



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

3.12.217

NOVEMBER 6, 2023

## EFFECTIVE DATE

(01-01-2024)

## PURPOSE

- (1) This transmits revised IRM 3.12.217, Error Resolution, Error Resolution Instructions for Form 1120-S.

## MATERIAL CHANGES

- (1) IRM 3.12.217.2.4(2) 2nd Then box - Removed reference to Form 12230, which is obsolete, when processing Manual Refunds.
- (2) IRM 3.12.217.2.6(1) - Changed "Identification" to "Identity" per Information Processing Services Organization (IPSO) feedback.
- (3) IRM 3.12.217.2.17(2) - Removed "Temporary Guidance", added due to processing delays due to the COVID-19 pandemic, from the Action Code procedures. Renumbered the remaining paragraph accordingly.
- (4) IRM 3.12.217.2.17.2(1) - Added a **Note** for the use of Action Code 450. (IPU 23U0543 issued 04-25-2023)
- (5) IRM 3.12.217.2.19(2) "Other" section 3rd If/Then box - Updated the line numbers in the correspondence "other" table due to line changes on Form 1120-S per Work Request Notification (WRN dated per 04-26-2023). Added requirements in UWR 969349.
- (6) IRM 3.12.217.2.20(1), (2), (3) - Changed Correspondence Imaging System (CIS) to Correspondence Imaging Inventory (CII). (IPU 23U0100 issued 01-13-2023)
- (7) IRM 3.12.217.2.20(3) 3rd Then box - Added a **Note** for classified waste to clarify information.
- (8) IRM 3.12.217.2.23.3(6) - Removed the reference to definer "Y1" for Form 8693, Low-Income Housing Credit Disposition Bond, which is no longer in use. Removed per Chief Council feedback due to Congress repealing the surety bond requirement in IRC 42(j)(6) as of July 30, 2008.
- (9) IRM 3.12.217.2.27 - Added new subsection for Elective Payment Election (EPE) and Credit Transfers for processing under the Inflation Reduction Act (IRA) of 2022 and CHIPS and Science Act of 2022. (IPU 23U0543 issued 04-25-2023)
- (10) IRM 3.12.217.2.28(6) - Removed "line through the DLN" to improve process for Rejects and Files.
- (11) IRM 3.12.217.3.4(2) - Updated the valid range and invalid condition for Field 01NAI, North American Industry Classification System (NAICS), due to change in taxpayer instructions.
- (12) IRM 3.12.217.3.4(3)c - Updated the default code for Field 01NAI, North American Industry Classification System (NAICS), due to change in taxpayer instructions.
- (13) IRM 3.12.217.3.5(6)b Then boxes - Updated the line numbers in the table due to line changes on Form 1120-S per Work Request Notification (WRN dated per 04-26-2023). Added requirements in UWR 969349.
- (14) IRM 3.12.217.3.8(1) Table for Computer Condition Code 9 - Removed the reference to Form 8693, Low-Income Housing Credit Disposition Bond, which is no longer in use. Removed per Chief Council feedback due to Congress repealing the surety bond requirement in IRC 42(j)(6) as of July 30, 2008.

- (15) IRM 3.12.217.3.16(2) - Updated the Invalid Condition for Return Processing Codes per UWR 967127 and UWR 967364 for the Inflation Reduction Act (IRA) of 2022 and CHIPS and Science Act of 2022. (IPU 23U0543 issued 04-25-2023).
- (16) IRM 3.12.217.3.16(3)b - Added Return Processing Codes J, K, L, and M and a description for use in identifying Elective Payment Election (EPE) returns and Credit Transfers for processing under the Inflation Reduction Act (IRA) of 2022 and CHIPS and Science Act of 2022. (IPU 23U0543 issued 04-25-2023)
- (17) IRM 3.12.217.5.4(3) 2nd bullet - Updated Field 03ADC to 15 characters long. Added requirements in UWR 969349.
- (18) IRM 3.12.217.5.5(3) - Removed Form 8283 instruction for Audit Code 3 per feedback for Form 1065.
- (19) IRM 3.12.217.5.5(10) - Added new paragraph to include Audit Code "C" for Form 8283 processing per Secure 2.0 Act. Requirements submitted in UWR 969349.
- (20) IRM 3.12.217.5.10(4) c & d - Removed all of c) and the reference in d) to tax years 2004 and prior because they are irrelevant per Chief Council feedback. Renumbered remaining alphanumerical.
- (21) IRM 3.12.217.5.11(1) - Removed valid Tax Period reference because it is irrelevant per Chief Council feedback.
- (22) IRM 3.12.217.5.11(3) - Removed the prior year line reference for Form 8611 Line 14 because it is irrelevant per Chief Council feedback.
- (23) IRM 3.12.217.5.11(5) b - Removed reference to Form 8693, Low-Income Housing Credit Disposition Bond, which is no longer in use. Removed per Chief Council feedback due to Congress repealing the surety bond requirement in IRC 42(j)(6) as of July 30, 2008. Renumbered remaining alphanumerical.
- (24) IRM 3.12.217.7(1), (2) - Updated the Field Designators for Section 05, Deduction, due to line changes on Form 1120-S per Work Request Notification (WRN dated per 04-26-2023). Added requirements in UWR 969349.
- (25) IRM 3.12.217.8(2) - Updated the Field Designators for Section 06, Tax, Payments, and Other Information, due to line changes on Form 1120-S per Work Request Notification (WRN dated per 04-26-2023). Added requirements in UWR 969349.
- (26) IRM 3.12.217.8.2 - Updated the Title to include "Total Credits (2022 form revisions and prior)".
- (27) IRM 3.12.217.8.2(4)c - Added prior year line usage for Field 0623D, Total Credits, now known as Field 0624Z, Total Credits.
- (28) IRM 3.12.217.8.2(5) - Added new paragraph on Elective Payment Election (EPE) and Credit Transfers for Field 0623D - Total Credits. (IPU 23U0543 issued 04-25-2023)
- (29) IRM 3.12.217.8.3 - Added new subsection, Invalid Condition and Correction Procedures for Field 0624D, Elective payment election (EPE) (2023 form revision). Added requirements in UWR 969349.
- (30) IRM 3.12.217.8.4 - Added new subsection for Field 0624V, Elective payment election verified field. Added requirements in UWR 969349.
- (31) IRM 3.12.217.8.5 - Added new subsection, Invalid Condition, and Correction Procedures for Field 0624Z, Total Credits (2023 form revision). Added requirements in UWR 969349.
- (32) IRM 3.12.217.8.8 - Added new subsection, Invalid Condition, and Correction Procedures for Field 06Q16, Digital Asset Checkbox, (2023 form revision). Added requirements in UWR 969349.

- (33) IRM 3.12.217.8.10(2) - Added a **Note** with Tax Period information for Field 0623D which was used to report Telephone Excise Tax Paid.
- (34) IRM 3.12.217.10.1(1) - Removed Field 12DDC, Direct Deposit Code, from the Section 12 Field Designator table. Added requirements in UWR 969349.
- (35) IRM 3.12.217.10.4(1) - Updated instructions for Field 12DDC, Direct Deposit Code which was removed from Section 12 screen display. Added requirements in UWR 969349.
- (36) IRM 3.12.217.12.1(3)c - Updated the valid Tax Period range for Credit Reference Number (CRN) 429 per Unified Work Request 969853. UWR submitted to set valid Tax Period on Form 4136, Line 12d for Liquefied Hydrogen.
- (37) IRM 3.12.217.12.1(3)c - Added Credit Reference Number (CRN) 440 and the valid date range.
- (38) IRM 3.12.217.13 - Removed correction procedures in paragraphs (2) - (7) because Section 20 is Reserved for Future Use.
- (39) IRM 3.12.217.16 - Added a new section, Invalid Condition, and Correction Procedures for Sections 23, 24, and 25 for Form 3800, General Business Credit. Added requirements in UWR 969349.
- (40) IRM 3.12.217.16.1 - Added a new subsection for Section 23 Fields Displayed. Added requirements in UWR 969349.
- (41) IRM 3.12.217.16.2 - Added a new subsection for Section 24 Fields Displayed. Added requirements in UWR 969349.
- (42) IRM 3.12.217.16.3 - Added a new subsection for Section 25 Fields Displayed. Added requirements in UWR 969349.
- (43) IRM 3.12.217.18(3) - Added IRM reference to exhibit - See Exhibit 3.12.217-15, Form 6252 - Installment Sale Income.
- (44) IRM 3.12.217.19 - Added a new section, Invalid Condition, and Correction Procedures for Section 31 for Form 8936, Schedule A, Clean Vehicle Credit Amount. Added requirements in UWR 969349.
- (45) IRM 3.12.217.19.1 - Added a new subsection for Fields 311IN and 312IN - VIN Indicator. Added requirements in UWR 969349.
- (46) IRM 3.12.217.19.2 - Added a new subsection for Field 313IN - More than two Forms 8936, Schedule A Indicator. Added requirements in UWR 969349.
- (47) IRM 3.12.217.20.1(3)b - Updated Statute exception process for BMF. (IPU 23U0100 issued 01-13-2023)
- (48) IRM 3.12.217.20.1(3)c - Updated Statute exception process for BMF. (IPU 23U0100 issued 01-13-2023)
- (49) IRM 3.12.217.20.1(3)c - Corrected the Tax Period in the Statute exception process for BMF. (IPU 23U0111 issued 01-17-2023)
- (50) IRM 3.12.217.20.9(1) - Added Field Designators for Sections 23, 24, 25, and 31 to Error Code 010 due to IRA Legislation for Elective payment election (EPE) and Clean Vehicle Credits (CVC). Added requirements in UWR 969349.
- (51) IRM 3.12.217.20.20 - Removed Error Code 074, Telephone Excise Tax Refund (TETR) from IRM per requirements in UWR 969349. Error Code was "Reserved for Future Use" per requirements in UWR 436014.

- (52) IRM 3.12.217.20.21(2) - Updated the valid Tax Period range for Credit Reference Number (CRN) 429 per Unified Work Request 969853 for Error Code 622. UWR submitted to set valid Tax Period on Form 4136, Line 12d for Liquefied Hydrogen.
- (53) IRM 3.12.217.20.21(2) - Added Credit Reference Number (CRN) 440 and the valid date range to the CRN table for Error Code 622.
- (54) IRM 3.12.217.20.21(3)f - Removed correction procedures for Tax Period 2000 returns and prior for Error Code 622.
- (55) IRM 3.12.217.20.22(1) - Updated the Title and Field Designators for Error Code 624 due to line changes on Form 1120-S per Work Request Notification (WRN dated per 04-26-2023). Added requirements in UWR 969349.
- (56) IRM 3.12.217.20.22(3)e - Updated the line references for Error Code 624 due to line changes on Form 1120-S per Work Request Notification (WRN dated per 04-26-2023). Added requirements in UWR 969349.
- (57) IRM 3.12.217.20.22(3)f - Removed correction procedure for Tax Period 198912 or before in Error Code 624.
- (58) IRM 3.12.217.20.23(1) - Updated the Field Designators for Error Code 628 due to line changes on Form 1120-S per Work Request Notification (WRN dated per 04-26-2023). Added requirements in UWR 969349.
- (59) IRM 3.12.217.20.23(2) - Updated the Invalid Condition for Error Code 628 due to line changes on Form 1120-S per Work Request Notification (WRN dated per 04-26-2023). Added requirements in UWR 969349.
- (60) IRM 3.12.217.20.23(3)d, e - Updated the Correction Procedures for Error Code 628 due to line changes on Form 1120-S per Work Request Notification (WRN dated per 04-26-2023). Added requirements in UWR 969349.
- (61) IRM 3.12.217.20.26(1) - Updated the Field Designators for Error Code 658 due to line changes on Form 1120-S per Work Request Notification (WRN dated per 04-26-2023). Added requirements in UWR 969349.
- (62) IRM 3.12.217.20.26(3)b - Updated the Correction Procedures in the table to determine Total Deductions for Error Code 658. Added requirements in UWR 969349.
- (63) IRM 3.12.217.20.27(1) - Updated the Field Designators for Error Code 659 due to line changes on Form 1120-S per Work Request Notification (WRN dated per 04-26-2023). Added requirements in UWR 969349.
- (64) IRM 3.12.217.20.27(3)b - Updated the Correction Procedures in the table to determine Ordinary Income/Loss for Error Code 659, Ordinary Income Loss Mismatch. Added requirements in UWR 969349.
- (65) IRM 3.12.217.20.28(1) - Updated the Field Designators for Error Code 660 due to line changes on Form 1120-S per Work Request Notification (WRN dated per 04-26-2023). Added requirements in UWR 969349.
- (66) IRM 3.12.217.20.28(2) - Updated the Invalid Condition for Error Code 660 due to line changes on Form 1120-S per Work Request Notification (WRN dated per 04-26-2023). Added requirements in UWR 969349.



- (67) IRM 3.12.217.20.28(3)c, d, e, f, g, and h - Updated the Correction Procedures for Error Code 660 due to line changes on Form 1120-S per Work Request Notification (WRN dated per 04-26-2023). Added requirements in UWR 969349.
- (68) IRM 3.12.217.20.30(1) - Updated the Field Designators for Error Code 662 due to line changes on Form 1120-S per Work Request Notification (WRN dated per 04-26-2023). Added requirements in UWR 969349.
- (69) IRM 3.12.217.20.31 - Added a new subsection, Invalid Condition, and Correction Procedures for new Error Code 663, Clean Vehicle Credit Disallowance. Added requirements in UWR 969349.
- (70) IRM 3.12.217.20.33 - Added a new subsection, Invalid Condition, and Correction Procedures for new Error Code 664, Elective payment election Disallowance. Added requirements in UWR 969349.
- (71) IRM 3.12.217.20.33(1) - Updated the Field Designators for Error Code 670 due to line changes on Form 1120-S per Work Request Notification (WRN dated per 04-26-2023). Added requirements in UWR 969349.
- (72) IRM 3.12.217.20.33(3)e and f - Updated the Correction Procedures for Error Code 670 due to line changes on Form 1120-S per Work Request Notification (WRN dated per 04-26-2023). Added requirements in UWR 969349.
- (73) IRM 3.12.217.20.34(1) - Updated the Field Designators and added new designators for Elective payment election (EPE) related fields to Error Code 672 due to line changes on Form 1120-S per Work Request Notification (WRN dated per 04-26-2023). Added requirements in UWR 969349.
- (74) IRM 3.12.217.20.34(2) - Corrected the tolerance in the Invalid Condition per the Form 1120-S Functional Specification Package (FSP).
- (75) IRM 3.12.217.20.34(3)c, e, and j - Updated the Correction Procedures for Error Code 672 due to line changes on Form 1120-S per Work Request Notification (WRN dated per 04-26-2023). Added requirements in UWR 969349.
- (76) IRM 3.12.217.20.34(3)k - Added new TPNC 73 to the Correction Procedures to Error Code 672 due to IRA Legislation for the Elective payment election. Line changes on Form 1120-S supported per Work Request Notification (WRN dated per 04-26-2023). Added requirements in UWR 969349.
- (77) IRM 3.12.217.20.34(4)b - Updated the Suspense Correction Procedures for Error Code 672 due to line changes on Form 1120-S per Work Request Notification (WRN dated per 04-26-2023). Added requirements in UWR 969349.
- (78) IRM 3.12.217.20.35(1) - Updated the Field Designators for Error Code 674 due to line changes on Form 1120-S per Work Request Notification (WRN dated per 04-26-2023). Added requirements in UWR 969349.
- (79) IRM 3.12.217.20.35(3)c - Added new instruction for Elective Payment Election (EPE) and Credit Transfers amount to Error Code 674 for processing under the Inflation Reduction Act (IRA) of 2022 and CHIPS and Science Act of 2022. (IPU 23U0543 issued 04-25-2023)
- (80) IRM 3.12.217.20.35(3)d and e - Updated the Correction Procedures for Error Code 674 due to line changes on Form 1120-S per Work Request Notification (WRN dated per 04-26-2023). Added requirements in UWR 969349.
- (81) Exhibit 3.12.217-13 - Added a new exhibit for Form 3800, General Business Credit. Renumbered remaining exhibits.

- (82) Exhibit 3.12.217-14 - Moved Form 8997 Exhibit 3.12.217-15 to Exhibit 3.12.217-14. Renumbered remaining exhibits.
- (83) Exhibit 3.12.217-15 - Added a new exhibit for Form 6252, Installment Sale Income. Renumbered remaining exhibits.
- (84) Exhibit 3.12.217-16 - Added a new exhibit for Form 8936 Schedule A, Clean Vehicle Credit Amount. Renumbered remaining exhibits.
- (85) Exhibit 3.12.217-17 - Moved Form 5471 Exhibit 3.12.217-14 to Exhibit 3.12.217-17. Renumbered remaining exhibits.
- (86) Exhibit 3.12.217-18 - Moved Form 1120-S, Schedule K-1 Exhibit 3.12.217-13 to Exhibit 3.12.217-18. Renumbered remaining exhibits.
- (87) Exhibit 3.12.217-19 - Moved Error Code 026 Exhibit 3.12.217-16 to Exhibit 3.12.217-19. Renumbered remaining exhibits.
- (88) Exhibit 3.12.217-24 - Added TPNC 73 for Elective payment election disallowance and TPNC 74 for Clean Vehicle Credit disallowance to the Taxpayer Notice Code table. Added requirements in UWR 969349.
- (89) Exhibit 3.12.217-25 - Added Deemed payment election “DPE”, Elective payment election “EPE”, Clean Vehicle Credit “CVC”, and Vehicle Identification Number “VIN” to the Acronyms and Abbreviations table. Added requirements in UWR 969349.
- (90) Exhibit 3.12.217-25 - Changed the acronym for Correspondence Imaging System (CIS) to Correspondence Imaging Inventory (CII) in the Acronyms and Abbreviations table. (IPU 23U0111 issued 01-17-2023)
- (91) Plain Language changes include:
  - Used simpler words
  - Removed unnecessary words
  - Changed consistency sections per BMF Consistency template

Editorial changes made throughout the IRM include:

- Corrected spelling and grammatical errors
- Corrected references, citations, and links
- Updated Exhibits
- Renumbered Exhibits to match Form 1120-S instructions, Assembling the Return
- Updated dates throughout including Tax Periods and Received Dates
- Updated form titles
- Deleted old line numbers throughout

## **EFFECT ON OTHER DOCUMENTS**

IRM 3.12.217, Error Resolution, Error Resolution Instructions for Form 1120-S, dated November 8, 2022 (effective January 1, 2023), is superseded. The following IRM Procedural Updates (IPU)'s, issued January 13, 2023 through April 25, 2023, have been incorporated into this IRM: 23U0100, 23U0111, 23U0543.

**AUDIENCE**

Wage and Investment employees working Business Masterfile (BMF) Error Correction are the intended audience for this Internal Revenue Manual.

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



3.12.217

Error Resolution Instructions for Form 1120-S

## Table of Contents

### 3.12.217.1 Program Scope and Objectives

- 3.12.217.1.1 Background
- 3.12.217.1.2 Authority
- 3.12.217.1.3 Responsibilities
- 3.12.217.1.4 Program Management and Reviews
- 3.12.217.1.5 Program Controls
- 3.12.217.1.6 Terms/Definitions/Acronyms
- 3.12.217.1.7 Related Resources

### 3.12.217.2 General Information

- 3.12.217.2.1 ♦Business Master File (BMF) Consistency♦
- 3.12.217.2.2 ♦Internal Revenue Manual (IRM) Deviation Procedures♦
- 3.12.217.2.3 Local Desk Procedures
- 3.12.217.2.4 Refund Returns 45 Day Jeopardy and High Dollar Refunds
- 3.12.217.2.5 ♦Taxpayer Advocate Service (TAS)♦
  - 3.12.217.2.5.1 ♦TAS - Service Level Agreements (SLA)♦
- 3.12.217.2.6 Business Master File (BMF) Identity (ID) Theft
- 3.12.217.2.7 ♦Criminal investigation (CI) Referral ♦
- 3.12.217.2.8 ♦Examination (Exam) “Funny Box”♦
- 3.12.217.2.9 ♦Frivolous Arguments♦
- 3.12.217.2.10 ♦IRS Employee Contacts♦
- 3.12.217.2.11 ♦Customer Account Data Engine (CADE) 2♦
- 3.12.217.2.12 Related Forms
- 3.12.217.2.13 System Errors
- 3.12.217.2.14 Field Errors
- 3.12.217.2.15 Terminus Error
- 3.12.217.2.16 Status Codes
- 3.12.217.2.17 Action Codes
  - 3.12.217.2.17.1 Action Code Suspense
  - 3.12.217.2.17.2 Action Code Chart
  - 3.12.217.2.17.3 Clear Code “C” and “000”
- 3.12.217.2.18 Unprocessable Automatic Data Processing (ADP) Return
- 3.12.217.2.19 Correspondence
  - 3.12.217.2.19.1 Correspondence Action Sheets
- 3.12.217.2.20 ♦Correspondence Imaging Inventory (CII) Returns♦
- 3.12.217.2.21 ♦Use of Fax for Taxpayer Submissions♦



- 
- 3.12.217.2.22 Perfection of Attachments
  - 3.12.217.2.23 Integrated Data Retrieval System (IDRS) Research Tools
    - 3.12.217.2.23.1 NAMEE Search
    - 3.12.217.2.23.2 On-Line Entity (OLE)
    - 3.12.217.2.23.3 BRTVU
    - 3.12.217.2.23.4 BMFOL
  - 3.12.217.2.24 Form 1120 Converted to Form 1120-S
  - 3.12.217.2.25 Installment Agreement
  - 3.12.217.2.26 Section 965 Returns
  - 3.12.217.2.27 Elective Payment Election (EPE) and Credit Transfers
  - 3.12.217.2.28 ♦Working Trail♦
  - 3.12.217.3 Section 01 - Entity Data and Codes for Returns
    - 3.12.217.3.1 Remittance
    - 3.12.217.3.2 Field 01NC - Name Control
    - 3.12.217.3.3 Field 01EIN - Employer Identification Number
    - 3.12.217.3.4 Field 01NAI - North American Industry Classification System (NAICS)
    - 3.12.217.3.5 Field 01TXP - Tax Period
    - 3.12.217.3.6 Field 01RCD - Received Date
    - 3.12.217.3.7 Field 01CCC - Computer Condition Code
    - 3.12.217.3.8 Computer Condition Code (CCC) Chart
    - 3.12.217.3.9 Field 01TXB - Tax Period Beginning
    - 3.12.217.3.10 Field 01CRD - Correspondence Received Date
    - 3.12.217.3.11 Field 01CBI - Preparer Checkbox Indicator
    - 3.12.217.3.12 Field 01PSN - Preparer Tax identification Number (PTIN)
    - 3.12.217.3.13 Field 01PEN - Preparer Employer Identification Number
    - 3.12.217.3.14 Field 01PTN - Paid Preparer Telephone Number
    - 3.12.217.3.15 Field 01MSC - Missing Schedule Code
    - 3.12.217.3.16 Field 01RPC - Return Processing Code (RPC)
  - 3.12.217.4 Section 02 - Address Information
    - 3.12.217.4.1 ♦Field 02CON - "In-Care-of" Name♦
    - 3.12.217.4.2 ♦Field 02FAD - Foreign Address♦
    - 3.12.217.4.3 Field 02ADD - Street Address
    - 3.12.217.4.4 Field 02CTY - City
    - 3.12.217.4.5 Field 02ST - State
    - 3.12.217.4.6 Field 02ZIP - ZIP Code
  - 3.12.217.5 Section 03 - General Information
    - 3.12.217.5.1 Field 03PRI - Penalty/Interest Code
    - 3.12.217.5.2 Field 03TPC - Tax Preference Code
    - 3.12.217.5.3 Field 03SWC - Salary and Wage Indicator

- 
- 3.12.217.5.4 Field 03ADC - Audit Code
  - 3.12.217.5.5 Audit Code
  - 3.12.217.5.6 Field 03ISI - Installment Sales Indicator
  - 3.12.217.5.7 Field 03IRC - Initial Return Code
  - 3.12.217.5.8 Field 03GSH - Number of Shareholders
  - 3.12.217.5.9 Field 03AMC - Accounting Method Code
  - 3.12.217.5.10 Field 03LIC - Low-Income Housing Credit
  - 3.12.217.5.11 Field 03RLI - Total Recapture Credit
  - 3.12.217.6 Section 04 - Income
  - 3.12.217.7 Section 05 - Deduction
  - 3.12.217.8 Section 06 - Tax, Payments, and Other Information
    - 3.12.217.8.1 Field 0618A - Total Gross Rents
    - 3.12.217.8.2 Field 0623D - Total Credits (2022 form revision and prior)
    - 3.12.217.8.3 Field 0624D - Elective payment election (EPE) (2023 form revision)
    - 3.12.217.8.4 Field 0624V - Elective payment election Verified Field
    - 3.12.217.8.5 Field 0624Z - Total Credits (2023 form revision)
    - 3.12.217.8.6 Field 06Q15 - Form 8996, Qualified Opportunity Fund Code
    - 3.12.217.8.7 Field 06QOF - Form 8996, Qualified Opportunity Fund Amount
    - 3.12.217.8.8 Field 06Q16 - Digital Asset Checkbox
    - 3.12.217.8.9 Field 06ITR - International Checkbox
    - 3.12.217.8.10 Field 06TRT - Telephone Excise Tax Paid Reserved for Future Use
  - 3.12.217.9 Section 10 - Schedule D, Capital Gains and Losses, Form 4797, Sales of Business Property, Form 8949, Sales and Other Dispositions of Capital Assets, and Form 8996, Qualified Opportunity Fund.
    - 3.12.217.9.1 Field 10OID - Qualified Opportunity Fund Investments
    - 3.12.217.9.2 Field 101AD through Field 10013 - Form 1120-S, Schedule D
    - 3.12.217.9.3 Field 101B and Field 101C - Form 4797
    - 3.12.217.9.4 Field 101AZ and Field 102AZ - Form 8949, EIN from Description of Property
    - 3.12.217.9.5 Field 101AY and Field 102AY - Form 8949 - EIN from Description of Property
    - 3.12.217.9.6 Field 101BZ and Field 102BZ - Form 8949 - Date Acquired
    - 3.12.217.9.7 Field 101CY and Field 102CY - Form 8949 - Date Sold or Disposed of
    - 3.12.217.9.8 Field 101GZ and Field 102GZ - Form 8949- Amount of Adjustment
    - 3.12.217.9.9 Field 101GY and Field 102GY - Recaptured Amount
    - 3.12.217.9.10 Field 101Z and Field 102Z - Form 8949 Indicator, Line 1
    - 3.12.217.9.11 Field 101Y and Field 102Y - Form 8949 Indicator
    - 3.12.217.9.12 Field 10I5 - Form 8996 Checkbox, Line 5
    - 3.12.217.9.13 Field 10Q6 - Form 8996 Checkbox, Line 6 Reserved for Future Use
    - 3.12.217.9.14 Field 10II6, Field 10II7, Field 10II9 and Field 1010 - Form 8996, Lines 7, 8, 10, and 11
    - 3.12.217.9.15 Field 1013 - Form 8996, Line 14
    - 3.12.217.9.16 Field 1014 - Form 8996, Line 15

- 
- 3.12.217.10 Section 12 - Direct Deposit Refunds
    - 3.12.217.10.1 Error Record Format Section 12
    - 3.12.217.10.2 Field 12RTN - Routing Transit Number (RTN)
    - 3.12.217.10.3 Field 12DAN - Depositors Account Number (DAN)
    - 3.12.217.10.4 Field 12DDC - Direct Deposit Code (DDC)
    - 3.12.217.10.5 Field 12TDA - Type Depositor Account (TDA)
  - 3.12.217.11 Section 14 - Schedule N (Form 1120), Foreign Operations of U.S. Corporations
    - 3.12.217.11.1 Error Record Format Section 14
    - 3.12.217.11.2 Field 14Q01 - Disregarded Entity
    - 3.12.217.11.3 Field 14Q02 - Number of Forms 8865
    - 3.12.217.11.4 Field 14Q03 - Direct/Indirect Interest
    - 3.12.217.11.5 Field 14Q4A - Reserved for Future Use
    - 3.12.217.11.6 Field 14Q4B - Number of Forms 5471
    - 3.12.217.11.7 Field 14Q05 - Foreign Trust Distribution
    - 3.12.217.11.8 Field 14Q6A - Foreign Country Financial Account
    - 3.12.217.11.9 Field 14Q6B - Foreign Country Code
    - 3.12.217.11.10 Field 14Q7A - Extraterritorial Income Exclusion
    - 3.12.217.11.11 Field 14Q7B - Number of Forms 8873
    - 3.12.217.11.12 Field 14Q7C - Total Extraterritorial Income Exclusion
  - 3.12.217.12 Sections 15-18 - Form 4136, Credit for Federal Tax Paid on Fuels
    - 3.12.217.12.1 Sections 15-18 Field Errors
  - 3.12.217.13 Section 20 (Reserved for Future Use)
  - 3.12.217.14 Section 21 - Form 8941, Small Employer Health Insurance Premiums
  - 3.12.217.15 Section 22 - Form 5884-B, New Hire Retention Credit
  - 3.12.217.16 Sections 23, 24, and 25 - Form 3800, General Business Credit
    - 3.12.217.16.1 Section 23 - Fields Displayed
    - 3.12.217.16.2 Section 24 - Fields Displayed
    - 3.12.217.16.3 Section 25 - Fields Displayed
  - 3.12.217.17 Section 26 - Form 8997 - Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments
    - 3.12.217.17.1 Section 26 Field Errors
    - 3.12.217.17.2 Field 261A, Field 262A, Field 263A and Field 264A
    - 3.12.217.17.3 Field 261B, Field 262B, Field 263B and Field 264B
    - 3.12.217.17.4 Field 261D, Field 262D, Field 263D and Field 264D
    - 3.12.217.17.5 Field 261IN, Field 262IN, Field 263IN and Field 264IN
    - 3.12.217.17.6 All other Fields in Section 26
  - 3.12.217.18 Section 29 - Form 6252 - Installment Sale Income
    - 3.12.217.18.1 Field 2901 - Description of Property
    - 3.12.217.18.2 Field 2902A and Field 2902B - Date Acquired and Date Sold

- 
- 3.12.217.18.3 Field 2907, Field 2921 and Field 2923 - Net Property Selling Price, Payments received during year and Payments received in prior years
  - 3.12.217.18.4 Field 2919 - Gross profit percentage
  - 3.12.217.19 Section 31 - Form 8936 Schedule A, Clean Vehicle Credit Amount
    - 3.12.217.19.1 Fields 311IN and 312IN - VIN Indicator
    - 3.12.217.19.2 Field 313IN - More than two Forms 8936, Schedule A Indicator
  - 3.12.217.20 Math/Consistency Priority IV
    - 3.12.217.20.1 ♦ Error Code 001 - Tax Year-Invalid Entry ♦
    - 3.12.217.20.2 ♦ Error Code 002 - Name Control Mismatch ♦
    - 3.12.217.20.3 ♦ Error Code 003 - Check Digit Invalid ♦
    - 3.12.217.20.4 ♦ Error Code 004 - Name Control/EIN Validation ♦
    - 3.12.217.20.5 ♦ Error Code 005 - Invalid Tax Year or Received Date ♦
    - 3.12.217.20.6 Error Code 006 - Remittance Received and No Received Date
    - 3.12.217.20.7 ♦ Error Code 007- Received Date Earlier Than Tax Year ♦
    - 3.12.217.20.8 Error Code 008 - Tax Period Beginning
    - 3.12.217.20.9 ♦ Error Code 010 - Amended Return “G” Coded ♦
    - 3.12.217.20.10 ♦ Error Code 014 - Missing Address Entries ♦
    - 3.12.217.20.11 ♦ Error Code 015 - Foreign Address/State ♦
    - 3.12.217.20.12 ♦ Error Code 016 - ZIP Code/State Mismatch ♦
    - 3.12.217.20.13 Error Code 017 - Reserved for Future Use
    - 3.12.217.20.14 Error Code 026 - Tax Period Mismatch
    - 3.12.217.20.15 Error Code 028 - Received Date Missing
    - 3.12.217.20.16 Error Code 030 - Penalty and Interest Code Check
    - 3.12.217.20.17 Error Code 034 - Correspondence Received Date Check
    - 3.12.217.20.18 Error Code 062 - Reserved for Future Use
    - 3.12.217.20.19 Error Code 073 - CCC “3” is Present with Field 01CRD
    - 3.12.217.20.20 Error Code 620 - Field 0613F and Tax Period Check
    - 3.12.217.20.21 Error Code 622 - Tax Period and CRN Check
    - 3.12.217.20.22 Error Code 624 - 0624A, 0625 or 0628 and Tax Period Check
    - 3.12.217.20.23 Error Code 628 - CCC “F” and Credit Elect Payments
    - 3.12.217.20.24 Error Code 630 - CCC “D” and No Received Date
    - 3.12.217.20.25 Error Code 656 - Total Income Mismatch
    - 3.12.217.20.26 Error Code 658 - Total Deductions Mismatch
    - 3.12.217.20.27 Error Code 659 - Ordinary Income Loss Mismatch
    - 3.12.217.20.28 Error Code 660 -Total Tax Taxpayer present and No 06MCT
    - 3.12.217.20.29 Rule of Two
    - 3.12.217.20.30 Error Code 662 - Field 06MCT entry and No TPNC
    - 3.12.217.20.31 Error Code 663 - Clean Vehicle Credit (CVC) Disallowance
    - 3.12.217.20.32 Error Code 664 - Elective payment election (EPE) Disallowance

- 
- 3.12.217.20.33 Error Code 670 - Remittance or RRPS Indicator
  - 3.12.217.20.34 Error Code 672 - Sections 15, 16, 17, 18, or 06 Not Present
  - 3.12.217.20.35 Error Code 674 - Balance Due/Overpayment Mismatch
  - 3.12.217.20.36 Error Code 999 - Error Status

Exhibits

- 3.12.217-1 Form 1120-S - U.S. Income Tax Return for an S Corporation
- 3.12.217-2 Schedule N - Foreign Operations of U.S. Corporations
- 3.12.217-3 Form 1120-S - Schedule D
- 3.12.217-4 Form 4797 - Sales of Business Property
- 3.12.217-5 Form 8949 - Sales and Other Dispositions of Capital Assets
- 3.12.217-6 Form 8996 - Qualified Opportunity Fund
- 3.12.217-7 Form 8825 - Rental Real Estate Income and Expenses of a Partnership or an S Corporation
- 3.12.217-8 Form 1125-A - Cost of Goods Sold
- 3.12.217-9 Form 8050 - Direct Deposit of Corporate Tax Refund
- 3.12.217-10 Form 4136 - Credit for Federal Tax Paid on Fuels
- 3.12.217-11 Form 8941 - Credit for Small Employer Health Insurance Premiums
- 3.12.217-12 Form 5884-B - New Hire Retention Credit
- 3.12.217-13 Form 3800 - General Business Credit
- 3.12.217-14 Form 8997 - Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments
- 3.12.217-15 Form 6252 - Installment Sale Income
- 3.12.217-16 Form 8936 - Schedule A, Clean Vehicle Credit Amount
- 3.12.217-17 Form 5471 - Information Return of U.S. Persons With Respect to Certain Foreign Corporations
- 3.12.217-18 Form 1120-S - Schedule K-1
- 3.12.217-19 Error Code 026 - Correction Procedures
- 3.12.217-20 ♦Province, State and Territory Abbreviations♦
- 3.12.217-21 ♦U.S. Possessions ZIP Codes♦
- 3.12.217-22 ♦Potential Frivolous Arguments for Examination Review♦
- 3.12.217-23 ♦Province/County Code - Canada Only♦
- 3.12.217-24 Taxpayer Notice Codes (TPNC)
- 3.12.217-25 Terms/Definitions/Acronyms



3.12.217.1  
(01-01-2022)  
**Program Scope and Objectives**

- (1) This IRM section provides instructions for Wage and Investment Error Resolution Tax Examiners to correct errors for Form 1120-S, U.S. Income Tax Return for an S Corporation. For tax years before 2018, the form number was Form 1120S. In May 2019, the form number was changed to Form 1120-S due to Tax Forms and Publications hyphen standardization.
- (2) Purpose: The Error Resolution System (ERS) resolves errors made by taxpayers and during campus processing.
- (3) Audience: Tax Examiners in the Input Correction Operation and Error Resolution Section, including:
  - Tax Examining Technicians
  - Lead Tax Examining Technicians
  - Supervisory Tax Examining Assistants
- (4) Policy Owner: Director, Submission Processing.
- (5) Program Owner: Paper Processing Branch, Business Master File (BMF) Section.
- (6) Primary Stakeholders: Other areas that may be affected by these procedures include (but are not limited to):
  - Accounts Management (AM)
  - Chief Counsel
  - Compliance
  - Information Technology (IT) Programmers
  - Large Business and International (LB&I)
  - Small Business Self-Employed (SBSE)
  - Statistics of Income (SOI)
  - Submission Processing (SP)
  - Taxpayer Advocate Service (TAS)
  - Tax Exempt and Government Entities (TEGE)
- (7) Program Goals: Ensure necessary action is taken on the return and attachments for correct posting of data.

3.12.217.1.1  
(01-01-2022)  
**Background**

- (1) The purpose of Error Resolution is to resolve validity, field , consistency, and math errors in returns and other documents for posting to the Master File. Returns fall out in Error Resolution System (ERS) due to the Generalized Mainline Framework (GMF). The entries from transcription are transferred to ERS fields. GMF programming causes a return to fall out to ERS if it does not meet certain criteria, including:
  - Invalid character in a field (e.g., numeric instead of alpha)
  - Invalid length of field (e.g., Employer Identification Number (EIN) with 8 digits instead of 9)
  - Invalid code in field (valid Action Codes, Audit Codes, etc., are programmed at GMF)
  - Consistency Error - Any valid field used in any computation where the result is inconsistent with (or contradictory to) any other valid field
  - Math Error - The computer does a math computation and it differs from the taxpayer's amount
  - Invalid Tax Period and eligibility for certain credits

- (2) Employees use ERS to correct these conditions and use IDRS to research.

3.12.217.1.2  
(01-01-2022)

**Authority**

- (1) Authority for these procedures is found in the following sections of the Internal Revenue Code and their corresponding Treasury regulations:
- IRC 6201(a)
  - IRC 6213(b)
- (2) Policy Statements for Submission Processing are found in IRM 1.2.1, Service-wide Policies and Authorities, Servicewide Policy Statements.

3.12.217.1.3  
(01-01-2022)

**Responsibilities**

- (1) The Campus Director monitors operational performance for their campus.
- (2) The Operation Manager monitors operational performance for their operation.
- (3) The Team Manager/Lead monitors performance and ensures employees have the tools to perform their duties.
- (4) Team Employees are responsible for following the instructions found in this IRM and supporting updated IRM procedures.

3.12.217.1.4  
(01-01-2022)

**Program Management and Reviews**

- (1) Program Reports: System control reports are on the Control-D WebAccess (CTDWA) and a general listing of the reports are found in IRM 3.12.38, Error Resolution, BMF General Instructions.
- (2) Program Effectiveness is measured using the following:
- Embedded Quality Submission Processing (EQSP)
  - Balanced Measures
  - Managerial reviews
- (3) Annual Review: Federal Managers Financial Integrity Act (FMFIA)

3.12.217.1.5  
(01-01-2022)

**Program Controls**

- (1) Quality Review conducts a valid statistical sample size review of completed work to ensure IRM guidelines are followed.

3.12.217.1.6  
(01-01-2019)

**Terms/Definitions/ Acronyms**

- (1) For Terms, Definitions and Acronyms, see Exhibit 3.12.217-25.

3.12.217.1.7  
(01-01-2020)

**Related Resources**

- (1) The following table lists related sources:

Resource	Link/Title
Submission Processing Design Center (SPDC)	<a href="https://program.ds.irsnet.gov/sites/WILESPInstCmr/SitePages/Home.aspx">https://program.ds.irsnet.gov/sites/WILESPInstCmr/SitePages/Home.aspx</a>
Servicewide Electronic Research Program (SERP)	<a href="http://serp.enterprise.irs.gov/">http://serp.enterprise.irs.gov/</a>
Integrated Data Retrieval System (IDRS)	

Resource	Link/Title
Integrated Automation Technologies (IAT)	<a href="https://organization.ds.irsnet.gov/sites/WiMttlat/home/default.aspx">https://organization.ds.irsnet.gov/sites/WiMttlat/home/default.aspx</a>
IRM 3.11.217	Returns and Documents Analysis - Form 1120-S Corporation Income Tax Returns
IRM 3.24.16	ISRP System - Corporation Income Tax Returns
IRM 3.12.38	Error Resolution, BMF General Instructions

3.12.217.2  
(01-01-2022)  
**General Information**

- (1) This IRM cannot address every possibility that occurs while correcting tax returns. Take taxpayer intent into consideration. Refer issues not addressed in this IRM to the Subject Matter Expert (SME), Lead or Manager to decide the proper corrective action.

3.12.217.2.1  
(01-01-2024)  
**◆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) identified and developed topics for BMF Consistency.
- (3) A “◆” (diamond) before and after the subsection title shows BMF Consistency subsections.
- (4) Text in normal print is the common process for BMF returns. The text in **BOLD** print is form specific and applies to this IRM only.

3.12.217.2.2  
(01-01-2022)  
**◆Internal Revenue Manual (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.

3.12.217.2.3  
(01-01-2020)  
**Local Desk Procedures**

- (1) Some Submission Processing Campuses have developed local Desk Procedures. Such procedures are only to be used:
  - To supplement existing Headquarter procedures
  - To expand Submission Processing Campus Error Resolution procedures by incorporating material from other IRMs, Automatic Data Processing (ADP) handbooks, (etc.)
  - For local routing procedures
  - Are not limited to the examples listed above
- (2) Team managers must have a **signed approval** on file from the responsible Operation Manager on all Submission Processing Campus Desk Procedures.
- (3) All existing local information and procedural issuances must be reviewed periodically by the Operation Manager level (**at least 2 times a year or with each IRM revision**) to ensure conformance with Headquarters procedures (make necessary changes, secure necessary approvals, etc.).

- (4) Immediately notify the Headquarter tax analyst of any processing problems that cause a **work stoppage**.

3.12.217.2.4  
(01-01-2024)

**Refund Returns 45 Day  
Jeopardy and High  
Dollar Refunds**

- (1) Document Perfection and ERS are responsible for identifying refunds and for initiating requests for manual refunds.
- (2) Expeditious processing of refund returns is critical if the 45-day period is about to expire.

If	Then
<p>The processing date is more than 20 days after Received Date or, the Return Due Date (whichever is later) and the 45-day interest free period is in jeopardy <b>and</b> the refund amount is</p> <p><b>Note:</b> Refund in this instruction means only the amount requested to be refunded to the taxpayer, not overpayments transferred to other periods.</p>	<ol style="list-style-type: none"> <li>1. SSPND with Action Code "341".</li> <li>2. Attach Form 4227, Intra-SC Reject or Routing Slip, and route to ERS/Rejects for manual refund.</li> </ol>
	<ol style="list-style-type: none"> <li>1. SSPND with Action Code "341".</li> <li>2. Route to ERS/Rejects for manual refund.</li> </ol>

#

#

- (3) Taxpayer Advocate Service (TAS) Manual Refunds - any return hand walked by a W&I Submission Processing (SP) liaison for Taxpayer Advocate Service must be processed by a Lead Tax Examiner or designated tax examiner using the following procedures in the order listed:
1. Computer Condition Code (CCC) "O" must be edited on the return and entered in Field 01CCC.
  2. Delete CCC "Y" from Field 01CCC.
  3. Continue processing the return according to Error Code procedures.
- (4) Correspondence: If required for missing or incomplete information, follow procedures below:
1. Complete the correct correspondence action sheet and request **all** missing or incomplete information.
  2. Inform the W&I SP liaison of all information that is being requested.
  3. Suspend (SSPND) with the correct suspense code and give return back to the W&I SP liaison.
- Note:** The W&I SP liaison will contact the Taxpayer Advocate to obtain the required information to complete processing.
- (5) More suspense action needed: If the return requires other suspense action, then follow the procedures below:

1. Initiate suspense (SSPND) with Action Code according to IRM procedures.
2. Inform the W&I SP liaison of the reason for the action taken.
3. Give the return back to the liaison.

**Note:** The W&I liaison will contact the Taxpayer Advocate, who in turn will take the necessary action to complete the processing of the return.

- (6) Assigning Taxpayer Notice Codes (TPNCs/Math Error): When a math error is identified, do the following:

1. Assign the TPNC according to IRM procedures.
2. After all TPNCs have been assigned, inform the W&I SP liaison of TPNCs issued.
3. Suspend (SSPND) with correct Action Code (suspense must be done at the generated point of error and given the return to the liaison).

**Note:** The W&I SP liaison will contact the Taxpayer Advocate, who in turn will take the necessary action to complete the processing of the return.

- (7) When Balance Due/ Overpayment Math Error Code (EC) generates do the following:

1. Make screen print of the Error Code Display, highlight the Computer-Generated Refund Amount, and attach the print to the front of the return with the entity portion of the return visible.
2. Enter the amount the taxpayer claimed as the amount they requested to be refunded back in to Field 07B/R.
3. If Balance Due/Overpayment Math Error Code regenerates because the taxpayer made a math error when computing their refund, then make a screen print of the Error Code Screen Display and highlight the computer generated refund amount. Attach the print to the front of the return keeping the entity area visible and assign the correct TPNC.
4. Once the return completes processing, give the return, Form 12412, Operations Assistance Request (OAR), and the ERS screen print to the W&I SP liaison.

- (8) Rejects Suspense Procedures:

1. Follow the specific instruction given by the W&I SP liaison. Correspond and assign correct TPNCs as directed.
2. Refer to paragraphs (6) and (7) above.

### 3.12.217.2.5

(01-01-2023)

#### ◆ Taxpayer Advocate Service (TAS) ◆

- (1) The Taxpayer Advocate Service (TAS) is an independent organization within the Internal Revenue Service (IRS), led by the National Taxpayer Advocate. Its job is to protect taxpayers' rights by striving to ensure that every taxpayer is treated fairly and knows and understands their rights under the Taxpayer Bill of Rights (TBOR). TAS offers free help to taxpayers, including when taxpayers face financial difficulties due to an IRS problem, when they are unable to resolve tax problems they haven't been able to resolve on their own, or when they need help to address an IRS system, process, or procedure that is not functioning as it should. TAS has at least one taxpayer advocate office located in every state, the District of Columbia, and Puerto Rico..



- (2) TAS uses Form 12412, Operations Assistance Request (OAR), to start the OAR process of referring a case to the Wage and Investment (W&I) Division, to affect the resolution of the taxpayer's problem. For more information, refer to IRM 13.1.19, Taxpayer Advocate Service, Taxpayer Advocate Case Procedures, Advocating With Operations Assistance Requests (OARs).
- (3) Refer taxpayers to TAS when the contact meets TAS criteria (see IRM 13.1.7, Taxpayer Advocate Service (TAS) Case Criteria), or when Form 911, Request for Taxpayer Advocate Service Assistance (and Application for Taxpayer Assistance Order), is attached and steps cannot be taken to resolve the taxpayers 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 can be 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.

3.12.217.2.5.1  
(01-01-2024)

◆TAS - Service Level  
Agreements (SLA)◆

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

3.12.217.2.6  
(01-01-2024)

Business Master File  
(BMF) Identity (ID) Theft

- (1) BMF ID Theft is increasing. If a case is found with attachments showing the taxpayer is a victim of "ID Theft":
  1. SSPND with Action Code "360" to route the return to Planning and Analysis (P&A).
  2. Attach Form 4227, Intra-SC Reject or Routing Slip, (or other proper routing slip) with the notation "ID THEFT".
  3. 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 SP BMF ID Theft Liaisons. The taxpayer must show that they are a victim of "ID Theft"; do **not** refer cases that are subject to Criminal Investigation (CI), Examination (Exam), or Fraud review.
- (3) Effective January 1, 2017, Computer Condition Code "E" may be edited on Form 1120-S (any year) by the BMF ID Theft Liaison to identify a potential identify theft filing.

3.12.217.2.7  
(01-01-2022)

◆ **Criminal investigation  
(CI) Referral** ◆

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

#

**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
	<ol style="list-style-type: none"> <li>1. Make a copy of the first two pages of the tax return along with any page of the return that appears suspicious.</li> <li>2. Attach Form 4227, Intra-SC Reject or Routing Slip, to the copy.</li> <li>3. Route the copy to Ogden, Mail Stop 9001, Criminal Investigation (CI).</li> <li>4. Edit an action trail "Copy to CI", or "CI Referral", or similar language in the lower left corner going vertically up the side of the return.</li> <li>5. Continue processing the return.</li> </ol>

#

- (4) Because of the repetitive nature of the ERS/Rejects function, ERS/Rejects Tax Examining Technicians often recognize income tax return data that are 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 do the following:
  1. Make a copy of the first two pages of the tax return along with any page of the return that appears suspicious.
  2. Attach Form 4227, Intra-SC Reject or Routing Slip, to the copy.
  3. 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)

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

3.12.217.2.8  
(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 found in several IRM sections. SP can refer any questionable return to Exam, unless prohibited by instructions currently found in several IRMs.

3.12.217.2.9  
(01-01-2023)  
◆ **Frivolous Arguments** ◆

- (1) Businesses use frivolous arguments for expressing dissatisfaction with the substance, form, or administration of the tax laws by trying to illegally avoid or reduce tax liabilities. See IRM 25.25.10, Frivolous Return Program, and Exhibit 3.12.217-22, Potential Frivolous Arguments for Examination Review, for a list of recognized frivolous arguments made by businesses.
- (2) Review the return to decide whether it appears to be a frivolous return.

***Frivolous Return Criteria***

If	Then
<p>The return meets any of the conditions shown as a frivolous return (see Exhibit 3.12.217-22, Potential Frivolous Arguments for Examination Review),</p> <p><b>Exception:</b> If the return shows Action Code “331” and has a Form 4227, Intra-SC Reject Routing Slip, attached with the remarks, “Refer to Exam FRP for audit after processing”, continue to the next procedure.</p>	<p>Remove return from the batch and place the return in the locally designated basket for Examination, Frivolous Return Program (FRP) for review.</p>
<p>Examination has selected the return as frivolous, shown by an Action Code “331” and a Form 4227, Intra-SC Reject or Routing Slip, with the remarks “Refer to Exam FRP for audit after processing”,</p>	<p>Continue processing the return using procedures in IRM <b>3.12.217</b>. However, do not circle or void the Action Code showing a frivolous return.</p>

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

3.12.217.2.10  
(01-01-2024)  
◆IRS Employee  
Contacts◆

- (1) The Internal Revenue Service (IRS) Restructuring and Reform Act of 1998, (RRA98), 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 correspondence 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. Toll-free employees may also give their location for identification purposes. Treat faxes to taxpayers on tax-related matters as correspondence and include the required information.
  - b. Face-to-Face Contact - Their title (e.g., Mr., Mrs., Ms., Miss), give as correct during the conversation, their last name and badge identification (ID Card) number.
  - c. Correspondence (sent to the taxpayer and authorized representatives) - A telephone number that taxpayers can call for answers to questions. In addition, manually generated correspondence must have the employee's title (e.g., Mr., Mrs., Ms., Miss), last name, Integrated Data Retrieval System (IDRS) number, and letter system number, which are systemically generated by IDRS. Treat faxes to taxpayers on tax-related matters as correspondence and include the required information.
  - d. Correspondex letters - Specific employee name and telephone number if the employee initiating the correspondence is in the best position to respond to any questions the taxpayer may have or if the taxpayer is being asked to give more case-related information. If the taxpayer does not need to contact a specific employee, the correspondence needs only an IRS telephone number and standard signature.
- (3) When a taxpayer requests to speak with a specific employee who previously worked their inquiry or request, or complains about the level of service previously given, try to resolve the taxpayer's inquiry. If unable to resolve, refer the inquiry using established procedures to the manager.
- (4) Secretaries, receptionists, or other people who answer the telephone in functional offices need to identify themselves. They should provide their badge identification (ID Card) number only if they are answering telephones which are routinely used to give tax or account information.
- (5) It is not necessary to repeat the badge identification (ID Card) number on a subsequent contact, when the nature of an employee's work involves multiple contacts with the same taxpayer and the employee has given the taxpayer (either telephone or in-person) their badge identification (ID Card) number on the first contact.

3.12.217.2.11  
(01-01-2024)  
◆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) campus cycles are:
  - a. Campus 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 are viewable using Corporate Files Online (CFOL) command codes on Saturday following the weekly Master Files processing run on Thursday.
- b. Transactions are 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 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. YYYY is the year. CC is the posting cycle. BMF posting cycles in TXMOD will show a format of YYYYCCDD. The DD value is 08.

3.12.217.2.12  
(01-01-2020)

**Related Forms**

- (1) When the following forms are referred to in this section, the chart below shows their form number, form title and use.

If this Form is used	Then
Form 3465, Adjustment Request,	Request transfer of credits.
Form 4227, Intra-SC Reject or Routing Slip,	Identify the reason for using the Action Code.
Form 8161, ERS Return Charge-Out,	Generated by the computer to charge out returns on the new Suspense Records List and Duplicate Document Rejected Document Locator Number (DLN) Register. Used as a routing slip and history item.

3.12.217.2.13  
(01-01-2023)

**System Errors**

- (1) The Error Resolution System will identify errors according to type and priority.



If this error is present	Then it is a
Action Code Error,	Priority I.
Section Error,	Priority II (Integrated Submission and Remittance Processing (ISRP) problem code).
Validity Error,	Priority III.
Math/Consistency Error,	Priority IV (Error Codes).

**Note:** The record heading will show the type of error.

3.12.217.2.14  
(01-01-2020)  
**Field Errors**

- (1) Any field that does not meet the requirement(s) for that field is displayed as a Field Error in the order encountered in the return.
  - a. Non-alphabetical character in an alpha field.
  - b. Blank space in a numeric field.
  - c. Blank in the first position of an alpha field.

3.12.217.2.15  
(01-25-2022)  
**Terminus Error**

- (1) This error is caused by a section with variable length input fields having an erroneous size field. This type of error will show all input fields of the terminus section. Transcribed data is present. Computer generated fields or Remittance Field for Section 01 will not be present.

If	Then
Displayed in error,	Check all fields in the section for necessary corrections.
No correction is needed,	Transmit from the bottom of the screen display.
Section needs to be deleted,	Use Command Code (CC) DLSEC to delete the section number.
Return was suspended prior to the beginning of a new year and the return has been reactivated,	Access the return using Command Code GTREC, check all fields for necessary correction, then drop the cursor to the bottom and transmit.

3.12.217.2.16  
(01-01-2022)  
**Status Codes**

- (1) Status Codes control records in the Error Resolution System (ERS). The status is updated when the return is placed in a specific inventory.
- (2) Below is a list of the status codes and a brief explanation:
  - a. Status 100: error awaiting correction. Records are in the Error Inventory.
  - b. Status 2XX: return awaiting information. Records are in the Unworkable Suspense Inventory.

- c. Status 3XX: suspense period expired no response. Records are in the Workable Suspense Inventory.
  - d. Status 4XX: return with information, awaiting correction. Records are in the Workable Suspense Inventory.
  - e. Status 900: return 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. For example, Action Code “321” = suspense period expired or no response to taxpayer correspondence. If a return was selected for Quality Review, the second and third positions are “QA”. For example, “1QA”, “3QA”, or “4QA” reflect Quality Review Status Codes.
- (4) When the Suspense Period expires before the return is activated, the status automatically moves from Status 2XX to Status 3XX.

3.12.217.2.17  
(01-01-2024)

#### Action Codes

- (1) Action Codes (AC) are input when information is missing, or the return must be suspended from processing.
- a. The AC will have sufficient detail to show if correspondence is needed or if specific in-house research or action is required.
  - b. Document Perfection Tax Examiners will assign a three-digit AC when they determine that the return is unprocessable in its present form.
  - c. This AC is edited on the bottom left-hand corner of the return.
- (2) For more information and applicable Action Codes, see IRM 3.12.38.3.4, Error Resolution System (ERS) Action Codes, and the exhibit in IRM 3.12.38-1, Action Codes.

3.12.217.2.17.1  
(01-01-2022)

#### Action Code Suspense

- (1) The presence of a valid Action Code (AC) other than “001” will place the return in the Suspense Inventory, either Workable or Unworkable.
- a. If the AC assigned by Document Perfection is invalid, incomplete or “001” the return is assigned to the Error Inventory for correction or deletion of the code.
  - b. Only one AC may be assigned at a time to a return.
  - c. For routing within the Submission Processing Campus (In-House Research), the AC with a sufficient explanation concerning the missing information will need to be entered on the return.
  - d. The ERS Tax Examiner may enter an AC on a return, delete or correct an invalid code or overlay the present AC with another to either re-suspend or reject from ERS. This is done by entering a valid AC with a Command Code (CC) SSPND, NWDLN, or RJECT. See IRM 3.12.38, BMF General Instructions, for an explanation of these codes.
  - e. An ERS Tax Examiner entering a valid AC with CC SSPND is clearing the return from the screen and placing the return in either Workable or Unworkable Suspense.
  - f. A Reject Tax Examiner entering a valid AC with CC RJECT will reject the return from ERS. Generally, Service Center Control File (SCCF) will automatically update the rejected returns. In cases where the AC cannot describe the required action, attach an explanation to the return using Form 4227, Intra-SC Reject or Routing Slip.

**Note:** The Action Code assigned by Document Perfection is transcribed into the return of the Form 1120-S.

3.12.217.2.17.2  
(04-25-2023)

### Action Code Chart

- (1) The Action Code (AC) shows that specific information is missing or that the return is to be rejected from processing. The code will show if taxpayer correspondence is needed or if specific in-house research or other action is required. This chart describes each AC, their functional use (CE = Code and Edit, EC = Error Correction, S = Suspense Correction and GEN = computer generated) and the suspense period.

Action Code	Description	Workday Suspense Period	Function Used
001	Input Document	0	GEN
211	First Correspondence	40	CE, EC, S
212	Second Correspondence	25	CE, EC, S
213	Correspondence to other	40	CE, EC, S
215	International Correspondence	45	CE, EC, S
225	Taxpayer Correspondence - Signature Only	40	CE, EC, S
226	International Correspondence (Signature Only)	40	CE, EC, S
300	Examination (Fuel Tax Credit)	10	CE, EC, S
310	Statute Control	10	CE, EC, S
320	Entity Control	10	CE, EC, S
321	Form 851, Affiliations Schedule, Employer Identification Number (EIN) Mismatch Modernized e File (MeF) Form 1120, U.S. Corporation Income Tax Return only	10	EC
331	Frivolous Review	3	CE, EC
332	Questionable Refund Detection Team (QRDT) Review	3	CE, EC
333	Prompt Audit	10	CE, EC, S
334	Joint Committee	10	CE, EC, S
335	Frivolous Case	10	CE, EC, S
336	QRDT	10	CE, EC, S
337	Other Criminal Investigation (CID)	10	CE, EC, S
341	Manual Refund	10	CE, EC, S
342	Credit Verification	10	CE, EC, S
343	Other Accounting <b>Note:</b> This Action Code is also used for "Black Liquor" claims on Form 6478, Biofuel Producer Credit (Credit for Alcohol Used as Fuel for 2012 - 2007)	10	CE, EC, S
344	Manual Refund by Error Resolutions (ERS)	0	EC

Action Code	Description	Workday Suspense Period	Function Used
347	Form 2553, Election by a Small Business Corporation, attached to Form 1120-S and/or taxpayer shows Rev. Proc. 2013-30 (effective September 3, 2013) on any page of the Form 1120-S regardless of a Form 2553 is attached. Control case to Entity for approval.	20	EC, CE, S
351	Taxpayer Identification Number (TIN) Research	0	EC, S
352	Name Research	3	CE, EC, S
353	Address Research	3	CE, EC, S
354	Filing Requirement Research	3	CE, EC, S
355	Other MFTRA Research	3	CE, EC, S
360	Other In-House Research	10	CE, EC, S
370	Examination	10	CE, EC, S
410	Technical Help	0	EC
420	Management Suspense-A <b>Note:</b> Action Code "420" was used for Tax Periods 200612 to 200711 when claiming credit on Form 8913, Credit for Federal Telephone Excise Tax Paid.	5	CE, EC, S
430	Management Suspense-B	10	CE, EC, S
440	Management Suspense-C	15	CE, EC, S
450	Management Suspense-D <b>Note:</b> Action Code "450" is used to identify Elective Payment Election (EPE) and Credit Transfers for processing under the Inflation Reduction Act (IRA) of 2022 and CHIPS and Science Act of 2022.	20	CE, EC, S
460	Management Suspense-E	25	CE, EC, S
470	Complex Error Code	0	EC
480	Early Filed Suspense	150	CE, EC, S
490	System Problem	5	CE, EC, S
510	Missing Document	0	CE
511	Missing Document 1st Suspense	25	EC, S
512	Missing Document 2nd Suspense	20	S
513	Missing Document 3rd Suspense	20	S

Action Code	Description	Workday Suspense Period	Function Used
515	Missing Document Short Term	5	EC, S
550	Mag Tape Attachments	0	CE
551	Mag Tape Inconsistent Data	0	CE
610	Renumber- Non-Remittance	0	CE, EC
611	Remittance Renumber	0	S
620	Non Master File (NMF) / Non-ADP	0	CE, EC, S
630	Reinput	0	EC
640	Void	0	CE, EC, S
650	International	0	CE, EC, S
660	Data Control Delete Tape Edit Processor (TEP) Delete	0	S
670	Deleted Missing Document	0	GEN
700	Duplicate (Dup) Block DLN	0	GEN
711	Dup. DLN From Code and Edit (C&E)	0	GEN
712	Dup. DLN From Error Correction	0	GEN
713	Dup. DLN From Unpostables	0	GEN
714	Dup. DLN From Unworkable suspense	0	GEN
715	Dup. DLN From Workable suspense	0	GEN
800	National Account Profile (NAP) Linkage Problem	2	EC, S
900	Unpostable Record	0	GEN

- (2) Beginning with tax returns for periods ending 12-31-2007 and later, Form 2553, Election by a Small Business Corporation, may be filed as an attachment to Form 1120-S requesting to be considered an S Corporation. Code and Edit will edit Action Code (AC) "347" when a Form 2553 is received with a Form 1120-S and the taxpayer shows Rev. Proc. 2013-30 (effective September 3, 2013) on any page of the Form 1120-S regardless if a Form 2553 is attached. For MeF filed Form 1120-S, this is attached to the return as a Portable Document File (PDF) file and generates an Action Code "347". Error Correction must then assign the case to Entity Control for prompt consideration.

3.12.217.2.17.3  
(01-01-2022)  
**Clear Code "C" and  
"000"**

- (1) The letter "C" is used as a "Clear Code" for the Error Codes when the resolution does not require a change or correction to the return. The display includes a Clear Code Field labeled "CL". CC CRECT is used to enter the "C".
- (2) Code "C" is also used for clearing the Action Code from the screen after corrections for the Action Code have been completed. For example, Action Code "410" must be cleared so other errors can be resolved. The presence of the

“C” with a Priority I Error shows that you have made corrections to the Action Code and now other errors on the return can display.

- (3) The “000” is also used as a Clear Code when deleting Action Codes. It is used for erroneous Action Codes when you determine there is no reason to suspend the return. The “000” cannot be used in Suspense Correction.
- (4) Programming erases all “C” Clear Codes for Error Codes when a return is suspended with the CC SSPND.
- (5) Programming erases all “C” Clear Codes for Error Codes and Action Codes in the new Error Inventory and Workable Suspense Inventory. Unfinished returns from the previous day will not show the “C” Clear Codes that were assigned to a return but not completely worked.
- (6) Error Codes (including the ones which may require a “C” Clear Code) are numbered consecutively for correcting. There may be instances when the ERS tax examiner will create an Error Code with a higher priority than those cleared with a Taxpayer Notice Code or “C” Clear Code. Should this occur, programming will erase all “C” Clear Codes and Taxpayer Notice Codes for Error Codes with a lower priority.
- (7) Beginning with the highest priority Error Code, programming will continue displaying Error Codes for the return. Displays using the corrected data are different from those previously displayed.
- (8) There may be instances when you will make a correction erasing an Error Code 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 TPNC for subsequent errors in the return are deleted.
- (9) If errors remain on the return after deleting the “C” and TPNCs, they will re-display for resolution.
- (10) The “C” Clear Code will prevent any other corrections to the return. If a correction must be entered but you have already entered the “C” Clear Code, and the error is no longer displayed, create a higher priority error. If the return has cleared, then use CC GTRECW to make corrections.

3.12.217.2.18

(01-01-2022)

**Unprocessable  
Automatic Data  
Processing (ADP)  
Return**

- (1) When the perfection of a return is not possible and it is necessary to correspond, perform research or refer the document to another area of Submission Processing. The return is suspended, and required action taken.
- (2) Suspend the unprocessable return by entering the CC SSPND followed by the proper Action Code (AC).
  - a. In cases where the AC cannot describe the required action, attach Form 4227, Intra-SC Reject or Routing Slip, to the return with an explanation.
  - b. If the tax examiner will not be issuing a letter through IDRS, it is necessary to attach a Correspondence Action Sheet (Form 3696, Correspondence Action Sheet,).
  - c. A Charge-Out, Form 8161, ERS Return Charge-Out, is computer generated for all new suspense items.

- d. The Charge-Out is used for pulling documents, routing and controlling documents while the return is held in suspense, and associating the document with the Workable Suspense Inventory when the return becomes workable.

3.12.217.2.19  
(01-01-2024)

**Correspondence**

- (1) Replies - When the taxpayer replies to correspondence, continue to process the return.
- (2) No Replies - When the taxpayer does not respond to correspondence, input CCC "3" and use the following procedures as applicable.

If	Then
Tax Period is more than 12 months,	Research for the correct period ending and change the Tax Period to conform with the previous filing.
Tax Period is an unexplained short year,	Enter Computer Condition Code "Y" in Field 01CCC. When the screen returns, enter a "C" in the Clear Code Field.
Tax Period is an unauthorized change in Accounting Period,	Enter Computer Condition Code "Y" in Field 01CCC. When the screen returns, enter a "C" in the Clear Code Field.
There are multiple Tax Periods,	Use the earliest Tax Period. If a remittance return, SSPND return to have the remittance posted to the correct period.

**Other**

If	Then
Signature is required,	Enter CCC "X" and CCC "3".
Schedule D,	See IRM 3.12.217.20.28, Error Code 660 - Total Tax Taxpayer present and No 06MCT, for Schedule D procedures.
Line 23a Support Schedule,	See IRM 3.12.217.20.28, Error Code 660 - Total Tax Taxpayer present and No 06MCT, for Line 23a Support Schedule procedures.



If	Then
Form 8825, Rental Real Estate Income and Expenses of a Partnership or an S Corporation,	See paragraph (3) below to enter a Missing Schedule Code for Schedule K. Continue normal processing. <b>Note:</b> Correspondence for Form 8825 was issued to support the Schedule K, Line 2 entry.
Schedule L - Balance Sheet,	See paragraph (3) below to determine and enter a Missing Schedule Code. Continue normal processing.
Schedule K-1, Shareholder's Share of Income, Deductions, Credits, etc.,	See paragraph (3) below or IRM 3.12.217.3.15, Field 01MSC - Missing Schedule Code, to determine and enter a Missing Schedule Code. Continue processing.

***Unsubstantiated credits***

If	Then
Form 6478, Biofuel Producer Credit, is unsubstantiated,	Delete credit from the return and the screen.
Form 4136, Credit for Federal Tax Paid on Fuels, is unsubstantiated,	Delete credit from the return and the screen.
Form 6249, Computation of Overpaid Windfall Profit Tax, is unsubstantiated,	Delete credit from the return and the screen.
Form 8586, Low-Income Housing Credit, is unsubstantiated,	Delete credit from the return and the screen.
Form 8611, Recapture of Low-Income Housing Credit, is unsubstantiated,	Delete credit from the return and the screen.

- (3) For missing schedules use the chart below to determine the Missing Schedule Code, Field 01MSC:

Missing Schedule	Input Code
Schedule(s) K-1	33
Schedule L (Balance Sheet)	34
Schedule(s) K-1 and L	36

Missing Schedule	Input Code
Schedule K	45
Schedule K and K-1	46
Schedules K and L	47
Schedules K, K-1 and L	49

3.12.217.2.19.1  
(01-01-2020)

### Correspondence Action Sheets

- (1) If the tax examiner is not issuing a letter through IDRS, attach a Correspondence Action Sheet (Form 3696, Correspondence Action Sheet) or other acceptable form to the return.

3.12.217.2.20  
(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” annotated on the front of the return.
- (3) Follow the correspondence instructions below for “CII” returns:

#### ***CII Return Correspondence Criteria***

If	And	Then
The “CII” return has a Form 13596, Reprocessing Returns, attached,	The return is incomplete (e.g., 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. Show “Additional 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>

If	And	Then
The "CII" return has a Form 13596, Reprocessing Returns, attached and the return is incomplete (e.g., missing signature, schedules, or forms),	The return shows correspondence was sent (e.g., CCC "3" is edited on the return),	Do not route the return to AM. Continue processing the return.
The "CII" return does not have a Form 13596, Reprocessing Returns, attached,	The return is incomplete (e.g., missing signature, schedules, or forms),	<p>Research for prior posting (TC 150 posted).</p> <ol style="list-style-type: none"> <li>1. If TC 150 is present and the information is the same, cancel the DLN and treat as classified waste.</li> </ol> <p><b>Note:</b> Classified waste is documentation containing taxpayer entity or account information that is not part of the case and is not needed for audit trail purposes. Refer to IRM 21.5.1, General Adjustments, for guidance on handling classified waste to prevent inadvertent/unlawful destruction of records.</p> <ol style="list-style-type: none"> <li>2. If TC 150 is not present, follow normal correspondence procedures.</li> </ol>

3.12.217.2.21  
(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**.
- (2) Contact with the taxpayer may be by telephone or correspondence. Follow local procedures to decide which method of contact to use.
- (3) Select the fax paragraph on the **approved** Correspondence Action Sheet to inform the taxpayer of the fax options.
- (4) Use the following resources to ensure you are speaking with the taxpayer or authorized representative before disclosing any tax information:
  - IRM 21.1.3.2.3, Required Taxpayer Authentication
  - IRM 21.1.3.2.4, Additional Taxpayer Authentication
- (5) Before leaving any messages on a taxpayers 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

3.12.217.2.22

(01-01-2022)

**Perfection of Attachments**

- (1) Sometimes a return is received with written information on an attachment.

If	Then
The taxpayer writes a question or request for help on the return itself,	Make a photocopy of the question/request and the taxpayers EIN, name and address. Route this information to the proper function.
Unrelated, unanswered taxpayer correspondence is attached, and no action was taken,	Detach and route to the proper area using local Submission Processing Campus procedures.
Unanswered taxpayer correspondence relating to the Form 1120-S is attached,	Make a photocopy of the attachment and forward it to the proper area using local Submission Processing Campus procedures.

- (2) All attachments or photocopies of an attachment that are routed to another area must have the taxpayers:

- Name
- Address
- EIN
- Received Date

3.12.217.2.23

(01-01-2024)

**Integrated Data Retrieval System (IDRS) Research Tools**

- (1) The following shows some IDRS Command Codes (CCs).

- (2) See IDRS Command Codes at:
- IDRS Command Code Job Aid*
- for all Command Code Job Aids.

3.12.217.2.23.1

(01-01-2024)

**NAMEE Search**

- (1) Command Code (CC) NAMEE uses a system called Name Search Facility (NSF), which is a Taxpayer Identification Number searching tool.

- (2) NSF provides a national centralized name search capability that replaces the Key Index File (KIF) found at each Submission Processing Campus. Authorized users will have access to NSF via CC NAMEE for Employer Identification Number (EIN) searches.

- (3) NSF will provide an input screen to enter data about the taxpayer (name, address, etc.). It will match the data entered to data we have in our files and will return to the users the Social Security Number (SSN) or EIN of any possible matches. The more information entered, the narrower the search and the better the possibility of a match. The CC NAMEE requires a name be entered for searching the NSF use CC NAMEE to verify that the EIN the taxpayer has furnished is on the Master File. See IDRS Command Codes at
- IDRS Command Code Job Aid*
- for all CC Job Aids.

3.12.217.2.23.2

(01-01-2020)

**On-Line Entity (OLE)**

- (1) On-Line Entity (OLE) is a Taxpayer Identification Number (TIN) system designed to allow for validation of the EIN and EIN/name control online with Integrated Data Retrieval System (IDRS) input Command Codes (CC). It is also designed to allow for entity research on a national basis.

- (2) Use CC INOLE to research the entity module. This information includes name lines, name control, address, employment codes and filing requirements. See *IDRS Command Code Job Aid* for all CC Job Aids.
- (3) The display for a BMF EIN account or INOLE will show the:
  - a. Primary name and all the name lines on the BMF
  - b. Mailing address
  - c. Primary name control
  - d. Prior name control
  - e. Sole proprietor SSN
  - f. Fiscal month
  - g. Prior fiscal month
  - h. Establishment date
  - i. Employment code
  - j. Exempt Organization (EO) data, if present, and
  - k. Filing requirements
- (4) Validation of IDRS CCs - IDRS CCs that create a transaction for posting to the Master File will have the EIN and EIN/name control validated using the Taxpayer Information File (TIF), and the National Account Profile (NAP).
- (5) The CCs will not return the "Request Completed" response until the EIN and EIN/name control have been validated by the NAP as being on the Master File that the transaction will try to post.
- (6) The following IDRS CCs are affected by OLE validation:
  - FRM49 - Taxpayer Delinquent Return Notices and Investigations
  - ENREQ - Entity Changes
- (7) If there is a match to the EIN and name control, then continue normal processing.
- (8) If there is an EIN or name control mismatch, see *IDRS Command Code Job Aid* for all CC Job Aids.

3.12.217.2.23.3  
(01-01-2024)  
**BRTVU**

- (1) Command Code (CC) BRTVU is used to research edited, transcribed and computer-generated line items for BMF returns and related forms and schedules. This information is accessed using CC BRTVU with a Taxpayer TIN, a two-digit Master File Transaction (MFT) Code, Tax Period and Definer Code.
- (2) The Returns Transaction File does not have all the information available on the IDRS system, for example, IDRS notice status, case control information. BRTVU can be accessed even when TXMOD and SUMRY are not available.
- (3) CC BRTVU, with definer "SM", requests the summary screen for a specific EIN, MFT and Tax Period. This screen provides information about income, deductions, tax, remittance, number of pages, and schedules or forms attached to the return.
- (4) Definers are displayed for the forms that are present with the return. A form is present if any field on the related screen (other than name control) has significant data.

- (5) If the definer is blank or invalid, or a definer is requested for a screen not available for the return requested, the computer will display the summary screen, showing the available screen and definers.
- (6) Screens may be accessed using the correct two positions definer code. Valid BRTVU definers for Form 1120-S are:

Definer	Meaning
SM	Summary screen
R1	Screen 1
R2	Screen 2
R3	Screen 3
SK	Schedule K
N1	Form 4136, Credit for Federal Tax Paid on Fuels
V2	Form 8586, Low-Income Housing Credit (PY 91)
V1	Form 8586, Low-Income Housing Credit, (PY 91)
W1	Form 8611, Recapture of Low-Income Housing Credit, (PY 91)

- (7) Amended and duplicate returns are accessed via CC BRTVU by inputting a sequence number immediately after the definer code. These returns will display the format of the year processed; therefore, the line numbers may be inconsistent with current year returns.

3.12.217.2.23.4  
(01-01-2022)  
**BMFOL**

- (1) Command Code (CC) BMFOL provides on-line research capability of nationwide entity and tax data information posted to the Master File.
- (2) CC BMFOL displays information similar to CC MFTRA. In fact, CC BMFOL is a suggested alternative to CC MFTRA.
- (3) CC BMFOL, with the definer "I", displays a summary screen for a specific account. The summary screen will show what other display screens are accessible and a minimum of information on each available module.
- (4) For further explanation of the screen displays and applicable definer codes, see *IDRS Command Code Job Aid* for all CC Job Aids.

3.12.217.2.24  
(01-01-2022)  
**Form 1120 Converted to Form 1120-S**

- (1) Form 1120, U.S. Corporation Income Tax Return, must be converted to Form 1120-S when the taxpayer has filed Form 1120 and the Entity Control Unpostable Unit determines the taxpayer has a valid Form 2553, Election by a Small Business Corporation, on file.
- (2) When Form 1120 is converted to a Form 1120-S, Entity must ensure that only the Received Date (Field 01RCD), North American Industry Classification

System (NAICS) code (Field 01NAI), and Audit Code “4” (Field 03ADC) are edited to the new renumbered form. If a field other than those mentioned above was transcribed, delete it.

- (3) For MeF Form 1120 being reprocessed as Form 1120-S, ensure the correct Received Date is edited on the document. The Received Date is the Julian DLN date of the original DLN. Do not subtract 10 days in the case from the Julian Date.
- (4) Do not enter any tax data on the “blank” Form 1120-S.

3.12.217.2.25  
(01-01-2020)  
**Installment Agreement**

- (1) If a request for an installment agreement (an inquiry by the taxpayer to make payments on a debt) is attached to any return, detach it and send it to the Collection Branch. This request may come on Form 9465, Installment Agreement Request. When forwarding the installment request ensure the following information is included as a working trail: EIN, Name, Type of Return, Tax Period, Amount Due and Amount Paid.

3.12.217.2.26  
(01-01-2022)  
**Section 965 Returns**

- (1) Section 14103 of the Tax Cuts and Jobs Act (TCJA) of 2017 overhauled Section 965 of the Internal Revenue Code. Section 965, now titled “Treatment of deferred foreign income upon transition to participation exemption system of taxation,” provides that U.S. shareholders must pay a transition tax on the untaxed foreign earnings of certain specified foreign corporation as if those earnings had been repatriated to the United States.
- (2) If the Tax Period is 201712 through 202012, SSPND with Action Code “460”, and input “J” in Field 01CCC, when any of the following are present:
  - “Section 965” or “965 Tax” (or similar language) notated on the return, attachment, or statement.
  - IRC 965 Transition Tax Statement (or similar 965 statement) is attached.
  - Form 965, Inclusion of Deferred Foreign Income Upon Transition to Participation Exemption System, is attached.
  - Form 965, Schedule A, U.S. Shareholder’s Section 965(a) Inclusion Amount, is attached.
  - Form 965, Schedule B, Deferred Foreign Income Corporation’s Earnings and Profits (E&P), is attached.
  - Form 965, Schedule C, U.S. Shareholder’s Aggregate Foreign Earnings and Profits Deficit, is attached.
  - Form 965, Schedule D, U.S. Shareholder’s Aggregate Foreign Cash Position, is attached.
  - Form 965, Schedule E, U.S. Shareholder’s Aggregate Foreign Cash Position - Detail, is attached.
  - Form 965, Schedule F, Foreign Taxes Deemed Paid by Domestic Corporation, is attached.
  - Form 965, Schedule G, Foreign Taxes Deemed Paid by Domestic Corporation for U.S. Shareholder Tax Year Ending in 2017, is attached.
  - Form 965, Schedule H, Disallowance of Foreign Tax Credit and Amounts Reported on Forms 1116 and 1118, is attached.
  - Form 965-B, Corporate and Real Estate Investment Trust (REIT) Report of Net 965 Tax Liability and Electing REIT Report of 965 Amounts, is attached.



- A significant entry is present on Schedule K, Lines 10, 12d, or 14r (2020 - 2017 form revisions) or Line 17d with the notation "Section 965" or similar language.

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

- (3) If a Section 965 return was found by ERS and C&E has not edited Action Code "460" or CCC "J" or both, SSPND with Action Code "460" and enter CCC "J" in Field 01CCC.
- (4) Follow the instructions below to finish processing the return. Ensure that the return was correctly identified as a Section 965 return.

If	Then
The return was identified as a Section 965 return in error,	<ol style="list-style-type: none"><li>1. Remove "J" from Field 01CCC, if present.</li><li>2. Ensure all correspondence issues are addressed. <b>Note:</b> Code and Edit (C&amp;E) was instructed <b>not</b> to correspond on Section 965 returns. C&amp;E will notate "K-1 missing" (or similar language) in the lower left margin (action trail) of the return if correspondence is needed for missing Schedules K-1.</li><li>3. Continue normal return processing.</li></ol>

If	Then
The return is confirmed as a Section 965 return, and correspondence is needed,	<ol style="list-style-type: none"> <li>1. Verify "J" is present in Field 01CCC.</li> <li>2. Resolve Field Errors or Error Codes or both.</li> <li>3. SSPND with Action Code "211" and correspond.</li> </ol> <p><b>Note:</b> Code and Edit (C&amp;E) was instructed <b>not</b> to correspond on Section 965 returns. C&amp;E will notate "K-1 missing" (or similar language) in the lower left margin (action trail) of the return, if correspondence is needed for missing Schedules K-1.</p>
The return is confirmed as a Section 965 return, and correspondence is <b>not</b> needed,	<ol style="list-style-type: none"> <li>1. Verify "J" is present in Field 01CCC.</li> <li>2. Resolve Field Errors or Error Codes or both.</li> </ol>

3.12.217.2.27  
(04-01-2023)

**Elective Payment  
Election (EPE) and  
Credit Transfers**

- (1) Under the Inflation Reduction Act (IRA) of 2022 and CHIPS and Science Act of 2022, the taxpayer can elect to:
  - Take certain credits as a "Elective Payment" or "Deemed Payment".
  - Transfer certain credits to another taxpayer.
  - Claim the credit as a General Business Credit.
- (2) For tax periods 202201 - 202212, identify a "Elective Payment" or "Deemed Payment" when the taxpayer writes "IRA22DPE" on an attachment or on Form 1120-S, Line 23d dotted portion (prior year form revisions).
- (3) When a return is identified with an "Elective Payment Election", and Code and Edit (C&E) has not done so, do the following:
  1. Enter "J" in Field 01RPC.
  2. Place a flag at the top of the return and attach the "IRA22EPE/TRE Reminder" sheet under the entity portion of the return.

**Note:** P&A will provide the pre-printed reminder for ERS to use.

  3. Suspend with Action Code "450".
  4. Sign the DLN out of the block using Form 1332, Block and Selection Record.
  5. Give the return to the lead. The lead will place the return in the designated area for LB&I review.

- (4) When a return is identified with a "Credit Transfer", and C&E has not done so, do the following:

1. Enter "K" in Field 01RPC.
2. Place a flag at the top of the return and attach the "IRA22EPE/TRE Reminder" sheet under the entity portion of the return.

**Note:** P&A will provide the pre-printed reminder for ERS to use.

3. Suspend with Action Code "450".
4. Sign the DLN out of the block using Form 1332, Block and Selection Record.
5. Give the return to the lead. The lead will place the return in the designated area for LB&I review.

**Note:** A return can have both an RPC "J" and an RPC "K".

3.12.217.2.28  
(01-01-2024)

◆ Working Trail ◆

- (1) It is important to leave a legible "Working Trail" (or "Action Trail") using blue ink for those who may work 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). See Exhibit 3.12.217-24, Taxpayer Notice Codes, for more information.
- (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. Arrowing is allowed for 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:
  - Employee Identification Number (EIN)
  - Tax Period
  - Received Date
  - Computer Condition Code
  - Correspondence Received Date (CRD)

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

- (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.

3.12.217.3  
(01-01-2024)

**Section 01 - Entity Data  
and Codes for Returns**

- (1) Section 01 is the entity and code section.
- (2) Listed below are the fields in Section 01 of Form 1120-S :

Field Designator	Field Title	Field Length	Location on Form 1120-S
01NC	Name Control	4	Page 1, First Name Line
01EIN	EIN	9	Page 1, Box D, Employer Identification Number
01NAI	North American Industry Code	6	Page 1, Box B, Business activity code number
01TXP	Tax Period	6	Page 1, upper right margin
01RCD	Received Date	8	Page 1, stamped date
01CCC	Computer Condition Code	10	Dotted portion of Line 2
01TXB	Tax Period Beginning	8	Page 1, to the left/near the title of the return.
01CRD	Correspondence Received Date	8	ERS input only
01MSC	Missing Schedule Code	2	Edited as "7-" 33, 34, 36, 45, 46, 47, or 49 to the left of Line 9. <b>ERS input only</b>
01CBI	Checkbox Indicator	1	Page 1, Paid Preparer area
01PSN	Tax Preparer SSN	9	Bottom of Page 1
01PEN	Tax Preparer EIN	9	Bottom of Page 1
01PTN	Tax Preparer Phone Number	10	Bottom of Page 1
01RPC	Return Processing Code	35	Page 1, right margin next to Line 1c

3.12.217.3.1  
(01-01-2012)  
**Remittance**

- (1) Remittance (RMIT>) is an entry that identifies payment made with the return.
- (2) This entry must be blank or numeric.
- (3) If a numeric amount is present, it must be dollars and cents.
- (4) It must be blank for non-remittance returns, overpaid returns and remittance returns processed through the Residual Remittance Processing System (RRPS)/Integrated Submission and Remittance Processing (ISRP) systems.
- (5) This is a non-correctable entry.

3.12.217.3.2  
(01-01-2022)  
**Field 01NC - Name Control**

- (1) Field 01NC consists of the first four significant characters of the corporation's name.
- (2) The valid characters are alpha, numeric, ampersand "&", hyphen "-", and blank.
- (3) **Invalid Condition:**
  - The first position is blank.

- The second, third or fourth position is not an alpha, numeric, hyphen, ampersand or blank.
- There are intervening blanks between significant characters.

(4) **Correction Procedures:**

- Correct coding errors, transcription errors, and misplaced entries.
- Enter the Name Control.
- If the Name Control cannot be determined, research using local Submission Processing procedures.

3.12.217.3.3  
(01-01-2022)

**Field 01EIN - Employer Identification Number**

- The Employer Identification Number (EIN) is found in Box D on the return.

(2) **Invalid Condition:**

- The EIN begins with 00, 07, 08, 09, 17, 18, 19, 28, 29, 49, 78, 79, or 89.
- The EIN is not numeric.
- The EIN is less than 9 characters.
- The EIN is all zeroes or all nines.

(3) **Correction Procedures:**

- Correct coding errors, transcription errors, and misplaced entries.
- If transcribed correctly, search the return for another EIN or use local Submission Processing Campus research procedures to obtain the EIN. If found, enter in Field 01EIN and send a Letter 3875C, Missing or Incorrect EIN on Return - BMF/EPMF.

**Note:** Do not send Letter 3875C when:

- 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 has been “merged to”, or “merged from” or
  - The TIN on the return is the taxpayer’s SSN (check CC INOLEG).
- If another EIN is not found during the search above, or if there is no record of an EIN, or multiple EINs are found, suspend the return with Action Code “320” and route to Entity Control for an EIN to be assigned.

If	Then
Entity Control has found the correct EIN,	Enter in Field 01EIN.
Entity Control has assigned an EIN,	<ol style="list-style-type: none"> <li>1. Enter in Field 01EIN.</li> <li>2. Enter the Entity Assignment Date (from the lower left-hand corner of the return) in Field 01CRD, if it is after the Return Due Date.</li> </ol>

- On an RPS return, with an EIN change SSPND with Action Code “351” to route to Rejects. Rejects will research any RPS return with a change to the EIN to determine if a payment has posted correctly.

3.12.217.3.4  
(01-01-2024)

**Field 01NAI - North  
American Industry  
Classification System  
(NAICS)**

- (1) Field 01NAI is a 6-digit numeric field transcribed from Page 1, Box B, of Form 1120-S.
- (2) **Invalid Condition:**
  - The field is not present (except "G" coded returns).
  - The field is not numeric.
  - The field is not within range of 000001-999999.
- (3) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If Field 01NAI is blank, enter the entry from Page 1, Box B, Form 1120-S.
  - c. If no code is found, enter "999999".
  - d. If the taxpayer uses the four-digit Principal Business Activity Code (PBA Code), enter the four-digit code preceded by two zeros.

3.12.217.3.5  
(01-01-2024)

**Field 01TXP - Tax Period**

- (1) Field 01TXP is found to the right of the title area, at the top of page 1 of Form 1120-S.
- (2) Tax Period ending is printed in Year (YYYY), Month (MM) format e.g., Dec. 31, 2023 is printed 202312.
- (3) The Tax Period must be present and have six numeric digits.
- (4) A taxpayer can file a return for:
  - A Calendar Year (ends December 31).
  - A Fiscal Year (ends last day of the month except December).
  - A 52 and 53 Week Year ends 6 days before to 3 days after the end of the month (April 29, 2023 and May 2, 2023 both are 202304).

**Example:** A 52-53 week tax year ending on the last Friday of the month can end up to 6 days before the last day of the month. If the tax year ended on April 27, 2023, then the Tax Period is 202304.

**Example:** A 52-53 week tax year ending on the Friday nearest to the last day of the month can end up to 6 days before, or 3 days after the last day of the month. If the Tax Period ends August 3, 2023, then the valid period is 202307.
- (5) **Invalid Condition:**
  - The Tax Period is **not** all numeric.
  - The last two digits (month) are **not** 01-12.
  - The Tax Year (first four digits) is **after** the current year.
  - The Tax Year is equal to the current year (e.g., 2023), **but** the month is **after** the current processing month.
- (6) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. Determine the correct Tax Period from Form 1120-S and attachments.

If	Then
The Tax Period cannot be determined from the return, an attachment or research,	Enter the current year in Field 01TXP.
A “Final” return <b>and</b> the Tax Period ending is the same as or later than the Received Date,	Change the Tax Period to the month preceding the Received Date. <b>Note:</b> If prepaid credits are claimed on Lines 24a or 24b, SSPND with Action Code “342” to have the credits moved to the correct Tax Period.
A non-final return and the Tax Period ending is equal to or later than the current year-month by <b>four months or less</b> ,	SSPND with Action Code “480” and attach Form 4227, Intra-SC Reject or Routing Slip, noting that the return should be held and processed after the end of the Tax Period.
A non-final return and the Tax Period ending is later than the current year-month by <b>more than four months</b> ,	SSPND with Action Code “211” and correspond, requesting confirmation of the Tax Period ending.
The taxpayer response shows the return is a “final” return and the close of business precedes the edited Tax Period,	Change the Tax Period to agree with the close of business date. <b>Note:</b> If prepaid credits are claimed on Lines 24a or 24b, SSPND with Action Code “342” to have the credits moved to the correct Tax Period.
No reply is received,	SSPND with Action Code “480” and attach Form 4227, Intra-SC Reject or Routing Slip, noting that the return should be held and processed after the end of the Tax Period.

3.12.217.3.6  
(01-01-2024)

**Field 01RCD - Received Date**

- (1) Field 01RCD is a numeric field that is either the date stamped by Receipt and Control or edited by Code & Edit. The Received Date is required on **all** Form 1120-S, without regard to whether the Form was received before or after the due date for the return.
- (2) Field 01RCD **must** be present and entered in “YYYYMMDD” format.



(3) **Invalid Condition:**

- The Received Date is **not** present.
- The Received Date is **not** in “YYYYMMDD” format.
- The Received Date is **later** than the current processing date.
- The Received Date is **not** all numeric.
- The Received Date is **not** within the valid month or day range detailed below:

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

(4) **Correction Procedures:**

- Correct coding errors, transcription errors, and misplaced entries.

If	Then
The Received Date is invalid, and it appears that the incorrect year was used (e.g., 20230115 instead of 20240115), and other information (Julian Date, postmark date, or signature date) shows that the Received Date should be a current year,	Change the Received Date year to the current year.
Multiple Received Dates are present,	Enter the earliest IRS stamped Received Date.

If	Then
The Received Date is missing or illegible,	<p>Determine Field 01RCD using the following priority order:</p> <ol style="list-style-type: none"> <li>1. Earliest legible U.S. or foreign postmark or a postmark established by an acceptable designated private delivery service. See IRM 3.10.72, Receiving, Extracting, and Sorting, for further details.</li> </ol> <p><b>Note:</b> If both U.S. Postal Service and private meter marks are present, honor the U.S. Postal Service Postmarks.</p> <p><b>Note: For certified mail only</b> - If a postmark is not present, look for a "USPS.com Track &amp; Confirm" record that was attached to the return (should be before the envelope. Use the Acceptance date on the return to determine timeliness, follow normal editing procedures. If the "USPS.com Track &amp; Confirm" record is not attached, no action is required.</p> <ol style="list-style-type: none"> <li>2. Service Center Automated Mail Processing System (SCAMPS) digital date.</li> <li>3. Revenue officer's signature date.</li> <li>4. Signature date if within the current year (unless other information shows signature date is invalid).</li> <li>5. DLN Julian Date minus 10 days, unless MeF return. Use the original Julian DLN date when assigning a Received Date for MeF returns.</li> <li>6. Current date minus 10 days.</li> </ol>

3.12.217.3.7  
(01-01-2022)

**Field 01CCC - Computer Condition Code**

- (1) Computer Condition Codes are used to identify a specific condition for the computer and can have up to 10 positions. Computer Condition Codes are edited to the center dotted portion of the Income Area, on page 1 (Lines 1-6), Form 1120-S.
- (2) **Invalid Condition:** The field does not have an entry of "B, D, E, F, G, I, J, L, M, O, Q, R, S, T, W, X, Y, 1, 2, 3, 8, and 9".
- (3) **Correction Procedures:**

- a. If an overflow condition occurs in Field 01CCC (more than 10 codes) keep the codes in the following priority: "F", "D", "O", "Y", "W", and others.
- b. Correct coding errors, transcription errors, and misplaced entries.
- c. Refer to the chart of Computer Condition Codes in IRM 3.12.217.3.8.
- d. If CCC "G" is present with another CCC except "S", "T", "W" and/or "3", it will cause a field error.
- e. If CCC "G" is correct, delete all other CCC except "S", "T", "W" and/or "3". Otherwise, delete CCC "G" and enter all tax information as reported on the return.
- f. CCC "M" is valid for Tax Periods 201712 and later. A Field Error will display if Tax Period is before 201712 and CCC "M" is present. Verify the Tax Period and make corrections as needed.

3.12.217.3.8  
(01-01-2024)

**Computer Condition  
Code (CCC) Chart**

- (1) Use the chart below to identify Computer Condition Codes:

Code	Definition	Error Check
B	Enter when a taxpayer has made an Entry in the margin of either Schedule D or Form 4797, Sale of Business Property, electing not to report sales on the installment basis.	
D	Reasonable cause for failure to pay taxes timely,	Received Date must be present.
E	Potential Identify Theft Filing,	Edited by the BMF ID Theft Liaison.
F	Final Return.	
G	Amended Return,	No other CCC except "W", "T", "S" and/or "3". All entries must be blank, except RMIT, 01NC, 01EIN, 01TXP, 01RCD, 01CCC, and 01CRD.
I	Form 6781, Gains and losses from Section 1256 Contracts and Straddles, is attached,	Received Date must be present. Tax Period must be 198106 and later.

Code	Definition	Error Check
J	<p>If the Tax Period is 201712 through 202012, input “J” in Field 01CCC when any of the following are present:</p> <ul style="list-style-type: none"> <li>• “Section 965” or “965 Tax” (or similar language) notated on the return, an attachment, or statement.</li> <li>• IRC 965 Transition Tax Statement (or similar statement) is attached.</li> <li>• Form 965, Inclusion of Deferred Foreign Income Upon Transition to Participation Exemption System, is attached.</li> <li>• Form 965, Schedule A, U.S. Shareholder’s Section 965(a) Inclusion Amount, is attached.</li> <li>• Form 965, Schedule B, Deferred Foreign Income Corporation’s Earnings and Profits (E&amp;P), is attached.</li> <li>• Form 965, Schedule C, U.S. Shareholder’s Aggregate Foreign Earnings and Profits Deficit, is attached.</li> <li>• Form 965, Schedule D, U.S. Shareholder’s Aggregate Foreign Cash Position, is attached.</li> <li>• Form 965, Schedule E, U.S. Shareholder’s Aggregate Foreign Cash Position - Detail, is attached.</li> <li>• Form 965, Schedule F, Foreign Taxes Deemed Paid by Domestic Corporation, is attached.</li> <li>• Form 965, Schedule G, Foreign Taxes Deemed Paid by Domestic Corporation for U.S. Shareholder Tax Year ending in 2017, is attached.</li> <li>• Form 965, Schedule H, Disallowance of Foreign Tax Credit and Amounts Reported on Forms 1116 and 1118, is attached.</li> <li>• Form 965-B, Corporate and Real Estate Investment Trust (REIT) Report of Net 965 Tax Liability and Electing REIT Report of 965 Amounts, is attached.</li> <li>• A significant entry is present on Schedule K, Lines 10, 12d, or 14r (form revision 201712 - 202012) or Line 17d with the notation “Section 965” or similar language.</li> </ul> <p><b>Note:</b> A significant entry is defined as any amount other than zero.</p> <ul style="list-style-type: none"> <li>• See IRM 3.12.217.2.26, Section 965 Returns.</li> </ul>	
L	<p>Taxpayer writes Section 6114 “Election” on the return or attached Form 8833, Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b), to the return.</p>	

Code	Definition	Error Check
M	Form 8949, Sales and Other Dispositions of Capital Assets - Enter "M" in Field 01CCC when: <ul style="list-style-type: none"> <li>• Tax Period is 201712 and later, <b>and</b></li> <li>• Form 8949, has a code "Z" or code "Y" in column (f),</li> </ul> <b>Note:</b> Tax Cuts and Jobs Act of 2017, P.L. 115-97 (H.R. 1), Section 13823, Opportunity Zones. Taxpayers who elect to defer gain on the sale of an asset by investing in an Opportunity Zone Fund will show enter code "Z" or "Y" in Column (f).	Tax Period <b>must</b> be for 201712 and later.
O	Quick refund of overpayment.	
Q	Form 8913 (This field is no longer used, but is still in ERS programming. Tax Period 2006 to 200711).	
R	Reasonable cause for delinquency,	Received Date must be present.
S	Form 8883, Asset Allocation statement under section 338, is attached to the return.	
T	Form 8886, Reportable Transaction Disclosure Statement, is attached to the return.	
W	Used to bypass Statute check,	Entered when a return was cleared by Statute Control Group.
X	Shows settlement of the return is to be frozen.	
Y	Updates Fiscal Year Month (FYM) on Master File. Entered only on a short period return due to change of accounting period,	Return must be manually verified.
1	Current Year Related Party Like-Kind Exchange Indicator, Form 8824, Like-Kind Exchanges (and section 1043 conflict-of-interest sales), is attached,	"1" is generated in Field 01CCC.
2	Form 8938, Statement of Specified Foreign Assets is attached.	
3	Entered if no reply to correspondence,	Enter to suppress credit interest from being generated.
8	Waiver of Estimated Tax Penalty,	When tax on annualized income is computed by the taxpayer, (taxpayer has attached a worksheet) or if the taxpayer has written "Waiver" in the bottom margin of page 1, or on Form 2220, Underpayment of Estimated Tax by Corporations, enter CCC "8" on the return. The Tax Period cannot be before 198912.

Code	Definition	Error Check
9	Low-Income Housing Credit Indicator,	If not present enter "9" when Form 8611, Recapture of Low-Income Housing Credit, Form 8609-A, Annual Statement for Low-Income Housing Credit, or Form 8586, Low-Income Housing Credit, is attached and has entries on any of Lines 1 through 3 (2016 and prior revisions).

3.12.217.3.9  
(01-01-2024)

**Field 01TXB - Tax Period Beginning**

- (1) Field 01TXB is found on page 1, to the left near the title of Form 1120-S.
- (2) The Tax Period Beginning displays in YYYYMMDD format and must have eight digits.
- (3) **Invalid Condition:**
  - The Tax Period beginning date is not numeric.
  - The last two digits (month) are not 01-12.
  - The Tax Period beginning date is later than Tax Period end date (e.g., if Tax Period is 202312 and Tax Period beginning date is 1/1/2024 or later).
  - The Tax Period beginning date is earlier than 12 months before Tax Period end date (e.g., if Tax Period is 202312, and Tax Period beginning date is 11/01/2022 or earlier).
- (4) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. Determine and enter Field 01TXB for all "Initial", "Final", and "Short Period" returns.

3.12.217.3.10  
(01-01-2022)

**Field 01CRD - Correspondence Received Date**

- (1) Field 01CRD is a numeric field found on the reply to correspondence.
- (2) The Correspondence Received Date (CRD) displays in YYYYMMDD format and must have eight digits.
- (3) **Invalid Condition:**
  - The field is not numeric.
  - The field is not in YYYYMMDD format.
- (4) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. Determine the CRD from the date the reply was received at the campus. If the reply was **not** date stamped, use the U.S. Postal Service postmark date on the envelope attached to the reply.
  - c. If more than one CRD is present, use the CRD that made the return complete and processable.
  - d. If there is an indication that Entity Control has assigned an EIN to the return, enter the entity assignment date found in the lower left-hand



corner of the return if it is later than the Received Date and the Return Due Date. If there are both a CRD and an Entity Assignment date, enter the later of the two.

- e. Do not enter Field 01CRD if any of the following conditions are present:
  - The correspondence was received before the due date of the return.
  - The correspondence was required because of an IRS processing error.
  - We failed to ask for all the required information.
  - The correspondence was not necessary.
  - The correspondence was issued in error.
- f. If the reply is missing, incomplete or the letter is undeliverable, enter CCC "3" in Field 01CCC.

3.12.217.3.11  
(01-01-2022)  
**Field 01CBI - Preparer  
Checkbox Indicator**

- (1) The Paid Preparer Checkbox is found next to the taxpayer signature area. This box is used to show whether the taxpayer has elected to allow the Paid Preparer to answer questions about the taxpayers return as it is being processed.
- (2) This field is transcribed from the bottom of page 1, Form 1120-S.
- (3) **Invalid Condition:** The field is other than "1" or blank.
- (4) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.

If	Then
The "Yes" box is checked,	Enter a "1" in Field 01CBI.
The "No" box is checked or neither box is checked or both boxes are checked,	Delete Field 01CBI and continue processing.

3.12.217.3.12  
(01-01-2023)  
**Field 01PSN - Preparer  
Tax identification  
Number (PTIN)**

- (1) The Preparer Taxpayer Identification Number (PTIN) is transcribed from the **PTIN** box in the **Paid Preparer Use Only** section of Page 1, Form 1120-S. Data may or may not be present in Field 01PSN.
- (2) **Valid Condition:** Entries are blank, all numeric or a "P" for the first character followed by eight numeric characters.
- (3) **Invalid Condition:** The field is all zeros, all nines, less than nine positions, or is other than a "P" followed by 8 digits.
- (4) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If unable to determine a valid entry, delete Field 01PSN.

3.12.217.3.13  
(01-01-2023)  
**Field 01PEN - Preparer  
Employer Identification  
Number**

- (1) The Preparer EIN is transcribed from the **Firm's EIN** box in the **Paid Preparer Use Only** section of Page 1, Form 1120-S.

- (2) **Valid Condition:** This field can be blank, or it can be numeric. If numeric, it cannot be all zeros or all nines.
- (3) **Invalid Condition:** The field is all zeros, all nines or less than nine positions.
- (4) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If unable to determine a valid entry, delete Field 01PEN.

3.12.217.3.14  
(01-01-2023)

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

- (1) The Paid Preparer Phone Number is transcribed from the "Phone no." box in the "Paid Preparer Use Only" section of page 1, Form 1120-S below the Firm's EIN.

**Note:** If the taxpayer checked the paid preparer checkbox "Yes", a telephone number for the paid preparer must be entered to allow contact.

- (2) **Invalid Condition:** The field is other than alpha or numeric.
- (3) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If the telephone number is invalid, delete Field 01PTN.

3.12.217.3.15  
(01-01-2022)

**Field 01MSC - Missing  
Schedule Code**

- (1) Beginning with Tax Period 200812, filers of Form 1120-S are charged penalties for not providing a complete return. Code and Edit (C&E) initiates correspondence when needed, requesting the missing information, and ERS corrects Field 01MSC if the missing information is not received.
- (2) Enter Field 01MSC whenever the taxpayer does not respond to our request for missing information. See the chart below for the correct code.

Missing Schedule(s)	Code
Schedule(s) K-1	33
Schedule L (Balance Sheet)	34
Schedule(s) K-1 and L	36
Schedule K	45
Schedule K and K-1	46
Schedules K and L	47
Schedules K, K-1 and L	49

- (3) **Invalid Condition:** The field is not numeric and not one of the numbers shown above.

**Note:** There is always a possibility that a Missing Schedule Code is edited by C&E. However, employees working the suspense files in ERS must enter the correct code based on the response received from the taxpayer.

- (4) **Correction Procedures:**

- a. Correct coding errors, transcription errors, and misplaced entries.
- b. If taxpayer does not respond with the missing information, input the correct Missing Schedule Code as shown in (2) above.

(5) **Suspense Procedures:**

If	Then
Taxpayer responds with missing information,	Enter Correspondence Received Date in Field 01CRD and continue processing.
Taxpayer does not respond,	Enter correct Missing Schedule Code in Field 01MSC.
Taxpayer does not provide missing TINs on Schedules K-1,	Enter Missing Schedule Code "33" in Field 01MSC and continue processing.
Taxpayer provides missing Schedules K-1 or missing TINs,	Write the DLN of the return on the first Schedule K-1, in the upper left hand corner, then detach and send for processing. Enter Correspondence Received Date in Field 01CRD. <b>Caution:</b> Enter missing TINs on each Schedule K-1 before detaching for processing.

3.12.217.3.16  
(01-01-2024)

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

- (1) A Return Processing Code (RPC) is an alpha or numeric character used to identify a specific condition for the computer. The RPC is edited on Page 1, in the right margin next to Line 1c of Form 1120-S.

(2) **Invalid Condition:**

- The field is other than "A - F", "J - Y", "2", "4", "6", "7", or "9".
- The field is more than 35 characters.

(3) **Correction Procedures:**

- a. Correct coding errors, transcription errors, and misplaced entries.
- b. When the code(s) entered on the return are illegible or invalid, examine the return and enter the correct code from the table below:

**Note:** RPCs do not need to be entered in any specific order.

RPC	Explanation
A	Form 5471, Schedule E, Income, War Profits, and Excess Profits Taxes Paid or Accrued, is attached.

RPC	Explanation
B	Form 5471, Schedule H, Current Earnings and Profits, is attached.
C	Form 5471, Schedule I-1, Information for Global Intangible Low-Taxed Income, is attached.
D	Form 5471, Schedule P, Previously Taxed Earnings and Profits of U.S. Shareholder of Certain Foreign Corporations, is attached.
E	Form 8865, Schedule G, Statement of Application of the Gain Deferred Method Under Section 721(c), is attached.
F	Form 8865, Schedule H, Acceleration Events and Exceptions Reporting Relating to Gain Deferral Method Under Section 721(c), is attached.
G	Form 5471, Schedule G-1, Cost Sharing Arrangement, is attached.
H	Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business, Part VIII has an entry (e.g., description, checkbox marked, percent, or an amount).
J	<p><b>For tax periods 202201 - 202212</b>, taxpayer writes <b>IRA22DPE</b> or <b>CHIPS22DPE</b> on Form 1120-S, Line 24d or on an attachment.</p> <p><b>Note:</b> Do not edit RPC "J" on <b>Tax Year 2023</b> returns processed in <b>processing year 2024</b>.</p>
K	<p><b>For tax periods 202201 - 202212</b>, taxpayer writes <b>IRA22TRE</b> at the top of the return or on an attachment.</p> <p><b>Note:</b> Do not edit RPC "K" on <b>Tax Year 2023</b> returns processed in <b>processing year 2024</b>.</p>
L	Form 7204, Consent to Extend the Time To Assess Tax Related To Contested Foreign Income Taxes-Provisional Foreign Tax Credit Agreement, is attached.
M	Form 7205, Energy Efficient Commercial Buildings Deduction, is attached.
2	Form 8992, U.S. Shareholder Calculation of Global Intangible Low-Taxed Income (GILTI), is attached.
4	Form 8994, Employer Credit for Paid Family and Medical Leave, is attached.
6	Form 8996, Qualified Opportunity Fund, is attached.

RPC	Explanation
7	Form 8990, Limitation on Business Interest Expense Section 163(j), is attached.
9	Form 8997, Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments, is attached.

3.12.217.4  
(01-01-2022)

**Section 02 - Address Information**

- (1) Section 02 is the address (entity) section. It is present when a change of address was entered.
- (2) Listed below are the fields in Section 02 of Form 1120-S:

Field Designator	Field Title	Field Length	Location Form 1120-S
02CON	In-Care-of-Name	35	Page 1, number and street line
02FAD	Foreign Address	35	Page 1, number and street line
02ADD	Street Address	35	Page 1, number and street line
02CTY	City	22	Page 1, city, state, ZIP line
02ST	State	2	Page 1, city, state, ZIP line
02ZIP	ZIP Code	5/9/12	Page 1, city, state, ZIP line

- (3) All fields are of variable length and it is not necessary to account for every position allotted.
- (4) This section is not present on a "G" coded return.

3.12.217.4.1  
(01-01-2022)

◆ **Field 02CON - "In-Care-of" Name** ◆

- (1) Field 02CON is found in the entity section of the return.
- (2) Field 02CON has 35 positions. The valid characters are alpha, numeric, ampersand "&", dash "-", slash "/" or percent sign "%".

**Note:** The first character of the "in-care-of" name **must** be alpha or numeric.

- (3) **Invalid Condition:** Field 02CON is invalid if any of the following conditions are present:
  - The first position is "%" (percent) and the second position is not blank.
  - The first position is blank.
  - The first character of the "in-care of" name is not alpha or numeric.
  - There are two consecutive blanks between significant characters.
- (4) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.

If	Then
A “%” (percent) is in the first position,	<ol style="list-style-type: none"> <li>1. Verify there is a blank in the second position.</li> <li>2. If no blank, enter a blank space followed by the “in-care-of” name beginning with an alpha or numeric in Field 02CON.</li> </ol>
A blank is in the first position,	<ol style="list-style-type: none"> <li>1. Delete blank.</li> <li>2. Enter the “in-care-of” name beginning with an alpha or numeric in Field 02CON.</li> </ol>
The first character of the “in-care-of” name is not alpha or numeric,	<ol style="list-style-type: none"> <li>1. Verify “in-care-of” name on the return</li> <li>2. Enter the “in-care-of” name beginning with an alpha or numeric in Field 02CON.</li> </ol>
Two consecutive blanks are present between significant characters,	Delete any unnecessary blanks in Field 02CON.

3.12.217.4.2  
(01-01-2022)

◆ **Field 02FAD - Foreign Address** ◆

- (1) Field 02FAD is found in the entity section of the return.
  - a. This field will have an entry when there is a foreign address present on the return.
  - b. Field 02FAD should not be present on “G” coded short length records.
- (2) Valid characters are alpha, numeric, and special characters.
- (3) **Invalid Condition:** Field 02FAD generates 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.
- (4) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.

If	Then
Field 02FAD is present,	<ol style="list-style-type: none"> <li>1. GTSEC 02.</li> <li>2. Ensure Field 02CTY has a foreign country code and Field 02ST has a "." (period/space). See Document 7475, State and Address Abbreviations, Major City Codes (MCCs), ZIP Codes and Countries.</li> </ol> <p><b>Exception:</b> Use the country code based on the province in Field 02CTY if the foreign address is from Canada and the address has a province name or abbreviation. See Exhibit 3.12.217-23, Province/County Code-Canada Only.</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 02CTY. See <b>Exhibit 3.12.217-20</b> , Province, State and Territory Abbreviation.
A foreign address is not present on the return,	<ol style="list-style-type: none"> <li>1. SSPND with Action Code "610".</li> <li>2. Renumber return with domestic DLN.</li> </ol>

- b. If 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 the Form 8822 or Form 8822-B to the return.

**Note:** A business may have two addresses. One is the mailing address and the other is the location address or physical location of the business.

#### **Change of Address**

If	And	Then
Form 8822, or Form 8822-B, is attached,	All the following applies: <ul style="list-style-type: none"> <li>• Mailing address information is the same,</li> <li>• No location address is I on Form 8822 or Form 8822-B, Line 7,</li> <li>• No entry on Form 8822-B, Lines 8 or 9,</li> </ul>	Take no action and continue processing.



If	And	Then
Form 8822, or Form 8822-B, is attached,	Any of the following applies: <ul style="list-style-type: none"> <li>• Mailing address information is different,</li> <li>• Location address is listed on Form 8822 or Form 8822-B, Line 7,</li> <li>• An entry is on Form 8822-B, Lines 8 or 9,</li> </ul>	<ol style="list-style-type: none"> <li>1. Enter address shown on Form 8822-B in Field 02FAD.</li> <li>2. Notate "Form 8822 or Form 8822-B detached" on tax return.</li> <li>3. Detach Form 8822-B and route to Entity Control using Form 4227, Intra-SC Reject or Routing Slip, or follow local procedures.</li> <li>4. Notate on Form 4227, "CHANGE OF ADDRESS PER Form 8822 or Form 8822-B".</li> </ol>

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

3.12.217.4.3  
(01-01-2022)

**Field 02ADD - Street Address**

(1) This field is transcribed from the Street Address line of the entity portion of the return.

(2) **Invalid Condition:** Field 02ADD is invalid if:

- The field length is more than 35 characters.
- The Street Address is present and the first position is blank.
- A character other than alpha, numeric, blank, dash or slash is present.
- Any character follows two consecutive blanks.
- 

**Note:** ISRP will enter a pound "#" sign as the 35th character to show an overflow condition.

(3) **Correction Procedures:**

- a. Correct coding errors, transcription errors, and misplaced entries.
- b. If the 35th character is a pound sign "#", refer to Document 7475, State and Address Abbreviations, Major City Codes (MCCs), ZIP Codes and Countries. Abbreviate the address to 35 or fewer characters.
- c. If unable to correct, DLSEC 02.

(4) If 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 the Form 8822 or Form 8822-B to the return.

**Note:** A business may have two addresses. One is the mailing address and the other is the location address or physical location of the business.

If	And	Then
Form 8822, or Form 8822-B, is attached,	All of the following applies: <ul style="list-style-type: none"> <li>• Mailing address information is the same,</li> <li>• No location address is listed on Form 8822 or Form 8822-B, Line 7,</li> <li>• No entry on Form 8822-B, Lines 8 or 9,</li> </ul>	Take no action and continue processing.
Form 8822, or Form 8822-B, is attached,	Any of the following applies: <ul style="list-style-type: none"> <li>• Mailing address information is different,</li> <li>• Location address is listed on Form 8822 or Form 8822-B, Line 7,</li> <li>• An entry is listed on Form 8822-B, Lines 8 or 9,</li> </ul>	<ol style="list-style-type: none"> <li>1. Enter address shown on Form 8822 or Form 8822-B in Field 02FAD.</li> <li>2. Notate "Form 8822 or Form 8822-B detached" on tax return.</li> <li>3. Detach Form 8822 or Form 8822-B and route to Entity Control using Form 4227, Intra-SC Reject or Routing Slip. or follow local procedures.</li> <li>4. Notate on Form 4227, "CHANGE OF ADDRESS PER Form 8822 or Form 8822-B".</li> </ol>

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

3.12.217.4.4  
(01-01-2022)  
**Field 02CTY - City**

- (1) This field is transcribed from the City, State, ZIP line of the entity portion, on page 1 of the return.
  - a. Certain cities are designated "Major Cities" and have been assigned a designator that consists of two alpha characters. This code represents both the city and state.
  - b. Whenever the city is on the Major City list, ISRP enters the Major City Code instead of the entire name of the city and the state.
  - c. When a Major City Code is used, it is the first two positions of Field 02CTY.
- (2) **Invalid Condition:** Field 02CTY is invalid if:
  - The city is present and the first position is blank.
  - Any character other than alpha or blank is present.
  - Any character follows two consecutive blanks.
  - A Major City Code is present and it is not valid.
- (3) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. Follow procedures below:

If	Then
Valid city is not available from return or envelope,	<ul style="list-style-type: none"> <li>• Research using CC INOLES or ENMOD or</li> <li>• Refer to Document 7475, State and Address Abbreviations, Major City Codes (MCCs), ZIP Codes and Countries, or</li> <li>• Follow local Submission Processing (SP) procedures.</li> </ul>
Major city code is found,	Enter in Field 02CTY and delete Field 02ST.
Unable to correct,	DLSEC 02.

3.12.217.4.5  
(01-01-2022)

**Field 02ST - State**

- (1) This field is transcribed from the City, State, ZIP Code line of the entity portion of the return.
- (2) If the address is a foreign address, defined as not within the 50 States or the District of Columbia, SSPND with Action Code "650" and attach a Form 4227, Intra-SC Reject or Routing Slip, with a notation to forward to the "Ogden Submission Processing Campus".

**Note:** An Army Post Office (APO), Diplomatic Post Office (DPO) or Fleet Post Office (FPO) address is not considered a foreign address, but an address in an American possession.

- (3) **Invalid Condition:** Field 02ST is invalid if the entry is not a state code that is listed in the State Code Table in Document 7475, State and Address Abbreviations, Major City Codes (MCCs), ZIP Codes and Countries.

(4) **Correction Procedures:**

- a. Correct coding errors, transcription errors, and misplaced entries.
- b. If a valid State Code is not available from the return or envelope, take any of the following steps:
  - Research using INOLES or ENMOD to determine state.
  - Refer to Document 7475, State and Address Abbreviations, Major City Codes (MCCs), ZIP Codes and Countries, and determine Major City Code.
  - Follow local Submission Processing procedures.

**Note:** If a Major City Code is found, GTSEC 02. Enter the code in Field 02CTY and delete Field 02ST.

- c. If unable to correct, DLSEC 02.

3.12.217.4.6  
(01-01-2022)

**Field 02ZIP - ZIP Code**

(1) This field is transcribed from the City, State, ZIP line of the entity portion of the return.

(2) **Invalid Condition:** Field 02ZIP is invalid if:

- The ZIP Code is present and the first 5 positions are not numeric.
- The last 4 positions are not all numeric or all blank.
- Positions 4 and 5 are "00".

**Exception:** ZIP Code 20500.

(3) **Correction Procedures:**

- a. Correct coding errors, transcription errors, and misplaced entries.
- b. If a valid ZIP code is not available from the return or envelope, research using any of the following to determine the ZIP code.
- c. INOLES, ENMOD, or Document 7475, State and Address Abbreviations, Major City Codes (MCCs), ZIP Codes and Countries

3.12.217.5  
(01-01-2023)

**Section 03 - General Information**

(1) Section 03 is a General Information section.

(2) Listed below are the fields in Section 03 of Form 1120-S:

Field Designator	Field Title	Field Length	Location on Form 1120-S
03PRI	Precomputed Penalty/Interest (P/I) Code	1	Entered as "2-" followed by the P&I code next to Line 9, (deductions section)
03TPC	Tax Preference Code (TPC)	1	Entered as "4-" followed by TPC code next to Line 9, (deductions section)
03SWC	Salary and Wage Code	1	Page 1, Line 8, right margin
03ADC	Audit Code	3	Entered as "1-" followed by the correct Audit Code next to Line 9, (deductions section)
03ISI	Installment Sales Indicator	1	Edited as "3-" followed by the correct Installment Sales Indicator next to Line 9, (deductions section)
03IRC	Initial Return Code	1	Page 1 Line G
03GSH	Number of Shareholders	4	Page 1, Line I
03AMC	Accounting Method Code	1	Page 2, Sch B, Line 1
03QG	Consolidated S Corp Indicator - Reserved for Future Use	1	199712 and prior only. ERS input only. If Box G on page 1 is checked, input a 1 in Field 03QG.
03LIC	Low-Income Housing Credit	15	Edited as "5-" followed by Form 8586, Low-Income Housing Credit, next to Line 9, (deductions section).
03RLI	Total Recapture Credit	15	Edited as "6-" followed by the Form 8611, Recapture of Low-Income Housing Credit, next to Line 9, (deductions section).

3.12.217.5.1  
(01-01-2022)

**Field 03PRI -  
Penalty/Interest Code**

- (1) The precomputed Penalty and Interest Code "1" is entered when the precom-
- (2) Transcription is from the left hand margin next to Line 9. If applicable "2-" followed by "1" was edited.
- (3) **Invalid Condition:** The field is not blank or "1".
- (4) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If interest only is shown, CCC "R" must also be present in Field 01CCC.

#  
#

3.12.217.5.2  
(01-01-2022)  
**Field 03TPC - Tax  
Preference Code**

- (1) The Tax Preference Code "1" is entered to identify an excess amount claimed by the taxpayer.
- (2) Transcription is from the left hand margin next to Line 9. If applicable, "4-1" is edited.
- (3) **Invalid Condition:** The field is not blank or "1".
- (4) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. A "1" should be present in Field 03TPC if:
    - Schedule K-1, Line 15, Alternative minimum tax (AMT) items, totals
    - Form 4626, Alternative Minimum Tax - Corporations, is attached with an amount present on Lines 3, 6, or 11 for Tax Periods 201811 and prior only.

#

3.12.217.5.3  
(01-01-2022)  
**Field 03SWC - Salary  
and Wage Indicator**

- (1) The Salary and Wage Code "1" must be entered when Salary and Wages are present.
- (2) **Invalid Condition:** The field is not blank or "1".
- (3) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. Code "1" must be present in Field 03SWC if:
    - Line 8, page 1 Form 1120-S has an amount for salaries/wages.
    - Line 3, Form 1125-A, Cost of Goods Sold, has an amount for salaries/wages.
    - If there are other attachments with salaries/wages shown.
- (4) Field 03SWC may be blank if there is no indication of salaries/wages.

3.12.217.5.4  
(01-01-2022)  
**Field 03ADC - Audit  
Code**

- (1) The Audit Codes are used to identify specific conditions requested by Examination.
- (2) Field 03ADC is transcribed from the left hand margin next to Line 9, page 1 Form 1120-S. If applicable "1-" followed by the correct Audit Code (1-9) was edited.
- (3) **Invalid Condition:**
  - The field is not numeric or blank.
  - There are more than fifteen Audit Codes used at one time.
  - A digit or character appears after the first blank.
- (4) **Correction Procedures:** Correct coding errors, transcription errors, and misplaced entries.

3.12.217.5.5  
(01-01-2024)  
**Audit Code**

- (1) **Audit Code "1":** Disclosure Statement / Inconsistent Filer:

- a. Form 8082, Notice of Inconsistent Treatment or Administrative Adjustment Request (AAR), is attached.
- b. Form 8275, Disclosure Statement, is attached.
- c. Form 8275-R, Regulation Disclosure Statement, is attached.
- d. Form 8886, Reportable Transaction Disclosure Statement, is attached.

(2) **Audit Code “2”:** International Income or Credit:

- a. Form 1120-S, Schedule K, Line 16f (Line 14(p) for 2020-2018 prior year revisions, Line 14(l) 2017 - 2004 prior year revisions), Foreign taxes paid #
- b. Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation, is attached.
- c. Schedule N (Form 1120), Foreign Operations of U.S. Corporations, is attached and Questions 1a, 3, 4a (2019 and prior revision), 5, or 7a are answered “Yes”.
- d. Form 5471, Information Return of U.S. Persons With Respect to Certain Foreign Corporations, is attached or Schedule N, Line 4a (201912 and prior revision) is marked “Yes”.
- e. Form 5472, Information Return of a 25% Foreign Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business (Under Sections 6038A and 6038C of the Internal Revenue Code), is attached.
- f. Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund, is attached and Part V, #
- g. Form 5713, International Boycott Report, Tax Effect of the International #  
#  
#
- h. Form 8832, Entity Classification Election, is attached and either box 2(d), (e) or (f) is checked.
- i. Form 8833, Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b), is attached.
- j. Form 8858, Information Return of U.S. Persons With Respect to Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs), is attached.
- k. Form 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, is attached.

(3) **Audit Code “3”:** Noncash Charitable Contributions and Asset Transfers:

- a. Form 8883, Asset Allocation Statement Under Section 338, is attached #
- b. Form 8594, Asset Acquisition Statement Under Section 1060, is attached, #

(4) **Audit Code “4”:** Invalid “S” Election:

- a. Form 1120 processed with a valid election on file (Form 2553, Election by a Small Business Corporation) and converted to Form 1120-S.

(5) **Audit Code “5”:** Large Loss - Other Income:

#  
#

(6) **Audit Code “6”:** Form 3115, Application for Change in Accounting Method:

- a. Form 3115 is attached.

(7) **Audit Code “7”:** International Issues:

- a. Form 1120-S, Schedule K, Line 16f (Line 14(p) for 2020-2018 prior year revisions, Line 14(l) for 2017 - 2004 prior year revisions), Foreign taxes
- c. Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualifying Electing Fund, is attached and Part V,

#  
#  
#  
#

(8) **Audit Code “8”:** Schedule M-3:

- a. Schedule M-3 attached.

(9) **Audit Code “9”:** First Year “S” Election:

- a. The date in Box A falls during the tax year for which the S corporation is being filed.

(10) **Audit Code “C”:** Form 8283, Noncash Charitable Contribution, is attached and Part I has any of the following conditions:

- a. Box 2b is checked or,
- b. Box 2b1 is checked or,
- c. Line 3, column (h) has an entry.

3.12.217.5.6  
(01-01-2022)

**Field 03ISI - Installment  
Sales Indicator**

- (1) The taxpayer computes installment sales income. Transcription is from left hand margin next to Line 9, page 1 Form 1120-S. If applicable “3-” followed by the correct Installment Sales Indicator (1-3) was edited.

- (2) **Invalid Condition:** The field is not “1”, “2”, “3”, or blank.

(3) **Correction Procedures:**

- a. Correct coding errors, transcription errors, and misplaced entries.
- b. Examine the return and attachments to determine the correct code.
- c. Enter the Installment Sales Indicator code shown by the shareholder’s response to Question 3, Form 6252, Installment Sale Income.

Question 3	Code
“Yes”	1
“No”	2
Blank	Blank
“Yes” and “No”	3

- d. If an incorrect code is present, delete it and enter the correct code on the screen in Field 03ISI and on the left side margin next to Line 9, page 1 Form 1120-S.
- e. If a code should not be present, delete the entry on the screen.



- 3.12.217.5.7  
(01-01-2022)  
**Field 03IRC - Initial Return Code**
- (1) This code is entered as an indication that this is a first time filer. This field is determined from the Initial Return Box, Line G, page 1 Form 1120-S.
  - (2) **Invalid Condition:** The field is not “2” or blank.
  - (3) ISRP will transcribe this field from the code edited to the upper right margin of page 1, Box E.
  - (4) **Correction Procedures:**
    - a. Correct coding errors, transcription errors, and misplaced entries.
    - b. If there is an indication the return is an initial return, enter a “2” when:
      - The initial return box found below the entity area is checked.
      - The date of incorporation, Box E, is within 12 months of the Tax Period ending.
      - There is an indication of an initial filing written on the return such as “Initial Return”, “First Return” or “New Corporation”.
      - The date of incorporation is within 24 months (or is not shown) and the beginning balance sheet is blank or zeros.
- 3.12.217.5.8  
(01-01-2022)  
**Field 03GSH - Number of Shareholders**
- (1) ISRP will transcribe this field from Line I, page 1 Form 1120-S .
  - (2) **Invalid Condition:** The field is not blank or “0001” through “9999”.
  - (3) **Correction Procedures:**
    - a. Correct coding errors, transcription errors, and misplaced entries.
    - b. Enter the Number of Shareholders present in Line I, page 1 Form 1120-S.
    - c. Leave Field 03GSH blank if an entry is not present.
- 3.12.217.5.9  
(01-01-2022)  
**Field 03AMC - Accounting Method Code**
- (1) This code is input to identify taxpayer’s accounting method. Transcription is from Line 1, Schedule B.
  - (2) **Invalid Condition:** The field is not blank, “1”, “2”, or “3”.
  - (3) **Correction Procedures:**
    - a. Correct coding errors, transcription errors, and misplaced entries.
    - b. Leave Field 03AMC blank if no or multiple boxes are checked.
    - c. Input the Accounting Method Code as follows:
      - Code “1” if box “(a)” is checked.
      - Code “2” if box “(b)” is checked.
      - Code “3” if box “(c)” is checked.
- 3.12.217.5.10  
(01-01-2024)  
**Field 03LIC - Low-Income Housing Credit**
- (1) The taxpayer is claiming a Low-Income Housing Credit.
  - (2) Transcription is from the left-hand side margin next to Line 9, Form 1120-S (deductions section). If applicable “5-” followed by the Form 8586, Low-Income Housing Credit, credit amount.
  - (3) **Invalid Condition:**
    - The money amount is not entered in dollars only.
    - The money amount is not positive.

**(4) Correction Procedures:**

- a. Correct coding errors, transcription errors, and misplaced entries.
- b. If Form 8586, or Form 8609-A, Annual Statement for Low-Income Housing Credit, are attached or Low-Income Housing Credit is claimed (entries present on Schedule K, Lines 13a or 13b), enter "9" in Field 01CCC.
- c. If Low-Income Housing Credit is claimed, Form 8586 must be attached. Form 8609-A must also be attached if Form 8586 has any entries in Lines 1 through 3. If missing, SSPND with Action Code "211" and correspond.
- d. If "No Reply", enter CCC "3".

3.12.217.5.11

(01-01-2024)

**Field 03RLI - Total Recapture Credit**

- (1) The taxpayer is filing a Form 8611, Recapture of Low-Income Housing Credit, to recapture the Low-Income Housing Credit.
- (2) Transcription is from the left hand side margin next to Line 9, Form 1120-S (deductions section). If applicable "6-" was edited with the Form 8611 credit money amount.
- (3) The money amount is notated next to "6-" and is edited in "dollars only" from Form 8611, Line 14.

**(4) Invalid Condition:**

- The field is not positive.
- Tax Period is before 198701.

**(5) Correction Procedures:**

- a. Correct coding errors, transcription errors, and misplaced entries.
- b. If this field has an entry, Form 8611, must be attached.
- c. If missing, SSPND with Action Code "211" and correspond.
- d. If "No Reply", enter CCC "3".

3.12.217.6

(01-01-2023)

**Section 04 - Income**

- (1) Section 04 is the income Lines (1-6) on Form 1120-S.
- (2) Listed below are the fields displayed in Section 04 of Form 1120-S:

Field Designator	Field Title	Field Length	Dollars/Cents	Positive/Negative	Location on Form 1120-S
0401A	Gross Receipts or Sales	15	\$	+/-	Page 1, Line 1a
0401B	Returns and Allowances	15	\$	+/-	Page 1, Line 1b
0402	Cost of Goods Sold	15	\$	+/-	Page 1, Line 2
0404	Net Gain/Loss	15	\$	+/-	Page 1, Line 4
0405	Other Income	15	\$	+/-	Page 1, Line 5
0406	Total Income	15	\$	+/-	Page 1, Line 6
04MCV	Merchant Card Payments Verified (prior year only)	15	\$	+/-	Page 1, Line 1a

- (3) Verify the figures to ensure the taxpayer used the correct line to report income amounts.

3.12.217.7  
(01-01-2024)

- (1) Section 05 is the deduction Lines (7-22) on Form 1120-S.

**Section 05 - Deduction**

- (2) Listed below are the fields displayed in Section 05 of Form 1120-S:

Field Designator	Field Title	Field Length	Dollars/Cents	Positive /Negative	Location on Form 1120-S
0507	Compensation of Officers	15	\$	+/-	Page 1, Line 7
0508	Salary and Wages Less employment Credits	15	\$	+/-	Page 1, Line 8
0509	Repairs and Maintenance	15	\$	+/-	Page 1, Line 9
0510	Bad Debts	15	\$	+/-	Page 1, Line 10
0511	Rents	15	\$	+/-	Page 1, Line 11
0512	Taxes and Licenses	15	\$	+/-	Page 1, Line 12
0513	Interest	15	\$	+/-	Page 1, Line 13
0514	Depreciation not claimed on Form 1125-A, or elsewhere (Form 4562)	15	\$	+/-	Page 1, Line 14
0515	Depletion	15	\$	+/-	Page 1, Line 15
0516	Advertising	15	\$	+/-	Page 1, Line 16
0517	Pension, Profit-Sharing, etc., plans	15	\$	+/-	Page 1, Line 17
0518	Employee benefit programs	15	\$	+/-	Page 1, Line 18
0519	Energy Efficient Commercial Building Deduction	15	\$	+/-	Page 1, Line 19
0520	Other deductions	15	\$	+/-	Page 1, Line 20
0521	Total deductions	15	\$	+/-	Page 1, Line 21
0522	Ordinary business income (loss)	15	\$	+/-	Page 1, Line 22

- (3) Verify the figures to ensure that the taxpayer used the correct line to report deductions.

3.12.217.8  
(01-01-2024)  
**Section 06 - Tax,  
Payments, and Other  
Information**

- (1) Section 06 is the Tax and Payment lines on Form 1120-S.
- (2) Listed below are the fields displayed in Section 06 of Form 1120-S:

Field Designator	Field Title	Field Length	Dollars/Cents	Positive/Negative	Location on Form 1120-S
0618A	Total Gross Rents	15	\$	+	Form 8825, Line 18a
0623C	Total Tax Taxpayer	15	\$/¢	+	Page 1, Line 23c
06OTH	Travel and Entertainment	15	\$	+/-	Page 5, Sch M-1, Line 3b
0624A	Estimated Tax Payment	15	\$/¢	+	Page 1, Line 24a
0624B	Form 7004 Payment	15	\$/¢	+	Page 1, Line 24b
0624D	Elective payment election amount from Form 3800	15	\$	+	Page 1, Line 24d
0624V	Verified amount for Elective payment election	15	\$	+	N/A - ERS input only
0624Z	Total Payments/Credits (total Lines 24a through 24d)	15	\$/¢	+	Page 1, Line 24z
0625	Estimated Tax Penalty	15	\$/¢	+	Page 1, Line 25
0626	Amount owed/Overpayment Taxpayer	15	\$/¢	+/-	Page 1, Line 26, 27
0628	Credit Elect Amount	15	\$/¢	+	Page 1, Line 28, center
06Q15	Form 8996 - QUAL-OP-FUND-CD	1	N/A	N/A	Page 3, Schedule B, Line 15 checkboxes
06QOF	Form 8996 - QUAL-OP-FUND-AMT	15	\$/¢	+	Page 3, Schedule B, Line 15
06Q16	Digital asset checkbox	1	N/A	N/A	Page 3, Schedule B, Line 16 checkboxes
06A01	Inventory at beginning of year	15	\$	+	Form 1125-A, Line 1
06A07	Inventory at end of year	15	\$	+/-	Form 1125-A, Line 7
0613F	Form 6478, Biofuel Producer Credit	15	\$	+	Page 3, Schedule K, Line 13f
06ITR	International Checkbox	1	N/A	N/A	Page 3, Schedule K, Line 14

Field Designator	Field Title	Field Length	Dollars/Cents	Positive/Negative	Location on Form 1120-S
0616D	Distributions	15	\$	+/-	Page 4, Schedule K, Line 16d
0618	Income/loss reconciliation	15	\$	+/-	Page 4, Schedule K, Line 18
06BXF	Total Assets	15	\$	+	Page 1, Form 1120-S, Box F
06MCT	Manually Corrected	15	\$	+	Page 1, Line 23c, left
06K4	Portfolio Interest	15	\$	+/-	Page 3, Schedule K, Line 4
06LTS	Loans to Shareholders (end of year)	15	\$	+/-	Page 4, Schedule L, Line 7d
06TAB	Total Assets Beginning	15	\$	+/-	Page 4, Schedule L, Line 15b
06LFS	Loans from Shareholders	15	\$	+/-	Page 4, Schedule L, Line 19d
06CSE	Capitol Stock (EOY)	15	\$	+/-	Page 4, Schedule L, Line 22d
06ACE	Additional Paid in Capital	15	\$	+/-	Page 4, Schedule L, Line 23d
06REE	Retained Earnings (EOY)	15	\$	+/-	Page 4, Schedule L, Line 24d
06AAA	Sch. M-2 Balance (BOY)	15	\$	+/-	Page 5, Schedule M-2, Line 1A

- (3) Verify the figures to ensure that the taxpayer used the correct line to report tax, payments or other information.

3.12.217.8.1  
(01-01-2022)  
**Field 0618A - Total  
Gross Rents**

- (1) Field 0618A is transcribed from Form 8825, Rental Real Estate Income and Expenses of a Partnership or an S Corporation, Line 18a.
- (2) Field 06QOF is a 15 digit numeric, positive only, dollars only field.
- (3) **Invalid Condition:**
- The field length is more than 15 characters.
  - The field is other than all numeric or blank.
  - The field is negative.
- (4) **Correction Procedures:**
- Correct coding errors, transcription errors, and misplaced entries.
  - If the amount is negative, delete the field.

3.12.217.8.2  
(01-01-2024)

**Field 0623D - Total Credits (2022 form revision and prior)**

- (1) Field 0623D is transcribed from Form 1120-S, Line 23d (2022 form revisions and prior).
- (2) Field 0623D is a 15 digit numeric, positive only, dollars and cents field.
- (3) **Invalid Condition:**
  - The field length is more than 15 characters.
  - The field is other than all numeric or blank.
  - The field is negative.
- (4) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If Line 23d is blank or illegible and there are entries on any of Lines 23a, 23b or 23c, then compute the total and enter in Field 0623D.

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

- c. Previously, Field 0623D (Line 23d) had different purposes. The prior line usage for this field are:  
2021 and 2022 form revisions - Total Credits. See paragraph (5) for processing instruction on Total Credits reported on Line 23d during this timeframe.  
2020 and 2019 form revisions - Reserved for Future Use.  
2018 revision - Refundable Credit from Form 8827.  
2007 through 2017 form revisions - Total Payments/Credits (Total Lines 23a through 23c).

**Note:** For Tax Period 200612 through 200711, Field 0623D was used to report Telephone Excise Tax Paid.

- d. If you are processing a 2018 Tax Year Form and there is an amount in Field 0623D representing a credit from Form 8827, then delete the amount. See IRM 3.12.217.20.34(3) g, Error Code 672 - Sections 15, 16, 17, 18, or 06 Not Present, for more information.
- (5) If you are processing a 2022 Tax Year form and the taxpayer shows an "Elective Payment" or "Deemed Payment" by writing "IRA22DPE" on an attachment or on Form 1120-S, Line 23d dotted portion year form revisions, refer to the instructions found at IRM 3.12.217.2.27, Elective Payment Election (EPE) and Credit Transfers.

**Note:** Do not continue processing the return. Ensure that Action Code "450" is entered and the return with EPE is held for LB&I review.

3.12.217.8.3  
(01-01-2024)

**Field 0624D - Elective payment election (EPE) (2023 form revision)**

- (1) Field 0624D is transcribed from Form 1120-S, Line 24d (2023 form revision) and represents the taxpayers amount of an Elective payment election (EPE) amount claimed on Form 3800, General Business Credit.
- (2) Field 0624D is a 15 digit numeric, positive only, dollars only field valid for tax periods 202301 and subsequent.
- (3) **Invalid Condition:**
  - The field length is more than 15 characters .
  - The field is other than all numeric or blank.
  - The field is negative.

- The Tax Period is before 202301.

(4) **Correction Procedures:**

- Correct coding errors, transcription errors, and misplaced entries.
- If there is an amount present in Field 0624D and a supporting Form 3800

#

SSPND with Action Code 211 and correspond using Letter 118C.

- If **No Reply** to correspondence, then disallow the EPE credit shown and remove the amount claimed in Field 0624D. See IRM 3.12.217.20.33, Error Code 664, Elective payment election (EPE) Disallowance, for more information.

3.12.217.8.4  
(01-01-2024)  
**Field 0624V - Elective  
payment election  
Verified Field**

- (1) This field is for **ERS Input Only** and is used when the computer **cannot** correctly compute the Elective payment election (EPE) credit shown in Field 0624D. This field is valid for tax periods 202301 and subsequent.

**Caution:** This field will be used rarely.

- (2) Field 0624V is a 15 digit numeric, positive only, dollars only field valid for tax periods 202301 and subsequent.

3.12.217.8.5  
(01-01-2024)  
**Field 0624Z - Total  
Credits (2023 form  
revision)**

- (1) Field 0624Z is transcribed from Form 1120-S, Line 24z (2023 form revision).
- (2) Field 0624Z is a 15 digit numeric, positive only, dollars and cents field valid.

(3) **Invalid Condition:**

- The field length is more than 15 characters.
- The field is other than all numeric or blank.
- The field is negative.

(4) **Correction Procedures:**

- Correct coding errors, transcription errors, and misplaced entries.
- If Line 24z is blank or illegible and there are entries on any of Lines 24a, 24b, 24c, or 24d then compute the total and enter in Field 0624Z.

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

3.12.217.8.6  
(01-01-2022)  
**Field 06Q15 - Form 8996,  
Qualified Opportunity  
Fund Code**

- (1) Field 06Q15 is transcribed from Form 1120-S, Schedule B, Line 15.
- (2) Field 06Q15 is a 1 digit numeric field valid for Tax Periods 201812 and later.

(3) **Invalid Condition:**

- The field is blank.
- An entry other than "0", "1", "2", or "3" is present.
- The Tax Period is before 201812.

(4) **Correction Procedures:**

- Correct coding errors, transcription errors, and misplaced entries.



If	Then
Schedule B, Line 15 box is "Yes",	Enter "1" in Field 06Q15.
Schedule B, Line 15 box is "No",	Enter "2" in Field 06Q15.
Both the "Yes" and "No" boxes are checked,	Enter "3" in Field 06Q15.
Neither box is checked (e.g., blank),	Enter "0" in Field 06Q15.
Tax Period is before 201812,	Change entry to "0" in Field 06Q15.

**Note:** If Form 8996, Qualified Opportunity Fund, is attached, verify "6" is present in Field 01RPC.

3.12.217.8.7  
(01-01-2022)  
**Field 06QOF - Form 8996, Qualified Opportunity Fund Amount**

- (1) Field 06QOF is transcribed from the dotted line area of Form 1120-S, Schedule B, Line 15.
- (2) Field 06QOF is a 15 digit numeric, positive only, dollars and cents field valid for Tax Periods 201812 and later.
- (3) **Invalid Condition:**
  - The field length is more than 15 characters.
  - The field is not numeric.
  - The field is negative.
  - The Tax Period is before 201812.
- (4) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If the amount is negative, delete the field.
  - c. If the Tax Period is before 201812, delete the field.

**Note:** If Form 8996, Qualified Opportunity Fund, is attached, verify "6" is present in Field 01RPC.

3.12.217.8.8  
(01-01-2024)  
**Field 06Q16 - Digital Asset Checkbox**

- (1) Field 06Q16 is transcribed from Form 1120-S, Schedule B, Line 16 (2023 form revision).
- (2) Field 06Q16 is a 1 digit numeric field valid for tax periods 202301 and subsequent.
- (3) **Invalid Condition:**
  - An entry other than "0", "1", "2", or "3" is present.
  - The Tax Period is before 202301.
- (4) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.

If	Then
Schedule B, Line 16 box is "Yes",	Enter "1" in Field 06Q16.
Schedule B, Line 16 box is "No",	Enter "2" in Field 06Q16.
Both the "Yes" and "No" boxes are checked,	Enter "3" in Field 06Q16.
Neither box is checked (e.g., blank),	Enter "0" in Field 06Q16.
Tax Period is before 202301,	Change entry to "0" in Field 06Q16.

3.12.217.8.9  
(01-01-2023)

**Field 06ITR -  
International Checkbox**

- (1) Field 06ITR is transcribed from Form 1120-S, Schedule K, Line 14.
- (2) Field 06ITR is 1 digit numeric field valid for Tax Periods 202112 and subsequent.
- (3) **Invalid Condition:**
  - The field length is more than one character and not "0" or "1".
  - The Tax Period is before 202112.

**Correction Procedures:**

- a. Correct coding errors, transcription errors, and misplaced entries.
- b. If the Tax Period is before 202112, delete the field.

3.12.217.8.10  
(01-01-2024)

**Field 06TRT - Telephone  
Excise Tax Paid  
Reserved for Future Use**

- (1) Field removed once programming corrected.
- (2) Field 06TRT was transcribed from Line 23d, Form 1120-S, and valid for Tax Periods 200612 to 200711 only.  
**Note:** For Tax Periods 200612 through 200711, Field 0623D was used to report the Telephone Excise Tax Paid credit.
- (3) Field 06TRT is a 15 digit numeric, positive only, dollars and cents field.
- (4) **Invalid Condition:**
  - The field length is more than 15 characters.
  - The field is not numeric.
  - The field is negative.
  - The Tax Period beginning is after 200711.
- (5) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. This field is no longer applicable and was used for Tax Periods 200612 to 200711.

- 3.12.217.9  
(01-01-2023)  
**Section 10 - Schedule D, Capital Gains and Losses, Form 4797, Sales of Business Property, Form 8949, Sales and Other Dispositions of Capital Assets, and Form 8996, Qualified Opportunity Fund.**
- (1) Section 10 has information from Form 1120-S, Schedule D, Capital Gains and Losses, Form 4797, Sales of Business Property, Form 8949, Sales and Other Dispositions of Capital Assets and Form 8996, Qualified Opportunity Fund.
  - (2) This section is not required.
  - (3) All fields in Section 10 are numeric only except Field 1013, which is alpha numeric.
  - (4) Section 10 is transcribed in dollars only except for Field 1014, which is transcribed in dollars and cents.
  - (5) Listed below are the fields displayed in Section 10 of Form 1120-S :

Field Designator	Field Title	Field Length	Positive/ Negative	Location on Form 1120-S, Schedule D, Form 4797, Form 8949, or Form 8996
10OID	Qualified Opportunity Fund Investments Checkbox - Did the corporation dispose of any investment(s) in a qualified opportunity fund during this year?	1	N/A	Schedule D, above Part I
101AD	Line 1a Short Term Proceeds (Sales Price)	15	+	Schedule D, Part I, Line 1a, Column (d)
101AE	Line 1a Short Term Cost or other basis	15	+	Schedule D, Part I, Line 1a, Column (e)
101BD	Line 1b Short Term Proceeds (Sales Price)	15	+	Schedule D, Part I, Line 1b, Column (d)
101BE	Line 1b Short Term Cost or other basis	15	+	Schedule D, Part I, Line 1b, Column (e)
101BG	Line 1b Short Term Adjustments to gain or loss	15	+/-	Schedule D, Part I, Line 1b, Column (g)
1002D	Line 2, Short Term Proceeds (Sales Price)	15	+	Schedule D, Part I, Line 2, Column (d)
1002E	Line 2, Short Term Cost or other basis	15	+	Schedule D, Part I, Line 2, Column (e)

Field Designator	Field Title	Field Length	Positive/ Negative	Location on Form 1120-S, Schedule D, Form 4797, Form 8949, or Form 8996
1002G	Line 2 Short Term Adjustments to gain or loss	15	+/-	Schedule D, Part I, Line 2, Column (g)
1003D	Line 3 Short Term Cost or other basis	15	+	Schedule D, Part I, Line 3, Column (d)
1003E	Line 3 Short Term Cost or other basis	15	+	Schedule D, Part I, Line 3, Column (e)
1003G	Line 3 Short Term Adjustments to gain or loss	15	+/-	Schedule D, Part I, Line 3, Column (g)
108AD	Line 8a Long Term Proceeds (Sales Price)	15	+	Schedule D, Part II, Line 8a, Column (d)
108AE	Line 8a Long Term Cost or other basis	15	+	Schedule D, Part II, Line 8a, Column (e)
108BD	Line 8b Long Term Proceeds (Sales Price)	15	+	Schedule D, Part II, Line 8b, Column (d)
108BE	Line 8b Long Term Cost or other basis	15	+	Schedule D, Part II, Line 8b, Column (e)
108BG	Line 8b Long Term Adjustments to gain or loss	15	+/-	Schedule D, Part II, Line 8b, Column (g)
1009D	Line 9, Long Term Proceeds (Sales price)	15	+	Schedule D, Part II, Line 9, Column (d)
1009E	Line 9, Long Term Cost or other basis	15	+	Schedule D, Part II, Line 9, Column (e)
1009G	Line 9 Long Term Adjustments to gain or loss	15	+/-	Schedule D, Part II, Line 9, Column (g)
1010D	Line 10, Long Term Proceeds (Sales price)	15	+	Schedule D, Part II, Line 10, Column (d)
1010E	Line 10, Long Term Cost or other basis	15	+	Schedule D, Part II, Line 10, Column (e)

Field Designator	Field Title	Field Length	Positive/ Negative	Location on Form 1120-S, Schedule D, Form 4797, Form 8949, or Form 8996
1010G	Line 10 Long Term Adjustments to gain or loss	15	+/-	Schedule D, Part II, Line 10, Column (g)
10013	Capital gain distributions	15	+	Schedule D, Part II, Line 13
101B	Gain due to partial dispositions of MACRS assets	15	+	Form 4797, Line 1b
101C	Loss due to partial dispositions of MACRS assets	15	+	Form 4797, Line 1c
101AZ	EIN from description of property	9	N/A	Form 8949, Part I, Line 1, Column (a), if Code "Z" in Column (f)
101BZ	Date Acquired (YYYYMMDD)	8	N/A	Form 8949, Part I, Line 1, Column (b), if Code "Z" in Column (f)
101GZ	Amount of Adjustment	15	+	Form 8949, Part I, Line 1, Column (g), if Code "Z" in Column (f)
101Z	Form 8949 Indicator	1	N/A	Form 8949, right margin of Part I, Line 1, Row 1, if Code "Z" in Column (f)
101AY	EIN from description of property	9	N/A	Form 8949, Part 1, Line 1 Column (a), if Code "Y" in Column (f)
101CY	Date sold or disposed of (YYYYMMDD)	8	N/A	Form 8949, Part 1, Line 1 Column (c), if Code "Y" in Column (f)
101GY	Recaptured amount	15	+	Form 8949, Part 1, Line 1 Column (g), if Code "Y" in Column (f)

Field Designator	Field Title	Field Length	Positive/ Negative	Location on Form 1120-S, Schedule D, Form 4797, Form 8949, or Form 8996
101Y	Form 8949 Indicator	1	N/A	Form 8949, right margin of Part I, Line 1, Row 1, if Code "Y" in Column (f)
102AZ	EIN from description of property	9	N/A	Form 8949, Part II, Line 1, Column (a), if Code "Z" in Column (f)
102BZ	Date Acquired (YYYYMMDD)	8	N/A	Form 8949, Part II, Line 1, Column (b), if Code "Z" in Column (f)
102GZ	Amount of Adjustment	15	N/A	Form 8949, Part II, Line 1, Column (g), if Code "Z" in Column (f)
102Z	Form 8949 Indicator	1	N/A	Form 8949, Right margin of Part II, Line 1 (h), if Code "Z" in Column (f)
102AY	EIN from description of property	9	N/A	Form 8949, Part II, Line 1 Column (a), if Code "Y" in Column (f)
102CY	Date sold or disposed of (YYYYMMDD)	8	N/A	Form 8949, Part II, Line 1 Column (c), if Code "Y" in Column (f)
102GY	Recaptured amount	15	+	Form 8949, Part II, Line 1 Column (g), if Code "Y" in Column (f)
102Y	Form 8949 Indicator	1	N/A	Form 8949, right margin of Part II, Line 1, Row 1, if Code "Y" in Column (f)

Field Designator	Field Title	Field Length	Positive/ Negative	Location on Form 1120-S, Schedule D, Form 4797, Form 8949, or Form 8996
10I5	Checkbox - Did any investor dispose, in part or whole, of their equity in the fund?	1	N/A	Form 8996, Part I, Line 5
10Q6	Reserved for Future Use	1	N/A	Form 8996, Part I, Line 6
10II6	Total qualified opportunity zone property held 6-month	15	+	Form 8996, Part II, Line 7 <ul style="list-style-type: none"> <li>Line 6 - 2019</li> <li>Line 5 - 2018 and 2017</li> </ul>
10II7	Total assets held 6-month	15	+	Form 8996, Part II, Line 8 <ul style="list-style-type: none"> <li>Line 7 - 2019</li> <li>Line 6 - 2018 and 2017</li> </ul>
10II9	Total qualified opportunity zone property held last day of tax year	15	+	Form 8996, Part II, Line 10 <ul style="list-style-type: none"> <li>Line 9 - 2019</li> <li>Line 8 - 2018 and 2017</li> </ul>
10I0	Total assets held last day of tax year	15	+	Form 8996, Form 8996, Part II, Line 11 <ul style="list-style-type: none"> <li>Line 10 - 2019</li> <li>Line 9 - 2018 and 2017</li> </ul>
10I3	Divide Line 14 by 2.0 (Line 14 is expressed as a decimal amount 0.00)	3	N/A	Form 8996, Part III, Line 14 <ul style="list-style-type: none"> <li>Line 13 - 2019</li> <li>Line 12 - 2018 and 2017</li> </ul>

Field Designator	Field Title	Field Length	Positive/ Negative	Location on Form 1120-S, Schedule D, Form 4797, Form 8949, or Form 8996
1014	Is Line 15 equal to or more than .90	15	+	Form 8996, Part III, Line 15 <ul style="list-style-type: none"> <li>Line 14 - 2019</li> <li>Line 13 - 2018 and 2017</li> </ul>

- (6) Field Errors will display for Section 10 whenever an invalid character is entered. Correct coding errors, transcription errors, and misplaced entries. If correct information is not available, delete the entry.

3.12.217.9.1  
(01-01-2022)  
**Field 100ID - Qualified Opportunity Fund Investments**

- (1) Field 100ID - Checkbox is transcribed from Form 1120-S, Schedule D, above Part I.
- (2) **Invalid Condition:** Field 100ID is invalid if:
- The field length is more than one character.
  - The checkbox values are not "1", "2" or "3".
  - The Tax Period is before 201712.
- (3) **Correction Procedures:**
- a. Correct coding errors, transcription errors, and misplaced entries.

If	Then
Form 1120-S, Schedule D Checkbox is marked "Yes",	Enter "1" in Field 100ID.
Form 1120-S, Schedule D Checkbox is marked "No",	Enter "2" in Field 100ID.
Both the "Yes" and "No" Check-boxes are marked,	Enter "3" in Field 100ID.
Neither box is checked,	Delete Field 100ID.

3.12.217.9.2  
(01-01-2020)  
**Field 101AD through Field 10013 - Form 1120-S, Schedule D**

- (1) Field 101AD through Field 10013 are transcribed from Form 1120-S, Schedule D, Parts I and II.
- (2) **Invalid Condition:** Section 10 Field Errors will display if Field 101AD through Field 10013 are not numeric.
- (3) **Correction Procedures:** Correct coding errors, transcription errors, and misplaced entries.



3.12.217.9.3  
(01-01-2022)

**Field 101B and Field 101C - Form 4797**

- (1) Fields 101B and 101C must be entered if Form 4797, Line 1a and Line 1b have an entry.
- (2) **Invalid Condition** - Fields 101B and 101C are invalid if:
  - The field length is more than 15 characters.
  - The field is not numeric, positive, and dollars only.
  - The Tax Period is before 202112.
- (3) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If a field is negative, delete the field.
  - c. If the Tax Period is before 202112, delete the field.

3.12.217.9.4  
(01-01-2022)

**Field 101AZ and Field 102AZ - Form 8949, EIN from Description of Property**

- (1) Field 101AZ and Field 102AZ must be entered if Form 8949, Sales and Other Dispositions of Capital Assets, Part I, Column (f) or Part II, Column (f) are coded with a "Z" by the taxpayer.
- (2) **Invalid Condition** - Field 101AZ and Field 102AZ are invalid if:
  - The field length is not 9 characters.
  - The EIN is not numeric.
  - The Tax Period is before 201712.
- (3) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If the Tax Period is before 201712, delete the field.

If	And	Then
Field 101AZ has an entry,	Form 8949, Part I, Column (f) does not have a "Z" entered in the same row,	Delete the EIN.
Field 101AZ has an entry,	The EIN is incomplete or invalid,	Delete the EIN.
Field 102AZ has an entry,	Form 8949, Part II, Column (f) does not have a "Z" entered in the same row,	Delete the EIN.
Field 102AZ has an entry,	The EIN is incomplete or invalid,	Delete the EIN.

3.12.217.9.5  
(01-01-2022)

**Field 101AY and Field 102AY - Form 8949 - EIN from Description of Property**

- (1) Field 101AY and Field 102AY must be entered if Form 8949, Sales and Other Dispositions of Capital Assets, Part I, Column (f) or Part II, Column (f) are coded with a "Y" by the taxpayer.
- (2) **Invalid Condition:** Field 101AY and Field 102AY are invalid if:
  - The field length is more than 9 characters.

- The EIN is not numeric.
- The Tax Period is before 201712.

(3) **Correction Procedures:**

- Correct coding errors, transcription errors and misplaced entries.
- If the Tax Period is before 201712, delete the field.

If	And	Then
Field 101AY has an entry,	Form 8949, Part I, Column (f) does not have a "Y" entered in that same row,	Delete the EIN.
Field 101AY has an entry,	The EIN is incomplete or invalid,	Delete the EIN.
Field 102AY has an entry,	Form 8949, Part II, Column (f) does not have a "Y" entered by the taxpayer in that same row,	Delete the EIN.
Field 102AY has an entry,	The EIN is incomplete or invalid,	Delete the EIN.

3.12.217.9.6  
(01-01-2022)

**Field 101BZ and Field 102BZ - Form 8949 - Date Acquired**

- Field 101BZ and Field 102BZ must be entered if Form 8949, Sales and Other Dispositions of Capital Assets, Part I, Column (f) **or** Part II, Column (f) are coded with a "Z" by the taxpayer.

(2) **Invalid Condition:** Field 101BZ and Field 102BZ are invalid if:

- The field length is more than 8 characters (YYYYMMDD).
- The date acquired is other than numeric.
- The month is zero or greater than 12.
- The day range does not match the amount of days in the month.
- The Tax Period is before 201712.

(3) **Correction Procedures:**

- Correct coding errors, transcription errors and misplaced entries.
- If the Tax Period is before 201712, delete the field.

If	And	Then
Field 101BZ has an entry,	Form 8949, Part I, Column (f) does not have a "Z" entered by the taxpayer in that same row,	Delete the date.

If	And	Then
Field 101BZ has an entry,	The date is incomplete (for example, only the year is present),	Delete the date.
102BZ has an entry,	Form 8949, Part II, Column (f) does not have a "Z" entered by the taxpayer in that same row,	Delete the date.
Field 102BZ has an entry,	The date is incomplete (for example, only the year is present),	Delete the date.

3.12.217.9.7  
(01-01-2022)

**Field 101CY and Field 102CY - Form 8949 - Date Sold or Disposed of**

- (1) Field 101CY and Field 102CY must be entered if Form 8949, Sales and Other Dispositions of Capital Assets, Part I, Column (f) or Part II, Column (f) are coded with a "Y" by the taxpayer.
- (2) **Invalid Condition:** Field 101CY and Field 102CY are invalid if:
  - The field length is not 8 characters (YYYYMMDD).
  - The field is not numeric.
  - The month is zero or greater than 12.
  - The day range does not match the amount of days in the month.
  - The Tax Period is before 201712.
- (3) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If the Tax Period is before 201712, delete the field.

If	And	Then
Field 101CY has an entry,	Form 8949, Part I, Column (f) does not have a "Y" entered by the taxpayer in that same row,	Delete the date.
Field 101CY has an entry,	The date is not complete (for example, only the year is present),	Delete the date.
Field 102CY has an entry,	Form 8949, Part II, Column (f) does not have a "Y" entered by the taxpayer in that same row,	Delete the date.

If	And	Then
Field 102CY has an entry,	The date is not complete (for example, only the year is present),	Delete the date.

3.12.217.9.8  
(01-01-2022)  
**Field 101GZ and Field 102GZ - Form 8949-Amount of Adjustment**

- (1) Field 101GZ and Field 102GZ must be entered if Form 8949, Sales and Other Dispositions of Capital Assets, Part I **or** Part II, Column (f) are coded "Z" by the taxpayer.
- (2) **Invalid Condition:** Field 101GZ and Field 102GZ are invalid if:
  - The field length is more than 15 characters.
  - The amount is other than numeric, positive, and dollars only.
  - The Tax Period is before 201712.
- (3) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If a field is negative, delete the field.
  - c. If the Tax Period is before 201712, delete the field.

3.12.217.9.9  
(01-01-2022)  
**Field 101GY and Field 102GY - Recaptured Amount**

- (1) Field 101GY and Field 102GY must be entered if Form 8949, Sales and Other Dispositions of Capital Assets, Part I, Column (f) or Part II, Column (f) are coded with a "Y" by the taxpayer.
- (2) **Invalid Condition:** Field 101GY and Field 102GY are invalid if:
  - The field length is more than 15 characters.
  - The field is other than numeric, positive, and dollars only.
  - The Tax Period is before 201712.
- (3) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If a field is negative, delete the field.
  - c. If the Tax Period is before 201712, delete the field.

3.12.217.9.10  
(01-01-2022)  
**Field 101Z and Field 102Z - Form 8949 Indicator, Line 1**

- (1) An indicator is entered in Field 101Z and Field 102Z when Form 8949, Sales and Other Dispositions of Capital Assets, Part I **or** Part II has more than one row with a "Z" present in Column (f). Code & Edit will edit "Z-1" in the right margin of Part I **or** Part II, Line 1, Row 1.
- (2) **Invalid Condition:** Field 101Z and Field 102Z are invalid if:
  - The field length is more than one character.
  - The field is not "blank", "0", or "1" (more than one row with a "Z" in Column (f)).
  - The Tax Period is before 201712.
- (3) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.

3.12.217.9.11  
(01-01-2022)

**Field 101Y and Field 102Y - Form 8949 Indicator**

- b. If the Tax Period is before 201712, delete the field.

- (1) An indicator is entered in Field 101Y and Field 102Y when Form 8949, Sales and Other Dispositions of Capital Assets, Part I **or** Part II has more than one row with a "Y" in Column (f). Code & Edit will edit "Y-1" in the right margin of Part I, Line 1, Row 1 or Part II, Line 1, Row 1.
- (2) **Invalid Condition:** Field 101Y and 102Y are invalid if:
  - The field length is more than one character.
  - The field is other than "blank" (default) or "1" (more than one row with a "Y" in Column (f).
  - The Tax Period is before 201712.
- (3) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If the Tax Period is before 201712, delete the field.

3.12.217.9.12  
(01-01-2022)

**Field 10I5 - Form 8996 Checkbox, Line 5**

- (1) Field 10I5 Checkbox is found on Form 8996, Qualified Opportunity Fund, Part I, Line 5.
- (2) Form 8996 is valid for Tax Periods ending 201712 and later. The table below compares Form 8996 line numbers based on the tax year of the return:

***Form 8996 Revisions***

2021 and later	2020	2019	2018 and 2017
Line 5	Line 5	Line 5	N/A
Line 6	N/A	N/A	N/A
Line 7	Line 7	Line 6	Line 5
Line 8	Line 8	Line 7	Line 6
Line 10	Line 10	Line 9	Line 8
Line 11	Line 11	Line 10	Line 9
Line 14	Line 14	Line 13	Line 12
Line 15	Line 15	Line 14	Line 13

- (3) **Invalid Condition:** Field 10I5 is invalid if:
  - The field length is more than one character.
  - The Tax Period is before 201712.
  - The checkbox values are not "1", "2", or "3".
- (4) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If the Tax Period is before 201712, delete the field.

If	Then
Form 8996, Part I, Line 5 Checkbox is marked "Yes",	Enter "1" in Field 10I5.
Form 8996, Part I, Line 5 Checkbox is marked "No",	Enter "2" in Field 10I5.
Both the "Yes" and "No" Check- boxes are marked,	Enter "3" in Field 10I5.
Neither Checkbox is marked,	Delete Field 10I5.

3.12.217.9.13  
(01-01-2022)

**Field 10Q6 - Form 8996  
Checkbox, Line 6  
Reserved for Future Use**

- (1) Field 10Q6 - is a "Reserved" field transcribed from Form 8996, Line 6.
- (2) **Invalid Condition** - Field 10Q6 is invalid if:
  - The field length is more than one character.
  - The value is not blank, "0" or "1".
  - The Tax Period is before 201712.
- (3) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If the Tax Period is before 201712, delete the field.

If	Then
Form 8996, Line 6, box is "Yes",	Enter "1" in Field 10Q6.
Box 6 is not checked,	Delete Field 10Q6.

3.12.217.9.14  
(01-01-2023)

**Field 10II6, Field 10II7,  
Field 10II9 and Field  
10I0 - Form 8996, Lines  
7, 8, 10, and 11**

- (1) Field 10II6, Field 10II7, Field 10II9 and Field 10I0 are entered from Form 8996, Qualified Opportunity Fund, Part II, Lines 7, 8, 10, and 11.
- (2) **Invalid Condition:** Field 10II6, Field 10II7, Field 10II9, and Field 10I0 are invalid if:
  - The field length is more than 15 characters.
  - The fields are other than numeric, positive and dollars only.
  - The Tax Period is before 201712.
- (3) **Correction procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If a field is negative, delete the field.
  - c. If the Tax Period is before 201712, delete the field.

3.12.217.9.15  
(01-01-2023)

**Field 10I3 - Form 8996,  
Line 14**

- (1) Field 10I3 is found on Form 8996, Qualified Opportunity Fund, Part III, Line 14 and is a percentage. It is expressed as a decimal amount (0.00).

**Note:** The ERS screen will display 000 (the decimal is implied). For example, 50% will display as 050.

(2) **Invalid Condition:** Field 1013 is invalid if:

- The field length is more than 3 characters.
- The field is not numeric.
- The value exceeds 1.00.
- The Tax Period is before 201712.

(3) **Correction Procedures:**

a. Correct coding errors, transcription errors, and misplaced entries.

If	Then
Field 1013 is more than 3 characters (e.g., 0.456),	Enter the first 3 characters (e.g., 0.45).
Field 1013 is greater than 1 (e.g., 1.456),	Delete the field.
The Tax Period is before 201712,	Delete the field.

3.12.217.9.16  
(01-01-2023)

**Field 1014 - Form 8996,  
Line 15**

(1) Field 1014 is found on Form 8996, Qualified Opportunity Fund, Part III, Line 15.

(2) **Invalid Condition:** Field 1014 is invalid if:

- The field length is more than 15 characters.
- The field is not numeric, positive and entered as dollars and cents.
- The Tax Period is before 201712.

(3) **Correction Procedures:**

- a. Correct coding errors, transcription errors, and misplaced entries.
- b. If the field is negative, delete the field.
- c. If the Tax Period is before 201712, delete the field.

3.12.217.10  
(01-01-2022)

**Section 12 - Direct  
Deposit Refunds**

(1) Section 12 has data for Direct Deposit refunds for businesses.

(2) If direct deposit is requested, filers of Form 1120-S must use Form 8050, Direct Deposit of Corporate Tax Refund, to request that the IRS deposit a corporate income tax refund directly into an account at any U.S. bank or other financial Institution (such as a mutual fund or brokerage firm) that accepts direct deposits.

(3) Direct Deposit refunds are not valid for prior year returns.

3.12.217.10.1  
(01-01-2024)

**Error Record Format  
Section 12**

(1) Listed below are the fields displayed in Section 12 of Form 1120-S :

Field Designator	Field Title	Field Length	Location on Form 1120-S
12RTN	Routing Transit Number (RTN)	9	Form 8050
12DAN	Depositors Account Number (DAN)	17	Form 8050
12TDA	Type Depositor Account (TDA)	1	Form 8050

3.12.217.10.2  
(01-01-2022)

**Field 12RTN - Routing Transit Number (RTN)**

- (1) Field 12RTN is transcribed from Line 1, Form 8050, Direct Deposit of Corporate Tax Refund.
- (2) Field 12RTN is a 9 digit numeric or blank field.
- (3) **Invalid Condition:** Field 12RTN is invalid if present and the first two digits are not:
  - Between “01” through “12”.
  - Between “21” through “32”.
- (4) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If Field 12RTN is not valid, delete the field.

3.12.217.10.3  
(01-01-2022)

**Field 12DAN - Depositors Account Number (DAN)**

- (1) Field 12DAN is transcribed from Line 2, Form 8050, Direct Deposit of Corporate Tax Refund. Field 12DAN is valid up to 17 characters.
- (2) **Invalid Condition:** Field 12DAN is invalid if:
  - A Depositor Account Number is present, and a character is not numeric, alpha, hyphen or space.
  - Field 12DAN is present but Field 12TDA is not present.
- (3) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. Check Line 2 of Form 8050.

If	Then
The account number is valid (the entry has only numeric, alpha, hyphen or space),	GTSEC 12 and refer to Field 12TDA instructions below. Enter a valid code in Field 12TDA.
The account number is <b>not</b> valid,	Delete Field 12DAN.



- 3.12.217.10.4  
(01-01-2024)  
**Field 12DDC - Direct Deposit Code (DDC)**
- (1) Field 12DDC is a computer-generated field and is not correctable. The Direct Deposit Code has been removed from the Section 12 screen display.
- 3.12.217.10.5  
(01-01-2019)  
**Field 12TDA - Type Depositor Account (TDA)**
- (1) Field 12TDA is transcribed from Line 3, Form 8050, Direct Deposit of Corporate Tax Refund. Field 12TDA may be blank or a one-digit alpha code (**C** or **S**).
- (2) **Invalid Condition:** Field 12TDA is invalid if present and the entry is not:
- “C” for Checking, or
  - “S” for Savings
- (3) **Correction Procedures:**
- a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If both or neither box (Checking or Savings) is checked, enter “C” in Field 12TDA.
- 3.12.217.11  
(01-01-2022)  
**Section 14 - Schedule N (Form 1120), Foreign Operations of U.S. Corporations**
- (1) Section 14 has data from Schedule N (Form 1120), Foreign Operations of U.S. Corporations. See Exhibit 3.12.217-2 for an example of Schedule N.
- (2) Section 14 data is valid for Tax Periods beginning after 199912. Schedule N was not available for Tax Periods 199912 and prior.
- 3.12.217.11.1  
(01-01-2022)  
**Error Record Format Section 14**
- (1) Listed below are the fields displayed in Section 14 of Form 1120-S :

Field Designator	Field Title	Field Length	Location on Form 1120-S
14Q01	Disregarded Entity	1	Schedule N, Line 1a (2020 and prior revisions)
14Q02	Number of Forms 8865	3	Schedule N, Line 2
14Q03	Direct/Indirect Interest	1	Schedule N, Line 3 (2020 and prior revisions)
14Q4A	Reserved for Future Use	1	Schedule N, Line 4a (2020 and prior revisions)
14Q4B	Number of Forms 5471	3	Schedule N, Line 4b
14Q05	Foreign Trust Distribution	1	Schedule N, Line 5
14Q6A	Foreign Country Financial Account	1	Schedule N, Line 6a
14Q6B	Foreign Country Code	2	Schedule N, Line 6b
14Q7A	Extraterritorial Income (EI) Exclusion	1	Schedule N, Line 7a
14Q7B	Number of Forms 8873	3	Schedule N, Line 7b
14Q7C	Total extraterritorial income exclusion	15	Schedule N, Line 7c

3.12.217.11.2  
(01-01-2022)

**Field 14Q01 -  
Disregarded Entity**

- (1) Field 14Q01 is transcribed from Line 1a, Schedule N (Form 1120 - 2020 and prior revisions).
- (2) **Invalid Condition:** Field 14Q01 is invalid if it is not blank or an entry other than "1", "2" or "3" is present.
- (3) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.

If	Then
Schedule N, Line 1 box is "Yes",	Enter "1" in Field 14Q01.
Schedule N, Line 1 box is "No",	Enter "2" in Field 14Q01.

If	Then
Both the "Yes" and "No" boxes are checked,	Enter "3" in Field 14Q01.
Neither box is checked,	Delete Field 14Q01.

3.12.217.11.3  
(01-01-2019)

**Field 14Q02 - Number of Forms 8865**

- (1) Field 14Q02 is transcribed from the dotted line portion of Line 2, Schedule N (Form 1120).
- (2) **Invalid Condition:** Field 14Q02 is invalid if it is not numeric (001 through 999) or blank.
- (3) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If Schedule N, Line 2 is blank and Form 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, is attached, overlay with the correct number of forms.

3.12.217.11.4  
(01-01-2022)

**Field 14Q03 - Direct/Indirect Interest**

- (1) Field 14Q03 is transcribed from the Line 3, Schedule N (Form 1120 - 2020 and prior revisions).
- (2) **Invalid Condition:** Field 14Q03 is invalid if it is not all blank or an entry other than "1," "2" or "3" is present.
- (3) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.

If	Then
Schedule N, Line 3 box is "Yes",	Enter "1" in Field 14Q03.
Schedule N, Line 3 box is "No",	Enter "2" in Field 14Q03.
Both the "Yes" and "No" boxes are checked,	Enter "3" in Field 14Q03.
Neither box is checked,	Delete Field 14Q03.

3.12.217.11.5  
(01-01-2022)

**Field 14Q4A - Reserved for Future Use**

- (1) Field 14Q4A is transcribed from Line 4a, Schedule N (Form 1120 - 2020 and prior revisions).
- (2) **Invalid Condition:** Field 14Q4A is invalid if it is not all blank or an entry other than "1," "2" or "3" is present.
- (3) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.

If	Then
Schedule N, Line 3 box is "Yes",	Enter "1" in Field 14Q4A.
Schedule N, Line 3 box is "No",	Enter "2" in Field 14Q4A.
Both the "Yes" and "No" boxes are checked,	Enter "3" in Field 14Q4A.
Neither box is checked,	Delete Field 14Q4A.

- (4) If Form 1120, U.S. Corporation Income Tax Return, Schedule N, Line 4a (2020 and prior revisions) is checked "Yes" or Forms 5471 are attached. GTSEC 03. Enter "2" in Field 03ADC and in the margin to the left of "Deductions" section of the return following "2".

3.12.217.11.6  
(01-01-2019)

**Field 14Q4B - Number of Forms 5471**

- (1) Field 14Q4B is transcribed from the dotted line portion of Line 4b, Schedule N (Form 1120).
- (2) **Invalid Condition:** Field 14Q4B is invalid if it is not numeric (001 through 999) or blank.
- (3) **Correction Procedure:**
- Correct coding errors, transcription errors, and misplaced entries.
  - If Schedule N, Line 4b is blank and Form 5471, Information Return of U.S. Persons With Respect to Certain Foreign Corporations, is attached, overlay with the correct number of forms.

3.12.217.11.7  
(01-28-2021)

**Field 14Q05 - Foreign Trust Distribution**

- (1) Field 14Q05 is transcribed from Line 5, Schedule N (Form 1120).
- (2) **Invalid Condition:** Field 14Q05 is invalid if it is not all blank or an entry other than "1," "2" or "3" is present.
- (3) **Correction Procedures:**
- Correct coding errors, transcription errors, and misplaced entries.

If	Then
Schedule N, Line 5 box is "Yes",	Enter "1" in Field 14Q05.
Schedule N, Line 5 box is "No",	Enter "2" in Field 14Q05.
Both the "Yes" and "No" boxes are checked,	Enter "3" in Field 14Q05.
Neither box is checked,	Delete Field 14Q05.

3.12.217.11.8  
(01-28-2021)

**Field 14Q6A - Foreign Country Financial Account**

- (1) Field 14Q6A is transcribed from Line 6a, Schedule N (Form 1120).
- (2) **Invalid Condition:** Field 14Q6A is invalid if it is not all blank or an entry other than "1," "2" or "3" is present.

(3) **Correction Procedures:**

- a. Correct coding errors, transcription errors, and misplaced entries.

If	Then
Schedule N, Line 6a box is "Yes",	Enter "1" in Field 14Q6A.
Schedule N, Line 6a box is "No",	Enter "2" in Field 14Q6A.
Both the "Yes" and "No" boxes are checked,	Enter "3" in Field 14Q6A.
Neither box is checked,	Delete Field 14Q6A.

3.12.217.11.9  
(01-01-2022)

**Field 14Q6B - Foreign  
Country Code**

- (1) Field 14Q6B is transcribed from Line 6b, Schedule N (Form 1120).
- (2) **Invalid Condition:** Field 14Q6B is invalid if present and the code is not a valid Foreign Country Code.
- (3) **Correction Procedures:**

- a. Correct coding errors, transcription errors, and misplaced entries.

If	Then
A foreign country is present on Schedule N, Line 6b,	Enter the correct code in Field 14Q6B and to the left of Line 6b. <b>Note:</b> See Document 7475, State and Address Abbreviations, Major City Codes (MCCs), ZIP Codes and Countries, for a list of the valid two-digit Foreign Country Codes.
Unable to determine the Foreign Country Code,	Delete Field 14Q6B.

3.12.217.11.10  
(01-28-2021)

**Field 14Q7A -  
Extraterritorial Income  
Exclusion**

- (1) Field 14Q7A is transcribed from the left of Line 7a, Schedule N (Form 1120).
- (2) **Invalid Condition:** Field 14Q7A is invalid if it is not all blank or an entry other than "1," "2" or "3" is present.
- (3) **Correction Procedures:**

- a. Correct coding errors, transcription errors, and misplaced entries.

If	Then
Schedule N, Line 7a box is "Yes",	Enter "1" in Field 14Q7A.
Schedule N, Line 7a box is "No",	Enter "2" in Field 14Q7A.
Both the "Yes" and "No" boxes are checked,	Enter "3" in Field 14Q7A.
Neither box is checked,	Delete Field 14Q7A.

3.12.217.11.11  
(01-01-2019)

**Field 14Q7B - Number of Forms 8873**

- (1) Field 14Q7B is transcribed from the dotted line area of Line 7b, Schedule N (Form 1120).
- (2) **Invalid Condition:** Field 14Q7B is invalid if it is not numeric (001 through 999) or blank.
- (3) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If Schedule N, Line 7b is blank and Form 8873, Extraterritorial Income Exclusion, is attached, overlay with the correct number of forms.

3.12.217.11.12  
(01-01-2019)

**Field 14Q7C - Total Extraterritorial Income Exclusion**

- (1) Field 14Q7C is transcribed from the dotted line area of Line 7c, Schedule N (Form 1120).
- (2) Field 14Q7C can be positive or negative and is dollars only.
- (3) **Invalid Condition:** Field 14Q7C is invalid if it is not blank or all numeric.
- (4) **Correction Procedures:** Correct coding errors, transcription errors, and misplaced entries.

3.12.217.12  
(01-01-2022)

**Sections 15-18 - Form 4136, Credit for Federal Tax Paid on Fuels**

- (1) This section has instructions for correcting Sections 15-18 Field Errors.
- (2) Computer generated fields are described under the proper Error Code(s).
- (3) Section 15 -18 has data from Form 4136, Credit for Federal Tax Paid on Fuels. All fields are transcribed in dollars and cents and must be positive. Each of these fields are 15 characters in length and must be numeric only.
- (4) ISRP enters the Form 4136 information by inputting the specific credit reference number (CRN) the taxpayer shows on his Form 4136. All fields that represent CRNs are three characters in length and must be numeric only.

**Example:** Taxpayer reports a credit of \$4,500.00 on Line 3a and \$600.00 on Line 5b, Form 4136. Section 15 will show the amount transcribed from Line 3a as 15A01, \$4,500.00 with 15C01 as 360 Credit Reference Number (CRN) and amount transcribed as 15A02 \$600.00 and 15C02 as 355 (CRN). In this scenario only Section 15 would appear since only two credits were claimed.

- (5) Sections 15-18 could generate on an account if the taxpayer claimed as many as 43 different Federal Tax Paid on Fuels credits. Section 15 shows the first 12

credits transcribed, Section 16 will show credits 13-24, Section 17 will show credits 25-36, and Section 18 will show credits 37-43.

3.12.217.12.1  
(01-01-2024)

**Sections 15-18 Field  
Errors**

- (1) Listed below are the fields displayed in Sections 15-18 of Form 1120-S :

Field Designator	Field Title/Field Location on Form 4136	Field Length
15TG>	Total Fuel Credits from Form 4136	15
15A01	First credit amount reported	15
15C01	First CRN for first credit amount reported	3
15A02 - 15A12	Second through twelfth credit amounts reported	15
15C02 - 15C12	Second through twelfth CRN(s) reported	3
16A01	Thirteenth credit amount reported (Section 16)	15
16C01	Thirteenth CRN reported (Section 16)	3
16A02 - 16A12	Fourteenth through twenty-fourth credit amounts reported	15
16C02 - 16C12	Fourteenth through twenty-fourth CRN(s) reported	3
17A01	Twenty-fifth credit amount reported (appears on Section 17)	15
17C01	Twenty-fifth CRN reported (Section 17)	3
17A02 - 17A12	Twenty-sixth through thirty-sixth credit amounts reported	15
17C02 - 17C12	Twenty-sixth through thirty-sixth CRN(s) reported	3
18A01	Thirty-seventh credit amount reported (Section 18)	15
18C01	Thirty-seventh CRN reported (Section 18)	3
18A02 - 18A07	Thirty-eighth through forty-third credit amounts reported	15
18C02 - 18C07	Thirty-eighth through forty-third CRN(s) reported	3

(2) **Invalid Condition:** Section 15-18 field errors will display if:

- The field is not numeric.
- An entry exceeds the maximum field length.
- A “positive only” field is negative.

(3) **Correction Procedures:**

- a. Correct coding errors, transcription errors, and misplaced entries.
- b. Make necessary corrections.
- c. If a “positive only” field is negative, delete the field.

## (4) Current valid Credit Reference Numbers with their valid periods are listed below:

CRN	Valid Tax Periods
306	200601 and later
307	200601 and later
309	200601 and later
310	200601 and later
324	199701 and later
346	199801 and later
347	199801 and later
350	199801 and later
353	All
354	All
355	All
360	All
362	199401 and later
369	199401 and later
377	199301 - 200511 or after 200712
388	200501 and later
390	200501 and later
393	200501 - 201211
394	200501 - 201211
395	200501 - 200708
411	200601 and later
412	200601 and later
413	200601 and later
414	200601 and later



CRN	Valid Tax Periods
415	200601 and later
416	200601 and later
417	200601 and later
418	200601 and later
419	200610 and later
420	200610 and later
421	200610 and later
422	200610 and later
423	200610 and later
424	200610 and later
425	200610 and later
426	200610 and later
427	200610 and later
428	200610 and later
429	200610 - 202311
430	200610 and later
431	200610 and later
432	200610 and later
433	200510 and later
434	200510 and later
435	200810 and later
436	200810 and later
437	200810 and later
440	202301 and later

3.12.217.13 (1) Section 20 is Reserved for Future Use.

(01-01-2024)

**Section 20 (Reserved for Future Use)**

3.12.217.14 (1) Listed below are the fields displayed in Section 21 of Form 8941:

(01-01-2022)

**Section 21 - Form 8941,  
Small Employer Health  
Insurance Premiums**

Field Designator	Field Title	Field Length	Location Form 8941
21CBX	SHOP Box	1	Box A
21LNB	E.I. Number	9	Line B
21BXC	Previous Form 8941 filed	1	Box C
21LN1	Number of Employees	4	Line 1
2102	Number of Full Time Employees	4	Line 2
2103	Average Annual Wages	15	Line 3
2104	Health Insurance Premiums Paid	15	Line 4
2105	Premiums You Would Have Paid	15	Line 5
2110	Premium Subsidies Paid	15	Line 10
2113	Number of Employees With Premiums Paid	4	Line 13
2114	Number of Full Time Employees With Premiums Paid	4	Line 14
2115	Credit for Small Employer Health Insurance Premiums	15	Line 15
2116	Sum of Lines 12 and 15	15	Line 16

- (2) Section 21 has information reported on Form 8941, Credit for Small Employer Health Insurance Premiums. This section is not required.
- (3) All fields in Section 21 are numeric only and are transcribed as dollars only.
- (4) All fields in Section 21 must be positive.
- (5) **Invalid Condition:** Section 21 field errors will display if:
  - Non numeric characters are entered in Section 21 fields.
  - Field 21CBX and Field 21BXC are blank or other than "0" through "3".
  - Field 21LN1 is all zeroes.
- (6) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. To resolve errors for checkboxes, enter "0" if no boxes are checked, "1" if the "Yes" box is checked and "2" if the "No" box is checked.

3.12.217.15  
(01-01-2023)  
**Section 22 - Form  
5884-B, New Hire  
Retention Credit**

- (1) Listed below are the fields displayed in Section 22 of Form 1120-S :

Field Designator	Field Title	Field Length	Location Form 5884-B
2210	Total of Line 9, columns (a) through (c)	15	Line 10
2211	Number of retained workers for whom receiving credit	7	Line 11

- (2) Section 22 has information reported on Form 5884-B, New Hire Retention Credit, and is valid from March 19, 2010, to December 31, 2010. This section is not required.
- (3) All fields in Section 22 are numeric only.
- (4) Field 2210 is a “dollars only” positive field. Field 2211 is a 7-digit numeric field (not a dollar field).
- (5) **Invalid Condition:** Section 22 field errors will display if:
  - The field length for Field 2210 is more than 15 numeric digits.
  - Field 2210 is negative.
  - The field length for Field 2211 is more than 7 numerics.
- (6) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If correct information is not available, delete the entry.

3.12.217.16  
(01-01-2024)

**Sections 23, 24, and 25 -  
Form 3800, General  
Business Credit**

- (1) Sections 23, 24, and 25 are transcribed from Form 3800, General Business Credit, Part III, which may be attached to Form 1120-S to support the Elective payment election (EPE) on Line 24d (Field 0624D). See Exhibit 3.12.217-13, General Business Credit. This credit is valid for Tax Periods 202301 and subsequent.
- (2) All fields, except registration numbers and the indicator, are numeric and transcribed in **dollars only**. Registration numbers are alpha numeric and the indicator field is numeric only.
- (3) Form 3800, General Business Credit, Part III Column G, can be positive or negative (+/-) in the following fields:
  - Field 231BG
  - Field 231DG
  - Field 231GG
  - Field 241XG

The remaining money fields must be positive (+) only.

- (4) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If the sum of Form 3800 column (e) and (f), for any credit claimed in Part
 

#

 using Letter 118C for the supporting form (unless it's apparent that Code & Edit has already done so.).
  - c. See IRM 3.12.217.20.32, Error Code 664 - Elective payment election (EPE) Disallowance, for more information.

3.12.217.16.1  
(01-01-2024)

(1) Listed below are the fields displayed in Section 23 of Form 3800.  
**Section 23:**

**Section 23 - Fields  
Displayed**

Field Designator	Field Title	Field Length	Positive/Negative	Location on Form 3800 , Part III
231BB	Form 7207 (registration number)	12	N/A	Line 1b, column b (Valid 202301 and subsequent)
231BG	Form 7207 (Credit Transfer Election amount)	15	+/-	Line 1b, column g (Valid 202301 and subsequent)
231BH	Form 7207 (Gross Elective Payment Election)	15	+	Line 1b, column h (Valid 202301 and subsequent)
231BI	Form 7207 (Net elective payment election) amount	15	+	Line 1b, column i (Valid 202301 and subsequent)
231BJ	Form 7207 (Net GBC - Add columns e, f, g – i)	15	+	Line 1b, column j (Valid 202301 and subsequent)
231DB	Form 3468 Part III, Line 1 (registration number)	12	N/A	Line 1d, column b (Valid 202301 and subsequent)
231DG	Form 3468, Part III, Line 1 (Credit Transfer Election amount)	15	+/-	Line 1d, column g (Valid 202301 and subsequent)
231DJ	Form 3468, Part III, Line 1 (Net GBC - Add columns e, f, g – i)	15	+	Line 1d, column j (Valid 202301 and subsequent)

Field Designator	Field Title	Field Length	Positive/Negative	Location on Form 3800 , Part III
231FB	Form 8835, Part II (registration number)	12	N/A	Line 1f, column b (Valid 202301 and subsequent)
231FG	Form 8835, Part II (Credit Transfer Election amount)	15	+	Line 1f, column g (Valid 202301 and subsequent)
231FJ	Form 8835, Part II (Net GBC - Add columns e, f, g – i)	15	+	Line 1f, column j (Valid 202301 and subsequent)
231GB	Form 7210, (registration number)	12	N/A	Line 1g, column b (Valid 202301 and subsequent)
231GG	Form 7210 (Credit Transfer Election amount)	15	+/-	Line 1g, column g (Valid 202301 and subsequent)
231GH	Form 7210 (Gross Elective Payment Election)	15	+	Line 1g, column h (Valid 202301 and subsequent)
231GI	Form 7210 (Net elective payment election)	15	+	Line 1g, column i (Valid 202301 and subsequent)
231GJ	Form 7210 (Net GBC - Add columns e, f, g – i)	15	+	Line 1g, column j (Valid 202301 and subsequent)

3.12.217.16.2

(1) Listed below are the fields displayed in Section 24 of Form 3800:

(01-01-2024)

**Section 24 - Fields  
Displayed**

Field Designator	Field Title	Field Length	Positive/Negative	Location on Form 3800 , Part III
241OB	Form 3468, Part IV (registration number)	12	N/A	Line 1o, column b (Valid 202301 and subsequent)
241OH	Form 3468, Part IV (Gross Elective Payment Election)	15	+	Line 1o, column h (Valid 202301 and subsequent)
241OI	Form 3468, Part IV (Net elective payment election)	15	+	Line 1o, column i (Valid 202301 and subsequent)
241OJ	Form 3468, Part IV) Net GBC - Add columns e, f, g – i)	15	+	Line 1o, column j (Valid 202301 and subsequent)
241SB	Form 8911, Part II (registration number)	12	N/A	Line 1s, column b (Valid 202301 and subsequent)
241SG	Form 8911, Part II (Credit Transfer Election amount)	15	+	Line 1s, column g (Valid 202301 and subsequent)
241SJ	Form 8911, Part II (Net GBC - Add columns e, f, g – i)	15	+	Line 1s, column j (Valid 202301 and subsequent)
241UB	Form 7213, Part II (registration number)	12	N/A	Line 1u, column b (Valid 202301 and subsequent)

Field Designator	Field Title	Field Length	Positive/Negative	Location on Form 3800 , Part III
241UG	Form 7213, Part II (Credit Transfer Election amount)	15	+	Line 1u, column g (Valid 202301 and subsequent)
241UJ	Form 7213, Part II (Net GBC - Add columns e, f, g – i)	15	+	Line 1u, column j (Valid 202301 and subsequent)
241XB	Form 8933 (registration number)	12	N/A	Line 1x, column b (Valid 202301 and subsequent)
241XG	Form 8933 (Credit Transfer Election amount)	15	+/-	Line 1x, column g (Valid 202301 and subsequent)
241XH	Form 8933 (Gross Elective Payment Election)	15	+	Line 1x, column h (Valid 202301 and subsequent)
241XI	Form 8933 (Net elective payment election amount)	15	+	Line 1x, column i (Valid 202301 and subsequent)
241XJ	Form 8933 Add columns e, f, g - i	15	+	Line 1x, column j (Valid 202301 and subsequent)

3.12.217.16.3  
(01-01-2024)

**Section 25 - Fields  
Displayed**

(1) Listed below are the fields displayed in Section 25 of Form 3800:

Field Designator	Field Title	Field Length	Positive/Negative	Location on Form 3800 , Part III
25AAB	Form 8936, Part V (registration number)	12	N/A	Line 1aa, column b (Valid 202301 and subsequent)
25AAJ	Form 8936, Part V (Net GBC - Add columns e, f, g – i)	15	+	Line 1aa, column j (Valid 202301 and subsequent)
254AB	Form 3468 , Part VI (registration number)	12	N/A	Line 4a, column b (Valid 202301 and subsequent)
254AG	Form 3468, Part VI (Credit Transfer Election amount)	15	+	Line 4a, column g (Valid 202301 and subsequent)
254AJ	Form 3468, Part VI (Net GBC - Add columns e, f, g – i)	15	+	Line 4a, column j (Valid 202301 and subsequent)
254EB	Form 8835, Part II (registration number)	12	N/A	Line 4e, column b (Valid 202301 and subsequent)
254EG	Form 8835, Part II (Credit Transfer Election amount)	15	+	Line 4e, column g (Valid 202301 and subsequent)
254EJ	Form 8835, Part II (Net GBC - Add columns e, f, g – i)	15	+	Line 4e, column j (Valid 202301 and subsequent)



Field Designator	Field Title	Field Length	Positive/Negative	Location on Form 3800 , Part III
25IND	Indicator that Part V, column b, has significant data	1	N/A	Form 3800, Part III, (edited bottom right) (Valid 202301 and subsequent)

3.12.217.17  
(01-01-2022)

(1) This section has instructions for correcting Section 26 Field Errors.

**Section 26 - Form 8997 - Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments**

(2) If the Tax Period is before 201901 then delete any fields present in Section 26.

3.12.217.17.1  
(01-01-2024)

**Section 26 Field Errors**

(1) Section 26 has information reported on Form 8997, Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments.

(2) Listed below are the fields displayed in Section 26 of Form 1120-S :

Field Designator	Field Title	Field Length	Dollars/Cents	Pos/Neg	Location on Form 8997
261A	EIN	9	N/A	N/A	Part I, Row 1, Column a
261B	Date	8	N/A	N/A	Part I, Row 1, Column b
261D	Special gain code	1	N/A	N/A	Part I, Row 1, Column d
261E	\$ Amount	15	\$ only	+	Part I, Row 1, Column e
261F	\$ Amount	15	\$ only	+	Part I, Row 1, Column f
261IN	Indicator	1	N/A	N/A	Edited right margin, Part I, Row 1
2612E	\$ Amount	15	\$ only	+	Part I, Line 2, Column e (Column e total)
2612F	\$ Amount	15	\$ only	+	Part I, Line 2, Column f (Column f total)

Field Designator	Field Title	Field Length	Dollars/Cents	Pos/Neg	Location on Form 8997
262A	EIN	9	N/A	N/A	Part II, Row 1, Column a
262B	Date	8	N/A	N/A	Part II, Row 1, Column b
262D	Special gain code	1	N/A	N/A	Part II, Row 1, Column d
262E	\$ Amount	15	\$ only	+	Part II, Row 1, Column e
262F	\$ Amount	15	\$ only	+	Part II, Row 1, Column e
262IN	Indicator	1	N/A	N/A	Edited right margin, Part II, Row 1
2622E	\$ Amount	15	\$ only	+	Part II, Line 2, Column e (Column e total)
2622F	\$ Amount	15	\$ only	+	Part II, Line 2, Column f (Column f total)
263A	EIN	9	N/A	N/A	Part III, Row 1, Column a
263B	Date	8	N/A	N/A	Part III, Row 1, Column b
263D	Special gain code	1	N/A	N/A	Part III, Row 1, Column d
263E	\$ Amount	15	\$ only	+	Part III, Row 1, Column e
263F	\$ Amount	15	\$ only	+	Part III, Row 1, Column f
263IN	Indicator	1	N/A	N/A	Edited right margin, Part III, Row 1
2632E	\$ Amount	15	\$ only	+	Part III, Line 2, Column e (Column e total)
2632F	\$ Amount	15	\$ only	+	Part III, Line 2, Column f (Column f total)
264A	EIN	9	N/A	N/A	Part IV, Row 1, Column a

Field Designator	Field Title	Field Length	Dollars/Cents	Pos/Neg	Location on Form 8997
264B	Date	8	N/A	N/A	Part IV, Row 1, Column b
264D	Special gain code	1	N/A	N/A	Part IV, Row 1, Column d
264E	\$ Amount	15	\$ only	+	Part IV, Row 1, Column e
264F	\$ Amount	15	\$ only	+	Part IV, Row 1, Column f
264IN	Indicator	1	N/A	N/A	Edited right margin, Part IV, Row 1
2642E	\$ Amount	15	\$ only	+	Part IV, Line 2, Column e (Column e total)
2642F	\$ Amount	15	\$ only	+	Part IV, Line 2, Column f (Column f total)

3.12.217.17.2  
(01-01-2022)

**Field 261A, Field 262A,  
Field 263A and Field  
264A**

- (1) Field 261A, Field 262A, Field 263A and Field 264A - Form 8997 - Qualified Opportunity Fund (QOF) EIN.
- (2) **Invalid Condition:** Field 261A, Field 262A, Field 263A and Field 264A are invalid if:
  - The field length is more than 9 characters.
  - The field is not numeric.
  - The Tax Period is before 201901.
- (3) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If the Tax Period is before 201901, delete the field.

3.12.217.17.3  
(01-01-2022)

**Field 261B, Field 262B,  
Field 263B and Field  
264B**

- (1) Field 261B, Field 262B, Field 263B and Field 264B - Form 8997 - Date QOF Investment acquired.
- (2) **Invalid Condition:** Field 261B, Field 262B, Field 263B and Field 264B are invalid if:
  - The field length is not 8 characters.
  - The field is not numeric.
  - The month is zero or more than 12.
  - The day range does not match the number of days in the month.
  - The Tax Period is before 201901.
- (3) **Correction Procedures:**

- a. Correct coding errors, transcription errors, and misplaced entries.  
b. If the Tax Period is before 201901, delete the field.
- 3.12.217.17.4  
(01-01-2022)  
**Field 261D, Field 262D,  
Field 263D and Field  
264D**
- (1) Field 261D, Field 262D, Field 263D and Field 264D - Form 8997 - Special gain code.
- (2) **Invalid Condition:** Field 261D, Field 262D, Field 263D and Field 264D are invalid if:
- The field length is more than one character.
  - The field is not "A", "B", "C", "D", "E" or "F".
  - The Tax Period is before 201901.
- (3) **Correction Procedures:**
- a. Correct coding errors, transcription errors, and misplaced entries.  
b. If the Tax Period is before 201901, delete the field.
- 3.12.217.17.5  
(01-01-2022)  
**Field 261IN, Field 262IN,  
Field 263IN and Field  
264IN**
- (1) If any of Parts I, II, III or IV have more than one row with tax data present, an indicator is entered in Field 261IN (Part I), Field 262IN (Part II), Field 263IN (Part III), and Field 264IN (Part IV).
- (2) **Invalid Condition:** Field 261IN, Field 262IN, Field 263IN and Field 264IN are invalid if:
- The field length is more than one character.
  - The field is not "blank", "0" or "1" (more than one row with data present).
  - The Tax Period is before 201901.
- (3) **Correction Procedures:**
- a. Correct coding errors, transcription errors, and misplaced entries.  
b. If the Tax Period is before 201901, delete the field.
- 3.12.217.17.6  
(01-01-2022)  
**All other Fields in  
Section 26**
- (1) Money Amount fields - Form 8997, Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments.
- (2) **Invalid Condition:** Money amount fields can only be positive and are invalid if:
- The field length is more than 15 characters.
  - The field is not dollars only.
  - The Tax Period is before 201901.
- (3) **Correction Procedures:**
- a. Correct coding errors, transcription errors, and misplaced entries.  
b. If the Tax Period is before 201901, delete the field.
- 3.12.217.18  
(01-01-2024)  
**Section 29 - Form 6252 -  
Installment Sale Income**
- (1) Listed below are the fields displayed in Section 29 of Form 1120-S :

Field Designator	Field Title	Field Length	Location on Form 6252
2901	Description of Property Indicator	1	Line 1
2902A	Date Acquired (YYYYMMDD)	8	Line 2a
2902B	Date Sold (YYYYMMDD)	8	Line 2b
2907	Subtract Line 6 from Line 5 (Net property Selling Price)	15	Part I, Line 7
2919	Gross Profit percentage (expressed as a decimal amount 0.0000)	5	Part II, Line 19
2921	Payments received during year	15	Part II, Line 21
2923	Payments received in prior years	15	Part II, Line 23

- (2) Section 29 has information reported on Form 6252, Installment Sale Income. This section is not required.
- (3) Section 29 is valid for Tax Periods ending 201712 and later. See Exhibit 3.12.217-15, Form 6252 - Installment Sale Income.

3.12.217.18.1  
(01-01-2022)

**Field 2901 - Description of Property**

- (1) Field 2901 is found on Form 6252, Installment Sale Income, Line 1.
- (2) **Invalid Condition:** Field 2901 is invalid if:
- The field length is more than one character.
  - The field is other than "0", "1", "2", "3" or "4".
  - The Tax Period is before 201712.
- (3) **Correction Procedures:**
- Correct coding errors, transcription errors, and misplaced entries.
  - If the Tax Period is before 201712, delete the field.

If	Then
"Timeshares or residential lots" is shown on Form 6252, Line 1,	Enter "1" in Field 2901.
"Sale by an individual of personal use property (within the meaning of Section 1275(b)(3))" is shown on Form 6252, Line 1,	Enter "2" in Field 2901.
"Sale of any property used or produced in the trade or business of farming (within the meaning of Section 2032A(e)(4) or (5))" is shown on Form 6252, Line 1,	Enter "3" in Field 2901.
"Other" is shown on Form 6252, Line 1,	Enter "4" in Field 2901.

If	Then
No description is given,	Enter "0" in Field 2901.

3.12.217.18.2  
(01-01-2022)

**Field 2902A and Field 2902B - Date Acquired and Date Sold**

- (1) Field 2902A and Field 2902B are found on Form 6252, Installment Sale Income, Line 2a and 2b.
- (2) **Invalid Condition:** Field 2902A and Field 2902B are invalid if:
  - The field length is more than 8 characters (YYYYMMDD).
  - The field is not numeric.
  - The month is zero or greater than 12.
  - The day range does not match the number of days in the month.
  - The Tax Period is before 201712.
- (3) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If the Tax Period is before 201712, delete the field.

3.12.217.18.3  
(01-01-2022)

**Field 2907, Field 2921 and Field 2923 - Net Property Selling Price, Payments received during year and Payments received in prior years**

- (1) Field 2907, Field 2921 and Field 2923 are transcribed from Form 6252, Installment Sale Income, Part I, Line 7, Part II, Line 21 and Part II, Line 23.
- (2) **Invalid Condition:** Field 2907, Field 2921 and Field 2923 are invalid if:
  - The field length is more than 15 characters.
  - The field is not numeric, positive or entered in **dollars and cents**.
  - The Tax Period is before 201712.
- (3) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If the field is negative, delete the field.
  - c. If the Tax Period is before 201712, delete the field.

3.12.217.18.4  
(01-01-2022)

**Field 2919 - Gross profit percentage**

- (1) Field 2919 is transcribed from Form 6252, Installment Sale Income, Part II, Line 19. The gross profit percentage is expressed as a decimal (0.0000).  
**Note:** The ERS screen will display "00000" (the decimal is implied). For example, 50% will display as "05000".
- (2) **Invalid Condition:** Field 2919 is invalid if:
  - The field length is more than 5 characters.
  - The field is not numeric.
  - The value exceeds 1.0000.
  - The Tax Period is before 201712.
- (3) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.

If	Then
Field 2919 is more than 5 characters (e.g., 0.45678),	Enter the first 5 characters (e.g., 0.4567).
Field 2919 is greater than 1 (e.g., 1.4567),	Delete the field.
The Tax Period is before 201712,	Delete the field.

3.12.217.19  
(01-01-2024)

**Section 31 - Form 8936  
Schedule A, Clean  
Vehicle Credit Amount**

- (1) Section 31 is transcribed from Form 8936 Schedule A, Clean Vehicle Credit Amount, which may be attached to Form 1120-S for tax periods 202301 and subsequent. See Exhibit 3.12.217-16, Form 8936 Schedule A, Clean Vehicle Credit Amount.
- (2) "Vehicle Identification Number" (VIN) fields are alpha/numeric with 17 characters.
- (3) "Placed in Service" dates are 8-character numerics in YYYYMMDD format.
- (4) All money amounts are positive (+) only and are transcribed in dollars only.
- (5) If more than two Schedule A's are filed, an indicator will be edited on the second Form 8936 Schedule A in the bottom right margin.
- (6) Listed below are the fields displayed in Section 31 of Form 8936 Schedule A, Clean Vehicle Credit Amount:

Field Designator	Field Title	Field Length	Positive/Negative	Location on Form 8936 Schedule A
311VI	Vehicle identification number (VIN)	17	N/A	First Schedule A, Part I, Line 2
311DT	Placed in service date	8	N/A	First Schedule A, Part I, Line 3
31109	Tentative credit amount	15	+	First Schedule A, Part II, Line 9
31111	Credit amount for business use of new clean vehicle	15	+	Part II, Line 11
31117	Smaller of Line 15 or Line 16	15	+	First Schedule A, Part IV, Line 17
31126	Smaller of Line 24 or Line 25	15	+	First Schedule A, Part V, Line 26
311IN	Indicator field for results of MeF check of VIN against portal	1	N/A	N/A

Field Designator	Field Title	Field Length	Positive/Negative	Location on Form 8936 Schedule A
312VI	Vehicle Identification Number (VIN)	17	N/A	Second Schedule A, Part I, Line 2
312DT	Placed in service date	8	N/A	Second Schedule A, Part I, Line 3
31209	Tentative credit amount	15	+	Second Schedule A, Part II, Line 9
31211	Credit amount for business use of new clean vehicle	15	+	Part II, Line 11
31217	Smaller of Line 15 or Line 16	15	+	Second Schedule A Part IV, Line 17
31226	Smaller of Line 24 or Line 25	15	+	Second Schedule A Part V, Line 26
312IN	Indicator field for results of MeF check of VIN against portal	1	N/A	N/A
31RDV	ERS input only - verified field for CVC amount	15	+	N/A
313IN	Indicator (More than 2 Schedule A's attached)	1	N/A	Second Schedule A, (edited bottom right margin)

**(7) Invalid Condition:**

- The Tax Period is before 202301.
- Invalid characters are present in any of the fields listed above.

**(8) Correction Procedures:**

- Correct coding errors, transcription errors, and misplaced entries.
- if the taxpayer's entry contains invalid characters for the field, delete the field.
- If the Tax Period is earlier than 202301, DLSEC 31.
- If Form 8936, Schedule A, Clean Vehicle Credit Amount, is not attached and the Clean Vehicle Credit (CVC) credit claimed on Form 1120-S, Form 8936 Schedule A.
- See IRM 3.12.217.20.31 - Error Code 663 - Clean Vehicle Credit (CVC) Disallowance, for more information.

#



3.12.217.19.1  
(01-01-2024)  
**Fields 311IN and 312IN - VIN Indicator**

- (1) MeF sets an indicator showing validation results from interaction with the portal. The indicator is shown in Field 311IN and/or Field 312IN.
  - A value of "0" says the VIN is valid.
  - A value of "1" says the VIN is invalid.
- (2) **Invalid Condition:**
  - The field is more than one character.
  - The field is not "blank," "0" or "1."
  - The Tax Period is before 202301.
- (3) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If the Tax Period is before 202301, delete the field.

3.12.217.19.2  
(01-01-2024)  
**Field 313IN - More than two Forms 8936, Schedule A Indicator**

- (1) An indicator will be entered in Field 313IN when Form 8936, Schedule A, has more than two Schedule A's attached.
  - (2) **Invalid Condition:**
    - The field is more than one character.
    - The field is not "blank," "0" or "1" (more than two Schedule A's attached).
    - The Tax Period is before 202301.
- Correction Procedures:**
- a. Correct coding errors, transcription errors, and misplaced entries.
  - b. If the Tax Period is before 202301, delete the field.

3.12.217.20  
(01-01-2024)  
**Math/Consistency Priority IV**

- (1) These errors are displayed with the Error Code assigned to them for the specific error in ascending numerical order. The screen display will show the Error Code assigned and the fields needed to make the necessary correction.
- (2) The blank field "CL" is displayed for the entry of a Clear Code on returns where the possibility exists that a change or correction may not be needed.
- (3) All errors must be resolved by either eliminating the error, entering a Clear Code, or entering a Taxpayer Notice Code.

3.12.217.20.1  
(01-01-2024)  
**◆ Error Code 001 - Tax Year-Invalid Entry ◆**

- (1) **Fields Displayed:**

Field Designator	Field Title	Field Length
01TXP	Tax Period	6
01RCD	Received Date	8
01CCC	Computer Condition Code	10

- (2) **Invalid Condition:** Error Code 001 generates when **any** of the following conditions are present:

- **Computer Condition Code “G” is not present** - The processing date is equal to or more than two years and 10 months after the Return Due Date or the Received Date (whichever is later) **and** Computer Condition Code “W” is **not** present.
- **Computer Condition Code “G” is present** - The processing date is equal to or more than two years and 10 months after the Return Due Date **and** CCC “W” is **not** present.
- **“G” coded and non- “G” coded returns** - The processing date is less than two years after the Return Due Date and a Computer Condition Code “W” is present.

(3) **Correction Procedures:**

- Correct coding errors, transcription errors, and misplaced entries.
- 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"> <li>• Return is prepared by Compliance (e.g., IRC 6020(b)),</li> <li>• Return is secured by Examination/ Collections, including TEGE or TEGE Employee Plan (EP) Exam,</li> <li>• Return has a TC 59X (Transaction Code),</li> <li>• Return has “ICS” (Integrated Collection System) notated on the face of the return,</li> <li>• Return is a Substitute for Return prepared by Examination (“SFR” in the margin) with Form 13133, Expedite Processing Cycle, attached,</li> <li>• Return has a stamp showing a previous clearance by Statute Control within the last 90 days,</li> <li>• Return is a 2019 or 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 or 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.</li> </ul>	Enter “W” in Field 01CCC and on the return and continue processing.

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

If	Then
Field 01RCD is blank,	<ol style="list-style-type: none"><li>1. Enter the Received Date in Field 01RCD. Use the earliest date if multiple Received Dates are present.</li><li>2. See IRM 3.12.217.3.6(4), Field 01RCD - Received Date, to determine the Received Date.</li></ol>
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. <b>Note:</b> Do not send the return to Statute Control.

If	Then
<p>The return is not stamped by Statute Control within the last 90 days,</p>	<ol style="list-style-type: none"> <li>1. SSPND with Action Code "310".</li> <li>2. Prepare Form 4227, Intra-SC Reject or Routing Slip, to route to Statute Control.</li> </ol> <p><b>Exception:</b> 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>

(4) **Suspense Correction:**

- a. When Statute Control returns the cleared document, enter "W" in Field 01CCC and on the return. Continue processing.
- b. If Statute Control requests a voided record, SSPND with Action Code "640".

3.12.217.20.2

(01-01-2024)

◆ **Error Code 002 - Name Control Mismatch** ◆

(1) **Fields Displayed:**

Field Designator	Field Title	Field Length
CL	Clear Code	1
01NC	Name Control	4
>>>>	Name Control Underprint	4
01EIN	Employer Identification Number	9
01TXP	Tax Period	6
02CON	"In-Care-of" Name	35
02FAD	Foreign Address	35
02ADD	Street Address	35
02CTY	City	22
02ST	State	2
02ZIP	ZIP Code	12

(2) **Invalid Condition:** Error Code 002 generates when the Name Control mismatched against the National Account Profile (NAP) or the Entity Index File (EIF).

(3) **Correction Procedures:**

- a. Before taking any more research steps to resolve Error Code 002, drop the cursor to the bottom of the screen and transmit. This will ensure 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.

**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.

- b. Correct coding errors, transcription errors, and misplaced entries.
- c. Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.
- d. **Refer to all the following research instructions in this Error Code before taking any action.**
- e. If Field 01NC and the Name on the return or an attachment are the same but differ from the underprint in Field 01NC, research IDRS using Command Code INOLES to determine the correct Name.

If	Then
The Name on the return or attachment matches the Name Control on INOLES,	Bring up the underprint.
The Name Control on INOLES is different from the Name on the return or attachment,	Research IDRS using Command Code NAMEB/NAMEE for a new EIN.

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

If	Then
The Name Control on INOLES matches the Name on the return or attachment,	<ol style="list-style-type: none"> <li>1. Ensure the entity information matches the return.</li> <li>2. Overlay Field 01EIN with the new EIN from NAMEB/NAMEE. Enter the new EIN on the return. 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. Ensure the entity information matches the return.</li> </ol> <p><b>Note:</b> Do not send Letter 3875C when:</p> <ul style="list-style-type: none"> <li>• Three or less digits of the EIN are transposed, different or missing or</li> <li>• The EIN is consecutive numbers (e.g., 12-3456789) or repeating numbers (e.g., 11-111111), or</li> <li>• INOLES shows the account has been “merged to”, or “merged from”, or</li> <li>• The TIN on the return is the taxpayers SSN (check CC INOLEG).</li> </ul>
Multiple EINs are found,	<ol style="list-style-type: none"> <li>1. SSPND with Action Code “320” to Entity Control.</li> <li>2. Prepare Form 4227, Intra-SC Reject or Routing Slip, with the notation “MULTIPLE EINS”.</li> </ol>
INOLES shows a “Merge To” (MT) EIN,	Research the “MT” EIN on INOLES.

If	Then
The "MT" EIN matches the entity on the return or attachment,	Enter the "MT" EIN in Field 01EIN and on the return. <b>Note:</b> Do not send Letter 3875C, Missing or Incorrect EIN on Return - BMF/EPMF, on MT EIN cases.
The "MT" EIN does not match the entity on the return or attachment,	SSPND with Action Code "320" to Entity Control.

- g. 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 1120-S, research IDRS using Command Code ENMOD for a new name.

If	Then
The Name Control on ENMOD matches the Name on the return or attachment,	Enter "C" in the Clear Code Field.
The Name Control on ENMOD or INOLES does not match the Name on the return or attachment,	<ol style="list-style-type: none"> <li>1. SSPND with Action Code "320" to route the return to Entity Control.</li> <li>2. Attach Form 4227, Intra-SC Reject or Routing Slip, with the notation "NO RECORD".</li> </ol>

- h. 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,	<ol style="list-style-type: none"> <li>1. SSPND with Action Code "320" to route to Entity Control.</li> <li>2. Attach Form 4227, Intra-SC Reject or Routing Slip, with the notation "REQUEST NAME CHANGE (TC 013)".</li> </ol>

(4) **Suspense Correction:**

- a. If there is an indication that Entity Control has assigned an EIN to the return, determine the Entity Assignment Date:

If	Then
The Entity Assignment Date is past the Return Due Date or IRS Received Date,	<ol style="list-style-type: none"> <li>1. GTSEC 01.</li> <li>2. Enter the Entity Assignment Date in Field 01CRD.</li> </ol>
The Entity Assignment Date is <b>not</b> past the Return Due Date and IRS Received Date,	Continue Processing.

- b. Research IDRS using CC BMFOL to determine if payments posted incorrectly:

If	Then
The payment posted to the wrong EIN,	<ol style="list-style-type: none"> <li>1. Prepare Form 3465, Adjustment Request, to have the payment transferred to the correct module.</li> <li>2. Notate on Form 3465, "Move payment to correct module upon completion and release freeze".</li> <li>3. Write "FORM 3465 PREPARED" on the return, to the left of the entity section.</li> <li>4. Enter CCC "X" in Field 01CCC.</li> </ol>
The payment posted correctly,	<ol style="list-style-type: none"> <li>1. Enter correct EIN in Field 01EIN and on the return.</li> <li>2. Enter "C" in the Clear Code Field.</li> </ol>
Payment can't be found,	Enter "C" in the Clear Code Field.

3.12.217.20.3

(01-01-2024)

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

(1) **Fields Displayed:**

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

(2) **Invalid Condition:** Error Code 003 generates when **any** of the following conditions are present:

- 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) **Correction Procedures:**

- a. Correct coding errors, transcription errors, and misplaced entries.
- b. Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.

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

- c. Compare the EIN from CC NAMEB/NAMEE to the EIN on the return.

If	Then
The EIN on Form 1120-S matches the EIN on CC NAMEB/NAMEE,	Enter Name Control from CC NAMEB/NAMEE in Field 01NC.
Research shows a different EIN,	Verify the EIN and name on CC INOLES.
Name Control on CC INOLES matches the name on the return or attachment,	<ol style="list-style-type: none"> <li>1. Overlay Field 01EIN with the EIN from CC INOLES. Enter the EIN from CC INOLES on the return.</li> <li>2. Send Letter 3875C , Missing or Incorrect EIN on Return - BMF/EPMF, as a non-suspense letter to the address on the return.</li> </ol> <p><b>Note:</b> Do not send Letter 3875C when:</p> <ul style="list-style-type: none"> <li>• Three or less digits of the EIN are transposed, different, or missing, or</li> <li>• The EIN is consecutive numbers (e.g., 12-3456789) or repeating numbers (e.g., 11-1111111), or</li> <li>• CC INOLES shows the account was “merged to” or “merged from”, or</li> <li>• The TIN on the return is the taxpayers SSN (check CC INOLEG).</li> </ul>
Unable to find an EIN or more than one EIN is found,	<ol style="list-style-type: none"> <li>1. SSPND with Action Code “320” to Entity Control.</li> <li>2. Prepare Form 4227, Intra-SC Reject or Routing Slip, with the notation “NO RECORD OF EIN”.</li> </ol>

- (4) **Suspense Correction:** Research IDRS using CC BMFOL to determine if payments posted incorrectly.

If	Then
The payment posted to the wrong EIN,	<ol style="list-style-type: none"> <li>1. Prepare Form 3465, Adjustment Request, to have the payment transferred to the correct module.</li> <li>2. Notate on Form 3465, "MOVE PAYMENT TO CORRECT MODULE UPON COMPLETION AND RELEASE FREEZE".</li> <li>3. Write "FORM 3465 PREPARED" on the return, to the left of the entity section.</li> <li>4. Enter CCC "X" in Field 01CCC.</li> </ol>
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.

3.12.217.20.4  
(01-01-2024)

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

(1) **Fields Displayed:**

Field Designator	Field Title	Field Length
CL	Clear Code	1
01NC	Name Control	4
>>>>	Name Control Underprint	4
01EIN	Employer Identification Number	9

(2) **Invalid Condition:** Error Code 004 generates when **any** of the following conditions are present:

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

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

(3) **Correction Procedures:**

- a. Before taking any more research steps to resolve Error Code 004, drop the cursor to the bottom of the screen and transmit. This will ensure that

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.

- b. Correct coding errors, transcription errors, and misplaced entries.
- c. Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.
- d. **Refer to all the following research instructions in this Error Code before taking any action.**
- e. If Field 01NC and the Name on the return or an attachment are the same but differ from the underprint in Field 01NC, research IDRS using Command Code (CC) INOLES to determine the correct Name Control.

If	Then
The Name on the return or attachment matches the Name Control on INOLES,	Bring up the underprint.
The Name Control on INOLES is different from the Name on the return or attachment,	Research IDRS using Command Code NAMEB/NAMEE for a new EIN.

- f. 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,	<ol style="list-style-type: none"> <li>1. Ensure the entity information matches the return.</li> <li>2. Overlay Field 01EIN with the new EIN from NAMEB/NAMEE. Enter the new EIN on the return. 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.</li> </ol> <p><b>Note:</b> Do not send Letter 3875C when:</p> <ul style="list-style-type: none"> <li>• Three or less digits of the EIN are transposed, different or missing or</li> <li>• The EIN is consecutive numbers (e.g., 12-3456789) or repeating numbers (e.g., 11-111111), or</li> <li>• INOLES shows the account was “merged to” or “merged from” or</li> <li>• The TIN on the return is the taxpayer’s SSN (check CC INOLEG).</li> </ul>
Multiple EINs are found,	<ol style="list-style-type: none"> <li>1. SSPND with Action Code “320” to Entity Control.</li> <li>2. Prepare Form 4227, Intra-SC Reject or Routing Slip, with the notation “<b>MULTIPLE EINS</b>”.</li> </ol>
INOLES shows a “Merge To” (MT) EIN,	Research the “MT” EIN on Command Code INOLES.
The “MT” EIN matches the entity on the return or attachment,	Enter the “MT” EIN in Field 01EIN and on the return.
The “MT” EIN does not match the entity on the return or attachment,	SSPND with Action Code “320” to Entity Control.

- g. If the Name on the return or attachment does not agree with Name Control on INOLES or there is an indication of a name change on Form 1120-S, research IDRS using Command Code 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,	<ol style="list-style-type: none"> <li>1. SSPND with Action Code "320" to route the return to Entity Control.</li> <li>2. Attach Form 4227 , Intra-SC Reject or Routing Slip, with the notation "NO RECORD".</li> </ol>

- h. 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,	<ol style="list-style-type: none"> <li>1. SSPND with Action Code "320" to route to Entity Control.</li> <li>2. Attach Form 4227 , Intra-SC Reject or Routing Slip, with the notation "REQUEST NAME CHANGE".</li> </ol>

(4) **Suspense Correction:**

1. If there is an indication that Entity Control has assigned an EIN to the return, determine the Entity Assignment Date.

If	Then
The Entity Assignment Date is past the Return Due Date and Received Date,	<ol style="list-style-type: none"> <li>1. GTSEC 01.</li> <li>2. Enter the Entity Assignment Date in Field 01CRD.</li> </ol>
The Entity Assignment Date is <b>not</b> past the Return Due Date and Received Date,	Continue processing.

2. Research IDRS using CC BMFOL to determine if payments posted incorrectly:

If	Then
The payment posted to the wrong EIN,	<ol style="list-style-type: none"> <li>1. Prepare Form 3465, Adjustment Request, to have the payment transferred to the correct module.</li> <li>2. Notate on Form 3465, "MOVE PAYMENT TO CORRECT MODULE UPON COMPLETION AND RELEASE FREEZE".</li> <li>3. Write "FORM 3465 PREPARED" on the return, to the left of the entity section.</li> <li>4. Enter CCC "X" in Field 01CCC.</li> </ol>
The payment posted correctly,	<ol style="list-style-type: none"> <li>1. Enter the correct EIN in Field 01EIN and on the return.</li> <li>2. Enter "C" in the Clear Code Field.</li> </ol>
Payment can't be found,	Enter "C" in the Clear Code Field.

3.12.217.20.5  
(01-01-2023)

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

(1) **Fields Displayed:**

Field Designator	Field Title	Field Length
CL	Clear Code	1
01TXP	Tax Period	6
01RCD	Received Date	8

(2) **Invalid Condition:** Error Code 005 generates when the year-month of the processing date is later than the Tax Period plus six months and the Received Date is not present.

(3) **Correction Procedures:**

- Compare the displayed fields with the return and correct all misplaced entries, coding and transcription errors.
- If displayed fields are correct and the return is timely filed, enter a "C" in the Clear Code field.
- A Received Date must be in Field 01RCD if the return is not timely filed.
- 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 before the beginning of the Tax Period.

- e. Determine 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. Post Office, Foreign, or Private Delivery Service)

**Note:** Use the postmark date stamped on the face of the return, if the envelope 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 signature the date is invalid).
- Julian Date of the Document Locator Number (DLN) minus 10 days.
- Current date minus 10 days.

- (4) If a return is faxed to another service area 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.

3.12.217.20.6

(01-01-2023)

**Error Code 006 -  
Remittance Received  
and No Received Date**

(1) **Fields Displayed:**

Field Designator	Field Title	Field Length
RMIT>	Remittance	16
01TXP	Tax Period	6
01RCD	Received Date	8

- (2) **Invalid Condition:** Error Code 006 generates when a remittance is received with the return and a Received Date is not present.

(3) **Correction Procedures:**

- a. Correct coding errors, transcription errors, and misplaced entries.
- b. Compare the displayed fields with the return. If incorrect, overlay the screen with the correct information. The format for Tax Period is "YYYYMM" and Received Date is "YYYYMMDD".
- c. If the Received Date is missing or illegible, determine the date in the order listed below:
  1. **IRS date stamp.**
  2. Legible U.S. Post Office **postmark date** or foreign postmark or an acceptable designated private delivery service. See IRM 3.10.72, Receiving, Extracting, and Sorting, for further details.

**Note:** If an envelope is not attached use the postmark date stamped on the face of the return.

3. Service Center Automated Mail Processing System (SCAMPS) digital date.



4. **Signature** (Use a signature date only for the current year return; if it is a prior year return use the DLN Julian Date).

5. **DLN Julian Date minus ten days. (MeF Form 1120-S use the Julian Date).**

6. Current date minus ten days.

- d. If both U.S. Postal Service and private meter postmarks are present, honor the U.S. Postal Service postmark.

3.12.217.20.7

(01-01-2024)

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

(1) **Fields Displayed:**

Field Designator	Field Title	Field Length
01TXP	Tax Period	6
01RCD	Received Date	8
01CCC	Computer Condition Code	10

- (2) **Invalid Condition:** Error Code 007 generates when the Received Date is earlier than the first day of the Tax Period/Year.

(3) **Correction Procedures:**

- Correct coding errors, transcription errors, and misplaced entries.
- Compare the displayed fields with the return. If incorrect, overlay the screen with the correct information.

If	And	Then
The Received Date is invalid and it appears that the incorrect year was used (e.g., 20230115 instead of 20240115), and other information (Julian Date, postmark date, or signature date) shows that the Received Date should be the current year,		Change the Received Date to the current year in Field 01RCD.
The return is an early filed "Final" return,		<ol style="list-style-type: none"> <li>1. Change the Tax Period to agree with the month before the Received Date and enter in Field 01TXP.</li> <li>2. Enter "F" in Field 01CCC.</li> </ol>
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. For example, if the Tax Period is 202308, enter 20230801 in Field 01RCD
The return is not an early filed "Final" return,	The Tax Period ending is less than four months after the Received Date,	<ol style="list-style-type: none"> <li>1. SSPND with Action Code "480".</li> <li>2. Prepare Form 4227, Intra-SC Reject or Routing Slip, with the notation "EARLY FILED".</li> </ol>
The return is not an early filed "Final" return,	The Tax Period ending is more than four months after the Received Date,	<ol style="list-style-type: none"> <li>1. Initiate correspondence for clarification of Tax Period.</li> <li>2. SSPND with Action Code "211".</li> </ol>

(4) **Suspense Correction:**

If	Then
The taxpayer replies that the return is a "Final",	<ol style="list-style-type: none"> <li>1. Change the Tax Period to agree with the month before the Received Date and enter in Field 01TXP.</li> <li>2. Enter "F" in Field 01CCC.</li> </ol>
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 does not reply or the reply is not adequate,	<ol style="list-style-type: none"> <li>1. Enter "3" in Field 01CCC.</li> <li>2. SSPND with Action Code "480" until the end of the Tax Period shown on the return.</li> </ol>

3.12.217.20.8

(01-01-2022)

**Error Code 008 - Tax Period Beginning****(1) Fields Displayed:**

Field Designator	Field Title	Field Length
01TXB	Tax Period Beginning	8
01TXP	Tax Period	6
01CCC	Computer Condition Code	10

**(2) Invalid Condition:** Error Code 008 generates when **any** of the following conditions are present:

- Tax Period Beginning is not present with a CCC "Y" or "F".
- Tax Period Beginning is after the Tax Period Ending.
- Tax Period Beginning is earlier than 12 months before Tax Period Ending.

**(3) Correction Procedures:**

- a. Correct coding errors, transcription errors, and misplaced entries.
- b. Compare displayed fields with the return. If incorrect, overlay the screen with the correct information.

If	And	Then
The return is a "Final" or "Short Period",	Tax Period Beginning is present on return,	Enter Tax Period Beginning in YYYYMMDD format.
The return is a "Final" or a "Short Period",	The day is not present in the Tax Period Beginning,	Enter "01" for the day.

If	And	Then
The return is a "Final" or a "Short Period",	Tax Period Beginning is not valid,	Determine a Tax Period Beginning date from the original Tax Period Ending date.
The return is an "Initial" Short Period,	Tax Period Beginning is not present,	Use the "Date Incorporated" from Form 1120-S, Box E or the "S-election Effective Date" from Form 1120-S, Box A.
The return is not a "Final" or "Short Period",		Remove CCC "Y" or "F" from the field display.
The return is not a "Final" or "Short Period",	Tax Period Ending was corrected,	Enter the Tax Period Beginning from the return or determine from the Tax Period Ending (one full year).

3.12.217.20.9

(01-01-2024)

◆ **Error Code 010 - Amended Return "G" Coded** ◆

(1) **Fields Displayed:**

Field Designator	Field Title	Field Length
01TXP	Tax Period	6
01NAI	North American Industry Code	6
01CCC	Computer Condition Code	10
01CRD	Correspondence Received Date	8
S02DP	Data Present	
S03DP	Data Present	
S04DP	Data Present	
S05DP	Data Present	
S06DP	Data Present	
S10DP	Data Present	
S12DP	Data Present	
S14DP	Data Present	
S15DP	Data Present	
S16DP	Data Present	
S20DP	Data Present	
S21DP	Data Present	
S22DP	Data Present	

Field Designator	Field Title	Field Length
S23DP	Data Present	
S24DP	Data Present	
S25DP	Data Present	
S26DP	Data Present	
S29DP	Data Present	
S31DP	Data Present	

(2) **Invalid Condition:** Error Code 010 generates when Computer Condition Code “G” is present and fields other than Field 01NC, Field 01EIN, Field 01TXP, Field 01PSN, Field 01PEN, Field 01CBI and Field 01PTN have entries.

(3) **Correction Procedures:**

- a. Correct coding errors, transcription errors, and misplaced entries.
- b. Compare the displayed fields with the return. If incorrect, overlay the screen with the correct information.
- c. Determine if CCC “G” was input correctly:

If	Then
Return shows amended, revised, supplemental, corrected or superseding,	Research the applicable Command Code(s) e.g., BRTVU, BMFOL, SUMRY, and TXMOD to determine if information is the same as a posted return.
All information is not the same,	<ol style="list-style-type: none"> <li>1. Process the return with CCC “G”.</li> <li>2. DLSEC to delete all sections except Section 01.</li> <li>3. Delete the invalid entries that are present in Section 01. GTSEC 01, if necessary.</li> </ol>
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 return in error),	<ol style="list-style-type: none"> <li>1. Enter all data in Sections 02-22 as needed.</li> <li>2. Ensure the Section 01 fields are correct.</li> <li>3. Delete the “G” code in Field 01CCC.</li> </ol>

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

- (4) Due to a programming issue identified in Processing Year 2022 the following steps may need to be followed to resolve this Error Code:

1. GTSEC 06 and transmit.
2. Enter a "0" (zero) in Field 06Q15 and transmit.

3.12.217.20.10

(01-01-2023)

◆ **Error Code 014 -  
Missing Address  
Entries** ◆

- (1) **Fields Displayed:**

Field Designator	Field Title	Field Length
02CON	In-Care-of-Name	35
02FAD	Foreign Address	35
02ADD	Address	35
02CTY	City	22
02ST	State	2
02ZIP	ZIP Code	12

- (2) **Invalid Condition:** Error Code 014 generates when **any** of the following conditions are present:

- A Major City Code is not used, the street address is present, and Field 02CTY or Field 02ST is not present.
- A Major City Code is used and Field 02ADD is not present.
- A Major City Code is used and Field 02ST is present.

- (3) **Correction Procedures:**

- a. Correct coding errors, transcription errors, and misplaced entries.
- b. Compare the displayed fields with the return. If incorrect, overlay the screen with the correct information.
- c. Research any of the following for valid address information: Document 7475, State and Address Abbreviations, Major City Codes (MCCs), ZIP Codes and Countries, or INOLES, NAMEB, NAMEE, ENMOD.

If	And	Then
A Major City Code is present,	A street address is not available,	1. Enter the City Name (spelled out, not in Major City format) in Field 02CTY. 2. Enter the State Code in Field 02ST.
The Major City Code is correct,	The state is present,	Delete Field 02ST.
The ZIP Code can't be corrected from the information on the return, attachment or from research,		DLSEC 02.

3.12.217.20.11  
(05-06-2022)

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

(1) **Fields Displayed:**

Field Designator	Field Title	Field Length
02FAD	Foreign Address	35
02ADD	Address	35
02CTY	City	22
02ST	State	2
02ZIP	ZIP Code	12

(2) **Invalid Condition:** Error Code 015 generates when **any** of the following conditions are present:

- Field 02ST has an entry other than “.” (period/space) when Field 02FAD is present.
- Field 02ZIP has an entry when Field 02FAD is present.

(3) **Correction Procedures:**

- Correct coding errors, transcription errors, and misplaced entries.
- Compare displayed fields with the return. If incorrect, overlay the screen with correct information.

If	Then
A foreign address is present in Field 02FAD,	1. Field 02ST must have “.” (period/space). 2. Delete any entry in Field 02ZIP.

If	Then
A foreign address is not present in Field 02FAD,	Check return for foreign address.
A foreign address is present on the return,	<ol style="list-style-type: none"> <li>1. Enter the foreign address in 02FAD. <b>Note:</b> If more space is required, continue entering the address in Field 02ADD.</li> <li>2. Field 02CTY must have the correct foreign country code. See Document 7475, State and Address Abbreviations, Major City Codes (MCCs), ZIP Codes and Countries. <b>Exception:</b> Use the country code based on the province in Field 02FAD if the foreign address is from Canada and the address has a province name or abbreviation. (See Exhibit 3.12.217-23, Province/County Code-Canada Only).</li> <li>3. Field 02ST must have “.” (period/space).</li> <li>4. Delete any entry in Field 02ZIP.</li> </ol>
A foreign address is not present on the return,	<ol style="list-style-type: none"> <li>1. Verify the address on the return is not a foreign address.</li> <li>2. SSPND with Action Code “610”.</li> <li>3. Renumber return with domestic DLN.</li> </ol>

3.12.217.20.12  
(01-01-2022)

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

(1) **Fields Displayed:**

Field Designator	Field Title	Field Length
02CON	In-Care-of-Name	35



Field Designator	Field Title	Field Length
02FAD	Foreign Address	35
02ADD	Street Address	35
02CTY	City	22
02ST	State	2
02ZIP	ZIP Code	12

(2) **Invalid Condition:** Error Code 016 generates when the ZIP Code is inconsistent with the Major City Code or State Code.

(3) **Correction Procedures:**

- a. Correct coding errors, transcription errors, and misplaced entries.
- b. Compare displayed fields with the return. If incorrect, overlay the screen with the correct information.
- c. Research Document 7475, State and Address Abbreviations, Major City Codes (MCCs), ZIP Codes and Countries, or Command Codes INOLES, NAMEB/NAMEE, ENMOD for valid ZIP Code information.

If	And	Then
Unable to determine a valid ZIP Code from the return or an attachment,	A valid ZIP Code is found through IDRS research,	Enter the valid ZIP Code found in Field 02ZIP.
Only the first three digits of the ZIP Code can be determined,		Enter "01" in the (4th) and (5th) position.
A ZIP Code can't be determined,		Enter the 3 digits followed by "01" of the first ZIP Code listed for the applicable state found in Document 7475, State and Address Abbreviations, Major City Codes (MCCs), ZIP Codes and Countries, (e.g., 99501 for Alaska).
The address is in a major city,	A Major City Code can be determined,	Enter Major City Code in Field 02CTY.

If	And	Then
The address is in a major city,	A Major City Code can't be determined,	<ol style="list-style-type: none"> <li>1. Enter the name of the city in Field 02CTY.</li> <li>2. Enter the State Code in Field 02ST.</li> </ol>
The address is not in a major city,		<ol style="list-style-type: none"> <li>1. Enter the correct state abbreviation in Field 02ST.</li> <li>2. Enter the ZIP code in 02ZIP.</li> </ol>

- (4) **APO/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

3.12.217.20.13  
(01-01-2023)

**Error Code 017 -  
Reserved for Future Use**

- (1) This Error Code is no longer used and is in "Reserved for Future Use" status.

3.12.217.20.14  
(01-01-2022)

**Error Code 026 - Tax  
Period Mismatch**

- (1) **Fields Displayed:**

Field Designator	Field Title	Field Length
CL	Clear Code	1
01EIN	Employer Identification Number	9
01TXP	Tax Period	6
>>>>	Tax Period Underprint	6
01CCC	Computer Condition Code	10

Field Designator	Field Title	Field Length
S03NP	Section 03 Not Present	
03ADC	Audit Code	3
03IRC	Initial Return Code	1

**Note:** The literal “Section 03 Not Present” will display if there is no data in Section 03.

- (2) **Invalid Condition:** Error Code 026 generates when The Tax Period underprint is **present**, CCC “F” or CCC “Y” **is not present** and the Tax Period does not agree with the Entity Index File.
- (3) **Correction Procedures:**
  - a. Always drop your cursor to the bottom of the screen and transmit, before performing more research.
  - b. Correct coding errors, transcription errors, and misplaced entries.
  - c. Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.
  - d. See Exhibit 3.12.217-19, Error Code 026 - Correction Procedures.
- (4) **Entity Transaction Codes:** Following is a list of common Transaction Codes (TC) you need to be aware of when working EC 026.

Transaction Code	Meaning
016	Shows changes to entity data (e.g., filing requirements, fiscal year month. etc.)
052	Reversal of TC 053, 054 or 055
053	Form 1128, Application to Adopt, Change, or Retain a Tax Year, processed to accept change of accounting period
054	Form 1128, Application to Adopt, Change, or Retain a Tax Year, processed and accepted based on Rev. Proc 2006-46
055	Form 8716, Election to Have a Tax Year Other Than a Required Tax Year, was filed and the fiscal Tax Period was accepted
057	Computer generated when calendar year return posts and terminates IRC 444 election

Transaction Code	Meaning
058	Denied Form 8716, Election to Have a Tax Year Other Than a Required Tax Year
059	Rejection of Application for change in Accounting Period. Form 1128, Application to Adopt, Change, or Retain a Tax Year, was denied.
090	Small Business Election
091	Revoked Small Business Election
092	Reverses TC 090, 093, 095 and 097
093	Form 2553, Election by a Small Business Corporation, received
094	Sub-Chapter S-election denied
095	Sub-Chapter S-election pending
096	Sub-Chapter S-election terminated
097	Referral to Chief Counsel for approval

**Note:** If the account shows there are prepaid credits or extensions and the return is for a short period, SSPND with Action Code “342” and attach Form 4227, Intra-SC Reject or Routing Slip, to have the credits or extensions moved to the correct period.

- (5) Acceptable reasons for filing a short period include, but are not limited to the following:
- Statement that a change of accounting period was granted by the IRS or Approved Form 1128, Application to Adopt, Change or Retain a Tax Year.
  - Statement of termination of S Status or revocation under IRC 1362 (see page 1, box 5, S-election termination or revocation is checked).
  - Statement the corporation is coming out of consolidation.
  - Statement the corporation is a qualified sub chapter S subsidiary.
  - Accepted Form 8716, Election To Have a Tax Year Other Than a Required Tax Year.
  - IRC 1398 Election.
  - Second Short Year after IRC 1398 Election.

3.12.217.20.15

(01-01-2023)

**Error Code 028 -  
Received Date Missing**

(1) **Fields Displayed:**

Field Designator	Field Title	Field Length
01RCD	Received Date	8

Field Designator	Field Title	Field Length
01CCC	Computer Condition Code	10

- (2) **Invalid Condition:** Error Code 028 generates when CCC “R” or “D” are present, and the Received Date (YYYYMMDD) is not present. Bypass on a “G” coded return.

(3) **Correction Procedures:**

- Correct coding errors, transcription errors, and misplaced entries.
- Compare the displayed fields with the return. If incorrect, overlay the screen with the correct information.
- If CCC “R” or “D” are present, enter the Received Date in Field 01RCD. If CCC “R” or “D” are not on the return, delete the CCC “R” or “D” from Field 01CCC.
- If the return is not a CCC “G” coded return, (e.g., no indication that the return is Amended, Revised, Superseding, Duplicate) or nothing shows that this is other than the first return filed, GTSEC 02 and enter the data in the proper fields. When Error Code 010 generates, enter the proper fields and delete the entry in Field 01CCC.
- If the 1120-S return is not delinquent, delete the Computer Condition Code “R”.

#

Date (RDD), despite Saturday, Sunday or Holiday extension dates.

2. If both U.S. Postal Service and private meter marks are present, honor the U.S. Postal Service marks. For further information, refer to IRM 3.10.72, Receiving, Extracting, and Sorting.

3. The legal due date is the 15th day of the third month after the Tax Period ends or the date granted by an approved extension of time to file. However, if the 15th is a Saturday, Sunday or holiday, the legal due date

#

after the Return Due Date.

- f. If the return is correctly CCC “G” coded, enter the Received Date in 01RCD. Determine the date in the order listed below:

1. **IRS date stamp.**

2. Legible U.S. Post Office **postmark date** or foreign postmark or an acceptable designated private delivery service. For further information, see IRM 3.10.72, Receiving, Extracting, and Sorting.

**Note:** If an envelope is not attached use the postmark date stamped on the face of the return.

3. **Service Center Automated Mail Processing System (SCAMPS)** digital date.

4. **Revenue officer’s** signature date.

5. **Signature** date. Use the signature date if within the current year. For a prior year return, use the DLN Julian Date.

6. **DLN Julian Date minus 10 days. (MeF Form 1120-S use the Julian Date)**

7. Current date minus 10 days

3.12.217.20.16  
(01-01-2022)

**Error Code 030 - Penalty  
and Interest Code Check**

(1) **Fields Displayed:**

Field Designator	Field Title	Field Length
01TXP	Tax Period	6
01RCD	Received Date	8
03PRI	Penalty or Interest Code	1

(2) **Invalid Condition:** Error Code 030 generates when **any** of the following conditions are present:

- The Penalty and Interest Code of “1” is present, and the Received Date
- The Received Date is not present.

#  
#

(3) **Correction Procedures:**

- Correct coding errors, transcription errors, and misplaced entries.
- Compare the displayed fields with the return. If incorrect, overlay the screen with the correct information.
- If the code is correct, for example, the taxpayer is paying penalty or correct Received Date. See IRM 3.12.217.3.6(4), Field 01RCD - Received Date, for determining the correct Received Date.  
code “1” from Field 03PRI.
- If the correct Received Date is equal to or earlier than the due date, delete code “1” from Field 03PRI.
- If the Penalty and Interest Code is present and no Received Date is shown, determine the date and enter in Field 01RCD. See IRM 3.12.217.3.6(4), Received Date 01RCD for instructions.
- The “R” Condition Code, if present, will override the “1” Penalty and Interest Code where a delinquency penalty is concerned.
- If there is no indication of pre-computed Penalty and Interest, delete code “1” from Field 03PRI.

#  
#

3.12.217.20.17  
(01-01-2022)

**Error Code 034 -  
Correspondence  
Received Date Check**

(1) **Fields Displayed:**

Field Designator	Field Title	Field Length
01TXP	Tax Period	6
01RCD	Received Date	8
01CRD	Correspondence Received Date	8

(2) **Invalid Condition:** Error Code 034 generates when **any** of the following conditions are present:

- The Field 01CRD is earlier or the same as Field 01RCD or the Return Due Date.
- The Field 01CRD is later than the processing date.

**Note:** Field 01RCD is required.

(3) **Correction Procedures:**

- Correct coding errors, transcription errors, and misplaced entries.
- Compare the displayed fields with the return. If incorrect, overlay the screen with the correct information. The format for Tax Period is "YYYYMM" and Received Date is "YYYYMMDD".
- A Correspondence Received Date (CRD) is determined from the date the reply was received in the Submission Processing Campus or from the entity assignment date found in the lower left-hand corner of the return.
- Refer to the return for the Correspondence Received Date. This can be verified by checking the stamped Received Date on the correspondence attached to the return.
- If the Correspondence Received Date is present and earlier than the Return Due Date, or later than the processing date, delete the Correspondence Received Date from Field 01CRD.
- If "No Reply", enter CCC "3" in Field 01CCC to bypass the validity check.

3.12.217.20.18  
(01-01-2023)

**Error Code 062 -  
Reserved for Future Use**

- (1) This Error Code is no longer used and is in "Reserved for Future Use" status.

3.12.217.20.19  
(01-01-2022)

**Error Code 073 - CCC  
"3" is Present with Field  
01CRD**

(1) **Fields Displayed:**

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

- (2) **Invalid Condition:** Error Code 073 generates when Field 01CCC is "3" and a date was entered in Field 01CRD.

(3) **Correction Procedures:**

- Correct coding errors, transcription errors, and misplaced entries.
- Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.
- Review the return and attachments for IRS Correspondence or the entity assignment date.
- If IRS correspondence is attached, determine if a reply was received from the taxpayer.
- If a reply **has** been received from the taxpayer, delete CCC "3" from Field 01CCC.
- If the return is a "No Reply", delete the entry in Field 01CRD.

- g. If an entity assignment date is present and there is no reply to correspondence, delete the entry in Field 01CRD.

3.12.217.20.20  
(01-01-2022)

**Error Code 620 - Field 0613F and Tax Period Check**

(1) **Fields Displayed:**

Field Designator	Field Title	Field Length
01TXP	Tax Period	6
0613F	Credit for Alcohol used as Fuel	15

- (2) **Invalid Condition:** Error Code 620 generates when Field 0613F has an amount and the Tax Period is before 198010.

(3) **Correction Procedures:**

- Correct coding errors, transcription errors, and misplaced entries.
- Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.
- Verify Tax Period. If return is before 198010, delete the amount reported in Field 0613F.
- Correct Tax Period as needed.

3.12.217.20.21  
(01-01-2024)

**Error Code 622 - Tax Period and CRN Check**

(1) **Fields Displayed:**

Field Designator	Field Title	Field Length
01TXP	Tax Period	6
15TG>	Total Credit Computer Generated (Form 4136)	15
15A01-15A12	First through Twelfth Credit Amounts Reported on Form 4136	15
15C01 - 15C12	First through Twelfth CRN Reported on Form 4136	3
16A01 -16A12	Thirteenth through Twenty-fourth Credit Amounts on Form 4136	15
16C01 - 16C12	Thirteenth through Twenty-fourth CRN Reported on Form 4136	3
S17DP	Section 17 Present	
S18DP	Section 18 Present	



(2) **Invalid Condition:** Error Code 622 generates when **any** of the following conditions are present:

- A CRN and amount are claimed for an ineligible Tax Period. See valid CRN and Tax Periods below:

CRN	Valid Period
306	200601 and later
307	200601 and later
309	200601 and later
310	200601 and later
318	199707 and prior
324	199701 and later
346	199801 and later
347	199801 and later
350	199801 and later
352	199401 - 200708
353	All
354	All
355	All
356	199801 - 200512
357	199801 - 200512
359	199801 - 200512
360	All
361	199401 - 200708
362	199401 and later
363	199801 - 200512
369	199401 and later
375	199301 - 200511
376	199301 - 200511
377	199301 - 200511 or after 200712
388	200501 and later
390	200501 and later
393	200501 - 201211
394	200501 - 201211
395	200501 - 200708

CRN	Valid Period
411	200601 and later
412	200601 and later
413	200601 and later
414	200601 and later
415	200601 and later
416	200601 and later
417	200601 and later
418	200601 and later
419	200610 and later
420	200610 and later
421	200610 and later
422	200610 and later
423	200610 and later
424	200610 and later
425	200610 and later
426	200610 and later
427	200610 and later
428	200610 and later
429	200610 - 202311
430	200610 and later
431	200610 and later
432	200610 and later
433	200510 and later
434	200510 and later
435	200810 and later
436	200810 and later
437	200810 and later
440	202301 and later

- Claim amount is present, CRN is not present.
- A CRN is present, but no coordinating amount is present.

(3) **Correction Procedures:**

- Correct coding errors, transcription errors, and misplaced entries.
- Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.

- c. Refer to the return for the correct Tax Period and to determine if the entry is a valid or misplaced entry. If the Tax Period is incorrect, make the necessary changes in the correct format (YYYYMM).
- d. Verify the CRN and credit amount is claimed for a valid Tax Period. If the CRN is invalid, delete the entries from the CRN and credit amount fields.
- e. Delete the entry if it is determined to be a misplaced entry.

3.12.217.20.22

(01-01-2024)

**Error Code 624 - 0624A,  
0625 or 0628 and Tax  
Period Check**

(1) **Fields Displayed:**

Field Designator	Field Title	Field Length
01TXP	Tax Period	6
0624A	Estimated Tax Payments	15
0625	Estimated Tax Penalty	15
0626	Balance Due/ Overpayment	15
0628	Credit Elect Amount	15

(2) **Invalid Condition:** Error Code 624 generates when any of the following conditions are present:

- There are significant entries in Estimated Tax Payments.
- Estimated Tax Penalty, or Credit Elect Payment and the Tax Period is 198912 or prior.

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

(3) **Correction Procedures:**

- a. Correct coding errors, transcription errors, and misplaced entries.
- b. Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.
- c. Refer to the return for the correct Tax Period and determine if the entry in Field 01TXP is valid.
- d. If the Tax Period is incorrect, make the necessary changes, in the correct format (YYYYMM).
- e. Check the entries in Field 0624A, Field 0625, and Field 0628 to ensure the entries are valid or are not misplaced entries. If there are misplaced entries in the above-mentioned fields, correct or delete the entries.

3.12.217.20.23

(01-01-2024)

**Error Code 628 - CCC  
"F" and Credit Elect  
Payments**

(1) **Fields Displayed:**

Field Designator	Field Title	Field Length
01TXP	Tax Period	6
01CCC	Computer Condition Code	10

Field Designator	Field Title	Field Length
0626	Balance Due/ Overpayment	15
0628	Credit Elect Amount	15

(2) **Invalid Condition:** Error Code 628 generates when Computer Condition Code “F” is present, and Field 0628 has an amount.

(3) **Correction Procedures:**

- Correct coding errors, transcription errors, and misplaced entries.
- Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.
- Refer to the return to determine if the entry in Field 01CCC is valid. If the entry in Field 01CCC is incorrect, delete Field 01CCC.
- If Computer Condition Code “F” is valid, check the return for misplaced entries in Field 0626 and Field 0628. If there are misplaced entries in the above-mentioned fields, correct or delete the entries.
- Delete the entry in Field 0628 when the return is Final.

3.12.217.20.24

(01-01-2022)

**Error Code 630 - CCC  
“D” and No Received  
Date**

(1) **Fields Displayed:**

Field Designator	Field Title	Field Length
01RCD	Received Date	8
01CCC	Computer Condition Code	10

(2) **Invalid Condition:** Error Code 630 generates when Computer Condition Code “D” is present, and the Received Date is not present.

(3) **Correction Procedures:**

- Correct coding errors, transcription errors, and misplaced entries.
- Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.
- If CCC “D” is correct, determine the correct Received Date and enter it in Field 01RCD and on the return (YYYYMMDD).

3.12.217.20.25

(01-01-2023)

**Error Code 656 - Total  
Income Mismatch**

(1) **Fields Displayed:**

Field Designator	Field Title	Field Length
0401A	Gross Receipts and Sales	15
0401B	Returns and allow- ances	15

Field Designator	Field Title	Field Length
0401C>	Gross Receipts less Returns and Allowance	15
0402	Cost of Goods Sold	15
0403>	Gross Profit Computer Generated	15
0404	Net Gain/Loss Form 4797	15
0405	Other Income	15
0406	Total Income	15
>>>>	Total Income Computer Generated	15
04MCV	Merchant Card Payments Verified (prior year only)	15

- (2) **Invalid Condition:** Error Code 656 generates when the transcribed Total

#

- (3) **Correction Procedures:**

- Correct coding errors, transcription errors, and misplaced entries.
- Compare the displayed fields with the return and attachments. If the taxpayer has an attachment that shows income information, ensure that amounts are on correct lines. Check for any missing or incorrect entries.

If	Then
Lines 1a and 1b are blank,	Enter the amount from Line 1c in Field 0401A.
Lines 1a, 1b, and 1c are blank,	Add Lines 2 and 3, enter the amount in Field 0401A.
Field 0402 is blank,	Enter the amount from Form 1125-A, Cost of Goods Sold, Line 8, in Field 0402.
Line 6 is the only entry in the Income Section,	Enter the amount in Field 0405.
There are no transcription errors, and the taxpayer has made an error in calculations,	Enter the amount from the computer-generated Field 0406 into Field 0406. Place an "X" to the left of the taxpayer's figure on Line 6 and enter the correct figure to the left of the "X".

3.12.217.20.26

(01-01-2024)

**Error Code 658 - Total Deductions Mismatch****(1) Fields Displayed:**

Field Designator	Field Title	Field Length
0507	Compensation of Officers	15
0508	Salaries and Wages	15
0509	Repairs and Maintenance	15
0510	Bad Debt	15
0511	Rents	15
0512	Taxes and Licenses	15
0513	Deductible Interest Expense	15
0514	Depreciation	15
0515	Depletion	15
0516	Advertising	15
0517	Pension Profit-Sharing Plan	15
0518	Employee Benefit Program	15
0519	Energy Efficient Commercial Building Deduction	15
0520	Other Deductions	15
0521	Total Deductions	15
>>>>	Total Deductions Computer Generated	15

(2) **Invalid Condition:** Error Code 658 generates when the transcribed Total De-  
computer.

#

**(3) Correction Procedures:**

- a. Correct coding errors, transcription errors, and misplaced entries.
- b. Compare the displayed fields with the return and attachments. If the taxpayer has an attachment that shows deduction/expense information, ensure that amounts are on correct lines. Check for any missing or incorrect entries.

If	Then
Line 21 is the only entry in the Deductions Section,	Enter amount in Field 0520.
There are no transcription errors, and the taxpayer has made an error in his calculations,	Enter the amount from the computer-generated Field 0521 into Field 0521. Place an "X" to the left of the taxpayer's figure on Line 21 and enter the correct figure to the left of the "X".
The taxpayers total for deductions is correct when the (-) sign is removed,	Follow the taxpayers intent.

3.12.217.20.27

(01-01-2024)

**Error Code 659 -  
Ordinary Income Loss  
Mismatch**

(1) **Fields Displayed:**

Field Designator	Field Title	Field Length
S04NP	Section 04 Not Present	
0406	Total Income/Loss Amount	15
S05NP	Section 05 Not Present	
0521	Total Deductions	15
0522	Ordinary Income/Loss	15
>>>>	Computer Generated Ordinary Income/Loss	15

(2) **Invalid Condition:** Error Code 659 generates when **any** of the following conditions are present:

- The transcribed Ordinary Income Loss amount differs by more than
- The literal "Section XX Not Present" will display if no entry in Section 04 or 05.

#

(3) **Correction Procedures:**

- Correct coding errors, transcription errors, and misplaced entries.
- Compare the displayed fields with the return and attachments. If the taxpayer has an attachment that show income or deduction/expense information, ensure that amounts are on correct lines. Check for any missing or incorrect entries.

If	Then
Line 22 is the only entry and it is a loss,	Enter Line 22 amount into Lines 20 and 21.
Line 22 is the only entry and it is a gain,	Enter amount into Lines 5 and 6.
There are no transcription errors, and the taxpayer has made an error in their calculations,	Enter the amount from the computer-generated Field 0522 into Field 0522. Place an "X" to the left of the taxpayer's figure on Line 22 and enter the correct figure to the left of the "X".
The error in Ordinary Income is	Prepare Letter 3833C, Tax Return Adjustment Explained (BMF), to inform the taxpayer of the error in their calculations. Inform the taxpayer to prepare amended Schedules K-1 for the shareholders in the corporation. Notate action taken in the lower left margin of Form 1120-S. <b>Note:</b> Before sending letter, verify the taxpayer has transferred all amounts from attachments correctly.

#

3.12.217.20.28  
(01-01-2024)

**Error Code 660 -Total  
Tax Taxpayer present  
and No 06MCT**

(1) **Fields Displayed:**

Field Designator	Field Title	Field Length
CL	Clear Code	1
0623C	Total Tax Taxpayer	15
06MCT	Manually Corrected Total Tax	15

(2) **Invalid Condition:** Error Code 660 generates when Total Tax Taxpayer is present and Field 06MCT is not present.

(3) **Correction Procedures:**

- Correct coding errors, transcription errors, and misplaced entries.
- Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.
- If there is an amount in Field 0623C, follow the Manual Verification procedures.
- If an amount is present on Line 23a (Excess net passive income or LIFO recapture tax), process as follows:



If	Then
A supporting schedule <b>is</b> attached,	<ol style="list-style-type: none"> <li>1. Verify the correct amount was transferred to Line 23a.</li> <li>2. Enter a "C" in the Clear Code Field.</li> </ol>
A supporting schedule is <b>not</b> attached,	SSPND with Action Code "211" and correspond. <b>Exception:</b> Do not correspond if the taxpayer notates "Section 47", but does not attach Form 4255, Recapture of Investment Credit.

- e. If an amount is present on Line 23b (Tax from Schedule D (Form 1120-S)), process as follows:

If	Then
Schedule D <b>is</b> attached,	<ol style="list-style-type: none"> <li>1. Verify the correct amount (from Schedule D, Line 23) was transferred to Line 23b.</li> <li>2. Enter a "C" in the Clear Code Field.</li> </ol>
The tax is computed using regular corporate rates and is entered on Schedule D, Line 14,	<ol style="list-style-type: none"> <li>1. Verify the computation of Net Capital Gains.</li> <li>2. Verify the computed total tax was transferred to Line 23b.</li> <li>3. Enter a "C" in the Clear Code Field.</li> </ol>
Schedule D or a supporting schedule is <b>not</b> attached,	SSPND with Action Code "211" and correspond.

- f. If an amount is present on Line 23c (Add Lines 23a and 23b (see instructions for additional taxes)), process as follows:

If	Then
Amounts are present on Lines 23a or 23b,	<ol style="list-style-type: none"> <li>1. Verify the amount equals the total of the verified amounts for Lines 23a and 23b, plus any write-in amount for Form 4255, Recapture of Investment Credit, "Section 47".</li> <li>2. Enter a "C" in the Clear Code Field.</li> </ol>

If	Then
The taxpayer has included amounts for pre-computed interest or delinquency penalties,	Remove the amounts from Field 0623C.

- g. If an amount is present on Line 23c and there are **no amounts** on Lines 23a and 23b, process as follows:

If	Then
Schedule D or Form 4255, Recapture of Investment Credit, with "Section 47" notated, is attached,	<ol style="list-style-type: none"> <li>1. Verify the correct amount was transferred to Line 23c.</li> <li>2. Enter "C" in the Clear Code Field.</li> </ol>
Line 23c includes any of the following write-ins: <ul style="list-style-type: none"> <li>• "Tax from Form 4255", "Section 47", (or similar language),</li> <li>• "Last in First out (LIFO) Tax" (or similar language),</li> <li>• "BBA imputed underpayment" (or similar language),</li> </ul>	<ol style="list-style-type: none"> <li>1. Accept the taxpayer's entry.</li> <li>2. Enter "C" in the Clear Code Field.</li> </ol> <p><b>Note:</b> Do not correspond for Form 4255 if not attached.</p>
The taxpayer has included amounts for pre-computed interest or delinquency penalties,	Remove the amounts from Field 0623C.
No supporting form, schedule, or statement is attached to explain the entry on Line 23c,	SSPND with Action Code "211" and correspond.
There is no reply from the taxpayer,	<ol style="list-style-type: none"> <li>1. Enter "3" in Field 01CCC.</li> <li>2. Accept the entry on Line 23c.</li> <li>3. Enter "C" in the Clear Code Field.</li> </ol>

- h. Make necessary corrections to Lines 23a, 23b and 23c. If Line 23c is changed, enter the computed amount in 06MCT. Error Code 662 generates. An entry in 06MCT must satisfy the Rule of Two. See IRM 3.12.217.20.29, Rule of Two.
- i. If the Manually Corrected Total Tax is zero (0), enter \$.01 in 06MCT. When Error Code 660 re-displays, enter a "C" in the Clear Code Field to clear the return.
- j. If Form 8697, Interest Computation Under the Look-Back Method for Completed Long-Term Contracts, or Form 8866, Interest Computation Under the Look-Back Method for Property Depreciated Under the Income Forecast Method, is attached, process as follows:

If	Then
A refund is claimed on Form 8697 or Form 8866,	<ol style="list-style-type: none"> <li>1. Disallow the credit,</li> <li>2. Delete the credit amount from Form 1120-S refund, if included.</li> <li>3. Detach and route Form 8697 or Form 8866 to Accounts Management.</li> </ol> <p><b>Note:</b> See IRM 3.12.217.2.22, Perfection of Attachments.</p>
Form 8697 or Form 8866 is full paid or has a balance due,	No action is needed.

3.12.217.20.29  
(01-01-2017)

#### Rule of Two

- (1) Under normal circumstances, the computer and the taxpayer agree on the computation of the tax. This satisfies the Rule of Two.
- (2) On a return with a **true math error**, the computer and the tax examiner will agree on the computation of tax. This satisfies the Rule of Two.
- (3) On a manually computed return with a **true math error**, the Rule of Two is not satisfied until two tax examiners arrive at the same tax computation.

3.12.217.20.30  
(01-01-2024)

#### Error Code 662 - Field 06MCT entry and No TPNC

- (1) **Fields Displayed:**

Field Designator	Field Title	Field Length
NC	Notice Code	2
0623C	Total Tax Taxpayer	15
06MCT	Manually Computed Tax	15

- (2) **Invalid Condition:** Error Code 662 generates when valid entries are present in Field 06MCT and a Taxpayer Notice Code is not present.
- (3) **Correction Procedures:**
  - a. Correct coding errors, transcription errors, and misplaced entries.
  - b. Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.
  - c. If there is an entry in 06MCT, a Notice Code must be sent.
  - d. TPNC 40 and 90 are the only valid Notice Codes for Error Code 662. See Exhibit 3.12.217-24, Taxpayer Notice Codes, for more information.
  - e. TPNC 90 is a fill-in paragraph that uses Math Error (ME) codes.

**Note:** For a full listing of the programmed TPNC 90 ME codes and information on how to use them, see TPNC 90 Math Error Code Job Aid at *TPNC-90-Math-Error-Code-Job-Aid.doc*.

- f. TPNC 40 is used when the taxpayer does not respond to correspondence.

3.12.217.20.31  
(01-01-2024)

**Error Code 663 - Clean  
Vehicle Credit (CVC)  
Disallowance**

(1) **Fields Displayed:**

Field Designator	Field Title	Field Length
01TXP	Tax Period	6
311VI	Vehicle identification number (VIN) for 1st Schedule A	17
311DT	Placed in service date for 1st Schedule A	8
31109	Tentative credit amount for 1st Schedule A	15
31111	Credit amount for business use of new clean vehicle for 1st Schedule A	15
>>>>>	Computer Generated - Credit amount for 1st Schedule A	15
31117	Smaller of Line 15 or Line 16 for 1st Sch. A	15
31126	Smaller of Line 24 or Line 25 for 1st Schedule A	15
>>>>>	Computer Generated - Smaller of Line 24 or Line 25	15
311IN	Indicator field for results of MeF check of VIN against portal	1
312VI	Vehicle Identification Number (VIN) for 2nd Schedule A	17
312DT	Placed in service date for 2nd Schedule A	8
31209	Tentative credit amount for 2nd Schedule A	15

Field Designator	Field Title	Field Length
31211	Credit amount for business use of new clean vehicle for 2nd Schedule A	15
>>>>>	Computer Generated - Credit amount of 2nd Schedule A	15
31217	Smaller of Line 15 or Line 16 for 2nd Schedule A	15
31226	Smaller of Line 24 or Line 25 for 2nd Schedule A	15
>>>>>	Computer Generated - Smaller of Line 24 or 25	15
312IN	Indicator field for results of MeF check of VIN against portal for 2nd Schedule A	1
31RED>	Computer Generated - Reduced amount of CVC credit	15
31RDV	CVC verified field - ERS input only	15
313IN	Indicator (More than 2 Schedule A's attached)	1

(2) **Invalid Condition:** Error Code 663 generates when Field 31RED> (Computer amount of reduction of the CVC credit) is greater than zero.

(3) **Correction Procedures:**

- a. Correct coding errors, transcription errors, and misplaced entries.
- b. The taxpayer will attach Form 8936 Schedule A, Clean Vehicle Credit Amount, and report their credit on Form 1120-S, Schedule K, Line 13g. The credit is then distributed to the Shareholders on Schedule K-1.

If	And	Then
The return was filed as a paper return,	Field 311IN or 312IN have a value of "1,"	Enter "0" in field 311IN and/or 312IN.
The return was electronically filed (MeF),	Field 311IN or 312IN have a value of "1,"	Send TPNC 74.

- c. TPNC 74 and TPNC 90 are the only valid Notice Codes for Error Code 663. See Exhibit 3.12.217-24, Taxpayer Notice Codes, for more information.

3.12.217.20.32  
(01-01-2024)  
**Error Code 664 -  
Elective payment  
election (EPE)  
Disallowance**

(1) **Fields Displayed:**

Field Designator	Field Title	Field Length
01TXP	Tax Period	6
231BI	Form 7207 Net elective payment amount	15
231GI	Form 7210 Net elective payment amount	15
241OI	Form 3468 Net elective payment amount	15
241XI	Form 8933 Net elective payment amount	15
0624D	Elective payment election (EPE) from Form 1120-S, Line 24d	15
>>>>>	Computer Generated Elective payment election (EPE)	15
0624V	Elective payment election (EPE) verified field ERS input only	15

(2) **Invalid Condition:** Error Code 664 generates when:

- The difference between Field 0624D, Elective payment election (EPE),
- The information provided does not support the credit claimed on Form 1120-S, Line 24d.

(3) **Correction Procedures:**

- Correct coding errors, transcription errors, and misplaced entries.
- The taxpayer will attach Form 3800 General Business Credit, and report their EPE credit on Form 1120-S, Line 24d.
- If the sum of Form 3800 column (e) and (f), for any credit claimed in Part  
(unless it's apparent that Code & Edit has already done so).
- If a math error is present and transcription is correct, then send TPNC 73.

- e. TPNC 73 and TPNC 90 are the only valid Notice Codes for Error Code 664. See Exhibit 3.12.217-24, Taxpayer Notice Codes, for more information.

(4) **Suspense Correction:**

- If **No Reply** to correspondence, then disallow the EPE credit shown and remove the amount claimed in Field 0624D. Enter CCC “3” and send TPNC 73.

3.12.217.20.33

(01-01-2024)

**Error Code 670 -  
Remittance or RRPS  
Indicator**

(1) **Fields Displayed:**

Field Designator	Field Title	Field Length
RMIT>	Remittance	15
01CCC	Computer Condition Code	10
S06NP	Section 06 Not Present	
0623C	Total Tax Taxpayer	15

- (2) **Invalid Condition:** Error Code 670 generates when a remittance is present or a RRPS indicator is present with the return and Total Tax-Taxpayer is zero and a valid Computer Condition Code “G” is not present.

(3) **Correction Procedures:**

- Correct coding errors, transcription errors, and misplaced entries.
- Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.
- Enter CCC “G” in 01CCC and Received Date in 01RCD if the return shows an amended, revised, superseding, duplicate or any other positive indication that the return is not the first one filed for the same Tax Period.
- If CCC “G” is not to be used and data is present on the return for Section 06, use CC GTSEC and enter the data for Section 06.
- If there is no money in the RMIT> Field, and an RRPS/ISRP indicator is present, use GTSEC for Section 06, enter a “1” in Field 0623C and continue processing.
- If penalty and interest are present on a zero-balance remittance or the remittance equals the refund amount on the Form 1120-S Return, enter “1” into Field 0623C, Total Tax Taxpayer. Error Code 660 will then be generated and if all the entries are correct, enter a “C” in the Clear Code Field to clear the return.

3.12.217.20.34

(01-01-2024)

**Error Code 672 -  
Sections 15, 16, 17, 18,  
or 06 Not Present**

(1) **Fields Displayed:**

Field Designator	Field Title	Field Length
NC	Notice Code	2

Field Designator	Field Title	Field Length
0624A	Estimated Tax Payment	15
0624B	Form 7004 Payment	15
0624D	Elective payment election (EPE)	15
>>>>>	Total Elective payment election (EPE) Computer	15
0624V	Elective payment election (EPE) verified field - ERS input only	15
0624Z	Total Payments/ Credits (total Lines 24a through 24d) <b>Note:</b> Prior lines for Field 0624Z are: 2021 and 2022 - Total Payments/ Credits (total Lines 23a through 23c) Reserved - 2019 and 2020 2018 - Refundable Credit from Form 8827 2017 and prior - Total Payments/ Credits (total Lines 23a through 23c)	15
>>>>>	Total Credits Computer	15
15TG>	Total Gas Tax Credit Computer	15
15A01-15A12	First-Twelfth Credit amount Reported on Form 4136	15
15C01-15C12	First-Twelfth CRN Reported on Form 4136	3



Field Designator	Field Title	Field Length
S16DP	Section 16 Present	
S17DP	Section 17 Present	
S18DP	Section 18 Present	

**Note:** If either Section 15, 16, 17, 18 or 06 is not present, the following note will display on the screen: "Section XX Not Present".

(2) **Invalid Condition:** Error Code 672 generates when the difference between

#  
#

(3) **Correction Procedures:**

- a. Correct coding errors, transcription errors, and misplaced entries.
- b. Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.
- c. If Field 0624Z underprints, compare Field 0624Z with Line 24z, page 1, Form 1120-S. If different, verify that the fields in Sections 06 and 15-18 were transcribed correctly. Research CC BMFOL for the Estimated Tax Payment and Extension Payment and enter the amount into the applicable field. If not found, send the applicable TPNC.
- d. If Sections 15-18 have not been transcribed, CC GTSEC Sections 15-18 and enter the proper fields.
- e. If Line 24c has a significant entry, and Form 4136, Credit for Federal Tax Paid on Fuels, is missing, suspend the return for correspondence.

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

- f. Use CC DLSEC Sections 15-18 when a taxpayer has attached a Form 4136 with a credit amount and is not using the credit on Form 1120-S or the credit was distributed through the Schedules K-1.
- g. **For Tax Year (TY) 2018 revision only**, delete credit from Form 8827, Credit For Prior Year Minimum Tax - Corporations, Line 23d (Field 0623D), when shown on the return. Send TPNC 90 with the Math Error (ME) code 258.

**Note:** For a full listing of the programmed TPNC 90 ME codes and information on how to use them, see TPNC 90 Math Error Code Job Aid at *TPNC-90-Math-Error-Code-Job-Aid.doc*.

- h. Delete Backup Withholding when shown on the return. Send TPNC 90 with the ME code 67.

**Note:** For a full listing of the programmed TPNC 90 Math Error Codes and information on how to use the Math Error Codes see TPNC 90 Math Error Code Job Aid at *TPNC-90-Math-Error-Code-Job-Aid.doc*.

- i. If the taxpayer is trying to take a "Claim of Rights" credit, "Section 1341" credit, or there is uncertainty as to the acceptability of any "other" credit, suspend to Exam for review or follow procedures.
- j. If the corporation is the beneficiary of a trust and the trust makes a section 643(g) election, then the taxpayer will include their share of the estimated payments made to beneficiaries in the total for Line 24z (Line 23d for TY

2021 and 2022; Line 23e for TY 2019 and 2020). The amount should be reported on the dotted portion of Line 24z preceded by a "T". Enter the amount in Field 0624A and continue processing the return.

**Note:** The amount could also be shown in a statement attached to the return.

- k. The valid TPNCs for Error Code 672 are listed below. For more information, see Exhibit 3.12.217-24, Taxpayer Notice Codes (TPNC).
- 36 - We found an error in the computation of the credit for federal tax on fuels on Form 4136.
  - 37 - We found an error on page 1 of your return when the credit for federal tax on fuels was transferred from Form 4136.
  - 38 - We found an error on page 1 of your return when your payment amounts were added.
  - 40 - We adjusted your tax return as shown because we did not receive a reply to our request for additional information.
  - 73 - We changed the amount for the Elective Payment Election (EPE) because the Form 3800, General Business Credit, Part III, was computed incorrectly.
  - 90 - Fill-in narrative.

(4) **Suspense Correction:**

- a. If the taxpayer responds with the required Form 4136, perfect the return based on the new information.
- b. If the taxpayer does not respond with the required Form 4136, enter CCC "3" and delete the credit on Line 24c, Form 1120-S, and send TPNC 40.

3.12.217.20.35

(01-01-2024)

**Error Code 674 -  
Balance  
Due/Overpayment  
Mismatch**

(1) **Fields Displayed:**

Field Designator	Field Title	Field Length
NC	Notice Code	2
0623C	Total Tax Taxpayer	15
>>>>	Computer Generated Total Tax	15

Field Designator	Field Title	Field Length
0624Z	Total Payments/ Credits  <b>Note:</b> Prior lines for Field 0624Z are: 2021 and 2022 - Total Payments/ Credits (total Lines 23a through 23c) 2019 and 2020 - Reserved 2018 - Refund- able Credit from Form 8827 2017 and prior - Total Payments/ Credits (total Lines 23a through 23c)	15
>>>>>	Total Credits Computer	15
0625	Estimated Tax Payment Penalty	15
0626	Balance Due/ Overpayment	15
>>>>	Computer Generated Balance Due/ Overpayment	15
0628	Credit Elect Amount	15

- (2) **Invalid Condition:** Error Code 674 generates when the difference between Balance Due/Overpayment Taxpayer and Balance Due/Overpayment Computer

#

(3) **Correction Procedures:**

- Correct coding errors, transcription errors, and misplaced entries.
- Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.
- If you are processing a 2022 Tax Year form** and the taxpayer has indicated an "Elective Payment" or "Deemed Payment" by writing "IRA22DPE" on an attachment or on Form 1120-S, Line 23d dotted portion, refer to the instructions found at IRM 3.12.217.2.27, Elective Payment Election (EPE) and Credit Transfers.

**Note:** Do not continue processing return. Ensure that Action Code 450 is entered and the return with EPE is held for LB&I review.

- d. Amounts for self-assessed penalty or interest must not be included in Field 0626 unless it is for Estimated Tax (ES) Penalty.
- e. If the amount of ES Penalty is present in Field 0625 and has not been included in Field 0626, add the ES Penalty amount to Field 0626.

#

computer's figures still exists after all actions above for math verification have been taken and all necessary corrections have been made send TPNC 10.

- g. Delete any mention of Backup Withholding when shown on the return. Send TPNC 90 with the Math Error Code 67.

**Note:** For a full listing of the programmed TPNC 90 ME codes and information on how to use them, see TPNC 90 Math Error Code Job Aid at *TPNC-90-Math-Error-Code-Job-Aid.doc*.

- h. Valid TPNCs for Error Code 674 are 10, 40, 88, 89 and 90. For more information, see Exhibit 3.12.217-24, Taxpayer Notice Codes.

3.12.217.20.36

(01-01-2018)

#### Error Code 999 - Error Status

#### (1) Fields Displayed:

Field Designator	Field Title	Field Length
01TXP	Tax Period	6

- (2) **Invalid Condition:** Error Code 999 generates on all returns that are in error status at the end of the processing year.

#### (3) Correction Procedures:

- a. Since the system will re-validate the return and set validity and Error Codes based on next processing year's program, the only correction required for this Error Code is for the tax examiner to transmit.

**This Page Intentionally Left Blank**

## Exhibit 3.12.217-1 (01-01-2024)

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

DRAFT				
Form <b>1120-S</b>				
U.S. Income Tax Return for an S Corporation				
Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. <b>01TXB</b> <b>01TXP</b>				
Go to <a href="http://www.irs.gov/Form1120S">www.irs.gov/Form1120S</a> for instructions and the latest information.				
OMB No. 1545-0123				
<b>2023</b>				
For calendar year 2023 or tax year beginning , 2023, ending , 20				
A S election effective date	Name <b>01NC</b>	D Employer identification number <b>01EIN</b>		
B Business activity code number (see instructions) <b>01NAI</b>	TYPE OR PRINT Number, street, and room or suite no. If a P.O. box, see instructions. <b>02CON 02FAD 02ADD</b> City or town, state or province, country, and ZIP or foreign postal code <b>02CTY 02ST 02ZIP</b>	E Date incorporated		
C Check if Sch. M-3 attached <input type="checkbox"/>		F Total assets (see instructions) \$ <b>06BXF</b>		
03IRC G Is the corporation electing to be an S corporation beginning with this tax year? See instructions. <input type="checkbox"/> Yes <input type="checkbox"/> No				
H Check if: (1) <input type="checkbox"/> Final return (2) <input type="checkbox"/> Name change (3) <input type="checkbox"/> Address change (4) <input type="checkbox"/> Amended return (5) <input type="checkbox"/> S election termination				
I Enter the number of shareholders who were shareholders during any part of the tax year <b>03GSH</b>				
J Check if corporation: (1) <input type="checkbox"/> Aggregated activities for section 465 at-risk purposes (2) <input type="checkbox"/> Grouped activities for section 469 passive activity purposes				
Caution: Include <b>only</b> trade or business income and expenses on lines 1a through 22. See the instructions for more information.				
Income	1a Gross receipts or sales <b>0401A</b>	b Less returns and allowances <b>0401B</b>	c Balance <b>0401C&gt;</b>	<b>01RPC</b>
	2 Cost of goods sold (attach Form 1125-A) <b>01CCC</b>		2 <b>0402</b>	
	3 Gross profit. Subtract line 2 from line 1c		3 <b>0403&gt;</b>	
	4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)		4 <b>0404</b>	
	5 Other income (loss) (see instructions—attach statement)		5 <b>0405</b>	
	6 Total income (loss). Add lines 3 through 5		6 <b>0406</b>	
Deductions (see instructions for limitations)	7 Compensation of officers (see instructions—attach Form 1125-E)		7 <b>0507</b>	
	8 Salaries and wages (less employment credits)		8 <b>0508</b>	<b>03SWC</b>
	9 Repairs and maintenance		9 <b>0509</b>	
	10 Bad debts <b>01RCD</b>		10 <b>0510</b>	
	11 Rents		11 <b>0511</b>	
	12 Taxes and licenses		12 <b>0512</b>	
	13 Interest (see instructions)		13 <b>0513</b>	
	14 Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)		14 <b>0514</b>	
	15 Depletion (Do not deduct oil and gas depletion.)		15 <b>0515</b>	
	16 Advertising		16 <b>0516</b>	
	17 Pension, profit-sharing, etc., plans		17 <b>0517</b>	
	18 Employee benefit programs		18 <b>0518</b>	
	19 Energy efficient commercial buildings deduction (attach Form 7205)		19 <b>0519</b>	
	20 Other deductions (attach statement)		20 <b>0520</b>	
21 Total deductions. Add lines 7 through 20		21 <b>0521</b>		
22 Ordinary business income (loss). Subtract line 21 from line 6		22 <b>0522</b>		
Tax and Payments	23a Excess net passive income or LIFO recapture tax (see instructions)	23a		
	b Tax from Schedule D (Form 1120-S)	23b		
	c Add lines 23a and 23b (see instructions for additional taxes)		23c <b>0623C</b>	
	24a Current year's estimated tax payments and preceding year's overpayment credited to the current year	24a <b>0624A</b>		
	b Tax deposited with Form 7004	24b <b>0624B</b>		
	c Credit for federal tax paid on fuels (attach Form 4136)	24c		
	d Elective payment election amount from Form 3800	24d <b>0624D</b>		
	z Add lines 24a through 24d		24z <b>0624Z</b>	
	25 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>		25 <b>0625</b>	
	26 Amount owed. If line 24z is smaller than the total of lines 23c and 25, enter amount owed		26 <b>0626(+)</b>	
27 Overpayment. If line 24z is larger than the total of lines 23c and 25, enter amount overpaid		27 <b>0626(-)</b>		
28 Enter amount from line 27: Credited to 2024 estimated tax <b>0628</b> Refunded		28		
Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
Paid Preparer Use Only	Signature of officer	Date	Title	01CBI
	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN <b>01PSN</b>
	Firm's name			Firm's EIN <b>01PEN</b>
	Firm's address			Phone no. <b>01PTN</b>
For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11510H Form 1120-S (2023)				

## Exhibit 3.12.217-1 (Cont. 1) (01-01-2024)

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

DRAFT

Form 1120-S (2023)

03AMC

Page 2

**Schedule B Other Information** (see instructions)

1 Check accounting method: a <input type="checkbox"/> Cash b <input type="checkbox"/> Accrual					Yes	No
c <input type="checkbox"/> Other (specify) _____						
2 See the instructions and enter the:						
a Business activity _____ b Product or service _____						
3 At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person? If "Yes," attach Schedule B-1, Information on Certain Shareholders of an S Corporation . . .						
4 At the end of the tax year, did the corporation:						
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below . . . . .						
(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage of Stock Owned	(v) If Percentage in (iv) is 100%, Enter the Date (if applicable) a Qualified Subchapter S Subsidiary Election Was Made		
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below . . . . .						
(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital		
5a At the end of the tax year, did the corporation have any outstanding shares of restricted stock? . . . . .						
If "Yes," complete lines (i) and (ii) below.						
(i) Total shares of restricted stock . . . . .						
(ii) Total shares of non-restricted stock . . . . .						
b At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments? . . . . .						
If "Yes," complete lines (i) and (ii) below.						
(i) Total shares of stock outstanding at the end of the tax year . . . . .						
(ii) Total shares of stock outstanding if all instruments were executed . . . . .						
6 Has this corporation filed, or is it required to file, <b>Form 8918</b> , Material Advisor Disclosure Statement, to provide information on any reportable transaction? . . . . .						
7 Check this box if the corporation issued publicly offered debt instruments with original issue discount . . . . . <input type="checkbox"/>						
If checked, the corporation may have to file <b>Form 8281</b> , Information Return for Publicly Offered Original Issue Discount Instruments.						
8 If the corporation (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation, and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years. See instructions . . . . . \$ _____						
9 Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions . . . . .						
10 Does the corporation satisfy one or more of the following? See instructions . . . . .						
a The corporation owns a pass-through entity with current, or prior year carryover, excess business interest expense.						
b The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$29 million and the corporation has business interest expense.						
c The corporation is a tax shelter and the corporation has business interest expense.						
If "Yes," complete and attach <b>Form 8990</b> , Limitation on Business Interest Expense Under Section 163(j).						
11 Does the corporation satisfy both of the following conditions? . . . . .						
a The corporation's total receipts (see instructions) for the tax year were less than \$250,000.						
b The corporation's total assets at the end of the tax year were less than \$250,000.						
If "Yes," the corporation is not required to complete Schedules L and M-1.						

Form 1120-S (2023)



## Exhibit 3.12.217-1 (Cont. 2) (01-01-2024)

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

**DRAFT**

Form 1120-S (2023)

Page **3**

<b>Schedule B Other Information</b> (see instructions) (continued)		Yes	No
<b>12</b>	During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? . . . . .		
	If "Yes," enter the amount of principal reduction . . . . . \$		
<b>13</b>	During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions . . . . .		
<b>14a</b>	Did the corporation make any payments in 2023 that would require it to file Form(s) 1099? . . . . .		
<b>b</b>	If "Yes," did or will the corporation file required Form(s) 1099? . . . . .		
<b>15</b>	Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund? . . . . .		<b>06Q15</b>
	If "Yes," enter the amount from Form 8996, line 15 . . . . . \$ <b>06QOF</b>		
<b>16</b>	At any time during the tax year, did the corporation: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? See instructions . . . . .		<b>06Q16</b>

  

<b>Schedule K Shareholders' Pro Rata Share Items</b>		Total amount
<b>Income (Loss)</b>	<b>1</b> Ordinary business income (loss) (page 1, line 22) . . . . .	<b>1</b>
	<b>2</b> Net rental real estate income (loss) (attach Form 8825) . . . . .	<b>2</b>
	<b>3a</b> Other gross rental income (loss) . . . . . <b>3a</b>	
	<b>b</b> Expenses from other rental activities (attach statement) . . . . . <b>3b</b>	
	<b>c</b> Other net rental income (loss). Subtract line 3b from line 3a . . . . . <b>3c</b>	
	<b>4</b> Interest income . . . . . <b>4</b>	<b>06K4</b>
	<b>5</b> Dividends: <b>a</b> Ordinary dividends . . . . . <b>5a</b>	
	<b>b</b> Qualified dividends . . . . . <b>5b</b>	
	<b>6</b> Royalties . . . . . <b>6</b>	
	<b>7</b> Net short-term capital gain (loss) (attach Schedule D (Form 1120-S)) . . . . . <b>7</b>	
<b>Deductions</b>	<b>8a</b> Net long-term capital gain (loss) (attach Schedule D (Form 1120-S)) . . . . . <b>8a</b>	
	<b>b</b> Collectibles (28%) gain (loss) . . . . . <b>8b</b>	
	<b>c</b> Unrecaptured section 1250 gain (attach statement) . . . . . <b>8c</b>	
	<b>9</b> Net section 1231 gain (loss) (attach Form 4797) . . . . . <b>9</b>	
	<b>10</b> Other income (loss) (see instructions) . . . . . Type: <b>10</b>	
	<b>11</b> Section 179 deduction (attach Form 4562) . . . . . <b>11</b>	
	<b>12a</b> Charitable contributions . . . . . <b>12a</b>	
	<b>b</b> Investment interest expense . . . . . <b>12b</b>	
	<b>c</b> Section 59(e)(2) expenditures . . . . . Type: <b>12c</b>	
	<b>d</b> Other deductions (see instructions) . . . . . Type: <b>12d</b>	
<b>Credits</b>	<b>13a</b> Low-income housing credit (section 42(j)(5)) . . . . . <b>13a</b>	
	<b>b</b> Low-income housing credit (other) . . . . . <b>13b</b>	
	<b>c</b> Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable) . . . . . <b>13c</b>	
	<b>d</b> Other rental real estate credits (see instructions) Type: <b>13d</b>	
	<b>e</b> Other rental credits (see instructions) Type: <b>13e</b>	
	<b>f</b> Biofuel producer credit (attach Form 6478) . . . . . <b>13f</b>	<b>0613F</b>
	<b>g</b> Other credits (see instructions) . . . . . Type: <b>13g</b>	
<b>Inter-national</b>	<b>14</b> Attach Schedule K-2 (Form 1120-S), Shareholders' Pro Rata Share Items—International, and check this box to indicate you are reporting items of international tax relevance . . . . . <input type="checkbox"/>	<b>061TR</b>
<b>Alternative Minimum Tax (AMT) Items</b>	<b>15a</b> Post-1986 depreciation adjustment . . . . . <b>15a</b>	
	<b>b</b> Adjusted gain or loss . . . . . <b>15b</b>	
	<b>c</b> Depletion (other than oil and gas) . . . . . <b>15c</b>	
	<b>d</b> Oil, gas, and geothermal properties—gross income . . . . . <b>15d</b>	
	<b>e</b> Oil, gas, and geothermal properties—deductions . . . . . <b>15e</b>	
	<b>f</b> Other AMT items (attach statement) . . . . . <b>15f</b>	
<b>Items Affecting Shareholder Basis</b>	<b>16a</b> Tax-exempt interest income . . . . . <b>16a</b>	
	<b>b</b> Other tax-exempt income . . . . . <b>16b</b>	
	<b>c</b> Nondeductible expenses . . . . . <b>16c</b>	
	<b>d</b> Distributions (attach statement if required) (see instructions) . . . . . <b>16d</b>	<b>0616D</b>
	<b>e</b> Repayment of loans from shareholders . . . . . <b>16e</b>	
	<b>f</b> Foreign taxes paid or accrued . . . . . <b>16f</b>	

Form **1120-S** (2023)



## Exhibit 3.12.217-1 (Cont. 3) (01-01-2024)

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

**DRAFT**

Form 1120-S (2023)

Page **4**

<b>Schedule K</b>		<b>Shareholders' Pro Rata Share Items (continued)</b>		<b>Total amount</b>		
<b>Other Information</b>	<b>17a</b>	Investment income . . . . .		<b>17a</b>		
	<b>b</b>	Investment expenses . . . . .		<b>17b</b>		
	<b>c</b>	Dividend distributions paid from accumulated earnings and profits . . . . .		<b>17c</b>		
	<b>d</b>	Other items and amounts (attach statement)				
<b>Reconciliation</b>	<b>18</b>	<b>Income (loss) reconciliation.</b> Combine the total amounts on lines 1 through 10. From the result, subtract the sum of the amounts on lines 11 through 12d and 16f . . . . .			<b>18</b>	<b>0618</b>

  

<b>Schedule L</b>		<b>Balance Sheets per Books</b>		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)		
<b>Assets</b>							
<b>1</b>	Cash . . . . .						
<b>2a</b>	Trade notes and accounts receivable . . . . .						
<b>b</b>	Less allowance for bad debts . . . . .	( )		( )			
<b>3</b>	Inventories . . . . .						
<b>4</b>	U.S. government obligations . . . . .						
<b>5</b>	Tax-exempt securities (see instructions) . . . . .						
<b>6</b>	Other current assets (attach statement) . . . . .						
<b>7</b>	Loans to shareholders . . . . .						<b>06LTS</b>
<b>8</b>	Mortgage and real estate loans . . . . .						
<b>9</b>	Other investments (attach statement) . . . . .						
<b>10a</b>	Buildings and other depreciable assets . . . . .						
<b>b</b>	Less accumulated depreciation . . . . .	( )		( )			
<b>11a</b>	Depletable assets . . . . .						
<b>b</b>	Less accumulated depletion . . . . .	( )		( )			
<b>12</b>	Land (net of any amortization) . . . . .						
<b>13a</b>	Intangible assets (amortizable only) . . . . .						
<b>b</b>	Less accumulated amortization . . . . .	( )		( )			
<b>14</b>	Other assets (attach statement) . . . . .						
<b>15</b>	Total assets . . . . .		<b>06TAB</b>				
<b>Liabilities and Shareholders' Equity</b>							
<b>16</b>	Accounts payable . . . . .						
<b>17</b>	Mortgages, notes, bonds payable in less than 1 year . . . . .						
<b>18</b>	Other current liabilities (attach statement) . . . . .						
<b>19</b>	Loans from shareholders . . . . .						<b>06LFS</b>
<b>20</b>	Mortgages, notes, bonds payable in 1 year or more . . . . .						
<b>21</b>	Other liabilities (attach statement) . . . . .						
<b>22</b>	Capital stock . . . . .						<b>06CSE</b>
<b>23</b>	Additional paid-in capital . . . . .						<b>06ACE</b>
<b>24</b>	Retained earnings . . . . .						<b>06REE</b>
<b>25</b>	Adjustments to shareholders' equity (attach statement)						
<b>26</b>	Less cost of treasury stock . . . . .		( )		( )		
<b>27</b>	Total liabilities and shareholders' equity . . . . .						

Form **1120-S** (2023)

## Exhibit 3.12.217-1 (Cont. 4) (01-01-2024)

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

**DRAFT**

Form 1120-S (2023)

Page **5****Schedule M-1** Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note: The corporation may be required to file Schedule M-3. See instructions.

1	Net income (loss) per books . . . . .		5	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12, and 16f (itemize):		6	Deductions included on Schedule K, lines 1 through 12, and 16f, not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Travel and entertainment \$ <b>06OTH</b>		7	Add lines 5 and 6 . . . . .	
4	Add lines 1 through 3 . . . . .		8	Income (loss) (Schedule K, line 18). Subtract line 7 from line 4 . . . . .	

**Schedule M-2** Analysis of Accumulated Adjustments Account, Shareholders' Undistributed Taxable Income Previously Taxed, Accumulated Earnings and Profits, and Other Adjustments Account (see instructions)

	(a) Accumulated adjustments account	(b) Shareholders' undistributed taxable income previously taxed	(c) Accumulated earnings and profits	(d) Other adjustments account
1	Balance at beginning of tax year . . . . .	<b>06AAA</b>		
2	Ordinary income from page 1, line 22 . . . . .			
3	Other additions . . . . .			
4	Loss from page 1, line 22 . . . . .	( )		
5	Other reductions . . . . .	( )		( )
6	Combine lines 1 through 5 . . . . .			
7	Distributions . . . . .			
8	Balance at end of tax year. Subtract line 7 from line 6 . . . . .			

Form **1120-S** (2023)

## Exhibit 3.12.217-2 (01-01-2024)

## Schedule N - Foreign Operations of U.S. Corporations

**DRAFT****SCHEDULE N  
(Form 1120)**Department of the Treasury  
Internal Revenue Service**Foreign Operations of U.S. Corporations**Attach to Form 1120, 1120-C, 1120-IC-DISC, 1120-L, 1120-PC, 1120-REIT, 1120-RIC, or 1120-S.  
Go to [www.irs.gov/Form1120](http://www.irs.gov/Form1120) for the latest information.

OMB No. 1545-0123

**2023**

Name

Employer identification number (EIN)

**Foreign Operations Information**

	Yes	No
<b>1a</b> During the tax year, did the corporation own (directly or indirectly) any foreign entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3 <b>or</b> did the corporation own (directly or indirectly) any foreign branch (see instructions)? If "Yes," you are generally required to attach <b>Form 8858</b> , Information Return of U.S. Persons With Respect to Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs), for each FDE and for each FB (see instructions).		
<b>b</b> Enter the number of Forms 8858 attached to the corporation's tax return . . . . .		
<b>2</b> Enter the number of <b>Forms 8865</b> , Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to the corporation's tax return . . . . . <b>14Q02</b>		
<b>3</b> Excluding any partnership for which a Form 8865 is attached to the tax return, did the corporation own at least a 10% interest, directly or indirectly, in any other foreign partnership (including an entity treated as a foreign partnership under Regulations section 301.7701-2 or 301.7701-3)? If "Yes," see instructions for required statement.		
<b>4a</b> Reserved for future use . . . . .		
<b>b</b> Enter the number of <b>Forms 5471</b> , Information Return of U.S. Persons With Respect to Certain Foreign Corporations, attached to the corporation's tax return . . . . . <b>14Q4B</b>		
<b>5</b> During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the corporation may have to file <b>Form 3520</b> , Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts.		<b>14Q05</b>
<b>6a</b> At any time during the 2023 calendar year, did the corporation have an interest in or a signature or other authority over a financial account (such as a bank account, securities account, or other financial account) in a foreign country? . . . . . <b>14Q6A</b>		
<b>b</b> See the instructions for exceptions and filing requirements for <b>FinCEN Form 114</b> , Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country . . . . . <b>14Q6B</b>		
<b>7a</b> Is the corporation claiming the extraterritorial income exclusion? If "Yes," attach a separate <b>Form 8873</b> , Extraterritorial Income Exclusion, for <b>each</b> transaction or group of transactions.		<b>14Q7A</b>
<b>b</b> Enter the number of Forms 8873 attached to the tax return . . . . . <b>14Q7B</b>		
<b>c</b> Enter the total of the amounts from line 52 (extraterritorial income exclusion (net of disallowed deductions)) of <b>all</b> Forms 8873 attached to the tax return . . . . . \$ <b>14Q7C</b>		
<b>8</b> Was the corporation a specified domestic entity required to file Form 8938 for the tax year (see the Instructions for Form 8938)? . . . . .		

For Paperwork Reduction Act Notice, see the Instructions for Form 1120.

Cat. No. 26294K

Schedule N (Form 1120) 2023

## Exhibit 3.12.217-3 (01-01-2024)

## Form 1120-S - Schedule D

## DRAFT

SCHEDULE D  
(Form 1120-S)Department of the Treasury  
Internal Revenue Service

## Capital Gains and Losses and Built-in Gains

Attach to Form 1120-S.

Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9, and 10.  
Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

OMB No. 1545-0123

2023

Name

Employer identification number

Did the corporation dispose of any investment(s) in a qualified opportunity fund during the tax year? ☐ Yes ☐ No  
If "Yes," attach Form 8949 and see its instructions for additional requirements for reporting your gain or loss. **100ID****Part I** Short-Term Capital Gains and Losses—Generally Assets Held One Year or Less (see instructions)

See instructions for how to figure the amounts to enter on the lines below. This form may be easier to complete if you round off the cents to whole dollars.	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
<b>1a</b> Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b . . . . .	<b>101AD</b>	<b>101AE</b>		
<b>1b</b> Totals for all transactions reported on Form(s) 8949 with <b>Box A</b> checked . . . . .	<b>101BD</b>	<b>101BE</b>	<b>101BG</b>	
<b>2</b> Totals for all transactions reported on Form(s) 8949 with <b>Box B</b> checked . . . . .	<b>1002D</b>	<b>1002E</b>	<b>1002G</b>	
<b>3</b> Totals for all transactions reported on Form(s) 8949 with <b>Box C</b> checked . . . . .	<b>1003D</b>	<b>1003E</b>	<b>1003G</b>	
<b>4</b> Short-term capital gain from installment sales from Form 6252, line 26 or 37 . . . . .				<b>4</b>
<b>5</b> Short-term capital gain or (loss) from like-kind exchanges from Form 8824 . . . . .				<b>5</b>
<b>6</b> Tax on short-term capital gain included on line 23 below . . . . .				<b>6</b> ( )
<b>7</b> <b>Net short-term capital gain or (loss).</b> Combine lines 1a through 6 in column (h). Enter here and on Form 1120-S, Schedule K, line 7 or 10 . . . . .				<b>7</b>

**Part II** Long-Term Capital Gains and Losses—Generally Assets Held More Than One Year (see instructions)

See instructions for how to figure the amounts to enter on the lines below. This form may be easier to complete if you round off the cents to whole dollars.	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
<b>8a</b> Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b . . . . .	<b>108AD</b>	<b>108AE</b>		
<b>8b</b> Totals for all transactions reported on Form(s) 8949 with <b>Box D</b> checked . . . . .	<b>108BD</b>	<b>108BE</b>	<b>108BG</b>	
<b>9</b> Totals for all transactions reported on Form(s) 8949 with <b>Box E</b> checked . . . . .	<b>1009D</b>	<b>1009E</b>	<b>1009G</b>	
<b>10</b> Totals for all transactions reported on Form(s) 8949 with <b>Box F</b> checked . . . . .	<b>1010D</b>	<b>1010E</b>	<b>1010G</b>	
<b>11</b> Long-term capital gain from installment sales from Form 6252, line 26 or 37 . . . . .				<b>11</b>
<b>12</b> Long-term capital gain or (loss) from like-kind exchanges from Form 8824 . . . . .				<b>12</b>
<b>13</b> Capital gain distributions (see instructions) . . . . .				<b>13</b> <b>10013</b>
<b>14</b> Tax on long-term capital gain included on line 23 below . . . . .				<b>14</b> ( )
<b>15</b> <b>Net long-term capital gain or (loss).</b> Combine lines 8a through 14 in column (h). Enter here and on Form 1120-S, Schedule K, line 8a or 10 . . . . .				<b>15</b>

For Paperwork Reduction Act Notice, see the Instructions for Form 1120-S.

Cat. No. 11516V

Schedule D (Form 1120-S) 2023

## Exhibit 3.12.217-4 (01-01-2024)

## Form 4797 - Sales of Business Property

<b>DRAFT</b>  <b>Form 4797</b>  Department of the Treasury Internal Revenue Service		<b>Sales of Business Property</b> (Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))  Attach to your tax return. Go to <a href="http://www.irs.gov/Form4797">www.irs.gov/Form4797</a> for instructions and the latest information.		OMB No. 1545-0184  <b>2023</b>  Attachment Sequence No. 27			
Name(s) shown on return			Identifying number				
1a Enter the gross proceeds from sales or exchanges reported to you for 2023 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20. See instructions . . . . .			1a				
b Enter the total amount of gain that you are including on lines 2, 10, and 24 due to the partial dispositions of MACRS assets. . . . .			1b <b>101B</b>				
c Enter the total amount of loss that you are including on lines 2 and 10 due to the partial dispositions of MACRS assets . . . . .			1c <b>101C</b>				
<b>Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year</b> (see instructions)							
2	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
3	Gain, if any, from Form 4684, line 39 . . . . .						3
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37 . . . . .						4
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824 . . . . .						5
6	Gain, if any, from line 32, from other than casualty or theft . . . . .						6
7	Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows . . . . .						7
<b>Partnerships and S corporations.</b> Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120-S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.							
<b>Individuals, partners, S corporation shareholders, and all others.</b> If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you didn't have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.							
8	Nonrecaptured net section 1231 losses from prior years. See instructions . . . . .						
9	Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return. See instructions. . . . .						9
<b>Part II Ordinary Gains and Losses</b> (see instructions)							
10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):							
11	Loss, if any, from line 7 . . . . .						11 ( )
12	Gain, if any, from line 7 or amount from line 8, if applicable . . . . .						12
13	Gain, if any, from line 31 . . . . .						13
14	Net gain or (loss) from Form 4684, lines 31 and 38a . . . . .						14
15	Ordinary gain from installment sales from Form 6252, line 25 or 36 . . . . .						15
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824 . . . . .						16
17	Combine lines 10 through 16. . . . .						17
18	For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below.						
a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the loss from income-producing property on Schedule A (Form 1040), line 16. (Do not include any loss on property used as an employee.) Identify as from "Form 4797, line 18a." See instructions . . . . .							
b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Schedule 1 (Form 1040), Part I, line 4 . . . . .							
						18a	
						18b	
For Paperwork Reduction Act Notice, see separate instructions.				Cat. No. 130861		Form <b>4797</b> (2023)	

## Exhibit 3.12.217-4 (Cont. 1) (01-01-2024)

## Form 4797 - Sales of Business Property

<b>DRAFT</b>		<b>INFORMATION ONLY</b>			
Form 4797 (2023)		Page <b>2</b>			
<b>Part III</b> Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255 (see instructions)					
19	(a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b)	Date acquired (mo., day, yr.)	(c)	Date sold (mo., day, yr.)
	A				
	B				
	C				
	D				
These columns relate to the properties on lines 19A through 19D.		Property A	Property B	Property C	Property D
20	Gross sales price (Note: See line 1a before completing.)	20			
21	Cost or other basis plus expense of sale	21			
22	Depreciation (or depletion) allowed or allowable	22			
23	Adjusted basis. Subtract line 22 from line 21.	23			
24	Total gain. Subtract line 23 from line 20	24			
25	<b>If section 1245 property:</b>				
a	Depreciation allowed or allowable from line 22	25a			
b	Enter the smaller of line 24 or 25a.	25b			
26	<b>If section 1250 property:</b> If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.				
a	Additional depreciation after 1975. See instructions	26a			
b	Applicable percentage multiplied by the smaller of line 24 or line 26a. See instructions.	26b			
c	Subtract line 26a from line 24. If residential rental property or line 24 isn't more than line 26a, skip lines 26d and 26e	26c			
d	Additional depreciation after 1969 and before 1976.	26d			
e	Enter the smaller of line 26c or 26d	26e			
f	Section 291 amount (corporations only)	26f			
g	Add lines 26b, 26e, and 26f	26g			
27	<b>If section 1252 property:</b> Skip this section if you didn't dispose of farmland or if this form is being completed for a partnership.				
a	Soil, water, and land clearing expenses	27a			
b	Line 27a multiplied by applicable percentage. See instructions	27b			
c	Enter the smaller of line 24 or 27b	27c			
28	<b>If section 1254 property:</b>				
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion. See instructions	28a			
b	Enter the smaller of line 24 or 28a.	28b			
29	<b>If section 1255 property:</b>				
a	Applicable percentage of payments excluded from income under section 126. See instructions	29a			
b	Enter the smaller of line 24 or 29a. See instructions	29b			
<b>Summary of Part III Gains.</b> Complete property columns A through D through line 29b before going to line 30.					
30	Total gains for all properties. Add property columns A through D, line 24	30			
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31			
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32			
<b>Part IV</b> Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less (see instructions)					
		(a) Section 179	(b) Section 280F(b)(2)		
33	Section 179 expense deduction or depreciation allowable in prior years.	33			
34	Recomputed depreciation. See instructions	34			
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35			

Form **4797** (2023)

**Exhibit 3.12.217-5 (01-01-2024)**

**Form 8949 - Sales and Other Dispositions of Capital Assets**[illegible]



**Form 8949 - Sales and Other Dispositions of Capital Assets**

## Form 8949 (2023)

Attachment Sequence No. **12A** Page **2**

Name(s) shown on return. Name and SSN or taxpayer identification no. not required if shown on other side

Social security number or taxpayer identification number

Before you check Box D, E, or F below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.

## Part II

**Long-Term.** Transactions involving capital assets you held more than 1 year are generally long-term (see instructions). For short-term transactions, see page 1.

**Note:** You may aggregate all long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 8a; you aren't required to report these transactions on Form 8949 (see instructions).

**You must check Box D, E, or F below. Check only one box.** If more than one box applies for your long-term transactions, complete a separate Form 8949, page 2, for each applicable box. If you have more long-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

- ☐ (D) Long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see **Note** above)
- ☐ (E) Long-term transactions reported on Form(s) 1099-B showing basis **wasn't** reported to the IRS
- ☐ (F) Long-term transactions not reported to you on Form 1099-B

[illegible]

**2 Totals.** Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, **line 8b** (if **Box D** above is checked), **line 9** (if **Box E** above is checked), or **line 10** (if **Box F** above is checked) . . .

**Note:** If you checked Box D above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See *Column (g)* in the separate instructions for how to figure the amount of the adjustment.

Form **8949** (2023)



## Exhibit 3.12.217-6 (01-01-2024)

## Form 8996 - Qualified Opportunity Fund

<b>Form 8996</b> (Rev. December 2021) Department of the Treasury Internal Revenue Service	<b>Qualified Opportunity Fund</b> ▶ Go to <a href="http://www.irs.gov/Form8996">www.irs.gov/Form8996</a> for instructions and the latest information. ▶ Attach to your tax return. See instructions.	OMB No. 1545-0123  Attachment Sequence No. <b>996</b>
Name _____		Employer identification number _____

  

<b>Part I General Information and Certification</b>	
<b>1</b>	Type of taxpayer: <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership
<b>2</b>	Is the taxpayer organized for the purpose of investing in qualified opportunity zone (QOZ) property (other than another qualified opportunity fund (QOF))? <input type="checkbox"/> <b>No. STOP.</b> Do not file this form with your tax return. <input type="checkbox"/> <b>Yes.</b> Go to line 3.
<b>3</b>	Is this the first period the taxpayer is a QOF? <input type="checkbox"/> <b>Yes.</b> By checking this box, you certify that by the end of the taxpayer's first QOF year, the taxpayer's organizing documents include a statement of the entity's purpose of investing in QOZ property and a description of the trade or business(es) that the QOF is engaged in either directly or through a QOZ business. See instructions. <input type="checkbox"/> <b>No.</b>
<b>4</b>	If you checked "Yes" on line 3, provide the first month in which the fund chose to be a QOF . . . . . ▶ _____
<b>5</b>	Did any investor dispose of, in part or in whole, their equity interest in the fund? <input type="checkbox"/> <b>Yes.</b> Attach a statement with each investor's name, the date of disposal, and the interest that they transferred during the QOF's tax year. <input type="checkbox"/> <b>No.</b>
<b>6</b>	<input type="checkbox"/> Do not check this box. Reserved for future use.

  

<b>Part II Investment Standard Calculation</b>			
<b>7</b>	Enter the amount from Part VI, line 2, for total QOZ property held by the taxpayer on the last day of the first 6-month period of the taxpayer's tax year. See instructions if Part I, line 3, is "Yes" . . . . .	<b>7</b>	<b>10116</b>
<b>8</b>	Total assets held by the taxpayer on the last day of the first 6-month period of the taxpayer's tax year. See instructions if Part I, line 3, is "Yes" . . . . .	<b>8</b>	<b>10117</b>
<b>9</b>	Divide line 7 by line 8 . . . . .	<b>9</b>	
<b>10</b>	Enter the amount from Part VI, line 3, for total QOZ property held by the taxpayer on the last day of the taxpayer's tax year . . . . .	<b>10</b>	<b>10119</b>
<b>11</b>	Total assets held by the taxpayer on the last day of the taxpayer's tax year . . . . .	<b>11</b>	<b>10110</b>
<b>12</b>	Divide line 10 by line 11 . . . . .	<b>12</b>	

  

<b>Part III Qualified Opportunity Fund Average and Penalty</b>			
<b>13</b>	Add lines 9 and 12 . . . . .	<b>13</b>	
<b>14</b>	Divide line 13 by 2.0. See instructions if Part I, line 3, is "Yes" . . . . .	<b>14</b>	<b>1013</b>
<b>15</b>	Is line 14 equal to or more than 0.90? <input type="checkbox"/> <b>Yes.</b> Enter -0- on this line and file this form with your tax return. <input type="checkbox"/> <b>No.</b> The fund has failed to maintain the investment standard. Complete Part IV to figure the penalty. Enter the penalty from line 8 of Part IV on this line. See instructions . . . . .	<b>15</b>	<b>1014</b>

For Paperwork Reduction Act Notice, see your tax return instructions.
 Cat. No. 37820G
Form **8996** (Rev. 12-2021)

## Exhibit 3.12.217-6 (Cont. 1) (01-01-2024)

## Form 8996 - Qualified Opportunity Fund

Form 8996 (Rev. 12-2021)		<b>INFORMATION ONLY</b>					Page <b>2</b>	
<b>Part IV Line 15 Penalty</b>								
If you checked "No" in Part III, line 15, complete Part IV to figure the penalty. Enter the number from line 8 below on Part III, line 15. See instructions if Part I, line 3, is "Yes."								
		(a) Month 1	(b) Month 2	(c) Month 3	(d) Month 4	(e) Month 5		
1	Total assets on the last day of the month . . . . .							
2	Multiply line 1 by 0.90 . . . . .							
3	Total QOZ property on the last day of the month . . . . .							
4	Subtract line 3 from line 2. If less than zero, enter -0- . . . . .							
5	Underpayment rate . . . . .							
6	Multiply line 4 by line 5 . . . . .							
7	Divide line 6 by 12.0. Round up to two decimal places. See instructions if Part I, line 3, is "Yes" . . . . .							
		(f) Month 6	(g) Month 7	(h) Month 8	(i) Month 9	(j) Month 10	(k) Month 11	(l) Month 12
1								
2								
3								
4								
5								
6								
7								
<b>8 Penalty.</b> Add columns (a) through (l) of line 7. Enter the total here and on Part III, line 15 . . . . .		\$						
Form 8996 (Rev. 12-2021)								

**Exhibit 3.12.217-6 (Cont. 2) (01-01-2024)**  
**Form 8996 - Qualified Opportunity Fund**

<b>INFORMATION ONLY</b>		Page <b>3</b>					
<b>Form 8996 (Rev. 12-2021)</b>							
<b>Part V QOZ Business Property—Directly Owned or Leased by Taxpayer</b>							
Enter every QOZ where QOZ business property directly owned or leased by the taxpayer is located		QOZ business property held directly on last day of the first 6-month period of the tax year		QOZ business property held directly on last day of the tax year			
(a) QOZ No.	(b) Owned Property Value	(c) Leased Property Value	(d) Owned Property Value	(e) Leased Property Value			
<b>1</b> If the taxpayer directly owned/leased QOZ business property used in one or more QOZs, see instructions and enter the total QOZ business property value from the separate statement . . . . .							
<b>Part VI QOZ Stock or Partnership Interests</b>							
For every QOZ business in which the taxpayer holds stock or a partnership interest, enter every QOZ in which the tangible property of the QOZ business is located and the EIN of that QOZ business		Value of QOZ stock or partnership interest held on last day of the first 6-month period of the tax year apportioned to each QOZ	Tangible property held by QOZ business on last day of the first 6-month period of the tax year		Value of QOZ stock or partnership interest held on last day of the tax year apportioned to each QOZ	Tangible property held by QOZ business on last day of the tax year	
(a) QOZ No. (indicate non-QOZs by 999999999999)	(b) EIN of QOZ Business	(c) Investment Value	(d) Owned Property Value	(e) Leased Property Value	(f) Investment Value	(g) Owned Property Value	(h) Leased Property Value
<b>1</b> If additional lines are needed, see instructions and enter total QOZ business value held by the taxpayer from Part VII, line 2, columns (c) and (f) . . . . .							
<b>2</b> 6-month test QOZ property. Add Part V, columns (b) and (c), and Part VI, column (c). Enter the total here and on Part II, line 7 . . . . .							
<b>3</b> Year-end test QOZ property. Add Part V, columns (d) and (e), and Part VI, column (f). Enter the total here and on Part II, line 10 . . . . .							
<b>4</b> Type of accounting method used to value the property listed on this form. <input type="checkbox"/> Applicable financial statement valuation method. <input type="checkbox"/> Alternative valuation method.							
Form 8996 (Rev. 12-2021)							

[illegible]

## Exhibit 3.12.217-7 (01-01-2024)

## Form 8825 - Rental Real Estate Income and Expenses of a Partnership or an S Corporation

<b>Form 8825</b> (Rev. November 2018) Department of the Treasury Internal Revenue Service		<b>Rental Real Estate Income and Expenses of a Partnership or an S Corporation</b> ▶ Attach to Form 1065 or Form 1120S. ▶ Go to <a href="http://www.irs.gov/Form8825">www.irs.gov/Form8825</a> for the latest information.				OMB No. 1545-0123	
					Employer identification number		
<b>1</b> Show the type and address of each property. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions. See page 2 to list additional properties.							
		Physical address of each property—street, city, state, ZIP code		Type—Enter code 1–8; see page 2 for list	Fair Rental Days	Personal Use Days	
<b>A</b>							
<b>B</b>							
<b>C</b>							
<b>D</b>							
		<b>Properties</b>					
		<b>A</b>		<b>B</b>	<b>C</b>	<b>D</b>	
<b>Rental Real Estate Income</b>							
<b>2</b>	Gross rents . . . . .	<b>2</b>					
<b>Rental Real Estate Expenses</b>							
<b>3</b>	Advertising . . . . .	<b>3</b>					
<b>4</b>	Auto and travel . . . . .	<b>4</b>					
<b>5</b>	Cleaning and maintenance . . . . .	<b>5</b>					
<b>6</b>	Commissions . . . . .	<b>6</b>					
<b>7</b>	Insurance . . . . .	<b>7</b>					
<b>8</b>	Legal and other professional fees . . . . .	<b>8</b>					
<b>9</b>	Interest (see instructions) . . . . .	<b>9</b>					
<b>10</b>	Repairs . . . . .	<b>10</b>					
<b>11</b>	Taxes . . . . .	<b>11</b>					
<b>12</b>	Utilities . . . . .	<b>12</b>					
<b>13</b>	Wages and salaries . . . . .	<b>13</b>					
<b>14</b>	Depreciation (see instructions) . . . . .	<b>14</b>					
<b>15</b>	Other (list) ▶ . . . . .	<b>15</b>					
<b>16</b>	Total expenses for each property. Add lines 3 through 15 . . . . .	<b>16</b>					
<b>17</b>	Income or (loss) from each property. Subtract line 16 from line 2 . . . . .	<b>17</b>					
<b>18a</b> Total gross rents. Add gross rents from line 2, columns A through H . . . . .		<b>18a</b>	<b>0618A</b>				
<b>18b</b> Total expenses. Add total expenses from line 16, columns A through H . . . . .		<b>18b</b>	( )				
<b>19</b> Net gain (loss) from Form 4797, Part II, line 17, from the disposition of property from rental real estate activities . . . . .		<b>19</b>					
<b>20a</b> Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1) . . . . .		<b>20a</b>					
<b>b</b> Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 20a. Attach a schedule if more space is needed.							
<b>(1)</b> Name . . . . . <b>(2)</b> Employer identification number . . . . .							
<b>21</b> Net rental real estate income (loss). Combine lines 18a through 20a. Enter the result here and on: • Form 1065 or 1120S: Schedule K, line 2		<b>21</b>					

For Paperwork Reduction Act Notice, see instructions. Cat. No. 10136Z Form **8825** (Rev. 11-2018)

**Exhibit 3.12.217-8 (01-01-2024)**  
**Form 1125-A - Cost of Goods Sold**

Form <b>1125-A</b> <small>(Rev. November 2018)</small> Department of the Treasury Internal Revenue Service		<b>Cost of Goods Sold</b>		OMB No. 1545-0123
Name _____		▶ <b>Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.</b> ▶ <b>Go to <a href="http://www.irs.gov/Form1125A">www.irs.gov/Form1125A</a> for the latest information.</b>		
Employer identification number _____				
<b>1</b>	Inventory at beginning of year . . . . .	<b>1</b>	<b>06A01</b>	
<b>2</b>	Purchases . . . . .	<b>2</b>		
<b>3</b>	Cost of labor . . . . .	<b>3</b>		
<b>4</b>	Additional section 263A costs (attach schedule) . . . . .	<b>4</b>		
<b>5</b>	Other costs (attach schedule) . . . . .	<b>5</b>		
<b>6</b>	<b>Total.</b> Add lines 1 through 5 . . . . .	<b>6</b>		
<b>7</b>	Inventory at end of year . . . . .	<b>7</b>	<b>06A07</b>	
<b>8</b>	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions . . . . .	<b>8</b>		
<b>9a</b> Check all methods used for valuing closing inventory:				
(i) <input type="checkbox"/> Cost				
(ii) <input type="checkbox"/> Lower of cost or market				
(iii) <input type="checkbox"/> Other (Specify method used and attach explanation.) ▶ _____				
<b>b</b> Check if there was a writedown of subnormal goods . . . . . <input type="checkbox"/>				
<b>c</b> Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) . . . . . <input type="checkbox"/>				
<b>d</b> If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO . . . . . <b>9d</b> _____				
<b>e</b> If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions . . . <input type="checkbox"/> Yes <input type="checkbox"/> No				
<b>f</b> Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No				

Section references are to the Internal Revenue Code unless otherwise noted.

**What's New**

**Small business taxpayers.** For tax years beginning after December 31, 2017, the following apply.

- A small business taxpayer (defined below), may use a method of accounting for inventories that either: (1) treats inventories as nonincidental materials and supplies, or (2) conforms to the taxpayer's financial accounting treatment of inventories.
- A small business taxpayer is not required to capitalize costs under section 263A.

**General Instructions**

**Purpose of Form**

Use Form 1125-A to calculate and deduct cost of goods sold for certain entities.

**Who Must File**

Filers of Form 1120, 1120-C, 1120-F, 1120S, or 1065, must complete and attach Form 1125-A if the applicable entity reports a deduction for cost of goods sold.

**Inventories**

Generally, inventories are required at the beginning and end of each tax year if the production, purchase, or sale of

merchandise is an income-producing factor. See Regulations section 1.471-1. If inventories are required, you generally must use an accrual method of accounting for sales and purchases of inventory items.

**Exception for certain taxpayers.** A small business taxpayer (defined below), can adopt or change its accounting method to account for inventories in the same manner as material and supplies that are non-incidental, or conform to its treatment of inventories in an applicable financial statement (as defined in section 451(b)(3)), or if it does not have an applicable financial statement, the method of accounting used in its books and records prepared in accordance with its accounting procedures. See section 471(c)(3).

A small business taxpayer claiming exemption from the requirement to keep inventories is changing its method of accounting for purposes of section 481. For additional guidance on this method of accounting, see Pub. 538, Accounting Periods and Methods. For guidance on changing to this method of accounting, see Form 3115 and the Instructions for Form 3115.

**Small business taxpayer.** A small business taxpayer is a taxpayer that (a) has average annual gross receipts of \$25 million or less (indexed for inflation) for the 3 prior tax years, and (b) is not a tax shelter (as defined in section 448(d)(3)). See Pub. 538.

**Uniform capitalization rules.** The uniform capitalization rules of section 263A generally require you to capitalize, or include in inventory, certain costs incurred in connection with the following.

- The production of real property and tangible personal property held in inventory or held for sale in the ordinary course of business.
- Real property or personal property (tangible and intangible) acquired for resale.
- The production of real property and tangible personal property for use in its trade or business or in an activity engaged in for profit.

A small business taxpayer (defined above) is not required to capitalize costs under section 263A. See section 263A(i).

See the discussion on section 263A uniform capitalization rules in the instructions for your tax return before completing Form 1125-A. Also see Regulations sections 1.263A-1 through 1.263A-3. See Regulations section 1.263A-4 for rules for property produced in a farming business.

For Paperwork Reduction Act Notice, see instructions.

Cat. No. 55988R

Form **1125-A** (Rev. 11-2018)

## Exhibit 3.12.217-9 (01-01-2024)

**Form 8050 - Direct Deposit of Corporate Tax Refund**

Form <b>8050</b>		<b>Direct Deposit of Corporate Tax Refund</b>		OMB No. 1545-0123	
(November 2016) Department of the Treasury Internal Revenue Service		▶ Attach to Form 1120 or 1120S. <b>Information about Form 8050 and its instructions is at <a href="http://www.irs.gov/form8050">www.irs.gov/form8050</a>.</b>			
Name of corporation (as shown on tax return)			Employer identification number		
			Phone number (optional)		
<b>1. Routing number (must be nine digits).</b> The first two digits must be between 01 and 12 or 21 through 32.					
<div style="border-bottom: 1px solid black; width: 100px; height: 1em; margin-left: 5px;"></div> <b>12RTN</b>					
<b>2. Account number (include hyphens but omit spaces and special symbols):</b>					
<div style="border-bottom: 1px solid black; width: 150px; height: 1em; margin-left: 5px;"></div> <b>12DAN</b>					
<b>3. Type of account (one box must be checked):</b>					
<input type="checkbox"/> <b>12TDA</b> <input type="checkbox"/> Checking                  Savings					
<b>General Instructions</b>  Section references are to the Internal Revenue Code unless otherwise noted.  <b>Purpose of Form</b>  File Form 8050 to request that the IRS deposit a corporate income tax refund (including a refund of \$1 million or more) directly into an account at any U.S. bank or other financial institution (such as a mutual fund or brokerage firm) that accepts direct deposits.  The benefits of a direct deposit include a faster refund, the added security of a paperless payment, and the savings of tax dollars associated with the reduced processing costs.  <b>Who May File</b>  Only corporations requesting a direct deposit of refund with its original Form 1120 or 1120S may file Form 8050.  The corporation is not eligible to request a direct deposit if: <ul style="list-style-type: none"><li>The receiving financial institution is a foreign bank or a foreign branch of a U.S. bank, or</li><li>The corporation has applied for an employer identification number but is filing its tax return before receiving one.</li></ul> <b>Note:</b> For other corporate tax returns, including <b>Form 1120X</b> , Amended U.S. Corporation Income Tax Return, and <b>Form 1139</b> , Corporation Application for Tentative Refund, a corporation may request a direct deposit of refunds of \$1 million or more by filing <b>Form 8302</b> , Electronic Deposit of Tax Refund of \$1 Million or More.  <b>Conditions Resulting in a Refund by Check</b>  If the IRS is unable to process this request for a direct deposit, a refund by check will be generated instead. Reasons for not processing a request include: <ul style="list-style-type: none"><li>The name of the corporation on the tax return does not match the name on the account.</li><li>The financial institution rejects the direct deposit because of an incorrect routing or account number.</li><li>The corporation fails to indicate the type of account the deposit is to be made to (that is, checking or savings).</li></ul>			<b>How To File</b>  Attach Form 8050 to the corporation's Form 1120 or 1120S after Schedule N (Form 1120), if applicable. To ensure that the corporation's tax return is correctly processed, see <b>Assembling the Return</b> in the instructions for Form 1120 or 1120S.  <b>Specific Instructions</b>  <b>Line 1.</b> Enter the financial institution's routing number and verify that the institution will accept a direct deposit. See the sample check below for an example of where the routing number may be shown.  For accounts payable through a financial institution other than the one at which the account is located, check with your financial institution for the correct routing number. <b>Do not</b> use a deposit slip to verify the routing number.  <b>Line 2.</b> Enter the corporation's account number. Enter the number from left to right and leave any unused boxes blank. See the sample check below for an example of where the account number may be shown.  <b>Paperwork Reduction Act Notice</b>  We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.  You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.  The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for business taxpayers filing this form is approved under OMB control number 1545-0123 and is included in the estimates shown in the instructions for their business income tax return.  If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the IRS at the address listed in the instructions of the tax return with which this form is filed.		
<b>Sample Check</b>					
<div style="border: 1px solid black; padding: 10px; position: relative;"><div style="position: absolute; top: -30px; right: 0;">1234 ⑆0000/0000</div><div>ABC Corporation 123 Main Street Anyplace, NJ 07000</div><div style="margin-top: 10px;">PAY TO THE ORDER OF _____ \$ _____ <div style="float: right;">DOLLARS</div></div><div style="margin-top: 10px;">ANYTOWN BANK Anytown, MD 20000</div><div style="margin-top: 10px;">For _____ : @ 50250025 : @ 02020 * 86 * 1234</div><div style="position: absolute; bottom: 10px; right: 10px; border: 1px solid black; background-color: white; padding: 5px; font-size: small;">Do not include the check number.</div></div> <div style="margin-top: 10px;"><b>Note:</b> The routing and account numbers may be in different places on the corporation's check.</div>					
Cat. No. 30211X      Form <b>8050</b> (11-2016)					



## Exhibit 3.12.217-10 (01-01-2024)

## Form 4136 - Credit for Federal Tax Paid on Fuels

DRAFT

Form **4136**Department of the Treasury  
Internal Revenue Service

## Credit for Federal Tax Paid on Fuels

Go to [www.irs.gov/Form4136](http://www.irs.gov/Form4136) for instructions and the latest information.

OMB No. 1545-0162

**2023**  
Attachment  
Sequence No. **79**

Name (as shown on your income tax return)

Taxpayer identification number

**Caution:** Claimant has the name and address of the person who sold the fuel to the claimant and the dates of purchase. For claims on lines 1c and 2b (type of use 13 or 14), 3d, 4c, and 5, claimant has not waived the right to make the claim. For claims on lines 1c and 2b (type of use 13 or 14), claimant certifies that a certificate has not been provided to the credit card issuer.

**1 Nontaxable Use of Gasoline**

Note: CRN is the credit reference number.

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Off-highway business use	.183			
b	Use on a farm for farming purposes	.183			382
c	Other nontaxable use (see <b>Caution</b> above line 1)	.183			
d	Exported	.184			411

**2 Nontaxable Use of Aviation Gasoline**

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Use in commercial aviation (other than foreign trade)	.15			354
b	Other nontaxable use (see <b>Caution</b> above line 1)	.193			324
c	Exported	.194			412
d	LUST tax on aviation fuels used in foreign trade	.001			433

**3 Nontaxable Use of Undyed Diesel Fuel**

Claimant certifies that the diesel fuel did not contain visible evidence of dye.

**Exception.** If any of the diesel fuel included in this claim did contain visible evidence of dye, attach an explanation and check here ☐

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Nontaxable use	.243			
b	Use on a farm for farming purposes	.243			360
c	Use in trains	.243			353
d	Use in certain intercity and local buses (see <b>Caution</b> above line 1)	.17			350
e	Exported	.244			413

**4 Nontaxable Use of Undyed Kerosene (Other Than Kerosene Used in Aviation)**

Claimant certifies that the kerosene did not contain visible evidence of dye.

**Exception.** If any of the kerosene included in this claim did contain visible evidence of dye, attach an explanation and check here ☐

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Nontaxable use taxed at \$.244	.243			
b	Use on a farm for farming purposes	.243			346
c	Use in certain intercity and local buses (see <b>Caution</b> above line 1)	.17			347
d	Exported	.244			414
e	Nontaxable use taxed at \$.044	.043			377
f	Nontaxable use taxed at \$.219	.218			369

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 12625R

Form **4136** (2023)CRN Column  
(e)  
Fields 15C01-  
18C07Credit Amount  
Column (d)  
Fields 15A01-18A07



**Exhibit 3.12.217-10 (Cont. 1) (01-01-2024)**  
**Form 4136 - Credit for Federal Tax Paid on Fuels**

**DRAFT**

Form 4136 (2023)

**Credit Amount  
Column (d)  
Fields 15A01-18A07**

**CRN Column (e)  
Fields 15C01-18C07**

**5 Kerosene Used in Aviation**

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
<b>a</b>	Kerosene used in commercial aviation (other than foreign trade) taxed at \$.244	\$.200		\$	417
<b>b</b>	Kerosene used in commercial aviation (other than foreign trade) taxed at \$.219	.175			355
<b>c</b>	Nontaxable use (other than use by state or local government) taxed at \$.244	.243			346
<b>d</b>	Nontaxable use (other than use by state or local government) taxed at \$.219	.218			369
<b>e</b>	LUST tax on aviation fuels used in foreign trade	.001			433

**6 Sales by Registered Ultimate Vendors of Undyed Diesel Fuel** **Registration No.**

Claimant certifies that it sold the diesel fuel at a tax-excluded price, repaid the amount of tax to the buyer, or has obtained the written consent of the buyer to make the claim. Claimant certifies that the diesel fuel did not contain visible evidence of dye.

**Exception.** If any of the diesel fuel included in this claim did contain visible evidence of dye, attach an explanation and check here ☐

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
<b>a</b>	Use by a state or local government	\$.243	\$	360
<b>b</b>	Use in certain intercity and local buses	.17		350

**7 Sales by Registered Ultimate Vendors of Undyed Kerosene (Other Than Kerosene for Use in Aviation)** **Registration No.**

Claimant certifies that it sold the kerosene at a tax-excluded price, repaid the amount of tax to the buyer, or has obtained the written consent of the buyer to make the claim. Claimant certifies that the kerosene did not contain visible evidence of dye.

**Exception.** If any of the kerosene included in this claim did contain visible evidence of dye, attach an explanation and check here ☐

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
<b>a</b>	Use by a state or local government	\$.243	\$	346
<b>b</b>	Sales from a blocked pump	.243		
<b>c</b>	Use in certain intercity and local buses	.17		347

**8 Sales by Registered Ultimate Vendors of Kerosene for Use in Aviation** **Registration No.**

Claimant sold the kerosene for use in aviation at a tax-excluded price and has not collected the amount of tax from the buyer, repaid the amount of tax to the buyer, or has obtained the written consent of the buyer to make the claim. See the instructions for additional information to be submitted.

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
<b>a</b>	Use in commercial aviation (other than foreign trade) taxed at \$.219	\$.175		\$	355
<b>b</b>	Use in commercial aviation (other than foreign trade) taxed at \$.244	.200			417
<b>c</b>	Nonexempt use in noncommercial aviation	.025			418
<b>d</b>	Other nontaxable uses taxed at \$.244	.243			346
<b>e</b>	Other nontaxable uses taxed at \$.219	.218			369
<b>f</b>	LUST tax on aviation fuels used in foreign trade	.001			433

Form **4136** (2023)

## Exhibit 3.12.217-10 (Cont. 2) (01-01-2024)

## Form 4136 - Credit for Federal Tax Paid on Fuels

**DRAFT**

Form 4136 (2023)

Page **3****9 Reserved for future use****Registration No.**

	(b) Rate	(c) Gallons of alcohol	(d) Amount of credit	(e) CRN
<b>a</b> Reserved for future use			\$	
<b>b</b> Reserved for future use				

**10 Biodiesel, Renewable Diesel, or Sustainable Aviation Fuel Mixture Credit****Registration No.**

**Biodiesel or renewable diesel mixtures.** Claimant produced a mixture by mixing biodiesel with diesel fuel or renewable diesel with liquid fuel (other than renewable diesel). The biodiesel used to produce the biodiesel mixture met ASTM D6751 and met EPA's registration requirements for fuels and fuel additives. The renewable diesel used to produce the renewable diesel mixture was derived from biomass, met EPA's registration requirements for fuels and fuel additives, and met ASTM D975, D396, or other equivalent standard approved by the IRS.

**Sustainable aviation fuel (SAF) mixtures.** Claimant produced a qualified mixture by mixing SAF with kerosene. The qualified mixture was produced by the claimant in the United States, such mixture was used by the claimant (or sold by the claimant for use) in an aircraft, such sale or use was in the ordinary course of a trade or business of the claimant, and the transfer of such mixture to the fuel tank of such aircraft occurred in the United States. The SAF used to produce the qualified mixture is the portion of liquid fuel that is not kerosene that (i) either (A) meets the specifications of one of the ASTM D7566 Annexes, or (B) is a coprocessing an applicable material (or materials derived from a) from palm fatty acid distillates or petroleum, and (iv) has been certified by the claimant to have an emissions reduction percentage of at least 50 percent. For all other purposes, the term "SAF" means any liquid fuel having a lifecycle emissions reduction percentage of at least 50 percent. Claimant has no reason to believe that the information in the certificate or statement is false. See instructions for additional information and requirements.

**Credit Amount  
Column (d)  
Fields 15A01-18A07**

**CRN Column (e)  
Fields 15C01-18C07**

	(b) Rate	(c) Number of gallons sold or used	(d) Amount of credit	(e) CRN
<b>a</b> Biodiesel (other than agri-biodiesel) mixtures	\$1.00		\$	388
<b>b</b> Agri-biodiesel mixtures	1.00			390
<b>c</b> Renewable diesel mixtures	1.00			307
<b>d</b> Sustainable aviation fuel mixtures (see instructions)				440

**11 Nontaxable Use of Alternative Fuel**

**Caution:** There is a reduced credit rate for use in certain intercity and local buses (type of use 5). See instructions.

	(a) Type of use	(b) Rate	(c) Gallons, or gasoline or diesel gallon equivalents	(d) Amount of credit	(e) CRN
<b>a</b> Liquefied petroleum gas (LPG) (see instructions)		\$ .183		\$	419
<b>b</b> "P Series" fuels		.183			420
<b>c</b> Compressed natural gas (CNG) (see instructions)		.183			421
<b>d</b> Liquefied hydrogen		.183			422
<b>e</b> Fischer-Tropsch process liquid fuel from coal (including peat)		.243			423
<b>f</b> Liquid fuel derived from biomass		.243			424
<b>g</b> Liquefied natural gas (LNG) (see instructions)		.243			425
<b>h</b> Liquefied gas derived from biomass		.183			435

Form **4136** (2023)

**Exhibit 3.12.217-10 (Cont. 3) (01-01-2024)**  
**Form 4136 - Credit for Federal Tax Paid on Fuels**

<b>DRAFT</b>		<b>Credit Amount Column (d) Fields 15A01-18A07</b>		<b>CRN Column (e) Fields 15C01-18C07</b>	
Form 4136 (2023)		Registration No.		Page 1	
<b>12 Alternative Fuel Credit</b>					
	(b) Rate	(c) Gallons, or gasoline or diesel gallon equivalents	(d) Amount of credit	(e) CRN	
<b>a</b> Liquefied petroleum gas (LPG) (see instructions)	\$.50		\$		426
<b>b</b> "P Series" fuels	.50				427
<b>c</b> Compressed natural gas (CNG) (see instructions)	.50				428
<b>d</b> Reserved for future use					
<b>e</b> Fischer-Tropsch process liquid fuel from coal (including peat)	.50				430
<b>f</b> Liquid fuel derived from biomass	.50				431
<b>g</b> Liquefied natural gas (LNG) (see instructions)	.50				432
<b>h</b> Liquefied gas derived from biomass	.50				436
<b>i</b> Compressed gas derived from biomass	.50				437
<b>13 Registered Credit Card Issuers</b>					
	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN	
<b>a</b> Diesel fuel sold for the exclusive use of a state or local government	\$.243		\$		360
<b>b</b> Kerosene sold for the exclusive use of a state or local government	.243				346
<b>c</b> Kerosene for use in aviation sold for the exclusive use of a state or local government taxed at \$.219	.218				369
<b>14 Nontaxable Use of a Diesel-Water Fuel Emulsion</b>					
<b>Caution:</b> There is a reduced credit rate for use in certain intercity and local buses (type of use 5). See instructions.					
	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
<b>a</b> Nontaxable use		\$.197		\$	309
<b>b</b> Exported		.198			306
<b>15 Diesel-Water Fuel Emulsion Blending</b>					
	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN	
Blender credit	\$.046		\$		310
<b>16 Exported Dyed Fuels and Exported Gasoline Blendstocks</b>					
	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN	
<b>a</b> Exported dyed diesel fuel and exported gasoline blendstocks taxed at \$.001	\$.001		\$		415
<b>b</b> Exported dyed kerosene	.001				416
<b>17 Total income tax credit claimed.</b> Add lines 1 through 16, column (d). Enter here and on Schedule 3 (Form 1040), line 12; Form 1120, Schedule J, line 20b; Form 1120-S, line 23c; Form 1041, Schedule G, line 16b; or the proper line of other returns . . . . .			<b>17</b>	<b>\$ 15TG&gt;</b>	

Form **4136** (2023)

## Exhibit 3.12.217-11 (01-01-2024)

## Form 8941 - Credit for Small Employer Health Insurance Premiums

## DRAFT

Form **8941**

## Credit for Small Employer Health Insurance Premiums

OMB No. 1545-2198

Department of the Treasury  
Internal Revenue Service

Attach to your tax return.

Go to [www.irs.gov/Form8941](http://www.irs.gov/Form8941) for instructions and the latest information.**2023**  
Attachment  
Sequence No. **65**

Name(s) shown on return

Identifying number

- A** Did you pay premiums during your tax year for employee health insurance coverage you provided through a Small Business Health Options Program (SHOP) Marketplace (or do you qualify for an exception to this requirement)? See instructions.
- 21CBX** ☐ **Yes.** Enter Marketplace Identifier (if any): \_\_\_\_\_
- ☐ **No.** Stop. Do not file Form 8941. See instructions for an exception that may apply to a partnership, S corporation, cooperative, estate, trust, or tax-exempt entity.
- B** Enter the employer identification number (EIN) used to report employment taxes for individuals included on line 1 below if different from the identifying number listed above: **21LNB** \_\_\_\_\_
- C** Does a tax return you (or any predecessor) filed for a tax year beginning after 2013 and before 2022 include a Form 8941 with line A checked "Yes" and line 12 showing a positive amount? See instructions.
- ☐ **Yes.** Stop. Do not file Form 8941. See instructions for an exception that may apply to a partnership, S corporation, cooperative, estate, trust, or tax-exempt entity. Also see instructions for information about the credit period limitation.
- 21BXC** ☐ **No.** Go to line 1.

**Caution:** See the instructions and complete Worksheets 1 through 7 as needed.

<b>1</b> Enter the number of individuals you employed during the tax year who are considered employees for purposes of this credit (total from Worksheet 1, column (a)) . . . . .	<b>1</b>	<b>21LN1</b>
<b>2</b> Enter the number of full-time equivalent employees (FTEs) you had for the tax year (from Worksheet 2, line 3). If you entered 25 or more, skip lines 3 through 11 and enter -0- on line 12 . . . . .	<b>2</b>	<b>2102</b>
<b>3</b> Average annual wages you paid for the tax year (from Worksheet 3, line 3). This amount must be a multiple of \$1,000. If you entered \$62,000 or more, skip lines 4 through 11 and enter -0- on line 12 . . . . .	<b>3</b>	<b>2103</b>
<b>4</b> Premiums you paid during the tax year for employees included on line 1 for health insurance coverage under a qualifying arrangement (total from Worksheet 4, column (b)) . . . . .	<b>4</b>	<b>2104</b>
<b>5</b> Premiums you would have entered on line 4 if the total premium for each employee equaled the average premium for the small group market in which the employee enrolls in health insurance coverage (total from Worksheet 4, column (c)) . . . . .	<b>5</b>	<b>2105</b>
<b>6</b> Enter the <b>smaller</b> of line 4 or line 5 . . . . .	<b>6</b>	
<b>7</b> Multiply line 6 by the applicable percentage: • Tax-exempt small employers, multiply line 6 by 35% (0.35) • All other small employers, multiply line 6 by 50% (0.50) . . . . .	<b>7</b>	
<b>8</b> If line 2 is 10 or less, enter the amount from line 7. Otherwise, enter the amount from Worksheet 5, line 6 . . . . .	<b>8</b>	
<b>9</b> If line 3 is \$30,000 or less, enter the amount from line 8. Otherwise, enter the amount from Worksheet 6, line 7 . . . . .	<b>9</b>	
<b>10</b> Enter the total amount of any state premium subsidies paid and any state tax credits available to you for premiums included on line 4. See instructions . . . . .	<b>10</b>	<b>2110</b>
<b>11</b> Subtract line 10 from line 4. If zero or less, enter -0- . . . . .	<b>11</b>	
<b>12</b> Enter the <b>smaller</b> of line 9 or line 11 . . . . .	<b>12</b>	
<b>13</b> If line 12 is zero, skip lines 13 and 14 and go to line 15. Otherwise, enter the number of employees included on line 1 for whom you paid premiums during the tax year for health insurance coverage under a qualifying arrangement (total from Worksheet 4, column (a)) . . . . .	<b>13</b>	<b>2113</b>
<b>14</b> Enter the number of FTEs you would have entered on line 2 if you only included employees included on line 13 (from Worksheet 7, line 3) . . . . .	<b>14</b>	<b>2114</b>
<b>15</b> Credit for small employer health insurance premiums from partnerships, S corporations, cooperatives, estates, and trusts (see instructions) . . . . .	<b>15</b>	<b>2115</b>
<b>16</b> Add lines 12 and 15. Cooperatives, estates, and trusts, go to line 17. Tax-exempt small employers, skip lines 17 and 18 and go to line 19. Partnerships and S corporations, stop here and report this amount on Schedule K. All others, stop here and report this amount on Form 3800, Part III, line 4h . . . . .	<b>16</b>	<b>2116</b>
<b>17</b> Amount allocated to patrons of the cooperative or beneficiaries of the estate or trust (see instructions) . . . . .	<b>17</b>	
<b>18</b> Cooperatives, estates, and trusts, subtract line 17 from line 16. Stop here and report this amount on Form 3800, Part III, line 4h . . . . .	<b>18</b>	
<b>19</b> Enter the amount you paid in 2023 for taxes considered payroll taxes for purposes of this credit. See instructions . . . . .	<b>19</b>	
<b>20</b> Tax-exempt small employers, enter the <b>smaller</b> of line 16 or line 19 here and on Form 990-T, Part III, line 6f . . . . .	<b>20</b>	

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 37757S

Form **8941** (2023)

## Exhibit 3.12.217-12 (01-01-2023)

## Form 5884-B - New Hire Retention Credit

<b>Form 5884-B</b> (December 2010) Department of the Treasury Internal Revenue Service	<b>New Hire Retention Credit</b> ▶ Attach to your tax return. ▶ Use Part II to list additional retained workers.	OMB No. 1545-2202 Attachment Sequence No. <b>65</b>	
Name(s) shown on return		Identifying number	
<p>A credit of up to \$1,000 is allowed for each retained worker. A retained worker generally is a qualified employee (see instructions) whose first 52 consecutive weeks of employment ended in the current tax year. However, the worker's wages (as defined for income tax withholding purposes) for the second 26 consecutive weeks must equal at least 80% of the worker's wages for the first 26 consecutive weeks.</p>			
<b>Part I New Hire Retention Credit for Retained Workers</b>			
Use a separate column for each retained worker. If you need more columns, use Part II and include the totals on line 10.	(a) Retained Worker No. 1	(b) Retained Worker No. 2	(c) Retained Worker No. 3
<b>1</b> Enter the retained worker's social security number . . . . .	<b>1</b>		
<b>2</b> Enter the first date of employment from the retained worker's Form W-11 or similar statement . . . . .	<b>2</b> / / 2010	/ / 2010	/ / 2010
<b>3</b> Enter the retained worker's wages for the first 26 consecutive weeks of employment . . . . .	<b>3</b>		
<b>4</b> Multiply line 3 by 80% (.80) . . . . .	<b>4</b>		
<b>5</b> Enter the retained worker's wages for the second 26 consecutive weeks of employment. If line 4 is larger than this amount, the qualified employee is not a retained worker and should not be listed on this form . . . . .	<b>5</b>		
<b>6</b> Add lines 3 and 5 . . . . .	<b>6</b>		
<b>7</b> Multiply line 6 by 6.2% (.062) . . . . .	<b>7</b>		
<b>8</b> Maximum credit allowable . . . . .	<b>8</b> 1,000 00	1,000 00	1,000 00
<b>9</b> Enter the <b>smaller</b> of line 7 or line 8 . . . . .	<b>9</b>		
<b>10</b> Add columns (a) through (c) on line 9 above and columns (a) through (c) on lines 9 of any attached Parts II . . . . .	<b>10</b>	<b>2210</b>	
<b>11</b> Enter the total number of retained workers for whom you are receiving a credit on line 10 (see instructions) . . . . .	<b>11</b> 2211		
<b>12</b> New hire retention credit from partnerships and S corporations (see instructions) . . . . .	<b>12</b>		
<b>13</b> <b>Current year credit.</b> Add lines 10 and 12. Partnerships and S corporations, report this amount on Schedule K; all others, report this amount on the applicable line of Form 3800 (e.g., line 1aa of the 2010 Form 3800) . . . . .	<b>13</b>		

For Paperwork Reduction Act Notice, see instructions. Cat. No. 55035V Form **5884-B** (12-2010)

## Exhibit 3.12.217-13 (01-01-2024)

## Form 3800 - General Business Credit

**DRAFT**

Form **3800** **General Business Credit**

Department of the Treasury  
Internal Revenue Service

Go to [www.irs.gov/Form3800](http://www.irs.gov/Form3800) for instructions and the latest information.  
You must include all pages of Form 3800 with your return.

OMB No. 1545-0895  
**2023**  
Attachment  
Sequence No. **22**

Name(s) shown on return Identifying number

**A Corporate Alternative Minimum Tax (CAMT) and Base Erosion Anti-Abuse Tax (BEAT).** Are you both (a) an "applicable corporation" within the meaning of IRC 59(k)(1) for the CAMT, and (b) an "applicable taxpayer" within the meaning of IRC 59A(e) for the BEAT? See instructions ☐ Yes ☐ No

**Part I Current Year Credit for Credits Not Allowed Against Tentative Minimum Tax (TMT)**  
Go to Part III before Parts I and II. See instructions.

1	General business credit from Part III, line 2, column (e)	1
2	Passive activity credits from Part III, line 2, column (f)	2
3	Enter the applicable passive activity credits allowed for 2023. See instructions	3
4	Carryforward of general business credit to 2023. See instructions for statement to attach Check this box if the carryforward was changed or revised from the original reported amount <input type="checkbox"/>	4
5	Carryback of general business credit from 2024. See instructions	5
6	Add lines 1, 3, 4, and 5	6

**Part II Allowable Credit**

**7 Regular tax before credits:**

- Individuals. Enter the sum of the amount from Form 1040-NR, line 16; and Schedule 2 (Form 1040), line 2.
- Corporations. Enter the amount from Form 1120, Schedule J, Part I, line 1; or the applicable line of your return.
- Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b, plus any Form 8978 amount included on line 1d; or the amount from the applicable line of your return.

**8 Alternative minimum tax:**

- Individuals. Enter the amount from Form 6251, line 11.
- Corporations. Enter the amount from Form 4626, Part II, line 13.
- Estates and trusts. Enter the amount from Schedule I (Form 1041), line 54.

**9 Add lines 7 and 8**

**10a Foreign tax credit** **10a**

**b Certain allowable credits (see instructions)** **10b**

**c Add lines 10a and 10b** **10c**

**11 Net income tax.** Subtract line 10c from line 9. If zero, skip lines 12 through 15 and enter -0- on line 16 **11**

**12 Net regular tax.** Subtract line 10c from line 7. If zero or less, enter -0- **12**

**13 Enter 25% (0.25) of the excess, if any, of line 12 (line 11 for corporations) over \$25,000. See instructions** **13**

**14 Tentative minimum tax:**

- Individuals. Enter the amount from Form 6251, line 9.
- Corporations. Enter -0-.
- Estates and trusts. Enter the amount from Schedule I (Form 1041), line 52.

**15 Enter the greater of line 13 or line 14** **15**

**16 Subtract line 15 from line 11. If zero or less, enter -0-** **16**

**17 Enter the smaller of line 6 or line 16** **17**

**C corporations:** See the line 17 instructions if there has been an ownership change, acquisition, or reorganization.

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 12392F Form **3800** (2023)

**Exhibit 3.12.217-13 (Cont. 1) (01-01-2024)**  
**Form 3800 - General Business Credit**

**DRAFT**

Form 3800 (2023)

Page **3**

**Part III** **Current Year General Business Credits (GBCs)** (see instructions). If there is more than one credit amount to report on lines 1a through 1zz, 3, or 4a through 4z, enter the number of items you have for that line in column (c) and complete Part V.

	(a) Current year credits from:	(b) Elective payment or transfer registration number	(c) # items	(d) Pass-through or transfer credit entity EIN	(e) Credits from non-passive activities	(f) Current year and carryover passive activity credit	(g) Credit transfer election amount (enter amounts transferred out as a negative amount)	(h) Gross elective payment election amount	(i) Net elective payment election amount	(j) Combine columns (e), (f), and (g), less column (i)
<b>1a</b>	Form 3468, Part II . . . . .									
<b>b</b>	Form 7207 . . . . .	<b>231BB</b>					<b>231BG</b>	<b>231BH</b>	<b>231BI</b>	<b>231BJ</b>
<b>c</b>	Form 6765 . . . . .									
<b>d</b>	Form 3468, Part III . . . . .	<b>231DB</b>					<b>231DG</b>			<b>231DJ</b>
<b>e</b>	Form 8826 . . . . .									
<b>f</b>	Form 8835, Part II . . . . .	<b>231FB</b>					<b>231FG</b>			<b>231FJ</b>
<b>g</b>	Form 7210 . . . . .	<b>231GB</b>					<b>231GG</b>	<b>231GH</b>	<b>231GI</b>	<b>231GJ</b>
<b>h</b>	Form 8820 . . . . .									
<b>i</b>	Form 8874 . . . . .									
<b>j</b>	Form 8881, Part I . . . . .									
<b>k</b>	Form 8882 . . . . .									
<b>l</b>	Form 8864 (diesel) . . . . .									
<b>m</b>	Form 8896 . . . . .									
<b>n</b>	Form 8906 . . . . .									
<b>o</b>	Form 3468, Part IV . . . . .	<b>241OB</b>						<b>241OH</b>	<b>241OI</b>	<b>241OJ</b>
<b>p</b>	Form 8908 . . . . .									
<b>q</b>	Reserved (45Z) . . . . .									
<b>r</b>	Form 8910 . . . . .									
<b>s</b>	Form 8911, Part II . . . . .	<b>241SB</b>					<b>241SG</b>			<b>241SJ</b>
<b>t</b>	Form 8830 . . . . .									
<b>u</b>	Form 7213, Part II . . . . .	<b>241UB</b>					<b>241UG</b>			<b>241UJ</b>
<b>v</b>	Form 3468, Part V . . . . .									
<b>w</b>	Form 8932 . . . . .									
<b>x</b>	Form 8933 . . . . .	<b>241XB</b>					<b>241XG</b>	<b>241XH</b>	<b>241XI</b>	<b>241XJ</b>
<b>y</b>	Form 8936, Part II . . . . .									
<b>z</b>	Reserved . . . . .									
<b>aa</b>	Form 8936, Part V . . . . .	<b>25AAB</b>								<b>25AAJ</b>
<b>bb</b>	Form 8904 . . . . .									
<b>cc</b>	Form 7213, Part I . . . . .									
<b>dd</b>	Form 8881, Part II . . . . .									
<b>ee</b>	Form 8881, Part III . . . . .									
<b>ff</b>	Form 8864, line 8 . . . . .									
<b>gg</b>	Reserved (1gg) . . . . .									
<b>hh</b>	Reserved (1hh) . . . . .									
<b>ii</b>	Reserved (1ii) . . . . .									
<b>jj</b>	Reserved (1jj) . . . . .									
<b>zz</b>	Other credits . . . . .									
<b>2</b>	Add lines 1a through 1zz . . . . .									

Form **3800** (2023)



## Exhibit 3.12.217-13 (Cont. 2) (01-01-2024)

## Form 3800 - General Business Credit

## DRAFT

Form 3800 (2023)

Page 4

**Part III** **Current Year General Business Credits (GBCs)** (see instructions). If there is more than one credit amount to report on lines 1a through 1zz, 3, or 4a through 4z, enter the number of items you have for that line in column (c) and complete Part V. *(continued)*

	(a) Current year credits from:	(b) Elective payment or transfer registration number	(c) # items	(d) Pass-through or transfer credit entity EIN	(e) Credits from non-passive activities	(f) Current year and carryover passive activity credit	(g) Credit transfer election amount (enter amounts transferred out as a negative amount)	(h) Gross elective payment election amount	(i) Net elective payment election amount	(j) Combine columns (e), (f), and (g), less column (i)
3	Form 8844 . . . . .									
4	<b>Specified credits:</b>									
a	Form 3468, Part VI . . . . .	254AB					254AG			254AJ
b	Form 5884 . . . . .									
c	Form 6478 . . . . .									
d	Form 8586 . . . . .									
e	Form 8835, Part II . . . . .	254EB					254EG			254EJ
f	Form 8846 . . . . .									
g	Form 8900 . . . . .									
h	Form 8941 . . . . .									
i	Form 6765 ESB credit . . . . .									
j	Form 8994 . . . . .									
k	Form 3468, Part VII . . . . .									
l	Reserved (4l) . . . . .									
m	Reserved (4m) . . . . .									
z	Other specified credits . . . . .									
5	Add lines 4a through 4z . . . . .									
6	Add lines 2, 3, and 5 . . . . .									

Form 3800 (2023)

25IND



## Exhibit 3.12.217-14 (01-01-2024)

## Form 8997 - Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments

DRAFT

Form **8997**  
Department of the Treasury  
Internal Revenue Service**Initial and Annual Statement of  
Qualified Opportunity Fund (QOF) Investments**  
Attach to your tax return.  
Go to [www.irs.gov/Form8997](http://www.irs.gov/Form8997) for the latest information.OMB No. 1545-0123  
**2023**  
Attachment  
Sequence No. **997**

Name

Tax identification number (see instructions)

**Part I Total QOF Investment Holdings Due to Deferrals Prior to Beginning of Tax Year**

If different from last year's ending QOF investment holdings, attach explanation.

(a) Qualified Opportunity Fund (QOF) EIN	(b) Date QOF investment acquired (MM/DD/YYYY)	(c) Description of QOF investment (for example, 100 shares or 25% interest)	(d) Special gain code	Deferred gain held in QOF		
				(e) Amount of short-term deferred gain remaining in QOF	(f) Amount of long-term deferred gain remaining in QOF	
<b>261A</b>	<b>261B</b>		<b>261D</b>	<b>261E</b>	<b>261F</b>	<b>261IN</b>
<b>1</b> Enter the totals, if any, from continuation sheet . . . . .						
<b>2</b> Enter the totals from columns (e) and (f) . . . . .				<b>2612E</b>	<b>2612F</b>	

**Part II Current Tax Year Capital Gains Deferred by Investing in QOF**

(a) Qualified Opportunity Fund (QOF) EIN	(b) Date QOF investment acquired (MM/DD/YYYY)	(c) Description of interest acquired (for example, 100 shares or 25% interest)	(d) Special gain code	Deferred gain invested in QOF		
				(e) Amount of short-term deferred gain remaining in QOF	(f) Amount of long-term deferred gain remaining in QOF	
<b>262A</b>	<b>262B</b>		<b>262D</b>	<b>262E</b>	<b>262F</b>	<b>262IN</b>
<b>1</b> Enter the totals, if any, from continuation sheet . . . . .						
<b>2</b> Enter the totals from columns (e) and (f). See instructions for reporting on Form 8949 .				<b>2622E</b>	<b>2622F</b>	

**Applicability of Special Rules Regarding the Waiver of Certain Treaty Benefits**

Are you a foreign eligible taxpayer? See instructions for more information.

- ☐ **Yes.** You may not elect to defer tax on an eligible gain by investing in a QOF unless you check "Yes" in response to the next question.
- ☐ **No.** Skip the next question and go to Part III.

**Waiver of Treaty Benefits on Future Inclusions by a Foreign Eligible Taxpayer**

Do you hereby irrevocably waive any benefits available under an applicable U.S. income tax convention that would exempt gains that you are deferring by investing in a QOF from being subject to federal income tax at the time of inclusion? See instructions for more information.

- ☐ **Yes.** Report the deferral of the eligible gain in Part II and on Form 8949.
- ☐ **No.** You may not elect to defer tax on an eligible gain by investing in a QOF. Do not report the deferral of any otherwise eligible gain in Part II or on Form 8949.

For Paperwork Reduction Act Notice, see your tax return instructions.

Cat. No. 37821R

Form **8997** (2023)

## Exhibit 3.12.217-14 (Cont. 1) (01-01-2024)

## Form 8997 - Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments

**DRAFT**

Form 8997 (2023)

Page **2****Part III** Inclusion Events and Certain Other Transfers During the Current Tax Year

(a) Qualified Opportunity Fund (QOF) EIN	(b) Date of event (MM/DD/YYYY)	(c) Description of event (for example, sale of 100 shares, gift of 25% interest, or distribution of \$1,000, etc.)	(d) Special gain code	Deferred gain included due to disposition of QOF interest		263IN
				(e) Amount of previously deferred short-term gain now included in taxable income	(f) Amount of previously deferred long-term gain now included in taxable income	
263A	263B		263D	263E	263F	
1 Enter the totals, if any, from continuation sheet . . . . .						
2 Enter the totals from columns (e) and (f). See instructions for reporting on Form 8949 .				2632E	2632F	

☐ Check this box if you disposed of any investment(s) and didn't receive a Form 1099-B reporting the disposition from the QOF or other third party. See the Instructions for Form 8949 for reporting requirements of any gain or loss.

**Part IV** Total QOF Investments Due to Deferrals at Year End (see instructions)

(a) Qualified Opportunity Fund (QOF) EIN	(b) Date QOF investment acquired (MM/DD/YYYY)	(c) Description of interest acquired (for example, 100 shares or 25% interest)	(d) Special gain code	Deferred gain invested in QOF investment		264IN
				(e) Amount of short-term deferred gain invested in QOF	(f) Amount of long-term deferred gain invested in QOF	
264A	264B		264D	264E	264F	
1 Enter the totals, if any, from continuation sheet . . . . .						
2 Enter the totals from columns (e) and (f) . . . . .				2642E	2642F	

Form **8997** (2023)

**Exhibit 3.12.217-15 (01-01-2024)**  
**Form 6252 - Installment Sale Income**

**DRAFT**Form **6252****Installment Sale Income**

OMB No. 1545-0228

Department of the Treasury  
Internal Revenue ServiceUse a separate form for each sale or other disposition of property on the installment method.  
Go to [www.irs.gov/Form6252](http://www.irs.gov/Form6252) for the latest information.**2023**  
Attachment  
Sequence No. **67**

Name(s) shown on return

Identifying number

<b>1</b>	Description of property	<b>2901</b>	
<b>2a</b>	Date acquired (mm/dd/yyyy)	<b>2902A</b>	<b>b</b> Date sold (mm/dd/yyyy) <b>2902B</b>
<b>3</b>	Was the property sold to a related party? See instructions. If "Yes," complete Part III for the year of sale and 2 years after the year of the sale unless you received the final payment during the tax year . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>4</b>	Reserved for future use . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>Part I Gross Profit and Contract Price.</b> Complete this part for all years of the installment agreement.			
<b>5</b>	Selling price including mortgages and other debts. <b>Don't</b> include interest, whether stated or unstated		<b>5</b>
<b>6</b>	Mortgages, debts, and other liabilities the buyer assumed or took the property subject to (see instructions) . . . . .	<b>6</b>	
<b>7</b>	Subtract line 6 from line 5 . . . . .	<b>7</b>	<b>2907</b>
<b>8</b>	Cost or other basis of property sold . . . . .	<b>8</b>	
<b>9</b>	Depreciation allowed or allowable . . . . .	<b>9</b>	
<b>10</b>	Adjusted basis. Subtract line 9 from line 8 . . . . .	<b>10</b>	
<b>11</b>	Commissions and other expenses of sale . . . . .	<b>11</b>	
<b>12</b>	Income recapture from Form 4797, Part III (see instructions) . . . . .	<b>12</b>	
<b>13</b>	Add lines 10, 11, and 12 . . . . .	<b>13</b>	
<b>14</b>	Subtract line 13 from line 5. If zero or less, <b>don't</b> complete the rest of this form. See instructions . . . . .	<b>14</b>	
<b>15</b>	If the property described on line 1 above was your main home, enter the amount of your excluded gain. See instructions. Otherwise, enter -0- . . . . .	<b>15</b>	
<b>16</b>	<b>Gross profit.</b> Subtract line 15 from line 14 . . . . .	<b>16</b>	
<b>17</b>	Subtract line 13 from line 6. If zero or less, enter -0- . . . . .	<b>17</b>	
<b>18</b>	<b>Contract price.</b> Add line 7 and line 17 . . . . .	<b>18</b>	
<b>Part II Installment Sale Income.</b> Complete this part for all years of the installment agreement.			
<b>19</b>	Gross profit percentage (expressed as a decimal amount). Divide line 16 by line 18. (For years after the year of sale, see instructions.) . . . . .	<b>19</b>	<b>2919</b>
<b>20</b>	If this is the year of sale, enter the amount from line 17. Otherwise, enter -0- . . . . .	<b>20</b>	
<b>21</b>	Payments received during year (see instructions). <b>Don't</b> include interest, whether stated or unstated . . . . .	<b>21</b>	<b>2921</b>
<b>22</b>	Add lines 20 and 21 . . . . .	<b>22</b>	
<b>23</b>	Payments received in prior years (see instructions). <b>Don't</b> include interest, whether stated or unstated . . . . .	<b>23</b>	<b>2923</b>
<b>24</b>	<b>Installment sale income.</b> Multiply line 22 by line 19 . . . . .	<b>24</b>	
<b>25</b>	Enter the part of line 24 that is ordinary income under the recapture rules. See instructions . . . . .	<b>25</b>	
<b>26</b>	Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797. See instructions . . . . .	<b>26</b>	
<b>Part III Related Party Installment Sale Income.</b> <b>Don't</b> complete if you received the final payment this tax year.			
<b>27</b>	Name, address, and taxpayer identifying number of related party . . . . .		
<b>28</b>	Did the related party resell or dispose of the property ("second disposition") during this tax year? . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>29</b>	<b>If the answer to question 28 is "Yes," complete lines 30 through 37 below unless one of the following conditions is met. Check the box that applies.</b>		
<b>a</b>	<input type="checkbox"/> The second disposition was more than 2 years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of disposition (mm/dd/yyyy) . . . . .		
<b>b</b>	<input type="checkbox"/> The first disposition was a sale or exchange of stock to the issuing corporation.		
<b>c</b>	<input type="checkbox"/> The second disposition was an involuntary conversion and the threat of conversion occurred after the first disposition.		
<b>d</b>	<input type="checkbox"/> The second disposition occurred after the death of the original seller or buyer.		
<b>e</b>	<input type="checkbox"/> It can be established to the satisfaction of the IRS that tax avoidance wasn't a principal purpose for either of the dispositions. If this box is checked, attach an explanation. See instructions.		
<b>30</b>	Selling price of property sold by related party (see instructions) . . . . .	<b>30</b>	
<b>31</b>	Enter contract price from line 18 for year of first sale . . . . .	<b>31</b>	
<b>32</b>	Enter the <b>smaller</b> of line 30 or line 31 . . . . .	<b>32</b>	
<b>33</b>	Total payments received by the end of your 2023 tax year (see instructions) . . . . .	<b>33</b>	
<b>34</b>	Subtract line 33 from line 32. If zero or less, enter -0- . . . . .	<b>34</b>	
<b>35</b>	Multiply line 34 by the gross profit percentage on line 19 for year of first sale . . . . .	<b>35</b>	
<b>36</b>	Enter the part of line 35 that is ordinary income under the recapture rules. See instructions . . . . .	<b>36</b>	
<b>37</b>	Subtract line 36 from line 35. Enter here and on Schedule D or Form 4797. See instructions . . . . .	<b>37</b>	

For Paperwork Reduction Act Notice, see page 4.

Cat. No. 13601R

Form **6252** (2023)

## Exhibit 3.12.217-16 (01-01-2024)

## Form 8936 - Schedule A, Clean Vehicle Credit Amount

<b>DRAFT</b>  <b>SCHEDULE A</b> <b>(Form 8936)</b>  <small>Department of the Treasury Internal Revenue Service</small>		<small>OMB No. 1545-2137</small>  <div style="font-size: 24pt; font-weight: bold;">2023</div> <small>Attachment Sequence No. 69A</small>
<b>Attach to your tax return.</b> <b>Go to <a href="https://www.irs.gov/Form8936">www.irs.gov/Form8936</a> for instructions and the latest information.</b>		
<small>Name(s) shown on return</small>	<small>Identifying number</small>	
<b>Part I Vehicle Details</b>		
<b>1a</b> Year . . . . .		
<b>b</b> Make . . . . .		
<b>c</b> Model . . . . .		
<b>2</b> Vehicle identification number (VIN) (see instructions) . . . . .		
<b>3</b> Enter date vehicle was placed in service (MM/DD/YYYY) . . . . .		
<b>4</b> Was the vehicle used primarily outside the United States? Answer "No" if it was but an exception applies. See instructions. <input type="checkbox"/> <b>Yes. Stop here.</b> You can't claim a credit amount for a vehicle used primarily outside the United States. <input type="checkbox"/> <b>No.</b>		
<b>5</b> Does the VIN entered on line 2 belong to a <b>new clean vehicle</b> placed in service during the tax year? See instructions for definitions. <input type="checkbox"/> <b>Yes.</b> Go to Part II. <input type="checkbox"/> <b>No.</b> Go to line 6.		
<b>6</b> Does the VIN entered on line 2 belong to a <b>previously owned clean vehicle</b> acquired after 2022 and placed in service during the tax year? See instructions for definitions. <input type="checkbox"/> <b>Yes.</b> Go to Part IV. <input type="checkbox"/> <b>No.</b> Go to line 7.		
<b>7</b> Does the VIN entered on line 2 belong to a <b>qualified commercial clean vehicle</b> acquired after 2022 and placed in service during the tax year? See instructions for definitions. <input type="checkbox"/> <b>Yes.</b> Go to Part V. <input type="checkbox"/> <b>No. Stop here.</b> You can't use this schedule to figure a credit amount for a vehicle not described on line 5, 6, or 7.		
<b>Part II Credit Amount for Business/Investment Use Part of New Clean Vehicle</b>		
<b>8</b> Did you acquire the vehicle for use or to lease to others, and not for resale? Answer "No" if you are leasing the vehicle from another person. <input type="checkbox"/> <b>Yes.</b> <input type="checkbox"/> <b>No. Stop here.</b> You can't claim a credit amount for a vehicle you didn't acquire for use or to lease to others, or acquired for resale.		
<b>9</b> Tentative credit amount (see instructions) . . . . .	<b>9</b>	<b>31109 31209</b>
<b>10</b> Business/investment use percentage (see instructions) . . . . .	<b>10</b>	<b>%</b>
<b>11</b> Multiply line 9 by line 10. Include this credit amount on line 6 in Part II of Form 8936. If you entered 100% on line 10, stop here. Otherwise, go to Part III below . . . . .	<b>11</b>	<b>31111 31211</b>
<b>Part III Credit Amount for Personal Use Part of New Clean Vehicle</b>		
<b>12</b> Subtract line 11 from line 9 in Part II. Stop here and include this credit amount on line 9 in Part III of Form 8936 . . . . .	<b>12</b>	
<small>For Paperwork Reduction Act Notice, see the Form 8936 instructions.</small>		
<small>Cat. No. 93602W</small>		
<small>Schedule A (Form 8936) 2023</small>		

**Exhibit 3.12.217-16 (Cont. 1) (01-01-2024)**  
**Form 8936 - Schedule A, Clean Vehicle Credit Amount**

**DRAFT**

Schedule A (Form 8936) 2023

Page **2****Part IV Credit Amount for Previously Owned Clean Vehicle**

- 13a** Is the sales price of the vehicle more than \$25,000?  
☐ **Yes. Stop here.** The vehicle doesn't qualify for the Part IV credit.  
☐ **No.**
- b** Did you acquire the vehicle for use and not for resale? Answer "No" if you are leasing the vehicle from another person.  
☐ **Yes.**  
☐ **No. Stop here.** You can't claim a credit amount for a vehicle you didn't acquire for use or acquired for resale.
- c** Can you be claimed as a dependent on another person's tax return, such as your parent's return?  
☐ **Yes. Stop here.** You can't claim a credit amount if you can be claimed as a dependent.  
☐ **No.**
- d** Is the vehicle a qualified fuel cell motor vehicle? See instructions.  
☐ **Yes.**  
☐ **No.**

<b>14</b>	Enter the sales price of the vehicle . . . . .	<b>14</b>	
<b>15</b>	Multiply line 14 by 30% (0.30) . . . . .	<b>15</b>	
<b>16</b>	Maximum vehicle credit amount . . . . .	<b>16</b>	\$4,000
<b>17</b>	Enter the smaller of line 15 or line 16. Stop here and include this credit amount on line 14 in Part IV of Form 8936 . . . . .	<b>17</b>	<b>31117 31217</b>

**Part V Credit Amount for Qualified Commercial Clean Vehicle**

- 18a** Is the vehicle of a character subject to the allowance for depreciation? Answer "Yes" if the exception for certain tax-exempt entities discussed in the instructions applies.  
☐ **Yes.**  
☐ **No. Stop here.** The vehicle is not a qualified commercial clean vehicle unless the exception applies.
- b** Did you acquire the vehicle for use or to lease to others, and not for resale? Answer "No" if you are leasing the vehicle from another person.  
☐ **Yes.**  
☐ **No. Stop here.** You can't claim a credit amount for a vehicle you didn't acquire for use or to lease to others, or acquired for resale.
- c** Is the vehicle also powered by gas or diesel? See instructions.  
☐ **Yes.**  
☐ **No.**

<b>19</b>	Enter the cost or other basis of the vehicle. See instructions . . . . .	<b>19</b>	
<b>20</b>	Section 179 expense deduction (see instructions) . . . . .	<b>20</b>	
<b>21</b>	Subtract line 20 from line 19 . . . . .	<b>21</b>	
<b>22</b>	Multiply line 21 by 15% (0.15) [30% (0.30) if the answer on line 18c above is "No"] . . . . .	<b>22</b>	
<b>23</b>	Enter the incremental cost of the vehicle. See instructions . . . . .	<b>23</b>	
<b>24</b>	Enter the smaller of line 22 or line 23 . . . . .	<b>24</b>	
<b>25</b>	<b>Maximum credit.</b> Enter \$7,500 (\$40,000 if the vehicle's gross vehicle weight rating (GVWR) is 14,000 pounds or more) . . . . .	<b>25</b>	
<b>26</b>	Enter the smaller of line 24 or line 25. Include this credit amount on line 19 in Part V of Form 8936 . . . . .	<b>26</b>	<b>31126 31226</b>

Schedule A (Form 8936) 2023

**313IN**

## Exhibit 3.12.217-17 (01-01-2024)

## Form 5471 - Information Return of U.S. Persons With Respect to Certain Foreign Corporations

## DRAFT

<b>Form 5471</b> (Rev. December 2023)		<b>Information Return of U.S. Persons With Respect to Certain Foreign Corporations</b> Go to <a href="http://www.irs.gov/Form5471">www.irs.gov/Form5471</a> for instructions and the latest information.		OMB No. 1545-0123	
Department of the Treasury Internal Revenue Service		Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning , 20 , and ending , 20		Attachment Sequence No. <b>121</b>	
Name of person filing this return		<b>A Identifying number</b>			
Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address)		<b>B Category of filer</b> (See instructions. Check applicable box(es).): 1a <input type="checkbox"/> 1b <input type="checkbox"/> 1c <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5a <input type="checkbox"/> 5b <input type="checkbox"/> 5c <input type="checkbox"/>			
City or town, state, and ZIP code		<b>C</b> Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period %			
Filer's tax year beginning , 20 , and ending , 20					
<b>D</b> Check box if this is a final Form 5471 for the foreign corporation . . . . . <input type="checkbox"/>					
<b>E</b> Check if any excepted specified foreign financial assets are reported on this form (see instructions) . . . . . <input type="checkbox"/>					
<b>F</b> Check the box if this Form 5471 has been completed using "Alternative Information" under Rev. Proc. 2019-40 . . . . . <input type="checkbox"/>					
<b>G</b> If the box on line F is checked, enter the corresponding code for "Alternative Information" (see instructions) . . . . .					
<b>H</b> Person(s) on whose behalf this information return is filed:					
(1) Name		(2) Address		(3) Identifying number	
				(4) Check applicable box(es)	
				Shareholder    Officer    Director	
<b>INFORMATION ONLY</b>					
<b>Important:</b> Fill in all applicable lines and schedules. All information <b>must</b> be in English. All amounts <b>must</b> be stated in U.S. dollars unless otherwise indicated.					
1a Name and address of foreign corporation				b(1) Employer identification number, if any	
				b(2) Reference ID number (see instructions)	
				b(3) Previous reference ID number(s), if any (see instructions)	
				c Country under whose laws incorporated	
d Date of incorporation		e Principal place of business		f Principal business activity code number	
				g Principal business activity	
				h Functional currency code	
<b>2</b> Provide the following information for the foreign corporation's accounting period stated above.					
a Name, address, and identifying number of branch office or agent (if any) in the United States			b If a U.S. income tax return was filed, enter:		
			(i) Taxable income or (loss)		(ii) U.S. income tax paid (after all credits)
c Name and address of foreign corporation's statutory or resident agent in country of incorporation			d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different		
<b>Schedule A Stock of the Foreign Corporation</b>					
(a) Description of each class of stock			(b) Number of shares issued and outstanding		
			(i) Beginning of annual accounting period		(ii) End of annual accounting period
For Paperwork Reduction Act Notice, see instructions.					
			Cat. No. 49958V		Form <b>5471</b> (Rev. 12-2023)

**DRAFT**

Cat. No. 33753M (11-06-2023)  
Any line marked with a #  
is for **Official Use Only**



## Exhibit 3.12.217-19 (01-01-2024)

## Error Code 026 - Correction Procedures

### Error Code 026 Correction Procedures

**Always drop the cursor to the bottom of the screen and transmit before proceeding.**

**Note:** If prepaid credits are present, see Error Code 026 for instructions.

<p>1. Is the Tax Period edited correctly? <b>Note:</b> Search the return and attachments for the correct Tax Period if there is no pre-printed label and/or no written date(s) on the top of Page 1</p> <p style="text-align: center;"><b>YES</b></p>	NO	<p>Change the document and the screen. <b>Note:</b> Be aware of special situations such as 52-53-week filers before changing the Tax Period.</p>
<p>2. Is the Tax Period transcribed correctly?</p> <p style="text-align: center;"><b>YES</b></p>	NO	<p>Change Field 01TXP (Tax Period)</p>
<p>3. Is the EIN transcribed correctly?</p> <p style="text-align: center;"><b>YES</b></p>	NO	<p>Change Field 01EIN and research INOLES on the new EIN to ensure the FYM agrees with the document.</p>
<p>4. Is CCC "Y" or "G" present?</p> <p style="text-align: center;"><b>NO</b></p>	YES	<p>Enter "C" in the Clear Code field.</p>
<p>5. Is the return Final?</p> <p style="text-align: center;"><b>NO</b></p>	YES	<p>Enter an "F" in Field 01CCC.</p>
<p>6. Is the return for a Short Period (not Initial or Final) with an acceptable reason attached? (See Error Code 026 for definition.)</p> <p style="text-align: center;"><b>NO</b></p> <p style="text-align: center;"><b>Research INOLES ENMOD (or BMFOLE)</b></p>	YES	<p>Enter a "Y" in Field 01CCC.</p>
<p>7. Does the FYM agree with the FYM on the document, or Is there a <b>PENDING</b> (PN) TC 016 or 090 with the correct FYM shown on ENMOD?</p> <p style="text-align: center;"><b>NO</b></p>	YES	<p>Enter "C" in the Clear Code</p>
<p>8. Is TC 052, 053, 054, 055, 057, 058, 059, 090, 091, 092, 093, 094, 095, or 096 present, and is the date of the transaction within 12 months of the Tax Period on the document? (See Error Code 026 for definition of TC's) <b>Caution:</b> If TC053 or 054 is NOT present or pending and there is a Form 1128 attached to the return, then SSPND 320 to Entity. Attach Form 4227 with an explanation.</p> <p style="text-align: center;"><b>NO</b></p>	YES	<ul style="list-style-type: none"> <li>• If the transaction code Tax Period matches the return enter "C" in the Clear Field.</li> <li>• If TC 053, 054 or 055 is present, enter a "Y" in Field 01CCC.</li> <li>• If TC 059 is present, SSPND 351 to Rejects to correspond for return with correct tax period.</li> <li>• If there is a Tax Period mismatch SSPND 320 to Entity and attach Form 4227 with an explanation.</li> </ul>
<p>(Continued on next page)</p>		



**Exhibit 3.12.217-19 (Cont. 1) (01-01-2024)**  
**Error Code 026 - Correction Procedures**

**Research BMFOL "I"**

<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">9. Is MFT 02 present?</div> <p style="text-align: center;"><b>YES</b></p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">10. Are there returns posted for MFT 02? (A "Y" in the "posted Return" column indicates a return is posted.)</div> <p style="text-align: center;"><b>YES</b></p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">11. Are all of the posted returns for MFT 02 later than the Tax Period of the return?</div> <p style="text-align: center;"><b>NO</b></p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">12. Are all the postings for the same fiscal year and there are no dates on the top of page 1?</div> <p style="text-align: center;"><b>NO</b></p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">13. Do the postings prior to the tax period of the return agree with the FYM of the document?</div> <p style="text-align: center;"><b>NO</b></p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">14. Can you clearly determine from BMFOL "I" research that the return should post as filed? (See example below)</div> <p style="text-align: center;"><b>NO</b></p> <div style="border: 1px solid black; padding: 5px;">15. Correspond using Letter 0319C</div>	<p><b>NO</b></p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">Enter "C" in the Clear Code field.</div> <p><b>NO</b></p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">SSPND 351 and attach Form 4227 for input of TC 016.</div> <p><b>YES</b></p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">SSPND 351 and attach Form 4227 for input of TC 016.  <b>NOTE:</b> If extensions, payments, or credits need to be moved, prepare Form 3465. Enter CCC "X" to prevent a refund going out.</div> <p><b>YES</b></p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">Change Field 01TXP and the FYM of the document to the fiscal year.</div> <p><b>YES</b></p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">SSPND 351 and attach Form 4227 for input of TC 016.</div> <p><b>YES</b></p> <div style="border: 1px solid black; padding: 5px;">SSPND 351 and attach Form 4227 for input of TC 016.</div>
---	--

**EXAMPLE: The return is filed for FYM 202111**  
**INOLES shows: FYM 02**  
**BMFOL "I" shows:**

Tax Period	Posted Return
201711	Y
201811	Y
201911	Y
202011	Y
202111	N
202206	Y
202306	N

**The tax return for 202211 still needs to post. In this example, SSPND 351 for input of TC016.**

Exhibit 3.12.217-19 (Cont. 2) (01-01-2024)  
Error Code 026 - Correction Procedures

## Reply Procedures

1. Does the tax period agree with the FYM?

YES

Change Field 01TXP to agree with the correct tax period. On the next screen, enter a "C" in the Clear Code Field.

NO

2. Does the tax period Disagree with the FYM?

YES

Change Field 01TXP to agree with the correct tax period and input a TC 016.

## No Reply Procedures

### Short Period

1. Is the return for a Short Period?

YES

Enter a "Y" in Field 01CCC

NO

### Full Period

2. Is the last tax period with a TC 150 12 months or **more** prior to the return?

YES

1. Input TC 016 on ENMOD with CC BNCHG.
2. Input TC 474 on REQ77 (using 1 cycle delay) for the year and month prior to the beginning month of the tax period of the return being processed.
3. When PN 016 generates on ENMOD, clear Error Code 026

NO

3. Is the last TC 150 **less than** 12 months prior to the return tax period?

YES

Enter a "Y" in Field 01CCC

**Exhibit 3.12.217-20 (01-01-2017)****♦ Province, State and Territory Abbreviations ♦**

The table below provides Province, State and Territory abbreviations.

***Australia State***

<b>Australia State</b>	<b>Abbreviation</b>
Australian Capital Territory	ACT
New South Wales	NSW
Northern Territory	NT
Queensland	QLD
South Australia	SA
Tasmania	TAS
Victoria	VIC
Western Australia	WA

***Brazil State***

<b>Brazil State</b>	<b>Abbreviation</b>
Acre	AC
Alagoas	AL
Amapa	AP
Amazonas	AM
Bahia	BA
Ceara	CE
Distrito Federal	DF
Espirito Santo	ES
Goiias	GO
Maranhao	MA
Mato Grasso	MT
Mato Grosso do Sul	MS
Minas Gerais	MG
Para	PA
Paraiba	PB
Parana	PR
Pernambuco	PE
Piaui	PI

**Exhibit 3.12.217-20 (Cont. 1) (01-01-2017)****◆ Province, State and Territory Abbreviations ◆**

<b>Brazil State</b>	<b>Abbreviation</b>
Rio de Janeiro	RJ
Rio Grande do Norte	RN
Rio Grande do Sul	RS
Rondonia	RO
Roraima	RR
Santa Catarina	SC
Sao Paulo	SP
Sergipe	SE
Tocantins	TO

***Canada Province/Territory***

<b>Canada Province/Territory</b>	<b>Abbreviation</b>
Alberta	AB
British Columbia	BC
Manitoba	MB
New Brunswick	NB
Newfoundland and Labrador	NL
Northwest Territories	NT
Nova Scotia	NS
Nunavut	NU
Ontario	ON
Prince Edward Island	PE
Quebec	QC
Saskatchewan	SK
Yukon	YT

***Cuba Province***

<b>Cuba Province</b>	<b>Abbreviation</b>
Camaguey	CG
Ciego de Avila	CA
Cienfuegos	CF

**Exhibit 3.12.217-20 (Cont. 2) (01-01-2017)****◆ Province, State and Territory Abbreviations ◆**

<b>Cuba Province</b>	<b>Abbreviation</b>
Ciudad de La Habana	CH
Granma (Bayamo)	GR
Guantanamo	GT
Holguin	HO
La Habana	HA
Matanzas	MT
Municipio Especial Isla de La Juventud	IJ
Pinar del Rio	PR
Sancti Spiritus	SS
Santiago de Cuba	SC
(Victoria de) Las Tunas	LT
Villa Clara	VC

***Italy Province***

<b>Italy Province</b>	<b>Abbreviation</b>
Agrigento	AG
Alessandria	AL
Ancona	AN
Aosta/Aoste	AO
Arezzo	AR
Ascoli Piceno	AP
Asti	AT
Bari	BA
Belluno	BL
Benevento	BN
Bergamo	BG
Biella	BI
Bologna	BO
Bolzano Bozen	BZ
Brescia	BS
Brindisi	BR

**Exhibit 3.12.217-20 (Cont. 3) (01-01-2017)****◆ Province, State and Territory Abbreviations ◆**

Italy Province	Abbreviation
Cagliari	CA
Caltanissetta	CL
Campobasso	CB
Caserta	CE
Catania	CT
Catanzaro	CZ
Chieti	CH
Como	CO
Cosenza	CS
Cremona	CZ
Crotone	KR
Cuneo	CV
Enna	EN
Ferrara	FE
Firenze	FI
Foggia	FG
Forli	FO
Frosinone	FR
Genoa	GE
Gorizia	GO
Grosseto	GR
Imperia	IM
Isernia	IS
L'Aquila	AQ
La Spezia	SP
Latina	LT
Lecce	LE
Livorno	LI
Lodi	LO
Lucca	LU
Macerata	MC

**Exhibit 3.12.217-20 (Cont. 4) (01-01-2017)****◆ Province, State and Territory Abbreviations ◆**

Italy Province	Abbreviation
Mantova	MN
Massa-Carrara	MS
Matera	MT
Messina	ME
Milan	MI
Modena	MO
Napoli	NA
Novara	NO
Nuoro	NU
Oristano	OR
Padova	PD
Palermo	PA
Parma	PR
Pavia	PV
Perugia	PG
Pesaro-Urbino	PS
Pescara	PE
Piacenza	PC
Pisa	PI
Pistoia	PT
Pordenone	PN
Potenza	PZ
Prato	PO
Ragusa	RG
Ravenna	RA
Reggio de Calabria	RC
Reggio nell'Emilia	RE
Rieti	RI
Rimini	RN
Roma	RM
Rovigo	RO

**Exhibit 3.12.217-20 (Cont. 5) (01-01-2017)****◆ Province, State and Territory Abbreviations ◆**

<b>Italy Province</b>	<b>Abbreviation</b>
Salerno	SA
Sassari	SS
Savona	SV
Siena	SI
Siracusa	SR
Sondrio	SO
Taranto	TA
Teramo	TE
Terni	TR
Torino	TO
Trapani	TP
Trento	TN
Treviso	TV
Trieste	TS
Udine	UD
Varese	VA
Venezia	VE
Verbania	VB
Vercelli	VC
Verona	VR
Vibo Valentia	VV
Vicenza	VI
Viterbo	VT

***Mexico State***

<b>Mexico State</b>	<b>Abbreviation</b>
Aguascalientes	AGS
Baja California Norte	BCN
Baja California Sur	BCS
Campeche	CAM
Chiapas	CHIS



**Exhibit 3.12.217-20 (Cont. 6) (01-01-2017)****♦ Province, State and Territory Abbreviations ♦**

<b>Mexico State</b>	<b>Abbreviation</b>
Chihuahua	CHIH
Coahuila	COAH
Colima	COL
Distrito Federal	DF
Durango	DGO
Guanajuato	GTO
Guerrero	GRO
Hidalgo	HGO
Jalisco	JAL
Mexico	MEX
Michoacan	MICH
Morelos	MOR
Nayarit	NAY
Nuevo Leon	NL
Oaxaca	OAX
Puebla	PUE
Queretaro	QRO
Quintana Roo	QROO
San Luis Potosi	SLP
Sinaloa	SIN
Sonora	SON
Tabasco	TAB
Tamaulipas	TAMPS
Tlaxcala	TLAX
Veracruz	VER
Yucatan	YUC
Zacatecas	ZAC

***The Netherlands Province***

<b>The Netherlands Province</b>	<b>Abbreviation</b>
Drenthe	DR

**Exhibit 3.12.217-20 (Cont. 7) (01-01-2017)****◆ Province, State and Territory Abbreviations ◆**

<b>The Netherlands Province</b>	<b>Abbreviation</b>
Flevoland	FLD
Friesland	FR
Gelderland	GLD
Groningen	GN
Limburg	LB
North Brabant	NB
North Holland	NH
Overijssel	OV
South Holland	ZH
Utrecht	UT
Zeeland	SLD

**Exhibit 3.12.217-21 (01-01-2017)****◆U.S. Possessions ZIP Codes◆**

The table below provides ZIP Codes for all U.S. Possessions.

***American Samoa (AS)***

<b>American Samoa (AS) City</b>	<b>American Samoa (AS) ZIP Code</b>
Faga'itua	96799
Leone	96799
Olosega Manua'	96799
Pago Pago	96799

***Federated States of Micronesia (FM)***

<b>Federated States of Micronesia (FM) City</b>	<b>Federated States of Micronesia (FM) ZIP Code</b>
Chuuk	96942
Kosrae	96944
Pohnpei	96941
Yap	96943

***Guam (GU)***

<b>Guam (GU) City</b>	<b>Guam (GU) ZIP Code</b>
Agana	96910
Inarajan	96917
Merizo	96916
Tamuning	96931
Umatac	96915
Yona	96915

***Marshall Islands (MH)***

<b>Marshall Islands (MH) City</b>	<b>Marshall Islands (MH) ZIP Code</b>
Ebeye	96970
Majuro	96960

***Northern Marianna Islands (MP)***

<b>Northern Marianna Islands (MP) City</b>	<b>Northern Marianna Islands (MP) ZIP Code</b>
Capitol Hill	96950

**Exhibit 3.12.217-21 (Cont. 1) (01-01-2017)****◆U.S. Possessions ZIP Codes◆**

<b>Northern Marianna Islands (MP) City</b>	<b>Northern Marianna Islands (MP) ZIP Code</b>
Rota	96951
Saipan	96950
Tinian	96952

***Palau (PW)***

<b>Palau (PW) City</b>	<b>Palau (PW) ZIP Code</b>
Koror	96940
Palau	96940

***Puerto Rico (PR)***

<b>Puerto Rico (PR) City</b>	<b>Puerto Rico (PR) ZIP Code</b>
Adjuntas	00601
Aguada	00602
Aguadilla	00603
Aguas Buenas	00703
Aguirre	00704
Aibonito	00705
Anasco	00610
Angeles	00611
Arecibo	00612
Arroyo	00714
Bajadero	00616
Barceloneta	00617
Barranquitas	00794
Barrio Obrero Station	00935
Bayamon	00956
Boqueron	00622
Cabo Rojo	00623
Caguas	00725
Camuy	00627
Canovanas	00729

**Exhibit 3.12.217-21 (Cont. 2) (01-01-2017)****◆U.S. Possessions ZIP Codes◆**

<b>Puerto Rico (PR) City</b>	<b>Puerto Rico (PR) ZIP Code</b>
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
Fort Buchanan	00934
Garrachales	00652
Guanica	00653
Guayama	00784
Guayanilla	00656
Guaynabo	00965
Gurabo	00778
Hatillo	00659
Hato Rey	00936
Hormigueros	00660
Humacao	00791

**Exhibit 3.12.217-21 (Cont. 3) (01-01-2017)****◆ U.S. Possessions ZIP Codes ◆**

<b>Puerto Rico (PR) City</b>	<b>Puerto Rico (PR) ZIP Code</b>
Isabela	00662
Jayuya	00664
Juana Diaz	00795
Juncos	00777
La Cumbre	00926
Lajas	00667
La Plata	00786
Lares	00669
Las Marias	00670
Las Piedras	00771
Levittown	00949
Loiza	00772
Loiza Street Station	00936
Luquillo	00773
Manati	00674
Maricao	00606
Maunabo	00707
Mayaguez	00680
Mercedita	00715
Minillas Center	00936
Moca	00676
Morovis	00687
Naguabo	00718
Naranjito	00719
Orocovis	00720
Palmer	00721
Patillas	00723
Penuelas	00624
Ponce	00731
Puerta de Tierra	00936
Puerta Real	00740

**Exhibit 3.12.217-21 (Cont. 4) (01-01-2017)****◆U.S. Possessions ZIP Codes◆**

<b>Puerto Rico (PR) City</b>	<b>Puerto Rico (PR) ZIP Code</b>
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
Santurce	00936
Toa Alta	00953
Toa Baja	00949
Trujillo Alto	00976
University	00936
Utua	00641
Vega Alta	00692
Vega Baja (Box 1 - 9049)	00694
Vieques	00765
Villalba	00766
Yabucoa	00767

**Exhibit 3.12.217-21 (Cont. 5) (01-01-2017)****◆ U.S. Possessions ZIP Codes ◆**

<b>Puerto Rico (PR) City</b>	<b>Puerto Rico (PR) ZIP Code</b>
Yauco	00698

***Virgin Islands - U.S. (VI)***

<b>Virgin Islands - U.S. (VI) City</b>	<b>Virgin Islands - U.S. (VI) ZIP Code</b>
Charlotte Amalie	00802
Christiansted	00820
Cruz Bay	00830
Downtown	00840
Frederiksted	00840
Kingshill	00850
Saint Croix	00820
Saint John	00830
Saint Thomas	00805
Sunny Isle	00850
Veterans Annes	00820



**Exhibit 3.12.217-22 (01-01-2024)****◆ Potential Frivolous Arguments for Examination Review ◆**

The table below provides a list of the most common Frivolous Arguments.

<b>Potential Frivolous Arguments for Examination Review</b>	<b>Description</b>
Alleged Churches/First Amendment	Income from non-religious sources and may claim a vow of poverty.
Altered Form	Altering any or all line items with the intent of facilitating non-compliance with the tax laws.
Altered Jurat/UCC (Uniform Commercial Code) 1-207 or UCC 1-308	Return has income and deductions but the jurat was altered or stricken. May include reference to UCC 1-207 / UCC 1-308 or a statement that the return was not signed under penalties of perjury.
Amended Returns/Form 843, Claim For Refund and Request for Abatement, 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.
Challenges to Authority/Due Process	Questions several administrative authorities such as delegation orders, summons authority, Privacy Act, etc. Argues that they must be afforded a hearing or a trial before taxes can be assessed or before property can be seized.
C-Filings	<p>This frivolous position includes the following four categories:</p> <ul style="list-style-type: none"> <li>a. Files a return claiming several types of deductions, credits, or overpayments/refunds that have no relation to reality and because of their outrageous character, qualify as frivolous returns.</li> <li>b. Files a return having the filers' identifying information but does not request a refund, often lacking sufficient information to determine a tax liability.</li> <li>c. Files a return with several types of rambling dialogue and/or confusing arguments that no one could reasonably view as a good faith attempt to comply with the law.</li> <li>d. Files a return that tries to send a message or protest to the IRS but does not include sufficient identifying information for the Service to either determine the identity of the taxpayer or correspondent or return address.</li> </ul>
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 3.12.217-22 (Cont. 1) (01-01-2024)****◆ Potential Frivolous Arguments for Examination Review ◆**

<b>Potential Frivolous Arguments for Examination Review</b>	<b>Description</b>
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) 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 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 non-resident aliens and foreign S Corporations from sources within the United States is taxable.
Form 1099-OID, Original Issue Discount	An individual or business files a return reporting false amounts of income (generally “Other” or “Miscellaneous” income) and claims a false amount of income tax withholding approximately equal to the amount of falsely reported income. Although the returns report income, they do not calculate any tax due. Some of the returns have Form 1099-OID attached, and some have Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Other false financial instruments may be filed in the place of or in addition to the Form 1099-OID such as Form 2439, Notice to Shareholder of Undistributed Long-Term Capital Gains, promissory notes, bonds, sight drafts, etc.

**Exhibit 3.12.217-22 (Cont. 2) (01-01-2024)****◆ Potential Frivolous Arguments for Examination Review ◆**

<b>Potential Frivolous Arguments for Examination Review</b>	<b>Description</b>
IRC Section 861 Business Employment Tax (BMF 861)	Argument targets employers and advises them that wages are exempt from withholding. These taxpayers rely on Sections 861 through 865 of the Code and the regulations (in particular, Treasury Regulation §1.861-8) promoters of this scheme advise employers to stop withholding and paying payroll taxes on their employee's wages. In addition, some employers file amended payroll tax returns and request refunds of previously paid payroll taxes.
IRS is a Private Organization/Collects Tribute, Not Taxes	Argues that the IRS is an entity named the Internal Revenue and Tax Service, Inc., which was incorporated in Delaware in 1933, it is a collection agency for the Federal Reserve Bank or is part of the United Nations and is clandestinely leading the tax-paying public into a "new world order."
Not a Person	Argues that a taxpayer is not a person within the meaning of IRC 7701 (a) (14).
Obscene, Vulgar, Harassing	Submits documents or other materials indicating that non-filing is due to dissatisfaction with tax policies or taxation in general. Often, this argument is expressed with obscene, vulgar, or crude language and characters in an extremely demeaning manner.
Protest Against Government Action/Inaction	Argues that refusal to file or pay is justified because they disagree with government policies or spending plans.
Sixteenth Amendment	Argues the Sixteenth Amendment was not properly ratified and therefore the federal government does not have the legal authority to collect an income tax without apportionment.
Straw Men	Argues the government has created an entity separate and distinct from the taxpayer - a "straw man" and any tax obligations are exclusively those of the "straw man".
Taxes are Voluntary/Law Does Not Require	Submits a return, amended return or correspondence that argues income taxes are voluntary.
U.S. vs. Long	Submits a return with zero money amounts. To explain the zeroes inserted on the form the individual references "U.S. vs. Long"

## Exhibit 3.12.217-22 (Cont. 3) (01-01-2024)

## ◆ Potential Frivolous Arguments for Examination Review ◆

Potential Frivolous Arguments for Examination Review	Description
Unsigned Returns	The individual completes a return but does not sign, a statement indicating disagreement with the tax system is attached or added to the return.
Valuation	Income is not taxable because of the declining fair market value of the dollar, because the dollar is not backed by gold/silver, because the value of services is offset by the value of the labor (barter income), etc.
Zero Returns	<p>Submits a return with zero money amounts on all or most line items on the form (e.g., IRC 861, Form 2439, OID, and other BMF filings that claim no income and request refunds). See 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 on the definition of income. There are several variations on this type of filing such as those bearing the words “nunc pro tunc” and “not liable”.</p> <p><b>Note:</b> Returns having only zeros, no entries, are blank, or show “None”, “Not Liable”, etc. with no evidence of a frivolous argument are not to be considered as frivolous returns.</p>
Other	<p>All others including those in Notice 2010-33 <b>or any subsequent superseding notice</b>. See also <a href="http://www.irs.gov/Tax-Professionals/The-Truth-About-Frivolous-Tax-Arguments-Introduction">http://www.irs.gov/Tax-Professionals/The-Truth-About-Frivolous-Tax-Arguments-Introduction</a> on IRS.gov. This category includes non-filer accounts resulting from initial compliance check such as cross-reference TINs.</p> <p><b>Note:</b> Frivolous arguments citing “Collection Due Process” (CDP) must be reviewed by Collections for possible referral to Appeals. Refer to IRM 5.19.8, Collection Appeal Rights, for more information.</p>

**Exhibit 3.12.217-23 (01-01-2012)****◆ Province/County Code - Canada Only ◆**

The table below shows abbreviations and Country Codes for Canada.

<b>Canadian Province</b>	<b>Province Abbreviation</b>	<b>Country Code Field 02CTY</b>
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

**Exhibit 3.12.217-24 (01-01-2024)**  
**Taxpayer Notice Codes (TPNC)**

The following table provides valid Taxpayer Notice Codes (TPNC) and explanations:

TPNC	Explanation
10	We found an error in the computation of the tax due or overpayment amount.
36	We found an error in the computation of the credit for federal tax on fuels on Form 4136.
37	We found an error on page 1 of your return when the credit for federal tax on fuels was transferred from Form 4136.
38	We found an error on page 1 of your return when your payment amounts were added.
40	We adjusted your tax return as shown because we did not receive a reply to our request for additional information.
73	We changed the amount for the Elective Payment Election (EPE) because the Form 3800, General Business Credit, Part III, was computed incorrectly.
74	We didn't allow all or part of the credit claimed as clean vehicle credit on your return because one or more of the Vehicle Identification Number(s) (VIN) reported on Schedule A (Form 8936), Clean Vehicle Credit Amount, did not match our records.
88	We changed your telephone excise tax refund amount based on the information you provided. <b>Note:</b> This TPNC is no longer applicable and was used for Tax Periods 200612 - 200711.
89	We changed your tax and/or credits because we did not receive the additional information we requested. The change includes the disallowance of all or part of your telephone excise tax refund you claimed on your return. We previously sent you a separate letter explaining the claim disallowance. <b>Note:</b> This TPNC is no longer applicable and was used for Tax Periods 200612 - 200711.
90	Fill-in narrative. <b>Note:</b> For a full listing of the programmed TPNC 90 Math Error (ME) codes and information on how to use them, see TPNC 90 Math Error Code Job Aid at <i>TPNC-90-Math-Error-Code-Job-Aid.doc</i> .

**Exhibit 3.12.217-25 (01-01-2024)****Terms/Definitions/Acronyms**

For Terms, Definitions and acronyms see the following tables:

***Interpretation Words (Terms)***

<b>Word</b>	<b>Definition</b>	<b>Example</b>
Fair	Accurate and professional service to all persons without regard to personal bias.	Taxpayers have the right to expect a fair and just tax system.
Significant Characters	Any character other than zero or blank.	There are any intervening blanks between significant characters.
Timely	The time frame to consider what is or is not timely.	Taxpayers have the right to receive help from the Taxpayer Advocate Service (TAS) if they are experiencing financial difficulty or if the IRS has not resolved their tax issues properly and timely through normal channels.

***Acronyms and Abbreviations***

<b>Acronyms and Abbreviations</b>	<b>Definition</b>
AC	Action Code
ADP	Automatic Data Processing
AM	Accounts Management
APO	Army Post office
AUR	Automated Underreporter
BMF	Business Master File
BOY	Beginning of Year
CADE	Customer Account Data Engine
C&E	Code and Edit
CC	Command Code
CCC	Computer Condition Code
CDP	Collection Due Process
CFR	Code of Federal Regulations
CI	Criminal Investigation
CII	Correspondence Imaging Inventory
C/O	Care of
CP	Computer Paragraph

**Exhibit 3.12.217-25 (Cont. 1) (01-01-2024)****Terms/Definitions/Acronyms**

<b>Acronyms and Abbreviations</b>	<b>Definition</b>
CRD	Correspondence Received Date
CRN	Credit Reference Number
CVC	Clean Vehicle Credit
DAN	Depositors Account Number
DBA	Doing Business As
DLN	Document Locator Number
DPO	Diplomatic Post Office
DPE	Deemed payment election
DPO	Document Perfection Operation
EC	Error Code
EEFax	Enterprise Electronic Fax
E-File	Electronic Filing
EIF	Entity Index File
e.g.	For Example
EIN	Employer Identification Number
EOY	End of Year
EPE	Elective payment election
ERS	Error Resolution System
etc.	Et Cetera
Exam	Examination
FAX	Facsimile
FB	Foreign Branches
FDE	Foreign Disregarded Entities
FPO	Fleet Post Office
FRP	Frivolous Return Program
FTF	Failure to File
GDP	Gross Domestic Product
GILTI	Global Intangible Low-Taxed Income
ICS	Integrated Collection System
ID	Identification or Identity
IDRS	Integrated Data Retrieval System



**Exhibit 3.12.217-25 (Cont. 2) (01-01-2024)**  
**Terms/Definitions/Acronyms**

<b>Acronyms and Abbreviations</b>	<b>Definition</b>
ISRP	Integrated Submission and Remittance Processing
ITIN	IRS Individual Taxpayer Identification Number
IMF	Individual Master File
IRC	Internal Revenue Code
LB&I	Large Business and International
LLC	Limited liability Company
LLLT	Limited liability Land Trust
LLP	Limited Liability Partner
MCCs	Major City Codes
ME	Math Error
MeF	Modernized Electronic Filing
MFT	Master File Tax
MMDDYY	Month Month Day Day Year Year
MT	Merge To
NAICS	North American Industry Classification System
NAP	National Account Profile
NDC	National Distribution Center
NMF	Non-Master File
N/A	Not Applicable
NDC	National Distribution Center
NR	Notice Review
OAR	Operations Assistance Request
OC	Other Country
OID	Original Issue Discount
OLE	On-Line Entity
OLNR	OnLine Notice Review
OSPC	Ogden Submission Processing Campus
P&A	Planning and Analysis
PBA	Principal Business Activity
PDF	Portable Document File
PIA	Principal Industrial Code

**Exhibit 3.12.217-25 (Cont. 3) (01-01-2024)****Terms/Definitions/Acronyms**

<b>Acronyms and Abbreviations</b>	<b>Definition</b>
PDS	Private Delivery Service
POA	Power of Attorney
PTIN	Preparer Tax Identification Number
P.O.	Post Office
PRP	Program Requirements Package
PTP	Publicly Traded Partnership
QSSS	Qualified Subchapter S Subsidiary
R&C	Receipt and Control
RDD	Return Due Date
Rec'd	Received
Rev. Proc.	Revenue Procedure
RMIT	Remittance
RO	Revenue officer
RPC	Return Processing Code
RRA98	Restructuring and Reform Act of 1998
RRPS	Residual Remittance Processing System
RTN	Routing Transit Number
SB/SE	Small Business/Self-Employed
SCAMPS	Service Center Automated Mail Processing System
SERP	Servicewide Electronic Research Program (SERP)
SFR	Substitute for Return
SLA	Service Level Agreement
SOI	Statistics of Income
SP	Submission Processing
SSN	Social Security Number
TAS	Taxpayer Advocate Service
TBOR	Taxpayer Bill of Rights
TC	Transaction Code
TCJA	Tax Cuts & Jobs Act of 2017
TDA	Type Depositor Account
TE	Tax Examiner

**Exhibit 3.12.217-25 (Cont. 4) (01-01-2024)**  
**Terms/Definitions/Acronyms**

<b>Acronyms and Abbreviations</b>	<b>Definition</b>
TEFRA	Tax Equity and Fiscal Responsibility Act
TE/GE	Tax Exempt Government Entities
TETR	Telephone Excise Tax Refund
TIA	Tax Information Authorization
TIF	Taxpayer Information File
TPE	Tax Period Ending
TPC	Tax Preference Code
TPNC	Taxpayer Notice Code
TY	Tax Year
UCC	Uniform Commercial Code
U.S.	United States
USPS	United States Postal Service
UWR	Unified Work Request
VIN	Vehicle Identification Number
W&I	Wage and Investment
ZIP	Zoning Improvement Plan