



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

4.4.6

OCTOBER 5, 2022

EFFECTIVE DATE

(10-05-2022)

PURPOSE

- (1) This transmits revised IRM 4.4.6, Audit Information Management System (AIMS) - Conversion of Returns.

MATERIAL CHANGES

- (1) IRM 4.4.6 has been extensively revised throughout. Names of functional areas have been changed to reflect the current organizational structure and the IRM has been reorganized. A summary of significant changes is reflected below:

IRM Subsection	Content Change
IRM Name Change	The title of this IRM was changed from "Procedures and Processing Instructions to "Audit Information Management System (AIMS) - Validity and Consistency".
IRM 4.4.6.1	Title was changed to Program Scope and Objectives. Information was added to clarify the IRM Purpose, Audience, AIMS Policy Owner and AIMS Program Owner.
IRM 4.4.6.1.1	Background information was added to clarify the procedure, which remains in this IRM and reference to procedure, no longer in this IRM.
IRM 4.4.6.1.2	Responsibility for procedure in this IRM is defined.
IRM 4.4.6.2	Retitled and re-numbered this section. Previous procedures for "Separate to Joint" can be found in IRM 4.10.8.14.6, IRM 4.12.1.8.1, IRM 21.6.1.4.1, and IRM 25.6.1.9.4.4.
IRM 4.4.6.2	New Title: "Centralized Case Processing (CCP) Procedures, Separate to Returns Filed".
IRM 4.4.6.2.1	Previous procedures for "Husband and Wife Both Filed Separate Returns" can be found in IRM 4.5.3.12.1, IRM 4.10.8.14.6, IRM 4.10.8.14.6.1, IRM 21.6.1.5.3.1, and IRM 21.6.1.5.5.
IRM 4.4.6.2.1.1	Previous procedures for "Group Procedures" can be found in IRM 4.10.8.14.6, IRM 4.10.8.14.6.1, IRM 21.6.1.5.3.1, and IRM 21.6.1.5.5.
IRM 4.4.6.2.1.2	This section was retitled and re-numbered IRM 4.4.6.2 - See above.
IRM 4.4.6.2.2	Previous procedures for "Only One Spouse Filed" can be found in IRM 21.6.1.5.3.2 and IRM 21.6.1.5.6.
IRM 4.4.6.2.2.1	Previous procedures for "Group Procedures" can be found in IRM 10.8.14.4 and IRM 21.6.1.5.3.2.

IRM Subsection	Content Change
IRM 4.4.6.2.2.2	Moved this section to IRM 4.4.6.3, retitled, and re-numbered.
IRM 4.4.6.2.2.3	Previous procedures for “Delinquency Penalty Against Non-Filing Spouse” can be found in IRM 4.12.1.11, IRM 4.46.4.12.3 , and IRM 4.46.4.12.6.
IRM 4.4.6.2.2.3.1	Previous procedures for “Group Procedures” can be found in IRM 4.12.1.11 and IRM 4.46.4.12.
IRM 4.4.6.3	Previous procedures for “Joint to Separate” can be found in IRM 4.10.8.14.5.
IRM 4.4.6.3	New Title: “Centralized Case Processing (CCP), Only One Spouse”.
IRM 4.4.6.3.1	Previous procedures for “Group Procedures” can be found in IRM 4.10.8.14.5.
IRM 4.4.6.3.2	Previous procedures for “Invalid Joint-Primary Not Required to File Separate Return” can be found in IRM 4.10.8.14.5.1, IRM 21.6.1.5, and IRM 21.6.1.5.7.
IRM 4.4.6.3.3	Moved information in this section to IRM 4.4.6.4, retitled, and re-numbered.
IRM 4.4.6.4	Previous procedures for “Conversion of Other Forms” can be found in IRM 3.11.3.72.3.5, IRM 3.11.3.72.3.6, and IRM 21.7.4.4.4.11.1.7.
IRM 4.4.6.4	New Title: “Centralized Case Processing (CCP), Invalid Joint Return-Primary Not Required to File Separate Return”.
IRM 4.4.6.4.1	Previous procedures for “Group Procedures for Converting Form 1120-S to Form 1120” can be found in IRM 3.11.217.4.2, IRM 3.13.222.39.2, IRM 4.10.8.4.2.2, IRM 21.7.4.4.4.11.1, and IRM 21.7.4.4.4.11.1.7.
IRM 4.4.6.4.2	Moved information in this section to IRM 4.4.6.5, retitled, and re-numbered.
IRM 4.4.6.5	New Title: “Centralized Case Processing (CCP), Converting Form 1120-Sto Form 1120”.
IRM 4.4.6.5.1	Previous procedures for “Group Procedures for Agreed Conversion Case” can be found in IRM 4.10.8.
IRM 4.4.6.5.2	Moved information in this section to IRM 4.4.6.6, retitled, and re-numbered.
IRM 4.4.6.6	Section has been removed as this was a lead into section IRM 4.4.6.6.1 below.
IRM 4.4.6.6.1	Previous procedures for IRM 4.4.6.6.1 can be found in IRM 4.10.8.12.

EFFECT ON OTHER DOCUMENTS

This revision supersedes the previous IRM 4.4.6, Conversion of Returns, issued 12-4-2009.

AUDIENCE

This IRM Section is for use by employees in Large Business and International (LB&I) and Small Business/Self-Employed (SB/SE).

Lori L. Roberts
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Small Business/Self-Employed

4.4.6

Conversion of Returns

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4.4.6.1
(10-05-2022)
Program Scope and Objectives

- (1) Purpose: This section provides general instructions and guidelines for Conversion of Returns, as they pertain to Centralized Case Processing (CCP).
- (2) Audience: The audience for this IRM Section will be Examination CCP.
- (3) AIMS Policy Owner: The Director: SB/SE Technology Solutions who is under the Director, Operations Support.
- (4) AIMS Program Owner: Exam Systems and Programs, Customer Service.

4.4.6.1.1
(10-05-2022)
Background

- (1) The procedures, which were in this IRM, pertained to the Examination Audit Process. The procedures do not pertain to the AIMS IT System, which is the title of this IRM. IRM references are given in the material changes, for the procedures previously located in this IRM. Centralized Case Processing (CCP) procedures, remaining in this IRM, will be included in the new IRM 4.38.1, Examining Processing, Centralized Case Processing (CCP), Organization and Responsibilities.

4.4.6.1.2
(10-05-2022)
Responsibility

- (1) Headquarter Examination is responsible for all policy and procedures related to CCP.

4.4.6.2
(10-05-2022)
Centralized Case Processing (CCP) Procedures, Separate Returns Filed

- (1) Make the following entries on the Form 5344, Examination Closing Record, containing the secondary taxpayer's SSN (Social Security Number).
 - a. Enter Hold Code 4 in Item 07. In the "Remarks" Box, write: "To prevent incorrect refunds or notices".
 - b. Enter \$1 amount in Item 35.
 - c. When inputting the joint Form 5344, enter a posting delay code in Item 43 of Form 5344.
- (2) Additional actions required on the secondary taxpayer's account:
 - a. If not done previously, process Form 2363, Master File Entity Change, adding the secondary taxpayer's name to the primary taxpayer's account and change the marital status code to married filing joint.
 - b. Input a TC (Transaction Code) 971, Action Code 001, via Form 3177, Notice of Action for Entry on Master File, on the secondary account.
 - c. To prevent a future Collection Information Return Penalty (IRP) activity, input TC 594, Closing Code 84 on both taxpayer's accounts.
 - d. Move the unrefunded payments from the secondary account to the primary account.
 - e. Prepare Form 12857, Refund Transfer Posting Voucher, when the secondary taxpayer received EITC (Earned Income Tax Credit) or ACTC (Additional Child Tax Credit) and the entire refund must be transferred to the joint account to be collected.

These forms are mailed to:
Ogden Service Center
ATTN: RACS M/S 6261
1973 N. Rulon White Blvd.
Ogden, UT 84404

4.4 Audit Information Management System (AIMS) – Validity and Consistency

4.4.6.3
(10-05-2022)

Centralized Case Processing (CCP) Procedures, Only One Spouse Filed

- (1) CCP will complete the following steps:
 - a. If not previously done, process Form 2363, adding the name of the spouse, who has not filed, to the new joint return and to correct the marital status code.
 - b. Verify and complete Form 5344, as applicable.

4.4.6.4
(10-05-2022)

Centralized Case Processing (CCP) Procedures, Invalid Joint Return-Primary Not Required to File Separate Return

- (1) If not done previously, process Form 2363, that should have been prepared by the group.
- (2) Process Form 5344, on the primary TIN and the secondary TIN accordingly.
- (3) Prepare Form 2424, Account Adjustment Voucher, to transfer any unrefunded payment credits, on the invalid joint return, to the secondary TIN.

4.4.6.5
(10-05-2022)

Centralized Case Processing (CCP) Procedures, Converting Form 1120-S to Form 1120

- (1) If not done previously, process Form 2363, that should have been completed by the group
- (2) Process the Form 5344, accordingly.
- (3) Prepare Form 1725, Routing Slip, addressed to the Campus Entity Control function. Form 1725, must include the statement, "Form 1120-S, converted to Form 1120-S, by Examination"; update Form 2553, Election by a Small Business Corporation. The following information must be furnished:
 - a. The taxpayer's name, address and EIN.
 - b. Effective date of the termination.
 - c. Reason for the termination.
 - d. The Area Office Code.
 - e. A statement indicating that Form 2363, has been input.
- (4) Form 2553, should be EFiled to the appropriate Campus either Kansas or Ogden.

If	Then
If the corporation's (entity's) principal business, office, or agency is located in:	Use the following address or EFax number:
Connecticut, Delaware, District of Columbia, Georgia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, Wisconsin	Department of the Treasury Internal Revenue Service Center 333 W. Pershing Rd. Kansas City, MO 64108 Stop 6055 - C1 (KCSPC) Attn. Entity EFax: 855-887-7734

If	Then
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming	Department of the Treasury Internal Revenue Service Center 1973 Rulon White Blvd. Attn. Entity Stop 6272 (OSPC) Ogden, UT 84201 EFax: 855-214-7520

4.4.6.6
(10-05-2022)

Centralized Case Processing (CCP) Procedures for Agreed Conversion Cases

- (1) Conversion cases will be identified on Form 3198, Special Handling Notice for Examination Case Processing. Agreed cases will include the newly converted Form 1120, or Form 1041, (or a photocopy).
- (2) Process agreed cases as directed by the group. The newly converted Form 1120, or Form 1041, will have been previously forwarded to Master File, posted to the account and now full record on AIMS.
- (3) Process Form 2363, to eliminate Form 1041/1065, filing requirements, if not previously done.

