



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

3.12.154

NOVEMBER 6, 2023

EFFECTIVE DATE

(01-01-2024)

PURPOSE

- (1) This transmits revised IRM 3.12.154, Error Resolution System - Federal Unemployment Tax.

MATERIAL CHANGES

- (1) IRM 3.12.154 - The reference to CIS has been updated to CII throughout this IRM. (IPU 23U0077 issued 01-11-2023)
- (2) IRM 3.12.154.1.1(4) - Updated 940 (PR) information and added Form 940 (sp).
- (3) IRM 3.12.154.2.1(1) - Added Form 940 (sp) to Tax Class, Doc Code and MFT Table.
- (4) IRM 3.12.154.2.2(1) - Changed the form in the Due Date instructions from Form 940 (PR) to Form 940 (sp).
- (5) IRM 3.12.154.2.5(1) - Updated TAS Service Level Agreements link.
- (6) IRM 3.12.154.2.6 - Changed "Identification" to "Identity" per Information Processing Services Organization (IPSO) feedback.
- (7) IRM 3.12.154.2.6(1) - Removed "Identification" per Information Processing Services Organization (IPSO) feedback.
- (8) IRM 3.12.154.2.14 - Changed Correspondence Imaging System (CIS) to Correspondence Imaging Inventory (CII). (IPU 23U0077 issued 01-11-2023)
- (9) IRM 3.12.154.2.17(6) - Clarified information.
- (10) IRM 3.12.154.2.23 - Removed Temporary Guidance Action Codes for additional suspense time.
- (11) IRM 3.12.154.2.25(13) - Added TPNC information for Form 940 (sp).
- (12) IRM 3.12.154.2.32 - Added Signature Area subsection.
- (13) IRM 3.12.154.7.1(1) - Added Form 940 (sp) to Field Designators Section 01.
- (14) IRM 3.12.154.7.5 (3) - Added CCC Z to Computer Condition Codes Table.
- (15) IRM 3.12.154.7.5.1 (1) a - Added Note for 01CCC Z to Invalid Conditions.
- (16) IRM 3.12.154.8.1(1) - Added Form 940 (sp) to Field Designators Section 02.
- (17) IRM 3.12.154.8.4(1) - Added Form 940 (sp) to Field 02TTW Total Taxable FUTA wages.
- (18) IRM 3.12.154.8.5(1) - Added Form 940 (sp) to Field 02TTW>> Total Taxable Wages Computer Under-Print.
- (19) IRM 3.12.154.8.12(1) - Added Form 940 (sp) to Field 02TBA FUTA Tax Before Adjustments.
- (20) IRM 3.12.154.8.13(1) - Added Form 940 (sp) to Field 02TBA>> FUTA Tax Before Adjustments Computer Amount.

- (21) IRM 3.12.154.8.14(1) - Added Form 940 (sp) to Field 02ADJ Adjustment Amount.
- (22) IRM 3.12.154.8.15(1) - Added Form 940 (sp) to Field 02EXL Some Excluded Wages or Late Payments.
- (23) IRM 3.12.154.8.16(1) - Added Form 940 (sp) to Field 02TCR Total Credit Reduction Amount.
- (24) IRM 3.12.154.8.17(1) - Added Form 940 (sp) to Field 02TFT Total Tax Taxpayer.
- (25) IRM 3.12.154.8.18(3) - Added Form 940 (sp) to Field 02FCC Federal Tax Deposit Credit Claimed.
- (26) IRM 3.12.154.8.19(3) - Added Form 940 (sp) to Field 02B/R Balance Due/Overpayment.
- (27) IRM 3.12.154.8.20(2) - Added Form 940 (sp) to Field 02FD Federal Tax Deposit Penalty Taxpayer.
- (28) IRM 3.12.154.8.21(2) - Added Form 940 (sp) to Fields 02Q1, 02Q2, 02Q3, and 02Q4 Total Tax Liability Amounts Quarters 1,2,3 and 4.
- (29) IRM 3.12.154.9(1) Added Form 940 (sp) to Section(s) 03, 04, and 05 Schedule A State Code and Credit Reduction Wage Fields.
- (30) IRM 3.12.154.10.6.1(1) - Added Invalid Conditions for Lockbox returns. (IPU 23U0273 issued 02-15-2023)
- (31) IRM 3.12.154.10.6.2(1) - Combined information for Field 06ZIP, added instruction to research INOLE. Added Lockbox instructions.) IPU 23U0273 issued 02-15-2023)
- (32) IRM 3.12.154.10.6.2(2) - Split out Form 8822 and Form 8822-B instructions into new Table. (IPU 23U0273 issued 02-15-2023)
- (33) IRM 3.12.154.11.1.2(2) - Updated Statute exception process for BMF. (IPU 23U0142 issued 01-20-2023)
- (34) IRM 3.12.154.11.3.2(3) Added Form 940 (sp) to Correction Procedures (EC 003).
- (35) IRM 3.12.154.11.7.2(2) - Added "The return is not an early filed and the Tax Period ending date is passed" criteria to Error Code 007. (IPU 23U0273 issued 02-15-2023)
- (36) IRM 3.12.154.11.25.2(1) - Added link to Exhibit for Credit Reduction States and Rates. (IPU 23U0273 issued 02-15-2023)
- (37) IRM 3.12.154.11.28.2(2) - Added link to Exhibit for Credit Reduction States and Rates. (IPU 23U0273 issued 02-15-2023)
- (38) IRM 3.12.154.11.38.2(1) - Added link to Exhibit for Credit Reduction States and Rates. (IPU 23U0273 issued 02-15-2023)
- (39) Exhibit 3.12.154-3 - Added Exhibit for 940 (sp). Renumbered remaining Exhibits.
- (40) Exhibit 3.12.154-6 - Added Form 940 (sp) to Correspondence Action Chart.
- (41) Exhibit 3.12.154-7 - Added Form 940 (sp) to No Reply/Undeliverable Chart.
- (42) Exhibit 3.12.154-15 - Updated the Credit Reduction Rate for NY to .003. (IPU 23U0085 issued 01-12-2023)
- (43) Exhibit 3.12.154-15 - Updated Credit Reduction States and Rates to include current tax year. (IPU 23U0077 issued 01-11-2023)

EFFECT ON OTHER DOCUMENTS

IRM 3.12.154, Error Resolution - Unemployment Tax Returns, dated November 2, 2022 (effective January 1, 2023) is superseded. This IRM incorporates the following IRM Procedural Updates (IPU): 23U0077 issued 1/11/2023, 23U0085 issued 1/12/2023, 23U0142 issued 1/20/2023, IPU 23U0273 issued 02/15/2023

AUDIENCE

Wage and Investment, Submission Processing, Error Resolution

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3.12.154

Unemployment Tax Returns

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 - 3.12.154.11.27.3 Suspense Correction (EC 214)
- 3.12.154.11.28 Error Code 216 - Credit Reduction State Validity
 - 3.12.154.11.28.1 Invalid Condition (EC 216)
 - 3.12.154.11.28.2 Correction Procedures (EC 216)
- 3.12.154.11.29 Error Code 220 - Credit Reduction State Code Validity
 - 3.12.154.11.29.1 Invalid Conditions (EC 220)
 - 3.12.154.11.29.2 Correction Procedures (EC 220)
- 3.12.154.11.30 Error Code 222 - Credit Reduction Validity
 - 3.12.154.11.30.1 Invalid Condition (EC 222)
 - 3.12.154.11.30.2 Correction Procedures (EC 222)
- 3.12.154.11.31 Error Code 225 - Total Taxable Wages
 - 3.12.154.11.31.1 Invalid Condition (EC 225)
 - 3.12.154.11.31.2 Correction Procedures (EC 225)
 - 3.12.154.11.31.2.1 IRC 6020(b) Returns (EC 225)
 - 3.12.154.11.31.2.2 Line 7a - Total Taxable FUTA Wages (EC 225)
 - 3.12.154.11.31.2.3 Field 02TTW> - Total Taxable FUTA Wages Computer (EC 225)
 - 3.12.154.11.31.2.4 Line 8 - Form 940 Other Than 2011 Revisions (EC 225)
 - 3.12.154.11.31.2.5 Suspense Correction Procedures (EC 225)
- 3.12.154.11.32 Error Code 226 - Schedule Indicator Code Invalid
 - 3.12.154.11.32.1 Invalid Conditions (EC 226)
 - 3.12.154.11.32.2 Correction Procedures (EC 226)
- 3.12.154.11.33 Error Code 227 - Total FUTA Taxes (line 7c)
 - 3.12.154.11.33.1 Invalid Condition (EC 227)
 - 3.12.154.11.33.2 Correction Procedures (EC 227)
- 3.12.154.11.34 Error Code 228 - Total FUTA Taxes (line 7e)

- 3.12.154.11.34.1 Invalid Condition (EC 228)
- 3.12.154.11.34.2 Correction Procedures (EC 228)
- 3.12.154.11.35 Error Code 229 - FUTA Tax Before Adjustment (Line 8)
 - 3.12.154.11.35.1 Invalid Condition (EC 229)
 - 3.12.154.11.35.2 Correction Procedures (EC 229)
- 3.12.154.11.36 Error Code 230 - Failed Section 02
 - 3.12.154.11.36.1 Invalid Condition (EC 230)
 - 3.12.154.11.36.2 Correction Procedures (EC 230)
- 3.12.154.11.37 Error Code 233 - Adjustment Amount
 - 3.12.154.11.37.1 Invalid Conditions (EC 233)
 - 3.12.154.11.37.2 Correction Procedures (EC 233)
- 3.12.154.11.38 Error Code 234 - Credit Reduction
 - 3.12.154.11.38.1 Invalid Conditions (EC 234)
 - 3.12.154.11.38.2 Correction Procedures (EC 234)
- 3.12.154.11.39 Error Code 236 - Total Credit Reduction Amount Invalid
 - 3.12.154.11.39.1 Invalid Condition (EC 236)
 - 3.12.154.11.39.2 Correction Procedures (EC 236)
- 3.12.154.11.40 Error Code 238 - Total Taxable Wages
 - 3.12.154.11.40.1 Invalid Condition (EC 238)
 - 3.12.154.11.40.2 Correction Procedures (EC 238)
- 3.12.154.11.41 Error Code 242 - Total FUTA Tax
 - 3.12.154.11.41.1 Invalid Condition (EC 242)
 - 3.12.154.11.41.2 Correction Procedures (EC 242)
 - 3.12.154.11.41.2.1 Field 02TTW - Total Taxable Wages Amount (Line 7) (EC 242)
 - 3.12.154.11.41.2.2 Field 02W7C> and 02W7E> -Tax On FUTA Wages Paid Before 7-1-11 (Line 7c) and Tax on FUTA Wages Paid After 6-30-11 (Line 7e) (EC 242)
 - 3.12.154.11.41.2.3 Field 02TBA> - Total FUTA Tax Before Adjustments Computer (Line 8) (EC 242)
 - 3.12.154.11.41.2.4 Field 02ADJ - Adjustment Amount (Line 9), Field 02EXL - Some Excluded FUTA Wages (Line 10) and Field 02TCR - Total Credit Reduction (Line 11) (EC 242)
 - 3.12.154.11.41.2.5 Fields 02TFT and (>>>>) - Total Tax Taxpayer (Line 12) and Total Tax Computer Under-print (EC 242)
 - 3.12.154.11.41.3 Suspense Correction (EC 242)
 - 3.12.154.11.41.4 Allowable Taxpayer Notice Codes (EC 242)
- 3.12.154.11.42 Error Code 244 - FTD Penalty Taxpayer Entry Valid
 - 3.12.154.11.42.1 Invalid Condition (EC 244)
 - 3.12.154.11.42.2 Correction Procedures (EC 244)
- 3.12.154.11.43 Error Code 246 - Total Tax Taxpayer Above Tolerance
 - 3.12.154.11.43.1 Invalid Condition (EC 246)
 - 3.12.154.11.43.2 Correction Procedures (EC 246)

- 3.12.154.11.44 Error Code 248 - FTD Credit Entry
 - 3.12.154.11.44.1 Invalid Condition (EC 248)
 - 3.12.154.11.44.2 Correction Procedures (EC 248)
- 3.12.154.11.45 Error Code 250 - Remittance Amount Invalid
 - 3.12.154.11.45.1 Invalid Condition (EC 250)
 - 3.12.154.11.45.2 Correction Procedures (EC 250)
- 3.12.154.11.46 Error Code 252 - Balance Due/Overpayment Taxpayer is Over Tolerance
 - 3.12.154.11.46.1 Invalid Condition (EC 252)
 - 3.12.154.11.46.2 Correction Procedures (EC 252)
 - 3.12.154.11.46.3 Allowable Taxpayer Notice Code (EC 252)
- 3.12.154.11.47 Error Code 254 - Overpayment Entry
 - 3.12.154.11.47.1 Invalid Condition (EC 254)
 - 3.12.154.11.47.2 Correction Procedures (EC 254)
- 3.12.154.11.48 Error Code 258 - Total Tax Liability is Greater Than Tolerance
 - 3.12.154.11.48.1 Invalid Condition (EC 258)
 - 3.12.154.11.48.2 Correction Procedures (EC 258)
- 3.12.154.11.49 Error Code 999 - End of Year Reformat
 - 3.12.154.11.49.1 Invalid Condition (EC 999)
 - 3.12.154.11.49.2 Correction Procedures (EC 999)
- 3.12.154.12 Scanned Paper Returns - 01CCC Z Instructions

Exhibits

- 3.12.154-1 Form 940 (Revision 2022) and Form 940 Schedule A (Revision 2022)
- 3.12.154-2 Form 940 (PR) (Revision 2022) and Form 940 Schedule A (PR) (Anexo A (Formulario 940 (PR)) (Revision 2022))
- 3.12.154-3 Form 940 (sp) Declaracion del Impuesto Federal Anual del Empleador del Impuesto Federal para el Desempleo
- 3.12.154-4 Form 940 (Revision 2011) and Form 940 Schedule A (Revision 2011)
- 3.12.154-5 Form 940 (PR) (Revision 2011) and Form 940 Schedule A (PR) (Anexo A (Formulario 940 (PR))) (Revision 2011)
- 3.12.154-6 Correspondence Action Chart
- 3.12.154-7 No Reply/Undeliverable Chart
- 3.12.154-8 State Codes
- 3.12.154-9 Entity State Code and Zip Code Chart
- 3.12.154-10 ♦U.S. Possessions ZIP Codes♦
- 3.12.154-11 Foreign Country Codes
- 3.12.154-12 ♦Province, Foreign State and Territory Abbreviations♦
- 3.12.154-13 Action Code Chart
- 3.12.154-14 ♦Potential Frivolous Arguments for Examination Review♦

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- 3.12.154-15 Credit Reduction States and Rates (TY 2023 - 2004)
 - 3.12.154-16 Taxpayer Notice Codes
 - 3.12.154-17 Acronyms, Abbreviations, and Definitions

3.12.154.1
(01-01-2022)
Program Scope and Objectives

- (1) **Purpose:** The purpose of this Internal Revenue Manual (IRM) section is to give instructions for Input Correction, Error Resolution System (ERS) to correct errors made by taxpayers and those made during campus processing for the Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return series returns.
- (2) **Audience:** The audience for this IRM includes:
 - ERS Supervisory Tax Examining Assistant, Lead Tax Examining Technician, Tax Examining Technician.
 - Rejects Supervisory Tax Examining Technician, Lead Tax Examining Technician, Tax Examining Technician.
- (3) **Policy Owner:** The policy owner for this IRM is Director, Submission Processing.
- (4) **Program Owner:** Paper Processing Branch, Business Master File (BMF) Section.
- (5) **Primary Stakeholders:** The primary stakeholders for this IRM are:
 - Accounts Management (AM)
 - Small Business/Self-Employed (SBSE)
 - Large Business and International (LB&I)
 - Chief Financial Officer (CFO)
 - Taxpayer Advocate (TAS)
 - Chief Counsel, Information Technology programmers
 - Statistics of Income (SOI)
 - Tax Exempt/Government Entities (TEGE)
 - Compliance, Modernized E-file (MeF), Submission Processing (SP)
- (6) **Program Goals:** Error Resolution to correct any errors that are found using the Error Resolution System (ERS).

3.12.154.1.1
(01-01-2024)
Background

- (1) The purpose of Error Resolution is to resolve validity errors, field errors, consistency errors, and math errors in returns and other documents for posting to the Master File. Records fall out in Error Resolution System (ERS) due to the Generalized Mainline Framework (GMF). The entries from transcription are transferred to ERS fields. The GMF programming causes a record to fall out to ERS if it fails to meet certain criteria, including:
 - Invalid characters in a field (e.g., numeric instead of alpha)
 - Invalid length of field (e.g., EIN with 8 digits instead of 9)
 - Invalid codes in field (valid Action Codes, Audit Codes, etc. are programmed in GMF)
 - Consistency errors - any valid field used in any computation where the result is inconsistent with (or contradictory to) any other valid field
 - Math errors - computer does math computation and it differs from the taxpayer's amount, and invalid tax periods and eligibility for certain credits
 - Employees use the ERS system and the return to correct these conditions and, when necessary, use Integrated Data Retrieval System (IDRS) to research
- (2) Instructions in **specific sections take precedence** over general section instructions in case of a conflict.

- (3) This Internal Revenue Manual (IRM) is your main source of information for correcting the error record and the related return. Other related IRMs are:
 - a. IRM 3.12.38, Error Resolution- BMF (Business Master File) General Instructions, has procedures for correcting records on the screen. It also has information regarding document controls, inventories, and management reports.
 - b. IRM 3.11.154, Returns and Documents Analysis - Unemployment Tax Returns.
- (4) Listed below are Federal Unemployment Tax Return types processed at Kansas City Submission Processing Center (KCSPC) or Ogden Submission Processing Center (OSPC):
 - Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return, was redesigned beginning with Tax Year 2006. The redesigned form includes Form 940 Schedule A, Multi-State Employer and Credit Reduction Information. These returns are processed at Kansas City Submission Processing Center (KCSPC) and the Ogden Submission Processing Center (OSPC).
 - Form 940 (PR), Employer's Annual Federal Unemployment (FUTA) Tax Return (Puerto Rican Version) in Spanish. Beginning with Tax Year 2006 and ending with Tax Year 2022, the form was redesigned and includes Form 940 Schedule A (PR), Multi-State Employer and Credit Reduction Information (Puerto Rican Version) in Spanish. These returns are processed as foreign tax returns at the Ogden Submission Processing Center (OSPC) only.
 - Form 940 (sp), Declaracion del Impuesto Federal Anual del Empleador del Impuesto Federal para el Desempleo (FUTA). This form is new for Tax Year 2023. These returns are processed at KCSPC and OSPC.
 - Form 940-EZ, Employer's Annual Federal Unemployment (FUTA) Tax Return (Revision 2005 and Prior) was made obsolete after Tax Year 2005 and must be converted to the current year revision of Form 940. These returns are processed at Kansas City Submission Processing Center (KCSPC) and the Ogden Submission Processing Center (OSPC).

3.12.154.1.2
(01-01-2022)

Authority

- (1) The United States Code Title 26 Internal Revenue Code (IRC), Subtitle C-Unemployment Taxes, Chapter 23-Federal Unemployment Tax Act, Sections 3301 through 3311, established the Federal Unemployment Tax and required cooperation between the States, Internal Revenue Service, and the Department of Labor to decide an employer's contribution to the Unemployment System.

3.12.154.1.3
(01-01-2020)

Responsibilities

- (1) The Directors for Kansas City Submission Processing Center (KCSPC) and Ogden Submission Processing Center (OSPC), are responsible for monitoring operational performance for their Submission Processing Center.
- (2) The Operations Managers for KCSPC and OSPC are responsible for monitoring operational performance for their operation.
- (3) The Department Managers for KCSPC and OSPC are responsible for monitoring Team Units performance within their department.

- (4) The team manager/lead is responsible for performance monitoring and ensuring employees have the tools to perform their duties.
- (5) The team employees are responsible to follow the instructions contained in this IRM and maintain updated IRM procedures.

3.12.154.1.4
(01-01-2023)
**Program Management
and Review**

- (1) **System control reports:** The reports are stored on 4 ECC Z/OS Mainframes and are retrieved through Control-D Web Access Server. For general listing of the reports see IRM 3.12.38, Error Resolution, BMF General Instructions.
- (2) **Program Effectiveness:** The effectiveness is measured through Embedded Quality Submission Processing (EQSP) application used for quality review of the returns corrected in ERS. The application capture evaluative and non-evaluative data obtained from monitoring submission processing activities. Reports are generated for planning and training purposes.
- (3) **Annual Review:** is performed by Federal Managers Financial Integrity Act (FMFIA) to ensure accuracy and promote consistent tax administration.

3.12.154.1.5
(01-01-2022)
Program Controls

- (1) Quality Review is conducted using the Embedded Quality Submission Processing (EQSP) application. A statistical valid sample size of corrected returns is pulled weekly for all tax examiners and reviewed to ensure IRM guidelines are followed.

3.12.154.1.6
(01-01-2022)
**Terms/Definitions/
Acronyms**

- (1) The following table has a list of words which require interpretations:

Word	Definition	Example of using a word that is open to interpretation. (This column is for illustration purposes only)
Fair	Give accurate and professional service to all persons without regard to personal bias.	Treat the customer in a fair manner when working with FOIA requests.
Usually	Give the exceptions when something is not required or what would create the unusual circumstance.	Pay adjustments will be accomplished within a reasonable amount of time, usually within two (2) pay periods.
Timely	Give the time frame to consider what is or is not timely.	Process all IMF adjustments in a timely fashion.
Significant entry	Any entry other than zero or blank.	For example: If line 1 has a significant entry. Enter "A" in Field 01CCC.

- (2) For a list of ERS acronyms, abbreviations and definitions see Exhibit 3.12.154-17, Acronyms, Abbreviations and Definitions.

3.12.154.1.7
(01-01-2022)

Related Resources

- (1) Other job aides, electronic tools, or websites needed to complete the work are listed below:
- Servicewide Electronic Research Program (SERP)
 - Submission Processing Design Center (SPDC)
 - Integrated Data Retrieval System (IDRS)

3.12.154.2
(01-01-2022)

General Instructions

- (1) This section has general information and procedures for Form 940 series returns.

3.12.154.2.1
(01-01-2024)

Tax Class, Document Codes, and MFT Codes

- (1) The tax class, document codes, and Master File tax (MFT) codes for Unemployment Tax Returns are as follows:

Form Type	Form 940, Form 940 (PR), and Form 940 (sp)	Form 940 MeF and Form 940 Lockbox
Tax Class	8	8
Document Code	40	39
MFT	10	10

3.12.154.2.2
(01-01-2024)

Due Date

- (1) The due date for Form 940 and Form 940 (sp) is **January 31** of the following Tax Year.
- (2) Since this is an annual return (covering a 12-month period) there are no short/fiscal period returns as compared to other Business Master File (BMF) returns.
- (3) The taxpayer may notate short period on the return, but if no reason is given, such as final, quarterly payment, seasonal, etc., we correspond to find out why the return was filed early.
- (4) The due date is extended by 10 days, if timely Federal Tax Deposits have been made in full by the due date.
- (5) There is no extension form for these returns.

3.12.154.2.3
(01-01-2022)

◆ Business Master File (BMF) Consistency ◆

- (1) The purpose of this initiative is to achieve consistency in the Business Master File (BMF) Error Resolution System (ERS) processing IRMs.
- (2) Ogden, Kansas City, and Paper Processing Branch BMF Code and Edit and Error Resolution System (ERS) shown and developed topics for BMF Consistency.
- (3) A “◆” (diamond) in front and after the subsection title shows BMF Consistency subsection.
- (4) The text in normal print within a consistency subsection signifies the common processes to be used for all BMF returns. The text in **bold** print is form-specific and applies to this IRM only.

3.12.154.2.4
(01-01-2022)
◆IRM Deviation
Procedures◆

- (1) Submit IRM deviations in writing following instructions from IRM 1.11.2.2.4, When Procedures Deviate from the IRM, and elevate through proper channels for executive approval.

3.12.154.2.5
(01-01-2023)
◆Taxpayer Advocate
Service (TAS)◆

- (1) The Taxpayer Bill of Rights (TBOR) lists rights that already existed in the tax code, putting them in simple language and grouping them into 10 fundamental rights. Employees are responsible for being familiar with and acting in accord with taxpayer rights. See IRC 7803(a)(3), Execution of Duties in Accord with Taxpayer Rights. For more information about the TBOR, see <https://www.irs.gov/taxpayer-bill-of-rights>. Taxpayers may receive help from the Taxpayer Advocate Service if they are experiencing financial difficulty or if the IRS has not resolved their tax issues properly and timely through its normal channels.
- (2) TAS uses Form 12412, Operations Assistance Request (OAR), to start the OAR process of referring a case to the Wage and Investment (W&I) Division, to affect the resolution of the taxpayer's problem. For more information, refer to IRM 13.1.19, TAS Operations Assistance Request (OAR) Process.
- (3) Refer taxpayers to TAS when the contact meets TAS criteria or when Form 911, Request for Taxpayer Advocate Service Assistance (and Application for Taxpayer Assistance Order), is attached and steps can't be taken to resolve the taxpayer's issue the same day.
- (4) The definition of "same day resolution" is within 24 hours. The following two situations meet the definition of "same day resolution":
 - The issue is resolved within 24 hours.
 - IRS takes steps within 24 hours to resolve the taxpayer's issue.
- (5) When making a TAS referral, use Form 911, and forward to TAS following your local procedures.
- (6) See IRM 13.1.7, Taxpayer Advocate Service (TAS) Case Criteria, for more information.

3.12.154.2.5.1
(01-01-2024)
◆TAS Service Level
Agreements (SLAs)◆

- (1) The National Taxpayer Advocate reached agreements with the Commissioners of the Wage and Investment (W&I) Division, Small Business and Self Employed (SB/SE) Division, Tax Exempt and Government Entities (TE/GE) Division, Criminal Investigation (CI), Appeals and Large Business and International Division (LB&I), that outline the procedures and responsibilities for the processing of Taxpayer Advocate Service (TAS) casework when either the statutory or delegated authority to complete case transactions rests outside of TAS. These agreements are known as Service Level Agreements (SLAs).
- (2) The SLAs are found at <https://irs.gov.sharepoint.com/sites/TAS/SitePages/SLA.aspx>.

3.12.154.2.6
(01-01-2024)
◆Business Master File
(BMF) Identity (ID)
Theft◆

- (1) BMF ID Theft is increasing. If a case is found with attachments or correspondence showing the taxpayer is a victim of ID Theft:
 - a. SSPND with Action Code "360" to route the return to Planning & Analysis (P&A).
 - b. Attach Form 4227, Intra-SC Reject or Routing Slip (or other proper routing slip) with the notation "ID THEFT".

c. Give the entire case to the manager/lead.

- (2) The manager/lead will expedite the case to the P&A staff for referral to one of the Submission Processing (SP) BMF ID Theft liaisons. The taxpayer must show that they are a victim of "ID Theft;" do **not** send cases that are subject to **Criminal Investigation (CI)**, **Examination (Exam)** or "Fraud" review.

3.12.154.2.7
(01-01-2023)

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

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

#

Caution: If there is no sign Code and Edit (C&E) made a copy and sent to CI Referral, then see below.

Refund Claim	Ogden and Kansas City
	<p>a. Make a copy of the first two pages of the tax return along with any page of the return that appears suspicious.</p> <p>b. Attach Form 4227, Intra-SC Reject or Routing Slip, to the copy.</p> <p>c. Route the copy to Ogden, Mail Stop 9001, Criminal Investigation (CI).</p> <p>d. Edit a working trail "Copy to CI", or "CI Referral", or similar language in the lower left corner going vertically up the side of the return.</p> <p>e. Continue processing the return.</p>

#

- (4) Because of the repetitive nature of the ERS/Rejects function, ERS/Rejects Tax Examining Technicians often recognize income tax return data which is outside of the norm for data found on similar returns for each income tax return type. If ERS finds return characteristics not meeting Audit Code or Exam referral criteria it deems suspicious, CI is available to review the referral.
- (5) If a suspicious return is found, and there is no sign Code and Edit (C&E) made a copy and sent to CI Referral, then, do the following:
- Make a copy of the first two pages of the tax return along with any page of the return that appears suspicious.
 - Attach Form 4227, Intra-SC Reject or Routing Slip, to the copy.
 - Route the copy as shown in the table below.

Ogden	Kansas City
Mail Stop 9001, Criminal Investigation (CI)	Mail Stop S2 9000, Criminal Investigation (CI)

- d. Edit a working trail "Copy to CI", or "CI Referral", or similar language in the lower left corner going vertically up the side of the return.
- e. Continue processing the return.

(6) If the return fits other criteria (e.g., Frivolous Argument), take proper action.

3.12.154.2.8
(01-01-2022)
Examination (Exam)
Funny Box ♦

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

3.12.154.2.9
(01-01-2023)
♦ Frivolous Arguments ♦

- (1) Businesses use frivolous argument for expressing dissatisfaction with the substance, form, or administration of the tax laws by trying to illegally avoid or reduce tax liabilities. See IRM 25.25.10, Frivolous Returns Program (FRP), and Exhibit 3.12.154-14, Potential Frivolous Argument for Examination Review, for a list of recognized frivolous argument made by businesses.
- (2) Review the return to decide whether it appears to be a frivolous return.

Frivolous Return Criteria

If	Then
The return meets any of the conditions shown as a frivolous return. See Exhibit 3.12.154-14, Potential Frivolous Argument for Examination Review. Caution: If the return shows Action Code 331 and has a Form 4227, Intra-SC Reject or Routing Slip attached with the remarks, "Refer to Examination (Exam) Frivolous Return Program (FRP) for audit after processing", continue to next procedure.	Remove return from the batch and place the return in the locally designated basket for Examination, Frivolous Return Program (FRP) for review.
Examination has selected the return as frivolous, e.g., shown by an Action Code 331 "and a Form 4227, Intra-SC Reject or Routing Slip or other routing slip, with the remarks", "Refer to Exam FRP for audit after processing", but sends the return for processing,	Continue to process the return using the procedures in IRM 3.12.154, Error Resolution Unemployment Tax Returns. However, do not circle or void the Action Code "showing a frivolous return".

- (3) Do not consider the following returns as frivolous, unless there is other evidence of frivolous argument:
 - Returns that have only zeros, blanks, or no entries.
 - Returns showing "None," "Not Liable," etc.

3.12.154.2.10
(01-01-2022)
♦ IRC 6020(b) Prepared by Collections ♦

- (1) When the taxpayer fails to file a required return, IRC 6020(b) is the authority for the IRS to prepare the return. These returns are received in various formats.

Note: Revenue officers may satisfy the taxpayer's requirement to report Federal Unemployment Tax by filing Form 940 or Form 940(cg) with the notation "IRC 6020(b)". If the return is a Form 940(cg), use the Form 940 procedures shown in IRM 3.11.154, Document and Analysis - Unemployment Tax Return to process.

- (2) At the centers option, IRC 6020(b) Form 940 returns are processed through ISRP or Service Center Recognition Image Processing System (SCRIPS).
- (3) These are identified by the notation: "PREPARED AND SIGNED UNDER AUTHORITY OF IRC 6020(b) OF THE INTERNAL REVENUE CODE" is found at the center bottom of Page 1 or Page 2 of the return. **The right margin should also show "TC 599 cc 38", or "TC 599 cc 39" should appear in the left upper margin.**
 - a. Returns must have a received date. If missing, follow the normal procedures for editing the Received Date. See IRM 3.12.154.7.6, Field 01RCD Received Date.
 - b. Returns must be signed by Compliance Function. Accept the Revenue Officer (RO) signature anywhere on the return or, if Form 5604 is attached when the signature appears in the "Initiating Collection Employee" box.
 - c. All unsigned IRC 6020(b) returns received in Document Perfection must be brought to the attention of Centers Planning Analysis for proper handling.

Note: For Planning Analysis analyst Only- If an IRC 6020(b) return is received unsigned, mail to the following address:

**Internal Revenue Service
2970 Market St.
Mail Stop 5-E04.114
Philadelphia, PA 19104**

- d. Edit CCC "4"

Note: CCC "R" should not be used with CCC "4".

- e. Edit CCC "D" if the Compliance Function representative notates: **"DO NOT ASSESS FAILURE TO PAY PENALTY."**
- f. **Do not** correspond with the taxpayer for non-processable conditions. If the return is completely non-processable, route to the address in (c) above.
- g. Edit CCC "W" if the received date is more than 2 years 9 months after the return due date. **Do not send** the return to Statute Control function.
- h. No special calculations or notations are necessary on an IRC 6020(b) return that involves a credit reduction State. **Do not calculate** any credit reduction amounts. **Do not enter** the credit reduction wage amount.

3.12.154.2.11
(01-01-2022)
**Indian Tribal
Government -
Background**

- (1) After **December 20, 2000**, services rendered to a federally recognized **Indian Tribal Government** (or its instrumentalities) are **exempt** from Federal Unemployment Tax (FUTA), subject to the tribe's compliance with applicable State law. For more information, see Announcement 2001-16 and IRC 3309(d).

- (2) For submission processing purposes, Code & Edit and ERS employees will accept all FUTA tax returns notated or referenced with the following explanations for exemption to the FUTA tax. We will code and perfect these returns as “Non-Taxable and Final”.

- **Indian Tribal Government** for Tax Years 200012 and later
- **Announcement 2001-16**
- **The Community Renewal Tax Relief Act of 2000**
- **H.R. 5662, incorporated in H.R. 4577, the Consolidated Appropriations Act, 2001**
- **Public Law No. Pub 106-554, 114 Stat. 2763**
- **Internal Revenue Code Section IRC 3309(d)**
- **Similar explanation as described above**

Note: If the taxpayer is claiming a refund for **Federal Tax Deposits**, ensure that the return is perfected by editing/deleting all transcription lines, so the overpayment is refunded to the taxpayer.

3.12.154.2.12
(01-01-2024)
◆IRS Employee
Contacts◆

- (1) The Internal Revenue Service (IRS) **Restructuring and Reform Act of 1998 (RRA 98), Section 3705(a)** gives identification requirements for all IRS employees working tax related matters.
- (2) All IRS employees who communicate by telephone, face-to-face, or any other method of communication with taxpayers or their personal representatives, on tax-related matters must give (at a minimum) the following information:
- a. **Telephone Contact** - Their title (e.g., Mr., Mrs., Ms., Miss), last name, and badge identification (ID Card) number.
 - b. **Face-to-Face Contact** - Their title (e.g., Mr., Mrs., Ms., Miss), state as proper during the conversation, last name, and badge identification (ID Card) number.
 - c. **Correspondence** - All correspondence must have a telephone number the taxpayers can call for answers to questions. In addition, correspondence must have the employee's title (e.g., Mr., Mrs., Ms., Miss), last name, Integrated Data Retrieval System (IDRS) number, and letter system number, which are systemically generated by IDRS.
 - d. **Toll-Free employees** - May also give their location for identification purposes. Treat faxes to taxpayers on tax-related matters as manually generated correspondence and have the required information.
 - e. **Correspondence whether sent directly to taxpayer or taxpayer's personal representative** - Must have the required information.
 - f. **When a taxpayer requests to speak with a specific employee** who previously worked their inquiry or request, or complains about the level of service previously given, make every attempt to resolve the taxpayer's inquiry. If unable to resolve the issue, refer the inquiry using established procedures to the manager.
 - g. **Correspondence letters** - Require a specific employee name and telephone number only if the employee initiating the correspondence is in the best position to respond to any questions that the taxpayer may have about the correspondence, or the employee is asking the taxpayer to give more case-related information.
 - h. **If taxpayer does not need to contact a specific employee** - The correspondence needs only an IRS telephone number and standard signature.

- i. **Secretaries, receptionists, or other people who answer the telephone in functional offices** - Need to identify themselves, They should provide their badge ID Card number only if they are answering telephones which are routinely used to give tax or account information.
- j. **Subsequent Contact** - It is not necessary to repeat the ID Card number when the nature of an employee's work involves multiple contacts with the same taxpayer, and the employee has given the taxpayer (either by telephone or in-person) their badge identification (ID Card) number on the first contact.

Note: The Taxpayer Bill of Rights (TBOR) was formally adopted by IRS in June 2014. In 2015, Congress codified the Taxpayer Bill of Rights into law and charged the Commissioner with ensuring that IRS employees are familiar with and follow the taxpayer rights as accorded by the Code. See Section 7803(a)(3) which refers to taxpayer rights afforded by other provisions of the IRC. Under these Code provisions, in general, taxpayers have the right to receive prompt, courteous, and professional help in their dealings with the IRS. Speak in a way that is easily understood and any correspondence from the IRS must be clear and understandable. They have the right to speak with a supervisor whenever quality service is not received. For more information, refer to IRM 1.2.1.2.36, Policy Statement 1-236, Fairness and Integrity in Enforcement Selection, the Taxpayer Bill of Rights at

<https://www.irs.gov/taxpayer-bill-of-rights>.

3.12.154.2.13
(01-01-2023)

◆ **Use of Fax for
Taxpayer Submissions** ◆

- (1) Taxpayers may send tax return information via fax as part of return perfection even when submitting a signature. In circumstances where contact with the taxpayer was made and documented, **fax signatures are acceptable**. For more information about accepting signed taxpayer documents by fax, see the most recent revision of the IRS Policy for Use of Fax, available at *http://imdtrack.web.irs.gov/IG_Uploads/IRS.gov_No/NHQ-01-1019-0001.pdf*.
- (2) Contact with the taxpayer may be by telephone or correspondence. Follow local procedures to decide which method of contact to use.
- (3) Indicate the fax paragraph on the approved Correspondence Action Sheet to inform the taxpayer of the fax options.
- (4) Use the following resources to make sure you are speaking with the taxpayer or authorized representative prior to disclosing any tax information:
 - IRM 21.1.3.2.3, Required Taxpayer Authentication
 - IRM 21.1.3.2.4, Additional Taxpayer Authentication
- (5) Prior to leaving any messages on a taxpayer's answering machine, review:
 - IRM 10.5.1.6.7.2, Answering Machine or Voicemail.
 - IRM 10.8.1, Information Technology (IT) Security, Policy and Guidance

3.12.154.2.14
(01-01-2024)

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

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

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

- (2) “CII” returns are **shown** with “CII Image-Do not correspond for Signature” stamped below the signature line or “CII” is annotated on the front of the return.

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

CII Return Correspondence Criteria

If	And	Then
The “CII” return has a Form 13596, Reprocessing Returns attached,	The return is incomplete (for example, missing signature, schedules, or forms),	<p>a. Do not correspond.</p> <p>b. Remove the return from the batch and SSPND with Action Code “640” to have the DLN voided.</p> <p>c. Attach Form 4227, Intra SC Reject or Routing Slip, (or other proper routing slip) to the return and route to AM to secure missing information.</p> <p>d. If the return comes back from AM with incomplete information, send the return to AM again to secure all the missing information. write “More information needed to process incomplete CII return,” or similar language on Form 4227 Intra-SC Reject or Routing Slip (or other proper routing slip).</p>
The “CII” return has a Form 13596, Reprocessing Returns, attached and the return is incomplete (e.g., missing signature, schedules, or forms),	If the return shows correspondence was sent (e.g., CCC 3 is edited on the return),	Do not route the return to AM. Continue processing the return.

If	And	Then
The "CII" return does not have a Form 13596. Reprocessing Returns, is attached,	The return is incomplete (e.g., missing signature, schedules or forms),	<p>Research for prior (Transaction Code (TC) 150 posted)</p> <p>a. If TC 150 present and the information is the same, cancel the DLN and treat as classified waste.</p> <p>Note: Classified waste is documentation containing taxpayer entity or account information that is not part of the case and is not need for audit trail purpose. Refer to IRM 21.5.1, General Adjustments for guidance on handling classified waste to prevent inadvertent/unlawful destruction of records.</p> <p>b. If TC 150 is not present, follow normal correspondence procedures.</p>

3.12.154.2.15
(01-01-2022)

◆ **Customer Account Data Engine (CADE) 2** ◆

- (1) The Customer Account Data Engine (CADE) 2 Program Office in Headquarters is charged with the primary goal of implementing a single, modernized programming solution that gives daily processing of taxpayer accounts.
- (2) The CADE 2 solution is comprised of several components, to modernize the IRS to a daily processing environment with several Transition States.
- (3) The Business Master File (BMF) centers cycles are:
 - a. Centers Cycle: Thursday – Wednesday
 - b. Master File Processing: Friday – Thursday
 - c. Notice Review Saturday: Monday (8+ days)
 - d. Unpostables: New available Tuesday; Closing Tuesday
- (4) BMF transaction posting time frames are:
 - a. Transactions will be viewable using Corporate File On-Line (CFOL) command codes (CC) on Saturday following the weekly Master File processing run on Thursday.
 - b. Transactions will be viewable as posted transactions using Integrated Data Retrieval System (IDRS) command codes on Monday following the weekly Master File processing run on Thursday.

Note: Implementation of CADE 2 accelerated weekly IDRS analysis. Previously, transactions such as this would have been pending on IDRS and not shown in the CFOL command code displays.

- (5) Transaction posting dates will show a format of YYYYCCDD. YYYY is the year. CC is the posting cycle. Individual Master File (IMF) transactions, values for DD are:

- 01 = Friday
- 02 = Monday
- 03 = Tuesday
- 04 = Wednesday
- 05 = Thursday

Note: BMF cycle posting dates on BMFOL will continue to show YYYYCC. The YYYY will show the year and the CC will show the posting cycle. BMF posting cycles in TXMOD will show a format of YYYYCCDD. The DD value is 08.

3.12.154.2.16
(01-01-2016)

Local Desk Procedures

- (1) Some Submission Processing Centers have developed local use Desk Procedures.
- (2) Unit managers must have a signed approval on file from the responsible Branch Chief on all Submission Processing Centers Desk Procedures.
- (3) All existing local information and procedural issuances must be reviewed by the Operations Manager upon receipt of the new IRM revision to ensure conformance with Headquarters procedures.
- (4) Local desk procedures are only to be used:
 - To supplement existing Headquarters procedures.
 - To expand Submission Processing Centers Error Resolution procedures by incorporating material from other IRMs, Automatic Data Processing (ADP) handbooks, etc.
 - For local routing procedures.

3.12.154.2.17
(01-01-2024)

◆Working Trail◆

- (1) It is important to leave a legible "Working Trail" using blue ink for those who may work with the return later.
- (2) Write all Taxpayer Notice Codes (TPNCs) 90 on the front of the return in the upper left corner (or use Form 12648, Error Correction 90 TPNC). For more information, see IRM 3.12.154.2.25, Taxpayer Notice Codes (TPNC).
- (3) If corresponding with a non-suspense letter, "X" and write the corrected money amounts to the left of each original point(s) of error. Write money amounts in dollars only or dollars and cents, as applicable. Arrow money amounts when there are **no intervening entries** between the arrow and the line to which the money is to be entered.
- (4) Leave a working trail on the return when changes are made to the following items:
 - Employer Identification Number (EIN) or Social Security Number (SSN)
 - Tax Period
 - Computer Condition Code (CCC)
 - Received Date
 - Correspondence Received Date (CRD)

Reminder: Circle out incorrect Tax Periods, Received Dates, Employer Identification Numbers (EINs), and Social Security Numbers (SSNs).

- (5) When working Reject re-inputs, circle out any previous Action Codes shown on the front of the return, if no longer applicable.
- (6) When working Rejects, write "Voided" with the date above the DLN in red, when voiding a return.

3.12.154.2.18
(01-11-2023)

Correspondence

- (1) Correspondence records with Action Code 21X automatically suspended for a predetermined number of days or until the taxpayer replies, whichever is earlier.

Note: Do **not** correspond for information on any return "SECURED BY EXAMINATION". If non-processable, follow "**No Reply**" procedures.

- (2) Use Form 12522, 940 Correspondence Action Sheet - Letter 142-C for Form 940 Correspondence, or other locally approved Correspondence Action Sheet (CAS) to initiate correspondence.
- (3) Most correspondence is a computer-generated notice, a computer-generated letter, or a pre-printed letter.

Note: All correspondence now reflects a response period within 30 days and the consequences for **no reply**.

- (4) When developing special notes or letters, following the guidelines below:
 - Whenever possible, use form letters to correspond with taxpayers. If a CNOTE or QUICKNOTE is used, clearly communicate the message in simple language and add the required information.
 - reason a response is required.
 - Specify the length of time the taxpayer has to respond.
 - Add a statement about the correction the IRS will take if the response is not received timely.
 - Add the following statement:
"When you reply, please send us your telephone number and the most convenient time for us to call so we may contact you if we need more information".
 - List for a purge date at least 10 days after the date provided to the taxpayer in the letter.
 - When taxpayers make errors that cause delays, advise the taxpayer that they made the error and explain the error that caused the delay.
 - Prior to initiating manual correspondence on an account dealing with anything other than a recently filed return, check the Centralized Authorization File (CAF) to ensure that the letter will mail to the taxpayer's representative (if one is on record).
- (5) **Missing Signature** - A signature is required on most returns:
 - a. Research IDRS prior to corresponding for a signature.
 - b. If a TC 150 is posted, and the data on the return is same as the data posted on the tax module, then SSPND 640 too Rejects to have the DLN
 - c. If A TC 150 is not posted follow normal correspondence procedures.

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d. If a signature is **not** present in the Signature Section of Form 940, SSPND 225 and correspond. (If multiple issues SSPND 211).

- (6) See Exhibit 3.12.154-6, Correspondence Action Chart, for issues needing correspondence.
- (7) See Exhibit 3.12.154-7, No Reply/Undeliverable Chart, for no response to correspondence issues.
- (8) Do not correspond for a signature on "CII" returns with Form 13596 attached. Route reinput/reprocessible "CII" returns missing a signature to Accounts Management. See IRM 3.12.154.2.14, Correspondence Imaging Inventory (CII) Returns.

3.12.154.2.19
(01-01-2016)

**General Information and
Definitions of Taxpayer's
Entity Addresses in the
Unemployment Program**

- (1) The determination of a domestic or foreign address is based only on the address of the taxpayer.

3.12.154.2.19.1
(01-01-2023)

Domestic Addresses

- (1) **A Domestic Address** is a U.S. has in the address:
 - Street Address
 - City
 - State
 - ZIP Code
- (2) These Unemployment Tax Returns are processed at KCSPC and OSPC.

3.12.154.2.19.2
(01-01-2023)

**APO/DPO/FPO
Addresses**

- (1) **An APO/DPO/FPO Address** is a U.S. address with a:
 - APO (Army/Air Force Post Office)
 - DPO (Diplomatic Post Office)
 - FPO (Fleet Post Office)
 - Postal Service Center
 - Mobile Unit Designation
 - Name of Ship
 - State Code
 - ZIP Code
- (2) APO/DPO/FPO addresses are not foreign addresses.
- (3) These Unemployment Tax Returns are processed at KCSPC and OSPC.
- (4) The Postal Service has established address requirements for APO/DPO/FPO addresses. If an address appears in the old APO/DPO/FPO format, such as "APO New York, NY 091XX", convert to the new state code based on the ZIP Code as follows: "APO AE 091XX".

ZIP Code	State Code
340	AA
090-098	AE

ZIP Code	State Code
962-966	AP

3.12.154.2.19.3
(01-01-2022)

**U.S. Possession or
Territory Address**

- (1) **A U.S. Possession or Territory Address** will have:
 - Street Address
 - City/U.S. Possession
 - ZIP Code
- (2) A U.S. Possession or Territory is considered a foreign address return.
- (3) These Unemployment Tax Returns are processed at the Ogden Submission Processing Centers only.
 - a. SSPND 650.
 - b. Attach Routing Slip with the notation "Forward to OSPC".
 - c. Prepare Letter 86C, Referring Taxpayer Inquiry/Forms to Another Office, to inform the taxpayer the return was sent to Ogden.
- (4) **OSPC ONLY** -Returns with an address in a U.S. Possession or Territory are considered to be a foreign return for processing purposes and are entered in the same way as domestic addresses.
 - a. A two-character alpha code must be entered in Field 06ST for the possession or territory name.

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

- b. A ZIP Code must be present.

3.12.154.2.19.4
(01-01-2022)

**Foreign Addresses
(OSPC ONLY)**

- (1) All returns with a foreign address must be shipped to OSPC.
 - a. SSPND 650.
 - b. Attach a routing slip with the notation "Forward to OSPC".
 - c. Prepare Letter 86C, Referring Taxpayer Inquiry/Forms to Another Office, to inform the taxpayer the return was sent to Ogden.
- (2) **A Foreign Address** will contain:
 - Street Address or P.O. Box

- City or town name
- Other principal subdivision (i.e., province, State, country, etc.)
- Postal code if present
- Foreign country

- (3) A foreign (international) address is any address that is not in one of the 50 States or the District of Columbia.
- (4) Returns with an address in a U.S. Possession or Territory are considered to be foreign returns for processing purposes.

3.12.154.2.19.5
(01-01-2022)

**ZIP Codes –
Explanation,
Procedures, Corrections**

- (1) All **ZIP CODES** are standardized at Enterprise Computing Center at Martinsburg, WV (ECC-MTB) prior to the return posts to the Master File.
- (2) This program called “**FINALIST**” matches the taxpayer’s street address and city address to the ZIP CODE on the return with the latest ZIP Code updates received from the U.S. Postal Service.
 - a. If the ZIP CODE is **correct**, the program standardizes the ZIP CODE to a 12 DIGIT ZIP CODE and passes the record (return) on to the Master File for posting to the taxpayer’s account.
 - b. If the ZIP CODE is **incorrect**, but there is a match to the taxpayer’s street and city address, then the program corrects and standardizes the ZIP CODE, and passes the record (return) on to the Master File for posting to the taxpayer’s account.
- (3) If you have an incomplete or no ZIP CODE on the return, but has a street and city address, no research is necessary, do the following:
 - a. Exhibit 3.12.154-9, Entity State Code and Zip Code Chart, or Document 7475, **State and Address Abbreviations, Major City Codes (MCCs), ZIP Codes and Countries** for the Major State ZIP Code that includes the last two digits of “01”.
 - b. If there is a **match** by the program, the ZIP CODE is standardized at Enterprise Computing Center - Martinsburg (ECC-MTB) for posting to the Master File.
 - c. If there is a **no match** by the program, ECC-MTB passes the return on to the Master File for posting, but an Error Listing is generated and sent to the Service Center for correction.
- (4) If you have an incomplete or no ZIP CODE, and the street or city address is incomplete or missing, then research is needed for the complete address. Follow local submission processing procedures for research.

3.12.154.2.20
(01-01-2022)

Glossary of ERS Terms

- (1) The following words are used in the sections of this IRM:

Words	Definition
Action Code (AC) ERS	A three-digit numeric code showing the need for more information not available in the record or on the source document. Only one Action Code is assigned to a record at one time. See Exhibit 3.12.154-13, Action Code Chart.
Amended Return	A return the taxpayer files to change information on the original tax return.
Annualized	A method of computing tax on less than one full year (12 months) using the correct tax rates for that year. Note: In the FUTA program, you may see this statement on a final return.
Block	A group of 100 or less documents identified with the same block DLN (Document Locator Number) in order to control the documents.
Block-Out-Of-Balance (BOB)	A condition where the total returns or money listed does not equal the sum total of returns or amounts.
Check Digits	Two computer-generated alpha characters used with the Social Security Number (SSN) or Employee Identification Number (EIN) to identify a taxpayer's account (E, G, and M are invalid).
Computer Condition Code (CCC)	A one-digit number or letter assigned to a return to identify a specific condition or computation.
Consistency Error	A condition decided when the computer compares two or more Fields and these Fields do not meet the processing requirements.
Entity Index File (EIF)	A computer file that stores name data for each EIN on file. A check is made between the EIN and name entered.
Error Code	A three-digit numeric code identifying specific math or consistency error in an Error Record.
Error Records	Data records failing any of the math or validity checks on Generalized Mainline Framework or containing an invalid or incomplete Action Code.
Generalized Mainline Framework (GMF)	The system used to process and control all documents through the service center pipeline.
Name Search Facility (NSF)	A National file of name and address data used to Locate a Taxpayer Identification Number (TIN). NSF uses off-the-shelf software and a relational database to search for taxpayer names that match or are similar to the name requested by CC NAMEE .

3.12.154.2.21
(01-01-2022)

Related Forms

- (1) The following forms are referred to in this section. The table below shows their form number, form title and use:

Form	Title	Use
Form 3244	Payment Posting Voucher	Shows account where payment is applied.
Form 3465	Adjustment Request	To request transfer of credits.
Form 12522	Correspondence Action Sheet	Starts correspondence to the taxpayer through the Typing Unit or IDRS. (or follow local procedures)
Form 4227	Intra-SC Reject or Routing Slip	Shows the reason for using the Action Code.
Form 10886	Reject Routing Slip	Shows the reason for an Action Code.

3.12.154.2.22
(01-01-2022)

Command Codes (CC)

- (1) The **COMMAND CODES (CC)** used for correcting the Error Inventory and the Workable Suspense Inventories are described below.
 - Used to tell the system what function to do.
 - Must be entered in a valid format, otherwise an error message will display.
 - Correct the data entered with the CC and transmit.
- (2) The following is a list of some CCs:

Command Code	Definition
BMFOL	Reviews transactions posted to the Master File.
BRTVU	Used to see the transcribed data from a return that has posted to the Master File.
CRECT	Will be displayed with all error displays.
DLSEC	Deletes a section of a record.
ENMOD	Requests a display of entity information for a specific module.
ENREQ	Requests the BNCHG format.
ERINV	Used to research a DLN or TIN on ERS to see if the document is in the ERS inventory.
ERVOL	Used with a STATUS CODE to display the number of ERS records in the current Workable Inventory and Unworkable Inventory.
GTREC	Accesses the first error in a block in the Error Inventory or a specific record in the Workable Suspense Inventory. It can also re-display any uncorrected error.
GTRECQ	Retrieves and corrects a record selected for quality review.
GTRECW	Retrieves and corrects an Error Record that was erroneously worked. is used on the day that the record or block was worked.
GTSEC	Obtains the display of any section of a record in process.
INOLE	Research Entity Module.
MFREQ	Retrieves a tax module and its related entity date from Master File.
NAMEE	Used to give nationally centralized entity research via Name Search Facility (NSF).
NWDLN	Changes (renumbers) the DLN and MFT of the record and/or reject the record.
RJECT	Rejects a record from ERS.
SSPND	Used to enter an Action Code and place a record in suspense inventory.
TRDBV	A summary selection screen display of the returns, schedules and forms submitted by the specific taxpayer.

3.12.154.2.23
(01-01-2024)
Action Codes (AC)

- (1) The **ERS Action Code** shows specific information is missing or that the record is to be rejected from processing. The Action Code will have sufficient detail to show if correspondence is to be sent to the taxpayer or the specific inhouse research or other examination is required. See Exhibit 3.12.154-13, Action Code Chart.
- (2) **ACTION CODE 001** will be computer-generated when the **BOB Resolution Function (Block Out of Balance)** has added a missing document by only inputting the TIN and the Name Control for the missing document. See IRM 3.12.154.4.2(2), Priority I Errors Inventory Correction Procedures.

- (3) Document Perfection Tax Examiners (Code & Edit) will assign Action Codes to numbered returns when they decide the document is non-processable in its present form either by needing more information or some manual intervention is required. The Action Code will be entered on the lower left margin of the return.
- (4) Correspondence Action Sheets (**Form 12522**) may be attached by Code & Edit to initiate correspondence.
 - a. Action Codes and literal for each Action Code will generally be sufficient with no further explanation, except other research.
 - b. When a note of explanation concerning the missing information is attached to the return, an Action Code is assigned by Code & Edit.
- (5) The presence of a valid Action Code other than **AC 001** will place the record in the **Suspense Inventory**, either **Workable** or **Unworkable**.
- (6) If the Action Code assigned by Code & Edit is invalid, incomplete, or **AC 001**, the record will be assigned to the **Error Inventory** for correction or deletion of the Action Code.
- (7) Only one Action Code may be assigned at one time to a record. The priority of the Action Codes will be:
 - **310**
 - **320**
 - **4XX**
 - **6XX**
 - **3XX**
 - **2XX**
 - **610**
 - **611**

Exception: Use Action Code 211, 215, 225 or 226 prior to Action Code 341 to ensure return is complete prior to a manual refund is issued.

- (8) An ERS Tax Examiner may enter an Action Code on a record, delete or correct an invalid Action Code.
- (9) ERS Tax Examiner entering a valid Action Code with **CC SSPND** will be clearing the record from the screen and placing the record in either **Workable Suspense** or **Unworkable Suspense**.
- (10) A Reject Tax Examiner entering a valid Action Code with **CC RJECT** will be rejecting the record from ERS. Generally, Service Center Control File (**SCCF**) will be automatically updated for the rejected record.
- (11) A Reject Tax Examiner entering an Action Code with the **CC NWDLN** will be rejecting the record from ERS and establishing the new **DLN** under which the record is to be input.
 - a. See Exhibit 3.12.154-13, Action Code Chart, for a list of suspense periods.
 - b. The suspense period should be used for controlling suspense documents, **NOT** to decide which Action Code to use.

3.12.154.2.24
(01-01-2016)
Status Codes

- (1) Records for the documents in the Error Resolution System (**ERS**) are controlled by **Status Codes**. The status is updated when the record is placed in a specific inventory.
- (2) Below is a list of the Status Codes and a brief explanation:

Status Code	Explanation
Status 100	Error awaiting correction. Records are in the Error Inventory.
Status 2XX	Records awaiting information to be received. Records are in the Unworkable Suspense Inventory.
Status 3XX	Suspense period expired - no response. Records are automatically transferred from Unworkable to Workable Suspense Inventory.
Status 4XX	Records awaiting correction - information received. Records are in the Workable Suspense Inventory.
Status 900	Record is on the Unselected Inventory.

- (3) The final two positions of the Status Code will consist of the first two positions of the Action Code. This will put similar work together on the **Workable Suspense Inventory**.

Example: 321 - Suspense period expired, no response to taxpayer correspondence.

3.12.154.2.25
(01-01-2024)
Taxpayer Notice Codes (TPNC)

- (1) This code is used when a math error is present involving the tax liability or balance due/overpayment. It is entered on the terminal screen following the literal "**NC**." See Exhibit 3.12.154-16, Taxpayer Notice Codes.
- (2) To eliminate a TPNC, do one of the following:
 - a. Delete 02TTW and 02TFT and XMIT, GTSEC 02 and reenter. (Deleting only one field may not eliminate the TPNC), or
 - b. Enter "G" in 01CCC and XMIT. When Error Code 010 falls out, delete CCC "G".
- (3) The TPNC is entered after determining that no other corrections to the record are needed.
- (4) Each Math Error will have certain TPNCs that are valid to clear the Math Error.
 - a. The TPNC assigned must be valid for that error or the same as one previously assigned.
 - b. When a TPNC that is not valid is entered, the error will be re-displayed.
 - c. A previously assigned TPNC can only be used if it was validated for that Error Code.
- (5) **Each Math Error display will require a correction to a field or the entry of a TPNC.** The transmission of a TPNC must not be accompanied by any other correction.

- (6) **A return can have a total of three TPNCs.** If more than three TPNCs are to be assigned, use **TPNC “90”** instead and list the errors for Notice Review to type and send to the taxpayer.
- (7) **TPNC “90”** is actually a fill-in notice and should be used when no other TPNC fully explains the correction(s) made to the return.
 - a. The tax examiner will write a brief explanation of the error and attach it to the face of the return.
 - b. When a brief explanation is written, there must be a mandatory review prior to the record (return) is closed off the ERS system. Follow local procedures for review.
 - c. The return should be charged out and routed directly to Notice Review, and/or follow local procedures.
 - d. Notice Review will type the Math Error explanation on the notice prior to mailing to the taxpayer.
 - e. **Is used with other TPNCs.**
- (8) Listed below are procedures you may take once a TPNC is transmitted to the ERS record:
 - a. If errors remain after transmitting the TPNC, then create an error with a higher priority,
 - b. This will cause all **“C” Clear Codes** and any TPNC already assigned with a lower priority error to be deleted from the record.
 - c. TPNCs will be deleted from the header display,
 - d. Beginning with the higher **Priority IV** error created, all subsequent error TPNCs will be displayed for resolution, although they may have been displayed previously, and
 - e. A correction erases an Error Code which you previously cleared with a TPNC or **“C” Clear Code**. In this case, the **“C”** or TPNC on this error and all subsequent Error Codes will be displayed for resolution whether or not they were previously displayed.
 - f. The TPNCs for this error and subsequent Error Codes will be deleted from the header display.
- (9) Records which have been worked may be reworked using CC GTRECW. Refer to IRM 3.12.38.3.2.(4), General Correction Procedures, for further details.
- (10) **All TPNCs are erased when a record is suspended with CC SSPND.**
- (11) Unfinished records from the previous day will contain none of the TPNCs assigned to the records that were not completely worked.
- (12) **OSPC Only** - Form 940 (PR), Revision 2022 and prior, TPNCs are issued in the Spanish version.
- (13) Form 940 (sp) TPNCs are issued in the Spanish version.
- (14) For a listing of the TPNCs valid for specific forms, See Exhibit 3.12.154-16, Taxpayer Notice Codes.

3.12.154.2.26
(01-01-2024)
Clear Code “C”

- (1) The letter **“C”** is used as a **Clear Code** for the Error Codes (consistency errors) where the error condition is such that the resolution does not require a change or correction to the record as displayed.

- a. The display will have a Clear Code Field labeled “**CL**” to show the possible need of a Clear Code.
- b. The Clear Code Field is found to the right of **CC CRECT** on the screen display.

If	Then
Error Codes show the possible need for a Clear Code,	These are cleared by either correcting the condition or entering a “C” to show no correction is needed.
Corrections are required,	<ol style="list-style-type: none"> 1. Assure that all corrective procedures have been input as shown under each individual Error Code prior to entering a “C” in the Clear Code Field. 2. The “C” Clear Code will prevent any other corrections to the record. 3. If a correction must be entered but you have already transmitted the “C” Clear Code, and the error is no longer displayed, then use CC GTRECW to make any corrections.
Clearing the Action Code from the screen after corrections for the Action Code have been completed, or, as with Action Codes 410 and 700, the Action Code must be cleared initially, so other errors in the record is resolved,	<ol style="list-style-type: none"> 1. Clear Code “C” is used. 2. The presence of the “C” with a Priority I Error shows you have made the corrections to the Action Code and now wish to have any other errors on the record displayed.
Deleting an Action Code 1,	<ol style="list-style-type: none"> 1. “000” is also used as a Clear Code. 2. It will only be used for invalid or erroneous Action Codes when you have decided there is no reason to suspend the record. 3. The “000” cannot be used in suspense correction.

- (2) Programming erases all “C” Clear Codes for Error Codes when a record is suspended with the **CC SSPND**.
- (3) It also erases Error Codes and Action Codes for the new day’s Error Inventory and Workable Suspense Inventory.
 - a. **Unfinished records** from the previous day will contain none of the “C” Clear Codes assigned to a record that was not completely worked.
 - b. Error Codes (including the ones which may require a “C” Clear Code) are numbered in order of correction.
- (4) Sometimes an ERS Tax Examiner, correcting errors at the terminal, will create an Error Code with a higher priority than the one(s) cleared with a **TPNC** or “C” Clear Code.
 - a. Should this occur, programming will erase all “C” Clear Codes and TPNCs for Error Codes with a lower priority than the one created.
 - b. Beginning with the higher priority Error Code created, programming will continue displaying Error Codes for the record.
 - c. Displays using the corrected data are apt to be different from those previously displayed.

- (5) Sometimes an ERS Tax Examiner will make a correction erasing an Error Code which you previously cleared with a "C" and now the error condition no longer exists.
- Should this occur, the "C" Clear Code for this error and all "C" and TPNCs for all subsequent errors in the record **will be deleted**.
 - If after deleting the "C" and TPNCs there are errors remaining on the record, they will continue to be displayed for resolution whether or not they were previously displayed.

3.12.154.2.27

(01-01-2024)

Statute Control Cases

- Any Form 940 series return that has a current processing date equal to or more than two years and nine months or more after the original due date (without regard to any extension) or the received date, whichever is later, is a statute control document.
 - It will appear on the screen as **Error Code 001**, unless CCC "W" is present.
 - The "W" shows the record was cleared by the **Statute Unit**.
- All "G" Coded returns become statute returns if the processing date is equal to or more than two years and nine months after the due date.
- If the return has an attachment or stamp which shows previous clearance by the Statute Control Group within the last 90 days, the error must be cleared by entering "W" in Field 01CCC.
- If the return does not have an attachment or stamp which shows that the Statute Control Group has cleared it within the last 90 days, take the following actions:
 - Treat the record as non-processable, suspend the record with **AC 310** for statutory clearance.
 - If working the Error Inventory, return the document to the block.
 - If working the Workable Suspense Inventory, notate 2nd and 3rd copies of charge-out, if available, with **AC 310** and the current date.
 - Handle the document as instructed for statutory clearance. Refer to IRM 3.0.273.11, Administrative Reference Guide, for further information.
- The statute date for timely filed Form 940 series returns requesting an overpayment/refund due is shown in the table below.
 - All returns received after the postmarked date are disallowed by the Statute Unit (for overpayment or refund).
 - Original balance due returns must be cleared by the Statute Unit. Follow procedures outlined in (4) above.**

Tax Return	Tax Year	Statute Barred Date	90 Days to Statute Bar Date
940 or 940 (sp)	2023	01-31-2027	11-02-2026
940 or 940PR	2022	01-31-2026	11-02-2025
940 or 940PR	2021	01-31-2025	11-02-2024
940 or 940PR	2020	01-31-2024	11-02-2023

Tax Return	Tax Year	Statute Barred Date	90 Days to Statute Bar Date
940 or 940PR	2019	01-31-2023	11-02-2022
940 or 940PR	2018	01-31-2022	11-02-2021
940 or 940PR	2017	01-31-2021	11-02-2020
940 or 940PR	2016	01-31-2020	11-02-2019
940 or 940PR	2015	01-31-2019	11-02-2018
940 or 940PR	2014	01-31-2018	11-02-2017
940 or 940PR	2013	01-31-2017	11-02-2016
940 or 940PR	2012	01-31-2016	11-02-2015
940 or 940PR	2011	01-31-2015	11-02-2014
940 or 940PR	2010	01-31-2014	11-02-2013
940 or 940PR	2009	01-31-2013	11-02-2012
940 or 940PR	2008	01-31-2012	11-02-2011
940 or 940PR	2007	01-31-2011	11-02-2010

3.12.154.2.28
(01-01-2022)

Pre-Computed Penalty

- (1) If a penalty other than a delinquency, late payment or Federal Tax Deposit (FTD) penalty is included on the return and the notation “**3465 Prepared**” **does not** appear on the return take the following actions:
- Prepare a Form 3465 to request an assessment of the penalty.
 - If the return remittance includes an amount applicable to all or part of the penalty referred to above, write on the Form 3465 the part of the remittance is available for application to the assessment.
 - Enter CCC “X” to freeze the refund until the assessment for penalty posts to BMF.
 - Enter CCC “R” when an assessment of **fraud** penalty is shown. Notate on the return “Form 3465 Prepared” and route the Form 3465 to Accounts Management.

3.12.154.2.29
(01-01-2016)

Electronic Filing

- (1) The following instructions apply to Electronically Filed returns:
- Since all validity and consistency checks are performed up front during the transmission process, there should be minimal fall out to ERS.
 - If an Electronic record appears in your error inventory, please take the following steps:

If	Then
You are able to correct the error condition,	Make the correction following the procedures within this IRM.

If	Then
You are unable to resolve the error condition for the Electronic record,	<ol style="list-style-type: none"> 1. Take a screen print and give it to your manager. 2. The manager will contact the Planning and Analysis Staff Analyst responsible for Error Resolution who will contact and forward the documentation to the Unemployment Return (Electronic) Program Analyst at Headquarters. <p>Note: A Knowledge, Incident/Problem, Service and Asset Management (KISAM) Alert may be required to notify Headquarters management and/or to correct current programming. The Planning and Analysis Staff Analyst should contact the Unemployment Return (Electronic) Program Analyst at Headquarters first, prior to issuing any KISAM Alert, to attempt to resolve the problem in a timely manner. Follow local procedures for issuing the KISAM Alert to Headquarters.</p>

- (2) Form 940 originally input by electronic filing come out on ERS for correction.
- (3) The corrections are identical to corrections made for paper input documents.
 - a. Electronic Filed error corrections are made by referring to a computer printed facsimile document.
 - b. These facsimile documents have the Electronic Filed Error Codes printed in the top left corner of the return.
- (4) Electronic Filed DLNs contain **Document CODE 39**.

3.12.154.2.30
(01-01-2022)
**Refund Returns - 45-day
Jeopardy and High
Dollar Refunds**

- (1) This section explains the procedure for issuing refunds when the 45-day interest free period is about to expire or when the amount of refund is \$25,000 or more.
 - (2) Document Perfection and ERS are responsible for identifying refunds and for initiating requests for manual refunds.
- Note:** Expeditious processing of refund returns is critical if the 45-day period is about to expire.
- (3) Action Code 341 should be input by Code & Edit to show that a manual refund is needed.
 - (4) If these are not identified in Code & Edit, ERS examiners need to be aware of the following criteria:

If	Then	
<p>The processing date is more than 20 days after received date or return due date (whichever is later), and the 45-day interest free period is about to</p> <p>Note: Refund in this instruction means only the amount requested to be refunded to the taxpayer, not overpayments transferred to other periods.</p>	<p>a. Input AC 341.</p> <p>b. Attach Form 4227 (or other proper routing slip) route to ERS Rejects Correction for manual refund.</p> <p>c. Give return to the manager.</p>	#
	<p>a. Input AC 341.</p> <p>b. Attach Form 4227 (or other proper routing slip) and route to ERS Rejects Correction for manual refund.</p> <p>c. Give return to the manager.</p>	#

- (5) **Taxpayer Advocate Service (TAS) Initiated Manual Refunds** - Any request for a manual refund that is hand walked by a Wage and Income Submission Processing (SP) liaison for a Taxpayer Advocate Service (TAS) employee as a manual refund, should be processed by a Lead Tax Examiner or designated tax examiner using the following procedures in the order listed:
- CCC "O" should be edited on the return and entered in 01CCC.
 - Delete the CCC "Y" from Field 01CCC.
 - Continue to process the return according to Error Code processing.
- (6) **Correspondence** -If the manual refund requires correspondence for missing or incomplete information, then do the following:
- Complete the proper correspondence request form and request all information that is missing or incomplete.
 - Inform the W&I SP liaison of all information that is being requested.
 - Suspend (SSPND) with correct suspense code and give the return back to the Wage and Income Submission Processing liaison.
 - The Wage and Income Submission Processing liaison will contact the TAS employee to obtain the required information needed to complete the processing of the manual refund.
- (7) **Other Suspense Action Code** - If the return requires other suspense Action Code, then do the following:
- Initiate suspense (SSPND) Action Code according to the Error Code procedures.
 - Inform the Wage and Income Submission Processing liaison the reason of the suspense Action Code taken.
 - Give the return back to the Wage and Income Submission Processing liaison.
 - The Wage and Income Submission Processing liaison will contact the TAS employee, who in turn, will take the necessary steps to complete the processing of the manual refund.
- (8) **Assigning TPNCs/Math Error** - When a math error is identified, do the following:

- a. Assign the TPNC in accordance with the Error Code procedures.
- b. After all, TPNCs have been assigned, inform the W&I SP liaison of the TPNCs issued.
- c. Suspend (SSPND) with correct Action Code (suspense should be done at the generated error code) and give the return to the W&I SP liaison.
- d. The Wage and Income Submission Processing liaison will contact the TAS employee, who, in turn, will take the necessary steps to complete the processing of the return.

(9) **When Balance Due/Overpayment Math Error Code generates** - Do the following:

- a. Make a screen print of the Error Code Screen Display. Highlight the Computer-generated Refund Amount and attach the print to the front of the return with the entity part of the return visible.
- b. Enter the amount the taxpayer claimed as the amount they requested to be refunded back into Field 02B/R.
- c. Once return processing is complete, give the return, Form 12412, Operations Assistance Request, and the ERS screen print to the W&I SP liaison.

(10) If **Balance Due/Overpayment Math Error Code** - Regenerates because the taxpayer made a math error when computing their refund, then do the following:

- a. Make a screen print of the Error Code Screen Display and highlight the Computer-generated Refund Amount.
- b. Attach the print to the front of the return with the entity part of the return visible.
- c. Assign the correct TPNC.
- d. Once return processing is complete, give the return, Form 12412, Operations Assistance Request, and the ERS screen print to the W&I SP liaison.

(11) **Rejects Suspense** - Manual refunds that are hand walked by a W&I SP liaison that have been suspended should be processed as follows:

- a. Follow the specific instruction given by the W&I SP liaison regarding correspondence issues and the assignment of the TPNCs.
- b. Refer to Paragraphs 9 and 10 above.

3.12.154.2.31
(01-01-2024)

Form 940, Form 940 (PR) and Form 940-EZ, Conversions

- (1) The Form 940 was redesigned for Tax Years 2006 and later, Form 940 (PR) was redesigned for Tax Years 2006 through 2022.
- (2) The Form 940-EZ became obsolete. Thus, all Form 940-EZ returns must be converted to a current year Form 940 return format.

3.12.154.2.31.1
(01-01-2020)

Form 940-EZ Conversion

- (1) The Form 940-EZ is obsolete must be converted to a current year Form 940 return format. All converted forms are processed through ISRP.
- (2) Conversion of Form 940-EZ to Form 940.
 - a. The following table enumerates the Form 940-EZ line conversion to Form 940.

Line Item Description	Line Number on Form 940-EZ	Line Number on Form 940 , Rev 2013	Transcription Line	Title of Field	Field Designator
Amount of Contributions paid to State Unemployment Fund	A	N/A	No	N/A	N/A
Name of State where contributions are paid	B	1a	Yes	State Code	01SC1
Total payments to employees	1	3	No	N/A	N/A
Exempt payments	2	4	No	N/A	N/A
Payments of more than \$7,000	3	5	No	N/A	N/A
Add lines 2 and 3	4	6	No	N/A	N/A
Total taxable wages	5	7	Yes	Total Taxable Wages	02TTW
FUTA Tax	6	12	Yes	Total Tax Taxpayer	02TFT
Total FUTA Tax Deposited	7	13	Yes	FTD Credit Claimed Amount	02FCC
Balance due	8	14	Yes	Balance Due/Overpayment Taxpayer	02B/R
Overpayment	9	15	Yes	Balance Due/Overpayment Taxpayer	02B/R
First Quarter Liability	First Box in Part II	16a	Yes	Total Tax Liability Amount	02Q1
Second Quarter Liability	Second Box in Part II	16b	Yes	Total Tax Liability Amount	02Q2
Third Quarter Liability	Third Box in Part II	16c	Yes	Total Tax Liability Amount	02Q3
Fourth Quarter Liability	Fourth Box in Part II	16d	Yes	Total Tax Liability Amount	02Q4

- b. Form 940-EZ - All valid Codes should be transferred to Form 940 including 01SIC and 01RCD.
- c. Form 940-EZ - **Circle out** any ACTION CODES.
- d. Form 940-EZ - Staple the replacement Form 940 to the front of the original return.
- e. Form 940-EZ - Follow local submission processing center procedures for renumbering.

(3) Using CC SSPND 61X, suspend to Rejects.

3.12.154.2.31.2

(01-01-2020)

Form 940 (Revision 2005 and prior) Conversion to Current Year

- (1) Forms that have been converted will be processed via ISRP.
- (2) Conversions of **prior year returns to Form 940** will be performed by Code & Edit.
- (3) In addition, some converting will be necessary as shown below when a credit reduction State is involved.

If	Then
The taxpayer completed Part I, Line 6, signifying a Credit Reduction State,	Part I, Line 6 should be edited to Form 940 Schedule A and entered into the correct Field in Section 03, 04, or 05. Part I, Line 7 should be entered on Form 940, Line 11 (current year revision).
If the taxpayer has not identified the Form 940 Schedule A Credit Reduction State and its associated FUTA Taxable Wage amount,	SSPND 211 using Letter 142C, Unemployment Return Incomplete for Processing: Form 940/940 EZ (or local letter as permitted by the center) correspond for a completed Form 940 (current year revision), and Form 940 Schedule A.

3.12.154.2.32

(01-01-2024)

Signature Area

- (1) A signature and jurat is required on all returns except:
 - Returns prepared under Internal Revenue Code IRC 6020(b). These returns **must** be signed by a Compliance function representative. If not signed, route the return to Rejects to have the DLN extracted. Then, send the return to:
Internal Revenue Service
2970 Market St.
Mail Stop 5- EO4.114
Philadelphia, PA 19104
 - Returns **prepared** by Examination, for example "SFR" (Substitute For Return) or "Substitute Return"
Reminder: Returns secured by Examination do require a signature and jurat.
 - Dummy returns prepared by IRS.
 - Returns filed under IRC 501(d) (Religious or Apostolic Organization).
 - A blank return with a CP139 attached (i.e., notification that Form 941 or Form 940 may no longer be required because four consecutive Form 941 tax years were received with "NO LIABILITY")
 - Correspondence is attached showing that the taxpayer is responding to an IRS letter.

- Taxpayer shows he/she has filed another type of return.
- It appears that the taxpayer is "IRATE" because he/she has received another blank return after filing a "FINAL" return in the previous year.
- Tentative returns.
- Other Federal Agencies.
- Computer generated returns with computer generated signatures.
- Electronically filed returns may be identified by the presence of printouts in lieu of an actual return.
- Returns identified with "CII Image-Do not correspond for Signature" stamped below the signature line or "CII" ("Correspondence Imaging Inventory") annotated on the front of the return.

- (2) Since tax examiners are not expected to be handwriting experts, Regulations allow us to presume that the signature on a return, statement or other document is the true signature of the person who actually signed the document.

Note: A check mark or "X" for the purpose to designate where the taxpayer should sign the return is not considered a valid signature.

- (3) Accept a signature declaration (i.e., a signature with a jurat obtained through correspondence) if attached to the return.
- (4) A signature of an individual, officer, partner, duly authorized agent, etc. affixed by rubber stamp, mechanical device, or computer-generated software to a return is acceptable on Forms 940, Form 940(PR), and Form 940 (sp), and may appear in either the **Sign your name here** or the **Print your name here** boxes.

3.12.154.3
(01-01-2022)
ERS Error Codes

- (1) This section gives general information regarding ERS Error Codes.

3.12.154.3.1
(01-01-2022)
Error Codes

- (1) An error code is computer-generated to a record and assigned in numerical order.
- (2) Error codes are displayed on ERS by priority. The lower number error codes appear first.
- (3) Error codes require one of the following actions to be taken by the tax examiner:
- a. Correct the invalid field/math condition,
 - b. Assign a TPNC in the correct field,
 - c. Suspend the document with the correct Action Code, or
 - d. Verify and clear the error with a "C" Code in the Clear Code Field.

3.12.154.3.2
(01-01-2016)
Explanation of Priority Types

- (1) ERS will identify errors according to type and priority. The record heading will show the type of error.
- (2) **Priority I** are **Action Code Errors**. When an Action Code is assigned to a return, it displays as a Priority I error.
- (3) **Priority II** are **Section Errors (ISRP and Terminus)**.

- a. **ISRP (transcription - error)** - An error detected by ISRP displays as an ISRP Section Error,
 - b. **Terminus** - An alpha transcribed in a numeric field or vice versa and a section with variable length fields containing an erroneous size field displays as a terminus section error,
- (4) **Priority III** are **Field Validity Errors**. Any field failing to meet the requirements for that field displays as a Priority III error.
 - (5) **Priority IV** are **Math and Consistency Errors**. When a record is assigned an Error Code because of a math error or an inconsistency between fields, it displays as a Priority IV error.
 - (6) There may be records where the tax examiner finds that programming has not furnished a section that is needed to solve an error. If this happens, the tax examiner will enter the section using **CC GTSEC** and enter the missing data. It should be reported to Headquarters for correction of the display.

3.12.154.4
(01-01-2024)
Priority I Action Code Errors

- (1) This section has Priority I Action Code Error information for Form 940, Form 940 (PR), and Form 940 (sp).

3.12.154.4.1
(01-01-2016)
Priority I Guidelines

- (1) All records that are assigned an Action Code by Code & Edit will be displayed as a Priority I Error.
- (2) If the Action Code is **valid** and other than 001, it will be placed in the Suspense Inventory.

Note: If the Action Code is **invalid** or **001**, it will be placed in the Error Inventory.

3.12.154.4.2
(01-01-2022)
Priority I Error Inventory Correction Procedures

- (1) The Error Screen Display will show the following:

Note: The items listed will display in the header part of each Error Record. Previously assigned TPNCs will also be displayed in the header information.

- Document Locator Number (DLN).
- Taxpayer Identification Number and Name Control.
- Processing Date.
- ISRP/RRPS (literal printed if a document was processed through the Residual Remittance Processing System).
- ERS Status Code.
- Command Code.

- (2) Prior to making corrections do the following:

- a. Make sure the DLN on the screen display matches the DLN of the document.
- b. Make sure the taxpayer's entries are on the correct lines of the tax return.
- c. Check and correct all coding and transcription errors in each section.
- d. Make certain all sections and fields are transcribed.

If	Then
Suspense is required,	<ol style="list-style-type: none"> 1. Use CC SSPND and the correct Action Code. 2. If no suspense is needed, enter "000" in the Clear Code Field and transmit.
The BOB Resolution function has added a document to a block by entering only the name control and TIN, Action Code 001 will be computer-generated,	<ol style="list-style-type: none"> 1. Error Resolution must enter the remainder of the record. 2. Enter CC GTSEC for each record section that should contain data. 3. Add the required data. When all of the sections have been entered, clear the Action Code by entering "C" in the Clear Code Field.

- (3) Money Amounts - When you correct a screen display, be sure money amounts have been transcribed correctly in dollars and cents.
- (4) Check the displayed Action Code for validity. See Exhibit 3.12.154-13, Action Code Chart, for valid Action Codes.
 - a. Also check the return to verify that the Action Code assigned is correct and whether it was transcribed properly.
 - b. Remember to use **CC GTSEC** prior to clearing the data from the terminal on "**AC 001**".

3.12.154.4.3
(01-01-2024)

Priority I Suspense Inventory Correction Procedures

- (1) Decide if the record can now be resolved with the information available. If so, make the corrections to the record using **CC DLSEC** or **CC GTSEC**.
- (2) After all corrections are made and transmitted, enter a "**C**" in the Clear Code Field and transmit.
 - a. If there are other errors in the record, they will be displayed.
 - b. If the error is resolved, release the document to files.
- (3) The **No Reply** instructions are furnished on the No Reply Chart. See Exhibit 3.12.154-7, No-Reply / Undeliverable Chart.
- (4) If the error cannot be resolved without other information or clearance, re-suspend with the correct Action Code using **CC SSPND**.
 - a. Enter the new Action Code and date on both copies of the charge-out (Form 4251) (a new charge-out is not issued for the re-suspended record, if available.)
 - b. Give the return with attached charge-outs to the Suspended Documents File Unit.
- (5) A record may also require rejecting from ERS, either for re-input or voiding.
 - a. A record being re-input may be re-input with the same Document Locator Number (DLN) or a new DLN. Notate on charge-out,
 - b. A new charge-out will be issued for the Rejected Document.
 - c. Give the return to the Suspended Document Unit.
 - d. On the screen, use the correct **CC RJECT** or **CC NWDLN** and enter the correct **Suspense Reject Action Code**.
- (6) The following table has **Priority I** error instructions:

If	And	Then
Priority I Error, Action Code 21X, Correspondence	Status 321	For correspondence with No Reply, follow the No Reply instructions prior to clearing the Priority I Error. See Exhibit 3.12.154-7, No Reply / Undeliverable Chart.
Priority I Error, Action Code 21X, Correspondence	Status 421	Input the information received in the reply prior to clearing the Priority I Error.
Priority I Error, Action Code 310, Statute Control	Status 331 or 431	<p>Document will be furnished to the tax examiner with instructions from Statute Control.</p> <ol style="list-style-type: none"> If the Statute Control Group shows clearance, use CC GTSEC for Section 01, verifying 01TXP (Tax Year) and entering "W" in 01CCC for Form 940 returns. If document is to be voided: <ul style="list-style-type: none"> Use CC RJECT 640 for non-remittance documents. Use CC NWDLN 640 for remittance documents. Refer to IRM 3.12.38, Error Resolution, BMF General Instructions for the DLN of the payment posting voucher (Form 3244) to post the remittance to the year and MFT of the voided Statute document. Transmit and then clear the Priority I Error.
Priority I Error, Action Code 320, Entity Control.	Status 432	<p>Document will be furnished to the tax examiner with instructions from Entity Control.</p> <ol style="list-style-type: none"> Follow instructions from Entity Control prior to clearing the Priority I Errors. Enter the correct fields using CC GTSEC for Section 01 if the return was referred to Entity for the Name Control or EIN. When Entity assigns an EIN, enter the assigned date in the Correspondence Received Date (CRD) field, (01CRD).

If	And	Then
Priority I Error, Action Code 33X, Review/Routing to CI	Status 433	<p>Document will be referred to CI prior to giving to tax examiners.</p> <ol style="list-style-type: none"> If instructed to void the record and refer the Form 940, Form 940 (PR), or Form 940 (sp) to CI, use CC RJECT or CC NWDLN, AC 640, following CI instructions. CC NWDLN 640 is for the voided Form 940, Form 940 (PR), or 940 (sp) with a remittance. The new DLN is the DLN of the payment posting voucher that posts the remittance to the year and MFT of the voided document sent to CI or URF if CI instructs that the money is to be applied to the Unidentified Remittance File. If you continue processing Form 940, Form 940 (PR), or Form 940 (sp) follow CI instructions prior to clearing Priority I Error.
Priority I Error, Action Code 35X, IDRS Research	Status 435	<p>AC 351 shows IDRS was not available when the record was on the Error inventory.</p> <ol style="list-style-type: none"> If after researching with CC NAMEB or CC NAMEE and the EIN is found - enter in 01EIN after using CC GTSEC for Section 01. If after researching with CC NAMEB or CC NAMEE and the EIN is NOT found, re-suspend using CC SSPND with AC 320 for referral of a document to Entity for EIN. Action Codes "352", "354" or "355", - if after researching you are unable to resolve, re-suspend to Entity with AC 320. AC 353 will not be used on Form 940, Form 940 (PR) or, Form 940 (sp), unless correspondence is necessary and there is no address.

If	And	Then
Priority I Error, Action Codes 420 through 460, Management Suspense	Status 442	Management may direct either that you work or re-suspend the record. a. If re-suspending, use CC SSPND and the Action Code as directed. b. When instructed to work the record, clear the Priority I Error with the "C" Clear Code, so if other errors exist in the record, they are displayed.
Priority I Error, Action Code 480, Early Filed Final Suspense	Status 448	See IRM 3.12.154.7.4.2, Field 01TXP Correction Procedures, and IRM 3.12.154.11.7.2, Correction Procedures (EC 007).
Priority I Error, Action Code 490, System Problem	Status 349	Instructions are needed from the Computer Branch through your supervisor for working. If instructions are not furnished for Status 349, you may be advised to re-suspend, using CC SSPND 490.
Priority I Error, Action Code 490, System Problem	Status 449	Once you clear AC 490, if no other error exists in the record, the record will go to good tape. It is imperative to await instructions from the Computer Branch.
Priority I Error, Action Code 51X, Missing Document	Status 451 or 351	a. The charge-out issued for a missing document may be used for the initial search. b. It may also be used for subsequent searches by marking Second Request, Third Request, etc. on the charge-out returned from Files. c. A special search is continued as shown in IRM 3.12.38, Error Resolution, BMF General Instructions until a document is found or record is rejected from ERS with AC 670. d. If the missing document is a non-remittance document, use CC RJECT 670. e. If the missing document is a remittance document, use CC NWDLN 670 and the DLN of Form 3244 for the payment or if unable to designate where remittance should be applied, use CC NWDLN 670 URF.

If	And	Then
I. Priority I Error, Action Code 6XX, Rejects		<ul style="list-style-type: none"> a. Review the document to see if you agree with recommended rejection of return. b. If so, delete with CC RJECT or CC NWDLN and the correct Action Code. c. If you decide not to delete the record, clear the Priority I Error with the "C" Clear Code deleting the Action Code so that other errors that might exist can display.
Priority I Error, Action Code 700, Duplicate Block DLN		Clear the Priority I Error with the "C" Clear Code so that other errors in the record might display.
Priority I Error, Action Code 900, Unpostable Records		<ul style="list-style-type: none"> a. The literal for the AC 900 will have the Unpostable Code and the Unpostable Reason Code. b. For AC 900 returns, decide if the record is resolved. If so, use CC GTSEC for the desired section(s) and make the correction(s). c. After all corrections are made and transmitted, enter a "C" in the Clear Code Field. Once the AC 900 is cleared, all other errors on the record will be displayed for correction. d. If no other errors exist, the record will clear the screen. The record has never posted to Master File. e. Fields displayed will be as processed prior to being an Unpostable. The record may contain editing and transcription errors. f. All Clear Codes and TPNCs assigned when previously processed will be deleted from the record and will need to be assigned again, if still applicable.

3.12.154.5
(01-01-2016)

Priority II Section Errors

- (1) Errors which are identified as **Priority II Errors** are: **ISRP**, **SCRIPS**, and **Terminus Errors**.
- (2) These errors and the correction procedures are explained in this section.

3.12.154.5.1
(01-01-2022)

**Priority II - ISRP or
SCRIPS Errors**

- (1) An edit error is a section with an error detected by ISRP or SCRIPS.
- (2) Edit errors are coded as follows:

Code	Error
"1"	<ol style="list-style-type: none"> a. Split screen transmission. b. Key Verifier attempted to change Check Digit. c. Key Verifier changed 4 or more digits of TIN. d. The Original Entry operator entered required section as missing.
"2"	Not used at this time.
"3"	Invalid section ending point.
"4"	Invalid field length.

- (3) **Questionable Section** - the same section was input more than once, or a section was entered out of sequence. The computer program will drop all duplicate sections and display the first one encountered.
- (4) **Mainline Problem** - two sections were input (04 and 05 input) to generate Section 02.
 - a. The computer cannot decide which input section to use.
 - b. When displayed, this type of error will display all input fields, except the Remittance in Section 01 of the section in error,
 - c. Transcribed data will be present, and
 - d. Computer-generated data will not be present.

3.12.154.5.1.1
(01-01-2016)

**ISRP or SCRIPS Errors -
Correction Procedures**

- (1) Check the fields with the return and do the following:

If	Then
Check all fields of the section when this condition exists,	Verify that fields are entered as coded.
No correction is needed, or once the section is correct,	Go to the bottom of the screen and transmit.
The section needs to be deleted,	Enter CC DLSEC with the section number.

3.12.154.5.2
(01-01-2016)

Priority II Terminus Error

- (1) This error is caused by a section with variable length input fields containing an erroneous size field.
- (2) When displayed, this type of error will show all input fields of the terminus section.
 - a. Transcribed data will be present.

- b. Computer-generated fields or Remittance Field for Section 01 will not be present.

3.12.154.5.2.1
(01-01-2016)

- (1) Check all fields and make the necessary corrections.

**Terminus Error -
Correction Procedures**

If	Then
No correction is needed, or once the section is correct,	Go to the bottom of the screen and transmit.
The section needs to be deleted,	Enter CC DLSEC with the section number.

3.12.154.6
(01-01-2016)

Priority III Field Errors

- (1) Any field that does not meet the requirement(s) for that field will be shown as a **Priority III Error**.

3.12.154.6.1
(01-01-2024)

Types of Field Errors

- (1) Some reasons for this type of error are as follows:
- Non-alpha character in an alpha field.
 - Blank space in a numeric field.
 - Blank in the first position of an alpha field.
 - Non-numeric character in a numeric field.
 - A required field is blank.
 - On re-input—the field length exceeds the maximum allowable characters.
 - Form 940, Form 940 (PR), and Form 940 (sp) – Section 02, 03, 04, and 05** money fields, with the exception of the balance due field, have negative amounts.
- (2) All fields with a **Priority III** error will be displayed in the order encountered in the record.
- (3) The Action Code and TPNC will never be displayed as a Priority III error.
- (4) Follow the correction procedures below for an **Overflow** condition:

If	Then
<p>The money amount on a return exceeds the maximum field length allowable.</p> <p>* "Overflow Field,"</p>	<ol style="list-style-type: none"> Enter the maximum amount allowable on the original return. Recompute the tax data and enter the corrected amount(s) on the screen display and the return. DO NOT SEND A TPNC. Annotate on the original return, "Dummy Return prepared due to an overflow document." Prepare a "Dummy Return" by computing and entering the remaining overflow money amount(s) for all applicable T-lines. Enter the following information on the "Dummy Return": <ul style="list-style-type: none"> Entity data from the original return, CCC "G" In the signature area write "Signature on Original return". The DLN from the original return. On the top of the return write "Prepared from Overflow Document." Route completed "Dummy Return" to Receipt and Control on a routing slip to be numbered and processed.

3.12.154.7
(01-01-2024)
Section 01 Fields

- (1) This IRM section shows the **Section 01** field designators for Form 940, Form 940 (PR), and Form 940 (sp) .

3.12.154.7.1
(01-01-2024)
**Field Designators -
Section 01**

- (1) **Section 01** information is as follows:
- See Exhibit 3.12.154-1, Form 940 (Revision 2023 and Form 940 Schedule A Revision 2023).
 - See Exhibit 3.12.154-2, Form 940 (PR) (Revision 2022) and Form 940 Schedule A (PR)(Anexo A (Formulario 940 (PR)) Revision 2022).
 - Form 940 (Revision 2005 and prior).

Field Designator	Field Length	Title of Field	LOCATION on Revision 2006 and later
01NC	4	Name Control/Check Digit	Entity Part
01EIN	9	Employer Identification Number	Entity Part
01TXP	4	Tax Year	Entity Part
01CCC	10	Computer Condition Codes	Form 940: Immediately to the right of the line that states "You MUST fill out both pages of this form and SIGN it." Form 940 (PR): Immediately to the right of the line that states: "Usted DEBE llenar ambas paginas de esta planilla y luego FIRMARLA"
01RCD	8	Received Date	Center Part of Return
01PIC	1	Penalty and/or Interest Code	No longer edited by Code & Edit
01SC1	2	State Code	Part 1, Line 1a
01ABC	1	ABC Indicator	Not Applicable.
01CAF	1	Centralized Authorization File	Not Applicable
01SIC	1	Schedule Indicator Code (SIC)	In the right margin, next to the line that separates the entity information from Part 1
01MSB	1	Multi-State Filer Check Box Indicator	Part 1, Line 1b
01CRB	1	Credit Reduction Check Box Indicator	Part 1, Line 2
01SRI	1	Form 940 Schedule R Indicator	An indicator "R" on the right margin next to Line 6, "Subtotal".
01CRD	8	Correspondence Received Date (CRD)	Far left of the address
01ARN	1	Applied Refund Indicator	Part 4, After Line 15
01CBI	1	Third-party Designee Indicator	Part 6
01CBP	5	Third-party Designee Personal Identification Number (PIN)	Part 6

Field Designator	Field Length	Title of Field	LOCATION on Revision 2006 and later
01PSN	9	Paid Preparer's SSN or PTIN	Part 7, below the taxpayer signature line
01PEN	9	Firm's EIN	Part 7, below the taxpayer signature line
01PTN	10	Paid Preparer's Phone Number	Part 7, below the taxpayer signature line

3.12.154.7.2

(01-01-2022)

Field 01NC - Name Control/Check Digits(1) **Name Control:**

- a. This field is found in the Entity Section of the return and is underlined by Code & Edit.
- b. Each of the four positions must have an alpha, numeric, hyphen, ampersand or blank.
- c. The first position cannot be blank.

(2) **Check Digits**

- a. This field is found above the Entity Section of the return.
- b. This is also a four-position field.
- c. There must be blanks in the first two positions and a letter of the alphabet in the third and fourth positions.

3.12.154.7.2.1

(01-01-2016)

Field 01NC - Invalid Conditions(1) The **Name Control field is invalid** if any of the following occurs:

- a. The first position is not an alpha or numeric.
- b. The "2nd", "3rd" or "4th" position is not an alpha, numeric, hyphen, ampersand or blank.
- c. There are any intervening blanks between characters.
- d. Letters "E", "G" or "M" are present in the check digits.

3.12.154.7.2.2

(01-01-2016)

Field 01NC - Correction Procedures

(1) Check the field with the return and do the following:

If	Then
Data was transcribed incorrectly,	Enter the correct data. Check digits have priority over the Name Control.
Name control is not available,	Use CC ENMOD, CC NAMEB, CC NAMEE and/or CC INOLE to secure the name control.
Unable to secure name control,	Refer the document to Entity Control and suspend the record with "AC 320". See Document 7071-A, Name Control Job Aid, for methods of determining name controls if the Name Control is obviously wrong. Otherwise, follow instructions above.

Note: See IRM 3.12.154.10.1.2, Field 06CON, - Correction Procedures.

3.12.154.7.3
(01-01-2022)

Field 01EIN - Employer Identification Number

- (1) Description - The **EIN** is a number assigned by IRS for identification of a business tax account.
- (2) This field is found in the Entity Section of the return.

3.12.154.7.3.1
(01-01-2016)

Field 01EIN - Invalid Condition

- (1) The EIN is **invalid** if one of the following conditions is present:
 - a. It is not numeric.
 - b. It is less than nine characters.
 - c. The first two digits are: “00”, “07”, “08”, “09”, “17”, “18”, “19”, “28”, “29”, “49”, “78”, “79”, or “89”.
 - d. It is all “zeros” or all “nines”.

3.12.154.7.3.2
(01-01-2022)

Field 01EIN - Correction Procedures

- (1) Check the field with the return and do the following:

If	Then
The EIN was transcribed incorrectly,	Enter the correct EIN.
The EIN was transcribed correctly,	Search for another valid EIN on the return or attachments and enter the correct number.
A correct number cannot be decided,	<ol style="list-style-type: none"> a. Research using CC NAMEB, CC NAMEE, or CC INOLE for the correct number. <ol style="list-style-type: none"> 1. If a valid EIN is found, enter the correct number. 2. If EIN is changed from the one the taxpayer used, send Letter 3875C, Missing or Incorrect EIN on Return - BMF/EPMF, as a non-response letter to the address on the return. Continue processing the return. <p>Exception: Do not send Letter 3875C when:</p> <ul style="list-style-type: none"> • Three or less digits of the EIN are transposed, different or missing, or • The EIN is consecutive numbers (e.g., 12-3456789) or repeating numbers (e.g., 11-1111111), or • INOLES shows the account was “merged to” or “merged from”, or • The TIN on the return is the taxpayer’s SSN (check CC INOLEG).
More than one number is found or if unable to decide valid EIN,	Suspend with AC 320 for referral to Entity Control.
Entity assigns an EIN.	<ol style="list-style-type: none"> a. Enter the EIN in Field 01 EIN. b. Enter the Entity Assigned Date in Field 01CRD if the date is after the return due date.

3.12.154.7.4
(01-01-2024)

Field 01TXP - Tax Year

- (1) Description - This field is found in the Entity Section of the return and consists of the four digits for the Tax Year, for example, **2023**.

3.12.154.7.4.1
(01-01-2023)

**Field 01TXP - Invalid
Conditions**

- (1) This field is invalid if one of the following conditions is present:
- a. It is not all numeric.
 - b. It is not in **YYYY** format.
 - c. It is all blank.
 - d. It is greater than the processing date.

3.12.154.7.4.2
(01-01-2024)

**Field 01TXP - Correction
Procedures**

- (1) Check the return and/or attachments for the correct Tax Year and do the following:

If	Then
The Tax Year cannot be decided,	Research BMFOLI to see which year has not yet posted. If unable to decide the tax year after re-researching BMFOLI, enter the current year being processed as the tax period.
The taxpayer is attempting to pay more than one year's tax on the return, and you are unable to decide the tax and wage amount for each year,	Correspond with the taxpayer and suspend with AC 211 for Form 940 or AC 215 for Form 940 (PR) and Form 940 (sp).
Early Filed (the taxpayer shows a Tax Year for a future year) - Final and complete return,	a. Enter CCC "F" b. Enter AC 480 to suspend the return.
Early Filed - Final and incomplete return	a. Correspond for the missing data and suspend with AC 211 for Form 940 or AC 215 for International returns. b. Input CCC "F", if necessary, depending on the taxpayer's response. c. When the correspondence is received, enter AC 480 to suspend the return until the upcoming January according to the taxpayer's response.
Early Filed - Non-Final return Note: This procedure includes early filed complete "CII" returns.	a. Suspend with AC 211 for Form 940 or AC 215 for International returns. b. Correspond using Letter 142C (or, a local letter paragraph, as permitted by the center) for explanation for early filing. Exception: If the return is prepared under IRC 6020(b) by a revenue officer, do not correspond with the taxpayer. c. If No Reply, then re-suspend with AC 480. If this is an overpayment/refund return, enter CCC "X" to freeze the refund. d. If the current date is November 1 through December 31, do not correspond using AC 211 for Form 940 or AC 215 for International returns. SSPND 480 as an Early Filed return. See Exhibit 3.12.154-7, No Reply / Undeliverable Chart.

3.12.154.7.5
(01-01-2024)

(1) **Field 01** will take up to **10 Computer Condition Codes**.

**Field 01CCC - Computer
Condition Codes**

(2) This field is found in the following locations on the tax form:

Form	Location
Form 940 (Revision 2006 and later)	Immediately to the right of the line that states: "You MUST fill out both pages of this form and SIGN it." See Exhibit 3.12.154-1, Form 940 (Revision 2023) and Form 940 Schedule A (Revision 2023).
Form 940 (sp)	Immediately to the right of the line that states: TIENE que completar ambas paginas del Formulario 940 y luego FIRMARLO. Exhibit 3.12.154-3.
Form 940 (PR) (Revision 2006 through 2022)	Immediately to the right of the line that states: "Usted DEBE llenar ambas paginas de esta planilla y luego FIRMARLA". See Exhibit 3.12.154-2, Form 940 (PR)(Revision 2006 through 2022) and Form 940 Schedule A (PR) (Anexo (Formulario 940-PR)) (Revision 2006 through 2022).
Form 940 (Revision 2005 and prior)	Center of the bottom of Page 1.
Form 940 (PR) (Revision 2005 and prior)	Center of the bottom of Page 1.

(3) **Computer Condition Codes (CCC)** are used to identify a special condition or computation for the computer. See the following table:

CCC	Definition	Validity/Consistency Checks	Remarks
"C"	Unexplained exemption		Not Applicable. This code will no longer be used.
"D"	Reasonable cause for failure to make timely payments,	Must have a received date (Error Code 028)	Cannot have a pre-computed penalty.
"E"	Credit Election	Cannot be "F", "G", or "S" Coded. (Field Error)	Computer-generated if 01ARN is blank and 02 B/R has an overpayment.
"F"	Final Return	Cannot be coded "G", or "E"	
"G"	Amended Return	a. No other CCC codes allowed except "W" and "3" b. Must have received date. (Error Code 028) c. All fields must be blank except 01NC, 01EIN, 01TXP, 01CCC, 01RCD, 01CRD (Error Code 010)	
"J"	Reasonable cause for Waiver of FTD penalty. Also used when TP notates "State", "City", or "county", in the entity area of the return.	Cannot have pre-computed FTD penalties (Error Code 038)	
"O"	Module Freeze		Manual Refund
"R"	Reasonable cause for delinquency.	a. Must have received date. (Error Code 028) b. Cannot be "4" Coded (Field Error) c. Cannot be "7" coded. (Field Error)	Cannot have a pre-computed penalty.
"S"	Overpayment Refund	Cannot be "E" or "G" Coded (Field Error)	Computer-generated if 01ARN is "2" and 02 B/R has an overpayment.
"W"	Cleared by Statute Control	Must be present on Statute cases (Error Code 001)	
"X"	Credit Freeze		

CCC	Definition	Validity/Consistency Checks	Remarks
"Z"	Scanned Paper Return in need of ERS correction	CCC Z is not currently valid.	CCC Z is used by the scanning vendors to cause returns that need correction to fall out in ERS. See IRM 3.12.154.12, Scanned Paper Returns for correction procedures. Note: Do not delete CCC "Z" before resolving the error condition.
"3"	No Reply Received - Suppress Credit Interest	Must not contain Correspondence Received Date (Error Code 073)	Used to suppress credit interest when No Reply is received to correspondence
"4"	Return prepared by IRS under IRC 6020(b).	Cannot be "R" Coded (Field Error)	Will have notation about IRC 6020(b) and the signature of revenue agent or officer.
"5"	Successor Employer		Box "b" should be checked to signify that the taxpayer is entitled to special credits as a Successor Employer.
"7"	Reasonable cause statement denied	a. Cannot be both "D" coded and "R" coded (Field Error) b. Must have a received date (Error Code 028)	Code used when a taxpayer gives unacceptable reason(s) for failing to file or pay tax timely.
"9"	No Payments to Employees		Box "c" will be checked to signify that no payments were made to employees.

3.12.154.7.5.1

(01-01-2024)

Field 01CCC - Invalid Conditions**(1) This field is in error if any one of the following is present:**

- a. The entry is other than "C", "D", "E", "F", "G", "J", "O", "P", "R", "S", "W", "X", "3", "4", "5", "7", or "9".

Note: CCC "Z" is invalid and is used with scanned paper returns to cause fallout for ERS correction. See IRM 3.12.154.12, Scanned Paper Returns for correction procedures. Do **not** delete CCC "Z" until the underlying error condition is addressed.

- b. CCC "G" is present, and any other CCC except "W" and/or "3" is present.
- c. CCCs "E" and "F" are used together.
- d. CCCs "E" and "S" are used together.
- e. CCC "7" is present, and CCCs "D" and "R" are present.
- f. CCC "4" is present, and CCC "R" is present.

3.12.154.7.5.2 (1) Check the return for the **CCC** and do the following:
(01-01-2022)

Field 01CCC - Correction Procedures

If	Then
The CCC was transcribed incorrectly,	Enter the correct CCC.
Other CCCs are present with "G", "W", or "3".	a. If the CCC "G" is needed, delete the other CCC. b. If the CCC "G" CCC is not needed, delete it and leave the other CCC. Note: Review all sections and input data where necessary. Research BMFOLT for TC 150. If TC 150 is present, CCC "G" must be present. If there is no TC 150, review all sections and input data where necessary. Delete CCC "G".
CCCs "E" and "S" are present,	a. Verify box on Line 10 Field 01ARN. b. If applied to the next return box is checked, then enter CCC "E". c. If the refund box is checked, then enter CCC "S". d. If no box is checked, and an overpayment is shown on the return, enter CCC "E"
CCCs "E" and "F" are present,	a. Decide if the return is a Final. b. If it is a final return, delete "E". c. If there is no indication of a final return, delete the "F".
CCCs "D" and "R" are present with CCC "7",	Decide which is correct and delete the incorrect CCC.
Both CCC "4" and "R" are present,	a. If the return was prepared under IRC 6020(b), delete the "R". b. If the return was not prepared under IRC 6020(b), delete the "4".
CCC "9" is present, and Line 3 or Line 7 (e.g., Line 7a if Revision 2011) has an amount greater than zero,	Delete the "9".

- 3.12.154.7.6 (01-01-2023)
Field 01RCD - Received Date
- (1) The **Received Date** field is date stamped by Receipt and Control or perfected by Code & Edit on the center of return.
 - (2) Timely filed Form 940 Series returns are not date stamped by the Receipt and Control Branch.
 - (3) If the return is received after the due date of the return, Receipt and Control stamps the Received Date and attaches the envelope to the return per the IRM 3.10.72, Campus Mail and Work Control, Receiving, Extracting and Sorting.

Note: The due date of the Form 940 is January 31 of the year following the tax year.

- (4) The Received Date is required when the return is delinquent, amended, a Penalty and Interest Code is present, or a CCC "D", "G", "R", or "7" is present.
- (5) If all positions in the field are blank, it would not cause an invalid condition.

3.12.154.7.6.1
(01-01-2022)

**Field 01RCD - Invalid
Conditions**

- (1) The **Received Date** field is invalid if any of the following occur:
 - a. Not in YYYYMMDD format.
 - b. Prior to 19620101 - Form 940.
 - c. Later than the current processing date.
 - d. Not all numeric (if present).
 - e. Not within the valid month, day range as shown below:

Month	Day
01	01-31
02	01-28 (29 leap year)
03	01-31
04	01-30
05	01-31
06	01-30
07	01-31
08	01-31
09	01-30
10	01-31
11	01-30
12	01-31

3.12.154.7.6.2
(01-01-2024)

**Field 01RCD - Correction
Procedures**

- (1) **Received Date** - Compare the screen entry to the entry on the return and do the following:

If	Then
The field was transcribed incorrectly,	Correct the screen entry.
It appears the incorrect year was used (i.e., 20230115 instead of 20240115) and other information (Julian date, postmark date, and/or signature date) shows the received date should be a current year,	Change the received date year to the current year.
Multiple dates are on the return,	Use the earliest date. Note: When you enter a received date, if the return was filed at a Service Center other than the one at which it is supposed to be filed, enter the earliest received date regardless of where it was filed. OSPC Only: If a foreign-address return was filed with an IRS office in the foreign country instead of OSPC, enter the foreign-country received date (this includes U.S. Possessions).
The return was held in suspense,	Circle all but the earliest date.
The Received Date is not needed, i.e., the return is not delinquent, or does not have a CCC "D", "G", "R", or "7",	Delete the entry from Field 01RCD.
The Received Date is not present on the return, or the date is illegible/invalid,	Enter the Received Date using the following priorities: a. Earliest legible postmark date of the U.S. Post Office or a Private Delivery Service or a foreign postmark date. Note: If an envelope is not attached, use the postmark date stamped on the face of the return. b. Service Center Automated Mail Processing System (SCAMPS) digital date. c. Revenue officer's signature date. d. Signature date, if within the current year e. Julian date minus 10 days. f. Current date minus 10 days.

- (2) The Received Date should never precede the beginning of the Tax Year (**Error Code 007**).

3.12.154.7.7
(01-01-2016)
Field 01PIC - Penalty and Interest Code

- (1) This field is no longer edited by Code & Edit.
(2) The "P" / "I" Code was used to alert the computer to do a computation for

#

3.12.154.7.7.1
(01-01-2016)
Field 01PIC - Invalid Conditions

- (1) **Penalty Interest Code-** Entry was invalid if it is other than "1" or blank.

3.12.154.7.7.2
(01-01-2016)

**Field 01PIC - Correction
Procedures**

- (1) **Penalty Interest Code-** Compare the screen entries with the return and do the following:

If	Then
There was a transcription error,	Change the field to the correct entry.
Pre-computed delinquency penalty and/or interest is shown in the Penalty and Interest box or area, and the	Enter Code "1".

#

3.12.154.7.8
(01-01-2024)

Field 01SC1 - State Code

- (1) Description - The State Code Field for a single State filer is found in **Part 1, Line 1a.** for Form 940, Form 940 (PR) (Revision 2006 through 2022) and Form 940 (sp).
- (2) The State codes are composed of two alpha characters.
- (3) **There are 53 valid codes, as shown below.** See Exhibit 3.12.154-9, Entity State Code and Zip Code Chart.

3.12.154.7.8.1
(01-01-2016)

**Field 01SC1 - Invalid
Condition**

- (1) The State Code Field is invalid if one of the following occurs:
- The State Code in the State Code field is not a valid abbreviation for one of the 50 U. S. States, District of Columbia, Puerto Rico, or the U.S. Virgin Islands. See Exhibit 3.12.154-8, State Codes.
 - The State Code is a foreign country.

3.12.154.7.8.2
(01-01-2020)

**Field 01SC1 - Correction
Procedures**

- (1) **State Code Field** -Compare the screen entry with the entry on the return and do the following:

If	And	Then
The field was transcribed incorrectly,		Correct the screen display from the return.
Box 1a (01SC1) entry is an invalid State code,		Enter the valid State code from the return. Note: If the return is non-taxable, enter "ZZ" in field 01SC1 only for a credit reduction State.
Field 01SC1 is blank or the State Code in Box 1a (01SC1) is a foreign country other than a U.S. Possession,	AA, AE, or AP, address is present on the entity of the return, See IRM 3.12.154.2.19.2, APO/ DPO/FPO Address.	Enter the State from the entity address on page 1 of the return.
Field 01SC1 is blank or the State Code in Box 1a (01SC1) is a foreign country other than a U.S. Possession,	No AA, AE, or AP address is present on the entity of the return,	a. Delete the entry in Fields 01SC1, 01MSB and 01CRB, if present for the single invalid credit reduction State. b. Also, delete the invalid credit reduction State code and associated amount from Section 03, 04, or 05, as applicable, if multi States are involved.
A valid State Code cannot be decided from the return or attachments,		Use "CC SSPND" with "AC 650" and transship to the Ogden Submission Processing Campus (OSPC). OSPC Only: Delete entry of foreign country and/or U.S. possessions (Exceptions: Puerto Rico and Virgin Islands).
The address on the return is a foreign address from "AS" (American Samoa), "FM" (Federated States of Micronesia), "GU" (Guam), "MH" (Marshall Is.), "MP" (Northern Mariana Is.), or "PW" (Palau), but not US Virgin Island (VI) or Puerto Rico (PR),		Delete the State Code from Field 01SC1 if present.
The State Code in Box 1a (01SC1) is blank,	Box 1b. (01MSB) is not checked	Enter the State code from the entity section of the return.

3.12.154.7.9
(01-01-2016)

**Field 01CAF - Central
Authorization File (CAF)**

- (1) Form 2848, Power of Attorney and Declaration of Representative. and Form 8821, Tax Information Authorization (TIA), are forwarded to the Central Authorization File Unit (CAF) by Code & Edit function.
- (2) Editing of Central Authorization File Codes by Code & Edit is no longer necessary. When the CAF Code was being edited, the field 01CAF had a value of 1, 2, 3, 4, or 7 depending on how much authority the CAF representative had received from their client.
- (3) If a Form 2848 or Form 8821 is still **attached** to the return, detach and route to the CAF function.
- (4) If a "General Power of Attorney" or a "Durable Power of Attorney" or "Tax Information Authorization" is submitted on any document other than Form 2848 or Form 8821, leave it attached to the return. Do not detach. Do not route to the Central Authorization File function.

3.12.154.7.9.1
(01-01-2016)

**Field 01CAF - Invalid
Condition**

- (1) This field is invalid if the entry is other than "1", or is not blank.

3.12.154.7.9.2
(01-01-2016)

**Field 01CAF - Correction
Procedures**

- (1) Compare the return to the screen entry with the entry on the return.

If	Then
There is a transcription error,	Enter the correct data.
A valid code is not present on the return,	Delete the entry.

3.12.154.7.10
(01-01-2024)

**Field 01SIC - Schedule
Indicator Code**

- (1) The Schedule Indicator Code (SIC) is used to notify the computer that the Record of Quarterly Federal Tax Liability (**ROFTL**) is incomplete or unnecessary. SIC 1 would be edited when:

- d. There is a negative amount in the ROFTL.
- e. The ROFTL is blank.
- f. There is a total in the ROFTL, but there are no Quarterly Liability Amounts present.

two amounts.

- (2) The Schedule Indicator Code (SIC) is found in the following locations:

#

#

Form	Location
Form 940 (Revision 2006 and later)	In the margin, to the right of the line that separates the entity information from Part 1. See Exhibit 3.12.154-1, Form 940 (Revision 2023) and Form 940 Schedule A (Revision 2023).
Form 940 (sp)	In the margin, to the right of the line that separates the entity information from Part 1. Exhibit 3.12.154-3
Form 940 (PR) (Revisions 2006 through 2022)	In the margin, to the right of the line that separates the entity information from Part 1. See Exhibit 3.12.154-2, Form 940 (PR) (Revision 2022 and Form 940 Schedule A (PR) (Anexo A (Formulario 940 (PR)) (Revision 2022).
Form 940 (2005 and prior revisions)	In the margin, to the right the line that separates the entity information from the ABCD Questions.
Form 940 (PR) (2005 and prior revisions)	In the margin, to the right of line that separates the entity information from the ABC Questions.

3.12.154.7.10.1
(01-01-2016)

Field 01SIC - Invalid Condition

- (1) This field is invalid if it is other than “1” or “blank”.

3.12.154.7.10.2
(01-01-2016)

Field 01SIC - Correction Procedures

- (1) Check the field with the return and take the following actions:

If	Then
There is a transcription error,	Enter the correct data.
A valid code is not present on the return,	Delete the entry.

3.12.154.7.11
(01-01-2017)

Field 01MSB - Multi-State Filer Check Box Indicator

- (1) This box is found in Part 1, Line 1b. If this box is checked, the taxpayer is showing wages were paid in more than one State. Form 940 Schedule A must be completed when Box 1b is checked. Valid entries for 01MSB are “1” and blank.

3.12.154.7.11.1
(01-01-2016)

Field 01MSB - Invalid Condition

- (1) This field is invalid if the entry is other than “1” or is not blank.

3.12.154.7.11.2
(01-01-2016)

**Field 01MSB -
Correction Procedures**

- (1) Compare the screen entry with the entry on the return and do the following:

If	Then
The field 01MSB is other than "1", or is not blank,	<p>a. If Box 1b is checked on the return, correct field 01MSB to "1".</p> <p>b. If the box is not checked, blank the field.</p>

3.12.154.7.12
(01-01-2017)

**Field 01CRB - Credit
Reduction Check Box
Indicator**

- (1) Box 2 must be checked if the taxpayer paid wages in a State that is subject to credit reduction. Valid entries are "1" or blank.

3.12.154.7.12.1
(01-01-2016)

**Field 01CRB - Invalid
Condition**

- (1) This field is invalid if the entry is other than "1" or is not blank.

3.12.154.7.12.2
(01-01-2016)

**Field 01CRB - Correction
Procedure**

- (1) Compare the screen entry with the entry on the return and do the following:

If	Then
The field 01CRB is other than "1" or, is not blank,	If Box 2 is checked on the return, correct field 01CRB to "1". If the box is not checked, blank the field.

3.12.154.7.13
(01-01-2022)

**Field 01SRI - Form 940
Schedule R Indicator**

- (1) This field is used to show Form 940 Schedule R, Allocation Schedule for Aggregate Form 940 Filers, was attached to the Form 940 when filed.
- (2) The Form 940 Schedule R and its continuation sheet are created to identify the clients by EIN and report aggregate filers total taxable FUTA wages, adjustments, credit reductions and deposits. Agents will be required to attach Form 940 Schedule R and any continuation sheets to Form 940 calendar year 2011.
- (3) Valid entries are "R" (active) or blank (inactive).
- (4) When the Form 940 is filed with a Form 940 Schedule R attached, Code & Edit will edit an "R" to the right margin next to Line 6, "Subtotal."

3.12.154.7.13.1
(01-01-2016)

**Field 01SRI - Invalid
Conditions**

- (1) This field is invalid if any character other than "R" is present.

3.12.154.7.13.2
(01-01-2016)

**Field 01SRI - Correction
Procedures**

- (1) If a character other than "R" is present then delete the entry.

3.12.154.7.14
(01-01-2017)

**Field 01CRD -
Correspondence
Received Date**

- (1) The Correspondence Received Date field is used as a second date in computing interest on overpayments.
- (2) If all the positions in the field are blank, it does not cause an invalid condition.

3.12.154.7.14.1
(01-01-2016)

**Field 01CRD - Invalid
Conditions**

- (1) This field is invalid if:
- It is not numeric.
 - Not in **YYYYMMDD** format.
 - Not in the valid month, day range.
 - The same as, or prior to the due date of the return.

3.12.154.7.14.2
(01-01-2022)

**Field 01CRD - Correction
Procedures**

- (1) Compare the screen entry with the entry on the return and do the following:
- Enter the Correspondence Received Date in the following priority:
 - Correspondence Received Date Stamp
 - Postmark Date on envelope
 - Current Date

Exception: Fax Replies.
 - Enter the Correspondence Received Date in the following priority for Fax Replies:
 - Correspondence Received Date Stamp
 - Date the reply was faxed
 - Date entered on fax cover sheet by the taxpayer
 - Current Date

If	Then
Transcribed incorrectly	Enter the correct CRD from the correspondence
The date is illegible,	Check the attached correspondence, which bears a received date stamp for the correct date.
More than one CRD is stamped or written,	Use the earliest date as the CRD.
There is No Reply,	Enter CCC "3", unless equal to or prior to the due date. Leave field 01CRD box blank.

3.12.154.7.15
(01-01-2022)
**Field 01ARN - Applied
Refund Indicator**

- (1) **Description** -This field is used to show the taxpayer has requested that an overpayment of \$1.00 or more be either credit elect (CCC E generated) or refund (CCC S generated).
- (2) If the **Applied Refund Indicator “2”** is present, then the system will generate CCC **“S”**
- (3) If the **Applied Refund Indicator is blank**, the system will generate CCC **“E”** (if CCC is **“F” is not present**). If CCC **“F” is present**, CCC **“S”** will generate.

3.12.154.7.15.1
(01-01-2016)
**Field 01ARN - Invalid
Condition**

- (1) This field is invalid if it is not blank or **“2”**.

3.12.154.7.15.2
(01-01-2022)
**Field 01ARN - Correction
Procedures**

- (1) Check the field with the return and do the following:

If	Then
There is a transcription error,	Enter the correct data.
An incorrect code is present,	Correct the entry.
The “Refund” box is checked,	Enter “2”.
The “Applied to Next Return” box is checked,	01ARN should be blank- Unless CCC “F” is present, then enter “2”.
Both boxes are checked,	01ARN should be blank- Unless CCC “F” is present, then enter “2”.
Any box is not checked,	01ARN should be blank - Unless CCC “F” is present, then enter “2”.

3.12.154.7.16
(01-01-2017)
**Field 01CBI - Third-party
Designee Checkbox
Indicator**

- (1) Description - Valid character for this field is **“1”** or **blank**.
- (2) This field has one (1) position.

3.12.154.7.16.1
(01-01-2016)
**Field 01CBI - Invalid
Conditions**

- (1) The **Third-party Designee** information is present, and no check box indicator is marked by the taxpayer.
- (2) An invalid character may have been entered. **For example, &, #, -, or ().**

3.12.154.7.16.2
(01-01-2022)
**Field 01CBI - Correction
Procedures**

- (1) If the taxpayer checked the **“YES”** Box in the Third-party Designee area on the bottom part of the return, then enter **“1”** in the field and transmit.

	(2) If the “ YES ” Check box is not marked by the taxpayer, clear all entries on the screen and transmit.
	(3) Do not correspond.
3.12.154.7.17 (01-01-2017) Field 01CBP - Third-party Designee Personal Identification Number (PIN)	<p>(1) Description - the valid characters for this field are numeric.</p> <p>(2) The field length is five (5) positions.</p> <p>(3) This number is not issued by IRS. This number is self-selected by the taxpayer.</p>
3.12.154.7.17.1 (01-01-2016) Field 01CBP - Invalid Conditions	<p>(1) Verify the entry for any invalid characters.</p> <p>(2) An invalid character such as &, #, -, or (). may have been entered.</p>
3.12.154.7.17.2 (01-01-2022) Field 01CBP - Correction Procedures	<p>(1) Verify the entry.</p> <p>(2) Correct any invalid characters.</p> <p>(3) If there are no invalid characters in the Third-party Designee PIN, then blank the field and transmit.</p> <p>(4) Do not correspond.</p>
3.12.154.7.18 (01-01-2024) Field 01PSN - Paid Preparer's SSN or PTIN	<p>(1) This field has the Preparer's Tax Identification Number (PTIN) issued by IRS.</p> <p>Note: For Tax Year 2009 and prior the field was used for the preparer's Social Security Number (SSN) issued by the Social Security Administration</p> <p>a. This entry is Blank or 9 digits.</p> <p>b. The Paid Preparer's SSN must be a 9-digit number.</p> <p>c. The PTIN is a valid entry in the Preparer's Social Security Number area at the bottom of Form 940, Form 940 (PR), and Form 940 (sp).</p> <p>d. The PTIN is a 9-character number beginning with the letter P followed by eight numbers. For example: PXXXXXXX.</p>
3.12.154.7.18.1 (01-01-2022) Field 01PSN - Invalid Conditions	<p>(1) This field is invalid if any of the following conditions are present:</p> <p>a. Field 01PSN is other than nine numeric digits or a “P” followed by eight numbers.</p> <p>b. The field has all zeros.</p> <p>c. The field has all nines.</p>
3.12.154.7.18.2 (01-01-2022) Field 01PSN - Correction Procedures	<p>(1) Compare the screen entry with the return and do the following:</p>

If	Then
A valid PTIN is present,	Enter the PTIN in Field 01PSN.
A valid SSN is present,	Enter the SSN in Field 01PSN.
A valid PTIN and SSN are both present,	Enter the PTIN in Field 01PSN.
A valid PTIN or SSN cannot be found,	Delete 01PSN.

3.12.154.7.19
(01-01-2022)

**Field 01PEN - Firm's
Employer Identification
Number (EIN)**

(1) This field has the preparer's firm Employer Identification Number (EIN). The Firm's EIN:

- a. Is Blank or 9 digits.
- b. If an entry is present, it must contain 9 digits.
- c. If an entry is present, it cannot be all zeros or all nines.

3.12.154.7.19.1
(01-01-2022)

**Field 01PEN - Invalid
Conditions**

(1) This field is invalid if one of the following occurs:

- a. Field 01PEN is other than nine numbers. Alpha characters cannot be present.
- b. Field 01 has all zeros.
- c. Field 01 has all nines.

3.12.154.7.19.2
(01-01-2022)

**Field 01PEN -
Corrections Procedures**

(1) Compare the screen entry with the entry on the return, and do the following:

If	Then
A Valid EIN is present on the return or attachments,	Enter the EIN in Field 01PEN.
If a valid EIN cannot be found,	Delete Field 01PEN.

3.12.154.7.20
(01-01-2024)

**Field 01PTN - Paid
Preparer's Telephone
Number**

(1) The Paid Preparer's Telephone Number is found on Page 2 of Form 940, Form 940 (PR), and Form 940 (sp) in Part 7. This field is not valid for any tax years prior to 2008.

3.12.154.7.20.1
(01-01-2016)

**Field 01PTN - Invalid
Conditions**

(1) This field is invalid if it is less than 10 characters.

- 3.12.154.7.20.2
(01-01-2016)
Field 01PTN - Correction Procedures
- (1) If the Paid Preparer's Phone Number is invalid or incomplete, delete the phone number.
- 3.12.154.8
(01-01-2024)
Section 02 Fields
- (1) This IRM Section gives a description of the fields in Section 02 of Form 940, Form 940 (PR), and Form 940 (sp) returns. This includes those Form 940 returns created (converted) from Revision 2005 and prior, and Form 940-EZ return revisions.
- 3.12.154.8.1
(01-01-2024)
Field Designators - Section 02
- (1) For Section 02:
- See Form 940 and Form 940 (PR). See Exhibit 3.12.154-1, Form 940 (Revision 2023) and Form 940 Schedule A (Revision 2023).
 - See Exhibit 3.12.154-2, Form 940 (PR) (Revision 2022) and Form 940 Schedule A (PR) (Anexo A (Formulario 940 (PR)) (Revision 2022).
 - Exhibit 3.12.154-3, Form 940 (sp) and Form 940 (sp) Schedule A.
- (2) All input fields are dollars and cent and positive only with the exception of Field 02BD/R which is positive or negative.
- (3) This table shows (in line sequential order) the field designator, the field length, the title of field, and the location of the field on the return:

Field Designator	Field Length	Title of Field	Location on Current Year Form 940 Format
02TTW	15	Total Taxable Wages	Line 7 Note: On Revision 2011, Line 7a
02TTW>	15	Total Taxable Wages (computer-generated)	Lien 7 Note: On Revision 2011, Line 7a.
Revision 2011 only: 02W08	15	Revision 2011 only: FUTA Wages paid before 7/1/2011 (transcribed amount in the box before the .008 amount on Line 7b)	Revision 2011 only: Line 7b
Revision 2011 only: 02W7c	15	FUTA Taxes paid before 7/1/2011 (the transcribed amount in the box after the .008 amount on Line 7c)	Revision 2011 only: Line 7c
Revision 2011 only: 02W7c>	15	FUTA Taxes paid before 7/1/2011 (the Computer-generated under-print amount for the box after the .008 amount on Line 7c.)	Revision 2011 only: Line 7c (computer-generated)
Revision 2011 only: 02W06	15	FUTA Wages paid after 6/30/2011 (the transcribed amount in the box before the .006 amount on Line 7d.)	Revision 2011 only: Line 7d
02W60> or, 02W62>	15	Total Taxable Wages x .060 or, Total Taxable Wages x .062	This field is computer-generated. It is the total of 02TTW (Total Taxable Wages) times .060. (See Note below) The computer displays the result if corrections may be needed for Line 8, revision 2013 by generating Error Code 242. Note: For taxable FUTA wages earned prior to July 1, 2011, the computer uses 02TTW times .062 for Error Code 242.

Field Designator	Field Length	Title of Field	Location on Current Year Form 940 Format
Revision 2011 only: 02W7e	15	FUTA Taxes paid after 6/30/2011 x .006 (the transcribed amount in the box after the .006)	Revision 2011 only: Line 7e
Revision 2011 only: 02W7e>	15	FUTA Taxes paid after 6/30/2011 x .006 (the computer-generated under-print amount for the box after the .006 amount on Line 7e.)	Revision 2011 only: Line 7e (Computer amount)
02TBA	15	FUTA Tax before adjustments (transcribed amount on Line 8)	Line 8
02TBA>	15	FUTA Tax Before Adjustments (computer-generated)	Line 8 (Computer amount)
02ADJ	12	Adjustment Amount	Line 9
02W54>	15	Total Taxable Wages x .054	This field is computer-generated. It is the total of 02TTW (Total Taxable Wages) times .054. The computer calculated result displays if corrections may be needed for Line 9 (Error Code 242).
02EXL	12	Some Excluded Wages or Late Payments	Line 10
02TCR	10	Total Credit Reduction Amount	Line 11
02TFT	15	Total Tax Taxpayer	Line 12
02FCC	15	FTD Credit Claimed Amount	Line 13
02B/R	15	Balance Due/Overpayment Taxpayer	Line 14 or Line 15
02FD	10	FTD Penalty Taxpayer Line FTD	To the right of the "Type of Return" Box
02Q1	14	Total Tax Liability Amount	Line 16a
02Q2	14	Total Tax Liability Amount	Line 16b
02Q3	14	Total Tax Liability Amount	Line 16c
02Q4	14	Total Tax Liability Amount	Line 16d

3.12.154.8.2
(01-01-2017)

**Field Designators -
Section 02 (Form 940-EZ
Conversions)**

- (1) All money fields are in dollars and cents.
- (2) The following table shows the field, the field length, the title of field and the location on the return:

Field Designator	Field Length	Title of Field	Location on Form 940-EZ	Location on Current Year Form 940 Format
02TTW	15	Total Taxable 940-EZ Wages	Part I, Line 5	Line 7
02TFT	14	Total Tax Taxpayer	Part 1, Line 6	Line 12
02FCC	14	FTD Credit Claimed Amount	Part 1, Line 7	Line 13
02B/R	14	Balance Due/Overpayment Taxpayer	Part 1, Line 8 or 9	Line 14 or 15
02FD	10	FTD Penalty Taxpayer	Line FD, Penalty	Line FD Penalty
02Q1	14	Total Tax Liability Amount	Part II, First Quarter 1 Column	Line 16a
02Q2	14	Total Tax Liability Amount	Part II, Second Quarter 2 Column	Line 16b
02Q3	14	Total Tax Liability Amount	Part II, Third Quarter 3 Column	Line 16c
02Q4	14	Total Tax Liability Amount	Part II, Fourth Quarter 4 Column	Line 16d

3.12.154.8.3
(01-01-2017)
Field 02TTC - Total Tentative Credit

- (1) The Total Tentative Credit will no longer be applicable.

3.12.154.8.4
(01-01-2024)
Field 02TTW - Total Taxable FUTA Wages

- (1) Description - This field is found on Line 7 (Line 7a 2001 Revision or Line 5 2005 and Prior) on Form 940, Form 940 (PR) and Form 940 (sp). It must be entered as dollars and cents and positive amounts only.
- (2) If taxable wages are present, the taxpayer's total tax cannot be zero.

3.12.154.8.4.1
(01-01-2016)
Field 02TTW - Invalid Condition

- (1) This field is invalid if it is not all numeric.

3.12.154.8.4.2
(01-01-2022)
Field 02TTW - Correction Procedures

- (1) Compare the screen entry with the entry on the return.

If	Then
The field was transcribed incorrectly,	<p>Correct the screen display.</p> <p>Note: The amount of wages can be on Line 3 or Line 6 (Rev. 2006 and later), or Line 1 or Line 4 (Rev. 2005 and prior). This can be due to erroneous placement. It may be necessary to perfect Line 7 by subtracting the amount on Line 6 from Line 3 (Rev. 2006 and later), or perfecting Line 5 by subtracting the amounts on Lines 2 through 4 from Line 1 (Rev. 2005 and prior).</p>

- 3.12.154.8.5
(01-01-2024)
Field 02TTW>> - Total Taxable Wages Computer Under-print
- (1) This field is found on Line 7 (Line 7a 2011 Revision or Line 5 2005 and Prior) on Form 940, Form 940 (PR), and Form 940 (sp). Computer-generated under-print amount.
 - (2) There are no invalid conditions or correction procedures for this field.

- 3.12.154.8.6
(01-01-2023)
Field 02W08 - FUTA Wages Paid Before 7/01/2011
- (1) This field is found in Line 7b on Form 940 and Form 940 (PR) for Tax Year 2011 revisions (transcribed amount in the box in front of the .008 amount).
 - (2) It must be entered as dollars and cents and positive amounts only.

- 3.12.154.8.6.1
(01-01-2016)
Field 02W08 - Invalid Condition
- (1) This field is invalid if it is not all numeric.

- 3.12.154.8.6.2
(01-01-2016)
Field 02W08 - Correction Procedures

If	Then
The field was transcribed incorrectly,	Correct the screen display.

- 3.12.154.8.7
(01-01-2022)
Field 02W7C - FUTA Taxes paid before 7/01/2011 x .008
- (1) This field is found in Part 2, Line 7c (transcribed amount in the box after the .008 amount).

- 3.12.154.8.7.1
(01-01-2016)
Field 02W7C - Invalid Condition
- (1) This field is invalid if it is not all dollars and cents.

3.12.154.8.7.2
(01-01-2016)

**Field 02W7C -
Correction Procedures**

- (1) Compare the screen entry with the entry on the return.

If	Then
The field was transcribed incorrectly,	Correct the screen display. If present as a negative amount, convert to a positive amount.

3.12.154.8.8
(01-01-2022)

**Field 02W7C> - FUTA
Taxes Paid Before
7/01/2011 x .008
Computer Amount**

- (1) This field is found in Line 7c (computer-generated amount for the box after the .008 amount).
(2) There are no invalid conditions or correction procedures for this field.

3.12.154.8.9
(01-01-2023)

**Field 02W06 - FUTA
Wages Paid After
06/30/2011**

- (1) This field is found in Line 7d on Form 940 and Form 940 (PR) for Tax Year 2011 revisions (transcribed amount in the box in front of the .006 amount).

3.12.154.8.9.1
(01-01-2016)

**Field 02W06 - Invalid
Condition**

- (1) This field is invalid if it is not all numeric. It must be entered as dollars and cents and positive amounts only.

3.12.154.8.9.2
(01-01-2016)

**Field 02W06 - Correction
Procedures**

- (1) Compare the screen entry with the entry on the return.

If	Then
The field was transcribed incorrectly,	Correct the screen display.

3.12.154.8.10
(01-01-2022)

**Field 02W7E - FUTA
Taxes paid after
03/30/2011 X .006**

- (1) This field is found in Line 7e (transcribed amount in the box after the .006 amount).

3.12.154.8.10.1
(01-01-2016)

**Field 02W7E - Invalid
Condition**

- (1) This field is invalid if it is not all numeric. It must be a positive amount only. If present as a negative amount, convert to a positive amount.

3.12.154.8.10.2
(01-01-2016)

**Field 02W7E - Correct
Procedures**

- (1) Compare the screen entry with the entry on the return.

If	Then
The field was transcribed incorrectly,	Correct the screen display.

- 3.12.154.8.11
(01-01-2022)
Field 02W7E> - FUTA Wages paid after 06/30/2011 x .006 Computer Amount
- (1) This field is found in Line 7e (computer-generated amount for the box after the .006 amount).
 - (2) There are no invalid conditions or correction procedures for this field.

- 3.12.154.8.12
(01-01-2024)
Field 02TBA - FUTA Tax Before Adjustments
- (1) This field is found in Line 8 on Form 940, Form 940 (PR) for Tax Year 2006 through 2022 and Form 940 (sp).
 - (2) This field is invalid if it is not all numeric. It must be a positive amount only. If present as a negative amount, convert to a positive amount.

- 3.12.154.8.12.1
(01-01-2016)
Field 02TBA - Invalid Condition
- (1) This field is invalid if it is not all numeric. It must be a positive amount only. If present as a negative amount, convert to a positive amount.

- 3.12.154.8.12.2
(01-01-2016)
Field 02TBA - Correction Procedures
- (1) Compare the screen entry with the entry on the return.

If	Then
The field was transcribed incorrectly,	Correct the screen display. The amount on Line 8 should equal the amount of Line 7c plus Line 7e.

- 3.12.154.8.13
(01-01-2024)
Field 02TBA> - FUTA Tax Before Adjustments Computer Amount
- (1) This field is found in Line 8 on Form 940 , Form 940 (PR) for Tax Year 2006 through 2022 and Form 940 (sp).
 - (2) It is not a transcribed field. It is a computer-generated field. There are no invalid conditions or correction procedures for this field.

- 3.12.154.8.14
(01-01-2024)
Field 02ADJ - Adjustment Amount
- (1) This field is found on Line 9 of Form 940, Form 940 (PR), Revision 2006 through 2022 and Form 940 (sp). The taxpayer enters an amount on this line if all of the taxable FUTA wages they paid were excluded from State unemployment tax.
 - (2) This field may or may not contain an entry. This field is “blank” or “zero” or may show a “dash”, showing that Line 9 does not apply to the taxpayer.
 - (3) If present, this field must be entered as dollars and cents. It must be a positive amount only. If present as a negative amount, convert to a positive amount.

3.12.154.8.14.1 (1) This field is invalid if it is not all numeric.
(01-01-2016)

Field 02ADJ - Invalid Condition

3.12.154.8.14.2 (1) Compare the screen entry with the entry on the return.
(01-01-2016)

Field 02ADJ - Correction Procedures

If	And	Then
If Line 9 (02ADJ) entry is blank,	The State Code in Box 1a (01SC1) is blank,	SSPND 211 and correspond for Line 9 amount.
If Line 9 (02ADJ) entry is present	The taxpayer calculated the field incorrectly,	Correct the screen display. The amount on Line 9 should equal the amount of Line 7 multiplied by .054.

3.12.154.8.15 (1) This field is found on Line 10 of Form 940, Form 940 (PR) (Revision 2006 through 2022) and Form 940 (sp). The taxpayer will complete this line if some of the FUTA wages that they paid were excluded from State unemployment tax, or if they paid any State unemployment tax late.
(01-01-2024)

Field 02EXL - Some Excluded Wages or Late Payments

- (2) This field may or may not have an entry.
- (3) This field must be entered as dollars and cents, or is “blank” or “zero” on taxable returns. If present, it must be a positive amount only. If present as a negative amount, convert to a positive amount.

3.12.154.8.15.1 (1) This field is invalid if any of the following occur:
(01-01-2016)

Field 02EXL - Invalid Conditions

- a. If it is not all numeric.
- b. If there is an entry on Line 9 (02ADJ) and Line 10 (02EXL).

3.12.154.8.15.2 (1) Compare the screen entry with the entry on the return and do the following.
(01-01-2016)

Field 02EXL - Correction Procedures

If	Then
The field was entered incorrectly,	Correct the screen display.
If there is an entry on Line 9 and also on Line 10,	Delete the Line 10 entry. The taxpayer cannot have an entry on Line 9 and Line 10.

3.12.154.8.16

(01-01-2024)

**Field 02TCR - Total
Credit Reduction
Amount**

- (1) A Credit Reduction State or territory is named by the Department of Labor when it is unable to repay loans from the Federal Unemployment Fund. Employers doing business in that State or territory are required to pay more tax on their Form 940. This is done by a reduction of the allowable credit.
- (2) If credit reduction does not apply for a particular year, the applicable lines relating to credit reduction will be grayed out on the form.
- (3) This field is found in the following locations:

Form	Location
Form 940, Form 940 (PR) (2006 through 2022) and Form 940 (sp).	Line 11 Note: In tax years where there are no credit reduction States, the correct revision for that year has line 11 shaded.
Form 940 (2005 Revision)	Line 7
Form 940 (PR) (2005 Revision)	Not Applicable

- (4) **This field is not valid for tax years 2006 through 2008.**
- (5) It must be entered as dollars and cents and positive amounts only. If present as a negative amount, convert to a positive amount.
- (6) The information obtained from this area is utilized by The Bureau of Public Debt and The Department of Labor.

3.12.154.8.16.1

(01-01-2016)

**Field 02TCR - Invalid
Conditions**

- (1) This field is invalid if any of the following occur:
 - a. If it is not all numeric.
 - b. If it entered for Tax Year 2006, 2007 or 2008.
 - c. If there is an entry on Line 9 (02ADJ) and Line 11 (02TCR).

3.12.154.8.16.2

(01-01-2017)

**Field 02TCR - Correction
Procedures**

- (1) Compare the screen entry with the entry on the return and do the following:

If	Then
The return is for tax year 2006, 2007 or 2008,	a. There should be no entry. b. Delete the amount in 02TCR.
The taxpayer pays wages in only one State that is not a Credit Reduction State,	Correct the return, deleting the Credit Reduction information.
Line 9 (02ADJ) and Line 11 (02TCR) both have an entry (Revisions 2006 and later),	Delete the entry on Line 11 (02TCR).
The taxpayer pays wages in only one State that is subject to Credit Reduction, but did not attach or did not complete Form 940 Schedule A (Revision 2011),	SSPND 211 and correspond with the taxpayer for the Credit Reduction Wages.
The taxpayer is a multi-State filer and one of the States checked in Form 940 Schedule A is subject to credit reduction, but Form 940 Schedule A was not completed,	SSPND 211 and correspond with the taxpayer for the Credit Reduction Wages.
The taxpayer is a multi-State filer but does not check the box which corresponds to the Credit Reduction State on Form 940 Schedule A,	Check the boxes on Lines 1b and 2

3.12.154.8.17
(01-01-2024)

(1) Description - This field is found in the following locations:

**Field 02TFT - Total Tax
Taxpayer**

Form	Location
Form 940	Line 12 (FUTA Tax After Adjustments)
Form 940 (sp)	Line 12
Form 940 (PR) (Revisions 2006 through 2022).	Line 12
Form 940 (2005 and prior revisions)	Line 7
Form 940 (PR) (2005 and prior revisions)	Line 7

(2) This field must be entered as dollars and cents and cannot be "blank" or "zero" on taxable returns. It must be a positive amount only.

3.12.154.8.17.1
(01-01-2016)

(1) This field is invalid if it is not all numeric.

**Field 02TFT - Invalid
Condition**

3.12.154.8.17.2
(01-01-2016)

(1) Compare the screen entry with the entry on the return.

**Field 02TFT - Correction
Procedure**

If	Then
The field was entered incorrectly,	Correct the screen display.

3.12.154.8.18
(01-01-2024)

**Field 02FCC - Federal
Tax Deposit Credit
Claimed**

- (1) It must be entered as dollars and cents.
- (2) All money amounts must be positive only.
- (3) This field is found in the following locations:

Form	Location
Form 940	Line 13
Form 940 (PR) (Revisions 2006 through 2022)	Line 13
Form 940 (2005 and prior revisions)	Line 8
Form 940 (PR) (2005 and prior revisions)	Line 2 or Line 8 (Code & Edit will convert Part II, Line 2 or Part III, Line 8 to Line 13)

3.12.154.8.18.1
(01-01-2016)

**Field 02FCC - Invalid
Condition**

- (1) This field is in error if it is not all numeric.

3.12.154.8.18.2
(01-01-2016)

**Field 02FCC - Correction
Procedures**

- (1) Compare the screen entry with the entry on the return.

If	Then
The field was transcribed incorrectly,	Correct the screen display.

Note: WATCH FOR MISPLACED ENTRIES.

3.12.154.8.19
(01-01-2024)

**Field 02B/R - Balance
Due/Overpayment**

- (1) This field must be entered as dollars and cents and is a positive or negative amount.
- (2) Code & Edit will perfect balance due/overpayment.
- (3) This field is found in the following locations:

Form	Location
Form 940	Line 14 or 15. See Exhibit 3.12.154-1, Form 940 (Revision 2023) and Form 940 Schedule A (Revision 2023).
Form 940 (sp)	Line 14 or 15
Form 940 (PR) (Revisions 2006 through 2022)	Line 14 or 15. See Exhibit 3.12.154-2, Form 940 (PR) (Revision 2022) and Form 940 Schedule A (PR) (Anexo A (Formulario 940(PR)) (Revision 2022).
Form 940 (2005 and prior revisions)	Part II, Line 9 or 10.
Form 940 (PR) (2005 and prior revisions)	Part II, Line 3 or 4 (converted to Line 14 or 15), or Part III, Line 9 or 10 (converted to Line 14 or 15).

3.12.154.8.19.1
(01-01-2016)

**Field 02B/R - Invalid
Condition**

- (1) This field is in error if it is not all numeric.

3.12.154.8.19.2
(01-01-2016)

**Field 02B/R - Correction
Procedures**

- (1) Compare the screen entry with the entry on the return.

If	Then
The field was transcribed incorrectly,	Correct the screen display.
A negative amount is shown,	A “-” must be entered.

3.12.154.8.20
(01-01-2024)

**Field 02FD - Federal Tax
Deposit Penalty
Taxpayer**

- (1) This field must be entered as dollars and cents in positive amounts only.

- (2) This field is found in the following location:

Form	Location
Form 940	In the right margin near the “Type of Return” Box. See Exhibit 3.12.154-1, Form 940 (Revision 2023) and Form 940 Schedule A (Revision 2023).
Form 940 (sp)	In the right margin near the Type of Return Exhibit 3.12.154-3
Form 940 (PR) (Revisions 2006 through 2022)	In the right margin near the “Type of Return” Box. See Exhibit 3.12.154-2, Form 940 (PR) (Revision 2022) and Form 940 Schedule A (PR) (Anexo A (Formulario 940 (PR)) (Revision 2022).

Form	Location
Form 940 (2005 and prior revisions)	In the right margin next to the "Penalty and Interest" box.
Form 940 (PR) (2005 and prior revisions)	In the right margin next to the "Penalty and Interest" Box.

3.12.154.8.20.1
(01-01-2016)

Field 02FD - Invalid Condition

- (1) This field is invalid if it is not all numeric.

3.12.154.8.20.2
(01-01-2016)

Field 02FD - Correction Procedure

- (1) Compare the screen entry with the entry on the return.

If	Then
The field was transcribed incorrectly,	Correct the screen display.

3.12.154.8.21
(01-01-2024)

Fields 02Q1, 02Q2, 02Q3, and 02Q4 - Total Tax Liability Amount Quarters 1, 2, 3, and 4

- (1) These fields must be entered in dollars and cents and positive amounts only.
(2) These fields is found in the following locations:

Form	Location
Form 940	Lines 16a through 16d
Form 940 (sp)	Lines 16a through 16d
Form 940 (PR) (Revisions 2006 through 2022)	Lines 16a through 16d
Form 940 (2005 and prior revisions)	In the ROFTL in Part III
Form 940 (PR) (2005 and prior revisions)	In the ROFTL in Part IV
Form 940-EZ	On Form 940, Lines 16a through 16d

3.12.154.8.21.1
(01-01-2016)

Fields 02Q1 - Invalid Condition

- (1) These fields are invalid if they are not all numeric and positive entries.

3.12.154.8.21.2
(01-01-2016)

**Fields 02Q1 -Correction
Procedures**

- (1) Compare the screen entries with the entries on the return.

If	Then
The field was transcribed incorrectly,	Correct the screen display.
Any negative amounts are entered in Fields 02Q1 through 02Q4.	a. GTSEC 01 b. Enter "1" in Field 01SIC, and blank Fields 02Q1 through 02Q4.

3.12.154.9
(01-01-2024)

**Section(s) 03, 04, and 05
- Form 940 Schedule A
State Code and Credit
Reduction Wage Fields**

- (1) The fields for Sections 03, 04 and 05 are transcribed from Schedule A (Form 940, Form 940 (PR) (Revisions 2006 through 2022), and Form 940 (sp). The fields are 17 positions and consist of the combined data as follows:

- The 2 alpha characters in the Postal Abbreviation column for the box checked, and
- Up to 15 dollars and cents (including the period in front of cents) entry in the FUTA Taxable Wages column.

Note:

See Exhibit 3.12.154-1, Form 940 (Revision 2023) and Form 940 Schedule A (Revision 2023), and Exhibit 3.12.154-2, Form 940 (PR) (Revision 2022) and Form 940 Schedule A(PR)) (Anexo A (Formulario 940 (PR)) (Revision 2022). Exhibit 3.12.154-3 .

- (2) Field designators, title of field, field lengths, and location on Schedule A are outlined in the following table:

Field Designator	Title of Field	Location
Section 03 03S01 - 03S26	State Code & Credit Wages 1 through State Code & Credit Wages 26	State Code in Postal Abbreviation Column and amount in the FUTA Taxable Wages Column in dollars and cents
Section 04 04S27 - 04S52	State Code & Credit Wages 27 through State Code & Credit Wages 52	State Code in Postal Abbreviation Column and amount in the FUTA Taxable Wages Column
Section 05 04S27 - 04S52	State Code & Credit Wages 53	State Code in Postal Abbreviation Column and amount in the FUTA Taxable Wages Column in dollars and cents

3.12.154.9.1
(01-01-2020)

Invalid Condition

- (1) The fields for Section 03, 04, and 05 will be invalid when:

- The first 2 position in not a valid State Code or is duplicated in any section.

- The 15 positions after the first 2 positions are not number (except for the period).
- The amount for FUTA Taxable Wages is greater than \$99,999,999,999.99.

3.12.154.9.2
(01-01-2024)

Correction Procedures

- (1) Sections 03, 04, and 05 may be displayed depending on the number of State boxes marked on Form 940 Schedule A as follows:
 - The first 26 U.S. States or Territories marked on Form 940 Schedule A display in Section 03.
 - If there are more than 26 States or territories marked on Form 940 Schedule A, then the 27th through 52nd State or territories will display in Section 04.
 - The 53rd State of territory will display in Section 05.
- (2) Within each Section **any State's codes** marked and the related State information (left of the marked State code) is entered or corrected in random order. If a State is duplicated in any of the Sections, it will generate a field error.
- (3) Any codes other than those listed are invalid and will generate a field error. Blank any invalid State codes in Section 03, 04, or 05 on the display screen. For a list of the valid State codes (abbreviations) and Credit Reduction States:
 - See Exhibit 3.12.154-8, State Codes
 - See Exhibit 3.12.154-15, Credit Reduction States & Rates (TY 2023 - 2004)
- (4) The Credit Reduction Wage amounts should be shown by the taxpayer on the return, attachment, or in reply to correspondence.
- (5) The Credit Reduction Wage amounts must be in dollars and cents and be positive amounts.
- (6) Correction procedures for 6020(b) returns. If Form 940 Schedule A is missing and line 1a of Form 940 has a State Code, then GTSEC 03 and enter the State Code and .01 into Field 03S01. When error code 214 generates, enter 1 in Field 01CRB and .01 in 02TCR.

3.12.154.10
(01-01-2022)

Section 06 - Entity

- (1) Field designators, field lengths, title of field, and location on returns are outlined in the following table:

Field Designator	Field Length	Title of Field	Location on Return
06FAD	35	Foreign Address	Entity Part
06CON	35	"In Care of" Name	Entity Part
06ADD	35	Street Address	Entity Part
06CTY	22	City	Entity Part
06ST	2	State	Entity Part
06ZIP	12	ZIP Code	Entity Part

- (2) Section 06 can have the complete address (Street Address, City, State, if not a foreign country, and ZIP Code), and secondary name line e.g., Care of Name.
- (3) Foreign address returns are processed at the OSPC only.

3.12.154.10.1
(01-01-2022)
◆ **Field 06CON**
“In-Care-of Name” ◆

- (1) Description - Field 06CON is in the entity section of the return.
- (2) **This section is for “In Care of” Name information.**
- (3) **The valid characters are alpha, numeric, ampersand, dash, slash, or percent sign (%).**
- (4) **The first position must be alpha or numeric.**

3.12.154.10.1.1
(01-01-2017)
Field 06CON - Invalid
Conditions

- (1) This field will be invalid if any of the following conditions are present:
 - a. The first position is % (percent) and the second position is not blank.
 - b. The first position is blank.
 - c. The first position of the “in care of” name is not alpha or numeric.
 - d. There are two consecutive blanks between significant characters.

3.12.154.10.1.2
(01-01-2017)
Field 06CON -
Correction Procedures

- (1) **Check the entry on the screen with the entry on the return.** Correct coding and transcription errors.

If	Then
A % (percent) is in the first position,	<ol style="list-style-type: none"> a. Verify there is a blank in the second position. b. If not blank, enter a blank followed by the “in care of” name beginning with an alpha or numeric in Field 06CON.
A blank is in the first position,	<ol style="list-style-type: none"> a. Delete blank. b. Enter the “in care of” name beginning with an alpha or numeric in Field 06CON
The first position is not alpha or numeric,	<ol style="list-style-type: none"> a. Verify the “in care of” name on the return. b. Enter the “in care of” name beginning with an alpha or numeric in Field 06CON.
Two consecutive blanks are present between significant characters,	Delete any unnecessary blanks in Field 06CON .

3.12.154.10.2
(01-01-2022)
◆ **Field 06FAD - Foreign**
Address ◆

- (1) Description - Field 06FAD is in the entity section of the return.
- (2) This field will have an entry when there is a foreign address present on the return.
- (3) Valid Conditions - Valid characters are alpha, numeric and special characters.
- (4) Field 06FAD should not be present on “G” Coded returns.

3.12.154.10.2.1
(01-01-2022)

**Field 06FAD - Invalid
Conditions**

- (1) Field 06FAD will generate as an error when any of the following conditions are present:
- The first position is blank.
 - Any character follows two consecutive blanks.
 - There are more than 35 characters present in the field.

Note: ISRP will input a pound sign (#) as the 35th character if there are more than 35 characters present for this field on the return.

3.12.154.10.2.2
(01-01-2022)

**Field 06FAD - Correction
Procedures**

- (1) Correct all coding and transcription errors.

If	Then
Field 06FAD is present,	<ol style="list-style-type: none"> GTSEC 06. Ensure Field 06CTY has a foreign country code and Field 05ST has a "." (period/space). See Document 7475, State and Address Abbreviations, Major City Codes (MCCs), ZIP Codes and Countries. <p>Note: Use the country code based on the province in field 06CTY if the foreign address is from Canada and the address has a province name or abbreviation. See Exhibit 3.12.154-12, Province, Foreign State and territory.</p>
A province abbreviation is not present for Australia, Brazil, Canada, Cuba, Italy, Mexico or The Netherlands but a province name is present,	Enter the province abbreviation in the proper position in Form 940. See Exhibit 3.12.154-12, Province, Foreign State and Territory Abbreviations.
A foreign address is not present on the return,	<ol style="list-style-type: none"> SSPND with Action Code "610". Renumber return to domestic DLN.

- (2) If Form 8822 (Change of Address) or Form 8822-B (Change of Address-Business) is attached to the return, compare the name and address information on the Form 8822 or Form 8822-B to the return.

If	And	Then
Form 8822, Change of Address, or Form 8822-B, Change of Address-Business, is attached,	Mailing address information is the same and no location address is on Line 7, Form 8822 or Form 8822-B,	Do not correct the mailing address and continue processing.

If	And	Then
Form 8822, Change of Address, or Form 8822-B, Change of Address-Business, is attached,	Mailing address information is different and/or a location address is on Line 7, Form 8822 or Form 8822-B,	<ol style="list-style-type: none"> Enter the address on Form 8822 or Form 8822-B in Field 06FAD. Notate "Form 8822 detached" or "Form 8822-B detached" on tax return. Detach Form 8822 or Form 8822-B and route to Entity Control using Form 4227, or follow local procedures. Notate on Form 4227, "Change of Address Per Form 8822-B (or 8822)"

Note: The lead tax examiner must batch all Form 8822 or Form 8822-B daily and hand carry to Entity Control for expedite processing.

3.12.154.10.3
(01-01-2022)

Field 06ADD - Street Address

- (1) Description - This field is found in the Entity Section of the return.
- (2) This section is for address information.
- (3) Valid characters are alpha, numeric, blank, dash or slash.
- (4) It will be present when a change of address was entered.
- (5) This section will not be present if Field 01CCC has CCC "G."

3.12.154.10.3.1
(01-01-2016)

Field 06ADD - Invalid Conditions

- (1) This field will be invalid if the following occurs:
 - a. The street address is present, and the first position is blank.
 - b. Any character is other than alpha, numeric, blank, dash, or slash.
 - c. Any character follows two consecutive blanks.

Note: ISRP is instructed to input a pound sign (#) as the 35th character if there are more than 35 characters present for this field on the return.

3.12.154.10.3.2
(01-01-2022)

Field 06ADD - Correction Procedures

- (1) Check the screen entry with the entry on the return. Correct coding and transcription errors.

If	Then
The field was transcribed incorrectly,	Correct the screen display.
The first position is blank,	All positions must be blank.
Field 06ADD is present,	Fields 06CTY, and 06ST and 06ZIP must be present.
Street address is in error and a valid Major City Code is present,	Correct by entering the entire name of the city in Field 06CTY and the State Code in Field 06ST. See Exhibit 3.12.154-9, Entity State Code and Zip Code Chart.
A good address is not found,	Delete address and revert to INOLE.

- (2) If Form 8822 (Change of Address) or Form 8822-B (Change of Address-Business) is attached to the return, compare the Name Control, EIN, Address, City, State and ZIP Code information on the Form 8822 or Form 8822-B to the return.

If	Then
The information is the same,	Do not change the address and continue processing.
The information is different,	<ol style="list-style-type: none"> Enter address shown on Form 8822 or Form 8822-B in Field 06ADD. Notate "Form 8822 detached" or "Form 8822-B detached" on tax return. Detach Form 8822 or Form 8822-B and route to Entity Control using routing slip or follow local procedures. Notate on routing slip, "Change of Address Per (Form 8822 or) Form 8822-B" <p>Note: The lead tax examiner is required to batch all Form 8822 or Form 8822-B daily and hand carry to Entity Control for expedited processing.</p>

3.12.154.10.4
(01-01-2022)

Field - 06CTY City

- (1) Description - This field is found in the Entity Section of the return.
- (2) Valid characters are alpha and blank.
- (3) Certain cities within each State are designated "Major Cities" and assigned a special code of two alpha characters.
- (4) This code represents the City and State.
- (5) It is transcribed on the Error Record with no intervening blanks and no other characters in the City-State Field either in front of or after the code.

3.12.154.10.4.1
(01-01-2022)

**Field 06CTY - Invalid
Conditions**

- (1) This field is invalid if any of the following conditions are present:
- The first position is blank.
 - Any character is other than blank or alpha.
 - Any character follows two consecutive blanks.
 - The Major City Code does not match any of the valid codes in the Major City Code Table.
 - Foreign country code is not present, incorrect or has "XX".

3.12.154.10.4.2
(01-01-2022)

**Field 06CTY - Correction
Procedures**

- (1) Compare the screen entry with the entry on the return. If Form 8822, Change of Address, or Form 8822-B, Change of Address-Business, is attached, to the return:
- Compare the Name Control, EIN, Address, City, State and ZIP Code information on the Form 8822 or Form 8822-B to the return.
 - If the information is the same, then correct field 06CTY. Leave the Form 8822 or Form 8822-B attached.
 - If the information is different, then enter the correct information from the Form 8822 or Form 8822-B. Detach the Form 8822 or Form 8822-B and route to Entity Control. Notate on the left-hand margin, "Form 8822 (or, Form 8822-B) to Entity".
- (2) Correct the Major City Code as follows.

If	Then
A Major City Code is used,	Field 06CTY must be present
Field 06CTY has an error,	Check to see if the Major City Code is correct.
Field 06CTY is not valid and a Major City Code cannot be decided,	Input the entire city name.
A major City Code is not used and Field 06CTY is present,	Field 06ST (State) must be present.
A foreign address is shown on the return,	Enter correct foreign country code in Field 06CTY from Document 7475, "State, and Address abbreviations, Major City Codes (MCCs), ZIP Codes and Countries".
Field 06CTY has an incorrect country code or "XX",	Enter the correct foreign country code in 06CTY from Document 7475, "State, and Address abbreviations, Major City Codes (MCCs), ZIP Codes and Countries".

3.12.154.10.5
(01-01-2022)

Field 06ST - State Code

- (1) Description - This field is found in the Entity Section of the return.
- (2) Valid characters are alpha and blank.
- (3) The following defines entity addresses:
- See IRM 3.12.154.2.19.1, Domestic Addresses.
 - See IRM 3.12.154.2.19.2, APO/DPO/FPO Addresses.
 - See IRM 3.12.154.2.19.3, U.S. Possession or Territory Address.
 - See IRM 3.12.154.2.19.4, Foreign Addresses (OSPC ONLY).

- 3.12.154.10.5.1 (1) This field is invalid if it is not contained in the State Code Table. See Exhibit
(01-01-2017) 3.12.154-9, Entity State Code and Zip Code Chart, for a detailed listing.

**Field 06ST - Invalid
Conditions**

- 3.12.154.10.5.2 (1) Check the entry on the screen with the entry on the return.

**Field 06ST - Correction
Procedure**

If	Then
The field was transcribed incorrectly,	Correct the screen display.
Form 8822, (Change of Address) or Form 8822-B (Change of Address-Business) is attached, to the return,	a. Compare the Name Control, EIN, Address, City, State and ZIP Code information on the Form 8822 or Form 8822-B to the return. b. If the information is the same, then correct the State code abbreviation. Leave the Form 8822 or Form 8822-B attached. c. If the information is different, then enter the correct information from the Form 8822 or Form 8822-B. Detach the Form 8822 or Form 8822-B and route to Entity Control. Notate on the left-hand margin, "Form 8822 (or, Form 8822-B) to Entity"
Unable to perfect,	DLSEC 06

- 3.12.154.10.6 (1) Description - This field is found in the Entity Section of the return.

Field 06ZIP - ZIP Code (2) Valid characters are numeric and blank.

- 3.12.154.10.6.1 (1) This field is invalid if any of the following conditions are present:

**Field 06ZIP - Invalid
Condition**

- a. Any character is other than numeric or blank.
- b. An entry is other than five or nine positions.
- c. The entry is not within the range of 00401 and 99999.
- d. The entry does not match the Major City Code or State Code.
- e. **Lockbox ONLY:** ZIP Code is 00000.
- f. **Lockbox ONLY:** Field 06ADD has more than 35 characters and lockbox has input 00000 in 06ZIP.

- 3.12.154.10.6.2 (1) Check the entry on the screen with the entry on the return.

**Field 06ZIP - Correction
Procedures**

If	Then
The field was transcribed incorrectly, or a valid ZIP Code is found on the return or attachments,	Correct the screen display and enter the ZIP Code in field 06ZIP. Note: Only the first 5 digits are required.
Only the first three-digits of the ZIP code is decided,	Enter “01” for the fourth and fifth digits.
A valid ZIP code is not available from the return or attachments,	Research INOLE or use Document 7475, State and Address Abbreviations, Major City Codes (MCCs), ZIP Codes and Countries to determine the first 3 digits of a valid ZIP Code for the Major City. See Exhibit 3.12.154-9, Entity State Code and Zip Code Chart.
The Major City is not listed, or the first three digits cannot be found,	Enter the ZIP Code in Field 06ZIP of the State shown in the address. See Exhibit 3.12.154-9, Entity State Code and Zip Code Chart.
Lockbox ONLY: Line 06ZIP is 00000	<ol style="list-style-type: none"> Check the return and attachments for a valid ZIP Code. <ol style="list-style-type: none"> Enter in field 06ZIP. If a valid ZIP Code is not found, follow the instructions in the table above for missing ZIP Code. ALSO check field 06ADD and field 06CTY to verify if the street address or the City line is incomplete or blank. <p>Note: Lockbox employees will input “00000” in field 06ZIP if there are more than 35 characters present on street address line, or the street address or city is illegible.</p>

- (2) Form 8822 (Change of Address) or Form 8822-B (Change of Address or Responsible Party-Business) is attached to the return, compare the name and address information on Form 8822 or Form 8822-B to the Return.

If	Then
The information is the same,	Leave document attached and continue processing.
The information is different,	<ol style="list-style-type: none"> Enter the correct information from Form 8822. Detach Form 8822. Route to Entity Control on Form 4227 or follow local procedures. Notate on Form 4227, “Change of Address per Form 8822”.

- 3.12.154.11
(01-01-2022)
Priority IV - Consistency / Math Errors
- (1) These errors will be displayed with the error code assigned to them for the specific error in ascending numerical order.
 - (2) The screen display will show the error code assigned and the fields needed to make the necessary correction.
 - (3) The blank field "NC" will be displayed for the entry of a TPNC for all Math Error displays, if needed.
 - (4) Multiple TPNCs may be entered if you have multiple Notice Code Fields.
 - (5) The blank field "CL" will be displayed for the entry of a clear code on records where the possibility exists that a change or correction may not be needed.
 - (6) The "C" Clear Code does not permit any other corrections to the record after it is transmitted to clear the screen.
 - (7) If an unworkable situation exists, suspend or reject the return with the correct Action Code.

- 3.12.154.11.1
(06-15-2017)
◆Error Code 001 - Tax Year - Invalid Entry◆
- (1) Error Code 001 will display as:

Field Designator	Field Name	Field Length
01TXP	Tax Year	4
01CCC	Computer Condition Code	10
01RCD	Received Date	8

- 3.12.154.11.1.1
(06-15-2017)
◆Invalid Condition◆ (EC 001)
- (1) Error Code 001 will generate when any of the following conditions is present:
 - Computer Condition Code "**G**" is **Not Present**- The processing date is equal to or more than two years and ten months after the Return Due Date or Received Date (whichever is later), and CCC "**W**" is **not present**.
 - Computer Condition Code "**G**" is **Present**- The processing date is equal to or more than two years and ten months after the Return Due Date and CCC "**W**" is not present.
 - On any return, the processing date is less than two years after the Return Due Date and CCC "**W**" is **present**.

- 3.12.154.11.1.2
(01-20-2023)
◆Correction Procedures◆ (EC 001)◆
- (1) Correct all misplaced entries, coding and transcription errors.
 - (2) Do not send the returns in the following table to Statute Control for clearance. Instead, do the following:

If	Then
<ul style="list-style-type: none"> Return is prepared by Compliance (e.g., IRC 6020(b)), Return is secured by Examination/Collections, secured by TEGE, secured by TEGE Employee Plan (EP) Exam, Return has a Transaction Code (TC) 59X, Return has "ICS" (Integrated Collection System) notated on the face of the return, Return is a Substitute for Return prepared by Examination ("SFR" in the margin) with Form 13133, Expedite Processing Cycle, attached, Return has a stamp showing a previous clearance by Statute Control within the last 90 days, Return is a 2019 and prior year original. Due to the COVID-19 pandemic and subsequent Submission Processing (SP) and Accounts Management (AM) site closures, SP and AM developed procedures to bypass AM statute clearance and be processed. In addition, any 2019 and prior year returns previously cleared by AM statute will not be returned by SP to AM to be cleared again if the 90-calendar day statute stamp has expired. 	Enter "W" in Field 01CCC and on the return and continue processing.

- (3) Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.

If	Then
Field 01RCD is blank,	Enter the Received Date in Field 01RCD. Use the earliest date if multiple Received Dates are present. See IRM 3.12.154.7.6, Field 01RCD Received Date.
CCC "W" entered incorrectly,	Delete CCC "W" from Field 01CCC.
The return has a stamp that shows a previous clearance by Statute Control within the last 90 days,	Enter CCC "W" in Field 01CCC and on the return. Note: Do not send the return to Statute Control.
The return is not stamped by Statute Control within the last ninety days,	<p>a. SSPND with Action Code "310".</p> <p>b. Prepare Form 4227, to route to Statute Control.</p> <p>Exception: Due to the COVID-19 pandemic and subsequent Submission Processing (SP) and Accounts Management (AM) site closures, SP and AM developed procedures for BMF 2019 and prior year original delinquent returns to bypass AM statute clearance and be processed. In addition, any 2019 and prior year returns previously cleared by AM statute will not be returned by SP to AM to be cleared again if the 90-calendar day statute stamp has expired.</p>

- 3.12.154.11.1.3 (1) When Statute Control returns the cleared document, enter “W” in Field 01CCC and on the return. Continue processing.
- (01-01-2022)
- ◆ **Suspense Corrections** ◆ (EC 001) (2) If Statute Control requests a voided record, SSPND with Action Code “640”.

- 3.12.154.11.2 (1) Error Code 002 will display as follows:
- (01-01-2016)
- ◆ **Error Code 002 - Name Control Mismatch** ◆

Field Designator	Field Name	Field Length
CL	Clear Code	1
01NC	Name Control/Check digit	4
>>>>	Name Control Under-print	4
01EIN	Employer Identification Number	9
01TXP	Tax Year	4
06CON	“In Care of” Name	35
06FAD	Foreign Address	35
06ADD	Street Address	35
06CTY	City	22
06ST	State	2
06ZIP	ZIP CODE	12

- 3.12.154.11.2.1 (1) Error Code 002 will generate when the name control mismatched against the National Account Profile (NAP) or Entity Index File (EIF).
- (01-01-2016)
- ◆ **Invalid Condition** ◆ (EC 002)

- 3.12.154.11.2.2 (1) Prior to taking any research steps to resolve Error Code 002, drop the cursor to the bottom of the screen and transmit. This ensures any prior changes to the Name Control have posted to the NAP. If Error Code 002 reappears, continue with the remainder of the correction procedures.
- (01-01-2022)
- ◆ **Correction Procedures** ◆ (EC 002)

Note: When corrections are made to Field 01NC or Field 01EIN, the computer will validate the entries with the NAP and reset the On-Line Entity (OLE) indicators correctly upon transmitting the ERS screen.

- (2) Correct all misplaced entries, coding and transcription errors.
- (3) Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.
- (4) Refer to all of the following research instructions in this error code prior to correcting entries and/or taking the proper suspense Action Code.

- (5) If Field 01NC and the Name on the return or attachments are the same but differ from the under-print in Field 01NC, research INOLES for the correct Name:

If	Then
The Name on the return or attachment matches the Name Control on INOLES,	Bring up the under-print.
The Name Control on INOLES is different from the Name on the return or attachment,	Research NAMEB and/or NAMEE for a new EIN.

- (6) If a new EIN is found, verify the Name Control using Command Code (CC) INOLES:

If	Then
The Name Control on INOLES agrees with the Name on the return or attachment,	<p>a. Ensure the entity information matches the return.</p> <p>b. Overlay Field 01 EIN with the new EIN from NAMEB or NAMEE. When the EIN is changed from the one the taxpayer used, send Letter 3875C, Missing or Incorrect EIN on Return, as a non-suspense letter to the address on the return.</p> <p>Note: Do not send Letter 3875C when:</p> <ul style="list-style-type: none"> • Three or less digits of the EIN are transposed, different or missing, or • The EIN is consecutive numbers (e.g., 12-3456789) or repeating numbers (e.g., 11-111111), or • INOLES shows the account was “merged to” or “merged from”, or • The TIN on the return is the taxpayer’s SSN (check CC INOLEG).
Multiple EINs are found,	<p>a. SSPND with Action Code “320” to Entity Control.</p> <p>b. Prepare Form 4227, with the notation “MULTIPLE EINS”.</p>
INOLES shows a “Merge To” (MT) EIN,	Research the “MT” EIN on INOLES.
The “MT” EIN matches the entity on the return or attachments,	<p>Enter the “MT” EIN in Field 01EIN.</p> <p>Note: Do not send Letter 3875C on MT EIN cases.</p>
The “MT” EIN does not match the entity on the return or attachments,	SSPND with Action Code “320” to Entity Control.

- (7) If the Name on the return or attachment does not agree with the Name Control on INOLES, research ENMOD for a new name:

If	Then
The Name Control on ENMOD agrees with the Name on the return or attachment,	Enter "C" in the Clear Code field.
The Name Control on ENMOD or INOLES does not agree with the Name on the return or attachment,	a. SSPND with Action Code "320" to route the return to Entity. b. Attach Form 4227, with the notation "NO RECORD".

- (8) If the Name change has not been made, research IDRS using Command Code ENMOD for a pending TC 013:

If	Then
A pending TC 013 is present,	Enter "C" in the Clear Code field.
A pending TC 013 is not present,	a. SSPND with Action Code "320" to route to Entity Control. b. Attach Form 4227, with the notation "REQUEST NAME CHANGE (TC 013)".

3.12.154.11.2.3
(01-01-2022)

- (1) If Entity has assigned an EIN to the return, find the Entity Assignment Date:

◆ **Suspense**
Corrections ◆ (EC 002)

If	Then
The Entity Assignment Date is past the Return Due Date and IRS Received Date,	a. GTSEC 01. b. Enter the Entity Assignment Date in Field 01CRD.
The Entity Assignment Date is not past the Return Due Date and IRS Received Date,	Continue Processing.

- (2) Research IDRS using CC BMFOL to decide if payments posted incorrectly:

If	Then
The payment posted to the wrong EIN,	a. Prepare Form 3465, Adjustment Request, to have the payment transferred to the correct module. b. Notate on Form 3465 to "MOVE PAYMENT TO CORRECT MODULE UPON COMPLETION AND RELEASE FREEZE" c. Write "Form 3465 PREPARED" on return, to the left of the Entity section. d. GTSEC 01, enter CCC "X" in Field 01CCC.

If	Then
The payment posted correctly,	a. Enter correct EIN in Field 01EIN and on the return. b. Enter "C".
Payment can't be found,	Enter "C" in the Clear Code field.

3.12.154.11.3
(01-04-2016)

(1) **Error Code 003 will display as follows:**

◆ **Error Code 003 -
Check Digit Invalid**◆

Field Designator	Field Name	Length
01NC	Name Control	4
01EIN	Employer Identification Number	9

3.12.154.11.3.1
(01-04-2016)

(1) Error Code 003 will generate when any of the following conditions are present:

◆ **Invalid Condition (EC
003)**◆

- A check digit is present but is not valid for the EIN.
- The letters "E", "G" or "M" (in check digit only) are present in Field 01NC.

3.12.154.11.3.2
(01-01-2024)

(1) Correct all misplaced entries, coding and transcription errors.

◆ **Correction Procedures
(EC 003)**◆

(2) Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information:

If	Then
The check digit in Field 01NC does not match the return or is not legible,	Enter the Name Control from the return in Field 01NC.
The EIN on the return is not legible,	Research IDRS using CC NAMEB or NAMEE for correct EIN.

(3) Compare the EIN from NAMEB/NAMEE to the EIN on the return:

If	Then
The EIN on Form 940 ,Form 940 (PR), or Form 940 (sp) matches the EIN on NAMEB or NAMEE,	Enter Name Control from NAMEB or NAMEE in Field 01NC.
Research shows a different EIN,	Verify the EIN and name on INOLES.

If	Then
Name Control on INOLES matches the name on the return or attachment,	<ol style="list-style-type: none"> Overlay Field 01EIN with the EIN from INOLES. Send Letter 3875C, Missing or Incorrect EIN on Return - BMF/EPMF, as a non-suspense letter to the address on the return. <p>Exception: Do not send Letter 3875C when:</p> <ul style="list-style-type: none"> • Three or less digits of the EIN are transposed, different or missing, or • The EIN is consecutive numbers (e.g., 12-3456789) or repeating numbers (e.g., 11-1111111), or • INOLES shows the account was “merged to” or “merged from”, or • The TIN on the return is the taxpayer’s SSN (check CC INOLEG).
Unable to find an EIN or more than one EIN is found,	<ol style="list-style-type: none"> SSPND with Action Code “320” to Entity Control. Prepare Form 4227 with the notation “NO RECORD OF EIN”.

3.12.154.11.3.3 (1) Research IDRS using CC BMFOL to decide if payments posted incorrectly:
(01-01-2022)
Suspense Correction
(EC 003)

If	Then
The payment posted to the wrong EIN,	<ol style="list-style-type: none"> Prepare Form 3465, Adjustment Request, to have the payment transferred to the correct module. Notate on Form 3465, “MOVE PAYMENT TO CORRECT MODULE UPON COMPLETION AND RELEASE FREEZE”. Write “Form 3465 PREPARED” on the return, to the left of the Entity section. Enter CCC “X” in Field 01CCC.
The payment posted to the correct EIN,	Enter the correct EIN in Field 01EIN and on the return
Payment can’t be found,	Enter C in the Clear Code field.

3.12.154.11.4
(01-01-2016)

(1) **Error Code 004 will display as follows:**

◆ **Error Code 004 - Name
Control/EIN Validation** ◆

Field Designator	Field Name	Field Length
CL	Clear Code	1
01NC	Name Control/Check Digit	4
>>>>	Name Control Under-print	4
01EIN	EIN	9

3.12.154.11.4.1
(01-01-2022)

◆ **Invalid Conditions** ◆
(EC 004)

(1) Error Code 004 will generate when any of the following conditions are present.

- a. The EIN is not present on the Master File (MF).
- b. The Entity Index File (EIF) and the National Account Profile (NAP) were not accessed or were not operational, causing a blank under-print in Field 01NC.

Note: An under-print of "XXXX" shows that there is no account on the Master File, while a blank under-print shows that the NAP has not been accessed or was not operational.

3.12.154.11.4.2
(01-01-2022)

◆ **Correction
Procedures** ◆ (EC 004)

- (1) Prior to taking any research steps to resolve Error Code 004, drop the cursor to the bottom of the screen and transmit. This ensures any prior changes to the Name Control/EIN have posted to the NAP. If Error Code 004 reappears, continue with the remainder of the correction procedures.

Note: When corrections are made to Field 01NC or Field 01EIN, the computer will validate the entries with the NAP and reset the OLE indicators correctly upon transmitting the ERS screen.

- (2) Correct all misplaced entries, coding and transcription errors.
- (3) Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.
- (4) Refer to all of the following research instructions in this error code prior to correcting and/or assigning the proper suspense Action Code.
- (5) If Field 01NC and the Name Control on the return or attachments are the same but differ from the under-print in Field 01NC, research IDRS using Command Code (CC) INOLES to find the correct Name Control:

If	Then
The Name on the return or attachment matches the Name Control on INOLES,	Bring up under-print.
The Name Control on INOLES is different from the Name on the return or attachment,	Research NAMEB and/ or NAMEE for a new EIN.

- (6) If a new EIN is found, verify the Name Control using IDRS Command Code (CC) INOLES:

If	Then
The Name Control on INOLES agrees with the Name on the return or attachment,	<p>a. Ensure the entity information matches the return.</p> <p>b. Overlay Field 01EIN with the new EIN from NAMEB or NAMEE. When the EIN is changed from the one the taxpayer used, send Letter 3875C, Missing or Incorrect EIN on Return - BMF/EPMF, as a non-suspense letter to the address on the return.</p> <p>Exception: Do not send Letter 3875C when:</p> <ul style="list-style-type: none"> • Three or less digits of the EIN are transposed, different or missing, or • The EIN is consecutive numbers (e.g., 12-3456789) or repeating numbers (e.g., 11-111111), or • INOLES shows the account was “merged to” or “merged from”, or • The TIN on the return is the taxpayer’s SSN (check CC INOLEG).
Multiple EINs are found,	<p>a. SSPND with Action Code “320” to Entity Control.</p> <p>b. Prepare Routing Slip with the notation “MULTIPLE EINS”.</p>
INOLES shows a “Merge To” (MT) EIN,	Research the “MT” EIN on INOLES.
The “MT” EIN matches the entity on the return or attachments,	Enter the “MT” EIN in Field 01EIN.
The “MT” EIN does not match the entity on the return or attachments,	SSPND with Action Code “320” to Entity Control.

- (7) If the Name on the return or attachment does not agree with the Name Control on INOLES, or there is an indication of a name change on Form 940, research using Command Code ENMOD for a new name:

If	Then
The Name Control on ENMOD agrees with the Name Control on the return or attachment,	Enter a “C” in the Clear Code field.

If	Then
The Name Control on ENMOD or INOLES does not agree with the Name Control on the return or attachment,	a. SSPND with Action Code "320" to route the return to Entity. b. Attach Form 4227 with the notation "NO RECORD".

- (8) If the Name change has not been made, research IDRS using Command Code ENMOD for a pending TC 013:

If	Then
A pending TC 013 is present,	Enter "C" in the Clear Code field.
A Pending TC 013 is not present,	a. SSPND with Action Code "320" to route to Entity Control. b. Attach Form 4227 with the notation "REQUEST NAME CHANGE".

3.12.154.11.4.3
(01-01-2022)

- (1) If Entity has assigned an EIN to the return, find the Entity Assignment Date:

◆ **Suspense Correction** ◆
(EC 004)

If	Then
The Entity Assignment Date is past the Return Due Date and IRS Received Date,	a. GTSEC 01. b. Enter the Entity Assignment Date in Field 01CRD if later than the due date of the return and CCC "3" is not present.
The Entity Assignment Date is not past the Return Due Date and IRS Received Date,	Continue processing.

- (2) Research IDRS using CC BMFOL to decide if payments posted incorrectly:

If	Then
The payment posted to the wrong EIN,	a. Prepare Form 3465, Adjustment Request, to have the payment transferred to the correct module. b. Notate on Form 3465 "MOVE PAYMENT TO CORRECT MODULE UPON COMPLETION AND RELEASE FREEZE." c. Write "Form 3465 PREPARED" on return, to the left of the Entity section. d. GTSEC 01, enter CCC "X" in Field 01CCC.
The payment posted correctly,	a. Enter correct EIN in Field 01 EIN and on the return. b. Enter "C" in the Clear Code field.

If	Then
Payment can't be found,	Enter "C" in the Clear Code field.

3.12.154.11.5 (1) "Error Code 005 will display as follows: "
(01-01-2016)

◆ **Error Code 005 - Tax
Year or Received Date**◆

Field Designator	Field Name	Field Length
CL	Clear Code	1
01TXP	Tax Year	4
01RCD	Received Date	8

3.12.154.11.5.1 (1) Error Code 005 will generate when the year-month of the processing date is
(01-01-2017) later than the tax period plus 6 months and the IRS received date is not
◆ **Invalid Condition**◆ present.
(EC 005)

3.12.154.11.5.2 (1) Compare the displayed fields with the return and correct all misplaced entries,
(01-01-2022) coding and transcription errors.
◆ **Correction**
Procedures◆ (EC 005) (2) If displayed fields are correct and the return is timely filed, enter a "C" in the
Clear Code field.
(3) A Received Date must be in Field 01RCD if the return is not timely filed.
(4) Use the earliest received date in Field 01RCD if there are multiple received
dates on the return.

Exception: Do not use a received date in Field 01RCD that is prior to the
beginning of the tax period.

(5) Obtain the Received Date using the following priority when one is needed but
is not stamped on the return or a valid handwritten Received Date is not
present:

- Earliest legible Postmark Date (e.g., U.S. Postal Service (USPS), Foreign or Private Delivery (PDS)).

Note: Use the postmark date stamped on the face of the return if the
envelope is was not attached.

- Service Center Automated Mail Processing System (SCAMPS) digital date.
- Revenue officer's or other IRS official's signature date.
- Signature date, if within the current year (unless other information shows the signature date is invalid).
- Julian Date of the Document Locator Number (DLN) minus 10 days.

- Current date minus 10 days.

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

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

3.12.154.11.6

(01-01-2017)

Error Code 006 -

**Remittance Amount with
No Received Date**

- (1) Error Code 006 will display as follows:

Field Designator	Field Name	Field Length
RMIT>	Remittance Amount	15
01RCD	Received Date	8

3.12.154.11.6.1

(01-01-2016)

**Invalid Condition (EC
006)**

- (1) Invalid - Remittance is received with return but a Received Date is not present.

3.12.154.11.6.2

(01-01-2022)

**Correction Procedures
(EC 006)**

- (1) Compare the displayed field with the return and do the following:

If	Then
Incorrect data,	Overlay the screen with the correct information.
The received date is needed, but is not stamped on the return or a valid hand-written received date is not present,	<p>Enter the Received Date using the following priority:</p> <ol style="list-style-type: none"> Earliest legible postmark date of the U.S. Post Office or a Private Delivery Service or a foreign postmark date. <p>Note: If an envelope is not attached, use the postmark date stamped on the face of the return.</p> <ol style="list-style-type: none"> Service Center Automated Mail Processing System (SCAMPS) digital date. Revenue officer's or other IRS official's signature date. Signature date, if within the current year (unless other information shows signature date is invalid). DLN Julian date minus 10 days. Current date minus 10 days.

Note:

OSPC Only: If a foreign address return was sent to an IRS office in the foreign country instead of to Ogden, enter the foreign stamped received date (this includes U.S. Possessions).

3.12.154.11.7 (1) **Error Code 007 will display as follows:**

(01-01-2016)

◆ **Error Code 007 -
Received Date Is Earlier
Than Tax Year** ◆

Field Designator	Field Name	Field Length
01TXP	Tax Year	4
01RCD	Received Date	8

3.12.154.11.7.1 (1) Error Code 007 will generate when the received date is earlier than the first day of the Tax Period/Year by two months or more.

◆ **Invalid Condition** ◆
(EC 007)

3.12.154.11.7.2 (1) Correct all misplaced entries, coding and transcription errors.

(01-01-2024)

◆ **Correction** (2) Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.

◆ **Procedures** ◆ (EC 007)

If	And	Then
The Received Date is invalid, and it appears that the incorrect year was used (i.e., 20230115 instead of 20240115) and other information (Julian date, postmark date, SCAMPS, or signature date) shows that the received date should be a current year,		Change the received date year to the current year and enter in Field 01RCD.
The return is an early filed "Final" return.		1. Enter "F" in Field 01CCC. 2. SSPND with Action Code "480".
The return is not an early filed Final return,	The Tax Period ending date is passed,	1. Change the Received Date to one day after the tax period ending date. 2. See IRM 3.12.154.2.17 Working Trail for more information.
The return is not an early filed "Final" return,	The Tax period ending is less than four months after the Received Date,	1. SSPND with Action Code "480". 2. Prepare Form 4227, with the notation "Early Filed".
The return is not an early filed "Final" return,	The Tax Period ending is more than four months after the Received Date,	1. Initiate correspondence for clarification of the Tax Period. 2. SSPND with Action Code "211".

3.12.154.11.7.3

(1) Refer to taxpayer's response and do the following:

(01-01-2022)

◆ **Suspense Correction** ◆

(EC 007)

If	Then
The taxpayer replies that the return is a "Final",	a. Change the Tax Period to agree with the month prior to the Received Date and enter in Field 01TXP. b. Enter "F" in Field 01CCC.
The taxpayer replies that the return is not a final return,	SSPND with Action Code "480" until the end of the tax period given by the taxpayer.
The taxpayer doesn't reply or the reply is not adequate,	a. Enter "3" in Field 01CCC. b. SSPND Action Code "480" until the end of the tax period shown on the return.

3.12.154.11.8 (1) Error Code 010 will display as follows:
(01-01-2016)

◆ **Error Code 010 -
Amended Return “G”
Coded** ◆

Field Designator	Field Name	Field Length
01CCC	Computer Condition Code	10
01PIC	Penalty and Interest Code	1
01SC1	State Code	2
01ABC	ABC Indicator	1 <i>Note:</i> The ABC Indicator will no longer be captured. This field should have no entry.
01MSB	Multiple State Indicator Box	1
01CRB	Credit Reduction Indicator Box	1
01SRI	Form 940 Schedule R indicator	1
01CAF	CAF Indicator	1 <i>Note:</i> The CAF Code will no longer be captured. This field should have no entry.
01SIC	Schedule Indicator Code	1
01ARN	Applied Refund Indicator	1
Section 02	Present	
Section 03	Present	
Section 04	Present	
Section 05	Present	
Section 06	Present	

3.12.154.11.8.1 (1) Error Code 010 will generate when Computer Condition Code “G” is present, and fields other than 01NC, 01EIN, 01TXP, 01RCD, 01CCC, and 01CRD have entries.
(01-01-2022)

◆ **Invalid Condition** ◆
(EC 010)

3.12.154.11.8.2 (1) Correct all misplaced entries, coding and transcription errors.
(01-01-2020)

◆ **Correction** (2) Compare the displayed fields with the return. If incorrect, overlay the screen with the correct information.

◆ **Procedures** ◆ (EC 010) (3) If CCC “G” was input correctly.

If	Then
Return shows amended, revised, supplemental, corrected or superseding,	Research BMFOL, SUMRY, and TXMOD to decide if information is the same as a posted return.
All information is not the same,	a. Process the return with CCC "G". b. DLSEC to delete all sections except Section 01. c. Delete the invalid entries that are present in Section 01. GTSEC 01, if necessary.
All information is the same,	SSPND with Action Code "640" and route to Rejects.
A return is not posted for the tax period and the return is an amended return,	Continue processing as an amended return.
A return is not posted for the tax period and the return is not amended ("G" coded in error),	a. Enter all necessary data in Sections 02 through 06. b. Ensure the Section 01 fields are correct. c. Delete the "G" code in Field 01CCC.

Note: When deleting CCC "G" and the sections required are shown as being present, no further verification of section entries is needed.

3.12.154.11.9

(01-01-2016)

**Error Code 011 -
Remittance Amount
Invalid**

(1) Error Code 011 will display as follows:

Field Designator	Field Name	Field Length
RMIT>	Remittance Amount	15
01CCC	Computer Condition Code	10
01RCD	Received Date	8
Section 02	Not Present	

3.12.154.11.9.1

(01-01-2016)

**Invalid Condition (EC
011)**

(1) An invalid condition occurs if a remittance amount is present, and there is no money field present in Section 02 and CCC "G" is not present.

3.12.154.11.9.2

(01-01-2016)

**Correction Procedures
(EC 011)**

(1) Compare the entries on the return with those on the screen and do the following:

If	Then
The record is to be "G" Coded,	a. Section 02 is not necessary. Enter CCC "G" in Field 01CCC. b. Verify the received date is present and enter it in Field 01RCD.
Data is present on the return for Section 02 fields,	Use CC GTSEC to bring up Section 02 and enter the correct data on the screen.
There is no money amount in the RMIT> field, and an RRPS/ISRP indicator is present,	a. CC GTSEC 02. b. Enter \$.01 in Field 02TFT. c. Continue processing.
The data present is insufficient to decide the correct application of the remittance amount,	a. Suspend the record with SSPND 355. b. The Rejects unit will research using IDRS to secure the data and transfer the credit to the correct tax class or module.

(2) **Rejects/ Suspense:**

If	Then
Data is not found, or you are unable to decide where to apply the excess remittance,	Leave field 01ARN blank. Any excess remittance will be applied to the next tax year.

3.12.154.11.10 (1) Error Code 014 will display as follows:

(01-01-2016)

Error Code 014 - Missing Address Entries (EC 014)

Field Designator	Field Name	Field Length
06CON	"In care of" name	35
06FAD	Foreign Address	35
06ADD	Address	35
06CTY	City	22
06ST	State	2
06ZIP	ZIP CODE	12

3.12.154.11.10.1

(01-01-2017)

◆ Invalid Conditions ◆ (EC 014)

(1) Error Code 014 will generate if all fields are not present as follows:

- A Major City Code is not used, the street address is present, and Field 06CTY or Field 06ST is not present.
- A Major City Code is used and Field 06ADD is not present.
- A Major City Code is used and Field 06ST is present.

3.12.154.11.10.2
(01-01-2022)

◆ **Correction
Procedures**◆ (EC 014)

- (1) Correct all misplaced entries, coding and transcription errors. If data is missing because address is foreign, SSPND 650 (except OSPC) to transship to OSPC.
- (2) Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.
- (3) Research any of the following for valid address information:
 - Document 7475, State and Address Abbreviations, Major City Codes (MCCs), ZIP Codes and Countries
 - Command Codes INOLES, NAMEB/NAMEE, ENMOD
 - See Exhibit 3.12.154-9, Entity State Code and Zip Code Chart.
 - See Exhibit 3.12.154-11, Foreign Country Codes.

If	Then
A Major City Code is present, and no street address is available,	a. Enter the City Name in Field 06CTY (spelled out, not in Major City Code format). b. Enter the State Code in Field 06ST.
The Major City Code is correct, and the State is present,	Delete Field 06ST.
OSPC Only - Invalid U.S. Possession or foreign country,	CC DLSEC 06. See Exhibit 3.12.154-11, Foreign Country Codes.
The ZIP Code or Address can't be corrected from the information on the return, attachments or from research,	CC DLSEC 06.
Invalid ZIP CODE,	See Exhibit 3.12.154-9, Entity State Code and Zip Code Chart, for valid ZIP codes.

3.12.154.11.11
(01-01-2016)

◆ **Error Code 015 -
Foreign Address/State**◆

- (1) Error Code 015 will display as follows:

Field Designator	Field Name	Field Length
06FAD	Foreign Address	35
06ADD	Street Address	35
06CTY	City	22
06ST	State	2
06ZIP	ZIP Code	12

3.12.154.11.11.1
(01-01-2016)

**Invalid Condition (EC
015)**

- (1) Error Code 015 will generate when any of the following conditions are present:
 - a. Field 06ST has an entry other than "." (period/space) when field 06FAD is present.

- b. Field 06ZIP has an entry when field 06FAD is present.

3.12.154.11.11.2
(01-01-2022)

**Correction Procedures
(EC 015)**

- (1) Correct all misplaced entries, coding and transcription errors.
- (2) Compare displayed fields with the return. If incorrect, overlay the screen with the correct information:

If	Then
A foreign address is present in field 06FAD, Note: KCSPC Only - Route returns with a foreign country, or U.S. Possession/Territory address to OSPC.	<p>a. Field 06ST must have .(Period/space).</p> <p>b. Delete any entry in field 06ZIP</p>
A foreign address is not present in Field 06FAD,	Check return for foreign address.
A foreign address is present on the return,	<p>a. Enter the foreign address in field 06FAD. Note: If more space is required, continue entering the address in Field 06ADD.</p> <p>b. Field 06CTY must have the correct foreign country code. See Document 7475, State and Address Abbreviations, Major City Codes (MCCs), ZIP Codes and Countries.</p> <p>Exception: Use the country code based on the province in field 06FAD if the foreign address is from Canada and the address has a province name or abbreviation. See Exhibit 3.12.154-12, Province, Foreign State and territory Abbreviations.</p> <p>c. Field 06ST must have . (period/space).</p> <p>d. Delete any entry in Field 06ZIP.</p>
A foreign address is not present on the return,	<p>a. Verify the address on the return is not a foreign address.</p> <p>b. SSPND with Action Code "610".</p> <p>c. Renumber return with domestic DLN.</p>

3.12.154.11.12
(01-01-2016)

**◆Error Code 016 - ZIP
Code/State Mismatch◆**

- (1) Error Code 016 will display as follows:

Field Designator	Field Name	Field Length
06CON	"In Care of" name	35
06FAD	Foreign Address	35
06CTY	City	22
06ST	State	2
06ZIP	ZIP Code	12

3.12.154.11.12.1
(01-01-2017)

◆ **Invalid Condition** ◆
(EC 016)

- (1) Error Code 016 generates when the ZIP Code is inconsistent with the Major City Code or State Code.

3.12.154.11.12.2
(01-01-2022)

◆ **Correction**
Procedures ◆ (EC 016)

- (1) Correct all misplaced entries, coding and transcription errors.
- (2) Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.
- (3) Research any of the following for valid ZIP Code information:
- Document 7475, **State and Address Abbreviations, Major City Codes (MCCs), ZIP Codes and Countries**
 - Command Codes INOLES, NAMEB/NAMEE, ENMOD
 - See Exhibit 3.12.154-9, Entity State Code and Zip Code Chart.

Note: Enter the 3 digits followed by "01" of the first ZIP code listed for the applicable State in Document 7475 (e.g., 99501 for Alaska).

If	And	Then
Unable to find a valid ZIP Code from the return or attachments,	A valid Zip Code is found through IDRS research,	Enter the valid ZIP Code found through research in Field 06ZIP.
Only the first three digits of the ZIP Code is decided,		Enter "01" in the "4th" and "5th" position.
A Zip Code can't be decided,		Enter the 3 digits followed by "01" of the first Zip Code listed for the applicable State found in Document 7475. (e.g., 99501 for Alaska).
The address is in a major city,	A Major City Code is decided,	Enter Major City Code in Field 06CTY.
The address is in a major city,	A Major City Code can't be decided,	a. Enter the name of the city in Field 06CTY. b. Enter the State Code in Field 06ST.
The address is not in a major city,		a. Enter the correct State abbreviation in Field 06ST. b. Enter the ZIP Code in Field 06ZIP.

- (4) **APO/DPO/FPO Addresses** - An Army Post Office (APO), Diplomatic Post Office (DPO), or Fleet Post Office (FPO) is **not** a foreign address. The U.S. Postal Service set up new address requirements for APO/DPO/FPO addresses. If an address appears in the old APO/DPO/FPO format, convert to the new State code abbreviation based on the ZIP Code. For example, APO New York, NY 091XX would be, converted to "APO AE 091XX". Refer to the APO/DPO/FPO conversion chart below:

ZIP Code	State Code
340	AA
090 - 098	AE
962 - 966	AP

3.12.154.11.13
(01-01-2016)

**Error Code 028 -
Received Date Missing**

- (1) Error Code 028 will display as:

Field Designator	Field Name	Field Length
01CCC	Computer Condition Codes	10
01RCD	Received Date	8

3.12.154.11.13.1 (1) Computer Condition Code "R," "7," "D," or "G" is present, and the Received Date is NOT present.

Invalid Condition (EC 028)

3.12.154.11.13.2 (1) Compare the displayed fields with the return.

(01-01-2023)

Correction Procedures (EC 028)

(2) If incorrect, overlay the screen with the correct information. See the table below:

If	Then
"R," "D" or "7" is present,	Enter the Received Date in Field 01RCD.
"R," "D" or "7" is not on the return,	Delete the "R," "D" or "7" from Field 01CCC.
The return is not a "G" coded return and nothing shows the return is other than the first return filed,	CC GTSEC 02 and enter the data in the fields for Section 02 and transmit.
Error Code 010 generates,	Enter the correct data into the fields displayed and delete Field 01CCC.
The "G" code is correct,	Enter the Received Date in Field 01RCD.
The received date is missing or illegible,	<p>Enter the Received Date using the following priorities:</p> <ul style="list-style-type: none"> a. Earliest legible postmark date of the U.S. Post Office or a Private Delivery Service or a foreign postmark date. Note: If an envelope is not attached, use the postmark date stamped on the face of the return. b. Service Center Automated Mail Processing System (SCAMPS) digital date. c. Revenue officer's or other IRS official's signature date. d. Signature date, if within current year (unless other information shows signature date is invalid). e. DLN Julian date minus 10 days. f. Current date minus 10 days.

Note: OSPC Only: If a foreign address return was sent to an IRS office in the foreign country instead of to Ogden, enter the foreign stamped received date (this includes U.S. Possessions).

3.12.154.11.14 (1) Error Code 030 will display as:

(01-01-2016)

Error Code 030 - Penalty / Interest Code Not Valid

Field Designator	Field Name	Field Length
01TXP	Tax Year	4
01CCC	Computer Condition Codes	10
01RCD	Received Date	8
01PIC	Penalty and Interest Code	1

3.12.154.11.14.1
(01-01-2017)

Invalid Condition (EC 030)

- (1) The Penalty and Interest Code of “1” is present and the Received Date is one of the following:

- a. On or prior to the due date of the return.
- c. Not present.

#

3.12.154.11.14.2
(01-01-2023)

Correction Procedures (EC 030)

- (1) Compare the display fields with the return and do the following:

If	Then
Incorrect data,	Overlay the screen with the correct information.
The code is correct. The taxpayer is paying penalty or interest and the	Enter the correct Received Date.
	Delete “1” from Field 01PIC.
The correct Received Date is equal to or earlier than the due date,	Delete “1” from Field 01PIC.
The Penalty and Interest Code is present, and the received date is missing or illegible,	Enter the Received Date using the following priorities: <ul style="list-style-type: none"> a. Earliest legible postmark date of the U.S. Post Office or a Private Delivery Service or a foreign postmark date. Note: If an envelope is not attached, use the postmark date stamped on the face of the return. b. Service Center Automated Mail Processing System (SCAMPS) digital date. c. Revenue officer’s or other IRS official’s signature date. d. Signature date, if within current year (unless other information shows signature date is invalid). e. DLN Julian date minus 10 days. f. Current date minus 10 days.
No indication of pre-computed penalty and/or interest,	Delete Code “1” from Field 01PIC.

#

Note: CCC “R,” if present, will override the Penalty and Interest Code “1”.

3.12.154.11.15 (1) Error Code 034 will display as:
(01-01-2016)
**Error Code 034 -
Correspondence
Received Date Not Valid**

Field Designator	Field Name	Field Length
01TXP	Tax Year	4
01RCD	Received Date	8
01CRD	Correspondence Received Date	8

3.12.154.11.15.1 (1) The Correspondence Received Date, Field 01CRD, is earlier or the same as
(01-01-2016) either:
Invalid Conditions (EC 034)

- a. The Received Date, Field 01RCD.
- b. The Return Due Date.
- c. The CRD is later than the processing date.
- d. An entry in Field 01CRD does not require an entry in Field 01RCD.

3.12.154.11.15.2 (1) Compare the displayed fields with the return and do the following:
(01-01-2022)

- a. The Received Date will either be stamped or edited on the return.

Note: Timely filed Form 940 Series Returns are not date stamped by Receipt and Control. per IRM 3.10.72., Campus Mail and Work Control - Receiving, Extracting, and Sorting.

- b. A Correspondence Receive Date (CRD) will be decided from the date the reply was received in the service center. Refer to the return for the CRD. It is edited in the Entity section of the return. This is verified by checking the stamped Received Date on the correspondence attached to the return. See IRM 3.12.154.7.14.2, Field 01CRD - Correction Procedures, for received date priority order for replies received by mail or fax.

If	Then
Incorrect data,	Overlay the screen with the correct information.
CRD is present and earlier than the Return Due Date, or later than the processing date,	Delete the CRD from Field 01CRD.

3.12.154.11.16 (1) Error Code 038 will display as:
(01-01-2016)
**Error Code 038 - Invalid
Penalty Field**

Field Designator	Field Name	Field Length
01CCC	Computer Condition Codes	10
02FD	FTD Penalty Taxpayer	10

3.12.154.11.16.1 (1) CCC “J” is present and FTD Penalty is present in Field 02FD.
(01-01-2016)
Invalid Condition (EC 038)

3.12.154.11.16.2 (1) Review the return for the State, City, and County:
(01-01-2022)
Correction Procedures (EC 038)

If	Then
“State”, “City”, or “County” is noted on return,	Delete the penalty from Field 02FD.
None of the above is present,	Delete the “J” from Field 01CCC.

3.12.154.11.17 (1) Error Code 073 will display as:
(01-01-2016)
Error Code 073 - Field 01CRD and Field 01CCC are Both Present

Field Designator	Field Name	Field Length
01CCC	Computer Condition Code	10
01CRD	Correspondence Received Date	8

3.12.154.11.17.1 (1) This error condition will generate if Field 01CCC is “3” and there is a date in Field 01CRD.
(01-01-2016)
Invalid Condition (EC 073)

3.12.154.11.17.2 (1) Review the return and attachments for IRS correspondence:
(01-01-2016)
Correction Procedures (EC 073)

If	Then
A reply to IRS correspondence was received from the taxpayer and is attached,	a. Circle the CCC "3" edited on the return. b. Delete CCC "3" from Field 01CCC.
NO REPLY is attached	a. Circle the Correspondence Received Date entered on the return. b. Delete entry in field 01CRD. See Exhibit 3.12.154-7, No Reply / Undeliverable Chart.

3.12.154.11.18 (1) Error Code 200 will display as follows:

(01-01-2020)

**Error Code 200 - Section
03, 04, 05 (Form 940
Only)**

Field Designators	Field Name	Length
S03NP	Section 03 Not Present	
03S01 - 03S26	State Code & Credit Wages 1 through State Code & Credit Wages 26	17
S04NP	Section 04 Not Present	
04S27 - 04S52	State Code & Credit Wages 27 through State Code & Credit Wages 52	17
S05NP	Section 04 Not Present	
05S53	State Code & Credit Wages 53	17

3.12.154.11.18.1 (1) Section 04 is present, and Section 03 is not present.

(01-01-2016)

**Invalid Conditions (EC
200)**

(2) Section 05 is present, and Section 04 is not present.

3.12.154.11.18.2

(01-01-2022)

**Correction Procedures
(EC 200)**

(1) The format of each field is "2" alphas (State Code) and 13 numeric (Credit Reduction wage amount), if applicable:

If	Then
Compare the screen display with the entries on the return or edit sheet and if incorrect,	Enter the data in the correct section(s) and use "CC DLSEC" to delete the incorrect section(s). For example: GTSEC 03. Enter in Field 03S01 "NY7000.00".

3.12.154.11.19 (1) Error Code 201 will display as follows:
(01-01-2022)

**Error Code 201 - State
Code Field (Form 940
Only)**

Field Designator	Field Name	Field Length
01TXP	Tax Year	4
01SC1	State Code	2

3.12.154.11.19.1 (1) "ZZ" is present in "State Code Field" for Non-Credit Reduction Year. Credit
(01-01-2024) Reduction applies, in recent years, to tax years 2004, 2005, and 2009 through
Invalid Condition (EC 201) 2023. See Exhibit 3.12.154-15, Credit Reduction State and rates (TY 2023 - 2004).

Note: "ZZ" will appear as a field error if present in Sections 03 - 05.

3.12.154.11.19.2 (1) Compare screen display to the return for coding and transcription errors and
(01-01-2022) make the proper corrections as follows:
**Correction Procedures
(EC 201)**

If	Then
Tax Year is correct.	Delete "ZZ" and enter the correct State Code.
Tax Year is changed.	Transmit and let computer decide if "ZZ" is correct.
Error re-displays,	Go back and delete "ZZ" and enter correct State Code.

3.12.154.11.20 (1) Error Code 202 will display as follows:
(01-01-2016)

**Error Code 202 - State
Code Field**

Field Designator	Field Name	Field Length
01TXP	Tax Year	4
01SC1	State Code	2
02TTW	Total Taxable FUTA Wages	15

3.12.154.11.20.1 (1) "ZZ" is present in State Code Field and Total Taxable Wages for Form 940 is
(01-01-2016) greater than "0".

Invalid Condition (EC 202)

Note: "ZZ" is entered into 01SC1 if there is no tax in 02TFT and the only State code available is for a Credit Reduction State for that year.

3.12.154.11.20.2
(01-01-2024)

- (1) Compare screen display to the return for coding and transcription errors and make the proper corrections:

**Correction Procedures
(EC 202)**

If	Then
After verifying the amount entered as Total Taxable Wages on Form 940 is correct and determining that the State Code entered is not a Credit Reduction State,	Delete "ZZ" and enter the correct State Code. See Exhibit 3.12.154-15, Credit Reduction State and rates (TY 2023 - 2004).
Credit Reduction is present,	Delete State Code ZZ and use CC GTSEC 03 and enter State Code and applicable Credit Reduction wages from Form 940 Schedule A (Revision 2023).

3.12.154.11.21
(01-01-2020)

- (1) Error Code 203 will display as follows:

**Error Code 203 - State
Code Present**

Field Designator	Field Name	Field Length
01SC1	State Code	2
01MSB	Multi-State Box	1
01CRB	Credit Reduction Box	1
S03DP	Section 03 Data Present	
S04DP	Section 04 Data Present	
S05DP	Section 05 Present	

3.12.154.11.21.1
(01-01-2016)
**Invalid Condition (EC
203)**

- (1) Error Code 203 will generate when the State Code is present in Field 01SC1 and either Section 04 Form 940 Schedule A is present, or Section 05 Form 940 Schedule A is present.

3.12.154.11.21.2
(01-01-2024)
**Correction Procedures
(EC 203)**

- (1) Compare the screen display to the return for coding or transcription errors and make the proper corrections:

If	Then
The entity State is correct in field 01SC1, and the same State code is in Section(s) 03, 04 and/or 05, is present,	<ul style="list-style-type: none"> a. Consider the return a single State filer. b. Leave the valid State Code in field 01SC1. c. If the entity State in field 01SC1 is a valid Credit Reduction State for the return tax year filed, enter 1 in Field 01CRB if not present. See Exhibit 3.12.154-15, Credit Reduction States and Rates (TY 2023 - 2004) prior to entering 1 in Field 01CRB. d. Delete the entry in Field 01MSB is present. e. DLSEC Section 03, 04 and 05 if present.
There is a State Code in field 01SC1, but there are multiple States in Section 03, 04 and/or 05.	<ul style="list-style-type: none"> a. Review the return and any attachments and determine if the taxpayer is a single state filer, or a multi-state filer. b. If there is an indication, the taxpayer is a single state filer: <ul style="list-style-type: none"> 1. Ensure the state code in field 01SC1 is the same state as the entity. Make correction to the display screen as needed. 2. If the entity state in field 01SC1 is a valid Credit Reduction state for the return tax year filed, enter 1 in Field 01CRB if not present. See Exhibit 3.12.154-15, Credit Reduction States and Rates (TY 2023 - 2004), prior to entering 1 in Field 01CRB. 3. Delete the entry in Field 01SC1 and 01MSB if present. 4. DLSEC Section(s) 03, 04 and/or 05 if present. c. If there is an indication the taxpayer is a multi-state filer: <ul style="list-style-type: none"> 1. Enter "1" in 01MSB. 2. If any state is a Credit Reduction State, enter "1" in the 01CRB. See Exhibit 3.12.154-15, Credit Reduction States and Rates (TY 2023 - 2004).

3.12.154.11.22 (1) Error Code 208 will display as follows:

(01-01-2020)

**Error Code 208 - State
Code Not Present**

Field Designator	Field Name	Field Length
01CCC	Computer Condition Code	10
01TXP	Tax Year	4
01SC1	State Code	2
01MSB	Multi-State Check Box	1
01CRB	Credit Reduction Check Box	1
S03NP	Section 03 Not Present	
S04NP	Section 04 Not Present	
S05NP	Section 05 Not Present	

3.12.154.11.22.1
(01-01-2016)
**Invalid Condition (EC
208)**

- (1) The State Code Field 01SC1 is blank and no State Code is present in Section 03, 04 or 05 and 02TTW and 02TFT are greater than zero.

3.12.154.11.22.2
(01-01-2024)
**Correction Procedures
(EC 208)**

- (1) Compare the screen display to the return for coding and transcription errors and make the proper corrections. See the table below:

If	And	Then
The return is an amended return,	CCC "G" is not present,	Enter CCC "G" in Field 01CCC. The State Code entries are not needed.
The return or attachments does not identify the return as a single State filer,	Box 1b is not marked and no indication on Form 940 Schedule A, of multi states or Form 940 Schedule A not attached,	a. If the entity address on the return has a State Code, enter the valid State Code from the entity address in Field 01SC1. b. If the entity address on the return does not have a State Code, SSPND 211 and correspond using Letter 142C.
The return or attachments shows the return as a single State filer,	The state is not subject to Credit Reduction,	a. Enter the two-character State Code in Field 01SC1. See Exhibit 3.12.154-8 for valid state codes. b. Delete any entry in Field 01CRB.
The return or attachments shows the return as a single State filer,	That state is subject to credit reduction,	a. Enter the two-character State Code in Field 01SC1. b. Enter a "1" in Field 01CRB, if not present. Note: Line 2 box is marked by the taxpayer or by a Code & Edit tax examiner. If edited by Code & Edit ensure the entry was edited correctly prior to entering 1 in Field 01CRB. c. If the amount on line 11 is equal to the sum of Line 7 amount multiplied by the Credit Reduction Rate percentage, then enter the Line 7 amount into the correct Field for Section 03. d. If the amount on line 11 is not equal to the sum of Line 7 amount multiplied by the Credit Reduction Rate percentage, then SSPND 211 and correspond for Form 940 Schedule A using Letter 142C.
Field 01SC1 is blank or the State Code in Box 1a (01SC1) is a foreign country other than a U.S. Possession,	AA, AE, or AP, address is present on the entity of the return, See IRM 3.12.154.2.19.2, APO/DPO/ FPO Addresses.	a. Enter the valid state code from the entity address on page 1 of the return and in Field 01SC1. b. If no valid state code is present, SSPND 211 and correspond using Letter 142C.

If	And	Then
Box 1b (Field 01MSB) is checked,	Form 940 Schedule A is missing or has not been completed, or no attachment is attached identifying the multiple state Codes and their associated FUTA Taxable Wages,	SSPND 211 and correspond using Letter 142C.
Multiple State Codes are present,	At least one state is subject to Credit Reduction and the associated FUTA Taxable Wage is shown by the taxpayer,	a. Enter the two-character State Code(s) and the associated FUTA Taxable Wage amounts (if applicable) in Section(s) 03, 04 and 05. b. Enter "1" in 01MSB, if not present. c. Enter "1" in 01CRB, if not present. d. If an entry is in 01SC1, verify that it is present in Sections 03, 04, or 05, as applicable and delete any entry in 01SC1.
Multiple State Codes are present,	None are subject to credit reduction,	a. CC "GTSEC" Section(s) 03, 04 and 05. Enter the two-character State Codes. b. Enter any State Code in Field 01SC1 to Section(s) 03, 04 and 05, as applicable. c. Delete any State Code in Field 01SC1. d. Enter "1" in 01MSB, if not present.
The return is non-taxable,	The State Code is for a Credit Reduction state for that year,	a. Enter "ZZ" in the 01SC1. b. Delete any entries present in Sections 03, 04 or 05.
Foreign Address and/or U.S. Possession in Field 01SC1, or Section 03 through 05,		SSPND 650. Prepare a Routing Slip and notate to transship to OSPC.
OSPC ONLY: There is a foreign country other than a U.S. Possession, US Virgin Islands or Puerto Rico,	The valid state code cannot be decided,	SSPND 215 and correspond using Letter 142C.
OSPC ONLY: Field 01SC1 is blank,	No state or country is listed on Form 940 (PR)	Enter " PR " into Field 01SC1.

3.12.154.11.22.3

(1) If correspondence was not received or not provided do the following:

(01-01-2022)

**No Reply to
Correspondence (EC
208)**

If	Then
The entity State Code is a valid Credit Reduction State for the tax year of the return,	<ol style="list-style-type: none"> Enter the entity state code in Field 01SC1, if not present. Enter "1" in 01CRB, if not present. Enter the Line 7 amount into the correct Field for Section 03.
The entity State Code is not a valid Credit Reduction State for the tax year of the return,	<ol style="list-style-type: none"> CC "GTSEC" Section(s) 03, 04 and 05. Enter the two-character State Code from the entity of the return. Delete any State Code in Field 01SC1. Enter "1" in 01MSB, if not present.
If the entity on the return has a foreign country other than a U.S. Possession, U.S. Virgin Island or Puerto Rico,	<ol style="list-style-type: none"> Delete the entry in Fields 01SC, 01MSB, and 01CRB if present. Also delete the invalid Credit reduction State Code and associated amount from Section 03, 04, and 05 as applicable.
If no state was provided, Research Command Code BMFOLI, BMFOLR, TRDBV, and IRPTR for a previous year's tax return,	<p>If previous year tax return have been found::</p> <ol style="list-style-type: none"> Find the tax year return where the EIN has an established date. Find the first return filled after the established date. If the return filed state code in the entity matches IRPTR (Form W-2, Form 1099, etc.) information then, enter the state code on Form 940 and in the fields display.
If the state code cannot be decided after research BMFOL, TRDBV, and or IRPTR,	<p>If a telephone number is given for a signer (Payroll Technician) or Paid Preparer on the tax return in question. ERS Rejects should call the represent at the number listed requesting the missing state code. See IRM 3.12.154.2.12, IRS Employee Contact Rev. Proc. RRA98-Section 3705(a),</p> <ol style="list-style-type: none"> If the state code is given, enter it on the return and on the ERS screen display. If no state code is provided: <ul style="list-style-type: none"> SSPND the return with Action Code 460. Notate on Form 4220 "EC 208 State Code not provided TC". Notify your center ERS P&A Analyst for elevation of the issue to headquarters.

3.12.154.11.23 (1) Error Code 209 will display as follows:

(01-01-2020)

Error Code 209 - Box 1a

State Code and Box 1b

Multi-State Indicator

Field Designator	Field Name	Field Length
01SC1	State Code	2
01MSB	Multi-State Indicator	1
01CRB	Credit Reduction Check Box	1
03S01 - 03S26	State Code & Credit Wages 1 through State Code & Credit Wages 26	17
S04NP	Section 04 Not Present	
04S27 - 04S52	State Code & Credit Wages 26 through State Code & Credit Wages 52	17
05S52	State Code & Credit Wages 53	17

3.12.154.11.23.1
(01-01-2022)
Invalid Conditions (EC 209)

- (1) There is a valid State Code in 01SC1 (Box 1a) and also an entry in 01MSB (Box 1b).
- (2) Field 01SC1 or 01MSB is not present and 02TTW and 02TFT are greater than zero.

3.12.154.11.23.2
(01-01-2023)
Correction Procedures (EC 209)

- (1) Compare the screen display to the return for coding and transcription errors and make the proper corrections. See the table below:

If	And	Then
There is a valid state code shown in field 01SC1,	There is an entry in 01MSB,	<p>Examine the return and attachments for the single or multi-state filer status:</p> <ol style="list-style-type: none"> If the taxpayer is a single state filer, and no credit reduction state is shown: <ol style="list-style-type: none"> Delete the entry in 01MSB. Delete the state shown in Sections 03, 04 or 05. If the taxpayer is a multi-state filer: <ol style="list-style-type: none"> Delete the entry in 01SC1. Enter the state code into the correct field in Section 03, 04, or 05. Be sure that the state code shown in 01SC1 is checked on Form 940 Schedule A. If it is not checked, mark the correct box on Form 940 Schedule A (Revision 2011).
A single state is shown anywhere on the return or attachments by the taxpayer,	That state is subject to credit reduction,	<ol style="list-style-type: none"> Enter the state code in 01SC1, if not present. Enter 1 in 01CRB, if not present. If the associated FUTA Taxable Wages was shown by the taxpayer, then enter the amount into Section 03 next to the Credit Reduction State code. If the associated FUTA Taxable Wages has not been shown by the taxpayer: <ol style="list-style-type: none"> If the amount on line 11 is equal to the sum of Line 7 amount multiplied by the Credit Reduction Rate percentage, then enter the Line 7 amount into the correct Field for Section 03. If the amount on line 11 is not equal to the sum of Line 7 amount multiplied by the Credit Reduction Rate percentage, then SSPND 211 and correspond for Form 940 Schedule A using Letter 142C.

If	And	Then
A single state is shown anywhere on the return or attachments by the taxpayer,	The state is not subject to the credit reduction,	Input the state code in 01SC1.
Form 940 Schedule A is not attached,	01SC1 has a valid state code that is not subject to credit reduction,	Delete the entry in 01MSB.
The State Code in Box 1a (01SC1) is a foreign country other than a U.S. Possession,	AA, AE, or AP, address is present on the entity of the return, See IRM 3.12.154.2.19.2, APO/DPO/FPO Addresses.	a. Enter the state from the entity address on page 1 of the return and in Field 01SC1. b. If no valid state code is present, SSPND 211 and correspond using Letter 142C.
OSPC ONLY: There is a foreign country other than a US Possession, US Virgin Islands or Puerto Rico in the entity area,	A valid state code cannot be decided,	SSPND 215 and correspond using Letter 142C.
OSPC ONLY: Field 01SC1 is blank,	No state or country is listed on Form 940 (PR),	a. Enter "PR" into Field 01SC1. b. Delete entry in 01MSB if present.
The State Code in Box 1a (01SC1) is blank,	Box 1b. (01MSB) is not checked	a. If Line 9 (02ADJ) entry is blank, SSPND 211 and correspond for Line 9 amount. b. If Line 9 (02ADJ) entry is present, Do not correct entry and continue to process the return.

3.12.154.11.24

(1) Error Code 210 will display as follows:

(01-01-2020)

Error Code 210 - Box 1b**Multi-State Indicator**

Field Designator	Field Name	Field Length
01SC1	State Code	2
01MSB	Multi-State Indicator	1
01CRB	Credit Reduction Check Box	1
S03NP	Section 03 Not Present	
03S01 - 03S26	State Code & Credit Wages 1 through State Code & Credit Wages 26	17
S04NP	Section 04 Not Present	

Field Designator	Field Name	Field Length
04S27 - 04S52	State Code & Credit Wages 27 through State Code & Credit Wages 52	17

3.12.154.11.24.1
(01-01-2022)

Invalid Conditions (EC 210)

(1) Error Code 210 will generate when:

- Field 01MSB has an entry, and Section(s) 03, 04, or 05 only has one state code or no state codes are present.
- Field 01MSB is blank, and Section(s) 03, 04, and 05 has more than 1 state code or Section(s) 03, 04, or 05 only has one state code or no state codes are present and Field 01CRB has an entry.

3.12.154.11.24.2
(01-01-2024)

Correction Procedures (EC 210)

(1) Compare the screen display to the return for coding and transcription errors and make the proper corrections.

(2) Decide if the return is single or multi-state filer and the follow the procedures below:

- Single state filer - Schedule A or similar statement is attached with only one state present.
- Multi-state filer - Schedule A or similar statement is attached with more than one state present.

If	And	Then
Type of Return box c. is marked, or or taxpayer shows no payments to employees,	Lines 1 through 15 are all blank or zero,	Enter 9 in Field 01CCC.
Type of Return box d. is marked, or or taxpayer shows return is a final or Business closed or stopped paying wages,		Enter F in Field 01CCC.
The return is shown as a single state filer,	The state is not a credit reduction state,	<p>a. Delete the entry in 01MSB if present.</p> <p>b. Enter the single state code into field 01SC1.</p> <p>c. Delete the state code(s) and/or FUTA Taxable Wage amount(s) in Section(s) 03, 04, and 05 on the display screen.</p> <p>Note: If Form 940 Schedule A is attached to the return, draw a slash (/) across the Form 940 Schedule A. This will show on the Form 940 Schedule A it was deleted.</p>

If	And	Then
The return is shown as a single state filer,	The state is a credit reduction state,	<ol style="list-style-type: none"> Enter the state code in 01SC1, if not present. Enter "1" in 01CRB, if not present. If the associated FUTA Taxable Wages was shown by the taxpayer, then enter the amount into Section 03 next to the Credit Reduction State code. If the associated FUTA Taxable Wages has not been shown by the taxpayer: <ol style="list-style-type: none"> If the amount on line 11 is equal to the sum of Line 7 amount multiplied by the Credit Reduction Rate percentage, then enter the Line 7 amount into the correct Field for Section 03. If the amount on line 11 is not equal to the sum of Line 7 amount multiplied by the Credit Reduction Rate percentage, then SSPND 211 and correspond for Form 940 Schedule A using Letter 142C
There is an entry in 01MSB,	There is only one state shown in Section(s) 03, 04, or 05,	<ol style="list-style-type: none"> Examine the return and attachments for the taxpayer's true filing status, e.g., single state filer, or Multi-State filer. If the taxpayer is a single state filer: <ul style="list-style-type: none"> Delete the entry in 01MSB. Enter the single state code into field 01SC1. See Exhibit 3.12.154-15, Credit Reduction States and rates (TY 2023 - 2004 If the state is a Credit Reduction state for the return tax year, Do not change the entry and continue processing. If the state is not a Credit Reduction state for the tax year, delete the state code(s) and/or FUTA Taxable Wage amount(s) in Section(s) 03, 04, and 05 on the display. <p>Note: If Form 940 Schedule A is attached to the return, draw a slash (/) across the Form 940 Schedule A. This will show on the Form 940 Schedule A that it was deleted.</p>

If	And	Then
There is no entry in field 01MSB,	There is more than one (1) state shown in Section(s) 03 04, or 05,	a. Enter a "1" in field 01MSB (Box 1b). b. If a state is present that is a valid credit reduction state and 01CRB is blank, enter a "1" in Field 01CRB.
OSPC ONLY: The state code is for a foreign country other than a U.S. Possession,	AA, AE, or AP, address is present in the entity of the return, See IRM 3.12.154.2.19.2, APO/ DPO/FPO Addresses.	Enter the state from the entity address from page 1 of the return in 01SC1.
OSPC ONLY: The state code is for a foreign country other than a U.S. Possession,	No AA, AE, or AP, address is present in the entity of the return,	SSPND 211 and correspond for a valid state code using Letter 142C.
OSPC ONLY: Field 01SC1 is blank,	No state or country is listed,	a. Enter "PR" into Field 01SC1. b. Delete entry in 01MSB if present.

3.12.154.11.25 (1) Error Code 211 will display as follows:
(01-01-2020)

**Error Code 211 - Box 2
Credit Reduction
Indicator**

Field Designator	Field Name	Field Length
01SC1	State Code	2
01CRB	Credit Reduction Check Box	1
01MSB	Multi-State Indicator	1
S03NP	Section 03 Not Present	
03S01 - 03S26	State Code & Credit Wages 1 through State Code & Credit Wages 26	17
04S27 - 04S52	State Code & Credit Wages 27 through State Code & Credit Wages 52	17
05S53	State Code & Credit Wages 53	17

3.12.154.11.25.1 (1) This field will be invalid if the Credit Reduction box is checked for a year that is subject to credit reduction, but Section 03, 04, or 05 of Form 940 Schedule A is not present. Note: Error Code 211 will not generate if a state is present in field 01SC.
(01-01-2016)

Invalid Conditions (EC 211)

3.12.154.11.25.2
(02-15-2023)

**Correction Procedures
(EC 211)**

- (1) Compare the screen display to the return for coding and transcription errors and make the proper corrections. See the table below:

Note: See Exhibit 3.12.154-15 for Credit Reduction States and Rates.

If	And	Then
Credit Reduction applies,		A "1" must be entered in 01CRB if not present.
There is an entry in 01CRB,	No entries are present in Sections 03, 04 or 05,	Examine the return and attachments: a. If the taxpayer has shown multiple Credit Reduction State and the associated FUTA Taxable Wage: 1. Enter the Credit Reduction State Codes and the associated FUTA Taxable Wage amount into Section 03, 04, or 05. b. If the taxpayer has not shown the Credit Reduction State and its associated FUTA Taxable Wage, SSPND 211 and correspond for Form 940 Schedule A.
There is an entry in 01CRB,	There is an entry in 01SC1 and there are no entries in Sections 03, 04, or 05,	a. Verify that the state shown in 01SC1 is subject to credit reduction. b. If the state is subject to credit reduction, edit the associated FUTA Taxable Wages to the correct state line on Form 940 Schedule A. c. If the state shown in 01SC1 is not subject to credit reduction, or the return is non-taxable, delete the entry in 01CRB. d. The return is non-taxable and the State Code available is subject to Credit Reduction, enter "ZZ" in Field 01SC1.
The credit reduction information cannot be decided,		SSPND 211 and correspond with the taxpayer.

If	And	Then
The Taxpayer does not reply or in reply to correspondence, the multi-state filer does not give the amount of wages for one or more credit reduction states listed on Form 940 Schedule A,		Assign all wages to the first state and enter a penny (.01) in Section 03/04/05 for the remaining Credit Reduction states without wages Note: If all of the credit reduction states on Form 940 Schedule A do not show a wage amount, and the return is a taxable return, then enter the taxable wages from line 7 (line 7a, Revision 2011) to the state with the higher rate, and a penny (\$.01) for the remaining credit reduction states.

3.12.154.11.26 (1) Error Code 212 will display as follows:
(01-01-2020)

Error Code 212 - Section 03, 04, and 05 Invalid Entries

Field Designator	Field Name	Field Length
01SC1	State Code	2
01CRB	Credit Reduction Check Box	1
01MSB	Multi-State Indicator	1
S03NP	Section 03 Not present	
03S01 - 03S26	State Code & Credit Wages 1 through State Code & Credit Wages 26	17
04S27 - 04S52	State Code & Credit Wages 27 through State Code & Credit Wages 52	17
05S52	State Code & Credit Wages 53	17

3.12.154.11.26.1 (1) Section 03, 04 or 05 has a blank field followed by a field with an entry.
(01-01-2022)
Invalid Condition (EC 212)

3.12.154.11.26.2
(01-01-2022)

(1) Compare the screen and return, do the following:

**Correction Procedures
(EC 212)**

If	Then
Transcription errors,	<ol style="list-style-type: none"> Review the return and attachments. Make the proper corrections, as needed, on the ERS display screen based on the return, Form 940 Schedule A or attachment.
FUTA Taxable wages for Schedule A has not been shown by the taxpayer,	Suspend 211 to correspond for Credit Reduction state wage amounts.
If more than one state is shown in Section 03, 04 or 05 of Form 940 Schedule A,	<ol style="list-style-type: none"> If any state is missing in Section 03, 04, or 05, enter the missing state on the display. If a "1" is not present in 01MSB: <ol style="list-style-type: none"> Enter "1" If more than one state is shown on Form 940 Schedule A, and 01SC1 has an entry, blank the state in field 01SC1. If an entry is in 01SC1: <ol style="list-style-type: none"> Verify that the state code shown in 01SC1 is shown in Sections 03, 04, or 05 Form 940 Schedule A. If there is only one state on Form 940 Schedule A, blank 01MSB if there is an entry.

3.12.154.11.27
(01-01-2017)

(1) Error Code 214 will display as follows:

**Error Code 214 - State
Code, Multi-State
Indicator, and Credit
Reduction Indicator
Validity**

Field Designator	Field Name	Field Length
01TXP	Tax Period	4
01SC1	State Code	2
01MSB	Multi-State Indicator	1
01CRB	Credit Reduction Indicator	1
02TCR	Total Credit Reduction Amount	10
Section 03	Present	
Section 04	Present	
Section 05	Present	

3.12.154.11.27.1
(01-01-2024)

Invalid Conditions (EC 214)

- (1) Field 02TCR Total Credit Reduction Amount (Line 11) is present and field 01CRB Credit Reduction Check Box (Line 2) is not present.
- (2) Field 01MSB Multiple State Check Box (Line 1b) is present and State Code Credit Reduction Wages are present in Section 03, 04, or 05 (Form 940 Schedule A), and field 02TCR Credit Reduction Total Amount (Line 11) is not present.
- (3) Year in Tax Period is 1974, 1976 - 1987, 1991 - 1992, 2004, 2005, or 2009 - 2023 and Field 01CRB Credit Reduction Check Box (Line 2) is present and Field 01SC1 One State Code is not present and Section 03, 04, or 05 (Form 940 Schedule A) is not present.
- (4) Field 01MSB Multiple State Code Check Box (Line 1b) is present and the State Code for the Credit Reduction Wages in Section 03, 04, or 05 (Form 940 Schedule A) is a valid Credit Reduction State for the Tax year of the return and field 01CRB Credit Reduction Check Box (Line 2) is not present.
- (5) Field 01MSB Multiple State Code Check Box (Line 1b) is present and the State Code for the Credit Reduction Wages in Section 03, 04, or 05 (Form 940 Schedule A) is not a valid Credit Reduction State for the Tax year of the return and field 01CRB Credit Reduction Check Box (Line 2) is present.
- (6) Field 01MSB Multiple State Code Check Box (Line 1b) is not present and Field 01SC1 One State Code is a valid Credit Reduction State for the tax year of the return, and Field 01CRB Credit Reduction Check Box (Line 2) is not present.
- (7) Field 01MSB Multiple State Code Check Box (Line 1b) is not present and Field 01SC1 One State Code is not a valid Credit Reduction State for the tax year of the return, and Field 01CRB Credit Reduction Check Box (Line 2) is present.
- (8) Year in Tax Period is 1974, 1976 - 1987, 1991 - 1992, 2004, 2005, 2009 - 2023 and Field 01CRB Credit Reduction Check Box (Line 2) is present and Section 03, 04, and 05 (Form 940 Schedule A) are not present.

3.12.154.11.27.2
(01-01-2024)

Correction Procedures (EC 214)

- (1) Compare the screen display to the return and correct coding and transcription errors.
- (2) Review the return and attachments and follow the procedures in the table below:

If	And	Then
Field 01MSB (Line 1b) and Section(s) 03, 04, and/or 05 have entries,	Field 02TCR (Line 11) is blank or zero,	<p>a. If the return is a "Section IRC 6020(b)", and Form 940 Schedule A has a Credit Reduction state with FUTA Taxable wages greater than .01:</p> <ol style="list-style-type: none"> 1. SSPND with Action Code 640. 2. Attach Form 4227 with notation "UN Proc. See Line 2 and Sch. A CR State." 3. Route the non-processable IRC 6020(b) return to: Internal Revenue Service 2970 Market St. Mail Stop 5-E04.114 Philadelphia, PA 19104 <p>b. If Form 940 Schedule A is attached, correct any transcription or math errors as needed.</p> <p>c. If the taxpayer checked a state box, and the state is a credit reduction state for the filing year, ensure the state wage column (on Form 940 Schedule A) for the Credit Reduction state is not blank. Note: Zero ("0") is an acceptable entry.</p> <p>d. If blank, review attachments for any indication of the FUTA Taxable Wage amount for Credit Reduction State.</p> <p>e. If all Credit Reduction States on Form 940 Schedule A reflect the FUTA Taxable Wages as zero e.g., not blank, and field 02TCR is blank or zero, then enter one penny (\$.01) into the FUTA Taxable Wage for all Credit Reduction States in Section 03, 04, or 05.</p> <p>f. If field 01CRB (Box 2) is blank, enter a "1" field 01CRB.</p> <p>g. If the FUTA Taxable Wages on Form 940 Schedule A is blank and the taxpayer has not shown the FUTA taxable Wages, correspond for the missing Form 940 Schedule A FUTA Taxable Wages.</p>

If	And	Then
Field 01MSB (Line 1b) and Section(s) 03, 04, and/or 05 have entries,	Field 02TCR (Line 11) is greater than zero,	<p>a. If the return is an IRC 6020(b), and Form 940 Schedule A has a Credit Reduction state with FUTA Taxable wages greater than .01:</p> <ol style="list-style-type: none"> 1. SSPND with Action Code 640. 2. Attach Form 4227 with notation "UN Proc. See Line 2 and Sch. A CR State." 3. Route the non-processable IRC 6020(b) return to: Internal Revenue Service 2970 Market St. Mail Stop 5-E04.114 Philadelphia, PA 19104 <p>b. If an invalid Credit reduction State on Schedule A has a credit reduction amount, then do the following:</p> <ol style="list-style-type: none"> 1. Delete the credit reduction amount for the invalid credit reduction state for the tax year of the return in Section 03, 04, and 05. 2. Delete the entry in Field 01CRB. 3. If the computer amount for Field 02TCR differs from Line 11, assign TPNC 08 if EC 208 generates.
Field 01MSB (Line 1b) and Section(s) 03, 04, and/or 05 have entries,	Line 2 Box (Field 01CRB) is not marked by the taxpayer or Code & Edit,	<p>a. If Form 940 Schedule A is attached, correct any transcription and math errors as needed.</p> <p>b. Review field 02TCR (Line 11) to ensure the correct amount from Form 940 Schedule A was transcribed from the return.</p> <p>c. If field 01CRB (Box 2) is blank, enter a "1" in Box 2.</p>

If	And	Then
If Form 940 Schedule A is not attached,	Line 2 Box (Field 01CRB) is or is not marked by the taxpayer or Code & Edit,	<p>a. If the return is an IRC 6020(b):</p> <ol style="list-style-type: none"> 1. SSPND with Action Code 640. 2. Attach Form 4227 with notation "UN Proc. See Line 2 and Sch. A." 3. Route the non-processable an IRC 6020(b) return to: Internal Revenue Service 2970 Market St. Mail Stop 5-E04.114 Philadelphia, PA 19104 <p>b. If the return is a single state filer:</p> <ol style="list-style-type: none"> 1. If Line 8 amount is the max tax amount (Line 7 X .054), <ul style="list-style-type: none"> • If an amount is present on Line 9 that is equal to Line 8, multiply line 7 amount by .006 and enter the result in field 02TBA and input a 1 in field 01CRB, and input the credit reduction state code with no wages in Sect 03. • If an amount is present on line 9 and is not equal to line 8, multiply line 7 amount by .006 and enter the result in field 02TBA. Multiply line 7 by .054 and input the result in field 02ADJ, input 1 in field 01CRB, and input the credit reduction state code with no wages in Sect 03. 2. If Line 8 amount is not the max tax amount (Line 7 X .054), <ul style="list-style-type: none"> • If an amount is present on Line 9 (Field 02ADJ) that equals line 7 X .054 (max tax), input a 1 in field 01CRB, and input the credit reduction state code with no wages in Sect 03. • If an amount is not present on line 9 and line 10 is blank, enter the amount from line 7 as the FUTA Taxable Wage for the Credit Reduction State in Section 03, 04, or 05. 3. If b)1) or b)2) above do not apply, correspond for Credit Reduction State Taxable FUTA Wages. <p>c. If the return is not a single state filer, correspond for Credit Reduction State and Credit Reduction Taxable FUTA Wages.</p>

If	And	Then
Form 940 Schedule A is blank or zero, or field 02TCR is blank or zero,	Line 2 Box (Field 01CRB) is marked by the taxpayer or Code & Edit,	<p>a. If the return is an IRC 6020(b):</p> <ol style="list-style-type: none"> 1. SSPND with Action Code 640. 2. Attach Form 4227 with notation "UN Proc. See Line 2 and Sch. A." 3. Route the non-processable an IRC 6020(b) return to: Internal Revenue Service 2970 Market St. Mail Stop 5-E04.114 Philadelphia, PA 19104 <p>b. If a state box is checked for which the return filing year is a Credit Reduction state and the state wage for a Credit Reduction state is zero or if blank and the Credit Reduction total amount on page 1 of Schedule A is 0 (zero not blank), then enter one penny (\$.01) as the state wage amount.</p> <p>c. If a state box is not checked and the taxpayer entered zero (0) for state wage for a Credit Reduction state, then enter one penny (\$.01) as the state wage amount.</p>

If	And	Then
Field 02TCR (Line 11) has an amount greater than zero,	Line 2 Box (Field 01CRB) is not marked by the taxpayer or Code & Edit,	<p>a. If the return is an IRC 6020(b):</p> <ol style="list-style-type: none"> 1. SSPND with Action Code 640. 2. Attach Form 4227 with notation "UN Proc. See Line 2 and 11." 3. Route the non-processable an IRC 6020(b) return to: Internal Revenue Service 2970 Market St. Mail Stop 5-E04.114 Philadelphia, PA 19104 <p>b. If the return and attachments shows the taxpayer is a single state filer (Box 1a marked), or a Multi-State filer (Box 1b marked).</p> <ul style="list-style-type: none"> • Taxpayer is single state filer: See Exhibit 3.12.154-15, Credit Reduction States and Rates (TY 2023 - 2004), for the valid state: <ol style="list-style-type: none"> 1. Taxpayer's state is a valid CR state for tax year of return- Enter a "1" in field 01CRB. 2. Review Sections 03, 04, and 05 for math errors. Be sure the same state shown in 01SC1 is checked in Section(s) 03, 04, and 05, and the total CR amount on Form 940 Schedule A is shown in field 02TCR. 3. If the state is not a CR state for tax year of return delete any entry in field 01CRB, field 02TCR, and/or Sections 03, 04, and/or 05. Correct any "ripple errors", as needed. If Error Code 242 generates, use TPNC 08. • Taxpayer is a Multi-State filer: <ol style="list-style-type: none"> 4. Enter a "1" in field 01CRB. 5. Check Sections 03, 04, and/or 05 for multiple states, FUTA wage amounts for each state, and any math errors within those sections. 6. Check to ensure the total CR amount from Sections 03, 04 and/or 05 is shown in field 02TCR. Make any corrections, as needed. 7. If FUTA Taxable wage amounts are not shown in Sections 03, 04, and/or 05 for each state, correspond for the correct amounts.

If	And	Then
Field 01SC1 (Box 1a) has an entry, and the return tax year is a Credit Reduction year,	Line 2 Box (Field 01CRB) is not marked by the taxpayer or Code & Edit,	<p>If Form 940 Schedule A is or is not attached and the taxpayer has shown on the return or attachments the Credit Reduction State and its associated FUTA Taxable Wages:</p> <p>Note: Credit Reduction State is shown by an entry on line 1a, entity state code, or notated on an attachment. FUTA Taxable Wages is shown on Line 7 provided when multiplied by the credit reduction percentage the result is equal to Line 11 or if line 11 is blank is used in the calculation by the taxpayer for Line 12 and/or Line 14/15.</p> <ol style="list-style-type: none"> 1. Enter the Credit Reduction State and its associated FUTA Taxable Wage into the correct Fields for Section 03, 04, and 05 and enter 1 in 01CRB. <p>Note: If the taxpayer shows 0.00 for FUTA Taxable Wages, then enter 1 (\$.01) as the FUTA Taxable Wage amount.</p> <ol style="list-style-type: none"> 2. If the taxpayer has not shown on the return or attachments the Credit Reduction State and its associated FUTA Taxable Wages, SSPND 211 and correspond for Form 940 Schedule A.
Field 01SC1 is blank,	Line 2 Box (Field 01CRB) is marked by the taxpayer or Code & Edit,	<ol style="list-style-type: none"> a. If the return is an "IRC 6020(b)": <ol style="list-style-type: none"> 8. SSPND with Action Code 640. 9. Attach Form 4227 with notation "UN Proc. See Line 1 and 2." 10. Route the non-processable an IRC 6020(b) return to: Internal Revenue Service 2970 Market St. Mail Stop 5-E04.114 Philadelphia, PA 19104 b. If Form 940 Schedule A is or is not attached and the taxpayer has shown on the return or attachments the Credit Reduction State and its associated FUTA Taxable Wages: <ol style="list-style-type: none"> 1. Enter the Credit Reduction State and its associated FUTA Taxable Wage into the correct Fields for Section 03, 05, and 05 and enter 1 in 01CRB. <p>Note: If the taxpayer shows 0.00 for FUTA Taxable Wages, then enter 1 (\$.01) as the FUTA Taxable Wage amount.</p> <ol style="list-style-type: none"> 2. If the taxpayer has not shown on the return or attachments the Credit Reduction State and its associated FUTA Taxable Wages, SSPND 211 and correspond for Form 940 Schedule A.

If	And	Then
The return is shown as a single state filer	The state is not a Credit Reduction State for Tax Year of the return,	<ol style="list-style-type: none"> 1. Delete the entry in 01MSB if present. 2. Enter the single state code into field 01SC1. 3. Delete the state code(s) and/or FUTA Taxable Wage amount(s) in Section(s) 03, 04, and 05 on the display screen. Note: If Form 940 Schedule A is attached to the return, draw a slash (/) across the Form 940 Schedule A. This shows the Form 940 Schedule A is deleted. 4. Delete the entry in Field 01CRB. 5. Delete the entry in Field 02TCR.

3.12.154.11.27.3

(1) Reply and No Reply:

(01-01-2022)

**Suspense Correction
(EC 214)**

If	Then
The taxpayer sends a reply and gives all information requested,	Enter the information into the correct Section and fields. Continue to process return.
The taxpayer does not give all of the information requested reply, or no reply.	<p>Process the return as a single state filer:</p> <ol style="list-style-type: none"> a. If the entity state is not a Credit Reduction state for the return tax year: <ol style="list-style-type: none"> 1. Review field 02TCR and/or 02CRB for a taxpayer entry. 2. If on the display screen 01CRB, 01MSB or 02TCR has an entry, blank the field. 3. If 01SC is blank, enter the state code from box 1a. b. If the entity state is a Credit Reduction state for the return tax year: <ol style="list-style-type: none"> 1. Be sure the state code appears in field 01SC1 and field 02TCR has a "1". 2. If Form 940 Schedule A was attached, be sure Field 03, 04, or 05 has the correct state code. 3. If state code is incorrect, blank the incorrect state. Then, enter the correct state code, to correct, or if Section 03, 04, or 05 were blank. 4. Transmit to update the screen.

3.12.154.11.28 (1) Error Code 216 will display as follows:

(01-01-2016)

**Error Code 216 - Credit
Reduction State Validity**

Field Designator	Field Name	Field Length
01CCC	Computer Condition Codes	10
01TXP	Tax Year	4
01SC1	State Code	2
01MSB	Multi-State Indicator	1
01CRB	Credit Reduction Indicator	1

3.12.154.11.28.1

(01-01-2024)

**Invalid Condition (EC
216)**

(1) The State Code field (01SC1) has a state that is subject to Credit Reduction.

Note: Credit Reduction applies to recent tax years 2009 - 2023.

(2) In a credit reduction year, field 01SC1 (Line 1a) and field 01CRB (Line 2) contain entries, or field 01MSB (Line 1b) and 01CRB (Line 2) contain entries, and the State (or States) in field 01SC1 or Form 940 Schedule A (Section 03, 04 or 05) are not subject to Credit Reduction.

3.12.154.11.28.2

(02-15-2023)

**Correction Procedures
(EC 216)**

(1) Compare the screen display to the return and correct coding and transcription errors.

(2) Make the proper corrections. See the table below:

Note: See Exhibit 3.12.154-15 for Credit Reduction States and Rates.

If	And	Then
The return is nontaxable and the only State Code available is a Credit Reduction State for that year,		Enter "ZZ" in field 01SC1.
The State Code in Field 01SC1 is for a valid Credit Reduction State for that Tax Year,		<p>a. Use CC GTSEC to display Section 03:</p> <ol style="list-style-type: none"> 1. If the amount on line 11 is equal to the sum of Line 7 amount multiplied by the Credit Reduction Rate percentage, then enter the Line 7 amount into the correct Field for Section 03. 2. If the amount on line 11 is not equal to the sum of Line 7 amount multiplied by the Credit Reduction Rate percentage, then SSPND 211 and correspond for Form 940 Schedule A using Letter 142C. <p>b. Enter "1" in 01CRB if not present.</p>
Form 940-EZ has a State Code that is a Credit Reduction state,		<p>Convert to Form 940.</p> <ul style="list-style-type: none"> • IRM 3.12.154.2.31.1, Form 940-EZ Conversion • See IRM 3.12.154.2.31.2, Form 940 (Revision 2005 and Prior) Conversion to Current Year
The return is an amended return and CCC "G" is not present,		Enter "G" in field 01CCC.
In a credit reduction year, field 01SC1 (Line 1a) and field 01CRB (Line 2) contain entries, or Sections 03, 04, or 05 (of Form 940 Schedule A),	01CRB (Line 2) contain entries, and the State (or states) in field 01SC1 or Section 03, 04 or 05 are not valid credit reduction states.	Delete any entries present in 01CRB.

3.12.154.11.29
(01-01-2020)

(1) Error Code 220 will display as follows:

**Error Code 220 - Credit
Reduction State Code
Validity**

Field Designator	Field Name	Field Length
01TXP	Tax Year	4
01SC1	State Code	2
01MSB	Multi-State Indicator	1
01CRB	Credit Reduction Indicator	1
03S01 - 03S26	State Code & Credit Wages 1 through State Code & Credit Wages 26	17
04S27 - 04S52	State Code & Credit Wages 27 through State Code & Credit Wages 52	17
05S53	State Code & Credit Wages 53	17

3.12.154.11.29.1
(01-01-2024)

Invalid Conditions (EC 220)

- (1) Credit Reduction wages are present, and no State Code is present.
- (2) A Credit Reduction wage amount is present for a state that is not subject to Credit Reduction.

Note: For a list of valid Credit Reduction States and Rates See Exhibit 3.12.154-15, Credit Reduction States and Rates (TY 2023 - 2004).

3.12.154.11.29.2
(01-01-2022)

Correction Procedures (EC 220)

- (1) Compare the screen display to the return for editing and transcription errors:

If	Then
Editing and Transcription errors exist,	Make the proper corrections.
The taxpayer has shown a Credit Reduction wage amount and has not paid wages to a state subject to Credit Reduction,	<ol style="list-style-type: none"> a. Delete the erroneous entry in Section(s) 03, 04 and 05, as applicable. Do not delete the section unless there is only one entry. b. If only one state is present, enter it into 01SC1. Delete the entry in 01MSB if present. c. Delete the entry in 01CRB, if it is present. d. Send TPNC 08 if Error Code 242 displays.

3.12.154.11.30
(01-01-2016)

Error Code 222 - Credit Reduction Validity

- (1) Error Code 222 will display as follows:

Field Designator	Field Name	Field Length
01TXP	Tax Year	4
02TCR	Total Credit Reduction Amount	10

3.12.154.11.30.1 (1) The Total Credit Reduction Amount is present, and the Tax Year is not 2009 - 2023.
(01-01-2024)
Invalid Condition (EC 222)

3.12.154.11.30.2 (1) Compare the screen display to the return for editing and transcription errors:
(01-01-2024)
Correction Procedures (EC 222)

If	Then
Editing and Transcription errors exist,	Make the proper corrections.
The Tax Year is not (an earlier CR year), or 2009 - 2023,	a. Delete Field 02TCR. b. Delete the entry in 01CRB, if present. c. Send TPNC 08 if Error Code 242 displays.

3.12.154.11.31 (1) Error Code 225 will display as follows:
(01-01-2016)
Error Code 225 - Total Taxable Wages **Note:** Error code 225 should only generate for Tax Year 2011 returns. For any other year, the return will bypass this error condition.

Field Designator	Field Name	Field Length
01TXP	Tax Year	4
02TTW	Total Taxable Wages	15
02TTW>	Total Taxable Wages (computer)	15
02W08	FUTA Wages paid before 7/1/2011	15
02W06	FUTA Wages paid after 06/30/2011	15

3.12.154.11.31.1 (1) Error Code 225 generates when the Tax Period is equal to 201112 and difference between Total Taxable Wages computer (02TTW>) amount and Total
(01-01-2016)
Invalid Condition (EC 225)

Note: For Tax Year 2011, Total Taxable Wages- Computer amount is the total of Form 940, lines 7b and 7d (fields 02W08 and 02W06, respectively).

- 3.12.154.11.31.2
(01-01-2022)
Correction Procedures (EC 225)
- (1) Compare the screen display to the entries on the return and make the proper corrections.
 - (2) All procedures for Error Code 225 should be followed in the order listed to properly resolve the error condition.

- 3.12.154.11.31.2.1
(01-01-2022)
IRC 6020(b) Returns (EC 225)
- (1) If the return is an IRC 6020(b) return and Lines 7b, 7c, 7d, and 7e are all zero or blank or if Lines 7b and 7d do not equal Line 7a, do the following:
 - a. SSPND with Action Code 640.
 - b. Attach Form 4227 with a notation "UN Proc. See Lines 7b, 7c, 7d, and 7e".
 - c. Route the non-processable IRC 6020(b) return to:

Internal Revenue Service
2970 Market St.
Mail Stop 5-E04.114
Philadelphia, PA 19104

- 3.12.154.11.31.2.2
(01-01-2016)
Line 7a - Total Taxable FUTA Wages (EC 225)
- (1) Line 7a is the taxpayer amount for Total Taxable FUTA Wages and is the sum of lines 4 and 6 amounts.
 - (2) Manually compute line 7a as follows:
 - a. Manually compute line 6 and enter the result on line 6 if different than taxpayer entry.
 - b. Manually compute line 7a and enter the result on line 7a if it's different than taxpayer entry.

- 3.12.154.11.31.2.3
(09-15-2017)
Field 02TTW> - Total Taxable FUTA Wages Computer (EC 225)
- (1) Field 02TTW> is the Total Taxable FUTA Wages Computer amount for line 7a. This computer-generated amount is the sum of lines 7b and 7d amounts.
 - (2) If Field 02TTW> differs from line 7a, do the following:

If	And	Then
Line 7b is zero, blank, or none,	Line 7c is greater than zero, blank or none,	Divide line 7c entry by .008 and enter the result on line 7b and in Field 02W08.
Line 7b is zero, blank, or none,	Line 7c is zero, blank or none,	<ul style="list-style-type: none"> a. If no amount is present on lines 9, 10, and 11: <ul style="list-style-type: none"> 1. Divide the sum of lines 16a and 16b by .008. 2. Enter the result on line 7b and in Field 02W08. b. If an amount is present on lines 9, 10, or 11, SSPND 211 and correspond for line 7b amount. Use Letter 142C.

If	And	Then
Line 7d is zero, blank, or none,	Line 7e is greater than zero, blank or none,	Divide line 7c entry by .006 and enter the result on line 7d and in Field 02W06.
Line 7d is zero, blank, or none,	Line 7e is zero, blank or none,	a. If no amounts are present on lines 9, 10, and 11: <ol style="list-style-type: none"> Divide the sum of lines 16c and 16d by .006. Enter the result on line 7d and in Field 02W06. b. If an amount is present on lines 9, 10, or 11, SSPND 211 and correspond for line 7d amount. Use Letter 142C.
An amount is present on lines 7b and 7d, or If either of these lines were entered according to above instructions,	The sum of lines 7b and line 7d is less than Line 7a,	SSPND 211 and correspond regarding the discrepancy of the amounts for lines 7a, 7b and 7d. Use Letter 142C.
An amount is present on lines 7b and 7d, or If either of these lines were entered according to above instructions,	The sum of lines 7b and 7d is greater than line 7a,	Correspond with the taxpayer using Letter 142C. (Suggested paragraph L).

3.12.154.11.31.2.4
(01-01-2017)

(1) If the return was prepared on a Form 940 revision form other than a 2011 revision:

**Line 8 - Form 940 Other
Than 2011 Revisions (EC
225)**

If	Then
Line 8 greater than zero,	Multiple line 7 by .008: <ol style="list-style-type: none"> If the result is equal to line 8 amount, enter the result in Field 02W08. If the result is not equal to line 8 amount, Multiple line 7 by .006: <ol style="list-style-type: none"> If the result is equal to line 8, enter the result on line 7d and in Field 02W06. If the result is not equal to line 8, SSPND 211 and correspond with the taxpayer using Letter 142C with the open paragraph.

3.12.154.11.31.2.5
(01-01-2022)

**Suspense Correction
Procedures (EC 225)**

- (1) Reply, No Reply, or insufficient Reply - Use the following table to correct returns that have been suspended for correspondence or reject for other review:

If	And	Then
Line 7b amount is received,		Enter the amount on line 7b and in Field 0208W.
Line 7d amount is received,		Enter the amount on line 7d and in Field 0206W.
Line 7b amount is not received,	No amounts are present on lines 7d and 7e or no amount entered in Field 0206W	Enter the line 7a amount on line 7b and in Field 0208W.
Line 7d amount is not received,	No amounts are present on lines 7b and 7c or no amount entered in Field 0208W	Enter the line 7a amount on line 7b and in Field 0208W.
Sum of lines 7b and 7d is less than line 7a,	Response was received,	Adjust the entry for line 7a, 7b, and 7c according to taxpayer's response,
Sum of lines 7b and 7d is less than line 7a,	Response was not received,	Adjust line 7a and Field 02TTW to equal the amount in Field 02TWW>.
Sum of lines 7b and 7d greater than line 7a, is received,	Response was received,	Adjust the entry for line 7a, 7b, and 7c according to taxpayer's response,
Sum of lines 7b and 7d greater than line 7a, is received,	Response was not received,	Adjust line 7a and Field 02TTW to equal the amount in Field 02TWW>.

3.12.154.11.32
(01-01-2016)

**Error Code 226 -
Schedule Indicator Code
Invalid**

- (1) Error Code 226 will display as follows:

Field Designator	Field Name	Field Length
01CCC	Computer Condition Codes	10
01SIC	Schedule Indicator Code	1
02Q1	Total Tax Liability Amount Quarter 1	14
02Q2	Total Tax Liability Amount Quarter 2	14
02Q3	Total Tax Liability Amount Quarter 3	14
02Q4	Total Tax Liability Amount Quarter 4	14

Note: Error Code 226 is no longer a check for SCRIPS.

3.12.154.11.32.1
(01-01-2016)
Invalid Conditions (EC 226)

- (1) Schedule Indicator Code (SIC) "1" is present in Field 01SIC and the first, second, third and/or fourth quarter tax liability field(s) has an amount present.
- (2) The Schedule Indicator Code (SIC) is blank and the first, second, third and fourth quarter tax liability fields are equal to zero.

3.12.154.11.32.2
(01-01-2023)
Correction Procedures (EC 226)

- (1) Field 01SIC should contain a "1" when:
 - b. Part III, quarterly liabilities, is blank or has negative amounts, or
- (2) Compare the screen display to the entries on the return and make the proper corrections. See the following table:

If	Then
The Schedule Indicator Code of "1" was input in error,	Blank Field 01SIC.
Fields 02Q1 through 02Q4 have entries	<ol style="list-style-type: none"> 1. If the amounts in fields 02Q1 through 02Q4 are transcribed incorrectly, correct the fields from the document. 2. If the amount in Field 02TFT is \$500.00 or less, blank Fields 02Q1 through 02Q4
The return should have been coded "1",	Enter "1" in Field 01SIC.
The quarterly liability cannot be decided from the return or attachments,	Enter "1" in Field 01SIC.
The amounts for Fields 02Q1 through 02Q4 is decided,	Enter the amounts on the screen display. Taxable Wages have been entered in the ROFTL, multiply the wages by .008 and enter the results in 02Q1 to 02Q4.
"Amended," "Revised," "Superseding," or "Duplicate" is notated on the return or attachment,	<ol style="list-style-type: none"> a. Enter "G" in Field 01CCC if not present. b. Delete "1" in Field 01SIC and (CC DLSEC) Section 02.

3.12.154.11.33
(01-01-2016)
Error Code 227 - Total FUTA Taxes (line 7c)

- (1) Error Code will display as follows:
Note: Error code 227 should only generate for Tax Year 2011 returns. For all other years, the return will bypass this error condition.

Field Designator	Field Name	Field Length
01TXP	Tax Year	4
02TTW	Total Taxable Wages	15
02W08	FUTA Wages paid before 7/1/2011	15
02W7c	FUTA Taxes paid before 7/1/2011 (transcribed amount)	15
02W7c>	FUTA Taxes paid before 7/1/2011 (computer) Line 7c	15

3.12.154.11.33.1
(01-01-2016)

Invalid Condition (EC 227)

- (1) Total FUTA Taxes on line 7c (02W7c) is compared with Total FUTA Taxes

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3.12.154.11.33.2
(01-01-2022)

Correction Procedures (EC 227)

- (1) Compare the screen display to the entries on the return and make the proper corrections. See the following table:

If	Then
The taxpayer calculated the field incorrectly,	Enter the amount from 02W7c> into 02W7c.

3.12.154.11.34
(01-01-2016)

Error Code 228 - Total FUTA Taxes (line 7e)

- (1) Error Code 228 will display as follows:

Note: Error code 228 should only generate for Tax Year 2011 returns. For all other years, the return will bypass this error condition.

Field Designator	Field Name	Field Length
01TXP	Tax Year	4
02TTW	Total Taxable Wages	15
02W06	FUTA Wages paid after 06/30/2011	15
02W7e	FUTA Taxes paid after 06/30/2011 x .006 (transcribed amount)	15
02W7e>	Total FUTA Taxes paid after 06/30/2011 (computer) Line 7e	15

3.12.154.11.34.1 (1) Total FUTA Taxes on line 7e (02W7e) is compared with Total FUTA Taxes
(01-01-2016)
Invalid Condition (EC 228)

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3.12.154.11.34.2 (1) Compare the screen display to the entries on the return and make the proper
(01-01-2022) corrections. See the following table:
Correction Procedures (EC 228)

If	Then
The taxpayer calculated the field incorrectly,	Enter the amount from 02W7e> into 02W7e.

3.12.154.11.35 (1) Error Code 229 will display as follows:
(01-01-2016)
Error Code 229 - FUTA Tax Before Adjustment (Line 8)

Field Designator	Field Name	Field Length
01TXP	Tax Year	4
02TTW	Total Taxable Wages	15
02W08	FUTA Wages paid before 7/01/2011	15
02W7c	FUTA Taxes paid before 7/1/2011 (transcribed amount)	15
02W7c>	FUTA Taxes paid before 7/1/2011 (computer)	15
02W06	FUTA Wages paid after 06/30/2011	15
02W7e	FUTA Taxes paid after 06/30/2011	15
02W7e>	Total FUTA Taxes paid after 06/30/2011 (computer)	15
02TBA	FUTA Tax Before adjustments (transcribed)	15
02TBA>	FUTA Tax Before adjustments (computer)	15

3.12.154.11.35.1 (1) Total FUTA tax before adjustment (Line 8) (02TBA) compared to Total FUTA
(01-01-2016) tax before adjustment -computer, (02TBA>) and the difference is greater than
Invalid Condition (EC 229)

#

3.12.154.11.35.2
(01-01-2023)

**Correction Procedures
(EC 229)**

(1) Compare the screen display to the entries on the return and make the proper corrections.

(2) **Tax Year 2012 and later or 2010 and prior:**

If	And	Then
The taxpayer entered the FUTA Tax Before Adjustment amount, (Line 8),	Left line 7 blank,	Enter the amount from 02TBA> into 02TBA.
In response to correcting Error Code 238, Error Code 229 generates,		Enter the amount from 02TBA> into 02TBA.

(3) **Tax Year 2011:**

If	And	Then
The taxpayer calculated the field incorrectly,		Enter the amount from 02TBA> into 02TBA.

If	And	Then
The return tax period is 201112,	The taxpayer entered the FUTA Tax Before Adjustment amount, (Line 8), but left lines 7a and/or 7b through 7e blank,	<ol style="list-style-type: none"> Take the taxpayer's entry on Line 8 of the return and divide it by .014, e.g., .008 + .006, to get the correct amounts for field 02W08, FUTA Wages Before 07-01-2011, and field 02W06, FUTA Wages After 06-30-2011. Enter the amount from Step 1 into fields 02W08 and 02W06. Then, add the new entries of fields 02W08 and 02W06 together to get the Total FUTA Wages, field 02TTW (line 7a). Field 02W7C> and field 02WTE>will generate a corrected field amount. Enter the corrected amount into field 02W7C and 02WTE. If only one Credit Reduction state is shown on the return: <ol style="list-style-type: none"> If the amount on line 11 is equal to the sum of Line 7a. amount multiplied by the Credit Reduction Rate percentage, then enter the Line 7a. amount into the correct Field for Section 03. If the amount on line 11 is not equal to the sum of Line 7a. amount multiplied by the Credit Reduction Rate percentage, then SSPND 211 and correspond for Form 940 Schedule A using Letter 142C. If there are multiple states shown, and there is no evidence of previous correspondence by Code & Edit or ERS, initiate Letter 142C for the correct wages on Form 940 Schedule A for the states. Reply/No Reply procedures: <ol style="list-style-type: none"> If the taxpayer sends the correct information, enter the amount(s) to the correct fields. If there is no reply, or an incomplete reply, enter TPNC 10 and TPNC 12.

3.12.154.11.36
(01-01-2016)

(1) Error Code 230 will display as follows:

**Error Code 230 - Failed
Section 02**

Field Designator	Field Name	Field Length
CL	Clear Code	
01TXP	Tax Year	4
01CCC	Computer Condition Codes	10
01SC1	State Code	2
01MSB	Multi State Indicator	1
01CRB	Credit Reduction Indicator	1
Section 02	Not Present	
Section 03	Present or Not Present	
Section 04	Present or Not Present	
Section 05	Present or Not Present	

3.12.154.11.36.1
(01-01-2016)

Invalid Condition (EC 230)

- (1) There are two or more State Codes present, but Section 02 money fields are not present.

3.12.154.11.36.2
(01-01-2016)

**Correction Procedures
(EC 230)**

- (1) Compare the screen display with the entries on the return and do the following:

If	Then
Money amounts are present on the return for Section 02,	Use CC GTSEC 02 to verify entries, correct entries as necessary.
The State Code is in Sections (03, 04, 05) rather than the State Code Field 01SC1,	a. Use CC GTSEC to make this comparison. b. If only one state is present, delete the entry in Sections 03, 04, or 05. Delete the entry in 01MSB, if present.
Section 02 should not be present and the return is a final return,	a. Verify that "F" is present in Field 01CCC. 1. If present, enter C into the Clear Code Field. 2. If not present, enter F into Field 01CCC. b. If Section 02 is transcribed in error, then delete using CC DLSEC.
The return is an amended return and "G" is not present,	Enter "G" into Field 01CCC.
The State Code "ZZ" is valid but is not present,	Enter "ZZ" into Field 01SC1.
The return is non-taxable,	Enter "C" in the Clear Code Field and transmit.

3.12.154.11.37 (1) Error Code 233 will display as follows:
(01-01-2016)
**Error Code 233 -
Adjustment Amount**

Field Designator	Field Name	Field Length
CL	Clear Code	
02TTW	Total Taxable Wages	15
02ADJ	Adjustment Amount All FUTA Wages Excluded	12
02EXL	Some Excluded FUTA Wages or Late Payment	12
02TCR	Total Credit Reduction Amount	10

3.12.154.11.37.1 (1) This field is invalid if there is an entry on Line 9 (02ADJ) **and** Line 10 (02EXL).
(01-01-2016)
**Invalid Conditions (EC
233)**

3.12.154.11.37.2 (1) Compare the screen display to the entries on the return and make the proper
(01-01-2022) corrections. See the following table:
**Correction Procedures
(EC 233)**

If	Then
There is an entry in 02ADJ and 02EXL,	Delete the entry in 02EXL.

3.12.154.11.38 (1) Error Code 234 will display as follows:
(01-01-2020)
**Error Code 234 - Credit
Reduction**

Field Designator	Field Name	Field Length
CL	Clear Code	
01TXP	Tax Year	4
02TTW	Total Taxable Wages	15
02W08	FUTA Wages Before 7-1-11	15
02W7C	Tax on FUTA Wages Before 6-30-11	15
02W06	FUTA Wages After 6-30-11	15

Field Designator	Field Name	Field Length
02W7E	Tax on FUTA Wages Before 7-1-11	15
02ADJ	Adjustment Amount All FUTA Wages Excluded	12
02EXL	Some Excluded FUTA Wages or Late Payment	12
02TCR	Total Credit Reduction Amount	13
02W60>	Total Taxable Wages x 060 -Computer	15

3.12.154.11.38.1
(01-01-2016)

Invalid Conditions (EC 234)

- (1) Error Code 234 will generate when Adjustment Amount Line 9 and Credit reduction Total Line 11 are present and the difference between Total Taxable

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3.12.154.11.38.2
(02-15-2023)

Correction Procedures (EC 234)

- (1) Compare the screen display to the entries on the return and make the proper corrections. See the following table:

Note: See Exhibit 3.12.154-15 for Credit Reduction States and Rates.

If	Then
There is an entry in 02ADJ and 02TCR,	Enter a "C" in the Clear Code Field.

3.12.154.11.39
(01-01-2016)

Error Code 236 - Total Credit Reduction Amount Invalid

- (1) Error Code 236 will display as follows:

Field Designator	Field Name	Field Length
01TXP	Tax Year	4
Section 02	Not Present	
02TCR	Total Credit Reduction Amount	10
>>> >	Total Credit Reduction Amount Computer	
Section 03	(If Present)	
Section 04	(If Present)	
Section 05	(If Present)	

3.12.154.11.39.1
(01-01-2016)
Invalid Condition (EC 236)

(1) The Total Credit Reduction Amount does not equal the Total Credit Reduction

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3.12.154.11.39.2
(01-01-2024)
Correction Procedures (EC 236)

(1) When there is more than one Credit Reduction state involved, after calculating each State's Credit Reduction amount, the computer will arrive at a cumulative Total Credit Reduction under-print amount. Compare the screen display to the entries on the return and make any proper corrections.

Note: The computer uses the cumulative computer amount to compute Total Tax and Balance Due/Overpayment.

If	Then
Field 02TCR under-prints,	<p>a. Verify the taxpayer's computation of Total Credit Reduction. See Exhibit 3.12.154-15, Credit Reduction States and Rates (TY 2023 - 2004), for each tax year and the applicable tax rates.</p> <p>b. Correct any math errors in order to resolve the difference between Field 02TCR and 02TCR>>.</p> <p>c. Verify the correct amount in field 02TCR is the same as shown on return line 11.</p> <p>d. After all corrections have been made and Field 02TCR is still differs from Total Credit Reduction Amount Computer, Enter the Total Credit Reduction Amount Computer amount into Field 02TCR</p> <p>Note: The computer multiplies each transcribed Credit Reduction wage amount by the applicable state Credit Reduction percentage for the return tax year</p>

3.12.154.11.40
(01-01-2020)
Error Code 238 - Total Taxable Wages

(1) Error Code 238 will display as follows:

Field Designator	Field Name	Field Length
02TTW	Total Taxable Wages	15
>>>>	Total Credit Reduction Wage Computer	
S03NP	Section 03 Not Present	
03S01 - 03S26	State Code & Credit Wages 1 through State Code & Credit Wages 26	17
S04NP	Section 04 Not Present	
04S27 - 04S52	State Code & Credit Wages 27 through State Code & Credit Wages 52	17
05S53	State Code & Credit Wages 53	17

3.12.154.11.40.1
(01-01-2016)

Invalid Condition (EC 238)

- (1) Error Code 238 generates when the Total Credit Reduction Wages Computer (Form 940, Schedule A) total is greater than Line 7 (Field 02TTW) Total

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3.12.154.11.40.2
(01-01-2023)

Correction Procedures (EC 238)

- (1) If Field 02TTW> amount is greater than Field 02TTW (Line 7):
a. **For Tax Periods 2012 and later or 2010, and prior:**

If	Then
The return is a single state filer subject to Credit Reduction,	Enter the field 02TTW computer under-print amount into field 02TTW.
A multi-state return or the correct taxable wages figure cannot be decided from the return or attachments,	<p>a. CC SSPND with AC 211 for correspondence.</p> <p>b. There is no reply, or an inadequate reply from the correspondence:</p> <ol style="list-style-type: none"> 1. Bring up field 02TTW>> under-print. 2. If Error Code 229 displays, bring up field 02TBA>> underprint.

- b. **For Tax Period 2011:**

If	Then
The Credit Reduction Wages-Computer shown is greater than the Total Taxable Wages and it is a single state filer subject to Credit Reduction,	<ol style="list-style-type: none"> The Credit Reduction State Wages- Computer should be lower than or equal to the Total Taxable Wages amount. Enter the field 02TTW under-print amount into field 02TTW. If Error Code 225 generates, compute the difference between Field 02TTW and the return total of Lines 7b + 7d. Add the computed difference and Line 7b amount, into Field 02W08. If Error Code 227 generates,, Accept field 02W7C> under-print and enter into Field 02WTC. If, Error Code 229 generates, accept 02TBA > under-print and enter into Field 02TBA.
A multi-state return or the correct taxable wages figure cannot be decided from the return or attachments,	CC SSPND with "AC 211" for correspondence.
There is no reply, or an inadequate reply from correspondence,	<ol style="list-style-type: none"> Bring up field 02TTW>> under-print. If Error Code 225 displays, subtract field 02TTW>> from the field 02TTW. Add the difference to the entry in field 02W08. If Error Code 227 displays, bring up field 02W7C>> under-print. If Error Code 229 displays, bring up field 02TBA>> under-print.

3.12.154.11.41
(01-01-2022)

(1) Error Code 242 will display as follows:

**Error Code 242 - Total
FUTA Tax**

Field Designator	Field Name	Line Number
NC	Notice Code	
01CCC	Computer Condition Codes	Line 15 in front of the "Check one" reference
01TXP	Tax Year	Upper right corner
01MSB	Multiple State Indicator Box	Line 1b Box
01CRB	Credit Reduction Indicator Box	Line 2 Box
02TBA>	FUTA Tax Before Adjustments	Line 8 computer under print
02ADJ	Adjustment Amount	Line 9
>>>>>	Adjustment Amount Computer	Line 9 computer under print
02EXL	Some Excluded FUTA Wages	Line 10
02TCR	Total Credit Reduction Amount	Line 11
>>>>>	Total Credit Reduction Amount Computer	Line 11 computer under print
02TTW	Total Taxable Wages	Line 7
>>>>>	Total Credit Reduction Wages Computer	Line 7 computer under print
02W7C	Tax on FUTA Wages Paid Before 7-1-11	Line 7C (TY2011 Only)
02W7E	Tax on FUTA Wages Paid After 6-30-11	Line 7E (TY2011 Only)
02TFT	Total Tax Taxpayer	Line 12
>>>>>	Total Tax Computer	Line 12 computer under print
02W54>	Total Taxable Wages x .054 Computer	Line 9 computer-generated amount (TY13 and 12)
02W60>	Total Taxable Wages x .060 computer	
02W62>	Total Taxable Wages x .062 Computer	
Section 03	(If Present)	
Section 04	(If Present)	
Section 05	(If Present)	

3.12.154.11.41.1
(01-01-2016)

Invalid Condition (EC 242)

(1) Error Code 242 will generate when Total Tax Taxpayer amount does not equal

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3.12.154.11.41.2
(01-01-2022)
**Correction Procedures
(EC 242)**

- (1) Always consider the taxpayer's intent in your error correction resolution by reviewing the return and/or attachments. Using these guidelines will help you resolve your error correction cases.
- (2) Compare the screen display to the entries on the return and correct any editing (including misplaced entries) and transcription errors.
- (3) All procedures in Error Code 242 should be implemented if they are applicable prior to assigning a TPNC.
- (4) Issue a TPNC when proper and correspond with the taxpayer when needed. If the taxpayer has made more than one error, then assign all applicable TPNCs.

Note: It is best prior to assigning a TPNC that all procedures are read to ensure all applicable TPNCs to be assigned are shown.

3.12.154.11.41.2.1
(01-01-2017)
**Field 02TTW - Total
Taxable Wages Amount
(Line 7) (EC 242)**

- (1) Field 02TTW is the Total Taxable Wages amount for line 7 (line 7a 2011 Rev.). This amount is the result of line 3 amount subtracted by line 6 amount.
- (2) A computer amount will display an amount for Total Taxable Wages Computer in Field >>>>> just underneath Field 02TTW. This computer-generated amount is the sum of the amounts from Form 940 Schedule A (7b and 7d 2011 Rev.).
- (3) If the line 7 (line 7a, Revision 2011) amount differs from Field 02TTW>, then follow the procedures in the table below:

If	And	Then
Line 3 amount is zero, blank, or none,	Type of return box c is not marked,	<ol style="list-style-type: none"> a. If line 6 is not zero blank or none, enter the sum of lines 6 and 7 (7a TY2011) amounts on line 3. b. If line 6 is zero blank or none, and no amount is present on lines 4 and 5: <ol style="list-style-type: none"> 1. CC SSPND with AC 211 or AC 215 for International returns, correspond for line 3 through 6 amounts. 2. Use Letter 142C, suggested paragraph B to show the line with the missing information (or, the local letter paragraph, according to center policy).
Line 6 amount is zero, blank, or none,	Lines 4, and 5 are blank, zero, dash or none,	Enter the difference between line 3 and 7 (7a TY2011) amounts, on line 6.
Line 6 amount is zero, blank, or none,	An amount is present on lines 4 or 5,	Enter the sum of lines 4 and 5 on line 6.

If	And	Then
An amount is present on line 6,		Manually compute line 7 (7a TY2011) by subtracting line 6 amount from line 3 amount and enter the result on line 7 (7a TY2011) and in Field 02TTW if different than taxpayer's entry.

3.12.154.11.41.2.2
(01-01-2022)

**Field 02W7C> and
02W7E> -Tax On FUTA
Wages Paid Before
7-1-11 (Line 7c) and Tax
on FUTA Wages Paid
After 6-30-11 (Line 7e)
(EC 242)**

- (1) Field 02W7C> is the computer amount for Tax On FUTA Wages Paid Before 7-1-11 line 7c amount and is computed by multiplying line 7b amount by .008.
- (2) Field 02W7E> is the computer amount for Tax On FUTA Wages Paid After 6-30-11 line 7e amount and is computed by multiplying line 7d amount by .006.
- (3) If any of the following condition are present, then follow the correction procedures in the table below:
 - Line 7a amount differs from Field 02TTW>
 - Line 7b amount differs from Field 02W7C>
 - Line 7d amount differs from Field 02W7E>

If	And	Then
Line 7b is zero, blank, or none,	Line 7c is greater than zero, blank or none,	Divide line 7c entry by .008 and enter the result on line 7b and in Field 02W08.

If	And	Then
Line 7b is zero, blank, or none,	Line 7c is zero, blank or none,	<p>a. If no amount is present on lines 9, 10, and 11:</p> <ol style="list-style-type: none"> 1. Divide the sum of lines 16a and 16b by .008. 2. Enter the result on line 7b and in Field 02W08. <p>b. If an amount is present on lines 9, 10, or 11:</p> <ol style="list-style-type: none"> 1. SSPND 211 and correspond for line 7b amount. 2. Use Letter 142C with the following paragraph: <i>We are unable to verify your Taxable FUTA Wages on Part II, Line 7a, and/or line(s) 7b and 7d. Without this information we cannot correctly compute your tax liability. Please give us the correct amounts for Part II, Line 7a, and/or line(s) 7b and 7d. If you paid wages in credit reduction state(s), please complete and return Form 940 Schedule A. (Revision 2011)</i>
Line 7d is zero, blank, or none,	Line 7e is greater than zero, blank or none,	Divide line 7c entry by .006 and enter the result on line 7d and in Field 02W06.

If	And	Then
Line 7d is zero, blank, or none,	Line 7e is zero, blank or none,	<p>a. If no amounts are present on lines 9, 10, and 11:</p> <ol style="list-style-type: none"> 1. Divide the sum of lines 16c and 16d by .006. 2. Enter the result on line 7d and in Field 02W06. <p>b. If an amount is present on lines 9, 10, or 11:</p> <ol style="list-style-type: none"> 1. SSPND 211 and correspond for line 7d amount. 2. Use Letter 142C with the following paragraph: <i>We are unable to verify your Taxable FUTA Wages on Part II, Line 7a, and/or line(s) 7b and 7d. Without this information we cannot correctly compute your tax liability. Please give us the correct amounts for Part II, Line 7a, and/or line(s) 7b and 7d. If you paid wages in credit reduction state(s), please complete and return Form 940 Schedule A. (Revision 2011)</i>
An amount is present on lines 7b and 7d, or If either of these lines were entered according to above instructions,	The sum of lines 7b and line 7d is less than Line 7a,	SSPND 211 and correspond regarding the discrepancy of the amounts for lines 7a, 7b and 7d. Use Letter 142C.
An amount is present on lines 7b and 7d, or If either of these lines were entered according to above instructions,	The sum of lines 7b and 7d is greater than line 7a,	Correspond with the taxpayer using Letter 142C. (Suggested paragraph K), Revision April 2013.

3.12.154.11.41.2.3
(01-01-2016)

**Field 02TBA> - Total
FUTA Tax Before
Adjustments Computer
(Line 8) (EC 242)**

- (1) Field 02TBA> is the Total FUTA Tax Before Adjustments Computer amount for line 8 of Form 940 or Form 940.
- (2) For Tax Years 2012 and later Field 02TBA> is computed by multiplying Field 02TTW> amount by .006. For 2010 and prior multiply by .008.
- (3) For tax Year 2011 Field 02TBA> is computed from the sum of Fields 02W7C and 02W7E> amounts.
- (4) If line 8 amount differs from Field 02TBA> amount, then do the following:

If	And	Then
Line 8 and all subsequent lines are blank,	The taxpayer has notated Not Liable on the return,	<ol style="list-style-type: none"> Research INOLES for the Employment Code "W" and BMFOLI for no Y code present in RET PST. IF Employment Code is "W" and "Y" is not present in RET PST on BMFOLI, then delete the entry in Field 02TTW and enter "F" in Field 01CCC. IF Employment Code is not "W" and "Y" is present in RET PST on BMFOLI, then do the following: <ol style="list-style-type: none"> SSPND with AC "211". Correspond for explanation of any entries on Lines 5 through Line 7 (Line 7d, Rev. 2011). If reply shows entry of wages was in error, delete the wage amount from Field 02TTW. If no reply or unsatisfactory response, do not delete the wage amount from Field 02TTW. Follow processing procedures to calculate the tax.
The amount on line 8 is equal to the result of the amount on line 7 multiplied by .060,		<ol style="list-style-type: none"> Consider the taxpayer is paying the maximum tax and do the following: <ol style="list-style-type: none"> Enter on line 8 and in Field 02TBA the result of Line 7 amount multiplied by .006. Enter on Line 9 and into Field 02ADJ the result of Line 7 amount multiplied by .054.

3.12.154.11.41.2.4
(01-01-2024)

**Field 02ADJ -
Adjustment Amount
(Line 9), Field 02EXL -
Some Excluded FUTA
Wages (Line 10) and
Field 02TCR - Total
Credit Reduction (Line
11) (EC 242)**

- (1) Fields 02ADJ, 02EXL, and 02TCR must always be a positive number.
- (2) Use the procedures in the table below to make necessary adjustments to Fields 02ADJ, 02EXL, and 02TCR:

If	And	Then
<p>The Tax year of the return is 2012 and later or 2010 - 2006</p> <p>Reminder: As you go through the following procedures, consider taxpayer intent. Verify the taxpayer has not entered an amount on an incorrect line.</p>	<p>The amount for Line 8 and Line 12 are not the same,</p>	<p>Subtract Line 8 and Line 11 from Line 12:</p> <p>a. If the difference is equal to the result of the Line 7 amount multiplied by .054, enter the difference into Field 02ADJ.</p> <p>b. If the difference is not equal to the result of the Line 7 amount multiplied by .054</p> <ul style="list-style-type: none"> • Enter this amount into Field EXL. • Delete the amount in Field 02ADJ if present. • If EC 233 generates enter "C" in Clear Code Field. • Assign TPNC14.
<p>The Tax year of the return is 2011 Tax Year,</p> <p>Reminder: As you go through the following procedures, consider taxpayer intent. Verify the taxpayer has not entered an amount on an incorrect line.</p>	<p>The amount for Line 8 and Line 12 are not the same,</p>	<p>Subtract Line 8 and Line 11 from Line 12:</p> <p>a. If the difference is equal to the sum of Line 7a multiplied by .054, Line 7c and Line 7e amounts, then enter the difference into Field 02ADJ.</p> <p>b. If the difference is not equal to the sum of Line 7a multiplied by .054 and Line 7c and 7e amounts, then enter the difference into Field 02EXL</p> <ul style="list-style-type: none"> • Enter this amount on Line 10 and Field EXL. • Delete the amount in Field 02ADJ if present. • If EC 233 generates enter "C" in Clear Code Field. • Assign TPNC14.
<p>If line 11 has an amount,</p>		<p>a. Verify if the state or States (Form 940 Schedule A) are eligible for credit reduction.</p> <p>b. Make any corrections if needed to Section 03, 04, or 05. See Exhibit 3.12.154-15, Credit Reduction States and Rates (TY 2023 - 2004):</p>

3.12.154.11.41.2.5
(01-01-2022)
**Fields 02TFT and
(>>>>>) - Total Tax
Taxpayer (Line 12) and
Total Tax Computer
Under-print (EC 242)**

- (1) Field 02TFT is taxpayers entry for Line 12.
- (2) If IRC 6020(b) is notated on the return See IRM 3.12.154.2.10(3), IRC 6020(b) Prepared by Collections, and do the following:

If	Then
The return is a processable return,	<ol style="list-style-type: none"> a. Enter CCC "4" on return and in Field 01CCC if missing. b. Subtract 02TBA (Line 8) from 02TFT (Line 12): <ol style="list-style-type: none"> 1. If the result is equal to Field 02W54> (02W60> and/or 02W62> for TY2011) amount, then enter into Field 02ADJ (Line 9) the amount in Field 02W54>, (02W60> , and 02W60> TY2011). 2. If the result is not equal to Field 02W54>, (02W60>, and 02W62> for TY2011) amount, then enter the result from paragraph 2. above into Field 02EXL (Line 10).
The return is not a processable return,	See IRM 3.12.154.2.10, IRC 6020(b) Prepared by Collections.

- (3) If the line 12 amount differs from Total Tax Computer Under-print, then follow the procedures in the table below:

Note: If the return is prepared under IRC 6020(b) do not assign a TPNC and follow the procedures in (3) below.

If	Then
Line 7 (TY 2012 and later or TY 2010 through 2006) amount differs from Field 02TTW, or Instructed to enter the Line 7 computer under-print amount into Field 02TTW in EC 238,	Assign TPNC 09.
Line 7a (TY2011) amount differs from Field 02TTW	Assign TPNC 09.
Line 7c (TY2011) differs from Field 02W7C> ,	Assign TPNC 12.
Line 7e (TY2011) differs from Field 02W7E>	Assign TPNC 12.
If the taxpayer has correctly figured Line 8 but has no amounts on line 9 through 12,	Enter the amount from Line 8 into Field 02TFT and 02B/R if blank.
Line 8 amount differs from Field 02TBA>, or Adjusted Field 02TBA in Error Code 229,	Assign TPNC 12.
Line 9 amount differs from Field 02ADJ computer under-print,	Assign TPNC 13.
Line 10 amount differs from Field 02EXL amount,	Assign TPNC 14.
Line 11 amount differs from Field 02TCR computer under-print,	Assign TPNC 08.

If	Then
The taxpayer made an error in computing line 12 using his original entries from lines 8, 9, 10, and 11, or The taxpayer did not compute line 12 and has made a previous math error,	a. For Tax Year 2006 and later, assign TPNC 15. b. For Tax Year 2005 and prior assign TPNC 02.

3.12.154.11.41.3
(01-01-2022)

(1) Use the following table to correct returns that have been suspended for correspondence (reply or no reply) or rejected for other review:

**Suspense Correction
(EC 242)**

If	Then
The return is no-reply to correspondence or the information provided is incomplete regarding a multi-state return or the correct taxable wages figure cannot be decided from the return or attachments,	Assign TPNC 10.

3.12.154.11.41.4
(01-01-2017)

(1) This table shows the allowable Taxpayer Notice Code for Error Code 242:

**Allowable Taxpayer
Notice Codes (EC 242)**

TPNC	Literal
01	We found an error in the computation of the balance due or overpayment amount.
02	We found an error in the computation of your Federal Unemployment Tax.
05	We found payments were incorrectly reported as exempt from federal unemployment tax.
08	We found an error in the computation of the Credit Reduction amount.
09	We found an error in the subtraction of the exempt payments from the total payments.
10	We adjusted your tax as shown because we didn't receive a reply to our request for additional information.
11	We found an error in the computation of federal unemployment tax on Part I, Line 6 of Form 940-EZ.
12	We found an error in the computation of your FUTA tax before adjustments.
13	We found an error in the computation of the amount of FUTA wages that were excluded from state unemployment tax.

TPNC	Literal
14	We found an error in the computation of some FUTA wages that were excluded from state unemployment tax, or state unemployment tax that was paid late.
15	We found an error in the computation of your Total FUTA tax after adjustments.
16	We adjusted your tax as shown because we didn't receive a reply to our request for Part 2 of Form 940 Schedule A.
26	We found the amount reported as total Federal Tax Deposits for the year differs from the amount we have credited to your account (ECC-MTB generated).
27	We found an error in the computation of exempt payments. The wages of Corporate Officers are not exempt from federal unemployment tax. The first \$7,000.00 of each officer's wages are fully taxable at the current prevailing rate. We have adjusted your tax accordingly.
28	We didn't receive a reply to our request for additional information. Therefore, we have added all of the officers' wage amounts to your total taxable wages and assessed tax accordingly. Corporate Officers' Wages are taxable on the first \$7,000.00, paid at the current prevailing rate.
90	Blank is a fill-in notice code. Use when no other notice code fully explains the adjustment or when more than three notice codes are necessary. Can be used in conjunction with other notice codes.

3.12.154.11.42

(1) Error Code 244 will display as follows:

(01-01-2016)

Error Code 244 - FTD**Penalty Taxpayer Entry****Valid**

Field Designator	Field Name	Field Length
01TXP	Tax Year	4
02TFT	Total Tax Taxpayer	15
>>> >	Total Tax Computer	
02FD	FTD Penalty Taxpayer	10
>>> >	FTD Penalty Computer	

3.12.154.11.42.1

(1) FTD Penalty Taxpayer has an entry and Total Tax Computer is zero.

(01-01-2016)

Invalid Condition (EC**244)**

3.12.154.11.42.2 (1) Compare the screen display to the entries on the return:
(01-01-2022)

**Correction Procedures
(EC 244)**

If	Then
Editing and transcription errors exist,	Make the proper corrections.
Field 02FD is present, and the Total Taxes entered by the taxpayer are a negative amount,	Delete Field 02FD.
Field 02FD is present, and Total Tax Computer is zero,	Delete Field 02FD.

3.12.154.11.43 (1) Error Code 246 will display as follows:
(01-01-2016)

**Error Code 246 - Total
Tax Taxpayer Above
Tolerance**

Field Designator	Field Name	Field Length
01TXP	Tax Year	4
02TFT	Total Tax Taxpayer	15
>>> >	Total Tax Computer	
02FD	FTD Penalty Taxpayer	10
>>> >	FTD Penalty Computer	
02B/R	Balance Due/Overpayment Taxpayer	15
>>> >	Balance Due/Overpayment Computer	

3.12.154.11.43.1 (1) FTD Penalty Taxpayer and Total Tax Computer are present and FTD Penalty is
(01-01-2016) #
Invalid Condition (EC #
246)

3.12.154.11.43.2 (1) Compare the screen display to the entries on the return:
(01-01-2022)
**Correction Procedures
(EC 246)**

If	Then
Editing and transcription errors exist,	Make the proper corrections.
There are no transcription errors and Field 02FD>> under-print has a lesser amount,	a. Bring up the under-print. Change Field 02B/R by the amount of the adjustment. b. Correct the applicable lines on the return.

3.12.154.11.44 (1) Error Code 248 will display as follows:

(01-01-2016)

**Error Code 248 - FTD
Credit Entry**

Field Designator	Field Name	Field Length
CL	Clear Code	
02TFT	Total Tax Taxpayer	15
>>> >	Total Tax Computer	
02FCC	FTD Credit Claimed Amount	15

3.12.154.11.44.1 (1) FTD Credit Claimed Amount is present, and Total Tax Computer is zero.

(01-01-2016)

**Invalid Condition (EC
248)**

3.12.154.11.44.2 (1) Always consider the taxpayer's intent in your error correction resolution by reviewing the return and/or attachment.

(01-01-2022)

**Correction Procedures
(EC 248)**

(2) Compare the screen display to the entries on the return:

If	Then
Editing and transcription errors exist,	Make the proper corrections.
The taxpayer enters the same amount on Line 3 and Line 4, no boxes are checked and the written justification is not applicable,	<p>a. SSPND 211 Correspond to request an explanation of why the entry on Line 3 is the same as Line 4. Let them know the written justification is not applicable. Use the following open paragraph:</p> <p><i>“The amounts shown on the form as total payments to all employees Line 3 and payments exempt from FUTA tax line 4 cannot be the same. Please give the correct amounts or an explanation as to why these amounts are the same.”</i></p> <p>b. No reply See Exhibit 3.12.154-7, No Reply / Undeliverable Chart.</p>
The taxpayer enters the same amount on Line 4 and Line 5, no boxes are checked and the written justification is not applicable,	<p>a. SSPND 211 Correspond to request an explanation of why the entry on Line 4 is the same as Line 5. Use the following open paragraph:</p> <p><i>“The amounts shown on the form as payments exempt from FUTA tax line 4 and total exempt payments made to employees in excess of \$7,000 line 5 cannot be the same. Please give the correct amounts or an explanation as to why these amounts are the same.”</i></p> <p>b. No reply See Exhibit 3.12.154-7, No Reply / Undeliverable Chart.</p>
The taxpayer enters the same amount on Line 3 and Line 5, and the net result causes Line 7 (TY 2012 and later, or 2010 and prior, or Line 7a for TY 2011) to be zero (Non-taxable return),	<p>a. SSPND 211 Correspond to request an explanation of why the entry on Line 3 is the same as Line 5. Use paragraph J.</p> <p>b. No reply See Exhibit 3.12.154-7, No Reply / Undeliverable Chart.</p>
The return is truly non-taxable,	Enter a “C” in the Clear Code Field.

3.12.154.11.45 (1) Error Code 250 will display as follows:

(01-01-2016)

**Error Code 250 -
Remittance Amount
Invalid**

Field Designator	Field Name	Field Length
RMIT	Remittance Amount	
01CCC	Computer Condition Codes	10
02TFT	Total Tax Taxpayer	15

3.12.154.11.45.1
(01-01-2016)
Invalid Condition (EC 250)

- (1) Total Tax Taxpayer is blank, but a Remittance Amount is present, and CCC “G” is not present.

3.12.154.11.45.2
(01-01-2022)
Correction Procedures (EC 250)

- (1) Compare the screen display to the entries on the return and make the proper corrections.
- (2) **Field RMIT** is a non-correctable field:
- RMIT is the amount of the payment received with the return.
 - It is found on the Balance Due line of the return.
 - A full-paid return is designated by a “**green rocker**”.
 - A part-paid return has the remittance amount entered in “**green**” beside the taxpayer’s entry on the balance due line.

If	Then
The return shows amended, revised, superseding, duplicate, or any other positive indication the return is not the first return filed for this tax period,	Enter CCC “G” in Field 01CCC.
There is a significant entry on 02TBA (Line 8), 02ADJ (Line 9), 02EXL (Line 10) and /or 02TCR (Line 11),	Enter the total of Lines 8 through 11 into 02TFT (Line 12).
“RPS” displays on the screen, no remittance is present, and the Total Tax is blank,	Enter “1” in Field 02 TFT.
The remittance equals the refund amount or was sent only for penalties and/or interest,	Enter “1” in Field 02TFT.

3.12.154.11.46
(01-01-2016)
Error Code 252 - Balance Due/Overpayment Taxpayer is Over Tolerance

- (1) Error Code 252 will display as follows:

Field Designator	Field Name	Field Length
NC	Notice Code	4
01CCC	Computer Condition Codes	10
01ARN	Applied Refund Indicator	1
02TFT	Total Tax Taxpayer	15
>>> >	Total Tax Computer	
02FCC	FTD Credit Claimed Amount	15
02B/R	Balance Due/Overpayment Taxpayer	15
>>> >	Balance Due/Overpayment Computer	
02FD	FTD Penalty Taxpayer	10

3.12.154.11.46.1
(01-01-2016)

Invalid Condition (EC 252)

- (1) Balance Due/Overpayment Taxpayer is compared to Balance Due/

#

3.12.154.11.46.2
(01-01-2023)

Correction Procedures (EC 252)

- (1) **Field 02B/R** is plus or minus.
- (2) The Total Tax (Field 02TFT) minus Federal Tax Deposits FTD (Field 02FCC), plus the Failure to Deposit Penalty (Field 02FD) equals Balance Due/Overpayment, (02B/R)
(02TFT-02FCC+02FD=02B/R).
- (3) Compare the screen display to the entries on the return and correct any editing (including misplaced entries) and transcription errors:

If	Then
The return was prepared under IRC 6020(b),	<ul style="list-style-type: none"> a. This should be noted on the return and CCC "4" entered on the return and in Field 01CCC. b. Do not send a TPNC or correspond. c. Perfect the tax based on information from the return or attachments or use the revenue officer/agent's Total Tax and back in to any amounts needed to support that tax.
The IRC 6020(b) return is non-processable,	Refer it to your supervisor to contact the Compliance Services function.
A balance due return is entered as an overpayment return and CCC "E" is generated,	Delete Field 01CCC and enter the under-print amount Field 02B/R.
The return shows an FTD Penalty (in Field 02FD or elsewhere),	<ul style="list-style-type: none"> a. Ensure the FTD Penalty is included in both Field 02B/R and Field 02FD. b. Correct Field 02B/R by the amount of the FTD Penalty if not included.
The balance due line includes penalty amounts (other than the FTD Penalty) or interest,	Reduce the balance due by these amounts.
Field 02TFT (Total Tax) and Field 02FCC (FTD Credit Claimed) are the same and there is a remittance,	Enter the remittance amount as balance due, Field 02B/R, and adjust Field 02FCC accordingly.
The error is due to a difference between Fields 02TFT and 02B/R (which is not blank or dash) and Field 02FCC is blank, zero, dash or none,	Compute the difference and enter this amount in Field 02FCC and on the applicable line of the return.
Remittance equals Total Tax. (Field 02TFT),	Delete Field 02FCC.
Total Tax (02TFT), FTD Credits (02FCC) and Balance Due (02BR) are the same,	Delete Field 02FCC.
The taxpayer did not compute the Balance Due/Overpayment (Line 14/15 blank),	<ul style="list-style-type: none"> a. Using taxpayer's original entries on Line 12 and Line 13, compute the Balance Due/Overpayment and enter the amount in Field 02B/R.

If	Then
The taxpayers entry for Balance Due/ Overpayment Line 14/15 amount differs from the Balance Due/Overpayment computer under-print for Field 02B/R,	<p>a. If no previous TPNC was issued due to a math error and the difference between Field</p> <p>b. If a previous TPNC was issued due to a math error and Field 02B/R differs from the computer under-print manually verify the Balance Due/Overpayment Line 14/15 using taxpayers original entries on Line 12 and Line 13:</p> <ol style="list-style-type: none"> If the difference between the taxpayers Balance Due/Overpayment Line 14/15 If the difference between the taxpayers Balance Due/Overpayment Line 14/15 <p>error and assign the previous TPNC.</p> <p>assign TPNC 01.</p>

#3.12.154.11.46.3
(01-01-2017)

(1) Valid Taxpayer Notice Codes for Error Code 252:

**Allowable Taxpayer
Notice Code (EC 252)**

TPNC	Literal
01	We found an error in the computation of the balance due or overpayment amount.
02	We found an error in the computation of your federal unemployment tax.
05	We found payments were incorrectly reported as exempt from federal unemployment tax.
08	We found an error in the computation of the credit reduction amount.
09	We found an error in the subtraction of the exempt payments from the total payments.
10	We adjusted your tax as shown because we didn't receive a reply to our request for additional information.
12	We found an error in the computation of your FUTA tax before adjustments.
13	We found an error in the computation of the amount of FUTA wages that were excluded from state unemployment tax.

TPNC	Literal
14	We found an error in the computation of some FUTA wages that were excluded from state unemployment tax, or state unemployment tax that was paid late.
15	We found an error in the computation of your Total FUTA tax after adjustments.
16	We adjusted your tax as shown because we didn't receive a reply to our request for Part 2 of Form 940 Schedule A.
26	We found the amount reported as total Federal Tax Deposits for the year differs from the amount we have credited to your account. (ECC-MTB generated).
27	We found an error in the computation of exempt payments. The wages of Corporate Officers are not exempt from federal unemployment tax. The first \$7,000.00 of each officer's wages are fully taxable at the current prevailing rate. We have adjusted your tax accordingly.
28	We didn't receive a reply to our request for additional information. Therefore, we have added all of the officers' wage amounts to your total taxable wages and assessed tax accordingly. Corporate Officers' Wages are taxable on the first \$7,000.00 paid at the current prevailing rate (Form 940).
90	Blank. is a fill-in notice code. Use when no other notice code fully explains the adjustment or when more than three notice codes are necessary. Can be used in conjunction with other notice codes.

Note: For a complete listing of notice codes, see Exhibit 3.12.154-16, Taxpayer Notice Codes.

3.12.154.11.47

(01-01-2016)

**Error Code 254 -
Overpayment Entry**

(1) Error Code 254 will display as follows:

Field Designator	Field Name	Field Length
CL	Clear Code	
02TFT	Total Tax Taxpayer	15
>>> >	Total Tax Computer	
02FCC	FTD Credit Claimed Amount	15
02B/R	Balance Due/Overpayment Taxpayer	15
>>> >	Balance Due/Overpayment Computer	

3.12.154.11.47.1 (01-01-2016) **Invalid Condition (EC 254)** (1) Balance Due/Overpayment Taxpayer shows a refund and the amount is greater than the FTD Credit Claimed Amount.

3.12.154.11.47.2 (01-01-2022) **Correction Procedures (EC 254)** (1) Compare the screen display to the entries on the return and make the proper corrections. See table below:

If	Then
Line 13 (02FCC) is blank,	Enter the amount from Line 12 (02TFT).
Research the return and attachments for the FTD penalty amount,	Enter the FTD penalty amount on Line 13 (02FCC).
You cannot perfect Line 13 (02FCC), from the return or attachments,	Leave it blank.
Line 14 (02B/R) or 15 (02B/R) is blank or illegible,	Perfect the amount from the return or attachments, if possible.
The return shows an FTD Penalty,	a. Make sure it is included in the Balance Due or subtracted from the Overpayment. b. Perfect the balance due/overpayment by making the necessary calculation.
Line 12 (02TFT) is zero, blank, or none, and the remittance amount equals the amount shown as deposits,	Move the figure from Line 13 (02FCC) to Line 14 (02B/R).
The balance due line includes penalty amounts (other than the FTD Penalty) or interest,	Reduce the balance due by these amounts.
Field 02B/R shows an overpayment greater than the amount of Field 02FCC and the difference between Field 02B/R and Field 02FCC is greater	Bring up the under-print amount in Field 02B/R.
The under-print amount in Field 02B/R is less than present,	Delete Section 02.
Field 02B/R shows an overpayment greater than the amount of Field 02FCC and the difference between Field 02B/R and Field 02FCC is less	Enter a "C" in the Clear Code Field.

#

#

#

3.12.154.11.48 (01-01-2016) **Error Code 258 - Total Tax Liability is Greater Than Tolerance** (1) Error Code 258 will display as follows:

Field Designator	Field Name	Field Length
01SIC	Schedule Indicator Code	1
02TFT	Total Tax Taxpayer	15
02Q1	Total Tax Liability Amount Quarter 1	14
02Q2	Total Tax Liability Amount Quarter 2	14
02Q3	Total Tax Liability Amount Quarter 3	14
02Q4	Total Tax Liability Amount Quarter 4	14
02QTR>	Generated Sum of Tax Liabilities	

3.12.154.11.48.1
(01-01-2016)

Invalid Condition (EC 258)

- (1) The sum of all Total Tax Liability Amount fields is compared with Total Tax

#

#

bypass Error Code 258. This condition applies only to SCRIPS processed returns.

3.12.154.11.48.2
(01-01-2023)

Correction Procedures (EC 258)

- (1) Compare the screen display to the entries on the return and make the proper corrections. See table below.

If	Then	
Note: This condition applies only to ISRP.	a. Remove the amounts in Fields 02Q1 through 02Q4. b. Enter a Schedule Indicator of 1 in Field 01SIC.	#
amount is correct as transcribed,	Compare Line 7 (or Line 7a for TY 2011) with the ROFTL (Total For the Year line), e.g., lines 16a through 16d, rather than the tax.	#
The Line 7 (Line 7a for TY 2011) amounts agrees with Line 17, Total Tax liability for the year,	a. Multiply the wage amount shown for each quarter by the following rate: <ul style="list-style-type: none"> For Tax Year 2012 and later - .006 For Tax Year 2011 (1st Quarter & 2nd Quarter) - .008 For Tax Year 2011 (3rd Quarter and 4th Quarter) - .006 For Tax Years 2010 and prior - .008 b. Edit the correct entries on the return and adjust Fields 02Q1 through 02Q4.	
through 16d are blank,	SSPND 211 and correspond for line 16a through 16d amounts.	#
The taxpayer has entered more than one amount per quarter,	Add the individual amounts and enter the correct total amount in the field.	
Any negative amounts are entered in Fields 02Q1 through 02Q4,	Enter "1" in Field 01SIC, and blank Fields 02Q1 through 02Q4.	
There is a difference between field 02QTR >, e.g., system computed total of 02Q1 through 02Q4, tolerance,	Enter "1" in Field 01SIC, and blank Fields 02Q1 through 02Q4.	#
Error Code 258 still displays because of the tolerance,	Enter a Schedule Indicator of "1" in Field 01SIC.	

3.12.154.11.49 (1) Error Code 999 will display as follows:
 (01-01-2017)
Error Code 999 - End of Year Reformat

Field Designator	Field Name
01TXP	Tax Year

3.12.154.11.49.1 (1) Error Code 999 will be generated for all returns that are in error status at the
 (01-01-2016) end of the current year's processing year.
Invalid Condition (EC 999)

3.12.154.11.49.2
(01-01-2016)
**Correction Procedures
(EC 999)**

- (1) Since the system will re-validate the record and set validity and Error Codes based on the current year's programs, the only correction procedure required for Error Code 999 is for the tax examiner to transmit.

3.12.154.12
(01-01-2024)
**Scanned Paper Returns
- 01CCC Z Instructions**

- (1) Tax returns that were filed on paper and scanned by Optical Character Recognition (OCR) scanners are referred to as Scanned Paper Returns (SPRs). Data from SPRs is sent through the Modernized e-File (MeF) system and the returns are viewable in the Enterprise User Portal (EUP). These returns will have the following attributes:

File Location Code (FLC)	Document Code	Julian Date	Program Number
40 (KCSP)	39	001-366, 400-766	11170
91 (Ogden)	39	001-366, 400-766	11170

- (2) Scanned PDF images of the original return are included as attachments in EUP.

Note: When printing copies of Scanned Paper Returns (e.g., for correspondence), print both the scanned PDF file and page 1 of the stylesheet that is viewable in EUP.

- (3) "Z" is entered into Field 01CCC at the scanning site when an SPR needs correction in ERS. "Z" is an invalid character in Field 01CCC.
- (4) When a field error generates because "Z" is present in 01CCC, perform the following steps:
1. Access the return in EUP by searching for the Document Locator Number (DLN).
 2. Open the "General Dependency Small" attachment from the left-hand side of the screen.
 3. Follow the instruction below, based on the particular scenario listed in the General Dependency Small attachment:

If	Then
Missing signature or the statement (jurat) above the signature on the Form 941 is altered,	Correspond for signature (see IRM 3.12.154.2.32, Signature Area).
Street Address, City, or State Code missing or illegible,	<ul style="list-style-type: none"> • For street address, see, IRM 3.12.154.10.3 • For City, see IRM 3.12.154.10.4 . • For State Code, see IRM 3.12.154.10.5 .

If	Then
"ID Theft",	See IRM 3.12.154.2.6 .
"Prompt Determination" or "IRC 505",	See IRM 3.11.154.3.12, Prompt, Quick, or Jeopardy Assessments.
"IRC 6020(b)",	Note: See IRM 3.11.154.3.8.1, IRC 6020(b) - Prepared by Collections. 1. Enter "4" into Field 01CCC.
"Substitute for Return (SFR)",	See IRM 3.11.154.3.8.3, Examination Prepared.
"TRPRT print",	See IRM 3.11.154.2.19, Signature.
"Not liable",	See IRM 3.12.154.2.9, Frivolous Arguments.
"Supplemental" or "Corrected",	See IRM 3.12.154.11.8 , Error Code 010.
"Protective Claim for Refund",	See IRM 3.11.154.4, Protective Claims.

- (5) After a return has been corrected according to the table above, delete the "Z" from Field 01CCC.

Exhibit 3.12.154-1 (01-01-2024)

Form 940 (Revision 2022) and Form 940 Schedule A (Revision 2022)

DRAFT **01TXP**

Form **940 for 2023: Employer's Annual Federal Unemployment (FUTA) Tax Return** **850113**
Department of the Treasury — Internal Revenue Service OMB No. 1545-0028

Employer identification number (EIN) **01EIN**

Name (not your trade name) **01NC**

Trade name (if any)

Address **06CON 06ADD 06FAD**
Number Street Suite or room number

01CRD **06CTY 06ST 06ZIP**
City State ZIP code

Foreign country name Foreign province/county Foreign postal code

Type of Return
(Check all that apply.)

☐ a. Amended

☐ b. Successor employer

☐ c. No payments to employees in 2023

☐ d. Final: Business closed or stopped paying wages

Go to www.irs.gov/Form940 for instructions and the latest information.

02FD

Read the separate instructions before you complete this form. Please type or print within the boxes.

Part 1: Tell us about your return. If any line does NOT apply, leave it blank. See instructions before completing Part 1. 01SIC

1a If you had to pay state unemployment tax in one state only, enter the state abbreviation . **01SC1**

1b If you had to pay state unemployment tax in more than one state, you are a multi-state employer . **01MSB** → ☐ Check here. Complete Schedule A (Form 940).

2 If you paid wages in a state that is subject to CREDIT REDUCTION . **01CRB** → ☐ Check here. Complete Schedule A (Form 940).

Part 2: Determine your FUTA tax before adjustments. If any line does NOT apply, leave it blank.

3 Total payments to all employees . **01RCD** . 3 .

4 Payments exempt from FUTA tax . 4 .

Check all that apply: 4a ☐ Fringe benefits 4c ☐ Retirement/Pension 4e ☐ Other

4b ☐ Group-term life insurance 4d ☐ Dependent care

5 Total of payments made to each employee in excess of \$7,000 . 5 .

6 Subtotal (line 4 + line 5 = line 6) . 6 **01SRI** .

7 Total taxable FUTA wages (line 3 – line 6 = line 7). See instructions. . 7 **02TTW** . **02TTW>**

8 FUTA tax before adjustments (line 7 x 0.006 = line 8) . 8 **02TBA** . **02TBA>**

Part 3: Determine your adjustments. If any line does NOT apply, leave it blank.

9 If ALL of the taxable FUTA wages you paid were excluded from state unemployment tax, multiply line 7 by 0.054 (line 7 x 0.054 = line 9). Go to line 12 . 9 **02ADJ** .

10 If SOME of the taxable FUTA wages you paid were excluded from state unemployment tax, OR you paid ANY state unemployment tax late (after the due date for filing Form 940), complete the worksheet in the instructions. Enter the amount from line 7 of the worksheet . 10 **02EXL** .

11 If credit reduction applies, enter the total from Schedule A (Form 940) . 11 **02TCR** .

Part 4: Determine your FUTA tax and balance due or overpayment. If any line does NOT apply, leave it blank.

12 Total FUTA tax after adjustments (lines 8 + 9 + 10 + 11 = line 12) . 12 **02TFT** .

13 FUTA tax deposited for the year, including any overpayment applied from a prior year . 13 **02FCC** .

14 Balance due. If line 12 is more than line 13, enter the excess on line 14.
• If line 14 is more than \$500, you must deposit your tax.
• If line 14 is \$500 or less, you may pay with this return. See instructions . 14 **02B/R+** .

15 Overpayment. If line 13 is more than line 12, enter the excess on line 15 and check a box below . 15 **02B/R-** .

You **MUST** complete both pages of this form and **SIGN** it. **01CCC** Check one: ☐ Apply to next return. ☐ Send a refund.

For Privacy Act and Paperwork Reduction Act Notice, see the back of the Payment Voucher. Cat. No. 11234-01 Form **940** (2023)

01ARN

Exhibit 3.12.154-1 (Cont. 1) (01-01-2024)

Form 940 (Revision 2022) and Form 940 Schedule A (Revision 2022)

DRAFT

850212

Name (not your trade name)

Employer identification number (EIN)

Part 5: Report your FUTA tax liability by quarter only if line 12 is more than \$500. If not, go to Part 6.

16 Report the amount of your FUTA tax liability for each quarter; do NOT enter the amount you deposited. If you had no liability for a quarter, leave the line blank.

16a 1st quarter (January 1 – March 31) 16a 02Q1 .

16b 2nd quarter (April 1 – June 30) 16b 02Q2 .

16c 3rd quarter (July 1 – September 30) 16c 02Q3 .

16d 4th quarter (October 1 – December 31) 16d 02Q4 .

17 Total tax liability for the year (lines 16a + 16b + 16c + 16d = line 17) 17 . Total must equal line 12.

Part 6: May we speak with your third-party designee?

Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? See the instructions for details.

☐ Yes. Designee's name and phone number

01CBI

Select a 5-digit personal identification number (PIN) to use when talking to the IRS. ☐ ☐ 01CBP ☐

☐ No.

Part 7: Sign here. You MUST complete both pages of this form and SIGN it.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that no part of any payment made to a state unemployment fund claimed as a credit was, or is to be, deducted from the payments made to employees. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign your
name herePrint your
name herePrint your
title here

Date

Best daytime phone

Paid Preparer Use OnlyCheck if you are self-employed ☐

Preparer's name

PTIN

01PSN

Preparer's
signature

Date

Firm's name (or yours
if self-employed)

EIN

01PEN

Address

Phone

01PTN

City

State

ZIP code

Page 2

Form 940 (2023)

Exhibit 3.12.154-1 (Cont. 2) (01-01-2024)

Form 940 (Revision 2022) and Form 940 Schedule A (Revision 2022)

DRAFT

Schedule A (Form 940) for 2023:

860312

Multi-State Employer and Credit Reduction Information

Department of the Treasury — Internal Revenue Service

OMB No. 1545-0028

Employer identification number (EIN)

Name (not your trade name)

See the instructions on page 2. File this schedule with Form 940.

Place an "X" in the box of EVERY state in which you had to pay state unemployment tax this year. For each state with a credit reduction rate greater than zero, enter the FUTA taxable wages, multiply by the reduction rate, and enter the credit reduction amount. Don't include in the *FUTA Taxable Wages* box wages that were excluded from state unemployment tax (see the instructions for Step 2). If any states don't apply to you, leave them blank.

Postal Abbreviation	FUTA Taxable Wages	Reduction Rate	Credit Reduction	Postal Abbreviation	FUTA Taxable Wages	Reduction Rate	Credit Reduction
<input type="checkbox"/> AK	.		.	<input type="checkbox"/> NC	.		.
<input type="checkbox"/> AL	.		.	<input type="checkbox"/> ND	.		.
<input type="checkbox"/> AR							.
<input type="checkbox"/> AZ							.
<input type="checkbox"/> CA							.
<input type="checkbox"/> CO							.
<input type="checkbox"/> CT							.
<input type="checkbox"/> DC	.		.	<input type="checkbox"/> NY	.		.
<input type="checkbox"/> DE	.		.	<input type="checkbox"/> OH	.		.
<input type="checkbox"/> FL	.		.				.
<input type="checkbox"/> GA	.		.				.
<input type="checkbox"/> HI	.		.	<input type="checkbox"/> PA	.		.
<input type="checkbox"/> IA	.		.				.
<input type="checkbox"/> ID	.		.				.
<input type="checkbox"/> IL	.		.				.
<input type="checkbox"/> IN	.		.	<input type="checkbox"/> TN	.		.
<input type="checkbox"/> KS	.		.	<input type="checkbox"/> TX	.		.
<input type="checkbox"/> KY	.		.				.
<input type="checkbox"/> LA	.		.				.
<input type="checkbox"/> MA	.		.				.
<input type="checkbox"/> MD	.		.	<input type="checkbox"/> WA	.		.
<input type="checkbox"/> ME	.		.	<input type="checkbox"/> WI	.		.
<input type="checkbox"/> MI	.		.	<input type="checkbox"/> WV	.		.
<input type="checkbox"/> MN	.		.	<input type="checkbox"/> WY	.		.
<input type="checkbox"/> MO	.		.	<input type="checkbox"/> PR	.		.
<input type="checkbox"/> MS	.		.	<input type="checkbox"/> VI	.		.
<input type="checkbox"/> MT	.		.				.

States have no assigned section on Schedule A.

Sections 03, 04 and 05 are used subsequently as needed to enter required State or Territory information.

Section 03 will include the First 26 states listed on Schedule A.

Section 04 will contain up to 26 additional States if necessary.

Section 05 will contain any additional State entries if Sections 03 and 04 are filled.

Note: Total of Credit Reductions should equal entry on line 11, Page 1 of Form 940.

Total Credit Reduction. Add all amounts shown in the *Credit Reduction* boxes. Enter the total here and on Form 940, line 11

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 940.

Cat. No. 16997C

Schedule A (Form 940) 2023

Exhibit 3.12.154-2 (01-01-2023)

Form 940 (PR) (Revision 2022) and Form 940 Schedule A (PR) (Anexo A (Formulario 940 (PR))) (Revision 2022)

01TXP

Formulario 940-PR para 2022: Planilla para la Declaración Federal Anual del Patrono de la Contribución Federal para el Desempleo (FUTA) OMB No. 1545-0028

Department of the Treasury — Internal Revenue Service

Número de identificación patronal (EIN) - **01EIN**

Nombre (el nombre legal del negocio, no el nombre comercial) **01NC**

Nombre comercial (si existe)

Dirección **06CON** **06ADD** **06FAD**

Número Calle Número de oficina o de habitación

06CTY **06ST** **06ZIP**

Ciudad Estado Código postal (ZIP)

Nombre del país extranjero Provincia extranjera/condado Código postal extranjero

Clase de Planilla (Marque todas las que le apliquen).

☐ a. Enmendada

☐ b. Patrono sucesor

☐ c. Ningún pago hecho a los empleados en 2022

☐ d. Final: Se cerró el negocio o dejó de pagar salarios

Visite www.irs.gov/Form940PR para obtener las instrucciones y la información más reciente.

Lea las instrucciones por separado antes de completar este formulario. Escriba en letra de molde o a maquina dentro de los encasillados.

Parte 1: Infórmenos sobre su planilla. Si NO le corresponde una línea, déjela en blanco. Vea las instrucciones antes de completar la Parte 1.

1a Si tuvo que pagar la contribución estatal para el desempleo únicamente en Puerto Rico, escriba "PR" en los dos espacios siguientes **01SCI**

1b Si tuvo que pagar la contribución estatal para el desempleo en más de un estado, usted es patrono en múltiples estados **01MSB** → 1b ☐ Marque aquí. Complete el Anexo A (Formulario 940-PR).

2 Si pagó salarios en un estado sujeto a la REDUCCIÓN EN EL CRÉDITO **01CRB** → 2 ☐ Marque aquí. Complete el Anexo A (Formulario 940-PR).

Parte 2: Determine su contribución FUTA sin considerar ajustes. Si NO le corresponde una línea, déjela en blanco.

3 Total de pagos hechos a todos sus empleados **3**

4 Pagos exentos de la contribución FUTA **01RCD** **4**

Marque todos los que le correspondan: 4a ☐ Beneficios marginales 4c ☐ Retiro/Pensión 4e ☐ Otro

4b ☐ Seguro de vida colectivo a término 4d ☐ Cuidado para dependientes

5 Total de pagos hechos a cada empleado en exceso de \$7,000 **5**

6 Subtotal (línea 4 + línea 5 = línea 6) **01SRI** **6**

7 Total de salarios sujetos a la contribución FUTA (línea 3 - línea 6 = línea 7). Vea las instrucciones **02TTW** **7** **02TTW>**

8 Total de la contribución FUTA antes de considerar los ajustes (línea 7 x 0.006 = línea 8) **02TBA** **8** **02TBA>**

Parte 3: Determine sus ajustes. Si NO le corresponde una línea, déjela en blanco.

9 Si el TOTAL de los salarios sujetos a la contribución FUTA que pagó fue excluido de la contribución estatal para el desempleo, multiplique la cantidad de la línea 7 por 0.054 (línea 7 x 0.054 = línea 9). Pase a la línea 12 **02ADJ** **9**

10 Si ALGUNOS salarios sujetos a la contribución FUTA que pagó fueron excluidos de la contribución estatal para el desempleo, O si pagó tarde ALGUNA PORCIÓN de la contribución estatal para el desempleo (después de la fecha límite para radicar el Formulario 940-PR), complete la hoja de trabajo en las instrucciones para el Formulario 940, en inglés. Anote la cantidad de la línea 7 de la hoja de trabajo **02EXL** **10**

11 Si corresponde la reducción en el crédito, anote el total del Anexo A (Formulario 940-PR) **02TCR** **11**

Parte 4: Determine su contribución FUTA y saldo adeudado o cantidad pagada en exceso. Si NO le corresponde una línea, déjela en blanco.

12 Total de su contribución FUTA después de considerar los ajustes (líneas 8 + 9 + 10 + 11 = línea 12) **02TFT** **12**

13 Contribución FUTA depositada para el año, incluyendo toda cantidad pagada en exceso aplicada de un año anterior **02FCC** **13**

14 Saldo adeudado. Si la línea 12 es mayor que la línea 13, anote el excedente en la línea 14.
• Si la línea 14 es más de \$500, tiene que depositar la contribución.
• Si la línea 14 es \$500 o menos, puede hacer su pago junto con esta planilla. Vea las instrucciones **02B/R+** **14**

15 Cantidad pagada en exceso. Si la línea 13 es mayor que la línea 12, anote el excedente en la línea 15 y marque uno de los encasillados que aparecen a continuación **02B/R-** **15**

01CCC **01ARN** ☐ Marque uno ☐ Aplíquese a la próxima planilla. ☐ Envíe un reembolso.

TIENE que completar ambas páginas del Formulario 940-PR y luego FIRMARLO.

Para el Aviso sobre la Ley de Confidencialidad de Información y la Ley de Reducción de Trámites, vea el dorso del Comprobante de Pago.

Cat. No. 16996R Form **940-PR** (2022)

Exhibit 3.12.154-2 (Cont. 1) (01-01-2023)

Form 940 (PR) (Revision 2022) and Form 940 Schedule A (PR) (Anexo A (Formulario 940 (PR))) (Revision 2022)

Nombre (el nombre legal del negocio, no el nombre comercial)		Número de identificación patronal (EIN)																									
Parte 5: Informe su obligación contributiva para la contribución FUTA por trimestre sólo si la cantidad de la línea 12 es más de \$500. Si no es así, pase a la Parte 6.																											
16 Informe su obligación contributiva para la contribución FUTA por cada trimestre; NO anote la cantidad que depositó. Si no adeudó ninguna contribución por cualquier trimestre, deje la línea en blanco.																											
16a	1er trimestre (1 de enero - 31 de marzo)	16a	02Q1 .																								
16b	2do trimestre (1 de abril - 30 de junio)	16b	02Q2 .																								
16c	3er trimestre (1 de julio - 30 de septiembre)	16c	02Q3 .																								
16d	4to trimestre (1 de octubre - 31 de diciembre)	16d	02Q4 .																								
17	Total de la obligación contributiva para el año (líneas 16a + 16b + 16c + 16d = línea 17)		17 . Este total tiene que ser igual al de la línea 12.																								
Parte 6: ¿Podemos hablar con su tercero autorizado?																											
¿Desea permitir que su empleado, preparador remunerado u otra persona hable sobre esta planilla con el IRS? Vea las instrucciones para más detalles.																											
<input type="checkbox"/> Sí. Nombre y núm. de teléfono de la persona 																											
Escoja un número de identificación personal (PIN) de 5 dígitos que se debe usar al hablar con el IRS. 																											
<input type="checkbox"/> No.																											
Parte 7: Firme aquí. TIENE que completar ambas páginas del formulario y FIRMARLO.																											
Bajo pena de perjurio, declaro que he examinado esta planilla, incluyendo todos los anexos y declaraciones adjuntos, y que, a mi leal saber y entender, es verídica, correcta y completa y que ninguna porción de los pagos hechos al fondo estatal de desempleo por la que reclamo crédito fue, ni será, deducida de los pagos hechos a mis empleados. La declaración del preparador (que no sea el contribuyente) está basada en toda información de la cual el preparador tiene conocimiento.																											
Firme su nombre aquí		Escriba su nombre en letra de molde aquí																									
Fecha		Mejor núm. de teléfono donde llamarlo durante el día																									
<table style="width: 100%; border: none;"> <tr> <td colspan="2" style="border: none;">Para Uso Exclusivo del Preparador Remunerado</td> <td colspan="2" style="border: none;">Marque aquí si trabaja por cuenta propia <input type="checkbox"/></td> </tr> <tr> <td style="border: none;">Nombre del preparador</td> <td style="border: 1px solid black; width: 200px;"></td> <td style="border: none;">PTIN</td> <td style="border: 1px solid black; width: 100px;">01PSN</td> </tr> <tr> <td style="border: none;">Firma del preparador</td> <td style="border: 1px solid black;"></td> <td style="border: none;">Fecha</td> <td style="border: 1px solid black;">/ /</td> </tr> <tr> <td style="border: none;">Nombre de la empresa (o el suyo, si trabaja por cuenta propia)</td> <td style="border: 1px solid black;"></td> <td style="border: none;">EIN</td> <td style="border: 1px solid black;">01PEN</td> </tr> <tr> <td style="border: none;">Dirección</td> <td style="border: 1px solid black;"></td> <td style="border: none;">Núm. de teléfono</td> <td style="border: 1px solid black;">01PTN</td> </tr> <tr> <td style="border: none;">Ciudad</td> <td style="border: 1px solid black;"></td> <td style="border: none;">Estado</td> <td style="border: 1px solid black;">Código postal (ZIP)</td> </tr> </table>				Para Uso Exclusivo del Preparador Remunerado		Marque aquí si trabaja por cuenta propia <input type="checkbox"/>		Nombre del preparador		PTIN	01PSN	Firma del preparador		Fecha	/ /	Nombre de la empresa (o el suyo, si trabaja por cuenta propia)		EIN	01PEN	Dirección		Núm. de teléfono	01PTN	Ciudad		Estado	Código postal (ZIP)
Para Uso Exclusivo del Preparador Remunerado		Marque aquí si trabaja por cuenta propia <input type="checkbox"/>																									
Nombre del preparador		PTIN	01PSN																								
Firma del preparador		Fecha	/ /																								
Nombre de la empresa (o el suyo, si trabaja por cuenta propia)		EIN	01PEN																								
Dirección		Núm. de teléfono	01PTN																								
Ciudad		Estado	Código postal (ZIP)																								

Exhibit 3.12.154-2 (Cont. 2) (01-01-2023)

Form 940 (PR) (Revision 2022) and Form 940 Schedule A (PR) (Anexo A (Formulario 940 (PR))) (Revision 2022)

Anexo A (Formulario 940-PR) para 2022:**Información para Empleadores o Patronos de Múltiples Estados y sobre Reducciones en el Crédito**

OMB No. 1545-0028

Department of the Treasury — Internal Revenue Service

Número de identificación patronal (EIN)

 -

Nombre (el nombre legal del negocio, no el nombre comercial)

Vea las instrucciones en la página 2.
Radique este anexo adjunto al Formulario 940-PR.

Marque una "X" en el recuadro para CADA estado en el cual tuvo que pagar contribuciones estatales de desempleo durante este año. Para cada estado con reducción en el crédito mayor que cero, anote el total de salarios sujetos a la contribución FUTA, multiplique por la tasa de reducción y anote la cantidad de la reducción en el crédito. No incluya en el encasillado titulado Salarios Sujetos a la Contribución FUTA los salarios que fueron excluidos de las contribuciones estatales de desempleo (vea las instrucciones para el Paso 2). Deje en blanco los estados que no le correspondan a usted.

Abreviatura Postal	Salarios Sujetos a la Contribución FUTA	Tasa de Reducción	Reducción en el Crédito	Abreviatura Postal	Salarios Sujetos a la Contribución FUTA	Tasa de Reducción	Reducción en el Crédito
<input type="checkbox"/> AK	.		.	<input type="checkbox"/> NC	.		.
<input type="checkbox"/> AL	.		.	<input type="checkbox"/> ND	.		.
<input type="checkbox"/> AR	.		.				.
<input type="checkbox"/> AZ	.		.				.
<input type="checkbox"/> CA	.		.				.
<input type="checkbox"/> CO	.		.				.
<input type="checkbox"/> CT	.		.				.
<input type="checkbox"/> DC	.		.	<input type="checkbox"/> NY	.		.
<input type="checkbox"/> DE	.		.				.
<input type="checkbox"/> FL	.		.				.
<input type="checkbox"/> GA	.		.				.
<input type="checkbox"/> HI	.		.	<input type="checkbox"/> PA	.		.
<input type="checkbox"/> IA	.		.				.
<input type="checkbox"/> ID	.		.				.
<input type="checkbox"/> IL	.		.				.
<input type="checkbox"/> IN	.		.	<input type="checkbox"/> TN	.		.
<input type="checkbox"/> KS	.		.				.
<input type="checkbox"/> KY	.		.				.
<input type="checkbox"/> LA	.		.				.
<input type="checkbox"/> MA	.		.	<input type="checkbox"/> VT	.		.
<input type="checkbox"/> MD	.		.	<input type="checkbox"/> WA	.		.
<input type="checkbox"/> ME	.		.	<input type="checkbox"/> WI	.		.
<input type="checkbox"/> MI	.		.	<input type="checkbox"/> WV	.		.
<input type="checkbox"/> MN	.		.	<input type="checkbox"/> WY	.		.
<input type="checkbox"/> MO	.		.	<input type="checkbox"/> PR	.		.
<input type="checkbox"/> MS	.		.	<input type="checkbox"/> VI	.		.
<input type="checkbox"/> MT	.		.				.

States have no assigned section on Schedule A.

Sections 03, 04 and 05 are used subsequently as needed to enter required State or Territory information.

Section 03 will include the First 26 states listed on Schedule A.

Section 04 will contain up to 26 additional States if necessary.

Section 05 will contain any additional State entries if Sections 03 and 04 are filled.

Note: Total of Credit Reductions should equal entry on line 11, Page 1 of Form 940-PR.

Total de la reducción en el crédito. Suma todas las cantidades de los encasillados Reducción en el Crédito. Anote el total aquí y en la línea 11 del Formulario 940-PR.

Para el Aviso sobre la Ley de Confidencialidad de Información y la Ley de Reducción de Trámites, vea las Instrucciones para el Formulario 940-PR.

Cat. No. 48499B

Schedule A (Form 940-PR) 2022

Exhibit 3.12.154-3 (01-01-2024)

Form 940 (sp) Declaración del Impuesto Federal Anual del Empleador del Impuesto Federal para el Desempleo

DRAFT 01TXP

Formulario **940 para 2023:** **Declaración del Impuesto Federal Anual del Empleador del Impuesto Federal para el Desempleo (FUTA)** OMB No. 1545-0028

Department of the Treasury — Internal Revenue Service

Número de identificación del empleador (EIN) 01EIN

Nombre (el nombre legal del negocio, no el nombre comercial) 01NC

Nombre comercial (si existe)

Dirección 06CON 06ADD 06FAD

Número Calle Número de oficina o de habitación

06CTY 06ST 06ZIP

Ciudad Estado Código postal (ZIP)

Nombre del país extranjero Provincia extranjera/condado Código postal extranjero

Clase de Declaración
(Marque todas las que le apliquen).

☐ a. Enmendada

☐ b. Empleador sucesor

☐ c. Ningún pago hecho a los empleados en 2023

☐ d. Final: Se cerró el negocio o dejó de pagar salarios

Visite www.irs.gov/Form940SP para obtener las instrucciones y la información más reciente.

Lea las instrucciones por separado antes de completar este formulario. Escriba en letra de molde o a máquina dentro de los encasillados.

Parte 1: **Infórmenos sobre su declaración. Si NO le corresponde una línea, déjela en blanco. Vea las instrucciones antes de completar la Parte 1.**

1a Si tuvo que pagar el impuesto estatal para el desempleo únicamente en un estado, escriba la abreviatura del estado 1a 01SC1

1b Si tuvo que pagar el impuesto estatal para el desempleo en más de un estado, usted es empleador en múltiples estados .01MSB → 1b

2 Si pagó salarios en un estado sujeto a la REDUCCIÓN EN EL CRÉDITO .01CRB → 2

Parte 2: **Determine su impuesto FUTA sin considerar ajustes. Si NO le corresponde una línea, déjela en blanco.**

3 Total de pagos hechos a todos sus empleados 3

4 Pagos exentos del impuesto FUTA 4

Marque todos los que le correspondan: 4a ☐ Prestaciones suplementarias 4c ☐ Retiro/Pensión 4e ☐ Otro

4b ☐ Seguro de vida colectivo a término 4d ☐ Cuidado para dependientes

5 Total de pagos hechos a cada empleado en exceso de \$7,000 5

6 Subtotal (línea 4 + línea 5 = línea 6) 01RCD 6 01SRI

7 Total de salarios sujetos al impuesto FUTA (línea 3 - línea 6 = línea 7). Vea las instrucciones 7 02TTW .02TTW>

8 Impuesto FUTA antes de considerar los ajustes (línea 7 x 0.006 = línea 8) 8 02TBA .02TBA>

Parte 3: **Determine sus ajustes. Si NO le corresponde una línea, déjela en blanco.**

9 Si el TOTAL de los salarios sujetos al impuesto FUTA que pagó fue excluido del impuesto estatal para el desempleo, multiplique la cantidad de la línea 7 por 0.054 (línea 7 x 0.054 = línea 9). Pase a la línea 12 9 02ADJ

10 Si ALGUNOS salarios sujetos al impuesto FUTA que pagó fueron excluidos del impuesto estatal para el desempleo, O si pagó tarde ALGUNA PORCIÓN del impuesto estatal para el desempleo (después de la fecha de vencimiento para presentar el Formulario 940), complete la hoja de trabajo en las instrucciones. Anote la cantidad de la línea 7 de la hoja de trabajo 10 02EXL

11 Si corresponde la reducción en el crédito, anote el total del Anexo A (Formulario 940) 11 02TCR

Parte 4: **Determine su impuesto FUTA y saldo adeudado o cantidad pagada en exceso. Si NO le corresponde una línea, déjela en blanco.**

12 Total de su impuesto FUTA después de considerar los ajustes (líneas 8 + 9 + 10 + 11 = línea 12) 12 02TFT

13 Impuesto FUTA depositado para el año, incluyendo toda cantidad pagada en exceso aplicada de un año anterior 13 02FCC

14 Saldo adeudado. Si la línea 12 es mayor que la línea 13, anote el excedente en la línea 14.
• Si la línea 14 es más de \$500, tiene que depositar el impuesto.
• Si la línea 14 es \$500 o menos, puede hacer su pago junto con esta declaración. Vea las instrucciones 14 02B/R+

15 Cantidad pagada en exceso. Si la línea 13 es mayor que la línea 12, anote el excedente en la línea 15 y marque uno de los recuadros que aparecen a continuación 15 02B/R-

TIENE que completar ambas páginas del Formulario 940 y luego FIRMARLO.

Marque uno: ☒ Aplíquese a la próxima declaración. Envíe un reembolso.

01ARN

Para el Aviso sobre la Ley de Confidencialidad de Información y la Ley de Reducción de Trámites, vea el dorso del Comprobante de Pago.

Cat. No. 93762Z Form 940 (sp) (2023)

01CCC

Exhibit 3.12.154-3 (Cont. 1) (01-01-2024)

Form 940 (sp) Declaración del Impuesto Federal Anual del Empleador del Impuesto Federal para el Desempleo

DRAFT

Nombre (el nombre legal del negocio, no el nombre comercial)

Número de identificación del empleador (EIN)

Parte 5: Informe su obligación tributaria para el impuesto *FUTA* por trimestre sólo si la cantidad de la línea 12 es más de \$500. Si no es así, pase a la Parte 6.**16** Informe su obligación tributaria para el impuesto *FUTA* por cada trimestre; NO anote la cantidad que depositó. Si no adeudó ningún impuesto por cualquier trimestre, deje la línea en blanco.**16a** 1er trimestre (1 de enero - 31 de marzo) **16a** 02Q1 .**16b** 2do trimestre (1 de abril - 30 de junio) **16b** 02Q2 .**16c** 3er trimestre (1 de julio - 30 de septiembre) **16c** 02Q3 .**16d** 4to trimestre (1 de octubre - 31 de diciembre) **16d** 02Q4 .**17** Total de la obligación tributaria para el año (líneas 16a + 16b + 16c + 16d = línea 17) **17** . El total tiene que ser igual a la línea 12.**Parte 6:** ¿Podemos hablar con su tercero autorizado?

¿Desea permitir que su empleado, preparador remunerado u otra persona hable sobre esta declaración con el IRS? Vea las instrucciones para más detalles.

☐ **Sí.** Nombre y núm. de teléfono de la persona

01CBI ☐ Escoja un número de identificación personal (PIN) de 5 dígitos que se debe usar al hablar con el IRS. ☐ ☐ 01CBP ☐

☐ **No.**

Parte 7: Firme aquí. TIENE que completar ambas páginas del formulario y FIRMARLO.

Bajo pena de perjurio, declaro que he examinado esta declaración, incluyendo todos los anexos y declaraciones adjuntos, y que, a mi leal saber y entender, es verídica, correcta y completa y que ninguna porción de los pagos hechos al fondo estatal de desempleo por la que reclamo crédito fue, ni será, deducida de los pagos hechos a mis empleados. La declaración del preparador (que no sea el contribuyente) está basada en toda información de la cual el preparador tiene conocimiento.

Firme su
nombre
aquíEscriba su nombre en
letra de molde aquíEscriba su cargo en
letra de molde aquí

Fecha

 / / Mejor núm. de teléfono donde
llamarlo durante el día**Para Uso Exclusivo del Preparador Remunerado**Marque aquí si trabaja por cuenta propia ☐Nombre del
preparador

PTIN

01PSN

Firma del
preparador

Fecha

 / / Nombre de la
empresa (o el suyo,
si trabaja por cuenta
propia)

EIN

01PEN

Dirección

Núm. de
teléfono

01PTN

Ciudad

Estado

Código
postal (ZIP)

Página 2

Form 940 (sp) (2023)

Exhibit 3.12.154-3 (Cont. 2) (01-01-2024)

Form 940 (sp) Declaración del Impuesto Federal Anual del Empleador del Impuesto Federal para el Desempleo

DRAFT

Anexo A (Formulario 940) para 2023:**Información para Empleadores de Múltiples Estados y sobre Reducciones en el Crédito**

OMB No. 1545-0028

Department of the Treasury — Internal Revenue Service

Número de identificación
del empleador (EIN)Nombre (el nombre legal del
negocio, no el nombre comercial)Vea las instrucciones
en la página 2.
Presente este anexo
adjunto al Formulario
940.States have no
assigned
section on
Schedule A.Sections 03, 04
and 05 are
used
subsequently
as needed to
enter required
State or
Territory
information.Section 03 will
include the
First 26 states
listed on
Schedule A.Section 04 will
contain up to
26 additional
States if
necessary.Section 05 will
contain any
additional
State entries if
Sections 03
and 04 are
filled.

Marque una "X" en el recuadro para CADA estado en el cual tuvo que pagar impuestos estatales de desempleo durante este año. Para cada estado con reducción en el crédito mayor de cero, anote el total de salarios sujetos al impuesto FUTA, multiplique por la tasa de reducción y anote la cantidad de la reducción en el crédito. No incluya en el encasillado titulado Salarios Sujetos al Impuesto FUTA los salarios que fueron excluidos de los impuestos estatales de desempleo (vea las instrucciones para el Paso 2). Deje en blanco los estados que no le correspondan a usted.

Abreviatura Postal	Salarios Sujetos al Impuesto FUTA	Tasa de Reducción	Reducción en el Crédito	Abreviatura Postal	Salarios Sujetos al Impuesto FUTA	Tasa de Reducción	Reducción en el Crédito
<input type="checkbox"/> AK	.		.	<input type="checkbox"/> NC	.		.
<input type="checkbox"/> AL	.		.	<input type="checkbox"/> ND	.		.
<input type="checkbox"/> AR	.		.	<input type="checkbox"/> NE	.		.
<input type="checkbox"/> AZ	.		.	<input type="checkbox"/> NH	.		.
<input type="checkbox"/> CA	.		.	<input type="checkbox"/> NJ	.		.
<input type="checkbox"/> CO	.		.	<input type="checkbox"/> NM	.		.
<input type="checkbox"/> CT	.		.	<input type="checkbox"/> NV	.		.
<input type="checkbox"/> DC	.		.	<input type="checkbox"/> NY	.		.
<input type="checkbox"/> DE	.		.	<input type="checkbox"/> OH	.		.
<input type="checkbox"/> FL	.		.	<input type="checkbox"/> OK	.		.
<input type="checkbox"/> GA	.		.	<input type="checkbox"/> OR	.		.
<input type="checkbox"/> HI	.		.	<input type="checkbox"/> PA	.		.
<input type="checkbox"/> IA	.		.	<input type="checkbox"/> RI	.		.
<input type="checkbox"/> ID	.		.	<input type="checkbox"/> SC	.		.
<input type="checkbox"/> IL	.		.	<input type="checkbox"/> SD	.		.
<input type="checkbox"/> IN	.		.	<input type="checkbox"/> TN	.		.
<input type="checkbox"/> KS	.		.	<input type="checkbox"/> TX	.		.
<input type="checkbox"/> KY	.		.	<input type="checkbox"/> UT	.		.
<input type="checkbox"/> LA	.		.	<input type="checkbox"/> VA	.		.
<input type="checkbox"/> MA	.		.	<input type="checkbox"/> VT	.		.
<input type="checkbox"/> MD	.		.	<input type="checkbox"/> WA	.		.
<input type="checkbox"/> ME	.		.	<input type="checkbox"/> WI	.		.
<input type="checkbox"/> MI	.		.	<input type="checkbox"/> WV	.		.
<input type="checkbox"/> MN	.		.	<input type="checkbox"/> WY	.		.
<input type="checkbox"/> MO	.		.	<input type="checkbox"/> PR	.		.
<input type="checkbox"/> MS	.		.	<input type="checkbox"/> VI	.		.
<input type="checkbox"/> MT	.		.				

Note: Total of
Credit
Reductions
should equal
entry on line
11, Page 1 of
Form 940.

Total de la reducción en el crédito. Suma todas las cantidades de los encasillados Reducción en el Crédito. Anote el total aquí y en la línea 11 del Formulario 940

Para el Aviso sobre la Ley de Confidencialidad de Información y la Ley de Reducción de Trámites, vea las Instrucciones para el Formulario 940.

Cat. No. 93763K

Schedule A (Form 940) (sp) 2023

Exhibit 3.12.154-4 (01-01-2016)

Form 940 (Revision 2011) and Form 940 Schedule A (Revision 2011)

01TXP	
Form 940 for 2011: Employer's Annual Federal Unemployment (FUTA) Tax Return <small>Department of the Treasury — Internal Revenue Service</small>	
OMB No. 1545-0028	
<div style="display: flex; justify-content: space-between;"> <div> <p>(EIN) Employer identification number 01 EIN</p> <p>Name (not your trade name) 01NC</p> <p>Trade name (if any) </p> <p>Address 06CON 06ADD 06FAD</p> <p style="font-size: small;">Number Street Suite or room number</p> <p>06CTY 06ST 06ZIP</p> <p style="font-size: small;">City State ZIP code</p> </div> <div style="border: 1px solid black; padding: 5px; width: 30%;"> <p>Type of Return (Check all that apply.)</p> <p><input type="checkbox"/> a. Amended</p> <p><input type="checkbox"/> b. Successor employer</p> <p><input type="checkbox"/> c. No payments to employees in 2011</p> <p><input type="checkbox"/> d. Final: Business closed or stopped paying wages</p> <p style="font-size: x-small;">Prior-year forms are available at www.irs.gov/form940.</p> </div> </div>	02FD
Read the separate instructions before you complete this form. Please type or print within the boxes.	
Part 1: Tell us about your return. If any line does NOT apply, leave it blank.	
<p>1a If you had to pay state unemployment tax in one state only, enter the state abbreviation . 01SC1</p> <p>1b If you had to pay state unemployment tax in more than one state, you are a multi-state employer 01MSB → 1b <input type="checkbox"/> Check here. Complete Schedule A (Form 940).</p> <p>2 If you paid wages in a state that is subject to CREDIT REDUCTION . . . 01CRB → 2 <input type="checkbox"/> Check here. Complete Schedule A (Form 940).</p>	
Part 2: Determine your FUTA tax before adjustments for 2011. If any line does NOT apply, leave it blank.	
<p>3 Total payments to all employees 3 </p> <p>4 Payments exempt from FUTA tax 4 </p> <p style="font-size: x-small;">Check all that apply: 4a <input type="checkbox"/> Fringe benefits 4c <input type="checkbox"/> Retirement/Pension 4e <input type="checkbox"/> Other</p> <p style="font-size: x-small;">4b <input type="checkbox"/> Group-term life insurance 4d <input type="checkbox"/> Dependent care</p> <p>5 Total of payments made to each employee in excess of \$7,000 5 </p> <p>6 Subtotal (line 4 + line 5 = line 6) 6 01SRI</p> <p>7a Total taxable FUTA wages (line 3 – line 6 = line 7a) (see instructions) 7a 02TTW . 02TTW></p> <p>7b Line 7a FUTA wages paid before 7/1/2011 7b 02W08 x .008 = 7c 02W7c</p> <p>7d Line 7a FUTA wages paid after 6/30/2011 7d 02W06 x .006 = 7e 02W7e</p> <p>8 FUTA tax before adjustments (line 7c + line 7e = line 8) 8 02TBA . 02TBA></p>	
Part 3: Determine your adjustments. If any line does NOT apply, leave it blank.	
<p>9 If ALL of the taxable FUTA wages you paid were excluded from state unemployment tax, multiply line 7a by .054 (line 7a x .054 = line 9). Go to line 12 9 02ADJ</p> <p>10 If SOME of the taxable FUTA wages you paid were excluded from state unemployment tax, OR you paid ANY state unemployment tax late (after the due date for filing Form 940), complete the worksheet in the instructions. Enter the amount from line 7 of the worksheet . . . 10 02EXL</p> <p>11 If credit reduction applies, enter the amount total from Schedule A (Form 940) 11 02TCR</p>	
Part 4: Determine your FUTA tax and balance due or overpayment for 2011. If any line does NOT apply, leave it blank.	
<p>12 Total FUTA tax after adjustments (lines 8 + 9 + 10 + 11 = line 12) 12 02TFT</p> <p>13 FUTA tax deposited for the year, including any overpayment applied from a prior year . . 13 02FCC</p> <p>14 Balance due (If line 12 is more than line 13, enter the excess on line 14.) • If line 14 is more than \$500, you must deposit your tax. • If line 14 is \$500 or less, you may pay with this return. (see instructions) 14 02B/R+</p> <p>15 Overpayment (If line 13 is more than line 12, enter the excess on line 15 and check a box below.) 15 02B/R-</p> <p style="font-size: x-small;">▶ You MUST complete both pages of this form and SIGN it. Check one: <input type="checkbox"/> Apply to next return. <input type="checkbox"/> Send a refund.</p>	
01CCC	
01ARN	
Next →	
For Privacy Act and Paperwork Reduction Act Notice, see the back of Form 940-V, Payment Voucher. Cat. No. 112340 Form 940 (2011)	

Exhibit 3.12.154-4 (Cont. 1) (01-01-2016)

Form 940 (Revision 2011) and Form 940 Schedule A (Revision 2011)

850211	
Name (not your trade name)	
Employer identification number (EIN)	
Part 5: Report your FUTA tax liability by quarter only if line 12 is more than \$500. If not, go to Part 6.	
16 Report the amount of your FUTA tax liability for each quarter; do NOT enter the amount you deposited. If you had no liability for a quarter, leave the line blank.	
16a 1st quarter (January 1 – March 31)	16a 02Q1 .
16b 2nd quarter (April 1 – June 30)	16b 02Q2 .
16c 3rd quarter (July 1 – September 30)	16c 02Q3 .
16d 4th quarter (October 1 – December 31)	16d 02Q4 .
17 Total tax liability for the year (lines 16a + 16b + 16c + 16d = line 17)	17 . Total must equal line 12.
Part 6: May we speak with your third-party designee?	
Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? See the instructions for details.	
<input type="checkbox"/> Yes.	Designee's name and phone number
<input type="checkbox"/> No.	Select a 5-digit Personal Identification Number (PIN) to use when talking to IRS
01CBI	01CBP
Part 7: Sign here. You MUST complete both pages of this form and SIGN it.	
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that no part of any payment made to a state unemployment fund claimed as a credit was, or is to be, deducted from the payments made to employees. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.	
X Sign your name here	Print your name here
	Print your title here
Date / /	Best daytime phone
Paid preparer use only	
Check if you are self-employed <input type="checkbox"/>	
Preparer's name	PTIN 01PSN
Preparer's signature	Date / /
Firm's name (or yours if self-employed)	EIN 01PEN
Address	Phone 01PTN
City	State ZIP code
Page 2	
Form 940 (2011)	

Exhibit 3.12.154-4 (Cont. 2) (01-01-2016)

Form 940 (Revision 2011) and Form 940 Schedule A (Revision 2011)

Schedule A (Form 940) for 2011:
Multi-State Employer and Credit Reduction Information
 Department of the Treasury — Internal Revenue Service

OMB No. 1545-0028

Employer identification number (EIN) -

Name (not your trade name)

See Instructions on back. File this schedule with Form 940.

Place an "X" in the box of every state in which you were required to pay state unemployment tax this year even if that state's credit reduction rate was zero. For states with a credit reduction rate greater than zero, enter the FUTA taxable wages, multiply by the reduction rate, and then enter the credit reduction amount for that state. If any states do not apply to you, leave them blank.

Postal Abbreviation	FUTA Taxable Wages	Reduction Rate	Credit Reduction	Postal Abbreviation	FUTA Taxable Wages	Reduction Rate	Credit Reduction
<input type="checkbox"/> AK	.	× .000	.	<input type="checkbox"/> NC	.	× .003	.
<input type="checkbox"/> AL	.	× .000	.	<input type="checkbox"/> ND	.	× .000	.
<input type="checkbox"/> AR	.	× .000	.	<input type="checkbox"/> NE	.	× .000	.
<input type="checkbox"/> AZ	.	× .000	.	<input type="checkbox"/> NH	.	× .000	.
<input type="checkbox"/> CA	.	× .003	.	<input type="checkbox"/> NJ	.	× .003	.
<input type="checkbox"/> CO	.	× .000	.	<input type="checkbox"/> NM	.	× .000	.
<input type="checkbox"/> CT	.	× .003	.	<input type="checkbox"/> NV	.	× .003	.
<input type="checkbox"/> DC	.	× .000	.	<input type="checkbox"/> NY	.	× .003	.
<input type="checkbox"/> DE	.	× .000	.	<input type="checkbox"/> OH	.	× .003	.
<input type="checkbox"/> FL	.	× .000	.	<input type="checkbox"/> OK	.	× .000	.
<input type="checkbox"/> GA	.	× .000	.	<input type="checkbox"/> OR	.	× .003	.
<input type="checkbox"/> HI	.	× .000	.	<input type="checkbox"/> PA	.	× .003	.
<input type="checkbox"/> IA	.	× .000	.	<input type="checkbox"/> RI	.	× .003	.
<input type="checkbox"/> ID	.	× .000	.	<input type="checkbox"/> SC	.	× .000	.
<input type="checkbox"/> IL	.	× .000	.	<input type="checkbox"/> SD	.	× .000	.
<input type="checkbox"/> IN	.	× .000	.	<input type="checkbox"/> TN	.	× .000	.
<input type="checkbox"/> KS	.	× .000	.	<input type="checkbox"/> TX	.	× .000	.
<input type="checkbox"/> KY	.	× .003	.	<input type="checkbox"/> UT	.	× .000	.
<input type="checkbox"/> LA	.	× .003	.	<input type="checkbox"/> VT	.	× .003	.
<input type="checkbox"/> MA	.	× .000	.	<input type="checkbox"/> WA	.	× .000	.
<input type="checkbox"/> MD	.	× .000	.	<input type="checkbox"/> WI	.	× .000	.
<input type="checkbox"/> ME	.	× .003	.	<input type="checkbox"/> WY	.	× .000	.
<input type="checkbox"/> MI	.	× .009	.	<input type="checkbox"/> WV	.	× .000	.
<input type="checkbox"/> MN	.	× .003	.	<input type="checkbox"/> WY	.	× .000	.
<input type="checkbox"/> MO	.	× .003	.	<input type="checkbox"/> PR	.	× .000	.
<input type="checkbox"/> MS	.	× .000	.	<input type="checkbox"/> VI	.	× .003	.
<input type="checkbox"/> MT	.	× .000	.				

Total credit reduction. Enter this amount on line 11 of Form 940

For Privacy Act and Paperwork Reduction Act Notice, see the last page of Form 940. Cat. No. 16997C Schedule A (Form 940) 2011

Note: Total of Credit Reductions should equal entry on line 11, Page 1 of Form 940.

Exhibit 3.12.154-5 (01-01-2023)

Form 940 (PR) (Revision 2011) and Form 940 Schedule A (PR) (Anexo A (Formulario 940 (PR))) (Revision 2011)

01TXP

Formulario **940-PR para 2011:** Planilla para la Declaración Federal Anual del Patrono de la Contribución Federal para el Desempleo (FUTA) OMB No. 1545-0028

Department of the Treasury — Internal Revenue Service

Número de Identificación Patronal (EIN) - 01EIN

Nombre (el de usted, no el de su negocio) 01NC

Nombre comercial (si alguno)

01CRD Dirección 06CON 06ADD 06FAD

Número Calle Número de oficina o de habitación

06CTY 06ST 06ZIP

Ciudad Estado Código postal (ZIP)

Clase de planilla (Marque todas las que le apliquen).

☐ a. Enmendada

☐ b. Patrono sucesor

☐ c. Ningún pago hecho a los empleados en 2011

☐ d. Final: Se cerró el negocio o dejó de pagar salarios

Formularios para años anteriores están disponibles en www.irs.gov/form940pr.

02FD

Lea las instrucciones antes de completar este formulario. Escriba en letra de molde o a maquinilla dentro de los encasillados.

Parte 1: Infórmenos sobre su planilla. Si NO le corresponde una línea, déjela en blanco. 01SIC

1a Si tuvo que pagar la contribución estatal para el desempleo únicamente en Puerto Rico escriba "PR" en los dos espacios siguientes 1a 01SC1

1b Si tuvo que pagar la contribución estatal para el desempleo en más de un estado, usted es patrono en múltiples estados 01MSB → 1b ☐ Marque aquí. Complete el Anexo A (Formulario 940-PR).

2 Si pagó salarios en un estado sujeto a la REDUCCIÓN EN EL CRÉDITO 01CRB → 2 ☐ Marque aquí. Complete el Anexo A (Formulario 940-PR).

Parte 2: Determine su contribución FUTA sin considerar ajustes para 2011. Si NO le corresponde una línea, déjela en blanco.

3 Total de pagos hechos a todos sus empleados 3

4 Pagos exentos de la contribución FUTA 4

Marque todos los que le correspondan: 4a ☐ Beneficios marginales 4c ☐ Retiro/Pensión 4e ☐ Otro

4b ☐ Seguro de vida colectivo a término 4d ☐ Cuidado para dependientes

5 Total de pagos hechos a cada empleado en exceso de \$7,000 5

6 Subtotal (línea 4 + línea 5 = línea 6) 01RCD 6 01SRI

7a Total de salarios sujetos a la contribución FUTA (línea 3 - línea 6 = línea 7a) (vea las instrucciones) 7a 02TTW 02TW>

7b Salarios FUTA de 7a pagados antes del 7/01/2011 7b 02W08 x .008 = 7c 02W7c

7d Salarios FUTA de 7a pagados después del 6/30/2011 7d 02W06 x .006 = 7e 02W7e

8 Total de la contribución FUTA antes de considerar los ajustes (línea 7c + línea 7e = 8) 8 02TBA 02TBA>

Parte 3: Determine sus ajustes. Si NO le corresponde una línea, déjela en blanco.

9 Si el TOTAL de los salarios sujetos a la contribución FUTA que pagó fue excluido de la contribución estatal para el desempleo, multiplique la cantidad de la línea 7a por .054 (línea 7a x .054 = línea 9). Pase a la línea 12 9 02ADJ

10 Si ALGUNOS salarios sujetos a la contribución FUTA que pagó fueron excluidos de la contribución estatal para el desempleo, O si pagó tarde ALGUNA PORCIÓN de la contribución estatal para el desempleo (después de la fecha límite para radicar el Formulario 940-PR), complete la hoja de trabajo en las instrucciones del Formulario 940, en inglés. Anote la cantidad de la línea 7 de la hoja de trabajo 10 02EXL

11 Si corresponde la reducción en el crédito, anote la cantidad total del Anexo A (Formulario 940-PR) 11 02TCR

Parte 4: Determine su contribución FUTA y saldo adeudado o cantidad pagada de más para 2011. Si NO le corresponde una línea, déjela en blanco.

12 Total de su contribución FUTA después de considerar los ajustes (líneas 8 + 9 + 10 + 11 = línea 12) 12 02TFT

13 Contribución FUTA depositada para el año, incluyendo toda cantidad pagada en exceso aplicada de un año anterior 13 02FCC

14 Saldo adeudado (Si la línea 12 es mayor que la línea 13, anote el excedente en la línea 14).
• Si la línea 14 es mayor de \$500, tiene que depositar la contribución.
• Si la línea 14 es \$500 o menos, puede hacer su pago junto con esta planilla. (vea las instrucciones) 14 02B/R+

15 Cantidad pagada en exceso (Si la línea 13 es mayor que la línea 12, anote el excedente en la línea 15 y marque uno de los encasillados que aparecen a continuación) 15 02B/R-

▶ TIENE que completar ambas páginas del Formulario 940-PR y luego FIRMARLO.

Para el Aviso sobre la Ley de Confidencialidad de Información y la Ley de Reducción de Trámites, vea el dorso del Formulario 940-V(PR), Comprobante de Pago.

01ARN Marque uno: ☐ Aplíquese a la próxima planilla. ☐ Envíe el reembolso.

Próxima Página →

Cat. No. 16996R Formulario 940-PR (2011)

01CCC

Exhibit 3.12.154-5 (Cont. 1) (01-01-2023)

Form 940 (PR) (Revision 2011) and Form 940 Schedule A (PR) (Anexo A (Formulario 940 (PR))) (Revision 2011)

Nombre (el de usted, no el de su negocio)		Número de Identificación Patronal (EIN)	
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Parte 5: Informe su obligación contributiva para la contribución FUTA por trimestre sólo si la cantidad de la línea 12 es mayor que \$500. Si no es así, pase a la Parte 6.

16 Informe su obligación contributiva para la contribución FUTA por cada trimestre; NO anote la cantidad que depositó. Si no adeudó ninguna contribución por cualquier trimestre, deje la línea en blanco.

16a 1er trimestre (1 de enero - 31 de marzo)	16a	02Q1	.
16b 2do trimestre (1 de abril - 30 de junio)	16b	02Q2	.
16c 3er trimestre (1 de julio - 30 de septiembre)	16c	02Q3	.
16d 4to trimestre (1 de octubre - 31 de diciembre)	16d	02Q4	.

17 Total de la obligación contributiva para el año (líneas 16a + 16b + 16c + 16d = línea 17)

Este total tiene que ser igual al de la línea 12.

Parte 6: ¿Podemos hablar con su tercero autorizado?

¿Desea permitir que su empleado, preparador remunerado u otra persona hable sobre esta planilla con el IRS? Vea las instrucciones para más detalles.

☐ **Si.** Nombre y núm. de teléfono de la persona

Escoja un número de identificación personal (PIN) de 5 dígitos que se debe usar al hablar con el IRS. ☐ 01CBI ☐ 01CBP ☐

☐ **No.**

Parte 7: Firme aquí. TIENE que completar ambas páginas del formulario y FIRMARLO.

Bajo pena de perjurio, declaro que he examinado esta planilla, incluyendo todos los anexos y declaraciones adjuntos, y que, a mi leal saber y entender, es verídica, correcta y completa y que ninguna porción de los pagos hechos al fondo estatal de desempleo por la que reclamo crédito fue, ni será, deducida de los pagos hechos a mis empleados. La declaración del preparador (que no sea el contribuyente) está basada en toda información de la cual el preparador tiene conocimiento.

X Firme su nombre aquí

Fecha / /

Escriba su nombre en letra de molde aquí

Escriba su cargo en letra de molde aquí

Mejor núm. de teléfono donde llamarlo durante el día

Para uso exclusivo del preparador remunerado

Marque aquí si trabaja por cuenta propia ☐

Nombre del preparador	PTIN	01PSN
Firma del preparador	Fecha	/ /
Nombre de la empresa (o el suyo, si trabaja por cuenta propia)	EIN	01PEN
Dirección	Núm. de teléfono	01PTN
Ciudad	Estado	Código postal (ZIP)

Página 2

Formulario 940-PR (2011)

Exhibit 3.12.154-5 (Cont. 2) (01-01-2023)

Form 940 (PR) (Revision 2011) and Form 940 Schedule A (PR) (Anexo A (Formulario 940 (PR))) (Revision 2011)

Anexo A (Formulario 940-PR) para 2011:**Información para Empleadores o Patronos de Múltiples Estados y sobre Reducciones en el Crédito**

OMB No. 1545-0028

Department of the Treasury — Internal Revenue Service

Número de Identificación Patronal (EIN)

 -

Nombre (el de usted, no el de su negocio)

Vea las Instrucciones al dorso. Radique este anexo adjunto al Formulario 940-PR.

Marque una "X" en el encasillado de todos los estados (incluyendo el Distrito de Columbia, Puerto Rico y las Islas Vírgenes de los EE.UU.) en los cuales estuvo obligado a pagar contribuciones estatales para el desempleo durante este año, incluso si la tasa de la reducción en el crédito es cero. Para los estados con una tasa de reducción en el crédito mayor que cero, anote el total de salarios sujetos a la contribución FUTA, multiplique por la tasa de la reducción en el crédito y luego anote la cantidad de la reducción en el crédito para ese estado. Deje en blanco los estados que no le corresponden a usted.

Abreviatura Postal	Salarios Sujetos a la Contribución FUTA	Tasa de Reducción	Reducción en el Crédito	Abreviatura Postal	Salarios Sujetos a la Contribución FUTA	Tasa de Reducción	Reducción en el Crédito
<input type="checkbox"/> AK	•	x .000	•	<input type="checkbox"/> NC	•	x .003	•
<input type="checkbox"/> AL	•	x .000	•	<input type="checkbox"/> ND	•	x .000	•
<input type="checkbox"/> AR	•						
<input type="checkbox"/> AZ	•						
<input type="checkbox"/> CA	•						
<input type="checkbox"/> CO	•						
<input type="checkbox"/> CT	•	x .003	•	<input type="checkbox"/> NV	•	x .003	•
<input type="checkbox"/> DC	•	x .000	•	<input type="checkbox"/> NY	•	x .003	•
<input type="checkbox"/> DE	•	x .000	•				
<input type="checkbox"/> FL	•	x .000	•				
<input type="checkbox"/> GA	•	x .000	•				
<input type="checkbox"/> HI	•	x .000	•	<input type="checkbox"/> PA	•	x .003	•
<input type="checkbox"/> IA	•	x .000	•	<input type="checkbox"/> RI	•	x .003	•
<input type="checkbox"/> ID	•						
<input type="checkbox"/> IL	•						
<input type="checkbox"/> IN	•						
<input type="checkbox"/> KS	•	x .000	•	<input type="checkbox"/> TX	•	x .000	•
<input type="checkbox"/> KY	•	x .003	•	<input type="checkbox"/> UT	•	x .000	•
<input type="checkbox"/> LA	•						
<input type="checkbox"/> MA	•						
<input type="checkbox"/> MD	•	x .000	•				
<input type="checkbox"/> ME	•	x .000	•	<input type="checkbox"/> WI	•	x .003	•
<input type="checkbox"/> MI	•	x .009	•	<input type="checkbox"/> WV	•	x .000	•
<input type="checkbox"/> MN	•	x .003	•	<input type="checkbox"/> WY	•	x .000	•
<input type="checkbox"/> MO	•	x .003	•	<input type="checkbox"/> PR	•	x .000	•
<input type="checkbox"/> MS	•	x .000	•	<input type="checkbox"/> VI	•	x .003	•
<input type="checkbox"/> MT	•	x .000	•				

States have no assigned section on Schedule A.
Sections 03, 04 and 05 are used subsequently as needed to enter required State information.

Section 03 will include the First 26 states listed on Schedule A.

Section 04 will contain up to 25 additional States if necessary.

Section 05 will contain any additional State entries if Sections 03 and 04 are filled.

Note: Total of Credit Reductions should equal entry on line 11, Page 1 of Form 940.

Total de la reducción en el crédito. Anote la cantidad en la línea 11 del Formulario 940-PR

Para el Aviso sobre la Ley de la Confidencialidad de Información y la Ley de Reducción de Trámites, vea el Formulario 940-PR.

Cat. No. 48499B

Anexo A (Formulario 940-PR) 2011

Exhibit 3.12.154-6 (01-01-2024)
Correspondence Action Chart

Form	Correspondence Required When the Following Conditions Exist	Suggested Correspondence
Form 940, Form 940 (PR), Form 940 (sp)	Missing Signature.	Send Letter 142C (or local letter as center permits).
Form 940, Form 940 (PR), Form 940 (sp)	Multiple tax years on return with no breakdown of tax and wage amounts for each year.	Send Letter 142C (or local letter as center permits).
Form 940, Form 940 (PR), Form 940 (sp)	Taxable Wages cannot be decided.	Send Letter 142C (or local letter as center permits). Note: For Form 940 (PR), English Letter 142C is acceptable for securing the correct entry (or entries) for return line 7 (TY 2012 and later, or 2010 and prior, or Lines 7a, 7b, 7c, 7d, and 7e, for TY 2011) and the Form 940 Schedule A (PR).
Form 940, Form 940 (PR), Form 940 (sp)	Total Payments and Total Payments in excess of \$7,000 are the same.	Send Letter 142C (or local letter as center permits).
Form 940, Form 940 (PR),Form 940 (sp)	Early Filed Return, Non-Final or Incomplete Final	Send Letter 142C (or local letter as center permits).
Form 940, Form 940 (PR), Form 940 (sp)	Multi-State Filer Subject to Credit Reduction and Form 940 Schedule A is missing/ incomplete	Send Letter 142C (or local letter as center permits).

Exhibit 3.12.154-7 (01-01-2024)**No Reply/Undeliverable Chart**

1) Correction procedures for **No Reply/ Undeliverable Chart**:

Note: All no replies and undeliverables must have a CCC "3". No received date is necessary

Form	Correspondence	No Reply or Undeliverable Cases Instructions
Form 940, Form 940 (PR), Form 940 (sp)	Missing Signature	a. On overpaid returns, enter CCC "X" and CCC "3". b. On balance due or zero/even returns process without signature.
Form 940, Form 940 (PR), Form 940 (sp)	Taxable Wages cannot be decided.	a. Revisions 2006 through 2013: Enter Line 3 amount into Field 02TTW. If no amount is present on Line 3, TPNC 10. b. 2005 and Prior Revision: Enter Line 1 amount into Field 02TTW. If no amount is present on Line 1, TPNC 10.
Form 940, Form 940 (PR), Form 940 (sp)	Revisions: • 2006 through 2013: Line 6 is greater than Line 3. • 2005 and Prior: Line 4 is greater than line 1.	a. Revisions 2006 through 2013: Enter the amount from Line 3 Employees line into Field 02TTW. Send TPNC 10. b. Revision 2005 and Prior: Enter the amount from Line 1 into Field 02TTW. Send TPNC 10.
Form 940, Form 940 (PR), Form 940 (sp)	Taxpayer enters non-calendar year tax period.	Process as current year.
Form 940, Form 940 (PR), Form 940 (sp)	Early filed return is not marked "Final".	Ensure Letter 142C (or local letter as center permits) was sent. Suspend with Action Code 480.
Form 940, Form 940 (PR), Form 940 (sp)	Revisions: • 2006 through 2013 Line 5 equals Line 3. • 2005 and Prior Line 3 equals Line 1.	a. Revisions 2006 through 2013: Add the amount claimed on Line 5 to Line 3. and assess tax. b. 2005 and Prior Revisions: Add the amount claimed on Line 3 to Line 1 and assess tax.

#

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Exhibit 3.12.154-7 (Cont. 1) (01-01-2024)**No Reply/Undeliverable Chart**

Form	Correspondence	No Reply or Undeliverable Cases Instructions
Form 940, Form 940 (PR)	Multiple Tax Periods	a. Process as the earliest tax period. b. Photocopy all pages and attachments. c. Stamp Photocopy - "Do not Process". d. Use a routing slip to route the copy to collections, notating "Multiple period Case".
Form 940	Credit Reduction Wages Exceed Total Taxable Wages	Increase the Total Taxable Wages to agree with the Total Credit Reduction Wages.
Form 940	Credit Reduction Wages were not provided for any/all of the Multiple Credit Reduction States,	a. Process the return as a single state filer: <ul style="list-style-type: none"> If the entity state is not a Credit Reduction state for the return tax year. Review field 02TCR and/or 02CRB for a taxpayer entry. If on the display screen 01CRB, 01MSB or 02TCR has an entry, blank the field. Also, if 01SC is blank, enter the state code from box 1a. If the entity state is a Credit Reduction state for the return tax year, be sure the state code appears in field 01SC1 and that field 02TCR has a "1". If Form 940 Schedule A was attached, be sure Field 03, 04, or 05 has the correct state code. If state code is incorrect, blank the incorrect state. Then, enter the correct state code, to correct, or if Section 03, 04, or 05 were blank b. Transmit to update the screen

Exhibit 3.12.154-8 (01-01-2016)**State Codes**

State Code	State	State Code	State
AL	Alabama	NE	Nebraska
AK	Alaska	NV	Nevada
AZ	Arizona	NH	New Hampshire
AR	Arkansas	NJ	New Jersey
CA	California	NM	New Mexico
CO	Colorado	NY	New York
CT	Connecticut	NC	North Carolina
DC	District of Columbia	ND	North Dakota
DE	Delaware	OH	Ohio
FL	Florida	OK	Oklahoma
GA	Georgia	OR	Oregon
HI	Hawaii	PA	Pennsylvania
ID	Idaho	PR	Puerto Rico
IL	Illinois	RI	Rhode Island
IN	Indiana	SC	South Carolina
IA	Iowa	SD	South Dakota
KS	Kansas	TN	Tennessee
KY	Kentucky	TX	Texas
LA	Louisiana	UT	Utah
ME	Maine	VT	Vermont
MD	Maryland	VA	Virginia
MA	Massachusetts	VI	Virgin Islands
MI	Michigan	WA	Washington
MN	Minnesota	WV	West Virginia
MS	Mississippi	WI	Wisconsin
MO	Missouri	WY	Wyoming
MT	Montana	*ZZ	Used for Zero Liability Tax in a Credit Reduction State only

Exhibit 3.12.154-9 (01-01-2016)
Entity State Code and Zip Code Chart

State Code	State	ZIP Code	State Code	State	ZIP Code
AA	America-Atlantic	34001	MS	Mississippi	38601
AE	America-Europe	09001	MO	Missouri	63001
AP	America-Pacific	96201	MT	Montana	59001
AL	Alabama	35001	NE	Nebraska	68001
AK	Alaska	99501	NV	Nevada	88901
AZ	Arizona	85001	NH	New Hampshire	03001
AR	Arkansas	71601	NJ	New Jersey	07001
CA	California	90001	NM	New Mexico	87001
CO	Colorado	80001	NY	New York	00501
CT	Connecticut	06001	NC	North Carolina	27001
DC	District of Columbia	20001	ND	North Dakota	58001
DE	Delaware	19701	OH	Ohio	43001
FL	Florida	32001	OK	Oklahoma	73001
GA	Georgia	30001	OR	Oregon	97001
HI	Hawaii	96701	PA	Pennsylvania	15001
ID	Idaho	83201	RI	Rhode Island	02801
IL	Illinois	60001	SC	South Carolina	29001
IN	Indiana	46001	SD	South Dakota	57001
IA	Iowa	50001	TN	Tennessee	37001
KS	Kansas	66001	TX	Texas	75001
KY	Kentucky	40001	UT	Utah	84001
LA	Louisiana	70001	VT	Vermont	05001
ME	Maine	03901	VA	Virginia	20101
MD	Maryland	20601	WA	Washington	98001
MA	Massachusetts	01001	WV	West Virginia	24701
MI	Michigan	48001	WI	Wisconsin	53001
MN	Minnesota	55001	WY	Wyoming	82001

Exhibit 3.12.154-10 (01-01-2016)

◆ U.S. Possessions ZIP Codes ◆

American Samoa (AS)

American Samoa (AS) City	American Samoa (AS) ZIP Code
Faga'itua	96799
Leone	96799
Olosega Manua'	96799
Pago Pago	96799

Federated States of Micronesia (FM)

Federated States of Micronesia (FM) City	Federated States of Micronesia (FM) ZIP Code
Chuuk	96942
Kosrae	96944
Pohnpei	96941
Yap	96943

Guam (GU)

Guam (GU) City	Guam (GU) ZIP Code
Agana	96910
Inarajan	96917
Merizo	96916
Tamuning	96931
Umatac	96915
Yona	96915

Marshall Islands (MH)

Marshall Islands (MH) City	Marshall Islands (MH) ZIP Code
Ebeye	96970
Majuro	96960

Northern Mariana Islands (MP)

Northern Mariana Islands (MP) City	Northern Mariana Islands (MP) ZIP Code
Capitol Hill	96950
Rota	96951
Saipan	96950

Exhibit 3.12.154-10 (Cont. 1) (01-01-2016)**◆ U.S. Possessions ZIP Codes ◆**

Northern Mariana Islands (MP) City	Northern Mariana Islands (MP) ZIP Code
Tinian	96952

Palau (PW)

Palau (PW) City	Palau (PW) ZIP Code
Koror	96940
Palau	96940

U S Virgin Islands (VI)

U S Virgin Islands (VI) City	U S Virgin Islands (VI) ZIP Code
Charlotte Amalie	00802
Christiansted	00820
Cruz Bay	00830
Downtown	00840
Frederiksted	00840
Kingshill	00850
Saint Croix	00820
Saint John	00830
Saint Thomas	00805
Sunny Isle	00850
Veterans Annex	00820

Puerto Rico (PR)

Puerto Rico (PR) City	Puerto Rico (PR) ZIP Code
Adjuntas	00601
Aquada	00602
Aquadilla	00603
Aguas Buenas	00703
Aguirre	00704
Aibonito	00705
Añasco	00610
Angeles	00611
Arecibo	00612

Exhibit 3.12.154-10 (Cont. 2) (01-01-2016)**◆ U.S. Possessions ZIP Codes ◆**

Puerto Rico (PR) City	Puerto Rico (PR) ZIP Code
Arroyo	00714
Bajadero	00616
Barceloneta	00617
Barraquitas	00794
Barrio Obrero Station	00935
Bayamon	00956
Boqueron	00622
Cabo Rojo	00623
Caguas	00725
Camuy	00627
Canovanas	00729
Caparra Heights	00920
Carolina	00982
Catano	00962
Cayey	00736
Ceiba	00735
Cerro Gordo	00754
Ciales	00638
Cidra	00739
Coamo	00769
Comerio	00782
Condado	00907
Corozal	00783
Coto Laurel	00780
Culebra	00775
Dorado	00646
Ensenada	00647
Esperanza	00765
Fajardo	00738
Fernandez Juncos	00936
Florida	00650

Exhibit 3.12.154-10 (Cont. 3) (01-01-2016)**◆ U.S. Possessions ZIP Codes ◆**

Puerto Rico (PR) City	Puerto Rico (PR) ZIP Code
Fort Buchanan	00934
Garrachales	00652
Guanica	00653
Guayama	00784
Guayanilla	00656
Guaynabo	00965
Gurabo	00778
Hatillo	00659
Hato Rey	00936
Hormigueros	00660
Humacao	00791
Isabela	00662
Jayuya	00664
Juana Diaz	00795
Juncos	00777
La Cumbre	00926
Lajas	00667
Laplata	00786
Lares	00669
Las Marias	00670
Las Piedras	00771
Levittown	00949
Loiza	00772
Loiza Street Station	00936
Luquillo	00773
Manati	00674
Maricao	00606
Maunabo	00707
Mayaguez	00680
Mercedita	00715
Minillas Center	00936

Exhibit 3.12.154-10 (Cont. 4) (01-01-2016)**◆ U.S. Possessions ZIP Codes ◆**

Puerto Rico (PR) City	Puerto Rico (PR) ZIP Code
Moca	00676
Morovis	00687
Naguabo	00718
Naranjito	00719
Orocovis	00720
Palmer	00721
Patillas	00723
Penuelas	00624
Ponce	00731
Puerta de Tierra	00936
Puerta Real	00740
Punta Santiago	00741
Quebradillas	00678
Ramey	00603
Rincon	00677
Rio Blanco	00744
Rio Grande	00721
Rio Piedras	00927
Rosario	00636
Sabana Grande	00637
Sabana Hoyos	00688
Sabana Seca	00952
Saint Just	00978
Salinas	00751
San Antonio	00690
San Francisco	00927
San German	00683
San Juan	00936
San Lorenzo	00754
San Sebastian	00685
Santa Isabel	00757

Exhibit 3.12.154-10 (Cont. 5) (01-01-2016)**◆ U.S. Possessions ZIP Codes ◆**

Puerto Rico (PR) City	Puerto Rico (PR) ZIP Code
Santurce	00936
Toa Alta	00953
Toa Boa	00949
Trujillo Alto	00976
University	00936
Utuado	00641
Vega Alta	00692
Vega Baja (box 1-9049)	00694
Vieques	00765
Villalba	00766
Yabucoa	00767
Yauco	00698

Exhibit 3.12.154-11 (01-01-2016)**Foreign Country Codes**

Foreign Country	Country Code
Afghanistan	AF
Akrotiri	AX
Albania	AL
Algeria	AG
Andorra	AN
Angola	AO
Anguilla	AV
Antarctica	AY
Antigua and Barbuda	AC
Argentina	AR
Armenia	AM
Aruba	AA
Ashmore and Cartier Islands	AT
Australia	AS
Austria	AU
Azerbaijan	AJ
The Bahamas	BF
Bahrain	BA
Baker Island	FQ
Bangladesh	BG
Barbados	BB
Barbuda	AC
The Bahamas	BF
Belgium	BE
Belarus	BO
Belize	BH
Benin (Dahomey)	BN
Bermuda	BD
Bhutan	BT
Bolivia	BL

Exhibit 3.12.154-11 (Cont. 1) (01-01-2016)
Foreign Country Codes

Foreign Country	Country Code
Bosnia and Herzegovina	BK
Botswana	BC
Bouvet Island	BV
Brazil	BR
British Indian Ocean Territory	IO
British Virgin Islands	VI
Brunei	BX
Bulgaria	BU
Burkina Faso	UV
Burma	BM
Burundi	BY
Cambodia	CB
Cameroon	CM
Canada	CA Note: For Canadian province abbreviations see Exhibit 3.12.154-12, Province, Foreign State and Territory.
Cape Verde	CV
Cayman Islands	CJ
Central African Republic	CT
Chad	CD
Chile	CI
China, People's Republic of (Including Inner Mongolia, Tibet and Manchuria)	CH
Christmas Island	KT
Clipperton Islands	IP
Cocos (Keeling) Islands	CK
Columbia	CO
Comoros	CN

Exhibit 3.12.154-11 (Cont. 2) (01-01-2016)**Foreign Country Codes**

Foreign Country	Country Code
Congo, Republic of (Brazzaville)	CF
Congo, Democratic Republic of (Kinshasa) (formerly Zaire)	CG
Cook Islands	CW
Coral Sea Islands Territory	CR
Costa Rica	CS
Cote d'Ivoire (Ivory Coast)	IV
Croatia	HR
Cuba	CU
Cyprus	CY
Czech Republic	EZ
Dem. Rep. of Congo (Kinshasa)	CG
Denmark	DA
Dhekelia	DX
Djibouti	DJ
Dominica	DO
Dominican Republic	DR
Ecuador	EC
Egypt	EG
El Salvador	ES
Eleuthera Island	BF
Equatorial Guinea	EK
Eritrea	ER
Estonia	EN
Ethiopia	ET
Falkland Islands (Isla Malvinas)	FK
Faroe Islands	FO
Fiji	FJ
Finland	FI
French Southern and Antarctic Lands	FS
France	FR
French Polynesia	FP

Exhibit 3.12.154-11 (Cont. 3) (01-01-2016)
Foreign Country Codes

Foreign Country	Country Code
Gabon	GB
The Gambia	GA
Georgia	GG
Georgia Island and South Sandwich Island	SX
Germany	GM
Ghana	GH
Gibraltar	GI
Greece	GR
Greenland	GL
Grenada	GJ
Guatemala	GT
Guernsey	GK
Guinea	GV
Guinea-Bissau	PU
Guyana	GY
Haiti	HA
Heard Island and McDonald Island	HM
Holy See	VT
Honduras	HO
Hong Kong	HK
Howland Island	HQ
Hungary	HU
Iceland	IC
India	IN
Indonesia (Including Bali, Belitung, Flores, Java, Moluccas and Sumatra)	ID
Iran	IR
Iraq	IZ
Ireland, Republic of	EI
Isle of Man	IM
Israel	IS
Italy	IT

Exhibit 3.12.154-11 (Cont. 4) (01-01-2016)
Foreign Country Codes

Foreign Country	Country Code
Jamaica	JM
Jan Mayen	JN
Japan	JA
Jarvis Island	DQ
Jersey	JE
Johnston Atoll	JQ
Jordan	JO
Kazakhstan	KZ
Kenya	KE
Kingman Reef	KQ
Kiribati	KR
Korea, Dem. People's Republic of (North)	KN
Korea, Republic of (South) Note: Use when only "Korea" is present.	KS
Kosovo	KV
Kuwait	KU
Kyrgyzstan	KG
Laos	LA
Latvia	LG
Lebanon	LE
Lesotho	LT
Liberia	LI
Libya	LY
Liechtenstein	LS
Lithuania	LH
Luxembourg	LU
Macau	MC
Macedonia	MK
Madagascar	MA
Malawi	MI

Exhibit 3.12.154-11 (Cont. 5) (01-01-2016)
Foreign Country Codes

Foreign Country	Country Code
Malaysia	MY
Maldives	MV
Mali	ML
Malta	MT
Mauritania	MR
Mauritius	MP
Mayotte	MF
Mexico	MX
Midway Islands	MQ
Moldova	MD
Monaco	MN
Mongolia	MG
Montserrat	MH
Morocco	MO
Mozambique	MZ
Namibia	WA
Nauru	NR
Navassa Island	BQ
Nepal	NP
The Netherlands	NL
Netherlands Antilles	NT
New Caledonia	NC
New Zealand	NZ
Nicaragua	NU
Niger	NG
Nigeria	NI
Niue	NE
Norfolk Island	NF
Norway	NO
Oman	MU
Pakistan	PK

Exhibit 3.12.154-11 (Cont. 6) (01-01-2016)**Foreign Country Codes**

Foreign Country	Country Code
Palmyra Atoll	LQ
Panama	PM
Papua New Guinea	PP
Paracel Islands	PF
Paraguay	PA
Peru	PE
Philippines	RP
Pitcairn Islands	PC
Poland	PL
Portugal	PO
Qatar	QA
Republic of Korea (North)	KN
Republic of Korea (South)	KS
Republic of Singapore	SN
Romania	RO
Russia	RS
Rwanda	RW
Ryukyu Islands	JA
Samoa	WS
San Marino	SM
Sao Tome and Principe	TP
Saudi Arabia	SA
Senegal	SG
Serbia	YI
Seychelles	SE
Sierra Leone	SL
Singapore	SN
Slovakia	LO
Slovenia	SI
Solomon Islands	BP
Somalia	SO

Exhibit 3.12.154-11 (Cont. 7) (01-01-2016)
Foreign Country Codes

Foreign Country	Country Code
South Africa	SF
Spain	SP
Spratly Islands	PG
Sri Lanka	CE
St. Barthelemy	TB
St. Helena	SH
St. Kitts and Nevis (Includes St. Christopher)	SC
St. Lucia	ST
St. Martin	RN
St. Pierre and Miquelon	SB
St. Vincent and Grenadines	VC
Sudan	SU
Suriname	NS
Svalbard	SV
Swaziland	WZ
Sweden	SW
Switzerland	SZ
Syria	SY
Tahiti (French Polynesia)	FP
Taiwan	TW
Tajikistan	TI
Tanzania, Republic of	TZ
Thailand	TH
Timor-Leste	TT
Togo	TO
Tokelau	TL
Tonga	TN
Trinidad and Tobago	TD
Tunisia	TS
Turkey	TU
Turkmenistan	TX

Exhibit 3.12.154-11 (Cont. 8) (01-01-2016)**Foreign Country Codes**

Foreign Country	Country Code
Turks and Caicos Islands	TK
Tuvalu	TV
Uganda	UG
Ukraine	UP
United Arab Emirates	AE
United Kingdom	UK
Uruguay	UY
Uzbekistan	UZ
Vanuatu	NH
Venezuela	VE
Vietnam	VM
Wake Island	WQ
Wallis and Futuna	WF
Western Sahara	WI
Yemen	YM
Zambia	ZA
Zimbabwe	ZI

Exhibit 3.12.154-12 (01-01-2016)**◆ Province, Foreign State and Territory Abbreviations ◆*****Australia State***

Australia State	Abbreviation
Australian Capital Territory	ACT
New South Wales	NSW
Northern Territory	NT
Queensland	QLD
South Australia	SA
Tasmania	TAS
Victoria	VIC
Western Australia	WA

Brazil State

Brazil State	Abbreviation
Acre	AC
Alagoas	AL
Amapa	AP
Amazonas	AM
Bahia	BA
Ceara	CE
Distrito Federal	DF
Esperito Santo	ES
Goiias	GO
Maranhao	MA
Mato Grosso	MT
Mato Grosso do Sul	MS
Minas Gerais	MG
Parana	PR
Paraiba	PB
Para	PA
Pernambuco	PE
Piaui	PI
Rio Grande do Norte	RN

Exhibit 3.12.154-12 (Cont. 1) (01-01-2016)**◆ Province, Foreign State and Territory Abbreviations ◆**

Brazil State	Abbreviation
Rio Grande do Sul	RS
Rio de Janeiro	RJ
Rondonia	RO
Roraima	RR
Santa Catarina	SC
Sergipe	SE
Sao Paulo	SP
Tocantins	TO

Canada Province/Territory

Canada Province/Territory	Abbreviation	Country Code
Alberta	AB	XA
British Columbia	BC	XB
Manitoba	MB	XM
New Brunswick	NB	XN
Newfoundland and Labrador	NL	XL
Northwest Territories	NT	XT
Nova Scotia	NS	XS
Nunavut	NU	XV
Ontario	ON	XO
Prince Edward Island	PE	XP
Quebec	QC	XQ
Saskatchewan	SK	XW
Yukon	YT	XY

Cuba Provincias

Cuba Provincias	Abbreviation
Camaguey	CG
Ciego de Avila	CA
Cienfuegos	CF
Ciudad di La Habana	CH

Exhibit 3.12.154-12 (Cont. 2) (01-01-2016)**♦ Province, Foreign State and Territory Abbreviations ♦**

Cuba Provincias	Abbreviation
Gramma (Bayamo)	GR
Guantanamo	GT
Holguin	HO
La Habana	HA
Matazas	MT
Municipio Especial Isla de la Juventud	IJ
Pinar del Rio	PR
Sancti Spiritus	SS
Santiago de Cuba	SC
(Victoria de) Las Tunas	LT
Villa Clara	VC

Italy Provincia

Italy Provincia	Abbreviation
Agrigento	AG
Alessandria	AL
Ancona	AN
Aosta/Aoste	AO
Arezzo	AR
Ascoli Piceno	AP
Asti	AT
Bari	BA
Belluna	BL
Benevento	BN
Bergamo	BG
Biella	BI
Bologna	BO
Bolozano Bolzen	BZ
Brescia	BS
Brindisi	BR
Cagliari	CA

Exhibit 3.12.154-12 (Cont. 3) (01-01-2016)**◆ Province, Foreign State and Territory Abbreviations ◆**

Italy Provincia	Abbreviation
Caltanissetta	CL
Campobasso	CB
Caserta	CE
Catania	CT
Catanzaro	CZ
Chieti	CH
Como	CO
Cosenza	CS
Cremona	CZ
Crotone	KR
Cuneo	CN
Enna	EN
Ferrara	FE
Firenze	FI
Foggia	FG
Forli	FO
Frosinone	FR
Genova	GE
Gorizia	GO
Grosseto	GR
Imperia	IM
Isernia	IS
L'Aquila	AQ
La Spezia	SP
Latina	LT
Lecce	LE
Livorno	LI
Lodi	LO
Lucca	LU
Macerata	MC
Mantova	MN

Exhibit 3.12.154-12 (Cont. 4) (01-01-2016)**◆ Province, Foreign State and Territory Abbreviations ◆**

Italy Provincia	Abbreviation
Massa-Carrara	MS
Matera	MT
Messina	ME
Milano	MI
Modena	MO
Napoli	NA
Novara	NO
Nuoro	NU
Oristano	OR
Padova	PD
Palermo	PA
Parma	PR
Pavia	PV
Perugia	PG
Pesaro-Urbino	PS
Pescara	PE
Piacenza	PC
Pisa	PI
Pistoia	PT
Pordenone	PN
Potenza	PZ
Prato	PO
Ragusa	RG
Pavenna	RA
Peggio de Calabria	RC
Reggio nell'Emilia	RE
Rieti	RI
Rimini	RN
Roma	RM
Rovigo	RO
Salerno	SA

Exhibit 3.12.154-12 (Cont. 5) (01-01-2016)**◆ Province, Foreign State and Territory Abbreviations ◆**

Italy Provincia	Abbreviation
Sassari	SS
Savona	SV
Siena	SI
Siracusa	SR
Sondrio	SO
Taranto	TA
Teramo	TE
Terni	TR
Torino	TO
Trapani	TO
Trento	TN
Treviso	TV
Trieste	TS
Udine	UD
Varese	VA
Venezia	VE
Verbania	VB
Vercelli	VC
Verona	VR
Vibo Valentia	VV
Vincenza	VI
Viterbo	VT

Mexico State

Mexico State	Abbreviation
Aguascalientes	AGS
Baja California Norte	BCN
Baja California Sur	BCS
Campeche	CAM
Chiapas	CHIS
Chihuahua	CHIH

Exhibit 3.12.154-12 (Cont. 6) (01-01-2016)**♦ Province, Foreign State and Territory Abbreviations ♦**

Mexico State	Abbreviation
Coahuila	COAH
Colima	COL
Distrito Federal	DF
Durango	DGO
Guanajuato	GTO
Guerrero	GRO
Hidalgo	HGO
Jalisco	JAL
Mexico	MEX
Michoacan	MICH
Morelos	MOR
Nayarit	NAY
Nuevo Leon	NL
Oaxaca	OAX
Puebla	PUE
Queretaro	QRO
Quintana ROO	QROO
San Luis Potosi	SLP
Sinaloa	SIN
Sonora	SON
Tabasco	TAB
Tamaulipas	TAMPS
Tlaxcala	TLAX
Veracruz	VER
Yucatan	YUC
Zacatecas	ZAC

The Netherlands Province

The Netherlands Province	Abbreviation
Drenthe	DR
Flevoland	FLD

Exhibit 3.12.154-12 (Cont. 7) (01-01-2016)**◆ Province, Foreign State and Territory Abbreviations ◆**

The Netherlands Province	Abbreviation
Friesland	FR
Gelderland	GLD
Groningen	GN
Lemburg	LB
North Brabant	NB
North Holland	NH
Overijssel	OV
South Holland	ZH
Utrecht	UT
Zeeland	SLD

Exhibit 3.12.154-13 (01-01-2023)**Action Code Chart**

Function Code	Description
CE	Code & Edit
ERS	Error Correction
S	Suspense Correction
GEN	Computer-Generated

1) Input Document

Action Code	Description	Workday Suspense Period	Function Used In
001	Input Document	0	GEN

2) Correspondence

Action Code	Description	Workday Suspense Period	Function Used In
210	Employee Plan Master File (EPMF) Correspondence	60	ERS, S Function Used In
211	First Taxpayer Correspondence	40	CE, ERS, S
212	Second Taxpayer Correspondence	25	CE, ERS, S
213	Correspondence to Other Than Taxpayer	40	CE, ERS, S
215	International Correspondence	45	CE, ERS, S
225	Signature Only	40	CE, ERS, S
226	Signature Only (International)	40	CE, ERS, S

3) In House Research

Action Code	Description	Workday Suspense Period	Function Used In
300	Examination (Fuel Tax Credit)	10	CE, ERS, S
310	Statute Control	10	CE, ERS, S
320	Entity Control	10	CE, ERS, S

4) Criminal Investigation Division

Exhibit 3.12.154-13 (Cont. 1) (01-01-2023)
Action Code Chart

Action Code	Description	Workday Suspense Period	Function Used In
331	Frivolous Review	3	CE, ERS
332	Questionable Refund Detection Team Review (QRDT)	3	CE, ERS
333	Prompt Audit	10	CE, ERS, S
334	Joint Committee	10	CE, ERS, S
335	Frivolous Case	10	CE, ERS, S
336	QRDT Case	10	CE, ERS, S
337	Other Criminal Investigation Division (CID)	10	CE, ERS, S

5) Accounting

Action Code	Description	Workday Suspense Period	Function Used In
341	Manual Refund	10	CE, ERS, S
342	Credit Verification	10	CE, ERS, S
343	Black Liquor	10	CE, ERS, S
344	Manual Refund (ERS)	0	ERS

6) Master File Transcript Request Research (MFTRA)

Action Code	Description	Workday Suspense Period	Function Used In
351	TIN Research	0	ERS, S
352	Name Research	3	CE, ERS, S
353	Address Research	3	CE, ERS, S
354	Filing Requirement Research	3	CE, ERS, S
355	Other MFTRA Research	5	CE, ERS, S
360	Other In-House Research	10	CE, ERS, S
370	Examination	10	CE, ERS, S

7) Management Suspense

Exhibit 3.12.154-13 (Cont. 2) (01-01-2023)
Action Code Chart

Action Code	Description	Workday Suspense Period	Function Used In
410	Assistance Needed	0	ERS
420	Management Suspense A	5	CE, ERS, S
430	Management Suspense B	10	CE, ERS, S
440	Management Suspense C	15	CE, ERS, S
450	Management Suspense D	20	CE, ERS, S
460	Management Suspense E	25	CE, ERS, S
470	Complex Error Code	0	ERS
480	Early Filed Suspense	150	CE, ERS, S
490	System Problem	5	CE, ERS, S

8) Missing Document

Action Code	Description	Workday Suspense Period	Function Used In
510	Missing Document	0	CE
511	Missing Document- 1st Suspense	25	ERS, S
512	Missing Document- 2nd Suspense	20	S
513	Missing Document- 3rd Suspense	20	S
515	Missing Document- Short Term	5	ERS, S

9) Magnetic Tape

Action Code	Description	Workday Suspense Period	Function Used In
550	Magnetic Tape Return- Check for Attachments	0	CE
551	Magnetic Tape Return- Inconsistent Data	0	CE

10) Rejects

Action Code	Description	Workday Suspense Period	Function Used In
610	ReNUMBER - Non-Remit	0	CE, ERS
611	ReNUMBER - Remit	0	CE, ERS

Exhibit 3.12.154-13 (Cont. 3) (01-01-2023)
Action Code Chart

Action Code	Description	Workday Suspense Period	Function Used In
620	NMF/Non-ADP	0	CE, ERS
630	Reinput	0	ERS, S
640	Void	0	CE, ERS, S
650	International (ACI)	0	CE, ERS, S
660	Data Control Delete (TEP Delete)	0	S
670	Rejected Missing Document	0	S

11) Duplicate DLN

Action Code	Description	Workday Suspense Period	Function Used In
700	Duplicate Block DLN	0	GEN
711	Duplicate Document DLN from Code & Edit	0	GEN
712	Duplicate Document from Error Correction	0	GEN
713	Duplicate Document from Unpostables	0	GEN
714	Duplicate Document from Unworkable Suspense	0	GEN
715	Duplicate Document from Workable Suspense	0	GEN
800	NAP Linkage Problem	2	ERS, S
900	Unpostable Record	0	GEN

Exhibit 3.12.154-14 (01-01-2023)**◆ Potential Frivolous Arguments for Examination Review ◆**

Potential Frivolous Arguments	Description
Alleged Churches/First Amendment	Income from non-religious sources and may claim a vow of poverty.
Altered Form	Altering any or all line items with the intent of facilitating non-compliance with the tax laws.
Altered Jurat/Uniform Commercial Code (UCC) 1 - 207 or UCC 1 - 308	Return has income and deductions but the jurat was altered or stricken. May have a reference to UCC 1-207 / UCC 1-308 or a statement that the return was not signed under penalties of perjury.
Amended Returns or Form 843 Claim	Amended return or a Form 843 filed to obtain a total refund of all taxes paid in prior years, based on a tax avoidance argument.
C-Filings	<p>This frivolous position includes the following four categories:</p> <ul style="list-style-type: none"> • Files a return claiming several types of deductions, credits, or overpayments/refunds that have no relation to reality and because of their outrageous character, qualify as frivolous returns. • Files a return with the filers identifying information but does not request a refund, often lacking sufficient information to compute a tax liability. • Files a return with several types of rambling dialogue or confusing arguments that no one can reasonably view as a good faith attempt to comply with the law. • Files a return that attempts to send some type of message or protest to the IRS, but does not have sufficient identifying information for the IRS to verify the taxpayer, or correspondent, or return address.
Challenges to Authority/Due Process	Questions several administrative authorities such as delegation orders, summons authority, privacy act, etc. Argues that they must be afforded a hearing or a trial prior to taxes is assessed or prior to property is seized.
Challenges to Authority/Title 26 or "law" in Other Documents	Argues that Title 26 of the United States Code is not law because it was never enacted as named

Exhibit 3.12.154-14 (Cont. 1) (01-01-2023)**◆ Potential Frivolous Arguments for Examination Review ◆**

Potential Frivolous Arguments	Description
Collections Issues	Files frivolous documents contending that several collections issues are invalid (e.g., Offers in Compromise, Collection Due Process Requests, Installment Agreements, Appeals Requests, etc.) because they are not filed and signed by someone with delegated authority. They may have no certificate of assessment attached, do not comply in form or content with a State or Local law, are not in a certain format or lack a valid OMB (Office of Management and Budget) number or other frivolous positions.
Disclaimer	Submits a disclaimer stating, “disclaims the liability for the tax due”, making the liability on the return zero.
Fifth Amendment	Assertion of the Fifth Amendment right against self-incrimination as a basis for not providing any financial information.
Foreign Income	Argues that the United States citizens and residents are not subject to tax on their wages or other income derived from sources within the United States, as only foreign-based income or income received by nonresident aliens and foreign S Corporations from sources within the United States is taxable.
Form 1099-OID (Original Issue Discount)	An individual files a return reporting false amounts of income (generally “Other” or “Miscellaneous” income) and all of them claim a false amount of income tax withholding approximately equal to the amount of falsely reported income. Although the returns report income, they do not calculate any tax due. Some of the returns have Form 1099-OID (Original Issue Discount) attached and some have Form 1096. Other false financial instruments may be filed in the place of or in addition to the Form 1099-OID such as Form 2439, promissory notes, bonds sight drafts etc.
IRC 861 Business Employment Tax (BMF 861)	Argument targets employers and advises them that wages are exempt from withholding. Based on 26 CFR 1.861, promoters of this scheme advise employers to stop withholding and paying payroll taxes on their employee’s wages. In addition, some employers file amended payroll tax returns and request refunds of previously paid payroll taxes.

Exhibit 3.12.154-14 (Cont. 2) (01-01-2023)**◆ Potential Frivolous Arguments for Examination Review ◆**

Potential Frivolous Arguments	Description
IRS is a Private Organization/Collects Tribute, Not Taxes	Argues that the IRS is an entity named the Internal Revenue and Tax Service, Inc., which was incorporated in Delaware in 1933, it is a collection agency for the Federal Reserve Bank, or is part of the United Nations and is clandestinely leading the tax-paying public into a “new world order”.
Not a Person	Argues that a taxpayer is not a “person” within the meaning of IRC 7701(a)(14).
Obscene, Vulgar, Harassing	Submits documents or other materials showing that non-filing is due to dissatisfaction with tax policies or taxation in general. Often, this argument is expressed with obscene, vulgar, or crude language and characters in an extremely demeaning manner.
Protest Against Government Action/Inaction	Argues that refusal to file or pay is justified because they disagree with government policies or spending plans.
Sixteenth Amendment	Argues the Sixteenth Amendment was not properly ratified and therefore the federal government does not have the legal authority to collect an income tax without apportionment.
Straw Men	Argues the government has created an entity separate and distinct from the taxpayer - a “straw man” and any tax obligations are exclusively those of the “straw man”.
Taxes are Voluntary/Law Does Not Require	Submits a return, amended return or correspondence that argues income taxes are voluntary.
U.S. v. Long	Submits a return with zero money amounts much the same as the Zero Return category and U.S. V. Long is referenced. See NOTE in Zero returns below.
Unsigned Returns	The individual completes a return but does not sign, A statement showing disagreement with the tax system is attached or added to the return.
Valuation	Income is not taxable because of the declining fair market value of the dollar, because the dollar is not backed by gold/silver, because the value of services is offset by the value of the labor (barter income), etc.

Exhibit 3.12.154-14 (Cont. 3) (01-01-2023)

◆ Potential Frivolous Arguments for Examination Review ◆

Potential Frivolous Arguments	Description
Zero Returns	Submits a return with zero money amounts on all or most line items on the form (e.g., IRC 861, Form 2439, OID and other BMF filings that claim no income and requests refunds). See Rev. Rul. 2004-34. A statement is attached claiming there is no section of the Internal Revenue Code that established an income tax liability. The statement may also have arguments regarding the definition of income. There are several variations on this type of filing such as those bearing the words “nunc pro tunc” and “not liable”.
Other	<p>All others including those listed in Notice 2010-33 or any subsequent. See https://www.irs.gov/privacy-disclosure/the-truth-about-frivolous-tax-arguments-instruction.</p> <p>This category includes non-filer accounts resulting from initial compliance check such as cross-reference TINs.</p> <p>Note: Frivolous arguments citing “Collection Due Process” (CDP) should be reviewed by Collections for possible referral to Appeals. Refer to IRM 5.19.8, Collection Appeal Rights Procedures, for more information.</p>

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Exhibit 3.12.154-15 (01-12-2023)**Credit Reduction States and Rates (TY 2023 - 2004)*****2023 Tax Year Credit Reduction States and Rates***

State	Rate
To be determined	To be determined

2022 Tax Year Credit Reduction States and Rates

State	Rate
California (CA)	.003
Connecticut (CT)	.003
Illinois (IL)	.003
New York (NY)	.003
U.S. Virgin Islands (VI)	.036

2021 Tax Year Credit Reduction States and Rates

State	Rate
U.S. Virgin Islands (VI)	.033

2020 Tax Year Credit Reduction States and Rates

State	Rate
U.S. Virgin Islands (VI)	.030

2019 Tax Year Credit Reduction States and Rates

State	Rate
U.S. Virgin Islands (VI)	.027

2018 Tax Year Credit Reduction States and Rates

State	Rate
U.S. Virgin Islands (VI)	.024

2017 Tax Year Credit Reduction States and Rates

State	Rate	State	Rate
California (CA)	.021	U.S. Virgin Islands (VI)	.021

Exhibit 3.12.154-15 (Cont. 1) (01-12-2023)**Credit Reduction States and Rates (TY 2023 - 2004)****2016 Tax Year Credit Reduction States and Rates**

State	Rate	State	Rate
California (CA)	.018	U.S. Virgin Islands (VI)	.018

2015 Tax Year Credit Reduction States and Rates

State	Rate	State	Rate
California (CA)	.015	Ohio (OH)	.015
Connecticut (CT)	.021	U.S. Virgin Islands (VI)	.015

2014 Tax Year Credit Reduction States and Rates

State	Rate	State	Rate
California (CA)	.012	New York (NY)	.012
Connecticut (CT)	.017	North Carolina (NC)	.012
Indiana (IN)	.015	Ohio (OH)	.012
Kentucky (KY)	.012	U.S. Virgin Islands (VI)	.012

2013 Tax Year Credit Reduction States and Rates

State	Rate	State	Rate
ARKANSAS (AR)	.009	MISSOURI (MO)	.009
CALIFORNIA (CA)	.009	NEW YORK (NY)	.009
CONNECTICUT (CT)	.009	NORTH CAROLINA (NC)	.009
DELAWARE (DE)	.006	OHIO (OH)	.009
GEORGIA (GA)	.009	RHODE ISLAND (RI)	.009
INDIANA (IN)	.012	US VIRGIN ISLAND (VI)	.012
KENTUCKY (KY)	.009	WISCONSIN (WI)	.009

2012 Tax Year Credit Reduction States and Rates

State	Rate	State	Rate
ARIZONA (AZ)	.003	NEVADA (NV)	.006
ARKANSAS (AR)	.006	NEW JERSEY (NJ)	.006
CALIFORNIA (CA)	.006	NEW YORK (NY)	.006
CONNECTICUT (CT)	.006	NORTH CAROLINA (NC)	.006
DELAWARE (DE)	.003	OHIO (OH)	.006

Exhibit 3.12.154-15 (Cont. 2) (01-12-2023)
Credit Reduction States and Rates (TY 2023 - 2004)

State	Rate	State	Rate
FLORIDA (FL)	.006	RHODE ISLAND (RI)	.006
GEORGIA (GA)	.006	VERMONT (VT)	.003
INDIANA (IN)	.009	US VIRGIN ISLANDS (VI)	.015
KENTUCKY (KY)	.006	WISCONSIN (WI)	.006
MISSOURI (MO)	.006		

2011 Tax Year Credit Reduction States and Rates

State	Rate	State	Rate
ARKANSAS (AR)	.003	NORTH CAROLINA (NC)	.003
CALIFORNIA (CA)	.003	NEW JERSEY (NJ)	.003
CONNECTICUT (CT)	.003	NEVADA (NV)	.003
FLORIDA (FL)	.003	NEW YORK (NY)	.003
GEORGIA (GA)	.003	OHIO (OH)	.003
ILLINOIS (IL)	.003	PENNSYLVANIA(PA)	.003
INDIANA (IN)	.006	RHODE ISLAND (RI)	.003
KENTUCKY (KY)	.003	VIRGINIA (VA)	.003
MICHIGAN (MI)	.009	US VIRGIN ISLANDS (VI)	.003
MINNESOTA (MN)	.003	WISCONSIN (WI)	.003
MISSOURI (MO)	.003		

2004 - 2010 Tax Years Credit Reduction States and Rates

Year	State	Rate
2010	SOUTH CAROLINA (SC)	.003
2010	INDIANA (IN)	.003
2010	MICHIGAN (MI)	.006
2009	MICHIGAN (MI)	.003
2006– 2008	NONE	NONE
2005	NEW YORK (NY)	.006
2004	NEW YORK (NY)	.003

Exhibit 3.12.154-16 (01-01-2017)**Taxpayer Notice Codes**

TPNC	Literal
01	We found an error in the computation of the balance due or overpayment amount.
02	We found an error in the computation of your federal unemployment tax.
05	We found payments were incorrectly reported as exempt from federal unemployment tax.
08	We found an error in the computation of the credit reduction amount.
09	We found an error in the subtraction of the exempt payments from the total payments.
10	We adjusted your tax as shown because we didn't receive a reply to our request for additional information.
11	We found an error in the computation of federal unemployment tax on Part I line 6 of Form 940-EZ (This applies to 2005 and prior revisions).
12	We found an error in the computation of your FUTA tax before adjustments.
13	We found an error in the computation of the amount of FUTA wages that were excluded from state unemployment tax.
14	We found an error in the computation of some FUTA wages that were excluded from state unemployment tax or state unemployment tax that was paid late.
15	We found an error in the computation of your Total FUTA tax after adjustments.
16	We adjusted your tax as shown because we didn't receive a reply to our request for Part 2 of Form 940 Schedule A.
17-25	Reserved
26	We found the amounts reported as total Federal Tax Deposits for the year differs from the amount we have credited to your account.
27	We found an error in the computation of exempt payments. The wages of Corporate Officers are not exempt from Federal unemployment tax. The first \$7,000.00 of each officer's wages is fully taxable at the current prevailing rate. We have adjusted your tax accordingly.
28	We didn't receive a reply to our request for additional information. Therefore, we have added all of the officers' wage amounts to your total taxable wages and assessed tax accordingly. Corporate Officers' Wages are taxable on the first \$7,000.00 paid at the current prevailing rate.
90	Blank. is a fill-in notice code. Use when no other notice code fully explains the adjustment or when more than three notice codes are necessary. Can be used in conjunction with other notice codes.

Exhibit 3.12.154-17 (01-11-2023)
Acronyms, Abbreviations, and Definitions

Acronym	Definition
AC	Action Code
ADP	Automatic Data Processing
AFD	Alpha/Numeric Field Designator
AM	Account Management
APO	Army Post Office
ASED	Assessment Statute Expiration Date
BFS	Bureau of Fiscal Service (Formerly Financial Management Service (FMS))
BMF	Business Master File
C and E	Code & Edit
CAF	Centralized Authorization File
CID	Criminal Investigation Division
CC	Command Code
CCC	Computer Condition Code
CII	Correspondence Imaging Inventory
DOL	Department of Labor
DLN	Document Locator Number
Doc Code	Document Code
DPO	Diplomatic Post Office
Error Code	Error Code
ECC-MTB	Enterprise Computing Center (Martinsburg)
EFTPS	Electronic Federal Tax Payment System
EIF	Entity Index File
EIN	Employer Identification Number
EPMF	Employee Plan Master File
ERS	Error Resolution System
ES	Estimated Tax
FLC	File Location Code
FPO	Fleet Post Office
FTD	Failure to Deposit

Exhibit 3.12.154-17 (Cont. 1) (01-11-2023)
Acronyms, Abbreviations, and Definitions

Acronym	Definition
FTF	Failure to File
FTP	Failure to Pay
FUTA	Federal Unemployment Tax Act
GMF	Generalized Mainline Framework
ICP	Integrated Case Processing
IAT	Integrated Automation Technologies
IDRS	Integrated Data Retrieval System
IRC	Internal Revenue Code
IRM	Internal Revenue Manual
ISRP	Integrated Submission and Remittance Processing
ITIN	Individual Taxpayer Identification Number
KCSPC	Kansas City Submission Processing Center
MeF	Modernized e-File
MFT	Master File Tax Code
MFTRA	Master File Transcript Request
NAP	National Account Profile
NMF	Non Master File
OAR	Operations Assistance Request
OE	Original Entry
OSPC	Ogden Submission Processing Center
OUO	Official Use Only
P and A	Planning and Analysis
PIN	Personal Identification Number
PPB	Paper Processing Branch
QRDT	Questionable Refund Detection Team
R and C	Receipt and Control
RPS	Remittance Processing System
ROFTL	Record of Federal Tax Liability
SCAMPS	Service Center Automated Mail Processing System
SCRIPS	Service Center Recognition Image Processing System

Exhibit 3.12.154-17 (Cont. 2) (01-11-2023)
Acronyms, Abbreviations, and Definitions

Acronym	Definition
SCRS	Service Center Replacement System
SFR	Substitute For Return
SIC	Schedule Indicator Code
SLA	Service Level Agreement
SSN	Social Security Number
T Line	Transcription Line
TAS	Taxpayer Advocate Service
TC	Transaction Code or Tax Class
TCC	Tennessee Computing Center (Memphis)
TIGTA	Treasury Inspector General for Tax Administration
TIN	Taxpayer Identification Number
W&I	Wage and Investment