copying”, etc.

- (2) When line 4 or 5 is blank on a FSC 2 return, examine the signature area and occupation box of the return to determine if one spouse is deceased. Manually verify and enter credit in Field 21CCV when FSC is 2 and there is an indication that either primary or secondary taxpayer **died** during the tax year. If the surviving spouse did not have any earned income, they do not qualify for the credit.

Note: If filing status 2 and the taxpayer or spouse died during the tax period, the taxpayer is not considered married for purposes of figuring the Child and Dependent Care Credit. The surviving spouse must have earned income to qualify for the credit. If the surviving spouse did not have any earned income, they do not qualify for the credit.

- (3) For each month or part of a month that a taxpayer was **disabled** or a full-time **student**, the taxpayer is considered to have earned income of \$250 (\$500 if more than one qualifying person). TY22, the taxpayer will check Box B on Form 2441, and a **1** should be entered in Field 21DI (TY21 and prior, examine the signature area and occupation box for an indication of disabled or full-time student). **If Field 2104 or 2105 is blank**, and there is an indication one spouse is disabled or a full-time student, use the following table to resolve:

If number of months for a disabled/student taxpayer...	Then...
A] Is present,	<ol style="list-style-type: none"> 1. Multiply number of months by \$250 (\$500 for 2 or more qualifying individuals). See exception. 2. Enter result in Field 2104 or 2105 as applicable. <p>Note: See exception below.</p>
B] Is not present,	SSPND 211 to correspond for number of months using Form 6001 with paragraph e and fill-in #8.

Exception: The following two conditions apply to **A]**.

- If the taxpayer worked during the month, the higher of the actual earned income or \$250 (\$500 if more than one qualifying person) would be reported.
 - If FSC 2 and both spouses were either students or disabled, only one spouse would be considered to have earned income of \$250 (\$500 if more than one qualifying person).
- (4) When lines 4 and/or 5 of Form 2441 are blank, determine the earned income amount(s) using attached Forms W-2, Schedule(s) SE (minus Field 04DSE if present), and any other earned income present. Enter computed amount in Field 2104, and Field 2105 if FSC 2.

Note: If FSC is 2, both primary and secondary taxpayers must have income, be disabled, or a full-time student to qualify for the credit.

Note: For other than FSC 2, do not enter an amount in Field 2105 unless the taxpayer has an amount on line 5 of Form 2441.

- (5) Adjust the amount in Field 2104 and/or 2105 using the earned income present on the return, if line 4 and/or 5 of Form 2441 is the same amount as the taxpayer's entry for Earned Income Credit on Form 1040, line 27a (TY20, line 27; TY19, line 18a). Assign **TPNC 232** when EC 280 redispays.
- (6) If the entry on line 4 or 5 of Form 2441 is a **loss**, delete the entry in Field 2104 or 2105 and assign **TPNC 233**.
- (7) If one or both taxpayers, if FSC 2, **don't** have earned income, assign **TPNC 233**.

Note: If FSC is 2, both the primary and secondary taxpayer must have earned income.

- (8) If no other errors are identified in Child and Dependent Care Credit, assign the previous TPNC when the earned income has been adjusted because of a previous error.

3.12.3.26.11.10
(02-23-2023)

Field 21PYE, Prior Year Expenses (EC 280)

- (1) Field 21PYE is transcribed from Form 2441, line 9b. TY20 and prior, it is identified as Credit for Prior Year Expenses (**CPYE**) on the dotted portion of line 9, Form 2441.

Note: Field 21PYE is a transcribed field on MeF returns. Verify the taxpayer has included the required documentation. See (2) below for required documentation.

- (2) Enter the amount from Form 2441, line 9b (TY20 and prior, dotted portion of line 9 of Form 2441) in Field 21PYE, when the taxpayer has attached a statement that includes the name and TIN of the person for whom they paid the prior year's expenses, the name and TIN of the care provider, and how the credit was computed.

Caution: If the prior-year expenses amount is more than \$2,100, refer to (4).

Exception: Do not enter an amount in Field 21PYE if the taxpayer did not use the prior-year expenses in the computation of the credit.

- (3) If Code & Edit "X'd" the prior year expenses amount on Form 2441, line 9b (TY20 and prior, notation of CPYE on the dotted portion of line 9) because the taxpayer did not include the required statement or documentation as identified in (2) above, assign **TPNC 236**. If Field 21PYE has an entry but the required statement is missing or incomplete, delete the amount in Field 21PYE. When EC 280 redispays, assign **TPNC 236**.
- (4) When Field 21PYE has an entry, the computer will limit the Field 21PYE underprint to \$2,100. For TY22, the limit for Field 21PYE should be \$8,000. **TY21 and prior**, if EC 280 redispays because more than \$2,100 credit for prior-year expenses was claimed, assign **TPNC 232**.

Exception: TY22, the limit for Field 21PYE is \$8,000, but the computer will limit to \$2,100. If Field 21PYE is more than \$2,100 on TY22, manually compute the credit, allowing up to \$8,000 for Field 21PYE, and enter the amount in Field 21CCV. If more than \$8,000 credit was claimed for prior-year expenses on TY22, assign **TPNC 232** when EC 280 redisplay.

3.12.3.26.11.11
(01-01-2019)
Fields 2112, 2116 and 2125, Dependent Care Benefits (EC 280)

- (1) If Part III of Form 2441 has been completed, the amount on line 31 should be carried back to line 3. Adjust the entry in Field 2103 accordingly when the amount is in error or incorrectly carried over to line 3. Assign **TPNC 237**.
- (2) When there is an entry in Field 2112, an entry must be present in Field 2116. Determine the amount from Form W-2 when the taxpayer has failed to enter an amount on this line but attempted to complete this portion of the form. Leave the entry blank if unable to determine.

3.12.3.26.11.12
(01-01-2017)
Correction Procedures (EC 580)

- (1) Refer to all instructions for EC 280, and refer to IRM 3.12.2.5.12 for Non-Compute information.
- (2) Correct coding and transcription errors and misplaced entries in displayed fields.
- (3) Enter **C** in the Clear Field if there are no corrections to be made.

3.12.3.26.11.13
(01-01-2017)
Prior Year (EC 280)

- (1) TY96 and later. There is math error authority for missing/invalid TIN. The computer will compute the credit when any of the following conditions are present:
 - The NAP Access Indicators are not (2 or 9) and Field 21CSR is zero.
 - Field 21CSR is 1, 2 or 3.
 - Field 21CCV is present.
- (2) If more than \$3,000 (\$2,400 for TY02 and prior) is claimed on line 3 for Child and Dependent Care expenses, the amount will be limited to \$3,000 (\$2,400 TY02 and prior) for one child, \$6,000 (\$4,800 TY02 and prior) for 2 or more Child Care Dependents.
- (3) TY96 and prior, Code and Edit will edit the number of Qualifying Individuals from box on line 3 of Form 2441. Determine Field 21QI as follows when the box is 0 (zero), dash or blank:
 - If the line 4 amount is \$2,400 or less, enter 1 in Field 21QI.
 - If the line 4 amount is greater than \$2,400, enter 2 in Field 21QI.

3.12.3.26.11.14
(01-01-2024)
Allowable Taxpayer Notice Codes (Form 1040) (EC 280)

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 280**.
Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
101	We recomputed your tax using FSC 1.
111	Your return has been converted to a Form 1040.
218	We computed your tax for you.
220	Recomputed your tax using the tax table, tax rate schedules, or capital gains tax computations. We were unable to accurately compute Form 8615 due to a math error on another part of your return.
230	We found an error in the addition of your tax, Alternative Minimum Tax, and APTC repayment.
232	Computed or transferred Form 2441 incorrectly.
233	No earned income, Form 2441.
234	Disallowed Credit for Child and Dependent Care Expenses. Care Provider TIN was not included on Form 2441
235	Disallowed part or all of Credit for Child and Dependent Care Expenses. Qualifying person's TIN missing or invalid on Form 2441.
236	Disallowed credit for prior-year expenses on Form 2441. Missing dependent name, SSN, or statement showing how you figured the credit.
237	Computed or transferred the Part III amount on Form 2441 incorrectly.
238	Disallowed Form 2441 credit. You, your spouse, or dependent cannot be your care provider.
239	Disallowed Form 2441 credit. FSC 3 eligibility box not checked.
244	Disallowed Form 2441 credit. Care Provider TIN matches primary, secondary, or dependent, or the Care Provider TIN is invalid.
245	Changed Form 2441 credit. Disabled indicator was not marked for dependent over age 12.
558	You gave us information that changed the refund or amount you owe.
562	No Reply, number of months as student, disabled, or looking for work.
563	No Reply, Form 2441.
605	One or more of your dependents' SSN or ITIN was missing or invalid. Exemption and certain credits disallowed.

TPNC	Description
606	Disallowed exemption claimed for any dependent born after December 31 of the tax year of the return. May affect Credit for Child and Dependent Care Expenses, CTC or ACTC.
607	Disallowed primary exemption. Taxpayer deceased prior to the tax period. May affect Credit for Child and Dependent Care Expenses, CTC, ACTC, or EIC.
608	Disallowed secondary exemption. Taxpayer deceased prior to the tax period. May affect Credit for Child and Dependent Care Expenses, CTC, ACTC, or EIC.
609	Disallowed exemption for dependent who was deceased prior to the tax period. May affect Credit for Child and Dependent Care Expenses, CTC, ACTC, or EIC.
610	Disallowed exemption for dependent without TIN who was born and died. No birth certificate attached. May affect Credit for Child and Dependent Care Expenses, CTC, ACTC, or EIC.
630	Disallowed Refundable Child Dependent Care Benefits. Form 2441 does not show you maintained a home in the United States for 6 months or more.
646	Disallowed Form 2441 credit. Qualifying person's ITIN expired.
705	Dependent SSN or ITIN was missing or invalid. Disallowed certain credits: Credit for Child and Dependent Care Expenses, education credits, CTC, credit for other dependents, ACTC, or EIC.
706	Primary, spouse or dependent deceased prior to the tax period. Disallowed certain credits: Credit for Child and Dependent Care Expenses, CTC, credit for other dependents, ACTC, EIC, or education credits.
707	Disallowed certain credits for dependents without TIN who was born and died during the tax period. No birth certificate attached. May affect Credit for Child and Dependent Care Expenses, CTC, credit for other dependents, ACTC, or EIC.
708	Disallowed certain credits claimed for dependent born after December 31st of the tax year of return. May affect Credit for Child and Dependent Care Expenses, CTC, credit for other dependents, ACTC, or EIC.
710	Dependent ITIN expired. Disallowed certain credits: Credit for Child and Dependent Care Expenses, credit for other dependents, or education credits.

TPNC	Description
825	Adjusted Form 2441 because dependent on Form 2441 was born after the tax period.
***	Any previously assigned TPNC.

3.12.3.26.12

(01-01-2023)

Error Code 281 (CE)
Schedule R and Social
Security

- (1) Error Code 281 instructions follow.

3.12.3.26.12.1

(01-01-2023)

Fields Displayed, Form
1040 (EC 281)

- (1) The following fields are displayed:

1040	Field Name
03GIR	Gross IRA Distributions
03TIR	Taxable IRA Distributions
03GPA	Gross Pensions and Annuities
03TPA	Taxable Pensions and Annuities
03GSS	Gross Social Security
03TSS	Taxable Social Security
>>>>>	Taxable Social Security Computer
	Section 16 Not Present
1613C	Other Pensions and Annuities

3.12.3.26.12.2

(01-01-2023)

Invalid Conditions (EC
281)

- (1) **Error Code 281** generates when Schedule R (Section 16) is present, and Gross Social Security (Field 03GSS) less Taxable Social Security Computer (Field 03TSS underprint) is greater than Other Pensions and Annuities (Field 1613C).

3.12.3.26.12.3

(01-01-2023)

Correction Procedures
(EC 281)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Any Pension, Annuity, or Disability Benefit that the taxpayer indicates are excluded from income under any provision of the law must be added to the difference between Gross Social Security and Taxable Social Security Computer.
- (3) If Taxable Social Security Computer is different from Taxable Social Security taxpayer, enter the difference between Gross and Taxable Social Security Computer in Field 1613C. Also, include any excludable amounts as stated in (2).

- (4) If the taxpayer is not claiming credit on Schedule R, **DLSEC 16**.

3.12.3.26.13
(01-01-2017)

**Error Code 282 and 582,
Credit for the Elderly or
the Disabled**

- (1) Error Code 282/582 instructions follow.

3.12.3.26.13.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 282)**

- (1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01EXC	Exemption Code Field
01RPC	Return Processing Code
01ACD	Audit Code
01ABI	Age and Blindness Indicator
01PYB>	NAP Primary Year of Birth
01SYB>	NAP Secondary Year of Birth
05ELD	Credit for the Elderly
16GC>	Gross Credit for the Elderly Computer
05ELD>	Credit for the Elderly Computer
	Section 16 Not Present
16FSI	Filing Status Age Indicator Code
1611	Taxable Disability Income
1613C	Other Pensions and Annuities
1620V	Credit for the Elderly/Disabled Verified
03AGI	Adjusted Gross Income
>>>>>	Adjusted Gross Income Computer
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
03TBC>	Income Tax Before Credits
03TAX	Total Tax IMF
>>>>>	Total Tax IMF Computer
	Section 32 Not Present

3.12.3.26.13.2
(01-01-2020)
Invalid Conditions (EC 282)

- (1) **Error Code 282** generates when **both** of the following exist:
 - a. The taxpayer's amount for Credit for the Elderly or Disabled (Field 05ELD) differs from the computer's amount.
 - b. A math error is present.
- (2) **Error Code 582** generates when a math error is not present and **either** of the following exist:
 - a. The return is a Non-Compute.
 - b. Any of the allowable Carryover Statutory Credits differ from their respective computer-generated amounts.

3.12.3.26.13.3
(04-25-2022)
Correction Procedures (EC 282)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) For TY23-TY21, Credit for the Elderly or Disabled is entered on Schedule 3, line 6d. For TY09-TY20, the dedicated line for the Credit for the Elderly or the Disabled was removed from Form 1040. Taxpayers write the credit on Schedule 3, line 6, and check box C. Enter the credit amount in Field 05ELD.
- (3) The Gross Credit for the Elderly or the Disabled, Field 16GC>, will generate as zero when the maximum income limits or nontaxable Social Security and pensions limits are exceeded. Check the AGI amount on Form 1040, line 11 (TY19, line 8b). Assign **TPNC 240** if Schedule R is attached and any of the following conditions exists:

If Field 16FSI Code is...	And the AGI amount is...	Or Field 1613C is...
3, 5, or 6,	\$25,000 or more,	\$7,500 or more.
4 or 7,	\$20,000 or more,	\$5,000 or more.
1 or 2,	\$17,500 or more,	\$5,000 or more.
8 or 9,	\$12,500 or more,	\$3,750 or more.

- (4) Search the return for Schedule R and take the following action when the previous (4) does not find a taxpayer error:

If Schedule R is...	And...	Then...
A] Attached or not attached,	The credit amount is greater than the amount needed to offset tax and the taxpayer includes the amount in Total Tax and/or Balance Due/Refund,	<ol style="list-style-type: none"> 1. GTSEC 05. 2. Enter the computer amount in Field 05ELD. Transmit. 3. Adjust the entry in Field 03NRC to reflect change. 4. Assign TPNC 240 when EC 334 displays.

If Schedule R is...	And...	Then...
B] Attached or not attached,	The taxpayer did not use the credit, because the tax liability is zero, and computes total credits to zero,	<ol style="list-style-type: none"> 1. Delete the amount in Field 05ELD. 2. Delete the entry in Field 03NRC when EC 310 displays. Note: Do not assign a TPNC.
C] Not attached,	Filing Status Age indicator Code is determined to be 1 or 3,	<ol style="list-style-type: none"> 1. GTSEC 16. 2. Dummy in Section 16. 3. DLSEC 16 (If the computer's amount does not match the taxpayer). 4. SSPND 211 for Schedule R if 3) applies. <p>Note: Do not correspond for Schedule R if the underprint for Field 03TBC>, is not present. Delete the entry in Field 05ELD. Delete the entry in Field 03NRC if Error Code 310 displays.</p>
D] Attached,	Taxpayer writes "CFE" to the left of Schedule 3, line 6 (TY18, Schedule 3, line 54),	<ol style="list-style-type: none"> 1. Verify entries. 2. Assign TPNC 241.

- (5) If the computer underprint for a personal credit is **more** than the amount claimed by the taxpayer, compare Form 1040, line 18 (TY19, line 12b), to the amount in Field 03TBC>. If there is a difference because the taxpayer made an error in adding tax, alternative minimum tax, and excess APTC, assign **TPNC 230**.

3.12.3.26.13.4
(04-25-2022)

**Field 1611, Taxable
Disability Income (EC
282)**

- (1) Use the following table when line 11 is blank and box 2, 4, 5, 6, or 9 from Part I is checked:

If taxpayer checked...	Then...
A] Box 2, 4, 5 or 9,	Enter total amount of disability from Form 1040 in Field 1611.
B] Box 6,	<ol style="list-style-type: none"> 1. Add \$5,000 to the total amount of disability from Form 1040. 2. Enter total in Field 1611.
C] Inconsistent boxes or you cannot determine the correct entries,	SSPND 211 for clarification. Note: Do not correspond if the taxpayer will not qualify for the credit.

3.12.3.26.13.5
(04-25-2022)

**Field 1613C, Other
Pensions and Annuities
(EC 282)**

- (1) Search the return or attachments for any non-taxable portion of pensions and/or Social Security when line 13c, Schedule R is blank and take the following action:

If a non-taxable amount is...	Then...
A] Found (e.g., Form 1040, line 4a, 5a, and/or 6a; TY19, line 4a, 4c, and/or 5a; TY18, line 4a and/or 5a, Form 1040),	<ol style="list-style-type: none"> 1. Adjust the entry in Field 1613C, as appropriate. 2. Assign TPNC 240, or other appropriate TPNC, if EC 282 redispays.
B] Not found,	SSPND 211. Note: Do not correspond for line 13c if the amount is a dash, zero or negative.

3.12.3.26.13.6
(01-01-2017)

**Field 1620V, Credit for
the Elderly or Disabled
Verified (EC 282)**

- (1) Use this field to enter an amount for Credit for the Elderly or Disabled when the computer is unable to arrive at the correct amount.

3.12.3.26.13.7
(01-01-2017)

**Correction Procedures
(EC 582)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for EC 282, and refer to IRM 3.12.2.5.12 for Non-Compute information.
- (3) Enter **C** in the Clear Field when there are no corrections to be made.

3.12.3.26.13.8
(01-01-2017)
Prior Year (EC 282)

#

3.12.3.26.13.9
(01-01-2017)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 282)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 282**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
218	We computed your tax for you.
230	We found an error in the addition of your tax, Alternative Minimum Tax, and APTC repayment.
240	Computed or transferred Schedule R incorrectly.
241	We computed your Schedule R for you.
558	You gave us information that changed the refund or amount you owe.
565	No Reply, Schedule R.
***	Any previously assigned TPNC.

3.12.3.26.14
(01-01-2017)
**EC 283 (CE) Form 8863
Student TIN Validation**

- (1) Error Code 283 instructions follow.

3.12.3.26.14.1
(11-27-2020)
**Fields Displayed, Form
1040 (EC 283)**

- (1) The following fields are displayed:

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01CCC	Computer Condition Code
01RPC	Return Processing Code
01SPC	Special Processing Code

1040	Field Name
01DSI	Dependent Status Indicator
01EXC	Exemption Code
94EXV	Exemption Code Verified
T-DAT>	Tentative Return Due Date Computer
01PS	Primary SSN
01PNC	Primary Name Control
01PIC>	Primary ITIN Status Code
01PAD>	Primary NAP TIN Assignment Date
01SS	Secondary SSN
01SNC	Secondary Name Control
01SIC>	Secondary ITIN Status Code
01SAD>	Secondary NAP TIN Assignment Date
01DS1	Dependent 1 SSN
01DN1	Dependent 1 Name Control
01DC1>	Dependent 1 ITIN Status Code
01AD1>	Dependent 1 TIN Assignment Date
01DS2	Dependent 2 SSN
01DN2	Dependent 2 Name Control
01DC2>	Dependent 2 ITIN Status Code
01AD2>	Dependent 2 TIN Assignment Date
01DS3	Dependent 3 SSN
01DN3	Dependent 3 Name Control
01DC3>	Dependent 3 ITIN Status Code
01AD3>	Dependent 3 TIN Assignment Date
01DS4	Dependent 4 SSN
01DN4	Dependent 4 Name Control
01DC4>	Dependent 4 ITIN Status Code
01AD4>	Dependent 4 TIN Assignment Date
50NC1	Education Credit Student 1 Name Control
50SS1	Education Credit Student 1 TIN
50NC2	Education Credit Student 2 Name Control
50SS2	Education Credit Student 2 TIN
50NC3	Education Credit Student 3 Name Control

1040	Field Name
50SS3	Education Credit Student 3 TIN
03TBC>	Income Tax Before Credits Computer
05GEC>	Gross Education Credit Computer
05303	Education Credit
>>>>	Education Credit Computer
03AOC	Refundable American Opportunity Credit
>>>>>	Refundable American Opportunity Credit Computer
5001	Tentative American Opportunity Credit Amount
5010	Lifetime Learning Credit Qualified Expenses Amount
50AST>	American Opportunity Eligible Student Computer Number
50ASV	American Opportunity Eligible Student Verified Number (ERS input only)

3.12.3.26.14.2
(01-03-2017)

Invalid Conditions (EC 283)

- (1) Error Code 283 will generate when Tentative American Opportunity Credit Amount is significant and either of the following conditions apply:
 - a. Filing Status Code is 3 or 6, **or**
 - b. Return Processing Code "O" is present, **or**
 - c. "I" is present in any ITIN Status Code field **or** any TIN Assignment Date is after the Tentative Return Due Date Computer (T-DAT>).

3.12.3.26.14.3
(04-20-2021)

Correction Procedures (EC 283)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If an **I** is present in Field 01PIC>, 01SIC>, 01DC1>, 01DC2>, 01DC3>, or 01DC4> and any additional exemption on the return, this should have been addressed in EC 017 and an entry should be shown in Field 94EXV to allow only exemptions whose ITIN Status Code is "**not an I**". See IRM 3.12.3.4.8, (EC 017).
- (3) If Field 50SS1, 50SS2, or 50SS3 matches any of the TINs in Fields 01PS, 01SS, 01DS1, 01DS2, 01DS3, or 01DS4, and the fields listed in (2) have an ITIN Status Code of **I**, the student is **not** eligible for Education Credit, Schedule 3, line 3 (TY18, line 50). Enter the number of eligible students in Field 50ASV.
- (4) If **more than 3 students** on Form 8863, Part III, determine if they match Fields 01PS, 01SS, 01DS1, 01DS2, 01DS3, or 01DS4. If so, review the fields in paragraph 2 to determine if the ITIN Status Code is **I**. If not one of the TINs on page 1 of the return, review return to see if an additional exemption statement is attached.
 - a. Research additional ITINs using INOLES for the ITIN Status Code.

- b. Enter the number of eligible students in Field 50ASV. If no students are eligible, enter **00 (2 zeros)**.

- (5) Compare Fields 01PAD> and 01SAD> (TIN Assignment Date), if present, to Field T-DAT>. If the TIN Assignment Date for either field is **after** T-DAT>, the computer will disallow all American Opportunity Credit on the return.

Caution: On TY20 returns, if the TIN Assignment Date is on or before May 17, 2021, manually verify and allow the credit using the verified field.

Note: T-DAT> is the Tentative Due Date Computer and displays in YYYYMMDD format. If the return due date is April 15, 2024, T-DAT> will display as 20240415. If the filer requested an extension and a TC 460 shows on IMFOLT, the due date of the return is October 15, 2024, T-DAT> will display as 20241015.

Exception: The primary, secondary or any dependent TIN Assignment Date will display with all zeros if their TIN was issued prior to 2012.

Reminder: For TY22 and prior, refer to IRM 3.12.3.26.14.4(2).

- (6) Compare Fields 01AD1>, 01AD2>, 01AD3> and 01AD4> (TIN Assignment Date), if present, to Field T-DAT>. If the TIN Assignment Date is **after** T-DAT>, the computer will disallow all American Opportunity Credit on the return.

Reminder: For TY22 and prior, refer to IRM 3.12.3.26.14.4(3).

- (7) If **more than 3 students** on Form 8863 Part III, determine if they match 01PS, 01SS, 01DS1, 01DS2, 01DS3, or 01DS4.

- a. If they don't match, research the additional TINs using INOLES for TIN Assignment Dates and compare to T-DAT>.
- b. Enter the number of eligible students in Field 50ASV. If no students are eligible, enter **00 (2 zeros)**.

- (8) After all corrective actions have been completed for ITIN Status Code and TIN Assignment date and EC 283 redispays, enter **C** in the Clear Field.

3.12.3.26.14.4
(11-27-2020)
Prior Year (EC 283)

- (1) The Tentative Return Due Date in Field T-DAT>, other than current year, is the April return due date. NAP will not provide a TC 460 date for a return other than current year. Research must be performed to determine if a TC 460 date is on the account. If present, use the date identified as **EXT-DT** in the last column, under -Variable Data-as the tentative return due date.

Caution: Don't use the TC 460 date in the first column.

- (2) For **TY22 and prior**, if a primary or secondary TIN Assignment Date is displayed in Field 01PAD> or Field 01SAD> that is after the date in T-DAT>, then research IMFOLT for a TC 460 for the tax year of the return.

Caution: On TY 202012 returns, if the TIN Assignment Date is on or before May 17, 2021, or TY 201912 - 202002 returns, if the TIN Assignment Date is on or before July 15, 2020, determine the number of eligible students

claimed for AOC and enter the number in Field 50ASV. Manually compute Form 8863 using the eligible students and enter the amount in Field 94EDV.

If...	And...	Then...
A] TC 460 is not found on IMFOLT,	The TIN Assignment Date in Field 01PAD> or 01SAD> is after T-DAT>,	Assign TPNC 711 (TPNC 810, TY17 and prior).
B] TC 460 is found on IMFOLT,	The TIN Assignment Date in Field 01PAD> or 01SAD> is after the TC 460 date,	Assign TPNC 711 (TPNC 810, TY17 and prior).
C] TC 460 is found on IMFOLT,	The TIN Assignment Date in Fields 01PAD> and 01SAD> are both before the TC 460 date,	<ol style="list-style-type: none"> 1. If the AOC claim includes dependent students, continue to (3). 2. If only the primary or secondary taxpayer is the student included in the AOC claim, determine the number of eligible students claimed for AOC and enter the number in Field 50ASV. 3. Manually compute Form 8863 using the eligible students and enter the amount in Field 94EDV.

- (3) For **TY22 and prior**, if American Opportunity Credit is claimed for a dependent and the dependent TIN Assignment Date is after the date in T-DAT>, then research IMFOLT for a TC 460 for the tax year of the return.

Caution: On TY 202012 returns, if the TIN Assignment Date is on or before May 17, 2021, or TY 201912 - 202002 returns, if the TIN Assignment Date is on or before July 15, 2020, determine the number of eligible students claimed for AOC and enter the number in Field 50ASV. Manually compute Form 8863 using the eligible students and enter the amount in Field 94EDV.

If...	And...	Then...
A] TC 460 is not found on IMFOLT,	The TIN Assignment Date in Fields 01AD1>, 01AD2>, 01AD3> and 01AD4> are all after T-DAT>,	Assign TPNC 711 (TPNC 810, TY17 and prior).
B] TC 460 is found on IMFOLT,	The TIN Assignment Date in Fields 01AD1>, 01AD2>, 01AD3> and 01AD4> are all after the TC 460 date,	Assign TPNC 711 (TPNC 810, TY17 and prior).
C] TC 460 is found on IMFOLT,	Any TIN Assignment Date in Field 01AD1>, 01AD2>, 01AD3> or 01AD4> is before the TC 460 date,	<ol style="list-style-type: none"> 1. Determine the number of eligible students claimed for AOC and enter the number in Field 50ASV. 2. Manually compute Form 8863 using the eligible students and enter the amount in Field 94EDV.

3.12.3.26.15
(01-01-2017)
Error Code 284 (CE)
Form 8863, American
Opportunity Credit
Eligibility Validation

(1) Error Code 284/584 instructions follow.

3.12.3.26.15.1
(01-01-2023)
Fields Displayed, Form
1040 (EC 284)

(1) The following fields are displayed:

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01RPC	Return Processing Code
01SPC	Special Processing Code
01DSI	Dependent Status Indicator
01EXC	Exemption Code Field

1040	Field Name
94EXV	Exemption Code Field Verified (ERS Input Only)
01PS	Primary TIN
01NA1>	Primary NAP Access Indicator
01SS	Secondary TIN
01NA2>	Secondary NAP Access Indicator
01DS1	Dependent 1 TIN
01NP1>	Dependent 1 NAP Access Indicator
01DS2	Dependent 2 TIN
01NP2>	Dependent 2 NAP Access Indicator
01DS3	Dependent 3 TIN
01NP3>	Dependent 3 NAP Access Indicator
01DS4	Dependent 4 TIN
01NP4>	Dependent 4 NAP Access Indicator
03TBC>	Income Tax before Credits
05GEC>	Gross Education Credit Computer
05303	Education Credit
>>>>	Education Credit Computer
03AOC	Refundable American Opportunity Credit
>>>>>	Refundable American Opportunity Credit Computer
5001	Tentative American Opportunity Credit Amount
5010	Lifetime Learning Credit Qualified Expenses Amount
50AST>	American Opportunity Eligible Student Computer Number
50ASV	American Opportunity Eligible Student Verified Number (ERS Input Only)
50NC1	Education Credit Student 1 Name Control
50SS1	Education Credit Student 1 TIN
50FN1	Education Institution Federal ID Number Student 1
50SN1	Second Education Institution Federal ID Number Student 1
50PY1	Prior-Year Hope Scholarship or AOT Credit Claimed Student Code 1
50AE1	Academic Eligibility Student 1 Code
50PS1	Post-Secondary Education Student 1 Code

1040	Field Name
50FE1	Felony Conviction Student 1 Code
50NC2	Education Credit Student 2 Name Control
50SS2	Education Credit Student 2 TIN
50FN2	Education Institution Federal ID Number Student 2
50SN2	Second Education Institution Federal ID Number Student 2
50PY2	Prior-Year Hope Scholarship or AOT Credit Claimed Student Code 2
50AE2	Academic Eligibility Student 2 Code
50PS2	Post-Secondary Education Student 2 Code
50FE2	Felony Conviction Student 2 Code
50NC3	Education Credit Student 3 Name Control
50SS3	Education Credit Student 3 SSN
50FN3	Education Institution Federal ID number Student 3
50SN3	Second Education Institution Federal ID Number Student 3
50PY3	Prior-Year Hope Scholarship or AOT Credit Claimed Student Code 3
50AE3	Academic Eligibility Student 3 Code
50PS3	Post-Secondary Education Student 3 Code
50FE3	Felony Conviction Student 3 Code

3.12.3.26.15.2
(01-01-2017)
Invalid Conditions (EC 284)

- (1) **Error Code 284** generates when Form 8863 present, Field 5001 is significant and the entries in Fields 50PY1/2/3, 50AE1/2/3, 50PS1/2/3, and 50FE1/2/3 are not consistent for at least one student for purposes of claiming the American Opportunity Credit.

3.12.3.26.15.3
(01-01-2017)
Correction Procedures (EC 284)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
(2) Enter **C** in the Clear Field.

3.12.3.26.16
(03-13-2017)
Error Code 285 and 585, Form 8863, Education Credits Math Verification

- (1) Error Code 285/585 instructions follow.

3.12.3.26.16.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 285)**

(1) The following fields are displayed

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01CCC	Computer Condition Code
01RPC	Return Processing Code
01SPC	Special Processing Code
01DSI	Dependent Status Indicator
01EXC	Exemption Code Field
94EXV	Exemption Code Verified (ERS input only)
T-DAT>	Tentative Return Due Date Computer
03AGI	Adjusted Gross Income
>>>>>	Adjusted Gross Income Computer
03TBC>	Income Tax Before Credits
05GEC>	Gross Education Credit Computer
05303	Education Credit
>>>>>	Education Credit Computer
94EDV	Education Credit Verified (ERS Input Only)
03AOC	Refundable American Opportunity Credit
>>>>>	Refundable American Opportunity Credit Computer
5001	Tentative American Opportunity Credit Amount
5010	Lifetime Learning Credit Qualified Expenses Amount
50AST>	American Opportunity Eligible Student Computer Number
50ASV	American Opportunity Eligible Student Verified Number (ERS input only)
50PY1	Prior-Year Hope Scholarship or AOT Credit Claimed Student Code 1
50AE1	Academic Eligibility Student 1 Code
50PS1	Post-Secondary Education Student 1 Code
50FE1	Felony Conviction Student 1 Code
50PY2	Prior-Year Hope Scholarship or AOT Credit Claimed Student Code 2
50AE2	Academic Eligibility Student 2 Code
50PS2	Post-Secondary Education Student 2 Code

1040	Field Name
50FE2	Felony Conviction Student 2 Code
50PY3	Prior-Year Hope Scholarship or AOT Credit Claimed Student Code 3
50AE3	Academic Eligibility Student 3 Code
50PS3	Post-Secondary Education Student 3 Code
50FE3	Felony Conviction Student 3 Code
	Section 50 Not Present

3.12.3.26.16.2
(03-13-2017)
Invalid Conditions (EC 285)

- (1) **Error Code 285** generates when education credit (Field 05303) is not equal to education credit computer.
- (2) **Error Code 585** generates when either of the following exist:
 - a. A math error is not present and the return is a Non-Compute.
 - b. Any of the allowable carryover statutory credits differ from their respective computer-generated amounts.

3.12.3.26.16.3
(04-25-2022)
Correction Procedures (EC 285)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all procedures before assigning a TPNC.
- (3) If **FSC is 3/6**, assign **TPNC 242**.
- (4) Take the following actions if an amount is present in Field 05303 and Form 8863 is missing.

If...	Then...
A] Field 03TBC> is blank and the taxpayer didn't claim the refundable credit on line 29 (TY19, line 18c),	<ol style="list-style-type: none"> 1. Delete the entry in Field 05303. 2. Remove the amount of education credit from Field 03NRC if EC 310 generates.
B] Field 03TBC> has an entry or the taxpayer claims the refundable credit on line 29 (TY19, line 18c),	SSPND 211 to correspond for Form 8863.

- (5) When the **taxpayer claims a credit amount** that is **greater than** the amount needed to offset tax and includes the amount in Total Tax, Field 03TAX, and/or Balance Due/Refund Field, take the following actions:
 - a. GTSEC 05.
 - b. Enter the amount in Field 03TBC> in Field 05303.
 - c. Adjust the entry in Field 03NRC to reflect the change.
 - d. Assign **TPNC 243** when EC 334 generates.

- (6) If the taxpayer has filed more than one Form 8863 for the same student (e.g., different Education Institutions), GTSEC 50 and delete all field entries for the duplicate student.
- (7) If education credits are limited or denied because of **primary or secondary** taxpayer TIN related issues, take the following actions:
- A missing SSN / ITIN or name control mismatch, assign **TPNC 704** (TPNC 818, TY17 and prior).
 - An expired ITIN, assign **TPNC 709** (TPNC 817, TY17 and prior).
 - A TIN assignment date is after the return due date, assign **TPNC 711** (TPNC 810, TY17 and prior).

Caution: On TY 202012 returns, if the TIN Assignment Date is on or before May 17, 2021, or TY 201912 - 202002 returns, if the TIN Assignment Date is on or before July 15, 2020, manually verify and allow the credit.

Reminder: Missing or invalid TIN errors displayed in EC 004/005/010/012. Expired ITIN errors displayed in EC 017 and EC 283. TIN assignment date errors displayed in EC 283.

- (8) If education credits are limited or denied because of **dependent** TIN related issues, take the following actions:
- If you have a combination of valid and invalid/missing/expired TINs on Form 8863, enter the line 30 amount for only the valid students in Field 5001.
 - If EC 285 redisplay, reassign **TPNC 705** for the missing or invalid TIN (TPNC 605, TY17 and prior).
 - If the student is a dependent with an expired ITIN, reassign **TPNC 710** (TPNC 644, TY17 and prior).
 - If the student is a dependent with a TIN assignment date after the return due date, assign **TPNC 711** (TPNC 810, TY17 and prior).

Caution: On TY 202012 returns, if the TIN Assignment Date is on or before May 17, 2021, or TY 201912 - 202002 returns, if the TIN Assignment Date is on or before July 15, 2020, manually verify and allow the credit.

Reminder: Missing or invalid TIN errors displayed in EC 010/012. Expired ITIN errors displayed in EC 017 and EC 283. TIN assignment date errors displayed in EC 283.

- (9) If the taxpayer checked the box at line 7 of Form 8863 or states not eligible for the Refundable American Opportunity Credit, enter **K** in Field 01SPC.
- (10) If the taxpayer did not check the box at line 7, line 7 and 8 are blank, and Field 03AOC is blank, enter **K** in Field 01SPC.
- (11) If the underprint for a personal credit is **more** than the amount claimed by the taxpayer, compare Form 1040 line 18 (TY19, line 12b) to the amount in Field 03TBC>. If there is a difference because the taxpayer made an error adding tax, alternative minimum tax, and excess APTC, assign **TPNC 230**.

3.12.3.26.16.4
(04-20-2021)
**Fields 50AST> and
50ASV, American
Opportunity Eligible
Student Computer
Number (EC 285)**

- (1) Field **50AST>** displays the number of students **eligible** for the AOC. To be included in Field 50AST>, students must have a valid TIN and answer questions 23 to 26 appropriately. The computer uses Field 50AST> to determine the maximum allowable tentative credit on line 1 of Form 8863.
- The primary and secondary taxpayer may take the AOC for themselves and their dependents.
 - Taxpayers do not have to take a personal exemption for themselves.
 - Taxpayers must take an exemption for any student who is their dependent.

Note: Field 50AST> does **not** include the following **students**: Primary taxpayer with RPC "O" or ITIN status code "I", Secondary taxpayer with an invalid TIN (NAP Access Indicator 2 or 9) or ITIN status Code "I", and any dependent student with an invalid/missing TIN (NAP access indicator 2 or 9) or ITIN status code "I". It doesn't include students not claimed as a dependent. Field 50AST> also doesn't include any student whose response to the questions on lines 23 - 26 is other than **2, 1, 2, 2**.

Reminder: If EC 283 displayed, you may have already made an entry in Field 50ASV, because the student's ITIN Status Code is "I" or the student's TIN Assignment Date is after the return due date.

- (2) The student must be claimed as a dependent/exemption on the return. If student is not claimed as an **dependent/exemption**, assign **TPNC 242**.

Exception: Allow the nonrefundable education credit for the primary or secondary taxpayer who does not claim a personal exemption and has claimed

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- (3) Use the information from page 1 of Form 1040 to perfect TINs and name controls in Section 50.

Note: If the TIN in Field 01PS doesn't match the primary taxpayer's TIN in Section 50 and EC 004 or 005 didn't display earlier, auto-TIN may have corrected the TIN. Change the primary taxpayer's TIN in Section 50 to match the TIN in Field 01PS. If the programming still doesn't allow the credit for the primary taxpayer, revalidate. Enter **R** in Field 02RI and transmit.

- (4) If RPC **O**, CCC **X**, or RPC **E** is present, and primary or secondary taxpayer is one of the students, follow these procedures.

If...	And...	Then...
A] One of the students is the primary taxpayer	RPC "O" is present,	<p>The primary taxpayer is ineligible for any education credit.</p> <ol style="list-style-type: none"> 1. American Opportunity Credit (AOC) - <ol style="list-style-type: none"> a. Enter the number of students eligible for AOC in Field 50ASV if line 30 of Form 8863 is \$2,500 for each student. <p>Note: Don't include the primary taxpayer in the number of eligible students.</p> b. If not \$2,500, subtract the primary taxpayer's line 30 amount from line 1 of Form 8863 and enter the total in Field 5001. 2. Lifetime Learning Credit (LLC) - Reduce the tentative credit in Field 5010 by the primary taxpayer's expenses reported on line 31 of page 2 of Form 8863. 3. Assign TPNC 242.

If...	And...	Then...
B] One of the students is the primary taxpayer	CCC "X" is present,	<p>The primary taxpayer is eligible for the education credit.</p> <ol style="list-style-type: none"> 1. American Opportunity Credit (AOC) - <ol style="list-style-type: none"> a. Enter the number of students eligible for AOC in Field 50ASV. <p>Note: Include the primary taxpayer in the number of eligible students.</p> 2. Lifetime Learning Credit (LLC) - <ol style="list-style-type: none"> a. Make sure the primary taxpayer's expenses on line 31 of page 2 of Form 8863 are included in Field 5010. b. Add the primary taxpayer's expenses to the figure in Field 5010, if not already included.

If...	And...	Then...
C] One of the students is the secondary taxpayer	RPC "E" is present,	<p>The secondary taxpayer is eligible for the education credit.</p> <ol style="list-style-type: none"> 1. American Opportunity Credit (AOC) - <ol style="list-style-type: none"> a. Enter the number of students eligible for AOC in Field 50ASV. <p>Note: Include the secondary taxpayer in the number of eligible students.</p> 2. Lifetime Learning Credit (LLC) - <ol style="list-style-type: none"> a. Make sure the secondary taxpayer's expenses on line 31 of page 2 of Form 8863 are included in Field 5010. b. Add the secondary taxpayer's expenses to the figure in Field 5010, if not already included. c. Manually compute the credit and enter the result in Field 94EDV.

- (5) If the taxpayer claims the American Opportunity Credit for any **student not among the four transcribed dependents** on line 6c of Form 1040, or takes the credit for **more than the three students** in Section 50 and provides a Form 8863 or an attachment with the required information for those other students, take the following steps.

- a. Research **INOLES** to verify the validity of each student's TIN, the TIN Assignment Date is before the return due date, and ITIN status Code, if applicable, is "A".

Caution: On TY 202012 returns, consider as valid if the TIN Assignment Date is on or before May 17, 2021. On TY 201912 - 202002 returns, consider as valid if the TIN Assignment Date is on or before July 15, 2020.

- b. Enter the number of eligible students for whom the taxpayer takes the AOC in Field 50ASV.

Note: Do not include in that number any student with an invalid or missing TIN, ITIN Status Code is "I", TIN Assignment Date is after the return due date (Field T-DAT>), or the questions on lines 23-26 are answered incorrectly.

- c. If there is a combination of valid and invalid/missing/expired TINs on Form 8863, enter the line 30 amount for only the valid students in Field 5001. If all the students listed on Form 8863 are not valid for Education Credit, do not figure the credit. Do not correspond because of a missing or invalid TIN.
- d. If EC 285 redispays, assign:
 - **TPNC 705** (TPNC 605, TY17 and prior) for any missing or invalid TIN.
 - **TPNC 710** (TPNC 644, TY17 and prior) if ITIN Status Code is "I".
 - **TPNC 711** (TPNC 810, TY17 and prior) if TIN Assignment Date is after the return due date.

Exception: On TY 202012 returns, consider as valid if the TIN Assignment Date is on or before May 17, 2021. On TY 201912 - 202002 returns, consider as valid if the TIN Assignment Date is on or before July 15, 2020.

• **TPNC 672** if the questions on lines 23-26 are answered incorrectly, or TY16 and later, if the educational institution's EIN is invalid or missing from line 22(4).

Caution: For **TY15 and prior**, allow AOC if the educational institution's EIN is missing when all other conditions are met. See IRM 3.12.3.26.16.9.

3.12.3.26.16.5

(02-08-2019)

Field 5001, Tentative American Opportunity Credit Amount (AOC) (EC 285)

- (1) TY12 and later, to be eligible for the AOC, students must answer questions 23 to 26, and eligible students must answer the questions in the sequence noted here. Any other sequence makes the student ineligible for the AOC. If the answer to questions 23 to 26 make the student ineligible for the AOC, assign **TPNC 672**.

Line	Answer	Field	Value
23	No	50PY1/2/3	2
24	Yes	50AE1/2/3	1
25	No	50PS1/2/3	2
26	No	50FE1/2/3	2

- (2) **TY16 and later**, if the educational institution's employer identification number (EIN) is invalid or missing from Field 50FN1, line 22a(4) of Form 8863, assign **TPNC 672**.

Exception: Correspond for the EIN only if correspondence is necessary for other missing items.

Note: If Field 50FN1 is blank but column b shows an educational institution EIN, move the EIN entry from Field 50SN1 to Field 50FN1.

Caution: For **TY15 and prior**, allow AOC if the educational institution's EIN is missing when all other conditions are met. See IRM 3.12.3.26.16.9.

- (3) Correspond for the required entries on Form 8863, if the taxpayer:
- Is eligible for AOC based on the answer to questions 23 to 26 (see (1)), but line 1 is blank and can't be perfected from the entries on lines 27 to 30.
Caution: This student is eligible for the Lifetime Learning Credit (LLC) too. If the tentative credit for the student is present on line 10 of Form 8863 and the taxpayer figures the LLC, do not correspond. Do not allow the AOC for such students.
 - Didn't answer questions 23, 24, 25, and/or 26, but has entered the Tentative AOC on line 1 or figured qualified expenses from lines 27 to 30.
- (4) Field 5001 shows the tentative credit the taxpayer figures on line 1 of Form 8863. It is limited to a maximum of \$2,500 for each eligible student.
- (5) The taxpayer submits a separate Part III of Form 8863 for each student and reports on line 1, of the summary Form 8863, the sum of the expenses on line 30 of Form 8863 for all students.
- (6) Verify whether the expenses in Field 5001 are equal to the sum of expenses reported on line 30 of Form 8863 for each eligible student. Correct the amount in Field 5001, if the taxpayer incorrectly figured the sum of the expenses. If line 30 is blank for a student, accept the figure on line 1 for that student.
- (7) When the taxpayer has entered less than \$2,500 on line 30 of Form 8863 for any student, manual computation is required. Recompute AOC and enter the amount in Field 94EDV.

Caution: If the taxpayer has also computed Lifetime Learning Credit for a different student, add AOC and Lifetime Learning, enter the amount in Field 94EDV.

- (8) If an amount is present on line 1 of Form 8863 and the **AGI** is \$180,000 for FSC 2, or more (\$90,000 or more for FSC 1, 4, 5, or 7), assign **TPNC 242**.
- (9) If the amount on line 1 of Form 8863 is greater than \$2,500 multiplied by the number in Field 50AST>, assign **TPNC 243**.

3.12.3.26.16.6
(01-01-2019)
Field 5010, Lifetime Learning Credit Qualified Expenses amount (EC 285)

- (1) For TY12 and later, taxpayers must file a separate Part III of Form 8863 for each student and report on line 10 the sum of the qualified expenses for each student on line 31 of Form 8863.
- (2) Verify whether the expenses in Field 5010 are equal to the sum of expenses reported on line 31 of Form 8863 for each eligible student. Correct the amount in Field 5010, if the taxpayer incorrectly figured the sum of expenses.

Note: The maximum allowable expenses for LLC are limited to \$10,000, regardless of the number of eligible students.

- (3) If the taxpayer claims the LLC for any **student not among the four transcribed dependents** on Form 1040, or takes the credit for **more than the three students** on Form 8863 and provides a Form 8863 or an attachment with the required information for those other students, take the following steps.
- Research INOLE to verify the validity of each student's TIN and name control. If EC 285 redispays, assign **TPNC 705** for any missing or invalid TIN (TY17 and prior, assign TPNC 605).
- Reminder:** A TIN assignment date after the return due date does not apply to the disallowance of LLC.
- Figure the sum of all students' qualified expenses and enter the amount in Field 5010.
 - Assign **TPNC 243** if the taxpayer incorrectly computed line 10 of Form 8863.
- (4) If an entry is present for tentative credit on **both** lines 1 and 10, Form 8863, for any **one** student and the taxpayer has taken the sum of both credits for any one student, follow these steps.
- If the student is eligible for the AOC (that is, answers questions 23 to 26 appropriately, and for TY16 and later, provides the educational institution's EIN), allow the **AOC**. Remove the student's tentative credit from the amount in Field 5010. Assign **TPNC 243**.
 - If the student is **not** eligible for the AOC (that is, doesn't answer questions 23 to 26 appropriately or TY16 and later, doesn't provide the educational institution's EIN), allow the **LLC**. Remove the student's tentative credit from the amount in Field 5001. Assign **TPNC 243**.
- Caution:** For **TY17 and prior**, see IRM 3.12.3.26.16.9.
- (5) If an amount is present on line 12 of Form 8863 and the AGI is equal to or greater than \$180,000 (\$138,000 for TY20; \$136,000 for TY19) for FSC 2, or equal to or greater than \$90,000 (\$69,000 for TY20; \$68,000 for TY19) for FSC 1, 4, 5, or 7, assign **TPNC 242**.

3.12.3.26.16.7
(01-01-2020)

Field 05303, Education Credit (EC 285)

- This field represents the Education Credit claimed on Schedule 3, line 3.
- If the taxpayer has made a math error computing the total or transferring the total amount of Form 8863 to Schedule 3, line 3, assign **TPNC 243**.
- Assign any previously assigned TPNC if a **previous** math error made a change to the credit available.

3.12.3.26.16.8
(03-13-2017)

Correction Procedures (585)

- Refer to all instructions for EC 285, and refer to IRM 3.12.2.5.12 for Non-Compute information.
- Correct coding and transcription errors and misplaced entries in displayed fields.
- Enter **C** in the Clear Field if there are no corrections to be made.

3.12.3.26.16.9
(04-25-2022)

Prior Year (EC 285)

- For TY12 and subsequent, taxpayers must use Form 8863. If the return is for TY12 and later, and the Form 8863 is for TY11 or before, SSPND 211 to request Form 8863 for TY12 or later as appropriate.

- (2) If the primary or secondary taxpayer did not claim an exemption but has
- (3) For **TY19 and prior**, the computer can't correctly figure the education credit. Manually compute the education credit and enter the amount in Field 94EDV. TY15 and prior, the education institution's EIN is not required.
- (4) If the taxpayer checked the box at line 13 for TY11 and TY10 and line 15 for TY09, Form 8863, or otherwise explicitly indicates that he is **not** eligible for the Refundable American Opportunity Credit, enter **K** in Field 01SPC.
- (5) In TY08 and prior, The Hope Credit appeared in Part I of Form 8863 and the Lifetime Learning Credit in Part II. Taxpayers were still not allowed to take both credits for the same student. For TY08 and prior, allow the LLC for taxpayers who take the Hope Credit and Lifetime Learning Credit for the same student.
- (6) For **TY08 and prior**, use SPC K to suppress the computer's calculation of refundable education credit.
- (7) Assign **TPNC 242** if Education Credits are limited or disallowed because any of the following are present:
- The name/SSN information is missing for the student(s) listed.
 - The FSC is 3 or 6.
 - The FSC is 2 and the AGI is \$136,000 for TY19; \$134,000 for TY18; \$132,000 for TY17; \$131,000 for TY16; \$130,000 for TY15, \$128,000 for TY14, \$127,000 for TY13, \$124,000 for TY12.
 - The FSC is 1, 4, 5, or 7 and the AGI is \$68,000 for TY19; \$67,000 for TY18; \$66,000 for TY17; \$65,000 for TY16 and TY15, \$64,000 for TY14, \$63,000 for TY13, \$62,000 for TY12.
- (8) Assign **TPNC 243** when **any** of the following apply:
- The taxpayer **claims both the Hope Credit and Lifetime Learning Credit for the same student** on Form 8863.
 - The taxpayer made an error computing the Total Education Credit (Credit claimed exceeds the \$2,500 per student limitation for the Hope Credit).
 - The taxpayer makes a math error or transfers their amount incorrectly to the return.
- (9) For TY11 and prior, enter the taxpayer's entry in Field 94EDV.

#

3.12.3.26.16.10
(03-21-2023)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 285)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 285**.
- Note:** The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
218	We computed your tax for you.
230	Error in the addition of tax, alternative minimum tax, and APTC repayment.
242	Disallowed all or part of Form 8863 credit. Missing or invalid SSN; FSC 3; not a dependent.
243	Incorrectly computed or transferred Education Credits on Form 8863.
558	You gave us information that changed the refund or amount you owe.
568	No Reply. Form 8863 incomplete or not attached.
584	No Reply. Refundable American Opportunity Credit not allowed. Form 8863 incomplete or not attached.
598	No Reply. Disallowed exemption for child that didn't live with you. Form 8332, Form 2120 or a copy of a divorce decree was incomplete or not attached to your return.
605	Dependent SSN or ITIN was missing or invalid. Disallowed exemption and certain credits.
644	Disallowed dependent exemption. ITIN expired.
645	Disallowed Form 8863 credit. ITIN expired.
653	Rejects only. Disallowed EIC, CTC, ACTC, Credit for Other Dependents, and/or AOC. Form 8862 not attached.
672	Disallowed all or part of Form 8863 credit. No EIN or computed incorrectly based on lines 23 through 26.
704	Primary or secondary SSN or ITIN was missing or invalid. Disallowed certain credits.
705	Dependent SSN or ITIN missing or invalid. Disallowed certain credits.
706	Primary, spouse or dependent deceased prior to the tax period. Disallowed certain credits.
709	Primary or secondary ITIN expired. Disallowed certain credits.
710	Dependent ITIN expired. Disallowed certain credits.
711	TIN for primary, secondary, or dependent not assigned by return due date. Disallowed certain credits.
810	Primary, secondary, or dependent TIN not assigned by return due date. Disallowed certain credits.

TPNC	Description
817	Primary or secondary ITIN expired. Disallowed certain credits.
818	Primary or secondary SSN or ITIN missing or invalid. Disallowed certain credits.
822	Rejects only. Banned from claiming AOC for this tax year.
823	Rejects only. Banned from claiming AOC for two tax years.
824	Rejects only. Banned from claiming AOC for ten tax years.
***	Any previously assigned TPNC

3.12.3.26.17
(01-01-2019)

**Error Code 286 and 586
- Retirement Savings
Contribution Credit**

- (1) Error Code 286/586 instructions follow.

3.12.3.26.17.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 286)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01PS	Primary SSN
01PYB>	Primary Year of Birth
94PAV	Primary Age Verified (ERS input only)
01SS	Secondary SSN
01SYB>	Secondary Year of Birth
94SAV	Secondary Age Verified (ERS input only)
03AGI	Adjusted Gross Income
>>>>>	Adjusted Gross Income Computer
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
03TBC>	Income Tax Before Credits Computer
	Section 54 Not Present
5406A	Primary Contribution

1040	Field Name
5406B	Secondary Contribution
05304	Retirement Savings Contributions Credit
>>>>	Retirement Savings Contributions Credit Computer
94RTV	Retirement Savings Contributions Credit Verified (ERS input only)
03NRC	Total Statutory Credits
>>>>>	Total Statutory Credits Computer
03TAX	Total Tax IMF
>>>>>	Total Tax IMF Computer

3.12.3.26.17.2
(01-01-2019)
Invalid Conditions (EC 286)

- (1) **Error Code 286** generates when:
 - a. The difference between Retirement Savings Contributions amount and Retirement Savings Contributions Computer amount is not within tolerance.
 - b. A math error is present.
 - c. Total Tax Computer is not equal to Total Tax IMF Computer.
- (2) **Error Code 586** generates when a math error is not present and **either** of the following exist:
 - a. The return is a Non-Compute.
 - b. Any of the allowable carryover statutory credits is not within tolerance of their respective computer-generated amount.

3.12.3.26.17.3
(04-25-2022)
Correction Procedures (EC 286)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If the literal "Section 54 Not Present" displays when an entry is present in Field 05304 and Form 8880 is present, GTSEC 54 and enter all fields of data available.
- (3) If Form 8880 is not attached to the return and Field 03TBC> is greater than zero, SSPND 211 for Form 8880.

Caution: Do not correspond if the taxpayer does not qualify for the credit according to the requirements listed in (4) below.

- (4) If the computer has limited the Retirement Savings Contribution Credit to zero, assign **TPNC 246** in any of the following conditions:
 - a. The Filing Status Code is 1, 3, 5, or 6 and AGI Computer is greater than \$36,500 (TY22, \$34,000; TY21, \$33,000).
 - b. The Filing Status Code is 4 or 7 and AGI Computer is greater than \$54,750 (TY22, \$51,000; TY21, \$49,500).
 - c. The Filing Status Code is 2 and AGI Computer is greater than \$73,000 (TY22, \$68,000; TY21, \$66,000).

- d. The Filing Status Code is 2 and **both** taxpayers are under 18 years of age at the end of the tax year.

Caution: If Field 01PYB>/01SYB> is displaying with all zeros because RPC E, RPC O, or CCC X are present, see instructions in (6).

- e. The Filing Status Code is other than 2 and the taxpayer is under 18 years of age at the end of the tax year.

- (5) If the date of birth does not display (e.g., RPC E, RPC O, or CCC X is present or check digits were entered and date of birth is 00000000), research with CC INOLES for the date of birth. Use the following table to resolve this error.

If research shows...	Then...
A] Both the primary and secondary taxpayers are age 18 or over ,	Enter the primary taxpayer's age in Field 94PAV and/or the secondary taxpayer's age in Field 94SAV.
B] Either the primary or secondary taxpayer is under age 18 or the date of birth is not available,	<ol style="list-style-type: none"> 1. Manually compute the age of the taxpayer that is over age 18. 2. Enter the taxpayer's age in Field 94PAV and/or 94SAV. 3. Assign TPNC 246.

- (6) If the taxpayer made an error computing or transferring the Retirement Savings Contribution Credit, assign **TPNC 247**.

Note: A math error on Form 8880 may cause multiple error codes to be displayed. Ensure no other errors are present before reassigning the previous TPNC.

- (7) If the computer's underprint for a personal credit is **more** than the amount claimed by the taxpayer, compare Form 1040 line 18 (TY19, line 12b; TY18, line 11) to the amount in Field 03TBC>. If there is a difference because the taxpayer made an error adding tax, alternative minimum tax, and excess APTC, assign **TPNC 230**.

3.12.3.26.17.4
(01-01-2019)

**Correction Procedures
(EC 586)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to correction procedures for EC 286 and IRM 3.12.2.5.12 for Non-Compute information.
- (3) Enter **C** in the Clear Field if there are no corrections to be made.

3.12.3.26.17.5
(08-26-2022)

Prior Year (EC 286)

- (1) The computer can't accurately compute the Retirement Savings Contribution Credit for TY19 and prior. The computer will limit the Retirement Savings Contribution Credit to zero according to the FSC and AGI for TY20. Manually compute the Retirement Savings Contribution Credit and enter the result in the verified field **except** when any of the following conditions exist:

- a. The FSC is 1, 3, 5, or 6 and AGI Computer is greater than \$32,000 for TY19; \$31,500 for TY18; \$31,000 for TY17; \$30,750 for TY16; \$30,500 for TY15; \$30,000 for TY14; \$29,500 for TY13; \$28,750 for TY12.
- b. The FSC is 4 or 7 and AGI Computer is greater than \$48,000 for TY19; \$47,250 for TY18; \$46,500 for TY17; \$46,125 for TY16; \$45,750 for TY15; \$45,000 for TY14; \$44,250 for TY13; \$43,125 for TY12.
- c. The FSC is 2 and AGI Computer is greater than \$64,000 for TY19; \$63,000 for TY18; \$62,000 for TY17; \$61,500 for TY16; \$61,000 for TY15; \$60,000 for TY14; \$59,000 for TY13; \$57,500 for TY12.
- d. The FSC is 2 and both taxpayers are under 18 years of age at the end of the tax year.
- e. The FSC is other than 2 and the taxpayer is under 18 years of age at the end of the tax year.

(2) For TY12 - TY02, accept taxpayers entry and enter in Field 94RTV.

3.12.3.26.17.6

(01-01-2024)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 286)**

(1) This table shows the allowable Taxpayer Notice Codes for **Error Code 286**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

(2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
101	We recomputed your tax using FSC 1.
111	Your return has been converted to a Form 1040.
218	We computed your tax for you.
230	Error in the addition of tax, alternative minimum tax, and APTC repayment.
246	Disallowed all or part of Form 8880 credit. Must be age 18 or we were unable to verify age.
247	Computed or transferred Form 8880 incorrectly.
558	You gave us information that changed the refund or amount you owe.
569	No Reply, Form 8880.
818	Disallowed certain credits. Primary or secondary SSN or ITIN missing or invalid.
***	Any previously assigned TPNC.

3.12.3.26.18 (1) Error Code 287 instructions follow.
(01-01-2019)

**Error Code 287 (CE)
Child Tax Credit and
Other Dependent Credit
Eligibility Validation**

3.12.3.26.18.1 (1) This table shows the fields displayed.
(01-01-2023)

**Fields Displayed, Form
1040 (EC 287)**

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01EXC	Exemptions Code
94EXV	Exemptions Code Verified
01CCC	Computer Condition Code
01RPC	Return Processing Code
01SPC	Special Processing Code
MEFII>	MeF Imperfect Return Indicator
T-DAT>	Tentative Return Due Date Computer
01PS	Primary TIN
01NA1>	Primary NAP Access Indicator
01PIC>	Primary NAP ITIN Status Code
01PAD>	Primary NAP TIN Assignment Date
01SS	Secondary TIN
01NA2>	Secondary NAP Access Indicator
01SIC>	Secondary NAP ITIN Status Code
01SAD>	Secondary NAP TIN Assignment Date
01T6E>	Child Tax Credit Under Six Total Eligible Computer Amount
946EV	Child Tax Credit Under Six Total Eligible Verified Number
01TCE>	Child Tax Credit Total Eligible Computer Number
94CEV	Child Tax Credit Total Eligible Verified
01TDE>	Other Dependent Credit Total Eligible Computer Number
94DEV	Other Dependent Credit Total Eligible Verified
02DTR	Dependent SSN Not Required

1040	Field Name
01CT1	Dependent 1 Child Tax and Other Dependent Credit Code
01YB1>	Dependent 1 NAP Year of Birth
01DS1	Dependent 1 SSN
01NP1>	Dependent 1 NAP Access Indicator
01DC1>	Dependent 1 NAP ITIN Status Indicator
01AD1>	Dependent 1 NAP TIN Assignment Date
01CT2	Dependent 2 Child Tax and Other Dependent Credit Code
01YB2>	Dependent 2 NAP Year of Birth
01DS2	Dependent 2 SSN
01NP2>	Dependent 2 NAP Access Indicator
01DC2>	Dependent 2 NAP ITIN Status Indicator
01AD2>	Dependent 2 NAP TIN Assignment Date
01CT3	Dependent 3 Child Tax and Other Dependent Credit Code
01YB3>	Dependent 3 NAP Year of Birth
01DS3	Dependent 3 SSN
01NP3>	Dependent 3 NAP Access Indicator
01DC3>	Dependent 3 NAP ITIN Status Indicator
01AD3>	Dependent 3 NAP TIN Assignment Date
01CT4	Dependent 4 Child Tax and Other Dependent Credit Code
01YB4>	Dependent 4 NAP Year of Birth
01DS4	Dependent 4 SSN
01NP4>	Dependent 4 NAP Access Indicator
01DC4>	Dependent 4 NAP ITIN Status Indicator
01AD4>	Dependent 4 NAP TIN Assignment Date
03AGI	Adjusted Gross Income
03TBC>	Income Tax Before Credits Computer
03COD	Child and Other Dependent Credit Amount
>>>>>	Child and Other Dependent Credit Amount Computer
03COD>	Gross Child and Other Dependent Credit Computer
03ACT	Additional Child Tax Credit Amount

1040	Field Name
>>>>>	Additional Child Tax Credit Computer
03ACT>	Gross Additional Child Tax Credit Computer

3.12.3.26.18.2
(01-01-2019)
Invalid Conditions (EC 287)

- (1) Error Code 287 generates if the difference between Child and Other Dependent Credit, and Child and Other Dependent Credit Computer is greater than \$2.00, or the difference between Additional Child Tax Credit/Refundable Child Tax Credit and Additional Child Tax Credit/Refundable Child Tax Credit Computer is greater than \$2.00, and any of the following apply.
- Field 01CT1/2/3/4 with value of 1 is not equal to Field 01TCE> (total number eligible for child tax credit).
 - Field 01CT1/2/3/4 with value of 2 is not equal to Field 01TDE> (total number eligible for credit for other dependents).
 - Field 94EXV (exemption verified) entry is present.
 - Field MEFII> (MeF Imperfect Return Indicator) 1 is present.

#

3.12.3.26.18.3
(11-23-2021)
General Information (EC 287)

- (1) Beginning with TY18, each qualifying dependent claimed for the Child Tax Credit (CTC) and/or Refundable Child Tax Credit/Additional Child Tax Credit (ACTC) on the return **must** have a valid Social Security Number (SSN) issued by the Social Security Administration (SSA) before the due date of the tax return (including extensions) and dependents must be under the age of 17. In TY21, taxpayers qualify for the Refundable Child Tax Credit with qualifying dependents under the age of 18. Dependents who **can't** be claimed for CTC may be claimed for the Credit for Other Dependents (ODC). Each qualifying dependent claimed for ODC on the return must have a valid SSN **or** Individual Taxpayer Identification Number (ITIN) or Adoption Taxpayer Identification Number (ATIN) issued on or before the due date of the return (including extensions). There is no age limitation associated with ODC, and ODC is allowed for all dependents listed on the return (excluding the primary and secondary taxpayers).
- (2) In TY21, taxpayers qualify for Refundable Child Tax Credit if they check a box on line 13, Schedule 8812. If the taxpayer does not check any boxes on line 13, Schedule 8812 the taxpayer may qualify for Additional Child Tax Credit instead. Both Refundable Child Tax Credit and Additional Child Tax Credit are reported on line 28, Form 1040 and are transcribed in Field 03ACT. If the taxpayer qualifies for Refundable Child Tax Credit by checking a box on line 13, Schedule 8812 the entire credit is refundable and will be reported in Field 03ACT only. Taxpayers claiming Refundable Child Tax Credit may also be eligible for the Credit for Other Dependents on line 19, Form 1040 for dependents claimed that are over age 18. If the taxpayer does not check a box on line 13, Schedule 8812 then they do not qualify for the Refundable Child Tax Credit but they may be eligible for Additional Child Tax Credit and/or Child Tax Credit/Credit for Other Dependents.

3.12.3.26.18.4
(01-01-2023)

**Correction Procedures
(EC 287)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Determine the number of eligible dependents claimed for each credit (CTC and ODC) using all the instructions in EC 287.
- (3) After all corrections have been made or if no corrections are necessary, enter **C** in the Clear Field.

3.12.3.26.18.5
(04-15-2019)

**Fields 01T6E>, 01TCE>, and 01TDE>, Total
Number Eligible for
Child Tax Credit and
Credit for Other
Dependents (EC 287)**

- (1) TY21 only, **Field 01T6E>** displays the total number of dependents under 6 years of age eligible for Child Tax Credit. The total of eligible dependents under age 6 is also included in Field 01TCE> along with all eligible dependents for Child Tax Credit. For TY21, the number of eligible dependents between ages 6 through 17 is the difference between Fields 01TCE> and Field 01T6E>.

Example: If Field 01TCE> is 3 and Field 01T6E> is 1, then the number of dependents age 6-17 is 2.

- (2) **Field 01TCE>** displays the total number of children eligible for child tax credit. Field 01TCE> indicates the total number of children eligible and claimed for the Child Tax Credit, including those children who are under age 6. Compare the number in Field 01TCE> to the number of qualifying dependent boxes checked under column (4) and transcribed in Field 01CT1/2/3/4 as a value of 1.

Reminder: Field 01CT1/2/3/4 is transcribed as **1** for each box checked for Child Tax Credit.

Note: For TY17 and prior, dependents whose ITIN Status Code is "I" are also excluded from Field 01TCE>. If Field 01TCE> is zeros, the computer has determined there are no qualifying children for Child Tax Credit.

- (3) **Field 01TDE>** displays the total number of dependents eligible for Credit for Other Dependents. Compare the number in Field 01TDE> to the number of qualifying dependent boxes checked under column (4) and transcribed in Field 01CT1/2/3/4 as a value of 2.

Reminder: Field 01CTC1/2/3/4 is transcribed as **2** for each box checked for Credit for Other Dependents.

Note: If Field 01TDE> is zeros, the computer has determined there are no qualifying dependents for Credit for Other Dependents.

- (4) If the taxpayer marked a Child Tax Credit box for a dependent but the computer determines the dependent isn't eligible for CTC, the computer will automatically include the dependent in the count for the Other Dependent Credit if the dependent is eligible for that credit.
- (5) When the taxpayer marks both boxes for the Child Tax Credit and Other Dependent Credit for the same dependent, the computer will automatically include the dependent in the count for which the dependent qualifies.
- (6) If the number of eligible dependents in Fields 01TCE> and 01TDE> doesn't match the taxpayer's number for qualifying dependents, continue through the requirements to identify why the computer number differs.

3.12.3.26.18.6
(04-25-2022)

TIN Requirements (EC 287)

- (1) All persons listed on the tax return must have a valid TIN issued by the due date of the return (including extensions) to qualify for either credit. TY18 and later, for Child Tax Credit, the qualifying dependent's TIN must be a valid SSN. TY17 and prior, CTC was allowed for qualifying dependents with valid ITINs assigned prior to the return due date. See the TIN requirement exceptions in (2) and (3) below.

Caution: Field 94EXV, positions 3 - 8, may have been used to resolve Error Code 010, 012, 013, 017, 250, 283 or 285. If an exemption/dependent was disallowed in a previous error code and the taxpayer indicates the dependent is eligible for CTC/ODC by marking column 4, leave as disallowed.

- (2) If the dependent's SSN is missing because of religious beliefs (**Amish, Mennonite, or Form 4029**), take the following action:
 - a. **TY18** and later, do **not** allow Child Tax Credit or Credit for Other Dependents for dependent(s) whose SSN is missing because of religious or conscience-based objection. Assign **TPNC 705** when EC 290/344/345 displays.
 - b. **TY17** and prior, **allow** the Child Tax Credit if the dependent's SSN is missing because of religious beliefs (Amish, Mennonite, or Form 4029). Enter the number of allowable children in Field 94CEV based on the credit taken (e.g., \$1,000 enter 01, \$2,000 enter 02, etc.) and enter 00 in Field 94DEV.
- (3) Allow the Child Tax Credit when the child's SSN is missing and the child was **born** and **died** in the same or consecutive tax period if the taxpayers provide documentary support in the form of a copy of the birth certificate, death certificate, or hospital record. Enter the number of allowable children in Field 94CEV and Field 94DEV, and Field 946EV if TY21.

Note: Enter **I** in Field 01RPC for children who do not have an SSN and were born in the tax period of the tax return and died in the same or consecutive tax period.

- (4) If the primary or secondary taxpayer has an **expired ITIN** (Field 01PIC> or 01SIC> is **I**), the computer will disallow all CTC/ODC claimed on the return. If the ITIN status indicator **I** is present in any dependent Field 01DC1>/2/3/4, the computer will disallow the ODC for that dependent.
- (5) Compare Fields 01PAD> and 01SAD> (TIN Assignment Date), if present, to Field T-DAT>. If the TIN Assignment Date for either field is **after** T-DAT>, the computer will disallow all CTC/ODC claimed on the return.

Caution: TY20, if the TIN Assignment Date is on or before May 17, 2021, manually verify and allow the credit using Field 94CDV.

- (6) Compare Fields 01AD1>/2/3/4 (Dependent TIN Assignment Date) to the return due date in Field T-DAT>. If any dependent TIN Assignment Date is **after** T-DAT>, the computer will disallow the CTC/ODC for that dependent.

Caution: On TY20 returns, if the TIN Assignment Date is on or before May 17, 2021, determine the number of eligible dependents for CTC and ODC claimed and enter the CTC number in Field 94CEV and enter the ODC number in Field 94DEV.

Note: **T-DAT>** is the Tentative Due Date Computer and displays in YYYYMMDD format. If the return due date is April 15, 2024, T-DAT> will display as 20240415. If the filer requested an extension and a TC 460 shows on IMFOLT, the due date of the return is October 15, 2024, T-DAT> will display as 20241015.

Exception: The primary, secondary, or any dependent TIN Assignment Date will display with all zeros if their TIN was issued prior to 2012.

Reminder: For TY22 and prior, see IRM 3.12.3.26.18.10.

3.12.3.26.18.7

(01-01-2023)

Fields 01YB1>, 01YB2>, 01YB3>, 01YB4> - Dependent 1, 2, 3, 4 NAP Year of Birth (EC 287)

- (1) Qualifying CTC dependents must be under the age of 17 (TY21, under the age of 18). The dependent NAP year of birth displays in Fields 01YB1>/2/3/4.
- (2) If Field 01YB1>/2/3/4 contains zeros/XXXX, the year of birth information is not available on NAP. Research CC INOLE for the dependent's date of birth.
- (3) For TY17 and prior - If the TIN is a **valid ITIN**, research of RTS must be performed to determine the dependent's year of birth before allowing CTC.
 - **Austin only** - Research RTS to locate the year of birth. Click on "view" and check the remarks box to see if the date of birth was added.
 - All other sites, SSPND 410 and take the return to your lead. The lead will promptly forward the information to the campus designated person to e-mail the DLN and ITIN information to the HQ ERS team for RTS research.

Note: If the ITIN is invalid, follow the disallowance procedures for an invalid TIN.

- (4) If research reveals the child is **under age 17** (TY21, under age 18), consider the child a qualifying child for the Child Tax Credit if the taxpayer is claiming CTC. If the dependent is **not under** age 17 (TY21, under age 18) or if there is an indication the taxpayer is claiming ODC instead of CTC, consider the dependent as eligible for the credit for other dependents.

3.12.3.26.18.8

(01-01-2023)

More Than Four Dependents and Field MEFIL>1 (EC 287)

- (1) Research must be performed to determine the total number of eligible CTC/ODC dependents when:

- **More than four** dependents are present on the return.

and name controls.

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#

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Note: The invalid TIN may be beyond the fourth dependent.

- (2) Search the tax return (including MeF) and attachments for a statement listing additional qualifying children. If found, the statement must provide the name, TIN, and relationship of each additional qualifying dependent.

Note: Check the relationship of each additional child to determine if each meets the requirements of qualifying child for the Child Tax Credit (e.g., a son, daughter, brother, sister or a descendent of any of them, stepchild, or eligible foster child).

- (3) Research INOLES to determine if **each** additional qualifying child is eligible for **child tax credit** using the following criteria:

- Age is under age 17 (TY21, under age 18)
- TY18 and later - Valid SSN is present
- TIN assignment date is prior to the return due date. Research IMFOLT and search for TC 460 to determine the return due date. If present, use the date identified as **EXT-DT** in the last column, under -Variable Data- as the tentative return due date.

Caution: Don't use the TC 460 date in the first column.

- If no TC 460 is present, use the return due date as follows:
 - TY23 - 04/15/2024
 - TY22 - 04/18/2023
 - TY21 - 04/18/2022

- (4) TY18 and later, research INOLES to determine if **each** additional qualifying child is eligible for **credit for other dependents** using the following criteria:

- Valid TIN
- If TIN is an ITIN, verify the Status Code is **A**.
- TIN assignment date is on or before the return due date. Research IMFOLT and search for TC 460 to determine the return due date. If present, use the date identified as **EXT-DT** in the last column, under -Variable Data- as the tentative return due date.

Caution: Don't use the TC 460 date in the first column.

- If no TC 460 is present, use the return due date as follows:
 - TY22 - 04/18/2023
 - TY21 - 04/18/2022
 - TY20 - 05/17/2021

- (5) To qualify for either CTC or ODC, each dependent must satisfy all eligibility criteria for the credit claimed.

- a. TY21, enter the total number of CTC eligible children under age 6 claimed for CTC in Field 946EV. Enter as 2 digits using a leading zero if less than 10.
- b. Enter the **total** number of CTC eligible children claimed for CTC in Field 94CEV. Enter as 2 digits using a leading zero if less than 10. The total number includes the CTC eligible children under age 6.
- c. Enter the **total** number of ODC eligible dependents in Field 94DEV. For TY18 and later, in the total number entered in Field 94DEV, include the number of dependents claimed for CTC who were not eligible because of age or because CTC was claimed for a valid ITIN. Enter as 2 digits using a leading zero if less than 10.

Caution: TY21, if you use any of the verified fields listed above (Field 94CEV, 946EV, 94DEV), you must make an entry in all 3 fields. TY22, and TY20 and prior, if you use Field 94CEV or 94DEV, you must make an entry in both fields.

3.12.3.26.18.9
(11-23-2021)

**Fields 946EV, 94CEV
and 94DEV (EC 287)**

- (1) Use Fields 94CEV and 94DEV when the computer can't determine the number of dependents eligible for and claimed for child tax credit and/or credit for other dependents. TY21, also use Field 946EV when using Fields 94CEV and 94DEV.
 - a. TY21, enter the total number of CTC eligible children under age 6 claimed for CTC in Field 946EV. Enter as 2 digits using a leading zero if less than 10.
 - b. Enter the total number of CTC eligible children claimed for CTC in Field 94CEV. Enter as 2 digits using a leading zero if less than 10. The total number includes the CTC eligible children under age 6.
 - c. Enter the total number of ODC eligible dependents in Field 94DEV. For TY18 and later, in the total number entered in Field 94DEV, include the number of dependents claimed for CTC who were not eligible because of age or because CTC was claimed for a valid ITIN. Enter as 2 digits using a leading zero if less than 10.

Caution: TY21, if you use any of the verified fields listed above (Field 94CEV, 946EV, 94DEV), you must make an entry in all 3 fields. TY22, and TY20 and prior, if you use Field 94CEV or 94DEV, you must make an entry in both fields.

3.12.3.26.18.10
(02-27-2020)

Prior Year (EC 287)

- (1) The Tentative Return Due Date Field T-DAT>, other than current year, is the April return due date. NAP will not provide a TC 460 date for a return other than current year. Research must be performed to determine if a TC 460 date is on the account. If present, use the date identified as **EXT-DT** in the last column, under -Variable Data- as the tentative return due date.

Caution: Don't use the TC 460 date in the first column.

- (2) For **TY22 and prior**, if a primary or secondary TIN Assignment Date is displayed in Field 01PAD> or Field 01SAD> that is after the date in T-DAT> then research IMFOLT for a TC 460 for the tax year of the return.

Caution: On TY 202012 returns, if the TIN Assignment Date is on or before May 17, 2021, or TY 201912 - 202002 returns, if the TIN Assignment Date is on or before July 15, 2020, manually verify and allow the credit using Field 94CDV.

If...	And...	Then...
A] TC 460 is not found on IMFOLT,	The TIN Assignment Date in Field 01PAD> or 01SAD> is after T-DAT>,	Assign TPNC 711 (TY17 and prior, TPNC 810), if EC 290 displays.

If...	And...	Then...
B] TC 460 is found on IMFOLT,	The TIN Assignment Date in Field 01PAD> or 01SAD> is after the TC 460 date,	Assign TPNC 711 (TY17 and prior, TPNC 810), if EC 290 displays.
C] TC 460 is found on IMFOLT,	The TIN Assignment Date in Fields 01PAD> and 01SAD> are both on or before the TC 460 date,	Continue to the instructions in (3) to determine if any CTC child's TIN Assignment Date is after the return due date.

- (3) For **TY22 and prior**, if CTC is claimed for a dependent and the dependent TIN Assignment Date is after the date in T-DAT>, then research IMFOLT for a TC 460 for the tax year of the return.

Caution: On TY 202012 returns, if the TIN Assignment Date is on or before May 17, 2021, or TY 201912 - 202002 returns, if the TIN Assignment Date is on or before July 15, 2020, determine the number of eligible dependents for CTC and ODC claimed and enter the CTC eligible number in Field 94CEV and the ODC eligible number in Field 94DEV.

If...	And...	Then...
A] TC 460 is not found on IMFOLT,	The TIN Assignment Date in Fields 01AD1>, 01AD2>, 01AD3> and 01AD4> are all after T-DAT>,	Assign TPNC 711 (TY17 and prior, TPNC 810), if EC 290 displays.
B] TC 460 is found on IMFOLT,	The TIN Assignment Date in Fields 01AD1>, 01AD2>, 01AD3> and 01AD4> are all after the TC 460 date,	Assign TPNC 711 (TY17 and prior, TPNC 810), if EC 290 displays.

If...	And...	Then...
C] TC 460 is found on IMFOLT,	Any TIN Assignment Date in Field 01AD1>, 01AD2>, 01AD3> or 01AD4> is before the TC 460 date,	Determine the number of eligible dependents for CTC and ODC claimed and enter the CTC eligible number in Field 94CEV and the ODC eligible number in Field 94DEV. Reminder: When more than 4 qualifying dependents are present, research all for eligibility.

Caution: TY21, if you use Field 94CEV, 946EV or 94DEV, you must make an entry in all 3 fields. TY22, or TY20 and prior, if you use Field 94CEV or 94DEV, you must make an entry in both fields.

3.12.3.26.19
(01-01-2019)
Error Code 288 - Reserved

(1) Reserved.

3.12.3.26.20
(01-01-2017)
Error Code 289 (CE)
Child Tax Credit Verification

(1) Error Code 289 instructions follow.

3.12.3.26.20.1
(01-01-2024)
Fields Displayed, Form 1040 (EC 289)

(1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01SPC	Special Processing Code
01T6E>	Child Tax Credit Under Six Total Eligible Computer Amount

1040	Field Name
01TCE>	Child Tax Credit Total Eligible Computer Number
01TDE>	Other Dependent Credit Total Eligible Computer Number
01EXC	Exemption Codes
94EXV	Exemption Code Verified
01CT1	Dependent 1 Child Tax and Other Dependent Credit Code
01CT2	Dependent 2 Child Tax and Other Dependent Credit Code
01CT3	Dependent 3 Child Tax and Other Dependent Credit Code
01CT4	Dependent 4 Child Tax and Other Dependent Credit Code
03AGI	Adjusted Gross Income
>>>>>	Adjusted Gross Income Computer
TFIEX>	Total Foreign Income Exclusion Computer
03TBC>	Income Tax Before Credits
05301	Foreign Tax Credit
>>>>	Foreign Tax Credit Computer
05302	Child and Dependent Care Credit
05302>	Child and Dependent Care Credit
05ELD	Credit for the Elderly
05ELD>	Credit for the Elderly Computer
05303	Education Credit
>>>>	Education Credit Computer
05304	Retirement Savings Contribution Credit
>>>>	Retirement Savings Contribution Credit Computer
03COD	Child and Other Dependent Credit Amount
>>>>>	Child and Other Dependent Credit Computer
0505A	Residential Clean Energy Credit
>>>>>	Residential Clean Energy Credit Computer
0505B	Energy Efficient Home Improvement Credit
>>>>>	Energy Efficient Home Improvement Credit Computer
05ADC	Adoption Credit
05ADC>	Adoption Credit Computer

1040	Field Name
05AMC	Form 8910 Alternative Motor Vehicle Credit
05AMC>	Form 8910 Alternative Motor Vehicle Credit Computer
05CVC	Clean Vehicle Credit Amount
05CVC>	Clean Vehicle Credit Amount Computer
05MIC	Mortgage Interest Credit
>>>>>	Mortgage Interest Credit Computer
05POC	Previously Owned Clean Vehicles Credit
05POC>	Previously Owned Clean Vehicles Credit Computer
05OSC	Other Statutory Credits
05ONC	Total Other Nonrefundable Credits
03ACT	Additional Child Tax Credit
>>>>>	Additional Child Tax Credit Computer

3.12.3.26.20.2
(04-24-2023)

Invalid Conditions (EC 289)

- (1) **Error Code 289** generates when **all** of the following exist for TY02 and later:
- Additional Child Tax Credit (Field 03ACT) and Total Children Eligible for Child Tax Credit (Field 01TCE>) are present.
 - Field 05ADC (Form 8839), Field 05MIC (Form 8396) or Field 05OSC (Form 8859, 8834, 8912, 8978, or Other Credits) is present.
 - Either the Child Tax Credit and Other Dependent Credit Verified (Field 94CDV) is not present **or** the Additional Child Tax Credit Verified and Refundable Child Tax Credit (Field 94ACV) is not present.

Note: In general, credits are applied to tax as they appear on the tax form. The Child Tax Credit is the exception to that rule. It's applied to tax only after the credits that appear below it on the tax form. EC 289 is designed to detect credits that should be applied before the Child Tax Credit so that examiners may see to it that the Child Tax Credit is properly applied to tax.

3.12.3.26.20.3
(01-01-2020)

Correction Procedures (EC 289)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If dependents were disallowed in Field 94EXV:
- Check Fields 01CT1/2/3/4.
 - If no dependents have a valid TIN, enter **F** in Field 01SPC.
 - If there is a combination of valid and invalid TINs, refer the return to the lead tax examiner for manual computation.
- (3) **TY23 - TY18**, if the taxpayers' figure for the Child Tax Credit/Credit for Other Dependents or Additional Child Tax Credit/Refundable Child Tax Credit is greater than zero and differs from the underprint, apply to tax the credits from the following forms before applying the Child Tax Credit:

- Form 5695, *Residential Energy Credit*
 - Form 8910, *Alternative Motor Vehicle Credit*
 - Form 8936, *Qualified Plug-In Electric Drive Motor Vehicle Credit*
 - Schedule R, *Credit for the Elderly or the Disabled*
 - Form 8396, *Mortgage Interest Credit*
 - Form 8839, *Qualified Adoption Expenses*
 - Form 8859, *Carryforward of the District of Columbia First-Time Homebuyer Credit*
- a. If an amount is present on Schedule 3, line 5, for Residential Energy Credit, follow the instructions in Error Code 291.
 - b. If an amount is present for Adoption Credit on Schedule 3, line 6c (TY20-TY19, line 6), or for Mortgage Interest Credit on Schedule 3, line 6g (TY20-TY19, line 6), follow the instructions in Error Code 299.

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- (5) After all corrections have been made or if no corrections are necessary, enter **C** in the Clear Field.

3.12.3.26.20.4
(01-01-2017)
Prior Year (EC 289)

- (1) **TY17 - TY15**, if the taxpayers' figure for the Child Tax Credit or Additional Child Tax Credit is greater than zero and differs from the underprint for the credit, verify the Child Tax Credit or the Additional Child Tax Credit. Apply to tax the credits from the following forms before applying the Child Tax Credit:
 - line 48 of Form 1040, *Form 1116, Foreign Tax Credit*
 - line 49 of Form 1040, *Form 2441, Child and Dependent Care Expenses*
 - line 50 of Form 1040, *Form 8863, Education Credit*
 - line 51 of Form 1040, *Form 8880, Credit for Qualified Retirement Savings Contributions*
 - line 30 of Form 5695, *Residential Energy Credit*
 - line 15 of Form 8910, *Alternative Motor Vehicle Credit*
 - line 23 of Form 8936, *Qualified Plug-In Electric Drive Motor Vehicle Credit*
 - line 22 of Schedule R, *Credit for the Elderly or the Disabled*
 - line 8 of Form 8396, *Mortgage Interest Credit*
 - line 16 of Form 8839, *Qualified Adoption Expenses*
 - line 15 of Form 5695, *Residential Energy Credit*
 - line 3 of Form 8859, *Carryforward of the District of Columbia First-Time Homebuyer Credit*

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3.12.3.26.21
(01-01-2020)

(1) Error Code 290 instructions follow.

**Error Code 290, Child
Tax Credit and Credit for
Other Dependents**

3.12.3.26.21.1
(01-01-2023)

(1) This table shows the fields displayed.

**Fields Displayed, Form
1040 (EC 290)**

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01EXC	Exemption Code
94EXV	Exemption Code Verified (ERS input only)
01RPC	Return Processing Code
01SPC	Special Processing Code
T-DAT>	Tentative Return Due Date Computer
01PIC>	Primary ITIN Status Code
01PAD>	Primary NAP TIN Assignment Date
01SIC>	Secondary ITIN Status Code
01SAD>	Secondary NAP TIN Assignment Date
01T6E>	Child Tax Credit Under Six Total Eligible Computer Amount
946EV	Child Tax Credit Under Six Total Eligible Verified Number
01TCE>	Child Tax Credit Total Eligible Computer Number
94CEV	Child Tax Credit Total Eligible Verified Number (ERS input only)
01TDE>	Other Dependent Credit Total Eligible Computer Number
94DEV	Other Dependent Credit Total Eligible Verified Number (ERS input only)
01CT1	Dependent 1 Child Tax and Other Dependent Credit Code
01YB1>	Dependent 1 Year of Birth
01DS1	Dependent 1 SSN
01NP1>	Dependent 1 NAP Access Indicator
01DC1>	Dependent 1 ITIN Status Code
01AD1>	Dependent 1 TIN Assignment Date

1040	Field Name
01CT2	Dependent 2 Child Tax and Other Dependent Credit Code
01YB2>	Dependent 2 Year of Birth
01DS2	Dependent 2 SSN
01NP2>	Dependent 2 NAP Access Indicator
01DC2>	Dependent 2 ITIN Status Code
01AD2>	Dependent 2 TIN Assignment Date
01CT3	Dependent 3 Child Tax and Other Dependent Credit Code
01YB3>	Dependent Year of Birth
01DS3	Dependent 3 SSN
01NP3>	Dependent 3 NAP Access Indicator
01DC3>	Dependent 3 ITIN Status Code
01AD3>	Dependent 3 TIN Assignment Date
01CT4	Dependent 4 Child Tax and Other Dependent Credit Code
01YB4>	Dependent 4 Year of Birth
01DS4	Dependent 4 SSN
01NP4>	Dependent 4 NAP Access Indicator
01DC4>	Dependent 4 ITIN Status Code
01AD4>	Dependent 4 TIN Assignment Date
03AGI	Adjusted Gross Income
>>>>	Adjusted Gross Income Computer
03TBC>	Income Tax Before Credits Computer
03COD	Child and Other Dependent Credit Amount
>>>>	Child and Other Dependent Credit Computer
03COD>	Gross Child and Other Dependent Credit Computer
94CDV	Child and Other Dependent Credit Verified (ERS input only)
	Section 47 Not Present
47ABD	Schedule 8812 Principal Abode Indicator
47NCP	Schedule 8812 Non-Taxable Combat Pay
47EI>	Additional Child Tax Credit Earned Income Computer
47SSM	Total Social Security and Medicare Taxes

1040	Field Name
98PAA>	Primary NAP Advance ACTC Amount
98PAN>	Primary NAP Advance ACTC Dependents Number
98SAA>	Secondary NAP Advance ACTC Amount
98SAN>	Secondary NAP Advance ACTC Dependents Number

3.12.3.26.21.2

(01-18-2022)

Invalid Conditions (EC 290)

- (1) **Error Code 290** generates when **all** of the following exist:
- The difference between the taxpayer's amount for Child and Other Dependent Credit and the computer's amount for Child and Other Dependent Credit is not within tolerance.
 - The taxpayer's amount and the computer amount for Total Tax do not agree.
 - A math error is present.

- (2) **Error Code 290** generates when:

- TY23-TY22, Field 94CEV or Field 94DEV contains an entry but there is not an entry in both fields.
- TY21, Field 946EV, Field 94CEV, or Field 94DEV contains an entry but there is not an entry in all three fields.
- TY20 and prior, Field 94CEV or Field 94DEV contains an entry but there is not an entry in both fields.

3.12.3.26.21.3

(01-01-2023)

Correction Procedures (EC 290)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

Caution: Field 94EXV, positions 3 - 8 may have been used to resolve error codes 010, 012, 013, 017, 250, 283 or 285. If an exemption/dependent was disallowed in a previous error code and the taxpayer indicates the dependent is eligible for Child Tax Credit/Credit for Other Dependents by marking column 4, leave as disallowed.

- (2) For **TY23**, the credit amount for Child Tax Credit (CTC) and Other Dependents Credit (ODC) is as follows:

- CTC** - For each qualifying child, the CTC is \$2,000. The unused credit portion is refundable in Additional Child Tax Credit up to \$1,600 for each qualifying child.
- ODC** - For each qualifying dependent, the ODC is \$500 and is not refundable.

- (3) For **TY22**, the credit amount for CTC and ODC is as follows:

- CTC** - For each qualifying child, the CTC is \$2,000. The unused credit portion is refundable in Additional Child Tax Credit, up to \$1,500 for each qualifying child.
- ODC** - For each qualifying dependent, the ODC is \$500 and is not refundable.

- (4) For **TY21**, the credit amount for CTC and ODC is as follows:
- **CTC** - For each qualifying child under age 6, the CTC is \$3,600; for each qualifying child age 6 to under age 18, the CTC is \$3,000.
 - **ODC** - For each qualifying dependent, the ODC is \$500.
- (5) For **TY20-TY18**, the credit amount for CTC and ODC is as follows:
- **CTC** - For each qualifying child, the CTC is \$2,000. The unused credit portion is refundable in Additional Child Tax Credit, up to \$1,400 for each qualifying child.
 - **ODC** - For each qualifying dependent, the ODC is \$500 and is not refundable.
- (6) For **TY20 and prior**, manually compute the credit and enter the correct amount in Field 94CDV prior to assigning a TPNC. Refer to IRM 3.12.3.26.21.8.

Note: Programming will compute Child Tax Credit based on the qualification rules for TY22 which includes SSN requirements, maximum credit of \$2,000 per child and AGI thresholds. For TY17-TY04, the maximum Child Tax Credit is \$1,000 for each qualifying child.

- (7) If Child Tax Credit/Credit for Other Dependents is disallowed due to any of the following **primary and/or secondary** taxpayer TIN related issues:
- a. Assign **TPNC 704** (TPNC 818 for TY17 and prior), if a TIN is **missing or a name control mismatch**.
 - b. Assign **TPNC 711** (TPNC 810 for TY17 and prior), if a TIN **Assignment Date** is after the return due date.
Exception: TY20 returns, if the TIN Assignment Date is on or before May 17, 2021, manually verify and allow the credit using Field 94CDV.
 - c. Assign **TPNC 709** (TPNC 817 for TY17 and prior), if an ITIN Status Code is "I".
- (8) For TY22 and prior, see IRM 3.12.3.26.21.8.

3.12.3.26.21.4
(01-01-2020)
**Fields 01CT1, 01CT2,
01CT3, 01CT4, Child Tax
and Other Dependent
Credit Code (EC 290)**

- (1) Taxpayers check the boxes in the dependents area of the return, under column (4), to indicate any qualifying dependents for child tax credit and credit for other dependents. Field 01CT1/2/3/4 has the following values:
- a. **0** (zero): Neither box is checked in column (4).
 - b. **1**: A box is checked for child tax credit in column (4).
 - c. **2**: A box is checked for credit for other dependents in column (4) (TY18 and later).
- (2) Verify the first four boxes in column (4) were transcribed correctly. If both boxes are marked for the same dependent, the computer will determine which credit the dependent qualifies for in Field 01TCE> or 01TDE>.

3.12.3.26.21.5
(04-25-2022)

**Fields 01TCE>/01TDE>
and
946EV/94CEV/94DEV,
Total Number Eligible for
Child Tax Credit and
Credit for Other
Dependents (EC 290)**

- (1) Field 01TCE> displays the number of **qualifying** children for the Child Tax Credit. Field 01TCE> **doesn't** include:
 - children with a missing or invalid SSN (NAP Access Indicator of 2 or 9),
 - dependents who don't meet the age requirement (under age 17; TY21, under age 18), or
 - dependents with a TIN Assignment Date after the due date of the return
- (2) Field 01TDE> displays the number of **qualifying** dependents for Credit for Other Dependents. Field 01TDE> **doesn't** include:
 - dependents with a missing or invalid TIN (NAP Access Indicator of 2 or 9),
 - dependents with a TIN Assignment Date after the due date of the return, or
 - dependents whose ITIN Status Code is "I"
- (3) If the taxpayer claims an amount on Form 1040, line 19 (TY19, line 13a), for Child Tax Credit/Credit for Other Dependents but fails to check the "qualifying" box(es) in column 4, indicating the dependent(s) qualifies, enter **1 or 2** in Field 01CT1/2/3/4, as applicable.
- (4) Use the following table when the number of qualifying dependents in Field 01TCE>/01TDE> differs from the number of boxes checked in column (4) and the taxpayer has computed the Child Tax Credit/Credit for Other Dependents.

Note: If Field 01TCE>/01TDE> is zeros, the computer has determined there are no qualifying dependents for Child Tax Credit/Credit for Other Dependents.

Reminder: Assign all applicable TPNC(s).

If...	And...	Then...
A] Any dependent TIN is missing or invalid ; the NAP Indicator is 2 or 9,		Assign TPNC 705 (TPNC 605 for TY17 and prior). See Exceptions below before assigning a TPNC.
B] TY18 and later, any dependent who doesn't qualify for CTC because the dependent <ul style="list-style-type: none"> • doesn't meet the age requirement of under age 17 (TY21, under age 18) or • has an ITIN instead of a valid SSN, 	meets the eligibility criteria for Other Dependent Credit (computer will count dependent in Field 01TDE> if eligible),	Assign TPNC 250 , TY18 and later only.
C] TY18 and later, any dependent who doesn't qualify for CTC because the dependent has an ITIN instead of a valid SSN,	Other Dependent Credit is not allowed for this dependent,	Assign TPNC 805 , TY18 and later only.
D] TY17 and prior, any dependent doesn't meet the age requirement of under age 17,		Assign TPNC 251 (TY17 and prior).

If...	And...	Then...
E] Any Dependent ITIN Status Code (Field 01DC1>2/3/4) is "I"		Assign TPNC 710 (TPNC 644 for TY17 and prior).
F] Any Dependent TIN Assignment Date (Field 01AD1>2/3/4) is after the return due date in Field T-DAT>, Exception: On TY20 returns, if the TIN Assignment Date is on or before May 17, 2021, enter the number of eligible dependents in Field 94CEV/94DEV.		Assign TPNC 711 (TPNC 810 for TY17 and prior). Reminder: For TY21 and prior, see IRM 3.12.3.26.21.8.
G] Any dependent date of birth is after the tax year of the return,		Assign TPNC 708 (TY17 and prior, TPNC 606). Note: Fields 94EXV and 01CT1/2/3/4 should have been adjusted in EC 019.
H] Any dependent date of death is prior to the tax year of the return,		Assign TPNC 706 (TY17 and prior, TPNC 609). Note: Fields 94EXV and 01CT1/2/3/4 should have been adjusted in EC 018.
I] Primary/Secondary taxpayer or any dependent's TIN belongs to a deceased person whose date of death is prior to the tax year of the return,		Assign TPNC 706 .
J] Field 01YB1>2/3/4 contains zeros (year of birth not available),	You determine through research any dependent does not meet the age requirement of under age 17 (TY21, under age 18),	TY18 and later, assign TPNC 250 if dependent qualifies for Other Dependent Credit (computer will count dependent in Field 01TDE> if eligible). TY18 and later, assign TPNC 805 if Other Dependent Credit is not allowed. (TPNC 251 for TY17 and prior).
K] Field 01YB1>2/3/4 contains zeros (year of birth not available),	You determine through research any dependent meets the age requirement of under age 17 (TY21, under age 18),	1. Adjust Field 01CT1/2/3/4 to show the qualifying children among the dependents. 2. Use Field 94CEV for qualifying children.

Exception: Allow the Child Tax Credit when the child's SSN is missing and the child was **born and died** in the same or consecutive tax period if the taxpayers provide documentary support in the form of a copy of the birth certificate, death certificate, or hospital record. Enter the number of allowable children in Field 94CEV and Field 94DEV, and Field 946EV if TY21. **Reminder:** Enter **I** in Field 01RPC for children who do not have an SSN and were born in the tax period of the tax return and died in the same or consecutive tax period.

Caution: TY21, if you use any of the verified fields listed above (94CEV, 946EV, 94DEV), you must make an entry in all 3 fields. TY23-TY22, and TY20 and prior, if you use Field 94CEV or 94DEV, you must make an entry in both fields.

3.12.3.26.21.6
(04-24-2023)
Fields 03COD (Form 1040), Child Tax Credit and Other Dependent Credit (EC 290)

- (1) This field is transcribed from Form 1040, line 19 (TY19, line 13a).
- (2) Verify all transcribed section to identify the point of error when Field 03COD and its underprint differ, and it appears the taxpayer correctly computed the Child Tax Credit.
 - a. If an amount is present on Schedule 3, line 5, for Residential Energy Credit (Field 05305), follow the instructions in Error Code 291.
 - b. If an amount is present on Schedule 3, line 6c for Adoption Credit (TY20-TY19, line 6) or for Mortgage Interest Credit on Schedule 3 line 6g (TY20-TY19, line 6), follow the instructions in Error Code 299.
- (3) When the number of boxes checked in column 4, matches the total number of dependents eligible in Field 01TCE>/01TDE> and Field 03COD differs from its computer underprint, the taxpayer has incorrectly computed the child tax credit/credit for other dependents. Assign **TPNC 249** (TPNC 252 for TY17 and prior) when the taxpayer has incorrectly computed the child tax credit or when the computer is **limiting or phasing out** the credit because the modified Adjusted Gross Income (AGI) is greater than or equal to \$200,000 (\$400,000 if FSC 2).
- (4) Assign **TPNC 249** (TPNC 252 for TY17 and prior) when the taxpayer has:
 - a. claimed an amount for Child Tax Credit/Credit for Other Dependents that cannot be reconciled with the dependent information on the return or attachments. Do not adjust the entry in Fields 01CT1/2/3/4.
 - b. checked the boxes on column 4, indicating they have qualifying dependents for Child Tax Credit/Credit for Other Dependents, but failed to claim the credit.
 - c. claimed all or part of the Child Tax Credit on the **Additional** Child Tax Credit line.

Note: If the taxpayer should have claimed the Child Tax Credit, the computer will compute the Child Tax Credit and reduce the Additional Child Tax Credit.
- (5) TY21, assign **TPNC 276** when the amount in Field 98PAA> (plus the amount in Field 98SAA for FSC 2) does not match the amount on Schedule 8812, line 14f or line 15e.

- (6) Assign any previously assigned TPNC if a **previous** math error made a change to the credit available.

3.12.3.26.21.7
(01-01-2019)

Field 94CDV, Child Tax Credit and Other Dependent Credit Verified (EC 290)

- (1) Field 94CDV is used by tax examiners to enter an amount for Child Tax Credit/Credit for Other Dependents when the computer is unable to arrive at the correct amount. See Error Code 289 instructions.
- (2) To limit the Child Tax Credit/Credit for Other Dependents to zero, enter **1** (one) in Field 94CDV.

3.12.3.26.21.8
(02-02-2022)

Prior Year (EC 290)

- (1) The Tentative Return Due Date in Field T-DAT>, other than current year, is the April return due date. NAP will not provide a TC 460 date for a return other than current year. Research must be performed to determine if a TC 460 date is on the account. If present, use the date identified as **EXT-DT** in the last column, under -Variable Data- as the tentative return due date.

Caution: Don't use the TC 460 date in the first column.

- (2) For **TY22 and prior**, if a primary or secondary TIN Assignment Date is displayed in Field 01PAD> or Field 01SAD> that is after the date in T-DAT> then research IMFOLT for a TC 460 for the tax year of the return.

Caution: On TY 202012 returns, if the TIN Assignment Date is on or before May 17, 2021, or TY 201912 - 202002 returns, if the TIN Assignment Date is on or before July 15, 2020, manually verify and allow the credit using Field 94CDV.

If...	And...	Then...
A] TC 460 is not found on IMFOLT,	The TIN Assignment Date in Field 01PAD> or 01SAD> is after T-DAT>,	Assign TPNC 711 (TY17 and prior, TPNC 810).
B] TC 460 is found on IMFOLT,	The TIN Assignment Date in Field 01PAD> or 01SAD> is after the TC 460 date,	Assign TPNC 711 (TY17 and prior, TPNC 810).
C] TC 460 is found on IMFOLT,	The TIN Assignment Date in Fields 01PAD> and 01SAD> are both before the TC 460 date,	Continue to (3) to determine the number of eligible dependents for CTC claimed.

- (3) For **TY22 and prior**, if Child Tax Credit is claimed for a dependent and the dependent TIN Assignment Date is after the date in T-DAT> then research IMFOLT for a TC 460 for the tax year of the return.

Caution: On TY 202012 returns, if the TIN Assignment Date is on or before May 17, 2021, or TY 201912 - 202002 returns, if the TIN Assignment Date is on or before July 15, 2020, determine the number of eligible dependents for CTC claimed and enter the number in Field 94CEV.

If...	And...	Then...
A] TC 460 is not found on IMFOLT,	The TIN Assignment Date in Fields 01AD1>, 01AD2>, 01AD3> and 01AD4> are all after T-DAT>,	Assign TPNC 711 (TY17 and prior, TPNC 810).
B] TC 460 is found on IMFOLT,	The TIN Assignment Date in Fields 01AD1>, 01AD2>, 01AD3> and 01AD4> are all after the TC 460 date,	Assign TPNC 711 (TY17 and prior, TPNC 810).
C] TC 460 is found on IMFOLT,	Any TIN Assignment Date in Field 01AD1>, 01AD2>, 01AD3> or 01AD4> is before the TC 460 date,	Determine the number of eligible dependents for CTC claimed and enter the number in Field 94CEV. Reminder: When more than 4 qualifying dependents are present, research all for eligibility.

Caution: TY21, if you use Field 94CEV, 946EV, or 94DEV, you must make an entry in all 3 fields. TY22, or TY20 and prior, if you use Field 94CEV or 94DEV, you must make an entry in both fields.

- (4) **TY17 and prior**, consider a dependent with an ITIN as eligible if the ITIN Status Code is **not** "I", when all other criteria are met. Manually compute the credit and enter the correct amount in Field 94CDV.
- (5) **TY18 and later**, do **not** allow Child Tax Credit or Credit for Other Dependents for dependents whose SSN is missing because of religious or conscience-based objection (**Amish**, **Mennonite**, or **Form 4029**). Assign **TPNC 705**.
- (6) **TY17 and prior**, allow the Child Tax Credit when it is claimed for dependent(s) without an SSN because of religious beliefs (**Amish**, **Mennonite**, or **Form 4029**).
- (7) For TY17 - TY04 - The maximum amount allowed to claim for Child Tax Credit/Additional Child Tax Credit is \$1,000 for each qualifying child under the age 17. Manually compute the credit and enter the correct amount in Field 94CDV prior to assigning a TPNC.

- (8) If the taxpayer claims an amount for the credit but fails to check the “qualifying child” boxes on the front of the return indicating the dependent(s) that qualify for the Child Tax Credit, do the following:
- If NAP date of birth indicates that any dependent(s) were born in or after 2005 for TY22; 2004 for TY21; 2004 for TY20; 2003 for TY19; 2002 for TY18; 2001 for TY17; 2000 for TY16; 1999 for TY15; 1998 for TY14; 1997 for TY13; 1996 for TY12; 1995 for TY11; 1994 for TY10; 1993 for TY09; 1992 for TY08; 1991 for TY07; 1990 for TY06; 1989 for TY05; 1988 for TY04, enter the total number of dependents eligible in Field 94CEV.
 - If there are more than four eligible dependents, research the additional dependents for eligibility and enter the total number of dependents eligible in Field 94CEV.

Caution: TY21, if you use Field 94CEV, 946EV, or 94DEV, you must make an entry in all 3 fields. TY22, or TY20 and prior, if you use Field 94CEV or 94DEV, you must make an entry in both fields.

- (9) TY17 and prior, assign TPNC 252 when the taxpayer has incorrectly computed the child tax credit or when the amount should be limited or phased out because the modified AGI exceeds the limitations:
TY17 and prior AGI limitations:
- \$55,000 if FSC 3 or 6
 - \$75,000 if FSC 1,4, 5 or 7
 - \$110,000 if FSC 2

3.12.3.26.21.9
(01-01-2024)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 290)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 290**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
218	We computed the tax for you.
230	We found an error in the addition of your tax, Alternative Minimum Tax and APTC repayment.
231	We didn't allow part or all the amount claimed as foreign tax credit on your return. foreign tax credit is limited to the total amount of your tentative minimum tax liability.
249	Amount for CTC and credit for other dependents entered incorrectly.

TPNC	Description
250	Disallowed all or part of CTC. Dependent(s) over CTC age limit or missing SSN. Allowed credit for other dependents.
251	Reduced or removed CTC and/or ACTC because one or more children exceeds the age limitation.
252	You incorrectly figured your Child Tax Credit.
276	We changed the amount of Additional Tax from Schedule 8812. Advance CTC was not reconciled correctly, or amount was not computed or transferred correctly.
503	No Reply. Schedule 3, Additional Credits and Payments, was incomplete or not attached (TY19 and later)
541	No Reply. Form 8995/8995-A was not attached to the return.
558	You gave us information that changed the refund or amount you owe.
591	No Reply, Refundable Child Tax Credit disallowed. Schedule 8812, Credits for Qualifying Children and Other Dependents, was incomplete or not attached to the return.
592	No Reply, Additional Child Tax Credit disallowed. Schedule 8812 was incomplete or not attached to the return.
598	No Reply. Disallowed exemption for child that didn't live with you. Form 8332, Form 2120, or a copy of a divorce decree was incomplete or not attached.
605	For one or more of your dependents the SSN or ITIN was missing or the last name doesn't match our records or the records provided by the Social Security Administration.
606	Disallowed exemption claimed for dependent born after December 31 of the tax year of the return.
607	Primary taxpayer deceased prior to the tax period. Exemption disallowed.
608	Secondary taxpayer deceased prior to the tax period. Exemption disallowed.
609	Disallowed exemption for dependent deceased prior to the tax period.
610	Disallowed exemption for dependent without TIN who was born and died. No birth certificate attached.
615	QBID figured incorrectly.

TPNC	Description
628	Computed or transferred Schedule 8812 incorrectly.
644	Disallowed dependent exemption. ITIN expired.
653	Rejects only. Disallowed EIC, CTC, ACTC, Credit for Other Dependents, and/or AOC. Form 8862 not attached.
672	Disallowed all or part of Form 8863 credits. No EIN or computed incorrectly based on lines 23 through 26.
704	Primary or secondary SSN or ITIN missing or invalid. Disallowed certain credits.
705	Dependent SSN or ITIN missing or invalid. Disallowed certain credits.
706	Primary, spouse, or dependent deceased prior to the tax period. Disallowed certain credits.
707	Disallowed certain credits for dependent without TIN who was born and died. No birth certificate attached.
708	Disallowed certain credits for dependent born after December 31 of tax year.
709	Disallowed certain credits. Primary or secondary ITIN expired.
710	Disallowed certain credits. Dependent ITIN expired.
711	Disallowed certain credits. TIN for primary, secondary, or dependent not assigned by return due date.
730	Deduction for state and local taxes is more than the amount allowed.
731	Error in the subtraction of standard deduction (or itemized deductions) and QBID from AGI.
805	Disallowed all or part of CTC or ACTC. Valid dependent SSN assigned by the return due date.
806	Disallowed CTC or ACTC for dependent who did not meet substantial presence test.
810	Disallowed certain credits. Primary, secondary, or dependent TIN not assigned by the return due date.
817	Disallowed certain credits. Primary or secondary ITIN expired.
818	Disallowed certain credits. Primary or secondary SSN or ITIN missing or invalid.
819	Rejects only. Banned from claiming CTC/ACTC for this tax year.
820	Rejects only. Banned from claiming CTC/ACTC for two tax years.

TPNC	Description
821	Rejects only. Banned from claiming CTC/ACTC for ten tax years.
825	Adjusted Form 2441 because dependent on Form 2441 was born after the tax period.
***	Any previously assigned TPNC

3.12.3.26.22

(01-01-2017)

**Error Code 291 and 591,
Residential Energy
Credit**

(1) Error Code 291/591 instructions follow.

3.12.3.26.22.1

(01-01-2024)

**Fields Displayed, Form
1040 (EC 291)**

(1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01SPC	Special Processing Code
03AGI	Adjusted Gross Income
>>>>>	Adjusted Gross Income Computer
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
03TBC>	Income Tax Before Credits
75001	Qualified Solar Electric Property Costs
75002	Qualified Solar Water Heating Property Costs
75003	Qualified Small Wind Energy Property Costs
75004	Qualified Geothermal Heat Pump Property Costs
7505A	Qualified Battery Storage Technology Indicator
7505B	Qualified Battery Technology Costs
7507A	Qualified Fuel Cell Property Indicator
75008	Qualified Fuel Cell Property Costs
75010	Kilowatt Capacity
75012	Credit Carryforward From Prior Year
0505A	Residential Clean Energy Credit
>>>>>	Residential Clean Energy Credit Computer

1040	Field Name
75016	Credit Carryforward to Next Year
7517A	Qualified Energy Efficiency Improvements Indicator
7517B	Original User Indicator
7517C	Components Expected to Remain In Use Indicator
7518A	Insulation Material Costs
7519A	Highest Expense Door Costs
7519C	Other Exterior Doors Costs
7520A	Exterior Windows Costs
7521A	Qualified Property Installation Indicator
7521B	Original Service Indicator
7522A	Central Air Conditioner Costs
7523A	Natural Gas Propane Oil Water Heater Costs
7524A	Natural Gas Propane Oil Furnace or Boiler Costs
7525A	Panelboards Circuits or Feeders Costs
7526A	Home Energy Audit Indicator
7526B	Home Energy Audit Costs
7529A	Electric Gas Heat Pump Costs
7529B	Electric Gas Heat Pump Water Heater Costs
7529C	Biomass Stove and Boiler Costs
0505B	Energy Efficient Home Improvement Credit
>>>>>	Energy Efficient Home Improvement Credit Computer
03NRC	Total Statutory Credits
>>>>>	Total Statutory Credits Computer
03TAX	Total Tax IMF
>>>>>	Total Tax IMF Computer
	Section 75 Not Present

3.12.3.26.22.2
(01-01-2017)

**Invalid Conditions (EC
291 and 591)**

- (1) **Error Code 291** generates when the following exist:
 - a. When Residential Energy Credit does not equal Residential Energy Credit Computer amount.
 - b. A math error is present, and Total Tax Liability is not equal to Total tax Computer.
- (2) **Error Code 591** generates when the following exist:

- a. When Residential Energy Credit does not equal Residential Energy Credit Computer amount.
- b. A math error is not present, and any of the allowable carryover statutory credits are not within tolerance of their respective computer-generated amount.

3.12.3.26.22.3
(05-31-2023)

**Correction Procedures
(EC 291)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Form 5695 for TY13 and later:
 - **Part I** is the Residential Energy Efficient Property Credit, which is a business credit **limited to tentative tax** after subtraction of any credits listed on line 14, Form 5695. Taxpayers enter the credit on **line 15** of Form 5695.
 - TY13 and later, **Part II** is the Nonbusiness Energy Property Credit, which is a personal credit **limited to \$500**. Taxpayers enter the credit on line 30 of Form 5695.

Exception: TY13 and later, married taxpayers who file a joint return and who each have an eligible property may claim a Residential Energy Credit up to \$500 for **each** eligible property. The taxpayers must complete a separate Form 5695 for each property. On one of the forms, they cross out the \$500 on line 25 and replace it with \$1,000 and note to the left of line 25 "More than one main home." For these taxpayers **allow up to \$1,000** on line 30 of Form 5695, but not more than \$500 from any one Form 5695.

- (3) Use the following table when the taxpayer has claimed the Residential Energy Credit, Field 05305, on Schedule 3, line 5 (TY18, Schedule 3, line 53).

If...	And...	Then...
A] Form 5695 is not attached	Field 03TBC> is not blank,	SSPND 211 to correspond.
B] Form 5695 is not attached	Field 03TBC> is blank	<ol style="list-style-type: none"> 1. Do not correspond for Form 5695. 2. Delete the credit from Field 05305. 3. If EC 310 displays, assign TPNC 572.

If...	And...	Then...
C] the taxpayer claims a credit greater than the tax	includes the amount in total tax or balance due/refund,	<ol style="list-style-type: none"> 1. GTSEC 05. 2. Enter the underprint for Field 05305 in Field 05305. 3. Adjust the entry in Field 03NRC in keeping with the adjustment of Field 05305. 4. Assign TPNC 572.

- (4) If the return is for TY13 and later, Form 5695 is present, and there is an amount in Field 05305, use the following table:

Reminder: TY13 and later, joint filers must each complete a separate Form 5695 when each spouse is using Part II, Nonbusiness Energy Property Credit.

If...	And...	Then...
A] Taxpayer completed only Part I, line 15,	the amount of Residential Energy Credit claimed in Field 05305 is limited to tentative tax,	Enter C in Field 01SPC.
B] Taxpayer completed only Part I, line 15,	the amount of Residential Energy Credit claimed is not limited to tentative tax,	Assign TPNC 572 .
C] Taxpayer completed only Part II, line 30,	the amount in Field 05305 is \$500 or less, or \$1,000 or less if FSC 2 and two Forms 5695 attached and each is limited to \$500 or less,	Enter C in Field 01SPC.
D] Taxpayer completed only Part II, line 30,	the amount in Field 05305 is not \$500 or less, or not \$1,000 or less, if FSC 2 and two Forms 5695 attached and each is not limited to \$500 or less,	Assign TPNC 556 .

If...	And...	Then...
E] Taxpayer completed only Part II, line 30,	the amount of Residential Energy Credit claimed is \$500 or less (\$1,000 or less for FSC 2), but not limited to tentative tax,	Assign TPNC 572 .
F] Taxpayer completed both Parts I and II, Part I is limited to tentative tax and, Part II is limited to \$500 or less (If FSC 2 and two Forms 5695 attached, each Part II is limited to \$500 or less),	the sum of lines 15 and 30 is equal to the credit amount in Field 05305, following the correct limitations for each part and FS,	Enter C in Field 01SPC.
G] Taxpayer completed both Parts I and II, Part I is limited to tentative tax and, Part II is limited to \$500 or less (If FSC 2 and two Forms 5695 attached, each Part II is limited to \$500 or less),	the sum of lines 15 and 30 is not equal to the credit amount in Field 05305, or taxpayer did not follow the correct limitations for each part,	<ol style="list-style-type: none"> 1. Add the amount on line 15 and line 30 (up to \$500 for Part II, Form 5695). NOTE: For FSC 2 with two Forms 5695, limit the credit on line 30 of each Form 5695. 2. Enter the sum in Field 05305. 3. Enter C in Field 01SPC. 4. Assign TPNC 521.

- (5) When the computer's underprint for a personal credit is **more** than the amount claimed by the taxpayer, compare Form 1040 line 18 (TY19, line 12b) to the amount in Field 03TBC>. If the taxpayer made an error adding tax, alternative minimum tax, and excess APTC, assign **TPNC 230**.

3.12.3.26.22.4
(01-01-2017)
**Correction Procedures
(EC 591)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for Error Code 291, and refer to IRM 3.12.2.5.12 for Non-Compute information and IRM 3.12.2.2.13.5 for changes in statutory credits information.
- (3) Enter **C** in the Clear Field if there are no corrections to be made.

3.12.3.26.22.5
(02-23-2017)
Prior Year (EC 291)

(1) **TY12** - Form 5695:

- **Part I** is the **Residential** Energy-Efficient Property Credit, a business credit that is limited to tentative tax after subtraction of any credits listed at line 15 of Form 5695. Taxpayers enter the credit on line 17 of Form 5695.
- **Part II** is the Nonbusiness Energy Property Credit, a personal credit limited to \$500. Taxpayers enter the credit on line 32 of Form 5695.

Note: Married taxpayers who file a joint return and who each have an eligible property may claim a Residential Energy Credit up to \$500 for **each** eligible property. The taxpayers must complete a separate Form 5695 for each property. On one of the forms they cross out the \$500 on line 27 and replace it with \$1,000 and note to the left of line 27 "More than one main home." For these taxpayers allow up to \$1,000 on line 32 of Form 5695, but not more than \$500 from any one Form 5695.

(2) **TY11-TY06** - Form 5695 (Parts I and II are reversed):

- **Part I** is the Nonbusiness Energy Property Credit, a personal credit limited to \$500 (\$1,500 for TY10 and TY09). Taxpayers enter the credit on line 14 (line 11 for TY10 and TY09) of Form 5695.

Note: Married taxpayers who file a joint return and who each have an eligible property may claim a Residential Energy Credit up to \$500 for each eligible property. The taxpayers must complete a separate Form 5695 for each property. On one of the forms they cross out the \$500 on line 9 and replace it with \$1,000 and note to the left of line 9 "More than one main home." For these taxpayers allow up to \$1,000 on line 14 of Form 5695, but not more than \$500 from any one Form 5695.

- **Part II** is the **Residential** Energy-Efficient Property Credit, a business credit **limited to tentative tax** after subtraction of any credits listed at line 29 (line 26 for TY10 and TY09) of Form 5695. Taxpayers enter the credit on line 31 (line 27 for TY10 and TY09) of Form 5695

(3) **TY11** - If Form 5695 is present; and the credit in Field 05305 is greater than \$500:

Reminder: Joint returns may have two Forms 5695. Married taxpayers who file a joint return and who each have an eligible property may claim a Residential Energy Credit up to \$500 for each eligible property. The taxpayers must complete a separate Form 5695 for each property.

If...	And...	Then...
A] line 14 of Form 5695 is greater than \$500	1. page 2 of Form 5695 is blank or 2. line 30 or 31 on page 2 of Form 5695 is blank or zero,	Assign TPNC 556 .

If...	And...	Then...
B] 1. line 14 of Form 5695 is \$500 or less, and an amount is claimed on line 31 of Form 5695 or 2. the FSC is 2 and two Forms 5695 are attached and the amount on line 14 of each form is \$500 or less	the sum of line 14 and 31 is equal to the credit in Field 05305,	Enter C in Field 01SPC.
C] 1. line 14 of Form 5695 is \$500 or less, and an amount is claimed on line 31 of Form 5695 or 2. the FSC is 2 and two Forms 5695 are attached and the amount on line 14 of each form is \$500 or less	the sum of line 14 and 31 is not equal to the credit in Field 05305,	1. Enter the correct sum of line 14 and 31 of Form 5695 in Field 05305. 2. Enter C in Field 01SPC. Reminder: If the FSC is 2 and two Forms 5695 are attached, include the credit from line 14 and 31 of both Forms 5695 in the combined amount.

If...	And...	Then...
D] 1. line 14 of Form 5695 is greater than \$500 and an amount is claimed on line 31 or 2. the FSC is 2 and two Form 5695 are attached and the amount on line 14 of any Form 5695 is greater than \$500		1. Add the amount on line 14 (up to \$500) and 31 of Form 5695. 2. Enter the sum in Field 05305. 3. Enter C in Field 01SPC. 4. Assign TPNC 521 . Reminder: If FSC is 2 and two Forms 5695 are attached, limit the credit for each taxpayer to \$500 and the combined non-business credit to \$1,000.

- (4) The return is for **TY10 or TY09**; Form 5695 is present; and the credit in Field 05305 is greater than \$1,500.

Reminder: Joint returns may have two Forms 5695. Married taxpayers who file a joint return and who each have an eligible property may claim a Residential Energy Credit **up to \$1,500** for each eligible property. The taxpayers must complete a separate Form 5695 for each property.

If...	And...	Then...
A] Line 11 of Form 5695 is greater than \$1,500	1. page 2 of Form 5695 is blank, or 2. line 26 or line 27 of Form 5695 is blank or zero	Assign TPNC 561 .

If...	And...	Then...
B] 1. line 11 of Form 5695 is \$1,500 or less, and an amount is claimed on line 27, Form 5695, or 2. the FSC is 2 and two Forms 5695 are attached and the amount on line of each form is \$1,500 or less	the sum of line 11 and 27 is equal to the credit in Field 05305	Enter C in Field 01SPC.
C] 1. line 11 of Form 5695 is \$1,500 or less, and an amount is claimed on line 27, Form 5695, or 2. the FSC is 2 and two Forms 5695 are attached and the amount on line of each form is \$1,500 or less	the sum of line 11 and 27, is not equal to the credit in Field 05305	1. Enter the correct sum of lines 11 and 27, Form 5695, in Field 05305. 2. Enter C in Field 01SPC. Note: If the FSC is 2 and two Forms 5695 are attached, include the credit from lines 11 and 27 of both Forms 5695 in the combined amount.

If...	And...	Then...
D] 1. line 11 of Form 5695 is greater than \$1,500 and an amount is claimed on line 27, or 2. the FSC is 2 and two Form 5695 are attached and the amount on line 11 of any Form 5695 is greater than \$1,500		1. Add the amount on lines 11 (up to \$1,500) and 27 of Form 5695. 2. Enter the sum in Field 05305. 3. Enter C in Field 01SPC. 4. Assign TPNC 561 . Note: For FSC 2 with two Forms 5695 limit each line 11 to \$1,500 and limit the combined non-business credit to \$3,000.

(5) For **TY08-TY06**, the Nonbusiness Residential Energy Credit from Form 5695 is

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(6) **TY05 and prior** - If the taxpayer claims the Residential Energy Credit, assign **TPNC 521**.

3.12.3.26.22.6
(01-01-2024)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 291)**

(1) This table shows the allowable Taxpayer Notice Codes for **Error Code 291**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

(2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to Form 1040.
218	We computed the tax for you.
230	There was an error in the addition of your tax, Alternative Minimum Tax, and APTC repayment.
521	Computed or transferred Form 5695 incorrectly.

TPNC	Description
556	The Residential Energy Credit in Part II of Form 5695 is limited to \$500 for an eligible property. You claimed more than the allowable amount of credit in Part II of Form 5695.
558	You gave us information that changed the refund or amount you owe.
561	The Residential Energy Credit in Part I of Form 5695 is limited to \$1,500 for an eligible property. You claimed more than the allowable amount of credit in Part I of Form 5695. (TY10 and TY09)
567	No Reply - We didn't allow the amount claimed as a credit on your tax return. Form 5695, Residential Energy Credit, was either incomplete or not attached to your tax return.
572	We didn't allow all or part of the amount you claimed as Residential Energy Credit on your return. The amount of this credit you can claim cannot exceed your tentative tax liability.
826	Incorrectly calculated Form 5695, Part I, Residential Clean Energy Credit, or ineligible for the credit.
827	Incorrectly calculated Form 5695, Part II, Energy Efficient Home Improvement Credit, or ineligible for the credit.
829	Computed or transferred Form 5695, Residential Energy Credits, incorrectly.
830	No Reply - Form 5695, Residential Energy Credits, was incomplete or not attached.
831	We didn't allow all or part of Residential Energy Credits on Form 5695. The credit cannot exceed your tentative tax liability.
***	Any previously assigned TPNC

3.12.3.26.23
(01-01-2017)

**Error Code 292 and 592,
Mortgage Interest Credit**

(1) Error Code 292/592 instructions follow.

3.12.3.26.23.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 292)**

(1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code

1040	Field Name
01TXP	Tax Period
01RPC	Return Processing Code
01ACD	Audit Code
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
03TBC>	Income Tax Before Credits Computer
05MIC	Mortgage Interest Credit
>>>>>	Mortgage Interest Credit Computer
05ONC	Total Other Nonrefundable Credits
03NRC	Total Statutory Credit
>>>>>	Total Statutory Credit Computer
03TAX	Total Tax IMF
>>>>>	Total Tax IMF Computer

3.12.3.26.23.2
(01-01-2017)
Invalid Conditions (EC 292)

- (1) **Error Code 292** generates when **all** of the following exist:
 - a. Mortgage Interest Credit is not equal to Mortgage Interest Credit Computer.
 - b. Total Tax IMF is not equal to Total Tax IMF Computer.
 - c. A math error is present.
- (2) **Error Code 592** generates when a math error is not present and **either** of the following exist:
 - a. The return is a Non-Compute.
 - b. The difference between Mortgage Interest Credit and Mortgage Interest Credit Computer is not within tolerance.

3.12.3.26.23.3
(04-25-2022)
Correction Procedures (EC 292)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Follow correction procedures for Mortgage Interest Credit field.

3.12.3.26.23.4
(04-25-2022)
Mortgage Interest Credit (EC 292)

- (1) Field 05MIC corresponds to the taxpayer's entry on line 9, Form 8396.
- (2) TY23-TY21, Field 05MIC is transcribed from Schedule 3, line 6g. TY20-TY19, the taxpayer is instructed to check box c, write "8396" on Other Credits, Schedule 3, line 6, and include this amount in the total for other credits.
- (3) When the taxpayer has claimed the Mortgage Interest Credit (MIC), use the following table:

If...	And...	Then...
A] Form 8396 is not attached,		SSPND 211. Exception: Do not correspond when the taxpayer has attached Form 1098, for the same amount claimed as Mortgage Interest Credit, or indicates the credit is from Form 1098. Assign TPNC 257 .
B] Form 8396 is not attached,	Field 03TBC> is blank,	<ol style="list-style-type: none"> 1. Do not correspond for Form 8396. 2. Delete the amount claimed in Field 05ONC. 3. Delete the entry in Field 03NRC if EC 310 displays.
C] The taxpayer claims a credit amount that is greater than the amount needed to offset tax,	Includes the amount in Total Tax and/or Balance Due/Refund,	<ol style="list-style-type: none"> 1. GTSEC 054. 2. Enter the computer's amount in the credit field(s). Transmit. 3. Adjust the entry in Field 03NRC to reflect change. 4. When EC 334 displays, assign TPNC 253.

- (4) Use the following table for correction procedures when Field 05MIC and its underprint differ:

If Form 6251...	And...	Then...
A] is attached,		<ol style="list-style-type: none"> 1. GTSEC 32. 2. Enter all appropriate fields (see Note). 3. Assign appropriate TPNC if EC 292 redisplay. <p>Note: GTSEC 32 and check for negative entries transcribed as positives.</p>
B] Is not attached,	<p>The taxpayer indicates the credit has been limited by any of the following next to the credit line:</p> <ol style="list-style-type: none"> a. AMT b. 8582CR c. Percentage IRC d. Flow-through credit, 	<ol style="list-style-type: none"> 1. Delete the entry in Field 05MIC.

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- (5) Assign any previously assigned TPNC if a **previous** math error made a change to the credit available.
- (6) When the computer's underprint for a personal credit is **more** than the amount claimed by the taxpayer, compare Form 1040 line 18 (TY19, line 12b) to Field 03TBC>. If there is a difference because the taxpayer incorrectly added tax, alternative minimum tax, and excess APTC, assign **TPNC 230**.

3.12.3.26.23.5
(01-01-2017)
**Correction Procedures
(EC 592)**

- (1) Refer to all instructions for EC 292, and refer to IRM 3.12.2.5.12 for Non-Compute information and IRM 3.12.2.2.13.5 for changes in statutory credits information.
- (2) Enter **C** in the Clear Field after initiating the Letter 2719C or if there are no further corrections to be made.

3.12.3.26.23.6
(05-09-2023)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 292)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 292**.
Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
230	We found an error in the addition of your tax, Alternative Minimum Tax, and APTC repayment.
246	We didn't allow part or all of the amount claimed as Retirement Savings Contribution Credit. The credit is not allowed if you are not at least 18 years of age at the end of the tax year.
253	We changed the amount claimed as Mortgage Interest Credit on your tax return because there was an error on Form 8396, Mortgage Interest Credit. The error was in the computation or transfer of Form 8396.
257	We disallowed the amount claimed as mortgage interest credit. The amount of mortgage interest paid should be reported on Schedule A.
266	You figured your credits incorrectly. Either you completed your credit schedule incorrectly, or incorrectly applied the limit from Form 6251 to your credit.
558	You gave us information that changed the refund or amount you owe.
***	Any previously assigned TPNC.

3.12.3.26.24 (01-01-2017) (1) Error Code 294/594 instructions follow.
Error Code 294 and 594, Adoption Credit

3.12.3.26.24.1 (01-01-2023) (1) This table shows the fields displayed.
Fields Displayed, Form 1040 (EC 294)

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
05ADC	Adoption Credit
38GC>	Gross Adoption Credit Computer
05ADC>	Adoption Credit Computer
38ACV	Adoption Credit Verified Amount (ERS input only)
38NC1	Form 8839 Child 1 Name Control
38YB1	Form 8839 Child 1 Year of Birth
38DI1	Form 8839 Child 1 Disabled Indicator

1040	Field Name
38TN1	Form 8839 Child 1 SSN
38NC2	Form 8839 Child 2 Name Control
38YB2	Form 8839 Child 2 Year of Birth
38DI2	Form 8839 Child 2 Disabled Indicator
38TN2	Form 8839 Child 2 SSN
38NC3	Form 8839 Child 3 Name Control
38YB3	Form 8839 Child 3 Year of Birth
38DI3	Form 8839 Child 3 Disabled Indicator
38TN3	Form 8839 Child 3 SSN-3
38PY1	Form 8839 Child 1 Prior Year Adoption Amount (line 3)
38PY2	Form 8839 Child 2 Prior Year Adoption Amount (line 3)
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)
38CF	Form 8839 Carryforward Amount
38TEB	Form 8839 Total Employer Benefits Amount (line 19)
38EEB	Form 8839 Employer Excluded Benefits Amount (line 26)
38ETB	Form 8839 Employer Taxable Benefits Amount (line 27)
38AAI	Form 8839 Additional Adoptee Indicator
	Section 38 Not Present
01ACD	Audit Code
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
03TBC>	Income Tax Before Credits
03TAX	Total Tax IMF
>>>>>	Total Tax IMF Computer

3.12.3.26.24.2
(01-01-2017)

Invalid Conditions (EC 294)

- (1) **Error Code 294** generates when **all** of the following exist:
 - a. The difference between Adoption Credit (Field 05ADC) and Adoption Credit Computer amount is not within tolerance.
 - b. Total Tax IMF is not equal to Total Tax IMF Computer
 - c. A math error is present.
- (2) **Error Code 594** generates when **both** of the following exist:
 - a. A math error is not present.
 - b. Any of the allowable Carryover Statutory Credits differ from their respective computer-generated amounts.

3.12.3.26.24.3
(04-25-2022)

Correction Procedures (EC 294)

- (1) Correct coding and transcription errors in displayed fields.
- (2) A taxpayer can claim up to \$15,950 (\$14,890 for TY22; \$14,440 for TY21) for each child for the Adoption Credit.
- (3) The adoption credit is limited if the AGI is more than \$239,230 (\$223,410 for TY22; \$216,660 for TY21).

3.12.3.26.24.4
(04-25-2022)

Field 05ADC (EC 294)

- (1) Field 05ADC is transcribed from Schedule 3, line 6c (TY20-TY19, Schedule 3, line 6 box c) and corresponds to the taxpayer's entry on line 16, Form 8839.
- (2) TY20 and prior, the taxpayer notes "Form 8839" and includes the amount in the total for Other Credits on Form 1040.
- (3) If Form 8839 is noted, check for the presence of Form 8839 and do the following:
 - a. If Form 8839 is present, enter the amount on line 16, Form 8839, in Field 05ADC.
 - b. If Form 8839 is not present, then SSPND 211 for missing Form 8839.

Note: Do not correspond for Form 8839 if the taxpayer is not liable for any tax on Form 1040, line 18 (TY19, line 12b).

- (4) When Field 38QE1 (and/or 38QE2/38QE3 if a second/ third child is claimed) is not present and the taxpayer is claiming the credit, SSPND 211.

Note: If the taxpayer has an entry on line 13, Form 8839, see (5) below before corresponding.

- (5) If an amount is present on line 13 of Form 8839, enter in Field 38CF. This is an **ERS input only** field representing the amount of carryforward credit. Adjust any misplaced entries as appropriate. The credit can only be carried forward if it cannot be applied to the current year's tax.
- (6) Delete the entry in the Other Credits field if the taxpayer does not owe any Tentative Tax. If EC 310 displays, delete the entry in Field 03NRC.
- (7) If the taxpayer has an **entry on line 3**, Form 8839, the computer may not be able to compute the Adoption Credit correctly. Manually compute Adoption Credit and enter the correct amount in Field 38ACV.

Note: If the taxpayer has multiple Forms 8839 (e.g., to adopt 4 or more children), they are instructed to combine amounts on line 12 of the first Form 8839. Manually compute the Adoption Credit if necessary and enter the amount in Field 38ACV.

- (8) If the taxpayer claimed an amount for Adoption Credit that is greater than the amount needed to offset tax and includes the amount in Total Tax, and/or Balance Due/Refund, do the following:
 - a. GTSEC 05.
 - b. Enter the computer's amount in the credit field(s).
 - c. Adjust the entry in Field 05ADC to reflect the change.
 - d. If Error Code 310 or 334 displays assign **TPNC 254**
- (9) Assign **TPNC 254** if the taxpayer made an error figuring or transferring the Form 8839 amount to Form 1040, page 2.
- (10) Assign any previously assigned TPNC if a **previous** math error made a change to the credit available.
- (11) When the underprint for a personal credit is **more** than the amount claimed by the taxpayer, compare Form 1040 line 18 (TY19, line 12b), to Field 03TBC>. If there is a difference because the taxpayer incorrectly added tax, alternative minimum tax, and excess APTC, assign **TPNC 230**.

3.12.3.26.24.5
(01-01-2017)
**Correction Procedures
(EC 594)**

- (1) Refer to all instructions for EC 294. Also refer to IRM 3.12.2.2.13.5 for changes in statutory credits information.
- (2) Enter **C** in the Clear Field, after initiating the Letter 2719C, or if there are no further corrections to be made.

3.12.3.26.24.6
(01-01-2020)
Prior Year (EC 294)

- (1) For TY19 and prior, compute the total for adoption credit and combine Field 05ADC with any other credits claimed by the taxpayer and enter the total in Field 94NRV.
- (2) A taxpayer can claim for each child \$14,080 for TY19; \$13,810 for TY18; \$13,570 for TY17; \$13,460 for TY16; \$13,400 for TY15; \$13,190 for TY14; \$12,970 for TY13; \$12,650 for TY12; for the Adoption Credit.
- (3) The Adoption Credit is limited if the AGI is more than \$211,160 for TY19; \$207,140 for TY18; \$203,540 for TY17; \$201,920 for TY16; \$201,010 for TY15; \$197,880 for TY14; \$194,580 for TY13, \$189,710 for TY12.
- (4) For TY11 and prior, accept the taxpayers' entry and enter in Field 38ACV.

3.12.3.26.24.7
(01-01-2018)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 294)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 294**.
Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
218	We computed your tax for you.
220	Because of a previous error, we were unable to compute Form 8615 tax.
230	We found an error in the addition of your tax, Alternative Minimum Tax, and APTC repayment.
254	Computed or transferred Form 8839 incorrectly.
255	No Reply. Form 8839, Qualified Adoption Expenses was incomplete or not attached.
558	You gave us information that changed the refund or amount you owe.
***	Any previously assigned TPNC.

3.12.3.26.25
(01-01-2017)

**Error Code 296 (CE)
Questionable Adoption
Credit**

- (1) Error Code 296 instructions follow.

3.12.3.26.25.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 296)**

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
05ADC	Adoption Credit
38GC>	Gross Adoption Credit Computer
05ADC>	Adoption Credit Computer
38ACV	Adoption Credit Verified (ERS input only)
38NC1	Form 8839 Child 1 Name Control
38YB1	Form 8839 Child 1 Year of Birth
38DI1	Form 8839 Child 1 Disabled Indicator
38TN1	Form 8839 Child 1 SSN
38NC2	Form 8839 Child 2 Name Control
38YB2	Form 8839 Child 2 Year of Birth

1040	Field Name
38DI2	Form 8839 Child 2 Disabled Indicator
38TN2	Form 8839 Child 2 SSN
38NC3	Form 8839 Child 3 Name Control
38YB3	Form 8839 Child 3 Year of Birth
38DI3	Form 8839 Child 3 Disabled Indicator
38TN3	Form 8839 Child 3 SSN
38PY1	Form 8839 Child 1 Prior Year Adoption Amount (line 3)
38PY2	Form 8839 Child 2 Prior Year Adoption Amount (line 3)
38PY3	Form 8839 Child 3 Prior Year Adoption Amount (line 3)
38QE1	Form 8839 Child 1 Qualified Adoption Expenses Amount
38QE2	Form 8839 Child 2 Qualified Adoption Expenses Amount
38QE3	Form 8839 Child 3 Qualified Adoption Expenses Amount
38TA1	Form 8839 Child 1 Total Adoption Credit Amount
38TA2	Form 8839 Child 2 Total Adoption Credit Amount
38TA3	Form 8839 Child 3 Total Adoption Credit Amount
38TEB	Form 8839 Employer Provided adoption Benefits Amount
38EB1	Form 8839 Child 1 Excl-Benefit amount
38EB2	Form 8839 Child 2 Excl-Benefit amount
38EB3	Form 8839 Child 3 Excl-Benefit amount
38EEB	Form 8839 Employer Provided Excluded Benefits Amount
38ETB	Form 8839 Employer Provided Taxable Benefits Amount
01DS1	Dependent 1 SSN
01DN1	Dependent 1 Name Control
>>>>>	Dependent 1 NAP Name Control
01NP1>	Dependent 1 NAP Access Indicator
01DS2	Dependent 2 SSN
01DN2	Dependent 2 Name Control
>>>>>	Dependent 2 NAP Name Control
01NP2>	Dependent 2 NAP Access Indicator
01DS3	Dependent 3 SSN
01DN3	Dependent 3 Name Control
>>>>>	Dependent 3 NAP Name Control
01NP3>	Dependent 3 NAP Access Indicator

1040	Field Name
01DS4	Dependent 4 SSN
01DN4	Dependent 4 Name Control
>>>>>	Dependent 4 NAP Name Control
01NP4>	Dependent 4 NAP Access Indicator

3.12.3.26.25.2
(01-01-2017)
**Invalid Conditions (EC
296)**

- (1) **Error Code 296** generates when Adoption Credit Computer (Field 05ADC>) or Refundable Adoption Credit Computer is present, and **any** of the following exist:
- Form 8839 Child 1 Name Control, Form 8839 Child 1 Year of Birth, or Form 8839 Child 1 SSN is not present.
 - All of the fields Form 8839 Child 1 Name Control and Form 8839 Child 1 Year of Birth and Form 8839 Child 1 SSN are present, **and** Form 8839 Child 1 Disabled Indicator is not present, **and** Form 8839 Child 1 Year of Birth is present, **and either** Tax year is less than Form 8839 Child 1 Year of Birth **or** Form 8839 Child 1 Age Computer is greater than 17.
 - At least one of the fields Form 8839 Child 2 Name Control, Form 8839 Child 2 Year of Birth, or Form 8839 Child 2 SSN are present, but not all are present.
 - All of the fields Form 8839 Child 2 Name Control, Form 8839 Child 2 Year of Birth, and Form 8839 Child 2 SSN are present, **and** Form 8839 Child 2 Disabled Indicator is not present, **and** Form 8839 Child 2 Year of Birth is present, **and either** Tax Year is less than Form 8839 Child 2 Year of Birth **or** Form 8839 Child 2 Age Computer Number is greater than 17.
 - At least one of the fields Form 8839 Child 3 Name Control, Form 8839 Child 3 Year of Birth, or Form 8839 Child 3 SSN are present, but not all are present.
 - All of the fields Form 8839 Child 3 Name Control, Form 8839 Child 3 Year of Birth, and Form 8839 Child 3 SSN are present, **and** Form 8839 Child 3 Disabled Indicator is not present, **and** Form 8839 Child 3 Year of Birth is present, **and either** Tax Year is less than Form 8839 Child 3 Year of Birth **or** Form 8839 Child 3 Age Computer Number is greater than 17.
 - Dependent 1 NAP Access Indicator is 2 or 9 and Form 8839 Child 1 SSN is equal to Dependent 1 SSN or Form 8839 Child 2 SSN is equal to Dependent 1 SSN or Form 8839 Child 3 SSN is equal to Dependent 1 SSN.
 - Dependent 2 NAP Access Indicator is 2 or 9 and Form 8839 Child 1 SSN is equal to Dependent 2 SSN or Form 8839 Child 2 SSN is equal to Dependent 2 SSN or Form 8839 Child 3 SSN is equal to Dependent 2 SSN.
 - Dependent 3 NAP Access Indicator is 2 or 9 and Form 8839 Child 1 SSN is equal to Dependent 3 SSN or Form 8839 Child 2 SSN is equal to Dependent 3 SSN or Form 8839 Child 3 SSN is equal to Dependent 3 SSN.

- j. Dependent 4 NAP Access Indicator is 2 or 9 and Form 8839 Child 1 SSN is equal to Dependent 4 SSN or Form 8839 Child 2 SSN is equal to Dependent 4 SSN or Form 8839 Child 3 SSN is equal to Dependent 4 SSN.

3.12.3.26.25.3
(01-01-2017)

**Correction Procedures
(EC 296)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Use the information throughout the return for a correct or missing Section 38 Adoptee Name Control/TIN.

Note: EC 296 forces the return to ERS for review of inconsistent data. **Do not disallow Form 8839 Credit for any of the reasons outlined under the invalid conditions for this error code.** The purpose of this error code is to make sure Part I information on Form 8839 was accurately transcribed. Current law provides no math error authority for missing/invalid TINs on Form 8839 or for adoption year of birth discrepancies on Form 8839. NAP

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Form 1040.

- (3) **Do not** change Section 01 Dependent Name Control/SSN fields unless there is a transcription error in a Section 01 field.
- (4) Enter **C** in the Clear Field if no corrections are necessary.

3.12.3.26.25.4
(01-01-2017)

Prior Year (EC 296)

- (1) Unsuccessful adoptions may not have the child's name or TIN available, but they are required to provide the supporting documentation to qualify for the credit.
- (2) **TY10 and TY11** - Route all documentation to Exam for review.

3.12.3.26.26
(01-01-2017)

**Error Code 297 and 597,
Motor Vehicle Credits**

- (1) Error Code 297/597 instructions follow.

3.12.3.26.26.1
(01-01-2024)

**Fields Displayed, Form
1040 (EC 297)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01RPC	Return Processing Code
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
03TBC>	Income Tax Before Credits Computer
05AMC	Form 8910 Alternative Motor Vehicle Credit

1040	Field Name
05AMC>	Form 8910 Alternative Motor Vehicle Credit Computer
05CVC	Clean Vehicle Credit Amount
05CVC>	Clean Vehicle Credit Amount Computer
05ONC	Total Other Nonrefundable Credits
03NRC	Total Statutory Credits
>>>>>	Total Statutory Credits Computer
03TAX	Total Tax IMF
>>>>>	Total Tax IMF Computer

3.12.3.26.26.2
(01-01-2017)
Invalid Conditions (EC 297 and 597)

- (1) **Error Code 297** generates when **all** of the following exist:
 - a. Alternative Motor Vehicle Credit is not equal to Alternative Motor Vehicle Credit Computer or Electric Motor Vehicle Credit is not equal to Electric Motor Vehicle Credit Computer.
 - b. Total Tax IMF is not equal to Total Tax IMF Computer.
 - c. A math error is present.
- (2) **Error Code 597** generates when a math error is not present and **either** of the following exist:
 - a. The return is a Non-Compute.
 - b. The difference between any of the allowable Statutory Credits and their respective computer-generated amounts is not within tolerance.

3.12.3.26.26.3
(01-01-2017)
Correction Procedures (EC 297)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) When the computer's underprint for a personal credit is **more** than the amount claimed by the taxpayer, compare Form 1040 line 18 (TY19, line 12b), to Field 03TBC>. If there is a difference because the taxpayer made an error adding tax, alternative minimum tax, and excess APTC, assign **TPNC 230**.

3.12.3.26.26.4
(01-01-2023)
Form 8910, Alternative Motor Vehicle Credit (EC 297)

- (1) If the amount on Schedule 3, line 6e (TY20-TY19, line 6), is identified as alternative motor vehicle credit from Form 8910, use the following table.

If...	Then...
A] Form 8910 is not attached,	SSPND 211 for Form 8910.

If...	Then...
B] Form 8910 is attached, and amounts are present on line 10 through 15 ,	<ol style="list-style-type: none"> If no date is present on line 3a/b, Form 8910, SSPND 211. If the date on line 3a/b is within the tax period of the return (e.g., for TY22, 01/01/2022 through 12/31/2022), enter the amount from line 15 of Form 8910 in Field 05AMC. See Note below. If the date on line 3a/b is not within the tax period of the return, delete the amount in Field 05AMC, if present and assign TPNC 695. <p>Note: When any vehicle on Form 8910 does not meet the in-service date, refigure the allowable credit amount on line 15 of Form 8910 and enter it in Field 05AMC.</p>

3.12.3.26.26.5
(01-01-2023)

**Form 8936, Qualified
Plug-in Electric Drive
Motor Vehicle Credit (EC
297)**

- (1) If the amount on Schedule 3, line 6f (TY20-TY19, line 6), is identified as a vehicle credit from Form 8936, use the following table.

If...	Then...
Form 8936 is attached, amounts are present on lines 15 through 23 ,	<ol style="list-style-type: none"> If no date is present on line 3a/b, Form 8936, SSPND 211. If the date on line 3a/b is within the tax period of the return, enter the amount from line 23 of Form 8936, in Field 05QED. See Note below. If the date on line 3a/b is not within the tax period of the return delete the amount from Field 05QED if present and assign TPNC 694. <p>Note: When any vehicle on Form 8936 does not meet the in-service date, refigure the allowable credit amount on line 23 of Form 8936 and enter it in Field 05QED.</p>

3.12.3.26.26.6
(01-01-2017)

**Correction Procedures
(EC 597)**

- (1) Refer to all instructions for EC 297, and refer to IRM 3.12.2.5.12 for Non-Compute information and IRM 3.12.2.2.13.5 for changes in statutory credits information.
- (2) Enter **C** in the Clear Field after initiating the Letter 2719C or if there are no further corrections to be made.

3.12.3.26.26.7

(01-01-2024)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 297)**(1) This table shows the allowable Taxpayer Notice Codes for **Error Code 297**.**Note:** The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.(2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
230	We found an error in the addition of your tax, Alternative Minimum Tax, and APTC repayment.
522	We didn't allow the amount claimed as alternative motor vehicle credit on your tax return because Form 8910 was incomplete or not attached.
523	We didn't allow the amount claimed as qualified plug-in electric drive motor vehicle credit on your tax return because Form 8936 was incomplete or not attached.
694	We didn't allow part or all of the credit on Form 8936. Vehicle must be placed in service during the tax year of the return.
695	We didn't allow part or all of the credit on Form 8910. Vehicle must be placed in service during the tax year of the return.
832	Disallowed all or part of Clean Vehicle Credits on Form 8936 because the credits are limited to tentative tax liability.
833	Disallowed all or part of the Clean Vehicle Credit because one or more of the VINs on Form 8936, Schedule A, didn't match our records.
834	No Reply. Clean Vehicle Credits disallowed because Form 8936 was incomplete or missing.
835	No Reply. Clean Vehicle Credits disallowed because Form 8936, Schedule A, was incomplete or missing.
836	Adjusted Clean Vehicle Credit on Form 8936. Calculated or transferred credit from Form 8936 incorrectly. (TY23)
837	Adjusted Clean Vehicle Credit on Form 8936. Calculated or transferred Part II of Form 8936 Schedule A incorrectly. (TY23)
838	Adjusted Clean Vehicle Credit on Form 8936. Calculated or transferred Part III of Form 8936 Schedule A incorrectly. (TY23)

TPNC	Description
839	Adjusted Clean Vehicle Credit on Form 8936. Calculated or transferred Part IV of Form 8936 Schedule A incorrectly. (TY23)
840	Adjusted Clean Vehicle Credit on Form 8936. Calculated or transferred Part V of Form 8936 Schedule A incorrectly. (TY23)
841	Adjusted Clean Vehicle Credit on Form 8936 because the placed in service date on Schedule A isn't during the tax year. (TY23)
842	Adjusted Form 8936, Clean Vehicle Credits, because Form 8936 Schedule A exceeded the maximum.
844	Disallowed Form 8910, Alternative Motor Vehicle Credit, claimed after 2022.
***	Any previously assigned TPNC.

3.12.3.26.27
(01-01-2024)

**Error Code 298 and 598
- Form 8936 Schedule A**

- (1) Error Code 298/598 instructions follow.

3.12.3.26.27.1
(01-01-2024)

**Fields Displayed, Form
1040 (EC 298/598)**

- (1) The following table shows the fields displayed in EC 298.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01SPC	Special Processing Code
03AGI	Adjusted Gross Income
3445	Total Foreign Income Exclusion
3450	Housing Deduction
3545	Total Foreign Income Exclusion
3550	Housing Deduction
05301	Foreign Tax Credit
>>>>>	Foreign Tax Credit Computer
0505A	Residential Clean Energy Credit
>>>>>	Residential Clean Energy Credit Computer
05GBC	General Business Credit
22GC>	Gross General Business Credit Computer

1040	Field Name
05GBC>	General Business Credit Computer
05PYM	Credit For Prior Year Minimum Tax
>>>>>	Credit for Prior Year Minimum Tax Computer
05ADC	Adoption Credit
38GC>	Gross Adoption Credit Computer
05ADC>	Adoption Credit Amount Computer
05CVC	Clean Vehicle Credit Amount
05CVC>	Clean Vehicle Credit Amount Computer
94CVV	Clean Vehicle Credit Verified
05MIC	Mortgage Interest Credit
>>>>>	Mortgage Interest Credit Computer
05POC	Previously Owned Clean Vehicles Credit
05POC>	Previously Owned Clean Vehicles Credit Computer
94POV	Previously Owned Clean Vehicles Credit Verified Amount
05OSC	Other Statutory Credit
>>>>>	Other Statutory Credit Computer
69ADJ	Form 8936 Prior Year Modified Adjusted Gross Income Amount
69CVP	Form 8936 New Clean Vehicle Partnership or S Corp Credit Amount
69QVP	Form 8936 Qualified Commercial Vehicle Partnership or S Corp Credit Amount
69AFI	Additional Form 8936 Schedule A Indicator
69TC1	Form 8936 Schedule A Vehicle 1 Tentative Credit Amount
69BP1	Form 8936 Schedule A Vehicle 1 Business Use Percentage
69PO1	Form 8936 Schedule A Previously Owned Clean Vehicle 1 Credit
69QC1	Form 8936 Schedule A Qualified Commercial Clean Vehicle 1 Credit
69TC2	Form 8936 Schedule A Vehicle 2 Tentative Credit Amount
69BP2	Form 8936 Schedule A Vehicle 2 Business Use Percentage

1040	Field Name
69PO2	Form 8936 Schedule A Previously Owned Clean Vehicle 2 Credit
69QC2	Form 8936 Schedule A Qualified Commercial Clean Vehicle 2 Credit
94P2V	New Clean Vehicles Business Credit Verified Amount
97VIN>	MeF Form 8936A VIN Indicator
97VRP>	Vehicle Registration Portal Validation Code
	Section 69 Not Present

3.12.3.26.27.2
(01-01-2024)

Invalid Conditions (EC 298/598)

(1) Error Code 298 generates when one or more of the following conditions exist:

- a. Field 05POC is not equal to the computer-generated amount,
- b. Field 05CVC is not equal to the computer-generated amount,
- c. Field 94P2V has an entry, but Field 94CVV is blank,
- d. Field 94CVV has an entry, but Field 94P2V is blank,
- e. Field 69TC1 has an entry, **and** Field 69PO1 or Field 69QC1 has an entry, or
- f. Special Processing Code R is present.

(2) Error Code 598 generates when either of the following exist:

- a. A math error is not present and the return is a Non-Compute.
- b. Any of the allowable carryover statutory credits differ from their respective computer-generated amounts.

3.12.3.26.27.3
(01-01-2024)

Correction Procedures (EC 298)

(1) Correct coding and transcription errors and misplaced entries in displayed fields.

3.12.3.26.27.4
(01-01-2024)

Correction Procedures (EC 598)

(1) Correct coding and transcription errors and misplaced entries in displayed fields.

(2) Refer to all instructions for EC 298, IRM 3.12.2.5.12 for Non-Compute information, and IRM 3.12.2.2.13.5 for changes in statutory credits information.

(3) Enter C in the Clear Field, after initiating Letter 2719C, or if there are no further corrections to be made.

3.12.3.26.27.5
(01-01-2024)

Allowable Taxpayer Notice Codes (EC 298)

(1) The table below shows the allowable Taxpayer Notice Codes for Error Code 298.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 first on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to Form 1040
230	We found an error in the addition of your tax, Alternative Minimum Tax, and APTC repayment.
523	We didn't allow the amount claimed as qualified plug-in electric drive motor vehicle credit on your tax return because Form 8936 was incomplete or not attached.
558	You gave us information that changed the refund or amount you owe.
694	We didn't allow part or all of the credit on Form 8936. Vehicle must be placed in service during the tax year of the return. (TY22 and prior)
825	Adjusted Form 2441 because dependent on Form 2441 was born after the tax period.
826	Incorrectly calculated Residential Clean Energy Credit on Form 5695, or indicated ineligible for the credit.
827	Incorrectly calculated Energy Efficient Home Improvement Credit on Form 5695, or indicated ineligible for the credit.
829	Computed or transferred Form 5695, Residential Energy Credits, incorrectly.
830	No Reply. Form 5695, Residential Energy Credits, was incomplete or missing.
831	Disallowed all or part of Residential Energy Credits on form 5695 because the credits are limited to tax liability.
832	Disallowed all or part of Clean Vehicle Credits on Form 8936 because the credits are limited to tax liability.
833	Disallowed all or part of the Clean Vehicle Credits because one or more of the VINs on Form 8936, Schedule A, didn't match our records.
834	No Reply. Clean Vehicle Credits disallowed because Form 8936 was incomplete or missing.
835	No Reply. Clean Vehicle Credits disallowed because Form 8936, Schedule A, was incomplete or missing.
836	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred credit from Form 8936.
837	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part II of Form 8936, Schedule A.

TPNC	Description
838	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part III of Form 8936, Schedule A.
839	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part IV of Form 8936, Schedule A.
840	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part V of Form 8936, Schedule A.
841	Adjusted Clean Vehicle Credit on Form 8936 because the placed in service date on Schedule A isn't during the tax year.
842	Adjusted Form 8936, Clean Vehicle Credits, because credit on Schedule A of Form 8936 exceeded the maximum.
843	Adjusted Clean Vehicle Credit on Form 3800 because it was computed or transferred incorrectly from Form 8936.
***	Any previously assigned TPNC

3.12.3.26.28
(01-01-2017)

Error Code 299 - Form 3800, 8801, and Other Credits

- (1) Error Code 299 instructions follow.

3.12.3.26.28.1
(01-01-2024)

Fields Displayed, Form 1040 (EC 299)

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01FPC	Form Processing Code
01RPC	Return Processing Code
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
03TBC>	Income Tax Before Credits Computer
05GBC	General Business Credit
05PYM	Credit for Prior Year Minimum Tax
05ELD	Credit for the Elderly

1040	Field Name
05ADC	Adoption Credit
05AMC	Form 8910 Alternative Motor Vehicle Credit
05CVC	Clean Vehicle Credit
05CVC>	Clean Vehicle Credit Computer
05MIC	Mortgage Interest Credit
05POC	Previously Owned Clean Vehicles Credit
05POC>	Previously Owned Clean Vehicle Credit Computer
05OSC	Other Statutory Credits
05ONC	Total Other Nonrefundable Credits
03NRC	Total Statutory Credits
>>>>>	Total Statutory Credits Computer
03TAX	Total Tax IMF
>>>>>	Total Tax IMF Computer
68YR1	Form 8910 Year of Vehicle 1
68YR2	Form 8910 Year of Vehicle 2
68VN1	Form 8910 Vehicle 1 Identification Number
68VN2	Form 8910 Vehicle 2 Identification Number
	Section 68 Not Present
69VN1	Form 8936 Schedule A Vehicle 1 Identification Number
69TC1	Form 8936 Schedule A Vehicle 1 Tentative Credit
69PO1	Form 8936 Schedule A Previously Owned Clean Vehicle 1 Credit
69QC1	Form 8936 Schedule A Qualified Commercial Clean Vehicle 1 Credit
69VN2	Form 8936 Vehicle 2 Identification Number
69TC2	Form 8936 Schedule A Vehicle 2 Tentative Credit
69PO2	Form 8936 schedule A Previously Owned Clean Vehicle 2 Credit
69QC2	Form 8936 Schedule A Qualified Commercial Clean Vehicle 2 Credit
	Section 69 Not Present

3.12.3.26.28.2
(01-01-2020)
Invalid Conditions (EC 299)

- (1) **Error Code 299** generates when **both** of the following exist:
- Amount is present in Field 05ONC for Other Credits from Schedule 3, line 7 (TY20-19, line 6).
 - No amount is present in Field 05GBC (General Business Credit), 05PYM (Credit for Prior Year Minimum Tax), 05ELD (Credit for the Elderly), 05MIC (Mortgage Interest Credit), 05ADC (Adoption Credit), 05OSC (Other Statutory Credits), 05QED Qualified Electric Motor Vehicle Credit), or 05AMC (Alternative Motor Vehicle Credit).

3.12.3.26.28.3
(02-10-2023)
Correction Procedures (EC 299)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Take the following actions when any of the following conditions exist:

If...	Then...
A] Tentative Tax Computer is not present,	<ol style="list-style-type: none"> Delete the entry in Field 05ONC. Delete the entry in Field 03NRC if EC 310 displays. <p>Note: Do not correspond for Form 3800, Form 8801, or supporting forms for Form 3800. Do not assign a TPNC.</p>
B] The taxpayer claims a credit amount that is greater than the amount needed to offset tax and includes the amount in Total Tax and/or Balance Due/Refund,	<ol style="list-style-type: none"> Enter the computer's amount in the credit field(s). Adjust Total Credits (Field 03NRC) to reflect change. Assign TPNC 265 when EC 334 displays.

- (3) Process the claim on Schedule 3, line 6a through 7 (TY21-TY19, line 6) according to the instructions in the table below.

If the taxpayer indicates the credit is for...	And...	Then...
A] Form 5695, Residential Energy Credit,		Move amount to Field 05305.

If the taxpayer indicates the credit is for...	And...	Then...
B] A General Business Credit,	Form 3800 or a business credit form that supports the amount is attached, Note: Refer to IRM 3.12.3.27.2.4 for a listing of the supporting credit forms.	Enter amount in Field 05GBC.
C] Credit for Prior Year Minimum Tax,	Form 8801 is attached,	Enter amount in Field 05PYM.
D] Credit for Prior Year Minimum Tax,	Form 8801 is not attached,	SSPND 211.
E] Credit for the Elderly,	Schedule R is attached,	Enter amount in Field 05ELD. Note: Ensure Schedule R (Section 16) has been transcribed.
F] Mortgage Interest Credit (MIC),	Form 8396 is attached,	Enter MIC amount in Field 05MIC.
G] Mortgage Interest Credit (MIC),	Form 8396 is not attached,	SSPND 211. Exception: Do not correspond when the taxpayer has attached Form 1098, for the same amount claimed as Mortgage Interest Credit, or indicates the credit is from Form 1098. Assign TPNC 257 .
H] Adoption Credit for TY14 and later,	Form 8839 is attached,	Enter amount in Field 05ADC. Note: Ensure Form 8839 (Section 38) has been transcribed.

If the taxpayer indicates the credit is for...	And...	Then...
I] Adoption Credit for TY14 and later,	Form 8839 is not attached,	SSPND 211.
J] Alternative Fuel Vehicle Refueling Property Credit (personal use credit),	Form 8911 is attached,	Enter amount in Field 05OSC, if the taxpayer completed Part III, Form 8911. Note: If the taxpayer completed Part II, Form 8911, enter the amount in Field 05GBC and Field 2201S.
K] Alternative Fuel Vehicle Refueling Property Credit (personal use credit),	Form 8911 is not attached,	SSPND 211.
L] Credit to Holders of Tax Credit Bonds,	Form 8912 is attached,	Enter amount in Field 05OSC.
M] Credit to Holders of Tax Credit Bonds,	Form 8912 is not attached,	SSPND 211.
N] Carryforward of the District of Columbia First-Time Homebuyer Credit,	Form 8859 is attached,	in Field 05OSC. following actions in the order listed: a. GTSEC 02. b. Enter U/A 61 in the first open Field 02CD and the amount in the corresponding Field 02AM. c. Enter the amount in Field 05OSC.
O] Carryforward of the District of Columbia First-Time Homebuyer Credit,	Form 8859 is not attached,	SSPND 211.

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If the taxpayer indicates the credit is for...	And...	Then...
P] Qualified Electric Vehicle Credit,	Form 8834 is attached,	Enter amount in Field 05OSC.
Q] Qualified Electric Vehicle Credit,	Form 8834 is not attached,	SSPND 211.
R] Form 8978, Partner's Additional Reporting Year Tax,	Form 8978 is attached with a negative amount on line 14,	Enter amount in Field 05OSC.
S] Form 8978, Partner's Additional Reporting Year Tax,	Form 8978 is not attached, or there is no amount on line 14	SSPND 211.
T] Form 1118, Foreign Tax Credit - Corporations	There is a Section 962 or a Section 965 election on the return,	Enter amount in Field 05OSC. If EC 300 displays, enter total amount of credits in Field 94NRV.
U] Form 1118, Foreign Tax Credit - Corporations,	No Section 962 or Section 965 election on the return,	SSPND 471 and send the return to P&A to send it to HQ.

- (4) If the amount on Schedule 3, line 6e or 6f (TY20-TY19, line 6) is identified as a vehicle credit from Form **8910** or **8936**, use the following table.

If...	Then...
A] Form 8910 or 8936 is attached and Section 68 or 69 is not present,	GTSEC the appropriate Section 68/69 and enter the data.
B] Form 8910 or 8936 is not attached,	SSPND 211.
C] Multiple instances of the same Vehicle Identification Number (VIN) are present on Form 8910 or 8936,	Take the following actions in the order listed: 1. GTSEC 02. 2. Enter U/A 79 in the first open Field 02CD and the amount in the corresponding Field 02AM. 3. Enter the Form 8910 amount in Field 05AMC or the Form 8936 amount in Field 05QED.

If...	Then...
D] The credit claimed on Form 8910 is for a bicycle, moped or a motorcycle,	<ol style="list-style-type: none"> 1. Delete the credit amount from Field 05AMC. 2. Assign TPNC 525.
E] Amounts are present on lines 5 through 9 of Form 8910,	<p>Check the dates on Form 8910:</p> <ol style="list-style-type: none"> 1. If no date is present on line 3a/b, Form 8910, SSPND 211. 2. If the date on line 3a/b is within the tax period of the return(e.g., for TY22, 01/01/2022 through 12/31/2022), enter the amount from line 9 of Form 8910 in Field 2201R and Field 05GBC. See Note below. 3. If the date on line 3a/b is not within the tax period of the return, delete the amount in Field 2201R and Field 05GBC. Assign TPNC 695. <p>Note: When any vehicle on Form 8910 does not meet the in-service date, refigure the allowable credit amount on line 9 of Form 8910 and enter it in Field 2201R and Field 05GBC.</p>

If...	Then...
<p>F] Amounts are present on lines 10 through 15 of Form 8910,</p>	<p>Check the dates on Form 8910</p> <ol style="list-style-type: none"> 1. If no date is present on line 3/b, Form 8910, SSPND 211. 2. If the date on line 3a/b is within the tax period of the return (e.g., for TY22, 01/01/2022 through 12/31/2022), enter the amount from line 15 of Form 8910 in Field 05AMC. See Note below. 3. If the date on line 3a/b is not within the tax period of the return, delete the amount in Field 05AMC, if present. Assign TPNC 695. <p>Note: When any vehicle on Form 8910 does not meet the in-service date, refigure the allowable credit amount on line 15 of Form 8910 and enter it in Field 05AMC.</p>
<p>G] Amounts are present on lines 5 through 14 of Form 8936,</p>	<p>Check the dates on Form 8936:</p> <ol style="list-style-type: none"> 1. If no date is present on line 3a/b, Form 8936, SSPND 211. 2. If the date on line 3a/b is during the tax period of the return, enter the amount from line 14 of Form 8936 in Field 2201Y and Field 05GBC. See Note below. 3. If the date on line 3a/b is not during the tax period of the return, delete the amount on line 14 of Form 8936 from Field 2201Y and Field 05GBC. Assign TPNC 694 <p>Note: When any vehicle on Form 8936 does not meet the in-service date, refigure the allowable credit amount on line 14 of Form 8936 and enter it in Field 2201Y and Field 05GBC.</p>

If...	Then...
H] Amounts are present on lines 15 through 23 of Form 8936,	<p>Check the dates on Form 8936:</p> <ol style="list-style-type: none"> 1. If no date is present on line 3a/b, Form 8936, SSPND 211. 2. If the date on line 3a/b is during the tax period of the return, enter the amount from line 23 of Form 8936, in Field 05QED. See Note below. 3. If the date on line 3a/b is not during the tax period of the return, delete the amount from Field 05QED, if present. Assign TPNC 694. <p>Note: When any vehicle on Form 8936 does not meet the in-service date, refigure the allowable credit amount on line 23 of Form 8936 and enter it in Field 05QED.</p>

- (5) If the taxpayer has not identified the credit claimed on Schedule 3, line 6a through 7 (TY20-TY19, line 6), and didn't provide the supporting form, SSPND 211 to identify the credit.
- (6) If the taxpayer is claiming a write-in credit other than the ones listed in this error code, assign **TPNC 263**.
- (7) When the underprint for a personal credit is **more** than the amount claimed by the taxpayer, compare Form 1040 line 18 (TY19, line 12b), to Field 03TBC>. If there is a difference because the taxpayer incorrectly added tax, alternative minimum tax, and excess APTC, assign **TPNC 230**.

3.12.3.26.28.4
(04-25-2022)

Prior Year (EC 299)

- (1) For TY12 and prior, if the amount on Form 1040, line 54, is identified as a vehicle credit from Form 8910 or Form 8834, use the following table.

If...	And...	Then...
A] Form 8910 TY12 through TY06,	is not attached,	SSPND 211.

If...	And...	Then...
B] Form 8910 TY12 through TY06,	is attached with amounts on lines: <ol style="list-style-type: none"> TY12 and TY11, lines 12 through 16 TY10 and TY09, lines 11 through 15 TY08, TY07, and TY06, lines 6 through 10, 	<ol style="list-style-type: none"> If no date is present on line 3a/b, TY12 and TY11 (line 2a/b/c, TY10-TY06), SSPND 211. If the date on line 3a/b, is between 01/01/2011 and 12/31/2012, enter the amount from line 16, Form 8910 in Field 2201R and include the amount in Field 05GBC If the date on line 2a/b/c, is between 02/18/2009 and 12/31/2010, enter the amount from line 15, Form 8910 in Field 2201R and include the amount in Field 05GBC. If the date on line 2a/b/c, is between 01/01/2006 and 12/31/2008, enter the amount from line 10, Form 8910 in Field 2201R and include the amount in Field 05GBC. For 2), 3), and 4), see Note below. If the date on line 3a/b is not between 01/01/2011 and 12/31/12 for TY12 and TY11 (line 2a/b/c, 02/18/2009 and 12/31/2010 for TY10 and TY09 or line 2a/b/c, 01/01/2006 and 12/31/2008 for TY08, TY07 or TY06), delete the amount in Field 2201R and Field 05GBC. Assign TPNC 695. <p>Note: When any vehicle Form 8910 does not meet the in-service date, refigure the allowable credit amount and enter it in Field 05AMC.</p>
C] Form 8834 TY12 through TY09,	is not attached.	SSPND 211.

If...	And...	Then...
D] Form 8834 TY12 through TY09,	is attached with amounts on lines: <ol style="list-style-type: none"> TY12, lines 5 through 14, TY11, lines 5 through 9, TY10 and TY09, lines 4 through 8, 	<ol style="list-style-type: none"> If no date is present on line 3a/b, TY12 and TY11 (line 2a/b/c, TY10 and TY09), SSPND 211. If the date on line 3a/b, is between 01/01/2011 and 12/31/2012, enter the amount from line 14, of Form 8834 in Field 2201Z and include the amount in Field 05GBC. If the date on line 2a/b/c is between 02/18/2009 and 12/31/2010, enter the amount from line 13, Form 8834 in Field 2201Z and include the amount in Field 05GBC. For TY08 and TY07 Form 8834 was a pass through credit. Enter line 7, TY08 or line 5 TY07 in Field 05OSC. If the date on line 1a/b/c is between 01/01/2006 and 12/31/2006 enter line 20 in Field 05OSC. If the date on Form 8834, line 3a/b is TY12 and TY11 is not between 01/01/2011 and 12/31/12 (line 2a/b/c is not between 02/18/2009 and 12/31/2010), delete the amount from Field 2201Z and Field 05GBC. Assign TPNC 694. <p>Note: When any vehicle on Form 8834 does not meet the in-service date, refigure the allowable credit amount and enter it in Field 2201Z and Field 05GBC.</p>

3.12.3.26.28.5
(01-01-2024)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 299)**

(1) This table shows the allowable Taxpayer Notice Codes for **Error Code 299**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

(2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	

TPNC	Description
111	Your return has been converted to a Form 1040.
168	You must itemize deductions to claim more than the allowable amount in charitable contributions.
218	We computed your tax for you.
230	We found an error in the addition of your tax, Alternative Minimum Tax, and APTC repayment.
255	We didn't allow the amount claimed as adoption credit on your return because Form 8839, Qualified Adoption Expenses was incomplete or not attached to your tax return.
257	We disallowed the amount claimed as Mortgage Interest Credit. The amount of mortgage interest paid should be claimed on Schedule A.
263	The write-in credit you claimed is not an allowable credit
502	No Reply, Schedule 3, Nonrefundable Credits, was incomplete or not attached to your return. (TY18 only)
503	No Reply, Schedule 3, Additional Credits and Payments, was incomplete or not attached. (TY19 and later)
521	Computed or transferred Form 5695 incorrectly.
522	We didn't allow the amount claimed as alternative motor vehicle credit on your tax return because Form 8910, Alternative Motor Vehicle Credit, was incomplete or not attached.
523	We didn't allow the amount claimed as qualified plug-in electric drive motor vehicle on your tax return because Form 8936, Qualified Plug-in Electric Drive Motor Vehicle Credit, was incomplete or not attached.
524	We didn't allow the amount claimed as qualified electric vehicle credit on your tax return because Form 8834, Qualified Electric Vehicle Credit, was incomplete or not attached.
525	We didn't allow all or part of the credit on Form 8910. Vehicle on Form 8910, Part I, does not qualify for the credit.
556	The Residential Energy Credit in Part II of Form 5695 is limited to \$500 for an eligible property. You claimed more than the allowable amount of credit in Part II of Form 5695.
558	You gave us information that changed the refund or amount you owe.

TPNC	Description
561	The Residential Energy Credit in Part I of Form 5695 is limited to \$1,500 for an eligible property. You claimed more than the allowable amount of credit in Part I of Form 5695.
565	We didn't allow the amount claimed as credit for the elderly or the disabled on your tax return. Schedule R, Credit for the elderly or the Disabled was incomplete or not attached.
570	We didn't allow the amount claimed as credit for prior year minimum tax because Form 8801 was incomplete or not attached, or because you can't claim the credit in the same year you owe alternative minimum tax.
572	We didn't allow all or part of the amount claimed as Residential Energy Credit on your tax return. Residential Energy Credit is limited to the total amount of your tentative tax liability.
693	Adjusted total payments to remove unallowable credit.
694	We didn't allow part or all credit on Form 8936. Vehicle must be in service during the tax year.
695	We didn't allow part or all credit on Form 8910. Vehicle must be placed in service during the tax year.
825	Disallowed credit on Form 2441 because dependent was born after the tax period.
826	Incorrectly calculated Residential Clean Energy Credit on form 5695, or indicated ineligible for the credit.
827	Incorrectly calculated Energy Efficient Home Improvement Credit on Form 5695, or indicated ineligible for the credit.
829	Computed or transferred Form 5695, Residential Energy Credits, incorrectly.
830	No Reply. Form 5695, Residential Energy Credits, was incomplete or missing.
831	Disallowed all or part of Residential Energy Credits on Form 5695 because the credits are limited to tax liability.
832	Disallowed all or part of Clean Vehicle Credits on Form 8936 because the credits are limited to tax liability.
833	Disallowed all or part of the Clean Vehicle Credits because one or more of the VINs on Form 8936, Schedule A, didn't match our records.
834	No Reply. Clean Vehicle Credits disallowed because Form 8936 was incomplete or missing.
835	No Reply. Clean Vehicle Credits disallowed because Form 8936, Schedule A, was incomplete or missing.

TPNC	Description
836	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred credit from Form 8936.
837	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part II of Form 8936, Schedule A.
838	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part III of Form 8936, Schedule A.
839	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part IV of Form 8936, Schedule A.
840	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part V of Form 8936, Schedule A.
841	Adjusted Clean Vehicle Credit on Form 8936 because the placed in service date on Schedule A isn't during the tax year.
842	Adjusted Form 8936, Clean Vehicle Credits, because credit on Schedule A of Form 8936 exceeded the maximum.
843	Adjusted Clean Vehicle Credit on Form 3800 because it was computed or transferred incorrectly from Form 8936.
844	Disallowed Form 8910, Alternative Motor Vehicle Credit, claimed after 2022.
***	Any previously assigned TPNC.

3.12.3.26.29
(01-01-2017)

**Error Code 300 and 600,
Other Statutory Credits**

(1) Error Code 300/600 instructions follow.

3.12.3.26.29.1
(01-01-2024)

**Fields Displayed, Form
1040 (EC 300)**

(1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01RPC	Return Processing Code
01ACD	Audit Code
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
03TBC>	Income Tax Before Credit

1040	Field Name
T-ALT>	Tax on Alt Min Taxable Income Computer
T-TWO>	Tentative Alt Min Tax Computer Amount
0505A	Residential Clean Energy Credit
>>>>>	Residential Clean Energy Credit Computer
0505B	Energy Efficient Home Improvement Credit
>>>>>	Energy Efficient Home Improvement Credit Computer
05POC	Previously Owned Clean Vehicles Credit
05POC>	Previously Owned Clean Vehicles Credit Computer
05OSC	Other Statutory Credits
>>>>>	Other Statutory Credits Computer
05ONC	Total Other Nonrefundable Credits
221RJ	Alternative Motor Vehicle Credit - Form 8910
231YJ	Form 8936 Part II Credit
03NRC	Total Statutory Credits
>>>>>	Total Statutory Credits Computer
94NRV	Total Statutory Credit Verified
03TAX	Total Tax IMF
>>>>>	Total Tax IMF Computer
	Section 32 Present

3.12.3.26.29.2
(01-01-2020)
Invalid Conditions (EC 300)

- (1) **Error Code 300** generates when **all** the following exist:
 - a. Other Statutory Credits (Field 05OSC) differs from Other Statutory Credits Computer.
 - b. Total Tax IMF (Field 03TAX) is not equal to Total Tax IMF Computer.
 - c. A math error is present.
- (2) **Error Code 600** generates when **either** of the following exist:
 - a. Return is a Non-Compute.
 - b. A math error is not present or the difference between other Statutory Credits and other Statutory Credits Computer is not within tolerance.

3.12.3.26.29.3
(04-25-2022)
Correction Procedures (EC 300)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

- (2) When the taxpayer enters an amount for Other Statutory Credits, but does not use the credit due to zero tax liability on line 18 (TY19, line 12b), and also computes line 22 (TY19, line 14) to zero, **do not** assign a TPNC. Instead, delete the amount in Field 05OSC.

3.12.3.26.29.4
(04-25-2022)

**Other Statutory Credits
(EC 300)**

- (1) Other Statutory Credits (OSC) Computer represents the total amount of allowable credits for OSC (Field 05OSC) (after applying any alternative minimum tax **criteria** relating to statutory credit limitations).
- (2) Field T-ALT> is the computer's amount for Form 6251, line 7. If the taxpayer claims an OSC on Form 1040, and Field T-ALT> has an amount, Field 05OSC may be reduced.
- (3) If the amount in Field 05OSC is from Form **8912**, enter the amount in Field 03NRC in Field 94NRV.
- (4) For Forms **8911** and **8834** - If Field **05OSC and its underprint differ**, see if the computer is limiting the amount based on Alternative Minimum Tax criteria [amount will be present in T-ALT> (Alternative Minimum Tentative Tax Computer)]. Use the following table when Field 05OSC appears to be limited by Alt Min criteria:

Note: Form 6251 does not have to be present for the computer to do the limitation.

If Field 05OSC and its computer underprint differ...	And...	Then...
A] Form 6251 is present,		<ol style="list-style-type: none"> 1. GTSEC 32. 2. Enter all appropriate fields. <p>Note: Refer to Job Aid Book 2515-015 and 2515-014 (PY) for Form 6251 fields, and IRM 3.12.2.29.1 for fields that can be transcribed as either positive or negative amounts.</p> <ol style="list-style-type: none"> 3. Refer to the conditions and instructions in (5) below. 4. If conditions in (5) don't apply, SSPND 471 and take the return to your lead. <p>Note: Lead - send a copy of the paper return or the MeF DLN to HQ.</p>
B] Form 6251 is not present,	The taxpayer limits the credit amount and notes: "AMT", "8582CR", "Percentage IRC", or "flow-through credit", next to the credit line,	Enter the taxpayer's figure in Field 94NRV.
C] Form 6251 is not present,	Taxpayer did not limit the credits,	<p>SSPND 471 and take the return to your lead.</p> <p>Note: Lead - send a copy of the paper return or the MeF DLN to HQ.</p>

- (5) Some taxpayers may use an alternate method when calculating line 7 of Form #
any of the following conditions are present:

- a. Line 1 of Schedule 2 is zero.
- b. Line 2k of Form 6251 has an entry.
- c. Line 14 of Form 6251 differs from line 19 of Schedule D.
- d. Lines 7 and 40 of Form 6251 are the same.
- e. Schedule J was verified in EC 265.

Exception: If there has been a previous math error, refer to the lead tax examiner for manual computation.

- (6) When the underprint for a personal credit is **more** than the amount claimed by the taxpayer, compare Form 1040 line 18 (TY19, line 12b), to Field 03TBC>. If there is a difference because the taxpayer incorrectly added tax, alternative minimum tax, and excess APTC, assign **TPNC 230**.

3.12.3.26.29.5
(01-01-2017)
**Correction Procedures
(EC 600)**

- (1) Refer to all instructions for EC 300, and refer to IRM 3.12.2.5.12 for Non-Compute information and IRM 3.12.2.2.13.5 for changes in statutory credits information.
- (2) Enter **C** in the Clear Field after initiating the Letter 2719C, or if there are no further corrections to be made.

3.12.3.26.29.6
(01-01-2024)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 300)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 300**.
Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
218	We computed your tax for you.
230	We found an error in the addition of your tax, Alternative Minimum Tax, and APTC repayment.
263	The write-in credit you claimed is not an allowable credit.
266	You figured your credits incorrectly. Either you completed your credit schedule incorrectly, or incorrectly applied the limit from Form 6251 to your credit.
267	Your credits are limited by the Alternative Minimum Tax. You are not liable for this tax, but the Alternative Minimum Tax computation on Form 6251 limits your credits.
558	You gave us information that changed the refund or amount you owe.
826	Incorrectly calculated Residential Clean Energy Credit on Form 5695, or indicated ineligible for the credit.

TPNC	Description
827	Incorrectly calculated Energy Efficient Home Improvement Credit on Form 5695, or indicated ineligible for the credit.
829	Computed or transferred Form 5695, Residential Energy Credits, incorrectly.
830	No Reply. Form 5695, Residential Energy Credits, was incomplete or missing.
831	Disallowed all or part of Residential Energy Credits on Form 5695 because the credits are limited to tax liability.
832	Disallowed all or part of Clean Vehicle Credits on Form 8936 because the credits are limited to tax liability.
833	Disallowed all or part of the Clean Vehicle Credits because one or more of the VINs on Form 8936, Schedule A, didn't match our records.
834	No Reply. Clean Vehicle Credits disallowed because Form 8936 was incomplete or missing.
835	No Reply. Clean Vehicle Credits disallowed because Form 8936, Schedule A, was incomplete or missing.
836	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred credit from Form 8936.
837	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part II of Form 8936, Schedule A.
838	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part III of Form 8936, Schedule A.
839	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part IV of Form 8936, Schedule A.
840	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part V of Form 8936, Schedule A.
841	Adjusted Clean Vehicle Credit on Form 8936 because the placed in service date on Schedule A isn't during the tax year.
842	Adjusted Form 8936, Clean Vehicle Credits, because credit on Schedule A of Form 8936 exceeded the maximum.
843	Adjusted Clean Vehicle Credit on Form 3800 because it was computed or transferred incorrectly from Form 8936.
844	Disallowed Form 8910, Alternative Motor Vehicle Credit, claimed after 2022.
***	Any previously assigned TPNC

3.12.3.27 (1) Instructions for Error Code 301 to 318 follow.
(01-01-2017)

Error Codes 301-318

3.12.3.27.1 (1) Error Code 301 instructions follow.
(01-01-2017)

Error Code 301 - Form 8941, Credit for Small Employer Health Insurance Premiums

3.12.3.27.1.1 (1) The following fields are displayed:
(01-01-2024)

Fields Displayed, Form 1040 (EC 301)

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
65SSN	F8941 ID Number
65SHP	SHOP Checkbox
65EIN	F8941 Employment Taxes EIN
652YR	F8941 Two-Year Declaration Checkbox
6501	F8941 Total Employees Number
6502	Number of Full-Time Employees
6503	Average Annual Wages
6504	Health Insurance Premiums Paid
6505	Potential Total Premiums
6510	State Tax Credit and Premium Subsidy
6513	Number of Employees Paid Premiums
6514	Full Time Employees Premiums Paid
6515	Partnership Small Employer Health Insurance Premium Credit
6516	Total Credit for Small Employer Health Insurance Premiums
>>>>	Total Credit for Small Employer Health Insurance Premiums Computer
6516V	Total Credit for Small Employer Health Insurance Premiums Verified (ERS input only)
66SSN	F8941 ID Number
66SHP	SHOP Checkbox
66EIN	F8941 Employment Taxes EIN
662YR	F8941 Two-Year Declaration Checkbox

1040	Field Name
6601	F8941 Total Employees Number
6602	Number of Full-Time Employees
6603	Average Annual Wages
6604	Health Insurance Premiums Paid
6605	Potential Total Premiums
6610	State Tax Credit and Premium Subsidy
6613	Number of Employees Paid Premiums
6614	Full Time Employees Premiums Paid
6615	Partnership Small Employer Health Insurance Premium Credit
6616	Total Credit for Small Employer Health Insurance Premiums
>>>>	Total Credit for Small Employer Health Insurance Premiums Computer
6616V	Total Credit for Small Employer Health Insurance Premiums Verified (ERS input only)
234HJ	Small Employer Health Insurance Premiums Credit
23TOT	Total Additional Business Credit Amount
2236	Net Allowable General Business Credit Amount
22GC>	Gross General Business Credit Computer
05GBC>	General Business Credit Computer
	Section 22 Not Present
	Section 23 Not Present
	Section 65 Not Present
	Section 66 Not Present

3.12.3.27.1.2
(01-01-2017)
Invalid Conditions (EC 301)

- (1) **Error Code 301** generates when one of the following conditions are present.
- Section 65 **or** Section 66 is present, **and**
 - Section 65 and 66 Total Credit for Small Employer Health Insurance Premiums Verified are not present, **and**
 - Small Employer Health Insurance Premiums (Field 22HIP) does not match the sum of Fields 6516 and 6616.

3.12.3.27.1.3
(04-25-2022)
Correction Procedures (EC 301)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

- (2) Two Forms 8941 can be transcribed. The first Form 8941 displays as Section 65 and the second as Section 66.
- (3) If an amount is present on line 4h in Part III of Form 3800, no EIN is present in column b, and Form 8941 is missing, then **SSPND 211** for Form 8941.

Reminder: Taxpayers who provide the EIN of the pass-through entity in column b at line 4h are not required to submit Form 8941.

- (4) Assign **TPNC 753** if:

Caution: Prior to issuing **TPNC 753**, correct Fields 22HIP, 22TOT, and 2236 to include the computer underprint amount for Fields 6516 and/or 6616. If **TPNC(s)** are issued at EC 301, reassign at EC 303 along with any other applicable EC 303 **TPNCs**. If EC 301 doesn't redisplay, assign **TPNC 753** at EC 303.

- a. Line 2 is greater than 25 (employees) and line 12 is greater than zero, and the amount on line 16 is equal to the sum of lines 12 and 15.
- b. Line 3 is greater than \$56,000 (TY19, \$55,000; TY18, \$54,000; TY17, \$53,000; TY16 and TY15, \$52,000; TY14, \$51,000) and line 12 is greater than zero and the amount on line 16 is equal to the sum of lines 12 and 15.
- c. The sum of the entry in Fields 6516 and 6616 is not equal to the entry on line 4h of Form 3800.
- d. Field 6516 or 6616 differs from its underprint.

3.12.3.27.1.4
(01-01-2024)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 301)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 301**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign **TPNC 111** in addition to other applicable notice codes. Always assign **TPNC 111 first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
753	Error was in figuring or transferring the total from Form 8941, Credit for Small Employer Health Insurance Premiums to Form 3800, General Business Credit.
754	No Reply - Supporting Form 8941 Credit for Small Employer Health Insurance premiums was incomplete or not attached to your tax return.
800	We didn't allow the amount you claimed for Form 8941. You indicated you did not participate in a SHOP Exchange.

TPNC	Description
843	Adjusted Clean Vehicle Credit on Form 3800 because it was computed or transferred incorrectly from Form 8936.
***	Any previously assigned TPNC

3.12.3.27.2
(01-01-2024)
**Error Code 302 and 602
- Form 8936, Part II and
Part V**

- (1) Error Code 302/602 instructions follow.

3.12.3.27.2.1
(01-01-2024)
**Fields Displayed, Form
1040 (EC 302)**

- (1) This table shows the fields displayed in EC 302.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01FPC	Form Processing Code
01SPC	Special Processing Code
05301	Foreign Tax Credit
>>>>>	Foreign Tax Credit Computer
0505A	Residential Clean Energy Credit
>>>>>	Residential Clean Energy Credit Computer
05GBC	General Business Credit
22GC>	Gross General Business Credit Computer
05GBC>	General Business Credit Computer
05PYM	Credit for Prior Year Minimum Tax
>>>>>	Credit for Prior Year Minimum Tax Computer
05ADC	Adoption Credit
38GC>	Gross Adoption Credit Amount Computer
05ADC>	Adoption Credit Amount Computer
05CVC	Clean Vehicle Credit
05CVC>	Clean Vehicle Credit Computer
05MIC	Mortgage Interest Credit
>>>>>	Mortgage Interest Credit Computer
05OSC	Other Statutory Credits
>>>>>	Total Other Statutory Credits Computer

1040	Field Name
231YJ	Form 8936 Part II Credit
>>>>>	Form 8936 Part II Credit Computer
94P2V	New Clean Vehicles Business Credit Verified Amount
231AA	Form 8936 Part V Credit
>>>>>	Form 8936 Part V Credit Computer
94P5V	Commercial Clean Vehicle Credit Verified Amount
	Section 23 Not Present
69CVP	Form 8936 New Clean Vehicle Partnership or S Corp Credit Amount
69QVP	Form 8936 Qualified Commercial Vehicle Partnership or S Corp Credit Amount
69TC1	Form 8936 Schedule A Vehicle 1 Tentative Credit Amount
69BP1	Form 8936 Schedule A Vehicle 1 Business Use Percentage
69QC1	Form 8936 Schedule A Qualified Commercial Clean Vehicle 1 Credit
69TC2	Form 8936 Schedule A Vehicle 2 Tentative Credit Amount
69BP2	Form 8936 Schedule A Vehicle 2 Business Use Percentage
69QC2	Form 8936 Schedule A Qualified Commercial Clean Vehicle 2 Credit
	Section 69 Not Present
97VIN>	MeF Form 8936A VIN Indicator
97VRP>	Vehicle Registration Portal Validation Code

3.12.3.27.2.2
(01-01-2024)
Invalid Conditions (EC 302)

- (1) Error Code 302 generates when Section 23 is present, Form 8936 Part II credit (Field 231YJ) does not equal the computer amount, or Form 8936 Part V credit (Field 231AA) does not equal the computer amount, and both of the following exist:
 - a. A math error is present.
 - b. Total Tax IMF is not equal to Total Tax IMF Computer.
- (2) Error Code 602 generates when a math error is not present and either of the following exist:
 - a. Return is a Non-Compute.
 - b. The difference between Form 8936 Part II or Part V credit and the computer amount is not within tolerance.

3.12.3.27.2.3
(01-01-2024)

**Correction Procedures
(EC 302)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

3.12.3.27.2.4
(01-01-2024)

**Correction Procedures
(EC 602)**

- (1) Refer to all instructions for Error Code 302, IRM 3.12.2.5.12 for Non-Compute information, and IRM 3.12.2.2.13.5 for changes in statutory credits information.
- (2) Enter **C** in the Clear Field after initiating Letter 2719C or if there are no further corrections to be made.

3.12.3.27.2.5
(01-01-2024)

**Allowable Taxpayer
Notice Codes (EC 302)**

- (1) This table shows the allowable Taxpayer Notice Codes for Error Code 302.
- Note:** The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040
220	Because of a previous error, we were unable to compute Form 8615 tax.
230	We found an error in the addition of your tax, Alternative Minimum Tax, and APTC repayment.
257	Disallowed the amount claimed as mortgage interest credit. Mortgage interest paid from Form 1098 should be reported on Schedule A.
260	Computed or transferred Form 3800 incorrectly.
266	Figured your credits incorrectly, or incorrectly applied the limit from Form 6251.
267	Limited credits by Form 6251 incorrectly, but not liable for Alternative Minimum Tax.
528	Figured or transferred Form 8834, Qualified Electric Vehicle Credit, to Form 3800 incorrectly.
558	You gave us information that changed the refund or amount you owe.
575	No Reply. We can't allow the General Business Credit you claimed. You didn't attach the necessary supporting information.
695	We didn't allow part or all of the credit on Form 8910. Vehicle must be placed in service during the tax year of the return.

TPNC	Description
753	Figured or transferred Form 8941, Credit for Small Employer Health Insurance Premiums, to Form 3800 incorrectly.
754	No Reply. Form 8941 was incomplete or not attached.
800	We didn't allow the amount you claimed for Form 8941. You indicated you did not participate in a SHOP Exchange.
826	Incorrectly calculated Residential Clean Energy Credit on Form 5695, or indicated ineligible for the credit.
827	Incorrectly calculated Energy Efficient Home Improvement Credit on Form 5695, or indicated ineligible for the credit.
829	Computed or transferred Form 5695, Residential Energy Credits, incorrectly.
830	No Reply. Form 5695, Residential Energy Credits, was incomplete or missing.
831	Disallowed all or part of Residential Energy Credits on Form 5695 because the credits are limited to tax liability.
832	Disallowed all or part of Clean Vehicle Credits on Form 8936 because the credits are limited to tax liability.
833	Disallowed all or part of the Clean Vehicle Credits because one or more of the VINs on Form 8936, Schedule A, didn't match our records.
834	No Reply. Clean Vehicle Credits disallowed because Form 8936 was incomplete or missing.
835	No Reply. Clean Vehicle Credits disallowed because Form 8936, Schedule A, was incomplete or missing.
836	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred credit from Form 8936.
837	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part II of Form 8936, Schedule A.
838	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part III of Form 8936, Schedule A.
839	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part IV of Form 8936, Schedule A.
840	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part V of Form 8936, Schedule A.
841	Adjusted Clean Vehicle Credit on Form 8936 because the placed in service date on Schedule A isn't during the tax year.
842	Adjusted Form 8936, Clean Vehicle Credits, because credit on Schedule A of Form 8936 exceeded the maximum.

TPNC	Description
843	Adjusted Clean Vehicle Credit on Form 3800 because it was computed or transferred incorrectly from Form 8936.
844	Disallowed Form 8910, Alternative Motor Vehicle Credit, claimed after 2022.
***	Any previously assigned TPNC.

3.12.3.27.3
(01-01-2024)

**Error Code 303 and 603
- General Business
Credit**

- (1) Error Code 303/603 instructions follow.

3.12.3.27.3.1
(01-01-2024)

**Fields Displayed, Form
1040 (EC 303)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01FPC	Form Processing Code
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
03TBC>	Income Tax Before Credits
05GBC	General Business Credit
22GC>	Gross General Business Credit Computer
05GBC>	General Business Credit Computer
05PYM	Credit for Prior Year Minimum Tax
05ELD	Credit For the Elderly
05OSC	Other Statutory Credits
>>>>>	Total Other Statutory Credits Computer
05ONC	Total Other Nonrefundable Credits
03NRC	Total Statutory Credits
>>>>>	Total Statutory Credits Computer
94NRV	Statutory Credits Verified
03TAX	Total Tax IMF
>>>>>	Total Tax IMF Computer
3204>	Alt Min Taxable Income Computer

1040	Field Name
T-ALT>	Tax on Alt Min Taxable Income Computer
T-TWO>	Tentative Alternative Minimum Tax Computer
	Section 32 Not Present
2201	Non Passive Activity Credit
2202	Passive Activity Credit Included
2203	Passive Activity Credit Allowed
2204	Form 3800 Carryforward Credit
2205	Form 3800 Carryback Credit
2224	Total Passive Activity Credit
2225	Empowerment Zone Credit Included
2226	Empowerment Zone Credit Allowed
2236	Net Allowable General Business Credit
22BCV	General Business Credits Verified (ERS input only)
221RJ	Alternative Motor Vehicle Credit
231YJ	Form 8936 Part II Credit
>>>>>	New Clean Vehicle Business Credit Computer
94P2V	New Clean Vehicles Business Credit Verified
231AA	Form 8936 Part V Credit
>>>>>	Commercial Clean Vehicle Business Credit Computer
94P5V	Commercial Clean Vehicle Credit Verified
2303J	Form 8844 Credit
	Section 65 Not Present
6516	Form 8941 Health Insurance Premiums Credit
>>>>	Form 8941 Health Insurance Section 65 Computer
	Section 66 Not Present
6616	Form 8941 Health Insurance Premiums Credit
>>>>	Form 8941 Health Insurance Section 66 Computer
234HJ	Small Employer Health Insurance Premiums Credit
234JJ	Employer Credit for Paid Family and Medical Leave
22TOT	Total Additional Business Credits Amount
	Section 22 Not Present
	Section 23 Not Present
	Section 69 Not Present

1040	Field Name
97VIN>	MeF Form 8936A VIN Indicator
97VRP>	Vehicle Registration Portal Validation Code

3.12.3.27.3.2
(01-01-2024)
Invalid Condition (EC 303)

- (1) **Error Code 303** generates when General Business Credits (Field 05GBC) differs from General Business Credits Computer (Field 05GBC>), is not within tolerance, and **both** of the following exist:
 - a. A math error is present.
 - b. Total Tax IMF is not equal to Total Tax IMF Computer.
- (2) **Error Code 603** generates when a math error is not present and **either** of the following exist:
 - a. Return is a Non-Compute.
 - b. Any of the allowable carryover statutory credits are not within tolerance of their respective computer-generated amounts.

3.12.3.27.3.3
(11-27-2020)
Correction Procedures (EC 303)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Take the following actions when one of the following conditions exist:

If...	Then...
A] There is no amount in Field 03TBC>.	<ol style="list-style-type: none"> 1. Delete the entry in Field 05ONC. 2. Delete the entry in Field 03NRC if EC 310 displays. <p>Note: Do not correspond for Form 3800, Form 8801, or any supporting form for line 54. Do not assign a TPNC.</p>
B] The computer's underprint for a personal credit is more than the amount claimed by the taxpayer, compare Form 1040 line 18 (TY19, line 12b) to Field 03TBC>. If there is a difference because the taxpayer made an error adding tax, alternative minimum tax, and excess APTC,	Assign TPNC 230 .

- (3) If the taxpayer indicated the credit is from Form **8582-CR** and it is attached, ensure the amount is included in Field 2205.

#

#3.12.3.27.3.4
(01-01-2024)**Part III, General
Business Credits or
Eligible Small Business
Credits (EC 303)**

(1) Part III of Form 3800 is used by the taxpayer to identify each business credit and the amount claimed.

(2) For every business credit claimed, the supporting form must be attached. If missing, SSPND 211.

Exception: Do **not** correspond for the missing form if:

- An **EIN** is present on Form 3800, Part III, **column b**, (except for Form **3468**). Form 3468 **must** accompany an entry on line 4a of Form 3800. If it's missing, request it whether the EIN is present or not.
- **MeF** return and the credit claimed in Part III is for Form 6765 and **no** EIN is present in column (d).
- Form 3800, Part III, box C, is checked for **carryforward** credits.

(3) When the taxpayer identifies any of the forms listed below as the source of the credit amount claimed on Schedule 3, line 6a through 6z (TY20-TY19, line 6), GTSEC 22 and take the following actions:

Form 3800 line number	with supporting form attached	and amount is from	Then
1a	Form 3468	Part II, line 10	Enter the amount in Fields 2201A and 2201.
1c	Form 6765	line 40	Enter the amount in Fields 2201C and 2201.
1d	Form 8586	Part 1, line 5	GTSEC 22 and enter the amount in Fields 2201D and 2201.

Form 3800 line number	with supporting form attached	and amount is from	Then
1e	Form 8826	line 8	<p>1. If the amount is less than \$1,000, enter in Fields 2201E and 2201.</p> <p>3. If the amount is more than \$5,000, enter 5000 in Fields 2201E and 2201. When EC 303 redisplay, assign TPNC 260 with the following literal, <i>We changed the amount of Disabled Access Credits on your tax return because there was an error in the computation of the credit and/or the transferring of that amount to your tax return.</i></p>
1f	Form 8835	line 20	Enter the amount in Fields 2201F and 2201.
1g	Form 8845	line 6	Enter the amount in Fields 2201G and 2201.
1h	Form 8820	line 4	Enter the amount in Fields 2201H and 2201.
1i	Form 8874	line 3	Enter the amount in Fields 2201I and 2201.
1j	Form 8881	line 5	<p>1. If the amount is \$500 or less, enter in Fields 2201J and 2201.</p> <p>2. If the amount is more than \$500, enter \$500 in Fields 2201J and 2201. When EC 303 redisplay, assign TPNC 260.</p>
1k	Form 8882	line 7	Enter the amount in Fields 2201K and 2201.
1l	Form 8864	line 10	Enter the amount in Fields 2201L and 2201.
1m	Form 8896	line 8	Enter the amount in Fields 2201M and 2201.
1n	Form 8906	line 5	Enter the amount in Fields 2201N and 2201.

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Form 3800 line number	with supporting form attached	and amount is from	Then
1o	Form 8907	carryforward only	Enter the amount in Fields 2201O and 2201.
1p	Form 8908	line 8 (TY21 and prior, line 4)	Enter the amount in Fields 2201P and 2201.
1q	Form 8909	carryforward only	Enter the amount in Fields 2201Q and 2201.
1r	Form 8910	line 9	Enter the amount in Fields 2201R and 2201.
1s	Form 8911	line 9	Enter the amount in Fields 2201S and 2201.
1t	Form 8830	line 4	Enter the amount in Fields 2201T and 2201.
1u	Form 8923	line 4	Enter the amount in Fields 2201U and 2201.
1v	Form 8931	carryforward only	Enter the amount in Fields 2201V and 2201.
1w	Form 8932	line 6	Enter the amount in Fields 2201W and 2201.
1x	Form 8933	line 4	Enter the amount in Fields 2201X and 2201.
1y	Form 8936	line 14	Enter the amount in Fields 2201Y and 2201.
1z	Form 8834	carryforward only	Enter the amount in Fields 2201Z and 2201.
1aa	Form 5884-B	carryforward only	Enter the amount in Fields 220AA and 2201.
1bb	Schedule K-1 (Form 1065-B)		Enter the amount in Fields 220BB and 2201.
1zz	Form 8904	line 8	Enter the amount in Fields 220ZZ and 2201.
3	Form 8844	line 4	Enter the amount in Fields 22EZT and 2225.
4a	Form 3468	Part III, line 14	Enter the amount in Fields 22TOT and 2236.
4b	Form 5884	line 4	Enter the amount in Fields 22TOT and 2236.
4c	Form 6478	line 4	Enter the amount in Fields 22TOT and 2236.

Form 3800 line number	with supporting form attached	and amount is from	Then
4d	Form 8586	Part II, line 12	Enter the amount in Fields 22TOT and 2236.
4e	Form 8835	line 20	Enter the amount in Fields 22TOT and 2236.
4f	Form 8846	line 6	Enter the amount in Fields 22TOT and 2236.
4g	Form 8900	line 7	Enter the amount in Fields 22TOT and 2236.
4h	Form 8941	line 18	Enter the amount in Field 22HIP.
4i	Form 6765	line 40	Enter the amount in Fields 22TOT and 2236.
4j	Form 8994	line 3	Enter the amount in Fields 22FLM, 22TOT and 2236.
5	Form 3800	sum of lines 4a-4z	Enter the amount in Field 22TOT.

3.12.3.27.3.5
(06-20-2017)

Part I, Form 3800 (EC 303)

(1) If no amount is present on Form 3800, Part I:

- line 1, enter the amount from Part III, line 2 (with Box A checked), in Field 2201.
- line 2, enter the amount from Part III, line 2 (with Box B checked), in Field 2202
- line 4, enter the amount from Part III, line 2 (with Box C checked) in Field 2204.
- line 4, enter the amount from Part III, line 2 (with Box D checked) in Field 2205.

Note: Check boxes A-I are located at the top of Part III, Form 3800.

(2) If multiple Parts III are present, combine the line 2 amounts based on the applicable box checked (A-D). Also, enter **1** in Field 22IND if the taxpayer has checked Box I.

3.12.3.27.3.6
(06-20-2017)

Part II, Form 3800 (EC 303)

(1) Check transcription for Fields 2224, 2225, 2226, and 2236.

(2) If Form 8844 is present, enter the amount from line 4 of Form 8844 in Field 2224.

(3) Enter the sum of lines 30, 31, 33, 34, and 35 of Form 3800 in Field 2236, if blank.

3.12.3.27.3.7
(01-24-2020)

**Gross General Business
Credit Computer (Field
22GC>) and General
Business Credit
Computer (Field
05GBC>) (EC 303)**

- (1) The general business credit may not exceed the taxpayer's net regular income tax liability (the sum of regular tax and the alternative minimum tax minus the non-refundable credits that reduce tax before the general business credits) minus the greater of
- the alternative minimum tax or
 - 25 percent of the net regular income tax liability over \$25,000.

Reminder: Some business credits are exempt, in whole or in part, from the alternative minimum tax, and their limitation is figured separately.

- (2) The alternative minimum tax from Form 6251, line 9, may reduce the allowable general business credit. To calculate the allowable business credit on line 38 of Form 3800, taxpayers must complete Form 6251 and transfer the amount from line 9 of that form to line 14, Part II of Form 3800.
- (3) Field 22GC> shows the computer's figure for Form 3800, *General Business Credit*, **without** regard to a limitation of the alternative minimum tax. The amount in Field 22GC> should match the amount on line 38 of Form 3800.
- (4) Field 05GBC> shows the computer's figure for the general business credit, **after** applying any limitation of the alternative minimum tax.
- (5) When the amount in Field **22GC>** **matches** the amount on **line 38** of Form 3800, follow the procedures in the table below.

If Form 6251...	And...	Then...
A] Is either present or not present,	<p>If any amounts are present on line 4a to 4j of Form 3800 and the total general business credits are reported on line 38 of Form 3800,</p> <p>Note: Lines 4a-4j of Form 3800 are not limited by alternative minimum tax.</p>	<ol style="list-style-type: none"> Enter the taxpayer's total amount of credits in Field 94NRV. Enter C in the Clear Field when EC 602 displays.

If Form 6251...	And...	Then...
B] Is present,		<ol style="list-style-type: none"> 1. GTSEC 32. 2. Verify transcription and enter all appropriate fields. <p>Note: Refer to Job Aid Book 2515-015 and 2515-014 (PY) for Form 6251 fields, and IRM 3.12.2.29.1 for fields that can be transcribed as either positive or negative amounts.</p> <ol style="list-style-type: none"> 3. Refer to the conditions in (6) below. <ul style="list-style-type: none"> • If any of the conditions apply, follow the instruction in (6). • If none of the conditions apply, enter the taxpayer's total credit amount in Field 94NRV. 4. Enter C in the Clear Field when EC 602 displays.
C] Not present,	<p>You can't locate the taxpayer's Tentative Minimum Tax amount and the taxpayer noted any of the following next to the credit line:</p> <ol style="list-style-type: none"> a. AMT b. 8582CR c. Percentage IRC d. Flow-through credit, 	

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(6) Some taxpayers may use an alternate method when calculating line 7 of Form

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any of the following conditions are present:

- a. Schedule 2, line 1, is zero.
- b. Form 6251, line 2k, has an entry.

- c. Form 6251, line 14, differs from line 19 of Schedule D.
- d. Form 6251, lines 7 and 40, are the same.
- e. Schedule J was verified in EC 265.

Exception: If there has been a previous math error, refer to the lead tax examiner for manual computation.

- (7) When the amount in Field **22GC>** **doesn't match** the amount on **line 38** of Form 3800, and if all of the following conditions are present, enter the amount from Field 05GBC in Field 22BCV:
- Field T-TWO> is blank.
 - Form 3800, line 14, is the same as Form 6251, line 9.
 - The amount in Fields 22GC> and 05GBC> are the same and more than the amount in Field 05GBC.
- (8) If the above corrections do not resolve EC 303, **SSPND 471** and take the return to your lead.

Note: Lead, send the MeF DLN or a copy of the paper return to HQ.

3.12.3.27.3.8
(01-01-2017)
**Correction Procedures
(EC 603)**

- (1) Refer to all instructions for Error Code 303, and refer to IRM 3.12.2.5.12 for Non-Compute information and IRM 3.12.2.2.13.5 for changes in statutory credits information.
- (2) Enter **C** in the Clear Field, after initiating the Letter 2719C, or if there are no further corrections to be made.

3.12.3.27.3.9
(01-01-2023)
**Prior-Year Statutory
Credits (EC 303)**

- (1) For TY12 and prior, if an amount is present on line 54, Form 1040, for **Form 8834** then do the following:

If...	And...	Then...
A] Form 8834, is notated on line 54,	is attached,	Enter the line 7 amount in Field 94NRV.
B] Form 8834, is notated on line 54,	is not attached,	SSPND 211.
C] Form 8834,	is not attached,	SSPND 211.
D] Form 8834,	is attached and amounts are present on line 1 through 7 (5 through 14 for TY12),	Enter the amount in Field 2201Z and 2201.

If...	And...	Then...
E] Form 8834,	is attached and amounts are present on line 15 through 23 for TY12 ,	Enter the amount in Field 2201Z and Field 2201. Exception: If alternative minimum tax limits the personal credit from Form 8834 and there is no previous math error, enter the taxpayer's figure for total credits in Field 94NRV. If a previous math error changed the taxpayer's figure for total credits, enter the corrected amount in Field 94NRV.

(2) **TY08 only-**

- a. If an amount for Midwestern Disaster Area Employers Credit on line **1t, Form 3800**, enter the amount into Field 2201O.
- b. If an amount is present for lines **1v, 1w, or 1x, Form 3800**, add the amounts together and enter the result into Field 2201P.

(3) Enter the taxpayer's amount for Investment Credit into Field 2201A if Form 3468 is present in prior-year returns.

- (4) **TY04** - Form 8884 is noted or attached, and the amount claimed is \$500 or more. Delete the amount from Field 05ONC and enter the total credits in Field 94NRV.

Note: Form 8884 (TY04) is not subject to alternative minimum tax limitations. When other credits are also present, enter the total amount of credits in Field 94NRV.

- (5) General Business Credit is limited as follows:

Tax Period	GBC Limit
TY04 and later,	\$25,000 plus 25 percent of the excess in tax over \$25,000

3.12.3.27.3.10

(05-09-2023)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 303)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 303**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
220	because of a previous error, we were unable to compute Form 8615 tax.
230	We found an error in the addition of your tax, Alternative Minimum Tax, and APTC repayment.
257	Disallowed the amount claimed as mortgage interest credit. Mortgage interest paid from Form 1098 should be reported on Schedule A.
260	Computed or transferred Form 3800 incorrectly.
266	Figured your credits incorrectly, or incorrectly applied the limit from Form 6251.
267	Limited credits by Form 6251 incorrectly, but not liable for Alternative Minimum Tax.
528	Figured or transferred Form 8834, Qualified Electric Vehicle Credit, to Form 3800 incorrectly.
558	You gave us information that changed the refund or amount you owe.

TPNC	Description
575	No Reply. We can't allow the General Business Credit you claimed. You didn't attach the necessary supporting information.
695	We didn't allow part or all of the credit on Form 8910. Vehicle must be placed in service during the tax year of the return.
753	Figured or transferred Form 8941, Credit for Small Employer Health Insurance Premiums, to Form 3800 incorrectly.
754	No Reply. Form 8941 was incomplete or not attached.
800	We didn't allow the amount you claimed for Form 8941. You indicated you did not participate in a SHOP Exchange.
826	Incorrectly calculated Residential Clean Energy Credit on Form 5695, or indicated ineligible for the credit.
827	Incorrectly calculated Energy Efficient Home Improvement Credit on Form 5695, or indicated ineligible for the credit.
829	Computed or transferred Form 5695, Residential Energy Credits, incorrectly.
830	No Reply. Form 5695, Residential Energy Credits, was incomplete or missing.
831	Disallowed all or part of Residential Energy Credits on Form 5695 because the credits are limited to tax liability.
832	Disallowed all or part of Clean Vehicle Credits on Form 8936 because the credits are limited to tax liability.
833	Disallowed all or part of the Clean Vehicle Credits because one or more of the VINs on Form 8936, Schedule A, didn't match our records.
834	No Reply. Clean Vehicle Credits disallowed because Form 8936 was incomplete or missing.
835	No Reply. Clean Vehicle Credits disallowed because Form 8936, Schedule A, was incomplete or missing.
836	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred credit from Form 8936.
837	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part II of Form 8936, Schedule A.
838	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part III of Form 8936, Schedule A.
839	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part IV of Form 8936, Schedule A.

TPNC	Description
840	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part V of Form 8936, Schedule A.
841	Adjusted Clean Vehicle Credit on Form 8936 because the placed in service date on Schedule A isn't during the tax year.
842	Adjusted Form 8936, Clean Vehicle Credits, because credit on Schedule A of Form 8936 exceeded the maximum.
843	Adjusted Clean Vehicle Credit on Form 3800 because it was computed or transferred incorrectly from Form 8936.
844	Disallowed Form 8910, Alternative Motor Vehicle Credit, claimed after 2022.
***	Any previously assigned TPNC.

3.12.3.27.4
(01-01-2024)
**Error Code 304 -
Reserved**

(1) Reserved.

3.12.3.27.5
(01-01-2017)
**Error Code 308 and 608,
Credit for Prior Year
Minimum Tax**

(1) Error Code 308/608 instructions follow.

3.12.3.27.5.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 308)**

(1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01RPC	Return Processing Code
01ACD	Audit Code
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
03TBC>	Income Tax Before Credits
05PYM	Credit For Prior Year Minimum Tax
>>>>>	Credit For Prior Year Minimum Tax Computer
05ONC	Total Other Nonrefundable Credits
03NRC	Total Statutory Credits

1040	Field Name
>>>>>	Total Statutory Credits Computer
94NRV	Total Statutory Credits Verified
03TAX	Total Tax IMF
>>>>>	Total Tax IMF Computer
T-TWO>	Tentative Alternative Minimum Tax Computer

3.12.3.27.5.2
(01-01-2017)

Invalid Conditions (EC 308)

- (1) **Error Code 308** generates when **all** of the following exist:
 - a. Credit For Prior Year Minimum Tax (Field 05PYM) is not equal to Credit For Prior Year Minimum Tax Computer.
 - b. A math error is present.
 - c. Total Tax IMF is not equal to Total Tax Computer.
- (2) **Error Code 608** generates when a math error is not present and **either** of the following exist:
 - a. The return is a Non-Compute.
 - b. The difference between Credit For Prior Year Minimum Tax and Credit For Prior Year Minimum Tax Computer is not within tolerance.

3.12.3.27.5.3
(04-25-2022)

Correction Procedures (EC 308)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If the taxpayer claims a credit amount that is greater than the amount needed to offset tax and includes the amount in Total Tax and/or Balance Due/Refund, enter the computer's amount in the credit field(s). When EC 330 displays, assign **TPNC 261**.
- (3) Follow correction procedures for Credit For Prior Year Minimum Tax.

Note: The credit for prior year minimum tax is limited to tentative tax computer, excluding tax from Form 4972, minus any statutory credits already applied.

3.12.3.27.5.4
(04-25-2022)

Credit For Prior Year Minimum Tax (EC 308)

- (1) TY23-TY21, Field 05PYM (Form 8801, Credit for Prior Year Minimum Tax) is transcribed from Schedule 3, line 6b.
- (2) TY20 and prior, the taxpayer is instructed to check box b (Form 8801) on Schedule 3, line 6 (TY18, Schedule 3, line 54), and include the Credit for Prior Year Minimum Tax in the other credits total for line 6. Code and Edit edits Field 05PYM and the credit amount next to line 6, when the taxpayer checks box b.
- (3) Credit for Prior Year Minimum Tax Computer amount represents the computer amount for PYM and will be reduced by the computer when the amount exceeds the statutory credit limit.
- (4) If **Form 6251 is attached**, GTSEC 32 and ensure all fields displayed are transcribed correctly.

- (5) Taxpayers may not claim the Credit For Prior Year Minimum Tax in the year when they must pay the alternative minimum tax. If the taxpayer claims the Credit For Prior Year Minimum Tax and Form 6251 is present, then do the following:
 - a. If Alternative Minimum Tax has been computed to **zero**, then delete Form 6251 and enter **Z** in Field 01RPC.
 - b. If Alternative Minimum Tax has been computed to an amount **greater than zero**, assign **TPNC 570**.
- (6) If there is an amount on Schedule 3, line 6b (TY20, line 6 with box b checked) and Form 8801 is attached, enter the amount in Field 05PYM.
- (7) If there is an amount on Schedule 3, line 6b (TY20, line 6 with box b checked), and Form 8801 is not attached, SSPND 211.

Note: Do not correspond for Form 8801 if Field 03TBC> is not present. Delete the entry in Field 05PYM. If Error Code 310 displays, delete the entry in Field 03NRC.

- (8) If **Field 05PYM differs from its computer underprint** then do the following:
 - a. If an amount **is present in Field T-TWO>** and Form 6251 is not attached and no amount on Schedule 2, line 1, then do the following:
 1. Do not delete the amount that is present in Field 05PYM.
 2. Enter the taxpayers combined amounts for all credits claimed including the amounts for Other Statutory Credits in Field 94NRV.
 - b. If an amount **is not present in Field T-TWO>** and Form 6251 is not attached and no amount on Schedule 2, line 1 (TY18, line 45), assign **TPNC 261**.
 - c. If Form 6251 is present, and Form 6251 line 9 differs from T-TWO> and no previous math errors are present, see IRM 3.12.3.25.2.6.
- (9) Assign any previously assigned TPNC when a **previous math error made** a change to the credit available.
- (10) Compare Form 1040 line 18 (TY19, line 12b) to Field 03TBC> when the computer's underprint for a personal credit is **more** than the amount claimed by the taxpayer. If there is a difference because the taxpayer made an error adding tax, alternative minimum tax, and excess APTC, assign **TPNC 230**.

3.12.3.27.5.5
(01-01-2017)
**Correction Procedures
(EC 608)**

- (1) Refer to all instructions for Error Code 308, and refer to IRM 3.12.2.5.12 for Non-Compute information and IRM 3.12.2.2.13.5 for changes in statutory credits information.
- (2) Enter **C** in the Clear Field after initiating the Letter 2719C or if there are no further corrections to be made.

3.12.3.27.5.6
(01-01-2017)
Prior Year (EC 308)

- (1) For TY 09 and prior, accept the taxpayer's entry.

3.12.3.27.5.7
(01-01-2017)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 308)**

(1) This table shows the allowable Taxpayer Notice Codes for **Error Code 308**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

(2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
218	We computed your tax for you.
230	We changed the amount of tax on your return because there was an error in the addition of your tax, alternative minimum tax, and APTC repayment.
261	Error in computation or transfer of credit on Form 8801, Credit for Prior Year Minimum Tax.
266	You figured your credits incorrectly or incorrectly applied the limit from Form 6251.
558	You gave us information that changed the refund or amount you owe.
***	Any previously assigned TPNC.

3.12.3.27.6
(01-01-2017)
**Error Code 310 and 610
- Total Statutory Credits**

(1) Error Code 310/610 instructions follow.

3.12.3.27.6.1
(01-01-2024)
**Fields Displayed, Form
1040 (EC 310)**

(1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01RPC	Return Processing Code
01ACD	Audit Code
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
05201	Alternative Minimum Tax
>>>>>	Alternative Minimum Tax Computer

1040	Field Name
05202	Taxpayer Advance Premium Tax Credit Repayment
05202>	Computed APTC Repayment Amount
03TBC>	Income Tax Before Credits Computer
05301	Foreign Tax Credit
>>>>>	Foreign Tax Credit Computer
05302	Child Care Credit
21GC>	Gross Child Care Credit
05302>	Child Care Credit Computer
05303	Education Credit
>>>>>	Education Credit Computer
05304	Retirement Savings Contribution Credit
>>>>>	Retirement Savings Contribution Credit Computer
0505A	Residential Clean Energy Credit
>>>>>	Residential Clean Energy Credit Computer
0505B	Energy Efficient Home Improvement Credit
>>>>>	Energy Efficient home Improvement Credit Computer
05GBC	General Business Credit
22GC>	Gross General Business Credit Computer
05GBC>	General Business Credit Computer
05PYM	Credit for Prior Year Minimum Tax
>>>>>	Credit for Prior Year Minimum Tax Computer
05ADC	Adoption Credit
38GC>	Gross Adoption Credit Computer
05ADC>	Adoption Credit Computer
05ELD	Credit for the Elderly
16GC>	Gross Credit for the Elderly Computer
05ELD>	Credit for the Elderly Computer
05AMC	Form 8910 Alternative Motor Vehicle Credit
05AMC>	Form 8910 Alternative Motor Vehicle Credit Computer
05CVC	Clean Vehicle Credit
05CVC>	Clean Vehicle Credit Computer
05MIC	Mortgage Interest Credit
>>>>>	Mortgage Interest Credit Computer

1040	Field Name
05POC	Previously Owned Clean Vehicles Credit
05POC>	Previously Owned Clean Vehicles Credit Computer
05OSC	Other Statutory Credit
>>>>>	Other Statutory Credit Computer
05ONC	Total Other Nonrefundable Credits
03NRC	Total Statutory Credit
>>>>>	Total Statutory Credit Computer
94NRV	Statutory Credits Verified
03TAX	Total Tax IMF
>>>>	Total Tax IMF Computer
	Section 19 Not Present

3.12.3.27.6.2
(01-01-2020)

Invalid Conditions (EC 310)

- (1) **Error Code 310** generates when **all** of the following exist:
 - a. The difference between Total Statutory Credits (Field 03NRC) and Total Statutory Credits Computer is not within tolerance of the difference between the taxpayer amounts and computer-generated amounts of all individual credits.
 - b. A math error is present.
 - c. Total Tax IMF (Field 03TAX) is not equal to Total Tax IMF Computer.
- (2) **Error Code 610** generates when **all** of the following exist:
 - a. Total Statutory Credits does not equal Total Statutory Credits Computer.
 - b. A math error is not present.
 - c. The return is a Non-Compute.

3.12.3.27.6.3
(04-25-2022)

Correction Procedures (EC 310)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) **TY20 only**, if the difference between Field 03TAX and the computer underprint is because the entry in Field 05202 was deleted, assign **TPNC 796**.
- (3) If the amount claimed for child tax credit/credit for other dependents in Field 03COD differs from the total nonrefundable credits in Field 03NRC (Form 1040, line 20; TY19, line 13b), search for Schedule 3 or enter credit amounts from supporting forms (e.g., Form 1116, Form 2441, Form 8863, etc.). Refer to EC 299 for correction procedures on other credits. If supporting forms are not attached, SSPND 211. Complete Form 6001 using paragraph L, M, or N.
- (4) If the amount in Field 05ADC differs from the computer underprint, refer to EC 294 for correction procedures.
- (5) Take the following actions when Tentative Tax Computer (Field 03TTX underprint) is blank (do not correspond for any credit form):

- a. Delete the appropriate credit entry.
- b. Delete the entry in Field 03NRC.

- (6) Assign the appropriate TPNC, if no corrections are necessary.
- (7) Compare Form 1040 line 18 (TY19, line 12b; TY18, line 11), Form 1040, to Field 03TBC> when the computer's underprint for a personal credit is **more** than the amount claimed by the taxpayer. If there is a difference because the taxpayer made an error adding tax, alternative minimum tax, and excess APTC, assign **TPNC 230**.

3.12.3.27.6.4
(04-25-2022)

Foreign Tax Credit (EC 310)

- (1) Use the following table to correct foreign tax credit:

Note: A taxpayer uses Form 1116, Foreign Tax Credit (Individual, Fiduciary, or Non-resident Alien Individual), to claim credit for income tax paid to a foreign country or to a U.S. possession.

If...	Then...
A] Form 1116 has not been transcribed,	1. GTSEC 19. 2. Enter all fields of data.
B] More than one Form 1116 is attached,	Use the form that has entries in Part IV. (Refer to IRM 3.12.2.18.3)
C] Form 1116 is present, and Field 05301 is blank,	Enter the data in Field 05301.
D] The amount on Schedule 3, line 1 (TY18, Schedule 3, line 48) is less than \$300 (\$600 for FSC 2),	
E] The amount on Schedule 3, line 1 (TY18, Schedule 3, line 48) is \$300 (\$600 for FSC 2) or more and Form 1116 or similar statement is not attached,	SSPND 211.

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3.12.3.27.6.5
(01-01-2019)

Other Statutory Credits (EC 310)

- (1) The amount for this field can be found on the Schedule 3, line 6h through 6z (TY20-TY19, dotted portion of Schedule 3, line 7). It is not transcribed and must be entered in Field 05OSC, if present. Credit for Fuel from a Non-conventional Source is identified by "**NFS**", "**FNS**", "**Section 29**", or "**K-1**" on Schedule 3, line 7, and the amount is included in the total for that line.

3.12.3.27.6.6
(05-09-2022)

Total Nonrefundable Credits (EC 310)

- (1) Field 03NRC is transcribed from Form 1040, line 20 (TY19, line 13b), and is the total of Schedule 3, lines 1 through 5 and 7 (TY20-TY19, lines 1 through 7).
- (2) Enter the amount of credit into the appropriate field as follows, when the taxpayer enters a "write-in" on the dotted portion of Schedule 3, line 7, instead of reporting it on line 6:

- a. Credit for Prior Year Minimum Tax, Field 05PYM.
 - b. "Orphan Drug Credit", Field 2201H (Form 3800).
 - c. Empowerment Zone Employment Credit, Field 2224 (Form 3800).
- (3) Take the following actions when an entry is present on Schedule 3, line 8 (TY20-TY19, line 7), and lines 1 through 7 (TY20-TY19, lines 1-6) are blank:
- a. Check to see if the taxpayer has attached a form, but has not entered the amount on the appropriate line. If so, GTSEC 05 and enter the credit.
 - b. **SSPND 211**, if there is no indication of which credit was claimed.
- (4) If Schedule 3, line 8 (TY20-TY19, line 7) is blank, and there are line entries leading to a total, compute and enter in Field 03NRC.
- (5) If the taxpayer made an **error adding Total Credits** on Form 1040, line 20 (TY19, line 13b), assign **TPNC 264**.

3.12.3.27.6.7
(01-01-2017)
**Correction Procedures
(EC 610)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for EC 310, and refer to IRM 3.12.2.5.12 for Non-Compute information.
- (3) Take the following actions if the source of the error is not readily apparent (EC 610 may display because of a transcription error involving Child Tax Credit):
 - a. GTSEC 01.
 - b. Ensure that Field(s) 01CT1/2/3/4 are entered correctly.
 - c. Follow the instructions under EC 289 and EC 290 to correct any Child Tax Credit errors, if necessary.
- (4) Enter **C** in the Clear Field if there are no corrections to be made.

3.12.3.27.6.8
(01-01-2017)
Prior Year (EC 310)

- (1) For TY13 and prior, If DC First Time Homebuyer Credit is shown on line 54, enter the taxpayer's amount (limited to \$5,000, or \$2,500 if FSC 3) along with other credits being claimed in Field 94NRV.
- (2) TY10-TY06, the Adoption Credit may only be claimed on Form 1040. Enter the taxpayer's amount for Adoption Credit along with all other credits being claimed in Field 94NRV.
- (3) TY01 only - Rate Reduction Credit - If the taxpayer has an amount entered for Rate Reduction Credit, enter the total correct amount of credits, including the taxpayer's amount for Rate Reduction Credit in Field 94NRV.

3.12.3.27.6.9
(01-01-2024)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 310)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 310**.
Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
218	We computed your tax for you.
220	Because of previous error, we were unable to compute Form 8615 tax.
230	Error in the addition of tax, alternative minimum tax, and APTC repayment.
242	Disallowed all or part of Form 8863 credit - missing or invalid SSN; FSC 3; AGI exceeds maximum; student not a dependent.
246	Disallowed all or part of Form 8880. Must be at least 18 years old.
247	Computed or transferred Form 8880 incorrectly.
253	Computed or transferred Form 8396 incorrectly.
254	Computed or transferred Form 8839 incorrectly.
255	No Reply. Form 8839 incomplete or not attached.
257	Disallowed the Mortgage Interest credit claimed. Mortgage Interest paid from Form 1098 must be included on Schedule A.
263	The write-in credit you claimed is not an allowable credit.
264	You incorrectly added your credits.
266	Figured your credits incorrectly or incorrectly applied the limit from Form 6251.
267	Limited credits by Form 6251 incorrectly, but not liable for Alternative Minimum Tax.
502	No Reply. Schedule 3, Nonrefundable Credits, was incomplete or not attached to your return. (TY18 only)
503	No Reply. Schedule 3, Additional Credits and Payments, was incomplete or not attached. (TY19 and later)
513	No Reply. Form 1116 incomplete or not attached.
514	No Reply. Form 8912, Credit to Holders of Tax Credit Bonds, was incomplete or not attached.
515	No Reply. Form 8978, Partner's Additional Reporting year Tax, was incomplete or not attached.
516	No Reply. Form 8844, Empowerment Zone and Renewal Community Employment Credit, was incomplete or not attached.

TPNC	Description
517	No Reply. Form 8860, Qualified Zone Academy Bond Credit, was incomplete or not attached.
518	No Reply. Form 1118, Foreign Tax Credit - Corporations, was incomplete or not attached.
520	No Reply. Other credit disallowed because there was no form to substantiate the amount.
521	Computed or transferred Form 5695 incorrectly.
522	Form 8910 incomplete or not attached.
523	Form 8936 was incomplete or not attached to your tax return.
524	Form 8834 incomplete or not attached.
525	We didn't allow part or all of the credit on Form 8910. Vehicle on Form 8910, Part I, does not qualify for the credit.
528	Figured or transferred from Form 8834 to Form 3800 incorrectly.
558	You gave us information that changed the refund or amount you owe.
561	Claimed more than allowed on Form 5695, Part I.
567	No Reply. Form 5695 incomplete or not attached.
568	No Reply. Form 8863 incomplete or not attached.
570	We didn't allow the credit for prior year minimum tax because Form 8801 was incomplete or not attached or because you can't claim the credit in the same year you owe alternative minimum tax.
572	Disallowed all or part of the Residential Energy Credit. It is limited to your tentative tax liability.
575	No Reply. Disallowed the general business credit amount. Form 3800 and/or supporting documentation was incomplete or not attached.
704	Primary or secondary SSN or ITIN missing or invalid. Disallowed certain credits: Education credits, CTC, credit for other dependents, ACTC, or EIC.
753	Figured or transferred Form 8941 to Form 3800 incorrectly.
754	No Reply. Form 8941 incomplete or not attached.
755	No Reply. Form 8859, District of Columbia First Time Homebuyer Credit, was incomplete or not attached.
781	Computed or transferred total statutory credits incorrectly.

TPNC	Description
796	For Tax Year 2020, we have removed excess APTC from your return. (TY20 only)
800	We didn't allow the amount you claimed for Form 8941. You indicated you did not participate in a SHOP Exchange.
825	Adjusted Form 2441 because dependent on Form 2441 was born after the tax period.
826	Incorrectly calculated Residential Clean Energy Credit on Form 5695, or indicated ineligible for the credit.
827	Incorrectly calculated Energy Efficient Home Improvement Credit on Form 5695, or indicated ineligible for the credit.
829	Computed or transferred Form 5695, Residential Energy Credits, incorrectly.
830	No Reply. Form 5695, Residential Energy Credits, was incomplete or missing.
831	Disallowed all or part of Residential Energy Credits on Form 5695 because the credits are limited to tax liability.
832	Disallowed all or part of Clean Vehicle Credits on Form 8936 because the credits are limited to tax liability.
833	Disallowed all or part of the Clean Vehicle Credits because one or more of the VINs on Form 8936, Schedule A, didn't match our records.
834	No Reply. Clean Vehicle Credits disallowed because Form 8936 was incomplete or missing.
835	No Reply. Clean Vehicle Credits disallowed because Form 8936, Schedule A, was incomplete or missing.
836	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred credit from Form 8936.
837	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part II of Form 8936, Schedule A.
838	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part III of Form 8936, Schedule A.
839	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part IV of Form 8936, Schedule A.
840	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part V of Form 8936, Schedule A.

TPNC	Description
841	Adjusted Clean Vehicle Credit on Form 8936 because the placed in service date on Schedule A isn't during the tax year.
842	Adjusted Form 8936, Clean Vehicle Credits, because credit on Schedule A of Form 8936 exceeded the maximum.
843	Adjusted Clean Vehicle Credit on Form 3800 because it was computed or transferred incorrectly from Form 8936.
844	Disallowed Form 8910, Alternative Motor Vehicle Credit, claimed after 2022.
***	Any previously assigned TPNC.

3.12.3.27.7
(01-01-2017)
Error Code 314 - Form 4137 and Form 8919 - Combined Unreported Social Security Tax

- (1) Error Code 314 instructions follow.

3.12.3.27.7.1
(01-01-2023)
Fields Displayed, Form 1040 (EC 314)

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
05SSM	Unreported Social Security and Medicare Tax Form 4137/8919
>>>>>	Combined Unreported Social Security and Medicare Tax Form 4137/8919 Computer
05USS	Uncollected SST Tax on Tips
24SSN	Form 4137 SSN-Primary
2402	Total Cash and Charge Tips Received
2403	Total Cash and Charge Tips Reported
2405	Incidental Cash and Charge Tips
2406	Unreported Tips Subject to Medicare Amount
2406>	Form 4137 Cash Charge/Tips Computer
2408	Total SS Wages and Tips
24GOV	Form 4137 Government Employee Tips

1040	Field Name
2410>	Unreported SS Tips Computer
2411>	Form 4137 Medicare Tax Computer
24MCI>	Unreported Medicare Tips Computer
2412>	Form 4137 Medicare Tax Computer
2413>	Form 4137 Tax Computer
2413V	Form 4137 Tax Verified (ERS input only)
25SSN	Form 4137 SSN-Secondary
2502	Total Cash and Charge Tips Received
2503	Total Cash and Charge Tips Reported
2505	Incidental Cash and Charge Tips
2506	Unreported Tips Subject to Medicare Amount
2506>	Form 4137 Cash/Charge Tips Computer
2508	Total SS Wages and Tips
25GOV	Form 4137 Government Employee Tips
2510>	Unreported SS Tips Computer
2511>	Form 4137 Medicare Tax Computer
25MCI>	Unreported Medicare Tips Computer
2512>	Form 4137 Medicare Tax Computer
2513>	Form 4137 Tax Computer
2513V	Form 4137 Tax Verified (ERS input only)
61SSN	Social Security Number
6106	Section 61 Form 8919 Total Wages Amount
6108	Total Social Security Wages & Tips
6110>	Social Security Wages Computer
6111>	Social Security Tax on Wages Computer
6112>	Medicare Tax on Wages Computer
6113	Total Uncollected Social Security and Medicare Tax on Wages
>>>>	Total Uncollected Social Security and Medicare Tax on Wages Computer
6113V	Total Uncollected Social Security Verified (ERS input only)
62SSN	Social Security Number
6206	Section 62 Form 8919 Total Wages Amount

1040	Field Name
6208	Total Social Security Wages & Tips
6210>	Social Security Wages Computer
6211>	Social Security Tax on Wages Computer
6212>	Medicare Tax on Wages Computer
6213	Total Uncollected Social Security and Medicare Tax on Wages
>>>>	Total Uncollected Social Security and Medicare Tax on Wages Computer
6213V	Total Uncollected Social Security Verified (ERS input only)
	Section XX Not Present

3.12.3.27.7.2
(01-01-2017)
Invalid Conditions (EC 314)

- (1) **Error Code 314** generates when Form 4137/Form 8919, Combined Unreported SST is not equal to Form 4137/Form 8919 Combined SST Computer.

3.12.3.27.7.3
(01-01-2017)
Correction Procedures (EC 314)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- Form 4137, *Social Security and Medicare Tax on Unreported Tip Income*, displays as Sections 24 and 25.
 - Form 8919, *Uncollected Social Security and Medicare Tax on Wages*, displays as Sections 61 and 62.
- (2) If Form 4137 is attached, ensure all data present has been transcribed in the proper fields for Section 24/25, when the taxpayer's tip Income on **line 5, Form 4137, is \$20 or more** or allocated tips are present on Form W-2.
- (3) If Form 8919 is attached, ensure all data present has been transcribed in the proper fields for Section 61/62.
- (4) If Form 8919 is attached and there are no entries on lines 1-5 columns (a) - (f), enter **Z** in Field 01ACD.

3.12.3.27.7.4
(04-25-2022)
Field 05SSM Unreported Social Security and Medicare Tax from Form 4137 and Form 8919 (EC 314)

- (1) The unreported Social Security and Medicare tax field is transcribed from Schedule 2, line 7 (TY20-TY19, Schedule 2, line 5), and will underprint with the combined tax amounts for Form 4137 and Form 8919.
- (2) Use the following table when an amount is present in Field 05SSM and Form 4137 and/or Form 8919 is not attached or incomplete.

If the taxpayer...	And...	Then...
A] Did not enter an amount on Schedule 2, line 5 or 6 (TY20 and prior, did not check either box "a or b" on the Unreported SS/Medicare tax line),	Form 4137 and/or Form 8919 is missing,	SSPND 211.
B] Entered an amount on Schedule 2, line 5 (TY20 and prior, checked box "a" on the Unreported SS/Medicare tax line),	Form 4137 is missing,	SSPND 211.
C] Entered an amount on Schedule 2, line 6 (TY20 and prior, checked box "b" on the Unreported SS/Medicare tax line),	Form 8919 is missing,	SSPND 211.

- (3) Adjust the entry in Field 05SSM to be equal to zero when the taxpayer is at-

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3.12.3.27.7.5
(01-01-2017)
**Field 2406> Form 4137
Cash/Charge Tips
Computer (EC 314)**

- (1) To arrive at the total for Field 2406>, the computer will subtract Total cash and Charged Tips Reported (Field 2403) plus Incidental Cash and Tips Field 2405, from Total Cash and Charged Tips received (Field 2402).
- (2) Scholarships and fellowships excluded from gross income are not earned income and should not be included on line 2, Form 4137, exclude the amount on line 2.
- (3) If the taxpayer's entry on line 6, Form 4137, differs from the computer's amount for Field 2406>, assign **TPNC 274**.

3.12.3.27.7.6
(01-01-2017)
**Field 2410> Form 4137
Unreported SS Tips
Computer (EC 314)**

- (1) To arrive at the total for Field 2410>, the computer will use the smaller of Form 4137 Cash/Charge Tips Computer (Field 2406>) or Form 4137 Maximum SS Wages Computer amount for line 9.
- (2) If the taxpayer has an entry on the dotted portion to left of line 10, enter the amount in Field 24GOV.
- (3) If the taxpayer's entry on line 10, Form 4137, differs from the computer's amount for Field 2410>, assign **TPNC 274**.

- 3.12.3.27.7.7
(01-01-2017)
**Field 2411> Form 4137
SS Tax Computer (EC
314)**
- (1) To arrive at the total for Field 2411>, the computer will multiply Form 4137 Unreported SS Tips Field 2410> by 6.2 percent (.062) for TY13 and later.
 - (2) If the taxpayer's entry on line 11, Form 4137, differs from the computer's amount for Field 2411>, assign **TPNC 274**.
- 3.12.3.27.7.8
(01-01-2017)
**Field 24MCI> Form 4137
Unreported Medicare
Tips Computer (EC 314)**
- (1) The computer will set Field 24MCI> equal to Form 4137 Cash/Charge Tips Computer (Field 2406>).
- 3.12.3.27.7.9
(01-01-2017)
**Field 2412> Form 4137
Medicare Tax Computer
(EC 314)**
- (1) To arrive at the total for Field 2412>, the computer will multiply Form 4137 Unreported Medicare Tips Computer (Field 2406> by 1.45 percent (.0145).
 - (2) If the taxpayer's entry on line 12, Form 4137, differs from the computer's amount for Field 2412>, assign **TPNC 274**.
- 3.12.3.27.7.10
(01-01-2017)
**Field 2413> Form 4137
Tax Computer (EC 314)**
- (1) To arrive at the total for Field 2413>, the computer will add the amounts for Form 4137 SS Tax Computer (Field 2411>) and Form 4137 Medicare Tax Computer (Field 2412>).
 - (2) If the taxpayer's entry on line 13, Form 4137, differs from the computer's amount for Field 2413>, assign **TPNC 274**.
- 3.12.3.27.7.11
(01-01-2017)
**Field 2413V Form 4137
Tax Verified (EC 314)**
- (1) This field is an **ERS input only** field and is used only when the computer cannot accurately compute Form 4137.
- 3.12.3.27.7.12
(01-01-2017)
**Field 6106 Form 8919
Total Wages Amount (EC
314)**
- (1) If line 6, Form 8919, is blank and amounts are present on lines 1f through 5f, then add all the amounts for line 1f through line 5f and enter the total in Field 6106.
 - (2) Scholarships and fellowships excluded from gross income are not earned income and not subject to self-employment income. If the taxpayer includes these amounts on line 6, Form 8919, exclude the income from the amount in Field 6106 and assign **TPNC 614**.
- 3.12.3.27.7.13
(01-01-2017)
**Fields 6110> Form 8919
Social Security Wages
Computer (EC 314)**
- (1) The amount in these fields are comparison point to Form 8919, line 10.
- 3.12.3.27.7.14
(01-01-2017)
**Field 6111> Form 8919
Social Security Tax on
Wages Computer (EC
314)**
- (1) To arrive at the total for Field 6111>, the computer will multiply Form 8919 Social Security Wages Computer (Field 6110>) by 6.2 percent (.062) for TY13 and later.

3.12.3.27.7.15
(01-01-2017)

**Field 6112> Form 8919
Medicare Tax on Wages
Computer (EC 314)**

- (1) To arrive at the total for Field 6112>, the computer will multiply Field 6106 by 1.45 percent (.0145).

3.12.3.27.7.16
(01-01-2017)

**Field 6113 Form 8919
Total Uncollected Social
Security and Medicare
Tax on Wages Computer
(EC 314)**

- (1) If the taxpayer's entry for line 13, Form 8919, differs from the computer's amount in Field 6113, assign **TPNC 614**

3.12.3.27.7.17
(01-01-2017)

**Field 6113V Form 8919
Total Uncollected Social
Security Verified (EC
314)**

- (1) This field is an **ERS Input Only** field and is used only when the computer cannot accurately compute Form 8919.

3.12.3.27.7.18
(01-06-2021)

Prior Year (EC 314)

- (1) Refer to the Prior Year Job Aid (2515-014) for the maximum amount of wages or unreported tip income subject to Social Security Tax. TY17 and prior, when the computer is not using the correct maximum amount subject manually compute and enter the correct amount in the verified field (Field 2413V/Field 6113V) when the computer is not using the correct maximum amount subject to Social Security Tax.
- (2) **TY06 and prior**, Uncollected Social Security and Medicare Tax on Wages was reported on Form 4137, Social Security and Medicare Tax on Unreported Tip Income.
- a. If the taxpayer writes the word **“wages” in lieu of the word “tips”**, or indicates an occupation other than waiter or waitress and indicates the income was not derived from tips, then complete and detach Schedule U.
 - b. Route Form SS-8 along with Schedule U when the Form SS-8 (Determination of Employee Work Status) is also attached. These Schedules U get routed to SSA via the Media Transport Unit in Receipt and Control. SSA manually adjusts the taxpayer's account.
 - c. Ensure all data has been transcribed in Section 24. Make sure that the word “tips” is crossed out in the title of Schedule U and replaced with the word “wages”. SSA looks for this notation in adjusting these accounts.
- (3) **TY12 and TY11** - A Form 4137 filer is required to pay Social Security Tax on unreported tip income up to the maximum specified unreported tip income for a specific year and Medicare Tax on **all** unreported tip income (no limit) with a combined total rate of 5.65 percent (4.2 percent for SST and 1.45 percent for Medicare). Refer to the Prior Year Job Aid (2515-014) for the maximum amount of unreported tip income subject to Social Security Tax.
- (4) **TY06 through TY10** - A Form 4137 filer is required to pay Social Security Tax on unreported tip income up to the maximum specified unreported tip income for a specific year and Medicare Tax on **all** unreported tip income (no limit) with a combined total rate of 7.65 percent (6.2 percent for SST and 1.45

percent for Medicare). Refer to the Prior Year Job Aid (2515-014) for the maximum amount of unreported tip income subject to Social Security Tax.

- (5) **Form 8919** - If the computer cannot compute line 11 and 12, use the table below to manually compute each line, adding the result in line 13. Enter the line 13 result in Field 6113V.

Tax Period(s)	Social Security Tax Rate - line 11	Medicare Tax Rate - line 12
11, 12	4.2 percent (.042)	1.45 percent (.0145)
07, 08, 09, 10	6.2 percent (.062)	1.45 percent (.0145)

- (6) For TY07 and prior, accept taxpayers' entry for Form 4137 and enter in Field 2413V/2513V.

3.12.3.27.7.19

(05-09-2023)

Allowable Taxpayer Notice Codes (Form 1040) (EC 314)

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 314**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
274	Computed or transferred Form 4137 incorrectly.
558	You gave us information that changed the refund or amount you owe.
614	Computed or transferred Form 8919 incorrectly.
***	Any previously assigned TPNC

3.12.3.27.8

(01-01-2017)

**Error Code 316 - (CE)
Combined Social
Security and Medicare
Tax Form 4137 and Form
8919**

- (1) Error Code 316 instructions follow.

3.12.3.27.8.1

(01-01-2023)

**Fields Displayed, Form
1040 (EC 316)**

(1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
05SSM	Unreported Social Security and Medicare Tax Form 4137/8919T
>>>>>	Combined Unreported Social Security and Medicare Tax Form 4137/8919 Computer
05USS	Uncollected SST Tax on Tips
24SSN	Form 4137 SSN-Primary
2402	Total Cash and Charge Tips Received
2403	Total Cash and Charge Tips Reported
2405	Incidental Cash and Tips
2406	Unreported Tips Subject to Medicare Amount
2406>	Form 4137 Cash/Charge Tips Computer
2408	Total SS Wages and Tips
24GOV	Form 4137 Government Employee Tips
2410>	Unreported SS Tips Computer
2411>	Form 4137 SS Tax Computer
24MCI>	Unreported Medicare Tips Computer
2412>	Form 4137 Medicare Tax Computer
2413>	Form 4137 Tax Computer
2413V	Form 4137 Tax Verified (ERS input only)
25SSN	Form 4137 SSN-Secondary
2502	Total Cash and Charge Tips Received
2503	Total Cash and Charge Tips Reported
2505	Incidental Cash and Tips
2506	Unreported Tips Subject to Medicare Amount
2506>	Form 4137 Cash/Charge Tips Computer
2508	Total SS Wages and Charge Tips
25GOV	Form 4137 Government Employee Tips
2510>	Unreported SS Tips Computer
2511>	Form 4137 SS Tax Computer

1040	Field Name
25MCI>	Unreported Medicare Tips Computer
2512>	Form 4137 Medicare Tax Computer
2513>	Form 4137 Tax Computer
2513V	Form 4137 Tax Verified (ERS input only)
61SSN	Social Security Number
6106	Section 61 Form 8919 Total Wages Amount
6108	Total Social Security Wages & Tips
6110>	Social Security Wages Computer
6111>	Social Security Tax on Wages Computer
6112>	Medicare Tax on Wages Computer
6113	Total Uncollected Social Security and Medicare Tax on Wages
>>>>	Total Uncollected Social Security and Medicare Tax on Wages Computer
6113V	Total Uncollected Social Security Verified (ERS input only)
62SSN	Social Security Number
6206	Section 62 Form 8919 Total Wages Amount
6208	Total Social Security Wages & Tips
6210>	Social Security Wages Computer
6211>	Social Security Tax on Wages Computer
6212>	Medicare Tax on Wages Computer
6213	Total Uncollected Social Security and Medicare Tax on Wages
>>>>	Total Uncollected Social Security and Medicare Tax on Wages Computer
6213V	Total Uncollected Social Security Verified (ERS input only)
	Section XX Not Present

3.12.3.27.8.2
(01-01-2017)

Invalid Conditions (EC 316)

(1) **Error Code 316** generates when **all** of the following exist:

- a. Form 4137 and Form 8919 Unreported SST Computer is present, and
- b. Unreported Social Security Tips Computer (Field 2410>/2510>) and Unreported Medicare Tips Computer (Field 24MCI>/25MCI>) for both Forms 4137 is not present, and

- c. Form 8919 Total Uncollected Social Security Tax on Wages for both Forms 8919 is not present.

3.12.3.27.8.3
(01-01-2017)

**Correction Procedures
(EC 316)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to specific processing procedures in EC 314.
- (3) Adjust the entry in Field 05SSM to be equal to zero when the taxpayer is at-

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3.12.3.27.9
(01-01-2020)

**Error Code 318 -
Additional Tax on IRA**

- (1) Error Code 318 instructions follow.

3.12.3.27.9.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 318)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01RPC	Return Processing Code
05IRA	Combined Tax on Retirement Plans
05IRA>	Combined Tax on Retirement Plans Computer
2904	Tax on Early Distribution
2908	Tax on Certain Education Accounts
29DX>	Tax on IRA Distributions Computer
2917	Tax on Excess IRA Contributions
2925	Tax on Excess ROTH IRA Contributions
2933	Tax on Excess Coverdell Education Saving Account Contributions
2941	Tax on Excess Archer MSA Contributions
2949	Tax on Excess Contributions to HSA
2951	Tax Excess ABLE Contribution Amount
2955	Tax on Excess Accumulation in QRP Contributions
29CX>	Tax on IRA Contributions Computer
3004	Tax on Early Distribution
3008	Tax on Certain Education Accounts
30DX>	Tax on IRA Distributions Computer
3017	Tax on Excess IRA Contributions

1040	Field Name
3025	Tax on Excess ROTH IRA Contributions
3033	Tax on Excess Coverdell Education Savings Account Contributions
3041	Tax on Excess Archer MSA Contributions
3049	Tax on Excess Contributions to HSA
3051	Tax on Excess ABLE Contribution Amount
3055	Tax on Excess Accumulation in QRP Contributions
30CX>	Tax on IRA Contributions Computer

3.12.3.27.9.2
(01-01-2020)
Invalid Conditions (EC 318)

- (1) **Error Code 318** generates when Combined Tax on Retirement Plans differs from the Combined Tax on Retirement Plans Computer amount.

3.12.3.27.9.3
(01-01-2017)
General Information (EC 318)

- (1) Field 05IRA is transcribed from Schedule 2, line 8 (TY20-TY19, line 6; TY18, Schedule 4, line 59), and represents the taxpayer's amount for both the Tax on Distributions and Tax on Contributions, Form 5329.
- (2) Two Forms 5329 can be processed for a return, one for the primary taxpayer and one for the secondary taxpayer. The first form is entered in Section 29, the second in Section 30. If more than one Form 5329 is attached for the same taxpayer, combine and enter in the appropriate section.
- (3) Taxpayers with only a Tax on Early Distribution may not have to file Form 5329. They are instructed to write "NO" to the left of Schedule 2, line 8 indicating they are not required to attach Form 5329. If the taxpayer is required to file Form 5329 for the Tax on Early Distribution, it will be entered on line 4, Form 5329.

Note: The amount entered on Schedule 2, line 8, may be identified as a Tax on Early Distribution if it is equal to 10 percent of amounts reported on Form 1040, line 4b and/or 5b (TY19, line 4b and/or 4d; TY18, line 4b) or attached Form(s) 1099-R.

- (4) The computer comparison point for Field 05IRA is the combination of Fields 29DX> + 30DX> + 29CX> + 30CX>.

3.12.3.27.9.4
(03-21-2023)
Correction Procedures (EC 318)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Enter **3** in Field 01RPC if Form 5329 is not present and **any** of the following is present:
- The taxpayer has checked the box to the left of Schedule 2, line 8.
 - The taxpayer has written "NO" to the left of the additional tax on IRAs line to indicate that they are not required to file Form 5329.

- c. The entry on the additional tax on IRAs line is equal to 10 percent of the amounts reported on Form 1040, line 4b and/or 5b (TY19, line 4b and/or 4d; TY18, line 4b) or attached Form(s) 1099-R.
- (3) If the taxpayer entered an amount on Schedule 2, line 8 (TY20-TY19, line 6; TY18, Schedule 4, line 59) that is not a Tax on Early Distribution, Form 5329 must be present. If not present, SSPND 211. Complete Form 6001 using paragraph I, J, or K.
- (4) If FSC is 2, and it cannot be determined which taxpayer is liable for the IRA Tax, SSPND 211. Complete Form 6001 using paragraph U.

Exception: If the FSC is 2, Section 29 or 30 is present, and it appears that one taxpayer is required to file Form 5329 and the other is not, delete RPC 3, GTSEC 29 or 30 (whichever is present) and enter the difference between the additional tax on IRAs amount and the amount supported by Form 5329 in Field 2904/3004. If Field 2904/3004 has an entry, increase the Field 2904/3004 entry by the difference between the additional tax on IRAs amount and the amount supported by Form 5329.

- (5) If the taxpayer is indicating reasonable cause for failure to pay, failure to file, needs a Manual Assessment or Abatement, or is an Early-Filed Decedent, see IRM 3.12.2.27.3.11.
- (6) If the taxpayer made an error transferring tax on IRAs, assign **TPNC 275**.

Exception: If any of the conditions in the previous (5) are applicable and an IRA Condition Code is present in Field 29ICC, **do not assign TPNC 275** if the taxpayer did not transfer the Form 5329 amount to Form 1040. Delete the taxpayer's entry in Section 29/30, do not DLSEC the section.

3.12.3.27.9.5
(01-01-2017)
Tax on Distributions (EC 318)

- (1) Fields 29DX> and 30DX> are computer-generated and represent the taxpayer's amount for the 10 percent Tax on Early Distributions and the 10 percent Tax on Certain Distributions from Education Accounts and ABLE Accounts (lines 4 and 8, Form 5329).

3.12.3.27.9.6
(01-01-2017)
Tax on Contributions (EC 318)

- (1) Fields 29CX> and 30CX> are computer generated and represent the taxpayer's amount for Tax on Excess Contributions/Accumulations to:
- Traditional IRAs (line 17, Form 5329)
 - Roth IRAs (line 25, Form 5329)
 - Coverdell ESAs (line 33, Form 5329)
 - Archer MSAs (line 41, Form 5329)
 - Health Savings Accounts (HSAs) (line 49, Form 5329)
 - ABLE Accounts (line 51, Form 5329)
 - Qualified Retirement Plans (including IRAs) (line 55, Form 5329)

3.12.3.27.9.7
(05-09-2023)
Allowable Taxpayer Notice Codes (Form 1040) (EC 318)

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 318**.
- Note:** The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
275	Transferred Form 5329 incorrectly.
558	You gave us information that changed the refund or amount you owe.
***	Any previously assigned TPNC

3.12.3.28
(01-01-2020)
Error Codes 322-340

- (1) Instructions for Error Codes 322 to 340 follow.

3.12.3.28.1
(01-01-2020)
**Error Code 322 and 622
- Schedule H SS
Med/Fed Tax**

- (1) Error Code 322/622 instructions follow.

3.12.3.28.1.1
(01-01-2024)
**Fields Displayed, Form
1040 (EC 322)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
05HSH	Combined Household Employment Taxes
>>>>>	Combined Household Employment Taxes Computer
03TAX	Total Tax IMF
>>>>	Total Tax IMF Computer
4401A	Total Social Security Wages
4401B	Qualified Sick and Family Wages
4402B>	Qualified SST Sick and Family Wages Computer
4402C>	Schedule H SST Computer
4403	Total Medicare Wages
4404>	Sch H Medicare Tax Computer Amount
4405	Schedule H Total Cash Wages/Additional Medicare Tax Amount

1040	Field Name
4406	Schedule H Additional Medicare Tax Amount
4406>	Schedule H Additional Medicare Tax Computer
4407	Federal Withholding
4408B	Non-Refundable Credit for Sick and Family Leave Wages
4408C	Nonrefundable Portion of Sick and Family Leave Amount After 3/31/21
4408D	Schedule H Total Social Security/Medicare/Federal Taxes
4408E	Refundable Portion of Qualified Sick and Family Wages
4408F	Refundable Portion of Qualified Sick and Family Wages Amount After 3/31/21
44NFV	Total Non-FUTA Tax Verified (ERS Input Only)
44TOT>	Schedule H Total SS/Medicare Tax Computer
44FTX	FUTA Tax
44FTX>	Schedule H FUTA Tax Computer
44HTX>	Schedule H Household Employment Taxes Computer
4501A	Total Social Security Wages
4501B	Qualified Sick and Family Wages
4502B>	Qualified SST Sick and Family Wages Computer
4502C>	Schedule H SST Computer
4503	Total Medicare Wages
4504>	Schedule H Medicare Tax Computer Amount
4505	Schedule H Total Cash Wages/Additional Medicare Tax Amount
4506	Schedule H additional Medicare Tax Amount
4506>	Schedule H Additional Medicare Tax Computer
4507	Federal Withholding
4508B	Non-Refundable Credit for Sick and Family Leave Wages
4508C	Nonrefundable Portion of Sick and Family Leave Amount After 3/31/21
4508D	Total Social Security/Medicare/Federal Taxes
4508E	Refundable Portion of Qualified Sick and Family Wages
4508F	Refundable Portion of Qualified Sick and Family Wages Amount After 3/31/21

1040	Field Name
45NFV	Total Non-FUTA Tax Verified (ERS Input Only)
45TOT>	Schedule H Total SS Tax / Medicare Tax Computer
45FTX	FUTA Tax
45FTX>	Schedule H FUTA Tax Computer
45HTX>	Schedule H Household Employment Computer

3.12.3.28.1.2
(01-01-2017)

Invalid Conditions (EC 322)

(1) **Error Code 322** generates when:

- a. Combined Household Employment Taxes is not equal to Combined Household Employment Taxes Computer, **and**
- b. The sum of Section 44 Total Social Security/Medicare/Federal Taxes (Field 4408D) and Section 45 Total Social Security/Medicare/Federal Taxes (Field 4508D) does not equal the sum of Section 44 Total SS/Medicare Tax Computer (Field 44TOT>) and Section 45 Total SS/Medicare Tax Computer (Field 45TOT>).

(2) **Error Code 622** generates when **both** the following exist:

- a. A math error is not present.
- b. The return is a Non-Compute.

3.12.3.28.1.3
(04-01-2022)

Correction Procedures (EC 322)

(1) Correct coding and transcription errors and misplaced entries in displayed fields.

Note: For the remainder of this text Schedule H will be referred to as Section 44; however, all instructions will apply equally to Sections 44 and 45.

Caution: Before assigning a TPNC, beware of a misplaced entry or transcription error involving line 7.

(2) Use the following table to correct Schedule H:

If the taxpayer...	Then...
A] Has an entry on line 8d (TY20, line 8c; TY19, line 8) and no entries on lines 1a, 3, 5 and 7,	<ol style="list-style-type: none"> 1. Manually compute the line 1a and 3 entries by dividing the line 8d (TY20, line 8c; TY19, line 8) entry by .153 (15.3 percent). 2. Enter the result in Fields 4401A and 4403. Note: If EC 322 redisplay, correspond for completion of page 1, Schedule H. 3. If No Reply, enter the line 8d entry in Field 44NFV.
B] Indicates an adjustment related to Social Security and/or Medicare Tax, Note: On MeF returns, the taxpayer will note State Disability Payments Amount .	<ol style="list-style-type: none"> 1. Accept the employer's line 8d (TY20, line 8c; TY19, line 8) tax figure. 2. Enter the line 8d amount in Field 44NFV. Note: If the taxpayer's amount is zero, enter 1 in Field 44NFV.
C] Amount on line 2b, 2c, 4, or 8d (TY20, line 8c; TY19, line 8) does not match the computer amount (Field 4402B>Field 4402C>, 4404>, or 44TOT>),	Assign TPNC 278 .
D Reported Schedule H wages on lines 1a and 3 less than \$2,600 (TY22, \$2,400; TY21, \$2,300), Note: The computer will not compute Social Security Tax (line 2c) and Medicare Tax (line 4).	<ol style="list-style-type: none"> 1. Delete entries less than \$2,600 (TY22, \$2,400; TY21, \$2,300) in Fields 4401A and 4403. TY23-TY20, also delete entry in Field 4401B, if present. 2. Assign TPNC 279
E] Reported tax due on lines 2c and/or 4 based on Wages of less than \$2,600 (TY22, \$2,400; TY21, \$2,300),	Assign TPNC 279 .

3.12.3.28.1.4
(01-01-2017)
**Correction Procedures
(EC 622)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for EC 322 and IRM 3.12.2.5.12 for Non-Compute information.
- (3) Enter **C** in the Clear Field if there are no corrections to be made.

3.12.3.28.1.5
(01-01-2019)
Prior Year (EC 322)

- (1) TY20 and prior, Schedule H requires manual computation. Enter the amount in Field 44NFV/45NFV.
- (2) Use the following table to correct Schedule H:

If the taxpayer...	Then...
A] Reported Schedule H wages on lines 1 and 3 less than \$2,400 for TY22; \$2,300 for TY21; \$2,200 for TY20; \$2,100 for TY19-TY18; \$2,000 for TY17-TY16; \$1,900 for TY15; \$1,900 for TY14,	<ol style="list-style-type: none"> Delete entries less than \$2,400 for TY22; \$2,300 for TY21; \$2,200 for TY20; \$2,100 for TY19-TY18; \$2,000 for TY17-TY16; \$1,900 for TY15; \$1,900 for TY14, in Fields 4401A and 4403. Assign TPNC 279.
B] Reported tax due on lines 2 and/or 4 based on wages of less than \$2,400 for TY22; \$2,300 for TY21; \$2,200 for TY20; \$2,100 for TY19-TY18, \$2,000 for TY17-TY16, \$1,900 for TY15, \$1,900 for TY14,	Assign TPNC 279 .

- (3) TY13 and prior, accept the amount and enter in Field 44NFV/45NFV.

3.12.3.28.1.6
(01-01-2017)
Allowable Taxpayer Notice Codes (Form 1040) (EC 322)

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 322**.
- Note:** The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
218	We computed your tax for you.
278	You figured your Total Social Security Taxes incorrectly.
279	You don't owe Schedule H Social Security and Medicare Taxes.
558	You gave us information that changed the refund or amount you owe.
***	Any previously assigned TPNC.

3.12.3.28.2
(01-01-2017)

(1) Error Code 324/624 instructions follow.

**Error Code 324 and 624
- Schedule H FUTA Tax**

3.12.3.28.2.1
(01-01-2023)

(1) This table shows the fields displayed.

**Fields Displayed, Form
1040 (EC 324)**

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
05HSH	Combined Household Employment Taxes
>>>>>	Combined Household Employment Taxes Computer
44FIN	Section 44 FUTA Indicator
44SC1	Section 44 FUTA State Code 1
44SC2	Section 44 FUTA State Code 2
44FCP	Section 44 FUTA Contributions Paid
44TTC	Section 44 FUTA Total Tentative Credit (line 17)
44TFW	Section 44 FUTA Total Wages
44BAS>	Section 44 FUTA Base Amount Computer
44MAX>	Section 44 FUTA Maximum Amount Computer
44SML>	Section 44 FUTA Smaller Amount Computer
44CR1>	Section 44 Credit Reduction State 1 Computer
44CR2>	Section 44 Credit Reduction State 2 Computer
44TCR	Section 44 Total Credit Reduction
44TCR>	Section 44 Total Credit Reduction Computer
44CA>	Section 44 FUTA Credit Allowable Computer
44FTX	Section 44 FUTA Tax
44FTX>	Section 44 FUTA Tax Computer
44FTV	Section 44 FUTA Tax Verified (ERS input only)
45FIN	Section 45 FUTA Indicator
45SC1	Section 45 FUTA State Code 1
45SC2	Section 45 FUTA State Code 2
45FCP	Section 45 FUTA Contributions Paid
45TTC	Section 45 FUTA Total Tentative Credit (line 17)
45TFW	Section 44 FUTA Total Wages
45BAS>	Section 45 FUTA Base Amount Computer

1040	Field Name
45MAX>	Section 45 FUTA Maximum Amount Computer
45SML>	Section 45 FUTA Smaller Amount Computer
45CR1>	Section 45 Credit Reduction State 1 Computer
45CR2>	Section 45 Credit Reduction State 2 Computer
45TCR	Section 45 Total Credit Reduction
45TCR>	Section 45 Total Credit Reduction Computer
45CA>	Section 45 FUTA Credit Allowable Computer
45FTX	Section 45 FUTA Tax
45FTX>	Section 45 FUTA Tax Computer
45FTV	Section 45 FUTA Tax Verified (ERS input only)

3.12.3.28.2.2
(01-01-2017)
Invalid Conditions (EC 324)

- (1) **Error Code 324** generates when **both** the following exist:
- Combined Household Employment Taxes (Field 05HSH) is not equal to Combined Household Employment Taxes Computer.
 - The sum of Section 44 FUTA Tax (Field 44FTX) and Section 45 FUTA Tax (Field 45FTX) does not equal the sum Section 44 FUTA Tax Computer (Field 44FTX>) and Section 45 FUTA Tax Computer (Field 45FTX).
- (2) **Error Code 624** generates when **both** the following exist:
- A math error is not present.
 - The return is a Non-Compute.

3.12.3.28.2.3
(01-01-2017)
Correction Procedures (EC 324)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

Note: For the remainder of this text Schedule H will be referred to as **Section 44**; however, all instructions will apply equally to **Sections 44 and 45**.

Note: Field 44FTX, FUTA tax, displays in dollars only and its computer underprint, Field 44FTX>, displays in dollars and cents. When the FUTA Indicator, Field 44FIN, is blank, the programming figures Section A in Part II of Schedule H.

- (2) If there is an entry for FUTA tax on line 16 or 24 of Schedule H and no other amounts lead to the entry for FUTA tax, follow these procedures.

Reminder: The taxpayer figures the FUTA tax in Section A only or Section B only. An entry in Section A on line 16, for instance, rules out an entry for FUTA tax in Section B on line 24. Follow the procedures below only for the section the taxpayer uses.

- a. Section A
 - Figure the FUTA wages in Section A by dividing the FUTA tax on line 16 of Schedule H by .006.
 - Enter the result in Field 44TFW.
- b. Section B
 - Figure the FUTA wages by dividing the FUTA tax on line 24 of Schedule H of Schedule H by .006.
 - Enter the result in Field 44TFW.

(3) Use the following table to correct Field 44FIN, FUTA Indicator:

If the taxpayer...	And...	Then...
A] Has entries present in both Sections A and B,	All of the boxes on lines 10 through 12 are answered "yes",	1. Blank Field 44FIN. 2. Delete entries in Section B.
B] Has entries present in both Sections A and B,	At least one box on lines 10 through 12 is answered "no",	1. Enter 1 in Field 44FIN. 2. Delete entries in Section A.
C] Made a math error,		Assign TPNC 277 .

- (4) If the taxpayer notes "late contributions" to the side of the entry for FUTA Tax, accept the taxpayer's amount for FUTA Tax and enter it in Field 44FTV.
- (5) If the taxpayer checks the box on Schedule H, line 23 for TY13 and later, accept the taxpayer's entry for FUTA Tax and enter it in Field 44FTV.

3.12.3.28.2.4
(01-01-2017)
Fields 44BAS>, 44MAX>, and 44SML> (EC 324)

- (1) When Field 44FIN is 1, the computer will apply (for math purposes) Section B of Part II, Schedule H. The following are computer fields representing line entries in Section B:
 - Field 44BAS> FUTA Base Amount Computer, represents the computer's amount for Schedule H, line 21 for TY13 and later.
 - Field 44MAX> FUTA Maximum Amount Computer, represents the computer's amount for Schedule H, line 22 for TY13 and later.
 - Field 44SML> FUTA Smaller Amount Computer, represents the computer's amount for Schedule H, line 23 for TY13 and later.

3.12.3.28.2.5
(01-01-2018)
FUTA Credit Reduction States (EC 324)

- (1) When a valid Credit Reduction State and Credit Reduction Wages are present, the following fields apply:
 - a. Credit Reduction Wages-Fields 44CW1 through 44CW5, Credit Reduction Wages 1 through 5. The amount reported in these fields are multiplied by a certain percentage associated with that state. Assume, for the sake of illustration, that for TY08 Kentucky is a Credit Reduction State and that the percentage for KY is ".003". The amount computed for each state represents Credit Reduction State-1 through 5 Computer, Fields 44CR1> through 44CR5>.
 - b. Field 44TCR (Total Credit Reduction) represents the employer's Total Credit Reduction. This amount should be zero.

- c. Field 44TCR>, Total Credit Reduction Computer, represents the computer's amount for Total Credit Reduction. This amount represents the combined total of Fields 44CR1> through 44CR5>.
- d. Field 44CA> FUTA Credit Allowable Computer, is computed by subtracting Total Credit Reduction Computer from FUTA Smaller Amount Computer.
- e. Then, FUTA Tax Computer is computed by subtracting Credit Allowable Computer from FUTA Base Amount Computer.

Note: For a complete list of credit reduction states and territories, see Exhibit 3.12.2-8, Credit Reduction States and Territories.

3.12.3.28.2.6
(01-01-2017)
**Correction Procedures
(EC 624)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for EC 324 and IRM 3.12.2.5.12 for Non-Compute information.
- (3) Enter **C** in the Clear Field if there are no corrections to be made.

3.12.3.28.2.7
(01-01-2017)
Prior Year (EC 324)

- (1) **TY11** - Taxpayers may compute line 14 or line 19 by multiplying .008 for wages paid before July 1st and .006 for wages paid after June 30th. Enter amount on line 14 in Field 44FTV or 45FTV as appropriate.

3.12.3.28.2.8
(01-01-2017)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 324)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 324**.
Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
218	We computed your tax for you.
277	You computed your FUTA Tax incorrectly.
558	You gave us information that changed the refund or amount you owe.
***	Any previously assigned TPNC.

3.12.3.28.3
(01-01-2017)

(1) Error Code 326/626 instructions follow.

**Error Code 326 and 626
- Combined Schedule H
Tax**

3.12.3.28.3.1
(01-01-2023)

(1) This table shows the fields displayed.

**Fields Displayed, Form
1040 (EC 326)**

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
05HSH	Combined Household Employment Taxes
>>>>>	Combined Household Employment Taxes Computer
4408D	Total SS/Medicare/Federal Taxes
44TOT>	Schedule H Total SS/Med Tax Computer
44FTX	FUTA Tax
44FTX>	FUTA Tax Computer
44HTX>	Schedule H Household Employment Computer
	Section 44 Not Present
4508D	Total SS/Medicare/Federal Taxes
45TOT>	Total SS/Medicare/Income Taxes Computer
45FTX	FUTA Tax
45FTX>	FUTA Tax Computer
45HTX>	Household Employment Taxes Computer
	Section 45 Not Present
44CR1>	Credit Reduction State 1 Computer
44CR2>	Credit Reduction State 2 Computer
44CR3>	Credit Reduction State 3 Computer
44CR4>	Credit Reduction State 4 Computer
44CR5>	Credit Reduction State 5 Computer
45CR1>	Credit Reduction State 1 Computer
45CR2>	Credit Reduction State 2 Computer
45CR3>	Credit Reduction State 3 Computer
45CR4>	Credit Reduction State 4 Computer
45CR5>	Credit Reduction State 5 Computer

3.12.3.28.3.2
(01-01-2017)
Invalid Conditions (EC 326)

- (1) **Error Code 326** generates when:
- a. Combined Household Employment Taxes (Field 05HSH) is not equal to Combined Household Employment Taxes Computer, **and the difference between the two fields does not equal the difference between the sum of**
 - 1. Section 44 Total SS/Med Tax Computer (Field 44TOT>),
 - 2. Section 44 FUTA Tax Computer (Field 44FTX),
 - 3. Section 45 Total SS/Med Tax Computer (Field 45TOT>), and
 - 4. Section 45 FUTA Tax Computer (Field 45FTX)**and the sum of**
 - 1. Section 44 Total/SS/Medicare. Federal Taxes (Field 4408D),
 - 2. Section 44 FUTA Tax (Field 44FTX),
 - 3. Section 45 Total SS/Medicare/Federal Taxes (Field 4508D), and
 - 4. Section 45 FUTA Tax (Field 45FTX).
- (2) **Error Code 626** generates when **both** the following exist:
- a. A math error is not present.
 - b. The return is a Non-Compute.

3.12.3.28.3.3
(04-25-2022)
Correction Procedures (EC 326)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- Note:** For the remainder of this text Schedule H will be referred to as **Section 44**; however, all instructions will apply equally to **Sections 44 and 45**.
- (2) Use the following table to correct Schedule H:

If...	Then...
A] Schedule H is present,	GTSEC 44/45 and enter all fields of data.
B] An amount for Household Employment Taxes (Field 05HSH) is claimed and Schedule H is not attached,	SSPND 211.
C] The taxpayer incorrectly transferred the amount on line 8d (TY20, line 8c; TY19 and prior, line 8) to line 25, (See Note)	Assign TPNC 280 .
D] The taxpayer made an error adding lines 25 and 16/24, (See Note)	Assign TPNC 280 .
E] The taxpayer incorrectly transferred Schedule H, line 26,	Assign TPNC 280 .

Note: Field 44HTX> represents the computer's amount for Schedule H, line 26.

3.12.3.28.3.4
(01-01-2017)
**Correction Procedures
(EC 626)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for EC 326 and IRM 3.12.2.5.12 for Non-Compute information.
- (3) Enter **C** in the Clear Field if there are no corrections to be made.

3.12.3.28.3.5
(01-01-2017)
Prior Year (EC 326)

- (1) For Prior Year line numbers refer to the Prior Year Job Aid, 2515-014.

3.12.3.28.3.6
(03-21-2023)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 326)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 326**.
Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
218	We computed your tax for you.
277	You computed your FUTA Tax incorrectly.
280	Computed or figured Total Schedule H Taxes incorrectly.
558	You gave us information that changed the refund or amount you owe.
***	Any previously assigned TPNC.

3.12.3.28.4
(01-01-2017)
**Error Code 327 - (CE)
Combined Schedule H
Tax With No Income**

- (1) Error Code 327 instructions follow.

3.12.3.28.4.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 327)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period

1040	Field Name
05HSH	Combined Household Employment Taxes
>>>>>	Combined Household Employment Taxes Computer
4401A	Total Social Security Wages
4401B	Qualified Sick and Family Wages
4403	Total Medicare Wages
44TOT>	Schedule H Total Social Security Medicare Tax Computer
44NFV	Total Non-FUTA Tax Verified (ERS Input Only)
44TFW	Total FUTA Wages
44FTV	FUTA Tax Verified (ERS Input Only)
4501A	Total Social Security Wages
4501B	Qualified Sick and Family Wages
4503	Total Medicare Wages
45TOT>	Schedule H Total SS Med Tax Computer
45NFV	Total Non-FUTA Tax Verified (ERS Input Only)
45TFW	Total FUTA Wages
45FTV	FUTA Tax Verified (ERS Input Only)

3.12.3.28.4.2
(01-01-2017)
Invalid Conditions (EC 327)

- (1) **Error Code 327** generates when:
- Combined Household Employment Taxes Computer is significant, **and**
 - Section 44 Total Social Security Medicare Tax Computer (Field 44TOT>) is not significant, **and**
 - Section 44 Total FUTA Wages (Field 44TFW) is not significant, **and**
 - Section 45 Total Social Security Medicare Tax Computer (Field 45TOT>) is not significant, **and**
 - Section 45 Total FUTA Wages (Field 45TFW) is not significant.

3.12.3.28.4.3
(04-25-2022)
Correction Procedures (EC 327)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

Note: For the remainder of this text Schedule H will be referred to as Section 44; however, all instructions will apply equally to Sections 44 and 45.

- (2) An entry must be present in Field 44TFW, Total FUTA Wages (Schedule H, line 15/20), for FUTA Tax to be computed. When the FUTA indicator (Field 44FIN) is blank, the computer will apply (for math purposes) Section A of Part II, Schedule H.
- (3) Use the following table when Field 05HSH> has an entry:

If the taxpayer...	And Schedule H...	Then...
A] Has claimed an amount for Household Employment Taxes (Field 05HSH),	Is attached,	GTSEC 44/45 and enter all fields of data.
B] Has claimed an amount for Household Employment Taxes (Field 05HSH),	Is not attached,	SSPND 211.
D] Has an entry on line 8d (TY20, line 8c),	Has no entries on lines 1a, 3, 5 or 7,	<ol style="list-style-type: none"> 1. Manually compute by dividing the line 8d entry by .153 (15.3 percent). Note: Consider all reported wages. It is not known how many employees are represented by the wages on line 8d. 2. Enter the result in Fields 4401A and 4403.

#

If the taxpayer...	And Schedule H...	Then...
E] Has wages on lines 1a and 3 that are less than \$2,600 (TY22, \$2,400; TY21, \$2,300),		<ol style="list-style-type: none"> Delete any entries of less than \$2,600 (TY22, \$2,400; TY21, \$2,300) in Fields 4401A and 4403. TY23-TY21, also delete the entry in Field 4401B, if present. Note: The computer will not compute SST and Medicare Tax when wages are less than \$2,600 (TY22, \$2,400; TY21, \$2,300). Assign TPNC 279 when EC 322 displays.
F] Indicates an adjustment related to Social Security and/or Medicare Tax,		Enter line 8d (TY20, line 8c) amount in Field 44NFV.
G] Has an entry for FUTA Tax on line 16/24 with no intervening amounts,		<ol style="list-style-type: none"> Manually compute by dividing the Field 44FTX by .006 (0.6 percent). Enter result in Field 44FTW (entry must be present for computer to figure tax).
H] Has entries present in both Sections A and B,	All of the boxes on lines 10 through 12 are answered yes ,	Blank Field 44FIN. (When Field 44FIN is blank, the computer will apply Section A.)
I] Has entries present in both Sections A and B,	At least one box on lines 10 through 12 is answered no ,	Enter 1 in Field 44FIN.

3.12.3.28.4.4
(01-01-2019)

Prior Year (EC 327)

(1) For Prior Year line numbers, refer to the Prior Year Job Aid 2515-014.

- (2) For TY11, some taxpayers are allowed to compute line 14 using .008 for wages paid through June 30th and .006 for wages paid beginning July 1st. Enter line 14 into Field 44FTV or 45FTV as appropriate.
- (3) Refer to the following table for prior-year wage amounts:

If...	Then...
The taxpayer has wages on Schedule H, lines 1 and 3, that are less than \$2,400 for TY22; \$2,300 for TY21; \$2,200 for TY20; \$2,100 for TY19-TY18; \$2,000 for TY17-TY16; \$1,900 for TY15; \$1,900 for TY14,	<ol style="list-style-type: none"> 1. Delete any entries of less than \$2,400 for TY22; \$2,300 for TY21; \$2,200 for TY20; \$2,100 for TY19-TY18; \$2,000 for TY17-TY16; \$1,900 for TY15-TY14, in Fields 4401A and 4403. Note: TY22-TY20, also delete the amount in Field 4401B if present. 2. Assign TPNC 279 when EC 322 displays.

- (4) For TY13 and prior, accept the taxpayer's entry and enter in the verified field.

3.12.3.28.5
(01-01-2020)

**Error Code 328 - First
Time Homebuyer Credit,
No Payment on Return**

- (1) Error Code 328 instructions follow.

3.12.3.28.5.1
(11-23-2021)

**Fields Displayed, Form
1040 (EC 328)**

- (1) The following fields are displayed.

1040	Field Name
CL	Clear Code
02RI	Revalidation Indicator
01TXP	Tax Period
01FSC	Filing Status Code
01CCC	Computer Condition Code
01RPC	Return Processing Code
01SPC	Special Processing Code
01PS	Primary TIN

1040	Field Name
01PNC	Primary Name Control
>>>>>	NAP EIF Primary Name Control Underprint
01SS	Secondary TIN
01SNC	Secondary Name Control
>>>>>	NAP EIF Secondary Name Control Underprint
05FHB	First Time Homebuyer Credit Repayment Amount
>>>>>	Combined First Time Homebuyer Credit Repayment Computer
03TAX	Total Tax IMF
>>>>	Total Tax IMF Computer
58SSN	Sect. 58 Social Security Number
5803	Sect. 58 Disposition Code
PNFH>	Primary NAP First Time Homebuyer Credit Amount
PNRI>	Primary NAP FTHBC Repayment Installment
5808	Sect. 58 Homebuyer Credit Repayment
58FRC>	Sect. 58 Homebuyer Credit Repayment Computer
59SSN	Sect. 59 Social Security Number
5903	Sect. 59 Disposition Code
SNFH>	Secondary NAP First Time Homebuyer Credit Amount
SNRI>	Secondary NAP FTHBC Repayment Installment
5908	Sect. 59 Homebuyer Credit Repayment
59FRC>	Sect. 59 Homebuyer Credit Repayment Computer
	Section 58/59 Not Present

3.12.3.28.5.2
(01-01-2017)

Invalid Conditions (EC 328)

- (1) The Tax Period is equal to or greater than 201012, and the return will set for any of the following conditions:
- Primary NAP First-Time Homebuyer Credit (PNRI>) is greater than zero, Form 1040, and First-Time Homebuyer Repayment Amount (Field 05FHB) is zero, or
 - FSC 2, Secondary NAP First-Time Homebuyer Credit (SNRI>) is greater than zero, First-Time Homebuyer Repayment Amount (Field 05FHB) is zero, or
 - FSC 2, Secondary NAP First-Time Homebuyer Credit (SNRI>) is greater than zero, and Section 58 is present, and Section 59 is **not** present.

3.12.3.28.5.3
(01-01-2020)
**Correction Procedures
(EC 328)**

- (1) **Read all instructions in this error code before using the Clear Field (CL).**
Cases which can't be resolved using these instructions should be suspended with Action Code 410 to your lead tax examiner.
- (2) Correct coding and transcription errors and misplaced entries in displayed fields.
- (3) Enter **R** in Field 02RI.
- (4) If RPC "O" and CCC "X" are both present, delete both codes and suspend the return with Action Code **320** for an IRSN. DO NOT ASSESS FTHBC PAYMENT.

3.12.3.28.5.4
(01-01-2020)
**Determining if the
Assessment of the
Installment Payment is
Appropriate (EC 328)**

- (1) EC 328 is designed to help detect cases when a First-Time Homebuyer Credit (FTHBC) installment payment is **not** reported on the return, and the primary and/or secondary taxpayer may be liable for the payment. Taxpayers who received the FTHBC in TY08 for a home they bought in 2008 must repay the credit over 15 years, starting with their TY10 return.
- (2) Not every EC 328 means that a payment is in fact due. The EC is designed to detect returns where it appears an installment should be assessed and a TPNC sent, but each EC 328 requires review by an ERS examiner. It is possible that conditions on the return may indicate no installment is due.
- (3) FTHBC credits for a home purchased in 2009 and part of 2010 and claimed on 2009 or 2010 tax returns, do not require the annual installment payment and should not generate EC 328.

Note: Certain military filers and other excepted occupations were allowed to purchase the home in the first part of 2011, and claim the credit on their 2011 tax return.

- (4) For 2008 purchases, the installment amount(s) due will display in Fields PNRI> (primary) and/or SNRI> (secondary). The values in these fields represents 1/15th of the total FTHBC the taxpayer received in 2008. For example, a \$7,500 credit received divided by 15 equals a \$500 installment payment due. If FSC 2 taxpayers received the credit on their joint 2008 return, one-half of the credit (and repayment) amounts are allocated to each SSN; hence Fields PNRI> and SNRI> will display \$250.
- (5) Taxpayers who are properly making the installment payment enter the amount on Schedule 2, line 10 (TY20-TY19, line 7b; TY18, Schedule 4, line 60b) and include the amount in the total tax, Form 1040, line 24 (TY19, line 16; TY18, line 15). Taxpayers are no longer required to attach Form 5405 (although some still do, and this is addressed later in the EC).

3.12.3.28.5.5
(04-24-2023)
**Field 01CCC, Computer
Condition Code (EC 328)**

- (1) The following three Computer Condition Codes (CCC) are relevant to EC 328 and FTHBC repayment.
 - a. CCC **F** is present (indicating the primary taxpayer died during the tax year of the return), the repayment obligation (if any) of the primary taxpayer is forgiven.
 - b. CCC **9** is present (indicating the secondary taxpayer died during the tax year of the return), the repayment obligation (if any) of the secondary is forgiven.

- c. CCC **A** is present (indicating both primary and secondary taxpayers died during the tax year of the return), the repayment obligation of both taxpayers is forgiven.
- (2) If the taxpayer attached Form(s) 5405 when one or both taxpayers are deceased, enter **H** in Field 5803/5903 for the taxpayer(s) who is deceased. If a Form 5405 is not attached in this situation, dummy in Section 58/59 and enter H in Field 5803/5903 for the taxpayer who is deceased.
- (3) If the taxpayer attempts to make a repayment in these cases when no repayment for one or both taxpayers is required, ERS programming calculates the payment obligation to zero. The payment obligation is represented in:
 - a. The underprint of Field 05FHB.
 - b. If Section 58 and/or 59 is present, the repayment obligation for each SSN also displays in Field 58FRC> and/or 59FRC>.
 - c. If the payment obligation is displayed as indicated in (a), or (b) above, enter **C** in the Clear Field and assign the appropriate TPNC when the math error generates.

3.12.3.28.5.6
(01-01-2018)
**Field 01SPC, Special
Processing Code (EC
328)**

- (1) Two Special Processing Codes are relevant for EC 328 and FTHBC repayment. Taxpayers are instructed to check the box on line 2 of Form 5405 if they are a member of the uniformed services or Foreign Service, or an employee of the intelligence community. These taxpayers are not required to repay the FTHBC.
- (2) Based on the owner of the Form 5405, enter:
 - a. **Z** in Field 01SPC for the primary taxpayer.
 - b. **7** in Field 01SPC for the secondary taxpayer.
- (3) If FSC 2 and only one Form 5405 is present, both PNRI> and SNRI> are greater than zero, add the missing Form 5405 for the other taxpayer. Ensure SPCs "Z" and/or "7" are entered in Field 01SPC appropriately.
- (4) If EC 328 redisplay, enter **C** in the Clear Field.

3.12.3.28.5.7
(01-01-2018)
**Field 05FHB, First Time
Homebuyer Credit
Repayment (EC 328)**

- (1) Field 05FHB and its underprint display on **Form 1040 only**. Field 05FHB represents the taxpayer's repayment amount for FTHBC, and the computer underprint is the computer's calculation for amount for the primary and/or, for FSC 2, the secondary taxpayers' amount is included in the underprint.
- (2) EC 328 will generate most often when Field 05FHB amount is zero and the underprint is greater than zero.
- (3) EC 328 may display when Field 05FHB and its underprint are both greater than zero and may be equal. This commonly happens when the return is FSC 2, Section 58 is present, and both taxpayers are liable for the repayment. Determine if Section 59 should be transcribed for the secondary taxpayer. Refer to IRM 3.12.3.28.5.9(3), (4), (5), and (6) when Section 59 is required for the secondary taxpayer.

3.12.3.28.5.8
(01-01-2017)

**Field PNFH> and/or
SNFH>,
Primary/Secondary NAP
FTHBC Balance (EC 328)**

- (1) Fields PNFH> (primary) and/or SNFH> (secondary) represent the computer amount for the remaining balance of the FTHBC.

Example: A single taxpayer received \$7,500 in 2008, and made installment payments of \$500 in TY2010 thru TY2017, Field PNFH> should equal a balance of \$3,500.

3.12.3.28.5.9
(03-13-2017)

**Field 5803/5903, Form
5405 Disposition Code
(EC 328)**

- (1) Disposition Code entries in Fields 5803/5903 are indicators the taxpayer sold the home or the home no longer continues to be the main home. The valid entries for Field 5803/5903 (lines 3a through 3h) are A, B, C, D, E, F, G, and H.
- (2) If FSC is **other than 2** and FTHBC credit was received in 2008, Field PNRI> is greater than zero, and disposition code A through H (Field 5803) is present, enter **C** in the Clear Field.
- (3) If FSC is **2** and a disposition code is present, the return requires special handling to determine if Section 59 should be transcribed, suspend to your lead.
The return will have the following conditions:
- a. Both Fields PNRI> and SNRI> contain a value greater than zero.
 - b. Only one Form 5405 is attached to Form 1040.
 - c. Field 5803 is A, B, C, D, F, or G.
 - d. Form 1040, Schedule 2, line 10 (TY20-TY19, line 7b; TY18 Schedule 4, line 60b), equals the amount on Form 5405, line 8.

Exception: The amounts on each form may be zero.

Note: Taxpayers who include only one Form 5405 (Section 58), when both taxpayers are liable for the repayment of the credit, could create an issue for the secondary taxpayer most often indicating they owe a repayment of the credit.

- (4) If Section 59 should be transcribed, follow these specific procedures:
- a. GTSEC 59, enter the secondary SSN in Field 59SSN.
 - b. Enter all Part I information shown on Form 5405 in Section 59.
 - c. Allocate one-half of the dollar amounts, if any from Part II Section 58 and transcribe into Part II Section 59.
 - d. GTSEC 58 and change Part II dollar amounts, to match those input in Section 59.
- (5) Taxpayers may attach Form 5405 when making the annual installment payment although not required.
- a. Research Form 5405 to determine if the taxpayer is paying more the required minimum amount.
 - b. If FSC is other than 2, line 7 of Form 5405 has a dollar amount, line 3 check boxes are blank, no indication the taxpayer disposed of the home (i.e., a date on line 1, Form 5405 or entry in line 2 check box), enter an "I" in Field 5803.
 - c. If FSC is 2 and both Fields PNRI> and SNRI> are greater than zero, follow the procedures in (4) above and enter an I in Fields 5803 and 5903.

- (6) If the FSC is 2, only one Form 5405 (repayment) is filed with the return, Field PNRI> is blank, and Field SNRI> equals the amount on line 8, Form 5405, take the following actions:

- GTSEC 59 and enter secondary SSN in Field 59SSN.
- Enter the amount in Field SNRI> in Field 5908.
- DLSEC 58.

3.12.3.28.5.10
(01-01-2017)
**Fields 5808 and 5908
(EC 328)**

- (1) Fields 5808 and 5908 represent the taxpayer's total repayment amount on the Form(s) 5405 attached to the return. The amounts are totaled and transferred to Schedule 2, line 10 (TY20-TY19, line 7b; TY18, Schedule 4, line 60b).

3.12.3.28.5.11
(01-01-2018)
**Fields 58FRC> and
59FRC> Form 5405
Homebuyer Credit
Repayment Section
58/59 Computer (EC 328)**

- (1) Fields 58FRC> and 59FRC> represent the repayment amount assessed by the computer for the primary and secondary taxpayers. These fields will only be populated with an amount when Section 58 (or Section 59) is present, and a disposition code (Field 5803/5903) is present which creates a payment obligation in the respective Section 58/59. Refer to IRM 3.12.3.28.5.9 (5) when the taxpayer attaches a Form 5405 but is not required to do so.

3.12.3.28.5.12
(01-01-2017)
Clear Code (EC 328)

- (1) When all previous instructions have been reviewed and no other corrections are necessary, enter **C** in the Clear Field.

3.12.3.28.6
(01-01-2017)
**Error Code 329 -
Repayment of the
First-Time Homebuyers
Credit, Form 5405**

- (1) Error Code 329 instructions follow.

3.12.3.28.6.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 329)**

- (1) The following fields are displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01CCC	Computer Condition Code
01RPC	Return Processing Code
01SPC	Special Processing Code
01PS	Primary SSN
01PNC	Primary Name Control
>>>>>	NAP EIF Primary Name Control Underprint
01SS	Secondary SSN
01SNC	Secondary Name Control
>>>>>	NAP EIF Secondary Name Control Underprint

1040	Field Name
05FHB	First Time Homebuyer Credit Repayment Amount
>>>>>	Combined First Time Homebuyer Credit Repayment Computer
03TAX	Total Tax IMF
>>>>>	Total Tax IMF Computer
58SSN	Social Security Number
5801	Date of Disposition of Home or Change in Status of Home
5803	Disposition Code
5804	Credit Claimed in Prior Years
5805	Repayment of Home Purchased in 2008
5807	Gain on Sale of Main Home
PNFH>	Primary NAP First time Homebuyer Credit
PNRI>	Primary NAP FTHBC Repayment Installment
5808	Homebuyer Credit Repayment
58FRC>	Homebuyer Credit Repayment Computer
5808V	Homebuyer Credit Repayment Verified (ERS Input Only)
59SSN	Social Security Number
5901	Date of Disposition of Home or Change in Status of Home
5903	Disposition Code
5904	Credit Claimed in Prior Years
5905	Repayment of Home Purchased in 2008
5907	Gain on Sale of Main Home
SNFH>	Secondary NAP First-Time Homebuyer Credit
SNRI>	Secondary NAP FTHBC Repayment Installment
5908	Homebuyer Credit Repayment
59FRC>	Homebuyer Credit Repayment Computer
5908V	Homebuyer Credit Repayment Verified (ERS Input Only)

3.12.3.28.6.2
(01-01-2017)
Invalid Conditions (EC 329)

- (1) **Error Code 329** generates when **any** of the following conditions are met:
- Section 58 is present, and Section 58 Homebuyer Credit Repayment (Field 5808) is not equal to Section 58 Homebuyer Credit Repayment Computer (Field 58FRC>).
 - Section 59 is present, and Section 59 Homebuyer Credit Repayment (Field 5908) is not equal to Section 59 Homebuyer Credit Repayment computer (Field 59FRC>).
 - Combined First Time Homebuyer Credit Repayment Computer is not equal to First Time Homebuyer Credit Repayment Amount (Field 05FHB).

3.12.3.28.6.3
(04-24-2023)
Correction Procedures (EC 329)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- Note:** For the remainder of this text Form 5405 will be referred to as **Section 58**; however, all instructions will apply equally to **Sections 58 and 59**.
- (2) Enter **R** in Field 02RI and transmit to revalidate the return against NAP and retrieve the proper NAP data.
- (3) If RPC "O" and CCC "X" are both present, delete both codes and suspend the return with Action Code **320** for an IRSN. DO NOT ASSESS FTHBC PAYMENT.
- (4) If the taxpayer has entered a repayment on Schedule 2, line 10 (TY20-TY19, line 7b; TY18, Schedule 4, line 60b) and you have completed the procedure in (2) above, PNRI> and/or SNRI> remain blank in response to revalidation, assume a disposition of the property and request Form 5405, SSPND 211.
- (5) If the filing status is **other than** married filing jointly and a Form 5405 is attached for someone other than the primary taxpayer, or a notation that all or a portion of the repayment is for someone else, such as a dependent, treat the return as multiple filers. Assign **TPNC 649**.
- (6) Taxpayers who **died** within the year of the return being filed that purchased a home in 2008 are **not** required to make a repayment installment. Ensure Computer Condition Code **F** (primary taxpayer), **9** (secondary taxpayer), or **A** (both taxpayers) is correct in Field 01CCC. See IRM 3.12.3.5.6.4 (4).
- (7) If the repayment in Field 05FHB is greater than the sum of the amount in Fields PNRI> and SNRI> and Form 5405 is not present or is incomplete, create the Form 5405 for the primary taxpayer with GTSEC 58 or for the secondary taxpayer with GTSEC 59. Enter the letter **I** in Field 5803 or 5903 and the amount on Schedule 2, line 10, in Field 5808 if only Field PNRI> shows an amount or in Field 5908 if only Field SNRI> shows an amount. If the FSC is 2 and Fields PNRI> and SNRI> both show an amount, enter half the amount on line 10 in Field 5808 and the other half in Field 5908.

Exception: FSC 2, if CCC **F** or **9** is present and the surviving spouse's repayment is greater than their NAP FTHBC Repayment Installment (Field PNRI> or SNRI>), create the Form 5405 for that taxpayer with GTSEC 58 or GTSEC 59. Enter the letter **I** in Field 5803/5903, and enter the Field 05FHB amount in Field 5808/5908.

3.12.3.28.6.4
(04-25-2022)

**Part I, Form 5405,
Disposition or Change in
Use of Main Home (EC
329)**

(1) If there is **no date** on line 1 of Form 5405 and the box at line 2 or any of the boxes at line 3 is marked, SSPND 211 for the date on line 1.

(2) If the box at line 2 of Form 5405 is marked, enter:

- a. **Z** in Field 01SPC if Form 5405 is for primary taxpayer.
- b. **7** in Field 01SPC if Form 5405 is for secondary taxpayer.

Note: If the FSC is 2 and only one Form 5405 is present, an amount is present in Fields PNRI> and SNRI>, add the missing Section 58 or 59 with GTSEC and enter the TIN appropriate for the section and transmit. When EC 329 redisplay, enter **Z** and **7** in Field 01SPC.

(3) If there is a date on line 1, no box has been marked at line 3a through 3h and line 4, 7, or 8 of Form 5405 has an amount, SSPND 211 for the disposition of the house at line 3. If no amount is present on line 7 and line 8, enter the letter **I** in Field 5803 or 5903.

(4) If the box on line 3a or 3f has been marked and no amount is present on line 7, SSPND 211 for entry required.

(5) For TY12 and later, if any box on line 3 of Form 5405 has been marked, ensure Field 5803 or 5903 contains the proper disposition code as follows:

If the taxpayer checks the box on line	Enter disposition code
3a	A
3b	B
3c	C
3d	D
3e	E
3f	F and refer to paragraph 6, below.
3g	G and refer to paragraph 7, below.
3h	H

(6) If disposition code F is present (box 3f is marked), follow the steps below.

- a. Compute line 4 through 8 and enter the correct amount of the gain into Field 5807 (Form 5405 Primary) or 5907 (Form 5405 Secondary) and the correct amount for line 8 into Field 5808V (Form 5405 primary) or 5908V (Form 5405 Secondary).

Note: Use Part III of Form 5405 to determine if the taxpayer has a gain and or loss.

- b. If the taxpayer has a loss, then delete the amount in Field 5807 (Form 5405 primary) or 5907 (Form 5405 secondary) if present and enter disposition code **B** into Field 5803 or 5903.

- (7) If disposition code G is present (box 3g is marked), delete the amount in Field 5807 (Form 5405 primary) or 5907 (Form 5405 secondary) if present and enter disposition code **G** into Field 5803 or 5903.
- (8) Taxpayers may check box “a and g”, “b and g”, or “b, g, and f” on line 3 of Form 5405. If **multiple boxes** are marked enter the proper disposition as follows:
- If box “a and g” are marked, enter **A** in Field 5803 or 5903.
 - If box “b and g” are marked, enter **B** in Field 5803 or 5903.
 - If box “b, g, and f” are marked and line 7 is blank, dash or zero, enter **B** in Field 5803 or 5903.
- (9) If multiple boxes, other than those listed in (6), are marked on line 3 of Form 5405, SSPND 211. Complete Form 6001 using paragraph e with fill-in #21.

Exception: If the only multiple boxes marked are 3a and 3g, or 3b and 3g, or 3b, 3g, and 3f, do **not** correspond.

- (10) If FSC is 2 and only one Form 5405 is attached, do the following:
- If disposition code “**B**”, “**E**,” or “**H**” is present in Field 5803, line 8 of Form 5405 is zero, and an amount is present in Field PNRI> and SNRI> both, GTSEC 59 and enter:
 - the secondary TIN in Field 59SSN.
 - any data on line 1 and 3 of Form 5405 in the corresponding Field 5901 and 5903.
 - the amount on line 7 of Form 5405 in Field 5907.
 - If an amount is present in Field PNFH> and SNFH> both and the sum of Field PNFH> and SNFH> is equal to line 8 of Form 5405, GTSEC 59 and enter:
 - the secondary TIN in Field 59SSN.
 - any data on line 1 and 3 of Form 5405 in the corresponding Field 5901 and 5903.

Note: If no entry is present on line 1 or 3, see paragraph 3 above.

- one-half of the amount on line 7 of Form 5405 in Field 5907.
- the Field SNFH> amount in Field 5908.
- one-half of the amount on line 7 of Form 5405 in Field 5807.
- the Field PNFH> amount in Field 5808.

3.12.3.28.6.5
(01-01-2017)
Disposition Code I (EC 329)

- (1) Disposition Code “I” indicates that no disposition code at line 3 applies to the payment or the payment by the taxpayer is equal to or greater than the required payment.
- (2) If FSC is 2, one Form 5405 is filed and Field PNRI> and SNRI> have an amount, do the following:
- If the amount on line 8 of Form 5405 is **greater than** the combined amount of Field PNRI> and SNRI>, GTSEC 59 and enter:
 - the secondary SSN in Field 59SSN.
 - the letter **I** in Field 5903.
 - one-half of the amount on line 8 of Form 5405 in Field 5908.
 - one-half of the amount on line 8 of Form 5405 in Field 5808.

- b. If the amount on line 8 of Form 5405 is **equal to** the combined amount of Field PNRI> and SNRI>, GTSEC 59 and enter:
- the secondary TIN in Field 59SSN.
 - the letter **I** in Field 5903 and Field 5803 if not present.
 - the amount in field SNRI> in Field 5908.
 - the amount in field PNRI> in Field 5808.
- c. If the amount on line 8 of Form 5405 is **greater than** Field PNRI>, but less than the combined amount of Field PNRI> and SNRI>, GTSEC 59 and enter:
- the secondary TIN in Field 59SSN.
 - the letter **I** in Field 5903.
 - the difference between the amount on line 8 of Form 5405 and the amount in Field PNRI> in Field 5908.
 - the amount in field PNRI> in Field 5808.
- (3) If no box is marked at line 3 and an amount is present in Field PNRI> (primary taxpayer) or SNRI> (secondary taxpayer),

And Form 5405 is for the	Enter...
primary taxpayer,	the letter I in Field 5803.
secondary taxpayer,	the letter I in Field 5903.

- (4) If the FSC is 1, 3, 4, 5, 6, or 7 and the amount on line 8 of Form 5405 is greater than the amount in Field PNRI>, enter disposition code **I** in Field 5803, if not present.

3.12.3.28.6.6
(04-03-2017)
**Line 8, Field 58FRC>
and 59FRC> (EC 329)**

- (1) Confirm whether taxpayers took the First-Time Homebuyer credit.
- If FSC is **2** and no amount is present in Field PNFH>, delete the entry in Field 5803.
 - If FSC is **2** and no amount is present in Field SNFH>, delete the entry in Field 5903.
 - If FSC is **other than 2** and no amount is present in Field PNFH>, delete the entry in Field 5803.
 - If the entry for Field 5803 or 5903 was deleted, assign **TPNC 649**.
- (2) If the amount in Field 05FHB differs from its computer underprint, use the following table:

If...	And...	Then...
A] Form 5405 is not attached,	Field PNRI> or SNRI> has an amount and Field 05FHB is blank,	Assign TPNC 648 .
B] Form 5405 is or is not attached	Field 05FHB is less than the computer underprint,	Assign TPNC 649 .

If...	And...	Then...
C] disposition code A, C, D, F, or G is present in Field 5803 ,	Field 5808 differs from Field 58FRC>,	Assign TPNC 649 .
D] disposition code A, C, D, F, or G is present in Field 5903 ,	Field 5908 differs from Field 59FRC>,	Assign TPNC 649 .
E] Disposition code B or E is present in Field 5803,	Field 5808 is greater than 0 (zero) and Field 58FRC> is blank,	Assign TPNC 649 .
F] Disposition code B or E is present in Field 5903,	Field 5908 is greater than 0 (zero) and Field 59FRC> is blank,	Assign TPNC 649 .

#

G] Disposition code H is present in Field 5803, or CCC "A" or "F" is present in Field 01CCC,	Field 5808 is greater than 0 (zero) and Field 58FRC> is blank,	1. Delete the entry in Field 5803. 2. Assign TPNC 649 .
H] Disposition code H is present in Field 5903, or CCC "A" or "9" is present in Field 01CCC,	Field 5908 is greater than 0 (zero), and Field 59FRC> is blank,	1. Delete the entry in Field 5903. 2. Assign TPNC 649 .
I] Disposition Code A through H is not present in Field 5803 and the amount on line 8 of Form 5405 is not equal to Field 58FRC>,	An amount is present in Field PNRI> or no amount is present in PNRI>,	Assign TPNC 649 .
J] Disposition Code A through H is not present in Field 5903 and the amount on line 8, Form 5405, is not equal to Field 59FRC>,	An amount is present in Field SNRI> or no amount present in Field SNRI>,	Assign TPNC 649 .

3.12.3.28.6.7
(01-01-2017)

**Unpostable Payments,
UPC 189 with RC 9 (For
Rejects TEs only) (EC
329)**

- (1) A payment or non-payment of the First-Time Homebuyer Credit may come back to ERS with Unpostable Code 189, Reason Code 9. Procedures for processing these Unpostable returns are shown below. Some common reasons for the unpostable payment or non-payment are shown below:
 - the taxpayer forgot to make a repayment.
 - the repayment has to be divided between the primary and secondary taxpayers.
 - the taxpayer is reporting a disposition and it has to be applied to the secondary taxpayer too.
 - the taxpayer has died and is no longer required to pay back the credit, but the programming still requires a payment.
- (2) Form 1040, absent payment or underpayment. The taxpayer didn't pay at all or paid too little. The repayment on Schedule 2, line 10 (TY20-TY19, line 7b: TY18, Schedule 4, line 60b) is less than the sum of Fields PNRI> and SNRI>.
 - a. Retrieve the return with GTREC:
 - Stop. Do not clear the return.
 - Enter **R** in Field 02RI and transmit.
 - GTSEC 58 and enter **250.00** in Field 5808 and transmit.
 - Enter **C** in the Clear Field.
 - Delete the entry in Field 03PC, if present.
 - b. Error Code 329 displays:
 - Enter the primary taxpayer's TIN in Field 58SSN.

- Enter the figure in Field PNRI> in Field 5808.
- Enter the letter **I** in Field 5803. Read the caution below before proceeding.
- Follow the procedures in the preceding bullets for Section 59 if Field SNRI> is significant.
- Transmit.

Caution: If only one taxpayer on a joint return is required to repay the credit, the underprint for total tax may already include the payment. The letter **I** in Field 5803 or 5903 may double the taxpayer's payment of the credit in the underprint for total tax. If it does double the taxpayer's payment, remove the letter **I** from Field 5803 or 5903.

- c. Error Code 334 displays:
Assign **TPNC 648** or **649** according to the condition in the return.
- (3) Form 1040, incorrect division of payment. The return cannot post because the repayment was not correctly divided between the primary and secondary taxpayer. The repayment on Schedule 2, line 10 (TY20-TY19, line 7b; TY18, Schedule 4, line 60b) is equal to or greater than the sum of Fields PNRI> and SNRI>.
 - a. Retrieve the return with GTREC:
 - Stop. Do not clear the return.
 - Enter **R** in Field 02RI and transmit.
 - GTSEC 58 and enter **250.00** in Field 5808 and transmit.
 - Enter **C** in the Clear Field.
 - Delete the entry in Field 03PC, if present.
 - b. Error Code 329 displays:
 - Enter the primary taxpayer's TIN in Field 58SSN.
 - Enter the greater of the figure in Field PNRI> or half the repayment on line 10/7b/60b in Field 5808.
 - Enter the letter **I** in Field 5803.
 - Follow the procedures in the preceding bullets for Section 59, if Field SNRI> is significant.
 - Transmit.
- (4) Form 1040, deceased taxpayer:
 - a. Create a dummy Form 5405 for each taxpayer, Section 58 for the primary taxpayer and Section 59 for the secondary taxpayer.
 - Enter each taxpayer's TIN in the appropriate Field 58SSN or 59SSN.
 - Enter disposition code **H** in Field 5803 or 5903 of the deceased taxpayer's dummy Form 5405.
 - Enter the repayment on line 10/7b/60b in Field 5808 or 5908 of the Form 5405 for the surviving spouse.
 - Enter the sum of Fields PNRI> and SNRI> in Field 5808 or 5908, if line 10/7b/60b is blank.
- (5) Form 1040, required payment less than \$100:
 - a. If the taxpayer has included the payment in total tax and total tax is correct, enter the taxpayer's figure for total tax in Field 94TXV.
 - b. If the taxpayer hasn't included the payment in total tax, refigure total tax, making sure that it includes the required payment and taking any other corrections into account. Enter the correct total tax in Field 94TXV.

- c. Assign **TPNC 648** or **649**, along with any other applicable TPNCs at Error Code 360.

3.12.3.28.6.8
(04-25-2022)

Prior Year (EC 329)

- (1) For TY11 and TY10, refer to Prior Year Job Aid 2515-014 for form line numbers.
- (2) TY12 and prior, if any box on line 13 of Form 5405 has been marked, ensure Field 5803 or 5903 contains the proper disposition code as follows:

If the taxpayer checks box...	Enter disposition code...
13a	A
13b	B
13c	C
13d	D
13e	E
13f	F and refer to 3.12.3.28.6.4 (6)
13g	G and refer to 3.12.3.28.6.4 (7)
13h	H

- (3) For TY11 and TY10, if multiple boxes are marked on line 13 of Form 5405, SSPND 211 using paragraph e with fill-in #21.

Exception: If the only multiple boxes marked are 13a and 13g, or 13b and 13g, or 13b, 13g, and 13f, **don't** correspond.

3.12.3.28.6.9
(05-09-2023)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 329)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 329**.
Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in Exhibit 3.12.3-2, Taxpayer Notice Codes.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
558	You gave us information that changed the refund or amount you owe.
648	First-Time Homebuyer Credit repayment installment is due.

TPNC	Description
649	Changed your First-Time Homebuyer Credit repayment installment; Error in computing or transferring, reported a disposition, not required to repay, or taxpayer died.
***	Any previously assigned TPNC

3.12.3.28.7
(01-01-2017)

**Error Code 330 - Form
8889, Health Savings
Accounts Additional Tax**

- (1) Error Code 330 instruction follow.

3.12.3.28.7.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 330)**

- (1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
04OTI	Other Income
03OTX	Total Other Taxes
>>>>	Total Other Taxes Computer
03TAX	Total Tax IMF
>>>>>	Total Tax IMF Computer
	Section 52 Not Present
5218	Part-Year Coverage
5219	Qualified HSA Funding
5220	Total Income on HDHP Coverage
5221	Additional Tx on HDHP Coverage
>>>>	Additional Tax on HDHP Coverage Computer
	Section 53 Not Present
5318	Part-Year Coverage
5319	Qualified HSA Funding
5320	Total Income on HDHP Coverage
5321	Additional Tax on HDHP Coverage
>>>>	Additional Tax on HDHP Coverage Computer

3.12.3.28.7.2
(01-01-2017)
Invalid Conditions (EC 330)

- (1) Error Code 330 generates when Tentative Tax is not significant, and **all** of the following are present:
- Section 52/53 (Form 8889) is present.
 - The difference between Form 8889 Additional Tax on HDHP Coverage and Form 8889 Additional Tax on HDHP Coverage Computer is not within tolerance.
 - Math error is present

3.12.3.28.7.3
(04-25-2022)
Correction Procedures (EC 330)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If Form 8889 is incomplete (lines 18 thru 21 must be completed) SSPND 211.
- (3) The taxpayer's income from line 20 of Form 8889 must be reflected in the taxpayer's income on Schedule 1, line 8f (TY21-TY19, line 8). Make corrections as follows:

If line 21, Form 8889 is present...	And...	Then...
A] And the amount from line 20 of Form 8889 was not transferred to Schedule 1, line 8f (TY 21-TY19, line 8),		<ol style="list-style-type: none"> 1. Include the amount in Field 04OTI. 2. If EC 218 displays, assign TPNC 173.
B] Manually compute the taxpayers' entry for line 20 of Form 8889 when line 8f of Schedule 1 (TY21-TY19, line 8), is present,	the taxpayers' entry for line 21 of Form 8889 differs from the manually computed amount,	<ol style="list-style-type: none"> 1. Ensure the correct amount for line 20 of Form 8889 is entered in Field 04OTI. 2. If EC 218 displays, assign TPNC 173.
C] And the taxpayer made an error in figuring the additional tax on line 21 of Form 8889 or transferring it to Schedule 2, line 17d (TY20, line 8),		Assign TPNC 162 .

3.12.3.28.7.4

(04-25-2022)

**Prior Year Procedures
(EC 330)**

- (1) For TY11 - TY07:
- Field 5218 is for line 19.
 - Field 5219 is for line 20.
 - Field 5220 is for line 21.
 - Field 5221 is for line 22.
- (2) If Form 8889 is incomplete TY11 - TY07 (lines 18 thru 22 must be completed) SSPND 211.
- (3) The taxpayer's income from line 21 of Form 8889 must be reflected in the taxpayer's income on line 21 Form 1040 (TY11 through TY07). Make corrections as follows:

If line 21, Form 8889 is present...	And...	Then...
A] And the amount from line 21 (TY11 through TY07) of Form 8889 was not transferred to line 21 of Form 1040,		1. Include the amount in Field 04OTI. 2. If EC 218 displays, assign TPNC 173 .
B] Manually compute the taxpayers' entry for line 21 of Form 8889 when line 21 of Form 1040 is present,	If the taxpayers' entry for line 21 of Form 8889 differs from the manually computed amount,	1. Ensure the correct amount for line 21 of Form 8889 is entered in Field 04OTI. 2. If EC 218 displays, assign TPNC 173 .
C] And the taxpayer made an error in figuring the additional tax on line 22 of Form 8889 or transferring it to line 61 of Form 1040		Assign TPNC 162 .

3.12.3.28.7.5

(11-27-2020)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 330)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 330**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
162	We changed the amount of total tax on your tax return. The error was in the computation of the total amount in Part III, Form 8889, Income and Additional Tax for Failure to Maintain HDHP and/or transfer of that amount to Form 1040.
173	We changed the total income on your return. Error in figuring or transferring Part III of Form 8889, Health Savings Accounts (HSA).
209	Entered incorrect tax from tax tables or tax rate schedules.
***	Any previously assigned TPNC.

3.12.3.28.8
(01-01-2017)
**Error Code 331 - Form
8959, Additional
Medicare Tax**

- (1) Error Code 331 instructions follow.

3.12.3.28.8.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 331)**

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01PS	Primary SSN
05AMT	Form 8959 Additional Medicare Tax
01SS	Secondary SSN
7118	Form 8959 Additional Medicare Tax Taxpayer Amount
7118>	Additional Medicare Tax Computer
7118V	Additional Medicare Tax Verified (ERS Input Only)
03OTX	Total Other Taxes
>>>>	Total Other Taxes Computer

1040	Field Name
03TAX	Total Tax IMF
>>>>	Total Tax IMF Computer
7101	Medicare Wages
7102	Unreported Tips from Form 4137
2406	Section 24 Unreported Tips
2506	Section 25 Unreported Tips
7103	Unreported Wages from Form 8919
6106	Section 61 Form 8919 Total Wages Amount
6206	Section 62 Form 8919 Total Wages Amount
7107	Additional Medicare Tax on Wages
7107>	Additional Medicare Tax on Wages Computer
17TNE>	Section 17 Total Net Earnings Computer
18TNE>	Section 18 Total Net Earnings Computer
7108	Section 71 Self-Employment Income
7113	Additional Medicare Tax on Self-Employment Income
7113>	Additional Medicare Tax on Self-Employment Income Computer
7114	Railroad Retirement Compensation
7117	Tier I Additional Medicare Tax
7117>	Tier I Additional Medicare Tax Computer
7119	Medicare Tax Withheld
7121>	Medicare Tax Withholding Computer
7122>	Additional Medicare Tax Withholding on Medicare Wages Computer
7123	Tier I Additional Medicare Tax Box 14 W-2
7124	Total Additional Medicare Tax Withholding
7124>	Total Additional Medicare Tax Withholding Computer

3.12.3.28.8.2
(01-01-2017)

Invalid Conditions (EC 331)

- (1) **Error Code 331** generates when Section 71 is present, Additional Medicare Tax Verified is not present, and any of the following conditions are present:

#

3.12.3.28.8.3
(04-25-2022)
**Correction Procedures
(EC 331)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields. If Form 8959 is not attached to the return, search the return for other forms. If found, GTSEC 05 and correct transcription. See IRM 3.12.3.28.10.7 for other possible forms or entries.
- (2) If there is an amount on Schedule 2, line 11 (TY20-TY19, line 8; TY18, Schedule 4, line 62), and Form 8959 is not attached to the return, SSPND 211 to correspond for missing form.
- (3) If Field 7124 and 7124> differ, follow the procedures below:
 - a. Add all amounts from box 5, Forms W-2. If this total is **less than** taxpayer's figure on Form 8959, line 1, by more than \$1 per Form W-2, SSPND 211 requesting support for Form 8959, line 1. If this total is **greater than** taxpayer's figure on Form 8959, line 1, by more than \$1 per Form W-2, enter the computed sum in Field 7101.
 - b. Add all amounts from box 6 of Forms W-2. If this total differs from Form 8959, line 19, by more than \$1 per Form W-2 (either above or below the taxpayer's figure) enter the computed sum in Field 7119.
 - c. Add all amounts from box 14 of Forms W-2. If this total differs from Form 8959, line 23, by more than \$1 per Form W-2 (either above or below taxpayer's figure) enter the computed sum in Field 7123.
- (4) If no further corrections are needed, enter **C** in the Clear Field and take the actions described below if EC 333 displays.

Note: If a previous math error is present, **do not** assign any previously assigned TPNC at EC 333. Send the appropriate TPNC(s) as described below.

- a. If the taxpayer made an error in computing Field 7107, assign **TPNC 764**.
- b. If the taxpayer made an error in computing Field 7113, assign **TPNC 765**.
- c. If the taxpayer made an error in computing Field 7117, assign **TPNC 766**.
- d. If the taxpayer's entry for Other Taxes in Field 03OTX does match the computer's Other Taxes underprint, the taxpayer may have transferred line 18, Form 8959 incorrectly to Schedule 2, line 11 (TY19-TY20, line 8; TY18, Schedule 4, line 62). Search the return for forms and attachments associated with line 11 (TY19-TY20, line 8), including Form 8960, Net Investment Income Tax-Individuals, Estates, and Trusts; COBRA Premium Subsidy; Form 8611, Recapture of Low-Income Housing Credit; Recapture Tax; and Uncollected Tax on Tips. If relevant amounts are found to reconcile the taxpayer's figure in Field 03OTX, enter them in appropriate fields. Otherwise, assign **TPNC 777**.
- e. If the taxpayer made an error in computing Field 7124, assign **TPNC 767** if EC 366 displays.

3.12.3.28.9
(01-01-2017)
**Error Code 332 - Form
8960, Net Investment
Income Tax - Individuals,
Estates, and Trusts**

- (1) Error Code 332 instructions follow.

3.12.3.28.9.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 332)**

(1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01PS	Primary SSN
05NIT	Form 8960 Net Investment Income Tax
01SS	Secondary SSN
7217	Net Investment Income Tax
7217>	Net Investment Income Tax Computer
7217V	Net Investment Income Tax Verified (ERS Input Only)
03OTX	Total Other Taxes
>>>>	Total Other Taxes Computer
03TAX	Total Tax IMF
>>>>	Total Tax IMF Computer
72IND	Investment Income Check Boxes
7201	Section 72 Taxable Interest
03INT	Taxable Interest
7202	Section 72 Ordinary Dividends
03DIV	Ordinary Dividends
7203	Annuities from Non-Qualified Plans
7204A	Section 72 Rent Royalties Partnerships
0405	Schedule E Profit/Loss
>>>>	Schedule E Profit/Loss Computer
7204B	Adjustment for Net Income or Loss
7204C>	Part I First Checkpoint Computer
03CGL	Schedule D Profit/Loss
>>>>>	Schedule D Profit/Loss Computer
0404	Other Gains/Losses
7205A	Net Gains from Disposition of Property
7205B	Net Gain or Loss
7205C	Adjustment from Disposition of Partnership Interest S Corp
7205D>	Part I Second Checkpoint Computer

1040	Field Name
7206	Changes for CFCs and PFICs
7207	Other Modifications to Investment Income
7208	Total Investment Income
7208>	Total Investment Income Computer
7209A	Investment Interest Expense
0709	Investment Interest Paid
7209B	State Income Tax
7209C	Miscellaneous Investment Expenses
7209D>	Deductions Computer
7210	Additional Modifications
7211	Total Deductions and Modifications
7211>	Total Deductions and Modifications Computer
7212>	Net Investment Income Computer
7213	Modified Adjusted Gross Income
7214>	Filing Status Threshold Computer
7215>	Part III Checkpoint Computer
7216	Form 8960 Taxable Investment Income
7216>	Form 8960 Taxable Investment Income Computer

3.12.3.28.9.2
(01-01-2017)
Invalid Conditions (EC 332)

- (1) **Error Code 332** generates when Section 72 is present, Net Investment Income Tax Verified is not present, and any of the following conditions is present:

#

3.12.3.28.9.3
(04-25-2022)
Correction Procedures (EC 332)

- (1) Correct coding and transcription errors and misplaced entries displayed fields.
- Note:** If Form 8960 is not attached to the return, search the return for other forms; if found, GTSEC 05 and correct transcription. See IRM 3.12.3.28.10.7 for other possible forms or entries.
- (2) If there is an amount on Schedule 2, line 12 (TY19-TY20, line 8), and Form 8960 is not present or attached to the return, SSPND 211 to correspond for missing form.
- (3) If the taxpayer's entry for Other Taxes in Field 03OTX does match the computer's Other Taxes underprint, the taxpayer may have transferred line 17, Form

8960 incorrectly to Schedule 2, line 12 (TY19-TY20, line 8). Search the return for forms and attachments associated with Field 03OTX, including Form 8959, Additional Medicare Tax (Field 05AMT); COBRA Premium Subsidy; Form 8611 Recapture of Low-Income Housing Credit (05LIR); Recapture Tax; and Uncollected Tax on Tips. If relevant amounts are found to reconcile the taxpayer's figure on Form 1040, line 23 (Field 03OTX), enter them in appropriate fields. Otherwise, assign **TPNC 776** if EC 366 displays.

- (4) If no further corrections are to be made, enter **C** in the Clear Field and take the actions described below if EC 333 displays.

Note: If a previous math error is present, **do not** assign any previously assigned TPNC at EC 333. Send the appropriate TPNC(s) as described below.

- a. If the taxpayer made an error in computing Field 7208, assign **TPNC 768**.
- b. If the taxpayer made an error in computing Field 7211, assign **TPNC 769**.
- c. If the taxpayer made an error in computing Field 7216, assign **TPNC 770**.
- d. If the taxpayer made an error in computing Field 7217, assign **TPNC 771**.

3.12.3.28.10
(01-01-2017)
**Error Code 333 - Other
Taxes on Schedule 2**

- (1) Error Code 333 instructions follow.

3.12.3.28.10.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 333)**

- (1) This table shows the fields displayed for EC 333.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
	Section 71 Not Present
05AMT	Form 8959 Additional Medicare Tax
7118	Form 8959 Additional Medicare Tax Taxpayer Amount
7118>	Additional Medicare Tax Computer
7118V	Additional Medicare Tax Verified
	Section 72 Not Present
05NIT	Form 8960 Net Investment Income Tax
7217	Net Investment Income Tax
7217>	Net Investment Income Tax Computer
7217V	Net Investment Income Tax Verified
	Section 52 Not Present
5217B	Additional Percent Distributions Tax Amount Section 52
5221	Additional Tax on HDHP Coverage Section 52

1040	Field Name
>>>>	Additional Tax on HDHP Coverage Computer Section 52
	Section 53 Not Present
5317B	Additional Percent Distributions Tax Amount Section 53
5321	Additional Tax on HDHP Coverage Section 53
>>>>	Additional Tax on HDHP Coverage Computer Section 53
05USS	Uncollected Tax on Tips
05III	Interest Due on Installment Income
05IDT	Interest on Deferred Tax
05LIR	Form 8611 Recapture Amount
05TAT	Total Additional Taxes
05CTR	Schedule 8812 Additional Tax
05CTR>	Schedule 8812 Additional Tax Computer
01T6E>	Child Tax Credit Under Six Total Eligible Computer Number
01TCE>	Child Tax Credit Total Eligible Computer Number
01TDE>	Other Dependent Credit Total Eligible Computer Number
03COD	Child and Other Dependent Credit Amount
>>>>>	Child and Other Dependent Credit Computer
03COD>	Gross Child and Other Dependent Credit Computer
03ACT	Additional Child Tax Credit Computer
>>>>>	Additional Child Tax Credit Computer
03ACT>	Gross Additional Child Tax Credit Computer
47ABD	Schedule 8812 Principal Abode Indicator
	Section 47 Not Present
98PAA>	Primary NAP Advance ACTC Amount
98PAN>	Primary NAP Advance ACTC Dependents Number
98SAA>	Secondary NAP Advance ACTC Amount
98SAN>	Secondary NAP Advance ACTC Dependents Number
03OTX	Total Other Taxes
>>>>	Total Other Taxes Computer
03TAX	Total Tax IMF
>>>>>	Total Tax IMF Computer
94TXV	Total Tax IMF Computer

3.12.3.28.10.2
(11-27-2020)
Invalid Conditions (EC 333)

- (1) Error Code 333 generates for Form 1040/1040NR when Total Tax IMF verified is not present and Field 03OTX and its computer underprint are not within tolerance.

3.12.3.28.10.3
(03-21-2023)
Correction Procedures (EC 333)

- (1) Correct coding and transcription errors and misplaced entries displayed fields.
- (2) Field 05AMT is transcribed from line 11, Schedule 2, additional Medicare tax. If there is an entry on Schedule 2, line 11, and Form 8959 is not attached, SSPND 211 and request Form 8959. Field 05NIT is transcribed from line 12, Schedule 2, net investment income tax. If there is an entry on line 12, Schedule 2, and Form 8960 is not attached, SSPND 211 and request Form 8960. TY20 and prior, amounts from Form 8959 and Form 8960 were combined and reported on one line. For TY20-TY19, if either box "a" or "b" on Schedule 2, line 8, is marked and the appropriate form (8959 and/or 8960) is not attached, SSPND 211 and request the form.
- (3) Field 05USS is transcribed from line 13, Schedule 2, Uncollected Social Security and Medicare or RRTA tax. If an amount identified as **UT** or **Uncollected Tax** is written in on Schedule 2, line 17z (TY20-TY19, Schedule 2, line 8), enter the amount in Field 05USS and reduce Field 05TAT if the UT amount was included.
- (4) Field 05III is transcribed from line 14, Schedule 2, interest on tax due on installment income from the sale of certain residential lots. 453(L), SEC 453(l)(3).
- (5) Field 05IDT is transcribed from line 15, Schedule 2, interest on the deferred tax on gain from certain installment sales with a sales price. 453(A), Sec 453A(c).

Caution: For TY18 and prior, enter amount line 15, Schedule 2 in Field 05TAT.

- (6) Field 05LIR is transcribed from line 16, Schedule 2, recapture of low interest housing credit. If Form 8611 is not attached and there is an entry in line 16, Schedule 2, SSPND 211 and request Form 8611.
- (7) If there is an entry on line 17b for FMSR Form 8828 and the form is not attached, SSPND 211 to request Form 8828.
- (8) If there is an entry on line 17z, Schedule 2, and the tax is not identified, SSPND 211 and request an explanation. For TY20 and earlier, if box "c" is checked and no entry present on the "enter codes" line, no box checked, or multiple boxes checked, SSPND 211 and request an explanation of the entry.

Note: Before corresponding, research Forms W-2 to see if there is an entry in box 12. If coded with A, B, M, or N and the amount matches the entry on Schedule 2, line 8, enter in Field 05USS

- (9) If there is an entry in Field 03OTX from Form 1040, line 23 (TY19, line 15; TY18, line 14), check for supporting amount(s) on Schedule 2, Part II, or attachments. If unable to identify the other taxes, SSPND 211 to explain entry.
- (10) TY21, if there is an entry in Field 05CTR from Schedule 2, line 19, and Schedule 8812 is not attached, SSPND 211 to request Schedule 8812.

- (11) If the entry on Schedule 2, line 18, (TY20-19, Schedule 2, line 8; TY18, Schedule 4, line 62) is identified as **Section 965/965(a)**, enter **F** in Field 01RPC and transmit. When EC 333 redisplay, enter SSPND **300**.
- (12) If there is no entry on Schedule 2 line 18 (TY20-19, Schedule 2, line 8, and the tax difference is the result of a previous math error (ripple error), assign the previously assigned TPNC.
- (13) TY19 and later, if the taxpayer made an error in computing total other taxes on Schedule 2 or transferring the Schedule 2 total to Form 1040, line 23 (TY19, line 15), assign **TPNC 734**.

3.12.3.28.10.4
(04-24-2023)
**Field 03OTX, Other
Taxes (EC 333)**

- (1) Field 03OTX, Other Taxes is the sum of amounts on Schedule 2, lines 4, 7 through 16, and 18. TY21, Field 03OTX is the sum of amounts on Schedule 2, lines 4, 7 through 16, 18, and 19.i.
- (2) If Field 03OTX is computed incorrectly, assign the appropriate TPNC:
 - a. **TPNC 734** when the taxpayer made a error totaling the taxes on Schedule 2, or transferring the amount to Form 1040. (TY18, assign **TPNC 732** when the taxpayer made an error totaling the taxes on Schedule 4 or transferring the amount to Form 1040.)
 - b. **TPNC 776** when the taxpayer made an error in transferring Form 8960 to Form 1040.
 - c. **TPNC 777** when the taxpayer made an error in transferring Form 8959 to Form 1040.

3.12.3.28.10.5
(04-25-2022)
**Field 05AMT, Schedule
2, line 11 - Form 8959,
Additional Medicare Tax
(EC 333)**

- (1) If the taxpayer made an error in computing line 7, Form 8959, assign **TPNC 764**.
- (2) If the taxpayer made an error in computing line 13, Form 8959, assign **TPNC 765**.
- (3) If the taxpayer made an error in computing line 17, Form 8959, assign **TPNC 766**.
- (4) If the taxpayer made an error in computing line 24, Form 8959, when EC 366 displays, assign **TPNC 767**.
- (5) If the taxpayer made an error transferring line 17, Form 8959 to line 11, Schedule 2 assign **TPNC 777**.

3.12.3.28.10.6
(11-23-2021)
**Field 05NIT, Schedule 2,
line 12 - Form 8960, Net
Investment Income
Tax(EC 333)**

- (1) If the taxpayer made an error in computing line 8, Form 8960, assign **TPNC 768**.
- (2) If the taxpayer made an error in computing line 11, Form 8960, assign **TPNC 769**.
- (3) If the taxpayer made an error in computing line 16, Form 8960, assign **TPNC 770**.
- (4) If the taxpayer made an error in computing line 17, Form 8960, assign **TPNC 771**.
- (5) If the taxpayer made an error transferring line 17, Form 8960 to line 12, Schedule 2 assign **TPNC 776**.

3.12.3.28.10.7
(03-21-2023)

**Field 05TAT, Total
Additional Taxes -
Schedule 2, line 18 (EC
333)**

- (1) Form 1040, Schedule 2, line 18 is the total of lines 17a-17z, Schedule 2 and is transcribed in Field 05TAT (TY19-20, Schedule 2, line 8 check box "c" TY18, Schedule 4, line 62 check box "c"). Take the following actions.

If there is an entry for	On Schedule 2, line	Then...
Recapture of other credits - this could include: AMVCR, Form 8910 ARPCR, Form 8911 ECCFR, Form 8882 ICR, Form 4255 IECR, Form 8845 NMCR, Form 8874	17a	Enter the amount in Field 05TAT.
FMSR , Form 8828- Recapture of federal mortgage subsidy	17b	Enter the amount in Field 05TAT
HSA , Form 8889 Part II - HSA Distributions	17c	Enter the amount in Field 05TAT Exception: If Form 8889 is attached with an entry in Field 5217B/5317B, adjust Field 05TAT by subtracting the Field 5217B/5317B amount.
HDHP , Form 8889 Part III - Income and Additional Tax for Failure to Maintain HDHP Coverage	17d	Enter the amount in Field 05TAT. Exception: If Form 8889 is attached with an entry in Field 5221/5321, adjust Field 05TAT by subtracting the Field 5221/5321 amount.
MSA , Form 8853 - Additional tax on Archer MSA distributions	17e	Enter the amount in Field 05TAT.

If there is an entry for	On Schedule 2, line	Then...
Med MSA , Form 8853 - Additional tax on Medicare Advantage MSA distributions	17f	Enter the amount in Field 05TAT.
FITPP - Recapture of a charitable contribution deduction related to a fractional interest in tangible personal property	17g	Enter the amount in Field 05TAT.
NMCR , Form 8874 - Income you received from a non-qualified deferred compensation plan that fails to meet the requirements of section 409A	17h	Enter the amount in Field 05TAT.
457A , SEC 457A, Compensation received from a nonqualified deferred compensation plan described as in Section 457A	17i	Enter the amount in Field 05TAT.
Section 72(m)(5) excess benefits tax	17j	Enter the amount in Field 05TAT.
EPP Golden Parachute	17k	Enter the amount in Field 05TAT.

If there is an entry for	On Schedule 2, line	Then...
ADT , Form 4970 - Tax on accumulation distribution of trusts	17l	Enter the amount in Field 05TAT.
ISC , Section 4985 - Excise tax on insider stock compensation from an expatriated corporation	17m	Enter the amount in Field 05TAT.
8697 , Form 8697 - Look-back interest under section 167(g) or 460(b) from Form 8697 or 8866	17n	Enter the amount in Field 05TAT.
1040-NR , Tax on non-effectively connected income for any part of the year you were a nonresident alien from Form 1040-NR	17o	Enter the amount in Field 05TAT.
1291 INT , Form 8621, line 16f, relating to distributions from, and dispositions of, stock of a section 1291 fund	17p	Enter the amount in Field 05TAT.
1294 INT , Any interest amount from Form 8621, line 21	17q	Enter the amount in Field 05TAT.

If there is an entry for	On Schedule 2, line	Then...
453(A) , SEC 453A(c), interest on deferred tax	17z	TY19 and later, enter the amount in Field 05IDT. TY18 and prior, enter the amount in Field 05TAT.
453(L) , SEC 453(l)(3), tax on interest due on installment income	17z	TY19 and later, enter the amount in Field 05III. TY 18 and prior, enter the amount in Field 05TAT.
8936R , Form 8836	17z	Enter the amount in Field 05TAT.
8978 , Form 8978, Partner's Additional Reporting Year Tax	17z	Enter the amount in Field 05TAT.
962 , 962 election	17z	Enter the amount in Field 05TAT.
AMVCR , Form 8610	17z	Enter the amount in Field 05TAT.
ARPCR , Form 8911	17z	Enter the amount in Field 05TAT.
ECCFR , Form 8882	17z	Enter the amount in Field 05TAT.
ICR , Form 4255	17z	Enter the amount in Field 05TAT.
IECR , Form 8845	17z	Enter the amount in Field 05TAT.
NMCR , Form 8874	17z	Enter the amount in Field 05TAT.
UT (Uncollected Tax) - Uncollected Social Security and Medicare or RRTA tax	17z	Enter the amount in Field 05USS, and reduce the amount in Field 05TAT if it was included.

- (2) The taxpayer can include any of the **Other Additional Taxes** shown in (1) above on Schedule 2, line 18 (TY19-20, Schedule 2, line 8; TY18, Schedule 4, line 62) along with any other taxes that are reported on this line.
- (3) If the taxpayer reduces total tax by a **negative** amount written to the left of Schedule 2, line 18/21 (TY19-20, Schedule 2, line 8/10; TY18, Schedule 4, line 62/64), do the following:

#

If...	Then...
	Manually compute total tax by applying the reduction amount and enter the result in Field
	Do not allow the adjustment to
	Manually compute total tax by applying the reduction amount and enter the result in Field
the reduction to total tax,	SSPND 211.

#3.12.3.28.10.8
(04-25-2022)**Schedule 2, Line 19 -
Additional Tax from
Schedule 8812 (TY21
only)**

- (1) TY21 only, if there is an amount on Schedule 2, line 19, that differs from Field 05CTR> and Schedule 8812 is not attached, SSPND 211 and correspond for Schedule 8812.
- (2) TY21 only, correct coding in Field 47ABD from line 13A and/or line 13B of Schedule 8812:
 - 0 if neither box is checked
 - 1 if the United States box is checked
 - 2 if the Puerto Rico box is checked
 - 3 if both boxes are checked
- (3) If Field 05CTR and Field 03ACT are blank, Field 05CTR> contains an entry, and Schedule 8812 is **not** attached, assign **TPNC 276**.

- (4) If the amount in Field 05CTR differs from Field 05CTR>, GTSEC 02 and enter **R** in Field 02RI. If EC 333 redispays with a difference between amounts in Fields 05CTR and 05CTR>, assign **TPNC 276**.

3.12.3.28.10.9
(01-01-2023)
Prior Year (EC 333)

- (1) **TY14-TY18**, if there is an entry for health care individual responsibility (TY18, Schedule 4, line 61; TY14-TY17, Form 1040, line 61), enter the amount in Field 05TAT.
- (2) **TY19 and later**, if the taxpayer made an error in computing total other taxes on Schedule 2 or transferring the Schedule 2 total to Form 1040, line 23 (TY19, line 15), assign **TPNC 734**.
- (3) **TY18**, if the taxpayer made an error in computing total other taxes on Schedule 4 or transferring the Schedule 4 total to line 14, Form 1040, assign **TPNC 732**.
- (4) For TY16 and prior, Field 05TAT includes **Other Taxes**. Follow the instructions below:

If...	Then...
A] COBRA is noted, on line 62,	1. Enter the amount in Field 05TAT. 2. Add amount to line 62 and enter in Field 05TAT.
B] Other Taxes box c , line 62 has an entry and an amount on line 62,	See IRM 3.12.3.28.10.7(1) Table.

Note: The taxpayer can include any of the **Other Taxes** shown in (2) above on line 62 of Form 1040 along with any other taxes that are claimed on this line.

- (5) TY1980 to TY2010, if the taxpayer reported Advanced EIC (AEIC) payments, add the amount to total tax and enter the amount in Field 94TXV.

3.12.3.28.10.10
(05-09-2023)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 333)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 333**.
- Note:** The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in Exhibit 3.12.3-2, Taxpayer Notice Codes.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.

TPNC	Description
276	We changed the amount on Schedule 2 as additional tax from Schedule 8812. Advance CTC payments were not reconciled, or the amount was not computed or transferred correctly.
281	We adjusted the total tax to exclude the refundable interest from Form 8697.
530	We didn't allow the reduction of Section 965 tax amount from total tax.
531	We didn't allow the reduced tax amount because you didn't provide a completed Section 965 Transition Tax Statement.
558	You gave us information that changed the refund or amount you owe.
732	We changed the amount reported as other taxes because of an error in totaling taxes on Schedule 4 or transferring to line 14 of Form 1040.
734	Error in computation or transfer of Schedule 2.
764	We changed the amount reported on line 7, Form 8959.
765	We changed the amount reported on line 13, Form 8959.
766	We changed the amount reported on line 17, Form 8959.
768	We changed the amount reported on line 8, Form 8960.
769	We changed the amount reported on line 11, Form 8960.
770	We changed the amount reported on line 16, Form 8960.
771	We changed the amount reported on line 17, Form 8960.
776	An error was made in transferring Form 8960 to Form 1040.
777	An error was made in transferring Form 8959 to Form 1040.
796	For Tax Year 2020, we have removed excess APTC from your return. (TY20 only)
811	No Reply. Assessed SRP.
812	Changed Balance Due/Refund based on SRP information.
844	Disallowed Form 8910, Alternative Motor Vehicle Credit, claimed after 2022.
***	Any previously assigned TPNC

3.12.3.28.11
(01-01-2017)

(1) Error Code 334 instructions follow.

**Error Code 334 - Total
Tax**

3.12.3.28.11.1
(01-01-2023)

(1) This table shows the fields displayed.

**Fields Displayed, Form
1040 (EC 334)**

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
03INC	Taxable Income Amount
>>>>>	Taxable Income Amount Computer
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
05201	Alternative Minimum Tax
>>>>>	Alternative Minimum Tax Computer
05202	Taxpayer Advance Premium Tax Credit Repayment
05202>	Computed APTC Repayment Amount
03TBC>	Income Tax Before Credits Computer
03NRC	Total Statutory Credits
>>>>>	Total Statutory Credits Computer
03TAC>	Income Tax After Credits Computer
05204	Combined SE Tax
>>>>>	Combined SE Tax Computer
05SSM	Unreported Social Security and Medicare Tax Form 4137/8919
>>>>>	Combined Unreported Social Security and Medicare Tax Form 4137/8919 Computer
05IRA	Combined Tax on Retirement Plans
05IRA>	Combined Tax on IRA and Retirement Plans Computer
29DX>	Tax on Early Distributions
30DX>	Tax on Early Distributions
05HSH	Combined Household Employment Taxes
>>>>>	Combined Household Employment Taxes Computer
05FHB	First-Time Homebuyer Credit Repayment
>>>>>	Combined First-Time Homebuyer Credit Repayment Computer

1040	Field Name
	Section 58 Not Present
PNFH>	Primary NAP First-Time Homebuyer Credit Computer
PNRI>	Primary NAP First-Time Homebuyer Installment
58FRC>	Section 58 Homebuyer Credit Repayment Computer
	Section 59 Not Present
SNFH>	Secondary NAP First-Time Homebuyer Credit Computer
SNRI>	Secondary NAP First-Time Homebuyer Installment
59FRC>	Section 59 Homebuyer Credit Repayment Computer
03OTX	Total Other Taxes
>>>>>	Total Other Taxes Computer
	Section 71 Not Present
7118>	Additional Medicare Tax Computer
	Section 72 Not Present
7217>	Net Investment Income Tax Computer
	Section 52 Not Present
5221	HDHP Failure Additional Tax Amount
>>>>	HDHP Failure Additional Tax Amount Computer
	Section 53 Not Present
5321	HDHP Failure Additional Tax Amount
>>>>	HDHP Failure Additional Tax Amount Computer
05LIR	Form 8611 Recapture
05USS	Uncollected Tax on Tips
05TAT	Total Additional Taxes
05CTR	Schedule 8812 Additional Tax
05CTR>	Schedule 8812 Additional Tax Computer
03TAX	Total Tax IMF
>>>>>	Total Tax IMF Computer
94TXV	Total Tax IMF Verified
03BDR>	Balance Due/Overpayment Taxpayer Computer
>>>>>	Balance Due/Overpayment Computer

3.12.3.28.11.2
(01-01-2020)
Invalid Conditions (EC 334)

- (1) **Error Code 334** generates when **both** of the following exist:
 - a. A math error is present in Total Tax or Balance Due/Refund.
 - b. Total Tax IMF differs from Total Tax IMF Computer.

3.12.3.28.11.3
(01-01-2023)
Correction Procedures (EC 334)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) **TY20 only**, if the difference between Field 03TAX and the computer underprint is because the entry in Field 05202 was deleted, assign **TPNC 796**.
- (3) If the taxpayer made an **error adding Total Credits** on Form 1040, line 20 (TY19, line 13b), assign **TPNC 264**.
- (4) When the taxpayer has entries on lines 17a-17z, Schedule 2, ensure the total is entered in Field 05TAT, Total Additional Taxes. For TY19-20 Schedule 2, dotted portion of line 8; TY18, Schedule 4, line 62 indicates "**MSA**", "**MED+MSA**", "**NQDC**", or "**HSA**" include the amount in Field 05TAT, Total Additional Taxes.
- (5) If the taxpayer included an amount from line 21 of Form 8889, remove that amount from the taxpayer's figure for other taxes in Field 05TAT.
- (6) If taxpayers note an item beside the entry for total tax, see IRM 3.12.3.28.11.10 for instructions.
- (7) If the tax difference is the result of a previous math error (ripple error), assign the previously assigned TPNC.

3.12.3.28.11.4
(01-01-2019)
Field 03TBC>, Income Tax Before Credits Computer (EC 334)

- (1) Field 03TBC> is the computer's amount for Form 1040, line 18, and is not correctable.
- (2) The computer adds the Tentative Tax Computer, line 16, Alternative Minimum Tax Amount Computer, and Computed Repayment Amount Computer, to arrive at the amount for Field 03TBC>. Compare Form 1040 line 18 (TY19, line 12b) to Field 03TBC> when the computer's underprint for a personal credit is **more** than the amount claimed by the taxpayer. If there is a difference because the taxpayer made an error adding tax, alternative minimum tax, and excess APTC, assign **TPNC 230**

3.12.3.28.11.5
(02-06-2019)
Field 03TAC>, Tax After Credits Computer (EC 334)

- (1) Field 03TAC> is the computer's amount for Form 1040, line 22 (TY19, line 14), and is not correctable. The computer subtracts the Total Credits Computer amount from the Tentative Tax Computer amount to arrive at the amount for Field 03TAC>. When the taxpayer claims an amount for Other Statutory Credits, refer to EC 310/610.
- (2) If the taxpayer has made an **error subtracting Total Credits** from Tentative Tax on Form 1040, line 22 (TY19, line 14), assign **TPNC 265**.

3.12.3.28.11.6
(01-01-2020)
Field 05IRA, Tax on Early Distributions (EC 334)

- (1) Field 05IRA is transcribed from Schedule 2, line 8, and represents the taxpayer's amount for both the Tax on Early Distributions and Tax on Contributions, Form 5329.
- (2) Two Forms 5329 can be processed for each return, one for the primary taxpayer and one for the secondary taxpayer. The first form is entered in

Section 29, the second in Section 30. If more than one Form 5329 is attached for the same taxpayer, combine and enter in the appropriate section.

- (3) Taxpayers with only a Tax on Early Distribution may not have to file Form 5329, but they are instructed to write “**NO**” to the left of Schedule 2, line 8 indicating they are not required to attach Form 5329.

Note: The amount entered on Schedule 2, line 8 may be identified as a Tax on Early Distribution if it is equal to 10 percent of amounts reported on Form 1040, line 4b and/or 5b (TY19, line 4b and/or 4d; TY18, line 4b) or attached Form(s) 1099-R.

- (4) Field 05IRA should equal the sum of Fields 05IRA>, 29DX>, and 30DX>. These fields represent the amounts that the taxpayer has entered on the following lines of Form 5329:

- Line 4 (Fields 29DX>/30DX>)
- Line 8 (Fields 29DX>/30DX>)
- Line 17 (Field 05IRA>)
- Line 25 (Field 05IRA>)
- Line 33 (Field 05IRA>)
- Line 41 (Field 05IRA>)
- Line 49 (Field 05IRA>)
- Line 51 (Field 05IRA>)
- Line 55 (Field 05IRA>)

3.12.3.28.11.7
(01-01-2018)
**Field 05HSH, Household
Employment Tax (EC
334)**

- (1) Field 05HSH is transcribed from Schedule 2, line 9. It represents the Household Employment Tax.

3.12.3.28.11.8
(01-01-2018)
**Field 05FHB, First-Time
Homebuyer Credit
Repayment (EC 334)**

- (1) Field 05FHB is transcribed from Schedule 2, line 10. It represents the repayment of the First-Time Homebuyer Credit.
- (2) Refer to the correction procedures in IRM 3.12.3.28.6.

3.12.3.28.11.9
(01-01-2017)
**Fields PNFH> and
SNFH>, FTHBC Primary
and Secondary NAP
First Time Homebuyer
Credit Computer**

- (1) These fields represent the computer amounts for the remaining balance of the FTHBC.

3.12.3.28.11.10
(04-25-2022)
**Field 05TAT, Other Taxes
(EC 334)**

- (1) If the taxpayer writes in an amount on Schedule 2, line 18 but **does not identify it**, look for code “A”, “B”, “M”, and/or “N” in box 12 of Form W-2. The amount associated with each code is another form of uncollected tax (UT). If the amount in Field 05TAT is equal to one or a combination of these amounts, enter the taxpayer’s figure in Field 05USS, and delete the entry in Field 05TAT.

- (2) Taxpayers attempting to pay recapture taxes are instructed to identify type, form number, and amount on line 17a, Schedule 2. Use the following table for instructions to include recapture amounts in Field **05TAT**.

If...	And...	Then...
A] FMSR is noted, Form 8828	is not attached	SSPND 211.
B] FMSR is noted, Form 8828	is attached	Ensure the amount is included in 05TAT.
C] LIHCR is noted, Form 8611	is not attached,	SSPND 211.
D] LIHCR is noted, Form 8611	is attached	Ensure the amount is included in 05TAT.
E] 1. "ICR", Form 4255 2. "QEVCR", Form 8834 3. "IECR", Form 8845 4. "ECCFR", Form 8882 5. "NMCR", Form 8874 6. "ARPCR", Form 8911 7. "AMVCR", Form 8910	is or is not attached	Ensure the amount is included in 05TAT
F] COBRA	is or is not attached	Ensure the amount is included in 05TAT

- (3) Form 1040, Schedule 2 line 18 is the total of line 17a-17z, Schedule 2 and is transcribed in Field 05TAT (TY19-20, Schedule 2, line 8 box "c"; TY18, Schedule 4, line 62 box "c"). When multiple taxes are noted on lines 17a-17z, Schedule 2 ensure that all tax amounts are totaled and that total is entered in Field 05TAT. Take the following actions:

If there is an entry for	On Schedule 2, line	Then
FMSR , Form 8828 - Recapture of federal mortgage subsidy	17b	Enter the amount in Field 05TAT.

If there is an entry for	On Schedule 2, line	Then
HSA , Form 8889 Part II - HSA Distributions	17c	Enter the amount in Field 05TAT. Exception: If Form 8889 is attached with an entry in Field 5217B/5317B, take no action.
HDHP , Form 8889 Part III - Income and Additional Tax for Failure to Maintain HDHP Coverage	17d	Enter the amount in Field 05TAT. Exception: If Form 8889 is attached with an entry in Field 5221/5321, take no action
MSA , Form 8853 - Additional tax on Archer MSA distributions	17e	Enter the amount in Field 05TAT.
Med MSA , Form 8853 - Additional tax on Medicare Advantage MSA distributions	17f	Enter the amount in Field 05TAT.
FITPP - Recapture of a charitable contribution deduction related to a fractional interest in tangible personal property	17g	Enter the amount in Field 05TAT.
NMCR , Form 8874 -Income you received from a nonqualified deferred compensation plan that fails to meet the requirements of section 409A	17h	Enter the amount in Field 05TAT.
457A , SEC 457A Compensation received from a non-qualified deferred compensation plan described as in section 457A	17i	Enter the amount in Field 05TAT.
Section 72(m)(5) excess benefits tax	17j	Enter the amount in Field 05TAT.

If there is an entry for	On Schedule 2, line	Then
EPP Golden Parachute payments	17k	Enter the amount in Field 05TAT.
ADT , Form 4970 -Tax on accumulation distribution of trusts	17l	Enter the amount in Field 05TAT.
ISC , Section 4985 - Excise tax on insider stock compensation from an expatriated corporation	17m	Enter the amount in Field 05TAT.
8697 , Form 8697 - Look-back interest under section 167(g) or 460(b) from Form 8697 or 8866	17n	Enter the amount in Field 05TAT.
1040 NR - Tax on non-effectively connected income for any part of the year you were a nonresident alien from Form 1040-NR	17o	Enter the amount in Field 05TAT.
1291 INT - Form 8621, line 16f, relating to distributions from, and dispositions of, stock of a section 1291 fund	17p	Enter the amount in Field 05TAT.
1294 INT - Any interest amount from Form 8621, line 24	17q	Enter the amount in Field 05TAT.
453(A) , SEC 453A(c), interest on deferred tax	17z	TY19 and later, enter the amount in Field 05IDT. TY18 and prior, enter the amount in Field 05TAT.
453(L) , SEC 453(l)(3), tax on interest due on installment income	17z	TY19 and later, enter the amount in Field 05III. TY18 and prior, enter the amount in Field 05TAT.
8936R , Form 8936	17z	Enter the amount in Field 05TAT.

(4) If the taxpayer reduces total tax by a **negative** amount written to the left of Schedule 2, line 18, do the following:

##

Cat. No. 33590N (11-03-2023)
Any line marked with a #
is for **Official Use Only**

If...	Then...
support the reduction to total tax,	SSPND 211.

#

- (5) If the taxpayer has figured the **ES Tax Penalty** and entered an amount on line 38 (TY19, line 24; TY18, line 23), GTSEC 01 and enter **P** in Field 01CCC. Do not accept a negative amount on the dotted portion of total tax line for this item.
- (6) If the taxpayer has used the amount from line 9, Form 8697, delete the negative entry from total tax, detach the Form 8697 from the Form 1040, and route the Form 8697 to Accounts Management to process the interest to be refunded. Assign **TPNC 281**.
- (7) If the write-in "**Form 8693**" is present on the dotted portion of Schedule 2, line 8 (TY18, Schedule 4, line 62), take no action.

3.12.3.28.11.11
(11-23-2021)
**Field 05CTR Schedule
8812 Additional Tax**

- (1) Field 05CTR is transcribed from Line 19, Schedule 2. The taxpayer figures this amount on Part III, Schedule 8812.
- (2) Check line 40, Schedule 8812 when there is an amount in Field 05CTR> and Field 05CTR is blank. If the taxpayer used the amount found in line 40, Schedule 8812 in figuring total tax, enter the amount in Field 05CTR.
- (3) When Field 05CTR does not match Field 05CTR>, assign **TPNC 276**.

3.12.3.28.11.12
(06-04-2021)
**Field 03TAX, Total Tax
IMF (EC 334)**

- (1) Total Tax IMF is transcribed from Form 1040, line 24 (TY19, line 16; TY18, line 15).
- (2) **Form 1040** - Follow the instructions below:
 - a. When Tentative Tax (line 16) is blank, dash, or zero and there is an entry for Total Tax (line 24), with no intervening amounts, enter the same amount in Field 03TTX. If any other taxes and/or credits are present on line 17 through line 23, then back into tentative tax by subtracting the amount(s) on line 17 and 23 from line 24 and adding the amount(s) on line 19 and/or 20 for the Field 03TTX result. If a math error redisplays, assign the appropriate TPNC.
 - b. When Total Tax (line 24) is blank, dash, or zero and there is an entry for Tentative Tax (line 16), with no intervening amounts, enter the line 16 amount in Field 03TAX.

#

TPNC.

- (3) **Field 03BDR>** is computer-generated and shows the taxpayer's amount for Balance Due/Refund. The underprint shows the computer's computation for this amount. If the **taxpayer correctly figured the Balance Due/Refund**, using the correct amount for Total Tax, but entered an incorrect amount for

Total Tax on line 24, Form 1040 (TY19, line 16; TY18, line 15), follow the taxpayer's intent and adjust Total Tax accordingly.

- (4) When the taxpayer has made a math error on line 22 (TY19, line 14; TY18, line 13), subtracting total credits from tentative tax, assign **TPNC 265**.
- (5) When the taxpayer has made a math error adding Total Tax on line 24 (TY19, line 16; TY18, line 15), assign **TPNC 282**.

3.12.3.28.11.13
(01-01-2017)

**Special Instructions
Concerning Tolerance in
Total Tax and/or Balance
Due/Refund (EC 334)**

- (1) Use the following table when the computer underprints the Total Tax Liability

#

If the computer's amount...	Then...
A] Agrees with the taxpayers'	Enter the Total Tax IMF Computer amount in the Total Tax IMF Field.
B] Does not agree with the taxpayers'	Assign the appropriate TPNC.

3.12.3.28.11.14
(01-01-2017)

**KITA, Killed in Terrorist
Action (EC 334)**

- (1) If the taxpayer was Killed in Terrorist Action (KITA), they are exempt from income tax for the tax year in which they were killed. Code & Edit will attach a Form 4227 to the return after checking with the KITA coordinator at the campus to verify that the taxpayer is not eligible. The notation should say, "Not eligible for KITA". Enter the computer's amount for tax and assign **TPNC 650**.
- (2) If Code & Edit failed to identify a return as KITA/KIA, ERS should take the following action:
 - a. Prepare Form 4227 stating KITA/KIA.
 - b. Route the return to the KITA Coordinator, SSPND 360 (Other in house research).

3.12.3.28.11.15
(04-25-2022)

Prior Year (EC 334)

- (1) For TY14 - TY18, if there is an entry for health care individual responsibility (TY18, Schedule 4, line 61; TY14 - TY17, Form 1040, line 61), enter the amount in Field 05TAT.
- (2) For **TY13 and prior**, if the taxpayer used a TY14 or later tax form to file and has an entry for health care individual responsibility, search return to determine if taxpayer entered the amount on the wrong line. If unable to determine, SSPND 211 for an explanation.
- (3) When the taxpayer claims "MIC" credit or "REC" credit, refer to EC 292 and/or see IRM 3.12.3.26.23.4.
- (4) TY2010 to TY1980 - If the taxpayer reported Advanced EIC (AEIC) payments on Form 1040 or Form 1040A, add the amount to total tax and enter the amount in Field 94TXV.

3.12.3.28.11.16
(01-01-2024)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 334)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 334**.
- Note:** The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
101	We recomputed your tax using FSC 1.
102	We recomputed your tax using FSC 2.
103	We recomputed your tax using FSC 3.
104	We recomputed your tax using FSC 4.
108	You didn't show the name of the person who qualifies you for FSC 4. We recomputed your tax using FSC 1.
111	Your return has been converted to a Form 1040.
176	Transferred AGI from page 1 to page 2 incorrectly.
199	You subtracted your standard deduction or itemized deductions from your AGI incorrectly.
200	You incorrectly figured the deduction amount for the number of exemptions you listed.
201	You didn't limit your exemptions correctly. You are required to apply the limit because of your AGI.
202	You can't claim an exemption for yourself when you can be claimed as a dependent on another person's return.
204	We can't allow the exemption for your spouse with the filing status you used.
208	You figured your taxable income incorrectly.
209	Entered incorrect tax from tax tables or tax rate schedules.
217	When we figured your tax, you didn't owe any.
218	We figured your tax for you.
219	Figured Tentative Tax incorrectly.
230	We found an error in the addition of your tax, Alternative Minimum Tax, and APTC repayment.
240	Computed or transferred Schedule R incorrectly.
242	Adjusted Education credit - missing or invalid SSN; FSC 3; not an exemption.

TPNC	Description
243	Computed Form 8863 incorrectly.
246	We disallowed all or part of your Retirement Savings Contribution Credit. The credit is not allowed if you are not at least 18 years of age at the end of the tax year.
247	Computed or transferred Form 8880 incorrectly.
260	Computed or transferred Form 3800 incorrectly.
264	You added your credits incorrectly on your return.
265	You subtracted your credits from tax incorrectly.
273	You don't owe SE Tax.
275	Transferred Form 5329 incorrectly.
276	We changed the amount of Additional Tax from Schedule 8812. Advance CTC was not reconciled correctly, or amount was not computed or transferred correctly.
280	Figured or transferred Schedule H incorrectly.
281	We adjusted the total tax to exclude the refundable interest from Form 8697.
282	You added the amounts used to figure your total tax incorrectly.
530	We didn't allow the reduction of Section 965 tax amount from total tax.
531	We didn't allow the reduced tax amount because you didn't provide a completed Section 965 Transition Tax Statement.
558	You gave us information that changed the refund or amount you owe.
569	No Reply - Form 8880
572	We didn't allow all or part of Residential Energy Credit as credit cannot exceed tax liability.
648	According to our records a repayment installment for the First-Time Homebuyer Credit received is due. We have calculated the repayment installment due and adjusted your total tax.
649	We changed your installment payment of the First-Time Homebuyer Credit: error in computing or transferring from Form 5405, reported a disposition, not required to repay, or repayment is not required from taxpayer who died in the tax year of the return.
650	The deceased taxpayer was not eligible for exclusion of income under IRC 692.

TPNC	Description
732	Error in totaling or transferring taxes on Schedule 4.
734	Error in totaling or transferring taxes on Schedule 2.
759	We adjusted your return because you reported income or withholding from different tax years.
796	For Tax Year 2020, we have removed excess APTC from your return. (TY20 only)
811	No Reply, Assessed SRP
812	We changed the refund amount, or the amount you owe on your tax return, based on the shared responsibility payment (SRP) information you provided in response to our correspondence.
813	We reduced the shared responsibility payment (SRP) you reported on your tax return down to the maximum SRP amount imposed under the law.
844	Disallowed Form 8910, Alternative Motor Vehicle Credit, claimed after 2022.
***	Any previously assigned TPNC

3.12.3.28.12
(01-01-2017)
**Error Code 335, Earned
Income Credit (PY)**

(1) Error Code 335 instructions follow.

3.12.3.28.12.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 335)**

(1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01EXC	Exemption Code
01RPC	Return Processing Code
03WG	W-2 Wages
03TWG	Total Wages
0403	Combined Schedule C Profit/Loss
>>>>	Combined Schedule C Profit/Loss Computer
0406	Combined Schedule F Profit/Loss
>>>>	Combined Schedule F Profit/Loss Computer
E-INC>	EIC Earned Income Computer

1040	Field Name
04OTI	Other Income
03AGI	Adjusted Gross Income
>>>>>	Adjusted Gross Income Computer
03ESP	Estimated Tax Payments
03NCP	EIC Nontaxable Combat Pay
03PYE	PYEI EIC Income Amount
03EIC	Earned Income Credit
>>>>>	Earned Income Credit Computer
17TE	Tentative Earnings
18TE	Tentative Earnings
	Section 13 Not Present
	Section 43 Present

3.12.3.28.12.2
(08-26-2022)

Invalid Conditions (EC 335)

- (1) **Error Code 335** generates when Earned Income Credit Computer is greater than the allowable amount.
- TY20, EIC Computer is greater than \$538 and Schedule EIC is not present.
 - TY19, EIC Computer is greater than \$529, and Schedule EIC is not present.
 - TY18, EIC Computer is greater than \$519, and Schedule EIC is not present.
 - TY17, EIC Computer is greater than \$510, and Schedule EIC is not present.
 - TY16, EIC Computer is greater than \$506, and Schedule EIC is not present.
 - TY15, EIC Computer is greater than \$503, and Schedule EIC is not present.

3.12.3.28.12.3
(04-25-2022)

Correction Procedures (EC 335)

- Correct coding and transcription errors and misplaced entries in displayed fields.
- TY19 and prior, the computer can't calculate EIC **correctly** for these tax periods. Follow procedures below to resolve Error Code 335.
- For TY14 and later, if the taxpayer's EIC amount is greater than the EIC amount listed for the tax period in the invalid conditions (a) thru (f), **SSPND 211** and correspond for Schedule EIC.
- For TY19 thru TY91, take the following actions:
 - Manually compute EIC using the instructions in EC 337 or 338 for EIC requirements.

- b. GTSEC 03, enter the correct EIC amount in Field 03EIC, and adjust Field 03RCR based on the correct EIC amount in Field 03EIC.
 - c. Enter **A** in Field 01RPC.
- (5) Take **one** of the following actions when the return is TY90 or earlier and Section 43 is present:
- a. Correct the tax period.
 - b. DLSEC 43.

Note: Do not correspond for Schedule EIC for TY90 and prior.

- (6) Take the appropriate actions as follows when EIC Computer amount is greater than the maximum EIC amount for the tax period as shown in the invalid condition:
- a. Correct tax period.
 - b. Recompute EIC amount.
 - c. Enter the correct EIC in Field 03EIC and enter **A** in Field 01RPC. (**TY20 and prior**, GTSEC 03, enter the correct EIC amount in Field 03EIC, and adjust Field 03RCR based on the correct EIC amount. Then enter **A** in Field 0RPC.)
- (7) Refer to the EIC tables in the Prior-Year Job Aid 2515-014.

3.12.3.28.13
(01-01-2017)

**Error Code 336 (CE) EIC
Child Eligibility
Verification**

- (1) Error Code 336 instructions follow.

3.12.3.28.13.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 336)**

- (1) This table shows the fields displayed:

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01PS	Primary SSN
01NA1>	Primary NAP Access Indicator
01PAD>	Primary NAP TIN Assignment Date
01PYB>	Primary Year of Birth
94PAV	Primary Age Verified
01SS	Secondary SSN
01NA2>	Secondary NAP Access Indicator
01SAD>	Secondary NAP TIN Assignment Date
01SYB>	Secondary Year of Birth

1040	Field Name
94SAV	Secondary Age Verified
01CCC	Computer Condition Code
01RPC	Return Processing Code
01SPC	Special Processing Code
01EXC	Exemption Code
94EXV	Exemption Code Verified
T-DAT>	Tentative Return Due Date Computer
43SS1	Schedule EIC Child 1 SSN
43NC1	Schedule EIC Child 1 Name Control
>>>>>	Schedule EIC Child 1 NAP Name Control
43AD1>	EIC Child 1 TIN Assignment Date
43YB1	Schedule EIC Child 1 Year of Birth
43YB1>	Schedule EIC Child 1 NAP Year of Birth
43DD1>	Schedule EIC Child NAP Date of Death
43IN1	Student/Disabled Child 1 Indicator
43RC1	Schedule EIC Child 1 Relationship Code
43MO1	EIC Child 1 Number of Months
43SS2	Schedule EIC Child 2 SSN
43NC2	Schedule EIC Child 2 Name Control
>>>>>	Schedule EIC Child 2 NAP Name Control
43AD2>	EIC Child 2 TIN Assignment Date
43YB2	Schedule EIC Child 2 Year of Birth
43YB2>	Schedule EIC Child 2 NAP Year of Birth
43DD2>	Schedule EIC Child NAP Year of Birth
43IN2	Student/Disabled Child 2 Indicator
43RC2	Schedule EIC Child 2 Relationship Code
43MO2	EIC Child 2 Number of Months
43SS3	Schedule EIC Child 3 SSN
43NC3	Schedule EIC Child 3 Name Control
>>>>>	Schedule EIC Child 3 NAP Name Control
43AD3>	EIC Child 3 TIN Assignment Date
43YB3	Schedule EIC Child 3 Year of Birth
43YB3>	Schedule EIC Child 3 NAP Year of Birth

1040	Field Name
43DD3>	Schedule EIC Child 3 Date of Death
43IN3	Student/Disabled Child 3 Indicator
43RC3	Schedule EIC Child 3 Relationship Code
43MO3	EIC Child 3 Number of Months
43ESR	Child SSNs not Required (ERS Input Only)
E-NUM>	Qualified EIC Dependent Number
03EIC	Earned Income Credit
>>>>>	Earned Income Credit Computer
03NCP	EIC Nontaxable Combat Pay

3.12.3.28.13.2
(05-15-2017)
Invalid Conditions (EC 336)

- (1) **Error Code 336** generates when either of the following conditions are present:
- EIC amount is significant and any of the following conditions exist:
 - The Primary NAP TIN Assignment Date (Field 01PAD>) is after the Tentative Return Due Date (Field T-DAT>), **or**
 - The Secondary NAP TIN Assignment Date (Field 01SAD>) is after the Tentative Return Due Date (Field T-DAT>), **or**
 - Schedule EIC Child 1/2/3 TIN Assignment Date (Field 43AD1/2/3>) is after the Tentative Return Due Date (Field T-DAT>).
 - Section 43 (Schedule EIC) is present, **and** EIC Amount is significant **and** the number of EIC SSNs present does not equal Qualified EIC Dependent Number (Field E-NUM>).

3.12.3.28.13.3
(01-01-2023)
Correction Procedures (EC 336)

- (1) Correct any coding and transcription errors and misplaced entries in displayed fields.
- (2) Compare Fields 01PAD> and 01SAD> (TIN Assignment Date), if present, to Field T-DAT>. If the primary or secondary TIN Assignment Date for either field is **after** T-DAT>, the computer will disallow all Earned Income Credit.

Note: T-DAT> is the Tentative Due Date Computer and displays in YYYYMMDD format. If the return due date is April 15, 2024, T-DAT> will display as 20240415. If the filer requested an extension and a TC 460 shows on IMFOLT, the due date of the return is October 15, 2024, T-DAT> will display as 20241015.

Exception: The primary, secondary or any EIC child TIN Assignment Date will display with all zeros if their TIN was issued prior to 2012.

Reminder: For TY22 and prior, refer to IRM 3.12.3.28.13.4(2).

- (3) Compare Fields 43AD1>, 43AD2> and 43AD3> (TIN Assignment Date), if present to Field T-DAT>. If the child's TIN Assignment Date is **after** T-DAT>, the computer will disallow the Earned Income Credit for that child.

Reminder: For TY22 and prior, refer to IRM 3.12.3.28.13.4(3).

- (4) The EIC child's **NAP Year of Birth** displays in Field 43YB1>, 43YB2>, and 43YB3>. The child meets the age requirements in these cases:
- The EIC child's age is under the age of 19 (TY23, born after 2004).
 - The EIC child's age is under the age of 24 (TY23, born after 1999); the child is a full-time student; and the box "Yes" on line 4a is checked.
 - The EIC child is any age and permanently and totally disabled, and the box "Yes" on line 4b is checked.

Exception: TY09 and later - For other than permanently and totally disabled children, EIC will be allowed only for a child who is **younger than the taxpayer**. The child must have been born in a year after the taxpayer's year of birth. Children born in the **same year** as the taxpayer are **not** considered younger than the taxpayer. If the filing status is joint, the EIC will be allowed as long as one taxpayer is older than the child.

- (5) If any EIC child's NAP Year of Birth **differs** from the **Year of Birth** on line 3, Schedule EIC, and is outside the **age range** in the preceding paragraph 4, assign **TPNC 741** when Error Code 337 displays.
- (6) After all corrective actions have been completed and EC 336 redisplay, enter **C** in the Clear Field.

3.12.3.28.13.4
(11-27-2020)
Prior Year (EC 336)

- (1) The Tentative Return Due Date in Field T-DAT>, other than current year, is the April return due date. NAP will not provide a TC 460 date for a return other than current year. Research must be performed to determine if a TC 460 date is on the account. If present, use the date identified as **EXT-DT** in the last column, under -Variable Data- as the tentative return due date.

Caution: Don't use the TC 460 date in the first column.

- (2) For **TY22 and prior**, if the primary or secondary TIN Assignment Date displays in Field 01PAD> or Field 01SAD> that is after the date in T-DAT>, research IMFOLT for a TC 460 for the tax year of the return.

Caution: On TY 202012 returns, if the TIN Assignment Date is on or before May 17, 2021, or TY 201912 - 202002 returns, if the TIN Assignment Date is on or before July 15, 2020, allow the credit using the steps below:

- Manually compute EIC after applying all eligibility requirements.
- Enter the manually computed EIC amount in Field 03EIC.
- Enter **A** in Field 01RPC.

If...	And...	Then...
A] TC 460 is not found on IMFOLT,	The TIN Assignment Date in Field 01PAD> or 01SAD> is after T-DAT>,	<ol style="list-style-type: none"> Enter C in the Clear Field When EC 337 or 338 generates, assign TPNC 711 (TPNC 810, TY17 and prior).

If...	And...	Then...
B] TC 460 is found on IMFOLT,	The TIN Assignment Date in Field 01PAD> or 01SAD> is after the TC 460 date,	<ol style="list-style-type: none"> 1. Enter C in the Clear Field 2. When Error Code 337 or 338 generates, assign TPNC 711 (TPNC 810, TY17 and prior).
C] TC 460 is found on IMFOLT,	The TIN Assignment Date in Fields 01PAD> and 01SAD> are both before the TC 460 date,	<ul style="list-style-type: none"> • If Section 43 is present, continue to the instructions in (3) to determine if any EIC child's TIN Assignment Date is after the return due date. • If Section 43 is not present, enter C in the Clear Field.

- (3) For **TY22 and prior**, if EIC is claimed for a child and any EIC child's TIN Assignment Date (Field 43AD1/2/3>) is after the date in T-DAT>, research IMFOLT for a TC 460 for the tax year of the return.

Caution: On TY 202012 returns, if the TIN Assignment Date is on or before May 17, 2021, or TY 201912 - 202002 returns, if the TIN Assignment Date is on or before July 15, 2020, allow the credit using the steps below:

1. Manually compute EIC after applying all eligibility requirements.
2. Enter the manually computed EIC amount in Field 03EIC.
3. Enter **A** in Field 01RPC.

If...	And...	Then...
A] TC 460 is not found on IMFOLT,	The TIN Assignment Date in Fields 43AD1>, 43AD2> and 43AD3> are all after T-DAT>,	<ol style="list-style-type: none"> 1. Enter C in the Clear Field 2. When Error Code 337 generates, assign TPNC 711 (TPNC 810, TY17 and prior).

If...	And...	Then...
B] TC 460 is found on IMFOLT,	The TIN Assignment Date in Fields 43AD1>, 43AD2> and 43AD3> are all after the TC 460 date,	<ol style="list-style-type: none"> 1. Enter C in the Clear Field 2. When Error Code 337 generates, assign TPNC 711 (TPNC 810, TY17 and prior).
C] TC 460 is found on IMFOLT,	Any TIN Assignment Date in Field 43AD1>, 43AD2> or 43AD3> is before the TC 460 date,	<ol style="list-style-type: none"> 1. Manually compute EIC after applying all eligibility requirements. Reminder: If any EIC child has a TIN Assignment Date after the TC 460 date, then that child isn't eligible for EIC. 2. Enter the manually computed EIC amount in Field 03EIC. 3. Enter A in Field 01RPC. 4. Enter C in the Clear Field. 5. Assign the appropriate TPNCs when EC 337 generates.

- (4) An entry will be required for the taxpayer to be eligible for the credit. Correct as follows:
- a. Manually compute the credit.
 - b. Enter the correct amount in Field 03EIC, if different.
 - c. Enter **A** in Field 01RPC.
 - d. Enter **C** in the Clear Field.
 - e. Assign the appropriate TPNCs when EC 337 or 338 generates.

3.12.3.28.14
(01-01-2017)
**Error Code 337 and 637
(ME) EIC Math
Verification with
Schedule EIC Attached**

- (1) Error Code 337/637 instructions follow.

3.12.3.28.14.1
(11-23-2021)

(1) This table shows the fields displayed.

**Fields Displayed, Form
1040 (EC 337)**

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01PS	Primary SSN
01NA1>	Primary NAP Access Indicator
01PAD>	Primary NAP TIN Assignment Date
01PYB>	Primary Year of Birth
94PAV	Primary Age Verified
01SS	Secondary SSN
01NA2>	Secondary NAP Access Indicator
01SAD>	Secondary NAP TIN Assignment Date
01SYB>	Secondary Year of Birth
94SAV	Secondary Age Verified
01CCC	Computer Condition Code
01RPC	Return Processing Code
01SPC	Special Processing Code
01EXC	Exemption Code
94EXV	Exemption Code Verified
T-DAT>	Tentative Return Due Date Computer
43SS1	Schedule EIC Child 1 SSN
43NC1	Schedule EIC Child 1 Name Control
>>>>>	Schedule EIC Child 1 NAP Name Control
43SS2	Schedule EIC Child 2 SSN
43NC2	Schedule EIC Child 2 Name Control
>>>>>	Schedule EIC Child 2 NAP Name Control
43SS3	Schedule EIC Child 3 SSN
43NC3	Schedule EIC Child 3 Name Control
>>>>>	Schedule EIC Child 3 NAP Name Control
43ESR	EIC Child SSNs not Required
E-NUM>	Qualified EIC Dependent Number
94EIV	Schedule EIC Earned Income Verified
03EIC	Earned Income Credit

1040	Field Name
>>>>>	Earned Income Credit Computer
03NCP	EIC Nontaxable Combat Pay
03PYE	PYEI EIC Income Amount
E-INC>	Schedule EIC Earned Income Computer
E-SEI>	Schedule EIC SE Income Computer
03DQI>	EIC Disqualified Income Computer
03WG	W-2 Wages
0403	Combined Schedule C Profit/Loss
>>>>	Combined Schedule C Profit/Loss Computer
0406	Combined Schedule F Profit/Loss
>>>>	Combined Schedule F Profit/Loss Computer
04OTI	Other Income
04DSE	Deduction for SE Tax
>>>>>	Deduction for SE Tax Computer
03AGI	AGI Amount
>>>>>	AGI Amount Computer
05204	Combined SE Tax
>>>>	Combined SE Tax Computer
09STI	Section 09 Statutory Employee Indicator
10STI	Section 10 Statutory Employee Indicator
11STI	Section 11 Statutory Employee Indicator
17TE	Tentative Earnings Section 17
18TE	Tentative Earnings Section 18

3.12.3.28.14.2
(01-01-2017)

**Invalid Conditions (EC
337/637)**

- (1) **Error Code 337** generates when **all** of the following exist:
 - a. Total Payments is not equal to Total Payments Computer.
 - b. Section 43 is present.
 - c. The EIC Amount differs from EIC Amount Computer.
 - d. A math error is present in Balance Due/Overpayment.
- (2) **Error Code 637** generates when **both** of the following exist:
 - a. A math error is not present.
 - b. The return is a Non-Compute.

3.12.3.28.14.3
(01-01-2023)

**Correction Procedures
(EC 337)**

- (1) Correct any coding and transcription errors and misplaced entries in displayed fields.
- (2) If the Primary/Secondary taxpayer's year of birth, Field 01PYB>/01SYB>, displays with all zeros:
 - GTSEC 02 and enter **R** in Field 02RI to revalidate the SSN against the NAP,
 - And Field 01PYB>/01SYB> continues to display with all zeros, research CC INOLE (using Definer S) for the Primary and/or Secondary taxpayer's date of birth. Enter the Primary taxpayer's age in Field 94PAV and the Secondary taxpayer's age in Field 94SAV, as appropriate.
- (3) If correspondence for Schedule EIC is required, **do not correspond** if the Primary or Secondary SSN (for FSC 2) is missing, invalid, or is an ITIN. If the Primary SSN is invalid and RPC O was not previously entered, take the following actions:
 - a. Delete the entry in Field 01PS and transmit.
 - b. When the Field Error for Field 01PS displays, re-enter the Primary SSN. (This will cause EC 004/005 to display, if appropriate.)
 - c. Follow EC 004/005 instructions.
 - d. Assign the appropriate TPNC.
- (4) TY21 and later, taxpayers who are married filing separately (FSC 3) can claim Earned Income Credit if they have a qualifying child who has lived with them for more than half of the year. If the taxpayer meets all requirements, they will check the MFS box on Schedule EIC and Field 43MFS will be significant.
- (5) If the taxpayer appears to qualify for EIC, but does not provide at least one Form W-2 or similar statement of earnings, or note HSH beside the entry for wages on TY21 and prior, research CC **IRPTR** for earned income. Wages reported there satisfy the requirement for evidence of earned income. If no wages are found on **IRPTR**, SSPND 211 for earned income support of EIC. Complete Form 6001 using paragraph X.

Reminder: When the taxpayer notes **HSH** to identify income from household employment, enter **E** in Field 01SPC.

Note: Research CC IRPTR for earned income before corresponding. Wages reported there satisfy the requirement for evidence of earned income. If no wages are found on IRPTR, SSPND 211 for earned income support of EIC.

- (6) If taxpayers want the IRS to **figure the EIC for them**, Schedule EIC must be completed and attached to their return and not have figured the credit. First determine their eligibility. If they qualify for the credit, assign **TPNC 284**.

Note: If Code & Edit edits **\$888** on the EIC line when the taxpayer notes "EIC" near the EIC line, **YOU MUST ALWAYS DELETE THE \$888.00 EIC AMOUNT**.

- (7) If the primary, secondary, or any EIC child's date of death is prior to the tax year, **TPNC 706** (TY17 and prior, assign TPNC 607, 608, or 609 as appropriate). (Refer to EC 018.)

Note: Use caution if FSC is 5.

3.12.3.28.14.4
(04-25-2022)
**TIN Requirements for
EIC (EC 337)**

- (1) TY96 and later, Primary, Secondary, EIC Child(ren) must all have a valid Social Security Number (SSN) when EIC is claimed. The computer will **not consider** EIC children with ATINs/ITINs/IRSNs for EIC.
- (2) If the taxpayer writes the word "Died" in the box for the child on line 2 of Schedule EIC, or otherwise indicates that the child was born within the tax period of the return and died in the same or consecutive tax period, search the tax return and attachments for a birth or death certificate, or hospital record that shows a live birth and refer to the following table for correct action.

Note: The computer will not recognize a child who was born and died in the tax year when computing EIC. If an entry is required in Field 43ESR, GTSEC 43 and enter **1** in the appropriate Field 43A1V/43A2V/43A3V.

If...	Then...
A] No birth certificate is present, or the birth certificate shows a still birth, or the death certificate shows the child's date of death is prior to the tax year,	<ol style="list-style-type: none"> 1. Ensure that EIC was not allowed based on the child(ren) without an SSN. 2. Treat as a missing EIC Child SSN. Do not make entries in Fields 43ESR and 01RPC for this child. 3. If Field 94EXV is blank, enter the number of allowable exemptions. 4. Assign TPNC 707 (TY17 and prior, TPNC 610).
B] A birth certificate is present,	<ol style="list-style-type: none"> 1. GTSEC 43 and enter values in Field 43ESR as follows: <ol style="list-style-type: none"> a. 1: EIC child 1 SSN not required. b. 2: EIC child 2 SSN not required. c. 3: EIC child 3 SSN not required. d. 4: EIC child 1 and 2 SSN not required. e. 5: EIC child 1 and 3 SSN not required. f. 6: EIC child 2 and 3 SSN not required. g. 7: EIC child 1, 2, and 3 SSN not required. 2. Enter 1 in Field 01RPC to allow EIC for that child.

If...	Then...
C] A death certificate or hospital records are present, examine the documents to see if the child was born during the tax period,	1. GTSEC 43 and enter in values in Field 43ESR as follows: <ol style="list-style-type: none"> 1: EIC child 1 SSN not required. 2: EIC child 2 SSN not required. 3: EIC child 3 SSN not required. 4: EIC child 1 and 2 SSN not required. 5: EIC child 1 and 3 SSN not required. 6: EIC child 2 and 3 SSN not required. 7: EIC child 1, 2, and 3 SSN not required. 2. Enter I in Field 01RPC to allow EIC for that child.
D] The date of birth is present and is not within the tax period of the return,	Treat as a missing EIC Child SSN. Do not make an entry in Fields 43ESR and 01RPC for this EIC child.
E] A death certificate or official hospital records are attached, but no date of birth is present,	SSPND 211 to obtain a copy of the child's birth certificate.

Note: A doctor's statement is **not** considered enough evidence of a live birth. Do not consider a "doctor's note" to be an official hospital record.

- (3) If no qualifying child remains for EIC, enter **B** in Field 01RPC and DLSEC 43 before assigning the applicable TPNCs. If EC 338 generates due to no support for live birth, assign **TPNC 707** (TY17 and prior, assign TPNC 610).

3.12.3.28.14.5
(04-25-2022)

**Qualifying EIC Children
(EC 337)**

- (1) Code & Edit is instructed to "X" EIC children who are not qualified based on relationship and/or number of months.
- (2) A qualifying child for EIC is one who meets the test for residency, age, and relationship.

Residency -

- The qualifying child must have lived with taxpayer(s) for more than half of the year.

Age - The qualifying child must:

- be under age 19 at the end of the year or
- be under age 24 and a full-time student or
- have been permanently and totally disabled at any time during the year, regardless of age.

- must be **younger than** the **taxpayer** claiming the credit (TY09 and later).

Exception: EIC will be allowed for a permanently and totally disabled qualifying person of any age, even if older than the taxpayer.

Note: TY09 and later - For other than permanently and totally disabled children, EIC will be allowed only for a child who is younger than the taxpayer. The child must have been born in a year after the taxpayer's year of birth. Children born in the **same year** as the taxpayer are **not** considered younger than the taxpayer. If the filing status is joint, the EIC will be allowed as long as one taxpayer is older than the child.

Relationship - A qualifying child is a child who is:

- the taxpayer's son, daughter, adopted child, stepson, stepdaughter, or a descendant of any of them or
- the taxpayer's brother, sister, step/half brother, step/half sister, or a descendant of any of them or
- an eligible foster child, which is a child placed with the taxpayer by an authorized placement agency.

Note: An adopted child (including a child placed with the taxpayer for adoption by an authorized placement agency) is treated as a natural child.

- (3) A child is not considered to be a qualifying child if there is an indication the child did not live in the U.S. for more than half of the year (e.g., "**NRA**" indicated in number of months box, or "**CN**" or "**MX**" is indicated on Schedule EIC).
- (4) If any EIC child's NAP Year of Birth **differs** from the **Year of Birth** on line 3, Schedule EIC, and is outside the **age range** requirements, assign **TPNC 741**.
- (5) If the child's **date of birth** is after the tax period (TY22, after 12/31/2022), the child does not qualify the taxpayer for the Earned Income Credit or an exemption, adjust the entry in Field 94EXV to disallow the child's exemption. (All 8 positions must be entered.)

Caution: If no qualifying children are left for EIC, enter **B** in Field 01RPC and DLSEC 43.

- (6) Use the table below to determine whether EIC should be allowed when Schedule EIC is attached.

Child Relationship	Number of Months	Allow EIC?
Child or foster child	Blank	SSPND 211

Child Relationship	Number of Months	Allow EIC?
Child or foster child	0-5	No. Adjust the entry for number of months in Field 43MO1/2/3 in the two circumstances described below. Exception: Allow the EIC in these two instances. <ul style="list-style-type: none"> • If the child was born in the year of the tax return, enter 12 in Field 43MO1/2/3 for the child. • If the child was born in and died in the year of the tax return, see IRM 3.12.3.28.14.4 for procedures.
Child or foster child	6 or more	Yes

- (7) If the taxpayer claims the EIC and at least one child on Schedule EIC is not a qualifying child for the credit according to the descriptions in paragraph 1 to 6 above, assign:
- TPNC 750** for any child who doesn't meet the age requirement because their year of birth is not later than the primary or secondary taxpayer's year of birth, they were born after the end of the tax year of the return, or they are older than 18 years old or 24 years old if they are a student;
 - TPNC 751** for any child who do not satisfy the relationship test;
 - TPNC 752** for any child who lived with taxpayer for only half the year or less.

Caution: If no qualifying child remains for EIC, enter **B** in Field 01RPC and DLSEC 43 before assigning **TPNC 750, 751, or 752**.

3.12.3.28.14.6
(01-01-2017)

**Field E-NUM>, EIC
Qualifying Child Number
Computer (EC 337)**

- (1) Field E-NUM indicates the number of children, if any, used in the computation of EIC. This field may display one of the four values described in the following table:

If Field E-NUM> is...	Then...
A] Blank	Any of the following exist: <ol style="list-style-type: none"> 1. The taxpayer has not met other EIC rules (filing status, age, earned income, AGI, etc.) and does not qualify for EIC 2. A is present in Field 01RPC. 3. B is present in Field 01RPC.
B] 3	Three children qualify the taxpayer for EIC based on: <ol style="list-style-type: none"> 1. Year of Birth/Student test or Disabled Indicator. 2. Valid SSNs (TY96 and later) or missing SSNs are accounted for in Field 43ESR.

If Field E-NUM> is...	Then...
C] 2,	Two children qualify the taxpayer for EIC based on: 1. Year of Birth/Student test or Disabled Indicator. 2. Valid SSNs (TY96 and later) or missing SSNs are accounted for in Field 43ESR.
D] 1	One child qualifies the taxpayer for EIC based on: 1. Year of Birth/Student test or Disabled Indicator. 2. Valid SSN (TY96 and later) or missing SSNs are accounted for in Field 43ESR.
E] 0 (zero)	No children qualify the taxpayer for EIC.

3.12.3.28.14.7
(01-01-2019)

**Field 03DQI>, EIC
Disqualified Income
Computer (EC 337)**

- (1) EIC is not allowed when the taxpayer's investment income exceeds \$11,000 for TY23 (\$10,300 for TY22; \$10,000 for TY21).
- (2) If the Rental Income is not passive activity, the taxpayer will note "**NPA**" and the amount of **Non Passive Activity** income near line 26, Schedule E. If "NPA" is noted or if **both Royalty and Rental** income are included in the amount on line 26, Schedule E, the computer may not accurately compute Field 03DQI>: (Refer to EIC Worksheet 1, Investment Income, in Job Aid 2515-015).
 - a. Manually compute EIC Disqualified Income if it differs from the amount in Field 03DQI>.
 - b. Compute EIC using the correct DQI amount and enter the amount in Field 03EIC if different.
 - c. Enter **A** in Field 01RPC.
- (3) The amount of Capital Gains/Loss, Schedule D on Form 1040, line 7 (TY19, line 6; TY18, Schedule 1, line 13), will be reduced by any positive amount in Field 2707 (Form 4797, line 7). If no amount is present in Field 2707, then the amount on line Form 1040, line 7 (TY19, line 6; TY18, Schedule 1, line 13) will be reduced by any positive amount in Field 2709 (Form 4797, line 9).

Note: The only time this process happens is when the taxpayer is using Schedule D.

- (4) If EIC Disqualified Income is over the limit, assign **TPNC 291**.

3.12.3.28.14.8
(04-25-2022)

**Field E-SEI>, EIC
Self-Employed Income
Computer (EC 337)**

- (2) If the taxpayer has no Schedule C or F income and is paying SE tax on an amount included in line 1, move the amount of SE income from Field 03WG/03TWG to Field 04OTI. **Don't** reduce Field 03WG/03TWG below the amount substantiated by Form W-2.

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- (4) In the instances in paragraph 5, the computer cannot accurately compute EIC Self-Employed Income. Follow the steps below.
- Manually compute** the EIC Earned Income using the EIC Worksheets in Job Aid Book 2515-015.
 - Enter the computed amount in **Field 94EIV**.
 - If EIC earned Income is **negative or zero**, enter **B** in Field 01RPC.
- Exception:** TY21- TY17, if **PYEI** is notated with an amount, **don't** enter B in Field 01RPC. Enter the PYEI amount in Field 03PYE.
- (5) Search the return for the following conditions and resolve using paragraph 4:
- Taxpayer has not combined all gains/losses from Schedule C and/or F onto the attached Schedule SE.
- Note:** Self-employment income below the \$434 minimum is not subject to the SE tax, but must still be included in the computation of the EIC Earned Income.
- Taxpayer has used the **“Optional Method”** on Schedule SE, consider the Optional Method income as earned income to figure EIC. Ensure 17/18TE has been computed.
 - Taxpayer has used **both** the **“Optional Method”** and **“Regular Method”** on Schedule SE.
 - Scholarships** and fellowships excluded from gross income are not earned income and not subject to self-employment tax. If the taxpayer included any of these amounts on Schedule SE, exclude the amount from Schedule SE and when EC 209 displays, assign **TPNC 273**.
- Note:** If the taxpayer **included** scholarships or fellowships as wages, included these amounts on Schedule SE, and included the amounts as earned income for EIC purposes, correspond for Form W-2 to support the income.
- Taxpayer appears to be using **partnership** income or loss from Schedule E to compute earned income.
 - Taxpayer has income exempt from SE Tax because of **Notary Public -“Exempt Notary”**. Any net profit received as a Notary Public is not considered earned income. Do not include this amount in your computation of the EIC Earned Income.
 - “QJV”** is noted to left of the self-employment tax line on Form 1040, enter **S** in Field 01RPC. (Refer to EC 088.) Do not include this income in the computation of earned income.

- h. Do not include an amount for “**Jury Duty**” fees in your computation of Earned Income. Similar descriptions by different states may be Jury “compensation”, “travel allowance”, or “attendance” fees.
- i. Taxpayer has income **exempt** from SE Tax because of an approved **Form 4361** or **Form 4029**, refer to the chart below to determine Earned and Not Earned Income.

	Form 4361	Form 4029
Earned Income-	An amount received for performing ministerial duties AS AN EMPLOYEE. This includes, Salaries, tips and other employee compensation. Other employee compensation includes non-taxable compensation such as housing allowances or the rental value of a parsonage received as part of pay for services as an employee. Any compensation received from an undertaking unrelated to the ministry (e.g., carpentry, farmer) is earned income.	Amounts received as wages, salaries, tips, and other employee compensation. Include earned income reported on Form W-2 or Form 1099-NEC/ Form 1099-MISC in the computation of EIC Earned Income.
Earned Income-	The payee may be an employee or a self-employed individual. Include the earned income reported on Form W-2 or Form 1099-NEC/Form 1099-MISC in the computation of EIC Earned Income.	Amounts received as wages, salaries, tips, and other employee compensation. Include earned income reported on Form W-2 or Form 1099-NEC/ Form 1099-MISC in the computation of EIC Earned Income.

	Form 4361	Form 4029
Not Earned Income-	Amounts received in the exercise of ministerial duties, BUT NOT AS AN EMPLOYEE, are not Earned Income. Examples include fees for performing marriages and honoraria for delivering speeches. These amounts are reported on Schedule C. Do not include them in the computation of EIC Earned Income. If the amount is \$434 or more and no Schedules SE is attached, enter RPC S.	Amounts received from self-employment. Losses from Schedule C or F may not be subtracted from wages on line 1 of Form 1040. Do not include these amounts in the computation of EIC Earned Income. If the amount is \$434 or more and no Schedule SE is attached, enter RPC S.

- (6) For TY12 and later, “**Statutory employees**” are instructed to check the box next to line 1 of Schedule C. If checked, ensure the statutory employee indicator box has been transcribed as **1** in Field 09STI/10STI/11STI. Form W-2 will also show box 13 checked for Statutory employee. Review the statutory income reported on Schedule C with Form W-2 according to the following instructions:

If...	And...	Then...
A] The taxpayer clearly reported both statutory and self-employment income on the same Schedule C, line 1,	Form W-2 is present with Statutory box 13 checked,	1. SSPND 211. 2. Complete Form 6001 using paragraph e with fill-in #17.
B] The taxpayer clearly reported both statutory and self-employment income on the same Schedule C, line 1,	Form W-2 is not present or Form W-2 is present but Statutory box 13 is not checked,	1. SSPND 211. 2. Complete Form 6001 using paragraph e with fill-in #18.
C] The taxpayer reported only Statutory wages on Schedule C, line 1,	Form W-2 is not present, or Form W-2 is present but wage amount doesn't match the amount in Field 0901/1001/1101,	1. SSPND 211. 2. Complete Form 6001 using paragraph e with fill-in #14.

If...	And...	Then...
D] All the Schedules C report only statutory wages,	Form W-2 is present, and supports the amount in Field 0901/1001/1101,	<ol style="list-style-type: none"> 1. Enter S in Field 01RPC. Note: These wages are not subject to self-employment tax but are still qualifying earned income for the EIC. 2. Manually compute EIC earned income and enter the correct amount in Field 94EIV. Note: Use the EIC earned income worksheets located in the Current Year Job Aid 2515-015 or Prior Year Job Aid 2515-014.

3.12.3.28.14.9

(04-25-2022)

Field E-INC>, EIC Earned Income Computer (EC 337)

TY19, line 8) and no Schedule SE is present for that item, enter N in Field 01RPC.

Note: If Form 1099-NEC (TY19 and prior, 1099-MISC, box 7) and no indication of whether the amount for non-employee compensation is Self-Employed Income, SSPND 211 for explanation of the amount and self-employment liability.

- (2) **TY21 - TY17**, taxpayers can elect to use their prior year earned income to figure their EIC on their return. TY21, taxpayers can enter their TY19 prior year earned income in line 27c, Form 1040 TY20-TY17, to indicate this election, these taxpayers are instructed to write **PYEI** (Prior Year Earned Income) and their earnings amount next to line 27 (TY19, line 18a; TY18, line 17; TY17, line 66a; Form 1040A, line 42a). If the taxpayer notates "PYEI" and an amount, enter the amount identified as PYEI in Field 03PYE.

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Exception: If EIC has been calculated using the earned income on the return, delete the entry in Field 03PYE.

- (3) Taxpayers who are “individual care providers” and receive a Form W-2 for certain Medicaid waiver payments described in Notice 2014-7 are instructed to include the amount of payments on line 1a (TY21-TY18, line 1) as wages and may choose to include the amount as a negative amount on **Schedule 1, line 8s** (TY21, line 8z or 9; TY20-TY19, line 8). The negative amount on the Other Income line could include the notation **Notice 2014-7, IRC 131, difficulty of care payments**, In-Home Health Services (**IHHS**), or In-Home Support Services (**IHSS**). Taxpayers may choose to include Medicaid waiver payments that are reported as wages as earned income for the purposes of claiming EIC even if the payments are reported as a negative amount on the Other Income line. It may require manual computation of earned income to compute EIC correctly based on the taxpayer’s choice to include these payments or exclude them from earned income. Enter the correct amount of earned income in **Field 94EIV**.
- (4) Foreign Agricultural Workers temporarily admitted into the US on H-2A visas, earn income that will be reported on Form W-2. The income is not subject to Social Security and Medicare taxes but is considered “**earned income**” for EIC.
- (5) **Nontaxable Combat Pay** election will be reported on Form 1040, line 1i for TY22. If the taxpayer has included Nontaxable Combat Pay (NCP) on Form 1040, line 27b for TY21 (TY20, line 27; TY19, line 18a; TY18, line 17), enter the amount in Field 03NCP. Non-taxable Combat Pay can be found on Form W-2, box 12, Code Q.

Note: If the taxpayer is not using Nontaxable Combat Pay in their computation for EIC, use Field 94EIV to input the correct EIC earned income amount excluding the taxpayer’s Nontaxable Combat Pay.

- (6) If the taxpayer reported their **disability pension** (indicated on Form W-2 or on Form 1099, Box 7 with a Distribution Code of 3) somewhere other than as wages on line 1a (TY21-TY18, line 1), but used it in computing their EIC Earned Income, move entry to Field 03TWG.
- (7) There are some instances when the computer cannot accurately compute EIC Earned Income. **Manually compute** EIC Earned Income and enter it in **Field 94EIV** in the following instances:

Note: If EIC Earned Income is negative or zero, enter **B** in Field 01RPC.

Exception: TY21, if there is an entry on Form 1040, line 27c (TY20 - TY17, if **PYEI** is notated with an amount), **don’t** enter RPC B. Enter the **PYEI** amount in Field 03PYE.

Reminder: Be sure to include EIC Nontaxable Combat Pay (if the taxpayer used it) when manually computing EIC earned income.

- b. TY21 and prior, “**SCH**” and an amount are noted to the left of line 1; Code & Edit edits RPC B to force the document to ERS for manual computation. Stipends, **scholarships** and fellowship grants that are used for

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other expenses such as room & board and travel is **not** considered income for EIC purposes. In this situation:

- 1) Exclude this amount in computing EIC earned income.
- 2) Enter the correct earned income in Field 94EIV.
- 3) Delete B from Field 01RPC.

Note: If the taxpayer pays self-employment tax for the scholarship or fellowship with Schedule SE or pays the Social Security tax with Form 4137 or 8919, see IRM 3.12.3.21.7.4, EC 209.

- c. TY21 and prior, “**PRI**” and an amount are noted to the left of line 1; Code & Edit edits RPC B to force the document to ERS for manual computation. Income earned by **prisoners** in a penal institution is **not** considered earned income for EIC purposes. In this situation:
 - 1) Exclude this amount in computing EIC earned income.
 - 2) Enter the correct earned income in Field 94EIV.
 - 3) Delete B from Field 01RPC.
 - 4) Enter **J** in Field 01SPC.
 - 5) Assign **TPNC 288** if EC 337 redisplay.
 - d. **Community Property** returns (see EC 260 for determination of a Community Property return). A married taxpayer in a community property state who qualifies to file as head of household must use only their own earned income to calculate EIC earned income. Determine the taxpayer’s “true” earned income reported on Form W-2 and attachments (before Community Property split).
 - e. **Net Operating Loss (NOL)** as other income on Schedule 1, line 8a (TY20-TY19, line 8). Do not use NOL amount to reduce EIC earned income. If OTHER EARNED INCOME and NOL is reported:
 - 1) Add only the positive other earned income amount from the other income line to any earned income.
 - 2) Enter the correct amount in Field 94EIV.
 - f. “**DFC**” and an amount are noted on the dotted line next to line 1, will alert Code & Edit to edit RPC B for manual computation of earned income. Search for amounts received as a pension or annuity from a non-qualified **deferred compensation** plan or a section 457 plan. This amount is reported in box 11, Form W-2. In this situation:
 - 1) Exclude this amount in computing EIC earned income.
 - 2) Enter the correct earned income in Field 94EIV.
 - 3) Delete B from Field 01RPC.
- (8) If there is no earned income, assign **TPNC 288**.
- (9) If the AGI or earned income **exceeds** the threshold for the tax year, filing status, and number of children in the relevant table below, assign **TPNC 287**:

Filing Status other than 2, AGI or Earned Income Threshold

Tax Year	One Child	Two Children	Three Children
2023	\$46,560	\$52,918	\$56,838
2022	\$43,492	\$49,399	\$53,057
2021	\$42,158	\$47,915	\$51,464

Filing Status 2, AGI or Earned Income Threshold

Tax Year	One Child	Two Children	Three Children
2023	\$53,120	\$59,478	\$63,398
2022	\$49,622	\$55,529	\$59,187
2021	\$48,108	\$53,865	\$57,414

3.12.3.28.14.10

(04-20-2021)

EIC Amount (EC 337)

- (1) Only zeros display in Field 01PYB> or 01SYB> for the primary or secondary taxpayer's year of birth.
 - GTSEC 02 and enter **R** in Field 02RI and transmit.
 - CCC X or RPC E is present. Research CC INOLES for the primary or secondary taxpayer's date of birth. Enter the primary taxpayer's age in Field 94PAV and the secondary taxpayer's age in Field 94SAV.
- (2) If you cannot locate a **date of birth** for the primary or secondary taxpayer after following the procedures in paragraph 1, process the claim for EIC according to these instructions.
 - a. **Joint return**
 - If the return is a joint filing and the taxpayer whose age you can establish allows any EIC child to meet the age test in IRM 3.12.3.28.14.5, figure the EIC for the eligible children. Correct the taxpayer's figure if it's wrong or adjust it if the refigured credit is different from the taxpayer's figure. Enter the verified or corrected credit in Field 03EIC. Enter **A** in Field 01RPC if you allow the credit. If you changed the taxpayer's figure for EIC because of a taxpayer's missing date of death assign **TPNC 750** along with any other required TPNCs.
 - If the return is a joint filing and the taxpayer whose age you can establish does not allow any EIC child to meet the age test in IRM 3.12.3.28.14.5, assign **TPNC 750** along with any other required TPNCs.
 - If the return is a joint filing and you cannot establish the age of either taxpayer, assign **TPNC 750**.
 - b. **Single return**
 - If the return is not a joint filing and you cannot establish the taxpayer's age, assign **TPNC 750**.
- (3) EIC will always be **limited to zero** when the taxpayer does not meet eligibility requirements. When the taxpayer is not eligible for the credit, use the following table to determine the appropriate TPNC:

If...	Then...
A] FSC 3 (Married Filing Separate) and the Married Filing Separately box on Schedule EIC is not checked (Field 43MFS is not significant),	Assign TPNC 618 .

If...	Then...
B] FSC is 3 or 6 (Married Filing Separate) and no qualifying children remain on Schedule EIC,	Assign TPNC 286 .
C] Either earned income or Adjusted Gross Income Computer exceeds the maximum,	Assign TPNC 287 .
D] There is no earned income,	Assign TPNC 288 .
E] Field 03DQI> exceeds the maximum amount,	Assign TPNC 291 .
F] The Primary SSN is invalid (RPC O is present),	Assign TPNC 748 .
G] The Secondary SSN is missing/invalid,	Assign TPNC 701 .
H] The Primary or Secondary TIN is an IRSN or ITIN. Note: IRSNs/ITINs are in the format of an SSN and begin with the number "9". ITINs fourth and fifth digits 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) (9XX-94-XXXX through 9XX-99-XXXX),	Assign TPNC 702 .
I] The assignment date in Field 01PAD> or 01SAD> is after the date in Field T-DAT>,	Assign TPNC 711 . Reminder: For TY21 and prior, refer to IRM 3.12.3.28.14.13.

- (4) If the taxpayer **claims** an amount for EIC and part or all of it has been disallowed because any **EIC Child** does not meet the valid TIN or eligibility requirements, use the following table to determine the appropriate TPNC:

Caution: If no qualifying child remains for EIC, enter **B** in Field 01RPC and DLSEC 43 before assigning appropriate TPNC.

If...	Then...
A] Any EIC Child's SSN is missing or invalid,	Assign TPNC 743 .

If...	Then...
B] Any EIC Child's TIN is an ITIN or ATIN. Note: ITINs and ATINs are in the format of an SSN and begins with the number "9". ITINs fourth and fifth digits 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) (9XX-94-XXXX through 9XX-99-XXXX), ATINs (9XX-93-XXXX),	Assign TPNC 745 .
C] The assignment date in Field 43AD1>, 43AD2>, or 43AD3> is after the date in Field T-DAT>,	Assign TPNC 711 . Reminder: For TY21 and prior, refer to IRM 3.12.3.28.14.13.
D] EIC child is ineligible due to age requirement,	Assign TPNC 750 .
E] EIC child is ineligible due to relationship requirement,	Assign TPNC 751 .
F] EIC child is ineligible due to residency requirement,	Assign TPNC 752 .

(5) If the taxpayer **didn't** claim an amount for EIC on Form 1040 and isn't eligible for the credit according to information on Schedule EIC, enter **B** in Field 01RPC and DLSEC 43.

(6) If the taxpayer has incorrectly figured the EIC amount, assign **TPNC 285**.

3.12.3.28.14.11
(01-01-2020)

**Self-Employment Tax
Assessed Under EC 380
(No Reply) (EC 337)**

(1) If Section 17 and/or 18 was entered under Error Code 380 and combined SE Tax Computer is now **greater than** EIC Computer, take the following actions:

- GTSEC 01.
- Enter **V** in Field 01ACD and transmit.
- When EC 337 redisplay, delete Section 17/18.
- Re-enter N in Field 01RPC, if necessary.
- When EC 380 redisplay, enter **C** in the Clear Field.

3.12.3.28.14.12
(01-01-2017)

**Correction Procedures
(EC 637)**

(1) When consistency Error Code 637 displays, determine from the return if the Tax and/or Balance Due/Refund has been **computed to zero** by the taxpayer, or if they ask the IRS to figure the tax. Refer to IRM 3.12.2.5.12 for Non-Compute information.

3.12.3.28.14.13
(11-23-2021)
Prior Year (EC 337)

- (1) The Tentative Return Due Date Field T-DAT>, other than current year, is the April return due date. NAP will not provide a TC 460 date for a return other than current year. Research must be performed to determine if a TC 460 date is on the account. If present, use the date identified as **EXT-DT** in the last column, under -Variable Data- as the tentative return due date.

Caution: Don't use the TC 460 date in the first column.

- (2) For **TY22 and prior**, if the primary or secondary TIN Assignment Date displays in Field 01PAD> or Field 01SAD> that is after the date in T-DAT>, research IMFOLT for a TC 460 for the tax year of the return.

Exception: On TY 202012 returns, if the TIN Assignment Date is on or before May 17, 2021, or TY 201912 - 202002 returns, when the TIN assignment date is on or before July 15, 2020, allow the credit using the steps below:

1. Manually compute EIC after applying all eligibility requirements.
2. Enter the manually computed EIC amount in Field 03EIC.
3. Enter **A** in Field 01RPC.

If...	And...	Then...
A] TC 460 is not found on IMFOLT,	The TIN Assignment Date in Field 01PAD> or 01SAD> is after T-DAT>,	Assign TPNC 711 (TY17 and prior, TPNC 810).
B] TC 460 is found on IMFOLT,	The TIN Assignment Date in Field 01PAD> or 01SAD> is after the TC 460 date,	Assign TPNC 711 (TY17 and prior, TPNC 810).
C] TC 460 is found on IMFOLT,	The TIN Assignment Date in Fields 01PAD> and 01SAD> are before the TC 460 date,	Continue to the instructions in (3) to determine if the EIC child's TIN Assignment Date is after the return due date.

- (3) For **TY22 and prior**, if any EIC child's TIN Assignment Date (Field 43AD1/2/3>) is after the date in T-DAT>, research IMFOLT for a TC 460 for the tax year of the return.

Exception: On TY 202012 returns, if the TIN Assignment Date is on or before May 17, 2021, or TY 201912 - 202002 returns, when the TIN assignment date is on or before July 15, 2020, allow the credit using the steps below:

1. Manually compute EIC after applying all eligibility requirements.
2. Enter the manually computed EIC amount in Field 03EIC.
3. Enter **A** in Field 01RPC.

If...	And...	Then...
A] TC 460 is not found on IMFOLT,	The TIN Assignment Date in Fields 43AD1>, 43AD2> and 43AD3> are all after T-DAT>,	Assign TPNC 711 (TY17 and prior, TPNC 810).
B] TC 460 is found on IMFOLT,	The TIN Assignment Date in Fields 43AD1>, 43AD2> and 43AD3> are all after the TC 460 date,	Assign TPNC 711 (TY17 and prior, TPNC 810).
C] TC 460 is found on IMFOLT,	Any TIN Assignment Date in Field 43AD1>, 43AD2> or 43AD3> is before the TC 460 date,	<ol style="list-style-type: none"> 1. Manually compute EIC after applying all eligibility requirements. Reminder: If any EIC child has a TIN Assignment Date after the TC 460 date, then that child isn't eligible for EIC. 2. Enter the manually computed EIC amount in Field 03EIC. 3. Enter A in Field 01RPC. 4. Assign the appropriate TPNCs when EC 337 redisplay.

- (4) TY20 and prior, action will be required for the taxpayer to receive the correct credit. Correct as follows:
- a. Manually compute the credit.
 - b. Enter the correct amount in Field 03EIC, if different.
 - c. Enter **A** in Field 01RPC.
 - d. Assign the appropriate TPNCs when EC 364 displays.
- (5) For **TY11 “statutory employees”** report their wages on line 1c of Schedule C. For **TY10** and earlier, taxpayers checked the box beside the entry on line 1 of

Schedule C to mark their status as statutory employee. Review the taxpayer's reporting of income with Schedule C according to the following instructions.

- a. Ensure the taxpayer has entered the statutory wages from Form W-2 on line 1c of Schedule C and transcribed in Field 0901C, 1001C, or 1101C.
 - b. If all the Schedules C report only wages for a statutory employee, enter **S** in Field 01RPC. These wages are not subject to the self-employment but are still qualifying earned income for the EIC.
 - c. **Manually compute** EIC earned income with the worksheets for EIC earned income in the Prior-Year Job Aid, 2515-014, and enter the correct amount in Field 94EIV.
- (6) For **TY08 and prior**, the EIC child's age in comparison to the taxpayer's age is not a qualifying requirement. If the EIC child is the same age or older than the taxpayer:
- a. Manually compute the EIC amount.
 - b. If the taxpayer correctly figured EIC, enter **A** in Field 01RPC.
 - c. If the taxpayer incorrectly figured EIC, enter the correct amount in Field 03EIC and **A** in Field 01RPC. If EC 366 generates, assign **TPNC 285**.
- (7) **TY21 - TY17 and TY08** - If the taxpayer enters prior year earned income on TY21, Form 1040, line 27c, or notes **PYEI** (Prior Year Earned Income) and an amount to the left of the EIC line (TY20, line 27; TY19, line 18a; TY18, Form 1040, line 17; TY17, line 64a; Form 1040A, line 40a; Form 1040EZ, line 8a), then enter the amount identified as PYEI into Field 03PYE.
- (8) For TY17 through TY96 if there are missing/invalid SSNs/TINs:
1. Recompute EIC, disallowing exemptions with missing/invalid SSNs.
 2. Enter the amount in Field 03EIC.
 3. Enter **A** in Field 01RPC.
 4. Assign **TPNC 701, 702, 743, and/or 745** when EC 366 generates.
- (9) EIC is not allowed when the taxpayer's investment income (Field 03DQI>) exceeds \$10,300 for TY22; \$10,000 for TY21; \$3,650 for TY20; \$3,600 for TY19; \$3,500 for TY18; \$3,450 for TY17; \$3,400 for TY16 and TY15; \$3,350 for TY14; \$3,300 for TY13; \$3,200 for TY12; \$3,150 for TY11; \$3,100 for TY10; \$3,000 for TY09; \$2,950 for TY08; \$2,900 for TY07.
- (10) If the Earned Income or AGI equals or exceeds the threshold for the tax year, filing status, and number of children in the relevant table below, enter **B** in Field 01RPC. When EC 337 redisplay, assign TPNC 287.

Filing Status other than 2

Tax year	One child	Two children	Three children
2022	\$43,492	\$49,399	\$53,057
2021	\$42,158	\$47,915	\$51,464
2020	\$41,756	\$47,440	\$50,954
2019	\$41,094	\$46,703	\$50,162
2018	\$40,320	\$45,802	\$49,194
2017	\$39,617	\$45,007	\$48,340

Tax year	One child	Two children	Three children
2016	\$39,296	\$44,648	\$47,955
2015	\$39,131	\$44,450	\$47,747
2014	\$38,511	\$43,756	\$46,997
2013	\$37,870	\$43,038	\$46,227
2012	\$36,920	\$41,950	\$45,060
2011	\$36,050	\$40,964	\$43,998
2010	\$35,535	\$40,363	\$43,350
2009	\$35,463	\$40,295	\$43,279
2008	\$33,995	\$38,646	
2007	\$33,241	\$37,783	
2006	\$32,000	\$36,348	
2005	\$31,030	\$35,263	
2004	\$30,338	\$34,458	

Filing Status 2

Tax year	One child	Two children	Three children
2022	\$49,622	\$55,529	\$59,187
2021	\$48,108	\$53,865	\$57,414
2020	\$47,646	\$53,330	\$56,844
2019	\$46,884	\$52,493	\$55,952
2018	\$46,010	\$51,492	\$54,884
2017	\$45,207	\$50,597	\$53,930
2016	\$44,846	\$50,198	\$53,505
2015	\$44,650	\$49,974	\$53,267
2014	\$43,941	\$49,186	\$52,427
2013	\$43,210	\$48,378	\$51,567
2012	\$42,130	\$47,162	\$50,270
2011	\$41,132	\$46,044	\$49,078
2010	\$40,545	\$45,373	\$48,362
2009	\$40,463	\$45,295	\$48,279
2008	\$36,995	\$41,646	
2007	\$35,241	\$39,783	
2006	\$34,000	\$38,348	

Tax year	One child	Two children	Three children
2005	\$33,030	\$37,263	
2004	\$31,338	\$35,458	

- (11) Use the following chart to determine the Qualifying Year of Birth for Schedule EIC:

Tax Years TY22 through TY06	Valid for Credit	Valid when only 1 or 2 is present in Field 43IN1/43IN2 and 43IN3 (for TY09 and later)	Valid only when 2 is present in Field 43IN1/43IN2 and 43IN3 (for TY09 and later)
TY22	2004-2022	1999-2003	1998 and prior
TY21	2003-2021	1998-2002	1997 and prior
TY20	2002-2020	1997-2001	1996 and prior
TY19	2001-2019	1996-2000	1995 and prior
TY18	2000-2018	1995-1999	1994 and prior
TY17	1999-2017	1994-1998	1993 and prior
TY16	1998-2016	1993-1997	1992 and prior
TY15	1997-2015	1992-1996	1991 and prior
TY14	1996-2014	1991-1995	1990 and prior
TY13	1995-2013	1990-1994	1989 and prior
TY12	1994-2012	1989-1993	1988 and prior
TY11	1993-2011	1988-1992	1987 and prior
TY10	1992-2010	1987-1991	1986 and prior
TY09	1991-2009	1986-1990	1985 and prior
TY08	1990-2008	1985-1989	1984 and prior
TY07	1989-2007	1984-1988	1983 and prior
TY06	1988-2006	1983-1987	1982 and prior

3.12.3.28.14.14
(01-01-2023)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 337)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 337**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
218	We computed your tax for you.
284	We computed your EIC.
285	Figured or entered EIC incorrectly.
286	We can't allow your EIC because of your filing status.
287	We cannot allow your EIC. Your earned income or AGI is more than the maximum amount.
288	We can't allow your EIC. No earned income.
290	We can't allow your EIC. DSI box checked.
291	We can't allow your EIC. Investment income exceeds maximum amount.
293	We cannot allow your Earned Income Credit. You must be at least 25, under 65 years old at the end of the tax year.
539	Must use same amount of Prior year Earned Income to compute both EIC and ACTC.
540	We can't allow your EIC. Information reported shows that you don't qualify for it.
558	You gave us information that changed the refund or amount you owe.
580	You failed to compute your SE Tax on your SE income.
585	No Reply. Schedule EIC incomplete or not attached.
586	No Reply. Disallowed EIC. Form(s) W-2 didn't match wages.
606	Disallowed exemption claimed for dependent born after December 31 of the tax year of the return. Change may affect Credit for Child and Dependent Care Expenses, CTC, or ACTC.
607	Disallowed primary exemption. Deceased prior to tax period of return.
608	Disallowed secondary exemption. Deceased prior to tax period of return.

TPNC	Description
609	Disallowed exemption for dependent who was deceased prior to tax period of return. Change may affect Credit for Child and Dependent Care Expenses, CTC, ACTC, or EIC.
610	Disallowed EIC for child without TIN who was born and died. No birth certificate. Change may affect credit for Child and Dependent Care Expenses, CTC, ACTC, or EIC.
618	Disallowed EIC. Did not check the box to claim EIC when filing status is married filing separate.
653	Rejects only. Disallowed EIC, CTC, ACTC, Credit for Other Dependents, and/or American Opportunity Credit. Form 8862 not attached.
701	Disallowed spouse's exemption and EIC. Spouse's SSN missing or invalid.
702	Disallowed EIC. Primary or secondary has ITIN.
704	Primary or secondary SSN or ITIN missing or invalid. Disallowed certain credits: Education credits, CTC, credit for other dependents, ACTC, or EIC.
705	Dependent SSN or ITIN was missing or invalid. Disallowed certain credits: Credit for Child and Dependent Care Expenses, Education credits, CTC, credit for other dependents, ACTC, or EIC.
706	Primary, spouse or dependent deceased prior to the tax period. Disallowed certain credits: Credit for Child and Dependent Care Expenses, CTC, credit for other dependents, ACTC, EIC or Education credits.
707	Dependent without a TIN who was born and died. No birth certificate attached. Disallowed certain credits: Credit for Child and Dependent Care Expenses, CTC, credit for other dependents, ACTC, EIC, or Education credits.
708	Dependents born after December 31st of the tax year. Disallowed certain credits: Credit for Child and Dependent Care Expenses, CTC, credit for other dependents, ACTC, or EIC.
711	TIN for primary, secondary, or dependent not assigned by the due date of the tax return. Disallowed certain credits: Credit for other dependents, CTC, ACTC, American Opportunity Credit, or EIC.
741	Disallowed part or all of your EIC. Qualifying child's date of birth is either missing or does not match SSA records.

TPNC	Description
743	Disallowed part or all of the EIC. EIC qualifying child's TIN missing or invalid)
745	Disallowed part or all of EIC. EIC qualifying child ATIN/ITIN noted.
748	Disallowed primary's exemption and EIC. Primary SSN missing or invalid.
750	Disallowed part or all of EIC. One or more of the qualifying children didn't meet the age requirement.
751	Disallowed part or all of EIC. One or more of the qualifying children didn't meet the relationship requirement.
752	Disallowed part or all of EIC. One or more of the qualifying children didn't live with you for more than half the year.
760	Disallowed part or all of EIC. No support for statutory wages you reported.
810	Primary, secondary, or dependent TIN not assigned by return due date. Disallowed certain credits: claimed on your return. This change may affect any of the following credits: American opportunity credit, CTC, ACTC, EIC.
814	Rejects only. Banned from claiming EIC for two tax years.
815	Rejects only. Banned from claiming EIC for this tax year.
816	Rejects only. Banned you from claiming earned income credit for ten years.
***	Any previously assigned TPNC.

3.12.3.28.15
(01-01-2017)

**Error Code 338 and 638
- EIC Without Schedule
EIC**

- (1) Error Code 338/638 instructions follow.

3.12.3.28.15.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 338)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01PS	Primary SSN

1040	Field Name
01NA1>	Primary NAP Access Indicator
01PAD>	Primary NAP TIN Assignment Date
01PYB>	Primary NAP Year of Birth
94PAV	Primary Age Verified
01SS	Secondary SSN
01NA2>	Secondary NAP Access Indicator
01SAD>	Secondary NAP TIN Assignment Date
01SYB>	Secondary NAP Year of Birth
94SAV	Secondary Age Verified
01CCC	Computer Condition Code
01RPC	Return Processing Code
01SPC	Special Processing Code
01EXC	Exemption Code
94EXV	Exemption Code Verified
01DSI	Dependency Status Indicator
T-DAT>	Tentative Return Due Date Computer
94EIV	Schedule EIC Earned Income Verified (ERS Input Only)
03ESP	Estimated Tax Payments
03EIC	EIC Amount
>>>>>	EIC Amount Computer
03U19	EIC Taxpayer Under 19 Indicator
03NCP	EIC Nontaxable Combat Pay
03PYE	PYEI EIC Income Amount
E-INC>	Schedule EIC Earned Income Computer
E-SEI>	Schedule EIC SE Income Computer
03DQI>	EIC Disqualified Income Computer
03WG	W-2 Wages
0403	Combined Schedule C Profit/Loss
>>>>	Combined Schedule C Profit/Loss Computer
0406	Combined Schedule F Profit/Loss
>>>>	Combined Schedule F Profit/Loss Computer
04OTI	Other Income

1040	Field Name
04DSE	Deduction For SE Tax
>>>>>	Deduction For SE Tax Computer
03AGI	AGI Amount
>>>>>	AGI Computer
05204	Combined SE Tax
>>>>	Combined SE Tax Computer
09STI	Section 09 Statutory Employee Indicator
10STI	Section 10 Statutory Employee Indicator
11STI	Section 11 Statutory Employee Indicator
	Section 17 Not Present
17TE	Tentative Earnings Section 17
	Section 18 Not Present
18TE	Tentative Earnings Section 18
	Section 43 Not Present

3.12.3.28.15.2
(01-01-2017)
Invalid Conditions (EC 338)

- (1) **Error Code 338** generates when Total Payments is not equal to Total Payments Computer and **all** of the following exist:
 - a. Section 43 is not present.
 - b. EIC Amount differs from EIC Amount Computer.
 - c. A math error is present in Balance Due/Overpayment.
- (2) **Error Code 638** generates when **both** of the following exist:
 - a. A math error is not present.
 - b. The return is a Non-Compute.

3.12.3.28.15.3
(01-23-2023)
Correction Procedures (EC 338)

- (1) Correct any coding and transcription errors, and misplaced entries in displayed fields.
Note: Code & Edit edits \$888 on the EIC line when the taxpayer notes “**EIC**” near the EIC line and does not attach Schedule EIC, to force the return to ERS. **YOU MUST ALWAYS CHANGE OR DELETE THE \$888.00.** Refer to IRM 3.12.3.28.15.4 for instructions when the taxpayer requests IRS to compute EIC.
- (2) If the primary or secondary taxpayer’s year of birth, in Field 01PYB> or 01SYB>, displays with all zeros:
 - GTSEC 02, and enter **R** in Field 02RI to revalidate the SSN against the NAP.

- CCC X or RPC E is present, and RPC O is not present. Research with CC INOLES for the primary or secondary taxpayer's date of birth. Enter the primary taxpayer's age in Field 94PAV and the secondary taxpayer's age in Field 94SAV.
- (3) If you cannot locate a date of birth for the primary or secondary taxpayer after following the procedures in paragraph 3, process the claim for the EIC according to these instructions.
- a. If FSC 2 and one taxpayer's date of birth is missing but the other taxpayer is eligible, verify the accuracy of the taxpayers' figure for EIC. If the figure is wrong, correct it and replace the taxpayer's entry in Field 03EIC with the corrected credit. Enter RPC A if you allow the credit. Send any required TPNCs for errors.
 - b. If FSC 2 and one taxpayer's date of birth is missing and the other taxpayer doesn't meet the age requirement, assign **TPNC 736** along with any other required TPNCs.
 - c. If FSC 2 and **both taxpayers'** dates of birth are missing, assign **TPNC 737** along with any other required TPNCs.
 - d. If other than FSC 2 and you can't establish the taxpayer's age, assign **TPNC 738** along with any other required TPNCs
- (4) TY23, taxpayers may be eligible for EIC without a qualifying child if they meet all of the following criteria:
- a. FSC is not 3 or 6.
 - b. The taxpayer has earned income/AGI less than \$24,210 for FSC 2 and \$17,640 for all other allowed filing statuses.
 - c. The taxpayer is not eligible to be claimed as a dependent by another person.
 - d. One taxpayer is age 25 to 64, inclusive, at the end of the tax year.
 - e. The taxpayer lived in the United States for more than half of the tax year.
 - f. The taxpayer has disqualified income less than \$11,000.
- (5) TY22, taxpayers may be eligible for EIC without a qualifying child if they meet all of the following criteria:
- a. FSC is not 3 or 6
 - b. The taxpayer has earned income/AGI less than \$22,600 for FSC 2 and \$16,480 for all other allowed filing statuses.
 - c. The taxpayer is not eligible to be claimed as a dependent by another person.
 - d. One taxpayer is age 25 to 64, inclusive, at the end of the tax year.
 - e. The taxpayer lived in the United States for more than half of the tax year.
 - f. The taxpayer has disqualified income less than \$10,300.
- (6) **TY21**, taxpayers may be eligible for EIC without a qualifying child if they meet all of the following criteria:
- a. FSC is not 3 or 6.
 - b. The taxpayer has earned income/AGI less than \$27,380 for FSC 2 and \$21,430 for all other allowed filing statuses.
 - c. The taxpayer is not eligible to be claimed as a dependent by another person.
 - d. One taxpayer's age is greater than 18 at the end of the tax year.

- e. One taxpayer's age is greater than 17 at the end of the tax year and the Under 19 Indicator (Field 03U19) is checked.
 - f. The taxpayer lived in the United States for more than half of the tax year.
 - g. The taxpayer has disqualified income less than \$10,000.
- (7) If there is an indication the taxpayer is claiming EIC **with children** (e.g., **dependents claimed on the front of the return**; taxpayer's EIC amount is **greater than** \$600 (\$560 for TY22; \$1,502 for TY21); taxpayer's AGI exceeds the maximum amount allowed to claim EIC without children; etc.) and:
- Schedule EIC with qualifying children is attached, but not transcribed. GTSEC 43 and enter all appropriate fields.
Exception: If Schedule EIC was not transcribed because of the child's missing TIN, assign **TPNC 743**.
 - Schedule EIC is not attached. SSPND 211 to correspond for Schedule EIC.
Exception: Do not correspond if any of the following apply:
 - Primary SSN (or Secondary SSN for FSC 2) is invalid or if either spouse has an ATIN, ITIN, or IRSN (temporary TIN)
 - TIN assignment date in Field 01PAD> (or 01SAD> for FSC 2) is after the return due date in Field T-DAT>
 - FSC is 3 or 6 (TY20 and earlier)
 - DQI exceeds limit of \$11,000 (\$10,300 for TY22; \$10,000 for TY21)
 - No earned income reported on the return
 - TY23 AGI or earned income reported exceeds:

Number of Children	AGI or Earned Income
3 or more children	\$56,838 (\$63,398 FSC 2)
2 children	\$52,918 (\$59,478 FSC 2)
1 child	\$46,560 (\$53,120 FSC 2)

- (8) Refer to EC 337 for the description of and procedures for Fields 03DQI>, E-SEI>, and E-INC>.
- (9) Refer to EC 337 if Schedule E or Advanced EIC (TY10 and prior) is present.
- (10) If the taxpayer appears to qualify for EIC, but does not provide at least one Form W-2 or similar statement of earnings or note HSH beside the entry for wages, research with CC IRPTR for earned income. Wages reported there satisfy the requirement for evidence of earned income. If earned income is not found on IRPTR, SSPND 211 for earned income support for EIC. Complete Form 6001 using paragraph X.
- Reminder:** When the taxpayer notes **HSH** to identify income from household employment, enter **E** in Field 01SPC.
- (11) **TY21 - TY17**, taxpayers can elect to use their prior year earned income (PYEI) to figure their EIC on their return. TY21, taxpayers enter the prior year earned income amount on line 27c. TY20-TY17, to indicate this election. TY20-TY17,

these taxpayers are instructed to write **PYEI** (Prior Year Earned Income) and their earnings amount next to the Earned Income Credit line (TY20, line 27; TY19, line 18a; TY18, line 17; TY17, line 66a). If the taxpayer notates "**PYEI**" and an amount, enter the amount identified as PYEI in Field 03PYE.

- (12) If the taxpayer has an entry for **Nontaxable Combat Pay election** on Form 1040, line 1i (TY21, line 27b) or a notation of **NCP** and amount next to TY20, and enter in Field 03NCP. If the taxpayer has **not** used the nontaxable combat pay in the EIC computation, use Field 94EIV to input the correct EIC earned income excluding the Nontaxable Combat Pay amount.

#

Note: The taxpayer elects to use or not to use the nontaxable combat pay in the EIC computation.

- (13) If the Primary SSN is invalid, do not correspond for EIC. Process the return according to the instructions in the table below instead.

If...	Then...
A] RPC O is present,	Assign TPNC 748 .
B] RPC O is not present,	<ol style="list-style-type: none"> 1. GTSEC 02 and enter R in Field 02RI. This will cause EC 004/005 to generate, if appropriate. 2. Follow the instructions in EC 004 or 005.

- (14) If Field 01PYB> or 01SYB> is blank, determine the taxpayer's year of birth with CC INOLE. If the taxpayer is on the valid side of the SSN, use the year of birth from the valid side of the SSN to figure the taxpayer's age.

If the taxpayer's year of birth is...	Then...
A] 1959 to 1998 for TY23 (for TY22, 1958 to 1997),	Enter the primary taxpayer's age in Field 94PAV, the secondary taxpayer's age in Field 94SAV.
B] not in the range 1959 to 1998 for TY23 (for TY22, 1958 to 1997) or can't be determined,	Assign TPNC 293 .
C] 2002 or prior for TY21 (taxpayer must be age 19 or older unless the box on Line 27a checked/an entry in Field 03U19),	Enter the primary taxpayer's age in Field 94PAV, the secondary taxpayer's age in Field 94SAV.
D] 2003 for TY21 and 1 is present in Field 03U19,	Enter the primary taxpayer's age in Field 94PAV, the secondary taxpayer's age in Field 94SAV.
E] 2003 or later for TY21 and 1 is not present in Field 03U19,	Assign TPNC 617 .

- (15) When the taxpayer claims an amount for EIC but is not eligible, take the following action:

If...	Then...
A] FSC is 3 or 6 (married filing separate) and Field 43MFS is not 1 (TY23-TY21),	Assign TPNC 286 .
B] TY20 and prior, FSC is 3 or 6 (married filing separate),	Assign TPNC 286 .
C] Either the earned income or AGI (Field 03AGI) exceeds the maximum amount,	Assign TPNC 287 .
D] There is no earned income,	Assign TPNC 288 .
E] Field 03DQI > exceeds the maximum amount,	Assign TPNC 291 .
F] The Primary or Secondary taxpayer can be claimed as a dependent on someone else's tax return,	Assign TPNC 290 .
G] Primary TIN is invalid (RPC O is present),	Assign TPNC 748 .
H] Secondary SSN is missing/invalid if FSC 2,	Assign TPNC 701 .
I] The Primary or Secondary TIN is an IRSN or ITIN. Note: IRSNs/ITINs are in the format of an SSN and begin with the number "9". ITINs fourth and fifth digits 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) (9XX-94-XXXX through 9XX-99-XXXX),	Assign TPNC 702 .
J] Field 01PYB> and Field 01SYB>, if FSC 2, are not 1959 to 1998 for TY23 (for TY22, 1958 to 1997),	Assign TPNC 293 .

If...	Then...
K] The assignment date in Field 01PAD> or 01SAD> is after the date in Field T-DAT>,	Assign TPNC 711 . Reminder: For TY21 and prior, refer to IRM 3.12.3.28.15.7(2).
L] TY21 only , the Primary or Secondary taxpayer are not at least age 19, or age 18 with an entry in Field 03U19,	Assign TPNC 617 .

- (16) If the taxpayer has incorrectly figured the EIC amount and no other TPNC applies, assign **TPNC 285**.

3.12.3.28.15.4
(11-23-2021)

**Taxpayer Requests IRS
Compute EIC (EC 338)**

- (1) Take the following actions if the Primary SSN is invalid (Do not correspond for Schedule EIC):

If RPC O is...	Then...
A] Present,	Delete the \$888.00 amount in Field 03EIC. (See note.)
B] Not present,	<ol style="list-style-type: none"> 1. Delete the entry in Field 01PS and transmit. 2. When the field error for Field 01PS displays, re-enter the Primary SSN. This will cause EC 004/005, if appropriate. 3. Follow EC 004/005 instructions.

Note: Code & Edit edits \$888 on the EIC line when the taxpayer notes "EIC" near the EIC line and Schedule EIC is not attached. This will force the return to ERS. **YOU MUST ALWAYS CHANGE OR DELETE THE \$888.00.**

- (2) Delete the \$888.00 (edited by Code & Edit) amount if you determine the taxpayer is not eligible for EIC based on any of the following.
- Child(ren) on Schedule EIC have been disallowed ("X"d by Code & Edit or DLSEC 43 by ERS).
 - Either the earned income or modified AGI exceeds the maximum amount.
 - There is no earned income.
 - Taxpayer can be claimed on another person's return.
 - Primary or secondary TIN is an ITIN or IRSN.
 - FSC is 2 and secondary TIN is missing/invalid.
 - Field 03DQI> exceeds the maximum amount.
 - Field 01PYB> (and 01SYB> for FSC 2) is not **1959 to 1998** for TY23 (for TY22, 1958 to 1997).

- Research (CC INOLE) indicates year of birth is NOT in the range 1959 to 1998 for TY23 (for TY22, 1958 to 1997).
- Year of birth cannot be determined.
- The filing status is 3 or 6 without a qualifying child, TY21 and later (TY20 and prior, the filing status is 3 or 6).

(3) Take the following action when you determine the taxpayer is eligible for EIC (none of the preceding apply):

If the taxpayer...	Then...
A] Did not claim children elsewhere on the return,	<ol style="list-style-type: none"> 1. Overlay the \$888.00 amount in Field 03EIC with the correct EIC Amount. 2. Enter A in Field 01RPC, if necessary. 3. Assign TPNC 284 when EC 366 displays. Caution: Do not send TPNC 284 on MeF
B] Claimed children elsewhere on the return,	<ol style="list-style-type: none"> 1. Compute EIC, with no children (see Job Aid Book 2515-015). 2. Overlay the \$888.00 amount in Field 03EIC with the correct EIC Amount. 3. Enter A in Field 01RPC, if necessary. 4. Assign TPNC 292 when EC 366 displays.

3.12.3.28.15.5
(11-23-2021)
**Self-Employment Tax
Assessed Under EC 380
(No Reply) (EC 338)**

- (1) Take the following actions if **TPNC 580** was sent when EC 209 displayed because Section 17 and/or 18 was entered while correcting EC 380 and the SE tax (Field 05204 underprint) is now greater than EIC Computer (Field 03EIC>):
- a. GTSEC 01.
 - b. Enter **V** in Field 01ACD and transmit.
 - c. Delete Section 17/18 when EC 338 redisplay.
 - d. Re-enter RPC N, if necessary.
 - e. Enter **C** in the Clear Field when EC 380 redisplay.

3.12.3.28.15.6
(01-01-2017)
**Correction Procedures
(EC 638)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions for the Error Code and IRM 3.12.2.5.12 for Non-Compute information.
- (3) Enter **C** in the Clear Field when there are no corrections to be made.

3.12.3.28.15.7
(04-25-2022)
Prior Year (EC 338)

- (1) The Tentative Return Due Date Field T-DAT>, other than current year, is the April return due date. NAP will not provide a TC 460 date for a return other than current year. Research must be performed to determine if a TC 460 date is on the account. If present, use the date identified as **EXT-DT** in the last column, under -Variable Data- as the tentative return due date.

Caution: Don't use the TC 460 date in the first column.

- (2) For **TY21 and prior**, if the primary or secondary TIN Assignment Date displays in Field 01PAD> or Field 01SAD> that is after the date in T-DAT>, research IMFOLT for a TC 460 for the tax year of the return.

Caution: On TY 202012 returns, if the TIN Assignment Date is on or before May 17, 2021, or TY 201912 - 202002 returns, if the TIN Assignment Date is on or before July 15, 2020, follow the steps in C] below.

If...	And...	Then...
A] TC 460 is not found on IMFOLT,	The TIN Assignment Date in Field 01PAD> or 01SAD> is after T-DAT>,	Assign TPNC 711 (TPNC 810, TY17 and prior).
B] TC 460 is found on IMFOLT,	The TIN Assignment Date in Field 01PAD> or 01SAD> is after the TC 460 date,	Assign TPNC 711 (TPNC 810, TY17 and prior).
C] TC 460 is found on IMFOLT,	The TIN Assignment Date in Fields 01PAD> and 01SAD> are both before the TC 460 date,	<ol style="list-style-type: none"> 1. Manually compute EIC after applying all eligibility requirements. 2. Enter the manually computed EIC amount in Field 03EIC. 3. Enter A in Field 01RPC. 4. Assign the appropriate TPNCs when EC 338 redisplay.

- (3) **TY19 and prior**, action will be required for the taxpayer to receive the correct credit. Correct as follows:
- a. Manually compute the credit. (see the chart in paragraph (8) for Year of Birth ranges and maximums)
 - b. Enter the correct amount in Field 03EIC, if different.
 - c. Enter **A** in Field 01RPC.
 - d. Assign the appropriate TPNCs when EC 338 redisplay.

- (4) When there is an indication the taxpayer is claiming EIC with children, but did not attach Schedule EIC, SSPND 211 to correspond for Schedule EIC (e.g., **dependents claimed on the front of the return**; taxpayer's EIC amount is **greater than** \$560 for TY22; \$1,502 for TY21; \$538 for TY20; \$529 for TY19; \$519 for TY18; \$510 for TY17; \$506 for TY16, \$503 for TY15, \$496 for TY14, \$487 for TY13, \$475 for TY12, \$464 for TY11, \$457 for TY10, \$457 for TY09, \$438 for TY08, \$428 for TY07, \$412 for TY06; taxpayer's AGI exceeds the maximum amount allowed to claim EIC without children; etc.).

Note: Do not correspond if all qualifying factors are not met.

- (5) **TY94 to TY20**, taxpayers may be eligible for EIC without a qualifying child if they meet all of the following criteria:
- FSC is not 3 or 6.
 - The taxpayer has earned income within the specified range per the filing tax year.
 - The taxpayer is not eligible to be claimed as a dependent by another person.
 - One taxpayer is age 25 to 64, inclusive, at the end of the tax year.
 - The taxpayer lived in the United States for more than half of the tax year.
 - The taxpayer has disqualified income of less than the specified range per the filing tax year.
- (6) Taxpayers may be eligible for EIC without a qualifying child if their **earned income** or AGI does not exceed the following amounts:
- TY22: \$22,600 for FS 2 and \$16,480 for all other allowed filing statuses.
 - TY21: \$27,380 for FS 2 and \$21,430 for all other allowed filing statuses.
 - TY20: \$21,710 for FS 2 and \$15,820 for all other allowed filing statuses.
 - TY19: \$21,370 for FS 2 and \$15,570 for all other allowed filing statuses.
 - TY18: \$20,950 for FS 2 and \$15,270 for all other allowed filing statuses.
 - TY17: \$20,600 for FS 2 and \$15,010 for all other allowed filing statuses.
 - TY16: \$20,430 for FS 2 and \$14,880 for all other allowed filing statuses.
 - TY15: \$20,330 for FS 2 and \$14,820 for all other allowed filing statuses.
 - TY14: \$20,020 for FS 2 and \$14,590 for all other allowed filing statuses.
 - TY13: \$19,680 for FS 2 and \$14,340 for all other allowed filing statuses.
 - TY12: \$19,190 for FS 2 and \$13,980 for all other allowed filing statuses.
 - TY11: \$18,470 for FS 2 and \$13,660 for all other allowed filing statuses.
 - TY10: \$18,470 for FS 2 and \$13,460 for all other allowed filing statuses.
 - TY09: \$18,440 for FS 2 and \$13,440 for all other allowed filing statuses.
 - TY08: \$15,880 for FS 2 and \$12,880 for all other allowed filing statuses.
 - TY07: \$14,590 for FS 2 and \$12,590 for all other allowed filing statuses.
 - TY06: \$14,120 for FS 2 and \$12,120 for all other allowed filing statuses.

Note: Investment income: \$10,000 for TY21; \$3,650 for TY20; \$3,600 for TY19; \$3,500 for TY 18; \$3,450 for TY 17; \$3,400 for TY 16 and TY15; \$3,350 for TY14; \$3,300 for TY13; \$3,200 for TY12; \$3,150 for TY11; \$3,100 for TY10, \$3,100 for TY09, \$2,950 for TY08, \$2,900 for TY07; \$2,800 for TY06

- (7) **TY21-TY17, and TY08** - If the taxpayer notes **PYEI** (Prior Year Earned Income) and an amount to the left of line 18a (TY18, line 17; TY17, line 64a; Form 1040A, line 40a; Form 1040EZ, line 8a), then enter the amount identified as PYEI in Field 03PYE.

- (8) TY21 through TY06 - see the following chart for Year of Birth ranges and maximums:

Tax Period	NAP Year Of Birth	Maximum/ Modified AGI	Maximum EIC Amount	Disqualified Income
202112 to 202211	2002 and prior	\$21,430 (\$27,380)	\$1,502	\$10,000
202012 to 202111	1956 to 1995	\$15,820 (\$21,710)	\$538	\$3,650
201912 to 202011	1955 to 1994	\$15,550 (\$21,350)	\$529	\$3,600
201812 to 201911	1954 to 1993	\$15,270 (\$20,950)	\$519	\$3,500
201712 to 201811	1953 to 1992	\$15,010 (\$20,600)	\$510	\$3,450
201612 to 201711	1952 to 1991	\$14,880 (\$20,430)	\$506	\$3,450
201512 to 201611	1951 to 1990	\$14,820 (\$20,330)	\$503	\$3,400
201412 to 201511	1950 to 1989	\$14,590 (\$20,020)	\$496	\$3,350
201312 to 201411	1949 to 1988	\$14,340 (\$19,680)	\$487	\$3,300
201212 to 201311	1948 to 1987	\$13,980 (\$19,190)	\$475	\$3,200
201112 to 201211	1947 to 1986	\$13,660 (\$18,470)	\$464	\$3,150
201012 to 201111	1946 to 1985	\$13,460 (\$18,470)	\$457	\$3,100
200912 to 201011	1945 to 1984	\$13,440 (\$18,440)	\$457	\$3,100
200812 to 200911	1944 to 1983	\$12,880 (\$15,880)	\$438	\$2,950
200712 to 200811	1943 to 1982	\$12,590 (\$14,590)	\$428	\$2,900
200612 to 200711	1942 to 1981	\$12,120 (\$14,120)	\$412	\$2,800

- (9) TY19 to TY06, if there are missing/invalid SSNs/TINs, take the following actions:

- Enter **B** in Field 01RPC.
- If Error Code 366 displays, assign the appropriate TPNC.

3.12.3.28.15.8

(01-01-2023)

Allowable Taxpayer Notice Codes (Form 1040) (EC 338)

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 338**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.

TPNC	Description
218	We computed your tax for you.
284	We computed your EIC.
285	Figured or entered EIC incorrectly.
286	We can't allow your EIC because of your filing status.
287	We can't allow your EIC. AGI is more than the maximum amount.
288	We can't allow your EIC. No earned income.
290	We can't allow your EIC. DSI box checked.
291	We can't allow your EIC, Disqualified income exceeds maximum amount.
292	We figured your EIC. However you may be eligible for more.
293	We cannot allow your Earned Income Credit. You must be at least 25, under 65 years old at the end of the tax year.
540	Disallowed EIC. Information on return indicates you don't qualify.
558	You gave us information that changed the refund or amount you owe.
580	You failed to compute your SE Tax on your SE income.
585	No Reply. Schedule EIC incomplete or not attached.
586	No Reply. Disallowed EIC. Form W-2 didn't match wages.
606	Disallowed exemption claimed for dependent born after December 31 of the tax year of the return. Change may affect Credit for Child and Dependent Care Expenses, CTC, or ACTC.
607	Primary Taxpayer deceased prior to tax period of return.
608	Secondary Taxpayer deceased prior to tax period of return.
609	Disallowed exemption for dependent who was deceased prior to tax period of return. Change may affect Credit for Child and Dependent Care Expenses, CTC, ACTC, or EIC.
610	Disallowed exemption for child without TIN who was born and died. No birth certificate. Change may affect credit for Child and Dependent Care Expenses, CTC, ACTC, or EIC.

TPNC	Description
617	Disallowed EIC. You or your spouse must be at least age 19, or at least 18 and checked the box on line 27, Form 1040. (TY21 only)
618	Disallowed EIC. Did not check the box to claim EIC when filing status is married filing separate.
653	Rejects only. Disallowed EIC, CTC, ACTC, Credit for Other Dependents, and/or American Opportunity Credit. Form 8862 not attached.
701	Disallowed spouse's exemption and EIC. Spouse's SSN missing or invalid.
702	Disallowed EIC. Primary or secondary has ITIN.
704	Primary or secondary SSN or ITIN missing or invalid. Disallowed certain credits: Education credits, CTC, credit for other dependents, ACTC, or EIC.
706	Primary, spouse or dependent deceased prior to the tax period. Disallowed certain credits: Credit for Child and Dependent Care Expenses, CTC, credit for other dependents, ACTC, EIC or education credits.
707	Dependent without at TIN who was born and died. No birth certificate attached. Disallowed certain credits: Credit for Child and Dependent Care Expenses, CTC, credit for other dependents, ACTC, EIC or education credits.
711	You, your spouse, or one or more of the dependents listed on your return didn't have an assigned taxpayer identification number by the due date of the tax return. As a result, we disallowed certain credits claimed on your return.
736	We didn't allow EIC. We couldn't verify your age and your spouse didn't meet the age requirement.
737	We didn't allow EIC. We couldn't verify your and your spouse's age.
738	We didn't allow EIC. We couldn't verify your age to determine eligibility.
741	We did not allow all or part of your Earned Income Credit because the date of birth listed on your tax return for one or more of your qualifying children is either missing or does not match the records provided to us by the Social Security Administration (SSA).
743	Disallowed all or part of EIC. One or more children SSN missing or last name does not match.
745	EIC qualifying Child ATIN/ITIN noted. We reduced or disallowed your EIC.

TPNC	Description
748	Your SSN or name does not match the records provided by the Social Security Administration. As a result, we did not allow your personal exemption and Earned Income Credit.
750	We didn't allow part or all of your Earned Income Credit on your tax return. The information provided shows one or more of the qualifying children on Schedule EIC, Earned Income Credit, did not meet the age requirement for the credit.
751	We didn't allow part or all of your Earned Income Credit on your tax return. The information provided shows one or more of the qualifying children on Schedule EIC, Earned Income Credit, did not meet the relationship requirement for the credit.
752	We didn't allow part or all of your Earned Income Credit on your tax return. The information provided shows one or more of the qualifying children on Schedule EIC, Earned Income Credit, did not live with you for more than half the year.
760	We didn't allow some or all of your claim for the Earned income Credit. You didn't provide support for the statutory wages you reported, and we did not consider those wages in figuring the credit.
810	Primary, secondary, or dependent TIN not assigned by return due date. Disallowed certain credits claimed on your return. This change may affect any of the following credits: American opportunity credit, CTC, ACTC, EIC.
814	Rejects only. Banned you from claiming earned income credit for two tax years.
815	Rejects only. Banned you from claiming earned income credit for this tax year.
816	Rejects only. Banned you from claiming earned income credit for ten years.
***	Any previously assigned TPNC.

3.12.3.28.16
(11-23-2021)
**Error Code 339,
Reserved**

(1) Reserved.

3.12.3.28.17
(11-23-2021)
**Error Code 340,
Reserved**

- (1) Reserved.

3.12.3.29
(01-01-2017)
**Error Code 343 -
International**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields. If RPC "8" was coded in error (i.e., the return does not have a Puerto Rican address), delete the 8 from Field 01RPC.
- (2) If the return is an International Return, SSPND 651 to Austin.

3.12.3.30
(01-01-2020)
Error Codes 344-372

- (1) Instructions for Error Codes 344 to 372 follows.

3.12.3.30.1
(01-01-2020)
**Error Code 344 -
Additional Child Tax
Credit, Tax Year 2022,
and Tax Year 2020 and
Prior**

- (1) Error Code 344 instructions follow.

3.12.3.30.1.1
(01-01-2024)
**Fields Displayed, Form
1040 (EC 344)**

- (1) This table shows the fields displayed.

1040	Field Name
01EXC	Exemption Code
94EXV	Exemption Code Verified
01TXP	Tax Period
01CCC	Computer Condition Code
01RPC	Return Processing Code
01SPC	Special Processing Code
T-DAT>	Tentative Return Due Date Computer
01PAD>	Primary NAP TIN Assignment Date
01PIC>	Primary ITIN Status Code
01SAD>	Secondary NAP TIN Assignment Date
01SIC>	Secondary ITIN Status Code
01TCE>	Child Tax Credit Total Eligible Computer Number
94CEV	Child Tax Credit Total Eligible Verified Number
01TDE>	Other Dependent Credit Total Eligible Computer Number
94DEV	Other Dependent Credit Total Eligible Verified Number
01CT1	Dependent 1 Child Tax and Other Dependent Credit Code

1040	Field Name
01YB1>	Dependent 1 Year of Birth
01NP1>	Dependent 1 NAP Access Indicator
01DC1>	Dependent 1 ITIN Status Code
01AD1>	Dependent 1 TIN Assignment Date
01CT2	Dependent 2 Child Tax and Other Dependent Credit Code
01YB2>	Dependent 2 Year of Birth
01NP2>	Dependent 2 NAP Access Indicator
01DC2>	Dependent 2 ITIN Status Code
01AD2>	Dependent 2 TIN Assignment Date
01CT3	Dependent 3 Child Tax and Other Dependent Credit Code
01YB3>	Dependent 3 Year of Birth
01NP3>	Dependent 3 NAP Access Indicator
01DC3>	Dependent 3 ITIN Status Code
01AD3>	Dependent 3 TIN Assignment Date
01CT4	Dependent 4 Child Tax and Other Dependent Credit Code
01YB4>	Dependent 4 Year of Birth
01NP4>	Dependent 4 NAP Access Indicator
01DC4>	Dependent 4 ITIN Status Code
01AD4>	Dependent 4 TIN Assignment Date
03AGI	Adjusted Gross Income
>>>>>	AGI Computer
TFIEX>	Total Foreign Earned Income Exclusion Computer
03TBC>	Income Tax Before Credits Computer
03COD	Child and Other Dependent Credit Amount
>>>>>	Child and Other Dependent Credit Computer
03COD>	Gross Child and Other Dependent Credit Computer
94CDV	Child and Other Dependent Credit Verified
03TAX	Total Tax IMF
>>>>>	Total Tax IMF Computer
94EIV	EIC Earned Income Verified
03ACT	Additional Child Tax Credit Amount

1040	Field Name
>>>>>	Additional Child Tax Credit Computer
03ACT>	Gross Additional Child Tax Credit Computer
94ACV	Additional Child Tax Credit Verified
	Section 47 Not Present
47NCP	Schedule 8812 Nontaxable Combat Pay
47EI	Schedule 8812 Earned Income
47EI>	Additional Child Tax Credit Earned Income Computer
47SSM	Total Social Security and Medicare Taxes
47OEI	Additional Child Tax Credit Opt out Election Indicator

3.12.3.30.1.2
(01-01-2017)
Invalid Conditions (EC 344)

- (1) **Error Code 344** generates when **all** the following exist:
- Tax period is either 202212 and later or 202111 or prior.
 - The taxpayer and computer's amounts for Additional Child Tax Credit are different.
 - Total Payments is not equal to Total Payments Computer.
 - A math error is present.

3.12.3.30.1.3
(01-06-2023)
Correction Procedures (EC 344)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- Caution:** Field 94EXV, positions 3 - 8 may have been used to resolve Error Codes 010, 012, 013, 017, 250, 283 or 285. If an exemption was disallowed in a previous error code and the taxpayer indicates the child is eligible for Child Tax Credit by marking column 4, leave as disallowed.
- (2) For TY23, the maximum additional child tax credit is \$1,600. For TY22, the maximum additional child tax credit is \$1,500 per child. For TY20-TY18, the maximum additional child tax credit is \$1,400 per child.

Note: For TY17-TY04, the maximum Child Tax Credit/Additional Child Tax Credit is \$1,000 for each qualifying child.

- (3) For **TY19 and prior**, manually compute the credit and enter the correct amount in Field 94ACV prior to assigning a TPNC.

Note: Programming will compute Additional Child Tax Credit based on the qualification rules for TY20 which includes SSN requirements, maximum credit of \$1,400 per child and AGI thresholds. TY17 and prior, consider a dependent with an ITIN as eligible if the ITIN Status code is **not** "I" when all other criteria are met.

- (4) **TY20-TY17**, if "**PYEI**" (Prior Year Earned Income) is noted, the amount should be transcribed in Field 03PYA. **TY20**, PYEI is notated with the taxpayer's earnings next to Form 1040, line 28 when taxpayers elect to use their 2019

earned income to compute EIC and/or ACTC. **TY19 - TY17, "PYEI"** (Prior Year Earned Income) is notated with the taxpayer's earnings next to line 18b (TY18, line 17; TY17, line 66a and/or line 67; Form 1040A, line 42a and/or line 43). Taxpayers are instructed to also use their PYEI amount on Schedule 8812, line 6a (TY17, Schedule 8812, line 4).

Note: Taxpayers can elect to use their prior year earned income to figure their EIC and ACTC on their TY19 - TY17 tax return.

- (5) Verify the **Nontaxable Combat Pay** amount, if present, on line 18b (TY20 and prior, line 6b) of Schedule 8812 has been entered in Field 47NCP.

Note: If the taxpayer appears to be a **Combat Zone** filer (military Form W-2 attached box 12, Code Q) and Schedule 8812 is not attached, SSPND 211 for Schedule 8812. Combat Zone filers are required to enter their Nontaxable Combat Pay on line 18b (TY20 and prior, line 6b) of Schedule 8812.

- (6) Compare Fields 01PAD> and 01SAD>, if present, to Field T-DAT>. If the TIN Assignment Date for either field is **after** T-DAT>, the computer will disallow all CTC/ACTC on the return.

Reminder: For TY20 and prior, refer to IRM 3.12.3.30.1.9.

- (7) If the Child Tax Credit/Additional Child Tax Credit is disallowed due to any the following **primary and/or secondary** taxpayer TIN related issues:
- Assign **TPNC 704** (TPNC 818 for TY17 and prior), if a TIN is **missing or a name control mismatch**.
 - Assign **TPNC 711** (TPNC 810 for TY17 and prior), if a TIN **Assignment Date** is after the return due date.

Reminder: For TY20 and prior, refer to IRM 3.12.3.30.1.9.

- Assign **TPNC 709** (TPNC 817 for TY17 and prior), if an ITIN Status Code is **"I"**.
- (8) If there are **three or more qualifying children, Section 47 must be present** (transcribed) for the computer to compute the Additional Child Tax Credit accurately.
- If **Schedule 8812 is attached**, GTSEC 47 and enter all available data into the appropriate fields.
 - If **Schedule 8812 is not attached** and the taxpayer is claiming the Additional Child Tax Credit on Form 1040, line 28 (TY19, line 18b; TY18, line 17b) for 3 or more children, **SSPND 211**.

Exception: Do not correspond if the dependent's TIN is missing or invalid and makes for fewer than 3 qualifying children.

- (9) If Schedule 8812 is attached and the taxpayer has used only **line 22** (TY20-TY19, line 10) in the computation of Schedule 8812 [line 21 (TY20-TY18, line 9) is blank], GTSEC 47 and transmit.
- (10) TY23-TY22, if the box is checked on Schedule 8812, line 15, indicating the taxpayer does not want to claim additional child tax credit, enter **1** in Field 47OEI.

3.12.3.30.1.4
(04-20-2021)**Fields 01TCE> and 94CEV, Total Children Eligible for Child Tax Credit (EC 344)**

- (1) Field 01TCE> displays the number of **qualifying** children for the Child Tax Credit. Field 01TCE> **doesn't** include:
 - children with a missing or invalid SSN (NAP Access Indicator of 2 or 9),
 - dependents who don't meet the age requirement (under age 17), or
 - dependents with a TIN Assignment Date after the due date of the return
- (2) Field 01TDE> displays the number of **qualifying** dependents for Credit for Other Dependents. Field 01TDE> **doesn't** include:
 - dependents with a missing or invalid TIN (NAP Access Indicator of 2 or 9),
 - dependents with a TIN Assignment Date after the due date of the return, or
 - dependents whose ITIN Status Code is "I"
- (3) If the taxpayer claims an amount on Form 1040, line 28 (TY19, line 18b; TY18, line 17b), for Additional Child Tax Credit but fails to check the "qualifying child" box(es) in column 4 of Form 1040, indicating the dependent(s) qualifies, enter **1 or 2** in Field 01CT1/2/3/4, as applicable.
- (4) Use the following table when the number of qualifying children in Field 01TCE> differs from the number of boxes checked in column (4), Form 1040, and the taxpayer has computed the Additional Child Tax Credit.

Note: If Field 01TCE> is zeros, the computer has determined there are no qualifying children for Child Tax Credit.

Reminder: Assign **all** applicable TPNC(s).

If...	And...	Then...
A] Any dependent TIN is missing or invalid ; the NAP Indicator is 2 or 9,		Assign TPNC 705 (TPNC 605 for TY17 and prior). See Exceptions below before assigning a TPNC.
B] Any Dependent TIN Assignment Date (Field 01AD1>/2/3/4) is after the return due date in Field T-DAT>, Exception: On TY20 returns, if the TIN Assignment Date is on or before May 17, 2021, determine the number of eligible dependents and enter in Field 94CEV.		Assign TPNC 711 (TPNC 810 for TY17 and prior). Reminder: For TY20 and prior, refer to IRM 3.12.3.30.1.9(3).

If...	And...	Then...
C] TY18 and later, any dependent who doesn't qualify for CTC because the dependent <ul style="list-style-type: none"> doesn't meet the age requirement of under age 17, or has an ITIN instead of a valid SSN, 	meets the eligibility criteria for Other Dependent Credit (computer will count dependent in Field 01TDE> if eligible),	Assign TPNC 250 , TY18 and later only.
D] TY18 and later, any dependent who doesn't qualify for CTC because the dependent has an ITIN instead of a valid SSN,	Other Dependent Credit is not allowed for this dependent,	Assign TPNC 805 , TY18 and later only.
E] TY17 and prior, any dependent claimed for CTC doesn't meet the meet the age requirement of under age 17,		Assign TPNC 251 , TY17 and prior.
F] Any dependent date of birth is after the tax year of the return,		Assign TPNC 708 (TPNC 606 for TY17 and prior). Note: Fields 94EXV and 01CT1/2/3/4 should have been adjusted in EC 019.
G] Any dependent date of death is prior to the tax year of the return,		Assign TPNC 706 (TY17 and prior, TPNC 609). Note: Fields 94EXV and 01CT1/2/3/4 should have been adjusted in EC 018.
H] Field 01YB1>2/3/4 contains zeros (year of birth not available),	You determine through research any dependent does not meet the age requirement of under age 17,	TY18 and later, assign TPNC 250 if dependent qualifies for Other Dependent Credit (computer will count dependent in Field 01TDE> if eligible). TY18 and later, assign TPNC 805 if Other Dependent Credit was not allowed. (TY17 and prior, assign TPNC 251.)
I] Field 01YB1>2/3/4 contains zeros (year of birth not available),	You determine through research any dependent meets the age requirement of under age 17,	<ol style="list-style-type: none"> Adjust Field 01CT1/2/3/4 to show the qualifying children among the dependents. Use Field 94CEV for qualifying children.
J] Any Dependent ITIN Status Code (Field 01DC1>2/3/4) is "I"		Assign TPNC 710 (TY17 and prior, assign TPNC 644).

Exception: For all tax years, allow the Child Tax Credit when the child's SSN is missing and the child was **born and died** in the same or consecutive

tax period if the taxpayers provide documentary support in the form of a copy of the birth certificate, death certificate, or hospital record.

Reminder: Enter **I** in Field 01RPC for children who do not have an SSN and were born in the tax period of the tax return and died in the same or consecutive tax period.

Caution: TY23-TY22, and TY20 and prior, if you use Field 94CEV or 94DEV, you must make an entry in both fields.

3.12.3.30.1.5
(02-05-2021)

Field 47EI> - Additional Child Tax Credit Earned Income Computer (EC 344)

- (1) Additional Child Tax Credit (ACTC) Earned Income Computer includes the following:
 - a. Wages and other earned income - Form 1040, line 1z (TY20-TY18, line 1)
 - b. Nontaxable Combat Pay - Form 1040, line 1i
 - c. Other Earned Income - Schedule 1, line 8z (TY20-TY19, line 8)
 - d. Combined Schedule C Profit/Loss Computer
 - e. Combined Schedule F Profit/Loss Computer
 - f. Deduction for Self-Employment Tax Computer
- (2) Compare the computer's amount for earned income in Field 47EI> to the taxpayer's amount on Schedule 8812, line 18a (TY20, line 6a). If the amounts differ, refer to the conditions in (3) to determine if manual computation is required for Additional Child Tax Credit.
- (3) The computer cannot accurately compute the ACTC Earned Income (Field 47EI>) when any of the following conditions are present. Manually compute the Additional Child Tax Credit and enter the correct amount in Field 94ACV.

Note: If EC 290 displays, also enter the verified Child Tax Credit amount in Field 94CDV.

- TY20 and prior, **SCH** (scholarship) and an amount noted to the left of line 1, Form 1040.

Note: The part of stipends, scholarship, and fellowship grants used for expenses such as room and board and travel is not considered earned income. Exclude that part from the manual computation of ACTC earned income.

- TY20 and prior, **PRI** (prisoner) and an amount are noted to the left of line 1, Form 1040.

Note: Income earned by a prisoner in a penal institution is not considered earned income. Exclude it from the manual computation of ACTC earned income.

- TY20 and prior, **DFC** (pension or annuity from a non-qualified compensation plan) is noted to the left of line 1, Form 1040. Exclude it from the manual computation of ACTC earned income.

present.

- **NOL** (Net Operating Loss) is present on Schedule 1, line 8a (TY20-TY19, line 8).
- Non-passive **partnership** income or loss is present.

#

- The taxpayer used the farm or non-farm **optional method** in computing Schedule SE. See the instructions for Schedule 8812 (TY20 and prior, Publication 972 in Job Aid 2515-015), even if EIC is also claimed.
- An entry is present in **Field 94EIV**.
- The taxpayer is **exempt** from self-employment tax (Form 4029/Exempt).
- Taxpayer is a **minister** or a member of a religious order who has taken a vow of poverty or a Christian Science practitioner.
- Any **Schedule C** is for a **statutory employee** and at least one Schedule SE is present. See the instructions for Schedule 8812 (TY20 and prior, Publication 972 in Job Aid 2515-015).

Caution: If the taxpayer reports statutory and self-employment income on the same Schedule C, see the procedures for corresponding in IRM 3.12.3.21.2.5(3)D], in EC 202.

- The FSC is 2, a Schedule SE is attached, a Schedule C or F is present for each spouse, and the **loss or gain** from one of the forms is not reported on Schedule SE.
- TY20 and prior, **Notice 2014-7, IRC 131, difficulty of care payment, In-Home Health Services (IHHS), or In-Home Support Services (IHSS)** is noted on Schedule 1, line 8.

Note: This notation is made by taxpayers who are “individual care providers” who receive a Form W-2 for certain Medicaid waiver payments described in Notice 2014-7. They are instructed to include the amount of the payments on line 1, Form 1040 as wages and may choose to include the amount on Schedule 1, line 8s (TY20-TY19, line 81) as a negative amount. The Medicaid waiver payments reported as wages are included as **earned income** for the purposes of computing ACTC, even if reported as a negative amount on Other Income line.

- **Combat Zone** filer (military Form W-2 attached, box 12, Code Q). Ensure nontaxable combat pay is present in Field 47NCP.

3.12.3.30.1.6
(04-25-2022)

**Field 47SSM, Total
Social Security and
Medicare Taxes (EC 344)**

- (1) TY22, Field 47SSM is transcribed from Schedule 8812, line 21. TY20-TY18, this field is transcribed from line 9, Schedule 8812.

Note: Field 47SSM must have an entry when **three or more** qualifying children are present and the amount on **line 20** (TY20-TY18, line 8) is **less than** the amount on **line 17** (TY20-TY18, line 5) of Schedule 8812.

- (2) If an entry is required in Field 47SSM and there is **no** entry on line 21 (TY20-TY18, line 9) of Schedule 8812, **add** the amounts in boxes 4 and 6 from all attached Forms W-2. Enter the sum in Field 47SSM. If after that, the amount in Field 03ACT still differs from its underprint, then delete the entry in Field 47SSM and SSPND 211 for the required entry.

Exception: Some employees, notably but not exclusively teachers and employees of state and local government, may be exempt from Social Security and Medicare taxes, and boxes 4 and 6 of their Form W-2 may be blank.

#

##

If...	And...	Then...

#####

##

- (1) This field is transcribed from Form 1040, line 28 (TY19, line 18b; TY18, line 17b).
- (2) Additional Child Tax Credit Computer is equal to the difference between the total Child Tax Credit and the non-refundable part of the credit. Additional Child Tax Credit Computer is further limited to the taxpayer's Social Security and Medicare taxes [Schedule 8812, line 21 (TY20-TY18, line 9)] minus EIC Computer.
- (3) **Verify all transcribed sections *to identify the point of error*** when Field 03COD, Form 1040 and its underprint differ and it appears the taxpayer correctly computed the Child Tax Credit.
- (4) Determine if another error is present when the underprint for Fields 03COD and 03ACT equals the total amount of credit claimed by the taxpayer. The error is then most likely not caused by the Additional Child Tax Credit.

- (5) If there is an amount for **uncollected Social Security tax** identified as **UT** on Schedule 2, line 13 (TY20-TY19, line 8; TY18, Schedule 4, line 62), the Additional Child Tax Credit Computer, Field 03ACT> for Form 1040, may be incorrect. Include the **UT** amount in Field 47SSM.
- (6) If the taxpayer appears to have claimed all or part of the Child Tax Credit on the Additional Child Tax Credit line and EC 344 is the first error that displays, assign **TPNC 249** (TPNC 252 for TY17 and prior).

Note: If the taxpayer should have claimed the Child Tax Credit, the computer will compute the Child Tax Credit and reduce the Additional Child Tax Credit.

Reminder: The Child Tax Credit is \$2,000 (\$1,000 for TY17 and prior) for each qualifying child.

- (7) Assign **TPNC 628** when the taxpayer has incorrectly computed/transferred the Additional Child Tax Credit or when the computer is **limiting or phasing out** the credit because the modified Adjusted Gross Income (AGI) is greater than or equal to \$200,000 (\$400,000 if FSC 2).
- (8) Assign any previously assigned TPNC if a **previous** math error made a change to the credit available.

3.12.3.30.1.8
(01-01-2019)
**Field 94ACV - Additional
Child Tax Credit Verified
(EC 344)**

- (1) This field is used by tax examiners to enter an amount for Additional Child Tax Credit when the computer is unable to arrive at the correct amount. See EC 289.
- (2) To limit the Additional Child Tax Credit to zero, enter **1** (one) in Field 94ACV.

3.12.3.30.1.9
(10-04-2021)
Prior Year (EC 344)

- (1) The Tentative Return Due Date Field T-DAT>, other than current year, is the April return due date. NAP will not provide a TC 460 date for a return other than current year. Research must be performed to determine if a TC 460 date is on the account. If present, use the date identified as **EXT-DT** in the last column, under -Variable Data-as the tentative return due date.

Caution: Don't use the TC 460 date in the first column.

- (2) For **TY22 and prior**, if a primary or secondary TIN Assignment Date is displayed in Field 01PAD> or Field 01SAD> that is after the date in T-DAT>, research IMFOLT for a TC 460 for the tax year of the return.

Caution: On TY 202012 returns, if the TIN Assignment Date is on or before May 17, 2021, or TY 201912 - 202002 returns, if the TIN Assignment Date is on or before July 15, 2020, follow procedures in (3) to determine if any CTC child's TIN Assignment date is after the return due date. After determining the number of eligible dependents for CTC, manually verify the credit, and enter in Field 94ACV.

If...	And...	Then...
A] TC 460 is not found on IMFOLT,	The TIN Assignment Date in Field 01PAD> or 01SAD> is after T-DAT>,	Assign TPNC 711 (TPNC 810, TY17 and prior).
B] TC 460 is found on IMFOLT,	The TIN Assignment Date in Field 01PAD> or 01SAD> is after the TC 460 date,	Assign TPNC 711 (TPNC 810, TY17 and prior).
C] TC 460 is found on IMFOLT,	The TIN Assignment Date in Fields 01PAD> and 01SAD> are both before the TC 460 date,	Continue to the instructions in (3) to determine if any CTC child's TIN Assignment Date is after the return due date.

- (3) For **TY22 and prior**, if ACTC is claimed for a dependent and the dependent TIN Assignment Date is after the date in T-DAT>, then research IMFOLT for a TC 460 for the tax year of the return.

Caution: On TY 202012 returns, if the TIN Assignment Date is on or before May 17, 2021, or TY 201912 - 202002 returns, if the TIN Assignment Date is on or before July 15, 2020, determine the number of eligible dependents for CTC claimed, and enter the number in Field 94CEV.

If...	And...	Then...
A] TC 460 is not found on IMFOLT,	The TIN Assignment Date in Fields 01AD1>, 01AD2>, 01AD3> and 01AD4> are all after T-DAT>,	Assign TPNC 711 (TPNC 810, TY17 and prior).
B] TC 460 is found on IMFOLT,	The TIN Assignment Date in Fields 01AD1>, 01AD2>, 01AD3> and 01AD4> are all after the TC 460 date,	Assign TPNC 711 (TPNC 810, TY17 and prior).

If...	And...	Then...
C] TC 460 is found on IMFOLT,	Any TIN Assignment Date in Field 01AD1>, 01AD2>, 01AD3> or 01AD4> is before the TC 460 date,	Determine the number of eligible dependents for CTC claimed and enter the number in Field 94CEV. Reminder: When more than 4 qualifying dependents are present, research all for eligibility.

Caution: TY22, and TY20 and prior, if you use Field 94CEV or 94DEV, you must make an entry in both fields.

- (4) **TY17 and prior**, consider a dependent with an ITIN as eligible if the ITIN Status Code is **not** "I" when all other criteria are met. Manually compute the credit and enter the correct amount in Field 94ACV.
- (5) **TY17 and prior**, allow the Child Tax Credit when it is claimed for dependents without an SSN because of religious beliefs (**Amish, Mennonite, or Form 4029**). Manually compute the credit and enter the correct amount in Field 94ACV.
- (6) If the taxpayer reports statutory and self-employment income on the same Schedule C (e.g., enters a figure on line 1a and 1c, or 1b and 1c, or 1a and 1b and 1c of Schedule C for TY11) or the taxpayer has clearly combined statutory wages and self-employment income on line 1 of Schedule C for TY12 and TY10 and earlier, see the procedures for corresponding in IRM 3.12.3.21.2.5(3)D], in EC 202.
- (7) For TY17 and earlier, if the taxpayer has failed to limit the Additional Child Tax Credit correctly and is over the AGI limit or incorrectly figures the additional child tax credit, assign **TPNC 628**.
- (8) Taxpayers with fewer than three qualifying dependents may be eligible for Additional Child Tax Credit if their taxable earned income is more than \$2,500 (\$3,000 for TY17-TY09, \$8,500 for TY08, \$11,750 for TY07, \$11,300 for TY06, \$11,000 for TY05; \$10,750 for TY04).
- (9) For **TY08 only** - If the taxpayer **checked the box on line 4a**, Form 8812, then enter the amount from line 13, Form 8812 into Field 94ACV.

Note: Before entering the amount ensure that invalid condition such as children and or taxpayers not qualifying for the credit due to invalid SSN has been taken into account before entering an amount into the verified field.

- (10) For TY08 - TY05, taxpayers may claim the Additional Child Tax Credit for qualifying children not claimed as dependents by filing **Form 8901** with their return. Form 8901 is not transcribed, so NAP validation is not performed for the children listed on Form 8901. Search the return for Form 8901 and research with CC INOLE to verify the Name Control/TIN are valid and the child is under age 17. Enter the number of qualifying children in Field 94CEV.

Note: Form 8901 became obsolete at the end of TY08. From TY09 on, it is not a valid form. If Form 8901 is not attached, do **not** correspond.

- (11) If a qualifying child for the Child Tax/Additional Child Tax Credit is over the age 16, disallow the credit and assign **TPNC 251**.

#

3.12.3.30.1.10
(01-01-2024)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 344)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 344**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
101	We recomputed your tax using FSC 1.
102	We recomputed your tax using FSC 2.
103	We recomputed your tax using FSC 3.
104	We recomputed your tax using FSC 4.
105	We recomputed your tax using FSC 5.
108	You didn't show the name of the person that qualifies you for FSC 4. We recomputed your tax using FSC 1.
111	Your return has been converted to a Form 1040.
118	We removed amount of alimony received. Date of divorce or separation agreement is after December 31, 2018.
163	We didn't allow the adjustment to income for alimony paid. Date of divorce or separation agreement is after December 31, 2018.

TPNC	Description
168	You must itemize deductions to claim more than the allowable amount in charitable contributions.
176	Transferred AGI from Page 1 to Page 2 incorrectly.
177	Computed Medical and Dental Expenses on Schedule A incorrectly.
178	Computed Taxes You Paid on Schedule A incorrectly.
179	Computed Total Interest You Paid on Schedule A incorrectly.
180	Computed Gifts to Charity on Schedule A incorrectly.
182	Computed or transferred Form 4684 incorrectly.
183	Computed total miscellaneous deductions on Schedule A incorrectly, or deductions are subject to the 2% limitation.
184	We can't allow the deduction for gambling losses greater than gambling winnings.
185	Computed Other Itemized Deductions incorrectly.
186	Itemized Deductions limited incorrectly because of AGI.
187	Computed or transferred Schedule A incorrectly.
188	We used the attached Schedule A rather than the standard deduction since you filed as FSC 3.
189	We used your Itemized Deductions rather than the standard deduction for a lower taxable income.
190	We recomputed taxable income using the standard deduction. Remaining total Itemized Deductions are less than the standard deduction.
192	You incorrectly figured the Additional Standard Deduction for Age/Blind.
193	FSC 3 and checked the box that spouse itemizes. You can't use the standard deduction when the spouse uses Schedule A.
194	No amount for standard deduction or amount entered inconsistent with filing status.
196	You can't claim both the Standard Deduction and Itemized Deductions.
199	You subtracted your standard deduction or itemized deductions from your AGI incorrectly.
200	You incorrectly figured the deduction amount for the number of exemptions you listed.

TPNC	Description
201	You didn't limit your exemptions correctly based on AGI and filing status.
202	You can't claim an exemption for yourself if you can be claimed as a dependent on another person's tax return.
203	You can't be claimed as a dependent on another person's tax return if you file FSC 2 and have a tax liability.
204	We didn't allow the exemption for your spouse with the filing status you used.
205	Disallowed primary exemption. Your SSN or ITIN was missing or invalid.
206	Disallowed secondary exemption. Spouse's SSN or ITIN was missing or invalid.
208	You incorrectly computed taxable income when subtracting the exemption amount.
209	Incorrect tax amount.
211	Your tax was not computed using Qualified Dividends rates or the amount was computed incorrectly.
218	We computed your tax for you.
231	Disallowed part or all of your Foreign Tax Credit.
232	Computed or transferred Form 2441 incorrectly.
233	No earned income, Form 2441.
234	Care provider TIN missing on Form 2441.
235	Qualifying person's TIN missing or invalid on Form 2441.
236	Disallowed Form 2441 credit for prior year expenses.
237	Form 2441, Part III, computed or transferred incorrectly.
238	Disallowed Form 2441 credit. You, your spouse or dependent cannot be your care provider.
239	Disallowed Form 2441 credit. FSC 3 eligibility box not checked.
240	Computed or transferred Schedule R incorrectly.
243	Computed or transferred Form 8863 incorrectly.
244	Disallowed Form 2441 credit. Care Provider TIN matches primary, secondary, or dependent, or the Care Provider TIN is invalid.
245	Changed Form 2441 credit. Disabled indicator was not marked for dependent over age 12.

TPNC	Description
246	Disallowed part or all of Form 8880 credit. Must be age 18 or older.
247	Computed or transferred Form 8880 incorrectly.
249	Amount for CTC and credit for other dependents entered incorrectly.
250	Didn't allow all or part of CTC. Dependent(s) over the age limit or missing SSN. Allowed credit for other dependents.
251	Reduced or removed the CTC and/or ACTC. Child(ren) exceeds the age limit.
252	You incorrectly figured your Child Tax Credit.
254	Computed or transferred Form 8839 incorrectly.
260	Computed or transferred Form 3800 incorrectly.
265	Subtracted credits from tax incorrectly.
503	No Reply. Schedule 3, Additional Credits and Payments, was incomplete or not attached. (TY19 and later)
539	Must use same amount of Prior Year Earned Income to compute both EIC and ACTC.
541	No Reply. Form 8995/8995-A was not attached to the return.
552	No Reply. Form 4684 incomplete or not attached.
553	No Reply. Form 2106/EZ on Schedule A.
554	No Reply. Schedule A incomplete or not attached.
555	We used your standard deduction amount instead of your itemized deduction because it lowers your taxable income.
558	You gave us information that changed the refund or amount you owe.
563	No Reply. Form 2441 incomplete or not attached.
565	No Reply. Schedule R incomplete or not attached.
567	No Reply. Form 5695, Residential Energy Credit, was incomplete or not attached.
568	No Reply. Form 8863 incomplete or not attached.
569	No Reply. Form 8880 incomplete or not attached.
591	No Reply, Refundable Child Tax Credit disallowed. Schedule 8812, Credits for Qualifying Children and Other Dependents, was incomplete or not attached to the return.

TPNC	Description
592	No Reply. Schedule 8812 incomplete or not attached.
598	No Reply. Disallowed exemption for child that didn't live with you. Form 8332, Form 2120, or a copy of a divorce decree was incomplete or not attached.
605	One or more of your dependents' SSN or ITIN was missing or invalid.
606	Disallowed exemption claimed for dependent born after December 31 of the year of the tax return.
607	Disallowed primary exemption. Deceased prior to the tax period.
608	Disallowed secondary exemption. Deceased prior to the tax period.
609	Disallowed dependent exemption. Deceased prior to the tax period.
610	Disallowed exemption for dependent without TIN who was born and died.
615	QBID figured incorrectly.
624	Disallowed all or part of Refundable Child Tax Credit. One or more of the dependents exceeds the qualifying child age limit, or the child's SSN was missing.
628	Computed or transferred Schedule 8812 incorrectly.
642	Disallowed primary exemption. ITIN expired.
643	Disallowed spouse's exemption. ITIN expired.
644	Disallowed dependent exemption. ITIN expired.
646	Disallowed Form 2441 credit. Qualifying person's ITIN expired.
647	Disallowed Qualified Mortgage Insurance Premiums on Schedule A.
653	Rejects only. Disallowed EIC, CTC, ACTC, Credit for Other Dependents, and/or AOC. Form 8862 not attached.
672	Disallowed all or part of Form 8863 credit. No EIN or computed incorrectly based on lines 23 through 26.
701	Disallowed spouse's exemption and EIC. Spouse's SSN missing or invalid.
704	Primary or secondary's SSN or ITIN missing or invalid. Disallowed certain credits.
705	Dependent SSN or ITIN missing or invalid. Disallowed certain credits.

TPNC	Description
706	Primary, spouse, or dependents deceased prior to the tax period. Disallowed certain credits.
707	Disallowed certain credits for dependent without TIN who was born and died. No birth certificate attached.
708	Disallowed certain credits for dependent born after December 31 of tax year.
709	Disallowed certain credits. Primary or secondary ITIN expired.
710	Disallowed certain credits. Dependent ITIN expired.
711	Disallowed certain credits. TIN for primary, secondary, or dependent not assigned by return due date.
730	Itemized deduction for state and local taxes is more than amount allowed.
731	Error in subtraction of standard deduction or itemized deductions and QBID from AGI.
778	Disallowed all or part of ACTC. You didn't provide support for statutory wages you reported or the required withholding entry on Schedule 8812.
805	Disallowed all or part of CTC or ACTC. Each dependent claimed for this credit must have a valid Social Security number issued by the Social Security Administration before the due date of the tax return.
806	Disallowed CTC or ACTC for dependent who did not meet substantial presence test.
810	Disallowed certain credits. Primary, secondary, or dependent TIN not assigned by return due date.
814	Rejects only. Banned from claiming EIC for two tax years.
815	Rejects only. Banned from claiming EIC for this tax year.
816	Rejects only. Banned from claiming EIC for ten tax years.
817	Disallowed certain credits. Primary or secondary ITIN expired.
818	Disallowed certain credits. Primary or secondary SSN or ITIN missing or invalid.
819	Rejects only. Banned from claiming CTC/ACTC for this tax year.
820	Rejects only. Banned from claiming CTC/ACTC for two tax years.

TPNC	Description
821	Rejects only. Banned from claiming CTC/ACTC for ten tax years.
822	Rejects only. Banned from claiming AOC for this tax year.
823	Rejects only. Banned from claiming AOC for two tax years.
824	Rejects only. Banned from claiming AOC for ten tax years.
826	Incorrectly calculated Residential Clean Energy Credit on Form 5695, or indicated ineligible for the credit.
827	Incorrectly calculated Energy Efficient Home Improvement Credit on Form 5695, or indicated ineligible for the credit.
829	Computed or transferred Form 5695, Residential Energy Credits, incorrectly.
830	No Reply. Form 5695, Residential Energy Credits, was incomplete or missing.
831	Disallowed all or part of Residential Energy Credits on Form 5695 because the credits are limited to tax liability.
832	Disallowed all or part of Clean Vehicle Credits on Form 8936 because the credits are limited to tax liability.
833	Disallowed all or part of the Clean Vehicle Credits because one or more of the VINs on Form 8936, Schedule A, didn't match our records.
834	No Reply. Clean Vehicle Credits disallowed because Form 8936 was incomplete or missing.
835	No Reply. Clean Vehicle Credits disallowed because Form 8936, Schedule A, was incomplete or missing.
836	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred credit from Form 8936.
837	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part II of Form 8936, Schedule A.
838	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part III of Form 8936, Schedule A.
839	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part IV of Form 8936, Schedule A.

TPNC	Description
840	Adjusted Clean Vehicle Credit on Form 8936. Incorrectly calculated or transferred Part V of Form 8936, Schedule A.
841	Adjusted Clean Vehicle Credit on Form 8936 because the placed in service date on Schedule A isn't during the tax year.
842	Adjusted Form 8936, Clean Vehicle Credits, because credit on Schedule A of Form 8936 exceeded the maximum.
843	Adjusted Clean Vehicle Credit on Form 3800 because it was computed or transferred incorrectly from Form 8936.
***	Any previously assigned TPNC

3.12.3.30.2
(11-23-2021)
**Error Code 345 -
Additional Child Tax
Credit, Tax Year 2021**

- (1) Error Code 345 instructions follow.

3.12.3.30.2.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 345)**

- (1) The following fields are displayed in Error Code 345.

1040	Field Name
01EXC	Exemption Code
94EXV	Exemption Code Verified
01TXP	Tax Period
01RPC	Return Processing Code
01SPC	Special Processing Code
T-DAT>	Tentative Return Due Date Computer
01PAD>	Primary NAP TIN Assignment Date
01PIC>	Primary ITIN Status Code
01SAD>	Secondary NAP TIN Assignment Date
01SIC>	Secondary ITIN Status Code
01T6E>	Child Tax Credit Under Six Total Eligible Computer Number
01TCE>	Child Tax Credit Total Eligible Computer Number
01TDE>	Other Dependent Credit Total Eligible Computer Number
01CT1	Dependent 1 Child Tax and Other Dependent Credit Code

1040	Field Name
01YB1>	Dependent 1 Year of Birth
01NP1>	Dependent 1 NAP Access Indicator
01DC1>	Dependent 1 ITIN Status Code
01AD1>	Dependent 1 TIN Assignment Date
01CT2	Dependent 2 Child Tax and Other Dependent Credit Code
01YB2>	Dependent 2 Year of Birth
01NP2>	Dependent 2 NAP Access Indicator
01DC2>	Dependent 2 ITIN Status Code
01AD2>	Dependent 2 TIN Assignment Date
01CT3	Dependent 3 Child Tax and Other Dependent Credit Code
01YB3>	Dependent 3 Year of Birth
01NP3>	Dependent 3 NAP Access Indicator
01DC3>	Dependent 3 ITIN Status Code
01AD3>	Dependent 3 TIN Assignment Date
01CT4	Dependent 4 Child Tax and Other Dependent Credit Code
01YB4>	Dependent 4 Year of Birth
01NP4>	Dependent 4 NAP Access Indicator
01DC4>	Dependent 4 ITIN Status Code
01AD4>	Dependent 4 TIN Assignment Date
03AGI	Adjusted Gross Income
>>>>>	AGI Computer
03TBC>	Income Tax Before Credits Computer
03COD	Child and Other Dependent Credit Amount
>>>>	Child and Other Dependent Credit Computer
03COD>	Gross Child and Other Dependent Credit Computer
94CDV	Child and Other Dependent Credit Verified
03TAX	Total Tax IMF
>>>>>	Total Tax IMF Computer
03ACT	Additional Child Tax Credit Amount
>>>>>	Additional Child Tax Credit Computer
03ACT>	Gross Additional Child Tax Credit Computer
03PYA	PYEI ACTC Amount
94ACV	Additional Child Tax Credit Verified

1040	Field Name
	Section 47 Not Present
47ABD	Schedule 8812 Principal Abode Indicator
47NCP	Schedule 8812 Nontaxable Combat Pay
47EI	Additional Child Tax Credit Earned income Taxpayer
47EI>	Additional Child Tax Credit Earned Income Computer
47SSM	Total Social Security and Medicare Taxes
98PAA>	Primary NAP Advance ACTC Amount
98PAN>	Primary NAP Advance ACTC Dependents Number
98SAA>	Secondary NAP Advance ACTC Amount
98SAN>	Secondary NAP Advance ACTC Dependents Number
47OEI	Additional Child Tax Credit Opt Out Election Indicator

3.12.3.30.2.2
(11-23-2021)
Invalid Conditions (EC 345)

- (1) Error Code 345 generates when all the following exist:
- Tax period is 202112 - 202211.
 - The taxpayer and computer's amounts for Additional Child Tax Credit are
 - Total Payments is not equal to Total Payments Computer.
 - A math error is present.

#

3.12.3.30.2.3
(01-01-2023)
Correction Procedures (EC 345)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- Caution:** Field 94EXV, positions 3 - 8 may have been used to resolve Error Codes 010, 012, 013, 017, 250, 283 or 285. If an exemption was disallowed in a previous error code and the taxpayer indicates the child is eligible for Child Tax Credit by marking column 4, leave as disallowed.

- (2) For TY21, the maximum additional child tax credit is:
- \$3,600 for each child under the age of 6.
 - \$3,000 for each child over the age of 5 and under the age of 18, for taxpayers who meet the principal abode requirements.
 - \$1,400 for each child under the age of 18, for taxpayers who do not meet the principal abode requirements (the taxpayer did not check a box on line 13a or line 13b on Schedule 8812).

- (3) Verify the **Nontaxable Combat Pay** amount, if present, on line 18b of Schedule 8812 has been entered in Field 47NCP.

Note: If the taxpayer appears to be a **Combat Zone** filer (military Form W-2 attached box 12, Code Q) and Schedule 8812 is not attached, SSPND 211 for Schedule 8812. Combat Zone filers are required to enter their Nontaxable Combat Pay on line 18b of Schedule 8812.

- (4) Compare Fields 01PAD> and 01SAD>, if present, to Field T-DAT>. If the TIN Assignment Date for either field is **after** T-DAT>, research IMFOLT for a TC 460 for the tax year of the return.

If...	And...	Then...
A] TC 460 is not found on IMFOLT,	The TIN Assignment Date in Field 01PAD> or 01SAD> is after T-DAT>,	Assign TPNC 711 .
B] TC 460 is found on IMFOLT,	The TIN Assignment Date in Field 01PAD> or 01SAD> is after the TC 460 date,	Assign TPNC 711 .
C] TC 460 is found on IMFOLT,	The TIN Assignment Date in Fields 01PAD> and 01SAD> are both before the TC 460 date,	Continue to the instructions in IRM 3.12.3.30.2.4 to determine if any CTC child's TIN Assignment Date is after the return due date.

- (5) If the Child Tax Credit/Additional Child Tax Credit is disallowed due to any the following **primary and/or secondary** taxpayer TIN related issues:
- Assign **TPNC 704** if a TIN is **missing or a name control mismatch**.
 - Assign **TPNC 711** if a TIN **Assignment Date** is after the return due date.
 - Assign **TPNC 709** if an ITIN Status Code is "I".
- (6) If there is an amount on Line 28, Form 1040 and Schedule 8812 is not attached, SSPND 211 and correspond for Schedule 8812.

3.12.3.30.2.4
(01-23-2023)
Fields 01TCE>, 01T6E>, and 94CEV, Total Children Eligible for Child Tax Credit/Refundable Child Tax Credit (EC 345)

- (1) The total number of dependents under 6 years of age eligible for Child Tax Credit will be displayed in Field 01T6E>. The remaining eligible dependents, between ages 6 through 17 (under 18) years of age is calculated by the difference of 01TCE> and 01T6E>.
- EXAMPLE:** Field 01TCE> contains the **total** eligible dependents for Child Tax Credit, including dependents under 6 years of age. For example, if Field 01TCE> is 3, and Field 01T6E> is 1, then the number of dependents ages 6-17 is 2.
- (2) Field 01TCE> displays the number of qualifying children for the Child Tax Credit; Field 01TCE> doesn't include:
- Children with a missing or invalid SSN (NAP Access indicator of 2 or 9),
 - Dependents who don't meet the age requirement (under age 18), or
 - Dependents with a TIN Assignment Date after the due date of the return in Field T-DAT>.
- (3) Field 01TDE> displays the number of qualifying dependents for Credit for Other Dependents. Field 01TDE> doesn't include:

- a. Dependents with a missing or invalid TIN (NAP Access Indicator of 2 or 9),
 - b. Dependents with a TIN Assignment Date after the due date of the return in Field T-DAT>, or
 - c. Dependents whose ITIN Status Code is "I"
- (4) If the taxpayer claims an amount on Form 1040, Line 28, for Additional Child Tax Credit but fails to check the "qualifying child" box(es) in column 4 of Form 1040, indicating the dependent(s) qualifies, enter 1 or 2 in Field CT1/2/3/4, as applicable.
- (5) If ACTC is claimed for a dependent and the dependent TIN Assignment Date is after the date in T-DAT>, then research IMFOLT for a TC 460 for the tax year of the return.

If...	And...	Then...
A] TC 460 is not found on IMFOLT,	The TIN Assignment Date in Field 01AD1>/2/3/4 is after T-DAT>,	Assign TPNC 711 .
B] TC 460 is found on IMFOLT,	The TIN Assignment Date in Field 01AD1>/2/3/4 is after the TC 460 date,	Assign TPNC 711 .
C] TC 460 is found on IMFOLT,	Any TIN Assignment Date in Field 01AD1>, 01AD2>, 01AD3> or 01AD4> is before the TC 460 date,	Determine the number of eligible dependents for CTC claimed and enter the correct number in Fields 946EV, 94CEV, and 94DEV Reminder: When more than 4 qualifying dependents are present, research all for eligibility.

- (6) Use the following table when the number of qualifying children in Field 01TCE> differs from the number of boxes checked in column (4), Form 1040 and the taxpayer has computed the Additional Child Tax Credit.

Reminder: Assign all applicable TPNC(s).

If	And	Then
A] Any dependent TIN is missing or invalid; the NAP Indicator is 2 or 9		Assign TPNC 705 . See Exceptions below before assigning a new TPNC.
B] Any dependent TIN Assignment Date (Field 01AD1>/2/3/4) is after the return due date in Field T-DAT>	Either TC 460 is not found on IMFOLT, or any dependent TIN Assignment Date is after the TC 460 date,	Assign TPNC 711
C] Any dependent who doesn't qualify for CTC because of the age requirement of under age 18 or has an ITIN instead of a valid SSN	Meets the criteria for Other Dependent Credit (computer will count dependent in Field 01TDE> if eligible)	Assign TPNC 250
D] Any dependent who doesn't qualify for ACTC because the dependent doesn't meet the age requirement of under age 18, or has an ITIN instead of a valid SSN	Meets the criteria for Other Dependent Credit (computer will count dependent in Field 01TDE> if eligible)	Assign TPNC 624
E] Any dependent date of birth is after the tax year of the return		Assign TPNC 708 Note: Field: 94EXV and 01CT1/2/3/4 should have been adjusted in EC019
F] Any dependent date of death is prior to the tax year of the return		Assign TPNC 706 Note: 94EXV and 01CT1/2/3/4 should have been adjusted in EC018

If	And	Then
G] Field 01YB1>/2/3/4 contains zeros (year of birth not available)	You determine through research any dependent does not meet the age requirement of under 18	Assign TPNC 624 if dependent qualifies for Other Dependent Credit (computer will count dependent in Field 01TDE> if eligible). Assign TPNC 805 if Other Dependent Credit was not allowed.
H] Field 01YB1>/2/3/4 contains zeros (year of birth not available)	You determine through research any dependent meets the age requirement of under 18	Adjust Field 01CT1/2/3/4 to show the qualifying children among dependents. Use Fields 94CEV and 946EV to verify qualifying children. See Caution below:
I] Any dependent ITIN Status Code (Field 01DC1>2/3/4) is "I"		Assign TPNC 710

Exception: For all tax years, allow the Child Tax Credit when the child's SSN is missing, and the child was born and died in the same or consecutive tax period if the taxpayers provide documentary support in the form of a copy of the birth certificate, death certificate, or hospital record.

Reminder: Enter "I" in Field 01RPC for children who do not have an SSN and were born in the tax period of the tax return and died in the same or consecutive tax period.

Caution: If Field 94CEV is used to verify the total number of qualifying dependents ages 6-17, then the total number of qualifying dependents under age 6 must be verified as well in Field 946EV, and vice versa.

3.12.3.30.2.5
(11-23-2021)

Field 47EI>, Additional Child Tax Credit Earned Income Computer (EC 345)

- (1) The following instructions only apply if the taxpayer did not check a box on Line 13a or 13b of Schedule 8812.
- (2) Additional Child Tax Credit (ACTC) Earned Income Computer includes the following:
 - a. Wages-Line 1, Form 1040
 - b. Nontaxable Combat Pay
 - c. Other Earned Income-Schedule 1, Line 9
 - d. Combined Schedule C Profit/Loss Computer
 - e. Combined Schedule F Profit/Loss Computer
 - f. Deduction for Self-Employment Tax Computer

- (3) Compare the computer's amount for Earned Income in Field 47EI> to the taxpayer's amount on Schedule 8812, line 18a. If the amounts differ, refer to the conditions in (4) to determine if manual computation is required for Additional Child Tax Credit.
- (4) The computer cannot accurately compute the ACTC Earned Income (Field 47EI>) when any of the following conditions are present. Manually compute the Additional Child Tax Credit and enter the correct amount in Field 94ACV.

Note: If EC 290 displays, also enter the verified Child Tax Credit amount in Field 94CDV.

- **SCH** (Scholarship) and an amount noted to the left of line 1, Form 1040.

Note: The part of stipends, scholarships, and fellowship grants used for expenses such as room and board and travel are not considered earned income. Exclude that part from the manual computation of ACTC earned income.

- **PRI** (prisoner) and an amount noted to the left of line 1, Form 1040.

Note: Income earned by a prisoner in a penal institution is not considered earned income. Exclude it from the manual computation of ACTC earned income.

- **DFC** (pension or annuity from a non-qualified compensation plan) is noted to the left of Line 1, Form 1040. Exclude it from the manual computation of ACTC earned income.

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present.

- **NOL** (Net Operation Loss) is present on Schedule 1, line 9.
- Non-Passive partnership income or loss is present.
- The taxpayer used the farm or non-farm optional method in computing Schedule SE. See the instructions for Schedule 8812, even if EIC is also claimed.
- An entry is present in Field 94EIV.
- The taxpayer is exempt from self-employment tax (Form 4029/Exempt).
- Taxpayer is a minister or a member of a religious order who has taken a vow of poverty or a Christian Science practitioner.
- Any Schedule C is for a statutory employee and at least one Schedule SE is present. See the instructions for Schedule 8812.

Caution: If the taxpayer reports statutory and self-employment income on the same Schedule C, see the procedures for corresponding in EC 202.

- The FSC is 2, a Schedule SE is attached, a Schedule C or F is present for each spouse, and the loss or gain from one of the forms is not reported on Schedule SE.
- **Notice 2014-7, IRC 131, difficulty of care payment**, In-Home Health Services (**IHHS**), or In-Home Support Services (**IHSS**) is noted on Schedule 1, line 8z or line 9.

Note: This notation is made by taxpayers who are "individual care providers" who receive a Form W-2 for certain Medicaid waiver

payments described in Notice 2014-7. They are instructed to include the amount of payments on line 1, Form 1040 as wages and may choose to include the amount on Schedule 1, line 8z or line 9 as a negative amount. The Medicaid waiver payments reported as wages are included as earned income for the purpose of computing ACTC, even if reported as a negative amount on Other Income line.

- **Combat Zone** filer (military Form W-2 attached, box 12, Code Q. Ensure Nontaxable Combat Pay is present in Field 47NCP, Schedule 8812).

3.12.3.30.2.6
(04-25-2022)

**Field 47SSM, Total
Social Security and
Medicare Taxes (EC 345)**

- (1) The following instructions only apply if the taxpayer did not check a box on Line 13a or 13b of Schedule 8812. Social Security and Medicare Taxes are only calculated in Part II-B of Schedule 8812.
- (2) This field is transcribed from Line 21, Schedule 8812.
- (3) If an entry is required in Field 47SSM and there is no entry on Line 21 of Schedule 8812, add the amounts in boxes 4 and 6 from all attached Forms W-2. Enter the sum in Field 47SSM. If after that, the amount in Field 03ACT still differs from its underprint, then delete the entry in Field 47SSM and SSPND 211 for the required entry.

Exception: Some employees, notably but not exclusively teachers and employees of state and local government, may be exempt from Social Security and Medicare taxes, and boxes 4 and 6 of their Form W-2 may be blank.

- (4) Taxpayers who report earnings from household employment as wages identify this income as **HSH** beside the entry for wages. These filers do not have a Form W-2 and pay no Social Security or Medicare Tax. They properly leave line 21 of Schedule 8812 blank. Consider the identification of **HSH** the equivalent of a Form W-2. Enter "E" in Field 01SPC when the taxpayer notates **HSH**.
- (5) If Line 21 of Schedule 8812 is zero or blank, with wages reported on Line 1, Form 1040 and no Form W-2 is present, the wages may be self-employment income. Follow the steps in the table below.

IF	AND	THEN
Line 21 of Schedule 8812 is blank or zero	a. Wages are reported on Line 1, Form 1040 b. No Form W-2 is present c. No Schedule SE for the wages is present d. No Form 4137 or 8919 for the wages is present e. No statement of exemption from the self-employment tax is present	a. Move the wage amount to Field 04OTI b. Enter N in Field 01RPC c. Follow the procedures at EC 088 to SSPND 211 , if appropriate, for liability of the self-employment tax. Complete Form 6001, paragraph V

Note: ERS does not have the authority to assess the self-employment or Medicare tax. Taxpayers must declare their liability for these taxes by filing Schedule SE, or Form 4137 or Form 8919. Also, ERS does not have the authority to declare the wages not supported by a Form W-2 unearned income. For that reason, **RPC N** must be entered when the wages are moved to Field 04OTI.

3.12.3.30.2.7
(04-25-2022)

Field 03ACT, Additional Child Tax Credit/Refundable Child Tax Credit (EC 345)

- (1) This field is transcribed from Form 1040, line 28
- (2) If a box is checked on Schedule 8812, line 13a or line 13b, the child tax credit is fully refundable and is limited only by income phase-out amounts and any portion already advanced. The computer will limit or phase out the credit when the modified Adjusted Gross Income (AGI) is greater than or equal to \$75,000 (\$150,000 if FSC 2/5, \$112,500 if FSC 4/7). If either box 13a or 13b on Schedule 8812 is checked, the taxpayer receives \$3,600 for the number of dependents in Field 01T6E> plus \$3,000 for the remaining dependents in Field 01TCE> (Field 01TCE> minus Field 01T6E> equals the remaining dependents that receive \$3,000), minus the amount in Field 98PAA> (and Field 98SAA>, if FSC 2).
- (3) If neither box 13a or 13b is checked on Schedule 8812, Additional Child Tax Credit Computer is equal to the difference between the Total Child Tax Credit and the non-refundable part of the credit. Additional Child Tax Credit Computer is further limited to the taxpayer's Social Security and Medicare taxes (Line 21, Schedule 8812) minus EIC Computer.
- (4) If Field 47ABD is zero or Schedule 8812 is not present, **and** Field 03ACT is blank or zero (with or without a notation of "Form 4029" or "Amish"), enter **1** in Field 94ACV.
- (5) If Field 47ABD is other than zero and Field 03ACT is **less** than the underprint with a notation of "Form 4029" or "Amish", enter the taxpayer's amount in Field 94ACV.

- (6) Verify all transcribed sections to identify the point of error when Field 03COD, Form 1040 and its underprint differ and (if no box was checked on Line 13, Schedule 8812) it appears the taxpayer correctly computed the Child Tax Credit.
- (7) Determine if another error is present when the underprint for Fields 03COD and 03ACT equals the total amount of credit claimed by the taxpayer. The error is then most likely not caused by the Additional Child Tax Credit.
- (8) If there is an amount for uncollected Social Security tax identified as UT on Schedule 2, line 13, the Additional Child Tax Credit Computer, Field 03ACT> for Form 1040 may be incorrect. Include the UT amount in Field 47SSM.
- (9) Use the following table when Field 03ACT differs from the computer amount in Field 03ACT>.

Reminder: Assign all applicable TPNC(s).

IF	AND	THEN
A] If Schedule 8812 is attached	The taxpayer has only used Line 22, Schedule 8812, in the computation of Additional Child Tax Credit (Line 21 is blank)	GTSEC 47 and transmit.

IF	AND	THEN
B] If the taxpayer has incorrectly computed their Advanced Child Tax Credit by any of the following: <ul style="list-style-type: none"> • The computation of the credit on Schedule 8812 is incorrect. This includes calculating the Part I-B line 5 per age amount or line 14i amount incorrectly. • The amount on Schedule 8812 was not transferred correctly to the return. • The taxpayer received Advanced Child Tax Credit payments but did not reconcile them, or they reconciled them incorrectly 		Assign TPNC 621
C] If box 13a or 13b is not checked on Line 13, Schedule 8812 and the taxpayer used Part I-B line 14i calculations when figuring their credit	The computer's amount for Additional Child Tax Credit amount is reduced to \$1,400 per qualifying child.	Assign TPNC 623

3.12.3.30.2.8
(11-23-2021)

Field 94ACV, Additional Child Tax Credit Verified (EC 345)

- (1) This field is used by tax examiners to enter an amount for Additional Child Tax Credit when the computer is unable to arrive at the correct amount. See EC 289.
- (2) To limit the Additional Child Tax Credit to zero, enter 1 (one) in Field 94ACV.

3.12.3.30.2.9
(01-01-2024)
**Allowable Taxpayer
Notice Codes (EC 345)**

(1) This table shows the allowable Taxpayer Notice Codes for Error Code 345.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

(2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 first on a return converted to Form 1040.

TPNC	Description
100	
101	We recomputed your tax using FSC 1.
102	We recomputed your tax using FSC 2.
103	We recomputed your tax using FSC 3.
104	We recomputed your tax using FSC 4.
105	We recomputed your tax using FSC 5.
108	You didn't show the name of the person that qualifies you for FSC 4. We recomputed your tax using FSC 1.
111	Your return has been converted to a Form 1040.
118	We removed amount of alimony received. Date of divorce or separation agreement is after December 31, 2018.
163	We didn't allow the adjustment to income for alimony paid. Date of divorce or separation agreement is after December 31, 2018.
168	You must itemize deductions to claim more than the allowable amount in charitable contributions.
176	Transferred AGI from Page 1 to Page 2 incorrectly.
177	Computed Medical and Dental Expenses on Schedule A incorrectly.
178	Computed Taxes You Paid on Schedule A incorrectly.
179	Computed Total Interest You Paid on Schedule A incorrectly.
180	Computed Gifts to Charity on Schedule A incorrectly.
182	Computed or transferred Form 4684 incorrectly.
183	Computed total miscellaneous deductions on Schedule A incorrectly, or deductions are subject to the 2% limitation.
184	We can't allow the deduction for gambling losses greater than gambling winnings.

TPNC	Description
185	Computed Other Itemized Deductions incorrectly.
186	Itemized Deductions limited incorrectly because of AGI.
187	Computed or transferred Schedule A incorrectly.
188	We used the attached Schedule A rather than the standard deduction since you filed as FSC 3.
189	We used your Itemized Deductions rather than the standard deduction for a lower taxable income.
190	We recomputed taxable income using the standard deduction. Remaining total Itemized Deductions are less than the standard deduction.
192	You incorrectly figured the Additional Standard Deduction for Age/Blind.
193	FSC 3 and checked the box that spouse itemizes. You can't use the standard deduction when the spouse uses Schedule A.
194	No amount for standard deduction or amount entered inconsistent with filing status.
196	You can't claim both the Standard Deduction and Itemized Deductions.
199	You subtracted your standard deduction or itemized deductions from your AGI incorrectly.
200	You incorrectly figured the deduction amount for the number of exemptions you listed.
201	You didn't limit your exemptions correctly based on AGI and filing status.
202	You can't claim an exemption for yourself if you can be claimed as a dependent on another person's tax return.
203	You can't be claimed as a dependent on another person's tax return if you file FSC 2 and have a tax liability.
204	We didn't allow the exemption for your spouse with the filing status you used.
205	Disallowed primary exemption. Your SSN or ITIN was missing or invalid.
206	Disallowed secondary exemption. Spouse's SSN or ITIN was missing or invalid.
208	You incorrectly computed taxable income when subtracting the exemption amount.
209	Incorrect tax amount.

TPNC	Description
211	Your tax was not computed using Qualified Dividends rates or the amount was computed incorrectly.
218	We computed your tax for you.
231	Disallowed part or all of your Foreign Tax Credit.
232	Computed or transferred Form 2441 incorrectly.
233	No earned income, Form 2441.
234	Care provider TIN missing on Form 2441.
235	Qualifying person's TIN missing or invalid on Form 2441.
236	Disallowed Form 2441 credit for prior year expenses.
237	Form 2441, Part III, computed or transferred incorrectly.
238	Disallowed Form 2441 credit. You, your spouse or dependent cannot be your care provider.
239	Disallowed Form 2441 credit. FSC 3 eligibility box not checked.
240	Computed or transferred Schedule R incorrectly.
243	Computed or transferred Form 8863 incorrectly.
246	Disallowed part or all of Form 8880 credit. Must be age 18 or older.
247	Computed or transferred Form 8880 incorrectly.
249	Amount for CTC and credit for other dependents entered incorrectly.
250	Didn't allow all or part of CTC. Dependent(s) over the age limit or missing SSN. Allowed credit for other dependents.
251	Reduced or removed the CTC and/or ACTC. Child(ren) exceeds the age limit.
252	You incorrectly figured your Child Tax Credit.
254	Computed or transferred Form 8839 incorrectly.
260	Computed or transferred Form 3800 incorrectly.
265	Subtracted credits from tax incorrectly.
276	We changed the amount of Additional Tax from Schedule 8812. Advance CTC was not reconciled correctly, or amount was not computed or transferred correctly.
503	No Reply. Schedule 3, Additional Credits and Payments, was incomplete or not attached. (TY19 and later)
539	Must use same amount of Prior Year Earned Income to compute both EIC and ACTC.

TPNC	Description
541	No Reply. Form 8995/8995-A was not attached to the return.
552	No Reply. Form 4684 incomplete or not attached.
553	No Reply. Form 2106/EZ on Schedule A.
554	No Reply. Schedule A incomplete or not attached.
555	We used your standard deduction amount instead of your itemized deduction because it lowers your taxable income.
558	You gave us information that changed the refund or amount you owe.
563	No Reply. Form 2441 incomplete or not attached.
565	No Reply. Schedule R incomplete or not attached.
567	No Reply. Form 5695 incomplete or not attached.
568	No Reply. Form 8863 incomplete or not attached.
569	No Reply. Form 8880 incomplete or not attached.
591	No Reply, Refundable Child Tax Credit disallowed. Schedule 8812, Credits for Qualifying Children and Other Dependents, was incomplete or not attached to the return.
592	No Reply. Schedule 8812 incomplete or not attached.
598	No Reply. Disallowed exemption for child that didn't live with you. Form 8332, Form 2120, or a copy of a divorce decree was incomplete or not attached.
605	One or more of your dependents' SSN or ITIN was missing or invalid.
606	Disallowed exemption claimed for dependent born after December 31 of the year of the tax return.
607	Disallowed primary exemption. Deceased prior to the tax period.
608	Disallowed secondary exemption. Deceased prior to the tax period.
609	Disallowed dependent exemption. Deceased prior to the tax period.
610	Disallowed exemption for dependent without TIN who was born and died.
615	QBID figured incorrectly.

TPNC	Description
621	We changed the Refundable Child Tax Credit. Error on Schedule 8812 in computation or transfer of the amount, or Advanced Child Tax Credit was not reconciled or reconciled incorrectly.
623	Disallowed Refundable Child Tax Credit. According to Schedule 8812, you did not maintain a home in the US for 6 months or more or were not a bona fide resident of Puerto Rico.
624	Disallowed all or part of Refundable Child Tax Credit. One or more of the dependents exceeds the qualifying child age limit, or the child's SSN was missing.
628	Computed or transferred Schedule 8812 incorrectly.
642	Disallowed primary exemption. ITIN expired.
643	Disallowed spouse's exemption. ITIN expired.
644	Disallowed dependent exemption. ITIN expired.
646	Disallowed Form 2441 credit. Qualifying person's ITIN expired.
647	Disallowed Qualified Mortgage Insurance Premiums on Schedule A.
653	Rejects only. Disallowed EIC, CTC, ACTC, Credit for Other Dependents, and/or AOC. Form 8862 not attached.
672	Disallowed all or part of Form 8863 credit. No EIN or computed incorrectly based on lines 23 through 26.
701	Disallowed spouse's exemption and EIC. Spouse's SSN missing or invalid.
704	Primary or secondary's SSN or ITIN missing or invalid. Disallowed certain credits.
705	Dependent SSN or ITIN missing or invalid. Disallowed certain credits.
706	Primary, spouse, or dependents deceased prior to the tax period. Disallowed certain credits.
707	Disallowed certain credits for dependent without TIN who was born and died. No birth certificate attached.
708	Disallowed certain credits for dependent born after December 31 of tax year.
709	Disallowed certain credits. Primary or secondary ITIN expired.
710	Disallowed certain credits. Dependent ITIN expired.

TPNC	Description
711	Disallowed certain credits. TIN for primary, secondary, or dependent no assigned by return due date.
730	Itemized deduction for state and local taxes is more than amount allowed.
731	Error in subtraction of standard deduction or itemized deductions and QBID from AGI.
778	Disallowed all or part of ACTC. You didn't provide support for statutory wages you reported or the required withholding entry on Schedule 8812.
805	Disallowed all or part of CTC or ACTC. Each dependent claimed for this credit must have a valid Social Security number issued by the Social Security Administration before the due date of the tax return.
806	Disallowed CTC or ACTC for dependent who did not meet substantial presence test.
810	Disallowed certain credits. Primary, secondary, or dependent TIN not assigned by return due date.
814	Rejects only. Banned from claiming EIC for two tax years.
815	Rejects only. Banned from claiming EIC for this tax year.
816	Rejects only. Banned from claiming EIC for ten tax years.
817	Disallowed certain credits. Primary or secondary ITIN expired.
818	Disallowed certain credits. Primary or secondary SSN or ITIN missing or invalid.
819	Rejects only. Banned from claiming CTC/ACTC for this tax year.
820	Rejects only. Banned from claiming CTC/ACTC for two tax years.
821	Rejects only. Banned from claiming CTC/ACTC for ten tax years.
822	Rejects only. Banned from claiming AOC for this tax year.
823	Rejects only. Banned from claiming AOC for two tax years.
824	Rejects only. Banned from claiming AOC for ten tax years.
***	Any previously assigned TPNC

3.12.3.30.3
(01-01-2017)

**Error Code 347 -
Refundable American
Opportunity Credit**

- (1) Error Code 347 instructions follow.

3.12.3.30.3.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 347)**

- (1) The following fields are displayed.

1040	Field Display
01FSC	Filing Status Code
01TXP	Tax Period
01DSI	Dependent Status Indicator
01CCC	Computer Condition Code
01RPC	Return Processing Code
01SPC	Special Processing Code
01EXC	Exemption Code Field
94EXV	Exemption Code Verified
T-DAT>	Tentative Return Due Date Computer
01PS	Primary SSN
01NA1>	Primary NAP Access Indicator
01SS	Secondary SSN
01NA2>	Secondary NAP Access Indicator
01DS1	Dependent 1 SSN
01NP1>	Dependent 1 NAP Access Indicator
01DS2	Dependent 2 SSN
01NP2>	Dependent 2 NAP Access Indicator
01DS3	Dependent 3 SSN
01NP3>	Dependent 3 NAP Access Indicator
01DS4	Dependent 4 SSN
01NP4>	Dependent 4 NAP Access Indicator
03AGI	Adjusted Gross Income
>>>>>	Adjusted Gross Income Computer
05GEC>	Gross Education Credit Computer
05303	Education Credit
>>>>	Education Credit Computer
94EDV	Education Credit Verified
03AOC	Refundable American Opportunity Education Credit

1040	Field Display
>>>>>	Refundable American Opportunity Education Credit Computer
94AOV	Refundable Education Credit Verified
5001	Tentative American Opportunity Credit Amount
5010	Lifetime Learning Credit Qualified Expense Amount
50AST>	American Opportunity Eligible Student Computer Number
50ASV	American Opportunity Eligible Student Verified Number (ERS input only)
50SS1	Education Credit Student 1 SSN
50FN1	Education Institution Federal ID Number Student 1
50PY1	Prior-Year Hope Scholarship or AOT Credit Claimed Student 1 Code
50AE1	Academic Eligibility Student 1 Code
50PS1	Post-Secondary Student 1 Code
50FE1	Felony Conviction Student 1 Code
50SS2	Education Credit Student 2 SSN
50FN2	Education Institution Federal ID Number Student 2
50PY2	Prior-Year Hope Scholarship or AOT Credit Claimed Student 2 Code
50AE2	Academic Eligibility Student 2 Code
50PS2	Post-Secondary Education Student 2 Code
50FE2	Felony Conviction Student 2 Code
50SS3	Education Credit Student 3 SSN
50FN3	Education Institution Federal ID Number Student 3
50PY3	Prior-Year Hope Scholarship or AOT Credit Claimed Student 3 Code
50AE3	Academic Eligibility Student 3 Code
50PS3	Post-Secondary Education Student 3 Code
50FE3	Felony Conviction Student 3 Code
	Section 50 Not Present

3.12.3.30.3.2
(01-01-2017)

**Invalid Conditions (EC
347)**

(1) Error Code 347 generates when all of the following conditions are present:

- a. Refundable American Opportunity Credit Education Credit differs from Refundable American Opportunity Credit Education Credit Computer by
- b. Total Payments is not equal to Total Payments Computer.
- c. A math error is present.

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3.12.3.30.3.3
(04-25-2022)

**Correction Procedures
(EC 347)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If the taxpayer has filed more than one Form 8863 for the same student (e.g., different Education Institutions), GTSEC 50 and delete all field entries for the duplicate student.
- (3) If an entry is present on Form 1040, line 29 (TY19, line 18c; TY18, line 17c) or it appears the taxpayer intended to claim the refundable education credit and Form 8863 is missing, **SSPND 211** for Form 8863.
- (4) Correspond for the required entries on Form 8863, if the taxpayer:
 - is eligible for AOC based on the answers to questions 23 to 26 (2, 1, 2, 2), but line 1 is blank and can't be perfected from the entries on lines 27 to 30.
Caution: This student is eligible for the Lifetime Learning Credit (LLC) too. If the tentative credit for the student is present on line 10 of Form 8863 and the taxpayer figures the LLC, do not correspond. Do not allow the AOC for such students.
 - Didn't answer questions 23, 24, 25, and/or 26, but has entered the Tentative AOC on line 1 or figured qualified expenses from lines 27 to 30.
 - Didn't provide the institution's EIN on line 22(4) for TY16 and later. Correspond for EIN only if corresponding for other issues.
- (5) Assign **TPNC 677**, if the refundable American opportunity credit is reduced or disallowed due to any of the following conditions:
 - The FSC is 3/6.
 - The student(s) was not claimed as a dependent on tax return.
 - The adjusted gross income (AGI) is more than the maximum amount allowed for the taxpayer's filing status (\$90,000.00 (\$180,000.00 for FSC 2).
- (6) If American opportunity credit is reduced or disallowed due to a TIN issue, use the following table:

If...	Then...
A] Either the primary or secondary taxpayer's TIN is missing or invalid, or RPC "O" is present, Reminder: Missing or invalid TIN errors displayed in EC 004/005/010/012.	Assign TPNC 704 (TPNC 818 for TY17 and prior).

If...	Then...
B] Any dependent TIN is missing or invalid (NAP Access Indicator is 2 or 9), Reminder: Missing or invalid dependent TIN errors displayed in EC 010/012.	Assign TPNC 705 (TPNC 605 for TY17 and prior).
C] CCC "X" is present, and the primary taxpayer is one of the students,	1. Compute the credit with the primary taxpayer. 2. Enter the result in Field 94AOV.
D] RPC "E" is present, and the secondary taxpayer is one of the students,	1. Compute the credit with the secondary taxpayer. 2. Enter the result in Field 94AOV.
E] Either the primary or secondary taxpayer has an expired ITIN, Reminder: Expired ITIN errors displayed in EC 017 and EC 283.	Assign TPNC 709 (TPNC 817 for TY17 and prior).
F] Any dependent student has an expired ITIN,	Assign TPNC 710 (TPNC 645 for TY17 and prior).
G] The primary or secondary taxpayer, or any dependent didn't have an assigned TIN by the due date of the return, Reminder: TIN assignment date errors displayed in EC 283.	Assign TPNC 711 . Reminder: TY21 and prior, see IRM 3.12.3.30.3.4.
H] TY16 and later , the institution's EIN is invalid or missing from line 22(4) of Form 8863,	Assign TPNC 672 . TY15 and prior , see IRM 3.12.3.30.3.4.

- (7) If the taxpayer claims the American Opportunity Credit for any student **not among the four transcribed dependents** on page 1 of Form 1040, or takes the credit for **more than the three students** in Section 50 and provides a Form 8863 or an attachment with the required information for those other students, take the following steps:
- Research **INOLES** to verify the validity of each student's TIN, the TIN Assignment Date, and ITIN Status Code, if applicable.
- Caution:** On TY 202012 returns, if the TIN Assignment Date is on or before May 17, 2021, consider the student's date as eligible. On TY 201912 - 202002 returns, if the TIN Assignment Date is on or before July 15, 2020, consider the student's date as eligible.
- Enter the number of eligible students, using qualifying factors in (a) for whom the taxpayer takes AOC, in Field 50ASV. If the TIN of any student not among the four transcribed dependents is invalid or missing, adjust Field 94EXV to disallow the dependent.

- c. Manually compute the credit for the eligible students and enter the refundable amount in Field 94AOV.

Note: If all the students on Form 8863 have an invalid or missing TIN, do not compute the credit.

- (8) When you have a **combination** of valid and invalid/missing/expired TINs on Form 8863, enter the line 30 amount for only the valid students in Field 5001.
- (9) When the taxpayer checks the box at **line 7** of Form 8863, or states **not** eligible for the Refundable American Opportunity Credit, enter **K** in Field 01SPC.
- (10) If the taxpayer didn't check the box at line 7, lines 7 and 8 are blank, and Field 03AOC is blank, enter **K** in Field 01SPC.
- (11) If an entry is present for tentative credit on **both** lines 1 and 10 of Form 8863 for any **one** student and the taxpayer has taken the sum of both credits for any one student, follow these steps.
 - a. If the student is **eligible** for the AOC [that is, answers questions 23 to 26 appropriately and for TY16 and later, provides the institution's EIN on line 22(4)], allow the AOC. Remove the student's tentative credit from the amount in Field 5010.
 - b. If the student is **ineligible** for the AOC [that is, doesn't answer questions 23 to 26 appropriately or TY16 and later, doesn't provide the institution's EIN on line 22(4)], allow the LLC. Remove the student's tentative credit from the amount in Field 5001.
 - c. Assign **TPNC 678**.
- (12) When the taxpayer has entered an amount less than \$2,500 on line 30 of Form 8863 for any student, recompute Form 8863 and enter the amount in 94AOV.
- (13) If the taxpayer can be claimed as a **dependent** on someone else's return, and #
#
- (14) If the taxpayer incorrectly computed the AOC based on the answers to the questions on lines 23 through 26 (answer other than 2, 1, 2, 2) or for **TY16 and later**, if the institution's EIN is invalid or missing from line 22(4), assign **TPNC 672**.

Caution: For **TY15 and prior**, allow AOC when the institution's EIN is missing if all other conditions are met. See IRM 3.12.3.30.3.4.

Reminder: AOC eligibility verification displayed in EC 284.

- (15) If the taxpayer incorrectly computed or transferred the American opportunity credit, assign **TPNC 678**.

3.12.3.30.3.4
(11-27-2020)
Prior Year (EC 347)

- (1) The Tentative Return Due Date in Field T-DAT>, other than current year, is the April return due date. NAP will not provide a TC 460 date for a return other than current year. Research must be performed to determine if a TC 460 date is on the account. If present, use the date identified as **EXT-DT** in the last column, under -Variable Data-as the tentative return due date.

Caution: Don't use the TC 460 date in the first column.

- (2) For **TY22 and prior**, if a primary or secondary TIN Assignment Date is after the date in T-DAT>, then research IMFOLT for a TC 460 for the tax year of the return.

Caution: On TY 202012 returns, if the TIN Assignment Date is on or before May 17, 2021, or TY 201912 - 202002 returns, if the TIN Assignment Date is on or before July 15, 2020, manually compute and allow the credit using Field 94AOV.

If...	And...	Then...
A] TC 460 is not found on IMFOLT,	The TIN Assignment Date in Field 01PAD> or 01SAD> is after T-DAT>,	Assign TPNC 711 (TPNC 810, TY17 and prior).
B] TC 460 is found on IMFOLT,	The TIN Assignment Date in Field 01PAD> or 01SAD> is after the TC 460 date,	Assign TPNC 711 (TPNC 810, TY17 and prior).
C] TC 460 is found on IMFOLT,	The TIN Assignment Date in Fields 01PAD> and 01SAD> are both before the TC 460 date,	<ol style="list-style-type: none"> 1. If the AOC claim includes dependent students, continue to (3). 2. If only the primary or secondary taxpayer is the student included in the AOC claim, determine the number of eligible students claimed for AOC and enter the number in Field 50ASV. 3. Manually compute Form 8863 using the eligible students and enter the amount in Field 94AOV.

- (3) For **TY22 and prior**, if American Opportunity Credit is claimed for a dependent and the dependent TIN Assignment Date is after the date in T-DAT>, then research IMFOLT for a TC 460 for the tax year of the return.

Caution: On TY 202012 returns, if the TIN Assignment Date is on or before May 17, 2021, or TY 201912 - 202002 returns, if the TIN Assignment Date is on or before July 15, 2020, determine the number of eligible students claimed for AOC and enter the number in Field 50ASV. Manually compute Form 8863 using the eligible students and enter the amount in Field 94AOV.

If...	And...	Then...
A] TC 460 is not found on IMFOLT,	The TIN Assignment Date in Fields 01AD1>, 01AD2>, 01AD3> and 01AD4> are all after T-DAT>,	Assign TPNC 711 (TPNC 810, TY17 and prior).
B] TC 460 is found on IMFOLT,	The TIN Assignment Date in Fields 01AD1>, 01AD2>, 01AD3> and 01AD4> are all after the TC 460 date,	Assign TPNC 711 (TPNC 810, TY17 and prior).
C] TC 460 is found on IMFOLT,	Any TIN Assignment Date in Field 01AD1>, 01AD2>, 01AD3> or 01AD4> is before the TC 460 date,	<ol style="list-style-type: none"> 1. Determine the number of eligible students claimed for AOC and enter the number in Field 50ASV. 2. Manually compute Form 8863 using the eligible students and enter the amount in Field 94AOV.

- (4) For TY19 and prior, the computer can't correctly figure the Refundable American Opportunity Education Credit in certain conditions (e.g., institution's EIN is blank). Manually compute the credit for all **eligible** students and enter the amount in Field 94AOV.
- (5) If the taxpayer indicates they can be claimed on someone else's return and
- (6) TY10 and later, if American Opportunity Credit and Lifetime Learning Credit are both being claimed for the **same student**, allow only the LLC for the student. Remove the student's tentative credit from Field 5001. Assign **TPNC 678**.
- (7) The American Opportunity Credit came into being in TY09. In TY08 and prior, the Hope Credit appeared in Part I of Form 8863 and the Lifetime Learning Credit in Part II. Taxpayers were **not** allowed to take both credits for the same student. For TY08 and prior, allow only the LLC when the same student is listed for Hope Credit and LLC. Assign **TPNC 678**.

#

- (8) TY11 - TY09, if the TIN of any student in Part I of Form 8863 is missing/invalid (NAP Access Indicator is 2 or 9) or any student has an IRSN, assign **TPNC 677**.
- (9) For TY11, if an amount in **Part I, column (f)**, is **greater than \$2,500** for any student, do the following:
 - a. Manual compute the amount for Field 5001 by adding the amounts in column (f), up to a maximum amount of \$2,500 for each student claimed.
 - b. Enter the correct amount in Field 5001.
 - c. Assign **TPNC 678**, if the amount entered is different from the taxpayer's original entry.
- (10) If the taxpayer checked the box at Form 8863, line 7 (line 13, TY11 - TY10; line 15, TY09), or otherwise explicitly indicates that he is **not** eligible for the Refundable American Opportunity Credit, enter **K** in Field 01SPC.
- (11) For TY08 and prior, manually compute the non-refundable education credit and enter in Field 94EDV. If Error Code 347 redisplay, enter **K** in Field 01SPC.
- (12) TY09 and later, taxpayers can't take the Tuition and Fees Deduction and Refundable American Opportunity Credit for the same student. If the taxpayer takes the deduction and the credit, compare the student on Form 8917 with all students in Form 8863, Section 50. If the same student appears in both forms, adjust Field 04ADJ to remove Tuition and Fees Deduction (if present) and assign **TPNC 143**.
- (13) If the taxpayer claims the Refundable American Opportunity Credit for any student not among the four transcribed dependents on line 6c of Form 1040 or takes the credit for more than the three students on Form 8863 and provides an attachment with the required information for those other students, take the following steps:
 - a. Verify with command code INOLE the validity of each student's TIN.
 - b. If the TIN of any student not among the four transcribed dependents is invalid, adjust Field 94EXV to deny the dependent exemption for the student.
 - c. Manually compute the credit for the students with a valid TIN only and enter the refundable amount in Field 94AOV.

Note: If all the students on Form 8863 have an invalid or missing TIN, do not compute the credit. Instead assign **TPNC 677**.
- (14) If any student in Part I of Form 8863 has an invalid TIN (the NAP Access Indicator is 2 or 9 for the TIN), assign **TPNC 677**.
- (15) If the FSC is 3 or 6, assign **TPNC 677**.
- (16) Assign **TPNC 677** if Refundable American Opportunity Credit is limited or disallowed because of any of the following are present:
 - a. The FSC is 2 and the AGI is \$180,000 for TY12, TY11 and TY10; \$120,000 for TY09,
 - b. The FSC is 1, 4, 5, or 7 and the AGI is \$90,000 for TY12, TY11 and TY10; \$60,000 for TY09.
- (17) If none of the previous procedures apply to the error, assign **TPNC 678**.

3.12.3.30.3.5

(05-09-2023)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 347)**(1) This table shows the allowable Taxpayer Notice Codes for **Error Code 347**.**Note:** The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in Exhibit 3.12.3-2, Taxpayer Notice Codes.(2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
143	Tuition and Fees Deduction and Education Credit cannot be claimed for the same person.
145	Disallowed Tuition and Fees deduction. This deduction is not allowed for the tax year.
242	Disallowed part or all of Form 8863 credit. Missing or invalid SSN/ FSC 3, not a dependent.
558	You gave us information that changed the refund or amount you owe.
584	No Reply. Form 8863 incomplete or not attached.
598	No Reply. Disallowed exemption claimed for child that didn't live with you. Form 8332 or Form 2120 or a copy of a divorce decree was incomplete or not attached.
644	Disallowed dependent exemption. ITIN for one or more of your dependents has expired.
645	Disallowed some or all of Form 8863 Education Credits, because one or more students has an expired ITIN.
653	Rejects only - Disallowed EIC, CTC, ACTC, Credit for Other Dependents, and/or AOC. Form 8862 not attached.
672	Disallowed all or part of Form 8863 credit. No Ein or computed incorrectly based on lines 23 through 26.
677	Disallowed part or all of Form 8863 credit. Student's TIN missing/invalid, FSC 3/6, student not dependent, or AGI over maximum.)
678	Computed or transferred Form 8863 incorrectly.
704	Primary or secondary SSN or ITIN was missing or invalid. As a result, we disallowed certain credits: Education credits, CTC, credit for other dependents, ACTC, EIC.
705	Dependent SSN or ITIN was missing or invalid. As a result, we disallowed certain credits: Credit for child and dependent care expenses, education credits, CTC, credit for other dependents, ACTC, EIC.

TPNC	Description
706	Primary, spouse or dependent deceased prior to the tax period. As a result, we disallowed certain credits: credit for child and dependent care expenses, CTC, credit for other dependents, ACTC, EIC, education credits.
709	Primary or secondary ITIN has expired. As a result, we disallowed certain credits: education credits, credit for other dependents, CTC, ACTC.
710	Dependent ITIN has expired. As a result, we disallowed certain credits: Credit for child and dependent care expenses, credit for other dependents, or education credits.
711	TIN for primary, secondary or dependent not assigned by the due date of the tax return. As a result, we disallowed certain credits: Credit for other dependents, CTC, ACTC, AOC, EIC.
810	TIN for primary, secondary, or dependent not assigned by the due date of the tax return. As a result, we disallowed certain credits: AOC, CTC, ACTC, EIC.
817	Primary or secondary ITIN has expired. Disallowed certain credits: education credits, CTC, ACTC.
818	Primary or secondary SSN or ITIN was missing or invalid. Disallowed certain credits: Education credits, CTC, ACTC
822	Rejects only. Banned from claiming AOC for this tax year.
823	Rejects only. Banned from claiming AOC for two tax years.
824	Rejects only. Banned from claiming AOC for ten tax years.
***	Any previously assigned TPNC

3.12.3.30.4
(01-01-2024)

**Error Code 349,
Reserved**

(1) Reserved.

3.12.3.30.5
(11-23-2021)

**Error Code 350,
Recovery Rebate Credit**

(1) Error Code 350 instructions follow.

3.12.3.30.5.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 350)**

(1) This table shows the fields displayed

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01EXC	Exemption Code

1040	Field Name
94EXV	Exemption Code Verified
01DSI	Dependent Status Indicator
01RPC	Return Processing Code
T-DAT>	Tentative Return Due Date Computer
01PS	Primary TIN
01PAD>	Primary NAP TIN Assignment Date
01NA1>	NAP Access Indicator
01PIC>	Primary NAP ITIN Status Code
01PDD>	Primary NAP Date of Death
PNMI>	Primary NAP Military Indicator
PNEPA>	Primary NAP EIP 1 Amount
PNEP2>	Primary NAP EIP 2 Amount
01SS	Secondary TIN
01SAD>	Secondary NAP TIN Assignment Date
01NA2>	Secondary NAP Access Indicator
01SIC>	Secondary NAP ITIN Status Code
01SDD>	Secondary NAP Date of Death
SNMI>	Secondary NAP Military Indicator
SNEPA>	Secondary NAP EIP 1 Amount
SNEP2>	Secondary NAP EIP 2 Amount
01TCE>	Child Tax Credit Total Eligible Computer Number
01CT1	Dependent 1 Child Tax and Other Dependent Credit Code
01YB1>	Dependent 1 NAP Year of Birth
01DS1	Dependent 1 SSN
01NP1>	Dependent 1 NAP Access Indicator
01AD1>	Dependent 1 TIN Assignment Date
01DC1>	Dependent 1 NAP ITIN Status Code
01DD1>	Dependent 1 NAP Date of Death
01CT2	Dependent 2 Child Tax and Other Dependent Credit Code
01YB2>	Dependent 2 NAP Year of Birth
01DS2	Dependent 2 SSN

1040	Field Name
01NP2>	Dependent 2 NAP Access Indicator
01AD2>	Dependent 2 TIN Assignment Date
01DC2>	Dependent 2 NAP ITIN Status Code
01DD2>	Dependent 2 NAP Date of Death
01CT3	Dependent 3 Child Tax and Other Dependent Credit Code
01YB3>	Dependent 3 Year of Birth
01DS3	Dependent 3 SSN
01NP3>	Dependent 3 NAP Access Indicator
01AD3>	Dependent 3 TIN Assignment Date
01DC3>	Dependent 3 NAP ITIN Status Code
01DD3>	Dependent 3 NAP Date of Death
01CT4	Dependent 4 Child Tax and Other Dependent Credit Code
01YB4>	Dependent 4 Year of Birth
01DS4	Dependent 4 SSN
01NP4>	Dependent 4 NAP Access Indicator
01AD4>	Dependent 4 TIN Assignment Date
01DC4>	Dependent 4 NAP ITIN Status Code
01DD4>	Dependent 4 NAP Date of Death
03AGI	Adjusted Gross Income
>>>>>	Adjusted Gross Income Computer
03RRC	Recover Rebate Credit
03RRC>	Recovery Rebate Credit Computer
94RRV	Recovery Rebate Credit Verified

3.12.3.30.5.2
(11-23-2021)

Invalid Conditions (EC 350)

(1) Error Code 350 generates when all the following exist:

- a. Tax period is 202012 or later.
- b. The taxpayer and computer's amounts for Recovery Rebate Credit are different.
- c. Total Payments is not equal to Total Payments Computer.
- d. A math error is present.

3.12.3.30.5.3
(02-10-2023)

**Correction Procedures
(EC 350)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

Caution: Field 94EXV may have been used to resolve Error Code 010, 012, 13, 017, 283 or 285. If a dependent was disallowed in a previous error code and the taxpayer indicates the dependent is eligible for CTC/ODC by marking column 4, leave as disallowed.

- (2) Taxpayers can figure their Recovery Rebate Credit (RRC) after accounting for any economic impact payments received in 2021.
- (3) Unless one of the special conditions below applies, taxpayer must meet the following criteria to qualify for the credit:
- Cannot be a dependent on another return.
 - Must have a valid SSN assigned by the due date of the return.

Exception: For FSC 2, if the Military Indicator Field PNMI> or Field SNMI> is 1, and either spouse has a valid SSN, both taxpayers qualify for the credit. Taxpayers without a valid SSN or Military Indicator can claim RRC for dependents who meet the criteria in (c) below.

- Dependents must have a valid SSN assigned by the due date of the return, and for TY21, there is not an age limitation.

Exception: A dependent with a valid ATIN (9XX-93-XXXX) qualifies for the credit regardless of TIN assignment date.

Exception: A dependent who was born and died in 2021 qualifies for the credit without an SSN if proper documentary support (copy of birth certificate, death certificate or hospital records) is provided showing the child was born alive and died in 2021.

- (4) The 2021 Recovery Rebate Credit is computed as \$1,400 for each qualifying taxpayer plus \$1,400 for each qualifying dependent (if the AGI is below the threshold for the filing status) MINUS the amount of the economic impact payment (EIP3) received. Fields PNEPA> and SNEPA> show the EIP3 amount received by the primary and secondary in 2021. If the AGI exceeds the following threshold for the filing status, the credit is reduced.
- FSC 1/3/6: \$75,000 to \$80,000
 - FSC 4/7: \$112,500 to \$120,000
 - FSC 2/5: \$150,000 to \$160,000

Note: The amount in Field SNEPA> should only be used if FSC is 2.

- (5) If Field 01DSI is 1 (taxpayer can be claimed as a dependent on another return), use the following procedures:

If...	And...	Then...
A] FSC is 2,		Delete the entry in Field 01DSI and allow the credit.

If...	And...	Then...
B] FSC is 1, 3, 4, 5, 6, or 7,	The DSI box is checked for the primary,	Assign TPNC 681 .
C] FSC is 1, 3, 4, 5, 6, or 7,	The DSI box is checked for the secondary but the DSI box for primary is not checked,	Delete the entry in Field 01DSI.

- (6) For FSC **2**, use the following procedures when the computer's amount for Recovery Rebate Credit differs from the taxpayer amount:

If...	And...	Then...
A] Either Field 01PS or Field 01SS contains an ITIN,	There is NOT a 1 in Field PNMI> or Field SNMI>,	Assign TPNC 682 . Exception: If Field 03AGI underprint is between \$150,000 and \$160,000, follow procedures in L] below.
B] Either Field 01PS or Field 01SS contains an ITIN,	There is a 1 in Field PNMI> or Field SNMI>,	Treat both primary and secondary as qualifying taxpayers. Continue processing.
C] RPC O is present or Secondary was disallowed in an earlier error code,	There is not a 1 in Field PNMI> or Field SNMI>,	Assign TPNC 682 . Exception: If Field 03AGI underprint is between \$150,000 and \$160,000, follow procedures in L] below.
D] Either RPC O is present or Secondary was disallowed in an earlier error code,	There is a 1 in Field PNMI> or Field SNMI>,	Treat both primary and secondary as qualifying taxpayers. Continue processing.

If...	And...	Then...
E] The TIN Assignment Date in Field 01PAD>, 01SAD>, 01AD1>, 01AD2>, 01AD3>, and/or 01AD4> is after the due date of the return (T-DAT>),		<ol style="list-style-type: none"> 1. Research IMFOLT for a TC 460 date or the DISASTER RDD (disaster return due date) 2. If the TIN Assignment Date is on or before the TC 460 date or disaster return date, manually compute and enter the credit in Field 94RRV. 3. If the TIN Assignment Date is after the TC 460 date or disaster return due date, assign TPNC 682. <p>Exception: If there are more than four dependents, follow the procedures in J] and K] below for more than four dependents.</p>
F] Any dependent TIN is missing with an indication that the child was born and died in 2021,	The amounts in Fields 03RRC and	Enter the taxpayer's amount in Field 94RRV.
G] Any dependent TIN is missing with an indication that the child was born and died in 2021,	<p>The amounts in Fields 03RRC and</p> <p>documentary support is provided (copy of birth certificate, death certificate or hospital record),</p>	Manually compute the credit including the child as a qualifying dependent, and enter the amount in Field 94RRV.

#

If...	And...	Then...
H] Any dependent TIN is missing or invalid (NAP Access indicator is 2 or 9, Reminder: Missing or invalid dependent TIN errors displayed in Error Code 010/012,	There is no indication that the dependent with missing TIN was a child who was born and died in 2021, or documentary support is not provided,	Assign TPNC 683 . Exception: If there are more than four dependents, follow the procedures in J] and K] below.
I] A dependent year of death is prior to 2021,		Assign TPNC 683 . Exception: If there are more than four dependents, follow the procedures in J] and K] below.
J] There are more than four dependents,	The amounts in Fields 03RRC and	Enter the taxpayer's amount in Field 94RRV.
K] There are more than four dependents,	The amounts in Fields 03RRC and	1. Validate the other dependents using CC INOLE. 2. Manually compute the credit and enter it in Field 94RRV. 3. If EC 350 redisplay, assign TPNC 683 .

#

If...	And...	Then...
L] Field 03AGI underprint for FSC 2 is between \$150,000 and \$160,000,		Compute the credit using the RRC worksheet. <ul style="list-style-type: none"> If the amount is within the range of credit available, enter the taxpayer's amount in Field 94RRV. If the amount is not within the range, assign TPNC 683.
M] Field 03AGI exceeds the AGI threshold,	There was not a previous math error affecting the AGI,	Assign TPNC 683 .
N] Field 03AGI exceeds the AGI threshold,	A TPNC was assigned for a previous math error affecting the AGI,	Compute the credit using the taxpayer's original AGI. If the RRC difference is the result of the previous math error, assign the previously assigned TPNC. If the RRC difference is not the result of the previous math error, assign TPNC 683 .
O] The amount was computed incorrectly,		Assign TPNC 683 .

Note: A dependent with a valid ATIN (9XX-93-XXXX) qualifies for the credit regardless of TIN assignment date.

- (7) FSC 1, 3, 4, 5, 6, or 7, use the following procedures when the computer's amount for Recovery Rebate Credit differs from the taxpayer amount:

If...	And...	Then...
A] Primary TIN is missing or invalid, or Reminder: Missing or invalid TIN errors displayed in EC 004/005.	RPC "O" is present,	Assign TPNC 682 .
B] Field 01PS contains an ITIN,		Assign TPNC 682 .
C] The TIN Assignment Date in Field 01PAD>, 01AD1>, 01AD2>, 01AD3>, and/or 01AD4> is after the due date of the return (T-DAT>),		<ol style="list-style-type: none"> 1. Research IMFOLT for a TC 460 date or the DISASTER RDD (disaster return due date) 2. If the TIN Assignment Date is on or before the TC 460 date or disaster return date, manually compute and enter the credit in Field 94RRV. 3. If the TIN Assignment Date is after the TC 460 date or disaster return due date, assign TPNC 682. <p>Exception: If there are more than four dependents, follow the procedures in H] and I] below.</p>
D] Primary year of death in Field 01PDD> shows a year prior to 2021,		Assign TPNC 682 .

If...	And...	Then...
E] Any dependent TIN is missing with an indication that the child was born and died in 2021,	The amounts in Fields 03RRC and	Enter the taxpayer's amount in Field 94RRV.
F] Any dependent TIN is missing with an indication that the child was born and died in 2021,	The amounts in Fields 03RRC and documentary support is provided (copy of birth certificate, death certificate or hospital record),	Manually compute the credit including the child as a qualifying dependent, and enter the amount in Field 94RRV.
G] Any dependent TIN is missing or invalid (NAP Access Indicator is 2 or 9), Reminder: Missing or invalid dependent TIN errors displayed in EC 010/012.	There is no indication that the dependent with missing TIN was a child who was born and died in 2021, or documentary support is not provided,	Assign TPNC 683 . Exception: If there are more than four dependents, follow the procedures in H] and I] below.
H] There are more than four dependents,	The amounts in Fields 03RRC and	Enter the taxpayer's amount in Field 94RRV.
I] There are more than four dependents,	The amounts in Fields 03RRC and	1. Validate the other dependents using CC INOLE. 2. Manually compute the credit and enter it in Field 94RRV. 3. If EC 350 redisplay, assign TPNC 683 .
J] A dependent's year of death is prior to 2021,		Assign TPNC 683 .

#

If...	And...	Then...
K] Field 03AGI underprint is within the following range: <ul style="list-style-type: none"> FSC 1/3/6, between \$75,000 and \$80,000 FSC 4/7, between \$112,500 and \$120,000 FSC 5, between \$150,000 and \$160,000, 		Compute the credit using the RRC worksheet. <ul style="list-style-type: none"> If the amount is within the range of credit available, enter the taxpayer's amount in Field 94RRV. If the amount is not within the range, assign TPNC 683.
L] Field 03AGI exceeds the AGI threshold for the filing status,	There was not a previous math error affecting the AGI,	Assign TPNC 683 .
M] Field 03AGI exceeds the AGI threshold for the filing status,	A TPNC was assigned for a previous math error affecting the AGI,	Compute the credit using the taxpayer's original AGI. If the RRC difference is the result of the previous math error, assign the previously assigned TPNC. If the RRC difference is not the result of the previous math error, assign TPNC 683 .
N] The amount was computed incorrectly,		Assign TPNC 683 .

Note: A dependent with a valid ATIN (9XX-93-XXXX) qualifies for the credit regardless of TIN assignment date.

(8) **TY23-TY22** returns, if Recovery Rebate Credit is claimed, assign **TPNC 263**.

3.12.3.30.5.4
(02-10-2023)

Allowable Taxpayer Notice Codes (Form 1040) (EC 350)

(1) This table shows the allowable Taxpayer Notice Codes for Error Code 350.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

(2) If you are processing a conversion, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
263	The write-in credit you claimed is not an allowable credit.
681	We changed the Recovery Rebate Credit. Primary or secondary is claimed as a dependent on another return.
682	We changed the Recovery Rebate Credit. Primary/secondary SSN missing or invalid, primary/secondary has ITIN with no military indicator, primary/secondary/dependent deceased prior to the tax period, or TIN not assigned by the due date of the return.
683	We changed the Recovery Rebate Credit. Primary or secondary SSN missing or invalid, dependent exceeds the age limit, AGI exceeds limit, or the amount was computed incorrectly.
***	Any previously assigned TPNC

3.12.3.30.6
(01-01-2017)
Error Code 352, Form 8962 is Missing and Refundable Credit Claimed (ACA)

- (1) Error Code 352 instructions follow.

3.12.3.30.6.1
(01-01-2023)
Fields Displayed, Form 1040 (EC 352, ACA)

- (1) This table shows the fields displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01CCC	Computer Condition Code
01RPC	Return Processing Code
01SPC	Special Processing Code
01EXC	Exemption Code
94EXV	Exemption Code Verified (ERS input only)
02ARC	ACA Resolution Code (ERS input only)

#

#

1040	Field Name
05PTC	Reconciled Premium Tax Credit Amount
05PTC>	Reconciled Premium Tax Credit Computer
	Section 73/74 Not Present

3.12.3.30.6.2
(01-01-2020)
Invalid Conditions (EC 352, ACA)

- (1) Error Code 352 generates when Tax Period is 201412 or greater, an amount is present in Field 05PTC for Reconciled Net Premium Tax Credit and Section 73/74 is not present.

3.12.3.30.6.3
(01-01-2023)
Correction Procedures (EC 352, ACA)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) **TY20 only**, if Section 73 was deleted in a previous error code because of an amount in Field 05202>, assign **TPNC 796**.
- (3) **SSPND 224** and complete Form 6001 using paragraphs K and d [AUSPC ONLY, complete Form 13900 as appropriate using paragraphs Y, Z, or 0 (requesting Form 8962) and s].

3.12.3.30.6.4
(01-01-2017)
Reply Procedures (EC 352, ACA)

- (1) 02 and input correspondence received date in Field 02RPD.
- (2) Enter data from Form 8962 into Section 73/74 as provided by the taxpayer.

#

3.12.3.30.6.5
(01-01-2018)
No Reply Procedures (EC 352, ACA)

- (1) If No Reply, enter **U** in Field 01CCC, and transmit.
- (2) When EC 352 redisplay, assign TPNC **794**.

3.12.3.30.6.6
(01-01-2023)
Allowable Taxpayer Notice Codes (Form 1040) (EC 352, ACA)

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 352**.
Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
558	You gave us information that changed the refund or amount you owe.

TPNC	Description
605	For one or more of your dependents the SSN or ITIN was missing or the last name doesn't match our records or the records provided by the Social Security Administration.
762	We changed tax family size on Form 8962.
794	We didn't allow the amount you claimed as Premium Tax Credit. Form 8962 was incomplete or not attached to the return.
796	For Tax Year 2020, we have removed excess APTC from your return. (TY20 only)
798	Changed amounts on Form 8962, Part II, to match Form 1095-A. For Tax Year 2020, we have removed excess APTC from your return. (TY20 only)
***	Any previously assigned TPNC

3.12.3.30.7
(01-01-2017)

**Error Code 353 - Form
8962, PTC Claimed, Not
Eligible**

- (1) Error Code 353 instructions follow.

3.12.3.30.7.1
(01-01-2023)

**Fields Displayed, Form
1040, (EC 353, ACA)**

- (1) This table shows the fields displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01CCC	Computer Condition Code
01RPC	Return Processing Code
01EXC	Exemption Code
94EXV	Exemption Code Verified (ERS input only)
01SPC	Special Processing Code
01DSI	Dependent Status Indicator
05PTC	Reconciled Premium Tax Credit Amount
05PTC>	Reconciled Premium Tax Credit Computer
73MFS	Married Filing Separate PTC Exception Checkbox Indicator
7301>	Computed Family Size
7302A>	Computed PTC MAGI Amount

1040	Field Name
7302B	Dependents Modified AGI
7303>	Computed Household Income
73SOR	Federal Poverty Level State of Residence Checkbox
7304>	Computed Federal Poverty Level Amount
7305>	Computed HHI as Percent of Federal Poverty Level
7324	Total Premium Tax Credit
7324>	Computed Total Premium Tax Credit
	Section 74 Not Present

3.12.3.30.7.2
(01-01-2020)
Invalid Conditions (EC 353, ACA)

- (1) Error Code 353 generates when Tax Period is 201412 or greater and the taxpayer claims Reconciled Premium Tax Credit but is ineligible when:
 - a. FSC is 3 or 6 and Married Filing Separate PTC Exception Checkbox, Field 73MFS, is not marked, or
 - b. No Exemptions are claimed on the return in Field 01EXC/94EXV.

3.12.3.30.7.3
(01-01-2020)
Correction Procedures (EC 353, ACA)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If Fields 05PTC/05PTC> and Field 7324/7324> are blank, DLSEC 73/74.
- (3) If FSC is 3 or 6 and Field 73MFS is blank, take one of the following actions:
 - a. TY14 - enter **1** in Field 73MFS.
 - b. TY15 and later - assign **TPNC 790**. See (4) below before sending TPNC.
- (4) If after review and corrections of (1) through (3), EC 353 still displays, assign **all** appropriate TPNCs:
 - a. Assign **TPNC 790** for (3) above.
 - b. TY20 and prior, if Field 7305> (HHI percentage) is **greater than 400 percent** (ex. 401), assign **TPNC 791**.
 - c. If the Field 01EXC entries equal the number of dependents on Form 1040, and Field 94EXV has an entry, assign **TPNC 762** on Form 1040.
 - d. If the dependent status indicator box is checked (Field 01DSI is 1), assign **TPNC 792**.

3.12.3.30.7.4
(01-01-2023)
Allowable Taxpayer Notice Codes (Form 1040) (EC 353, ACA)

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 353**.
Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
205	We didn't allow your personal exemption. Your SSN or ITIN was missing or the last name doesn't match the records provided by SSA.
206	We didn't allow the personal exemption for your spouse. The SSN or ITIN was missing or the last name of your spouse doesn't match the records provided by SSA.
558	You gave us information that changed the refund or amount you owe.
605	For one or more of your dependents the SSN or ITIN was missing or the last name doesn't match our records or the records provided by the Social Security Administration.
762	We changed tax family size on Form 8962.
790	We didn't allow the amount you claimed as Net Premium Tax Credit. You're not eligible to claim the credit because your filing status is married filing separately.
791	We didn't allow the amount you claimed as Premium Tax Credit. You are not eligible when your household income is greater than 400% of the federal poverty line.
792	We didn't allow the amount you claimed as Premium Tax Credit. You indicated someone can claim you as a dependent.
795	We changed amounts on Form 8962, Part II, to match Form 1095-A.
798	Changed amounts on Form 8962, Part II, to match Form 1095-A. For Tax Year 2020, we have removed excess APTC from your return. (TY20 only)
***	Any previously assigned TPNC

3.12.3.30.8
(01-01-2017)

**Error Code 354 - Form
8962, Premium Tax
Credit (ACA)**

- (1) Error Code 354 instructions follow.

3.12.3.30.8.1
(01-01-2023)

**Fields Displayed, Form
1040 (EC 354, ACA)**

- (1) This table shows the fields displayed:

1040	Field Name
01FSC	Filing Status Code

1040	Field Name
01TXP	Tax Period
01CCC	Computer Condition Code
01RPC	Return Processing Code
01SPC	Special Processing Code
01EXC	Exemption Code
94EXV	Exemption Code Verified (ERS input only)
05PTC	Reconciled Premium Tax Credit Amount
05PTC>	Reconciled Premium Tax Credit Computer
7324	Total Premium Tax Credit
7324>	Computed Total PTC Amount
7325	Advance Premium Tax Credit
7325>	Computed Taxpayer Total APTC Amount

#

3.12.3.30.8.2
(01-01-2020)
Invalid Conditions (EC 354, ACA)

- (1) Error Code 354 generates when Tax Period is 201412 or greater and the taxpayers' amount for Reconciled Premium Tax Credit Amount, Field 05PTC differs from the Reconciled Premium Tax Credit Computer, Field 05PTC>.

3.12.3.30.8.3
(01-01-2020)
Correction Procedures (EC 354, ACA)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If after review and/or correction in (1) and EC 354 redispays, assign **all** appropriate TPNCs.
- If Field 05PTC does not match Field 05PTC>, assign **TPNC 788**.
 - If the exemptions transcribed (Field 01EXC) equal the number of dependents on Form 1040 and Field 94EXV has an entry, assign **TPNC 762** on Form 1040.

3.12.3.30.8.4
(01-01-2023)
Allowable Taxpayer Notice Codes (Form 1040) (EC 354, ACA)

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 354**.
- Note:** The following Taxpayer Notice Codes are shown in a condensed format. The complete version is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	

TPNC	Description
111	Your return has been converted to a Form 1040.
205	We didn't your personal exemption. Your SSN or ITIN was missing or the last name does not match the records provided by SSA.
206	We didn't allow the personal exemption for your spouse. The SSN or ITIN was missing or the last name of your spouse doesn't match the records provided by SSA.
558	You gave us information that changed the refund or amount you owe.
605	For one or more of your dependents the SSN or ITIN was missing or the last name doesn't match our records or the records provided by the Social Security Administration.
788	We changed the amount claimed as net premium tax credit because it was computed or transferred incorrectly.
795	We changed amounts on Form 8962, Part II, to match Form 1095-A.
798	Changed amounts on Form 8962, Part II, to match Form 1095-A. For Tax Year 2020, we have removed excess APTC from your return. (TY20 only)
***	Any previously assigned TPNC

3.12.3.30.9
(01-01-2017)
**Error Code 356 - Fuel
Tax Credit**

(1) Error Code 356 instructions follow.

3.12.3.30.9.1
(01-01-2024)
**Fields Displayed, Form
1040 (EC 356)**

(1) This table shows the fields displayed.

1040	Field Name
01RPC	Return Processing Code
0406	Combined Schedule F Profit/Loss
05FUE	Form 4136 Fuel Tax Credit
>>>>>	Form 4136 Fuel Tax Credit Computer
79A01	Amount of Credit Reference Number 1
79C01	Credit Reference Number 1
79A02	Amount of Credit Reference Number 2
79C02	Credit Reference Number 2
79A03	Amount of Credit Reference Number 3

1040	Field Name
79C03	Credit Reference Number 3
79A04	Amount of Credit Reference Number 4
79C04	Credit Reference Number 4
79A05	Amount of Credit Reference Number 5
79C05	Credit Reference Number 5
79A06	Amount of Credit Reference Number 6
79C06	Credit Reference Number 6
79A07	Amount of Credit Reference Number 7
79C07	Credit Reference Number 7
79A08	Amount of Credit Reference Number 8
79C08	Credit Reference Number 8
79A09	Amount of Credit Reference Number 9
79C09	Credit Reference Number 9
79A10	Amount of Credit Reference Number 10
79C10	Credit Reference Number 10
79A11	Amount of Credit Reference Number 11
79C11	Credit Reference Number 11
79A12	Amount of Credit Reference Number 12
79C12	Credit Reference Number 12
79A13	Amount of Credit Reference Number 13
79C13	Credit Reference Number 13
79A14	Amount of Credit Reference Number 14
79C14	Credit Reference Number 14
79A15	Amount of Credit Reference Number 15
79C15	Credit Reference Number 15
79A16	Amount of Credit Reference Number 16
79C16	Credit Reference Number 16
79A17	Amount of Credit Reference Number 17
79C17	Credit Reference Number 17
79A18	Amount of Credit Reference Number 18
79C18	Credit Reference Number 18
79A19	Amount of Credit Reference Number 19
79C19	Credit Reference Number 19

1040	Field Name
79A20	Amount of Credit Reference Number 20
79C20	Credit Reference Number 20
	Section 79 Not Present

3.12.3.30.9.2
(01-01-2017)
Invalid Conditions (EC 356)

- (1) **Error Code 356** generates when **both** of the following exist:
- Fuel Tax Credit differs from Fuel Tax Credit Computer.
 - A math error is present, and Balance Due/Overpayment differs from Balance Due/Overpayment Computer amount.

3.12.3.30.9.3
(01-26-2023)
Correction Procedures (EC 356)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If the taxpayer enters an amount on Schedule 3, line 12 (TY20, line 11; TY19, line 12), use the following table:

If Form 4136 is...	And...	Then...
A] missing or incomplete,		SSPND 211.
B] is attached,	not transcribed,	GTSEC 79 and enter all fields of data available.
C] is attached,	the taxpayer has used the credit on Schedule A, C, F or K-1, Note: Do not allow the credit to be taken more than once.	1. DLSEC 79. 2. Assign TPNC 296 .
D] is attached,	the taxpayer made a math or transferring error,	Assign TPNC 296 .

- (3) If Form 4136 includes credit amounts for more than 20 credit reference numbers, **SSPND 410** and take the return to your lead.

Note: Lead, adjust Field 79C20 to reflect the total of the transcribed amount in Field 79C20 plus the credit amounts for the credit reference numbers that have not been transcribed.

3.12.3.30.9.4
(01-01-2017)
(PY) Fuel Tax Credit (EC 356)

- (1) The format for Form 4136 has changed throughout the years. Enter all fields in the order the taxpayer has entered them on Form 4136.

3.12.3.30.9.5
(01-01-2024)
Allowable Taxpayer Notice Codes (Form 1040) (EC 356)

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 356**.
- Note:** The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in Exhibit 3.12.3-2, Taxpayer Notice Codes.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
296	Computed or transferred Form 4136 credit incorrectly.
558	You gave us information that changed the refund or amount you owe.
596	No Reply. Form 4136 incomplete or not attached.
843	Adjusted Clean Vehicle Credit on Form 3800 because it was computed or transferred incorrectly from Form 8936.

3.12.3.30.10
(01-01-2024)
Error Code 357, Elective Payment Elections

- (1) Error Code 357 instructions follow.

3.12.3.30.10.1
(01-01-2024)
Fields Displayed, Form 1040 (EC 357)

- (1) The following fields are displayed in Error Code 357.

Form 1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
05TL	Section 965 Tax Liability
05RIC	Form 2439 Regulated Investment Company Credit
05EYR	Credit from Earlier Year Income Repayment
05OTH	Other Payment Credit

Form 1040	Field Name
05OPR	Total Other Payments and Refundable Credits
221BB	Form 7207 Elective Payment or Transfer Registration Number
221GI	Form 7210 Net Elective Payment Election
221OI	Form 3468 Part IV Net Elective Payment Election
	Section 22 Not Present
231XI	Form 8933 Net Elective Payment Election
	Section 23 Not Present

3.12.3.30.10.2
(01-01-2024)
Invalid Conditions (EC 357)

- (1) Error Code 357 displays when the amount of Elective Payment Election Credits claimed is not equal to the sum of:
- a. Form 7207 Net Elective Payment Election Amount,
 - b. Form 7210 Net Elective Payment Election Amount,
 - c. Form 3468 Net Elective Payment Election Amount, and
 - d. Form 8933 Net Elective Payment Election Amount.

3.12.3.30.10.3
(01-01-2024)
Correction Procedures (EC 357)

- (1) Correct coding and transcription errors and misplaced entries on displayed fields.

3.12.3.30.11
(01-01-2017)
Error Code 358, Forms 2439, 8839, 8801, 8885 and Other Credits

- (1) Error Code 358 instructions follow.

3.12.3.30.11.1
(01-01-2024)
Fields Displayed, Form 1040 (EC 358)

- (1) The following fields are displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
05OPR	Total Other Payments and Refundable Credits
05RIC	Form 2439 Regulated Investment Company Credit
05EYR	Credit for Earlier Year Income Repayment
05HCC	Health Coverage Credit (ERS input only)
05OTH	Other Payment or Credit Amount (ERS input only)
05TYP	Other Payment or Credit Type Code (ERS input only)

1040	Field Name
04HID	Self-Employed Health Insurance Deduction
0701	Medical Expense
05SFL	Sick and Family Leave Credit
05SL2	Sick and Family Leave Credits Amount After 3-31-2021
05RCC	Refundable Child and Dependent Care Credit
221BI	Form 7207 Net Elective Payment Election
221GI	Form 7210 Net Elective Payment Election
221OI	Form 3468 Part IV Net Elective Payment Election
231XI	Form 8933 Net Elective Payment Election
94OPV	Total Other Payments and Refundable Credits Verified
	Section 22 Not Present
	Section 23 Not Present
	Section 73 Present
	Section 76 Present
76TOT	Total Deferred Tax Liability Amount

3.12.3.30.11.2
(01-03-2023)

Invalid Conditions (EC 358)

(1) Error Code 358 generates when either:

- a. Total Other Payments and Refundable Credits (Field 05OPR) is not equal to the sum of:
 - Form 2439 Regulated Investment Company Credit (Field 05RIC)
 - Other Payment or Credit Amount (ERS input only) (Field 05OTH)
 - Sick and Family Leave Credit (Field 05SFL)
 - Sick and Family Leave Credits Amount After 3-31-2021 (Field 05SL2)
 - Credit for Earlier Year Income Repayment (Field 05EYR)
 - Total Deferred Tax Liability Amount (Field 76TOT)
 - TY21 Only: Health Coverage Credit (Field 05HCC)
 - TY21 Only: Refundable Child Care Credit Amount (Field 05RCC)
- b. Tax Period is TY20 or prior **and** Total Other Payments and Refundable Credits (Field 05OPR) is significant.

3.12.3.30.11.3
(01-03-2023)

Correction Procedures (EC 358)

(1) Taxpayers claim a credit from the forms below on Schedule 3, line 13a through 13z (TY20, line 12a through 12e). Refer to all procedures before correcting any item.

- Form 2439, Regulated Investment Credit
- TY22, Credit for qualified sick and family leave wages paid in 2022 from Schedule H for leave taken before April 1, 2021 (TY21-TY20, Qualified sick and family leave credits from Schedule H and Form 7202)
- TY21 - TY02, Form 8885, Health Coverage Tax Credit
- Credit for repayment of amounts included in income from earlier years
- TY20, Deferral for certain Schedule H or SE filers.

- TY22, Qualified sick and family leave wages paid in 2022 from Schedule H for leave taken after March 31, 2021, and before October 1, 2021
- TY21, Qualified sick and family leave credits from Schedule H and Form 7202 for leave taken after March 31, 2021

- (2) Correct coding and transcription errors.
- (3) Refer to the specific instructions for Schedule 3, line 13a through 14.
- (4) If Form 13441-A, *“Health Coverage Tax Credit (HCTC) Monthly registration and Update”* is misrouted or loose, give it to your work leader who will then send it to AUSPC Entity, Stop 6098.
- (5) TY20 and prior, follow all correction procedures in the following subsections for amounts on Schedule 3, line 12a through 12e. After all displayed fields have been reviewed and corrected as appropriate, delete the entry in Field 05OPR.

3.12.3.30.11.4
(04-25-2022)

**Field 05RIC, Schedule 3,
Line 13a - Form 2439,
Regulated Investment
Credit (EC 358)**

- (1) Taxpayers are instructed to enter an amount on Schedule 3, line 13a (TY20, Schedule 3, line 12a; TY19, line 13 check box a), indicating the amount is from Form 2439, *Notice to Shareholder of Undistributed Long-Term Capital Gains*, use the following table to correct:

Note: Form 2439 is a small form, comparable to Form W-2. Taxpayers attach the form to request a credit for the tax reported in box 2.

If...	Then...
A] If Form 2439 is missing and	SSPND 211.
C] The amount in box 2 of Form 2439 matches the amount in	Enter the amount in Field 05RIC.

#

If...	Then...
D] The amount in box 2 of Form 2439: <ul style="list-style-type: none"> does not match the figure in Field 05OPR and no other credits are reported there or is not included in the sum of credits reported in Field 05OPR, 	<ol style="list-style-type: none"> If Field 1215 is blank, enter the amount in box 1a of Form 2439 in Field 1215. If Field 1219 is blank, enter the amount in box 1b of Form 2439 in Field 1219. Enter the amount in box 2 of Form 2439 in Field 05RIC. If EC 204 displays, assign TPNC 633.

3.12.3.30.11.5
(04-25-2022)

Field 05SFL, Schedule 3, line 13b - Credit for Qualified Sick and Family Leave (EC 358) (Tax Year 2020 and later)

- (1) TY22, taxpayers are instructed to enter an amount on Schedule 3, line 13b, to indicate credit for qualified sick and family leave wages paid in 2022 from Schedule H for leave taken before April 1, 2021, from Schedule H, Part I, line 8e. If Schedule H is not attached, SSPND 211 to correspond.
- (2) TY21-TY20, taxpayers are instructed to enter an amount on Schedule 3, line 13b (TY20, line 12b), to indicate qualified sick and family leave credits are being claimed from Schedule H, Household Employee Taxes, and/or Form 7202, Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals.
- (3) For TY21-TY20, if an amount is on Schedule 3, line 13b (TY20, line 12b), either Schedule H or Form 7202 must be attached to support the entry. If not attached, SSPND 211 to correspond.
- (4) TY22-TY20, enter the amount from Schedule H, Part I, line 8e in Field 05SFL.
- (5) TY21-TY20, enter the amount from Form 7202, Part I, line 24, and/or Part II, line 35 in Field 05SFL.
- (6) TY19 and prior, delete the entry in Field 05SFL.

3.12.3.30.11.6
(01-01-2023)

Field 05HCC, Schedule 3, Line 13c - Form 8885, Health Coverage Tax Credit (HCTC) (EC 358)

- (1) **TY21 and prior**, taxpayers are instructed to enter an amount on Schedule 3, line 13c (TY20, Schedule 3, line 12c; TY19, Schedule 3, line 13; TY18, Schedule 5, line 74), to indicate Form 8885, *Health Coverage Tax Credit (HCTC)*, is being claimed.
- (2) TY23-TY22, if Health Coverage Tax Credit is claimed on Schedule 3 or Form 8885 is attached, remove the amount in Field 05HCC if present. Assign **TPNC 671**.
- (3) For **TY21-TY15**, if Health Coverage Tax Credit is claimed on Schedule 3, line 13c (TY20, Schedule 3, line 12c; TY19, Schedule 3, line 13; TY18, line 74), or Form 8885 is attached, **SSPND 450**. Take return to work leader upon suspension of the return.

Note: Work Leader - For TY21-TY15 returns, work the **same day** following the instructions at IRM 3.12.3.30.10.6.2.

- (4) For TY14 and prior, if Form 1040, line 73 (TY13, line 71), box **c** is checked or Form 8885 is attached, **SSPND 491**.

3.12.3.30.11.6.1
(03-23-2018)

**AUSPC ONLY: Review of
Form 8453 (EC 358)**

- (1) Research **IMFOLT** for the presence of **TC 971 AC 172**. If FSC 2 and primary does not display TC 971 AC 172, research secondary SSN. If TC 971 AC 172 is present on secondary SSN, enter **J** in Field 01ACD.

Note: The presence of TC 971 AC 172 denotes proof of eligibility.

- (2) If TC 971 AC 172 is **not present** on IMFOLT, review Form 8453 attachments to determine if it includes invoices, proof of payments, and proof of eligibility needed to allow HCTC. If all required information is attached to Form 8453, AUSPC will activate and work return via CMODE.
- a. If a proof of eligibility letter from DOL, state workforce agency, employment office, or PBGC is included, take the actions in b) through e) below.
- b. Use IAT tool REQ77 to input TC 971 AC 172.
- c. Hold return in a separate file in Rejects until TC 971 posts (should take one cycle).
- d. After 7 calendar days, research IMFOLT for posting of TC 971 AC 172.
- e. When TC 971 AC 172 has posted, enter the HCTC amount in Field 05HCC.
- (3) If TC 971 AC 172 is **present** on IMFOLT and review of Form 8453 attachments includes the required invoices and proof of payments, AUSPC will activate and work return via CMODE.
- (4) AUSPC will provide a list of DLNs weekly to the other campuses of all closed returns.
- (5) If you determine, after review of Form 8453 attachments, the taxpayer is **eligible** for HCTC **and** another error code displays that requires correspondence, Austin will scan Form 8453 and attachments, and send to the open campus P&A for taxpayer correspondence.

Reminder: All of the following must be present for HCTC **eligibility**:

- Supporting health insurance bills, or COBRA payments coupons
 - Proof of payments
 - Eligibility letter **or** TC 971 AC 172 (IMFOLT)
- (6) If you determine the taxpayer is **not eligible** for HCTC after review of Form 8453, leave return in Status 245. Austin will scan Form 8453 and attachments, and send to the open campus P&A for taxpayer correspondence.

Note: Give all scanned Forms 8453 and attachments to the CARE Analyst to be sent to the applicable campus.

3.12.3.30.11.6.2
(01-01-2023)
**Rejects AC 450/491
(HCTC) (EC 358)**

- (1) HCTC is **not** allowed when the taxpayer-recipient named at the top of Form 8885 is 67 years of age or older at the beginning of the tax year of the return. Follow the instructions below for HCTC age eligibility:
- a. Research CC INOLES to determine the age of the taxpayer-recipient named at the top of Form 8885.

Reminder: If a joint return, the recipient could be the secondary taxpayer.

- b. Taxpayers born in or before the year listed below are age 67 or older at the beginning of the tax year and are **ineligible** for HCTC.
 - TY21 - 1953
 - TY20 - 1952
 - TY19 - 1951
 - TY18 - 1950
 - TY17 - 1949
 - TY16 - 1948
 - TY15 - 1947
- c. If the taxpayer is ineligible (age 67 or older), take the following actions in the order listed:
 - 1) GTSEC 02.
 - 2) Enter UA **89** in the first available code field and the HCTC amount in the corresponding U/A money field for any amount.
 - 3) Enter the HCTC amount in Field 05HCC.
- d. If the taxpayer is under age 67, continue to (3) for more qualifying requirements.

- (2) For **TY21-TY15**, to qualify for HCTC the taxpayer must submit all of the following:

- Completed Form 8885 with eligible months identified in Part I
- Supporting invoice(s), health insurance bills or COBRA payments coupons
- Proof of payments

Note: Proof of payment includes cancelled checks, bank statements, or credit card statements. If the qualified health insurance plan is through the spouse's employer, proof of payment should include **both** of the following:

- a) Copies of paycheck stubs showing the health coverage deductions for the qualified months.
 - b) A letter or other statement from the spouse's employer that states the employer contributed less than 50 percent of the cost of the coverage.
- Eligibility letter from the Department of Labor (DOL), state workforce agency, employment office, or Pension Benefit Guaranty Corporation (PBGC), as needed.

- (3) For TY21-TY15, if the taxpayer is claiming HCTC, attaches Form 8885 and enters an amount on Schedule 3, line 13c for TY21 (TY20, line 12c; TY19, line 13; TY18, line 74), review Form(s) W-2, box 12, for the code **DD** (total of employee and employer's contributions toward employer-sponsored health coverage) and a money amount. If the taxpayer reports the same amount on Form 8885, line 2, take the following actions:
 - a. Subtract the amount listed on line 5, Form 8885, from Field 05OPR and enter the total in Field 05OPR. If zero, delete the amount in Field 05OPR.
 - b. When EC 366 displays, assign **TPNC 669**.
- (4) For TY21-TY15, if the taxpayer is claiming HCTC, attaches Form 8885, and includes **Form 1095-C**, compare Form 8885, line 2, amount to Form 1095-C, line 15 amount. If the amounts are the same take the following actions:

- a. Subtract the amount listed on line 5, Form 8885, from Field 05OPR and enter the total in Field 05OPR. If zero, delete the amount in Field 05OPR.
 - b. When EC 366 displays, assign **TPNC 669**.
- (5) If the wages in Field 03WG are greater than \$50,000 and the taxpayer takes the HCTC, follow the procedures below.
- The procedures below apply only to the primary and secondary taxpayer.
 - The procedures don't apply to any dependent named in Form 8885.
 - If the primary and secondary taxpayer appear in separate Forms 8885 in a joint return, the procedures below apply to both taxpayers.
 - If the primary and secondary taxpayer appear in the same Form 8885, determine which taxpayer received assistance and is entitled to the credit and follow the procedures below for that taxpayer. The procedures below should allow you to identify the eligible taxpayer.

If...	And...	Then...
A] Wages greater than \$50,000 are present in Field 03WG,	retirement income is present in Field 03GIR, or 03TIR or 03GPA or 03TPA	<ol style="list-style-type: none"> a. Search the return for a letter of acknowledgement or income verification from the Pension Benefit Guaranty Corporation (PBGC). If you find either document in the name of the taxpayer whose name appears in Form 8885, move on to procedures in paragraph 6. Otherwise continue to bullet b. Caution: On a joint return, verify that the name of the taxpayer in the letter is the same as the name on Form 8885. If the primary and secondary taxpayer appear on Form 8885, there must be a letter for each taxpayer. b. Search the return or research IRPTR for a Form 1099-R. If the Form 8885 filer's name appears on Form 1099-R and the phrase PBGC occurs in the payer name line, move on to procedures in paragraph 6. Otherwise, continue on to bullet c. Caution: On a joint return, verify the name of the taxpayer on Form 1099-R is the same as the name on Form 8885. If the primary and secondary taxpayer appear on Form 8885, there must be a Form 1099-R for each taxpayer. c. If you find no letter or Form 1099-R from the PBGC for a taxpayer named on Form 8885, continue on to the procedures in B] below.

If...	And...	Then...
B] Wages greater than \$50,000 are present in Field 03WG,	<ul style="list-style-type: none"> there is no retirement income on the return or the retirement income present in Field 03GIR or 03TIR or 03GPA or 03TPA isn't attributable to the PBGC, 	<ol style="list-style-type: none"> With IRPTR, review the wages reported on Form W-2 for the taxpayer whose name appears on Form 8885. <ol style="list-style-type: none"> Compare the wages for the year of the tax return and the year immediately before. If an employer paid wages to the taxpayer in both years, subtract the wages paid by the employer for the year of the return from the sum of wages reported on the tax return. If the remaining wages are \$50,000 or less, move on to the procedures in paragraph 6. Example: On the return, the taxpayer reports \$75,000 and takes the HCTC. Three employers paid wages in the year of the return. Employer A paid \$35,000, Employer B \$30,000, and Employer C \$10,000. In the earlier year, Employer A paid wages to the taxpayer. Subtract the \$35,000 paid by Employer A from the \$75,000 in wages the remaining wages, \$40,000, are less than \$50,000. If the remaining wages are more than \$50,000, continue on to the instruction immediately below. Search the return or with IRPTR for Form 1099-H for the taxpayer named in Form(s) 8885. If the number of months in box 2 or the months with a payment in box 2 to 14 on Form 1099-H match the taxpayer's entries in Part I of Form 8885 (both taxpayers if two Forms 8885 are present), move on to the procedures in paragraph 6 below. Otherwise, continue on to the instruction immediately below. With IMFOLT, call up the module for the tax year of the return. If the count of TCs 971 with Action Code (AC) 171 is equal to the number of months the taxpayer checks in Form 8885, move on to the procedures in paragraph 6 below. Otherwise, continue on to the instruction immediately below. Caution: Subtract from the count of the TCs 971 AC 171 any TCs 972 AC 171 before comparing the number of TCs 971 with the number of months on Form 8885. Remember: If on a joint return the primary and secondary taxpayer appear separately on Form 8885, each taxpayer must meet this condition. If the remaining wages calculated in bullet 1, above, are greater than \$50,000, and procedures in bullet 2-3 led you here, SSPND 213. Complete Form 6001 using paragraph e with the following text: <i>The wages you report on your tax return suggest that you may not be eligible for the Health Coverage Tax Credit (HCTC). Please provide documents for the assistance received from ATAA or RTAA for each month of coverage that you reported with Form 8885.</i>

- (6) Taxpayers must exclude premiums reported on line 4 of Form 8885 from the deduction for health insurance for the self-employed, on Form 1040, Schedule 1, line 17 (TY20-TY19, line 16), or the itemized deduction for medical and dental expenses, on line 1 of Schedule A.

- a. GTSEC 04. If Field 04HID is significant, follow the procedures in the table below.
- b. GTSEC 07. If Field 0701 is significant, follow the procedures in the table below.

If...	And...	Then...
A] Field 04HID is significant	the amount in Field 04HID6 is equal to <ul style="list-style-type: none"> the premiums reported on line 4 of Form 8885 or the credit reported on line 5 of Form 8885 or the credit reported on Schedule 3, line 13c for TY21 (TY20, line 12c; TY19, line 13; TY18, line 74, Schedule 5), 	reduce the amount in Field 04HID by the matching amount on <ul style="list-style-type: none"> line 4 of Form 8885 or line 5 of Form 8885 or Schedule 3, line 13c (TY20, line 12c; TY19, line 13; TY18, Schedule 5, line 74). At Error Code 229, assign TPNC 670 .
B] Field 0701 is significant	the amount in Field 0701 is equal to <ul style="list-style-type: none"> the premiums reported on line 4 of Form 8885 or the credit reported on line 5 of Form 8885 or the credit reported on Schedule 3, line 13c (TY20, line 12c; TY19, line 13; TY18, line 74, Schedule 5), 	reduce the amount in Field 0701 by the matching amount on <ul style="list-style-type: none"> line 4 of Form 8885 or line 5 of Form 8885 or Schedule 3, line 13c (TY20, line 12c; TY19, line 13; TY18, line 73 of Form 1040). At Error Code 232, assign TPNC 803 .

If...	And...	Then...
C] Fields 04HID and 0701 are significant	the amount in each field is equal to <ul style="list-style-type: none"> the premiums reported on line 4 of Form 8885 or the credit reported on line 5 of Form 8885 or the credit reported on Schedule 3, line 13c (TY20, line 12c; TY19, line 13; TY18, Schedule 5, line 74), 	follow the procedure for each deduction, above.
D] Field 04HID and/or Field 0701 is significant	the amount in Field 04HID and/or Field 0701 is not equal to <ul style="list-style-type: none"> the premiums reported on line 4 of Form 8885 or the credit reported on line 5 of Form 8885 or the credit reported on Schedule 3, line 13c (TY20, line 12c; TY19, line 13; TY18, Schedule 5, line 74), 	continue processing.

(7) **For TY21-TY15**, AC 450, take the actions in the following order:

If...	Then...
<p>A] Amount is present on Form 1040, Schedule 3, line 13c, (TY20, line 12c; TY19, box c is checked and an amount is present on line 13; TY18, Schedule 5, line 74),</p>	<ol style="list-style-type: none"> 1. Search for a Form 8885 attached to the return with box(es) marked in Part I, line 1. 2. Research IMFOLT for the presence of TC 971 AC 172. If FSC 2 and primary SSN does not display TC 971 AC 172, research secondary SSN. If TC 971 AC 172 is present on secondary SSN, enter J in Field 01ACD. Note: Presence of TC 971 AC 172 denotes proof of eligibility. 3. If paper return, search for supporting invoices, proof of payments, and letter of eligibility if TC 971 AC 172 is not present on IMFOLT. 4. If MeF return, search list of forms and attachments to the left of the EUP/RRD screen for supporting invoices, proof of payments, and letter of eligibility in a PDF attachment, if TC 971 AC 172 is not present on IMFOLT. <ol style="list-style-type: none"> a. If PDF attachment includes supporting invoices, proof of payments, and TC 971 AC 172 is present on IMFOLT, enter the HCTC amount in Field 05HCC. b. If PDF attachment includes supporting invoices, proof of payments, and letter of eligibility from DOL, state workforce agency, employment office, or PBGC take the following actions: <ul style="list-style-type: none"> • Use IAT tool REQ77 to input TC 971 AC 172. • Hold return in a separate file in Rejects until TC 971 posts (should take one cycle). • After 7 calendar days, research IMFOLT for posting of TC 971 AC 172. • When TC 971 AC 172 has posted, enter the HCTC amount in Field 05HCC. c. If PDF attachment does not include supporting invoices, proof of payments, and letter of eligibility, see 5) below. 5. If any information is missing from 1) through 4) above, complete Form 6001 and request all applicable items below: <ol style="list-style-type: none"> a. Form 8885 is missing (paragraph I, J, or K) b. Taxpayer did not check any boxes on Form 8885, in Part I (paragraph P) c. Supporting invoices, proof of payments, and/or letter of eligibility missing (paragraph Y) 6. If correspondence is needed for paper return, SSPND 213, prepare Form 6001 and send return for letter input. 7. If correspondence is needed for a MeF return, prepare Form 6001, leave in AC 450 if the following information is found to the left of the EUP/RRD screen: <ol style="list-style-type: none"> a. Click on "Additional Return Summary Data". b. Review listing under Additional Return Summary for the presence of "Form 8885 Paper Document? Yes". <p>Note: This is an indication the taxpayer is attaching invoices and/or proof of payments and/or proof of eligibility to Form 8453 and sending the form to AUSPC as instructed.</p>

If...	Then...
	<p>8. If review of MeF return does not show a PDF attachment (see 4) above) or PDF attachment does not include required information or "Form 8885 Paper Document? Yes", is not present (see 7) b) above), SSPND 213, prepare Form 6001, and send return for letter input.</p> <p>9. If a campus other than AUSPC receives a scanned Form 8453, activate return, review Form 8453 along with return and determine what correspondence is needed. Update Form 6001, as needed, before sending for letter input. SSPND 213.</p> <p>10. If AUSPC has not contacted the campus about MeF returns suspended with AC 450 and 20 business days have expired, the status code is 345, enter SSPND 213 and send for letter input.</p>
<p>B] All the following apply:</p> <ol style="list-style-type: none"> 1. Taxpayer checked at least one month box in Part I of Form 8885. 2. TC 971 AC 172 is present on IMFOLT. 3. Supporting invoices and proof of payments are attached. - MeF returns - check the list of PDF attachments to the left of the EUP/RRD screen. 4. Form 8962 is not present, or if present, the amounts listed are not for the same months checked as on Form 8885. 	<p>Enter the HCTC amount in Field 05HCC.</p>

If...	Then...
<p>C] All the following apply:</p> <ol style="list-style-type: none"> 1. Taxpayer checked at least one month box in Part I of Form 8885. 2. TC 971 AC 172 is present on IMFOLT. 3. Supporting invoices and proof of payments are attached. - MeF returns - check the list of PDF attachments to the left of the EUP/RRD screen. 4. Form 8962 is attached with an amount in column (a), (b), or (f), on line 11 (annual) or lines 12 through 23 (monthly) that corresponds with any months checked on Form 8885 (or Form 1095-A is attached with an amount in Column A, B, or C of lines 21-32 that corresponds with any months checked on Form 8885). For example, the taxpayer checked March on Form 8885 and entered a money amount on Form 8962, line 14 (March), column (a), (b), and/or (f). 	<p>Take the following actions in the order listed.</p> <ol style="list-style-type: none"> 1. GTSEC 02. 2. Enter UA 89 in the first available code field and the HCTC amount in the 3. Enter the HCTC amount in Field 05HCC, for any amount

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If...	Then...
D] All the following apply: <ol style="list-style-type: none"> 1. Taxpayer checked at least one month box in Part I of Form 8885. 2. TC 971 AC 172 is not present on IMFOLT. 3. Taxpayer included proof of eligibility letter from DOL, state workforce agency, employment office, or PBGC. 4. Supporting invoices and proof of payments are attached. <ul style="list-style-type: none"> - MeF returns - check the list of PDF attachments to the left of the EUP/RRD screen. 	Take the following actions in the order listed. <ol style="list-style-type: none"> 1. Use IAT tool REQ77 and input TC 971 AC 172. 2. Hold the return in a separate file in Rejects until TC 971 posts (should take one cycle). 3. After 7 calendar days, research IMFOLT for posting of TC 971 AC 172. 4. When TC 971 AC 172 has posted, enter the HCTC amount in Field 05HCC.

(8) For **TY14 and prior**, AC 491, see IRM 3.12.3.30.10.12.

3.12.3.30.11.6.3
(03-13-2017)

**Reply Procedures
(HCTC) (EC 358)**

(1) For TY21-TY15, **assign a TPNC only when instructed**. Rejects will follow **only** the procedures below when a response is received:

If...	And...	Then...
A] Taxpayer replies with not eligible for credit; HCTC should not have been selected, please remove this, or a similar statement,		Take the following actions: <ol style="list-style-type: none"> 1. Delete the Form 8885 amount from Field 05OPR. 2. When EC 364/366 displays, assign TPNC 558.

If...	And...	Then...
B] Taxpayer replies to request for proof of eligibility,	provides letter of eligibility from DOL, state workforce agency, employment office, or PBGC,	Take the following actions in the order listed. 1. Use IAT tool REQ77 and input TC 971 AC 172. 2. Hold return in a separate file in Rejects until TC 971 posts (should take one cycle). 3. After 7 calendar days, research IMFOLT for posting of TC 971 AC 172. 4. When TC 971 AC 172 has posted, enter the HCTC amount in Field 05HCC.
C] Taxpayer replies to request for proof of eligibility,	does not include proof of eligibility,	Take the following actions if the amount included in Field 05OPR is for HCTC: 1. GTSEC 01. 2. Enter J in Field 01ACD. 3. Enter the HCTC amount in Field 05HCC.
D] Taxpayer replies to request for supporting invoices and/or proof of payments are attached,	Taxpayer provides support and TC 971 AC 172 is present on IMFOLT,	Enter the HCTC amount in Field 05HCC.
E] Taxpayer replies to request for supporting invoices and/or proof of payments are attached,	TC 971 AC 172 is present on IMFOLT, but taxpayer does not provide supporting invoices and/or proof of payments,	1. GTSEC 01. 2. Enter J in Field 01ACD and U in Field 01CCC. 3. Enter the HCTC amount in Field 05HCC.

If...	And...	Then...
F] Taxpayer replies to request for Form 8885 and/or no box(es) checked in Part I, line 1,	Taxpayer provides Form 8885 and checks box(es) in Part I, line 1,	Form 8962 is not attached, enter the HCTC amount in Field 05HCC.
G] Taxpayer replies to request for Form 8885 and/or no box(es) checked in Part I, line 1,	Taxpayer provides Form 8885 and checks box(es) in Part I, line 1,	Form 8962 is attached , take the following actions: <div>1. Form 8962 has an amount in column (a), (b), or (f), on lines 12 through 23 that corresponds with a month checked on Form 8885, or Form 8962 has money amounts on line 11. For example, taxpayer checks March on Form 8885 and on Form 8962 has a money amount on line 14, column (a), (b), or (f).</div> <div>2. GTSEC 02, enter UA 89 in the first available code field and the HCTC amount in the corresponding</div> <div>3. Enter the HCTC amount in Field 05HCC.</div>

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3.12.3.30.11.6.4
(02-07-2022)

**No Reply Procedures
(HCTC) (EC 358)**

- (1) For **TY21-TY15**, take the following actions in the order listed:
 - a. GTSEC 01. Enter **J** in Field 01ACD and **U** in Field 01CCC.
 - b. Enter the HCTC amount in Field 05HCC.
- (2) For **TY13 and prior**, enter **U** in Field 01CCC and take the following actions:
 - a. Subtract the Form 8885 amount from line 71, Form 1040, and enter the new amount in Field 05OPR. If zero, delete the amount in Field 05OPR. TY20 and prior, also adjust Field 03RCR.
 - b. When EC 364/366 displays, assign **TPNC 669**.

3.12.3.30.11.7
(01-01-2024)

**Field 05EYR, Schedule
3, line 13b, Credit for
Repayment of Amounts
Included in Income From
Earlier Years (EC 358)**

- (1) TY23, if there is an entry on Schedule 3, line 13b (TY22-TY21, Schedule 3, line 13d) as credit for repayment of amounts included in income from earlier years, enter the amount in Field 05EYR.

3.12.3.30.11.8
(04-24-2023)

**Field 05SL2, Schedule 3,
line 13h, Qualified Sick
and Family Leave Wages
Paid in 2022 from
Schedule H (EC 358)**

- (1) TY22, taxpayers are instructed to enter an amount on Schedule 3, line 13h, to indicate credit for qualified sick and family leave wages paid in 2022 from Schedule H for leave taken after March 31, 2021, and before October 1, 2021. If Schedule H is not attached, SSPND 211 to correspond.
- (2) TY21, taxpayers are instructed to enter an amount on Schedule 3, line 13h, for qualified sick and family leave credits from Schedule H and Form 7202 for leave taken after March 31, 2021. If Schedule H or Form 7202 is not attached to support the entry, SSPND 211 to correspond.

3.12.3.30.11.9
(01-26-2023)

**Schedule 3, Line 13z,
Write-in Credit (EC 358)**

- (1) **SSPND 331** to Exam when the taxpayer notes "**Black Investment Tax**", "**Reparation for African Americans**", "**Forty Acres and a Mule**", "**Overpayment of Taxes**", "**Department of Treasury**", **IRC 1341**, or "**Investment Taxes**" on Form 2439 or as a write-in in the payments area of the return. See Exhibit 3.12.2-14 for a list of features, arguments, assertions, and positions typical of frivolous filings.
- (2) If the taxpayer has noted a write-in credit on or beside Schedule 3, line 13z or 14 (TY20, line 12d or 13; TY19, line 13 or 14; TY18, Schedule 5, line 74 or 75), and the item is not listed in paragraph 1, follow the procedures below.

Note: MeF Returns - To identify the write-in credit, click on the pen or scroll below the return to the Additional Data.

- a. If "**TAX**" is notated on Schedule 3, line 13z (TY20, line 12d; TY19, line 13; TY18, Schedule 5, line 74) **and** "**IRC 965**" or similar statement is notated on other income, Schedule 1, line 8 or tentative tax, line 16, or an IRC 965 Transition Tax Statement is attached, enter **F** in Field 01RPC and **P** in Field 01CCC, transmit. When EC 358 redispays, enter SSPND **300**.
- b. If "**TAX**" is notated on Schedule 3, line 13z (TY20, line 12d; TY19, line 13; TY18, Schedule 5, line 74) (**not** associated with IRC 965), research CC IMFOL for a matching payment amount (TC 430, TC 610, TC 660, TC 670, or 716). If a matching payment amount is found, follow the in-

structions in the table at IRM 3.12.3.30.10.11. If the amount **can't** be identified as a payment through research, SSPND 331.

- c. Refer to Other Cash Credits in EC 366, IRM 3.12.3.30.15.8.
- d. TY22, if "Qualified Sick Leave", "Family Sick Leave", or similar is claimed on line 13z and Schedule H is not attached to support the credit, SSPND 211 to correspond for an explanation.
- e. If the write-in entry is not an allowable credit or is a misplaced item the taxpayer may not use elsewhere in the return, delete it from Field 05OPR (TY20 and prior, also adjust Field 03RCR).

Example: If Recovery Rebate Credit is claimed on TY22 return, delete it from Field 05OPR.

- f. When EC 364/366 displays, assign **TPNC 693**.

3.12.3.30.11.10
(04-25-2022)
Field 05DHS, Schedule 3, Line 12e, Deferral for Certain Schedule H or SE Filers, Tax Year 2020 (EC 358)

- (1) TY20, taxpayers are instructed to enter an amount on Schedule 3, line 12e to indicate deferred taxes are being claimed from Schedule H, Part I, line 8d, or Schedule SE, Part III, line 26.
- (2) For TY20, if an amount is on Schedule 3, line 12e, either Schedule H or Schedule SE must be attached to support the entry. If not attached, SSPND 211 to correspond.
- (3) Enter the amount from Schedule H, Part I, line 8d, in Field 05DHS.
- (4) Enter the amount from Schedule SE, Part III, line 26, in Field 05DHS.
- (5) TY22, TY21, TY19 or prior, delete the entry in Field 05DHS. When EC 364 displays, assign **TPNC 693**.

3.12.3.30.11.11
(04-24-2023)
Field 05OPR, Schedule 3, Line 14, Unidentified Credit (EC 358)

- (1) If the amount on Schedule 3, line 14 is not supported by any entry on lines 13a through 13z (TY20, line 12f not supported by any entry on lines 12a-12e; TY19, no box (a-d) is checked on Schedule 3, line 13 or TY18, Schedule 5, line 74), search the return and attachments for Form 2439, 7202, 8839, 8801, 8885, Schedule H or Schedule SE to support the entry. If found, enter the amount(s) in the appropriate field(s).
- (2) When no Form 2439, 7202, 8839, 8801, 8885, or Schedule H is found and no amount on lines 13a - 13z (TY20, lines 12a - 12e; TY19 and prior, no box (a-d) is checked), research CC IMFOL for a payment amount (TC 430, TC 610, TC 660, TC 670, or 716). After research, take the following action:

If matching payment...	Then...
A] TC 430, TC 660, TC 670, or TC 716 is found,	<ol style="list-style-type: none"> 1. Delete the entry in Field 05OPR. 2. Add amount to Field 03ESP.
B] TC 610 is found,	<ol style="list-style-type: none"> 1. Delete the entry in Field 05OPR. 2. Adjust Total Payments to exclude the payment amount. 3. Adjust Balance Due/Refund.

If matching payment...	Then...
C] Is not found through research,	SSPND 211 for support of the entry.

3.12.3.30.11.12
(04-25-2022)
Prior Year (EC 358)

- (1) For TY14 and prior, if Form 1040, line 73 (TY13, line 71), box **c** is checked or Form 8885 is attached, **SSPND 491**.
- (2) For **TY14**, HCTC was enacted retroactively. Taxpayers are instructed to file Form 1040 **without** attaching Form 8885. If they are eligible for HCTC, they are to file Form 8885 using Form 1040-X, Amended U.S. Individual Income Tax Return. Take the following actions for **paper returns** if Form 8885 is attached and an amount on line 73:
 - a. Detach Form 8885 and any supporting documentation.
 - b. Subtract the Form 8885 amount from line 73, Form 1040 and enter the new amount in Field 05OPR. If zero, delete the amount in Field 05OPR.
 - c. When EC 366 displays, assign **TPNC 668**.
 - d. Prepare Form 5260, Quick Note, using the following verbiage: *"For tax year 2014, Form 8885, Health Coverage Tax Credit, must be submitted using Form 1040-X, Amended U.S. Individual Income Tax Return. We are returning Form 8885 and any documentation that was attached to your Form 1040. You will need this information to submit with Form 1040-X. Form 1040-X can be obtained by visiting www.irs.gov/forms or call 800-TAX-FORM (800-829-3676)."*
 - e. Attach Form 8885 and any documentation to Form 5260 and mail to the taxpayer using the address on the return.

Note: MeF does not accept Form 8885 on TY14 returns.

- (3) For **TY13**, to qualify for HCTC the taxpayer must:
 - Be covered by a qualified health insurance plan for which the taxpayer paid the premiums directly.
 - Complete Form 8885, Part I, to identify the eligible months.
 - Attach supporting invoice(s) and/or proof of payment(s).

Note: Proof of payment includes: cancelled checks, bank statements, or credit card statements. If the qualified health insurance plan is through the spouse's employer, proof of payment should include **both** of the following:

 - a) Copies of paycheck stubs showing the health coverage deductions for the qualified months.
 - b) A letter or other statement from the spouse's employer that states the employer contributed less than 50 percent of the cost of the coverage.
- (4) For **TY13 and prior**, search for Form 8885. Use the following table to correct the error condition:

If...	And...	Then...
A] Form 8885 is attached,	the taxpayer checked at least one box in Part 1, line 1, identifying eligible month(s),	<ol style="list-style-type: none"> 1. Verify invoices and/or proof of payments are attached. 2. Enter the amount from line 5
B] Form 8885 is attached,	the taxpayer did not check any boxes in Part 1, line 1, identifying eligible month(s),	<ol style="list-style-type: none"> 1. Subtract the Form 8885 amount from line 71, Form 1040 and enter the new amount in Field 05OPR. If zero, delete the amount in Field 05OPR. 2. Assign TPNC 669 at EC 366.
C] Form 8885 is attached,	the taxpayer did not provide supporting invoices and/or proof of payment,	SSPND 211 using paragraph Y, Form 6001-A. See paragraph 5 before suspending.
D] Form 8885 is not attached		SSPND 211 using paragraph Y, Form 6001-A. See paragraph 5 before suspending.

- (5) For **TY13 and prior**, before corresponding, research IMFOLT to determine if the taxpayer is eligible for HCTC (TC 971 AC 172).

If IMFOLT displays...	Then...
A] TC 971 AC 172 is present,	SSPND 211 using paragraph Y, Form 6001-A.
B] TC 971 AC 172 is not present,	<ol style="list-style-type: none"> 1. Subtract the Form 8885 amount from line 71, Form 1040, and enter the new amount in Field 05OPR. If zero, delete the amount in Field 05OPR. 2. When EC 366 displays, assign TPNC 594.

- (6) For **TY13 and prior**, if the taxpayer provided the information requested, enter the HCTC amount in Field 05HCC. If incomplete reply, see IRM 3.12.3.30.10.6.4(2).

- (7) TY12-TY07, **Form 8801**, *Credit for Prior Year Minimum Tax*:
- This credit appears on line 27 of Form 8801 (line 29, TY09; line 30, TY08). This will require entries in ERS input only Fields 05OTH and 05TYP.
 - If the taxpayer has checked the Form 8801 credit box on Form 1040, included the amount in total payments, and Form 8801 is not attached, SSPND 211.
 - If Form 8801 is attached, add the Form 8801 line 27 (line 29, TY09; line 30, TY08) amount to Field 05OTH and enter "P" in Field 05TYP.
- (8) TY10 and TY11, **Form 8839**, *Refundable Adoption Credit*:
- If box b, line 71 of Form 1040 is checked, search the return for Form 8839 and supporting adoption documentation.
- Note:** To claim the Refundable Adoption Credit, taxpayers must also attach supporting adoption documentation for each eligible child claimed on Form 8839.
- If Form 8839 is attached, enter the amount in Field 05OTH or add it to the figure already there. Enter "A" in Field 05TYP, unless multiple payment or credit types then use "V".
 - If Form 8839 and the supporting adoption documentation are not attached, SSPND 211 and complete Form 6001 using paragraph e with fill-in #19.

3.12.3.30.11.13
(01-01-2024)
**Allowable Taxpayer
Notice Codes (EC 358)**

- (1) This table shows the allowable Taxpayer Notice Codes for Error Code 358.
- Note:** The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) When processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
828	Calculated or transferred Net Elective Payment Election Amount from Part III of Form 3800 incorrectly.
843	Adjusted Clean Vehicle Credit on Form 3800 because it was computed or transferred incorrectly from Form 8936.
***	Any previously assigned TPNC.

3.12.3.30.12
(01-01-2017)
**Error Code 360 -
Refundable Payments or
Credits Verification**

- (1) Error Code 360 instructions follow.

3.12.3.30.12.1
(01-01-2024)

**Fields Displayed, Form
1040 (EC 360)**

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01SPC	Special Processing Code
03AGI	Adjusted Gross Income
>>>>>	Adjusted Gross Income Computer
05OTH	Other Payment or Credit Amount (ERS input only)
05TYP	Other Payment or Credit Type Code (ERS input only)
05OPR	Total Other Payments and Refundable Credits
03PAY	Total Payments
>>>>>	Total Payments Computer
	Section 17 Not Present
	Section 18 Not Present
	Section 44 Not Present
	Section 45 Not Present

3.12.3.30.12.2
(01-01-2024)

**Invalid Conditions (EC
360)**

- (1) EC 360 generates when Other Payment or Credit Amount **is** significant, and
- Other Payment or Credit Type Code is not significant, or Other Payment or Credit Type Code is not **A, D, F, I, M, P, R, S, T, V, or Z**, or
 - Other Payment or Credit Type Code "A" is present, and either the tax period is less than 201012 or greater than 201211, or Form 8839 (section 38) is not present.
 - Other Payment or Credit Type Code "D" is present, and Sections 17, 18, 44 and 45 are not present.
 - Other Payment or Credit Type Code "F" is present, and either tax period is less than 200812 or is greater than 201211, or is greater than \$8,000.
 - Other Payment or Credit Type Code "I" is present, and Special Processing Code "N" is not present.
 - Other Payment or Credit Type Code "M" is present, and either the tax period is less than 200912 or greater than 201111, or Other Payment or Credit amount is greater \$800.
 - Other Payment or Credit Type Code "P" is present, and Tax Period is less than 200712 or greater than 201311.
 - Other Payment or Credit Type Code "R" is present, and either the tax period is less than 200812 or greater than 200911, **OR**
 - Other Payment or Credit Type Code "S" is present, and File Location Code is not 20.
- (2) EC 360 generates when Other Payment or Credit Amount **is not** significant, and Other Payment or Credit Type Code is significant.

3.12.3.30.12.3
(01-01-2024)

**Correction Procedures
(EC 360)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) These payments or credits are included in the Payments section of the return on the "other payments or refundable credits" line or "Total Payments" line.
- (3) Field 05TYP is an **ERS input only** field.
- (4) Enter the correct code in Field 05TYP as follows:
 - a. "A" - Refundable Adoption Credit (TY10 and TY11 only)
 - b. "D" - Deferred Tax from Schedules H and SE (TY20 only)
 - c. "I" - Claim of Right (IRC 1341 Amount). **SSPND 331** if Exam has not reviewed the return.

Note: GTSEC 01 and ensure "N" is present in Field 01SPC.

- d. "M" - Making Work Pay Credit (TY09 and TY10 only)
- e. "P" - Credit for Prior Year Minimum Tax (200712 through 201311)
- f. "R" - Recovery Rebate Credit (TY08 only)
- g. "S" - File Location Code is 20.
- h. "T" - Federal Telephone Excise Tax (TETR - TY06 only)
- i. "V" - Multiple credits/Payments Identified
- j. "Z" - Other, or Unidentified Payment, or First-Time Homebuyer Credit FTHBC (TY08 - TY11 only)

Note: If more than one payment or credit is present, enter code "V."

- (5) If Field 05TYP is blank or the code is not listed in (4) above and Field 05OTH is significant, search the return for the amount of payment or credit in the Payments section of the return or for the form(s) identified in (4) above and enter correct code in Field 05TYP.
- (6) If Field 05OTH is blank and Field 05TYP is significant, search the return for the amount of payment or credit in the Payments section of the return or for the form(s) identified in (4) above and enter the amount in Field 05OTH.
- (7) If the taxpayer is trying to take a Payment or Credit that is not allowed for that tax period (e.g., Refundable Adoption Credit attached to TY12), delete Fields 05TYP and 05OTH. If EC 366 displays, send the appropriate TPNC.

3.12.3.30.13
(01-01-2024)

**Error Code 362,
Reserved**

- (1) Reserved.

3.12.3.30.14
(11-23-2021)

**Error Code 363,
Refundable Child and
Dependent Care Credit**

- (1) Error Code 363 instructions follow.

3.12.3.30.14.1
(01-01-2024)

**Fields Displayed (EC
363)**

- (1) This table shows the fields displayed.

Field	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01EXC	Exemption Code
94EXV	Exemption Code Verified
01RPC	Return Processing Code
01SPC	Special Processing Code
02DTR	Dependent TIN Not Required
01ACD	Audit Code
05302	Child and Dependent Care Credit
21GC>	Gross Child and Dependent Care Computer
05302>	Child and Dependent Care Credit Computer
05RCC	Refundable Child and Dependent Care Credit
05RCC>	Refundable Child and Dependent Care Credit Computer
94RCV	Refundable Child Care Credit Verified
21ABD	Form 2441 Principal Abode Indicator
21MFS	Form 2441 Qualifying Filing Separate Indicator
21CPT	Child Care Provider TIN
01PS	Primary TIN
01SS	Secondary TIN
01DS1	Dependent 1 SSN
01DS2	Dependent 2 SSN
01DS3	Dependent 3 SSN
01DS4	Dependent 4 SSN
21QI	Qualifying Individual Number
21CN1	Dependent 1 Child Name Control
>>>>>	Dependent 1 NAP Name Control
21YB1>	Dependent 1 Date of Birth
21DD1>	Dependent 1 Date of Death
21NA1>	Dependent 1 NAP Access Indicator
21NR1>	Dependent 1 TIN NAP EIF RES Indicator
21CC1>	Child Care 1 NAP ITIN Status Code
21DS1	Dependent 1 SSN

Field	Field Name
21CP1	Dependent 1 Child Care Payment
21CN2	Dependent 2 Child Care Name Control
>>>>>	Dependent 2 NAP Name Control
21YB2>	Dependent 2 Date of Birth
21DD2>	Dependent 2 Date of Death
21NA2>	Dependent 2 NAP Access Indicator
21NR2>	Dependent 2 TIN NAP EIF RES Indicator
21CC2>	Child Care 2 NAP ITIN Status Code
21DS2	Dependent 2 SSN
21CP2	Dependent 2 Child Care Payment
2103	Qualified Expenses
2104	Primary Earned Income
2105	Secondary Earned Income
2106>	Child and Dependent Care Base Computer
03AGI	Adjusted Gross Income
>>>>>	AGI Computer
21PYE	Prior Year Expenses
>>>>>	Prior Year Expenses Computer
2112	Dependent Care Employer Benefits
2116	Qualified Expenses Incurred Amount (Employer)
2125	Dependent Care Exclusion
21CCV	Child Care Credit Verified
21CSR	Dependent Child Care SSN Requirement
	Section 21 Not Present

3.12.3.30.14.2
(11-23-2021)
Invalid Conditions (EC 363)

- (1) **Error Code 363** generates when all of the following exist:
- The taxpayer and the computer's amount for Refundable Child and
 - Tax period is 202112 to 202211.
 - A math error is present.

#

3.12.3.30.14.3
(04-25-2022)
Correction Procedures (EC 363)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

Caution: When EC 363 displays, Field 21QI may already have an entry if Child Care Dependent TINs were addressed at EC 010, 012, 013, or 017. See IRM 3.12.3.30.13.7.

- (2) If the literal "Section 21 Not Present" displays when an entry is present in Field 05RCC and Form 2441 is present, GTSEC 21 and enter all fields of data available.
- (3) **TY21**, the Child and Dependent Care Credit is fully refundable only when the taxpayer checks the Principal Abode box B near the top of Form 2441, and Field 21ABD is **1**. Taxpayers report their entire refundable Child and Dependent Care Credit on Schedule 3, line 13g. If the taxpayer reports their Child Care Credit on Schedule 3, line 13g, and does not check the Principal Abode box B near the top of Form 2441, assign **TPNC 630**.
- (4) When FSC is 3/6 and Form 2441 is attached, take the following action:

If...	Then...
A] The "Married Persons Filing Separately" box near the top of Form 2441 is checked,	Enter 1 in Field 21MFS.
B] The "Married Persons Filing Separately" box near the top of Form 2441 is NOT checked,	Assign TPNC 239 .

- (5) When an entry is present in Field 05RCC and Form 2441 is missing, SSPND 211 to correspond for Form 2441.
- (6) Refer to correction procedures for Field 21PYE, Prior Year Expenses, when Field 21GC> and Field 05RCC differ from the taxpayer's entry on Form 2441, line 9a.
- (7) If the taxpayer makes an error in the computation of Refundable Child Care Credit or made an error in transferring the amount of the credit to Schedule 3, assign **TPNC 631**.

3.12.3.30.14.4
(11-23-2021)

Field 21CPT, Child and Dependent Care Provider TIN (EC 363)

- (1) A Provider TIN must be present for a taxpayer to qualify for the Refundable Child and Dependent Care Credit, unless the taxpayer is showing one of the tax-exempt organizations as shown in the following (2) and/or notes "tax-exempt", "due diligence applies", "LAFCP" (Living Abroad Foreign Care Provider) or "provider is a foreign citizen".

Note: Due diligence applies only to notations that indicate the provider has moved and the taxpayer is unable to find the provider to get the TIN or the provider has refused to give the TIN to the taxpayer. Notations that indicated the taxpayer is "unable" to get the TIN, that the TIN is not available, that it is unknown, pending, applied for, or any other notations other than the two listed previously are not acceptable due diligence statements.

- (2) Tax-exempt organizations include, but are not limited to, the following:
 - Churches, synagogues, mosques, or temples
 - Schools - both public and private

- YMCA/YWCA or YMHA/YWHA
- Other nonprofit organizations

- (3) Delete the entry in Field 2103 if Code & Edit failed to “X” line 3, Qualified Expense, Form 441 when any of the following apply:
- The provider is not a tax-exempt organization.
 - The provider is not a foreign citizen.
 - The provider’s TIN is missing or invalid (e.g., all nine numbers are the same, 11111111, or sequential, 123456789) and other correspondence is not required.
 - Due diligence does not apply.

Exception: Do not delete the entry in Field 2103 (Form 2441, line 3) when more than one provider name is entered on line 1 of Form 2441, but only one Child and Dependent Care Provider is valid. Do not disallow the credit.

- (4) If the taxpayer failed to provide a Child Care Provider TIN and the preceding (3) exception does not apply, delete the amount in Field 2103 and assign **TPNC 234**.
- (5) If the Child Care Provider is the primary taxpayer, spouse, or a dependent of the taxpayer, delete the amount in Field 2103 and assign **TPNC 238**.

3.12.3.30.14.5
(01-06-2023)

**Fields 21CN1 and 21CN2
and 21DS1 and 21DS2,
Dependent Child Care
Name Control and SSN
(EC 363)**

- (1) If a Dependent NAP Access Indicator (Field 21NA1> or Field 21NA2>) or NAP Response Indicator (Field 21NR1> or Field 21NR2>) is “X”, GTSEC 02 to re-validate. Enter **R** in Field 02RI and transmit.
- (2) Search the return and attachments for an SSN related to the Child and Dependent Care dependents listed on Form 2441 when a valid SSN is not present on line 2, column (c), and take the following action:

Note: A Child and Dependent Care qualifying dependent doesn’t have to be claimed as a dependent to qualify for the Child and Dependent Care Credit.

If a Child and Dependent Care SSN...	And...	Then...
A] Is found on the return or attachment,	The dependent is listed on line 2, Form 2441,	Enter the SSN in the related Field 21DS1/DS2.
B] Is missing,	One of the following is noted: 1. “Amish”, “Mennonite” 2. Born in the tax period of the tax return and died in the same or consecutive tax period,	Follow IRM 3.12.3.30.13.6 instructions for Field 21CSR.

If a Child and Dependent Care SSN...	And...	Then...
C] Is missing, incomplete, or invalid,	is claimed as an exemption/dependent,	Assign TPNC 705 .
D] Was deleted at EC 013,		Assign TPNC 705 .
E] Is not valid because the NAP date of birth is after the tax period,		Assign TPNC 708 .
F] Is not valid because the SSN matches that of a deceased person whose date of death is prior to the tax year of the return,		Assign TPNC 706 .
G] Is an expired ITIN for a qualifying child on Form 2441, Note: Child Care ITIN status code, Field 21CC1>/21CC2> is "I".	is claimed as a dependent,	Assign TPNC 710 .
H] Is an expired ITIN for a qualifying child on Form 2441, Note: Child Care ITIN status code, Field 21CC1>/21CC2> is "I".	The qualifying child is not claimed as a dependent on tax return,	Assign TPNC 646 .
I] Is missing or invalid for a qualifying child on Form 2441,	The qualifying child is not claimed as an exemption/dependent on tax return,	Assign TPNC 235 .

- (3) **TY21**, if the only issue is the year of birth is 2008 or prior (qualifying person is age 13 or older), manually compute the credit (including that person's qualified expenses), and enter the amount in Field 94RCV.

3.12.3.30.14.6
(11-23-2021)

**Field 21CSR, Dependent
Child Care SSN
Requirement (EC 363)**

- (1) Any Child Care Credit qualifying dependent is not required to have an SSN when any of the following are noted:
 - a. Amish
 - b. Mennonite
 - c. Form 4029
 - d. The dependent was born in the tax period of the return and died in the same or consecutive tax period, and supporting documentation is included.
- Caution:** The taxpayer must provide evidence of the birth and death in the form of a copy of a birth certificate, death certificate, or hospital record.
- (2) If a Child and Dependent Care SSN isn't required per (1), code Fields 21CSR and 01RPC as follows:
 - a. Enter **1** in Field 01RPC.
 - b. Enter **1** in Field 21CSR if Field 21DS1 is not required.
 - c. Enter **2** in Field 21CSR if Field 21DS2 is not required.
 - d. Enter **3** in Field 21CSR if neither Field 21DS1 or 21DS2 is required.
 - (3) If a disabled spouse is also the qualifying individual for Child and Dependent Care Benefits, delete the spouse's TIN from the appropriate field in Section 21 and enter 1 in Field 21CSR.
 - (4) If any Child and Dependent Care dependent was born and died within the tax period of the return and no supporting documentation has been provided, assign **TPNC 707**.

3.12.3.30.14.7
(11-23-2021)

**Field 21QI, Qualifying
Individuals Number (EC
363)**

- (1) When EC 363 displays, Field 21QI may already have an entry if dependents TIN was addressed at EC 010, 012, 013, or 017.
- (2) Code Field 21QI with the number of qualifying individuals as follows:
 - a. Enter 1, if one Child Care Dependent SSN is present.
 - b. Enter 2, if two Child Care Dependent SSNs are present.
 - c. Enter the number of qualifying persons up to and including 9, if three or more qualifying Child Care Dependent SSNs are present.
 - d. Enter 9, if more than 9 qualifying Child Care Dependent SSNs are present.

Note: If a qualifying individual was not claimed in the first four positions as a dependent on the front of the return, research using CC INOLE to verify if the SSN is valid.

Note: If no Child Care Dependent SSN is available, blank Field 21QI [blank will be treated as 0 (zero) in ERS].

3.12.3.30.14.8
(04-25-2022)

**Field 2103, Qualifying
Expenses (EC 363)**

- (1) The amount of credit is computed from the Qualified Expenses reported on line 2, column (c) for the Child and/or Dependent that has a valid SSN.
- Note:** Code & Edit is instructed to compute and enter the amount from line 2, column (c), on line 3 if there is an amount present on line 2, column (c), and line 3 is blank.

Note: If more than \$8,000 is claimed for a Child and Dependent Care dependent, the amount will be limited to \$8,000 for one child, \$16,000 for 2 or more Child Care dependents

- (2) If Code & Edit "X'd" line 3, Form 2441 when the taxpayer did not provide the Provider TIN, assign **TPNC 234**.
- (3) Delete the entry in Field 2103 if Code and Edit failed to **X** line 3, Qualified Expenses, Form 2441, when all of the following apply:
 - a. The provider is not a tax-exempt organization, and
 - b. The provider is not a foreign citizen (LAFCP), and
 - c. The provider's TIN is missing or invalid (e.g., all nine numbers are the same, 11111111, or sequential, 123456789), and other correspondence is not required, and
 - d. Due diligence does not apply.

Exception: Do not delete the entry in Field 2103 when more than one provider name is entered on line 1, Form 2441, but only one Child and Dependent Care Provider is valid. Do not disallow the credit.

- (4) If any dependent has an invalid TIN and so is ineligible for the Refundable Child and Dependent Care Credit and the figure in Field 2106> is not equal to the qualified expenses of the eligible child(ren), up to \$8,000, figure the credit for the qualified expenses in Field 21CP1 or 21CP2 of the eligible child(ren). Use only the qualified expenses, up to \$8,000, for the eligible child(ren) to figure total qualified expenses. Enter the allowable credit for the eligible child(ren) in Field 94RCV.

Note: The figure in Field 2106>, the base for the calculation of the credit, is the smallest of line 3, 4, and 5 of Form 2441. The qualified expenses are not always the smallest of those three figures. Use the smallest of those three figures for figuring the credit.

Caution: Refundable Child and Dependent Care Credit is only valid for TY21 (202112 - 202211). Error Code 363 will redisplay if an amount is entered in Field 94RCV when the tax period is not TY21.

- (5) Total the amounts from line 2, column (c), and any attachments representing these amounts, and enter the amount in Field 2103 when the taxpayer's entry on line 3 is blank, dash or 0 (zero) and line 2, column (c), contains entries.
- (6) Verify that the taxpayer transferred the amount on line 31 of Form 2441 to line 3 of Form 2441 and completed the rest of the form. Use Part III of the form, if applicable, to "back into" the expense and excluded amount, before corresponding for missing information.
- (7) If all of the following conditions are met, SSPND 211:
 - a. Column (c) of line 2 and line 3 are blank.
 - b. The expenses cannot be determined, and the taxpayer is claiming a credit on Schedule 3, line 13g.
 - c. The taxpayer completed Part III, Dependent Care Benefits, of Form 2441.

Note: The taxpayer may claim the credit if expenses (line 16) are greater than employer-provided benefits (line 12).

- (8) If Part III of Form 2441 has been completed, the amount on line 31 should be carried back to Part II, line 3. Adjust the entry in Field 2103 accordingly when the amount is in error or incorrectly carried over to line 3. Then assign **TPNC 237**.

3.12.3.30.14.9
(05-09-2022)

**Fields 2104 and 2105,
Primary and Secondary
Earned Income (EC 363)**

- (1) The taxpayer may be entitled to the credit when they indicate that they were “looking for work” during the tax year. They are **not** entitled to the credit if they were unemployed the entire year and had no earned income. This would apply to either spouse on a joint return, or a taxpayer filing as Head of Household or Married Filing Separate (with the Married Filing Separate box checked). Only expenses incurred for the care of a child or a qualifying individual are acceptable. SSPND 211 when the expenses claimed appear to be other than for child or dependent care, such as mileage, resume copying, etc.
- (2) Examine the signature area and occupation box of the return to determine if one spouse is deceased, disabled or a full-time student when line 4 or 5 is blank on a FSC 2 return. Manually verify and enter credit in Field 94RCV when FSC is 2 and there is an indication that either primary or secondary taxpayer died during the tax year. If the surviving spouse did not have any earned income, they do not qualify for the credit.

Note: If FSC 2 and the taxpayer or spouse died during the tax period, the taxpayer is not considered married for purposes of figuring the Child and Dependent Care Credit. The surviving spouse must have earned income to qualify for the credit. If the surviving spouse did not have any earned income, they do not qualify for the credit.

Caution: Refundable Child and Dependent Care Credit is only valid for TY21 (202112 - 202211). Error Code 363 will redisplay if an amount is entered in Field 94RCV when the tax period is not TY21.

- (3) For each month or part of a month that a taxpayer was disabled or a full-time student during any 5 months, they are considered to have earned income of \$250 (\$500 if more than one qualifying person). Use the following table to resolve:

If number of months for a disabled/student taxpayer...	Then...
A] Is present,	<ol style="list-style-type: none"> 1. Multiply number of months by \$250 (\$500 for 2 or more qualifying individuals). See exception. 2. Enter result in Field 2104 or 2105 as applicable. <p>Note: See exception below.</p>

If number of months for a disabled/student taxpayer...	Then...
B] Is not present,	SSPND 211 to correspond for number of months using Form 6001 with paragraph e and fill-in #8.

Exception: The following two conditions apply to **A]**.

- a. If the taxpayer worked during the month, the higher of the actual earned income or \$250 (\$500 if more than one qualifying person) would be reported.
 - b. If FSC 2 and both spouses were either students or disabled, only one spouse would be considered to have earned income of \$250 (\$500 if more than one qualifying person).
- (4) When lines 4 and/or 5 of Form 2441 are blank, determine the earned income amount(s) using attached Forms W-2, Schedule(s) SE (minus Field 04DSE if present), and any other earned income present. Enter computed amount in Field 2104, and Field 2105 if FSC 2.

Note: If FSC is 2, both primary and secondary taxpayers must have income, be disabled, or a full-time student to qualify for the credit.

Note: For other than FSC 2, do not enter an amount in Field 2105 unless the taxpayer has an amount on line 5 of Form 2441.

- (5) Adjust the amount in Field 2104 and/or 2105 using the earned income present on the return, if line 4 and/or 5 of Form 2441 is the same amount as the taxpayer's entry for Earned Income Credit on Form 1040, line 27a. Assign **TPNC 232** when EC 363 redisplay.
- (6) If the entry on line 4 or 5 of Form 2441 is a loss, delete the entry in Field 2104 or 2105 and assign **TPNC 233**.
- (7) If one or both taxpayers (if FSC 2), don't have earned income, assign **TPNC 233**.
- (8) If no other errors are identified in Child and Dependent Care Credit, assign the previous TPNC when earned income has been adjusted because of a previous error.

3.12.3.30.14.10
(10-14-2022)
**Field 21PYE, Prior Year
Expenses (EC 363)**

- (1) Field 21PYE is used for an amount identified as Credit for Prior Year Expenses (CPYE) on line 9b, Form 2441. The amount is the credit based on 2020 expenses paid in 2021.

Note: On MeF returns, verify the taxpayer has included the required documentation per (2) below.

- (2) Enter the amount from line 9b of Form 2441 in Field 21PYE, when the taxpayer has attached a statement that includes the name and TIN of the person for whom they paid the prior year's expenses, the name and TIN of the care provider, and how the credit was computed.

Caution: If the credit for prior-year expense amount is more than \$2,100, refer to (4).

Exception: Do not enter an amount in Field 21PYE if the taxpayer did not use the prior-year expenses in the computation of the credit.

- (3) If Code & Edit **X'd** the prior year expenses amount on Form 2441, line 9b, because the taxpayer because the taxpayer did not include the required documentation as identified in (2) above, assign **TPNC 236**. If Field 21PYE has an entry but the required statement is missing or incomplete, delete the amount in Field 21PYE. When EC 363 redisplay, assign **TPNC 236**.
- (4) When Field 21PYE has an entry, the computer will limit the Field 21PYE underprint to \$2,100. If EC 363 redisplay because more than \$2,100 credit for prior-year expenses was claimed, assign **TPNC 232**.

3.12.3.30.14.11
(11-23-2021)
**Fields 2112, 2116, and
2125, Dependent Care
Benefits**

- (1) If Part III of Form 2441 has been completed, the amount on line 31 should be carried back to line 3. Adjust the entry in field 2103 accordingly when the amount is in error or incorrectly carried over the line 3. Assign **TPNC 237**.
- (2) When there is an entry in Field 2112, an entry must be present in Field 2116. Determine the amount from Form W-2 when the taxpayer has failed to enter an amount on this line but attempted to complete this portion of the form. Leave the entry blank if unable to determine.

3.12.3.30.14.12
(01-01-2024)
**Allowable Taxpayer
Notice Codes (EC 363)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 363**.
Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
101	We recomputed your tax using FSC 1.
111	Your return has been converted to a Form 1040.
218	We computed your tax for you.
220	Recomputed your tax using the tax table, tax rate schedules, or capital gains tax computations. We were unable to accurately compute Form 8615 due to a math error on another part of your return.
232	Computed or transferred Form 2441 incorrectly.
233	No earned income, Form 2441.

TPNC	Description
234	Disallowed Credit for Child and Dependent Care Expenses. Care Provider TIN was not included on Form 2441
235	Disallowed part or all of Credit for Child and Dependent Care Expenses. Qualifying person's TIN missing or invalid on Form 2441.
236	Disallowed credit for prior-year expenses on Form 2441. Missing dependent name, SSN, or statement showing how you figured the credit.
237	Computed or transferred the Part III amount on Form 2441 incorrectly.
238	Disallowed Form 2441 credit. You, your spouse, or dependent cannot be your care provider.
239	Disallowed Form 2441 credit. FSC 3 eligibility box not checked.
558	You gave us information that changed the refund or amount you owe.
562	No Reply, number of months as student, disabled, or looking for work.
563	No Reply, Form 2441.
564	No Reply. Changed Refundable Child and Dependent Care Benefits because Form 2441 was incomplete or not attached.
605	One or more of your dependents' SSN or ITIN was missing or invalid. Exemption and certain credits disallowed.
606	Disallowed exemption claimed for any dependent born after December 31 of the tax year of the return. May affect Credit for Child and Dependent Care Expenses, CTC or ACTC.
607	Disallowed primary exemption. Taxpayer deceased prior to the tax period. May affect Credit for Child and Dependent Care Expenses, CTC, ACTC, or EIC.
608	Disallowed secondary exemption. Taxpayer deceased prior to the tax period. May affect Credit for Child and Dependent Care Expenses, CTC, ACTC, or EIC.
609	Disallowed exemption for dependent who was deceased prior to the tax period. May affect Credit for Child and Dependent Care Expenses, CTC, ACTC, or EIC.
610	Disallowed exemption for dependent without TIN who was born and died. No birth certificate attached. May affect Credit for Child and Dependent Care Expenses, CTC, ACTC, or EIC.

TPNC	Description
630	Disallowed Refundable Child Dependent Care Benefits. You did not maintain a home in the United States for 6 months or more.
631	We changed the Refundable Child Dependent Care Benefits. Computed or transferred Form 2441 incorrectly.
646	Disallowed Form 2441 credit. Qualifying person's ITIN expired.
705	Dependent SSN or ITIN was missing or invalid. Disallowed certain credits: Credit for Child and Dependent Care Expenses, education credits, CTC, credit for other dependents, ACTC, or EIC.
706	Primary, spouse or dependent deceased prior to the tax period. Disallowed certain credits: Credit for Child and Dependent Care Expenses, CTC, credit for other dependents, ACTC, EIC, or education credits.
707	Disallowed certain credits for dependents without TIN who was born and died during the tax period. No birth certificate attached. May affect Credit for Child and Dependent Care Expenses, CTC, credit for other dependents, ACTC, or EIC.
708	Disallowed certain credits claimed for dependent born after December 31st of the tax year of return. May affect Credit for Child and Dependent Care Expenses, CTC, credit for other dependents, ACTC, or EIC.
710	Dependent ITIN expired. Disallowed certain credits: Credit for Child and Dependent Care Expenses, credit for other dependents, or education credits.
825	Disallowed credit on Form 2441 because dependent was born after the tax period.
***	Any previously assigned TPNC.

3.12.3.30.15
(01-01-2019)

**Error Code 364 and 664
- Refundable Credits**

- (1) Error Code 364/664 instructions follow.

3.12.3.30.15.1
(01-01-2024)

**Fields Displayed (EC
364)**

- (1) This table shows the fields displayed.

Field	Field Name
01FSC	Filing Status Code
01TXP	Tax Period

Field	Field Name
01CCC	Computer Condition Code
01RPC	Return Processing Code
01SPC	Special Processing Code
03EIC	Earned Income Credit
>>>>>	Earned Income Credit Computer
03NCP	EIC Nontaxable Combat Pay
03ACT	Additional Child Tax Credit
>>>>>	Additional Child Tax Credit Computer
03AOC	American Opportunity Credit
>>>>>	American Opportunity Credit Computer
03RRC	Recovery Rebate Credit
03RRC>	Recovery Rebate Credit Computer
03ESP	Estimated Tax Payments
05PTC	Reconciled Premium Tax Credit Amount
05PTC>	Reconciled Premium Tax Credit Computer
05EXT	Form 4868 Payment
05ESS	Excess SST Withheld
05FUE	Form 4136 Fuel Tax Credit
>>>>>	Form 4136 Fuel Tax Credit Computer
05RIC	Form 2439 Regulated Investment Company Credit
05SFL	Sick and Family Leave Credits
05HCC	Form 8885 Health Coverage Credit
05RCC	Refundable Child and Dependent Care Credit
05RCC>	Refundable Child and Dependent Care Credit Computer
05SL2	Sick and Family Leave Credits Amount After 3-31-21
05OTH	Other Payment or Credit Amount
05TYP	Other Payment or Credit Type Code
05OPR	Total Other Payments and Refundable Credits
03PSC	Form 1040C Credit
03RCR	Refundable Credits
>>>>>	Refundable Credits Computer

Field	Field Name
03PAY	Total Payments
>>>>>	Total Payments Computer

3.12.3.30.15.2
(01-01-2019)
Invalid Conditions (EC 364)

- (1) **Error Code 364** generates when the Tax Period is greater than or equal to 201812 and:
 - a. Total Payments is not equal to Total Payments Computer, and
 - b. Refundable Credits is not equal to Refundable Credits Computer.
- (2) **Error Code 664** generates when all of the following exist:
 - a. Total Payments is not equal to Total Payments Computer.
 - b. Return is a Non-Compute.

3.12.3.30.15.3
(04-25-2022)
Correction Procedures (EC 364)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) When there is an entry on Schedule 3, line 13a through 13z (TY20, line 12a through line 12e), refer to EC 358, IRM 3.12.3.30.10, for correction procedures.
- (3) Refer to EC 366, IRM 3.12.3.30.15, for correction procedures on other payments and refundable credits.
- (4) If you can determine the amount on Form 1040, line 32 (TY19, line 18e) differs from its underprint because Schedule 3 is missing, search the return for credit amounts from supporting forms (e.g., Form 8962, Form 4136, Form 2439, etc.), and enter the credit amount(s) in the appropriate field(s).
- (5) Research CC **IMFOLT**. If IMFOLT shows TC 430, TC 660, TC 670, TC 716, or a combination of payments that matches the difference in total payments, enter the amount in Field 03ESP.
- (6) If Code & Edit X'd the amount on Schedule 3, line 11 (TY20, line 10; TY19, line 11; TY18, Schedule 5, line 72), verify the taxpayer's amount for excess SST following EC 121 procedures.
- (7) If unable to resolve the discrepancy and Schedule 3 (TY18, Schedule 5) is missing, SSPND 211. Complete Form 6001 using paragraph L, M, or N.
- (8) If the taxpayer incorrectly figured the amount on Form 1040, line 32 (TY19, line 18e), and Schedule 3 is present or not needed, assign **TPNC 733**.

3.12.3.30.15.4
(01-01-2019)
Correction Procedures EC 664

- (1) Refer to all instructions for Error Code 364 and refer to IRM 3.12.2.5.12.
- (2) Correct coding and transcription errors or misplaced entries in displayed fields.
- (3) Consider the return "computed" and enter the taxpayer's payments into the Total Payments and Balance Due/Refund fields when both of the following exist:

- a. Taxpayer has entered a dash, zero, or "none" on Tentative Tax, Total Tax, or Balance Due/Refund.
- b. Taxpayer has all applicable entries in the Payments section.

(4) Enter **C** in the Clear Field when there are no corrections to be made.

3.12.3.30.15.5
(01-01-2024)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 364)**

(1) This table shows the allowable Taxpayer Notice Codes for **Error Code 364**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

(2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
112	Allowed only the income and withholding for the taxpayer on the return. The other person must file their own return to report income.
218	We computed your tax for you.
242	Disallowed all or part of Form 8863 credit - missing or invalid SSN; FSC 3; AGI exceeds maximum; student not a dependent.
252	You incorrectly figured your Child Tax Credit.
263	The write-in credit you claimed is not an allowable credit.
280	Figured or transferred Schedule H incorrectly.
283	The amount you reported as total federal income tax withheld doesn't match the amount shown on your Form(s) W-2 or other supporting documents.
284	We computed your EIC for you.
285	Figured or entered EIC incorrectly.
286	We can't allow your EIC because of your filing status (FSC 3).
287	We can't allow your EIC. AGI is more than the maximum amount.
288	We can't allow your EIC. No earned income.
290	We can't allow your EIC. DSI box checked.
292	We figured your EIC. However, you may be eligible for more.

TPNC	Description
294	You computed your excess SST or RRTA Tax Withheld incorrectly.
295	Disallowed write-in credit on total payments line. Not applicable for tax year.
296	Computed or transferred Form 4136 incorrectly.
297	You incorrectly calculated total payments.
298	We deleted the amount of state tax that was shown as due on your federal tax return.
504	No Reply, Schedule 3 Additional Credits and Payments incomplete or not attached.
505	No Reply. Schedule 5, Other Payments and Refundable Credits, incomplete or not attached to your tax return. (TY18 only)
507	No Reply. We didn't allow the amount claimed as other payments on your tax return because no form was submitted to substantiate the amount.
540	We didn't allow your EIC. Information shows that you don't qualify for it.
558	You gave us information that changed the refund or amount you owe.
579	We didn't allow the amount for qualified sick and family leave credits because Schedule H or Form 7202 was incomplete or not attached.
582	No Reply. We can't allow the amount you reported as Federal Income Tax Withheld. You didn't attach your Form(s) W-2.
585	No Reply. Schedule EIC incomplete or not attached.
590	No Reply. We can't allow the excess SST and RRTA Tax Withheld. You didn't attach your Form(s) W-2.
592	No Reply, Schedule 8812.
594	Not eligible for HCTC.
595	No Reply, Form 2439.
596	No Reply, Form 4136.
601	We changed the amount as deferral of tax payments from Schedule H or Schedule SE because the amount cannot exceed the maximum.
602	We didn't allow the other payments and refundable credits amount because the supporting form was incomplete or not attached.

TPNC	Description
633	We included capital gains distributions from Form 2439 on your return.
649	Computed or transferred installment payment of the First-Time Homebuyer Credit incorrectly, or a repayment is not required.
668	For TY14, HCTC must be claimed on Form 1040-X. so we are returning the form and supporting documentation to you. (TY14 only)
669	Disallowed part or all of HCTC.
670	We reduced the deduction for health insurance for the self-employed by the amounts you reported on Form 8885.
671	We didn't allow HCTC from Form 8885 as it is not allowed for this tax year.
681	We changed the Recovery Rebate Credit. Primary or secondary is claimed as a dependent on another return.
682	We changed the Recovery Rebate Credit. Primary/secondary SSN missing or invalid, primary/secondary has ITIN with no military indicator, primary/secondary/dependent deceased prior to the tax period, or TIN not assigned by the due date of the return.
683	We changed the Recovery Rebate Credit. Primary or secondary SSN missing or invalid, dependent exceeds the age limit, AGI exceeds limit, or the amount was computed incorrectly.
693	Adjusted total payments to remove unallowable credit.
701	Disallowed spouse's exemption and EIC. Missing SSN or last name doesn't match.
702	Primary or secondary ITIN noted. We disallowed your EIC.
711	Disallowed certain credits. TIN for primary, secondary, or dependent not assigned by return due date.
733	We changed the amount claimed as refundable credits on your tax return because you incorrectly calculated the amount.
743	Disallowed part or all EIC. Missing SSN or last name doesn't match for one or more children.
745	EIC qualifying child ATIN/ITIN noted. We disallowed your EIC.
748	Disallowed primary exemption and EIC. Missing SSN or last name doesn't match.

TPNC	Description
750	Disallowed part or all EIC. One or more qualifying children didn't meet the age requirement.
751	Disallowed part or all EIC. One or more qualifying children didn't meet the relationship requirement.
752	Disallowed part or all EIC. One or more qualifying children didn't live with you for more than half the year.
759	We adjusted your tax return because you reported income or withholding from different tax years.
760	Disallowed part or all EIC. You didn't provide support for the statutory wages you reported.
767	We changed the amount you reported on Form 8959. There was an error computing or transferring line 24 of Form 8959.
788	We changed the amount you claimed as net premium tax credit because there was an error in computation or transferring Form 8962.
790	Disallowed premium tax credit on Form 8962. Filing status is married filing separately.
791	Disallowed premium tax credit on Form 8962. Household income is greater than 400% of the federal poverty line.
792	Disallowed premium tax credit on Form 8962. You indicated someone can claim you as a dependent.
794	We didn't allow the amount you claimed as net premium tax credit because Form 8962 was incomplete or not attached.
803	We reduced the medical and dental expenses on Schedule A by the amounts you reported on Form 8885.
807	We didn't allow the credit(s) you claimed on your tax return. The amount you entered is not an allowable credit.
810	Primary, secondary, or dependent TIN not assigned by return due date. Disallowed certain credits: AOC, CTC, ACTC, EIC.
814	Rejects only. We disallowed the amount claimed as earned income credit on your tax return. Our records indicate that we've banned you from claiming earned income credit for two tax years.
815	Rejects only. We disallowed the amount claimed as earned income credit on your tax return. Our records indicate that we've banned you from claiming earned income credit for this tax year.

TPNC	Description
816	Rejects only. We disallowed the amount claimed as earned income credit on your tax return. Our records indicate that we've banned you from claiming earned income credit for ten years.
825	Disallowed credit on Form 2441 because dependent was born after the tax period.
828	Calculated or transferred Net Elective Payment Election Amount from Part III of Form 3800 incorrectly.
***	Any previously assigned TPNC.

3.12.3.30.16

(01-01-2018)

Error Code 366 and 666**- Total Payments**

- (1) Error Code 366/666 instructions follow.

3.12.3.30.16.1

(01-01-2024)

Fields Displayed, Form 1040 (EC 366)

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01CCC	Computer Condition Code
01RPC	Return Processing Code
01SPC	Special Processing Code
03WH	Withholding
03EIC	EIC Amount
>>>>>	EIC Amount Computer
03NCP	EIC Nontaxable Combat Pay
03ACT	Additional Child Tax Credit
>>>>>	Additional Child Tax Credit Computer
03AOC	Refundable Education Credit
>>>>>	Refundable Education Credit Computer
03RCR	Refundable Credits Amount
>>>>>	Refundable Credits Computer
03RRC	Recovery Rebate Credit
03RRC>	Recovery Rebate Credit Computer
03ESP	Estimated Tax Payments

1040	Field Name
05PTC	Reconciled Premium Tax Credit Amount
05PTC>	Reconciled Premium Tax Credit Computer
05EXT	Form 4868 Credit
05ESS	Excess SST/RRTA Withheld
05FUE	Form 4136 Fuel Tax Credit
>>>>	Form 4136 Fuel Tax Credit Computer
05RIC	Form 2439 Regulated Investment Company Credit
05SFL	Sick and Family Leave Credits
05HCC	Form 8885 Health Coverage Credit (ERS input only)
05RCC	Refundable Child and Dependent Care Credit
05RCC>	Refundable Child and Dependent Care Credit Computer
05SL2	Sick and Family Leave Credits Amount After 3-31-21
05OTH	Other Payment or Credit Amount (ERS input only)
05TYP	Other Payment or Credit Type Code (ERS input only)
05OPR	Total Other Payments and Refundable Credits
03PSC	Form 1040C Credit
03PAY	Total Payments
>>>>	Total Payments Computer
03CEL	Estimated Tax Credit Elect
03BDR	Balance Due/Refund
>>>>>	Balance Due/Refund Computer
03BDR>	Balance Due/Overpayment Taxpayer Computer

3.12.3.30.16.2
(01-01-2018)

Invalid Conditions (EC 366)

- (1) **Error Code 366** generates when **all** of the following exist:
 - a. Math error is present.
 - b. Balance Due/Overpayment is not equal to Balance Due/Overpayment Computer.
 - c. The difference between Total Payments and Total Payments Computer differs from the sum of the differences between the taxpayer's amounts and the computer's payment amounts.
- (2) **Error Code 666** generates when all of the following exist:
 - a. Total Payments is not equal to Total Payments Computer.
 - b. Return is a Non-Compute.
 - c. Doc Code is not 26 or 27.

- 3.12.3.30.16.3
(01-24-2019)
**Correction Procedures
(EC 366)**
- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
 - (2) Code & Edit will "X" the withholding line on the return if the amount is \$3,000 or more and no support for the entry. See IRM 3.12.3.30.15.4.
 - (3) If the EIC was disallowed or reduced in EC 337 or 338 because the primary or secondary SSN, or a dependent did not have an SSN by the due date of the return, assign **TPNC 711**.
- 3.12.3.30.16.4
(04-25-2022)
Total Payments (EC 366)
- (1) Verify total payments, Form 1040, line 33 (TY19, line 19; TY18, line 18), when the computer underprint is present and different from the taxpayer's amount. Use the following list.
 - Withholding

Caution: If Code & Edit has X'd the withholding line, continue reading total payments for the corrective action.

Note: Withholding can be supported by Form W-2; Form W-2G; Form W-2P; Form 1099 series; Form 1065, Schedule K-1 (Box 15, Code O); Form 1041, Schedule K-1 (Box 13, Code B); Form 1120-S, Schedule K-1 (Box 13, Code O), and/or Form 8959, line 24.
 - Earned Income Credit Computer
 - Additional Child Tax Credit

Note: If Code & Edit has X'd the claim for the Additional Child Tax Credit because the taxpayer reported wages and entered zero on line 21, Schedule 8812 (TY20-TY18, line 9) or left the line blank, see IRM 3.12.3.30.1.6, in EC 344 (TY21, IRM 3.12.3.30.2.6 in EC 345), for procedures.
 - Refundable American Opportunity Credit Computer (TY10 and later)
 - TY21-TY20 only, Recovery Rebate Credit
 - Estimated Tax Payments
 - Form 8962
 - Form 4868
 - Excess SST
 - Fuel Tax Credit-Computer
 - Regulated Investment Company Credit
 - TY22-TY20 only, Sick and Family Leave Credits
 - Health Coverage Tax Credit (TY21-TY02)
 - Other Credits
 - TY20 only, Deferred Taxes Schedule H or Schedule SE
 - (2) If a **negative** entry is present for any of the payments mentioned in paragraph 1 above, delete the negative amount and send the appropriate TPNC.
 - (3) Check to see if Form **8959**, *Additional Medicare Tax*, is attached. If so, line 25c or 25d of Form 1040 (TY19, line 17; TY18, line 16) may include an amount from line 24 of Form 8959 for additional Medicare tax withholding. Ensure the amount has been included in Field 03WH, when verifying withholding. If the amount for withholding does not match line 25c or 25d, Form 1040 (TY19, line

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- (4) Taxpayers who receive **unemployment** compensation may have 10 percent of the money withheld in tax. Form 1099-G, which shows the amount withheld, is not required to be attached to the tax return.

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- (5) When **wages are reported** on line 1, Form 1040 and no Forms W-2, W-2G, W-2P, 1099, or similar statements are attached to support a withholding

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tion of amounts to match the entry on the withholding line.

- If IRPTR research matches the amount of withholding, enter the amount in Field 03WH.
- If unable to match the entry, SSPND 211 to request withholding support. Complete Form 6001 using paragraph G.

Exception: If partial support is found through CC IRPTR and the

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correspond. Accept the taxpayer's withholding amount.

- (6) When **wages are not reported** on line 1 of Form 1040 (check Schedule C for statutory employee wages), there are no Forms W-2, W-2G, W-2P, 1099, or similar statements attached, and an entry is present for total payments with all lines leading to it are blank:

- Research CC **IMFOL** and use the following table.

If IMFOL shows...	Then...
A] TC 430, TC 660, TC 670, or TC 716 that matches Field 03PAY,	Enter the amount in Field 03ESP.
B] TC 430, TC 660, TC 670, or TC 716 that do not match Field 03PAY,	Continue to (b).
C] No TC 430, TC 660, TC 670, or TC 716,	Continue to (b).

- Research CC **IRPTR** for the amount or a combination of amounts to match the entry for total payments (Form 1040, line 33; TY19, line 19; TY18, line 18)
- If IRPTR research matches the amount as withholding, enter the amount in Field 03WH.
- If unable to match the entry using CC IMFOL/IRPTR, SSPND 211. Complete Form 6001 using paragraphs G and P.

Exception: If partial support is found through CC IRPTR and the remaining unsp-

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taxpayer's amount as withholding.

- (7) If an entry is present for **total payments** on line 33 of Form 1040 (TY19, line 19; TY18, line 18) **and no entry** is present on lines 25 through 32e or

Schedule 3, Part II (TY19, lines 17 through 18e or Schedule 3; TY18, lines 16 or 17 or Schedule 5), then do the following:

- matches withholding on Forms W-2 and/or attachments, enter the amount in Field 03WH.
- does not match withholding on Form W-2 and/or attachments, SSPND 211. Complete Form 6001 using paragraphs G and P.

03WH.

- (8) When total payments have not been figured because the taxpayer requested **the IRS to compute their EIC**:
- a. Assign **TPNC 284** if the EIC underprint is greater than zero.
 - b. Assign the appropriate TPNC if the EIC underprint is blank.
- (9) When the **only** entry in the payments section is for withholding, **verify withholding** on Form(s) W-2 or attachments and use the following table for corrective action:

If total withholding from Form(s) W-2/attachments is...	And the difference is...	Then...
A] Greater than the amount shown on line 25d, Form 1040 (TY19, line 17; TY18, line 16),		<ol style="list-style-type: none"> 1. Enter the calculated amount in Field 03WH. 2. Assign TPNC 283 when EC 366 displays and no other corrections are necessary.
B] Less than the amount shown on line 25d, Form 1040 (TY19, line 17; TY18, line 16),		SSPND 211.
C] Less than the amount shown on line 25d, Form 1040 (TY19, line 17; TY18, line 16),		<ol style="list-style-type: none"> 1. Adjust the amount of withholding in Field 03WH, to match the Form(s) W-2. 2. Assign TPNC 283.

- (10) If the taxpayer has entered an amount for withholding but has not completed the remainder of the return (**total payments and balance due/refund are blank**), total tax is zero, and there are no previous math errors, enter the withholding amount in Field 03BDR.

- (11) If the taxpayer has used dollars and cents in the payment section of the return, but has **rounded** total payments and/or Balance Due/Refund, follow the taxpayer's intent and adjust the payment amounts, and Total Payments.
- (12) If there is an indication in the payments area the taxpayer is claiming a credit from Form **1040C**, enter the amount in ERS input only, Field 03PSC.

Note: Form 1040C serves as a payment voucher for aliens leaving the country before the tax return is due.

- (13) If none of the preceding corrections are necessary and the taxpayer has made a mistake in totaling the entries in the payments section of the return, assign **TPNC 297**.

3.12.3.30.16.5
(01-01-2020)

**Estimated Tax Payments
(EC 366)**

- (1) Field 03ESP is transcribed from Form 1040, line 26 (TY19, Schedule 3, line 8; TY18, line 66, Schedule 5).

amount.

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3.12.3.30.16.6
(01-01-2020)

**Extension Request -
Form 4868 Credit (EC
366)**

- (1) Field 05EXT is transcribed from Schedule 3, line 10 (TY20, line 9). The taxpayer's entry for payment with extension should never be changed. However, it can be moved if determined to be other than the amount paid with Form 4868 or Form 2350.

3.12.3.30.16.7
(01-01-2020)

Excess SST (EC 366)

- (1) Field 05ESS is transcribed from Schedule 3, line 11 (TY20, line 10; TY19, line 11).
- (2) Refer to EC 121 for specific correction procedures.

3.12.3.30.16.8
(04-25-2022)

**Other Cash Credits (EC
366)**

- (1) Take the following action when the taxpayer claims an allowable cash credit without a designated line on the dotted portion of Schedule 3, line 13z (TY20, line 12d; TY19, line 13; TY18, Schedule 5, line 74). The line functions as a catch-all field.

Note: MeF Returns - To identify the write-in credit, scroll below the Form 1040 to the Additional Data.

If the Cash Credit is...	And...	Then...
A] Form 8689, <i>Allocation of Individual Income Tax to the Virgin Islands</i> , or Form 1042-S, <i>Foreign Person's U.S. Source Income Subject to Withholding</i> , or letter signed by Competent Authority ,		
B] Tax Free Covenant Bonds or Throwback Credits or Repayment under Negotiation of Government Contract (IRC Sect 1481, 1482),		
C] Credit for Tax Withheld by Canadian Agent,	document is attached attesting the credit was paid to the U.S. IRS,	1. Move the entry to Field 05301. 2. SSPND 211 for Form 1116.
D] Credit for Tax Withheld by Canadian Agent,		Move the amount to Field 05OTH and enter Z in Field 05TYP.
E] Claim of Right (IRC Sec. 1341), Black Investment Tax or Reparation for African Americans, Forty Acres and a Mule,	Indicated on Form 2439 or as a write-in in the payments area,	SSPND 331 to Exam as a Frivolous Return. Note: If IRC 1341 is accepted by Exam, enter N in Field 01SPC, enter the amount in Field 05OTH, and enter I in Field 05TYP. Note: For a complete list of Frivolous Filer Definitions, see Exhibit 3.12.2-14.

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If the Cash Credit is...	And...	Then...
F] Tax and "IRC 965" or similar statement is notated on Schedule 3, line 13f (TY20, Schedule 3, line 12d; TY19, Schedule 3, line 13; TY18, Schedule 5, line 74), or an IRC 965 Transition Tax Statement is attached,		<ol style="list-style-type: none"> 1. Enter F in Field 01RPC and P in Field 01CCC, transmit. 2. SSPND 300 when EC 364/366 redisplay.
G] Source is not identified,		SSPND 211 for explanation.

- (2) When the write-in payment is from one of the forms listed below, enter it in Field 05EXT.

- **Form 4868**, *Application for Automatic Extension of Time to File U.S. Individual Income Tax Return*
- **Form 2350**, *Application for Extension of Time to File U.S. Income Tax Return*, for U.S. citizens and resident aliens

3.12.3.30.16.9
(01-01-2018)
Field 05OTH, Other Payment or Credit Amount (EC 366)

- (1) This field contains amounts that qualify for as Other Payment or Credit Amount for current and prior year returns that do not have a specific field designator (e.g., Form 8810, Making Work Pay, IRC 1341 if accepted by Exam, etc.). It is an **ERS input only** field and is found on Schedule 3, line 13z (TY20, line 12d; TY19, line 13; TY18, Schedule 5, line 74).
- (2) The amount made be made up of more than one payment or credit.

Note: It does not include the amounts for Forms 2439 and 8885.

3.12.3.30.16.10
(01-01-2024)
Field 05TYP, Other Payment or Credit Type Code (EC 366)

- (1) These payments or credits are included in the Payments section of the return on the "Credit from Form" line or "Total Payments" line.
- (2) Field 05TYP is an **ERS input only** field.
- (3) Enter the correct code in Field 05TYP as follows:
- a. "A" - Refundable Adoption Credit (TY10 and TY11 only)
 - b. "D" - Deferred Tax from Schedules H and SE (TY20 only)
 - c. "I" - IRC 1341 Amount if accepted by Exam
- Note:** GTSEC 01 and ensure "N" is present in Field 01SPC.
- d. "M" - Making Work Pay Credit (TY10 and TY09 only)
 - e. "P" - Credit for Prior Year Minimum Tax (200712 through 201311)
 - f. "R" - Recovery Rebate Credit (TY08 only)
 - g. "S" - File Location Code is 20
 - h. "T" - Federal Telephone Excise Tax (TETR - TY06 only)

- i. "V" - Multiple credits/payments Identified
- j. "Z" - Other, or Unidentified Payment, or First-Time Homebuyer Credit FTHBC (TY08 - TY11 only)

Note: If more than one payment or credit is present, enter code "V."

- (4) If Field 05TYP is blank or the code is not listed in (3) above and Field 05OTH is significant, search the return for the amount of payment or credit in the Payments section of the return or for the form(s) identified in (3) above and enter correct code in Field 05TYP.
- (5) If Field 05OTH is blank and Field 05TYP is significant, search the return for the amount of payment or credit in the Payments section of the return or for the form(s) identified in (3) above and enter the amount in Field 05OTH.
- (6) If the taxpayer is trying to take a Payment or Credit that is not allowed for that tax period (e.g., Refundable Adoption Credit attached to TY12), delete Fields 05TYP and 05OTH. If EC 366 redispays, send the appropriate TPNC.

3.12.3.30.16.11
(01-01-2018)
**Correction Procedures
(EC 666)**

- (1) Refer to all instructions for Error Code 366 and refer to IRM 3.12.2.5.12.
- (2) Correct coding and transcription errors or misplaced entries in displayed fields.
- (3) Consider the return "computed" and enter the taxpayer's payments into the Total Payments and Balance Due/Refund fields when both of the following exist:
 - a. Taxpayer has entered a dash, zero, or "none" on Tentative Tax, Total Tax, or Balance Due/Refund.
 - b. Taxpayer has all applicable entries in the Payments section.
- (4) Enter **C** in the Clear Field when there are no corrections to be made.

3.12.3.30.16.12
(01-01-2023)
Prior Year (EC 366)

- (1) Prior year payments and credits that can be included in Total Payments:
 - a. Making Work Pay Credit Computer (TY10 and TY09)
 - b. Refundable Hope Education Credit Computer (TY09)
 - c. First-Time Homebuyer Credit Computer (TY08 - TY11)
 - d. Refundable Adoption Credit Computer (TY10 and TY11)
- (2) If the EIC amount was manually computed in EC 336 because a child's SSN assignment date is after the due date (Field T-DAT>) of the return, assign **TPNC 711**.
- (3) Form 5405, First-Time Homebuyer Credit, TY11 and prior, **requesting credit** (not repayment of credit received), suspend to work leader for research and manual computation. When credit amount has been determined enter the amount in Field 05OTH and code **Z** in Field 05TYP.
- (4) **Making Work Pay, TY10 and TY09 only.** Enter the taxpayer's figure (no more than \$400, \$800 for FSC 2) for the Making Work Pay Credit in Field 05OTH and **M** into Field 05TYP.

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(5) For **Form 8801**, *Credit for Prior Year Minimum Tax*, claims (TY07 through TY12):

- If Form 8801 is attached, enter the amount on Form 8801 line 27 (line 29, TY09; line 30, TY08) in Field 05OTH and **P** in Field 05TYP.
- **TY06 and prior**, delete the entry for a claim from Form 8801.

3.12.3.30.16.13

(01-01-2024)

**Allowable Taxpayer
Notice Codes (Form
1040) (EC 366)**

(1) This table shows the allowable Taxpayer Notice Codes for **Error Code 366**.

Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.

(2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
112	Allowed only the income and withholding for the taxpayer on the return. The other person must file their own return to report income.
218	We computed your tax for you.
242	Disallowed all or part of Form 8863 credit. Missing or invalid SSN; FSC 3; not a dependent.
252	You incorrectly figured your Child Tax Credit.
280	Figured or transferred Schedule H incorrectly.
283	The amount you reported as total Federal Income Tax Withheld doesn't match the amount shown on your Form(s) W-2 or other supporting documents.
284	We computed your EIC.
285	Figured or entered EIC incorrectly.
286	We can't allow your EIC because of your filing status.
287	We can't allow your EIC. AGI is more than the maximum amount.
290	We can't allow your EIC. DSI box checked.
292	We figured your EIC. However you may be eligible for more.
294	You computed your excess SST or RRTA Tax Withheld incorrectly.
295	Disallowed write-in credit on total payments line. Not applicable for tax year.

TPNC	Description
296	Computed or transferred Form 4136 incorrectly.
297	You added amounts in the payments section incorrectly.
298	We deleted the amount of state tax that was shown as due on your federal taxes.
504	No Reply. Schedule 3 Additional Credits and Payments incomplete or not attached.
505	No Reply, Schedule 5, Other Payments and Refundable Credits, incomplete or not attached to your tax return.
507	No Reply. We didn't allow the amount claimed as other payments on your tax return because no form was submitted to substantiate the amount.
540	We can't allow your EIC. Information reported shows that you don't qualify for it.
558	You gave us information that changed the refund or amount you owe.
579	We didn't allow the amount for qualified sick and family leave credits because Schedule H or Form 7202 was incomplete or not attached.
582	No Reply. We can't allow the amount you reported as Federal Income Tax Withheld. You didn't attach your Form(s) W-2.
585	No Reply. Schedule EIC incomplete or not attached.
590	No Reply. We can't allow the excess SST or RRTA Tax Withheld. You didn't attach your Form(s) W-2 as required.
592	No Reply, Schedule 8812.
594	Not eligible for HCTC.
595	No Reply, Form 2439
596	No Reply, Form 4136.
601	We changed the amount as deferral of tax payments from Schedule H or Schedule SE because the amount cannot exceed the maximum.
602	We didn't allow the other payments and refundable credits amount because the supporting form was incomplete or not attached.
633	We included capital gains distributions from Form 2439 on your return.

TPNC	Description
649	Changed your installment payment of the First-Time Homebuyer Credit. Error in computing or transferring from Form 5405, reported a disposition, repayment not required, or repayment not required from taxpayer who died.
668	For TY14, HCTC must be claimed on Form 1040-X. so we are returning the form and supporting documentation to you. (TY14 only)
669	Disallowed part or all of HCTC. Form 8885 incomplete or not attached, not eligible for the credit, or support for amount on line 2, Form 8885, was not attached.
670	We reduced the deduction for health insurance for the self-employed by the amounts you reported on Form 8885.
671	We didn't allow HCTC from Form 8885, not allowed for the tax year.
681	Changed Recovery Rebate Credit. Primary or secondary can be claimed as a dependent on another return.
682	Changed Recovery Rebate Credit. Primary/secondary SSN missing or invalid, primary/secondary has ITIN with no military indicator, primary/secondary/dependent deceased prior to the tax period, or TIN not assigned by the due date of the return.
683	Changed Recovery Rebate Credit. Primary or secondary SSN missing or invalid, dependent exceeds the age limit, or the amount was computed incorrectly.
693	Adjusted total payments to remove unallowable credit.
701	Disallowed spouse's exemption and EIC. Missing SSN or last name doesn't match.
702	Primary or secondary ITIN noted. We disallowed your EIC.
711	Disallowed certain credits. TIN for primary, secondary, or dependent not assigned by return due date.
743	Disallowed part or all EIC. Missing SSN or last name doesn't match for one or more children.
745	EIC qualifying child ATIN/ITIN noted. We disallowed your EIC.
748	Disallowed primary exemption and EIC. Missing SSN or last name doesn't match.

TPNC	Description
750	We didn't allow part or all of your Earned Income Credit on your tax return. The information provided shows one or more of the qualifying children on Schedule EIC, Earned Income Credit, did not meet the age requirement for the credit.
751	We didn't allow part or all of your Earned Income Credit on your tax return. The information provided shows one or more of the qualifying children on Schedule EIC, Earned Income Credit, did not meet the relationship requirement for the credit.
752	We didn't allow part or all of your Earned Income Credit on your tax return. The information provided shows one or more of the qualifying children on Schedule EIC, Earned Income Credit, did not live with you for more than half the year.
759	We adjusted your tax return because you reported income or withholding from different tax years.
760	We didn't allow some or all of your claim for EIC. You didn't provide support for the statutory wages you reported, and we did not consider those wages in figuring the credit.
767	We changed the amount you reported on Form 8959. There was an error in computing or transferring line 24 of Form 8959.
788	We changed the amount you claimed as net Premium Tax Credit because there was an error in the computation of Form 8962 Part II or the transfer of that amount.
790	We didn't allow the Premium Tax Credit on your return. You're not eligible to claim the credit because your filing status is married filing separately.
791	We didn't allow the amount you claimed as Premium Tax Credit. You're not eligible because your household income is greater than 400% of the federal poverty line.
792	We didn't allow the amount you claimed as Premium Tax Credit. You indicated someone can claim you as a dependent.
794	We didn't allow the amount you claimed as Premium Tax Credit. Form 8962 was incomplete or not attached to your return.
803	We reduced the medical and dental expenses on Schedule A by the amounts you reported on Form 8885.

TPNC	Description
807	We did not allow the credit(s) you claimed on your tax return. The amount you entered is not an allowable credit. We have adjusted your tax return. accordingly.
810	You, your spouse, or one or more of your dependents claimed on your return didn't have an assigned taxpayer identification number by the due date of the tax return.
814	We disallowed the amount claimed as earned income credit on your tax return. Our records indicate that we've banned you from claiming earned income credit for two tax years.
815	We disallowed the amount claimed as earned income credit on your tax return. Our records indicate that we've banned you from claiming earned income credit for this tax year.
816	We disallowed the amount claimed as earned income credit on your tax return. Our records indicate that we've banned you from claiming earned income credit for ten years.
825	Disallowed credit on Form 2441 because dependent was born after the tax period.
828	Calculated or transferred Net Elective Payment Election Amount from Part III of Form 3800 incorrectly.
842	Adjusted Form 8936, Clean Vehicle Credits, because credit on Schedule A of Form 8936 exceeded the maximum.
***	Any previously assigned TPNC.

3.12.3.30.17
(01-01-2017)
Error Code 368, ES
Penalty Equals Balance
Due or Refund

(1) Error Code 368 instructions follow.

3.12.3.30.17.1
(01-01-2020)
Fields Displayed, Form
1040 (EC 368)

(1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01CCC	Computer Condition Code
03TAX	Total Tax IMF
03PAY	Total Payments

1040	Field Name
>>>>>	Total Payments Computer
03BDR	Balance Due/Refund
03ETP	Estimated Tax Penalty
7217	Net Investment Income Tax

3.12.3.30.17.2
(01-01-2017)
Invalid Conditions (EC 368)

- (1) **Error Code 368** generates when the Estimated Tax Penalty is equal to Total Tax IMF less Total Payments.

3.12.3.30.17.3
(01-01-2020)
Correction Procedures (EC 368)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Enter **P** in Field 01CCC when **any** of the following conditions apply:
- a. Form 2210, Part II Box A or B is marked, and a statement is attached indicating the reason for the waiver. Statement must indicate:
The taxpayer has retired after reaching age 62, or
Has become disabled during the tax year or prior tax year.
 - b. Form 2210 is attached **and** Part II Box "C" (Annualized Income), "D" (Actual Withholding), **or** "E" (Filing Status Change) is marked.
 - c. There is any indication of "Annualized Income" (AI) on Form 2210 or in the line 38 area of Form 1040 (TY19, line 24; TY18, line 23).
 - d. An **acceptable reasonable cause** is indicated on the dotted portion of line 38 (TY19, line 24; TY18, line 23). See Exhibit 3.12.2-10 for a list of reasonable causes.
- (3) If Form 2210-F is attached, enter **P** in Field 01CCC when **all** of the following conditions apply:
- a. Tax Period is 202012 or later, and
 - b. Form 2210-F Part I Box A is marked, and
 - c. The return was timely received.
- (4) If Form 2210-F is attached, enter **P** in Field 01CCC when **all** of the following conditions apply:
- a. A Tax Year 2020 or fiscal year 2021 return (ending month is other than 12)
 - b. Part I Box A is marked **and** a statement is attached indicating reason for the waiver. Statement must indicate:
 - The taxpayer has retired after reaching age 62, or
 - Has become disabled during the tax year or the prior tax year, or
 - Other indication of Reasonable Cause (see Exhibit 3.12.2-10).

Reminder: DO NOT enter CCC P on a return merely because there is an indication that the taxpayer is a farmer or fisherman. Do **NOT** enter CCC P on a TY19 or prior return with Form 2210-F attached.

- (5) When the taxpayer indicates **an unacceptable** reasonable cause for ES penalty (see IRM Exhibit 3.12.2-10) or when required statement is not attached, enter **7** in Field 01CCC and prepare Letter 369C, paragraph U with the following verbiage: "We cannot consider your request for a waiver of the estimated tax penalty because the required documentation was not attached to your return. If you receive notice of penalty assessment, you may request a consideration of the assessment by mailing the required documentation along with a copy of your Form 2210, to the address that will be indicated on the notice of assessment."
- (6) Adjust the entry in Field 03BDR to include the amount from Field 03ETP when the taxpayer does not adjust line 35a or 37 (TY19, line 21a or 23; TY18, line 20a or 22) by the amount of ES Tax Penalty on line 38 (TY19, line 24; TY18, line 23).
- (7) Search the return for Form 2210 (or similar statement) and take the following action:

If Form 2210 (or similar statement) is...	And...	Then...
A] Attached,	The amount on Form 2210 is different from the amount on Form 1040,	Enter the amount from Form 2210 in Field 03ETP.
B] Attached or not attached,	All of the following are met: <ul style="list-style-type: none"> a. Taxpayer has an overpayment on line 34 (TY19, line 20; TY18, line 19), b. Return is not a remittance return, c. Taxpayer left lines 35a, 36, and 37 blank (TY19, lines 21a, 22, and 23; TY18, lines 20a, 21, and 22), d. Taxpayer's entry on line 38 equals the taxpayer's entry on line 34 (TY19, line 24 equals line 20; TY18, line 23 equals line 19;), 	Enter C in the Clear Field.

- (8) Enter **C** in the Clear Field when no other corrections are necessary.

Note: When EC 370 displays, assign appropriate TPNC.

3.12.3.30.18
(01-01-2017)
**Error Code 369,
Refund/Total Tax
Liability less than \$100**

(1) Error Code 369 instructions follow.

3.12.3.30.18.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 369)**

(1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01EXC	Exemption Code
94EXV	Exemption Verified Code
01DSI	Dependent Status Indicator
01ABI	Age and Blind Indicator
0403	Schedule C Profit/Loss
>>>>	Schedule C Profit/Loss Computer
0405	Schedule E Profit/Loss
>>>>	Schedule E Profit/Loss Computer
0406	Schedule F Profit/Loss
>>>>	Schedule F Profit/Loss Computer
03TSS	Taxable Social Security
>>>>	Taxable Social Security Computer
03CGL	Schedule D Profit/Loss
>>>>	Schedule D Profit/Loss Computer
03AGI	Adjusted Gross Income
>>>>>	AGI Computer
03SD>	Standard Deduction Computer
03ASD>	Additional Standard Deduction Computer
03INC	Taxable Income
>>>>	Taxable Income Computer
94INV	Taxable Income Amount Verified
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
05USS	Uncollected SST Tax on Tips
05TAT	Total Additional Taxes
03OTX	Total Other Taxes
>>>>	Total Other Taxes Computer

1040	Field Name
03TAX	Total Tax IMF
>>>>>	Total Tax IMF Computer
03WH	Withholding
03BDR	Balance Due Refund
>>>>>	Balance Due/Refund Computer
03BDR>	Balance Due/Overpayment Taxpayer Computer
03CEL	Estimated Tax Credit Elect

3.12.3.30.18.2
(01-01-2020)
Invalid Conditions (EC 369)

- (1) **Error Code 369** generates when **all** the following exist:

- b. Total Tax Computer is not present.
c. Balance Due/Overpayment Taxpayer Computer is equal to Balance Due/Overpayment Computer.

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3.12.3.30.18.3
(01-01-2017)
Correction Procedures (EC 369)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
(2) Verify that dollars and cents were not entered into dollar-only fields. Erroneous refunds may be sent to the taxpayer when operators input dollars and cents into a dollar-only field. Error Code 369 was designed to catch returns that meet this criteria.
(3) GTSEC 03 and verify all entries in Balance Due/Refund when different from computer amount.
(4) When the taxpayer notes **“Uncollected Tax”** or **“UT”** on the Total Tax line, enter the amount into Field 05USS.

3.12.3.30.18.4
(08-18-2021)
Adjusted Gross Income (AGI) (EC 369)

- (1) When the taxpayer and computer amounts for AGI are different, GTSEC 03 and verify all entries, then GTSEC 04 and verify all entries. If the error code redisplay, verify the Profit/Loss fields from the following for underprints:
- Field 0403, Combined Schedule C, Section 09/10/11
 - Field 0305, Schedule E, Section 13
 - Field 0406, Combined Schedule F, Section 14/15
 - Field 03CGL, Schedule D, Section 12
- (2) GTSEC and math verify the appropriate sections that pertain to the schedules listed.
(3) If the amount in Field 03TSS differs from the computer underprint, follow procedures in IRM 3.12.3.22.1 to resolve the discrepancy.

3.12.3.30.18.5
(01-24-2020)
Total Tax IMF (EC 369)

- (1) GTSEC 03 and verify all entries, and GTSEC 05 and verify all entries when an error in total tax is indicated by an underprint in the computer computation of this amount.

- (2) GTSEC 07 and verify all entries and correct any transcription errors when Schedule A is present.
- (3) GTSEC the appropriate section for any credit claimed and verify the transcription when the taxpayer and computer amounts for the following are the same:
- AGI
 - Taxable Income
 - Total Tax
 - Balance Due/Refund

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following table to correct the error in Total Tax IMF.

If the Taxable Income...	And...	Then...
	The taxpayer computed an amount for tax,	1. Delete the taxpayer's entry for total tax. 2. Assign TPNC 217 when EC 370 displays.
	The taxpayer computed an amount for tax and Field 01DSI is incorrect,	Enter 1 in Field 01DSI.
	The taxpayer computed an amount for tax and Field 01DSI is correct,	1. Delete the taxpayer's entry for Total Tax. 2. Assign the appropriate TPNC when EC 370 displays.

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following table correct the error in Total Tax IMF.

If...	And...	Then...
The taxpayer and	The computer computation for total tax is zero (because, for example, the taxpayer did not subtract a credit),	1. Delete the taxpayers' entry for total tax. 2. When EC 370 displays assign the appropriate TPNC.

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- (6) Delete the taxpayer's entry for Total Tax if **no transcription error is found** in the preceding paragraph 4 and 5.

Note: Assign **TPNC 249** (TPNC 252 for TY17 and prior) when EC 370 displays because the total tax amount is offset by a Child Tax Credit (computer figured on Field 01CT1/2/3/4) that the taxpayer did not use in the total tax computation.

- (7) TY17 and prior, GTSEC 32 and enter the amount from line 35 of Form 6251 in Field 3211V when the taxpayer is using the student computation or notes "exemption worksheet". The computer cannot accurately calculate the alternative minimum exemption amount for student computations.
- (8) GTSEC 33 and follow the instructions under EC 258 when Form 8615 is attached.

3.12.3.30.18.6
(01-01-2017)

Field 03BDR>, Balance Due/Overpayment Taxpayer Computer (EC 369)

- (1) This field provides a comparison of the taxpayer's Refund or Balance Due and the Computer's Refund or Balance Due. It is computer generated and is not correctable.
 - a. To arrive at Field 03BDR> (Balance Due/Overpayment Taxpayer Computer), the computer uses the transcribed amounts in Field 03BDR (Balance Due/Refund) and Field 03CEL, Estimated Tax Credit Elect.
 - b. To arrive at the underprint for Field 03BDR> (Balance Due/Overpayment Computer), the computer subtracts Total Payments Computer from Total Tax Liability and adds pre-determined ES Tax Penalty.

3.12.3.30.18.7
(01-01-2020)

Balance Due or Refund (EC 369)

- (1) Field 03BDR must reflect the taxpayer's amount for Balance/Due refund. If there is an error in Balance/Due Refund, GTSEC 03 and verify all entries.

3.12.3.30.19
(01-01-2017)

Error Code 370 and 670, Balance Due or Refund

- (1) Error Code 370/670 instructions follow.

3.12.3.30.19.1
(01-01-2024)

Fields Displayed, Form 1040 (EC 370)

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01CCC	Computer Condition Code
03PT	Preparer's TIN
03TAX	Total Tax IMF
>>>>>	Total Tax IMF Computer
03WH	Withholding
03EIC	EIC Amount
>>>>>	EIC Amount Computer

1040	Field Name
03NCP	Nontaxable Combat Pay
03ACT	Additional Child Tax Credit
03AOC	Refundable American Opportunity Education Credit
03ESP	Estimated Tax Payments
05PTC	Reconciled Premium Tax Credit Amount
05EXT	Form 4868 Credit
05ESS	Excess SST/RRTA Withheld
05FUE	Form 4136 Fuel Tax Credit
>>>>>	Form 4136 Fuel Tax Credit Computer
05RIC	Form 2439 Regulated Investment Company Credit
05HCC	Health Coverage Credit
05RCC	Refundable Child and Dependent Care Credit
05RCC>	Refundable Child and Dependent Care Credit Computer
05SL2	Sick and Family Leave Credits Amount After 3-31-21
05OTH	Other Payment or Credit Amount (ERS input only)
05TYP	Other Payment or Credit Type Code (ERS input only)
05OPR	Total Other Payments and Refundable Credits
03PAY	Total Payments
>>>>>	Total Payments Computer
03CEL	Estimated Tax Credit Elect
03BDR	Balance Due/Refund
>>>>>	Balance Due/Overpayment Computer
03BDR>	Balance Due/Overpayment Taxpayer Computer
03ETP	Pre-Determined ES Tax Penalty

3.12.3.30.19.2
(01-01-2017)

Invalid Conditions (EC 370)

(1) **Error Code 370** generates when **both** of the following exist:

- a. A math error is present.
- b. Balance Due/Overpayment is not equal to Balance Due/Overpayment Computer and the difference between Total Payments and Total Payments Computer.

(2) **Error Code 670** generates when **all** of the following exist:

- a. No math error is present.
- b. Non-Compute Code 2 is present.

3.12.3.30.19.3
(01-01-2017)

**Correction Procedures
(EC 370)**

- (1) This error code generates when at least one of the following are present:
 - a. A coding error, a transcription error or a misplaced entry.
 - b. A situation requiring the tax examiner to adjust the taxpayer's entries.
 - c. A true math error.
- (2) Correct coding and transcription errors and misplaced entries in displayed fields.
- (3) Verify that all **Injured Spouse** returns (Form 8379 attached or "Injured Spouse Claim" noted on the return) have a DLN with blocking series "920-929". When an injured spouse return is not blocked with "920-929", SSPND 610 to renumber. See IRM 3.12.2.3.5 for additional information on Injured Spouse Returns.
- (4) If the taxpayer has not entered an amount for total payments and/or Balance Due/Refund, which indicates the taxpayer wants the **IRS to compute the EIC** amount for them, use the following instructions;
 - a. Assign **TPNC 284** if an EIC amount is computed.
 - b. Assign the appropriate TPNC if EIC is disallowed.

3.12.3.30.19.4
(01-01-2020)

**Field 03BDR>, Balance
Due or Overpayment
Taxpayer Computer (EC
370)**

- (1) This field provides a comparison of the taxpayer's Balance Due/Refund amount and the Computer's Balance Due/Refund amount. It is computer generated and not correctable. A refund displays with a trailing minus sign, a balance due displays with no sign.
 - a. To arrive at Field 03BDR>, the computer adds Field 03BDR to Field 03CEL.
 - b. To arrive at the underprint for Field 03BDR> the computer subtracts Total Payments Computer from Total Tax Computer and adds Pre-Determined ES Tax Penalty.

3.12.3.30.19.5
(01-01-2020)

**Field 03CEL, Estimated
Tax Credit Elect (Form
1040) (EC 370)**

- (1) If the **refund line** and the estimated tax **credit elect line** have identical amounts, use the following table to correct Field 03CEL:

If...	Then...
A] the taxpayer doesn't claim estimated tax payments (Field 03ESP),	Delete the estimated tax credit elect from Field 03CEL.
B] the taxpayer does claim estimated tax payments (Field 03ESP),	Delete the balance due or refund from Field 03BDR.

If...	Then...
C] the taxpayer has changed the title of line 36 from estimated tax credit elect to indicate, for instance, that part or all of the overpayment should be applied to another tax year,	Delete the estimated tax credit elect amount from Field 03CEL, and enter the entire overpayment in Field 03BDR.

- (2) If the taxpayer correctly computed the overpayment **on line 34, Form 1040** (TY19, line 20; TY18, line 19), but failed to reduce it by the estimated tax credit elect or the estimated tax penalty, adjust the entry in Field 03BDR by subtracting the sum of the estimated tax credit elect and estimated tax penalty from the overpayment.
- (3) If the taxpayer made a math error, ensure the taxpayer's full amount for the estimated tax credit elect on line 36, Form 1040 (TY19, line 22; TY18, line 21) is entered in Field 03CEL.
- (4) If the taxpayer computed a balance due on Form 1040, line 37, but also made an entry on line 36, then delete the amount in Field 03CEL. If EC 370 redisplay, assign TPNC 299.

3.12.3.30.19.6

(11-27-2020)

Field 03ETP, Estimated Tax Penalty (Form 1040) (EC 370)

- (1) Enter **P** in Field 01CCC when **any** of the following conditions apply:
 - a. Form 2210 Part II Box A or B is marked and a statement is attached indicating the reason for the waiver. Statement must indicate that the taxpayer has retired after reaching age 62 or older, or has become disabled during the tax year or the prior tax year.
 - b. Form 2210 is attached with Box C, D or E marked in Part II.
 - c. There is any indication of **Annualized Income** (AI) on Form 2210, or on Form 1040 near the estimated tax penalty line, the dotted portion of line 38 (TY19, line 24; TY18, line 23).
 - d. An **acceptable reasonable cause** is indicated on Form 2210, Form 2210-F, or on Form 1040 near the estimated tax penalty line. See IRM 3.12.2-10 for a list of reasonable causes.
- (2) Enter **P** in Field 01CCC when Form 2210-F is attached and **all** of the following apply:
 - a. Tax Period is 202012.
 - b. Form 2210-F Part I, Box A is marked.
 - c. The return is timely filed.

Reminder: DO NOT enter CCC P on a return merely because there is an indication that the taxpayer is a farmer or fisherman. Do **NOT** enter CCC P on a TY17 or prior return with Form 2210-F attached.

- (3) Enter **P** in Field 01CCC when Form 2210-F is attached and **both** of the following conditions are met:
 - a. 2020 or 2021 fiscal year return (ending month other than 12).
 - b. Box A in Part I is marked and a statement is attached that gives an acceptable reason for the waiver.

- (4) If the taxpayer's reason for requesting a waiver does not occur in the list of reasonable causes in IRM 3.12.2-10 or the taxpayer doesn't provide the required supporting documents or the documents are inadequate, enter **7** in Field 01CCC and prepare Letter 369C. See IRM 3.12.3.30.16.3(5).
- (5) If the taxpayer indicates a **pre-determined negligence penalty**, take the following actions:
 - a. Prepare Form 3465, Adjustment Request.
 - b. In the box Remarks request TC (transaction code) 350 for the amount of the pre-determined negligence penalty.
 - c. Enter CCC 3. CCC 3 must be the first code in Field 01CCC.
- (6) If the taxpayer correctly computed the overpayment **on line 34, Form 1040** (TY19, line 20; TY18, line 19) but failed to reduce it by the estimated tax credit elect amount or the estimated tax penalty, adjust the entry in Field 03BDR by subtracting the sum of the estimated tax election and estimated tax penalty from the overpayment.

3.12.3.30.19.7
(01-01-2020)

**Field 03BDR, Balance
Due or Refund (EC 370)**

- (1) Compute the Balance/Due Refund amount and enter in Field 03BDR when **all** the following apply:

Note: If the amount being entered is a Balance Due (positive amount) then enter in Field 03BDR as positive amount. If the amount being entered is a refund amount (negative amount), then enter as negative amount.

- a. "Refund or Amount You Owe" area has been left blank on lines 34-37 (TY19, lines 20-23; TY18, lines 19-22).
- b. Taxpayer has an entry in Total Tax.
- c. Code & Edit did not compute.

- (2) If the taxpayer entered the balance due on the line for the refund or the refund on the line for the balance due and there is no previous math error and the

in Field 03BDR>, adjust the figure in Field 03BDR. Change the misplaced balance due to a refund by adding the trailing minus sign. Change the misplaced refund to a balance due by deleting the trailing minus sign.

Reminder: A refund displays with a trailing minus sign. A balance due displays with no sign.

- (3) If the taxpayer has computed total tax or total payments in "dollars and cents", but has **rounded or truncated** the balance due or refund, follow the taxpayer's intent and adjust total tax or total payments accordingly.
- (4) Figure the balance due or refund and enter it in Field 03BDR (if a refund, enter a minus sign after the amount) if all of the following conditions apply:
 - a. Refund or Amount You Owe is blank on Form 1040, lines 35a and 37 (TY19, lines 21a and 23; TY18, lines 20a and 22).
 - b. Taxpayer has an entry for total tax.
 - c. Code & Edit has not edited a refund or balance due.
- (5) If the **estimated tax penalty** is present, ensure that it has been included in the amount for Field 03BDR. If it is not already included there, increase the

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balance due by the amount of the estimated tax penalty or reduce the refund by the amount of the estimated tax penalty.

- (6) If the taxpayer included penalties, **apart from the ES penalty**, or interest in Field 03BDR and includes the amount in the balance due or refund, adjust the amount in Field 03BDR to exclude the other penalty and interest.
- (7) If the taxpayer reduced Form 1040, line 37 (TY19, line 23; TY18, line 22), by the amount on **Form 6781** or noted "**Deferred Tax from Form 8697**", SSPND 620 and note "**Tax Straddle**" on Form 4227.
- (8) If the taxpayer indicates "**Form 8697**" or "**Look Back**" near the balance due or refund, see IRM 3.12.3.28.11.11(7).
- (9) If the taxpayer indicates "**Sect 1291**" and an amount is present near the bottom of page 1 of Form 1040, see IRM 3.12.3.28.11.10(4).
- (10) If none of the preceding procedures resolve the error condition, assign **TPNC 299**.

3.12.3.30.19.8
(01-01-2017)
**Correction Procedures
(EC 670)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Refer to all instructions in Error Code 370 and IRM 3.12.2.5.12 for Non-Compute information.
- (3) Enter **C** in the Clear Field when there are no corrections to be made.

3.12.3.30.19.9
(05-09-2023)
**Allowable Taxpayer
Notice Codes (Form
1040) (EC 370)**

- (1) This table shows the allowable Taxpayer Notice Codes for **Error Code 370**.
Note: The following Taxpayer Notice Codes are shown in a condensed format. The complete version of each is listed in the Taxpayer Notice Codes, Exhibit 3.12.3-2.
- (2) If you are processing a return converted to Form 1040, you must assign TPNC 111 in addition to other applicable notice codes. Always assign TPNC 111 **first** on a return converted to Form 1040.

TPNC	Description
100	
111	Your return has been converted to a Form 1040.
141	Computed total income incorrectly.
178	Computed Taxes You Paid on Schedule A incorrectly.
189	We used your Itemized Deductions rather than the Standard Deduction for a lower taxable income.
190	We recomputed your taxable income using the Standard Deduction. Remaining total Itemized Deductions are less than the Standard Deduction.
191	You incorrectly computed your Standard Deduction when you can be claimed as a dependent on another person's return.

TPNC	Description
192	You incorrectly figured the Additional Standard Deduction for Age/Blind.
194	No amount for standard deduction or amount entered inconsistent with filing status.
199	You subtracted your standard deduction or itemized deductions from your AGI incorrectly.
200	You incorrectly figured the deduction amount for the number of exemptions you listed.
203	We increased the number of exemptions on your tax return and lowered your tax. You indicated that you and/or your spouse were claimed on another person's tax return. You can't be claimed on another person's tax return if your filing status is married filing jointly and you have a tax liability.
208	You figured your taxable income incorrectly.
209	Entered incorrect tax from Tax Tables.
211	We changed the amount of tax shown on your return. The tax rates on qualified dividends and capital gains are generally lower than the standard rates. It appears your tax was not computed using these rates or the amount of tax was computed incorrectly.
217	When we figured your taxable income, you didn't owe any tax.
218	We computed your tax for you.
246	We disallowed all or part of your Retirement Savings Contribution Credit. The credit is not allowed if you are not at least 18 years of age at the end of the tax year.
247	Computed or transferred Form 8880 incorrectly.
249	Amount for CTC and credit for other dependents entered incorrectly.
252	You incorrectly figured your Child Tax Credit.
273	You don't owe SE Tax.
283	The amount you reported as total Federal Income Tax Withheld doesn't match the amount shown on your Form(s) W-2 or other supporting documents.
284	We computed your EIC.
285	Figured or entered EIC incorrectly.
294	You entered your excess SST or RRTA Tax Withheld incorrectly.
297	You added amounts in the payments section incorrectly.
299	Figured refund or amount you owe incorrectly.

TPNC	Description
504	No Reply. Schedule 3 Additional Credits and Payments incomplete or not attached.
507	We didn't allow the amount claimed as other payments on your tax return because no form was submitted to substantiate the amount.
540	We can't allow your EIC. Information reported shows that you don't qualify for it.
555	We used your standard deduction amount instead of your itemized deductions because it lowers your taxable income.
558	You gave us information that changed the refund or amount you owe.
579	We didn't allow the amount for qualified sick and family leave credits because Schedule H or Form 7202 was incomplete or not attached.
582	No Reply. We can't allow the amount you reported as Federal Income Tax Withheld. You didn't attach your Form(s) W-2.
585	No Reply. Schedule EIC incomplete or not attached.
590	No Reply. We can't allow the excess SST or RRTA Tax Withheld. You didn't attach your Form(s) W-2 as required.
602	Didn't allow the other payments and refundable credits because the supporting form was incomplete or not attached.
710	Disallowed certain credits. Dependent ITIN expired.
731	Error in the subtraction of standard deduction (or itemized deductions) and QBID from AGI.
***	Any previously assigned TPNC.

3.12.3.30.20
(01-01-2017)
**Error Code 372,
\$1,000,000 or More
Refund**

- (1) Error Code 372 instructions follow.

3.12.3.30.20.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 372)**

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01CCC	Computer Condition Codes
03BDR	Balance Due/Refund
>>>>>	Balance Due/Refund Computer

1040	Field Name
03BDR>	Balance Due/Overpayment Taxpayer Computer
03CEL	Estimated Tax Credit Elect
03ETP	Estimated Tax Penalty

3.12.3.30.20.2
(01-01-2017)
Invalid Conditions (EC 372)

- (1) **Error Code 372** generates when the Balance Due/Overpayment Computer

#

3.12.3.30.20.3
(01-01-2024)
Correction Procedures (EC 372)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) When no correction is necessary, SSPND 341 or follow local procedures. Attach Form 4227 and note in remarks "Manual Refund".

Note: ERS programming can issue refunds up to \$99,999,999.99 on returns. Instructions to SSPND 341 allows a second tax examiner to review the return before the refund is issued. When assisting another center with MeF returns inventory using CMODE, refer all manual refunds to the center you are assisting. Print Section 01 of the return; note manual refund on the print; collect the prints; and fax them daily to the center.

Note: The Clear Field in Error Code 372 will only be used by Rejects tax examiners following specific instructions in IRM 3.12.37.26.5, Manual Refund.

3.12.3.31
(01-01-2017)
Error Codes 374-704

- (1) Instructions for Error Codes 374 to 704 follow.

3.12.3.31.1
(01-01-2017)
Error Code 374, Pre-Determined ES Penalty

- (1) Error Code 364 instructions follow.

3.12.3.31.1.1
(11-27-2020)
Fields Displayed, Form 1040 (EC 374)

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01CCC	Computer Condition Code
03PT	Preparer's TIN
03TAX	Total Tax IMF

1040	Field Name
>>>>>	Total Tax IMF Computer
03WH	Withholding
03ESP	Estimated Tax Payments
03ETP	Pre-Determined ES Penalty
03PC	Preparer's Code

3.12.3.31.1.2
(01-01-2017)

Invalid Condition (EC 374)

- (1) **Error Code 374** generates when **both** of the following exist:

- Pre-Determined ES Penalty (Field 03ETP) is present.
- Withholding or ES Payments equals or exceeds 90 percent of Total Tax Computer.

3.12.3.31.1.3
(01-01-2020)

Correction Procedures (EC 374)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.

Note: Taxpayers should adjust Form 1040, lines 35a and 37 (TY19, lines 21a and 23; TY18, lines 20a and 22) by the amount in Field 03ETP.

- (2) Use the following table to correct Error Code 374 when the Pre-Determined ES Penalty is present on Form 1040, line 38 (TY19, line 24; TY18, line 23):

If Pre-Determined Penalty is...	And...	Then...
A] present in Field 03ETP,	Form 2210 is attached and amount is different,	<ol style="list-style-type: none"> Correct Field 03ETP to the amount from Form 2210. If EC 374 redisplay, enter C in the Clear Field.
B] present in Field 03ETP,	There is an indication the amount is not Pre-Determined ES Penalty (e.g., Preparer's TIN entered as ES Penalty),	<ol style="list-style-type: none"> Move the amount to the correct field. Delete the amount from the Pre-Determined ES Penalty.
C] present in Field 03ETP,	Form 2210 is attached or not, and there is no indication that the amount is not Pre-Determined ES Penalty,	<ol style="list-style-type: none"> Enter C in the Clear Field.

#

- (3) Enter **P** in Field 01CCC if it's not already edited or transcribed when the taxpayer indicates on the dotted portion of Form 1040, line 38 (TY19, line 24; TY18, line 23) or notates on Form 2210/2210-F that "reasonable cause" allows for a reduction of the penalty. See IRM 3.12.3.30.16.3.

Note: The amount from Field 03ETP should be included in Field 03BDR when CCC P is present.

- (4) Enter **7** in Field 01CCC and prepare Letter 369C (See IRM 3.12.3.30.16.3) when the taxpayer indicates an unacceptable reasonable cause (see IRM 3.12.2-10).

3.12.3.31.2
(01-01-2017)
**Error Code 380, SE
Income and EIC**

- (1) Error Code 380 instructions follow.

3.12.3.31.2.1
(01-01-2023)
**Fields Displayed, Form
1040 (EC 380)**

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01RPC	Return Processing Code
01ACD	Audit Code
P-MIN>	Primary NAP Minister SE Tax Exempt Code
H-MIN>	Secondary NAP Minister SE Tax Exempt Code
03EIC	Earned Income Credit
>>>>>	Earned Income Credit Computer
03NCP	Nontaxable Combat Pay Election
03U19	EIC Taxpayer Under 19 Indicator
03PYE	PYEI EIC Income Amount
04OTI	Other Income
04HID	Self-Employed Health Insurance Deduction
E-NUM>	EIC Qualified Child Number Computer
E-INC>	EIC Earned Income Computer
09STI	Section 09 Statutory Employee Indicator
09NET>	Section 09 Schedule C Profit/Loss Computer
10STI	Section 10 Statutory Employee Indicator
10NET>	Section 10 Schedule C Profit/Loss Computer

1040	Field Name
11STI	Section 11 Statutory Employee Indicator
11NET>	Section 11 Schedule C Profit/Loss Computer
1329K	Partnership/S-Corp Non-Passive Income
1329I	Partnership/S-Corp Non-Passive Loss
1434>	Section 14 Schedule F Profit/Loss Computer
1534>	Section 15 Schedule F Profit/Loss Computer

3.12.3.31.2.2

(01-01-2017)

Invalid Conditions (EC 380)

- (1)
- Error Code 380**
- generates when
- all**
- of the following exist:

- Primary or Secondary NAP minister SE tax exempt code is 0 (zero), 2, 8 or A (denied).
- Earned income credit computer amount is present.
- Schedule SE is not present.
- Field 01RPC does not contain an S **and any** of the following exist:
 - Statutory employee W-2 income is not present.
 - Schedule C profit/loss computer Section 9, 10 or 11 is \$434 or more.
 - Schedule F profit/loss computer Section 14 or 15 is \$434 or more.
 - Field 01RPC contains an N and other income is \$434 or more.

3.12.3.31.2.3

(04-25-2022)

Correction Procedures (EC 380)

- Correct coding and transcription errors and misplaced entries in displayed fields.
- For FSC 2, enter **C** in the Clear Field when self-employment income is less than \$434 for each taxpayer (compute the SE income of the primary separate from the secondary taxpayer). For all other filing status codes, enter **C** in the Clear Field when self-employment income is less than \$434.

#

- Take the appropriate action described in the following table when a taxpayer's self-employed income is \$434 or more. If the taxpayer reports income earned in a foreign currency, see IRM 3.12.3.10.6.3(11) before proceeding. Such income may take the form of wages or earnings from self-employment.

Note: If there is an indication the taxpayer is a minister and 0 (zero) displays in Field P-MIN> or H-MIN>, research with CC IMFOLE to check the SE minister exempt code is 1, 4, or 5. Continue processing using the instructions in the following table.

If the taxpayer...	Then...
<p>A]</p> <ul style="list-style-type: none"> self-identifies as a Statutory Employee by checking the box next to line 1, Schedule C, and reports statutory wages on line 1, Schedule C, and Attaches Forms W-2 with box 13 checked and wage amount that supports the entry on line 1, Schedule C, 	<p>Enter S in Field 01RPC.</p> <p>Exception: Don't enter RPC S and refer to the Cautions below this table if:</p> <ol style="list-style-type: none"> 1) Statutory employee Forms W-2 are not present or, if present, the Statutory employee Form W-2 wage amount does not match the amount reported on line 1, Schedule C. 2) Statutory wages and self-employment income are combined on line 1, Schedule C.
<p>B] the taxpayer declares exemption from the SE tax by noting one of the following phrases in the return or in an attachment or by attaching one of these forms</p> <ul style="list-style-type: none"> Exempt Exempt-notary Sporadic activity Not liable QJV, qualified joint venture, noted to the left of the self-employment tax line on Form 1040 Indian Tribal Fund. See paragraph 5, below. Amish or Mennonite An approved copy of Form 4361 is attached, or Form 4361 is noted. See Note below table. Form 4029 is attached or noted. SE minister exemption code is 1, 4 or 5. 	<p>Enter S in Field 01RPC.</p> <p>Reminder: If other, non-exempt self-employment income is on the return, don't enter RPC S. Follow normal procedures in evaluating the non-exempt self-employment income.</p>

If the taxpayer...	Then...
C] Is an exempt minister and Fields P-MIN> or H-MIN> are not 0 (zero), 2, 8, or A,	Enter S in Field 01RPC. Exception: if one spouse is exempt and the other spouse is liable for SE tax, don't enter RPC S.
D] Has income that is offset by a loss that results in the total income being less than \$434, Note: Follow taxpayer's intent in using a loss from Schedule E partnership to offset a gain.	Enter C in the Clear Field.
E] Appears to be liable for Self-Employment Tax, Note: For TY08 and later, when figuring the farm income subject to the self-employment tax, reduce the net profit or loss from Schedule F by the amount the taxpayer reports on line 4b of Schedule F. This income is not subject to self-employment tax.	SSPND 211 for SE Tax liability. Exception: Don't correspond when EC 380 generates and Schedule E with S Corp non-passive income is present. Enter C in the Clear Field.

#

Note: Detach Form 4361 when the NAP Minister's SE Tax Exempt Code is other than a 1 or 4, and the taxpayer attaches a Form 4361. If the taxpayer writes on the tax return that they are a minister or the like and thus not liable, then make a copy of the first page of the tax return and the page with the notation. Route the form or appropriate copies according to your local mail-dex or routing guide.

- (5) Enter **S** in Field 01RPC and **don't** correspond for Schedule SE if the taxpayer states any type of **Indian Tribal Income**. Following is a list (not inclusive) of example statements indicating Indian Tribal Income:
- Indian Tribal (IT)
 - Indian Gaming Earnings (IGE)
 - Indian Gaming Proceeds (IGP)
 - Indian Tribal Distribution (ITD)
 - Native American
 - Not liable, Indian Tribal earnings (ITE)
 - Any statement indicating income received from Indian Tribal Fund (ITF).
- (6) If taxpayer reports **Cancellation of Debt** on Schedule 1, line 8c (TY20-TY19, line 8), enter **C** in the Clear Field. It is not subject to SE tax.
- (7) For TY07 and later, "Wages" cannot be accepted on Form 4137. SSPND 211 for Form 8919.

3.12.3.31.2.4
(11-27-2020)
No Reply (EC 380)

- (1) Statutory Wages - Taxpayer did not send Form W-2 to support wages. Exclude the statutory wages from the qualifying earned income for the EIC and ACTC, except as noted in the caution to the instructions for the ACTC.

Caution: If the taxpayer is not required to complete Part II, Schedule 8812 (TY17-TY12, Part III), use the unsupported wages in figuring qualifying earned income for ACTC.

- (2) If the taxpayer doesn't reply to correspondence, GTSEC 17/18 as appropriate and enter all data.

Note: If unable to determine the liable taxpayer, attribute the liability to the primary taxpayer (Section 17).

- (3) When Section 17/18 is entered under EC 380 procedures, the taxpayer's AGI will change and may cause a change to the computer's amount for EIC. Use the following table when SE tax was assessed under EC 380 as a No Reply:

If Field 05204 underprint...	Then...
A] Is less than the EIC underprint (Field 03EIC),	Assign TPNC 580 . Note: TPNC 580 should be used only when the SE Tax to be assessed is equal to or less than the EIC amount.
B] Is more than the EIC underprint (Field 03EIC),	<ol style="list-style-type: none"> 1. GTSEC 01. 2. Enter V in Field 01ACD. 3. Enter N in Field 01RPC, if applicable. 4. DLSEC 17. 5. Enter C in the Clear Field when EC 380 redisplay.

3.12.3.31.2.5
(01-01-2017)
Prior Year (EC 380)

- (1) For TY06 and prior, 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 the income was not derived from tips:
 - a. Accept the taxpayer's entry.
 - b. Verify the taxpayer's entry on line 1 of Form 4137 is included in wages on line 7 of Form 1040.
 - c. Delete RPC N if present.
 - d. Complete and detach the Schedule U. Make sure to change the word "Tips" to "Wages". SSA looks for this notation so that it can correctly adjust these accounts.
 - e. 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.

- (2) For TY03 and prior, enter **C** in the Clear Field.

3.12.3.31.3
(01-01-2017)
**Error Code 531, (CE)
\$100 Difference in AGI**

- (1) Error Code 531 instructions follow.

3.12.3.31.3.1
(01-01-2024)
**Fields Displayed, Form
1040 (EC 531)**

- (1) This table shows the fields displayed.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
01RPC	Return Processing Code
01CCC	Computer Condition Code
03TWG	Total Wages
03INT	Taxable Interest
03TEI	Tax-Exempt Interest
03DIV	Taxable Dividends
03GIR	Gross IRA Distributions
03TIR	Taxable IRA Distributions
03GPA	Gross Pension Annuity
03TPA	Taxable Pension Annuity
03GSS	Gross Social Security
03TSS	Taxable Social Security
>>>>>	Taxable Social Security Computer

1040	Field Name
94TSV	Taxable Social Security Verified
03CGL	Schedule D Profit/Loss
>>>>>	Schedule D Profit/Loss Computer
0401	State Income Tax Refund
0402A	Alimony Received
0403	Combined Schedule C Profit/Loss
>>>>	Combined Schedule C Profit/Loss Computer
0404	Supplemental Gains/Losses
0405	Schedule E Profit/Loss
>>>>	Schedule E Profit/Loss Computer
0406	Combined Schedule F Profit/Loss
>>>>	Combined Schedule F Profit/Loss Computer
0407	Taxable Unemployment Compensation
04SFG	Scholarship and Fellowship Grants
04OTI	Other Income Amount
03TOT	Total Income
>>>>>	Total Income Computer
04EDU	Educator Expense Amount
>>>>>	Educator Expense Amount Computer
04HSA	Combined Health Savings Account Deduction
04MOV	Moving Expenses
04DSE	Deduction for SE Tax
>>>>>	Deduction for SE Tax Computer
04SEP	Qualified SE Retirement Plans
04HID	Self-Employed Health Insurance Deduction
04PEW	Penalty on Savings Withdrawal
04ALP	Alimony Paid
04IRA	IRA Deduction
>>>>>	IRA Deduction Computer
04SLI	Student Loan Interest Deduction
>>>>>	Student Loan Interest Deduction Computer
04MSA	Archer MSA Deduction
>>>>>	Archer MSA Deduction Computer

1040	Field Name
04ADJ	Other Adjustments
03TAJ	Total Adjustments
>>>>	Total Adjustments Computer
03AGI	Adjusted Gross Income
>>>>>	AGI Computer
03NCC	Non-Itemized Charitable Contributions
>>>>>	Non-Itemized Charitable Contributions Computer

3.12.3.31.3.2
(01-01-2017)
Invalid Conditions (EC 531)

- (1) **Error Code 531** generates when DOC Code is not 07, 08, 09, 10, 26, 27, 28 or 72, and **all** of the following exist:
- A Math Error is **not** present.
 - The return is a “computed” return.
 - Tentative Tax Computer is blank.
 - Other Income Amount is present.

#

3.12.3.31.3.3
(07-26-2021)
Correction Procedures (EC 531)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Take the following actions if Total Income differs from Total Income Computer:
- Compare transcribed Fields 03CGL, 0403, 0405, and 0406 with their computer underprints.
 - If one of these lines differ, GTSEC the appropriate section(s) that pertains to that line.
 - Verify transcribed lines (Refer to Error Code 202 instructions, etc.).
- (3) If there are entries in Fields 03GSS and 03TSS, refer to Error Code 214 instructions in IRM 3.12.3.22.1.

Note: TY20 only, if **UCE** (Unemployment Compensation Exclusion) is noted on Schedule 1, line 8 and there are entries in Fields 03GSS and 03TSS, enter the taxable Social Security amount on Form 1040, line 6b, in Field 94TSV.

- (4) If the taxpayer has made an error which changes the total income and includes an amount on Schedule 1, line 8a (TY20-TY19, line 8) for Net Operating Loss (may note “Carryforward” or “Carryback”) complete Form 3696-A to initiate the Letter 2719C (Do Not SSPND).

Note: When completing Form 3696-A, complete the following:

- Boxes 1 through 9 as appropriate
- “Fill-ins” portion of Form 3696-A (01 - 05 are required) (i.e., Box 8 would contain “C”; “10”, “11”, and “12” would go in the “Number” portion of the “Fill-ins” section; and “Increase” or “Decrease” would go in the “Data” portion of the “Fill-ins” section.

c. Enter **C** in the Clear Field.

(5) If no corrections are necessary, enter **C** in the Clear Field.

3.12.3.31.4
(01-01-2017)
Error Code 601, (CE)
RPC J

(1) Error Code 601 instructions follow.

3.12.3.31.4.1
(01-01-2024)
Fields Displayed, Form
1040 (EC 601)

(1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01RPC	Return Processing Code
03AGI	Adjusted Gross Income
>>>>	Adjusted Gross Income Computer
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
05201	Alternative Minimum Tax
>>>>	Alternative Minimum Tax Computer
03TAC>	Tax After Credits Computer
05204	Combined SE Tax
>>>>	Combined SE Tax Computer
05SSM	Unreported Social Security and Medicare Tax Form 4137/8919
>>>>	Combined Unreported Social Security and Medicare Tax Form 4137/8919 Computer
05IRA	Combined Tax on Retirement Plans
05IRA>	Combined Tax on Retirement Plans Computer
29DX>	Total Tax on Retirement Distributions Section 29 Computer
30DX>	Total Tax on Retirement Distributions Section 30 Computer
05HSH	Combined Household Employment Taxes
>>>>>	Combined Household Employment Taxes Computer
05FHB	First Time Homebuyer Credit Repayment Amount
>>>>>	Form 5405 Combined Homebuyer Credit Repayment Computer

1040	Field Name
58FRC>	Section 58 Homebuyer Credit Repayment Computer
59FRC>	Section 59 Homebuyer Credit Repayment Computer
7118>	Form 8959 Total Additional Medicare Tax Computer
7217>	Form 8960 Net Investment Income Tax Computer
05LIR	Form 8611 Recapture
05USS	Uncollected SST Tax on Tips
05TAT	Total Additional Taxes
05CTR	Schedule 8812 Additional Tax
05CTR>	Schedule 8812 Additional Tax Computer
03OTX	Total Other Taxes
>>>>>	Total Other Taxes Computer Amount
03TAX	Total Tax
>>>>	Total Tax Computer
94TXV	Total Tax Verified

3.12.3.31.4.2
(01-01-2017)
Invalid Condition (EC 601)

- (1) **Error Code 601** generates when **all** the following exist:
- DOC Code is not 26, 27 or 72.
 - RPC Y is not present.
 - Combined SE Tax Computer is not present or is not equal to Total Tax Computer, or Tentative Tax Computer is present, and RPC J is not present.
 - Total Tax Exceeds 50 percent of Adjusted Gross Income.

3.12.3.31.4.3
(07-09-2021)
Correction Procedures (EC 601)

- Correct coding and transcription errors and misplaced entries in displayed fields.
- Compare all fields displayed with its computer underprint.
- TY20 only**, if there is an amount on Schedule 2, line 2, GTSEC 05 and delete the entry in Field 05202.
- If no errors are found, enter **J** in Field 01RPC.

3.12.3.31.5
(01-01-2017)
Error Code 702, Unallowable Amount Missing

- Error Code 702 instructions follow.

3.12.3.31.5.1
(11-27-2020)

**Fields Displayed, Form
1040 (EC 702)**

- (1) This table shows the fields displayed.

1040	Field Name
02CD1	Unallowable Code 1
02AM1	Unallowable Amount 1
02CD2	Unallowable Code 2
02AM2	Unallowable Amount 2
02CD3	Unallowable Code 3
02AM3	Unallowable Amount 3
02AGI	Unallowable AGI
02ITM	Unallowable Itemized
02NI	Unallowable Net Income
02TXA	Unallowable Tax Adjustment
94UTV	Unallowable Tax Verified
02TX>	Total Tax on Unallowable Computer

3.12.3.31.5.2
(01-01-2017)

**Invalid Conditions (EC
702)**

- (1) **Error Code 702** generates when an Unallowable Code other than 98 is present and is not immediately followed by an Unallowable Amount.

3.12.3.31.5.3
(01-01-2017)

**Correction Procedures
(EC 702)**

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Add the Unallowable Amount to the applicable field on the screen when no errors are found.

3.12.3.31.6
(01-01-2017)

**Error Code 704, (CE) U/A
Amount With No U/A
Code**

- (1) Error Code 704 instructions follow.

3.12.3.31.6.1
(11-27-2020)

**Fields Displayed, Form
1040 (EC 704)**

- (1) This table shows the fields displayed.

1040	Field Name
02CD1	Unallowable Code 1
02AM1	Unallowable Amount 1
02CD2	Unallowable Code 2
02AM2	Unallowable Amount 2

1040	Field Name
02CD3	Unallowable Code 3
02AM3	Unallowable Amount 3
02AGI	Unallowable AGI
02ITM	Unallowable Itemized
02NI	Unallowable Net Income
02TXA	Unallowable Tax Adjustment
94UTV	Unallowable Tax Verified
02TX>	Total Tax on Unallowable Computer

3.12.3.31.6.2
(01-01-2017)
Invalid Conditions (EC 704)

- (1) **Error Code 704** generates when an Unallowable Amount is present and is not immediately preceded by an Unallowable Code.

3.12.3.31.6.3
(01-01-2017)
Correction Procedures (EC 704)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) Search the return for an indication of an unallowable and enter the correct Unallowable Code in the applicable field. Refer to IRM 3.12.2.5.4 or IRM 3.12.2-7.

3.12.3.32
(01-01-2024)
Error Codes 706-718, Error Code 740, and Error Code 750 (ACA)

- (1) Instructions for Error Codes 706 to 718, Error Code 740, and Error Code 750 follow.

3.12.3.32.1
(04-03-2017)
Error Code 706, (CE) Unallowable Code 92 to 99

- (1) Error Code 706 instructions follow.

3.12.3.32.1.1
(01-01-2020)
Fields Displayed, Form 1040 (EC 706)

- (1) This table shows the fields displayed.

1040	Field Name
02CD1	Unallowable Code 1
02AM1	Unallowable Amount 1
02CD2	Unallowable Code 2
02AM2	Unallowable Amount 2

1040	Field Name
02CD3	Unallowable Code 3
02AM3	Unallowable Amount 3
02AGI	Unallowable AGI
02ITM	Unallowable Itemized
02NI	Unallowable Net Income
02TXA	Unallowable Tax Adjustment
94UTV	Unallowable Tax Verified
02TX>	Total Tax on Unallowable Computer

3.12.3.32.1.2
(04-03-2017)
Invalid Conditions (EC 706)

- (1) **Error Code 706** generates when any Unallowable Code from 92 through 99 is present, and none of the following fields are present:
- U/A AGI (Field 02AGI)
 - U/A Itemized (Field 02ITM)
 - U/A Net Income (Field 02NI)
 - U/A Tax Adjustment (Field 02TXA)
 - U/A Tax Verified (Field 94UTV)

3.12.3.32.1.3
(01-01-2017)
Correction Procedures (EC 706)

- (1) Correct coding and transcription errors and/or misplaced entries in displayed fields.
- (2) Use the following table when the correct amount is found on the return/or attachments:

If the Unallowable Amount affects...	Then...
A] Adjusted Gross Income,	Enter the unallowable amount in Field 02AGI. (see note)
B] Itemized Deductions,	Enter the unallowable amount in Field 02ITM. (see note)

If the Unallowable Amount affects...	Then...
C] Tax (directly),	<ol style="list-style-type: none"> 1. Compute the tax adjustment, add the unallowable amount(s) to Taxable Income. 2. Use the tax table or tax rate schedule to compute the adjusted tax. 3. Enter difference in tax in Field 02TXA. <p>Note: Re-compute Tentative Tax Verified, and enter amount in Field 94UTV when an unallowable item is present, and Total Tax Verified or Credit for the Elderly/ Disabled Verified is present. Field 94UTV takes priority over entries for Fields 02AGI, 02ITM, 02NI, and 02TXA.</p>

- (3) Follow your local Campus Procedures when the Audit Code is correct and there are no transcription errors found. A decision by Audit is required for the Adjustment and the Amount.

3.12.3.32.2
(01-01-2017)
Error Code 708, (CE)
Unallowable Codes 30
through 49 - Schedule A

- (1) Error Code 708 instructions follow.

3.12.3.32.2.1
(01-01-2020)
Fields Displayed, Form
1040 (EC 708)

- (1) This table shows the fields displayed.

1040	Field Name
02CD1	Unallowable Code 1
02AM1	Unallowable Amount 1
02CD2	Unallowable Code 2
02AM2	Unallowable Amount 2
02CD3	Unallowable Code 3
02AM3	Unallowable Amount 3

1040	Field Name
02AGI	Unallowable AGI
02ITM	Unallowable Itemized
02NI	Unallowable Net Income
02TXA	Unallowable Tax Adjustment
94UTV	Unallowable Tax Verified
02TX>	Total Tax on Unallowable Computer
0717	Total Itemized Deductions
0717>	Total Itemized Deductions Computer
	Section XX Not Present

3.12.3.32.2.2
(01-01-2017)
Invalid Conditions (EC 708)

- (1) **Error Code 708** generates when **both** of the following exist:
- Unallowable Code 30 through 49 is present.
 - Total Itemized Deductions Computer is not present.

3.12.3.32.2.3
(01-01-2017)
Correction Procedures (EC 708)

- (1) Correct coding and transcription errors and/or misplaced entries in displayed fields.
- (2) Correct the screen display by deleting U/A Code 30 through 49 and the unallowable amount(s) when Schedule A Itemized Deductions, is not present and no transcription errors were found.

3.12.3.32.3
(01-01-2017)
Error Code 712, U/A Tax Verified Missing

- (1) Error Code 712 instructions follow.

3.12.3.32.3.1
(11-27-2020)
Fields Displayed, Form 1040 (EC 712)

- (1) This table shows the fields displayed.

1040	Field Name
01FSC	Filing Status Code
01EXC	Exemption Code
02CD1	Unallowable Code 1
02AM1	Unallowable Amount 1
02CD2	Unallowable Code 2
02AM2	Unallowable Amount 2
02CD3	Unallowable Code 3
02AM3	Unallowable Amount 3

1040	Field Name
02AGI	Unallowable AGI
02ITM	Unallowable Itemized
02NI	Unallowable Net Income
02TXA	Unallowable Tax Adjustment
94UTV	Unallowable Tax Verified
02TX>	Tax on Unallowable Computer
03TOT	Total Income
>>>>>	Total Income Computer
03TAJ	Total Adjustments
>>>>	Total Adjustments Computer
03AGI	Adjusted Gross Income
>>>>>	Adjusted Gross Income Computer
03INC	Taxable Income Amount
>>>>	Taxable Income Amount Computer
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
94TTV	Tentative Tax Verified
05SSM	Unreported Social Security and Medicare Tax Form 4137/8919
>>>>>	Combined Unreported Social Security and Medicare Tax Form 4137/8919 Computer
03TAX	Total Tax
>>>>>	Total Tax Computer
94TXV	Total Tax Verified
0717	Total Itemized Deductions
0717>	Total Itemized Deductions Computer
1620V	Credit for the Elderly and/or Disabled Verified

3.12.3.32.3.2
(01-01-2017)
Invalid Conditions (EC 712)

- (1) **Error Code 712** generates when an Unallowable Code is present (or for AUSPC only, Form 4563 Indicator is present with File Location Code 21 and more than one exemption), and Unallowable Tax Verified is not present and **any** of the following exist:

- a. Tentative Tax Verified is present.
- b. Total Tax Verified is present.
- c. Credit for the Elderly/Disabled Verified is present.

3.12.3.32.3.3
(01-02-2018)

**Correction Procedures
(EC 712)**

- (1) Correct coding and transcription errors and/or misplaced entries in displayed fields.
- (2) Re-compute the tax, including all unallowable items, when a corrected return contains unallowable codes and verified fields are used. Enter the recomputed Total Tax amount in Field 94UTV.

3.12.3.32.4
(01-01-2017)

**Error Code 714, U/A Tax
Verified**

- (1) Error Code 714 instructions follow.

3.12.3.32.4.1
(11-27-2020)

**Fields Displayed, Form
1040 (EC 714)**

- (1) This table shows the fields displayed.

1040	Field Name
02AGI	Unallowable AGI
02ITM	Unallowable Itemized
02NI	Unallowable Net Income
02TXA	Unallowable Tax Adjustment
94UTV	Unallowable Tax Verified

3.12.3.32.4.2
(01-01-2017)

**Invalid Conditions (EC
714)**

- (1) **Error Code 714** generates when Unallowable Tax Verified (94UTV) is present, and **any** of the following are present:
 - a. U/A AGI (Field 02AGI)
 - b. U/A Itemized (Field 02ITM)
 - c. U/A Net Income (Field 02NI)
 - d. U/A Tax Adjustment (Field 02TXA)

3.12.3.32.4.3
(01-01-2017)

**Correction Procedures
(EC 714)**

- (1) Refer to Error Code 706 for correction procedures.

3.12.3.32.5
(01-01-2017)

**Error Code 716, (CE)
Unallowable Tax Verified**

- (1) Error Code 716 instructions follow.

3.12.3.32.5.1
(11-27-2020)

**Fields Displayed, Form
1040 (EC 716)**

- (1) This table shows the fields displayed.

1040	Field Name
94UTV	Unallowable Tax Verified
94TTV	Tentative Tax Verified

1040	Field Name
94TXV	Total Tax Verified
1620V	Credit for the Elderly/Disabled Verified

3.12.3.32.5.2
(01-01-2017)
Invalid Conditions (EC 716)

- (1) **Error Code 716** generates when an Unallowable Tax Verified (Field 94UTV) is present, and **any** of the following is not present:
- Tentative Tax Verified
 - Total Tax Verified
 - Credit for the Elderly/Disabled Verified

3.12.3.32.5.3
(01-01-2017)
Correction Procedures (EC 716)

- (1) Verify if an entry should have been made in any of the verified fields shown under the Invalid Conditions. It is not necessary for an entry to be present in Field 94UTV unless other verified fields have been used. Delete the amount in Field 94UTV when no entries are made.

3.12.3.32.6
(01-01-2017)
Error Code 718, (CE) U/A Code Missing

- (1) Error Code 718 instructions follow.

3.12.3.32.6.1
(11-27-2020)
Fields Displayed, Form 1040 (EC 718)

- (1) This table shows the fields displayed:

1040	Field Name
02CD1	Unallowable Code 1
02AM1	Unallowable Amount 1
02CD2	Unallowable Code 2
02AM2	Unallowable Amount 2
02CD3	Unallowable Code 3
02AM3	Unallowable Amount 3
02AGI	Unallowable AGI
02ITM	Unallowable Itemized
02NI	Unallowable Net Income
02TXA	Unallowable Tax Adjustment
94UTV	Unallowable Tax Verified
0208	Form 4563 Indicator

3.12.3.32.6.2
(01-01-2017)
Invalid Conditions (EC 718)

- (1) **Error Code 718** generates when
- an unallowable code is not present
 - or, at AUSPC only, the Form 4563 Indicator is present; the File Location Code is 21; and more than one exemption are present
 - and any of the following conditions is present
 - a. Unallowable AGI, Field 02AGI
 - b. Unallowable Itemized, Field 02ITM
 - c. Unallowable Net Income, Field 02NI
 - d. Unallowable Tax Adjustment, Field 02TXA
 - e. Unallowable Tax Verified, Field 94UTV.

3.12.3.32.6.3
(01-01-2017)
Correction Procedures (EC 718)

- (1) Enter the appropriate codes and amount in Fields 02CDI through 02AM3 when an entry is present in one of the fields listed in the invalid conditions.
- (2) If Form 4563 Indicator, Field 0208 is **1** and the AGI is negative then:
- Delete the unallowable code and amount associated with the Form 4563.
 - Leave the 1 in Field 0208.
- (3) Delete the amount in the fields listed in the invalid condition when no unallowables should be entered.

3.12.3.32.7
(01-01-2024)
Error Code 740, Difference in Balance Due or Refund

- (1) Error Code 740 instructions follow.

3.12.3.32.7.1
(01-01-2024)
Fields Displayed, Form 1040 (EC 740)

- (1) The following table identifies the fields displayed in Error Code 740.

1040	Field Name
CL	Clear Code
01FSC	Filing Status Code
01TXP	Tax Period
02NC>	Non-Compute Code
03AGI	Adjusted Gross Income
>>>>>	Adjusted Gross Income Computer
03TTX	Tentative Tax
>>>>>	Tentative Tax Computer
03TAX	Total Tax IMF
>>>>>	Total Tax IMF Computer
03BDR>	Balance Due/Overpayment Taxpayer Computer
>>>>>	Balance Due/Overpayment Computer

3.12.3.32.7.2
(01-01-2024)
Invalid Conditions (EC 740)

- (1) Error Code 740 displays when the difference between Balance Due/Overpayment Taxpayer Computer and Balance Due/Overpayment Computer exceed tolerance, a Taxpayer Notice Code has not been assigned, and Non-Compute code is 0 (zero).

3.12.3.32.7.3
(01-01-2024)
Correction Procedures (EC 740)

- (1) Correct coding and transcription errors and misplaced entries in displayed fields.
- (2) If there are no corrections to be made, SSPND 471 and take the return to your lead.

Note: Lead, send the MeF DLN or a copy of the paper return to HQ.

3.12.3.32.8
(01-01-2017)
Error Code 750, Additional Required Review of ACA Conditions

- (1) Error Code 750 instructions follow.

3.12.3.32.8.1
(01-01-2023)
Fields Displayed, Form 1040 (EC 750, ACA)

- (1) The following fields are displayed:

1040	Field Name
01FSC	Filing Status Code
01TXP	Tax Period
01SPC	Special Processing Code
02RI	Revalidation Indicator (ERS input only)
02ARC	ACA Resolution Code (ERS input only)
05202	Excess APTC Repayment Amount
05202>	AVS APTC Repayment Computer Amount
94ARV	Excess APTC Repayment Verified Amount
05PTC	Reconciled Premium Tax Credit Amount
05PTC>	Reconciled Premium Tax Credit Computer
94PTV	Premium Tax Credit Verified Amount
EX11A>	AVS Exchanges Annual Premium Computer Amount
EX11B>	AVS Exchange Annual SLCSP Computer Amount
EX11F>	AVS Exchange Annual APTC Computer Amount
EX12A>	AVS Exchange January Premium Computer Amount

#

#

1040	Field Name
EX13A>	AVS Exchange February Premium Computer Amount
EX14A>	AVS Exchange March Premium Computer Amount
EX15A>	AVS Exchange April Premium Computer Amount
EX16A>	AVS Exchange May Premium Computer Amount
EX17A>	AVS Exchange June Premium Computer Amount
EX18A>	AVS Exchange July Premium Computer Amount
EX19A>	AVS Exchange August Premium Computer Amount
EX20A>	AVS Exchange September Premium Computer Amount
EX21A>	AVS Exchange October Premium Computer Amount
EX22A>	AVS Exchange November Premium Computer Amount
EX23A>	AVS Exchange December Premium Computer Amount
EX12B>	AVS Exchange January SLCSP Premium Computer
EX13B>	AVS Exchange February SLCSP Premium Computer
EX14B>	AVS Exchange March SLCSP Premium Computer
EX15B>	AVS Exchange April SLCSP Premium Computer
EX16B>	AVS Exchange May SLCSP Premium Computer
EX17B>	AVS Exchange June SLCSP Premium Computer
EX18B>	AVS Exchange July SLCSP Premium Computer
EX19B>	AVS Exchange August SLCSP Premium Computer
EX20B>	AVS Exchange September SLCSP Premium Computer
EX21B>	AVS Exchange October SLCSP Premium Computer
EX22B>	AVS Exchange November SLCSP Premium Computer
EX23B>	AVS Exchange December SLCSP Premium Computer
EX12F>	AVS Exchange January APTC Computer Amount
EX13F>	AVS Exchange February APTC Computer Amount
EX14F>	AVS Exchange March APTC Computer Amount
EX15F>	AVS Exchange April APTC Computer Amount
EX16F>	AVS Exchange May APTC Computer Amount

1040	Field Name
EX17F>	AVS Exchange June APTC Computer Amount
EX18F>	AVS Exchange July APTC Computer Amount
EX19F>	AVS Exchange August APTC Computer Amount
EX20F>	AVS Exchange September APTC Computer Amount
EX21F>	AVS Exchange October APTC Computer Amount
EX22F>	AVS Exchange November APTC Computer Amount
EX23F>	AVS Exchange December APTC Computer Amount

3.12.3.32.8.2
(01-01-2017)
**Invalid Conditions (EC
750, ACA)**

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3.12.3.32.8.3
(02-10-2023)
**Correction Procedure
(EC 750, ACA)**

- (1) Correct coding and transcription and misplaced entries on display fields.
- (2) TY23-TY21, GTSEC 02 and enter **R** in Field 02RI.

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- (7) **TY20 only**, when Field 05202> contains an amount, **DLSEC 73** to delete Form 8962. If Error Code 190 displays, enter **C** in the Clear Field. If Error Code 270 displays, follow procedures in IRM 3.12.3.26.1.3(2). **TY20 only**, when Field 05202> does **not** contain an amount, follow procedures in paragraphs (8), (10), (11), and (12) below.
- (8) TY19 and prior, GTSEC 02 and enter **R** in Field 02RI.

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3.12.3.33
(01-01-2017)
Suspense Procedures

- (1) This subsection contains information about suspense procedures.

3.12.3.33.1
(11-27-2020)
General Information

- (1) This section deals with the resolving of error items suspended as the result of instructions in IRM 3.11.3, IRM 3.12.2, IRM 3.12.3, IRM 3.21.3, and/or IRM 3.22.3.
- (2) If the instructions in this subsection differ from the specific instructions in the IRMs previously listed, the specific instructions take priority.
- (3) To ensure all NAP values are current, **every return brought into workable suspense inventory must be revalidated**, regardless of the suspense action code. To revalidate, GTSEC 02 and enter **R** in Field 02RI.

Caution: If the return closes prior to revalidating, recall the record with GTRECW and revalidate.

3.12.3.33.2
(01-18-2022)
Replies to Correspondence

- (1) If the taxpayer responds with **Not My Return**, RJECT 640 and refer to IRM 3.12.37.25.7(8).
- If the taxpayer provides a complete return (i.e., page 1 and 2 of Form 1040), accurately reports estimated tax payments/credit elect, all required forms and schedules are attached, and an original signature, detach the complete return from the correspondence including Form 14039. Edit the correspondence received date as the received date on page 1 of the tax return and edit FPC **8** [If Form 14039(SP) is attached, edit FPC **9**]. Send document to Receipt & Control to be processed.
 - Send the MeF **Not My Return** response to Alpha file.
 - If paper return, attach response to return and send return to files, to be refiled in block.
- (2) EEFax signatures are acceptable on **Reject replies**.
- (3) If the taxpayer submits Form 1040-X, *Amended U.S. Individual Income Tax Return*, treat it as the reply to the correspondence. If the **Explanation of changes** in Part III of Form 1040-X, indicates a change or the addition of a form or schedule, the applicable form or schedule **must be attached** to Form 1040-X. If the taxpayer's computation on the amended return doesn't agree with the taxpayers' original computation, correct/process the return with the information provided by the taxpayer. Assign TPNC **558** as appropriate.
- (4) If correspondence has been issued for **ACA** Error Code 190 through 199, EC 270, or EC 352, and the taxpayer has **responded** with a reply, and another **ACA** error code displays for the return requesting additional information, **do not correspond**. Follow No Reply procedures.
- (5) Reply instructions can be found in Error Codes: 018, 028, 029, 088, 100, 101, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 270, 354, and 358 (HCTC). Follow the reply instructions under the error code.

(6) When the IRS receives a complete reply to required correspondence **after the return due date**, the correspondence received date must be recorded in Field 02RPD (Return Processed Date).

(7) Enter the return processed date (YYYYMMDD) in Field 02RPD when:

- a. a return has been held in correspondence suspense *and*,

#

Exception: If the correspondence was issued in error, do not enter the return processed date.

Caution: Do not enter the date in Field 02RPD when a complete reply is received

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(8) When the taxpayer's reply date is missing or edited incorrectly, use the following to determine the return processed date:

- the date stamped on the reply (correspondence received date).
- IRS Eefax date of the reply.
- postmark date on the reply envelope.
- the current date minus 10 days.

Note: If more than one correspondence received date is stamped on the reply, enter the earliest date in Field 02RPD.

(9) Use the following table when working correspondence:

If the reply is...	And...	Then...
A] complete,	additional information is needed, but not requested,	<ol style="list-style-type: none"> Process missing information using no reply procedures. Enter the date stamped on the reply in Field 02RPD, if received after the return due <p>Note: See example in (10)a.</p>
B] unnecessary, because the correspondence was issued in error,	there were no correspondence issues,	<p>do not enter the return processed date in Field 02RPD.</p> <p>Note: See example in (10)b.</p>

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If the reply is...	And...	Then...
C] a completed Form 8962 (requested),	the taxpayer didn't include Form 1095-A (requested),	consider a complete reply. Note: Form 1095-A is not a required attachment.

- (10) Examples associated with the table in paragraph 9:
- IRS corresponded for Schedule A, and the taxpayer replies with a completed Schedule A. However, Form 2441 is also missing, but it wasn't requested. Follow the no reply procedures for the missing Form 2441.
 - IRS corresponded needlessly for Schedule A. It was attached to the return but overlooked. Do not enter the return processed date because the correspondence was unnecessary.
- (11) Correct the screen display according to the information received, including address changes.
- If the taxpayer has changed any amounts from the original filing and a math error results because of the reply, assign **TPNC 558**. If the taxpayer's correspondence amount differs from the computer amount, assign TPNC 558 and all appropriate TPNCs.
 - If the taxpayer's reply does not change any amounts from the original filing, process the return as normal and assign applicable TPNCs.
- (12) If the taxpayer indicates the response must be delayed for a valid reason, or includes a request for additional information or photocopy, refer to Rejects IRM 3.12.37.25.7, Replies to Correspondence.

3.12.3.33.3
(11-27-2020)

Second Correspondence

- (1) When contact with the taxpayer has previously been made by any area of Submission Processing, including Form 3531 (greenies), treat missing information on a return as a No Reply, **except in the situations listed below**. 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:
- Error Code 268, Alternative Minimum Tax Liability
 - Error Code 358, Health Coverage Tax Credit (HCTC)
 - Form 4137 when you can't determine which taxpayer is liable.
 - Form 5329 when you can't determine which taxpayer is liable.
 - Form 8606 when you can't determine which taxpayer is liable.
 - Form 8919 when you can't determine which taxpayer is liable.
 - Schedule H when you can't determine which taxpayer is liable.
 - Schedule SE when you can't determine which taxpayer is liable.
 - Error Code 028 or 029 displays after Code & Edit has corresponded or ERS has corresponded for "field errors only"
- (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 Forms 3696-A 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 has been issued **and** the taxpayer has provided a complete reply, issue second correspondence. Enter **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** Error Code 190 through 199, EC 270, or EC 352, and another **ACA** error code displays for the return requesting additional 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 provide the information or provided an incomplete response. Treat the return as a No Reply using the procedures in Exhibit 3.12.3-1.

3.12.3.33.4

(06-04-2021)

No Reply/Incomplete Reply/Undeliverables

- (1) Work No Reply/Incomplete Reply/Undeliverables returns using “No Reply” instructions through the completion of the return (all error codes that display on the return).

Note: If other error codes display on the return requesting additional information (correspondence), follow the No Reply procedures for those error codes. **Do not correspond**.

- (2) No Reply instructions can be found in Error Codes: 018, 028, 029, 100, 101, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 270, 352, 358 (HCTC) and 380. Follow the instructions under the error code.
- (3) If there is an indication there is a reply (e.g., a notation of “reply box” or similar in Field 94EXV), then follow local procedures for reply association before working the case.
- (4) When an incomplete reply is received and the taxpayer indicates **not my return**, see IRM 3.12.3.33.2(1).
- (5) If the initial correspondence is **undeliverable**, refer to IRM 3.12.37.25.9 for correction procedures.
- (6) Enter **U** in Field 01CCC when:
- the taxpayer doesn't reply to correspondence (a no-reply).
 - the taxpayer's correspondence reply is incomplete (Do **not** treat the reply as incomplete if the correspondence was incomplete (i.e., required information was not requested); see IRM 3.12.3.33.2(9)A).
 - the Post Office couldn't deliver our correspondence and returned it as undeliverable.

Exception: Don't enter CCC U at Error Code 195, 197, 198, or 199.

Caution: CCC U will suppress credit interest.

- (7) For **No reply/Incomplete Reply/Undeliverables** follow the instructions for “Action To Be Taken” in Exhibit 3.12.3-1.

3.12.3.33.5
(01-02-2018)
Late Replies

- (1) When a reply to correspondence is received after No Reply procedures have been implemented, special routing instructions are required. Follow procedures in IRM 3.12.37.25.10, *Late Replies*.

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Exhibit 3.12.3-1 (07-07-2023)**No Reply to Correspondence**

The No Reply instructions are divided into the following parts:

- Form 1040 and Schedules 1-5
- Forms and Schedules

No Reply instructions can be found in Error Codes: 018, 028, 029, 100, 101, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 270, 352, 358 (HCTC), and 380. Follow the instructions under the error code.

To ensure all NAP values are current, you must **revalidate**. GTSEC 02 and enter **R** in Field 02RI.

Caution: If the return closes prior to revalidating, recall the record with GTRECW and revalidate.

For no reply, enter **U** in Field 01CCC following the instructions at IRM 3.12.3.33.4. If a schedule is missing or other information is incomplete and the taxpayer does not reply to correspondence, follow No Reply instructions for all missing information.

If you are instructed under “Action To Be Taken” to enter **CCC 3**, enter it in the **first** position of Field 01CCC. All other CCCs must follow it.

If you are instructed under “Action To Be Taken” to enter **Audit Code B**, follow that instruction first, before taking any other action.

Combat zone or military return. Refer to IRM 3.12.2.3.10. Refer specific questions to the lead tax examiner.

- #
- b. Single filers - Enter CCC 3 when a single “combat zone/military return,” described in IRM 3.12.2.3.10, has no signature after first correspondence.
 - c. Joint filers - If the return is a joint filing and the signature for a taxpayer serving in a military area described in IRM 3.12.2.3.10 is missing, do not enter CCC 3 or correspond for the missing signature.

Dummy returns from AM. AM sends Submission Processing original returns created from amended returns for taxpayers who haven't yet filed an original return for that tax year. Like Submission Processing, AM requests any forms and schedules the taxpayer neglected to provide or complete, and also requests any required support for withholding or credits claimed. Do not correspond for any of these items if they're missing or incomplete or otherwise inadequate. Process the returns with no-reply procedures. Add CCC U to the returns with missing or incomplete information and CCC 3 in addition to refund returns.

The following no reply instructions apply to all Forms 1040.

Missing Information	Action To Be Taken
Tax Period	
a. Ending date later than current date.	a. Refer to lead tax examiner
b. Unauthorized short year.	b. Change the short period to the tax period of the
c. Unallowable 52-53 week.	c. Process as calendar or fiscal year as appropriate.

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Exhibit 3.12.3-1 (Cont. 1) (07-07-2023)
No Reply to Correspondence

Missing Information	Action To Be Taken
P-SSN and/or required S-SSN missing and no record through research.	SSPND 320 to have Entity Control assign a temporary TIN (IRSN).
Filing Status	
a. FSC 5, one name in caption, taxpayer has exemptions in the third position or no exemption present, and spouse's date of death within the tax period of the return.	a. Change FSC to 2, and correct Field 01NL1 and Field 01EXC.
b. FSC 2 is checked, and the request was for the name and SSN of the spouse who is claimed as an exemption.	b. Change FSC 2 to a 6 and assign TPNC 103 .
c. Unable to determine proper FSC.	c. If the taxpayer failed to mark a box, multiple boxes are checked, or if the FSC checked is inconsistent with other information on the return, use the FSC which corresponds with the taxpayer's tax computations as long as the qualifying criteria are met per the FSC chart. If unable to determine the tax rate used, enter 1 in Field 01FSC when one name is in the caption and assign TPNC 101 , or enter 2 in Field 01FSC when two names are in the caption and assign TPNC 102 .
d. FSC boxes blank or multiple boxes checked on Non-Compute.	d. Enter 1 in Field 01FSC if one name is in the caption or enter 2 in Field 01FSC if two names are in the caption.
e. FSC 4, exemption for spouse only is claimed.	e. Change FSC to 6. Assign TPNC 109 . See EC 250.
f. FSC 4, exemption for spouse <i>and</i> other children or parents claimed.	f. Allow FSC 4. Enter RPC B. Delete exemption for spouse. Assign TPNC 204 . See EC 250.
Name Lines	
a. Secondary taxpayer's first name is not present.	a. Change FSC 2 to 6. Assign TPNC 103 .
b. Second name line on decedent refund or Non-Compute return not present.	b. Enter 3 in Field 01CCC.
Exemptions (TY17 and prior)	
a. Unable to determine correct number of exemptions.	If the taxpayer has an entry on line 42 only, allow the exemptions that are used in the tax computation and supported by name and SSN. If necessary to delete exemptions, delete in the following order: Position 8, 7, 5, 4, 6 and/or 3. If the taxpayer has no entry on line 42 only, allow the exemptions that are supported by name and SSN.

Exhibit 3.12.3-1 (Cont. 2) (07-07-2023)

No Reply to Correspondence

Missing Information	Action To Be Taken
b. Spouse exemption present and FSC is not 2 or 6.	<ol style="list-style-type: none"> 1. Check the caption and signature line. If two names are present in either place, change FSC to 2. 2. If FSC 3 is checked and no indication spouse has income, change FSC to 6. 3. If FSC 4 is checked with spouse and other qualifying dependents delete spouse's exemption and assign TPNC 204. 4. If spouse is only dependent claimed change FSC to 6, delete spouse's exemption and assign TPNC 204.
c. The dependent SSN is missing because the dependent was born in the tax period of the return and died in the same or consecutive tax period, and the birth certificate or other documentation is not attached.	<ol style="list-style-type: none"> 1. For FSC 1, 2, 3, or 6 disallow the exemption by using Field 94EXV. 2. If the FSC is 4 or 5 and no other dependent has a valid SSN, change the FSC to 1 and suppress the dependent exemptions in Field 94EXV. Exception: If Form 8814, Schedule EIC, or Form 2441 is attached and any child on those forms has a valid SSN, then change FSC to 7. 3. Assign TPNC 707 (TY17 and prior, assign TPNC 610).
Signature	
Signature is missing.	<p>If the taxpayer didn't provide an acceptable signature in the reply,</p> <ul style="list-style-type: none"> • Circle out or erase any received dates and editing and coding. • Delete the DLN with RJECT 640 and mark through it.
Return was signed by someone other than the taxpayer and Power of Attorney is incomplete or was not returned.	Enter 3 in Field 01CCC and process the return normally.
Decedent Returns	
a. Date of death is missing.	a. Research date of death by using CC INOLE. If the date cannot be determined, enter 3 in Field 01CCC.
b. Required documentary evidence is not present.	b. Enter 3 in Field 01CCC and process the return normally.
c. Proper payee cannot be determined.	c. Enter 3 in Field 01CCC and process the return normally.

Exhibit 3.12.3-1 (Cont. 3) (07-07-2023)**No Reply to Correspondence**

Missing Information	Action To Be Taken
d. Form 1310 is unsigned or incomplete and the refund is \$100 or more. Note: If the taxpayer replies with the court certificate, consider it a reply.	d. Enter 3 in Field 01CCC and process the return normally.
Early-Filed Decedent Returns	
a. Date of Death is missing.	a. Enter 3 in Field 01CCC. Process as fiscal year using month previous to current month as the tax period ending date.
b. Joint return and one taxpayer is deceased.	b. SSPND 480.
Net Annualized Income	Use zero itemized deductions to compute the tax. No Standard Deduction is allowed.
Fiduciary Returns The required documentary evidence is not present.	Enter 3 in Field 01CCC and process the return normally.

The following no reply instructions apply to Form 1040 and Schedules 1 - 5.

Missing Information	Action To Be Taken
TY23 - TY19, page 1 not attached or illegible.	<ol style="list-style-type: none"> 1. Enter amounts in the appropriate fields to reflect attached forms/schedules (for example, Schedule C, Field 0403). 2. Enter Field 03TTX amount in Field 94TTV. 3. Assign all appropriate TPNCs.
TY18, page 1, Form 1040, not attached (no jurat/signature)	<ol style="list-style-type: none"> 1. Circle out or erase any received dates and editing and coding. 2. Delete the DLN with RJECT 640 and mark through it.
TY17 and prior, page 1 not attached or illegible.	<ol style="list-style-type: none"> 1. Enter the line 38 amount in Fields 04OTI, 03TOT, and 03AGI. Note: Enter amounts in the appropriate fields to reflect attached forms/schedules (for example Schedule C, Field 0403). 2. Enter N in Field 01RPC (if EC 088 displays, enter C in the Clear Field). 3. Assign all appropriate TPNCs.
TY23 - TY19, and TY17 and prior, page 2 not attached, or TY23-TY20, Form 1040-SR, page 3 not attached, No Jurat/signature	<ol style="list-style-type: none"> 1. Circle out or erase any received dates and editing and coding. 2. Delete the DLN with RJECT 640 and mark through it.

Exhibit 3.12.3-1 (Cont. 4) (07-07-2023)**No Reply to Correspondence**

Missing Information	Action To Be Taken
Form 1040, page 2 illegible, or Form 1040-SR, page 2 not attached or illegible, or TY18, page 2 not attached,	1. Enter known amounts in the appropriate fields to reflect attached forms/schedules (for example, wages/withholding from Form(s) W-2). 2. Assign all appropriate TPNCs.
Line 1, Wages (TY17 and prior, line 7) No Form W-2 attached No supporting schedule for or statement of income EIC is claimed.	Look for wages or other income using CC IRPTR. 1. If you find wages, allow the EIC. 2. If you can't find wages: • enter RPC B and • assign TPNC 586 .
Line 3a, Qualifying dividends, is larger than line 3b, ordinary dividends (TY17, Line 9b is larger than 9a.)	Add the amount on line 3a to the amount on line 3b and enter the total in Field 03DIV. If EC 218 displays, assign TPNC 170 .
Line 3b, Negative Dividends present. (TY17, line 9a)	• If Schedule B is attached, enter the total positive amount of dividends reported into Field 03DIV and assign TPNC 119 . • If Schedule B is not attached and you cannot determine the positive amount for dividends, delete the entry in Field 03DIV and assign TPNC 119 .
Line 6a, Gross Social Security (TY19/TY18, line 5a; TY17 and prior, line 20a)	
a. Gross Social Security benefits blank and taxable Social Security benefits significant	a. Search for SS benefits with IRPTR for the tax year of the return. • Enter the gross SS benefits you find in Field 03GSS. • If the gross SS benefits aren't available with IRPTR, enter the taxable benefits in Field 94TSV.
b. Gross and taxable Social Security benefits the same	b. Search for SS benefits using CC IRPTR for the tax year of the return. • Enter the gross SS benefits you find in Field 03GSS. • If the gross SS benefits aren't available with IRPTR, enter the taxable benefits in Field 94TSV.
c. Gross Social Security benefits present and • TY23-TY22, the box on Form 1040, line 6c is not checked for lump-sum election (TY21 and prior, LSE not noted) and • IRPTR not available	c. Compute the Taxable Social Security using the worksheet in Job Aid Book 2515-015. • Enter the taxable amount in Field 94TSV. • Assign TPNC 131 if EC 218 displays.
Line 6b, Taxable Social Security (TY19/TY18, line 5b; TY17, Line 20b) Negative entry for Social Security.	Delete amount and assign TPNC 132 .

Exhibit 3.12.3-1 (Cont. 5) (07-07-2023)**No Reply to Correspondence**

Missing Information	Action To Be Taken	
Line 7, Capital gain or loss (TY19, line 6) Schedule D incomplete or not attached; or capital gains distribution not reported on Schedule D.	B in Field 01ACD. 2. Enter the amount as a short term gain or loss in Field 1207. 3. If the loss exceeds the allowable amount for the filing status, enter B in Field 01ACD and the amount in Field 12DV. 4. If EC 204 displays, assign TPNC 122 . 5. If EC 265 displays, assign TPNC 560 or 211 , as appropriate.	#
Line 8, Other income from Schedule 1 (TY19, line 7a; TY18, dotted portion of line 6) - Schedule 1 missing Entry on line 8 (TY19, line 7a; TY18, dotted portion of line 6), but Schedule 1 or supporting information is not attached or incomplete.	1. If the amount is positive (added to income), enter the other income amount in Field 04OTI. 2. If the amount is negative (subtracted from income), assign TPNC 501 .	
Line 9, Total Income (TY19, line 7b; TY18, line 6) - Amount present, gain or loss, and no entries on lines 1 through 7a or Schedule 1, and supporting information is not attached.	Enter the total income amount in Field 04OTI. appears subject to SE tax.	#
Line 10a, Adjustments to Income - Schedule 1 missing (TY19, Line 8b amount is less than line 7b; TY18, line 7 amount is less than line 6) but Schedule 1 or supporting information is not attached or incomplete.	Assign TPNC 501 .	
Line 11, AGI (TY19, line 8b; TY18, line 7) - Amount present, gain or loss, and no entries on lines 1 through 8a or Schedule 1, and supporting information is not attached.	Enter the AGI amount in Field 04OTI. Enter N in subject to SE tax.	#
Line 12, Itemized Deduction (TY19, line 9; TY18, line 8; TY17, line 40)		
a. Schedule A not attached.	a. If the amount claimed on line 12 (TY19, line 9; TY18, line 8; TY17, line 40) is less than the Standard Deduction for FS 3, or the "spouse itemizes" box is checked, GTSEC 07 and enter the amount in Fields 0716 and 0717. Otherwise, assign TPNC 554 .	
b. Schedule A is less than the Standard Deduction, and FS is other than 3.	b. Assign TPNC 555 .	
Line 13, QBID (TY19, line 10) - Form 8995/8995-A not attached	Assign TPNC 541 .	

Exhibit 3.12.3-1 (Cont. 6) (07-07-2023)**No Reply to Correspondence**

Missing Information	Action To Be Taken
Line 16, Tentative Tax (TY19, line 12; TY18, line 11)	
Line 16 (TY19, line 12a; TY18, line 11a) box 1 checked, Form 8814 Form 8814 is not attached.	Enter in Field 94TTV, Tentative Tax Verified, the sum of Tentative Tax, Form 4972 and Form 8814 Tax amounts.
Line 16 (TY19, line 12a; TY18, line 11a) box 2 checked, Form 4972 Form 4972 is not attached.	Enter taxpayer's amount for Form 4972 in Field 28TDV. If the amount is unknown, enter the excess over Tentative Tax Computer in Field 28TDV.
Line 17 (TY19, line 12b; TY18, line 11, Schedule 2 box checked) - Schedule 2 and supporting Form 6251/8962 not attached or incomplete.	Enter the difference between Tentative Tax Computer and the taxpayer's line 18 (TY19, line 12b; TY18, line 11) amount in Field 05TAT and Field 03OTX.
TY18, line 12 - Schedule 3 box checked and unable to reconcile nonrefundable credits claimed.	TY18, assign TPNC 502 .
Line 20 (TY19, line 13b) - Schedule 3 and supporting credit forms not attached, and unable to reconcile nonrefundable credits claimed.	TY21-TY19, assign TPNC 503 .
Line 23 (TY19, line 15) - Schedule 2 not attached and unable to reconcile amount of other taxes. TY18, line 14 - Schedule 4 not attached and unable to reconcile amount of other taxes.	1. If amount is positive, enter in Field 05TAT. 2. If amount is negative, assign TPNC 734 (TY18, TPNC 732).
Line 25d (TY19, line 17; TY18, line 16), Withholding provided.	1. Delete entry in Field 03WH. Assign TPNC 582 if exception does not apply. Exception: • Research CC IRPTR. If the information for the tax period is available, look for the total withholding for the primary taxpayer. If the filing status is joint, look for the withholding for the secondary taxpayer too. Allow only the withholding shown in IRPTR, not to exceed the amount claimed by the taxpayer. • Before you reduce the withholding, make sure the amount is not in fact another type of payment-ES payments, for instance. Research CC IMFOL for the tax year of the return to look for other payments by the primary, and if the filing status is joint, the secondary taxpayer. 2. Assign TPNC 283 . Note: If page 2 of the return is missing, refer to Page 2 not attached, in the No Reply Instructions.

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Exhibit 3.12.3-1 (Cont. 7) (07-07-2023)**No Reply to Correspondence**

Missing Information	Action To Be Taken
Line 27 (TY21, line 27a; TY20, line 27; TY19, line 18a; TY18, line 17a), Earned Income Credit Amount claimed for EIC and Schedule EIC is not attached.	Enter B in Field 01RPC and assign TPNC 585 .
Line 28 (TY19, line 18b; TY18, line 17b), Schedule 8812 Schedule 8812 is required and not attached.	Assign TPNC 592 .
Line 29 (TY19, line 18c; TY18, line 17c), Form 8863 Form 8863 is incomplete or not attached.	<ol style="list-style-type: none"> 1. Enter zero in Field 50PY, 50AE, 50PS, or 50FE for a non-response to the corresponding question on Form 8863. 2. If the underprint for Field 03AOC is significant and no student is eligible for the refundable AOC, enter 1 in Field 94AOV. 3. Assign TPNC 584.
Line 31 - amount from Schedule 3, line 15 (TY20, amount from Schedule 3, line 13; TY19, line 18d - amount from Schedule 3, line 14) Schedule 3 Part II is incomplete or not attached and unable to reconcile amount of other payments and refundable credits.	TY21-TY19, assign TPNC 504 .
TY18, line 17 - amount from Schedule 5 Schedule 5 not attached and unable to reconcile amount of other payments and refundable credits.	TY18, adjust Field 05RCR to remove the unsupported Schedule 5 amount and transmit. Then assign TPNC 505 . (TY18 only)
TY17 and prior, Form 1040, line 74 - total payments differ from withholding and no intervening figures are present.	Assign TPNC 297 . (TY17 and prior)
Schedule 1	
Schedule 1, line 3 - Schedule C incomplete or not attached. TY18, line 12	<ul style="list-style-type: none"> • If schedule is missing and the amount claimed is a gain, enter it in Gross Receipts. • If a loss: <ol style="list-style-type: none"> 1. Enter the amount in Total Expenses Field. <p>B in Field 01ACD, prior to entering the amount in Total Expenses Field.</p> <ol style="list-style-type: none"> 3. Enter 3 in Field 09AR/10AR/11AR. <ul style="list-style-type: none"> • If correspondence was for an incomplete Schedule C, back into positive amounts and enter in Gross Receipts. Back into negative amounts and enter in Total Expenses Field.

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Exhibit 3.12.3-1 (Cont. 8) (07-07-2023)

No Reply to Correspondence

Missing Information	Action To Be Taken	
TY18, line 13 - Schedule D incomplete or not attached; or capital gains distribution not reported on Schedule D.	<p>1. Enter the amount as a short term gain or loss in Field 1207 (for TY96 and prior, use Field 1215).</p> <p>B in Field 01ACD prior to entering the amount in Field 1207.</p> <p>3. If the loss exceeds the allowable amount for the Filing Status Code, enter B in Field 01ACD and the amount in Field 12DV.</p> <p>4. If EC 204 displays, assign TPNC 122.</p> <p>5. If EC 265 displays, assign TPNC 560 or 211, as appropriate.</p>	#
TY18, line 13 - Indication the loss is a carryover loss from a prior year either by attaching a prior-year Schedule D or notating "carryover loss".	Assign TPNC 508 with the following literal: <i>We didn't allow the amount claimed as a Schedule D carryover loss on your tax return. You must file a Schedule D to claim a carryover loss from a prior year.</i>	
Schedule 1, line 4 (TY18, line 14) - Form 4797, 4684, or statement not attached.	in Field 01ACD.	#
Schedule 1, line 5 (TY18, line 17) - Schedule E, statement, or clear indication of type of income incomplete or not attached.	<p>• If amount claimed is a gain, enter amount in Field 1324.</p> <p>in Field 01ACD prior to entering Field 1325. Enter the loss amount in Field 1325.</p>	#
Schedule 1, line 6 (TY18, line 18) - Schedule F or statement incomplete or not attached.	<p>• If schedule is missing and the amount claimed is a gain, enter it in Gross Income Field.</p> <p>• If a loss:</p> <p>1. Enter the amount in Total Expenses Field.</p> <p>B in Field 01ACD, prior to entering the amount in Total Expenses Field</p> <p>3. Enter 3 in Field 14AR/15AR</p> <p>• If correspondence was for an incomplete Schedule F, back into positive amounts and enter in Field 1409, Gross Income (Cash). Back into negative amounts and enter in Field 1433, Total Farm Expenses.</p>	#
Schedule 1, line 7 (TY18, line 19) - Negative entry for unemployment.	Delete amount and assign TPNC 129.	
Line 20a, Gross Social Security, TY17 and prior		

Exhibit 3.12.3-1 (Cont. 9) (07-07-2023)**No Reply to Correspondence**

Missing Information	Action To Be Taken
a. Gross Social Security benefits amount is blank and taxable Social Security benefits amount is significant	a. Search for SS benefits with IRPTR for the tax year of the return. For FSC 2, research both spouses. • Enter the gross SS benefits amount in Field 03GSS. • If the gross SS benefits aren't available with IRPTR, enter the taxable benefits amount in Field 94TSV.
b. Gross and taxable Social Security benefits the same	b. Search for SS benefits using CC IRPTR for the tax year of the return. For FSC 2, research both spouses. • Enter the gross SS benefits amount in Field 03GSS. • If the gross SS benefits aren't available with IRPTR, enter the taxable benefits amount in Field 94TSV.
c. Gross Social Security benefits present and • LSE (lump-sum election) not noted and • IRPTR not available	c. Compute the Taxable Social Security using the worksheet in Job Aid Book 2515-015. • Enter the taxable amount in Field 94TSV. • Assign TPNC 131 if EC 218 displays.
Line 20b, Taxable Social Security, TY17 and prior Negative entry for Social Security.	Delete amount and assign TPNC 132 .
Schedule 1, line 8 (TY18, line 21) - Other income Gambling income, gross amount not reported.	• If gambling loss is reported as other income, delete the amount from Field 04OTI and assign TPNC 133 . • If net gambling gain reported, take no action.
Schedule 1, line 9 (TY18, line 22) Amount present, gain or loss, and no entries on lines 1 through 8 (TY18, lines 10 - 21; TY17, lines 7 - 21).	Enter the amount in Field 04OTI. Enter N in Field to SE tax.
Schedule 1, line 12 (TY20-TY19, line 11; TY18, line 24) 2106/2106-EZ is incomplete or not attached.	Delete the amount from Field 04CBE and assign TPNC 761 .
Schedule 1, line 13 (TY20-TY19, line 12; TY18, line 25) Form 8889, Health Savings Account Deduction, is incomplete or not attached.	Assign TPNC 171 .
Schedule 1, line 14 (TY20-TY19, line 13; TY18, line 26) Form 3903 or 3903F is not attached.	Delete the amount from Field 04MOV and assign TPNC 551 .

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Exhibit 3.12.3-1 (Cont. 10) (07-07-2023)**No Reply to Correspondence**

Missing Information	Action To Be Taken	# #
Schedule 1, line 19a (TY20-TY19, line 18a; TY18, line 31b) Alimony paid, recipient's SSN, missing.	2. Enter 999999991 in Field 04SSN.	
TY20-TY19, Schedule 1, line 21 (TY18, Schedule 1, line 34; TY17, Form 1040, line 34) Form 8917 not attached.	1. Adjust Field 04ADJ to remove Tuition and Fees deduction, if present. 2. Assign TPNC 597 .	
Schedule 1, line 23, (TY20-TY19, dotted line to left of line 22; TY18, line 36) Form 8853, Archer MSA, not attached.	DLSEC 39, if present, and assign TPNC 172 .	
Schedule 1, line 26 (TY20-TY19, line 22; TY18, line 36) a. Schedule 1 incomplete or not attached. b. No supporting entries on lines 10 through 25 (TY20-TY19, lines 10-21; TY18, lines 23-35) or statement.	a. Assign TPNC 501 . b. TY17 and prior, assign TPNC 174 .	
Line 39c, TY08 Form 4684 not attached.	Allow the standard deduction for the taxpayer's filing status and assign TPNC 194 or other appropriate notice code.	
Line 40, Itemized Deductions, (TY17 and prior)		
a. Schedule A not attached.	a. If the amount claimed on line 40 is less than the Standard Deduction for FS 3, or the "spouse itemizes" box is checked, GTSEC 07 and enter the amount in Fields 0716 and 0717. Otherwise, assign TPNC 554 .	
b. Schedule A is less than the Standard Deduction.	b. Assign TPNC 555 .	
Line 44a (TY17 and prior) Form 8814 is not attached.	Enter in Tentative Tax Verified the sum of Tentative Tax, Form 4972 and Form 8814 Tax amounts.	
Line 44b (TY17 and prior) Form 4972 is not attached.	Enter taxpayer's amount for line 44b in Field 28TDV. If the amount is unknown, enter the excess over Tentative Tax Computer in Field 28TDV.	
Schedule 2		
Line 1, Form 6251 TY18, Schedule 2, line 45		
a. Form 6251 is not attached (EC 267).	1. Delete the amount from Field 05201. 2. Enter amount in Field 05TAT. 3. If EC 268 displays, enter P in Field 01ACD.	
b. Request for Form 6251 and no amount on line 45 (EC 268).	Enter P in Field 01ACD.	

Exhibit 3.12.3-1 (Cont. 11) (07-07-2023)**No Reply to Correspondence**

Missing Information	Action To Be Taken
TY22-TY19, Schedule 2 TY18, Schedule 4	
Schedule 2, line 4 (TY18, Schedule 4, line 57; TY17, Form 1040, line 57) - EC 088 Amount not present; taxpayer appears to be liable for SE Tax.	Enter V in Field 01ACD. Continue normal ERS processing.
Schedule 2, line 4 (TY18, Schedule 4, line 57; TY17, Form 1040, line 57) Amount present and Schedule SE not attached and liability cannot be determined.	<ol style="list-style-type: none"> 1. Prepare a dummy Schedule SE for the primary taxpayer by using the Schedule SE Tax Worksheet Reverse Comp. or by backing into the SE earnings as follows: <ul style="list-style-type: none"> • Divide the tax by .153, then divide the result by .9235. • Enter the result in Fields 1701A, or 1702 and 17TE. 2. If primary taxpayer SST wages are present, enter that amount in Field 17TSW and recalculate the SE earnings to make Field 17SET> match the taxpayer's SE tax entry. 3. Refer to Prior-Year Job Aid 2515-014 for prior-year calculations.
Schedule 2, line 5 (TY20-TY19, Schedule 2, line 5a; TY18, Schedule 4, line 58a; TY17, Form 1040, line 58a) Amount present and Form 4137 not attached and liability cannot be determined.	<ol style="list-style-type: none"> 1. Prepare a dummy Form 4137 for the primary taxpayer by backing into the earnings as follows: <ul style="list-style-type: none"> • Divide Field 05SSM amount by .0765 • Enter the result in Field 2402. 2. If primary taxpayer SST wages are present for \$137,700 or more (or maximum for tax year), prepare a dummy Form 4137 for the secondary taxpayer. If no SSN is present for the secondary Form 4137, SSPND 320 to Entity Control for an IRSN. 3. Refer to Prior-Year Job Aid 2515-014 for prior-year calculations.
Schedule 2, line 6 (TY20-TY19, Schedule 2, line 5b; TY18, Schedule 4, line 58b; TY17, Form 1040, line 58b) Amount present and Form 8919 not attached and liability cannot be determined.	<ol style="list-style-type: none"> 1. Prepare a dummy Form 8919 for the primary taxpayer by backing into the earnings as follows: <ul style="list-style-type: none"> • Divide Field 05SSM amount by .0765 • Enter the result in Field 6106. 2. If primary taxpayer SST wages are present for \$137,900 or more (or maximum for tax year), prepare a dummy Form 8919 for the secondary taxpayer. If no SSN is present for the secondary Form 8919, SSPND 320 to Entity Control for an IRSN. 3. Refer to Prior-Year Job Aid 2515-014 for prior-year calculations.

Exhibit 3.12.3-1 (Cont. 12) (07-07-2023)**No Reply to Correspondence**

Missing Information	Action To Be Taken
Schedule 2, line 7, amount present but Form 4137 and Form 8919 are not attached (TY20-TY19, Schedule 2, line 5; TY18, Schedule 4, line 58; TY17, Form 1040, line 58) No box checked or both boxes checked	<ol style="list-style-type: none"> 1. Prepare a dummy Form 4137 for the primary taxpayer by backing into the earnings as follows: <ul style="list-style-type: none"> • Divide Field 05SSM amount by .0765. • Enter the result in Field 2402. 2. If primary taxpayer SST/Medicare wages are present for \$137,700 or more (or maximum for tax year), prepare a dummy Form 4137 for the secondary taxpayer. If no SSN is present for the secondary Form 4137, SSPND 320 to Entity Control for an IRSN. 3. Refer to Prior-Year Job Aid 2515-014 for prior-year calculations.
Schedule 2, line 8 (TY20-TY19, line 6; TY18, Schedule 4, line 59; TY17, Form 1040, line 59) Form 5329 not attached.	GTSEC 01 and enter 3 in Field 01RPC.
Line 59 (TY10 and prior) AEIC still is a discrepancy or no explanation was received.	SSPND 370 to Examination and attach a Form 4227 with the following notation: "Advanced Earned Income Credit Discrepancy."
Schedule 2, line 9 (TY20-TY19, line 7a; TY18, Schedule 4, line 60a; TY17, Form 1040, line 60a) Schedule H is not attached.	Delete entry in Combined Household Employment Taxes field. Enter amount in Field 05TAT.
Schedule 2, line 10 (TY20-TY19, line 7b; TY18, Schedule 4, line 60b; TY17, Form 1040, line 60b) Form 5405 is incomplete or not attached.	<ol style="list-style-type: none"> 1. Research to determine who received the FTHBC. 2. Add the appropriate Section 58 and/or 59. 3. Enter the required fields. 4. Enter I in Field 5803/5903. <p>Note: If date is not available, enter the last month and last date of the month that corresponds with the return.</p>

Exhibit 3.12.3-1 (Cont. 13) (07-07-2023)**No Reply to Correspondence**

Missing Information	Action To Be Taken
Schedule 2, line 11 (TY20-TY19, line 8; TY18, Schedule 4, line 62; TY17 Form 1040, line 62) - Form 8959 is not attached.	<ol style="list-style-type: none"> 1. Enter box 5, Form W-2 in Field 7101. 2. Enter line 6, Form 4137 in Field 7102, if present. 3. Enter line 6, Form 8919 in Field 7103, if present. 4. Enter SE income from Schedule SE (Section A, line 4, or Section B, line 6, if a loss leave blank) in Field 7108, if present. 5. Enter box 14, Form W-2 (RRTA) in Field 7114. If Field 7118> is does not match the amount on Schedule 2, line 11, enter the amount in Field 7118V. TY20 and prior, compute Field 7118V by subtracting all other taxes shown on Schedule 2, line 8 (prior year, line 62) total. Enter the remainder in Field 7118V.
Schedule 2, line 12 (TY20-TY19, line 8; TY18, Schedule 4, line 62; TY17 Form 1040, line 62) - Form 8960 is not attached.	Enter the amount shown on Schedule 2, line 12, in Field 7217V. TY20 and prior, subtract any other taxes listed and enter the remainder in Field 7217V.
Schedule 2, line 16 (TY20-TY19, line 8; TY18, Schedule 4, line 62; TY17 Form 1040, line 62) - Form 8611 not attached.	Enter amount in Field 05LIR.
Schedule 2, line 17a-z (TY20-TY19, line 8; TY18, Schedule 4, line 62; TY17, Form 1040, line 62) - required supporting form (Form 8889, Form 8853, Form 4970, etc.) is not attached or incomplete.	Enter amount in Field 05TAT.
Schedule 2, line 17z (TY20-TY19, line 8; TY18, Schedule 4, line 62; TY17, Form 1040, line 62), no form or type of tax identified, no box checked, or multiple boxes checked.	Enter the amount in Field 05TAT.
Other Taxes - Negative amount is present, and no explanation or supporting documentation is attached,	Assign TPNC 734 (TY18, TPNC 732).
Schedule 3	
Schedule 3, line 1 TY18, line 48 Form 1116 is not attached.	Delete the entry in Field 05301 and assign TPNC 513 .

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Exhibit 3.12.3-1 (Cont. 14) (07-07-2023)**No Reply to Correspondence**

Missing Information	Action To Be Taken
Schedule 3, line 2 TY18, line 49 Form 2441 is incomplete or not attached. Reminder: Do not consider the form incomplete because information about the care provider is missing or incomplete.	DLSEC 21, if present, and assign TPNC 563 .
Schedule 3, line 3 TY18, line 50 Form 8863 is incomplete or not attached.	1. TY12 and later - Enter zero in Field 50PY, 50AE, 50PS, or 50FE for a non-response to the corresponding question on Form 8863. 2. All tax years - Assign TPNC 568 .
Schedule 3, line 4 TY18, line 51 Form 8880 is incomplete or not attached.	Assign TPNC 569 .
Schedule 3, line 5 (TY18, line 53) Form 5695 is incomplete or not attached.	1. Delete the credit amount. 2. Assign TPNC 567 .
Schedule 3, line 6a (TY18, line 54a) Form 3800 (or applicable form) incomplete or not attached. See line 54c for specific credits.	Assign TPNC 575 .
Schedule 3, line 6b (TY18, line 54b) Form 8801 incomplete or not attached.	Delete entry in Field 05PYM and assign TPNC 570 .
Schedule 3, line 6c (TY18, line 54c) TY14 and later Form 8839 noted and incomplete or not attached.	Assign TPNC 255 .
Schedule 3, line 6d (TY20-TY19, line 6c; TY18, line 54c) Schedule R noted and incomplete or not attached.	Assign TPNC 565 .
Schedule 3, line 6e (TY20-TY19, line 6c; TY18, line 54c) Form 8910 noted and incomplete or not attached.	Assign TPNC: 522 .
Schedule 3, line 6f (TY20-TY19, line 6c; TY18, line 54c) Form 8936 noted and incomplete or not attached.	Assign TPNC: 523 .
Schedule 3, line 6g (TY20-TY19, line 6c; TY18, line 54c) Form 8396 noted and incomplete or not attached.	Assign TPNC 257 .
Schedule 3, line 6h (TY20-TY19, line 6c; TY18, line 54c) Form 8859 noted and present on line 54 and Form 8859 is incomplete or not attached.	Assign TPNC 755 .

Exhibit 3.12.3-1 (Cont. 15) (07-07-2023)**No Reply to Correspondence**

Missing Information	Action To Be Taken
Schedule 3, line 6i (TY20-TY19, line 6c; TY18, line 54c) Form 8834 noted and incomplete or not attached.	Assign TPNC 524 .
Schedule 3, line 6k (TY20-TY19, line 6c; TY18, line 54c) Form 8912 noted and incomplete or not attached.	Assign TPNC 514 .
Schedule 3, line 6l (TY20-TY19, line 6c) Form 8978 noted and incomplete or not attached	Assign TPNC 515 .
Schedule 3, line 6z (TY20-TY19, line 6c; TY18, line 54c) Form 8844 noted and incomplete or not attached.	Assign TPNC 516 .
Schedule 3, line 6z (TY20-TY19, line 6c; TY18, line 54c) Form 8860 noted and incomplete or not attached.	Assign TPNC 517 .
Schedule 3, line 6z (TY18, line 54c) Form 8941 noted and incomplete or not attached.	Delete the entry from Field 22HIP and assign TPNC 754 . Note: If Field 65EIN/66EIN displays as a field error, enter nine 9's (999999999).
Schedule 3, line 6z (TY20-TY19, line 6c) Form 1118 noted and incomplete or not attached.	Assign TPNC 518 .
Schedule 3, line 7 (TY20-TY19, line 6; TY18, line 54) No explanation or box checked and no supporting form attached.	Assign TPNC 520 .
Schedule 3, line 8 (TY20-TY19, line 7; TY18, line 55) a. Schedule 3 Part I incomplete or not attached, and credit not supported. b. Schedule 3 incomplete or not attached, and credit not supported.	a. TY21-TY19, assign TPNC 503 . b. TY18, assign TPNC 502 . TY17 and prior, assign TPNC 264 .

Exhibit 3.12.3-1 (Cont. 16) (07-07-2023)

No Reply to Correspondence

Missing Information	Action To Be Taken
Line 64, Withholding (TY17 and prior) provided.	<p>1. Delete entry in Field 03WH Assign TPNC 582 if exception does not apply.</p> <p>Exception:</p> <ul style="list-style-type: none"> • Research CC IRPTR. If the information for the tax period is available, look for the total withholding for the primary taxpayer. If the filing status is joint, look for the withholding for the secondary taxpayer too. Allow only the withholding shown in IRPTR, not to exceed the amount claimed by the taxpayer. • Before you reduce the withholding, make sure the amount is not in fact another type of payment-ES payments, for instance. Research CC IMFOL for the tax year of the return to look for other payments by the primary, and if the filing status is joint, the secondary taxpayer. <p>2. Assign TPNC 283.</p> <p>Note: If page 2 of the return is missing, refer to "Page 2 not attached", in the No Reply Instructions.</p>
Line 66a, Earned Income Credit (TY17 and prior)	
a. Amount present on line 66a and Schedule EIC is not attached.	a. Enter B in Field 01RPC and assign TPNC 585 .
b. TY93 and prior Relationship or number of months for other dependent who lived in the home is not indicated in exemption area.	b. Delete the EIC amount and assign TPNC 540 .
Line 67, Additional Child Tax Credit (TY17 and prior) Schedule 8812 is required and not attached at EC 344.	Assign TPNC 592 .
Line 68 (TY17 and prior) Form 8863 is incomplete or not attached.	<p>1. TY12 and later - Enter zero in Field 50PY, 50AE, 50PS, or 50FE for a non-response to the corresponding question on Form 8863.</p> <p>2. If the underprint for Field 03AOC is significant and no student is eligible for the refundable AOC, enter 1 in Field 94AOV.</p> <p>3. Assign TPNC 584.</p>
TY22-TY19, Schedule 3, Other Payments and Refundable Credits TY18, Schedule 5	

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Exhibit 3.12.3-1 (Cont. 17) (07-07-2023)**No Reply to Correspondence**

Missing Information	Action To Be Taken
Schedule 3, line 11 - Excess SST (TY20, line 10; TY19, line 11; TY18, Schedule 5, line 72; TY17, Form 1040, line 71) Excess SST claimed and Form(s) W-2 not attached.	Research CC IRPTR for the tax period of the return (for each taxpayer, if FSC 2), to determine the correct Excess SST amount. - If you can determine the Excess SST, allow the amount. - If you cannot determine the Excess SST, delete the Excess SST from Field 05ESS (TY20 and prior, also adjust Field 03RCR). Assign TPNC 590 .
Line 71 (TY12-TY07) Form 8801 is incomplete or not attached.	Delete the Form 8801 amount from Field 05OTH, if present, and adjust Field 03RCR. Assign TPNC 570 .
Schedule 3, line 12 - Form 4136 (TY20, line 11; TY19, line 12; TY18, Schedule 5, line 73; TY17, Form 1040, line 72) Form 4136 is incomplete or not attached.	Assign TPNC 596 .
Schedule 3, line 13a (TY20, line 12a; TY19, line 13a; TY18, Schedule 5, line 74a; TY17, Form 1040, line 73a) Form 2439 is not attached.	Delete amount from Field 05RIC. Assign TPNC 595 .
TY22, Schedule 3, line 13b - Schedule H incomplete or not attached TY21-TY20, Schedule 3, line 13b (TY20, line 12b) - Schedule H and Form 7202 not attached	Delete the entry in Field 05SFL. Assign TPNC 579 .
TY21, Schedule 3, line 13c (TY20, line 12c; TY19, line 13c; TY18, Schedule 5, line 74c; TY17, Form 1040, line 73c) Form 8885 not attached, taxpayer ineligible, or no documentation attached.	Refer to IRM 3.12.3.30.10.6.4.
TY20 only, Schedule 3, line 12e - no deferred tax amount on Schedule H or Schedule SE	Delete the entry in Field 05DHS. Assign TPNC 601 .
TY21 only, Schedule 3, line 13g Form 2441 incomplete or not attached	Assign TPNC 564 .
TY22, Schedule 3, line 13h - Schedule H incomplete or not attached TY21, Schedule 3, line 13h - Schedule H and Form 7202 not attached	Delete the amount in Field 05SL2. Assign TPNC 579 .

Exhibit 3.12.3-1 (Cont. 18) (07-07-2023)**No Reply to Correspondence**

Missing Information	Action To Be Taken
Schedule 3, line 13z, 14 or 15 (TY20, line 12d, 12f, or 13; TY19, Schedule 3, line 13d or 14; TY18, Schedule 5, line 74d or 75; TY17, Form 1040, line 73d or 74) write-in: <ul style="list-style-type: none"> Form 8689, Form 6249, Form 1042-S, or letter signed by Competent Authority (AUSPC only), or statement is not attached. 	Disallow the amount claimed and assign TPNC 602 .
Schedule 3, line 14 - no entries on lines 13a through 13z, and no supporting documentation attached (TY20, line 12f - no entries on lines 12a-12e; No box is checked or box is checked and no notation - TY19, Schedule 3, line 13; TY18, Schedule 5, line 74; TY17, Form 1040, line 73)	<ol style="list-style-type: none"> Delete the entry in Field 05OPR. When EC 364/366 displays, assign TPNC 507.
Schedule 3, line 15 (TY20, line 13; TY19, line 14)TY22-TY19, Schedule 3 is incomplete or not attached and total payments differ from withholding.	Assign TPNC 504 .
TY18, Schedule 5, line 75, Schedule 5 is incomplete or not attached, and total payments differ from withholding.	Assign TPNC 505 .

The following no reply instructions apply to Forms and Schedules.

Missing Information	Action To Be Taken
Schedule A	
a. Medical and Dental Expenses, line 4 An amount present but no entry from line 1 to 3	a. Enter amount into Field 0704V.
b. Taxes You Paid, line 7 (TY17 and prior, line 9) An amount present but no entry from line 5a to 6 (TY17, line 5 to 8).	<ol style="list-style-type: none"> Enter B in Field 01ACD. Move the amount from Field 0707 to Field 0716.
c. Interest You Paid, line 10 (TY17 and prior, line 15) An amount present but no entry from line 8a to 9 (TY17, line 10 to 14).	c. Move the entry from Field 0710 to Field 0716.
d. Non-cash charitable contribution, line 12 (TY17 and prior, line 17)	<ol style="list-style-type: none"> Delete the amount in Field 0712. Delete Audit Code C, if it is present. Delete RPC H. Process the return according to procedures in EC 240 and 540. Assign TPNC 181.

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Exhibit 3.12.3-1 (Cont. 19) (07-07-2023)**No Reply to Correspondence**

Missing Information	Action To Be Taken	
	Do not enter RPC 4, and delete the amount in Field 0712 if present. Assign TPNC 181 .	# # # #
f. Gifts to Charity, line 14 (TY17 and prior, line 19) An amount present and no supporting amounts.	e. Assign TPNC 180 .	
g. Casualty and Theft Losses, line 15 (TY17 and prior, line 20) An amount present but Form 4684 not attached.	f. Assign TPNC 552 .	
h. TY17 and prior, Line 21 An amount for Unreimbursed Employee Business Expenses	1. Delete the amount in Field 0716 pertaining to Unreimbursed Employee Business Expenses. 2. Assign TPNC 553 .	#
i. TY17 and prior, Miscellaneous Deductions, line 27 An amount present but no entry from line 21 to 25.	1. Enter B in Field 01ACD. 2. Move the entry to Field 0716.	
Form 3903/3903F not attached.	i. Delete amount. Assign TPNC 551 .	#
k. Other Itemized Deductions, line 16 (TY17 and prior, Line 28) Amount not identified.	1. Enter B in Field 01ACD. 2. Leave the unidentified amount in Field 0716.	
l. Total Itemized Deductions, line 17 (TY17 and prior, line 29) An amount present but no other entries present.	1. Enter B in Field 01ACD. 2. Enter into Field 0716 the same amount reported in Field 0717.	
Schedule B		
Amount claimed on line 3 and Form 8815 not attached.	1. Delete amount in Field 0803. 2. Adjust the entry in Field 03INT by this amount. 3. Assign TPNC 116 .	
Schedule C		

No Reply to Correspondence

[illegible]

Exhibit 3.12.3-1 (Cont. 21) (07-07-2023)**No Reply to Correspondence**

Missing Information	Action To Be Taken	
Loss not used.	DLSEC 13.	
Schedule F		
	Adjust the entry in Field 1433 to equal line 9 and assign TPNC 550 . If line 9 is negative, delete all money amounts on Schedule F and assign TPNC 550 .	#
Schedule H		
a. Cannot determine which taxpayer filed Schedule H.	a. Process for primary taxpayer.	
b. "Loose" Schedule H missing signature.	b. Take no action.	
c. Total FUTA wages cannot be determined.	2. Enter employer's FUTA tax in Field 44FTV/45FTV.	#
d. Schedule H page 1 incomplete.	d. Enter the line 6 entry into Field 44NFV.	
Schedule R		
a. Filing Status Age Indicator Code is blank and determination cannot be made. b. No entry on line 11, box 2, 4, 5, 6 or 9 checked. c. No entry on line 13c.	DLSEC 16 and assign TPNC 565 .	
Schedule EIC		
a. Schedule EIC blank.	a. Assign TPNC 585 .	
b. Number of months blank.	b. If none of the child(ren) listed provided number of months, enter B in Field 01RPC and assign TPNC 585 . If there is another qualifying child with number of months present, delete the information for the child without number of months and assign TPNC 752 .	
Form 2441		
TY23-TY22, Form 2441, Box B is checked to indicate student or disabled, but line 4 and/or 5 of Form 2441 is blank. TY21 and prior, number of months is missing for Student, Disabled, Looking for Work.	Enter any applicable earned income. Assign TPNC 562 .	
Form 3468		

Exhibit 3.12.3-1 (Cont. 22) (07-07-2023)**No Reply to Correspondence**

Missing Information	Action To Be Taken
Entry on line 1a and/or 4a, Part III, Form 3800 for Form 3468.	Delete amount in Field 2201A. If an amount is present on line 4a, Part III, Form 3800 subtract the amount from line 5, Part III, Form 3800 and enter the new total in Field 22TOT. Assign TPNC 575 .
Form 3800	
a. Form 8910 is incomplete or not attached	a. Delete the entry in Field 2201S and assign TPNC 575 .
b. Amount claimed on Form 3800 for an individual general business credit and the form is missing or incomplete,	b. Delete entry in appropriate Section 22 field. Assign TPNC 575 .
c. Form 8586 is missing or incomplete, or Form 8609 or Schedule A attachment are not attached and the EIN is not present on lines 1d or 4d, column (b), Part III of Form 3800,	c. Delete entry in Field 2201D or 2204D, and assign TPNC 575 .
Form 5329	
More than one name (or no name on FSC 2) in caption; the "Excess Tax" amount is identified; but a determination of which taxpayer it applies to still exists.	Process for primary taxpayer.
Form 6198	
a. Line 5 is blank.	a. Schedule C - Adjust Field 09EXP (line 28) to equal line 7; or Schedule F - Adjust Field 1433 to equal line 9 or line 50, as applicable. Assign TPNC 128 .
b. Line 5 is a loss and line 21 cannot be determined.	b. Schedule C - Adjust Field 09EXP (line 28) to equal line 7; or Schedule F - Adjust Field 1433 to equal line 9 or line 50, as applicable. Assign TPNC 128 .
c. Schedule C, line 32b, is checked "Some is not at risk"	c. Adjust Field 09EXP (line 28), to equal line 7, Schedule C. Assign TPNC 550 . If Schedule C, line 7, is negative, delete all money amounts leading to line 7 and any amount in Fields 09EXP and 0930. Assign TPNC 550 .
d. Schedule F, line 36b, is checked "Some is not at risk",	d. Adjust Field 1433 (line 33), to equal line 9 or 50, Schedule F, as applicable. Assign TPNC 550 . If Schedule F, line 9 or 50, is negative, delete the amount in Fields 1409 or 1450, and 1433. Assign TPNC 550 .

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Exhibit 3.12.3-1 (Cont. 23) (07-07-2023)**No Reply to Correspondence**

Missing Information	Action To Be Taken
e. Schedule E - "At-Risk" question answered "Some is not	e. Delete Partnership loss and assign TPNC 550 .
Form 8615	
a. Parent's Name Control incomplete or missing.	a. Delete the entry in Field 33PNC, but do not delete Form 8615. Process as filed.
b. Parent's SSN incomplete or missing.	b. Delete the entry in Field 33PSS, but do not delete Form 8615. Process as filed.
c. Form 8615, line 1 or 6, incomplete or missing.	c. If the taxpayer's Tentative Tax is greater than the computer's Tentative Tax, GTSEC 94 and enter taxpayer's tax in Field 94TTV, Tentative Tax Verified. Note: If incomplete Form 8615 has been transcribed, delete all Form 8615 income amounts. (Do not delete Form 8615 Entity).
Schedule 8812 - Line 21 (TY20-TY18. line 9; TY17 and prior, line 7) cannot be determined (no Form W-2 or Schedule SE provided).	1. Enter the taxpayer's amount for ACTC in Field 03ACT. 2. Enter 1 in Field 94ACV. 3. Assign TPNC 592 .
Form 8814	
Child's SSN is missing.	Enter C in Clear Field.
Form 8839	
Line 5, Adoption Expenses, missing amount and credit claimed.	1. Enter "1" in Field 38ACV to disallow the credit. 2. Assign TPNC 254 .
Form 8853	
Cannot determine which taxpayer has the MSA.	Enter SSN from Field 01PS in Field 39MSS.
Form 8941	
Lines 1 and/or 2, number of employees not provided.	a. Delete Section 65 and/or 66. b. If EC 301 displays, assign, TPNC 754 .
Form 8958	

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Exhibit 3.12.3-1 (Cont. 24) (07-07-2023)**No Reply to Correspondence**

Missing Information	Action To Be Taken
a. Spouse or partner's first name or initial missing or illegible.	a. Enter the letter X in each of the first four positions: XXXX.
b. Spouse or partner's last name missing or illegible.	b. Enter the letter X in each of the first four positions: XXXX.
c. Spouse or partner's TIN missing or illegible.	c. Enter nine 9's (nines) in Field 63SPN.

Exhibit 3.12.3-2 (01-01-2024)**Taxpayer Notice Codes**

1. **Before assigning any Taxpayer Notice Code(s) (TPNC)** check the following, in the order given, and make all necessary corrections.
 - a. Correct coding and transcription errors and misplaced entries.
 - b. Correct entries according to the instructions in the error code.
 - c. If the procedure in paragraphs a) and b), above, don't resolve the condition that caused the error code, recompute the schedule according to instructions in the error code.
 - d. If the computer can't figure the item correctly, compute it and enter the correct amount in the verified field.
2. If more than five TPNCs apply, assign **TPNC 100** as the fifth TPNC, per IRM 3.12.2.2.9, Taxpayer Notice Code.
 - a. Complete a TPNC 100 slip (or equivalent) with the approved TPNC 100 text from IRM and any additional TPNCs that are assigned.
 - b. Attach the form to the front of the return (or Section 01 print for MeF).
3. TPNC table:

TPNC	EXPLANATION
101	We changed your filing status. We refigured your tax using the Single filing status based on the information on your tax return.
102	We changed your filing status. We refigured your tax using the Married Filing Jointly filing status based on the information on your tax return.
103	We changed your filing status. We refigured your tax using the Married Filing Separately filing status based on the information on your tax return.
104	We changed your filing status. We refigured your tax using the Head of Household filing status based on the information on your tax return.
105	We changed your filing status. We refigured your tax using the Qualifying surviving spouse filing status based on the information you reported on your tax return.
106	We changed your filing status. We refigured your tax using the Married Filing Jointly filing status. You can use this filing status for the year of your spouse's death. For the next two tax years after the death you can use the Qualifying surviving spouse filing status if you have a dependent child.
108	We changed your filing status. We refigured your tax using the Single filing status. Your return was filed using the Head of Household filing status. The name of the dependent that qualifies you for the Head of Household filing status was not present on your tax return.
109	We changed your filing status. We refigured your tax using the Married Filing Separately filing status because you can't claim your spouse as a dependent when using single or head of household filing status. If you think you qualify to use the married filing jointly filing status, you can file Form 1040-X, Amended U.S. Individual Income Tax Return. This may give you a more favorable tax rate. Both spouses must sign Form 1040-X.
110	We changed your filing status. We refigured your tax using the Single filing status. You don't qualify for Head of Household filing status because you indicated someone can claim you as a dependent on their return.

Exhibit 3.12.3-2 (Cont. 1) (01-01-2024)

Taxpayer Notice Codes

TPNC	EXPLANATION
111	We transferred the information from the tax form you filed to a Form 1040. Form 1040A and Form 1040EZ are obsolete. You don't need to send us another return to correct this error. The following paragraphs explain any additional changes we made.
112	We adjusted your tax return, allowing only the income and withholding for the taxpayers listed on page 1 of the return, and excluding all other income and withholding. The other persons must file their own tax return to report their income.
113	We lowered the income on your return because you included non- taxable income, such as welfare payments, workers' compensation, etc.
114	There was an error in the total income reported. We changed the total income on your return to include all the Forms W-2, W-2G, etc., that you attached.
115	We changed the total income on your tax return to include the tips shown on Form 4137, Social Security and Medicare Tax on Unreported Tip Income. Tips must be included as wages on your tax return.
116	We changed the amount of taxable interest on your tax return because there was an error on your Schedule B, Interest and Ordinary Dividends. The error was in one of the following: <ul style="list-style-type: none"> • Computation of the total taxable interest. • Transfer of the amount to your tax return.
117	We changed the amount of taxable interest on your tax return. We didn't allow excludable savings bond interest on Schedule B, Interest and Ordinary Dividends, because your filing status is Married Filing Separately.
118	We adjusted your return by removing the amount of alimony received on Schedule 1. Alimony received should not be included as additional income if the date of divorce or separation agreement is after December 31, 2018.
119	We changed the amount of ordinary dividends on your tax return because there was an error on your Schedule B, Interest and Ordinary Dividends. The error was in one of the following: <ul style="list-style-type: none"> • Computation of the total taxable dividend income. • Transfer of the amount to your tax return.
120	We changed your state income tax payments on your return. You must claim state income tax payments as an itemized deduction on Schedule A, Itemized Deductions. These payments can't be subtracted from the income reported on your tax return. If you filed a Schedule A, we changed it to include the state income tax payments. If you didn't file a Schedule A and your state income tax payment was: <ul style="list-style-type: none"> • Less than the standard deduction, we didn't make additional changes. • Greater than your standard deduction, we allowed it as your total itemized deduction on Schedule A because it lowered your taxable income. <p>Note: If you have other itemized deductions in addition to state income tax payments, you can file Form 1040X, Amended U.S. Individual Income Tax Return, and include them on Schedule A, Itemized Deductions, to reduce your tax.</p>

Exhibit 3.12.3-2 (Cont. 2) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
121	<p>We changed the amount of business income or loss on your tax return because there was an error on your Schedule C/C-EZ, Profit or Loss From Business. The error was in one of the following:</p> <ul style="list-style-type: none"> • Computation of the net profit or loss on Schedule C/C-EZ. • Transfer of the amount to your tax return.
122	<p>We changed the amount of capital gain or loss on your tax return because there was an error on your Schedule D, Capital Gains and Losses. The error was in one of the following:</p> <ul style="list-style-type: none"> • Computation of the capital gain or loss on Schedule D. • Transfer of the amount to your tax return. <p>Capital losses are limited to \$3,000 (\$1,500 for Married Filing Separately).</p>
123	<p>We changed the amount of capital gain or loss on your tax return. There was an error in the transfer of the amount from your Form 4797, Sales of Business Property, to your tax return.</p>
124	<p>We changed the amount of total wages reported on line 1z of your return because you miscalculated the total of lines 1a through 1h, or made an error transferring the amount from one or more of your supporting forms.</p>
125	<p>We didn't allow the amount claimed as a repayment of unemployment compensation for a prior year on your tax return. This amount is subject to a 2% limitation. This amount should be claimed as other expenses on Schedule A, Itemized Deductions. We have adjusted your return accordingly.</p>
126	<p>We changed the amount of rental real estate, royalties, partnerships, S corporations, trusts, etc., on your tax return because there was an error on your Schedule E, Supplemental Income and Loss. The error was in one of the following:</p> <ul style="list-style-type: none"> • Computation of the income or loss on Schedule E. • Transfer of the amount to your tax return.
127	<p>We changed the amount of farm income or loss on your tax return because there was an error on your Schedule F, Profit or Loss from Farming. The error was in one of the following:</p> <ul style="list-style-type: none"> • Computation of the net profit or loss on Schedule F. • Transfer of the amount to your tax return.
128	<p>We changed one or more of the following schedules based on information you provided on Form(s) 6198, At-Risk Limitations, and/or Form(s) 8582, Passive Activity Loss Limitations:</p> <ul style="list-style-type: none"> • Schedule C, Profit or Loss from Business • Schedule E, Supplemental Income and Loss • Schedule F, Profit or Loss from Farming <p>The amount of loss you can deduct is limited based on the amount of investment at risk.</p>

Exhibit 3.12.3-2 (Cont. 3) (01-01-2024)

Taxpayer Notice Codes

TPNC	EXPLANATION
129	We didn't allow the negative amount of unemployment compensation reported on your return. You can only reduce your unemployment compensation by the amount you received and repaid in the same year. If you repaid more than \$3,000 of unemployment compensation that you received in an earlier year, you may be able to deduct the amount on Schedule A, Itemized Deductions, or take a tax credit. To make this change, you can file Form 1040X, Amended U.S. Individual Income Tax Return. See Publication 525, Taxable and Nontaxable Income, for more information. You can download Publication 525 at www.irs.gov/forms or call 800-TAX-FORM (800-829-3676) to order it.
130	The amount claimed as Repayment of Social Security benefits on your tax return is subject to a 2% limitation and should be claimed as other expenses on Schedule A, Itemized Deductions. We adjusted your Schedule A, Itemized Deductions, to include the amount of repaid Social Security Benefits in the computation of total Job Expenses and Certain Miscellaneous Deductions.
131	We changed the amount of taxable Social Security benefits on your tax return because there was an error in the computation of the taxable amount. Note: Publication 915, Social Security and Equivalent Railroad Retirement Benefits, has more information on computing your taxable Social Security Benefits. You can download Publication 915 at www.irs.gov/forms or call 800-TAX-FORM (800-829-3676).
132	We didn't allow the negative amount of Social Security benefits reported on your return. You can only reduce your Social Security benefits by the amount received and repaid in the same year. If you repaid more than \$3,000 of Social Security benefits that you received in an earlier year, you may be able to deduct the amount on Schedule A, Itemized Deductions, or take a tax credit. To make this change, you can file Form 1040X, Amended U.S. Individual Income Tax Return. See Publication 915, Social Security and Equivalent Railroad Retirement Benefits, for more information. You can download Publication 915 at www.irs.gov/forms-pubs or call 800-TAX-FORM (800-829-1040) to order it.
133	We didn't allow the gambling losses claimed on your return. You can't reduce gambling winnings by gambling losses and report the difference. You must report the full amount of winnings as income on your tax return. You can only claim losses up to the amount of winnings as other itemized deduction on Schedule A, Itemized Deductions. If you filed a Schedule A, we changed it to include the losses. If you didn't file a Schedule A and your gambling losses were: <ul style="list-style-type: none"> • Less than the standard deduction, we didn't make additional changes. • Greater than the standard deduction, we allowed them as your total itemized deductions on Schedule A because it lowered your taxable income. Note: If you have other itemized deductions in addition to gambling losses, you can file Form 1040X, Amended U.S. Individual Income Tax Return, and include them on Schedule A.

Exhibit 3.12.3-2 (Cont. 4) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
134	We removed your child's income from your return and refigured your tax. Your child's investment income can't be reported on Form 8814, Parents' Election to Report Child's Interest and Dividends, because it was greater than the maximum allowed for the tax year. You don't need to file an amended tax return, but your child must file a return to report the income.
135	We moved the USDA Settlement on your return to Schedule F, Profit or Loss From Farming. You must include income received from the settlement on your Schedule F, and it is subject to self-employment tax.
136	We changed the amount of other gains or losses on your tax return to include your overall business loss from your Form 4684, Casualties and Thefts. If you are not required to file Form 4797, Sales of Business Property, casualty or theft losses of business property must be included with income on your tax return.
138	We changed the total income on your tax return to include the taxable amount of your employer-provided dependent care benefits. Benefits you received that were more than your childcare expenses must be included as wages on your tax return.
141	We changed the amount of total income on your tax return because there was an error in the computation.
142	We changed the amount claimed as Educator Expenses Deduction on your tax return. The amount claimed was more than the amount allowed based on your filing status. Educator expenses are limited to \$250 (\$500 for Married Filing Joint).
143	We didn't allow the tuition and fees deduction on your return. You can't deduct the tuition and fees expenses and claim an education credit for the same person. If you want to take the tuition and fees deduction instead of the education credit, you can file Form 1040X, Amended U.S. Individual Income Tax Return.
144	We changed the tuition and fees deduction claimed on your return because you made one of the following errors on your Form 8917, Tuition and Fees Deduction: <ul style="list-style-type: none"> • Computation of the deduction on Form 8917 • Transferring of the amount to your tax return
145	We didn't allow the tuition and fees deduction on your return. This deduction is not allowed for the tax year.
147	We changed the amount claimed as IRA deduction on your tax return that was more than the maximum amount. You must file or amend Form 8606, Nondeductible IRAs, to reflect this change and refigure the basis of your IRA.
148	We didn't allow the amount claimed as IRA deduction on your tax return. Your modified adjusted gross income figured from the IRA Deduction worksheet is more than the maximum allowable amount for claiming an IRA deduction.
149	We didn't allow the IRA deduction claimed on your return. You can't claim an IRA deduction if you were an active participant in the Simplified Employee Pension Plan (SEP), Savings Incentive match Plan for Employees of Small Employers (SIMPLE), or qualified plan. You must file or amend Form 8606, Nondeductible IRAs, to reflect this change and refigure your IRA basis.

Exhibit 3.12.3-2 (Cont. 5) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
151	We didn't allow the student loan interest deduction claimed on your return. This deduction is not allowed if either of the following apply: <ul style="list-style-type: none"> • Your filing status is Married Filing Separately • Your adjusted gross income is more than the maximum allowable amount for your filing status
152	We changed the amount of student loan interest deduction on your tax return because there was an error in the computation.
153	We changed the amount of health savings account deduction on your tax return because there was an error on your Form 8889, Health Savings Accounts (HSAs). The error was in one of the following: <ul style="list-style-type: none"> • Computation of the health savings account deduction on Form 8889. • Transfer of the amount to your tax return.
154	We didn't allow the amount claimed as tuition and fees deduction on your tax return. This deduction is not allowed if any of the following apply: <ul style="list-style-type: none"> • Your filing status is Married Filing Separately. • Your adjusted gross income is more than the maximum allowable amount for your filing status. • You are claimed as a dependent on another person's tax return.
155	We didn't allow the deduction for self-employed qualified retirement plan. Your return shows no income from self-employment or a partnership and doesn't demonstrate that you're eligible for this deduction.
156	We didn't allow the negative amount of taxable refunds, credits, or offsets of state and local income taxes on Schedule 1. You need to claim state and local income tax payments as an itemized deduction on Schedule A, Itemized Deductions.
157	We changed the amount claimed as Archer MSA Deduction on your tax return because there was an error in the computation of Form 8853, Archer MSAs and Long-Term Care Insurance Contracts. You or your spouse claimed more than the maximum allowable amount.
158	We changed the deductible part of self-employment tax on your tax return because there was an error in one of the following: <ul style="list-style-type: none"> • Computation of the self-employment deduction. • Schedule SE, Self-Employment Tax, was incomplete or not attached to your tax return.
159	We didn't allow the amount claimed as a deductible part of self-employment tax on your tax return. Information on your Schedule SE, Self-Employment Tax, indicates that you should have filed Form 4137, Social Security and Medicare Tax on Unreported Tip Income.
160	We didn't allow the amount claimed as a deductible part of self-employment tax on your tax return because no self-employment tax was reported on Schedule SE, Self-Employment Tax.
161	We didn't allow the amount claimed as a deduction for self-employed SEP, SIMPLE, and qualified plans on your tax return. Your employer has already adjusted box 1 of your Form W-2 to exclude this amount.

Exhibit 3.12.3-2 (Cont. 6) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
162	<p>We changed the amount of total tax on your tax return because there was an error in one of the following</p> <ul style="list-style-type: none"> • Computation of the total amount in Part III, Form 8889, Income and Additional Tax for Failure to Maintain HDHP. • Transfer of the amount to your tax return.
163	<p>We didn't allow the adjustment to income for alimony paid on Schedule 1. You can't take a deduction for alimony paid if the date of divorce or separation agreement is after December 31, 2018.</p>
164	<p>We didn't allow the amount claimed as alimony paid on your tax return because the recipient's Social Security number matches the spouse listed on your tax return.</p>
165	<p>We didn't allow the amount claimed as combat pay on your tax return because the amount was not identified as combat pay on your Form W-2. If any of your wages should have been excluded from your taxable income, you can obtain a corrected Form W-2 (W-2C) from your employer and file a Form 1040X, Amended U.S. Individual Income Tax Return.</p>
166	<p>We didn't allow the amount claimed as employee business expenses on your tax return. Expenses from Form 2106, Employee Business Expenses, must be claimed as an itemized deduction on Schedule A, Itemized Deductions.</p> <p>If you filed a Schedule A, we changed it to include these expenses.</p> <p>If you did not file a Schedule A and your employee business expenses were:</p> <ul style="list-style-type: none"> • Less than the standard deduction, we did not allow them as a deduction from your income • Greater than the standard deduction after subtracting the 2% AGI limitation, we allowed them as an itemized deduction on Schedule A because it lowered your taxable income <p>Note: If you have other itemized deductions in addition to the business expenses, you can file Form 1040X, Amended U.S. Individual Income Tax Return, and include them on Schedule A, Itemized Deductions, to reduce your tax.</p>
167	<p>We didn't allow the amount claimed as qualified performing artist (QPA) expenses on your tax return. Your adjusted gross income must be \$16,000 or less before you can claim these expenses as qualified performing artist deductions.</p> <p>If you filed a Schedule A, Itemized Deductions, we included your expenses in miscellaneous deductions.</p> <p>If you didn't file a Schedule A and your QPA expense was:</p> <ul style="list-style-type: none"> • Less than the standard deduction, we did not allow them as a deduction from your income • Greater than the standard deduction after subtracting the 2% AGI limitation, we allowed them as an itemized deduction on Schedule A because it lowered your taxable income <p>Note: If you have other itemized deductions in addition to the QPA expenses, you can file Form 1040X, Amended U.S. Individual Income Tax Return, and include them on Schedule A, Itemized Deductions, to reduce your tax.</p>

Exhibit 3.12.3-2 (Cont. 7) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
168	We changed the amount claimed for a charitable contribution deduction in the adjustments to income section of your tax return. You must itemize deductions to claim more than the allowable amount in charitable contributions. If you claimed itemized deductions, we moved your charitable contributions deductions to your Schedule A and adjusted your return accordingly.
169	We didn't allow the adjustment amount claimed as jury duty pay on your tax return because it wasn't included in the income section of your tax return.
170	We changed the amount claimed as ordinary dividends on your tax return because the amount of qualified dividends can't exceed the amount of ordinary dividends.
171	We didn't allow the amount health savings account deduction claimed on your return because Form 8889, Health Savings Accounts, was incomplete or not attached to your tax return.
172	We didn't allow the amount claimed as Archer MSA deduction on your return because Form 8853 was incomplete or not attached to your tax return.
173	We changed the total income on your tax return. You miscalculated Part III of Form 8889, Health Savings Accounts (HSAs), or didn't include the income on your return.
174	We changed the total adjustment on your tax return because it was figured incorrectly.
175	We changed the adjusted gross income on your tax return because it was figured incorrectly.
176	We changed the adjusted gross income on page 2 to match the amount of adjusted gross income on page 1 of your tax return. The amount on the bottom of page 1 and the top of page 2 must be the same. (TY17 and prior)
177	We changed the medical and dental expenses claimed on your Schedule A, Itemized Deductions, because they were figured incorrectly.
178	We changed the amount claimed as taxes you paid on your Schedule A, Itemized Deductions, because it was figured incorrectly.
179	We changed the amount claimed as total interest you paid on Schedule A, Itemized Deductions, because it was figured incorrectly.
180	We changed the amount claimed as total gifts to charity on your Schedule A, Itemized Deductions, because it was figured incorrectly or the amount was not limited based on your adjusted gross income.
181	<p>We changed the amount claimed as a charitable contributions deduction on your Schedule A because one or more of the following was incomplete or not attached to your tax return:</p> <ul style="list-style-type: none"> • Form 8283, Noncash Charitable Contribution • The required documentation to support your donation of a motor vehicle, airplane, or boat • An appraisal for your donation of art

Exhibit 3.12.3-2 (Cont. 8) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
182	We changed the amount claimed as casualty and theft losses on your Schedule A, Itemized Deductions, because there was an error on your Form 4684, Casualties and Thefts. The error was in one of the following: <ul style="list-style-type: none"> • computation of the loss on Form 4684. • transfer of that amount to Schedule A.
183	We changed the total miscellaneous deductions claimed on your return because you made one of the following errors on your Schedule A, Itemized Deductions: <ul style="list-style-type: none"> • The amount was computed incorrectly • Some or all of your deductions are subject to the 2% limitation.
184	We changed the gambling losses claimed on your Schedule A, Itemized Deductions, to equal your gambling winnings. You must report the full amount of your winnings as income on your return and claim your losses up to the amount of winnings as an itemized deduction on Schedule A.
185	We changed the other itemized deductions claimed on your return because you made one of the following errors on your Schedule A, Itemized Deductions: <ul style="list-style-type: none"> • The amount was computed incorrectly • The amount included miscellaneous itemized deductions that are not allowed for the tax year
186	We limited your total itemized deductions on Schedule A, Itemized Deductions, because certain deductions are limited when your adjusted gross income is more than the maximum amount.
187	We changed the total itemized deductions claimed on your return because you made one of the following errors on your Schedule A, Itemized Deductions: <ul style="list-style-type: none"> • Computation of total itemized deductions on Schedule A • Transfer of the total itemized deductions to your return.
188	We changed the amount claimed as standard deduction on your tax return. We used the total deductions reported on your Schedule A, Itemized Deductions, rather than the standard deduction because when your filing status is Married Filing Separately and your spouse itemizes deductions on Schedule A, you must also itemize.
189	We changed the amount claimed as standard deduction on your tax return. We used the total deductions reported on your Schedule A, Itemized Deductions, rather than the standard deduction because it resulted in a lower taxable income.
190	We refigured the taxable income on your tax return using the standard deduction. There was an error on Schedule A, Itemized Deductions, which lowered your total itemized deductions to less than the standard deduction.
191	We changed the amount claimed as standard deduction on your tax return. Your standard deduction may be limited if you are claimed as a dependent on another person's tax return and/or your earned income is less than the maximum standard deduction.
192	We changed the amount claimed as standard deduction on your tax return. You are entitled to a higher standard deduction if you and/or your spouse are age 65 or older and/or blind.

Exhibit 3.12.3-2 (Cont. 9) (01-01-2024)

Taxpayer Notice Codes

TPNC	EXPLANATION
193	<p>We didn't allow the amount claimed as standard deduction on your tax return. When your filing status is Married Filing Separately and your spouse itemizes deductions on Schedule A, Itemized Deductions, you must also itemize. Information on your tax return indicates that your spouse itemized deductions; therefore, we used zero as your deduction amount.</p> <p>Note: If you have itemized deductions you can file Form 1040X, Amended U.S. Individual Income Tax Return, and include them on Schedule A, Itemized Deductions, to reduce your tax.</p>
194	<p>We changed the amount claimed as standard deduction on your tax return because there was an error in one of the following:</p> <ul style="list-style-type: none"> • No amount was entered for the standard deduction. • The amount entered for the standard deduction was incorrect for the filing status claimed on your return.
195	We changed the total exemption amount on your tax return because if you are claimed as a dependent, you cannot claim any exemptions for dependents. (TY17 and prior)
196	We changed the amount claimed as a deduction on your tax return. You may use either the standard deduction or the itemized deductions; however, you cannot use both. We used the amount that resulted in a lower taxable income.
197	<p>We changed the amount of combined standard deduction and personal exemption claimed on your tax return because it was figured incorrectly.</p> <p>If you can be claimed as a dependent on another person's tax return, your combined standard deduction and personal exemption is limited. (TY17 and prior)</p>
198	We changed the standard deduction amount on your return. You indicated another person claimed you, your spouse, or both on their tax return. You can't be claimed on another person's tax return if your filing status is married filing jointly and you have a tax liability.
199	We changed the amount claimed on your tax return because there was an error in the subtraction of your standard deduction or itemized deductions from your adjusted gross income. (TY17 and prior)
200	<p>We changed the total exemption amount on your tax return because there was an error in one of the following:</p> <ul style="list-style-type: none"> • Number of exemptions provided on lines 6a - 6d. • Computation of your total exemption amount. <p>(TY17 and prior)</p>
201	We changed the exemption amount claimed on your tax return because you did not compute the limitation correctly. The exemption amount is limited based on your adjusted gross income and filing status. (TY17 and prior)
202	We didn't allow your personal exemption amount on your tax return because you can't claim an exemption for yourself if you can be claimed as a dependent on another person's tax return. (TY17 and prior)

Exhibit 3.12.3-2 (Cont. 10) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
203	We increased the number of exemptions on your tax return and lowered your tax. You indicated that you and/or your spouse were claimed on another person's tax return. You can't be claimed on another person's tax return if your filing status is Married Filing Jointly and you have a tax liability. (TY17 and prior)
204	We didn't allow the exemption amount claimed for your spouse on your tax return because you can't use Single or Head of Household filing status and claim your spouse as an exemption. (TY17 and prior)
205	We didn't allow your personal exemption because your: <ul style="list-style-type: none"> • Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) was missing, or • last name doesn't match our records or the records provided by the Social Security Administration. Each exemption listed on your tax return must have a valid SSN or ITIN. (TY17 and prior)
206	We didn't allow your spouse's personal exemption because your spouse's: <ul style="list-style-type: none"> • Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) was missing, or • Last name doesn't match our records or the records provided by the Social Security Administration. Each exemption listed on your tax return must have a valid SSN or ITIN. (TY17 and prior)
207	The gambling loss claimed on your tax return should be claimed as other itemized deductions on Schedule A, Itemized Deductions. Because your gambling loss is more than your standard deduction, we changed your Schedule A to include this amount. Note: If you have other itemized deductions in additions to the gambling loss, file Form 1040X Amended U.S. Individual Income Tax Return, to reduce your tax.
208	We changed the amount of taxable income on your return because there was an error in the subtraction of your exemption or combined standard deduction/exemption amount. (TY17 and prior)
209	We changed the amount of tax shown on your return because the amount entered was incorrect based on your taxable income and filing status.
210	We refigured your tax return using the correct amounts for the standard deduction, exemption amount, tax, etc., because the amounts used are for an incorrect tax year.
211	We changed the amount of tax reported on your tax return because the tax rates on qualified dividends and capital gains are generally lower than the standard rates. It appears your tax was not computed using these rates or the amount of tax was computed incorrectly.
212	We changed the amount of tax reported on your tax return because there was an error on Schedule J, Income Averaging for Farmers and Fisherman. The error was in one of the following: <ul style="list-style-type: none"> • Computation of the tax on your Schedule J. • Transfer of the amount to your tax return.

Exhibit 3.12.3-2 (Cont. 11) (01-01-2024)

Taxpayer Notice Codes

TPNC	EXPLANATION
214	We changed the amount of tax on your tax return because there was an error transferring the amount from your Form 8615, Tax for Certain Children Who Have Unearned Income.
215	We changed the tax on your return because your unearned income was less than the minimum amount. You're not required to file Form 8615, Tax for Certain Children Who Have Unearned Income.
216	<p>We changed the amount of income or tax on your tax return because there was an error on your Forms 8814, Parents' Election to Report Child's Interest and Dividends. The error was in one of the following:</p> <ul style="list-style-type: none"> • Computation of the amount in Part I of your Form 8814 • Computation of the tax amount on Form 8814 • Transfer of the amount to your tax return
217	Based on our computation of your taxable income, you don't owe any tax.
218	We computed your tax for you.
219	We changed the amount of tax on your tax return because there was an error in the addition of your tax.
220	<p>It appears you owe tax based on the filing of Form 8615, Tax for Certain Children Who Have Unearned Income. We have determined your tax by using the tax rate schedules, which reflects the minimum amount of tax assessed to you. You either didn't figure tax using Form 8615 or, because of an error on another part of your tax return, we couldn't compute your tax on Form 8615.</p> <p>To compute your Form 8615 tax more accurately, you may need to complete the worksheets provided in Publication 929, Tax Rules for Children and Dependents. You must then file Form 1040-X, Amended U.S. Individual Income Tax Return, to report your recomputed amount of Form 8615 tax. You can get forms and publications by visiting our website at IRS.gov/forms or by calling 800-TAX-FORM (800-829-3676).</p>
221	<p>We refigured the tax on your tax return without your child's unearned income tax from Form 8615, Tax for Certain Children Who Have Unearned Income. This form must be filed with your child's tax return.</p> <p>If you qualify to include your child's unearned income on your tax return, you must report this income on Form 8814, Parents' Election to Report Child's Interest and Dividends.</p>
222	<p>We changed the amount of tax on your tax return because there was an error on your Form 4972, Tax on Lump-Sum Distributions. The error was in one of the following:</p> <ul style="list-style-type: none"> • Computation of the tax on line 30 of Form 4972. • Transfer of the amount to your tax return.
225	We changed the amount of alternative minimum tax on your return because Schedule J, Income Averaging for Farmers and Fishermen, is not used in the computation of Alternative Minimum Tax.
226	We changed the alternative minimum tax on your return because you made an error on the alternative minimum taxable income computed on Form 6251, Alternative Minimum Tax-Individuals.

Exhibit 3.12.3-2 (Cont. 12) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
227	We changed the alternative minimum tax on your return because you made one of the following errors on your Form 6251, Alternative Minimum Tax-Individuals: <ul style="list-style-type: none"> • Computation of the Alternative Minimum Tax on Form 6251 • Transfer of the amount to your tax return
229	We changed the alternative minimum tax on your return. There was an error in the computation of Form 6251, Alternative Minimum Tax-Individuals, because of the attached Form 8844, Empowerment Zone Employment Credit.
230	We changed the amount of tax on your return because you made an error in the addition of the tax, alternative minimum tax, and advance premium tax credit repayment.
231	We changed the amount claimed as foreign tax credit on your tax return because there was an error in one of the following: <ul style="list-style-type: none"> • Computation of the credit. • Transfer of the amount from Form 1116 to your tax return. <p>Note: Foreign Tax Credit is limited to the total amount of your tentative tax and excess advance premium tax credit repayment.</p>
232	We changed the amount claimed as credit for child and dependent care expenses on your tax return because there was an error on your Form 2441, Child and Dependent Care Expenses. The error was in one of the following: <ul style="list-style-type: none"> • Computation of the credit on Form 2441. • Transfer of the amount to your tax return.
233	We didn't allow the amount claimed as credit for child and dependent care expenses on your tax return. To qualify for this credit, earned income must be reported on line 4 (lines 4 and 5 if married filing jointly) of Form 2441, Child and Dependent Care Expenses.
234	We didn't allow the amount claimed as credit for child and dependent care expenses on your tax return. The Social Security Number, Employer Identification Number, or Individual Taxpayer Identification Number for your child care provider was not included as required on line 1 of Form 2441, Child and Dependent Care Expenses.
235	We didn't allow part or all of the amount claimed as credit for child and dependent care expenses on your tax return. For one or more of the qualifying persons listed on your Form 2441, Child and Dependent Care Expenses: <ul style="list-style-type: none"> • The Social Security Number or Individual Taxpayer Identification Number was missing. • The last name provided doesn't match our records or the records provided by the Social Security Administration.

Exhibit 3.12.3-2 (Cont. 13) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
236	<p>We didn't allow the amount claimed as credit for child and dependent care expenses on your tax return for prior year expenses on Form 2441, Child and Dependent Care Expenses. One or more of the following was not present on or included with your tax return:</p> <ul style="list-style-type: none"> • Dependent's Name • Dependent Social Security Number • Care provider's name and identification number • Statement showing how you figured the credit.
237	<p>We changed the amount claimed as credit for child and dependent care expenses on your tax return. because there was an error on your Form 2441, Child and Dependent Care Expenses. The error was in one of the following:</p> <ul style="list-style-type: none"> • Computation of the amount in Part III of Form 2441. • Transfer of the amount from Part III to Part II of Form 2441.
238	<p>We didn't allow the amount claimed as child and dependent care expenses on your tax return because your spouse or dependent cannot be your care provider.</p>
239	<p>We didn't allow the amount claimed as child and dependent care expenses on your tax return because you didn't check the married filing separate eligibility box on Form 2441, Child and Dependent Care Expenses.</p>
240	<p>We changed the amount claimed as credit for the elderly or the disabled on your tax return because there was an error on your Schedule R, Credit for the Elderly or the Disabled. The error was in one of the following:</p> <ul style="list-style-type: none"> • Computation of the credit on Schedule R. • Transfer of the amount to your tax return.
241	<p>We computed the amount of credit on Schedule R, Credit for the Elderly or the Disabled, for you and changed your tax return.</p>
242	<p>We didn't allow part or all the amount claimed as education credits on your tax return from Form 8863, Education Credits (American Opportunity and Lifetime Learning Credits), for one or more of the following reasons:</p> <ul style="list-style-type: none"> • The Social Security Number or Individual Taxpayer Identification Number for one or more students listed was missing or the last name did not match our records or the records provided by the Social Security Administration. • Your filing status was Married Filing Separately. • Your adjusted gross income was more than the maximum amount allowed for your filing status. • The student or students listed were not claimed as dependents on your tax return.
243	<p>We changed the amount claimed as education credits on your tax return because there was an error on your Form 8863, Education Credits (American Opportunity and Lifetime Learning Credits). The error was in one of the following:</p> <ul style="list-style-type: none"> • Computation of the credit on Form 8863. • Transfer of the amount to your tax return.

Exhibit 3.12.3-2 (Cont. 14) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
244	<p>We didn't allow the amount claimed as credit for child and dependent care expenses on your tax return. For one or more of the care providers listed on Form 2441, Child and Dependent Care Expenses:</p> <ul style="list-style-type: none"> • The identifying number matches the Social Security number or Individual Taxpayer Identification Number for your spouse or a dependent. • The last name doesn't match our records or the records provided by the Social Security Administration.
245	We didn't allow part or all of the credit claimed on Form 2441, Child and Dependent Care Expenses. We show one or more of the qualifying persons was over age 12, but you didn't mark the box on Form 2441, line 2(c), to indicate they were disabled.
246	<p>We didn't allow part or all the retirement savings contribution credit claimed on your return from Form 8880, Credit for Qualified Retirement Savings Contribution, for one or more of the following reasons:</p> <ul style="list-style-type: none"> • We show you or your spouse were under 18 years old at the end of the tax year. • We couldn't verify that you or your spouse were at least 18 years old at the end of the tax year. • Your adjusted gross income is more than the amount allowed for your filing status to claim this credit.
247	<p>We changed the amount claimed as retirement savings contribution credit on your tax return because there was an error on Form 8880, Credit for Qualified Retirement Savings Contributions. The error was in one of the following:</p> <ul style="list-style-type: none"> • Computation of the credit on Form 8880. • Transfer of the amount to your tax return.
249	We changed the amount claimed as child tax credit and credit for other dependents on your tax return because you either didn't enter an amount or entered an incorrect amount based on the number of boxes you checked on page 1 of your tax return.
250	We didn't allow all or part of the Child Tax Credit claimed on your return. One or more of the dependents listed on your return exceeds the age limit to be a qualifying child or the child's Social Security number (SSN) was missing. If you claimed the Additional Child Tax Credit it may also be affected. The age and SSN requirements don't apply when claiming the credit for other dependents. We changed the credit amount to include this credit.
251	We didn't allow part or all of your child tax credit and/or additional child tax credit on your tax return because one or more of your children exceeds the age limitation.
252	We changed the amount claimed as Child Tax Credit on your tax return because you either didn't enter an amount or entered an incorrect amount based on the number of qualifying boxes checked or your adjusted gross income. If additional child tax credit is claimed, it may also be affected.
253	<p>We changed the amount claimed as Mortgage Interest Credit on your tax return because there was an error on Form 8396, Mortgage Interest Credit. The error was in one of the following:</p> <ul style="list-style-type: none"> • Computation of the credit on Form 8396. • Transfer of the amount to your tax return.

Exhibit 3.12.3-2 (Cont. 15) (01-01-2024)

Taxpayer Notice Codes

TPNC	EXPLANATION
254	<p>We changed the amount claimed as Adoption Credit on your tax return because there was an error on Form 8839, Qualified Adoption Expenses. The error was in one of the following:</p> <ul style="list-style-type: none"> • Computation of the credit on Form 8839. • Transfer of that amount to your tax return.
255	We didn't allow the amount claimed as Adoption Credit on your tax return because Form 8839, Qualified Adoption Expenses, was incomplete or not attached to your tax return.
257	<p>We didn't allow the amount claimed as Mortgage Interest Credit on your tax return because mortgage interest paid shown on Form 1098 must be reported on Schedule A, Itemized Deductions.</p> <p>Note: If you have other itemized deductions in addition to mortgage interest, or your mortgage interest is more than the standard deduction, you can file Form 1040X, Amended U.S. Individual Income Tax Return, and include them on Schedule A, Itemized Deductions, to reduce your tax.</p>
260	<p>We changed the amount claimed as other credits on your tax return because there was an error on Form 3800, General Business Credit, Form 8826, Disabled Access Credit, or Form 8881, Credit for Small Employer Pension Plan. The error was in one of the following:</p> <ul style="list-style-type: none"> • Computation of the credit on Form 3800 • Computation of the credit on Form 8826 • Computation of the credit on Form 8881 • Transfer of the amount to your tax return
261	We changed the amount claimed on your return from Form 8801, Credit for Prior Year Minimum Tax, because you miscalculated the credit or made an error transferring that amount to your return.
263	The write-in credit you claimed is not an allowable credit. We removed this credit and adjusted your return accordingly.
264	We changed the amount of total credits on your tax return because you incorrectly added your credits.
265	We changed the amount of tax after credits on your tax return because you incorrectly subtracted your credits from your tax.
266	We changed the total credits on your tax return. Some credits are limited to the difference between your tax before credits and tentative minimum tax from Form 6251, Alternative Minimum Tax-Individuals. You either didn't apply the limitation to your credit or it was applied incorrectly.
267	We changed the total credits on your tax return. Some credits are limited to the difference between your tax before credits and tentative minimum tax from Form 6251, Alternative Minimum Tax-Individuals. Although you are not liable for this additional tax, your credits are still subject to the limitation.

Exhibit 3.12.3-2 (Cont. 16) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
268	We changed the amount of self-employment tax on your tax return because there was an error on Schedule SE, Self-Employment Tax. The error was in one of the following: <ul style="list-style-type: none"> • Computation of the self-employment tax on Schedule SE. • Transfer of the amount to your tax return.
269	We changed the amount of self-employment tax on your tax return. We refigured your Schedule SE, Self-Employment Tax, to reflect your true net earnings before multiplying the amount by .9235. You cannot reduce your net earnings twice. Section 1402(a)(12) applies to line 4a of Schedule SE and is not an election.
270	We changed the amount of self-employment tax on your tax return. There was an error in the transfer of net farm profit or loss from Schedule F, Profit or Loss From Farming, to Schedule SE, Self-Employment Tax.
271	We changed the amount of self-employment tax on your tax return. There was an error in the transfer of net profit or loss from Schedule C/C-EZ, Profit or Loss From Business, to Schedule SE, Self-Employment Tax.
272	We changed the amount of self-employment tax on your tax return. Based on the information you reported, you don't qualify to use the optional method of computing self-employment tax on Schedule SE, Self-Employment Tax.
273	We reduced or removed the self-employment tax on your tax return. Your net earnings were less than \$434; therefore, they aren't subject to self-employment tax.
274	We changed the amount of unreported Social Security and Medicare tax reported on your return because you made one of the following errors on your Form 4137, Social Security and Medicare Tax on Unreported Tip Income: <ul style="list-style-type: none"> • Computation of the tax on Form 4137 • Transfer of the amount to your tax return
275	We changed the amount of additional tax on IRAs and other qualified plans, including IRAs reported on your tax return. There was an error transferring the tax from Form 5329, Additional Taxes on Qualified Plans (including IRAs) and Other Tax-Favored Accounts.
276	We changed the amount shown on Schedule 2 of your tax return as additional tax from Schedule 8812, Credits for Qualifying Children and Other Dependents because you received advance Child Tax Credit payments and either didn't reconcile them or made an error on Schedule 8812 in one of the following: <ul style="list-style-type: none"> • The computation of the Child Tax Credit on Schedule 8812. • The reconciliation of advance Child Tax Credit payments. • Transferring the amount of tax from Part III to your tax return.
277	We changed the amount of household employment taxes reported on your tax return. There was an error in the computation of Federal Unemployment (FUTA) Tax on Schedule H, Household Employment Taxes.

Exhibit 3.12.3-2 (Cont. 17) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
278	We changed the amount of household employment taxes reported on your tax return. There was an error in the computation of one or more of the following taxes or the totaling of these amounts on Schedule H, Household Employment Taxes: <ul style="list-style-type: none"> • Social Security • Medicare • Federal Income Taxes
279	We changed the amount of household employment taxes reported on your tax return. The amount of cash wages reported on Schedule H, Household Employment Taxes, for your household employee was not enough to be considered taxable for employment tax purposes. Any Social Security and Medicare Tax Withheld should be returned to your employee. You may also have to file Form W-2C, Corrected Wage and Tax Statement, to correct the Social Security and Medicare Wages you reported.
280	We changed the amount of household employment taxes reported on your tax return because there was an error on Schedule H, Household Employment Taxes. The error was in one of the following: <ul style="list-style-type: none"> • Computation of the total household employment tax on Schedule H. • Transfer of the amount to your tax return.
281	We changed the amount of total tax on your tax return to exclude the refundable interest from Form 8697, Interest Computation Under the Look-Back Method for Completed Long-Term Contracts. If you are entitled to a refund of this interest, Form 8697 must be filed separately from your tax return. We detached the form from your tax return and are processing it separately.
282	We changed the amount of total tax on your tax return because there was an addition error.
283	We changed the amount claimed as Federal Income Tax Withheld on your tax return to reflect the amounts shown on Form(s) W-2, 1099, or other supporting documents.
284	We computed your Earned Income Credit for you.
285	We changed the amount claimed as Earned Income Credit (EIC) on your tax return. The amount claimed as EIC was figured or entered incorrectly on your tax return.
286	We didn't allow the amount claimed as Earned Income Credit (EIC) on your tax return. You're not eligible to claim EIC because your filing status is Married Filing Separately.
287	We didn't allow the amount claimed as Earned Income Credit on your tax return. Your earned income or adjusted gross income is more than the amount allowed to qualify for the credit.
288	We didn't allow the amount claimed as Earned Income Credit on your tax return. You must report earned income on your tax return to qualify for the credit.
290	We didn't allow the amount claimed as Earned Income Credit on your tax return because you indicated you were claimed as a dependent on another person's tax return.
291	We didn't allow the amount claimed as Earned Income Credit on your tax return because your investment income was more than the amount allowed for this credit.

Exhibit 3.12.3-2 (Cont. 18) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
292	We computed your Earned Income Credit for you on your tax return. The child or children listed on your tax return may qualify you for a larger credit. If they qualify, you must complete a Schedule EIC, Earned Income Credit, and file it with a Form 1040X, Amended U.S. Individual Income Tax Return.
293	We didn't allow the amount claimed as Earned Income Credit on your tax return. You or your spouse must be at least age 25, but less than age 65, on December 31st of the tax year for which the tax return is being filed.
294	We changed the amount claimed as excess social security tax withheld or Tier 1 RRTA Withheld on your tax return because you incorrectly calculated the excess amount.
295	We didn't allow the amount claimed as a write-in credit on the total payments line. This credit is not applicable to this tax year.
296	We changed the amount claimed as credit for federal tax on fuels on your tax return because there was an error on Form 4136, Credit for Federal Tax Paid on Fuels. The error was in one of the following: <ul style="list-style-type: none"> • Computation of the credit on Form 4136 • Transfer of the amount to your tax return • You already claimed the credit on Schedule A, Schedule C, Schedule F, or Schedule K-1 on the tax return
297	We changed the amount claimed as total payments on your tax return because you incorrectly calculated the payments section.
298	We removed the amount of state tax reported on your federal tax return. State income taxes are not collected by the Internal Revenue Service. For payment of state income taxes, please complete a state income tax return and mail both form and payment to the appropriate state official.
299	We changed the refund amount or the amount you owe on your tax return because the amount entered on your tax return was computed incorrectly.
300-500 INTERNATIONAL ONLY	
501	We changed the amount reported as adjusted gross income on your tax return because you either didn't complete Schedule 1, Additional Income and Adjustments to Income, or didn't attach it to your tax return.
502	We changed the amount claimed as nonrefundable credits on your tax return because you either didn't complete Schedule 3, Nonrefundable Credits, or you didn't attach it to your tax return.
503	We changed the nonrefundable credits on your tax return because you either didn't complete Schedule 3, Additional Credits and Payments, or you didn't attach it to your tax return.
504	We changed the total other payments and refundable credits you claimed because you either didn't complete Schedule 3, Additional Credits and Payments, or you didn't attach it to your tax return.

Exhibit 3.12.3-2 (Cont. 19) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
505	We changed the amount claimed as total payments on your tax return because you either didn't complete Schedule 5, Other Payments and Refundable Credits, or you didn't attach it to your tax return.
507	We didn't allow the amount claimed as other payments on your tax return because no form was submitted to substantiate the amount.
508	We didn't allow the amount claimed as a Schedule D carryover loss on your tax return. You must file a Schedule D to claim a carryover loss from a prior year.
513	We didn't allow the amount claimed as Foreign Tax Credit on your return. Form 1116, Foreign Tax Credit, was incomplete or not attached to your tax return.
514	We didn't allow the amount claimed as other credits on your Form 1040 because Form 8912, Credit to Holders of Tax Credit Bonds, was incomplete or not attached to your tax return.
515	We didn't allow the amount claimed as other credits on your Form 1040 because Form 8978, Partner's Additional Reporting Year Tax, was incomplete or not attached to your tax return.
516	We didn't allow the amount claimed as other credits on your Form 1040 because Form 8844, Empowerment Zone and Renewal Community Employment Credit, was incomplete or not attached to your tax return.
517	We didn't allow the amount claimed as other credits on your Form 1040 because Form 8860, Qualified Zone Academy Bond Credit, was incomplete or not attached to your tax return.
518	We didn't allow the amount claimed as other credits on your Form 1040 because Form 1118, Foreign Tax Credit - Corporations, was incomplete or not attached to your tax return.
520	We didn't allow the amount claimed as other credits on your return because you didn't submit any form to substantiate the amount.
521	We changed the amount claimed as residential energy credit on your tax return because there was an error on Form 5695, Residential Energy Credit. The error was in one of the following: <ul style="list-style-type: none"> • The computation of the credit on Form 5695. • Transfer of the amount to your tax return.
522	We didn't allow the amount claimed as alternative motor vehicle credit on your tax return because Form 8910, Alternative Motor Vehicle Credit, was incomplete or not attached to your tax return.
523	We didn't allow the amount claimed as qualified plug-in electric drive motor vehicle on your tax return because Form 8936, Qualified Plug-in Electric Drive Motor Vehicle Credit, was incomplete or not attached to your tax return.
524	We didn't allow the amount claimed as qualified electric vehicle credit on your tax return because Form 8834, Qualified Electric Vehicle Credit, was incomplete or not attached to your tax return.

Exhibit 3.12.3-2 (Cont. 20) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
525	We didn't allow all or part of the credit on Form 8910, Alternative Motor Vehicle Credit. One or more of the vehicles listed on Form 8910, Part I, doesn't qualify for the credit.
528	We changed the amount claimed as qualified electric vehicle credit on Form 3800, General Business Credit. You figured Form 8834, Qualified Electric Vehicle Credit, incorrectly or transferred the credit incorrectly from Form 8834 to Part III of Form 3800.
530	We changed the amount of total tax on your return because we didn't allow the reduction of Section 965, Treatment of deferred foreign income upon transition to participation exemption system of taxation, tax amount from total tax. You can download the publication Section 965 at www.irs.gov/forms-pubs or 800-TAX-FORM (800-826-3676).
531	We didn't allow the reduced tax amount reported on your tax return because you didn't respond to our request for a completed Section 965 Transition Tax Statement. We refigured your tax amount using the tax table, tax rate schedules, or capital gains tax computation.
539	We changed the amount claimed as Prior Year Earned Income or Additional Child Tax Credit Prior Year Income on your return. When you elect to use Prior Year Earned Income to compute Earned Income Credit and Additional Child Tax Credit you must use that same amount for both credits.
540	We didn't allow the amount claimed as Earned Income Credit on your tax return. Information on your tax return indicates that you don't qualify for this credit.
541	We didn't allow the Qualified Business Income Deduction you claimed because Form 8995, Qualified Business Income Deduction Simplified Computation, or Form 8995-A, Qualified Business Income Deduction, was not attached to your tax return.
550	We didn't allow the amount of loss you claimed on one or more of the following schedules because Form 6198, At-Risk Limitations, was not attached to your tax return. <ul style="list-style-type: none"> • Schedule C, Profit or Loss From Business • Schedule E, Supplemental Income and Loss • Schedule F, Profit or Loss From Farming Form 6198 is required when you indicate on Schedule C, E, or F that some investment is not at risk.
551	We didn't allow the amount claimed as moving expenses on your tax return because Form 3903/3903F was incomplete or not attached to your tax return.
552	We didn't allow the amount claimed as casualty or theft losses on Schedule A, Itemized Deductions, because Form 4684, Casualties and Theft Losses, was incomplete or not attached to your tax return.
553	We didn't allow the amount claimed as unreimbursed employee expenses on Schedule A, Itemized Deductions, because Form 2106 or 2106-EZ, Employee Business Expenses, was incomplete or not attached to your tax return.
554	We refigured the taxable income on your tax return by using the standard deduction instead of Schedule A, Itemized Deductions, because it was incomplete or not attached to your tax return.

Exhibit 3.12.3-2 (Cont. 21) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
555	We refigured the taxable income on your tax return by using the standard deduction instead of the total itemized deductions from Schedule A, Itemized Deductions. We used the standard deduction or the higher standard deduction for age or blindness because it resulted in a lower taxable income.
556	We changed the amount claimed for residential energy credit on your tax return because you claimed more than the allowable amount. The Residential Energy Credit in Part II of Form 5695 is limited to \$500 for an eligible property.
557	We didn't allow the deduction amount for domestic production activities on your tax return because Form 8903, Domestic Production Activities Deduction, was incomplete or not attached to your tax return.
558	We changed the refund amount or the amount you owe on your tax return based on the information you provided in response to our previous correspondence.
559	We refigured the tax on your tax return using the maximum tax rate. Form 8615, Tax for Certain Children Who Have Unearned Income, didn't include the parent's taxable income.
560	We changed the tax on your tax return using the tax table or tax rate schedules. We considered your capital gains to be short-term because your Schedule D, Capital Gains and Losses, was incomplete or not attached to your tax return. Short-term gains don't qualify for the capital gains tax rate.
561	We changed the amount claimed for residential energy credit because you claimed more than the allowable amount. The Residential Energy Credit in Part I of Form 5695 is limited to \$1,500 for an eligible property. (TY10 and TY09)
562	We did not allow the amount claimed as a credit for child and dependent care expenses on your tax return because you didn't indicate the number of months that you or your spouse was a student, disabled, or looking for work.
563	We didn't allow the amount claimed as credit for child and dependent care expenses on your tax return because Form 2441, Child and Dependent Care Expenses, was incomplete or not attached to your tax return.
564	We change the amount claimed as Refundable Child and Dependent Care Benefits because Form 2441, Child and Dependent Care Expenses, was required but incomplete or not attached to your tax return.
565	We didn't allow the amount claimed as credit for the elderly or the disabled on your tax return because Schedule R, Credit for the Elderly or the Disabled, was incomplete or not attached to your tax return.
567	We didn't allow the amount claimed as residential energy credit on your Form 1040 because Form 5695, Residential Energy Credit, was incomplete or not attached to your tax return.
568	We didn't allow the amount claimed as education credits on your tax return because Form 8863, Education Credits, was incomplete or not attached to your tax return.

Exhibit 3.12.3-2 (Cont. 22) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
569	We didn't allow the amount claimed as retirement savings contribution credit on your tax return because Form 8880, Credit for Qualified Retirement Savings Contributions, was incomplete or not attached to your tax return.
570	We didn't allow the amount claimed as credit for prior year minimum tax on your tax return because of one of the following: <ul style="list-style-type: none"> Form 8801, Credit for Prior Year Minimum Tax - Individuals, Estates, and Trusts, was incomplete or not attached to your tax return. You can't claim the credit for prior year minimum tax in the same year you owe alternative minimum tax.
572	We didn't allow all or part of the amount claimed as Residential Energy Credit on your return because the credit is limited to the total amount of tentative tax liability.
575	We didn't allow the amount claimed as other credits on your tax return because Form 3800, General Business Credit, Form 3468, Investment Credit, Form 8910, Alternative Motor Vehicle Credit, or other supporting documentation was incomplete or not attached to your tax return.
579	We didn't allow the amount claimed on Schedule 3 for qualified sick and family leave credits because Schedule H or Form 7202 was incomplete or not attached to your tax return.
580	We computed self-employment tax on your tax return for the self-employment income you reported. Since you included self-employment income in computing your Earned Income Credit (EIC), you must pay self-employment tax to receive EIC.
582	We didn't allow the amount claimed as Federal Income Tax Withheld on your tax return because Form(s) W-2 or other supporting documents were not attached to your tax return.
584	We didn't allow the amount claimed for Refundable American Opportunity Credit on your tax return because Form 8863, Education Credits was incomplete or not attached to your tax return.
585	We didn't allow the amount claimed as earned income credit on your tax return because Schedule EIC, Earned Income Credit, was incomplete or not attached to your tax return.
586	We didn't allow part or all the amount claimed as earned income credit on your tax return because your Form(s) W-2 didn't match the entry for wages.
588	The first \$2,400 of unemployment compensation paid to a person is not taxable. We reduced the unemployment compensation you (or your spouse if married filing jointly) reported on your tax return accordingly. (TY09)
589	We didn't allow the amount claimed for new motor vehicle taxes on Schedule A, Itemized Deductions, filed with your tax return. You are not allowed to claim both the state and local general sales tax and new motor vehicle tax.
590	We didn't allow the amount claimed as excess social security tax and Tier 1 tax withheld on your tax return because your Forms W-2 were not attached to your tax return.

Exhibit 3.12.3-2 (Cont. 23) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
591	We didn't allow the amount claimed as Refundable Child Tax Credit on your tax return because Schedule 8812, Credits for Qualifying Children and Other Dependents, was required but incomplete or not attached to your tax return.
592	We didn't allow the amount claimed as additional child tax credit on your tax return because Schedule 8812, Additional Child Tax Credit, was incomplete or not attached to your tax return.
593	We didn't allow the amount claimed as an additional standard deduction for real estate taxes on your tax return. You can't claim the deduction for real estate taxes as an addition to standard deduction when you are filing a Schedule A, Itemized Deduction.
594	We didn't allow the amount claimed for health coverage tax credit on your tax return because information provided to the IRS indicates that you are not eligible. The Health Coverage Tax Credit eligibility is determined through either your state workforce agency (Department of Labor) or the Pension Benefit Guaranty Corporation (PBGC). Only these organizations can determine your potential eligibility.
595	We didn't allow the amount claimed as other payments on your tax return because Form 2439, Notice to Shareholder of Undistributed Long Term Capital Gains, was not attached to your tax return.
596	We didn't allow the amount claimed as credit for federal tax on fuels on your tax return because Form 4136, Credit for Federal Tax Paid on Fuels, was incomplete or not attached to your tax return.
597	We didn't allow the amount claimed for tuition and fees on your tax return because Form 8917, Tuition and Fees Deduction, was incomplete or not attached to your tax return.
598	<p>We changed the amount of exemption claimed on your tax return for your child that didn't live with you. Form 8332, Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent or Form 2120, Multiple Support Declaration, or a copy of a divorce decree showing your right to claim an exemption was incomplete or not attached to your tax return. This change may affect your taxable income, tax, or any of the following credits:</p> <ul style="list-style-type: none"> • Education Credit • Child Tax Credit • Additional Child Tax Credit
601	<p>We changed the amount claimed on Schedule 3 as deferral of tax payments from Schedule H or Schedule SE. We made this change because of one of the following:</p> <ul style="list-style-type: none"> • The amount cannot exceed maximum amounts of deferred tax payments reported on Schedule H and/or Schedule SE. • Schedule H or Schedule SE was incomplete or not attached to your tax return.
602	We didn't allow the other payments and refundable credits amount because the supporting form was incomplete or not attached to your tax return.

Exhibit 3.12.3-2 (Cont. 24) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
605	<p>Each dependent listed on your tax return must have a valid Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN). For one or more of your dependents the SSN or ITIN was missing or the last name doesn't match our records or the records provided by the Social Security Administration. As a result, we didn't allow one or more of your exemptions. This change may affect your taxable income, tax, or any of the following credits:</p> <ul style="list-style-type: none"> • Credit for Child and Dependent Care Expenses • Education Credits • Child Tax Credit • Additional Child Tax Credit
606	<p>We didn't allow the exemption claimed for any dependent born after December 31st of the tax year of the return you filed. This change may affect your taxable income, tax, or any of the following credits:</p> <ul style="list-style-type: none"> • Credit for Child and Dependent Care Expenses • Child Tax Credit • Additional Child Tax Credit
607	<p>We didn't allow the exemption for the primary taxpayer claimed on your tax return. We compared the Social Security Number of the primary taxpayer shown on your tax return with records from the Social Security Administration. According to these records, the Social Security Number belongs to a deceased person. You must contact the Social Security Administration if this information is incorrect. This change may affect your taxable income, tax, or any of the following credits:</p> <ul style="list-style-type: none"> • Credit for Child and Dependent Care Expenses • Child Tax Credit • Additional Child Tax Credit • Earned Income Credit
608	<p>We didn't allow the exemption for the spouse claimed on your tax return. We compared the Social Security Number of the spouse shown on your tax return with records from the Social Security Administration. According to these records, the Social Security number belongs to a deceased person. You must contact the Social Security Administration if this information is incorrect. This change may affect your taxable income, tax, or any of the following credits:</p> <ul style="list-style-type: none"> • Credit for Child and Dependent Care Expenses • Child Tax Credit • Additional Child Tax Credit • Earned Income Credit

Exhibit 3.12.3-2 (Cont. 25) (01-01-2024)

Taxpayer Notice Codes

TPNC	EXPLANATION
609	<p>We didn't allow the exemption for one or more of the dependents claimed on your tax return. We compared the Social Security Number of each dependent claimed on your tax return with records from the Social Security Administration. According to these records, one or more of the dependents claimed on your tax return have a Social Security Number that matches a deceased person. You must contact the Social Security Administration if this information is incorrect. This change may affect your taxable income, tax, or any of the following credits:</p> <ul style="list-style-type: none"> • Credit for Child and Dependent Care Expenses • Child Tax Credit • Additional Child Tax Credit • Earned Income Credit <p>Note: This change may also affect the Credit for Child and Dependent Care Expenses and Earned Income Credit regardless of whether an exemption was claimed for that dependent.</p>
610	<p>We didn't allow the exemption for one or more of the dependents who have a missing Social Security Number that are identified on your return as being born and died during the tax period of the return. In order to claim a dependent as an exemption there must be proof of a live birth shown on an official document such as a birth certificate attached to the return.</p> <p>This change may effect your taxable income, tax, or any of the following credits:</p> <ul style="list-style-type: none"> • Credit for Child and Dependent Care Expenses • Child Tax Credit • Additional Child Tax Credit • Earned Income Credit <p>Note: This change may also affect the Credit for Child and Dependent Care Expenses and Earned Income Credit regardless of whether an exemption was claimed for that dependent.</p>
614	<p>We changed the amount of Social Security and Medicare Tax on wages not reported to employer on your tax return because there was an error on Form 8919, Unreported Social Security and Medicare Tax on Wages. The error was in one of the following:</p> <ul style="list-style-type: none"> • Computation of the tax on Form 8919. • Transfer of that amount to your tax return.
615	<p>We changed your Qualified Business Income Deduction because it was figured incorrectly or the amount was not limited based on your income limitation.</p>
617	<p>We didn't allow the amount claimed as Earned Income Credit on your tax return. You or your spouse must be at least age 19 on December 31st of the tax year for which the tax return is being filed or at least 18 and checked the box on line 27, Form 1040.</p>
618	<p>We didn't allow the amount claimed as Earned Income Credit (EIC) on your tax return. You're not eligible to claim EIC because your filing status is Married Filing Separately and you did not check the box to indicate you meet the requirements to claim Earned Income Credit when your filing status is married filing separate.</p>

Exhibit 3.12.3-2 (Cont. 26) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
621	<p>We changed the amount claimed as Refundable Child Tax Credit on your tax return because there was an error on Schedule 8812, Credits for Qualifying Children and Other Dependents. The error was in one of the following:</p> <ul style="list-style-type: none"> • Computation of the credit on Schedule 8812. • Transfer of the amount to your tax return. • Advanced Child Tax Credit was not reconciled. • Advanced Child Tax Credit was reconciled incorrectly.
623	<p>We can't allow your Refundable Child Tax Credit. According to information on Schedule 8812, Credits for Qualifying Children and Other Dependents, you did not maintain a home in the United States for 6 months or more or were not a bona fide resident of Puerto Rico. We have changed your return accordingly.</p>
624	<p>We didn't allow all or part of the Refundable Child Tax Credit claimed on your return. One or more of the dependents listed on your return exceeds the age limit to be a qualifying child, or the child's Social Security number (SSN) was missing. If you claimed the Additional Child Tax Credit, it may also be affected. The age and SSN requirements don't apply when claiming the credit for other dependents. We changed the credit amount to include this credit.</p>
628	<p>We changed the amount claimed as Child Tax Credit and/or Additional Child Tax Credit on your tax return because there was an error on Schedule 8812, Additional Child Tax Credit. The error was in one of the following:</p> <ul style="list-style-type: none"> • Computation of the credit on Schedule 8812. • Transfer of the amount to your tax return.
630	<p>We can't allow your Refundable Child Dependent Care Benefits. According to information on Form 2441, Child and Dependent Care Expenses, you did not maintain a home in the United States for 6 months or more. We have changed your return accordingly.</p>
631	<p>We changed the amount claimed as Refundable Child Dependent Care Benefits on your tax return because there was an error on Form 2441, Child and Dependent Care Expenses. The error was in one of the following:</p> <ul style="list-style-type: none"> • Computation of the credit on Form 2441. • Transfer of the amount to your tax return.
633	<p>We included the amount of capital gain distributions from Form 2439, Notice to Shareholder of Undistributed Long-Term Capital Gains. You should report these distributions on Schedule D or as a capital gain on your tax return.</p>
642	<p>We didn't allow your personal exemption on your tax return because your individual taxpayer identification number (ITIN) has expired. Each exemption on your tax return must have a valid ITIN or other valid taxpayer identification (TIN).</p>
643	<p>We didn't allow your spouse's personal exemption on your tax return because your spouse's individual identification number (ITIN) has expired. Each exemption on your tax return must have a valid ITIN or other valid taxpayer identification number (TIN).</p>

Exhibit 3.12.3-2 (Cont. 27) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
644	Each exemption on your tax return must have a valid individual taxpayer identification number (ITIN) or other valid taxpayer number (TIN). The ITIN for one or more of your dependents has expired. As a result, we didn't allow those exemptions on your tax return. This change may affect your taxable income, tax, or any of the following credits: <ul style="list-style-type: none"> • Credit for child dependent care expenses • Education credits • Child tax credit • Additional child tax credit
645	We didn't allow part or all of the education credits claimed on your tax return because one or more students listed on your Form 8863, Education Credits, has an expired individual taxpayer identification number (ITIN).
646	We didn't allow part or all of the amount claimed as credit for child and dependent care expenses on your tax return because one or more of the qualifying persons listed on Form 2441, Child and Dependent Care Expenses, has an expired individual identification number (ITIN).
647	We didn't allow the amount claimed as Qualified Mortgage Insurance Premiums on Schedule A, Itemized Deductions, on your return. Your adjusted gross income is greater than the maximum amount allowed for your filing status.
648	According to our records, an installment payment is due for the First-Time Homebuyer Credit received with 2008 tax return is due. You didn't report the payment and didn't include it in tax. We have calculated the required payment and added it to your tax return.
649	We changed your installment payment of the first-time homebuyer credit on your tax return because of one of the following: <ul style="list-style-type: none"> • You miscalculated the payment owed. • You transferred the payment incorrectly from Form 5405, Repayment of the First-Time Homebuyer Credit, to your tax return. • You reported a disposition or change in the use of your main home that indicates you are not required to repay the first-time homebuyer credit. • We show you're not required to repay the credit. • We don't require a repayment of the credit from a taxpayer who died in the tax year of the return. • You're not filing married filing jointly but sent a payment for another person. The other person must file their own tax return to report their payment.
650	We changed the amount of tax on your tax return. The deceased taxpayer was not eligible for exclusion of income tax under Internal Revenue Code Section 692. The Internal Revenue Service was notified of all qualifying individuals and the taxpayer on your tax return was not one of those eligible.
653	We didn't allow the amount claimed as Earned Income Credit, Child Tax Credit, Additional Child Tax Credit, Credit for Other Dependents, and/or American Opportunity Tax Credit on your tax return. We have no record of receiving Form 8862, Information to Claim Certain Credits After Disallowance. You must submit a completed Form 8862 to recertify your eligibility for any of the credits claimed.

Exhibit 3.12.3-2 (Cont. 28) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
668	For tax year 2014, you must submit Form 8885, Health Coverage Tax Credit, using Form 1040-X, Amended U.S. Individual Tax Return. We removed Form 8885 and the amount from your return. We're returning the form and any supporting documentation you submitted. To claim the credit, submit Form 1040-X, Form 8885, and your supporting documentation. You can get Form 1040-X by visiting IRS.gov/forms or calling 800-TAX-FORM (800-829-3676).
669	We didn't allow all or part of the amount you claimed as health coverage tax credit on your tax return for one of the following reasons: <ul style="list-style-type: none"> • Form 8885, Health Coverage Tax Credit, was incomplete or not attached to your tax return. • Information on your return or attachments shows you're ineligible for the credit. • The amount shown on line 2, Form 8885, is from Form W-2 box 12. This amount is not eligible for health coverage tax credit. • The amount shown on line 2, Form 8885 is from Form 1095-C, Part II, line 15. This amount is not eligible for health coverage tax credit. • Support for the amount claimed on line 2 of Form 8885 was incomplete or not attached to your return.
670	We reduced the deduction for health insurance for the self-employed, by the payments you reported on line 4 of Form 8885 or the Health Coverage Tax Credit you figured on line 5 of Form 8885. You must exclude payments eligible for the Health Coverage Tax Credit from the calculation of the deduction.
671	We didn't allow the credit claimed from Form 8885, Health Coverage Tax Credit, because the credit isn't available for the tax year.
672	We didn't allow all or part of the amount claimed as education credits on your tax return. For one or more of the students listed on your Form 8863, Education Credits: <ul style="list-style-type: none"> • You didn't include the institution's employer identification number (EIN) as required on line 22(4). • You incorrectly computed the credit based on the answers to the questions on lines 23 through 26.
677	We didn't allow part or all the amount claimed as refundable education credit from Form 8863, Education Credits (American Opportunity and Lifetime Learning Credits), for one or more of the following reasons: <ul style="list-style-type: none"> • The Social Security number or Individual taxpayer Identification number for one or more students listed on the form was missing or the last name did not match our records or the records provided by the Social Security Administration. • Your filing status was married filing separately. • The student or students listed were not claimed as dependents on your tax return. • Your adjusted gross income was more than the maximum amount allowed for your filing status.
678	We changed the amount claimed as refundable education credit on your tax return because there was an error on your Form 8863, Education Credits. The error was in one of the following: <ul style="list-style-type: none"> • Computation of the refundable education credit on Form 8863. • Transfer of the amount to your return.

Exhibit 3.12.3-2 (Cont. 29) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
681	We changed the amount claimed as a Recovery Rebate Credit on your tax return. Information on your return indicates that either you (or your spouse if married filing jointly) is claimed as a dependent on another taxpayer's tax return.
682	<p>We changed the amount claimed as Recovery Rebate Credit on your tax return. The error was in one or more of the following:</p> <ul style="list-style-type: none"> • Your Social Security number (or your spouse's Social Security number if married filing jointly) was either missing or incomplete. • Your last name (or your spouse's last name if married filing jointly) does not match our records. • You (or your spouse if married filing jointly) used an Individual Taxpayer identification number (ITIN) and there is no indication that one spouse was a member of the Armed Forces of the United States at any time during the tax year, so that an exception does not apply to the rule that both spouses must have a Social Security number. • We compared the Social Security numbers (SSN) shown on your tax return with records from the Social Security Administration. According to these records, the SSN shown on your tax return for you, your spouse, or one or more of the dependents belongs to a deceased person. You must contact the Social Security Administration if this information is incorrect. • The Social Security number shown on your tax return for you, your spouse, or one or more of the dependents listed on your return was not issued before the due date of the tax return.
683	<p>We changed the amount claimed as Recovery Rebate Credit on your tax return. The error was in one or more of the following:</p> <ul style="list-style-type: none"> • The Social Security number of one or more individuals claimed as a qualifying dependent was missing or incomplete. • The last name of one or more individuals claimed as a qualifying dependent does not match our records. • One or more individuals claimed as a qualifying dependent exceeds the age limit. • Your adjusted gross income exceeds \$75,000 (\$150,000 if married filing jointly, \$112,500 if head of household). • The amount was computed incorrectly.
693	We didn't allow the amount claimed as other credits on your tax return because it is not an allowable credit. We have adjusted the total payments and credits on your tax return.
694	We didn't allow all or part of the credit claimed from Form 8936, Qualified Plug-in Electric Drive Motor Vehicle Credit, on Form 1040. To qualify for the credit, your vehicle must have been placed in service during the tax year of the return.
695	We didn't allow all or part of the credit claimed from Form 8910, Alternative Motor Vehicle Credit, on Form 1040. To qualify for the credit, your vehicle must have been placed in service during the tax year of the return.

Exhibit 3.12.3-2 (Cont. 30) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
701	We didn't allow your spouse's personal exemption and Earned Income Credit (EIC) on your tax return. Your spouse's Social Security Number (SSN) was missing or the last name provided doesn't match our records or the records provided by the Social Security Administration. Note: To be eligible for EIC, you, your spouse, and qualifying child or children must use a correct name and SSN issued by the Social Security Administration.
702	We didn't allow the amount claimed as Earned Income Credit (EIC) on your tax return. The individual taxpayer identification number you gave us for yourself and/or spouse was issued by the Internal Revenue Service and does not qualify you for the credit. Note: To be eligible for EIC, you, your spouse, and qualifying child or children must use a correct name and SSN issued by the Social Security Administration.
704	Your or your spouse's Social Security number (SSN) or individual taxpayer identification number (ITIN) was missing or the last name provided doesn't match our records or the records provided by the Social Security Administration. As a result, we disallowed certain credits claimed on your return. This change may affect any of the following credits: <ul style="list-style-type: none"> • Education credits • Child tax credit • Credit for other dependents • Additional child tax credit • Earned income credit
705	Each dependent listed on your tax return must have a valid Social Security number (SSN) or individual taxpayer identification number (ITIN). For one or more of your dependents, the SSN or ITIN was missing or the last name provided doesn't match our records or the records provided by the Social Security Administration. As a result, we disallowed certain credits claimed on your return. This change may affect any of the following credits: <ul style="list-style-type: none"> • Credit for child and dependent care expenses • Education credits • Child tax credit • Credit for other dependents • Additional child tax credit • Earned income credit
706	We compared the Social Security numbers (SSN) shown on your tax return with records from the Social Security Administration. According to these records, the SSN shown on your tax return for you, your spouse, or one or more of the dependents belongs to a deceased person. You must contact the Social Security Administration if this information is incorrect. As a result, we disallowed certain credits claimed on your return. This change may affect any of the following credits: <ul style="list-style-type: none"> • Credit for child and dependent care expenses • Child tax credit • Credit for other dependents • Additional child tax credit • Earned income credit • Education credits

Exhibit 3.12.3-2 (Cont. 31) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
707	<p>One or more of the dependents listed on your tax return who have a missing Social Security number are identified as being born and died during the tax period of the return. To claim a dependent as being born and died there must be proof of a live birth shown on an official document such as a birth certificate attached to the return. As a result, we disallowed certain credits claimed on your return. This change may affect any of the following credits:</p> <ul style="list-style-type: none"> • Credit for child and dependent care expenses • Child tax credit • Credit for other dependents • Additional child tax credit • Earned income credit
708	<p>One or more of the dependents listed on your tax return was born after December 31st of the tax year for the return you filed. As a result, we disallowed certain credits claimed on your return. This change may affect any of the following credits:</p> <ul style="list-style-type: none"> • Credit for child and dependent care expenses • Child tax credit • Credit for other dependents • Additional child tax credit • Earned income credit
709	<p>The individual taxpayer identification number (ITIN) for you or your spouse has expired. As a result, we disallowed certain credits claimed on your return. This change may affect any of the following credits:</p> <ul style="list-style-type: none"> • Education credits • Credit for other dependents • Child tax credit • Additional child tax credit
710	<p>The individual taxpayer identification number (ITIN) for one or more of your dependents has expired. As a result, we disallowed certain credits claimed on your return. This change may affect any of the following credits:</p> <ul style="list-style-type: none"> • Credit for child and dependent care expenses • Credit for other dependents • Education credits
711	<p>You, your spouse, or one or more of the dependents listed on your return didn't have an assigned taxpayer identification number by the due date of the tax return. As a result, we disallowed certain credits claimed on your return. This change may affect any of the following credits:</p> <ul style="list-style-type: none"> • Credit for other dependents • Child tax credit • Additional child tax credit • American opportunity credit • Earned income credit
730	<p>We changed the amount claimed as itemized deductions on your tax return because your deduction for state and local taxes is more than the amount allowed for your filing status.</p>

Exhibit 3.12.3-2 (Cont. 32) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
731	We changed the amount of taxable income on your return because you made an error in the subtraction of your standard deduction (or itemized deductions) and qualified business income deduction from your adjusted gross income.
732	We changed the amount reported as other taxes on your tax return because you made an error in one of the following: <ul style="list-style-type: none"> • Totaling the taxes on Schedule 4, Other Taxes • Transferring the total amount to line 14 of your Form 1040 • Providing no explanation or supporting attachment to support the reduction in tax (TY18)
733	We changed the refundable credits on your return because you incorrectly calculated the amount.
734	We changed the amount reported as other taxes on your tax return because you made an error in one of the following: <ul style="list-style-type: none"> • Totaling the taxes on Schedule 2, Additional Taxes • Transferring the amount to your tax return • Providing no explanation or supporting attachment to support the reduction in tax
735	Black Farmer Litigation Settlement Payment (or Keepseagle v. Vilsback Payment or Hispanic and Women Farmers and Ranchers) is subject to SE Tax when currently engaged in farming. We have adjusted your Schedule SE accordingly.
736	We did not allow your claim for the earned income credit. We couldn't verify your age and your spouse did not meet the age requirement.
737	We did not allow your claim for the earned income credit. We couldn't verify your and your spouse's ages.
738	We did not allow your claim for the earned income credit. We couldn't verify your age and so could not determine your eligibility for the credit.
741	We didn't allow part or all the amount claimed as Earned Income Credit (EIC) on your tax return. The date of birth shown on your Schedule EIC, Earned Income Credit, for your qualifying child or children doesn't match the date or dates provided by the Social Security Administration. Their records showed your child or children doesn't meet the age requirement.
743	We didn't allow part or all the amount claimed as Earned Income Credit (EIC) on your tax return. For one or more of the children listed on your Schedule EIC, Earned Income Credit: <ul style="list-style-type: none"> • The Social Security Number was missing. • The last name doesn't match our records or the records provided by the Social Security Administration.
745	We didn't allow part or all the amount claimed as Earned Income Credit (EIC) on your tax return. The child or children listed on your Schedule EIC, Earned Income Credit, must have a valid Social Security Number issued by the Social Security Administration to qualify for the credit. The Individual Taxpayer Identification Number you provided for your child or children was issued by the Internal Revenue Service and doesn't qualify you for EIC.

Exhibit 3.12.3-2 (Cont. 33) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
748	We didn't allow your personal exemption and Earned Income Credit (EIC) on your tax return. Your Social Security Number (SSN) or last name doesn't match our records or the records provided by the Social Security Administration. Note: To be eligible for EIC, you, your spouse, and qualifying child or children must use a correct name and SSN issued by the Social Security Administration.
750	We didn't allow part or all the amount claimed for Earned Income Credit on your tax return. The information you provided on Schedule EIC, Earned Income Credit, shows one or more of the qualifying children didn't meet the age requirement for the credit.
751	We didn't allow part or all the amount claimed as Earned Income Credit on your tax return. The information you provided on Schedule EIC, Earned Income Credit, shows one or more of the qualifying children didn't meet the relationship requirement for the credit.
752	We didn't allow part or all the amount claimed as Earned Income Credit on your tax return. The information you provided on Schedule EIC, Earned Income Credit, shows one or more of the qualifying children didn't live with you for more than half the year.
753	We changed the amount claimed as Credit for Small Employer Health Insurance Premiums on Form 3800, General Business Credit. There was an error on Form 8941, Credit for Small Employer Health Insurance premiums. The error was in one of the following: <ul style="list-style-type: none"> • Computation of the credit on Form 8941. • Transfer of the credit amount to Part III of Form 3800.
754	We didn't allow the Credit for Small Employer Health Insurance Premiums on Form 3800 General Business Credits. The required Form 8941 was incomplete or not attached to your tax return.
755	We didn't allow all or part of the amount claimed as credit from Form 8859 on your Form 1040 because Form 8859, District of Columbia First-Time Homebuyer Credit, was incomplete or not attached to your tax return.
758	We didn't allow the amount claimed for charitable contribution deduction. You must claim charitable contributions on Schedule A, Itemized Deductions, for the tax year of your return.
759	We adjusted your tax return because you reported income or withholding from different tax years on your return. We processed your tax return with only the income earned and the tax withheld in the year of the tax return.
760	We did not allow part or all the amount you claimed for the Earned Income Credit. You didn't provide support for the statutory wages you reported and we didn't consider those wages in figuring the credit.
761	We didn't allow the amount claimed as employee business expenses on your tax return because Form 2106 or 2106-EZ, Employee Business Expenses was incomplete or not attached.

Exhibit 3.12.3-2 (Cont. 34) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
762	<p>We changed your tax family size on line 1 of Form 8962, Premium Tax Credit. We made the change because you, your spouse, or one or more of the dependents listed on your tax return has an issue with their taxpayer identification number. The issue may relate to any of the following:</p> <ul style="list-style-type: none"> • The Social Security number (SSN) or individual taxpayer identification number (ITIN) was missing. • The last name provided doesn't match our records or the records provided by the Social Security Administration. • The ITIN has expired. • The SSN belongs to a deceased person.
763	We changed the amount claimed as Medical and Dental Expenses on Schedule A, Itemized Deductions. You used the wrong percentage rate to compute your Medical and Dental Expenses on your tax return.
764	We changed the amount reported as Additional Medicare Tax on your tax return. There was an error computing line 7 of Form 8959, Additional Medicare Tax.
765	We changed the amount reported as Additional Medicare Tax on your tax return. There was an error computing line 13 of Form 8959, Additional Medicare Tax.
766	We changed the amount reported as Additional Medicare Tax on your tax return. There was an error computing line 17 of Form 8959, Additional Medicare Tax.
767	We changed the amount reported as Additional Medicare Tax Withholding. There was an error computing line 24 of Form 8959, Additional Medicare Tax Withholding, or transferring the amount to your tax return.
768	We changed the amount reported as Net Investment Income Tax on your tax return. There was an error computing your Total Investment Income on Form 8960, Net Investment Income Tax-Individuals, Estates, and Trusts.
769	We changed the amount reported as Net Investment Income Tax on your tax return. There was an error computing your total deductions and modifications on Form 8960, Net Investment Income Tax-Individuals, Estates, and Trusts.
770	We changed the amount reported as Net investment Income Tax on your tax return. There was an error computing line 16 of Form 8960, Net Investment Income Tax-Individuals, Estates, and Trusts.
771	We changed the amount reported as Net Investment Income Tax on your tax return. There was an error computing line 17 of Form 8960, Net Investment Income Tax-Individuals, Estates, and Trusts.
772	We did not allow the amount from Form 2106, Employee Business Expenses, you claimed on your Form 1040. For tax year 2018 and later, only armed forces reservists, qualified performing artists, fee-basis state or local government officials, or employees with impairment-related work expenses can use Form 2106.
776	We changed the amount of your Form 8960, Net Investment Income Tax-Individuals, Estates, and Trusts, because you made an error transferring the amount from Form 8960 to your return.

Exhibit 3.12.3-2 (Cont. 35) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
777	We changed the amount of your Form 8959, Additional Medicare Tax, because you made an error transferring the amount from Form 8959 to your return.
778	We did not allow all or part of your claim for additional child tax credit. You didn't provide support for the statutory wages you reported or the required entry for withheld Social Security and Medicare taxes on Schedule 8812. We didn't consider those wages in figuring the credit.
781	We changed the amount of total statutory credits on your tax return because there an error in one of the following: <ul style="list-style-type: none"> • Computation of the credit • Transfer of the amount to your tax return.
784	We changed the monthly contribution amount on Form 8962, Premium Tax Credit, because you incorrectly calculated it in Part 1 - Annual and Monthly Contributions.
785	We changed the monthly contribution amount on the applicable lines 12c through 23c of Form 8962, Premium Tax Credit, because you incorrectly calculated the contribution amount for yourself and/or spouse on line 35b and/or line 36b in Part V - Alternative Calculation for Marriage.
786	We changed the amount of total premium tax credit on line 24 of Form 8962, Premium Tax Credit, because you incorrectly calculated either the annual or monthly section of Part II (Column e), Premium Tax Credit Claim and Reconciliation of Advance Credit.
787	We changed the amount of advance premium tax credit on line 25 of Form 8962, Premium Tax, because you incorrectly calculated either the annual or monthly section of Part II (Column f), Premium Tax Credit Claim and Reconciliation of Advance Credit.
788	We changed the net premium tax credit on your return because you made one of the following errors on Form 8962, Premium Tax Credit: <ul style="list-style-type: none"> • Computation of Part II - Premium Tax Credit Claim and Reconciliation of Advance Payment of Premium Tax Credit • Transfer of the Form 8962 amount to your return
789	We changed the amount of advance premium tax credit repayment you reported on your tax return because there was an error on Form 8962, Premium Tax Credit. The error was in one of the following: <ul style="list-style-type: none"> • Computation of Part III, Repayment of Excess Advance Payment. • Transfer of that amount to your tax return.
790	We didn't allow the amount claimed as net premium tax credit on line 24 of Form 8962, Premium Tax Credit. You're not eligible to claim the credit because your filing status is married filing separately.
791	We didn't allow the amount claimed as total premium tax credit on line 24 of Form 8962, Premium Tax Credit. You're not eligible to claim the credit because your household income is greater than 400 percent of the federal poverty line.
792	We didn't allow the amount claimed as net premium tax credit on line 24 of Form 8962, Premium Tax Credit. You're not eligible to claim the credit because you indicated on your return that someone can claim you as a dependent.

Exhibit 3.12.3-2 (Cont. 36) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
793	We didn't allow your use of the Alternative Calculation for Marriage from Part V, Form 8962, Premium Tax Credit. You're not eligible to use the alternative calculation for marriage because: <ul style="list-style-type: none"> You didn't file your tax return as married filing jointly. You didn't receive any advance credit payments during your pre-marriage months. We computed line 29 of your Form 8962 without the alternative calculation for marriage.
794	We didn't allow the amount you claimed as premium tax credit on your tax return because Form 8962, Net Premium Tax Credit, was incomplete or not attached to your tax return.
795	We changed the amounts on your Form 8962, Part II, to match the Form 1095-A record we received from the Health Insurance Marketplace. We have adjusted your return accordingly.
796	The American Rescue Plan Act of 2021 removed the requirement to repay any excess advance premium tax credit for tax year 2020. We adjusted your return by removing the amount of excess advance premium tax credit from it.
798	We changed the amounts on your Form 8962, Part II, to match the Form 1095-A record we received from the Health Insurance Marketplace. Because the American Rescue Plan Act of 2021 removed the requirement to repay any excess advance premium tax credit for tax year 2020, we adjusted your return by removing the amount of excess advance premium tax credit from it.
800	We didn't allow the amount you claimed as Credit for Small Employer Health Insurance Premiums on your tax return. You're not eligible to claim the credit based on your response to the questions on Form 8941, line A and/or line C. You can't claim the credit because: <ul style="list-style-type: none"> You did not participate in a Small Business Health Options Program (SHOP). You already received the credit for two consecutive years.
801	We didn't allow the amount claimed as a write-in adjustment on your tax return because it is not an allowable adjustment to income.
803	We reduced the itemized deduction for medical and dental expenses on line 1 of Schedule A by the payments you reported on line 4 of Form 8885 or the Health Coverage Tax Credit you figured on line 5 of Form 8885. You must exclude payments eligible for the Health Coverage Tax Credit from the calculation of the deduction.
804	Negative deductions can't be claimed on Schedule A. We have deleted the negative entry from Schedule A and added it to the income section of your return. The remainder of your return was adjusted accordingly.
805	We didn't allow all or part of the amount claimed for child tax credit or additional child tax credit. Each dependent claimed for this credit must have a valid Social Security number issued by the Social Security Administration before the due date of the tax return.
806	We didn't allow part or all of the amount claimed for Child Tax Credit and/or Additional Child Tax Credit for any dependent who did not meet the substantial presence test in Part I of Schedule 8812, Child Tax Credit.

Exhibit 3.12.3-2 (Cont. 37) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
807	We did not allow the credit(s) you claimed on your tax return. The amount you entered is not an allowable credit. We have adjusted your tax return accordingly.
810	<p>You, your spouse, or one or more of your dependents claimed on your return didn't have a taxpayer identification number by the due date of the return. As a result, we disallowed certain credits claimed on your return. This change may affect any of the following credits:</p> <ul style="list-style-type: none"> • American Opportunity Credit • Child Tax Credit • Additional Child Tax Credit • Earned Income Credit
811	<p>We assessed an estimated amount for the shared responsibility payment (SRP) because you didn't respond to our request. You owe the SRP because one or more members of your tax household did not have minimum essential health coverage, per Internal Revenue Code Section 5000A. We adjusted your tax return accordingly.</p> <p>The instructions in this notice under "What you need to do immediately" do not apply to the SRP. Instead, refer to the instructions for Form 8965, Health Coverage Exemptions, to compute the SRP based on the information you have available. If your computation is different from the amount we assessed, you can file Form 1040X, Amended U.S. Individual Tax Return, to change the amount. You must submit any amended return within 3 years from the date you filed the tax return.</p> <p>If your return showed a refund due, we applied it to your SRP balance due. If the refund didn't cover the entire SRP balance due, you'll receive a notice requesting payment of the amount due.</p>
812	<p>We changed the refund amount, or the amount you owe on your tax return, based on the shared responsibility payment (SRP) information you provided in response to our correspondence.</p> <p>If your return showed a refund due, we applied it to your SRP balance due. If the refund didn't cover the entire SRP balance due, you'll receive a notice requesting payment of the amount due.</p>
813	<p>We reduced the shared responsibility payment (SRP) you reported on your tax return down to the maximum SRP amount imposed under the law.</p> <p>The instructions in this notice under "What you need to do immediately" do not apply to the SRP. Instead, refer to the instructions for Form 8965, Health Coverage Exemptions, to compute the SRP based on the information you have available. If your computation is less than the amount assessed, you can file Form 1040X, Amended U.S. Individual Tax Return, to change the amount. You must submit any amended return within 3 years from the date you filed the tax return.</p>
814	We disallowed the amount claimed as earned income credit on your tax return. Our records indicate that we've banned you from claiming earned income credit for two tax years.
815	We disallowed the amount claimed as earned income credit on your tax return. Our records indicate that we've banned you from claiming earned income credit for this tax year.

Exhibit 3.12.3-2 (Cont. 38) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
816	We disallowed the amount claimed as earned income credit on your tax return. Our records indicate that we've banned you from claiming earned income credit for ten years.
817	The individual taxpayer identification number (ITIN) for you and/or spouse has expired. As a result, we disallowed certain credits on your return claimed for one or more of your dependents. This change may affect your taxable income, tax, or any of the following credits: <ul style="list-style-type: none"> • Education credits • Child tax credit • Additional child tax credit
818	You or your spouse's social security number (SSN) or individual taxpayer identification (ITIN) was missing or the last name provided doesn't match our records or the records provided by the Social Security Administration. As a result, we disallowed certain credits claimed on your return. This change may affect your taxable income, tax, or any of the following credits: <ul style="list-style-type: none"> • Education credits • Child tax credit • Additional child tax credit
819	We disallowed the amount claimed as Child Tax Credit, Additional Child Tax Credit, and/or Credit for Other Dependents on your tax return. Our records indicate that we've banned you from claiming Child Tax Credit, Additional Child Tax Credit, and/or Credit for Other Dependents for this tax year.
820	We disallowed the amount claimed as Child Tax Credit, Additional Child Tax Credit, and/or Credit for Other Dependents on your tax return. Our records indicate that we've banned you from claiming Child Tax Credit, Additional Child Tax Credit, and/or Credit for Other Dependents for two tax years.
821	We disallowed the amount claimed as Child Tax Credit, Additional Child Tax Credit, and or Credit for Other Dependents on your tax return. Our records indicate that we've banned you from claiming Child Tax Credit, Additional Child Tax Credit, and/or Credit for Other Dependents for ten tax years.
822	We disallowed the amount claimed as Education Credit (American Opportunity Tax Credit) on your tax return. Our records indicate that we've banned you from claiming American Opportunity Tax Credit for this tax year.
823	We disallowed the amount claimed as Education Credit (American Opportunity Tax Credit) on your tax return. Our records indicate that we've banned you from claiming American Opportunity Tax Credit for two tax years.
824	We disallowed the amount claimed as Education Credit (American Opportunity Tax Credit) on your tax return. Our records indicate that we've banned you from claiming American Opportunity Tax Credit for ten tax years.
825	We disallowed the credit and dependent you claimed on Form 2441, Child and Dependent Care Expenses, because your dependent was born after the tax period of the return. This may also affect other credits you claimed for this dependent.

Exhibit 3.12.3-2 (Cont. 39) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
826	We adjusted the Residential Clean Energy Credit you claimed on Form 5695, Residential Energy Credits. You either calculated the credit incorrectly or indicated you were ineligible for a credit.
827	We adjusted the Energy Efficient Home Improvement Credit you claimed on Form 5695, Residential Energy Credits. You either calculated the credit incorrectly or indicated you were ineligible for a credit.
828	We adjusted the Net Elective Payment Election Amount you claimed on Form 3800, General Business Credits. You either calculated or transferred the amount from Part III, column i incorrectly.
829	We adjusted the Residential Energy Credit you claimed on your tax return because you either calculated or transferred the credit from Form 5695, Residential Energy Credits, incorrectly.
830	We disallowed the Residential Energy Credits you claimed on your tax return because Form 5695, Residential Energy Credits, was either incomplete or missing.
831	We disallowed all or part of the credits you claimed on Form 5695, Residential Energy Credits, because the credits are limited to the total amount of your tax liability.
832	We disallowed all or part of the credits you claimed on Form 8936, Clean Vehicle Credits, because the credits are limited to the total amount of your tax liability.
833	We disallowed all or part of the credits you claimed on Form 8936, Clean Vehicle Credits, because one or more of the vehicle identification number(s) (VINs) reported on Form 8936, Schedule A, didn't match our records.
834	We disallowed the Clean Vehicle Credits you claimed on your tax return because Form 8936, Clean Vehicle Credits, was either incomplete or missing.
835	We disallowed the Clean Vehicle Credits you claimed on your tax return because Schedule A of Form 8936, Clean Vehicle Credits, was either incomplete or missing.
836	We adjusted the Clean Vehicle Credit you claimed on your tax return because you either calculated or transferred the credit from Form 8936, Clean Vehicle Credits, incorrectly.
837	We adjusted the Clean Vehicle Credit you claimed on Form 8936, Clean Vehicle Credits. You either calculated or transferred the credit from Part II of Schedule A of Form 8936 incorrectly.
838	We adjusted the Clean Vehicle Credit you claimed on Form 8936, Clean Vehicle Credits. You either calculated or transferred the credit from Part III of Schedule A of Form 8936 incorrectly.
839	We adjusted the Clean Vehicle Credit you claimed on Form 8936, Clean Vehicle Credits. You either calculated or transferred the credit from Part IV of Schedule A of Form 8936 incorrectly.
840	We adjusted the Clean Vehicle Credit you claimed on Form 8936, Clean Vehicle Credits. You either calculated or transferred the credit from Part V of Schedule A of Form 8936 incorrectly.

Exhibit 3.12.3-2 (Cont. 40) (01-01-2024)**Taxpayer Notice Codes**

TPNC	EXPLANATION
841	We adjusted the Clean Vehicle Credit Amount you claimed on Form 8936, Clean Vehicle Credits, because the placed in service date on Schedule A of Form 8936 isn't during the tax year of the return.
842	We adjusted the Clean Vehicle Credit you claimed on Form 8936, Clean Vehicle Credits. The credit amount you claimed on Schedule A of Form 8936 exceeded the maximum credit allowed.
843	We adjusted the Clean Vehicle Credit you claimed on Form 3800, General Business Credits, because you either calculated or transferred the credit from Form 8936, Clean Vehicle Credits, incorrectly.
844	We disallowed your Form 8910, Alternative Motor Vehicle Credit, because you can't claim the credit for tax years after 2022.