



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

5.19.10

DECEMBER 15, 2023

EFFECTIVE DATE

(12-15-2023)

PURPOSE

- (1) This transmit revises IRM 5.19.10, Liability Collection, Collection Operations Transcript Processing.

MATERIAL CHANGES

- (1) IRM 5.19.10.1.1(1) - IPU 23U0996 issued 10-10-2023 - Added full name to the term **IAAL**.
- (2) IRM 5.19.10.1.3(3) (b) - IPU 22U0947 issued 09-13-2022 - Updated grammar.
- (3) IRM 5.19.10.1.3(3) - IPU 23U0996 issued 10-10-2023 - Removed duplicate reference.
- (4) IRM 5.19.10.1.4(2) - IPU 22U0947 issued 09-13-2022 - Updated grammar.
- (5) IRM 5.19.10.1.6 - IPU 23U0996 issued 10-10-2023 - Updated language to be gender neutral.
- (6) IRM 5.19.10.3.3(1) - IPU 23U0996 issued 10-10-2023 - Updated language to be gender neutral.
- (7) IRM 5.19.10.3.13.1(10) - IPU 22U0947 issued 09-13-2022 - Updated grammar.
- (8) IRM 5.19.10.3.13.1(11) - IPU 22U0947 issued 09-13-2022 - Removed duplicate paragraph.
- (9) IRM 5.19.10.3.13.3(a) - IPU 23U0249 issued 02-08-2023 - Added citation to procedure.
- (10) IRM 5.19.10.3.13.3 (a) - IPU 23U0996 issued 10-10-2023 - Updated IRM reference.
- (11) IRM 5.19.10.4(4) - IPU 23U0996 issued 10-10-2023 - Removed chart and converted it to a list to clarify the work process.
- (12) IRM 5.19.10.4(5) - IPU 23U0996 issued 10-10-2023 - Removed chart and converted it to a list to clarify the work process.
- (13) IRM 5.19.10.4(14) - IPU 22U0947 issued 09-13-2022 - Updated form references.
- (14) IRM 5.19.10.4.3(8) - IPU 23U0996 issued 10-10-2023 - Revised chart to make it clearer to read.
- (15) IRM 5.19.10.4.4.1(5) - IPU 23U0249 issued 02-08-2023 - Added note for OIC reversals.
- (16) IRM 5.19.10.4.4.2(2) - IPU 22U0947 issued 09-13-2022 - Updated grammar.
- (17) IRM 5.19.10.4.5(1) - IPU 23U0996 issued 10-10-2023 - Replaced the abbreviation **dc** with its meaning.
- (18) IRM 5.19.10.5.1(2) - IPU 23U0249 issued 02-08-2023 - URL link updated.
- (19) IRM 5.19.10.5.1(6) - IPU 22U0947 issued 09-13-2022 - Updated grammar.
- (20) IRM 5.19.10.5.1(8) (c) - IPU 23U0996 issued 10-10-2023 - Revised paragraph to comply with the current IRS Style guidance.
- (21) IRM 5.19.10.5.2(9) - IPU 22U0947 issued 09-13-2022 - Updated procedures for PMTEXPCSED Transcripts.

- (22) IRM 5.19.10.5.2.1 - IPU 22U0947 issued 09-13-2022 - Updated procedures for working PMTEXPCSED Transcripts.
- (23) IRM 5.19.10.5.2.1(4) - IPU 22U0947 issued 09-13-2022 - Updated grammar.
- (24) IRM 5.19.10.5.2.1(4) - IPU 23U0996 issued 10-10-2023 - Updating language to be gender neutral.
- (25) IRM 5.19.10.5.2.4 - IPU 22U0947 issued 09-13-2022 - Added 549C letter to title.
- (26) IRM 5.19.10.5.6(3) - IPU 22U0947 issued 09-13-2022 - Updated grammar.
- (27) IRM 5.19.10.5.7.1(5) - IPU 22U0947 issued 09-13-2022 - Removed obsolete sentence.
- (28) IRM 5.19.10.5.7.1(5)(b) - IPU 23U0249 issued 02-08-2023 - Updated IRM reference.
- (29) IRM 5.19.10.5.10.1 (2) - Correct instruction for location of credit card designation
- (30) IRM 5.19.10.5.10.2(2) (d) - IPU 22U0947 issued 09-13-2022 - Removed incorrect contact information.
- (31) IRM 5.19.10.6(1) Note - IPU 22U0947 issued 09-13-2022 - Updated IAT hyperlink.
- (32) IRM 5.19.10.6.1.1(3) - IPU 22U0947 issued 09-13-2022 - Updated IRC citation.
- (33) IRM 5.19.10.6.2(1) - IPU 22U0947 issued 09-13-2022 - Updated grammar.
- (34) IRM 5.19.10.6.2(13) - IPU 23U0996 issued 10-10-2023 - Updated language to be gender neutral.
- (35) IRM 5.19.10.6.2.1(2) - IPU 22U0947 issued 09-13-2022 - Updated hyperlink.
- (36) IRM 5.19.10.6.2.1(9) - IPU 22U0947 issued 09-13-2022 - Updated hyperlink.
- (37) IRM 5.19.10.6.4(6) - IPU 23U0249 issued 02-08-2023 - Removed Note.
- (38) IRM 5.19.10.6.4(7) - Updated language to be gender neutral.
- (39) IRM 5.19.10.6.5.4(5) - IPU 22U0947 issued 09-13-2022 - Updated hyperlink.
- (40) IRM 5.19.10.6.5.4(13) - IPU 22U0947 issued 09-13-2022 - Updated hyperlink.
- (41) IRM 5.19.10.6.5.5(3) - IPU 23U0249 issued 02-08-2023 - added Document Upload Tool (DUT) language.
- (42) IRM 5.19.10.6.5.5(12) - IPU 23U0249 issued 02-08-2023 - added Document Upload Tool (DUT) language.
- (43) IRM 5.19.10.6.5.5(14) - IPU 22U0947 issued 09-13-2022 - Updated grammar.
- (44) IRM 5.19.10.6.5.5(16) - IPU 23U0249 issued 02-08-2023 - added Document Upload Tool (DUT) language.
- (45) IRM 5.19.10.6.5.7(8) - IPU 22U0947 issued 09-13-2022 - Updated Document 6209 reference.
- (46) IRM 5.19.10.6.5.8(4) - IPU 23U0996 issued 10-10-2023 - Updated to comply with style guide requirements.
- (47) IRM 5.19.10.6(6) - IPU 23U0996 issued 10-10-2023 - Removed outdated note from paragraph.
- (48) IRM 5.19.10.7(1) Note - IPU 22U0947 issued 09-13-2022 - Updated hyperlink.

- (49) IRM 5.19.10.7.2.3(4)(c) - IPU 23U0249 issued 02-08-2023 - Updated IRM link.
- (50) IRM 5.19.10.7.2.3(4) (c) - IPU 23U0996 issued 10-10-2023 - Removed outdated statement about extended timeframe.
- (51) IRM 5.19.10.7.2.5(1) - IPU 23U0249 issued 02-08-2023 - Updated IRM link.
- (52) IRM 5.19.10.7.2.5(1) - IPU 23U0996 issued 10-10-2023 - Updated language to be gender neutral.
- (53) IRM 5.19.10.8(4) - IPU 23U0249 issued 02-08-2023 - Updated module information.
- (54) IRM 5.19.10.8.3(1) - IPU 23U0249 issued 02-08-2023 - Updated module information.
- (55) IRM 5.19.10.8.3.1(2) - IPU 23U0249 issued 02-08-2023 - Updated Chart.
- (56) IRM 5.19.10.9.2(3) - IPU 22U0947 issued 09-13-2022 - Removed reference to a CP 57 generating.
- (57) IRM 5.19.10.9.3.1(4) - IPU 23U0249 issued 02-08-2023 - Revised Chart.
- (58) IRM 5.19.10.9.3.1(4) - IPU 23U0996 issued 10-10-2023 - Updated ALN 0315 EFT processing procedures and added a note with Letter 2272C language.
- (59) IRM 5.19.10.9.3.1 (4) - Updated ALN 0315 EFT processing procedures and added a note with Letter 2272C language.
- (60) IRM 5.19.10.9.3(2) - IPU 22U0947 issued 09-13-2022 - Removed reference to a CP 57 generating.
- (61) IRM 5.19.10.9.3.2(2) - IPU 23U0249 issued 02-08-2023 - Updated Chart.
- (62) IRM 5.19.10.9.3.2(2) - IPU 23U0996 issued 10-10-2023 - Updated ALN EFT processing procedures and added a note with Letter 2272C language.
- (63) IRM 5.19.10.9.5(2) - IPU 23U0249 issued 02-08-2023 - Updated Chart.
- (64) IRM 5.19.10.9.7.1 - IPU 22U0947 issued 09-13-2022 - Updated procedures for processing EFT files.
- (65) IRM 5.19.10.9.7.2 - IPU 23U0249 issued 02-08-2023 - Revised Chart.
- (66) IRM 5.19.10.10 - IPU 22U0947 issued 09-13-2022 - Updated DDIA procedures.
- (67) IRM 5.19.10.10(3) - IPU 23U0996 issued 10-10-2023 - Updated Link.
- (68) IRM 5.19.10.10.2.1(3) - IPU 22U0947 issued 09-13-2022 - Updated Document 6209 and IRM references.
- (69) IRM 5.19.10.10.2.1(3) - IPU 23U0249 issued 02-08-2023 - Updated IRM reference.
- (70) IRM 5.19.10.10.2.2(3) - IPU 22U0947 issued 09-13-2022 - Updated grammar.
- (71) IRM 5.19.10.10.3.1(3) - IPU 22U0947 issued 09-13-2022 - Updated PreIA language to provide clarity.
- (72) IRM 5.19.10.10.3.3(3) - IPU 22U0947 issued 09-13-2022 - Updated debit language to provide clarity.
- (73) IRM 5.19.10.10.3.3(5) - IPU 23U0249 issued 02-08-2023 - Added instructions for PPIAs.
- (74) IRM 5.19.10.10.3.3(6) - IPU 22U0947 issued 09-13-2022 - Updated debit language concerning IBTF.
- (75) Exhibit 5.19.10-5 - IPU 22U0947 issued 09-13-2022 - Updated grammar.
- (76) Exhibit 5.19.10-5 - IPU 23U0249 issued 02-08-2023 - Updated IRM reference.

EFFECT ON OTHER DOCUMENTS

IRM 5.19.10 dated June 10, 2022 is superseded. The following IPU's are incorporated into this IRM: 22U0947 dated 9-13-2022, 23U0249 dated 02-08-2023, 23U0996 dated 10-10-2023.

AUDIENCE

Wage & Investment (W&I), Small Business/Self Employed (SBSE) Compliance and Customer Account Services (CAS)

Rocco A. Steco
Acting Director, Collection Policy
Small Business/Self Employed

5.19.10
Collection Operations Transcript Processing

Table of Contents

- 5.19.10.1 Program Scope and Objectives
 - 5.19.10.1.1 Background
 - 5.19.10.1.2 Authority
 - 5.19.10.1.3 Responsibilities
 - 5.19.10.1.4 Program Management and Review
 - 5.19.10.1.5 Program Controls
 - 5.19.10.1.6 Acronyms/Definitions
 - 5.19.10.1.7 Related Resources
- 5.19.10.2 Taxpayer Advocate Service (TAS)
- 5.19.10.3 Credit Offsets
 - 5.19.10.3.1 Use of Credit Offset
 - 5.19.10.3.2 Request Input of TC 130
 - 5.19.10.3.3 Input of TC 130 on IMF Entity for Credit Offset
 - 5.19.10.3.4 Input of TC 130 on BMF Entity for Credit Offset
 - 5.19.10.3.5 Input of TC 130 on IMF Entity to Reactivate BMF CNC Account
 - 5.19.10.3.6 Input of TC 130 on IDRS to IMF or BMF Entity for Refund Offset
 - 5.19.10.3.7 Input of TC 130 on IDRS to IMF Entity to Reactivate BMF CNC Account
 - 5.19.10.3.8 TC 130 Requests from Non-Master File Accounting Function
 - 5.19.10.3.9 TC 130 Requests for Trust Fund Recovery Assessments
 - 5.19.10.3.10 TC 130 Requests from Underreporter and Examination Function
 - 5.19.10.3.11 Input of TC 131
 - 5.19.10.3.12 Generation of CP 44 and CP 188
 - 5.19.10.3.13 Research Prior to Transfer of Credits
 - 5.19.10.3.13.1 Transfer of Credits to LLCs
 - 5.19.10.3.13.2 Transfer of Credits and TFRP
 - 5.19.10.3.13.3 Transfer Credits to Non-Master File
 - 5.19.10.3.13.4 L- Freeze and Innocent Spouse
 - 5.19.10.3.13.5 -R Freeze Credits
 - 5.19.10.3.14 Transfer of Credits
 - 5.19.10.3.15 Point of Count
- 5.19.10.4 Collection Statute Expiration Date (CSED) Verification and Correction
 - 5.19.10.4.1 Transaction Codes with a Ten-Year CSED
 - 5.19.10.4.2 Transaction Codes and Case Actions that Suspend or Extend the CSED
 - 5.19.10.4.3 CSED Fields on Integrated Data Retrieval System (IDRS)
 - 5.19.10.4.4 Determining the Correct CSED

- 5.19.10.4.4.1 CSED Considerations
- 5.19.10.4.4.2 MFT 31 Issues
- 5.19.10.4.4.3 TC 550 and Form 900 Waiver Issues
- 5.19.10.4.4.4 TC 971/972 AC 043/063/163 Issues
- 5.19.10.4.5 Resolving a Module with CSED Problems
 - 5.19.10.4.5.1 Correcting an Existing CSED, No TC 550 on Account
 - 5.19.10.4.5.2 Correcting an Existing TC 550
- 5.19.10.4.6 Credits Applied After the CSED
 - 5.19.10.4.6.1 TC 971 AC 687, and Miscellaneous Codes for CSED
- 5.19.10.4.7 Writing Off Expired Balances with TC 534
 - 5.19.10.4.7.1 MULTICSED Transcript and Listings
- 5.19.10.5 Balance Due Transcripts
 - 5.19.10.5.1 General Procedures For All Transcripts
 - 5.19.10.5.2 PMTEXPCSED Transcripts
 - 5.19.10.5.2.1 General Instructions for PMTEXPCSED Cases
 - 5.19.10.5.2.2 Processing Overpayments From a Module Time-Barred From Collection
 - 5.19.10.5.2.3 Processing Transaction Codes and Payments Other Than TC 670
 - 5.19.10.5.2.4 Processing Responses/No Response to Letter 549C/672C
 - 5.19.10.5.3 Accounts Maintenance Claim Pending (AM06W) Transcripts
 - 5.19.10.5.3.1 Processing 06W Transcripts
 - 5.19.10.5.4 Accounts Maintenance Transcripts (AM07)
 - 5.19.10.5.5 CSED (SPC3) Transcript
 - 5.19.10.5.5.1 Processing CSED (SPC3) Transcript
 - 5.19.10.5.6 Claim Pending Collection Statute Transcript (AM 23W)
 - 5.19.10.5.7 Notices of Potential Manual Penalty/Interest Adjustment (CP 86 and CP 186)
 - 5.19.10.5.7.1 Processing CP 86 and CP 186
 - 5.19.10.5.8 Non-Master File Liability (NMFL) Transcripts
 - 5.19.10.5.9 Verify Payment (VERFPYMT) Transcripts
 - 5.19.10.5.9.1 Processing VERFPYMT Transcripts
 - 5.19.10.5.10 Electronic Spousal Payment (ELECSPPAY) Transcripts
 - 5.19.10.5.10.1 Processing ELECSPPAY Transcripts
 - 5.19.10.5.10.2 Credit Card Payments
 - 5.19.10.5.11 NOMRG-TDA Transcript (NM07)
 - 5.19.10.5.11.1 Processing NOMRG-TDA Transcript
 - 5.19.10.5.12 NOMRG – CPNL and REVAL – CPNL Transcript
 - 5.19.10.5.13 Notice of No Merge TDA Module and NOMRG TDA Transcripts (CP 206)
 - 5.19.10.5.13.1 Processing No Merge TDA Module and NOMERG TDA Transcripts (CP 206)
- 5.19.10.6 Combat Zone Accounts
 - 5.19.10.6.1 Combat Zone Exclusion of Income

- 5.19.10.6.1.1 Combat Zone Incorrect W-2 and Interest on Refunds
- 5.19.10.6.2 Combat Zone Qualified Individuals and Areas
 - 5.19.10.6.2.1 Civilian Contractors Working in Support of the Combat Zone
 - 5.19.10.6.2.2 Filing Returns for Combat Zone or Contingency Operation Participants
 - 5.19.10.6.2.3 Other Military Operations and Tax Relief
- 5.19.10.6.3 Combat Zone Freeze Code
- 5.19.10.6.4 Combat Zone Computation of Suspense Period
- 5.19.10.6.5 Combat Zone Correspondence and Telephone Calls
 - 5.19.10.6.5.1 Combat Zone IMF Procedures
 - 5.19.10.6.5.2 Combat Zone BMF Procedures
 - 5.19.10.6.5.3 Combat Zone BMF ACS Accounts
 - 5.19.10.6.5.4 Combat Zone E-mail
 - 5.19.10.6.5.5 Responses to CP 04 Notice
 - 5.19.10.6.5.6 CP 04 - Resolving a Balance Due
 - 5.19.10.6.5.7 Combat Zone Payoff Amount
 - 5.19.10.6.5.8 Combat Zone Installment Agreement and Short Term Payment Plans
- 5.19.10.6.6 Combat Zone Unpostables (UPC 133)
- 5.19.10.7 Combat Zone Transcripts
 - 5.19.10.7.1 "COMBATZON" Transcript Procedures
 - 5.19.10.7.2 Combat Zone Clean-Up Transcript
 - 5.19.10.7.2.1 Combat Zone Clean-up Transcript Processing
 - 5.19.10.7.2.2 Combat Zone Research
 - 5.19.10.7.2.3 Resolving Combat Zone Accounts
 - 5.19.10.7.2.4 Taxpayer Responds to Letter 2761C
 - 5.19.10.7.2.5 Taxpayer Does Not Respond to Letter 2761C
- 5.19.10.8 —Q Transcripts
 - 5.19.10.8.1 General Procedures for Diagnostic-Q Transcripts
 - 5.19.10.8.2 Diagnostic-Q, Type C
 - 5.19.10.8.2.1 Processing Diagnostic-Q, Type C
 - 5.19.10.8.3 Diagnostic-Q, Type S
 - 5.19.10.8.3.1 Processing Type S
 - 5.19.10.8.4 Diagnostic-Q, Type E
 - 5.19.10.8.5 Diagnostics-Q — Numerics
 - 5.19.10.8.5.1 Processing Numerics
 - 5.19.10.8.6 Reason Codes
 - 5.19.10.8.6.1 Reason Code 33
 - 5.19.10.8.6.2 Reason Code -EE or QQ
 - 5.19.10.8.7 Freeze Codes
 - 5.19.10.8.7.1 Freeze Code -E

- 5.19.10.8.7.2 Freeze Code –I (Debit Interest Restricted)
- 5.19.10.8.7.3 Freeze Code I- (Credit Interest Restricted)
- 5.19.10.9 EFT Listings
 - 5.19.10.9.1 CC EFTAD for Problem ID and Correction - CSCO Processing
 - 5.19.10.9.1.1 Verify EFT 1240 Run - CSCO Processing
 - 5.19.10.9.2 EFT 1240 Listing - CSCO Processing
 - 5.19.10.9.2.1 EFT 1240 Error Records
 - 5.19.10.9.2.2 EFT 12 Expected Deposits Not Sent to Bank - CSCO Processing
 - 5.19.10.9.3 EFT 18 Listing - CSCO Processing
 - 5.19.10.9.3.1 Non-Payment Problem Register
 - 5.19.10.9.3.2 Account Change List
 - 5.19.10.9.4 EFT 16 Listing - CSCO Processing
 - 5.19.10.9.5 EFT 10 Listing - CSCO Processing
 - 5.19.10.9.6 EFT 14 Listing - CSCO Processing
 - 5.19.10.9.7 EFT 28 Listing - CSCO Processing
 - 5.19.10.9.7.1 Status on EFT File Differs from TIF – CSCO Processing
 - 5.19.10.9.7.2 Active Account on TIF Not on EFT File – CSCO Processing
 - 5.19.10.9.7.3 Taxpayer on EFT File But Not on TIF – CSCO Processing
 - 5.19.10.9.8 Purging the Direct Debit Installment Agreement File and Disposition of Cases
- 5.19.10.10 Installment Agreement Accounts List (IAAL)
 - 5.19.10.10.1 IAAL Processing Time Frames and Dispositions – CSCO Processing
 - 5.19.10.10.1.1 IAAL - Generalized IDRS Interface (GII) Tool Process
 - 5.19.10.10.1.2 Multiple-Condition Cases
 - 5.19.10.10.1.3 Revising or Reinstating Accounts on the IAAL
 - 5.19.10.10.2 IAAL Full Paid Category
 - 5.19.10.10.2.1 Full Paid Restricted Interest and Penalty Accounts
 - 5.19.10.10.2.2 Full Paid Continuous Wage Levy Accounts
 - 5.19.10.10.2.3 Cross-Referenced TINs on Status 60 Accounts
 - 5.19.10.10.2.4 Full Paid Payroll Deduction Agreements – CSCO Processing
 - 5.19.10.10.2.5 Previous Agreement Full Paid with Anticipated Debit Module (XX32) – CSCO Processing
 - 5.19.10.10.2.6 Expired CSED – Partial Payment Installment Agreements
 - 5.19.10.10.3 IAAL Suspended and Suspended Over 4 Weeks (Status 61)
 - 5.19.10.10.3.1 Suspended — Pre-Bal or Expired Pre-Assessed Installment Agreement (PreIA)
 - 5.19.10.10.3.2 Suspended for New Assessment
 - 5.19.10.10.3.3 Unanticipated Debits on the IAAL
 - 5.19.10.10.3.4 Anticipated Debits on the IAAL
 - 5.19.10.10.3.5 New Debit Extends Agreement Beyond CSED – CSCO Processing
 - 5.19.10.10.3.6 New Debit on Continuous Wage Levy – CSCO Processing
 - 5.19.10.10.3.7 New Debit on Payroll Deduction Installment Agreement - CSCO Processing

- 5.19.10.10.3.8 -J Freeze or TC 470 CC 94 - Unsubstantiated Math Error
- 5.19.10.10.3.9 RET DEL or TDI MOD
- 5.19.10.10.3.10 OIC - 5YR
- 5.19.10.10.4 IAAL Defaulted Category (Status 64)
 - 5.19.10.10.4.1 Defaulted Payroll Deduction Agreements/Payment Missing
 - 5.19.10.10.4.2 Defaulted Continuous Wage Levy
 - 5.19.10.10.4.3 Defaulted Installment Agreement with Cross Reference TIN
 - 5.19.10.10.4.4 Defaulted with Backup 53 (ALN XX53)
 - 5.19.10.10.4.5 IAAL Out of Campus Accounts – CSCO Processing
- 5.19.10.10.5 IAAL Deferred Agreement Over One Year (Status 63) – CSCO Processing
- 5.19.10.10.6 IAAL Review Agreements
 - 5.19.10.10.6.1 IAAL Review of Continuous Wage Levy – CSCO Processing
 - 5.19.10.10.6.2 IAAL Review for Refund to Full Pay Account – CSCO Processing
 - 5.19.10.10.6.3 IAAL Review of Restricted Interest and Penalty Accounts – CSCO Processing
- 5.19.10.10.7 Litigation/Bankruptcy Module on the IAAL – CSCO Processing
- 5.19.10.10.8 IAAL TC 914 on Agreement – CSCO Processing
- 5.19.10.10.9 IAAL Account Transferred – CSCO Processing
- 5.19.10.10.10 IAAL Lien Determination – CSCO Processing
- 5.19.10.10.11 IAAL DDIA in New Center
- 5.19.10.10.12 IAAL Categories: “ORIGINATION FEE TRACKING”, “REINSTATEMENT FEE TRACKING”, and “DISHONORED CHECKS” (formerly “USER FEE ERROR LISTING”)
- 5.19.10.10.13 MFT 31 Category on the IAAL
- 5.19.10.10.14 IAAL Military Combat (CSCO Processing)
 - 5.19.10.10.14.1 IAAL Military Combat - Suspense Period
 - 5.19.10.10.14.2 IAAL Military Combat - Accruals
 - 5.19.10.10.14.3 IAAL Military Combat - Reinstatement of Installment Agreements

Exhibits

- 5.19.10-1 Restrictive Conditions
- 5.19.10-2 Reason Codes, TDA/TDI, Explanation
- 5.19.10-3 EFT Prioritization List
- 5.19.10-4 IAAL Prioritization List
- 5.19.10-5 CSED Computation Reference Table
- 5.19.10-6 CSED Chart for OIC
- 5.19.10-7 CSED Chart for OIC (continued)
- 5.19.10-8 Manual Calculations of a CSED Using the Julian Date Calendar
- 5.19.10-9 Manual Calculations of a CSED Using the Julian Date Calendar
- 5.19.10-10 CSED Calculator Worksheet

5.19.10.1
(03-23-2020)
Program Scope and Objectives

- (1) This section contains procedures for Compliance Services Collection Operation (CSCO) transcript programs, Combat Zone and Collection Statute Expiration Date verification and correction.
- (2) **Purpose:** Various transcripts generate on modules assigned to Compliance when specific account conditions exist. By following the procedures in this IRM, users will be able to research and take appropriate account actions to resolve the account or move it back into the collection stream.
- (3) **Audience:** Wage & Investment (W&I), Small Business/Self Employed (SBSE) Compliance and Customer Account Services (CAS) employees who work Collection programs including transcripts, installment agreements, EFT listings, combat zone accounts, and Collection Statute Expiration Date (CSED) correction and write-off.
- (4) **Policy Owner:** Director, Collection Policy, SBSE.
- (5) **Program Owner:** Collection Policy, SBSE, Campus Operations.
- (6) **Primary Stakeholders:** Compliance and Customer Account Services.

5.19.10.1.1
(10-10-2023)
Background

- (1) CSCO works Individual Master File (IMF) accounts and Business Master File (BMF) accounts. Atlanta, Brookhaven and Memphis Campus Compliance works all Electronic Funds Transfer (EFT) Listings for IMF and BMF. IMF Installment Agreement Accounts List (IAAL) is worked in Atlanta and BMF IAAL is worked in Ogden. Balance Due Transcripts are worked in Andover, Atlanta, Brookhaven, Memphis and Philadelphia. Combat Zone Transcripts are worked in Kansas City.

5.19.10.1.2
(04-05-2017)
Authority

- (1) Per Policy Statement 5-2: We will actively assist taxpayers who try to comply with the law, and work to continually improve the quality of our systems and service to meet the needs of our customers. All taxpayers, whether delinquent or fully compliant, are entitled to prompt and professional service whenever they deal with IRS employees.
- (2) IRC 112 & 7508 provide certain tax benefits to individuals serving in a combat zone.
- (3) IRC 6502 provides procedures for ten year CSED.
- (4) Refer to IRM 5.19.1 for procedures to work Installment Agreements.

5.19.10.1.3
(10-10-2023)
Responsibilities

- (1) The Operations Manager is responsible for timely closures of all programs under their authority.
- (2) The team manager is responsible for monitoring timely closure of transcripts and listings received in the area, and updating the Operations Manager of any discrepancies.
- (3) The IRS Restructuring and Reform Act of 1998 (IRS RRA 98), Section 3705(a), provides identification requirements for all IRS employees working tax related matters.
 - a. In June of 2014 the IRS adopted the Taxpayer Bill of Rights (TBOR) therefore, consider these rights in every interaction you have with taxpayers, and embrace them as part of your work life every day. Even if

you don't work directly with the public, you support the overall mission of the IRS and it's important to know these rights and how they apply. When we respect taxpayer rights, it's good for tax administration, good for voluntary compliance with the tax law and most importantly, good for taxpayers. Additional information may be found on the IRS website at: www.irs.gov/taxpayer-bill-of-rights

- b. The Internal Revenue Code provides taxpayers specific rights. The Taxpayer Bill of Rights groups these rights into 10 fundamental rights. See IRC 7803(a)(3). The Commissioner shall ensure that IRS employees are familiar with and act in accord with these rights. IRC 7803(a)(3). For additional information, refer to IRM 1.2.1.2.36, Policy Statement 1-236, Fairness and Integrity in Enforcement Selection, and the TBOR at *Taxpayer Bill of Rights | Internal Revenue Service (irs.gov)*

5.19.10.1.4
(09-13-2022)
Program Management and Review

- (1) **Program Reports:** Daily and weekly reports are performed by management. Headquarters gathers monthly data to complete the Monthly Monitoring Report (MMR).
- (2) **Program Review:** Operational and program reviews are conducted to ensure that case actions are in accordance with the procedures in this IRM.
- (3) **Program Effectiveness:** Cases are reviewed by management, quality review and during operational reviews. Program goals are measured in the Balance Due Transcript Overage Measure. The program results are housed on the Collection Program and Campus Reports SharePoint site in the Monthly Monitoring Report (MMR).
- (4) **Program Goals:** By following the procedures in this IRM section, employees will be able to appropriately handle CSCO transcript programs, Combat Zone cases and CSED verification and correction.

5.19.10.1.5
(04-20-2022)
Program Controls

- (1) Atlanta CSCO has an inventory processing strategy that primarily focuses on the Balance Due and Installment Agreement Accounts List (IAAL) programs in making a determination on inventory priority processing. Brookhaven CSCO and Memphis CSCO assist in processing the IAAL. Ogden CSCO works BMF IAAL.
- (2) Balance Due Transcripts are worked in Atlanta, Andover, Brookhaven, Kansas City, Memphis and Philadelphia.
- (3) Daily and weekly reports are performed by management in all campuses working transcripts. PAS completes daily reviews on all programs.

5.19.10.1.6
(10-10-2023)
Acronyms/Definitions

- (1) The following table lists the various acronyms (abbreviations) which may be used in the processing of transcript inventories and used throughout this IRM:

Acronyms	Definitions
AC	Action code when used with transaction code (TC) 971 miscellaneous code. IDRS displays it as "971-CD>". Refer to Document 6209, IRS Processing Codes and Information, <i>TC 971 Action Codes</i>

Acronyms	Definitions
ACS	Automated Collection System
ACTON	Command Code used to establish control bases, to update or close control bases that are open, to correct name controls on dummy accounts, to append history items to modules on IDRS, and to generate TC 902s to secure tax modules and their related entity data from the Master File. See IRM 2.3.12, Command Code ACTON.
ADD24/48, ADC24/48, ADD34, ADC34, FRM34 and DRT24/48	These IDRS command codes are used to input two-sided credit transfers and generate TC 902s to secure tax modules and their related entity data from the Master File. Refer to IRM 2.4.17, Command Codes ADD24/34/48, ADC24/34/48, FRM34 and DRT24/48.
AM	Accounts Management
AMRH	Account Maintenance Research History
AMS	Account Management Services - an application that works in conjunction with IDRS to provide a record of actions taken on individual and business tax accounts.
ANMF	Automated Non-Master File
ASED	Assessment Statute Expiration Date
ASFR	Automated Substitute For Return
ASGNI, ASGNB	<p>These Command Codes have five functions that may be used with accounts that are present on the Taxpayer Identification File (TIF). Refer to IRM 2.4.27, Command Code ASGNI/ASGNB formerly TSIGN. These functions include:</p> <ul style="list-style-type: none"> • Controlling and updating Taxpayer Delinquent Account (TDA) and Taxpayer Delinquency Investigation (TDI) assignment numbers • Posting Notice Codes for subsequent processing by weekly analysis • Posting Alpha Case Codes for subsequent processing by weekly analysis • Posting Determined Grade Levels for subsequent processing by weekly analysis • Requesting a printed TDI assignment
ATFR	Automated Trust Fund Recovery System
BFS	The Bureau of the Fiscal Service
BMF	Business Master File - A magnetic tape containing information on each taxpayer's business returns and related documents.
BMFOL	Business Master File On-Line Command Code furnishes read-only access to the Business Master File. See IRM 2.3.59, Command Codes BMFOL and BMFOR.
BMFOR	Command Code provides access to the BMF retention tax modules from accounts that merged to a new Taxpayer Identification Number (TIN). See IRM 2.3.59, Command Codes BMFOL and BMFOR.
BOD	Business Operating Division
cc	Closing Code when used with a transaction code
CC	Command Code for IDRS processing
CCC	Computer Condition Code

Acronyms	Definitions
CCP	Centralized Case Processing
CDP	Collection Due Process
CLC	Collection Location Code
CNC	Currently Not Collectible
CO	Contingency Operation
COIC	Centralized Offer In Compromise
COMPA	Command Code which computes the interest or penalty on a specified amount for a specified period of time. See IRM 2.3.29, Command Codes INTST, ICOMP and COMPA.
CP	Case Processing
CP	Computer Paragraph
CSCO	Compliance Services Collection Operation
CSED	Collection Statute Expiration Date
CZ	Combat Zone
DLN	Document Locator Number
DoD	Department of Defense
DPC	Designated Payment Code
ECC-MTB	Enterprise Computing Center at Martinsburg (ECC-MTB), formerly Martinsburg Computing Center (MCC)
EIN	Employer Identification Number
ENMOD	Command Code which provides name, address, and other entity information from an input of the TIN. Refer to IRM 2.3.15, Command Code ENMOD.
ENREQ	Command Code with a blank definer is keyed in after a response to ENMOD indicates that the entry is on the file. Command Code with "R" definer is keyed in after response to ENMOD indicates that the entry is on the file. Refer to IRM 2.4.9, Command Codes ENREQ, INCHG, IRCHG, BNCHG and BRCHG for information.
ERRF	Erroneous Refund
FMS	Financial Management System - obsolete. Name has changed to Bureau of the Fiscal Service (BFS)
FPLP	Federal Payment Levy Program
FS	Filing Status
FTF	Failure to File
FTP	Failure To Pay
GII	Generalized IDRS Interface. - An application that interfaces with IDRS to do input previously done manually, such as establishing installment agreements or to input bulk corrections.

Acronyms	Definitions
GUF	Generalized Unpostable File
IA	Installment Agreement
IAAL	Installment Agreement Accounts List
IADFL	Used to default an existing Installment Agreement .See IRM 2.4.30, Command Codes IADIS, IAGRE, IAORG, IAPND, IAREV and IADFL.
IADFR	Used to establish Status 63 modules across computing centers. Access to this command code will be from command codes IAORG and IAREV.
IADIS	Used to display the Installment Agreement data
IAGRE	Used to request the format for entering IAORG, IAPND, or IAREV
IAORG	Used to initially enter an Installment Agreement on an account that contains balance due modules
IAPND	Used to initially enter, revise or nullify a preassessed installment agreement
IAREV	Used to revise an established Installment Agreement or to initially establish an agreement in deferred status
IAT	Integrated Automation Technologies - Are desktop productivity-enhancing tools used by employees to interface with various IRS computer systems (primarily IDRS) to perform research and account actions previously done manually.
ICOMP	Command Code which computes payment information for an installment agreement. See IRM 2.3.29, Command Codes INTST, ICOMP and COMPA.
IDRS	Integrated Data Retrieval System - A computer system with the capability to instantaneously retrieve or update stored information which works in harmony with the Master File system of taxpayer accounts.
IDS	Inventory Delivery System
IMF	Individual Master File
IMFOL	Individual Master File On-Line - Command Code which provides read-only access to the Individual Master File. Fields available include basic identifying information, amounts, dates, codes, indicators, and freezes. See IRM 2.3.51, Command Code IMFOL.
INOLES	Command Code is used as a research tool to display the entity information on the NAP. The NAP (National Account Profile in Martinsburg) contains extensive Master File entity information for all taxpayers on the Individual Master File, Business Master File (SSN and EIN), and Employee Plan Master File. There is also Social Security data (DM-1) and spouse cross reference data. See IRM 2.3.47, Command Codes INOLE, EOGEN and SPARQ.
INTST	Command Code which computes the balance, including interest and failure to pay (FTP) accruals, to the date specified in the input. See IRM 2.3.29, Command Codes INTST, ICOMP and COMPA.
IRAF	Individual Retirement Account File
IRC	Internal Revenue Code
IRM	Internal Revenue Manual

Acronyms	Definitions
IRPTR	Command Code allows users to request either online or hardcopy Information Returns Processing (IRP) transcripts from the Information Returns Master File (IRMF). Refer to IRM 2.3.35, Command Code IRPTR.
IRSN	Internal Revenue Service Number
ISRP	Integrated Submission and Remittance Processing System
LEVY	Command Code which allows one to research specific levy source information. See IRM 2.4.31, Command Code LEVY.
MF	Master File - A magnetic tape containing information concerning all taxpayers who file tax returns.
MFT	Master File Tax Account Code - A two-digit number which identifies the type of tax.
MFREQ	Command Code uses definers C or D or RECON to request an entity module or a tax module and its related entity data when case control is not required. See IRM 2.3.10, Command Codes MFREQ and RECON.
NMF	Non-Master File - A file containing records of accounts for which manual procedures must be maintained.
NMFL	Non-Master File Liability
NOMRG	No Merge
OIC	Offer in Compromise - A proposal for settlement of tax liability for an amount less than that previously assessed (or unassessed) or a liability for specific penalties assessed (or unassessed). See IRC 7122, Compromises.
OB	Outstanding Balance
OOB	Out of Business
P&I	Penalty and Interest
PDC	Posting Delay Code
QHDA	Qualified Hazardous Duty Area
RC	Reason Code
RECON	Command Code will download the module data from Corporate Files On Line (CFOL) to the local IDRS while the user is waiting online. Refer to MFREQ for IRM reference.
REQ77	Command Code used to input certain transaction codes to individual tax modules or taxpayer entities. See IRM 2.4.19, Command Codes REQ77, FRM77 and FRM7A.
RO	Revenue Officer
RPC	Return Processing Code
RSED	Refund Statute Expiration Date
RTR	Remittance Transaction Research System

Acronyms	Definitions
RTVUE	Command Code that provides display of line items transcribed from Form 1040 series and their accompanying schedules and/or forms as the returns are processed at the campuses. Refer to IRM 2.3.52, Command Codes RTVUE and RTFTP.
SB/SE	Small Business Self Employed Operating Division
SC	Service Center - SC is still used on IDRS, although Service Centers are now referred to as Campuses
SERP	Servicewide Electronic Research Program <i>SERP</i>
SSA	Social Security Administration
SSN	Social Security Number
ST	Status
STAT	Statute
STAUP	Command Codes including STATI and STATB are used to issue or delay balance due notices or delay/forward a tax module to ACS or Field Collection See IRM 2.4.28, Command Code STAUP, STATI and STATB.
SUMRY	Command Code which provides research for all master file accounts. See IRM 2.3.11, Command Codes TXMOD and SUMRY.
TAS	Taxpayer Advocate Service
TC	Transaction Code - A three digit numeric, which defines the precise nature of the transaction. Refer to Document 6209, IRS Processing Codes and Information, <i>Transaction Codes</i> for a listing.
TDA	Taxpayer Delinquency Account
TDI	Taxpayer Delinquency Investigation
TERUP	Command Code which allows an employee to delete their erroneous IDRS entry/entries on the day of input. See IRM 2.4.13, Command Code TERUP.
TFRP	Trust Fund Recovery Penalty
TIF	Taxpayer Identification File (IDRS)
TIN	Taxpayer Identification Number - Every taxpayer has a permanent number for identification of their account. The Employer Identification Number (EIN) is used to identify taxpayers on the BMF. The Social Security Number (SSN) is used as the account number of the taxpayer on the IMF.
TOP	Treasury Offset Program
TSf	Territory Support function-obsolete. Area is now known as <i>Advisory</i> on SERP Who/Where.
TSIGN	Obsolete Command Code. Refer to ASGNI/ASGNB.
TXMOD	Command Code which provides research for all tax accounts by specific tax modules. See IRM 2.3.11, Command Codes TXMOD and SUMRY.
TXPD	Tax Period

Acronyms	Definitions
UD	Undelivered
UPTIN	Command Code used to provide research for unposted transactions. See IRM 2.3.37, Command Code UPTIN for the GUF System.
URF	Unidentified Remittance File - A separate file within IDRS containing all remittances received which cannot be immediately identified or applied. Each record within the file contains the UR control number, amount of remittance, type of remittance, received date, taxpayer's name and other identifying information, if known.
URINQ	Command Code which requests the display of one or more records from the Unidentified Remittance File. See IRM 2.3.20, Command Code URINQ (URF).
W&I	Wage and Investment Operation Division
XSF	Excess Collection File - A file within the IDRS containing receipts which cannot be identified or applied. Each record within the file contains the XS control number, amount of credit, type of credit, received date and other identifying information, if known. XSF reflects contents of Accounts 6800 and 9999 less than seven years and more than one year after the IRS received date except in true statute cases, where it may be under one year.
XSINQ	Command Code which displays one or more records in the Excess Collection File (XSF). See IRM 2.3.45, Command Code XSINQ.

5.19.10.1.7
(10-02-2018)

Related Resources

(1) While processing transcripts you may need to reference and use the following IRMs in conjunction with the procedures provided in this IRM:

- IRM 2.3, IDRS Terminal Responses
- IRM 2.4, IDRS Terminal Input
- IRM 2.9.1, Integrated Data Retrieval System
- IRM 3.13.62, Media Transport and Control
- IRM 3.30.123, Processing Timeliness: Cycles, Criteria and Critical Dates
- IRM 5.19.1, Balance Due
- IRM 21.1.3.18, Taxpayer Advocate Service (TAS) Guidelines
- *Document 6209*, IRS Processing Codes and Information

(2) Beginning June 17, 2013, the use of certain Integrated Automated Technologies (IAT) tools is mandatory for Compliance Campus employees when following procedures outlined in this IRM. Currently, the mandate is limited to the following tools:

- Manual Refund Tool
- Erroneous Manual Refund Tool (EMT)
- Credit Transfer
- Letters Tool
- REQ54 Tool

Note: For User Guides, see the IAT web site at *IAT Job Aids*

- (3) If an IAT tool is not available, or an employee has a problem with the IAT Task Manager, the case should be processed through IDRS, without using the tool, by following established procedures. See the *IAT Website* for how to report/fix problems with IAT tools.

Note: CC RFUND can only be input via the IAT tool.

5.19.10.2
(04-20-2022)
**Taxpayer Advocate
Service (TAS)**

- (1) The Taxpayer Advocate Service (TAS) is an independent organization within the IRS whose employees assist taxpayers who are experiencing a hardship situation, who are seeking help in resolving tax problems that have not been resolved through normal channels, or who believe that an IRS system or procedure is not working as it should.
 - a. Refer taxpayers to TAS when the contact meets TAS criteria and the taxpayer's issue can't be resolved same day (within 24 hours). See IRM 13.1.7, Taxpayer Advocate Service (TAS) Case Criteria. The definition of "same day" is within 24 hours. **Same day** cases include cases you can completely resolve in 24 hours, as well as cases in which you have taken steps within 24 hours to begin resolving the taxpayer's issues. Do not refer **same day** cases to TAS unless the taxpayer asks to be transferred, and the case meets TAS criteria. Refer to IRM 13.1.7.6, Same Day Resolution by Operations.
 - b. When you refer cases to TAS, use Form 911, Request for Taxpayer Advocate Service Assistance (and Application for Taxpayer Assistance Order), and forward to TAS.
- (2) Advise the taxpayer of the name, phone number, and unique identification number of the employee who resolved the problem. Provide the National Taxpayer Advocate (NTA) toll-free number, 877-777-4778 (TTY/TDD 800-829-4059), and advise the taxpayer TAS is available if the resolution is not satisfactory.
- (3) When referring taxpayer accounts to TAS for action, or when a taxpayer requests general information about the Taxpayer Advocate Service, provide (or order) a copy of Pub 1546-EZ, Taxpayer Advocate Service - We are Here to Help You. This publication provides an easy reference guide to TAS criteria and contact information nationwide.

5.19.10.3
(04-20-2022)
Credit Offsets

- (1) The IAT tools as listed in IRM 5.19.10.1.7, Related Resources, must be used by Campus Compliance employees for procedures outlined in this IRM. When an action must be taken and an IAT tool is available, Campus Compliance employees with access to the tool are required to use it to complete the action.

Note: If an IAT tool is not functioning properly or it is determined not to be appropriate due to a specific situation, the case should be worked without the tool, using IDRS. For more information on each tool as well as a job aid for each tool see the *IAT Website*.

- (2) If a determination is made that an overpayment on an account should be applied to another account or liability and a systemic offset will not happen, request the input of TC 130.

5.19.10.3.1
(04-20-2022)

Use of Credit Offset

- (1) TC 130 is an entity transaction on Command Code (CC) ENMOD and will display the cross reference information and the campus (literal = SC>) that input the freeze.
- (2) The Treasury Offset Program (TOP) allows credits to be applied against delinquent child support obligations, non-tax debts owed to other Federal agencies, state income tax obligations and unemployment compensation debt. TOP TC 130s are systemically engaged and released by the agencies requesting these freezes. Refer to IRM 21.4.6, Refund Offset.

44 (IMF) is generated to the Atlanta campus and a CP 188 is generated to the Philadelphia campus. #

- (4) On CC TXMOD the presence of a TC 130 can be identified by freeze code V-.

5.19.10.3.2
(04-20-2022)

Request Input of TC 130

- (1) Requests for input of TC 130 may be received on the following:
 - Form 3177, Notice of Action for Entry on Master File
 - Form 4442, Inquiry Referral
 - Form 53, Report of Currently Not Collectible Taxes
- (2) The above forms, initiated by the field, should be processed through Centralized Case Processing (CCP) in Philadelphia. All other functions route the above forms to Atlanta CSCO for IMF accounts and Philadelphia CSCO for BMF accounts.
- (3) Examine the request to ensure that the following information is given for each debit (balance due) account:
 - Tax form number
 - Tax period
 - Taxpayer's name (name of each taxpayer responsible for any joint liability)
 - Taxpayer identification number (including cross referenced liabilities)
- (4) If the information is incorrect or incomplete, you must contact the originator to secure the correct information or return the request for completion.
- (5) See IRM 5.19.10.3.3, Input of TC 130 on IMF Entity for Credit Offset and IRM 5.19.10.3.4, Input of TC 130 on BMF Entity for Credit Offset, to determine when a TC 130 is appropriate.

5.19.10.3.3
(10-10-2023)

Input of TC 130 on IMF Entity for Credit Offset

- (1) Input a TC 130 to the IMF entity when:
 - The taxpayer has a pending liability not yet assessed and they want to apply a future refund

Example: The taxpayer has agreed to a proposed, pending Exam assessment and wants the IRS to apply their next Form 1040 refund to the balance.
 - The taxpayer also has a Non-Master File (NMF) account
 - An IMF taxpayer is a partner or sole proprietor and has existing BMF liabilities

- An IMF taxpayer owes a single liability and is subsequently filing jointly as a secondary taxpayer
- An IMF taxpayer previously filed jointly with another taxpayer that had a tax liability and is now filing jointly with another primary taxpayer
- An IMF secondary taxpayer had an invalid SSN on a joint return with a tax liability, then subsequently files a refund return as a single taxpayer with a valid SSN
- An IMF taxpayer has a Trust Fund Recovery Penalty (TFRP) or other civil penalty and usually files a secondary SSN on Form 1040, U.S. Individual Income Tax Return or equivalent Form 1040, series return filed by international taxpayers
- An IMF taxpayer has an MFT 31 assessment under their own SSN and usually files as a secondary SSN on Form 1040, U.S. Individual Income Tax Return
- An IMF taxpayer whose Offer-In-Compromise (OIC) has been accepted

(2) Input a TC 130 under the primary SSN when the secondary taxpayer owes either under a single liability or jointly with another primary taxpayer.

5.19.10.3.4
(06-22-2017)

Input of TC 130 on BMF Entity for Credit Offset

(1) Input a TC 130 to the BMF entity when:

- There are IMF balance due modules owed by individuals who are active on the BMF.
- There are Individual Retirement Account File (IRAF) balance due modules owed by individuals who are active on the BMF.
- There are NMF balance due modules owed by taxpayers (any type of entity) who are active on the BMF.
- There are BMF balance due modules owed by taxpayers who are liable for taxes on the BMF under more than one TIN.

Note: A credit from an entity with an individual filing requirement cannot be offset to an entity that has no individual filing requirements.

5.19.10.3.5
(03-23-2020)

Input of TC 130 on IMF Entity to Reactivate BMF CNC Account

(1) A TC 130 input on the IMF entity is required for all BMF accounts closed as hardship. The TC 130 on the IMF account will cause the BMF accounts to come out of CNC if the taxpayer files a personal return that shows the ability to pay the BMF obligation. This TC 130 must be input on all BMF accounts involving sole proprietors, general partners or sole members of an LLC (where the owner is identified as the liable taxpayer). See IRM 5.19.17.2.4(13), CNC Unable to Pay - Hardship.

(2) The TC 130 input on the IMF entity is also required for BMF accounts on sole proprietorships and general partnerships closed UTL and UTC using closing code 03 or 12. See IRM 5.19.5.8.2.5, I4 - Closing the Case.

5.19.10.3.6
(11-09-2017)

Input of TC 130 on IDRS to IMF or BMF Entity for Refund Offset

(1) To input a TC 130 on CC ENMOD, use CC REQ77/FRM77 and input the following:

- TC = TRANSACTION CODE - 130
- TRANS-DT = TODAY'S DATE
- DLN-CD = DOCUMENT LOCATOR NUMBER INDICATOR
- 000 — Master File Assessment
- 001 — Offer in Compromise
- 002 — Non-Master File

- 004 — Taxpayer Request
- 102 — Trust Fund Recovery Program
- X-REF-TIN = Cross-reference SSN TIN
- X-REF-NC = Cross-reference IMF Name Control may be input (not required)
- REMARKS (if needed): NSD - For Credit Offset

- (2) If the request lists more than one partner on the BMF account, input a TC 130 to each individual entity module.
- (3) After input, destroy the document. Retention of paper files is no longer required.

5.19.10.3.7
(11-09-2017)

Input of TC 130 on IDRS to IMF Entity to Reactivate BMF CNC Account

- (1) A TC 130 will be input when block 6b on Form 53, Part 3, is checked yes. Block 6b is for Input on IMF to Reactivate BMF. Form 53 is Report of Currently Not Collectible Taxes, and Part 3 is For Processing as Form 3177.

- (2) To input a TC 130 on CC ENMOD, use CC REQ77/FRM77 and input the following:

- TC = TRANSACTION CODE - 130
- TRANS-DT = TODAY'S DATE
- CLOSING-CD = TC 530 Closing Code on XREF BMF CNC EIN (03, 12 or 24-32)
- DLN-CD = DOCUMENT LOCATOR NUMBER INDICATOR
 - = 000 - Master File Assessment
 - = 001 - Offer in Compromise
 - = 002 - Non-Master File
 - = 004 - Taxpayer Request
 - = 102 - Trust Fund Recovery Program (IMF only)
- XREF-TIN = Cross-reference BMF TIN
- XREF-NM-CTRL = Cross-reference BMF Name Control
- Remarks (if needed): NSD - For reactivation of BMF CNC

- (3) If the request lists more than one partner on the BMF account, input a TC 130 to each individual entity module.
- (4) After input, destroy the document. Retention of paper files is no longer required.

5.19.10.3.8
(02-01-2014)

TC 130 Requests from Non-Master File Accounting Function

- (1) At the time an NMF assessment is made, Automated Non-Master File (ANMF) will not systemically post the TC 130 to Master File. Manual input of TC 130 may still be required. Use DLN code "002".

5.19.10.3.9
(02-01-2014)

TC 130 Requests for Trust Fund Recovery Assessments

- (1) The Automated Trust Fund Recovery System (ATFR) automatically uploads TC 130 to the responsible party's entity, to hold any refunds prior to the assessment posting on the taxpayer's account. Additional information will include the EIN of the corporation as cross reference and the TC 130 DLN code input to CC REQ77 will be "102".

5.19.10.3.10
(04-20-2022)
TC 130 Requests from Underreporter and Examination Function

- (1) Taxpayers may agree to assessments made by the Underreporter (URP) and Examination functions by requesting that their anticipated refund be applied to the assessment. URP and Examination requests input of TC 130 on these accounts by forwarding a copy of the taxpayer’s request to Atlanta CSCO for IMF cases and Philadelphia CSCO for BMF cases.
- (2) DLN code “004” should be used. If the amount held does not fully satisfy the assessment, apply all available credit and input a TC 131. Any future refunds will automatically offset to the liability.

5.19.10.3.11
(02-05-2016)
Input of TC 131

- (1) Research for any outstanding liabilities on IDRS.
 - a. If there are no liabilities on IDRS, ANMF must be researched, or request a transcript from NMF.
 - b. If no liabilities remain on IDRS or NMF, input the TC 131 to CC ENMOD using CC REQ77.
 - c. Update AMS with comments, including research performed.
 - d. Destroy paper document(s), if available.

5.19.10.3.12
(06-10-2022)
Generation of CP 44 and CP 188

- (1) When a TC 130 is input, it will generate a V– freeze code for the account.
 - A notice, Delay in Processing Your Refund, is mailed to the taxpayer, and at the same time a CP 44 for IMF generates to Atlanta CSCO or a CP 188 for BMF will generate to Philadelphia CSCO .
 - There is no dollar limit for the amount of overpayment that can be released under the CP 44/CP 188 program.
- (2) Follow these procedures when working all TC 130 follow up transcripts, AM07, NMFL, ST07 and X-07:
 - a. For AM07 transcripts that issued because of an unreversed TFRP TC 130, see IRM 5.19.10.3.13.2, Transfer of Credits and TFRP.
- (3) Close the CP 44/CP 188 per the table below when the account has certain conditions. For other conditions present on the credit module or cross reference module, see IRM 5.19.10.3.13, Research Prior to Transfer of Credits.

#

If...	Then...
“1” in Position 9 of the TC 130 DLN, (OIC) (–Y freeze is present on the primary TIN created by a TC 480 and 780)	Update AMS and close case.
“1” in Position 9 (OIC) (–Y freeze is present on the primary TIN created by a TC 480 only)	Update AMS and close case.
TC 520 –V or –W freeze (including cc 76 or 77)	Update AMS and close case.
A –Z freeze created by a TC 914 and freeze code Z– created by TC 916 and 918 are present	Update AMS and close case.

- (4) See IRM 5.19.10.3.14, Transfer of Credits for instructions on transferring the credit.
- (5) Follow the general procedures below when working CP 44/CP 188:

If...	Then...
No debit balance exists	Input TC 131
The total debit balance where the credit will be applied is less than	Do not transfer the credit. Input TC 131.
There are other module balances on the account where the credit resides and the credit does not exceed the total amount	<ol style="list-style-type: none"> 1. Note any cross reference TINs on AMS. 2. Transfer the credit to the module with the earliest CSED. 3. Do not release the TC 131 unless all balances owed by the taxpayer are full paid.
There are other module balances on the account where the credit resides and credit exceeds the total amount	<ol style="list-style-type: none"> 1. Note any cross reference TINs on AMS. 2. Transfer enough credit to full pay all balances on the account with the credit. 3. If another liability is found, transfer the remaining credit to that liability. 4. Do not release the TC 131 unless all balances on the cross reference accounts are full paid.
Partially or completely transferring a credit to another balance	Send Letter 678-C , Refund/ Overpayment Applied Elsewhere, to the taxpayer.
Taxpayer submitted Form 8827, Credit for Prior Year Minimum Tax - Corporation	<ol style="list-style-type: none"> 1. See IRM 21.7.4.4.9.3, Prior Sequestration of Form 8827 Credit - General Information, before taking any action. 2. AM HQ will prepare a template and forward to CSCO so the correct credit amount can be offset.

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5.19.10.3.13
(06-01-2018)
**Research Prior to
Transfer of Credits**

- (1) Research AMS history for any cross reference and balance due information provided by a previous employee.
- (2) Exercise caution if you are considering transferring an overpayment credit to another account to offset an outstanding tax liability. IRC 6402(a) allows an offset against any liability in respect of an internal revenue tax on the part of

the person who made the overpayment. A credit from an entity with an individual filing requirement cannot be offset to an entity that has no individual filing requirements.

Example: Do not apply credits on Form 1040, U.S. Individual Income Tax Return to debits on Form 1120, U. S. Corporation Income Tax Return, Form 1041, U.S. Fiduciary Income Tax Return for Estates and Trusts, and Form 990, Return of Organization Exempt from Income Tax, series without written authorization from the taxpayer. The reverse is also true.

- (3) Under the authority of the Internal Revenue Code, IRC 6402(a), the entire credit on a joint return may be tentatively applied to one spouse's balance due if no statement is received from the taxpayer on the allocation of the credits:
- a. Transfer credit per IRM 5.19.10.3.14, Transfer of Credits.
 - b. Send Letter 678-C, Refund/Overpayment Applied Elsewhere, to the non-liable spouse.
- (4) If the cross reference TIN module has a posted TC 608, the collection statute expiration date (CSED) has expired and the balance will be “.00”. Credits cannot be transferred to a module where all CSEDs are expired. This is true even if the payment date or posting cycle of the credit is prior to the statute expiration date.

Exception: See IRM 5.19.10.4, Exception, Collection Statute Expiration Date (CSED) Verification and Correction, regarding “fixed and determined” levies served prior to the CSED and IRM 5.19.10.5.1(6), If/Then chart, General Procedures for All Transcripts.

- (5) If the credit cannot be legally offset, input TC 131 to release it.
- (6) Prior to moving your credit, look for a Large/Corporation case indicator. If the indicator is present, contact the Large Corp Unit per IRM 21.7.1.4.11.4, Campus Contacts for Large Corp Cases. See IRM 21.7.1.4.11, Large Corp Unit, for Large Corp State Mapping.
- (7) If the cross reference TIN input with the TC 130 is an EIN or additional cross reference EINs are identified, research CC BMFOLE. See Document 6209, Section 8A - 6, *Filing Requirement Codes (FR Codes)*:

If...	Then...
An LLC or TFRP is involved	See the table below.
Filing Requirements on CC BMFOLE are: <ul style="list-style-type: none"> • Form 1120, U.S. Corporation Income Tax Return, and series 	<ol style="list-style-type: none"> 1. Overpayments from Form 1040, U.S. Individual Income Tax Return cannot be applied. 2. If taxpayer has no other liabilities, input TC 131.

If...	Then...
<p>The overpayment is on a Form 1040, U.S. Individual Income Tax Return and taxpayer has a Sole Proprietorship (income is reported on Schedule C), taxpayer may have filing requirements and owe under:</p> <ul style="list-style-type: none"> • Form 94X family of employment tax returns • Form 2290, Heavy Highway Vehicle Use Tax Return • Form 720, Quarterly Federal Excise Tax Return 	<ol style="list-style-type: none"> 1. Overpayments from Form 1040, U.S. Individual Income Tax Return can be applied. 2. If the credit full pays the balances owed and taxpayer has no other liabilities, input TC 131.
<p>Sole Proprietorships do not have filing requirements for the tax forms below. If there are open filing requirements for these forms:</p> <ul style="list-style-type: none"> • Form 1120, <i>U.S. Corporation Income Tax Return</i> • Form 1041, U.S. Income Tax Return for Estates and Trusts • Form 990, Return of Organization Exempt From Income Tax • Other annual business returns 	<ol style="list-style-type: none"> 1. Overpayments from Form 1040, U.S. Individual Income Tax Return cannot be applied. 2. If taxpayer has no other liabilities, input TC 131.

- (8) The following table provides procedures on how to process accounts with certain conditions when they appear on the cross reference module. See IRM 5.19.10.3.12, Generation of CP 44 and CP 188, for other conditions not addressed here.

If...	Then...
Cross reference module is for Form 1041, U.S. Income Tax Return for Estates and Trusts (MFT 05) <ul style="list-style-type: none"> • Current status code is 14 • Taxpayer is making quarterly payments, and • There are no other debit modules 	Input TC 131. Taxpayer was granted installment privileges to make quarterly payments.
For BMF cases, Form 2290, Heavy Highway Vehicle Use Tax "Return"	Refer to IRM 21.7.8, Excise Taxes, for instructions.
Cross reference TIN input with the TC 130 is an EIN and/or <ul style="list-style-type: none"> • Positions 9 and 10 of the TC 130 DLN is "21" (TFRP) 	See IRM 5.19.10.3.13.1, Transfer of Credits to LLCs or IRM 5.19.10.3.13.2, Transfer of Credits and TFRP.
Cross reference TIN input with the TC 130 is an EIN and neither LLC or TFRP is involved.	See above.
"2" in Position 9 (NMF)	See IRM 5.19.10.3.13.3, Transfer of Credits To Non-Master File.
"17" in Positions 9 and 10 (Innocent Spouse) or L- freeze present created by TC 971 AC 065, Innocent Spouse Claim Pending	See IRM 5.19.10.3.13.4, L- Freeze and Innocent Spouse.
Freeze Code -R created by TC 570	See IRM 5.19.10.3.13.5, -R Freeze Credits.
Freeze Codes -V, -W, -Y and -Z or Z-	See IRM 5.19.10.3.12, Generation of CP 44 and CP 188.

5.19.10.3.13.1
(09-13-2022)
Transfer of Credits to LLCs

- (1) If the cross reference balance due module is a Limited Liability Company (LLC), do not automatically offset the credit until you have completed research of AMS per IRM 5.19.10.3.13.2, Transfer of Credits and TFRP. If the Trust Fund Recovery Penalty history is present in AMS, follow the research steps in that section to determine if TC 131 is appropriate.
- (2) See IRM 5.1.12.21.1.4.1, Limited Liability Company Offset, for more information on offsets.
- (3) See IRM 5.1.21, Collecting from Limited Liability Companies, for general information on LLCs.
- (4) A limited liability company (LLC) is an entity created under state law that has characteristics of both a partnership and a corporation. It is similar to a:

- Corporation in that the owners have limited personal liability for negligent acts and LLC debts
 - Partnership in that it provides management flexibility and may provide the benefit of pass-through taxation of income
- (5) An LLC with one owner is a single member entity. An LLC with more than one owner is a multi-member entity. The treatment of an LLC for tax purposes may depend in part on whether the LLC is a single member entity or a multi-member entity.
- (6) TC 130 is not input on any member of a multi-member LLC that is classified as a partnership, or an association taxable as a corporation.
- (7) Domestic and Foreign LLCs may elect classifications by filing Form 8832, Entity Classification Election,
- A multi-member LLC may elect to be classified as a partnership, or an association taxable as a corporation.
 - A single member LLC may elect to be classified as an association taxable as a corporation, or an entity disregarded as separate from its owner.
- (8) An association taxable as a corporation may further elect to be classified as an S corporation by filing Form 2553, Election by a Small Business Corporation.
- (9) If an LLC does not file an election on Form 8832, then it is classified by default.
- A domestic multi-member LLC is classified by default as a partnership for federal tax purposes.
 - A domestic single member LLC is classified by default as disregarded as an entity separate from its owner
 - A foreign entity is classified by default and its classification depends on the number of members and the liability of each member involved. See IRM 5.1.21.10.1, Default Classification of Entities Not Filing an Election.
- (10) The single member/owner (SMO), not the LLC, is the taxpayer when the LLC is a disregarded entity, except the entity is treated as a corporation for certain excise taxes that accrued on or after January 1, 2008 and for employment taxes on wages paid on or after January 1, 2009. See Treas. Reg. 301.7701-2(c)(2)(v) for the special rule for certain excise taxes, and Treas. Reg. 301.7701-2(c)(2)(iv) for special rule for employment taxes.
- (11) For employment taxes on wages paid on or after January 1, 2009, and certain excise taxes that accrued on or after January 1, 2008 by a domestic single member LLC .

If...	And...	Then...
The balance due on the LLC is for employment taxes: <ul style="list-style-type: none"> • Form 941, Series (MFT 01, 17) • Form 943, Series (MFT 11, 19) • Form 944, (MFT 14) • Form 945, (MFT 16) • Form CT-1, Series (MFT 09, 71) 	Is for tax periods beginning January 1, 2009 or after	<ol style="list-style-type: none"> 1. The LLC is treated as a corporation. Overpayments from Form 1040, U.S. Individual Income Tax Return cannot be applied to employment tax balances. 2. If the taxpayer has no other liabilities, input TC 131.
The balance due on the LLC is for certain excise taxes: Form 720, Quarterly Federal Excise Tax Return (MFT 03, 45) or other excise taxes	Is for tax periods beginning January 1, 2008 or after	<ol style="list-style-type: none"> 1. The LLC is treated as a corporation. Overpayments from Form 1040, U.S. Individual Income Tax Return cannot be applied to employment tax balances. 2. If the taxpayer has no other liabilities, input TC 131.

- (12) For employment taxes on wages paid before January 1, 2009 and certain excise taxes that accrued before January 1, 2008 by a domestic single member LLC that elected to be, or that was classified by default as an entity disregarded as separate from its owner:

If...	Then...
Balance owed is for employment taxes accrued prior to January 1, 2009, or for excise taxes that accrued before January 1, 2008.	<ol style="list-style-type: none"> 1. Overpayments from Form 1040, U.S. Individual Income Tax Return can be applied. 2. Do not input TC 131 unless all balances are full paid.

- (13) To determine an individual or business taxpayer’s liability and how an LLC is classified for income tax purposes, see the following:
- IRM 5.1.21.5.1, Internal Sources, for TC 076 and TC 090 indicators shown on CC BMFOLE and a general discussion on locating the liable taxpayer.
 - IRM 5.1.21.14.3, Identity of the Taxpayer on Integrated Data Retrieval System (IDRS) regarding TC 971 AC 364, TC 971 AC 365, and TC 971 AC 366 that, if present, will identify the liable taxpayer.
 - IRM 5.1.21-2, Income Taxation for LLCs and IRM 5.1.21-3 Employment Taxation for LLCs, in IRM 5.1.21, Collecting from Limited Liability Companies for an explanation of how LLCs are taxed and whether the individual or the entity is the liable taxpayer.

5.19.10.3.13.2
(04-20-2022)

Transfer of Credits and TFRP

- (1) If the X-REF TIN associated with the TC 130 is an EIN and/or “21” is present in the 9th and 10th position of the TC 130 DLN, research AMS history on the TC 130 SSN and spouse SSN for a history regarding TFRP.

Example: "Trust Fund Recovery - for questions please contact IRS Revenue Officer RO NAME at (xxx) xxx xxxx for the responsible party, taxpayer name, 000-00-0000 of the Corporation, CORPORATION NAME, 00-0000000"

(2) Follow instructions in the table below:

If...	And...	Then...
AMS research indicates	History is present	Research both spouses, for a TFRP balance due.
AMS research indicates	History is not present	Follow normal TC 130 research procedures. Refer to IRM 5.19.10.3.13.1, Transfer of Credits to LLCs, to determine if the EIN is an LLC.
TFRP balance due is present	Overpayment is on a joint module and TFRP is assessed only against the secondary spouse	<ol style="list-style-type: none"> 1. Transfer the overpayment to the secondary spouse TFRP. 2. Do not reverse the TC 130 on the joint account unless overpayment full pays the TFRP.
TFRP balance due is present	Overpayment is on a joint module and TFRP is assessed against the primary spouse or both spouses	Do not reverse the TC 130 on the joint account unless overpayment full pays the TFRP.
TFRP balance due is not present	AMS history is less than 6 months old	Do not input TC 131. Update AMS and close case.
TFRP balance due is not present	AMS history is over 6 months old	<ol style="list-style-type: none"> 1. Make two attempts to contact the Revenue Officer (RO) listed on AMS. 2. Leave a voice mail message providing your contact information, reason for the call, and the name of the business for which taxpayer owes TFRP. 3. Do not leave a TIN or other tax information on the voice mail. 4. Allow three business days for callback. 5. Follow the RO's instructions regarding the TC 130. 6. Update AMS and close case.
Unable to contact the RO or RO does not return your call	N/A	Do not reverse TC 130.
AM07 issued due to an unreversed TFRP TC 130	TFRP has been assessed against the primary and/or secondary spouse	Follow "TFRP balance due is present" above.

If...	And...	Then...
AM07 issued due to an unreversed TFRP TC 130	TFRP has not been assessed	<ol style="list-style-type: none"> 1. If no attempt to contact the RO was made previously, per research of AMS, follow procedures above to contact. 2. Follow the RO's instruction regarding the TC 130. 3. If an attempt to contact the RO was made previously or you are unable to contact the RO now, input TC 131.

5.19.10.3.13.3
(10-10-2023)
Transfer Credits to Non-Master File

- (1) Secure a transcript from ANMF. See IRM 3.17.46.14.2, NMF Account Transcript Request for requesting a transcript.
- (2) Complete Form 2424, Account Adjustment Voucher, to transfer the credit. See IRM 3.17.21.4.3, Form 2424 (DRT24).
- (3) Form 2424, Account Adjustment Voucher, must be prepared to transfer a credit to a NMF account:
 - a. Manually compute and assess the allowable interest on the credit transfer amount (TC 770), if applicable. See IRM 20.2.4.6.1, Interest on Offsets, for instruction.
 - b. Monitor until the TC 770 posts.
 - c. Complete a separate Form 2424, to transfer the TC 770 amount.
- (4) Route Form 2424 and the NMF transcript , to KCSC SP Accounting Control Services NMF at e-fax 888-981-6483 or secure email at *W&I KCSPC Non-Master File Team.

5.19.10.3.13.4
(02-01-2014)
L- Freeze and Innocent Spouse

- (1) When a taxpayer files an innocent spouse claim on a joint module, a TC 971 AC 065 is input. TC 971 AC 065 with no XREF-TIN> on CC TXMOD indicates the primary taxpayer filed the claim. If the secondary taxpayer filed the claim, the secondary taxpayer SSN will show in the XREF-TIN> field.
- (2) TC 971 AC 065 generates an L- freeze and a TC 130 with DLN code 17 posts to the non-requesting spouse (NRS). This is to prevent any erroneous refund.
- (3) Research the innocent spouse module to determine which taxpayer filed the claim.
- (4) Follow table below:

If...	Then...
The overpayment is for an NRS	<ol style="list-style-type: none"> 1. Transfer the credit 2. Do not reverse the TC 130.
The overpayment is for the requesting spouse (RS)	<ol style="list-style-type: none"> 1. Do not transfer the credit. 2. Do not reverse TC 130

5.19.10.3.13.5
(07-11-2017)

-R Freeze Credits

- (1) Refer to IRM 21.5.6.4.35, -R Freeze, for more information on -R freeze credits. Resolve per below:

If...	Then...
Freeze Code -R created by TC 570 is present as a result of a pending adjustment or credit transfer which will use the credit	Take no action.
Freeze Code -R created by TC 570 resulting in a freeze input to hold the credit for manual offset	Resolve following IRM 5.19.10.3.14, Transfer of Credits.

5.19.10.3.14
(04-20-2022)

Transfer of Credits

- (1) When transferring credits, refer to IRM 21.5.8.3, Credit Transfer Research, and Exhibit 21.5.8-1, Transaction Codes and Reversals.
- (2) If the credit can be transferred on IDRS, use CC ADD24 or ADC24.
- (3) Form 2424, Account Adjustment Voucher, must be prepared to transfer a credit to an NMF account. See IRM 5.19.10.3.13.3, Transfer Credits to Non-Master File.
- (4) Overpayment interest on an offset is usually allowed from the availability date of the overpayment to the due date of the outstanding liability to which it is applied.
- a. Compute and post the appropriate amount of overpayment interest allowed.
 - b. Input TC 770 via CC REQ54 to the overpayment module.
 - c. Transfer the TC 770 amount, along with the available credit, to the debit module.
 - d. See IRM 20.2.4.6.1, Interest on Offsets, for instructions.
- (5) The table below provides procedures for application of credits:

If...	And...	Then...
There is only one debit module	The available credit amount satisfies the debt	Transfer the credit using TC 824 (debit) and TC 700 (credit). The TC 130 will be released and the remaining credit will be refunded.
There are one or more debit modules	The available credit does not satisfy the debt	<ol style="list-style-type: none"> 1. Transfer the credits using applicable transaction codes. 2. Address the module with the shortest CSED first, e.g; the FIRST CSED on IMFOLT and the EARLIEST CSED on BMFOLT. 3. Maintain the TC 130 on the account.
There is more than one debit modules	The available credit will exceed the total debit	<ol style="list-style-type: none"> 1. Transfer the credit using applicable transaction codes. 2. Send taxpayer Letter 678-C . 3. Input TC 131 to CC ENMOD using CC REQ77 with a 2 cycle delay.
Allowable interest	Transferred with credit	<ol style="list-style-type: none"> 1. Use TC 850 (debit) and TC 730 (credit). 2. Debit with TC 850 using the 23C date of the TC 770, and credit with TC 730 using the date interest on the TC 770 was computed to (i.e., "CR-INT-TO-DT" of TC 770). 3. Input posting delay code 2 on debit and credit side to allow TC 770 to post.

- (6) Send Letter 678-C, Refund/Overpayment Applied Elsewhere, when part or all of the overpayment is applied to another liability.
- (7) Once a determination is made about the liable taxpayer and case actions are taken, update AMS history and include the following:
 - Cross reference TIN, tax periods, and MFTs for balances owed
 - Name of liable taxpayer(s)
 - If multiple liable taxpayers, specify each taxpayer's liability
 - Summary of action taken for the current closure
- (8) If a liability remains after application of the available credit, close the control base, if applicable.
- (9) If the available credit is being transferred to an account with a TC 530 cc 03, change the address to the address shown on the CP 44, if different.

5.19.10.3.15
(05-01-2007)

Point of Count

- (1) Count as follows:
- Each CP 44/CP 188 as one
 - Each primary TIN on the TC 130 listing, as one
 - Each TC 130/131 request, as one
 - Each related unpostable (no count)
 - Each undelivered CP 44/CP 188 received (no count)
 - Take no count on any related clerical duties

5.19.10.4
(10-10-2023)

**Collection Statute
Expiration Date (CSED)
Verification and
Correction**

- (1) The IAT tools as listed in IRM 5.19.10.1.7, Related Resources, must be used by Campus Compliance employees for procedures outlined in this IRM. When an action must be taken and an IAT tool is available, Campus Compliance employees with access to the tool are required to use it to complete the action. Make sure the IAT tool is using the correct transaction codes for your situation.

Note: If an IAT tool is not functioning properly or it is determined not to be appropriate due to a specific situation, the case should be worked without the tool, using IDRS. For more information on each tool as well as a job aid for each tool see the *IAT Website*.

- (2) This section and subsections provide procedures for verifying and correcting CSEDs. They also have procedures for writing off assessments associated with an expired CSED when a module contains more than one CSED. These procedures are only to be used by employees who have received advanced training on computing and correcting CSEDs. If you have not received advanced CSED training and have a CSED issue see below for referring your case. Only refer cases that challenge the accuracy of specific dates used in the CSED calculation.
- (3) Kansas City Collection Operation works MULTICSED Transcripts or listings on IMF (SSN) accounts ONLY. Kansas City also works CSED issues identified through normal processing on IMF accounts.
- (4) When a MULTICSED Transcript is received on a Trust Fund Recovery Program (TFRP) case, MFT 55, TC 240 AC 618 tax period, the Kansas City CSED SME will:
1. Create a spreadsheet and list the taxpayer's TIN, Name Control, MFT, and Tax period
 2. Forward the spreadsheet to either the Brookhaven or Ogden CSCO TFRP Liaison SME based on the Corporate Entity state. See IRM 5.19.14.3.1(9), Case Processing Overview for business entity state.
 3. Refer to SERP for the correct campus using Who/Where, Trust Fund Recovery Program, CSCO TFRP Liaison, Brookhaven Campus-Primary Contact SME, and Ogden Campus - Day shift SME
 4. If no response within five days, follow up with the TFRP SME
 5. When case is returned from Brookhaven or Ogden, take appropriate CSED action
- (5) When a MULTICSED Transcript is received on an Restitution Based Assessments (RBA) case, MFT 31, TC 971 AC 18X tax period, Kansas City CSED SME will
1. Create a spreadsheet and list the taxpayer's TIN, Name Control, MFT, and Tax Period

2. Forward to Ogden's RBA SME found under SERP Who/Where, RBA Liaison, CCO RBA Liaison, and/ or Primary SME
 3. If no response within Five days, follow up with RBA's SME
 4. When cases returned from Ogden, take appropriate CSED action
- (6) Philadelphia Collection Operation works MULTICSED Transcripts on BMF (MFTs 01, 06, 10 and 11) accounts and CSED issues identified through normal processing on BMF accounts.
- (7) SB/SE ACS Support works CSED issues on Status (ST) 22 accounts and ST 24 accounts found in ACS Support work.
- (8) Revenue Officers who need assistance in correcting an expired or incorrect CSED should contact their local area campus liaison. Revenue Officers should not contact the campus without permission of the liaison.
- (9) See SERP Who/Where *CSED Referrals - Campus* for routing. Route accounts in ST 26, 43, 71 and 72 following normal procedures in IRM 5.19.1, Balance Due.
- a. Input CC STAUP for nine cycles for accounts in Notice Status.
 - b. For accounts in ST 22, suspend any levy action until the CSED issue is resolved.
 - c. Update AMS history with taxpayer issue and routing information.
- (10) Only refer cases that challenge the accuracy of specific dates used in the CSED calculation. Types of CSED issue, validity referrals accepted include:
- Form 843, Claim For Refund and Request for Abatement
 - Taxpayer correspondence
 - Form 4442 , Inquiry Referral
 - CSED issues identified in internal work

Note: General inquiries do not meet referral criteria. Do not refer cases such as "the taxpayer does not agree with CSED", "please verify account CSED", "please transfer misapplied payments from the expired CSED account to a balance due module", or "why is CSED longer than 10 years". These type of referrals will be returned to the originator.

- (11) Other statute issues, such as issues with the Assessment Statute Expiration Date (ASED), Refund Statute Expiration Date (RSED) or the Erroneous Refund Statute Expiration Date (ERSED) are not worked under these procedures. Any cases regarding statute issues other than CSED will be returned to the originator.
- (12) The Collection Statute of Limitations is the time period established by law to allow the IRS to collect taxes. The CSED is the last date the IRS has to collect an outstanding balance (OB) due on an account, usually ten years from the assessment date, as provided by IRC 6502. Once this ten-year period ends, the Government can no longer initiate collection action, unless the CSED had been extended by case action, event or agreement.

Exception: If a proceeding in court is begun before the CSED, collection action may be taken thereafter to enforce any judgment obtained by DOJ. IRC 6502(a). For example see IRM 5.17.4.6.2, Effect of Judgement on Collection Statute of Limitations.

- (13) There are many events that can have an effect on the CSED. Certain events suspend or extend the ten-year period for collection. See IRM 5.19.10.4.2, Transaction Codes and Case Actions that Suspend or Extend the CSED.
- (14) When collecting by levying on tangible property, Form 2433, Notice of Seizure, must be provided by the CSED. See IRC 6502(b). (Form 668-B, Levy, is a pre-seizure notice.) When collecting by levying on intangible property, the notice of levy must be served by the CSED; i.e., Form 668-A for bank accounts and cash-like property and Form 668-W for wages, salary, and other income.
- If the right to receive future payments (e.g., pension benefits, Social Security benefits) is fixed and determinable, the levy will attach when the amount would have been paid to the taxpayer. See IRM 5.11.6.2, Retirement Income.
 - A continuous wage levy served before the expiration of the collection statute must be released upon the expiration of the collection statute. See IRM 5.11.5.3, Continuous Effect of Levy on Salary and Wages.
 - See IRM 5.19.10.4.6.1, TC 971 AC 687, and Miscellaneous Codes for CSED, regarding the coding on an account for the CSED.
- (15) Prior to November 5, 1990, the CSED was six years. Any CSED still open on November 5, 1990 was extended to ten years from the date of assessment.
- (16) See IRM 25.6.1.12, Collection Statute Expiration Date (CSED), and IRM 5.1.19, Collection Statute Expiration.

5.19.10.4.1
(02-01-2014)

**Transaction Codes with
a Ten-Year CSED**

- (1) In addition to Transaction Code (TC) 150, Tax Assessed, there are other TCs (some with specific reference numbers) that carry their own ten-year CSED.
- (2) There are no limits to the number of CSEDs that can appear on a tax module.
- (3) Full abatement of these TCs does not remove their associated CSED.

Example: A TC 290 assessment of \$1,100 dated 03-15-2010 is later completely abated with TC 291. The TC 290 CSED of 03152020 remains on the module and is not reversed.

- (4) See IRM 5.1.19.2.1, Transaction Codes That Carry Their Own CSED.

5.19.10.4.2
(02-01-2014)

**Transaction Codes and
Case Actions that
Suspend or Extend the
CSED**

- (1) There are also TCs that suspend or extend the CSED. See IRM 5.1.19.2.2, Integrated Data Retrieval System (IDRS) Transaction Codes (TC) That Suspend Or Extend A CSED.
- (2) Refer to the following for a discussion of specific actions that, when taken on an account, may suspend or extend the CSED:

IRM Reference	Type of Action
IRM 5.1.19.3, Case Actions That Can Suspend And/Or Extend A CSED Note: Additional information may be found in IRM 25.6.1.12.2.1, Conditions Postponing Collection or Suspending the 10 Year Collection Period, on some of the actions listed to the right.	<ul style="list-style-type: none"> • Bankruptcy • Civil Penalty with Appeal Rights • Collection Due Process (CDP) Appeal • Combat Zone or Contingency Operation • Enforcement of the Two-Tier Tax Scheme • Estate Tax Lien • Installment Agreements with Form 900 Waiver • Judgment/Litigation • Military Deferral • Offer in Compromise • Relief From Joint And Several Liability On Joint Returns/Innocent Spouse • Taxpayer Assistance Order • Taxpayer Living Outside the U.S. • Wrongful Levy (Seizure) • Wrongful Lien
In addition, see IRM 25.6.1.12.2.1, Conditions Postponing Collection or Suspending the 10 Year Collection Period.	<ul style="list-style-type: none"> • Pending, Rejected and Terminated Installment Agreements. • Summons Enforcement • Third Party summons

(3) See Exhibit 5.19.10-5, CSED Computation Reference Table, for details and a list of IRM references regarding each type of suspension/extension.

5.19.10.4.3
 (10-10-2023)
CSED Fields on Integrated Data Retrieval System (IDRS)

- (1) Each TC that has its own CSED (except TC 150) will show its corresponding CSED to the right on CC IMFOLT/BMFOLT.
- (2) The account will reflect the earliest CSED until that date has passed.
- (3) CC TXMOD and CC SUMRY reflect the CSED that is next due to expire. CC IMFOLT indicates the FIRST CSED, NEXT CSED and LAST CSED.
- (4) If there are more than three CSEDs present on the module, the NEXT CSED field shows the second CSED. When the second CSED expires, the NEXT CSED field updates with the third CSED, until all CSEDs are expired.
- (5) For CC BMFOLT, the fields are EARLIEST CSED DATE, IMMINENT CSED DATE and LATEST CSED DATE.
- (6) If the CSEDs are currently suspended by an unreversed TC 500, TC 520, TC 480, TC 470 CC 95 or TC 971 AC 065, all CSED fields will show blank. CSED fields will not show blank for TC 971 AC 043 or TC 971 AC 163.

Note: If you identify there are no unreversed TC 500, TC 520, TC 480, TC 470 CC 95, or TC 971 AC 065 creating a blank CSED, then you should review the tax module for CSED suspending dates that are out of chronological order, out of sequence, or an erroneous refund. These types of issues create blank CSEDs on the tax module. If you locate any of these errors, review IRM 5.19.10.4.4, Determining the Correct CSED, and IRM 5.19.10.4.5, Resolving a Module with CSED Problems.

- (7) When all CSEDs on the module are expired, a TC 608 generates to zero out the balance. Until all CSEDs are expired, the balance may consist of amounts associated with expired and unexpired CSEDs, unless expired balances were previously full paid or written off with TC 534.
- (8) When payments are applied to an expired module, Master File reverses the posted TC 608 with TC 609 in order to credit the payment and then generates another TC 608.

Example:

Transaction Code	Screen Data
TC 608	1,232.47–
TC 670 - DPC 05	150.00–
TC 609	1,232.47
TC 608	1,082.47–

5.19.10.4.4
(03-23-2020)

Determining the Correct CSED

- (1) Control the module in “A” status with Category Code STAT, activity code “VERIFYCSED”. Update activity to “CSEDOK” when CSED is correct or “UPDATECSED” when the CSED must be corrected.
- (2) When the taxpayer has questions regarding the CSED, but the CSED is correct, provide an explanation of how the CSED was determined. Use Letter 672-C , Payment(s) Located and/or Applied or other appropriate letter.
- (3) If the case is not taxpayer initiated, suppress Letter 2645-C, Interim Letter, if the case is on AMS.
- (4) Discuss CSED related issues with other functional areas as necessary. If the case is being routed outside your campus and the case is taxpayer initiated, send Letter 86-C, Referring Taxpayer Inquiry/Forms to Another Office.
- (5) Route accounts with CSED issues in ST 22, 26, 71, 72 and 91 to the proper function using SERP Who/Where. For ST 26 modules, input TC 470 cc 90 to prevent any possible enforced collection. Leave a detailed explanation in AMS history including routing information. See IRM 5.19.10.4.7.1, MULTICSED Transcript and Listings, on how to address these statuses when it is a MULTICSED transcript or listing.
- (6) If a case is received that has additional issues unrelated to the CSED issue, resolve the CSED issue and return the case to the originator or other appropriate area to address the other issues.

- (7) For CSED issues on Estate Tax Liens (Form 706), contact the Advisory Estate Tax Group for assistance. Contact information can be found on the My SB/SE Website under *Civil Enforcement Advice and Support Operations (CEASO)*.
- (8) If there is a problem with the CSED and the module had a TC 480, pending OIC, dated after the correct CSED expired:
- Correct the CSED and complete other required case resolutions with the exception of resolving any payments posted after the CSED.
 - Route the case (original or copy) or an IMFOLT print, if it is a transcript, to notify the OIC Centralized Service Center (COIC) of the corrected CSED. Attach a copy of the CSED computation to the case with an explanation. See SERP Who/Where *.Offer-In-Compromise (OIC) Centralized Service Center Locations* COIC will need to reconcile any payments.

- (9) Identified CSED issues must be reviewed and verified. If the manual CSED posted CSED as correct. See IRM 5.19.10.4.5, Resolving a Module with CSED Problems for other CSED correction restrictions. #

Exception: Do not accept the posted CSED as correct if IDRS is calculating a 10-year CSED and the module has one or more TC pairs that suspend or posted CSED as stated above. #

- (10) If a module has an incorrect CSED, verify and correct the CSED on it and on any surrounding balance due modules, if applicable.
- (11) Calculate the correct CSED date using the guidelines outline in this IRM and other IRMs. For assistance with CSED calculations, see:
- Exhibit 5.19.10-5, CSED Computation Reference Table
 - Exhibit 5.19.10-6, CSED Chart for OIC
 - Exhibit 5.19.10-7, CSED Chart for OIC (continued)
 - Exhibit 5.19.10-8, Manual Calculations of a CSED Using the Julian Date Calendar
 - Exhibit 5.19.10-9, Manual Calculations of a CSED Using the Julian Date Calendar
 - Exhibit 5.19.10-10, CSED Calculator Worksheet
 - There are two tools available you can download to assist with CSED Calculations: CCalc or CSED Helper - Julian Lookup, found on SERP under IRM Supplements.

Exception: CSED verification is not required on modules where there are no transactions that extend or suspend the CSED.

- (12) See IRM 3.11.10-4, Julian Date Calendar, Perpetual and Leap Year, to obtain julian dates for your CSED computation.
- (13) Accept TC 520/521, TC 480/780 and other applicable TC dates as correct, except when:
- These procedures direct you to verify dates
 - Taxpayer is disputing dates (If we are unable to verify the date internally, taxpayer must provide proof, such as a copy of the OIC rejection letter) or

- In limited situations, when you determine verification is necessary.

(14) Be aware of the following when computing a CSED:

If...	Then...
CSED suspension periods overlap	<p>Count the overlapping period only once when computing the CSED. Overlapping suspensions run concurrently. See IRM 5.1.19.3, Case Actions That Can Suspend And/Or Extend A CSED.</p> <p>Example:</p> <p>TC 520 cc 81 04-12-2009 TC 521 cc 81 09-12-2010, plus six months TC 480 10-21-2010 TC 780 05-30-2011 Suspension is from 04-12-2009 to 05-30-2011. The suspension periods overlap from 10-21-2010 to 03-12-2011. Count these days only once.</p>
The TC 150 date is prior to the Return Due Date (RDD)	Use the RDD as the suspension start date.
The suspension start date is before a posted assessment date	<p>Include only that part of the suspension period that coincides with the assessment.</p> <p>Example: TC 480 dated 03-13-2001 is prior to the TC 290 assessment dated 05-27-2001. The start date for the TC 480 is 05-27-2001.</p>
The suspension start date is after the assessed balance is full paid	<p>Do not include this suspension period in the CSED computation for the assessment that was full paid.</p> <p>Exception: Include all suspension periods in the CSED computation for an assessment that was full paid prior to the suspension date where IDRS shows the assessment is an EXAM Jeopardy Assessment (indicated by a TC 370 with a TC 300).</p>
The suspension TC has a specific effective date	<p>Start date for that TC is its effective date.</p> <p>Example: TC 971/972 AC 043/063/163 did not suspend the CSED until March 9, 2002. If TC 971 AC 043 is dated 02-01-2002, it's start date is 03-09-2002.</p>

(15) When correcting the CSED, update AMS history with the transaction codes and dates used in the CSED computation and total days of suspension included in the CSED. Also provide an explanation as to why the CSED was incorrect.

- (16) Complete the "Monthly Recalculated CSED Report "and send to the SME at the end of each month. The SME will review the changes and will refer the issue to HQ if a systemic CSED issue not previously identified is found.
- (17) When a CSED is corrected with TC 550, input TC 290 .00 to file all source documents including any taxpayer correspondence, a copy of the CSED computation and any write-off. Also include any supporting documentation, such as prints of AMS history, that support your CSED computation.

Exception: Source document filing is not required when correcting a CSED with TC 550 due to invalid TC 166/176/186 being abated according to IRM 5.19.10.4.4.1, CSED Considerations.

- (18) Refer to IRM 5.19.10.4.4.1, CSED Considerations, for additional guidance.

5.19.10.4.4.1
(02-08-2023)
CSED Considerations

- (1) The following information discusses CSED conditions identified in CSED work. In some cases, these conditions have caused an incorrect CSED on the module. For more information, refer to IRM 20.2.5.2.4, Statutory Period for Assessment, Collection and Refund of Interest.
- (2) Because of the diversity of issues regarding CSEDs, these procedures cannot address every situation encountered when working a module with a CSED problem. The tax module must be analyzed and the appropriate IRM research done in order to determine the cause of the CSED error. In some cases, logic and judgment must be used to resolve the issue.
- (3) If a new problem (not addressed in these procedures) is encountered on a module that is causing an incorrect CSED and you are using your judgment to make a determination, confer with another CSED Specialist and obtain their concurrence before making a correction. Document AMS with the concurrence.
- (4) **MFT 31:** See IRM 5.19.10.4.4.2, MFT 31 Issues.
- (5) **Failure to File penalty, Estimated Tax penalty or Federal Tax Deposit penalty:** On some modules where a TC 166, TC 176 or TC 186 posted with its own ten-year CSED (the penalty posted alone and not in conjunction with a tax assessment), analyze the module to make sure the TC 166, TC 176 or TC 186 was not assessed by the computer in error. Some of these may be invalid due to a processing or systemic error. These penalties must be assessed within the established ASSED. If you determine the penalty was assessed after the ASSED:
 - a. Abate the penalty with TC 161, TC 171 or TC 181.
 - b. See IRM 5.19.10.4.5, Resolving a Module with CSED Problems, to correct the CSED.

Note: In cases when the TC 166, TC 176 or TC 186 is caused by the reversal of an OIC, TC 605, verify when the penalty was assessed. If the penalty was assessed within the ASSED, do not abate it. If the penalty was assessed after the ASSED, then consider abatement.

- (6) **TC 550:** See IRM 5.19.10.4.4.3, TC 550 and Form 900 Waiver Issues.
- (7) **TC 971/972 AC 043/063/163:** See IRM 5.19.10.4.4.4, TC 971/972 AC 043/063/163 Issues.
- (8) **TC 500 Combat Zone:**

- When computing a CSED on modules affected by Combat Zone (CZ) entry and exit dates, ONLY compute the number of days between the entry and exit dates and include the 180-day period(s).
 - If the taxpayer entered and/or exited a CZ during the filing season do not add days for the filing season to your CSED computation. The period that occurred during the filing season is only added to the Return Due Date (RDD).
 - Determine the correct TC 550 CSED Code to use by researching the applicable TC 500s on CC IMFOLE.
 - See IRM 5.19.10.6.4, Combat Zone Computation of Suspense Period.
- (9) **TC 520/521 cc 82, Civil Penalty with Appeal Rights:** If there is a TC 470 cc 95 followed by TC 472 and no intervening TC 550, contact *Advisory* on SERP Who/Where to re-compute the CSED for the TC 550 to resume collection activity. Input TC 550 as advised.

5.19.10.4.4.2
(09-13-2022)
MFT 31 Issues

- (1) MFT 31 is an IMF Master File Tax (MFT) account code and used for assessments against an individual taxpayer on a joint module. For additional information, see IRM 21.6.8.4, What is MFT 31 / 65.
- (2) When CSED code “S” or “P” indicates only one spouse filed a bankruptcy, CDP, OIC, innocent spouse, only one spouse agreeing, Tax Court, criminal restitution, or other, Master File cannot accurately compute the CSED on the MFT 30 tax module. Compare the transactions on the MFT 30 module to the transactions posted under each spouse on the MFT 31 module. Ensure each CSED is computed properly based on what suspension transactions are attributable to each spouse.
- (3) For TC 480 and TC 520s mirrored to MFT 31, be aware of the following:

If...	Then...
Joint MFT 30 module has a TC 971 AC 100 - 109	Do not count the suspension for a TC 480 or TC 520 with CSED code “S” when computing the CSED on the joint module.
MFT 31 module contains a TC 370 with DLN NN251-999-95000-Y	Do not count the suspension for a TC 480 or TC 520 with CSED code “S”.
MFT 31 module contains a TC 370 with DLN NN251-999-00000-Y	Do not count the suspension for a TC 480 or TC 520 with CSED code “P” or blank.
MFT 31 module contains a TC 480 or TC 520 with no CSED code present	Master File may not be computing the CSED correctly. Recompute the CSED and correct with TC 550, if needed.

- (4) For some MFT 31 accounts created prior to January 1, 2005, interest from the MFT 30 module was assessed on the MFT 31 module using TC 340 doc code 51 in the 4th and 5th position of the DLN. This caused a new ten-year CSED based on the TC 340 date instead of the date of the associated tax assessment.
- a. When addressing a balance due on MFT 31 modules for tax periods ending December 31, 2004 and prior, analyze the module using CC IMFOLT to determine if there are TC 340s present with doc code 51.

- b. If present, compute the module CSED excluding the TC 340 doc code 51 dates.
 - c. Verify the results with the CSED dates on page one of CC IMFOLT.
 - d. If the CSED dates on CC IMFOLT are incorrect, input TC 550 to correct them.
- (5) An erroneous failure to file penalty (TC 166) may be systemically assessed on the MFT 31 module thus causing an invalid ten-year CSED:

If...	And...	Then...
The wrong return received date was input to MFT 31 from the MFT 30 module	It is the cause of the erroneous TC 166	Abate the erroneous TC 166 with TC 161 and update to the correct CSED with TC 550.
The MFT 30 module shows a TC 460, Extension of Time for Filing, that was not input to the MFT 31	It is the cause of the erroneous TC 166	Input the TC 460 to the MFT 31 module. The system will generate a TC 167. Update to the correct CSED with TC 550, if Master File fails to systemically correct it.

5.19.10.4.4.3
(04-05-2017)
**TC 550 and Form 900
Waiver Issues**

- (1) When a TC 550 is present, accept the CSED date that was entered as valid. See the exception below for TC 550 definer code (dc) 10.
- (2) For TC 550 definer code 01, do not add 90 days to your CSED computation. This is to be consistent with Master File programming.
 - a. Verify the CSED and make corrections if the module has other issues affecting the CSED.
 - b. See IRM 5.19.10.2, Taxpayer Advocate Service (TAS), to determine if case meets TAS criteria.
- (3) Due to RRA98, the CSEDs on some modules with TC 550 dc 01 were reset. A systemic program searched the Master File for modules where TC 550 dc 01 was present along with either a TC 971 AC 063 or a ST 60 within 120 days of the TC 550 transaction date. If the TC 971 AC 063 or ST 60 criteria was not met, then,
 - A new TC 550 was generated for a CSED date of December 31, 2002 or the normal ten-year collection statute date whichever is later.
 - These transactions will have a unique DLN DO277-999-99999-2.
 - The transaction date of the TC 550 will be the date of the systemic run.
- (4) Verify the CSED on modules where the CSED was extended or corrected with a TC 550 and transaction codes follow that suspend the CSED further (TC 520, TC 480, etc.). In some cases, the system may not be computing the CSED correctly. In the instance where this has occurred, correct the CSED with TC 550.
- (5) TC 550 dc 10 is used to correct an existing CSED and for CDP corrections. Before changing a CSED with TC 550 and a TC 550 dc 10 is already present, research the account and AMS history to ensure your CSED correction is appropriate.

- (6) **Multiple TC 550s input incorrectly:** When an account has a TC 550 present and additional TC 550s are input, they must be input with DLN-CD 99 (see the 9th and 10th position of the TC 550 DLN). If input without DLN-CD 99, these will post but will not change the existing CSED from the previous TC 550.
 - a. Compute the CSED on the module using the last TC 550 CSED present.
 - b. Input TC 550 and DLN-CD 99 to update the CSED on the module, if needed.

5.19.10.4.4.4
(06-01-2018)

- (1) Verify the validity of these transaction codes through research of AMS and IDRS.

TC 971/972 AC

043/063/163 Issues

If...	Then...
Taxpayer does not meet the pending Installment Agreement (IA) criteria at the time the TC 971 AC 043 was input	<ol style="list-style-type: none"> 1. Do not count the suspension period in your computation. See IRM 5.19.1.6.4.7, Pending IA Criteria. 2. Reverse with TC 972 AC 043 using the same date as the TC 971. <p>Note: If a TC 972 AC 043 is on the module and dated after the TC 971 AC 043 needing to be reversed, correct as follows: re-input the TC 971 AC 043 and TC 972 AC 043 using the same date.</p> <ol style="list-style-type: none"> 3. If CSED does not update correctly, input TC 550.
The TC 972 AC 043 date does not match the date of the TC 971 AC 043 and is dated earlier	<ol style="list-style-type: none"> 1. In some cases, Master File cannot correctly compute the CSED. 2. Correct as follows: re-input the TC 971 AC 043 and TC 972 AC 043 with same date. 3. If CSED does not update, input TC 550.
A TC 971 AC 043 is followed by a TC 971 AC 063 and both have the same date	<ol style="list-style-type: none"> 1. In some cases, Master File can not correctly compute the CSED. 2. If a correction is needed, re-input TC 971 AC 043 and TC 972 AC 043 with same date. 3. If CSED does not update correctly, input TC 550. <p>Note: Master File programming was corrected so that this is no longer a problem on future input of these transaction codes. However, older modules may still be found with this problem.</p>

If...	Then...
An account has an unreversed TC 971 AC 043 open for more than 14 cycles, if reversing transaction was input prior to January 21, 2016; 26 cycles if the reversing transaction was input on or after January 21, 2016 and there is no evidence of an IA request	<ol style="list-style-type: none"> 1. Disregard that date for your CSED computation. 2. Reverse with a TC 972 AC 043 with the original TC 971 date. Note: If a TC 972 AC 043 is on the module and dated after the TC 971 AC 043 needing to be reversed, correct as follows: re-input the TC 971 AC 043 and TC 972 AC 043 using the same date. 3. If CSED does not update correctly, input TC 550.
An unreversed TC 971 AC 043 is followed within 14 cycles by a TC 530/480/520 or other input prior to January 21, 2016; 26 cycles if input was on or after January 21, 2016 that clearly indicates an end to the Pending IA suspense period	<ol style="list-style-type: none"> 1. Input a TC 972 AC 043 with a date equal to the TC 530/480/520 date. Note: If a TC 972 AC 043 is on the module and dated after the TC 971 AC 043 needing to be reversed, correct as follows: re-input the TC 971 AC 043 and TC 972 AC 043 using the same date as the TC 530/480/520. 2. Monitor to ensure the module updates to the correct CSED. 3. If CSED does not update correctly, input TC 550.
A TC 971 AC 163 was caused by an IA that was defaulted in error or was manually defaulted to remove it from IA status	Do not count the 30 day suspension associated with the TC 971 AC 163 when you compute the CSED.

5.19.10.4.5
(10-10-2023)

Resolving a Module with CSED Problems

- (1) A TC 550 is manually input to update or correct the CSED. The definer code will show the source/reason for the extension. See IRM 5.1.19.2.3, TC 550 Waiver Extension Definer Codes.
- (2) Input TC 550 per IRM 5.19.10.4.5.1, Correcting an Existing CSED, No TC 550 on Account or IRM 5.19.10.4.5.2, Correcting an Existing TC 550, if the existing CSED is incorrect.
 - a. For any payments dated after all CSEDs have expired, follow IRM 5.19.10.4.6, Credits Applied After the CSED, for proper handling of the payments.
 - b. Input a secondary TC 570 with any post-CSED payments that you are transferring to another module.
 - c. Control the module in "A" status and monitor until the CSED updates on CC IMFOLT/BMFOLT.
 - d. Input TC 571 with a Posting Delay Code "2" to release the transferred payments.
- (3) Input of TC 550 will update all CSEDs on the module to the same date. Care must be taken when inputting a TC 550 to a module with multiple CSEDs. If

correcting one CSED will cause the other CSEDs to be incorrect, then a TC 550 cannot be done. For modules with two CSEDs:

If...	And...	Then...
FIRST CSED is incorrect	The correct CSED is expired	1. If all CSEDs are expired, close case no action.
FIRST CSED is incorrect	The correct CSED is not expired	1. The FIRST CSED cannot be corrected. 2. Input history items on CC TXMOD, "UPDATECSED", "FIRSTCSED=" and "MMDDYYYY". 3. Input similar history to AMS.
LAST CSED is incorrect	FIRST CSED is correct or incorrect and expired	1. Input TC 550 to correct the FIRST CSED and/or 2. Input TC 534 to write off any balance remaining for the FIRST CSED. 3. Input TC 550 to correct the LAST CSED. 4. Use Posting Delay Codes to prevent any unpostable. 5. Add an explanation to AMS history.
LAST CSED is incorrect	FIRST CSED is correct or incorrect and not expired	1. LAST CSED cannot be corrected. 2. Input history items on CC TXMOD: "UPDATECSED", "FIRSTCSED=", "MMDDYYYY", "LASTCSED=", and "MMDDYYYY". 3. Input similar history to AMS.

- (4) Generally modules with three or more CSEDs cannot be corrected with TC 550 unless the LAST CSED is the one being corrected and all previous CSEDs are expired. Input history to CC TXMOD and AMS to indicate the correct CSEDs.
- (5) Follow the table below to resolve other issues encountered when working CSED issues:

If...	And...	Then...
CSED fields on CC IMFOLT/ BMFOLT are blank	There is an open CSED suspense period such as an unre- versed TC 520, TC 480 or TC 500 that is more than seven years old or there are CSED sus- pending dates out of chronological order, out of sequence, or an erroneous refund	<ol style="list-style-type: none"> 1. Research surrounding modules to locate the correct closing transaction and input to the open module. 2. If unable to locate a closing transaction, contact the ap- propriate function to obtain the closing transaction in- formation. 3. Monitor until the correction posts.
CSED fields on CC IMFOLT/ BMFOLT are blank	All CSED suspense periods are closed or there are CSED sus- pending dates out of chronological order, out of sequence, or an erroneous refund	<ol style="list-style-type: none"> 1. Force the CSED fields to populate the correct CSEDs with input of TC 550 and DLN Code 99. 2. If transferring post-CSED payments, input a secondary TC 570 with the transfer. 3. Monitor the account until corrections post. 4. Reverse TC 570, if appli- cable.
CSEDs are all expired	The TC 608 did not generate or zero out the balance	<ol style="list-style-type: none"> 1. Input TC 534 with an amount equal to the module balance to force the module to ST 12. 2. If transferring post-CSED payments, input a secondary TC 570 with the transfer. 3. Monitor account until cor- rections post. 4. Reverse TC 570, if appli- cable.

If...	And...	Then...
CSEDs are all expired	Input of TC 550 (force a TC 608 to generate) or TC 534 did not write off the balance or the transactions unposted	<ol style="list-style-type: none"> 1. Determine if an error was made that caused the unpostable. 2. If so, re-input the TC correctly and monitor until the correction posts. 3. In certain instances, a TC 550 input incorrectly will post but will not update the CSED. See IRM 5.19.10.4.4.3, TC 550 and Form 900 Waiver Issues. 4. If transaction codes were input correctly, balance must be manually zeroed out to force ST 12. See below. 5. If transferring post-CSED payments, input a secondary TC 570 with the transfer. 6. Monitor account until corrections post. 7. Reverse TC 570, if applicable.

- (6) In some cases a module may have become frozen from update. Input of TC 550 or TC 534 will not update the CSED or force the balance to zero. To bring the balance to zero, an adjustment using CC ADJ 54 must be input.
- (7) If a voluntary payment, partially paying the account is received before the CSED, apply it to tax, penalty (with any FTP first), and interest, in that order until the amount is absorbed. Rev. Proc. 2002-26, at sec. 3.02.
- (8) For involuntary payments, payments are applied to interest first, then FTP, then other penalties and finally the tax.

Example:

Write-Off Module	Module	Computation	Item	Amount
MOD-BAL>	2,931.96	Subtract all debits from module balance. Add all assessments and abatements for interest, then penalty, etc.	Module balance:	2,931.96
T/C	AMOUNT	Add all interest	Minus total interest:	46.67
150	31,000.00	Add all FTP	Minus total FTP:	116.29
806	28,500.00-	Add all FTF	Minus FTF:	62.00

Write-Off Module	Module	Computation	Item	Amount
166	62.00	Remaining balance	Remaining tax:	2,707.00
276	26.23	Input	adjustment	on IDRS
196	16.17	REQ54	CC	ADJ54
670	143.00-	Abate	tax, penalty	and interest
290	450.00	Abate tax	TC 291	2,707-
276	90.06	Abate FTP	TC 161	62.00-
196	30.50	Abate FTF	TC 271	116.29-
670	100.00-	Abate interest	TC 341	46.67-

- (9) Once a payment is used for a specific assessment with an expired CSED (either full or partially paid the assessment), it can't be reallocated to apply to another assessment with an open CSED. When computing interest, payments and credits that were applied to the expired CSED need to be "excluded" from the computation along with the applicable tax and penalties.
- (10) On CC ADJ54 for IMF use Blocking Series 05, Source Code 0, Reason code (RC) 99 plus other applicable RCs and Hold Code 3.
- (11) For BMF use Blocking Series 15 and Hold Code 3.
- (12) If a TC 341 or TC 271 is not input, you must input a TC 340 and/or TC 270 for a zero amount to restrict additional assessments by IDRS.
- (13) Enter the date of claim or the IRS received date in the RFSCDT field and code "S" in the OVERRIDE-CD field.
- (14) Complete the "Monthly Recalculated CSED Report" and send to the SME at the end of each month. the SME will review the changes and will refer the issue to HQ if a systemic CSED issue not previously identified is found.

5.19.10.4.5.1
(03-23-2020)
**Correcting an Existing
CSED, No TC 550 on
Account**

- (1) When it is determined the current CSED on the tax module needs to be corrected, a TC 550 must be input. Use TC 550 DEFINER-CD "10".
- (2) Before input of TC 550, refer to IRM 5.19.10.4.5, Resolving a Module with CSED Problems for additional information.
- (3) For complete instructions for using CC FRM77 refer to Exhibit in IRM 2.4.19-5, Command Code FRM77 Input.
- (4) Use CC REQ77 to input the TC 550 using the following fields:
 - a. Transaction Code – always use TC 550.
 - b. Extension date - recomputed CSED date.
 - c. Transaction date – leave blank unless all CSED dates have expired. If all are expired, transaction date must be prior to the expired CSED date.
 - d. DLN Code – leave blank.
 - e. CSED Code – use appropriate code (P, B, or S).

- f. TC 550 Definer Code – use definer code 10, unless directed otherwise. Refer to IRM 5.1.19.2.3, TC 550 Waiver Extension Definer Codes.
- g. Remarks – must detail why CSED is being corrected.

5.19.10.4.5.2
(03-23-2020)
**Correcting an Existing
TC 550**

- (1) When it has been determined that the current TC 550 on the tax module is incorrect, an additional TC 550 must be input. Use TC 550 DEFINER-CD “10” unless otherwise directed.
- (2) Before input of TC 550, refer to IRM 5.19.10.4.5, Resolving a Module with CSED Problems for additional information.
- (3) For complete instructions for using CC FRM77 refer to Exhibit in IRM 2.4.19-5, Command Code FRM77 Input.
- (4) Use CC REQ77/FRM77 to correct the TC 550. Input the following fields:
 - a. Transaction Code – always use TC 550.
 - b. Extension date - recomputed CSED date.
 - c. Transaction date – leave blank unless all CSED dates have expired. If all are expired, transaction date must be prior to the expired CSED date.
 - d. DLN Code – always use 99.
 - e. CSED Code – use appropriate code (P, B, or S).
 - f. TC 550 Definer Code – use definer code 10 unless directed otherwise. Refer to IRM 5.19.10.4.2, Transaction Codes and Case Actions that Suspend or Extend the CSED.
 - g. Remarks – must detail why CSED is being corrected.

5.19.10.4.6
(08-17-2021)
**Credits Applied After the
CSED**

- (1) Resolve credits that posted after the correct CSED at the same time you are inputting TC 550 or a write-off.
- (2) If there is Federal Levy Payment Program (FPLP) or SITLP levy activity on the module and correction of the CSED will result in a full write-off to ST 12:
 - a. Input TC 470 cc 90 to temporarily suspend the levy activity while you are resolving the CSED.
 - b. FPLP and SITLP activity can be identified by the presence of one or more of the following TC 971 AC 060, 061, 062, 169, 600 (SITLP), 662 or 762.
 - c. Input TC 472 if needed, when all actions are completed.
- (3) Transfer credits (TC 706) that are offset from other modules back to their original module. Input TC 570 followed by TC 572 with PDC 2 to prevent offset back to the expired CSED module. Allow the system to refund the credit, offset it to another liability or move it to Excess Collections.
- (4) A payment (voluntary and involuntary) made after the CSED is a statutory overpayment under IRC 6401(a). Transfer payments that cannot be timely applied to a module to the Excess Collection File (XSF) for further processing by the Statute Team. See IRM 5.19.10.5.1, General Procedures For All Transcripts and IRM 5.19.10.5.2.2, Processing Overpayments from a Module Time-Barred From Collection, for instructions and certain exceptions.
- (5) If other balance due modules are present for a single collection action, transfer payments that are not **barred** to the module with the shortest CSED.
- (6) If there are no other balances due, the amount is subject to refund:

- a. You can make two attempts to contact the taxpayer by phone and advise them of their CSED rights and the time period under IRC 6511 within which to claim a refund.
 - b. If unable to reach by phone send Letter 672-C, Payment(s) Located and/or Applied.
 - c. Follow IRM 5.19.10.5.2, PMTEXPCSED Transcripts.
- (7) For levy payments that posted after the CSED, research RTR to ensure that it is a true levy payment.
- SBSE CSCO follows IRM 5.19.2.6.7.3, Levy Payment Procedures
 - SBSE ACS Support follows IRM 5.19.4.4.10, Levy Release: General Information
- (8) If all balances are full paid, an existing Continuous Wage Levy (CWL) must be released using Form 668-D, Release of Levy/Release of Property from Levy. Follow IRM 5.19.10.10.2.2 Figure 5.19.10-10, Full Paid Continuous Wage Levy Accounts. However, if the account was in ST 6X and your corrections caused it to update to full paid, the CWL will be released by employees working the IAAL.
- (9) Generally, a levy on a right to receive future payments that are “fixed and determinable” and that is served prior to the expiration of the collection period is enforceable and should not be released. In addition, a levy served after reducing a tax liability to a judgment (TC 550 dc 04) is valid. Allow these types of levy to remain on the expired CSED module, if the balance, including accruals, has not been fully paid.
- a. TC 971 AC 687 is input to identify the type of levy as either “fixed and determined”, continuous or other. See IRM 5.19.10.4.6.1, TC 971 AC 687, and Miscellaneous Codes for CSED.
 - b. You can determine when a FPLP and SITLP levy was served by the posting of TC 971 AC 600, 662 or 762. If these levies were served AFTER the correct CSED expired, follow the IRM procedures below for handling levy payments.
 - c. If you are unable to determine when a levy was served or whether it is “fixed and determined”, contact the unit lead or manager for assistance in determining whether to leave the post-CSED levy payments on the expired module.
- (10) Transfer excess levy payments:
- a. To the module with the shortest CSED where a levy has been served.
 - b. Then transfer excess levy payments to any non-levy modules.
 - c. If full paying a levy module or levy payments are being applied to a non-levy module, fax a copy of the correspondence or Form 4442, Inquiry Referral, to the ACS Support and Status 22 TAS Liaisons per SERP Who/Where, to issue a levy on the non-levy module or partially/fully release a levy on a full paid levy module.
 - d. If there are no other balances to transfer a levy to, leave the levy payment on the expired module.
 - e. If the taxpayer requests a refund of levy payments, fax a copy of the correspondence or Form 4442, Inquiry Referral, to the ACS Support and Status 22 TAS Liaisons per SERP Who/Where. Send the appropriate letter to inform the taxpayer that the issue has been referred.

5.19.10.4.6.1
(03-23-2020)

**TC 971 AC 687, and
Miscellaneous Codes for
CSED**

- (1) The TC 971 AC 687 with 20 miscellaneous codes was established for CSED purposes effective January 2007. When inputting a TC 971 AC 687, a miscellaneous code must be input at the same time. The miscellaneous code serves as an audit trail, defines what type of levy was served, and identifies other various actions taken on the account.
- (2) The following chart will provide an explanation for each miscellaneous code. SB/SE should identify the “fixed and determined” from this point forward. Any module that does not have a code will be verified through the RO or CCP.

Note: “Fixed and determined” levy sources are instruments, such as pensions, royalties etc., that are payable for a fixed amount on a date in the future that can be determined in advance. For instance, Social Security benefits begin at age 62, and Civil Service pensions at age 55.

Miscellaneous Codes	Definitions
001	Levy issued prior to the CSED identified as “fixed and determined” e.g. pension, royalties etc. excludes levy on working taxpayer’s salaries.
002	Identifies the module as a continuous wage levy on wages/salaries secured before CSED. Exception: To identify the legal basis for releasing levies see: <ul style="list-style-type: none"> • IRM 5.11.2.3.1, Legal Basis for Releasing Levies • IRM 5.19.4.4.10, Levy Release: General Information • IRM 5.19.10.10.6.1, IAAL Review of Continuous Wage Levy - CSCO Processing
003	Suit was filed before CSED expired.
004	Field Manager completed a review of the module prior to the CSED. Allow this module CSED to expire in its current status.
005	Unable to locate taxpayer.
006	Module is not a levy module, payments coded incorrectly.
007	Taxpayer’s CSED rights communicated via phone/letter. Module has refundable credits and no outstanding liabilities. Levy release sent.
008	Taxpayer’s CSED rights communicated via letter only. Module has refundable credits and the account has outstanding liabilities. Levy release sent.
009	Identifies a Valdez gas module (1). Only post Valdez gas payments to this module. Do not release the levy. Do not offset. Any excess credits will be refunded. Cases will be centralized in Anchorage.
010	Levy release previously sent, second contact with the taxpayer initiated via correspondence/phone.
011	Based on Restructuring and Reform Act of 1998 (RRA98), CSED computed incorrectly, due to failure on account for suspension under IRC 6331(k)(1) and (3).
012	CSED review completed, move module to the Retention File.

Miscellaneous Codes	Definitions
013	Communicated CSED rights via telephone. If account has outstanding liabilities, follow up with a letter.
014	Credit(s) Refund Statute Expired, no outstanding liabilities.

5.19.10.4.7
(02-01-2014)
**Writing Off Expired
Balances with TC 534**

- (1) Currently, Kansas City CSCO works lists of accounts where the earliest CSED has expired and a portion of the balance must be written off. Beginning in January 2013, a new MULTICSED transcript will issue in lieu of a listing. See IRM 5.19.10.4.7.1, MULTICSED Transcript and Listings. The IMF transcript will be worked by Kansas City and the BMF transcript by Philadelphia CSCO.
- #
- a. Forward the SSN and tax period by e-mail using Secure Messaging.
 - b. List the proposed TC 534 write-off amount and the amount of interest and FTP penalty included in the TC 534 amount.
 - c. The manager will input AMS history, "TC 534 approved" or "TC 534 denied." If denied, the manager must provide an explanation in AMS for the denial.
- (3) When a tax module has multiple CSEDs and the earliest has expired, input a TC 534 to write-off any assessed balance associated with the expired statute. If no assessed balance remains from the expired CSED (accruals only), input a TC 534 with a zero amount.

5.19.10.4.7.1
(04-20-2022)
**MULTICSED Transcript
and Listings**

- (1) Accounts are selected for the MULTICSED transcript or listing by the following criteria:
- #
- for BMF
 - MFTs 30, 31 and 55 for IMF and MFTs 01, 06, 10 and 11 for BMF
 - More than one CSED present and the earliest open CSED expired in the current cycle
 - A transcript will not issue if the CSEDs are suspended by a TC 520, TC 480 or other
 - A transcript will not issue if the next CSED expires within 90 days of the CSED that has just expired
- Example:** The MFT 30 200212 tax module has three CSEDs, dated 05-21-2013, 07-27-2013 and 03-31-2015. No transcript will issue for the 05-21-2013 date because the next CSED, 07-27-2013, will expire in 67 days.
- If the CSED that expires is for a TC 150 that was settled at posting (ST 12) a transcript will not issue
 - A transcript will not issue for the last CSED on the module. TC 608 will generate to zero out the remaining balance
- (2) If module is in ST 12, ST 71(or -Y Freeze or OIC on the INDICATORS line on CC IMFOLT), ST 72 or ST 91 (or -Z Freeze) close with no action. Work all others including ST 22, ST 26 and ST 53.

- (3) If CSED fields are blank, research the module to determine if that is correct.
 - a. If no problem is identified, then close case no action.
 - b. If problems are identified and the CSED field should not be blank, review IRM 5.19.10.4.4, Determining the Correct CSED, and IRM 5.19.10.4.5, Resolving a Module with CSED Problems.
- (4) Transcripts are controlled in "A" status with Category Code MCSD.
- (5) When working transcripts, do a manual calculation to verify the accuracy of the CSEDs present. The CCalc and CSED Helper - Julian Lookup tools may be used to assist with CSED calculations. This is to monitor our systems more closely, to ensure our CSEDs are accurate, and to identify trends and issues.
 - a. Make a correction, if needed, per instructions in IRM 5.19.10.4, Collection Statute Expiration Date (CSED) Verification and Correction.
 - b. Report the correction on the "Monthly Recalculated CSED Report".
 - c. CSED verification is not required on modules where there are no transactions that extend or suspend the CSED.

Exception: Check for invalid TC 166/176/186 that should be abated. Follow IRM 5.19.10.4.4.1, CSED Considerations.
 - d. Document CSED verification in AMS by indicating manual CSED calculations match IDRS CSEDs, or indicating 10 year IDRS CSEDs where there are no transactions that extend or suspend the CSED, as appropriate.
 - e. When correcting CSEDs, follow the AMS requirements under IRM 5.19.10.4.4 (15). If the correction results in a LAST CSED that is expired, close the case with no action. The TC 608 will write off the remaining balances.
- (6) If the manual calculation for the CSED that issued the transcript is truly expired:
 - Proceed with write-off
 - Document AMS
- (7) If there is a previous CSED expired less than 90 days earlier, and there is another expired (second) CSED after the first expired:
 - Determine if a separate write-off is required for the currently expired CSED and the previously expired CSED
 - Input a separate TC 534 for each expired CSED using a PDC to separate each input
 - Document AMS
- (8) If the LAST CSED on the module is within 90 days from the currently expired CSED which generated the transcript or the LAST CSED on the module is due to expire in less than 90 days from the current date, verify the CSED and close the case with no action. The TC 608 will write off the remaining balances.

Exception: If the module is ST 60, continue working the case with normal procedures unless the LAST CSED on the module is due to expire in less than 30 days from current date.
- (9) Follow procedures in the table below to write off the expired balance.

If...	And...	Then...
<p>The assessment associated with the expired CSED full paid prior to the next assessment</p>	<p>TXMOD Master File (MF) history indicates ST 12 immediately followed by an open assessment date ST 21, or zero balance prior to next assessment</p>	<ol style="list-style-type: none"> 1. Input TC 534 .00 via IAT REQ54. Use: <ul style="list-style-type: none"> • Blocking Series 19 • Source Code 0 • RC 099 (N/A for BMF) • Hold Code 3 • Enter the CSED date in the CSED> field on CC ADJ54 to which the TC 534 applies. 2. Enter an AMS history with the TC 534 amount, indicating the determination was made based on ST 12 prior to the open ST 21 date.
<p>The assessment associated with the expired CSED was not full paid prior to the next assessment</p>	<p>The module does not have restricted interest or FTP</p>	<ol style="list-style-type: none"> 1. Compute the amount to be written off with TC 534. 2. If any posted FTP or interest contains amounts for both expired and unexpired assessments, the amounts attributable to the expired assessment must be included in the TC 534 amount. 3. Use CC INTSTD or the Automated Computation Tool (ACT/DMI) to correctly determine the portion of FTP and interest belonging to the expired CSED assessment in order to write off the correct amount. 4. Add the total debit amounts for the assessment associated with the expired CSED and subtract any credits that posted prior to that expired CSED. 5. Associate any Collection fees (TC 360) and Bad Check Penalties (TC 280) that posted prior to the next assessment with the amount being written off. 6. Input TC 534 via IAT REQ 54 with the write-off amount. 7. Do not create a credit balance on the module.

(10) If not previously specified, enter an AMS history of the module reviewed and actions taken. Include CSED verification determination and expired assessment ACT/DMI calculations, or a **no action** determination, as appropriate to the case.

(11) Once a TC 534 is input, all subsequent interest and FTP penalty updates must be manually computed.

5.19.10.5
(04-20-2022)
Balance Due Transcripts

(1) The IAT tools as listed in IRM 5.19.10.1.7, Related Resources must be used by Campus Compliance employees for procedures outlined in this IRM. When an action must be taken and an IAT tool is available, Campus Compliance employees with access to the tool are required to use it to complete the action.

Note: If an IAT tool is not functioning properly or it is determined not to be appropriate due to a specific situation, the case should be worked without the tool, using IDRS. For more information on each tool as well as a job aid for each tool see the *IAT Website*.

(2) Balance Due Transcripts are generated in the campuses to signal an alert to certain situations that have been present for some time on an account and cause the account to remain unresolved. This category of transcripts includes:

- Payment Expired Collection Statute Expiration Date (PMTEXPCSED)
- Accounts Maintenance Claim Pending (AM06W)
- Accounts Maintenance (AM07)
- Collection Statute Expiration Date (CSED or SPC3)
- Claim Pending Collection Statute (AM23W)
- Notice of Potential Manual Penalty/Interest Adjustment (CP 86 and CP 186)
- Non-Master File Liability (NMFL)
- Verify Payment (VERFPYMT)
- Notice of No Merge TDA Module and NOMRG TDA Transcript (CP 206)

Note: For a complete listing of all the transcripts, refer to IRM 3.13.62, Media Transport and Control.

(3) ASED is usually three years from the later of the unextended due date or the filing date of the return. The AM-X transcript will generate if the account is open in Collection regardless of other conditions on the module. Refer to IRM 25.6.1.5, Basic Guide for Processing Cases with Statute of Limitations Issues.

(4) STAT, statute expiration is imminent (within six months). There are four types of STAT cases.

- AM23W: the only check here is for CSED. See IRM 5.19.10.5.6, Claim Pending Collection Statute Transcript (AM23W)
- Dummy Cases: which include other Accounts Management (AM) and TDI issues. It also includes civil penalty modules
- RSED: This transcript is sent regardless of other posting or conditions
- Normal STAT: one of the freeze conditions is met (other than 23W). There are two types of issuances, First and Follow - up. The ASED is within six months of expiring. Once a normal STAT is issued, an AM case will not generate.

(5) Please refer to the e-Guide for working transcripts located on SERP, *Balance Due Transcripts*

5.19.10.5.1
(10-10-2023)
**General Procedures For
All Transcripts**

(1) The following transcripts are considered a "Priority Transcript":

- CSED (SPC3)
- PMTEXPCSED
- CP 44
- EFT Spousal Transcript
- NMFL
- AM07W
- Any transcript with a credit balance/TC 608 condition

(2) Verify the CSED on all modules where the CSED has been extended or

suspended. See IRM 5.19.10.4.2, Transaction Codes and Case Actions that Suspend or Extend the CSED, and IRM 5.19.10.4, Collection Statute Expiration Date (CSED) Verification and Correction. The CSED can be verified using the Julian date calendar or the CCalc Tool found on *CSED Helper - Julian Lookup*

- (3) AMRH, Statute or Accounting may control a transcript to CSCO to resolve a levy payment. As of July 26, 2011, it is no longer necessary to refer these to CSCO. If a transcript of this type appears on the Aged Case Listing:
 - a. Reassign the transcript back to the originator if the levy payment is less than 60 days old.
 - b. Take no action and close the control for levy payments over 60 days old.
- (4) Atlanta CSCO does not work BMF transcripts (except for EFT Listings). Recontrol back to the originator any other BMF transcripts that are received.
- (5) If there is a TC 470 on the module, follow IRM 5.19.10.5.3, Accounts Maintenance Claim Pending (AM06W) Transcripts, to input a TC 472. Close the control with a history item relating to the action.
- (6) Research IDRS for any available credit(s). Document AMS with a history item XXXXXRSHRD (Xs identifies the type of transcript).

If...	Then...
Credits are located - designated voluntary payment	<ol style="list-style-type: none"> 1. Research RTR to determine if taxpayer designated the payment for a specific tax period. 2. If the payment was designated and was received on or before the CSED, transfer the credit to the specified tax period. 3. Otherwise, if credits are not barred, transfer the credit to another balance due starting with the shortest CSED. See IRM 5.19.10.5.2.2, Processing Overpayments From a Module Time-Barred From Collection, for further application.
Credits are located - undesignated payment or involuntary from taxpayer	<ol style="list-style-type: none"> 1. Apply the payment to another module starting with the shortest CSED. 2. See IRM 5.19.10.5.2.2, Processing Overpayments From a Module Time-Barred From Collection, for further applications.

If...	Then...
Payment was proceeds from levy on a "fixed and determined" levy source	<p>The payment:</p> <ul style="list-style-type: none"> • can be applied if the levy source was served on or before the CSED expires. "Fixed and determined" levies served prior to the expiration of the CSED, attach to future payments that the taxpayer will receive from a pension plan, social security benefits, royalties, etc. Proceeds from these sources can still be collected and applied to a balance due even after the CSED has expired. See IRM 5.19.10.4.6.1, TC 971 AC 687, and Miscellaneous Codes for CSED. • If neither of the above apply, the payment cannot be applied to the expired CSED module regardless of the payment date or posting cycle date. • Use the proper bypass code to avoid generating an unpostable.
If an expired CSED module has a timely collected credit that created a credit balance	The overpayment of tax may be applied to another module starting with the shortest CSED and follow IRM 5.19.10.5.2. PMTEXPCSED Transcripts.
The transfer(s) full pay the module	Document AMS and close the control.
Any amount of balance remains	Follow specific transcript procedures.

- (7) To transfer credit(s) to the URF or XSF, follow the procedures below.
- a. If the credit is being transferred from an expired CSED module, there must be a TC 608 posted on the module or the transfer will unpost. If TC 608 is not present, it will be necessary to transfer the credit(s) to a satisfied module with a TC 570 or create a dummy module.
 - b. If the payment is less than a year old, use Form 2424, Account Adjustment Voucher, to transfer to URF. Follow IRM 3.17.10.3.2, Receiving Unidentified Remittance Cases.
 - c. For payments more than a year old, use Form 8758, Excess Collections File Addition. In Box 4 enter "IDEN". Follow IRM 3.17.220.2.2.1, Preparation of Form 8758. Input TC 971 AC 296 to the module with the credit.
 - d. In the Explanation box on both forms be very specific regarding the reason for transfer.
 - e. Attach IDRS prints to the Form 2424, Account Adjustment Voucher, or Form 8758, Excess Collections File Addition.
 - f. Ensure there is a tracking number on both Form 2424 and Form 8758.
 - g. Input an AMS history item to indicate the actions taken (non-refundable credits, good refund, refund statute in jeopardy, etc. Credit to URF or XSF via Form 2424 or Form 8758).
- (8) To request a transfer from URF or XSF, follow the procedures below.
- a. Prepare Form 8765, IDRS Control File Credit Application, to transfer a payment from either the URF or XSF. See IRM 3.17.10.3.10, Applying Credit to a Taxpayer's Account, for transfers from URF and IRM 3.17.220.2.12, Applying Amounts From the XSF—General, for transfers from XSF.

- b. Forward all Forms 8765 requiring statute clearance to the Statute function for review prior to forwarding to Excess Collection. For additional information, refer to IRM 3.17.220.2.12(4), Applying Amounts From the XSF—General.
 - c. Attach documentation to the request that identifies the credit on the URF or XSF file, indicates its proper application, and provides justification for the transfer such as a copy of taxpayer correspondence.
- (9) To request a manual refund, use Form 5792, Request for IDRS Generated Refund (IGR). The Manual Refund Tool is an IAT tool that is used to process and monitor manual refunds. As of July 17, 2013 use of this tool is mandatory.
 - a. When initiating a manual refund, follow procedures found in IRM 21.4.4, Manual Refunds. Approval must be obtained by a designated Certifying Officer.
 - b. Inform taxpayers that they are still subject to offset by The Bureau of Fiscal Services (BFS) through the TOP for past due child support or Federal agency debts owed. Refer to IRM 21.4.6, Refund Offset.
- (10) If account is full paid and levy payments are still being applied, see IRM 5.19.10.5.2.1, General Instructions for PMTEXPCSED Cases.
- (11) If balance due notice or TDA processing is suspended for more than six months due to an IRS error, adjust any P&I per procedures in IRM 20.1.2, Failure to File/Failure to Pay Penalties and IRM 20.2, Interest.
- (12) If there is a TC 582 Federal Tax Lien on the module, verify the CSED. If the CSED is within 180 days of expiring, resolve any retention or freeze code. When the CSED expires, the lien is self-releasing.
- (13) If the available credit is less than the accrued penalty amount, then assess the total amount. **EXCEPTION:** if the additional accrued penalty amount exceeds
- (14) Count each transcript received for each different MFT/TXPD, except where noted.

#

5.19.10.5.2
(09-13-2022)
PMTEXPCSED
Transcripts

- (1) A Payment Expired CSED (PMTEXPCSED) Transcript generates once for each TC 610, TC 640 or TC 670, **without Designated Payment Code (DPC) 05, 06, or 14**, that is applied to a module after the CSED has expired.
- (2) The purpose of the transcript is to determine proper disposition of the payment, which may include one or more of the following:
 - Move a misapplied payment to the correct tax module
 - Determine that a payment can remain on the expired CSED module
 - Release continuous wage levies
 - Issue manual refund
- (3) See IRM 5.19.10.5.1, General Procedures for All Transcripts, for more information regarding the Unidentified File (URF), Excess Collection File (XSF) and manual refunds.

5.19.10.5.2.1
(10-10-2023)

**General Instructions for
PMTEXPCSED Cases**

- (1) After CSED has expired, the taxpayer has no obligation to make any payment even though the assessed amount has not been satisfied. A payment received after the CSED is treated as an overpayment of tax. IRC 6401(a). See IRM 5.19.10.5.2.2, Processing Overpayments From a Module Time-Barred From Collection. Under IRC 6511, the taxpayer has two years from the date the payment was made or three years from the date the return was filed, whichever is later, in order to file a claim for refund.
- (2) Payments under an installment agreement (IA) are controlled by the terms of the agreement. An IA payment that was misapplied can be transferred without taxpayer approval.
- (3) Research AMS history and the tax account before making a decision regarding the credit.
- (4) Follow the table below to resolve the credit issue:

If...	Then...
The credit must be resolved by Insolvency, TFRP, OIC, CI (TC 91X), Innocent Spouse (TC 971 AC 065) or an RO (ST 26)	<ol style="list-style-type: none"> 1. Forward the case to the appropriate function, requesting resolution of the payments. Provide a print of CC TXMOD with the affected payments highlighted. 2. Update AMS and close case.
Collection of the module is time-barred	<ol style="list-style-type: none"> 1. See IRM 5.19.10.5.2.2, Processing Overpayments From A Module From Time-Barred Collection, to determine if credit can be applied elsewhere. 2. If payment cannot be applied elsewhere transfer the credit to XSF. For instructions see IRM 5.19.10.5.1, General Procedures for All Transcripts. 3. Update AMS and close case.
Payment applied to expired CSED account.	<ol style="list-style-type: none"> 1. Research RTR verifying taxpayer's payment 2. Payment was misapplied, input credit transfer. 3. Update AMS and close case.
Payment applied to expired CSED account.	<ol style="list-style-type: none"> 1. Research RTR verifying taxpayer's payment. 2. No other liability due, i.e., cross reference SSNs, EINs, etc., issue manual refund. 3. Send TP Letter 549-C, Balance due on Account is Paid. Note: Use paragraph provided by HQ for this scenario until letter can be updated. 4. Inform the taxpayer that the CSED expired, and they have no obligation to make future payments for that tax period. 5. Update AMS and close case.

If...	Then...
Payment applied to expired CSED account.	<ol style="list-style-type: none"> 1. Research RTR verifying taxpayer's payment. 2. Cannot determine where payment should be applied. 3. Send TP Letter 549-C, Balance due on Account is Paid, requesting where payment should be applied. Note: Use paragraph provided by HQ for this scenario until letter can be updated. 4. Monitor case for 45 days. 5. Update AMS and close case.
A TC 840 or TC 846 previously generated on an expired CSED module, and there are no additional liabilities	<ol style="list-style-type: none"> 1. Verify payment cannot be applied to another module based on activity since the refund. 2. Refund subsequent payments 3. Send TP Letter 549-C, Balance due on Account is Paid. Note: Use paragraph provided by HQ for this scenario until letter can be updated. 4. Inform the taxpayer that the CSED expired and they have no obligation to make future payments for that tax period. 5. Update AMS and close case.
A reply was received previously allowing the IRS to apply the credit(s) to an expired CSED module, and subsequent payments post to the same expired module. The analysis shows the same conditions exist.	<ol style="list-style-type: none"> 1. Do not send another Letter 549-C. 2. Continue applying the credits to the CSED module until full paid. 3. Input TC 672/670 using CC ADD24. Input DPC 14 on the new TC 670. 4. Update AMS and close case.
Credit is other than TC 670	<ol style="list-style-type: none"> 1. See IRM 5.19.10.5.2.3, Processing Transaction Codes and Payments Other Than TC 670. 2. Update AMS and close case.
The post-CSED payment is an IA payment and taxpayer has other balances in ST 6X. (Also check for ST 6X on cross reference accounts.)	<ol style="list-style-type: none"> 1. Transfer the credit to the next tax period having the earliest CSED. 2. Reinstate the IA if misapplication of the payment caused the IA to default. Do not charge a reinstatement User Fee. 3. Send Letter 549-C, Balance due is Paid on Account, informing the taxpayer of the expired CSED for the specific tax period. 4. Advise taxpayer to use the current account information for all future payments. 5. Update AMS and close the case.
Credit is a levy payment, TC 670 DPC 05	<ol style="list-style-type: none"> 1. Research IDRS, AMS, or RTR to determine if it is a true levy. 2. If it is a true levy, a CWL is in effect, and account is full paid, follow IRM 5.19.10.10.2.2, Full Paid Continuous Wage Levy Accounts. 3. If not a CWL, take no action and close your case. A LEVYPMT transcript will issue to ACS Support to resolve the credit and release the levy if necessary. 4. Update AMS and close case.

If...	Then...
Credit is a pre CSED levy identified as “fixed and determined” e.g. pension, royalties etc. (not a levy on wages). To identify this type of levy, research the module for the presence of TC 971 AC 687, with Miscellaneous Code 001.	<ol style="list-style-type: none"> 1. If this type of credit posts to an expired CSED module, take no action. 2. Update AMS and close case.

- (5) Input the appropriate history item on AMS for the audit trail. Input history item(s) that reflect each action taken to advise the taxpayer of rights concerning the overpayment caused by taxpayer’s payment of the tax after the expiration of IRC 6502, Collection After Assessment.

5.19.10.5.2.2
(04-05-2017)
**Processing
Overpayments From a
Module Time-Barred
From Collection**

- (1) Other than the exception discussed below in (2), a statute-barred credit may not be applied to offset the debit modules on an account.
- (2) A credit may appear to be statute barred on one account module, but if there is more than one module used to process the taxpayer’s filing for the tax period, the credit may be applied to a debit module.

Example: A payment was applied to a Form 1040 MFT 30/31 2000 tax year, but CSED had expired at that time. It can be transferred to a Form 1040 NMF 2000 tax year (for which the CSED has not passed.)

- (3) If the barred credit cannot be applied, transfer it to the Excess Collection File.
- (4) To the extent that modules can be identified where a statute barred credit was applied in error, those credits are considered void and should therefore be reversed.

5.19.10.5.2.3
(04-20-2022)
**Processing Transaction
Codes and Payments
Other Than TC 670**

- (1) These transaction codes may generate a freeze condition, an assessment, an offset or other types of payments. This table provides procedures for processing transaction codes and payments other than TC 670.

If...	Then...
TC 694	<ul style="list-style-type: none"> • When the IRS incurs legal fees, security and sale costs, lien fees and other expenses while enforcing collection of delinquent balance dues, TC 360 is input to assess the fees against the taxpayer. • A payment made by the taxpayer to satisfy these fees may be posted to the module with TC 694. Refer to IRM 5.1.2.6.2(3), Transaction Codes. This is a good payment with any date. Do not refund. • Normally, a TC 360 will already be in the module. However, both TC 694 and TC 360 can be input simultaneously. • If there is any excess credit after these costs are paid, it will be posted as a TC 670 with a DPC code indicating the type of sale or administrative cost, such as cost of the levy or suit. Refer to Document 6209, IRS Processing Codes and Information, Chapter 11 for a list of DPCs. This TC 670 is refundable.

If...	Then...
TC 706 and no outstanding liabilities	The computer will occasionally offset to an expired CSED module if it is the oldest module and it was written off with an amount. Starting with processing year 2005, a transcript should generate to properly resolve the payment issue. <ol style="list-style-type: none"> 1. If there are no other unexpired CSED balance due modules, consider this credit as refundable. 2. Transfer the credit back to the module it originated from to generate a refund.
TC 706 with other outstanding liabilities	<ol style="list-style-type: none"> 1. Transfer credit to the module with the earliest CSED with a balance. 2. Notify the taxpayer of the transfer.
Other TCs	<ol style="list-style-type: none"> 1. Research Document 6209, IRS Processing Codes and Information, <i>Transaction Codes</i> for a description of the TC. 2. Check RTR, AMS and IDRS history to determine the reason for the payment. Contact the other areas, if needed. Explain the CSED issue (IRC 6502), the payment date, and ask for advice on the disposition of the payment.
TC 640 Advance Payment (this is an expired CSED module)	<ol style="list-style-type: none"> 1. Check RTR, AMS and IDRS history to determine the source of the payment and where it should be applied. 2. If it can be determined where it should be applied, transfer the payment. 3. If no determination can be made, treat as an overpayment of tax and contact the taxpayer per IRM 5.19.10.5.2.1, General Instructions for PM-TEXPCSED Cases.

Figure 5.19.10-1

5.19.10.5.2.4
(09-13-2022)

(1) The following table provides procedures for processing refund responses and no responses.

Processing Responses/No Response to Letter 549C/672C

If...	And...	Then...
The taxpayer requested to have the payment applied	Taxpayer wants it applied to the module with the expired CSED	Input TC 672/670 using CC ADD24. Input DPC 14 on the new TC 670.
The taxpayer requested to have the payment applied	Taxpayer wants it applied to another liability	Transfer the credit using CC ADD24 and appropriate DPC code.

If...	And...	Then...
The taxpayer does not want it applied	Taxpayer requested a refund	<ol style="list-style-type: none"> 1. Prepare Form 5792, Request for IDRS Generated Refund (IGR). Compute credit interest with CC COMPA if the credit is more than 45 days old. See IRM 20.2.1.5.2, Command Code COMPA. 2. Follow IRM 21.4.4, Manual Refunds. 3. Input TC 290 for “.00” to associate the Letter 672-C and the taxpayer’s response in files.
The taxpayer is issued a letter	Taxpayer does not respond	<ol style="list-style-type: none"> 1. Prepare Form 5792, Request for IDRS Generated Refund (IGR). 2. Compute credit interest with CC COMPA if the credit is more than 45 days old. See IRM 20.2.1.5.2, Command Code COMPA. 3. Follow IRM 21.4.4, Manual Refunds.
The taxpayer can apply the credit to the expired CSED module, another liability or have it refunded.	Letter is undeliverable	<ol style="list-style-type: none"> 1. Research for a new address. Use CC IMFOLE or CC BMFOLE to see the last return filed. 2. If a return was filed, check CC RTVUE or CC IRPTRL for a different address. 3. If a new address is located, reissue the letter. 4. If the taxpayer replies, prior to issuing a manual refund make sure the address has updated on Master File. 5. If the new address has not been updated on Master File, follow normal procedures for updating. 6. If unable to obtain a new address, input TC 971 AC 687, Miscellaneous Code 005. Prepare the necessary forms to move the credits to URF or XSF. Notate the form “Good Refund” so that the credit can be applied when a new address is verified. 7. Input the appropriate history items.
The taxpayer is issued a letter	A late reply is received from the taxpayer	<ol style="list-style-type: none"> 1. Prepare Form 8765, IDRS Control File Credit Application to move the credit(s) back from the URF or XSF. See IRM 5.19.10.5.1, General Procedures for All Transcripts, for information on the URF and XSF. 2. Follow procedures in the table above based on the taxpayer request.

Figure 5.19.10-2

5.19.10.5.3
(04-26-2019)

**Accounts Maintenance
Claim Pending (AM06W)
Transcripts**

- (1) The 06W transcript will generate after twenty-two (22) cycles:
 - When there is an unresolved TC 470 with no closing code, a cc 90, cc 93 or cc 95 on IDRS
 - A W– freeze appears on the tax module on IDRS
 - The issuance of the transcript is categorized as AMRH
 - If the first 06W transcript is not resolved, a follow-up transcript will issue in 15 cycles and can be identified by an “F” after the transcript type.
- (2) If the ASER has expired, an AM-X transcript will generate regardless of any posting in the module.

- (3) If the Assessment Statute Expiration Date (ASED) is imminent (within 180 days), a Statute (STAT) transcript will generate.

5.19.10.5.3.1
(04-26-2019)
**Processing 06W
Transcripts**

- (1) See Document 6209 Section 11.8, *TC 470 Closing Code Chart* for information on how TC 470 is released. The table below is a partial list from Document 6209 indicating how TC 470 no closing code, cc 90, cc 93 and cc 95 are released.

TC 470 Type...	Release Criteria...
TC 470 no closing code	<ul style="list-style-type: none"> • Systemically reversed after 9 cycles if there is no open control, otherwise 15 cycles (Except if Status is ST 22, 24, 26 or 60). • Input of TC 472. • Input of TC 29X or TC 30X (see exception in Document 6209). • Module becomes a zero or credit balance.
TC 470 cc 90	<ul style="list-style-type: none"> • Systemically reversed after 22 cycles (Except if Status is ST 22, 24, 26 or 60). • Input of TC 472 no cc. • Input of TC 29X or TC 30X (see exception in Document 6209). • Module becomes a zero or credit balance.
TC 470 cc 90 for MFT 31 when AC is 102 or 103	<ul style="list-style-type: none"> • Input of TC 472 no cc. • Input of TC 29X or TC 30X (see exception in Document 6209). • Module becomes a zero or credit balance.
TC 470 cc 93	<ul style="list-style-type: none"> • Systemically reversed after 22 cycles. • Input of TC 472 no cc. • Input of TC 29X or TC 30X (see exception in Document 6209). • Module becomes a zero or credit balance.
TC 470 cc 95	<ul style="list-style-type: none"> • Input of TC 472 CC 95. • Module becomes a zero or credit balance.

- (2) A W- freeze may also be created when a duplicate return is created with the posting of TC 976, module is a debit balance and Status is 22, 24 or 26. A W- hold will be released with TC 29X or when the module becomes a zero or credit balance.
- (3) The following table provides procedures for resolving AM06W conditions. Research IDRS for the latest information, then continue below.

If...	Then...
If a prior action has resolved the TC 470 condition or the status is 12.	<ol style="list-style-type: none"> a. Document AMS with the following history item, "TC 470 prior action taken". b. Close the case.
Action to release TC 470 unpostable	<ol style="list-style-type: none"> 1. Re-enter TC 470 to allow more time. 2. Update AMS with comments"TC470/EXPD".

If...	Then...
If an action that will release the TC 470 is pending on the account but has not yet occurred. See table above that lists the IDRS actions that will release the TC 470.	Update AMS and close the case.
If a pending transfer or adjustment will satisfy the balance due (including accruals) per CC INTST. See table above that lists the IDRS actions that will release the TC 470.	Update AMS and close the case.
If a pending transfer or adjustment will not satisfy the module and the account was in TDA status or notice status prior to the input of the TC 470.	<ol style="list-style-type: none"> 1. Input TC 472. 2. Update AMS and close the case.
The module contains a TC 470 cc 95 (civil penalty appeal).	<ol style="list-style-type: none"> 1. Do not reverse TC 470. 2. Document AMS and close the case.
TC 470 input date is less than 5 months (22 cycles) from the current date.	Take no action. Update AMS and close transcript.
<p>TC 470 input date is 5 months (22 cycles) or more from the current date and the module has an open control base.</p> <p>Example: If the module is controlled to Erroneous Refund (ERRF), Automated Substitute for Return (ASFR) and Exam (may have RECN in the category).</p>	<ol style="list-style-type: none"> 1. Input a TC 470. Update AMS with comments TC470/EXPD.
TC 470 input date is 5 months (22 cycles) or more from the current date and it is determined that the TC 470 is not necessary.	Input TC 472.
If the TC 470 cc 90 is present on a MFT 44 (Form 990–PF, Return of Private Foundation or Section 4947 (a) (1) Non exempt Charitable Trust Treated as a Private Foundation) module.	<ol style="list-style-type: none"> 1. Do Not reverse the TC 470. 2. Input a TC 470 cc 90.
If module is MFT 31 and has been mirrored or split from an MFT 30 module, a TC 400/TC 402 should be present. As part of the process TC 470 may have been input (typically on OIC, Criminal Restitution and Insolvency cases). After a successful mirroring a TC 472 should have been input to reverse the TC 470.	<ol style="list-style-type: none"> 1. If the mirroring/split process is complete, indicated by a posted TC 400/TC 402, reverse the TC 470 if it is still present. 2. If the process is still pending take no action. (If another TC 470 is input and it is pending during the mirroring, it will cause the mirroring process to fail.).
TC 976 caused the W– freeze	Update AMS and close the case.

Figure 5.19.10-3

- (4) If TC 470 is not resolved and the module/account contains a freeze code, review the module to see if it is still necessary. Follow procedures in the table that provides procedures for modules containing a combination of a TC 470 and a freeze code.

If...	Then...
-Y Freeze Code	Update AMS and close the case.
-L Freeze Code	1. Reverse the TC 470. 2. Update AMS with comments "TC470 reversed".
Unreversed TC 520 (-V, -W or -VW)	Update AMS and close the case.
-Z or Z- Freeze Code	Update AMS and close the case.

Figure 5.19.10-4

5.19.10.5.4
(03-23-2020)
**Accounts Maintenance
Transcripts (AM07)**

- (1) The AM07 transcript generates when there is a credit balance on an account that contains a TC 130 and TC 150 and the CP 44 Notice was not resolved in 16 cycles. A V- freeze appears on the transcript and the related module on IDRS. If the transcript is not resolved within 14 days from the computer notice date, a control base with Category Code AMRH is automatically established.
- (2) The following will explain the three statute transcripts that will generate for the AM07 if the module is open, regardless of any posting:
 - If the Assessment Statute Expiration Date (ASED) has expired, an AM-X-07 transcript will generate.
 - If the ASED will expire per the statute table or within six months, a statute transcript generates.
 - The follow-up transcript will generate in 16 cycles.
- (3) Follow IRM 5.19.10.3.12, Generation of CP 44 and CP 188, to resolve.
- (4) CSCO works both IMF and BMF accounts at various campuses.

5.19.10.5.5
(03-23-2020)
CSED (SPC3) Transcript

- (1) A CSED Transcript (including SPC3 Transcripts) generates when:
 - The earliest CSED is expired, the latest is not expired
 - There is no unreversed TC 534 or a TC 400 hold present
 - An A- freeze appears on the credit and debit module
 - The A- freeze is released after eight cycles unless a TC 534 is input
 - A CSED Transcript generates even when the balance due is for accruals only
- (2) There are several transaction codes or assessments that carry their own CSED. See IRM 25.6.1.12, Collection Statute Expiration Date (CSED), for a list.
- (3) SBSE CSCO works IMF and BMF accounts at various campuses.

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5.19.10.5.5.1
(04-20-2022)

**Processing CSED
(SPC3) Transcript**

- (1) Take no action on transcripts with the following criteria:

If	Then
A transcript issues on a TFRP module, MFT 55 , TC 240 with PRN 618	Take no action. A separate transcript issues to the TFRP unit in the appropriate CSCO site.
A transcript issues on a Restitution Based Assessment (RBA) module, MFT 31, TC 971 with AC 18X	Take no action. A separate transcript issues to the RBA unit in the appropriate CSCO site.
Transcript module is in ST 12, ST 71 or ST 72	Take no action
Transcript has an open control with category code "MCSD" assigned to an individual employee (i.e., IDRS assignment number is not generic. Generic numbers are 0967500003 or 0966022222.)	Take no action

- (2) Review CC IMFOLT/BMFOLT to identify the expired assessment that generated the transcript.
- (3) Follow the procedures in IRM 5.19.10.4.7.1, table, MULTICSED Transcripts and Listings.
- (4) Enter AMS history with the TC 534 amount and the Transaction Codes with their amounts that are included in the TC 534. After the amount of the write-off has been computed using ACT/DMI, access Sort/Show on ACT/DMI, save it as Excel and cut and paste the information to AMS. Indicate total interest and total FTP amounts that were included.
- (5) Due to the overpayment that must be released with TC 534, the 90 day rules under MULTICSED Transcript procedures, paragraph 7, do not apply to these transcripts. If the last CSED is under 90 days, take no action, close case.
- (6) Beginning in cycle 04 of 2013, CC ADJ54 has a new required field (CSED) to input the expired CSED that is associated with the TC 534. If the CSED date does not match an existing date on the tax module, TC 534 will unpost with UPC 193. This date will appear next to the posted TC 534 on the module.
- (7) The credit causing the A- freeze may not be applied to the CSED balance that has just expired, regardless of the date or posting cycle of the credit. It can only be applied to the balance that has not yet expired.
- (8) When a module has more than one assessment, it is required to have a TC 534 input on the module with a zero or a significant amount representing the assessment with the expired CSED. Beginning cycle 201304, it is no longer required to reverse the existing TC 534. Multiple TC 534s must now be input, for each expired CSED. Prior to cycle 04, there should be only one TC 534 on the module to cover all previously expired CSEDs.

- (9) If an incorrect amount is input with TC 534, reverse it with a TC 535. Re-enter TC 534 with the correct amount. Use CC REQ54/ADJ54 to reverse a previous write-off. Input the following fields:
- Blocking Series – 19
 - INTCMP-DT - Enter the posting date of the TC 534 that is being reversed
 - Transaction Code – TC 535
 - Amount – Amount of previous TC 534 (do not use a minus sign)
 - Source Code – 0
 - Reason Code – 99
 - Hold Code – 3
- (10) Use CC REQ54/ADJ54 to write-off the expired amount. Input the following fields:
- Blocking Series – 19
 - CSED - CSED date associated with the TC 534
 - Transaction Code – TC 534
 - Amount – Balance to be written off with a minus sign or a zero amount
 - Source Code – 0
 - Reason Code – 099
 - Hold Code – 3

Note: For BMF accounts, leave the Source Code and RC fields blank.

5.19.10.5.6
(09-13-2022)
**Claim Pending
Collection Statute
Transcript (AM 23W)**

- (1) The AM 23W transcript is generated to alert the campus of the W– freeze condition created by a TC 470 cc 90, 93, or 95 and the tax module is within 180 days of the CSED.
- (2) Reverse any TC 470 cc 90 or 93 with TC 472.
- (3) TC 470 cc 95 is input when a taxpayer files a Civil Penalty Appeal. It suspends the CSED until Appeals makes a decision regarding the taxpayer’s personal liability for unpaid trust fund taxes. After Appeals’ decision, a TC 550 is input to correct the CSED and TC 470 cc 95 is reversed. For TC 470 cc 95 see IRM 5.19.10.5.3, Accounts Maintenance Claim Pending (AM06W) Transcripts.

5.19.10.5.7
(08-17-2021)
**Notices of Potential
Manual Penalty/Interest
Adjustment (CP 86 and
CP 186)**

- (1) The CP 86/186 Notice generates when:
- A payment transaction posts to a module and the credit amount is greater than the assessed module balance due amount, and
 - There is an interest or penalty computation restriction present
 - An account is transferred in from the Retention Register with Doc Code 51 or 52
 - An additional CP 86/186 Notice generates when subsequent credits post and the same situation as above is present. The AM function will work all CP 86/186s other than those meeting CSCO criteria.

Note: The Retention Register contains all entity and tax modules removed from the Master File. Basic criteria for removal include: zero module balance, no freeze or unsettled condition(s) present, no activity to the module for 27 months.

- (2) Collection Operations will only work collection related issues, all others should be routed to the appropriate operation.

Reminder: For accounts containing a TC 582 Federal Tax Lien, see IRM 5.19.10.5.1(12), General Procedures For All Transcripts.

- (3) Conditions which create restrictions are:
- Interest has previously been manually assessed (TC 340) or abated (TC 341)
 - FTP penalty has previously been manually assessed (TC 270) or abated (TC 271)
 - Any transferred in transaction (Doc. Code 51 or 52 posted)
 - Assessed fraud penalty (TC 320)
 - See IRM 20.2.1.4.2, Manual Calculation of Interest, and IRM 20.2.5.6.1, Reasons to Manually Compute Interest, for other conditions that restrict interest from being systemically computed.
 - Fiduciary return Form 1041, U.S. Income Tax Return for Estates and Trusts, assessed as an installment account (ST 14)
 - Form 706, U.S. Estate Tax Return, assessed as an installment account (ST 14)
- (4) Verify the appropriate disaster declaration by accessing the Disaster Declarations/FEMA at *IRS Disaster Assistance Program* .

5.19.10.5.7.1
(02-18-2023)
**Processing CP 86 and
CP 186**

- (1) Analyze the module and re-compute the interest and/or penalty using CC COMPA or COMPAF per IRM 20.2, Interest, and IRM 20.1, Penalty Handbook, and follow appropriate procedures. Determine what TC restricted the module. Request return and source documents if necessary.

Note: The Automated Computational Tool (ACT) is a customized version of the commercial off-the-shelf (COTS) InterestNet software, published by Decision Modeling Incorporated (DMI), specifically designed for the needs of the IRS. It, along with IDRS Command Code (CC) COMPA, is one of the two approved computational tools for manually calculating interest. ACT should not, however, be used for the official computation of a penalty. Its usage is limited to explaining a penalty computation, after the accuracy of that computation has been verified using IDRS command codes.

- (2) If an unreversed TC 480 or TC 780 is present on the module, document AMS and close the control. If the TC 780 was reversed with a TC 781 refer to (5) below. If the offer was withdrawn (TC 482), rejected (TC 481) or erroneously posted (TC 483) refer to (4) below.
- (3) If an unreversed TC 520 is on the account, refile any returns associated with notices and close the control. If the TC 520 was reversed with a TC 521, refer to (4) below.
- (4) Anytime debit interest is manually computed, it is necessary to recompute the entire tax module to ensure an accurate computation is made. See IRM 20.2.5.6.2, Manual Computations.
- (5) If additional interest or penalty is due, input an adjustment transaction to assess the additional amount using CC REQ54. Use a non-restricting TC 340 whenever possible , see IRM 20.2.5.6.3, Non-Restricting Transaction Code (TC) 340. Caution should be taken when there is a 120% interest charge on the account.

Note: The 120% interest, also known as Tax Motivated Transaction (TMT) interest, was repealed for returns due after 1989. See IRM 20.2.5.9, Tax Motivated Transaction (TMT) Interest, for more information.

- a. If the account was previously in ST 60, refer to IRM 5.19.10.10.2.1, Full Paid Restricted Interest and Penalty Accounts, for processing. Provide necessary feedback to the IAAL Operation.
 - b. If the account has a TC 270 or TC 271 on the module, it is a restricted account. Verify the percentage of the FTP penalty. If the FTP penalty maximum percentage has been assessed, input a TC 971 AC 262. Refer to IRM 21.3.1.6.49, CP 86 Restricted Interest/Penalty Conditions. To remove the prior restriction and allow automatic generation of the FTP Penalty by Master File, refer to IRM 20.1.2.2.5, Manual Penalty Adjustments.
 - c. When adjusting penalty/interest, use blocking series 05 for CP 86 and 15 for CP 186. The penalty and interest computation should be used as the source document. Refer to IRM 20.2.1.4.2.1, Manual Calculation of Interest - Documentation.
- (6) If there is a credit on the account and no additional interest or penalty is due, input TC 290 for a zero amount with blocking series 05 for IMF accounts, 15 for BMF accounts and Hold Code (HC) 3 using CC REQ54, as a NSD. A source document is needed when you have the original return, use blocking series 00.

Note: If no additional interest or penalty is due and the credit has been resolved and the account is in ST 12, do not input a TC 290 for zero.

- (7) If the account has a prior CNC, input under twelve months, a new liability or liabilities may generally be closed without further investigation for an amount

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Note: Managerial approval is required for the new closure. See IRM 5.19.17.2.2, CNC Managerial Approval.

5.19.10.5.8
(06-01-2018)
**Non-Master File Liability
(NMFL) Transcripts**

- (1) The Non-Master File Liability (NMFL) transcripts are generated when a second credit posts to a module after issuance of a CP 44 and the V- freeze created by the TC 130 remains on the taxpayer's account. When a TC 740 posts to the transcript module and creates a credit balance, the NMFL transcript will generate.
- (2) If the transcript cannot be resolved within 14 days from the computer notice date, control the transcript using Category Code CP 44 and enter "NMFL" in the history section of the control base.
- (3) If the module contains a TC 608 process following IRM 5.19.10.5.2, PMTEX-PCSED Transcripts. Do not process following normal NMFL Transcript procedures.
- (4) Follow IRM 5.19.10.3.12, Generation of CP 44 and CP 188, to work all others.

5.19.10.5.9
(04-20-2022)
**Verify Payment
(VERFPYMT) Transcripts**

- (1) A VERFPYMT Transcript generates daily, if it qualifies for daily processing; otherwise it generates weekly, when a payment posts to a debit balance module and,
- A TC 570 posts along with the credit, creating an –R freeze
 - TC 670 with Designated Payment Code (DPCs) other than 05 or 15–24
- (2) The module may also have a –B freeze created when a G– or –I freeze, penalty and/or interest condition, is present.
- (3) The VERFPYMT generate to AM and those currently in Collection Status. 6X, 22, 24, 26 or 53, should be reassigned to Atlanta CSCO, 0765500001, category code “VERF”.

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5.19.10.5.9.1
(04-20-2022)
**Processing VERFPYMT
Transcripts**

- (1) Review the transcript module and resolve according to the following table. Update AMS history with the action taken, include the amount and date of the credit that caused the transcript to issue and the specific reason for the action that was taken. When closing the transcript, close the generic control base.

If...	Then...
No credit is present and research indicates the credit refunded or is in the process of refunding	See instructions below regarding refunded credits before continuing.
No credit is present	<ol style="list-style-type: none"> 1. If –R is still present, input TC 571. 2. Update AMS with the reason for credit resolution, i.e., assessment used the credit, credit was transferred or refunded. 3. Close the transcript.
There is an open control, with an earlier date, assigned to another CSCO employee working a CP 86, CP 44 or other credit transcript	Close the transcript to the other employee.
There is an open control for one of the following: <ul style="list-style-type: none"> • Open AUR with TC 922, open control has category code “URP-”, “URP1” or “URPS” • –A freeze with open control, category code “XRET” 	<ol style="list-style-type: none"> 1. Check payment amount to see if it matches the under-reporter amount, 2. Input TC 570 to hold credit. 3. Close the transcript.

If...	Then...
Other open control	<ol style="list-style-type: none"> Contact the employee with the open control to determine if their action will resolve the credit. If so, close the transcript.
Research of AMS history and IDRS indicate a pending action such as an assessment or credit transfer will resolve the credit	Close the transcript.
Payment that created the transcript is DPC 05	If duplicate payments are coming in monthly, and TP does not have any balance due accounts, research where the payments are coming from and follow procedures in IRM 5.19.10.10.2.2 ,Full Paid Continuous Wage Levy Accounts.
Module has one of the following freezes: L-, -L, -V, -W, Z-, -Z, or -Y	Close the transcript.
Module has a V- freeze present	Follow IRM 5.19.10.3.12, Generation of CP 44 and CP 188,
Module has a B- freeze present	Follow IRM 5.19.10.5.7, Notices of Potential Manual Penalty/ Interest Adjustment (CP 86 and CP 186)
Module has an A- freeze present	Follow IRM 5.19.10.5.2, PMTEX-PCSED Transcripts.
For other freeze codes	See IRM 21.5.6.4, Freeze Code Procedures.
No freeze present	Close the transcript.

- If payment is in the process of refunding and does not belong to the taxpayer, use CC NOREF to stop the refund. See IRM 21.4.1.5.10, Refund Intercept CC NOREF with Definer "P".
- If the payment refunded to the wrong taxpayer, follow erroneous refund procedures in IRM 21.4.5, Erroneous Refunds.
- If none of the criteria above is met, research RTR for the payment(s) to verify that the credit belongs to the taxpayer. RTR can also be researched for electronic payments, with the exception of credit card payments. For credit card payment procedures, see IRM 5.19.10.5.10.2, Credit Card Payments .

If...	And...	Then...
Payment posted to the correct taxpayer or module	N/A	1. Input TC 571 to release the -R freeze, if present, and allow the credit to refund or offset.
Payment posted to the incorrect taxpayer or module	You can identify where the credit belongs	Transfer the credit to the correct account. See IRM 21.5.8, Credit Transfers, if needed.
Payment posted to the incorrect taxpayer or module	You cannot identify where the credit belongs	<ol style="list-style-type: none"> 1. Ensure TC 570 is still present. 2. Send Letter 1687-C , Unidentified Payment/Credit, to the taxpayer who has the credit on their account. 3. Give the taxpayer 30 days to respond from the current date. 4. Monitor for 45 days.
Taxpayer responds to Letter 1687-C , Unidentified Payment/ Credit	The credit belongs to the taxpayer	Transfer the credit per the taxpayer's request. See IRM 21.5.8, Credit Transfers.
Taxpayer responds to Letter 1687-C , Unidentified Payment/ Credit	The credit does not belong to the taxpayer	Transfer the credit to the XSF or URF per IRM 5.19.10.5.1, General Procedures for All Transcripts.
Taxpayer issued Letter 1687-C, Unidentified Payment/Credit	Taxpayer does not reply	Transfer the credit to the XSF or URF per IRM 5.19.10.5.1, General Procedures for All Transcripts.

5.19.10.5.10
(04-20-2022)

**Electronic Spousal
Payment (ELECSPPAY)
Transcripts**

- (1) An ELECSPPAY Transcript generates to Brookhaven CSCO AMS when an electronic payment posts to the secondary taxpayer's account and the module meets certain conditions. The electronic payments include TC 670s with an EFT trace number beginning with 21, 22, 23, 26 and 27 (except paper checks converted for electronic processing (RS-PCC) and electronic levies.)
- (2) An ELECSPPAY Transcript generates when the following criteria is met:
 - a. The payment posts to a module that contains no TC 150 (original or SFR) and may have at least one TC 594 CC 84 present with different cross reference SSNs, or
 - b. A systemic attempt to transfer the payment to a joint balance due module using TC 667/TC 666 fails.
 - c. Master File attempted to transfer the spousal payment to the primary taxpayer module where the joint liability should reside and

Possible results:
No account exists under the primary number
The transfer-to account is in the process of removal from Master File or is being merged
The transfer-to module has a posted return but is not in debit balance (Status is not 21 or greater)
A condition is present that will cause the transfer-in to unpost (i.e., a CI freeze is on the module.)

- (3) Tax examiners working these transcripts will determine if the payment has posted to the correct account and resolve the payment through research or by contacting the taxpayer.
- (4) Refer to IRM 21.5.8.4, IDRS Guidelines for Credit Transfers, for procedures when moving credits.

5.19.10.5.10.1
(04-20-2022)
**Processing ELECSPAY
Transcripts**

- (1) Analyze IDRS to identify the credit that generated the transcript. Update AMS with closing actions.
- (2) Identify credit card payments by the number “6” in fourth position of the Electronic Fund Transfer (EFT). Follow procedures in IRM 5.19.10.5.10.2, Credit Card Payments.
- (3) Update AMS with closing actions.
- (4) Refer to chart below:

If...	And...	Then...
Credit on account	balance due module is found under primary or secondary account	transfer credit to account with TC 150 posted using IAT Tool. Note: If delay in posting credit to balance due module has caused an installment agreement to suspend or default, follow procedures in IRM 5.19.1.6.4.19(6), Revision/ Reinstatement of IAs, to reinstate IA if defaulted due to IRS error.
Credit on account	pending assessment is located	transfer credit and put hold on tax module. Example: Open AUR with TC 922, CP 2000 on AMS, -A freeze with open IDRS control, or -L freeze with EXAM report.
Credit on MFT 30 account	there is a MFT 31 account	transfer credit to the taxpayer's MFT 31 account where the transcript generated.
Credit on account	accounts are full paid, both primary and secondary	transfer credit to a recently full paid module to allow refund.
Transcript has balance due	payment was previously transferred systemically and by manual credit transfer	input credit transfer using IAT Credit Transfer Tool from the tax period that was credited in error to the tax period debited in error.

If...	And...	Then...
A duplicate transfer has caused an erroneous refund	no other issues	follow erroneous refund procedures in IRM 21.4.5, Erroneous Refunds.
All transferable credits have been resolved	no other issues	close the transcript, no action.

5.19.10.5.10.2
(09-13-2022)

Credit Card Payments

- (1) The IRS accepts electronic credit card payments for both IMF and BMF accounts. You can identify these payments by either:
 - The number “6” in the 4th position of the Electronic Funds Transfer (EFT) number
 - A Document Code 19
 - TC 610, TC 660, TC 670

Note: See IRM 21.5.6.4.35.1, -R Freeze with Credit Card Payments for more information.
- (2) To research and resolve a credit card payment:
 - a. Fax to the Electronic Federal Tax Payment System (EFTPS) technicians #
be researched.
 - b. The technician will contact the credit card company for the information and fax it back.
 - c. Monitor the case for two weeks, if no response from technician, fax a second request and monitor an additional two weeks. .
 - d. See IRM 3.12.179.21, Electronic Federal Tax Payment System (EFTPS) and Credit Card and Electronic Funds Withdrawal Payments, for more information.
- (3) Upon receipt of documentation from the technician, research NAMEI or Accurant to identify the originator of the credit card payment.
 - a. If the taxpayer truly authorized the credit card payment(s), take any necessary action to apply the payment and release the -R freeze, if appropriate.
 - b. If the response from the credit card processor has a name and SSN that match your taxpayer, send Letter 1687-C, Unidentified Payment/Credit, to determine how to resolve the credit if there is no current or recent balance due.
 - c. If the credit card processor could not provide any information within 30 days or was unable to provide enough information to identify the originator of the credit card payment, transfer the credit to the XSF or URF per IRM 5.19.10.5.1, General Procedures for All Transcripts.
- (4) If the payment belongs to another taxpayer, transfer the credit to the appropriate account. Refer to IRM 21.2.4.3.10, Applying Unresolved Credits for AMRH, for more information.

5.19.10.5.11
(06-01-2018)
**NOMRG-TDA Transcript
(NM07)**

- (1) A NOMRG-TDA (NM07) Transcript with No-Merge RC 03 for IMF and No-Merge RC 10 for BMF will generate when both accounts being merged contain the following conditions within the same tax period:
 - Both accounts are in TDA/TDI (22, 24, 26) status and the Location Codes (Primary or Secondary) do not agree, or
 - The “TO” account is in a TDI Status and the “FROM” account has TDA modules for which there are no modules for the same MFT and TXPD in the taxpayer’s account.
- (2) Refer to Document 6209, Section 8C, *No Merge Reason Codes* for a complete list.
- (3) In order to merge two related accounts, both BOD Codes must match.
- (4) Document your actions and contacts on AMS for both TIN.

5.19.10.5.11.1
(04-20-2022)
**Processing NOMRG-TDA
Transcript**

- (1) Control the case on IDRS to category NMRG.
- (2) Cases involving multiple taxpayers using the same Taxpayer Identification Number (TIN) are classified generally as mixed entity, Scrambled SSN cases, or True Scrambled SSN.
- (3) Refer to IRM 21.6.2, *Adjusting TIN-Related Problems*, for detailed information.
- (4) Reassign the control base to a specialized control number per IRM 21.5.2.3, *Adjustment Guidelines – Research*.

If...	Then...
TIN is a scrambled SSN. See IRM 25.23.4.3.4 ,IDTVA-C - Case Referrals from Compliance Functions.	<ol style="list-style-type: none"> 1. Do not make corrections to the account. 2. Enter history on AMS and close the case.
Account has identity theft issues, identified by the presence of TC 971 AC 501 or 506. See IRM 25.23.2.4.1, Tracking and Reporting Identity Theft Cases - Identity Theft Indicators .	<ol style="list-style-type: none"> 1. Do not make corrections to the account. 2. Enter history on AMS and close the case. 3. See IRM 21.3.4.28, Identity Theft – Issues.
If it is a true No Merge (duplicate tax periods on the valid and invalid side and both carry a TC 150)	<ol style="list-style-type: none"> 1. Do not change the address and location code. 2. Do not attempt to merge. 3. Prepare Form 4442, Inquiry Referral, and route to Brookhaven IDTVA following procedures in IRM 21.6.2.3.4, Reassignment of NMRG Cases due to Site Specialization. 4. If you have access to e4442s through AMS, follow paragraph (4). If you do not have access to e4442s, follow (5) and fax manually. 5. Update AMS with comments that case was routed to Brookhaven IDTVA.

- (5) Analyze the account to determine which IRS operation or function should be contacted to advise them of the no merge issue (ACS, RO).

If...	Then...
Both sides are in ST 22/22, 22/TDI or 22/24	<ol style="list-style-type: none"> 1. Contact the <i>ACS Support Liaison</i> on SERP Who/Where. 2. Advise them to release the levy until after the merge.
Both sides are in ST 26/26, 26/TDI or 26/24 and not assigned to an RO (The last two digits of the Collection assignment code on CC TXMOD are "00".)	<ol style="list-style-type: none"> 1. No contact is necessary. 2. Resume processing in (6) below.
Both sides are in ST 26/26, 26/TDI or 26/24 and are assigned to an RO. The last two digits of the assignment number will be 01 – 99, (except 96).	<ol style="list-style-type: none"> 1. Refer to SERP Who/Where, <i>RO by TSIGN/ZIP/STATE</i> for contact information. 2. Contact the assigned RO(s) by phone to notify them of the pending merge. If the RO does not answer, leave a message with a brief explanation, your name and telephone number. 3. Continue processing the case.
Accounts are in ST 22/26	Follow the procedures in boxes 1 through 3 above.
One or both sides are in ST 72	<ol style="list-style-type: none"> 1. Contact Insolvency, see SERP Who/Where, <i>Insolvency (Bankruptcy) Tools</i> to determine if the TC 520 is still open or should be closed. 2. If Insolvency indicates the TC 520 should be closed, ask when the TC 521 will be input and monitor the account for that period. 3. If the TC 520 is still open after monitoring or Insolvency indicates TC 520 is still open, do not attempt to merge. 4. If unable to contact Insolvency and after leaving a message, you do not receive a response within 21 days, do not attempt to merge. 5. Input AMS history and close the case.
Both sides are in ST 24/24 or 24/TDI	<ol style="list-style-type: none"> 1. No contact is necessary. 2. Resume processing in (6) below.

If...	Then...
<p>One or both sides are in ST 60. Changes to the location code and merging of the account will cause the IA to default.</p>	<ol style="list-style-type: none"> 1. To prevent a default notice from issuing, manually default the IA using CC IADFL. See IRM 2.4.30, Command Codes IAGRE, IAORG, IAPND, IAREV, IADFL, and, IADIS. 2. Use Default Category "Other" and Suppress Default Indicator "1". 3. For Direct Debit Installment Agreements, (DDIA), check CC EFTAD per IRM 5.19.1.8.6.1, Requests to Skip a Direct Debit Installment Agreement (DDIA) Payment, to turn off the next payment, if needed. Enter the bank information from CC EFTAD onto AMS for re-input to CC IAGRE after the merge. 4. For Payroll Deduction Installment Agreements (PDIA), enter the payer information from the CC IAGRE onto AMS for re-input after the merge. 5. Follow with CC STAUP 22 09. 6. Update AMS history, "IA defaulted to merge TINs. Will reinstate IA after merge".

- (6) If the valid and invalid TINs are different numbers, use CC IMFOLE to research both the valid and invalid TINs. Determine which has the **MOST CURRENT** address and location code information. See IRM 3.13.5, Individual Master File (IMF) Account Numbers.

If...	Then...
<p>MOST CURRENT information is on the invalid TIN</p>	<p>Continue processing in (7) below. Make the necessary changes to the valid TIN</p>

If...	Then...
MOST CURRENT information is on the valid TIN	<ol style="list-style-type: none"> 1. Move the invalid TIN to an Internal Revenue Service Number (IRSN). 2. IMPORTANT: Input CC IMFOLB to restore all retention modules to Master File on both sides. If retention modules are not returned to Master File prior to moving the account to the IRSN, those modules will no longer be accessible. The format for CC IMFOLB is the same as CC IMFOLT. See IRM 2.3.51.4, Restoring RRR Tax Modules to Master File. 3. After CC IMFOLB input, monitor for the posting of TC 013 and TC 370 before proceeding. 4. Use CC TMSSNI to order a temporary number. See IRM 2.4.59, Command Code TMSSN. 5. Using CC ENREQ, input TC 041 on the invalid TIN to move it to the new IRSN. 6. Make the following changes per (6) through (12) to the IRSN TIN before merging the account to the valid TIN.

- (7) The following changes can be made with one input using CC ENREQ, with the exception of BOD code changes. BOD code changes should be done last. Document your actions and contacts on AMS for both TINs.
- (8) The account addresses must match on both the invalid and valid TIN. Correct the address to match the **MOST CURRENT** account.
- (9) Location codes must match. Verify the location codes on each account and make corrections, if needed.
- (10) The name control must be valid per CC INOLES. If the name control on the invalid segment does not match the valid SSA name controls, you may need to validate the name to merge the accounts. Refer to Document 7071, Name Control Job Aid for Individual Master File (IMF) Taxpayers.
 - Only change the name for the most recent return filed.
 - Hyphenate the valid name with the invalid name.
 - Put a bracket before the last name.
 - Use the year of the return and the proper filing status (FS) from CC TXMOD or IMFOLT. This will generate a TC 013 on ENMOD.
- (11) If the TIN requires correction, follow these procedures. If the invalid TIN is a different number than the valid TIN process as follows:
 - a. Use CC INCHG on the invalid TIN to input the correct TIN.
 - b. The above action will generate TC 011 on CC ENMOD. The name controls must match.
- (12) If the four digit location code still does not match after CC ENREQ has posted, follow the procedures below. Change the CLC to match the **MOST CURRENT** account.

- a. Only the last two digits of the location code can be changed. Use CC ENREQ. If necessary, refer to the *Universal Location Code (ULC) and Area Office (AO)* in the Job Aid Book on SERP. Use CC ENREQ and Doc Code 50.
- (13) In order to merge two related accounts, their BOD Codes must match. Make the necessary changes to the BOD Code on the **MOST CURRENT** account.
- a. Use CC REQ77 (overlaid on CC ENMOD). Input TC 971 AC 050.
 - b. Use the **CURRENT** date as the transaction date and input the appropriate BOD Code.
- (14) If the invalid TIN and valid TIN are the same number and none of the above conditions apply, input TC 041 via CC ENREQ.
- (15) On the "FROM" account, the message is "MERGE IN PROGRESS-LOSING ACCOUNT". On the "TO" account, the message is "MERGE IN PROGRESS-GAINING ACCOUNT". It can take several weeks before the merge is complete. Monitor the module until the merge is complete.
- (16) After the merge or resequencing transaction is input,
- a. If the account was in ST 22 or 26 prior to the merge, input CC STAUP 22 00 to return the account to its original status.
 - b. If the account was in ST 60 prior to the merge, re-input the IA. Do not charge a reinstatement fee.
 - c. Close your IDRS control base.
 - d. On accounts dealing with ITINs, follow IRM 3.21.263.7.1.33, Merges Involving ITIN, to have the ITIN revoked.

5.19.10.5.12
(02-01-2014)
**NOMRG – CPNL and
REVAL – CPNL
Transcript**

- (1) The "No Merge" is a result of the revalidation of the SSN. A complete transcript of both the "FROM" and "TO" accounts will generate when the "FROM" account contains a Civil Penalty Name Line and the name control of the Civil Penalty Name Line does not match the "TO" account name control. This is a No-Merge RC 19.
- (2) Determine the correct name control through research of IDRS.
- a. Correct the name line and name control via CC INCHG.
 - b. Use TC 040 for a correction to the valid TIN and TC 041 for a correction to the invalid TIN.
 - c. Update AMS and close the case.

5.19.10.5.13
(08-17-2021)
**Notice of No Merge TDA
Module and NOMRG
TDA Transcripts (CP
206)**

- (1) This section is obsolete. Refer to IRM 5.19.10.5.11.

5.19.10.5.13.1
(08-17-2021)

**Processing No Merge
TDA Module and
NOMERG TDA
Transcripts (CP 206)**

- (1) This section is obsolete. Refer to IRM 5.19.10.5.11.1.

5.19.10.6
(10-10-2023)

Combat Zone Accounts

- (1) The IAT tools as listed in IRM 5.19.10.1.7, Related Resources must be used by Campus Compliance employees for procedures outlined in this IRM. When an action must be taken and an IAT tool is available, Campus Compliance employees with access to the tool are required to use it to complete the action.

Note: If an IAT tool is not functioning properly or it is determined not to be appropriate due to a specific situation, the case should be worked without the tool, using IDRS. For more information on each tool as well as a job aid for each tool see the *IAT Website*.

- (2) This subsection provides definitions and procedures for working combat zone (CZ) accounts. IRC 112 and IRC 7508 provide for certain tax benefits applying to individuals serving in a CZ. These provisions can be triggered by:
- A Presidential Executive Order designating a CZ. The CZ period ends when the Executive Order is rescinded.
 - The Department of Defense (DoD) may certify an area as being in direct support of military operations in a CZ.
 - The Secretary of Defense designates a military operation as a Contingency Operation (CO) in which members of the armed forces are or may be involved in military actions, operations or hostilities or a CO results from a call to active duty or retention on active duty during a war or national emergency declared by the President or Congress.
 - Congress passing a law designating an area as a Qualified Hazardous Duty Area (QHDA).
- (3) The following IRC Sections are also CZ related:
- IRC 2(a) (3), relating to the special rule where a deceased spouse was in missing status: See IRM 5.19.1.5.3, Deceased Taxpayers
 - IRC 692, relating to income taxes of members of the U.S. Armed Forces upon death. See IRM 5.1.7.10, Accounts of Taxpayers Who Serve in a Combat Zone.
 - IRC 2201 relating to estates of members of the U.S. Armed Forces dying in a CZ or by reason of CZ incurred wounds, etc.
 - IRC 4253(d), relating to taxation of phone service originating from members of the U.S. Armed Forces in a CZ.
 - IRC 6013(f)(1), relating to a joint return where an individual is in missing status.
- (4) See IRM 5.19.10.6.1, Combat Zone Exclusion of Income, for information on military income that is not taxable.
- (5) See IRM 5.19.10.6.2, Combat Zone Qualified Individuals and Areas, for information on taxpayers who qualify for the tax exclusions and a list of current combat zones.

Note: Currently, the IRS is not requiring proof of receipt of combat pay or hazardous duty pay for military personnel serving in direct support but outside a CZ, CO or QHDA.

(6) See IRM 5.19.10.6.4, Combat Zone Computation of Suspense Period, for the time periods allowed for the CZ suspense period.

5.19.10.6.1
(03-23-2020)

**Combat Zone Exclusion
of Income**

(1) For enlisted personnel, IRC 112 excludes from gross income certain pay an enlisted military member, warrant officer, or a commissioned warrant officer of the Armed Forces receives for active service:

- In a CZ
- While hospitalized as a result of wounds, disease or injury incurred while so serving in a CZ. This shall not apply for any month beginning more than two years after the date of the termination of combatant activity in such a zone.

(2) For commissioned officers, the amount of pay excluded is limited to the maximum enlisted amount per month, plus imminent danger/hostile fire pay. For additional information, see Publication 3, Armed Forces' Tax Guide.

(3) The exclusion from gross income is effective from the date of the CZ designation until the area is no longer designated as a CZ.

(4) Certain members of the Armed Forces outside the designated CZ can qualify for the CZ exclusion of the income. To qualify, they must:

- Serve in direct support of military operations in the designated zone and
- Qualify for imminent danger/hostile fire pay

(5) The exclusion for both enlisted personnel and commissioned officers is reflected on Form W-2, Wage and Tax Statement, prepared by the military member's assigned Finance and Accounting Office.

(6) The DoD determines who serves in direct support of the designated CZ military operation and issues a Form W-2 correctly reflecting taxable income.

(7) Civilians may not exclude the income earned while working in a CZ unless they can qualify on Form 2555, Foreign Earned Income.

5.19.10.6.1.1
(09-13-2022)

**Combat Zone Incorrect
W-2 and Interest on
Refunds**

(1) Military personnel having problems with Form W-2 must contact their employer. The IRS does not correct Form W-2, Wage and Tax Statement, information.

(2) Taxpayers must provide corrected Form W-2 with an amended return before a balance due account can be adjusted.

(3) Individual taxpayers who have served in a combat zone are excepted from the interest-free periods of IRC 6611(e), as long as their tax return is timely filed

#

If	And	Then
Master File (MF) -C freeze is on the module being adjusted.	<ol style="list-style-type: none"> 1. The original tax return for the module being adjusted was timely filed, determined by taking into account the combat zone suspension period (including consideration of 2. See IRM 20.2.7.11.1, Time Disregarded by Reason of Combat Zone Service, for making the calculation. 	<ol style="list-style-type: none"> 1. An overpayment resulting from the Form W-2 adjustment is not subject to the interest-free periods of IRC 6611(e) . 2. Enable payment of interest the taxpayer is due by not entering an amended claims date (AMD-CLMS-DT).

#

Note: Whether the return is processable when it's received by the date described in paragraph 3 above is immaterial when making the determination.

Note: Follow normal adjustment procedures (AMD-CLMS-DT entry) when the taxpayer is ineligible for interest-free period exclusion.

5.19.10.6.2
(10-10-2023)
**Combat Zone Qualified
Individuals and Areas**

- (1) IRC 7508 postpones the time for performing time-sensitive acts, such as filing tax returns or paying tax. A deadline may be postponed for 180 days after the last day of service in the combat zone (or hazardous duty area) or participating in a contingency operation or hospitalization from such service or participation (except the collection period is not postponed for hospitalization). If the deadline includes a filing period, the postponement includes the number of days that were left in the period when the taxpayer entered the combat zone, the contingency operation or was hospitalized. See IRM 5.1.19.3.8(4), Combat Zone or Contingency Operation. The IRS will not assess income tax, unless initiated by the taxpayer or charge any penalty or interest during the postponement period. IRS ceases all enforcement activities during the postponement period. See IRM 20.2.7.11.1, Time Disregarded by Reason of Combat Zone Service, for more detail on RDDs for taxpayers in a Combat Zone.
- (2) IRC 7508 applies to individuals serving or working in one of the following:
 - An area designated as a combat zone
 - A contingency operation designated by the Department of Defense (DOD)
 - A qualified hazardous duty area as defined by Congress

- Direct support of military operations in a combat zone certified by the DOD.
 - Others within the scope of IRC 7508 are Red Cross personnel, industrial technicians, civilian employees of the Federal government in specialist categories, scientists and news correspondents or journalists.
- (3) Some areas include: **Haiti:** Executive Order number 13529 and the Secretary of Defense designated Haiti, a CO (Operation Unified Response) to provide relief in the wake of the earthquake of January 12, 2010. Effective dates for Operation Unified Response are January 13, 2010 through June 1, 2010. TC 500 closing codes are 52 and 53.
- (4) **Afghanistan:** Executive Order number 13239 designated Afghanistan, the water and the airspace above, as a CZ (Operation Enduring Freedom) on September 19, 2001. Personnel stationed in the areas listed are considered in direct support. TC 500 closing codes are 56 and 57.

Input TC 500 closing codes 56/57
Afghanistan
Djibouti qualifies as being in direct support as of July 1, 2002
Israel, January 1, 2003 to July 31, 2003
Jordan qualifies as being in direct support as of September 19, 2001
Kyrgyzstan qualifies as being in direct support as of September 19, 2001
Mediterranean Sea, east of 30 degrees East longitude, March 19, 2003 to July 31, 2003
Pakistan, qualifies as being in direct support as of September 19, 2001
Philippines, Republic of, qualifies as being in direct support as of January 9, 2002 through September 30, 2015
Somalia qualifies as being in direct support as of January 1, 2004. As of January 1, 2007, Somalia airspace and the water area of Somali Basin are considered as being in direct support.
Syria qualifies as being in direct support as of January 1, 2004
Tajikistan qualifies as being in direct support as of September 19, 2001
Turkey, Incirlik Air Base, qualifies as being in direct support September 21, 2001 to December 31, 2005.
Uzbekistan qualifies as being in direct support as of October 1, 2001
Yemen qualifies as being in direct support as of April 10, 2002

- (5) **Kosovo Area:** Executive Order number 13119 designated the following areas as a CZ (Operation Allied Force) on March 24, 1999 and/or were designated a qualified QHDA by Public Laws 104–117 or 106–21, including air space above. TC 500 closing codes are 54 and 55.

Input TC 500 closing codes 54/55
Adriatic Sea, and the Ionian Sea north of the 39th parallel
Albania
Bosnia-Herzegovina, QHDA from November 21, 1995 to October 31, 2007
Croatia, QHDA from November 21, 1995 to October 31, 2007
Federal Republic of Yugoslavia (Serbia/Montenegro)
Kosovo
Macedonia, QHDA from November 21, 1995 to October 31, 2007
The Ionian Sea - north of the 39th parallel

- (6) Executive Order number 12744 designated the **Arabian Peninsula** areas as a CZ (Operation Desert Storm) on January 17, 1991. Military personnel serving in support of such allied forces are eligible for all CZ related tax benefits. TC 500 closing codes are 52 and 53, if entry date is prior to September 19, 2001. If entry date is September 19, 2001 and later, use TC closing codes 56 and 57.

Input TC 500 closing codes 52/53 for entry dates prior to 9/19/2001; Input TC 500 closing codes 56/57 for entry dates later than 9/19/2001
Arabian Sea, north of 10 degrees North latitude and west of 68 degrees East longitude
Bahrain
Egypt, March 19, 2003 to April 20, 2003
Gulf of Aden
Gulf of Oman
Iraq
Jordan, as of March 19, 2003
Kuwait
Lebanon, (2015 - 2020)
Oman
Persian Gulf
Qatar
Red Sea
Saudi Arabia
Turkey, effective January 1, 2003 to December 31, 2005

Input TC 500 closing codes 52/53 for entry dates prior to 9/19/2001; Input TC 500 closing codes 56/57 for entry dates later than 9/19/2001
Turkey, east of 33.51 degrees East Longitude (as of September 19, 2016)
United Arab Emirates
The airspace above and waters adjacent to all such locations referenced above for this entry pertaining to Operation Desert Storm

Note: See Publication 3, Armed Forces' Tax Guide, for additional information and any CO and QHDA that qualify for similar relief.

- (7) **Sinai Peninsula:** Section 11026 of Public Law 115-97 designates the Sinai Peninsula of Egypt as a qualified hazardous duty area that is treated as if it were a combat zone. This designation generally applies for the period beginning June 9, 2015. For more information about amending prior year returns to take advantage of the benefits associated with this designation, see the instructions for Form 1040-X, Amended U.S. Individual Income Tax Return.
- (8) Beginning in 2012, military orders or other documentation are required for entry dates of 2010 and later. See below for exceptions. Documentation is not required for dates provided by the DoD.
- (9) When working taxpayer correspondence, telephone calls, e-mails and Combat Zone transcripts with entry dates of 2010 or later, follow procedures below for requesting documentation. For CP 04 responses follow IRM 5.19.10.6.5.5, Responses to CP 04 Notice.

If...	Then...
AMS history indicates that documentation was already received for the dates provided.	<ol style="list-style-type: none"> 1. Do not request documentation. 2. Continue working case as appropriate.
A DoD (TC 500 DLN carries 8s or 9s) entry date is present on CC IMFOLE and taxpayer dates provided are within 60 days of the DoD date.	<ol style="list-style-type: none"> 1. Do not request documentation. 2. Continue working case as appropriate.
CC IRPTR or CC TRDBV shows military income for the most recent year available if the year of entry or the prior year is not available. Exception: Income from a pension or interest/dividend income from a bank or credit union.	<ol style="list-style-type: none"> 1. Do not request documentation. 2. Continue working case as appropriate.

If...	Then...
<p>CC IRPTR or CC TRDBV shows that taxpayer was:</p> <ul style="list-style-type: none"> • Red Cross • Journalist or news reporter • State Department employee • Other Federal agency employee <p>Exception: Income from a pension or interest or dividend income from a bank or credit union</p>	<ol style="list-style-type: none"> 1. Do not request documentation. 2. Continue working case as appropriate.
<p>None of the above apply</p>	<ol style="list-style-type: none"> 1. Update AMS with information from the taxpayer including all entry and exit dates , plus CZ area if available, type of service and organization name and phone number, if provided. Do not input the dates to IDRS. 2. Request documentation from the taxpayer to support their time served or worked in a CZ. See below for a list of acceptable documentation. 3. For transcripts, correspondence or e-mail, if a telephone number is available, you can attempt to contact the taxpayer by phone 4. If unable to contact, send Letter 2761-C, Request for Combat Zone Service Dates. 5. Give the taxpayer 45 days from the current date to respond. 6. See (9) below, regarding return mailing address and account control. 7. If account is in notice status, input CC STAUP to the next notice for 9 cycles. 8. If account is in ST 22, move to R6 for 60 days and stop any levy action.

(10) Follow below for providing a mailing address to the taxpayer:

If...	Then...
<p>SB/SE CSCO, App98 or ACS</p>	<ol style="list-style-type: none"> 1. Provide the address for Atlanta CSCO for taxpayers to mail their documentation. 2. Do not open a control base.

If...	Then...
CSCO working balance due or Combat Zone correspondence, AMRH Transcripts, Combat Zone Transcripts, or AM working Combat Zone e-mail and transcripts	<ol style="list-style-type: none"> 1. Provide the taxpayer with your return mailing address, telephone number, or toll-free number if you do not have a number and a fax number for the taxpayer to return documents. 2. Open a control base and suspend the account for 60 days to await the taxpayer's response.

(11) Follow below for taxpayer responses and no replies:

If...	Then...
Taxpayer provides the dates and documentation that support their time in a CZ.	<ol style="list-style-type: none"> 1. For Combat Zone transcripts worked by CSCO and AMRH follow IRM 5.19.10.7.2.4(2), Taxpayer Responds to Letter 2761C. 2. For AM working Combat Zone e-mail follow IRM 5.19.10.6.5.4(7), Combat Zone E-mail.
Taxpayer does not provide documentation, documentation does not support their claim, or there is no reply. See below for more information regarding documentation.	<ol style="list-style-type: none"> 1. Remove any TC 500 on the account that was entered for this CZ period. Refer to IRM 5.19.10.7.2.3(5), Resolving Combat Zone Accounts, for correction procedures. 2. Follow (13) below.
Letter 2761-C is undelivered	Follow appropriate undeliverable procedures in IRM 5.19.10.7.2.5, Taxpayer Does Not Respond to Letter 2761C.

(12) Documentation must indicate that the taxpayer served or worked in support of or was deployed to a current CZ, CO or QHDA and must show a qualified area.

- Any official documents received that show the area, theater or military operation and the approximate entry date, is acceptable.
- Civilians will usually provide a Letter of Authorization or a letter from their employer.
- Letters from the military that state that the taxpayer served in a "tax-free zone" or "Combat Zone Tax Exclusion Area (CZTE)" are acceptable.
- If documentation does not list an exit date but only indicates tour of duty or length of duration in approximate number of days, the exit date provided by the taxpayer is acceptable.
- Do not input an exit date that is in the future, but enter that information on AMS history.
- Refer to IRM 5.19.10.7.2.4, Taxpayer Responds to Letter 2761C, for additional information regarding what dates to use.
- Receipt of combat pay, back pay or stopgap pay is not proof that the taxpayer is qualified for the CZ exclusions. Taxpayer must be serving or working in a current CZ, CO or QHDA or in direct support to qualify.

(13) Types of documents might include:

- Military orders
- Letters of authorization (civilians)
- Hospital discharge papers
- Discharge from Active Duty
- Official letterhead memorandum from a military department or civilian employer
- Request and Authorization for TDY Travel of DoD Personnel (civilians and military)
- Other official types

(14) If documentation does not qualify the taxpayer:

- a. Inform them that they must be serving or working in an area currently designated by the President, the Secretary of Defense or Congress as a CZ, CO, or QHDA or in direct support of such area.
- b. If taxpayer disagrees, advise them to check with their legal assistance office or offer to send them Publication 3, Armed Forces' Tax Guide.
- c. For correspondence, send Letter 2761-C.

5.19.10.6.2.1
(09-13-2022)
**Civilian Contractors
Working in Support of
the Combat Zone**

(1) Civilian taxpayers working with U.S. Armed Forces in combat zones should contact the IRS about their work status to receive special tax benefits. Benefits include:

- Extensions of time to file tax returns, pay taxes, and claim refunds
- Suspension of audits and collection activities
- Suppression of notices

Example: American Red Cross employees, industrial technicians, federal government specialists, scientists, and accredited correspondents are among workers who may benefit.

(2) Taxpayers, their spouses, or authorized representatives can notify the IRS by:

- E-mail to *combatzone@irs.gov*
Note: No social security numbers (SSN) should be used in an e-mail.
- Telephone: (800) 829-1040 (within the U. S.)
- Regular mail to the *address where the taxpayer files federal tax returns*, marking the top of tax returns and IRS notices in red with "Combat Zone."

Note: Annotate "Combat Zone" on the envelope used to provide the IRS with notice.

(3) The notification should include the following:

- Name
- Stateside address
- Date of birth
- Date of deployment to the CZ

- (4) To obtain benefits, taxpayers should notify IRS when they are deployed to a CZ and when they are no longer serving in a CZ. The IRS suspends account activity for the period of time the taxpayer is working in the CZ and for 180 days thereafter.
- (5) Beginning in 2012, military orders or other documentation are required for entry dates of 2010 and later. If the taxpayer is notifying the IRS by telephone of a 2010 entry date, follow IRM 5.19.10.6.2, Combat Zone Qualified Individuals and Areas.
- (6) Deadline extensions apply to income, estate or gift taxes, employment tax, and excise tax returns of individuals, generally Schedule C filers. Extensions do not apply to corporate income taxes, employment taxes, or excise taxes of an entity, such as an "S" corporation or limited liability company (LLC), where the owner or main person is in the CZ. Extensions do not apply to information returns, such as Form W-2. See IRM 5.19.10.6.5.2, Combat Zone BMF Procedures, for more information on the administrative relief that the IRS may be provide in special situations.
- (7) Taxpayers working in combat zones also have additional time to:
 - File petitions with the Tax Court
 - Contribute to an IRA
 - Allow a tax credit or refund by the IRS
- (8) Civilian taxpayers do not qualify for exclusion of income earned while working in a CZ. CZ military pay exclusion applies only to members of the U.S. Armed Forces. However, civilians, who are not federal employees, may qualify for the foreign earned income and foreign housing exclusion and the foreign housing deduction on Form 2555, Foreign Earned Income.
- (9) Refer civilian taxpayers in support of the CZ to the following IRS publications for further information:
 - Publication 54, Tax Guide for U.S. Citizens and Resident Aliens Abroad
 - Publication 15-B, Employer's Tax Guide to Fringe Benefits
 - *IRS Web Site*

5.19.10.6.2.2
(02-01-2014)
**Filing Returns for
Combat Zone or
Contingency Operation
Participants**

- (1) A taxpayer serving in a CZ or CO can choose to file their return before the end of their extension period. They must file their return in accordance with instructions provided by the Armed Forces.
- (2) If there is someone acting on behalf of the person in a CZ or CO and they do not have a power of attorney from the person specifying they can handle federal tax matters, one of the following can be attached to the tax return:
 - A general power of attorney (POA) or other statement signed by the deployed person authorizing them to act on their behalf
 - The non-deployed spouse may act as POA for their deployed spouse by submitting Form 2848, Power of Attorney and Declaration of Representative. The non-deployed spouse must sign their name, their spouse's name and also sign as representative in Part II.
- (3) If it is not possible for the spouse of someone serving in a CZ or CO operation to obtain the person's signature on a joint return, power of attorney form, or other signed authorization to act on their behalf, the IRS accepts a written

statement explaining their spouse is serving in a CZ or CO. The statement must be signed by the spouse filing the tax return and attached to the return.

5.19.10.6.2.3
(04-28-2008)
**Other Military
Operations and Tax
Relief**

- (1) Tax relief can be administratively given to military personnel serving in other areas of the world not designated as a CZ or where we have troops participating in a U.N. operation. Guidance is provided on a case by case basis when relief is granted.
- (2) Taxpayers are not subject to the failure-to-file penalty during the period of an extension of time to file. Taxpayers are also not subject to the failure-to-pay penalty during the period of an extension of time to pay; however, interest continues to accrue.
- (3) These accounts are identified by the MOP/UN Indicator on CC ENMOD:
 - a. Input "1" in the "MOP/UN" field on CC INCHG to turn on this indicator.
 - b. Input "9" in the "MOP/UN" field on CC INCHG to turn off this indicator.

5.19.10.6.3
(04-20-2022)
**Combat Zone Freeze
Code**

- (1) The CZ –C freeze code is an entity freeze code that remains on the account for historical purposes, even with input of accurate entry and exit dates.
- (2) The –C freeze can be set by a TC 500 in the following ways:
 - DoD – A monthly systemic download places a TC 500 with an entry or exit date
 - Processing of an original or amended tax return where the taxpayer self-identifies by writing "Serving in Desert Storm/Shield, Bosnia, former Yugoslavia, Allied Force, Afghanistan, Enduring Freedom, or Haiti"
 - Manual input of TC 500
- (3) DoD sends IRS a monthly listing of Combat Zone entry/exit dates for taxpayers who are deployed to a Combat Zone area. This is a systemic download by IT. If the taxpayer does not have an established Master File account, the TIN will fall-out to an error listing, which is stored on Control-D. Every six months the report must be retrieved from Control-D and run through a GII Tool. Kansas City Collections pulls the error listings to process. Beginning October 2021, IT runs the current monthly error listings, but Kansas City should continue running the GII Tool for listings received prior to October 2021.
 - a. Research the error listing on IDRS for taxpayer account information:

If.....	Then.....
Taxpayer account found on IDRS	The tool will input a TC 500 with date
No taxpayer account found on IDRS	The tool will retain TIN for next run

- b. The GII Tool must be run every six months. If there is an issue with the tool, manual research must be completed.
- (4) The following chart lists TC 500 closing codes for entry date, closing codes for exit date and identifies the designated CZ:

TC 500 Closing Code (Entry Date)	TC 500 Closing Code (Exit Date)	Designated Combat Zone
52	53	Desert Storm Operation Joint Endeavor/ Haiti/Operation Unified Response
54	55	Bosnia/Yugoslavia/ Operation Allied Forces
56	57	Iraq/ Enduring Freedom/ Afghanistan/Iraqi Freedom/New Dawn
58	59	Hospitalization caused by a Combat Zone injury

- (5) There are two new closing codes for use with the TC 500 Military Deferment, and a new indicator code for IMFOLE. Specifically a CC 58 and CC 59 for the TC 500 and an indicator 3 for IMFOLE. The new TC 500 CC 58 will be used when a combat zone veteran has been hospitalized due to injuries sustained in a combat zone. Upon input of the TC 500 CC 58 an indicator 3 will systemically update to IMFOLE signifying that the taxpayer is hospitalized. Upon their exit from the hospital a new TC 500 CC 59 will be input, and IMFOLE will systemically update to an indicator 2 (no longer in a combat zone). The TC 500 CC 58 will mirror the existing functionality of the TC 500 CC 52/54/56 by extending the ASSED, suspending interest and penalties, and preventing collection, however, it will not prevent the extension of the CSED for the duration of hospitalization. The new TC 500 CC 59 will mirror the existing functionality of the 53/55/57 and allow for the re-entry into active collection 180 days from posting.
- (6) See IRM 5.19.10.6.2, Combat Zone Qualified Individuals and Areas, for a detailed list of Presidentially Declared Combat Zones and Qualified Hazardous Duty Areas.
- (7) The CZ –C freeze and indicators are located on CC IMFOLE, Line 11.
 - a. Combat indicator codes are:

Indicator Code	Definition
0	Not a CZ participant
1	Active
2	Inactive
3	Taxpayer is hospitalized because of a Combat Zone injury

- b. Conflict indicator codes identify the CZ(s) where the taxpayer served. See IRM 2.3.51-13, Command Code IMFOL Output Display — Entity, for a breakdown of the Conflict Codes.
- (8) Any balance due module will be in ST 43.

(9) The –C freeze suspends the following:

- Accrual of interest and FTP Penalty
- Assessment of Failure to File and Estimated Tax Penalties
- Assessment Statute Expiration Date (ASED)
- Refund Statute Expiration Date (RSED)
- Collection Statute Expiration Date (CSED)

Note: The CSED is systemically updated when the exit date posts.

- Collection actions, including levy, lien, seizure, balance due notices
- Postpones examination and audits of returns

(10) For more information regarding the length of suspension, see IRM 5.19.10.6.4, Combat Zone Computation of Suspense Period.

5.19.10.6.4
(02-08-2023)
**Combat Zone
Computation of
Suspense Period**

- (1) The start date of the CZ suspense period begins on the transaction date of the TC 500 Closing Code 52, 54, 56 or 58 (CZ entry date).
- (2) The ending date of the suspense period is calculated 180 days from the transaction date of the TC 500 Closing Code 53, 55, 57 or 59 (CZ). The 180 days begin on the day following the CZ exit date.
- (3) If a taxpayer serves multiple tours of duty in a CZ, and there are less than 180 days between the different tours, add the 180 days to the end of the last exit date.
- (4) Once the entry and exit dates are present, the balance due accounts systemically return to normal processing when the 180 day suspense period expires.
- (5) The CSED is suspended from the entry date to the exit date plus 180 days. No additional days are added to the CSED suspension for time served during a filing season.
- (6) The CSED is NOT suspended during any period of continuous qualified hospitalization as a result of injury received while serving in the combat zone or contingency operation and the following 180 days. Refer to IRC 7508(e)(3).
- (7) The RDD is extended by up to an additional 105 days (106 in a leap year) if the taxpayer was in the CZ during any part of the filing season. The RDD is calculated systemically. If the taxpayer was in the CZ more than one filing season, the RDD is calculated separately for each tax year. Applicable P&I charges are also determined based on the recomputed RDD.

Example: For a taxpayer in the CZ at any time between January 1 and April 15 of the year in which the return was due, the taxpayer has until 180 days after CZ exit, plus the number of days remaining in the filing season in order to file their tax return.

- (8) See IRM 20.2.7.11.1, Time Disregarded by Reason of Combat Zone Service, for information on computing interest and FTP. For computing FTP penalty, see IRM 20.2.7.11, IRC 7508, Combat Zone.

- 5.19.10.6.5
(10-15-2012)
**Combat Zone
Correspondence and
Telephone Calls**
- (1) This subsection has procedures for working taxpayer correspondence, e-mail and telephone calls when the taxpayer informs the IRS of their deployment to a CZ or CO.
 - (2) It also provides direction for handling IA requests and payment proposals when research of the taxpayer's account reveals a CZ –C freeze.
 - (3) A Notice CP 04 will issue when a taxpayer self-identifies on a tax return that they served in a CZ. Form 15109 Request for Tax Deferment is also sent. The form requests entry and exit dates for the qualified area and a copy of their military orders or a Letter of Authorization (LOA), for civilians. Procedures for working responses to Notice CP 04 are provided in this section.
- 5.19.10.6.5.1
(04-20-2022)
**Combat Zone IMF
Procedures**
- (1) For CSCO:
 - If a response is received for a Letter 2761-C, Request for Combat Zone Service Dates sent by an AMRH function in AM or by another CSCO site, forward the response to the area that sent the letter.
 - Forward responses to CP 04, Request for Proof of Military Status or Eligibility for Tax Relief Provisions Under Combat Zone, to CSCO in Kansas City.
 - Send Letter 86-C, Referring Taxpayer Inquiry/Forms to Another Office, if routing outside your campus.
 - Otherwise, follow the appropriate procedures under IRM 5.19.10.6, Combat Zone Accounts and IRM 5.19.10.7, Combat Zone Transcripts to resolve your case.
 - (2) For all others, follow the procedures below.
 - (3) When responding to a caller who has received a Letter 2761-C , Request for Combat Zone Service Dates or CP 04, Request for Proof of Military Status or Eligibility for Tax Relief Provisions Under Combat Zone:
 - a. Obtain the CZ entry and exit dates from the taxpayer and the combat area in which they served. Enter this information on AMS.
 - b. Advise the taxpayer to mail or fax the entry and exit dates, CZ area and any supporting documentation, if it is requested in the letter or notice, to the address/fax number provided in the letter. See IRM 5.19.10.6.2(12), Combat Zone Qualified Individuals and Areas, for a list of types of documentation that the taxpayer may provide.
 - c. Do not input TC 500 to IDRS.
 - d. If the account has an open control base with one of the following category codes, CP 04, AMCZ or COCZ, do not take control of or close the open control base.
 - (4) When a response to Letter 2761-C , Request for Combat Zone Service Dates or CP 04, Request for Proof of Military Status or Eligibility for Tax Relief Provisions Under Combat Zone is received in correspondence:
 - a. Forward the response to the area that issued the letter. Forward responses to CP 04 to SBSE CSCO in Kansas City.
 - b. Send Letter 86-C , Referring Taxpayer Inquiry/Forms to Another Office, if routing outside your campus.
 - (5) When responding to a taxpayer who is notifying the IRS that they will be or are serving in a CZ and the entry date of the CZ is 2010 or later:

If...	Then...
AM Toll-free	Transfer call to Application 98
<ul style="list-style-type: none"> • Application 98 • All others 	Follow IRM 5.19.10.6.2(7) through (12), Combat Zone Qualified Individuals and Areas.
AM Toll-free - Combat Zone (CZ) Correspondence	Resolve any issues unrelated to CZ and route the correspondence to Atlanta CSCO to address the CZ issue.

- (6) When responding to a caller or correspondence and the taxpayer provides a CZ entry date that is prior to 2010, research the Combat indicator on CC: IMFOLE (Line 11).

If...	Then...
Combat Indicator is "blank", "0" or "2"	<p>For phones and correspondence:</p> <ol style="list-style-type: none"> 1. Input a TC 500 with the correct closing code and entry date to the tax year of entry. Example: If the taxpayer provides an entry date of March 14, 2009, enter the TC 500 on the 2009 tax period. <p>See IRM 5.19.10.6.3, Combat Zone Freeze Code for a list of closing codes and IRM 5.19.10.7.2.3(5), Resolving Combat Zone Accounts, for input instructions.</p> <ol style="list-style-type: none"> 2. Follow with TC 500 with the correct closing code and exit date, if provided. 3. Update AMS with entry and exit dates and the CZ area where the taxpayer served or worked.
Combat indicator is "1".	<p>For phones and correspondence:</p> <ol style="list-style-type: none"> 1. Do not input TC 500. 2. Update AMS with entry and exit dates and the CZ area where the taxpayer served or worked. 3. Update ENMOD with "SEEAMSHIST" using CC ACTON. 4. For phones, complete Form 4442, Inquiry Referral, and forward to SBSE CSCO in Atlanta. 5. For correspondence, resolve any other issues unrelated to CZ and route the correspondence to SBSE CSCO in Atlanta to address the CZ issue.

- (7) For other combat issues follow below:

If...	Then...
The taxpayer states they are no longer in the CZ, the –C freeze was set in error or the taxpayer never served in a CZ	For phones: <ol style="list-style-type: none"> 1. Complete Form 4442, Inquiry Referral, and send to CSCO in Atlanta. 2. Update AMS with entry and exit dates and the CZ area where the taxpayer served or worked. For correspondence: <ol style="list-style-type: none"> 1. Resolve any other issues unrelated to CZ and route the correspondence to CSCO in Atlanta to address the CZ issue. 2. Send Letter 86-C , Referring Taxpayer Inquiry/Forms to Another Office, if routing outside your campus.
The taxpayer requests a payoff amount and –C freeze is present	Follow procedures in IRM 5.19.10.6.5.7, Combat Zone Payoff Amount.
The taxpayer requests an IA or a 60 or 120 day agreement and –C freeze is present	Follow procedures in IRM 5.19.10.6.5.8, Combat Zone Installment Agreement and Short-Term Payment Plans.

5.19.10.6.5.2
(03-23-2020)
**Combat Zone BMF
Procedures**

- (1) The IRS administratively provides tax relief to military members serving in a combat zone/qualified hazardous duty area on certain qualified business liabilities. The specific conditions are:
 - The business had to cease operations from the time the taxpayer entered the CZ and
 - The business is a sole proprietorship, a partnership where the key individual is/was in the CZ, or a personal services corporation where the key individual is/was in the combat zone

Example: Doctor, dentist, CPA, etc.
- (2) The suspension of collection activity continues for 180 days after the exit date of the key individual from the CZ and applies to BMF liabilities. The CSED is not suspended.
- (3) If an inquiry (correspondence or phone) is received, accelerate all balance due notice modules to Status 26. To accelerate follow the procedures below:

CSCO...	Other than CSCO...
CC STAUP 2200 and CC TSIGN/ ASIGN 6446. See IRM 2.4.27, Command Code ASGNI/ASGNB formerly TSIGN.	Follow the procedures in (4) below.

- (4) Follow the procedures below to notate and route the inquiry:

If...	Then...
Correspondence	<ol style="list-style-type: none"> 1. Notate "COMBAT ZONE OR QUALIFIED HAZARDOUS DUTY AREA" in red. 2. Input CC STAUP for 6 cycles on all balance due modules. 3. Route to the appropriate ACS Support function for filing in the TDA/TDI suspense file.
Phone	<ol style="list-style-type: none"> 1. Complete Form 4442, Inquiry Referral. 2. Notate "COMBAT ZONE OR QUALIFIED HAZARDOUS DUTY AREA". 3. Input CC STAUP for 6 cycles on all balance due modules. 4. Send to the appropriate SB/SE CSCO for input of TSIGN and filing in the TDA/TDI suspense file.

- (5) Inform the taxpayer the case is being referred to another office for consideration. For correspondence, send Letter 86-C, Referring Taxpayer Inquiry/Forms to Another Office.
- (6) For more information see IRM 5.19.22.5.3.3, BMF Special Handling Responses.

5.19.10.6.5.3
(04-12-2010)
Combat Zone BMF ACS Accounts

- (1) Process BMF ACS taxpayers (including cases residing in R4 or in ST 24) who qualify for combat zone provisions as follows:
- a. Write "COMBAT ZONE" in comments.
 - b. If there are no documents to associate with the case, input "TFRO, DOAO6501".
 - c. If there are documents to associate, input "TFRO, DOAO6566".
 - d. Write "COMBAT ZONE" on any documents associated with the case.

5.19.10.6.5.4
(09-13-2022)
Combat Zone E-mail

- (1) Taxpayers, their spouses, or authorized representatives can notify the IRS of their CZ status by e-mail to *combatzone@irs.gov*. E-mails from taxpayers regarding combat zone are worked in AM.
- (2) Take initial action on Combat Zone e-mail in two business days. E-mail cases take priority over Combat Zone transcripts.
- (3) If the Combat Zone e-mail contains a future deployment date, open a control base to monitor the account until the TC 500 date can be input.
- (4) If it is necessary to control the account, use case Category Code, "CZ01".

- (5) Forward e-mail responses to *Letter 2761C*, Request for Combat Zone Service Dates, to the contacts listed on SERP Who/Where under *Combat Zone E-mail Addresses*. If there is an open control base, contact the employee to notify them of the taxpayers response. Ensure there is enough information in the e-mail for the recipient to locate the taxpayer's SSN. Fax e-mail responses to CP 04, Request for Proof of Military Status or Eligibility for Tax Relief Provisions Under Combat Zone/Contingency Operation Criteria, to Kansas City Collection Operation, (CSCO), at 855-233-8562. Respond to taxpayer's e-mail stating the information was forwarded to CSCO.
- (6) If a SSN for the taxpayer can not be identified, notify the taxpayer and ask for the missing information needed to locate the SSN.

Note: To help identify the taxpayer, ask for the exact name and address that was used when filing the most current tax return.

- (7) For CZ entry dates for 2010 and later, refer to IRM 5.19.10.6.2(7), Combat Zone Qualified Individuals and Areas. Documentation is not required for dates provided by the DoD.
- (8) When the taxpayer provides documentation such as military orders, discharge from active duty or other:
 - a. If taxpayer dates are within 60 days of documentation dates, use the taxpayer dates. If taxpayer dates disagree with documentation dates by more than 60 days, use the documentation dates. If an entry date is already present on IDRS, correct it using the criteria above. This includes an entry date from DoD.
 - b. Only resolve the open TC 500s. If taxpayer provides documentation for dates that are already closed, input the documentation dates on AMS. do not change TC 500 dates that are already closed.
 - c. If taxpayer provides new entry/exit dates that are not on IDRS, input the dates via CC REQ77.
- (9) See IRM 5.19.10.7.2.3(5), Resolving Combat Zone Accounts, for input instructions.
- (10) For CZ entry dates prior to 2010 follow below.
- (11) When the e-mail provides the name, address, date of birth (DOB) and date of CZ entry, research CC IMFOLE for the Combat indicator. See IRM 5.19.10.7.2.2, Combat Zone Research and IRM 5.19.10.7.2.3, Resolving Combat Zone Accounts, for more information.
 - a. If Combat indicator is "1" and there is an unreversed TC 500 from the DoD and the date from the taxpayer is within 60 days of the DoD date, do not input the new date. Enter the date provided by the taxpayer in AMS history.
 - b. Otherwise, update the account with TC 500 with the correct closing code, to establish the CZ freeze.
- (12) For questions regarding CZ, research Publication 3, Armed Forces' Tax Guide, before responding by e-mail.
- (13) Tax law questions should be forwarded to Pittsburgh AM via e-mail, to the contacts listed under *Combat Zone E-mail Addresses* located on SERP Who/Where page.

- (14) For Collection issues outside of AM scope, fax taxpayer's issue using Form 4442 to the appropriate DDIA Liaison, located on SERP Who/Where page. Only collection issues addressed by the taxpayer should be referred.
- (15) Use the following format on e-mail responses. See IRM 21.3.11.6.1, Responding to the Customer. E-mail messages to taxpayers, their representatives, or any other person, should not include sensitive but unclassified data (SBU) such as tax return information, nor include or request financial or other personal information. A response should be given to the taxpayer within 30 days.
 - a. Use the system default font on blank stationery for all replies.
 - b. The canned paragraphs used must match the default font.
 - c. Greeting: Use a statement such as "Thank you for your inquiry".
 - d. Paraphrase the customer's question
 - e. Address each question asked by the taxpayer.
 - f. If the answer depends on facts or circumstances that are not specifically addressed in the question, state your assumptions. Cite the sources such as forms, publications and other tax sources. See IRM 21.3.11.6.1, Responding to the Customer.
 - g. Close. Be sure to include a closing paragraph. Per the Restructuring and Reform Act of 1998, the signature must include the name and Identification Number from your identification card. The e-mail address serves as the phone number for purposes of the requirement to provide a contact phone number.
 - h. Before you release the e-mail, ensure the response is accurate and answers the question that is asked. Check for spelling and grammatical errors and appropriate tone.
- (16) Report time spent under OFP 710-82361.

5.19.10.6.5.5
(02-08-2023)
**Responses to CP 04
Notice**

- (1) When the taxpayer marks a tax return "Combat Zone" and no valid DoD dates appear on their account, a CP 04, Request for Proof of Military Status or Eligibility for Tax Relief Provisions Under Combat Zone/Contingency Operation Criteria, will issue. Form 15109, Request for Tax Deferment is also sent. The form requests entry and exit dates for the qualified area and a copy of their military orders or a Letter of Authorization (LOA), for civilians.
- (2) Computer Condition Code (CCC) "Z" or "K" is coded for CZ tax returns. The code generates TC 500 to CC IMFOLE and sends CP 04. If a response to CP 04 is not received in 70 days, the TC 500, TC 340, TC 270, and TC 160 will be systemically reversed.
- (3) CP 04 telephone, paper, and Document Upload Tool (DUT) responses are worked in Kansas City Collection Operation (CSCO).
- (4) Taxpayers responding to CP 04 may call the toll-free number: 800-908-0368 or fax their information to 855-233-8562.
- (5) Check IRM 13.1.6.2.1, Tips for Oral Communication.
- (6) Ensure the taxpayer is responding to CP 04. If the taxpayer has a different issue, see (24).

- (7) If the taxpayer states “I never served in a combat zone” or “I did not serve in a combat zone in YYYY” (YYYY = the year of the tax return that was marked) “combat zone”, input AMS history with no other action. Allow the system to remove the incorrect TC 500.
- (8) Verify authentication per IRM 21.1.3.2.3, Required Taxpayer Authentication.
- (9) The purpose of the contact is to restate and clarify any questions you have regarding the taxpayer’s time served in a CZ. Attempt to resolve the case during the phone call.
- (10) Update IDRS and AMS with all entry and exit dates provided. Also, update AMS with CZ area, type of service and name and telephone number of organization, if provided.
- (11) Get the following information:

Information Type...	Information needed...
Type of service	Military or civilian
Organization	Military department, civilian DoD contractor, Federal agency or other Note: If the taxpayer is an IRS employee, see IRM 21.1.3.8, Inquiries from IRS Employees.
Name of participant	Primary and/or secondary taxpayer
Entry and exit dates, (including dates for any new or pending redeployments). Accept the dates provided by the taxpayer.	Primary and/or secondary taxpayer. Note: Use the first of the month for entry dates and the last of the month for exit dates, when exact dates aren’t provided.

- (12) For written and DUT responses, if information about the type of service or organization is missing, attempt to determine the missing information through research of CC IRPTR. See IRM 5.19.18.2(3), Identifying FERDI Cases, for help in identifying federal employees. Enter your results on AMS.
- (13) To determine if more information is needed, follow below:

If...	And...	Then...
CC IMFOLE shows another open TC 500	TC 500 is unrelated to the dates provided by the taxpayer. Example: Taxpayer entered combat zone in 2009 and exited in 2010. There is a 2008 tax return with an open TC 500 on IMFOLE.	<ol style="list-style-type: none"> 1. Get the correct dates for the other TC 500 and enter them on AMS. 2. If there is an open control base to Category Code "COCZ" or "AMCZ" complete Form 4442, Inquiry Referral, with the dates and provide them to the employee with the open control. 3. If no open control base, and entry date is prior to 2010, remove this TC 500 date, if incorrect, and re-input the correct entry and exit dates. 4. If no open control base and entry date is 2010 or later, request documentation per (14) below. 5. For written responses, do not ask for dates or documentation unless there is a balance due or additional information will be requested from the taxpayer.
CC IMFOLE on the Primary or Secondary account shows an entry/exit date from DoD posted after the tax return was processed	DoD entry/exit date occurs in the same year as the tax return that generated the CP 04. Example: DoD date is for 2010. The CP 04 generated from the 2010 Form 1040.	<ol style="list-style-type: none"> 1. Military orders or an LOA are not required. 2. Follow procedures in (19) below. 3. Address any balance per IRM 5.19.10.6.5.6, CP 04 - Resolving a Balance Due.
Taxpayer is military	CC IRPTR shows military income for the year of the tax return or the year before. Exception: Income from a pension or interest or dividend income from a bank or credit union	<ol style="list-style-type: none"> 1. Military orders or an LOA are not required. 2. Follow procedures in (19) below. 3. Address any balance per IRM 5.19.10.6.5.6, CP 04 - Resolving a Balance Due.

If...	And...	Then...
Taxpayer is civilian	Worked in a CZ area as: <ul style="list-style-type: none"> • Red Cross • Journalist or news reporter • State Department employee • Other Federal agency employee Exception: Income from a pension or interest or dividend income from a bank or credit union	<ol style="list-style-type: none"> 1. Military orders or an LOA are not required. 2. Follow procedures in (19) below. 3. Address any balance per IRM 5.19.10.6.5.6, CP 04 - Resolving a Balance Due.
Taxpayer does not meet an exception above or you are unable to determine based on information from the taxpayer or through research	research is completed and no comments on AMS	A copy of their military orders, LOA or a written statement from the organization is required. See IRM 5.19.10.6.2, Combat Zone Qualified Individuals and Areas, for types of documentation. If talking to the taxpayer, request the documentation.
Taxpayer asks why a copy of their orders or LOA is required.	no comments on AMS	Inform the taxpayer that we do not have their information on record and so must verify their information to ensure they receive proper credit for the time served.

- (14) For phone responses, follow procedures below. If taxpayer requests confirmation, send *Letter 2761C* or other appropriate letter.

If...	Then...
Taxpayer provides the qualifying supporting documentation (military orders, civilian LOA or other) while on the phone. See IRM 5.19.10.6.2, Combat Zone Qualified Individuals and Areas for more information on qualifying documentation and dates.	<ol style="list-style-type: none"> 1. Follow correction procedures per (19). 2. Address any balance due per IRM 5.19.10.6.5.6, CP 04 - Resolving a Balance Due. Note: If taxpayer is still serving in a CZ, the taxpayer is not required to pay until 180 days following their exit from CZ.

If...	Then...
Taxpayer cannot provide the supporting documentation while on the phone	<ol style="list-style-type: none"> 1. Request the documents, and a copy of Form 15109, Request for Tax Deferment. 2. Provide the mailing address, fax number and a due date for sending the documentation. See (16) and (17) below for controlling the account and follow-up time frames. 3. Advise the taxpayer they must provide a letter from the organization, if they cannot provide military orders, LOA or other. 4. Address any balance due per IRM 5.19.10.6.5.6, CP 04 -Resolving a Balance Due.
Taxpayer does not have supporting documentation.	<ol style="list-style-type: none"> 1. Request that taxpayer go back to the organization to secure a letter. 2. Provide the mailing address, fax number and a due date for sending the documentation, along with a copy of the Form 15109, Request for Tax Deferment. See (16) and (17) for controlling the account and follow-up time frames. 3. Address any balance due per IRM 5.19.10.6.5.6, CP 04 - -Resolving a Balance Due.
No reply by the follow-up date.	<ol style="list-style-type: none"> 1. If an IA agreement or other action will be taken on a balance due module, remove the TC 500 and monitor until the Combat indicator goes to "2" or "0". 2. Close control and update AMS after all actions are taken. 3. Otherwise, allow automatic reversal and do not control.

(15) Additional telephone call responses:

If.....	And.....	Then.....
Taxpayer and/or Spouse is responding and Disclosure verification is met per IRM 21.1.3.2.3, Required Taxpayer Authentication	Missing information is provided	<ol style="list-style-type: none"> 1. Input TC 500 with correct closing code and dates on IDRS 2. Update AMS history

If.....	And.....	Then.....
Taxpayer and/or Spouse is responding and Disclosure verification is met per IRM 21.1.3.2.3, Required Taxpayer Authentication	Taxpayer and/or Spouse is currently deployed	<ol style="list-style-type: none"> 1. Input TC 500 with corresponding closing code and entry date on IDRS 2. Advise caller to call back with exit date when the deployed taxpayer returns 3. Update AMS history
Taxpayer and/or Spouse is responding and Disclosure verification is met per IRM 21.1.3.2.3, Required Taxpayer Authentication	Taxpayer and/or Spouse calls back to give exit date	<ol style="list-style-type: none"> 1. Input exit date on IDRS using TC 500 with corresponding closing code. 2. Update AMS history
3rd Party Callers	N/A	N/A
POA on file and Disclosure verification met per IRM 21.1.3.3, Third Party (POA/TIA/F706) Authentication	POA has missing requested information	<ol style="list-style-type: none"> 1. Input TC 500 with corresponding closing code and correct entry/exit dates on IDRS. 2. Update AMS history
No POA on file	Caller has not filed Form 2848, Power of Attorney and Declaration of Representative	<ol style="list-style-type: none"> 1. Request caller to submit Form 2848, Power of Attorney and Declaration of Representative 2. Advise caller to allow taxpayer to respond to letter even if response date has expired. 3. Update AMS history

- (16) For written and DUT responses, research AMS history for information that may have been provided previously by phone. Send Letter 2761-C, Request for Combat Zone Service Dates, or other appropriate letter when closing your case. Follow the procedures below.

If...	And...	Then...
Taxpayer provides the dates and qualifying supporting documentation or documentation is not required. See IRM 5.19.10.6.2, Combat Zone Qualified Individuals and Areas for more information on qualifying documentation and dates.	There is no balance due or payment proposal	Follow correction procedures per (19).
Taxpayer provides the dates and qualifying supporting documentation or documentation is not required. See IRM 5.19.10.6.2, Combat Zone Qualified Individuals and Areas for more information on qualifying documentation and dates.	There is a payment proposal. No other open TC 500 is present or dates for this open TC 500 are on AMS	<ol style="list-style-type: none"> 1. Follow correction procedures per (19). 2. Address any balance due per IRM 5.19.10.6.5.6, CP 04 -Resolving a Balance Due. <p>Note: If taxpayer is still serving in a CZ, the taxpayer is not required to pay until 180 days following their exit from CZ.</p>
Taxpayer provides the dates and qualifying supporting documentation or documentation is not required. See IRM 5.19.10.6.2, Combat Zone Qualified Individuals and Areas for more information on qualifying documentation and dates.	There is a payment proposal and there is another open TC 500	<ol style="list-style-type: none"> 1. You can attempt to contact the taxpayer by telephone to request the correct dates. for the open TC 500. However, don't try to call if the phone number is in a foreign country. 2. If unable to contact, send Letter 2761-C. 3. Request documentation, if entry date is 2010 or later. 4. See (16) and (17) for controlling the account and follow-up time frames.
The required documents are missing, incomplete or dates are unclear.	The information was not previously requested by phone	<ol style="list-style-type: none"> 1. You can attempt to contact the taxpayer by telephone. However, don't try to call if the phone number is in a foreign country. 2. If unable to contact, send Letter 2761-C . 3. If there is a balance due and another open TC 500, also ask for dates for the other open TC 500. 4. Request documentation, if entry date is 2010 or later. 5. See (16) and (17) for controlling the account and follow-up time frames.

If...	And...	Then...
The required documents are missing, incomplete or dates are unclear or no reply to Letter 2761-C by the follow-up date.	We previously requested this information while on the phone or with Letter 2761-C.	<ol style="list-style-type: none"> 1. If an IA or other action will be taken on a balance due module, remove the TC 500 and monitor until the Combat indicator goes to "2" or "0". 2. If no action will be taken on a balance due module, allow the TC 500 to be systemically removed. 3. Close control and update AMS after all actions are taken.
A late reply is received	Taxpayer provides information	Follow procedures in (15) to resolve the account.

- (17) Control the account in "S" status using activity code "CP04mmddy" with the appropriate follow-up date and Category Code "CP04".
- (18) Use the following timeframes for deadlines and follow-up dates.
- a. If the taxpayer states they will fax the information, give a deadline of 10 days from date of telephone call.
 - b. If the taxpayer states they will mail in the information, give a deadline 15 days from date of telephone call.
 - c. If the taxpayer must provide documentation from the organization, allow 15 days to fax information to CSCO and 30 days to mail it back.
 - d. If sending Letter 2761-C, allow the taxpayer 30 days from date of input.
 - e. When determining the follow-up date for the action history code, add an additional 180 days to the deadline given.
- (19) If all necessary information has been received and the taxpayer does not qualify for the CZ tax provisions per review of IRM 5.19.10.6.2(11) and (12), Combat Zone Qualified Individuals and Areas:
- a. Allow automatic reversal of the TC 500.
 - b. Follow procedures in IRM 5.19.10.6.2(13), Combat Zone Qualified Individuals and Areas, to inform the taxpayer of disqualification.
- (20) Based on taxpayer response and qualifications, update the account using the procedures below. If the taxpayer has a balance due and an IA or CC STAUP will be input, follow IRM 5.19.10.6.5.6, CP 04 - Resolving a Balance Due.
- Caution:** Due to CADE2, the transaction date of the TC 150 posts with a future date that prevents input of a TC 500. If unable to input the TC 500, open a control base in "S" status and monitor until able to do the input. If working a telephone call, place the case into inventory, control and monitor as a paper case.

If...	Then...
Taxpayer provided an entry and exit date	<ol style="list-style-type: none"> 1. Remove the freeze condition created by CCC K or Z if the CCC K or Z is on the year of entry. 2. Input the correct entry and exit dates to the year of entry.
Taxpayer entered a CZ but is still serving in a qualified area	<ol style="list-style-type: none"> 1. Remove the freeze condition created by CCC K or Z if the CCC K or Z is on the year of entry. 2. Input the correct entry date to the year of entry.
Taxpayer provided dates for another open TC 500	<ol style="list-style-type: none"> 1. If DoD dates are already present, do not input. Enter the dates provided by the taxpayer on AMS. 2. Otherwise, remove the existing TC 500 date if it differs from the taxpayer's date by more than 30 days. 3. Input the correct entry and exit dates.
<p>Joint account, and some tax returns were filed jointly under the spouse. The joint tax years under the spouse are affected by the CZ suspense period</p>	<ol style="list-style-type: none"> 1. Input a TC 500 with CSED "S" under the primary taxpayer's account. 2. Input a TC 500 with CSED "P" under the secondary taxpayer's account. This is the taxpayer that served in the combat zone area. 3. Update AMS as appropriate. <p>Example: Primary taxpayer served in CZ in 2018 through 2019. In 2018, the primary filed as the secondary under the spouse's SSN.</p>

If...	Then...
CP 04 Notice or Letter 2761-C returned undelivered and CC IRPTR shows military income	<ol style="list-style-type: none"> 1. Follow IRM 5.19.16.3.2, Undelivered (UD) Mail Procedures. 2. If no new address found remove the return TC 500 and input an entry/exit date of January 1st to December 31st for the year of the return. For instance, taxpayer filed 2010 return, input entry date, January 1, 2010 and exit date December 31, 2010. 3. If new address found, re-mail the notice or letter and monitor per (17) above. 4. If notice or letter is returned undelivered a second time, follow (b). <p>Note: This procedure does not apply to CZ transcript processing.</p>
CP 04 Notice or Letter 2761-C returned undelivered and CC IRPTR does not show military income	<ol style="list-style-type: none"> 1. Follow IRM 5.19.16.3.2, Undelivered (UD) Mail Procedures. 2. If no new address found, take no action. Allow the system to reverse the return TC 500. 3. If new address found, re-mail the notice or letter and monitor per (17) above. 4. If notice or letter is returned undeliverable a second time, take no action. Allow the system to reverse the return TC 500.

- (21) For instructions on input corrections, see IRM 5.19.10.7.2.3(5), Resolving Combat Zone Accounts.
- (22) After corrections are input to a CZ account, the –C freeze will release in three cycles. If there is a balance due, the account will then go to ST 46 for two cycles before balance due notices resume.
- (23) If an IA or CC STAUP will be input, monitor the account until the balance goes to ST 46. If input corrections have posted, but it is still in ST 43, refer the case to the Lead Tax Examiner for resolution.

(24) Follow procedures in IRM 5.19.10.6.5.6, CP 04 - Resolving a Balance Due, for balance due accounts.

(25) Follow below for other issues:

If...	Then...
Response is to Letter 2761-C sent by someone working a CZ transcript.	<ol style="list-style-type: none"> 1. For phone, complete Form 4442 with the information provided by the taxpayer and send to the area that sent the letter. 2. For correspondence, route to the appropriate area. Send Letter 86-C.
Issue is unrelated to a balance due or CZ.	<ol style="list-style-type: none"> 1. Provide the appropriate toll-free number or mailing address. See IRM 21.3.3.4.2.4 , Toll-Free Telephone Numbers, or <i>SERP Who/Where</i>. 2. For correspondence, route to the appropriate area and send Letter 86-C, Referring Taxpayer Inquiry/Forms to Another Office.
Issue is a question regarding CZ provisions and you are unable to provide an answer	<ol style="list-style-type: none"> 1. Refer taxpayer to http://www.irs.gov/, Publication 3, Armed Forces' Tax Guide or provide them with the customer service toll-free number. 2. For correspondence, send Letter 309-C, Forms/Publications/Schedules to Taxpayer, and enclose Publication 3, Armed Forces' Tax Guide.
Issue concerns a military deferment request	<ol style="list-style-type: none"> 1. Advise the taxpayer of what needs to be submitted for consideration. Refer to IRM 5.19.1.5.9, Military Deferment. 2. Provide a mailing address for the CSCO Operation that has jurisdiction of the taxpayer's account. See <i>SERP Where to File - Forms and Payments</i>. 3. For correspondence, send Letter 1175-C, Collection Postponed During Initial Period of Active Military Service. 4. If account is in notice status, input CC STAUP to the next status for 09 cycles. 5. Do not open a control base. 6. Update AMS.

5.19.10.6.5.6
(04-20-2022)
**CP 04 - Resolving a
Balance Due**

(1) When a CP 04 response is received, the taxpayer has a balance due and research indicates the taxpayer had an IA prior to their CZ, see IRM 5.19.10.6.5.8(4) through (11), Combat Zone Installment Agreement and Short Term Payment Plan.

If...	Then...
CP 04 response is by phone or correspondence	<ol style="list-style-type: none"> 1. Inform the taxpayer that their IA will be reinstated. They will receive a letter informing them of the reinstatement, with a current balance due and the terms of the agreement. 2. For correspondence, send Letter 2272-C , Installment Agreement Cannot be Considered/Extension of Time to Pay Cannot be Considered or Letter 2761-C, Request for Combat Zone Service Dates.

(2) When a CP 04 response is received, there is a balance due and the taxpayer did not have an IA prior to their CZ service, follow procedures in IRM 5.19.1, Balance Due, and the references listed below.

(3) Follow the procedures below:

If...	Then...
Response is by phone	Ask the taxpayer how they propose to pay the amount they owe.
Response is by phone and taxpayer requests an agreement to full pay within 120 days or less.	<ol style="list-style-type: none"> 1. Inform the taxpayer the P&I must be computed in order to exclude the time they were serving in a CZ. 2. They will be contacted in 10 business days with the amount they owe. 3. If we are unable to reach them by phone or if additional information is needed, we will send a letter. 4. Contact the taxpayer by phone and follow-up with the appropriate letter.
Taxpayer responds by either telephone or correspondence and requests an IA or can't pay.	Follow procedures in, IRM 5.19.10.6.5.7, (4) through (11) Combat Zone Payoff Amount, or IRM 5.19.10.6.5.8(4) through (8), Combat Zone Installment Agreement and 60 or 120 Day Agreement Requests.
Taxpayer states that they have already contacted IRS regarding this issue or that they are in a hardship situation	Refer to the Taxpayer Advocate using referral procedures, if the case meets the criteria in IRM 13.1.7, Taxpayer Advocate Service (TAS) Case Criteria

(4) If talking to the taxpayer, provide the taxpayer with the following additional information.

- It will take approximately 5 - 6 weeks to release the freeze on their account. They may receive a notice requesting payment but that notice can be disregarded. However, if they choose to full pay when they receive the notice, they must call and request a current balance. The balance must be computed to exclude the interest and penalty charges that accrued during their time in the CZ.
- Please allow 30 days
- Provide the taxpayer with the customer service toll-free number for requesting a balance and for additional questions.

- Provide the taxpayer with the requirements for submitting payments per IRM 5.19.1.2.7.1, Taxpayer Responsibilities - When Submitting Payments by Check or Money Order.
- 5.19.10.6.5.7
(09-13-2022)
Combat Zone Payoff Amount
- (1) For AM Toll-free ONLY, follow IRM 20.2.1.6, Interest Computation Tools and Reports: Systemically Calculated Interest, if the taxpayer is requesting a balance.
 - (2) For all others, follow the procedures below.
 - (3) Beginning in 2012, military orders or other documentation are required for entry dates of 2010 and later. Documentation is not required for dates provided by the DoD. If entry date is 2010 or later, follow IRM 5.19.10.6.2, Combat Zone Qualified Individuals and Areas.
 - (4) When the taxpayer provides documentation such as military orders, discharge from active duty or other:
 - a. Refer to IRM 5.19.10.7.2.4(2), Taxpayer Responds to Letter 2761C, for additional information regarding what dates to use.
 - b. If there is a posted TC 500 date for which the taxpayer is responding and it is incorrect, remove it with TC 502 and input the correct dates.
 - (5) For accounts with Combat indicator “1”, ensure the CZ status is correct before figuring a current balance. Follow IRM 5.19.10.7.2.2, Combat Zone Research, and IRM 5.19.10.7.2.3, Resolving Combat Zone Accounts.
 - (6) On active CZ participants only (Combat indicator “1”), compute the payoff balance due (including accruals) to the date of the TC 500 Closing Code 52, 54, or 56 (CZ entry date).
 - CC INTST will provide the correct amount if the taxpayer is still in the combat zone.
 - If the balance due posts while the taxpayer is in the CZ, the assessed balance is the total amount owed, if full paid before the suspense period ends.
 - See IRM 5.19.10.6.4, Combat Zone Computation of Suspense Period.
 - (7) For inactive CZ participants, compute the payoff amount to the entry date, then resume after the suspense period.
 - a. For FTP Penalty (with or without a G– freeze), determine the total amount of FTP already assessed.
 - b. If it is at least 25% of the unpaid tax (minus prepaid credits) that was due by the return due date, no additional FTP is due.
 - c. Otherwise, FTP must be manually calculated. See IRM 20.1.2, Failure To File/Failure To Pay Penalties.
 - (8) Interest will systemically resume on Master File (CC IMFOLT) once the CZ suspense period ends if:
 - An unreversed TC 500 will restrict interest computation.
 - The module has no other restricted interest freeze. See Document 6209, Section 8A.4, *Master File Freeze Codes and IDRS Status 48*, for a list.

- There are no overlapping CZ tours of duty. Tours of duty are considered overlapping when the taxpayer exits a CZ and then returns to the CZ within 180 days of the exit date and
- There are no payments with an earlier date that posted after a TC 340 date that contains a computed interest amount. On the example below, Master File is unable to compute interest.

Transaction Code	Posted Date	Transaction-Amount	Cycle-Day
TC 340	04/12/2004 (COMP-INT-AMT> 3,008.08 DB-CR-INT-TO-DT>03/22/2004)	328.71	200943
TC 670	03/10/2004	100.00-	200945

- (9) If you are providing a payoff amount to the taxpayer, CC INTST will provide a correct balance. However, if interest is still restricted, you must manually compute the interest and FTP accruals. See IRM 20.2.7.11.1, Time Disregarded by Reason of Combat Zone Service and IRM 20.2.7.11.2, Combat Zone Interest Suspension. CC INTST will not compute the accruals. For computing FTP penalty, see IRM 20.1.2.2.2.1, Combat Zone - IRC 7508.
- (10) For inactive CZ participants (Combat indicator “2”), refer to IRM 5.19.1.6.2, Can Full Pay Balance Due Now (Payoff), or IRM 5.19.1.6.3, Short Term payment Plan Within 180 Days .
- (11) Update AMS history with information about the payoff request, balance due and CZ dates.

5.19.10.6.5.8
(10-10-2023)

**Combat Zone
Installment Agreement
and Short Term Payment
Plans**

- (1) For AM Toll-free obtain the entry and exit dates from the taxpayer and enter the information on AMS. Take the following actions:

If...	And...	Then...
Taxpayer is still serving in, or is in the 180 day period following exit from the CZ	The account is in ST 43 (Combat indicator is “1” on CC IMFOLE)	1. Prepare Form 4442 2. Notate “COMBAT ZONE ST 43”. 3. Send to the appropriate CSCO
Taxpayer is no longer serving in a CZ	Combat indicator is “2” on CC IMFOLE	Follow procedures below in (7) and (11).
The Combat indicator is incorrect	Taxpayer gives updated information	Follow the <i>Telephone Transfer Guide</i> , located on SERP under the Who/Where tab.

- (2) For all others, follow the procedures below.

- (3) For accounts with Combat indicator “1”, ensure the CZ status is correct. To resolve, follow IRM 5.19.10.7.2.2, Combat Zone Research, and IRM 5.19.10.7.2.3, Resolving Combat Zone Accounts. If the open CZ status can be resolved, input the corrections and monitor the account until the Combat indicator updates to “2” or “0”. Then follow (7) through (11) below.
- (4) If the CZ suspense period is still open, research SC Status History, on CC TXMOD.
 - a. If ST 6X is present followed by ST 43, the taxpayer had an IA before entering a CZ.

When the CZ suspense period expires, the following occurs:
Accrued FTP Penalty and interest is manually assessed.
The IA is reinstated.
The reinstatement/ restructuring IA User Fee is waived, unless the taxpayer owed a fee prior to entry into the CZ.
A letter is sent to the taxpayer, providing a current balance due and the terms of the agreement.

- b. See IRM 5.19.10.10.14.3, IAAL Military Combat - Reinstatement of Installment Agreements, for more information.
- (5) If the taxpayer did not have an IA, once the CZ suspense period expires, balance due notices to the taxpayer will resume.
- (6) For accounts with Combat indicator “1”, take the following actions:

If...	Then...
The taxpayer had an IA prior to the CZ suspense period	Inform the taxpayer of the following: For phone: <ul style="list-style-type: none"> • The IRS does not establish regular installment agreements for CZ participants but will accept any voluntary payments. • 180 days following their exit date, the IA will be automatically reinstated. • They will receive a letter informing them of the reinstatement, with a current balance due and the terms of the agreement. For correspondence: Follow the above by sending Letter 2272-C, Installment Agreement Cannot be Considered/Extension of Time to Pay Cannot be Considered, or Letter 2761-C , Request for Combat Zone Service Dates.

If...	Then...
The taxpayer did not have an IA prior to the CZ suspense period	Inform the taxpayer of the following: For phone: <ul style="list-style-type: none"> • The IRS does not establish regular installment agreements for CZ participants but will accept any voluntary payments. • 180 days following their exit date, they will begin receiving balance due notices requesting payment. • They may request an IA or make a payment proposal, at that time. • If they decide to full pay, they must call the toll-free number on their notice to obtain a current balance. For correspondence: Follow the above by sending Letter 2272-C or Letter 2761-C.

- (7) When the CZ suspense period expires, the balance due module goes to ST 46 for two cycles and then balance due notices resume (Notice Status). When the module is in ST 46, installment agreements or CC STAUP can be input.
- (8) For accounts with Combat indicator "2" (balance due is in ST 46, Notice or TDA Status), follow procedures in IRM 5.19.1, Balance Due.
- (9) If interest and penalty is restricted on a ST 60 IA module, the account will go to the Installment Agreement Accounts Listing (IAAL) when the assessed balance is full paid. Interest and penalty accruals will then be assessed and the IA reinstated. When setting up an IA on a CZ account, computation of interest and penalty is not required unless the taxpayer requests a balance.
- (10) See IRM 5.19.10.10.2.1, Full Paid Restricted Interest and Penalty Accounts for more information.
- (11) Update AMS history with information about the IA request and CZ dates.

5.19.10.6.6
(08-15-2019)
**Combat Zone
Unpostables (UPC 133)**

- (1) Follow procedures below:

If	Then
If a TC 500 CC 57 unpostable is received	<ol style="list-style-type: none"> 1. Research IDRS for reason it went unpostable. 2. Input correct closing action, i.e. TC 500 CC 53 or TC 500 CC 55. 3. Input same TC 500 date listed on unpostable. 4. Include CSED "S" or "P" if needed. 5. Update AMS with action taken.

5.19.10.7
(09-13-2022)
**Combat Zone
Transcripts**

- (1) The IAT tools as listed in IRM 5.19.10.1.7, Related Resources, must be used by Campus Compliance employees for procedures outlined in this IRM. When an action must be taken and an IAT tool is available, Campus Compliance employees with access to the tool are required to use it to complete the action.

Note: If an IAT tool is not functioning properly or it is determined not to be appropriate due to a specific situation, the case should be worked without the tool, using IDRS. For more information on each tool as well as a job aid for each tool see the *IAT Website*.

- (2) This subsection provides procedures for Combat Zone transcripts. These transcripts issue if a –C freeze is present on a taxpayer’s account.
 - “COMBATZON” transcripts issue when a delinquent balance due return is filed to assess Failure to File Penalty.
 - Combat Zone Clean-Up transcripts issue each month for accounts with an unreversed CZ entry date two years and older. Employees research to resolve the open –C freeze condition or contact the taxpayer for more information.
- (3) Throughout these procedures, the term “combat zone” may refer to a combat zone, contingency operation or QHDA.
- (4) If a response is received to Letter 2761-C, Request for Combat Zone Service Dates, follow IRM 5.19.10.7.2, Combat Zone Clean-Up Transcript, to determine what action to take on the account.
- (5) Refer to IRM 5.19.10.6, Combat Zone Accounts when working other taxpayer correspondence or phone calls and there is a –C freeze or the issue concerns a CZ, CO or QHDA.
- (6) Combat Zone transcripts that have no compliance issues are worked by AM. SBSE CSCO works transcripts on balance due and return delinquency accounts.

5.19.10.7.1
(04-20-2022)
**“COMBATZON”
Transcript Procedures**

- (1) A transcript, “COMBATZON”, is generated when a delinquent filed balance due return posts and a TC 160 is on the tax module due to a –C freeze. This TC restricts the Failure to File Penalty from computing.
- (2) These transcripts are worked by SBSE CSCO in Kansas City.
- (3) Research CC IMFOLE for the Combat indicator.

If Combat indicator is...	Definition...	Take the following action...
“1”	The taxpayer is in a designated CZ	Do not take any action.
“2”	The taxpayer exited a designated CZ	Process the transcript and calculate failure-to-file penalty. See IRM 5.19.10.6.4, Combat Zone Computation of Suspense Period.

If Combat indicator is...	Definition...	Take the following action...
"0"	Removed indicator entirely, no valid dates	Determine if the TC 160 should be removed. If so, input TC 162 using CC REQ54 to allow the system to compute the penalty.
"3"	The taxpayer is hospitalized due to injury sustained in CZ	Do not take any action.

5.19.10.7.2
(04-26-2019)

Combat Zone Clean-Up Transcript

- (1) Combat zone Clean-Up transcripts are generated each month and consist only of accounts with unreversed CZ entry dates two years and older. The total number of open CZ accounts are divided over a 12 month period.

Example: If you are working transcripts with a received date of 11/22/13, the only accounts processed are those with a CZ entry date of 11/22/11 and earlier.

- (2) The purpose of these transcripts is to monitor all accounts with an unreversed TC 500 cc 52, 54, 56 or 58 or accounts with a –C freeze set by the Computer Condition Codes (CCC) “K” or “Z” or Return Processing Code (RPC) “R”.
- (3) There are two types of transcripts:
- Balance due and return delinquency worked by CSCO, identified by case Category Code “COCZ”.
 - All others worked by Accounts Management, identified by case Category Code “AMCZ”.
- (4) The transcripts are identified by the following literals:
- Unreversed TC 500 on TXMOD and IMFOLE or on IMFOLE only
 - No TC 500 present anywhere. A –C freeze is present and was set by CCC “K,” “Z” or RPC “R” and can be for any tax year.

5.19.10.7.2.1
(06-22-2018)

Combat Zone Clean-up Transcript Processing

- (1) Combat Zone transcripts are systemically controlled upon issuance. If a case is not systemically controlled, control the case on the CC TXMOD period of the earliest unreversed TC 500.
- (2) Research IDRS/AMS to determine whether the case can be closed or if a letter should be sent. See IRM 5.19.10.7.2.2, Combat Zone Research, and IRM 5.19.10.7.2.3, Resolving Combat Zone Accounts.
- a. If contact with the taxpayer is needed to obtain the correct entry and exit dates, send Letter 2761-C, Request for Combat Zone Service Dates.
 - b. Suspend the account for 60 days. In the letter, give the taxpayer 45 days to respond.
 - c. Follow IRM 5.19.10.7.2.5, Taxpayer Does Not Respond to Letter 2761C, if no response is received.
- (3) Document each action taken on the case in AMS history. Include any dates provided by the taxpayer, the dates of any Letter 2761-C, Request for Combat Zone Service Dates, that were sent or any calls that were made. If a subse-

quent transcript issues the next year, the history may assist the employee in resolving the CZ condition without contacting the taxpayer.

5.19.10.7.2.2
(04-20-2022)

Combat Zone Research

- (1) The Combat indicator and controlling TC 500s can be found on CC IMFOLE. The Combat indicators are:
 - “0” or blank = Not a CZ participant
 - “1”= Active
 - “2”= Inactive
 - “3”= Combat Zone Hospitalization
- (2) If working transcripts and Combat indicator is “0” or “2”. Close the case with no further action.
- (3) If Combat indicator “1” has been open for less than two years (i.e., the most recent open TC 500 entry date on CC IMFOLE is less than two years) from the transcript date, do the following:
 - a. Correct any other open TC 500s that are present if they can be resolved without taxpayer contact.
 - b. Enter AMS history and close the case.
- (4) The following chart lists TC 500 closing codes for entry date, closing codes for exit date and identifies the designated CZ:

TC 500 Closing Code (Entry Date)	TC 500 Closing Code (Exit Date)	Designated Combat Zone
52	53	Operation Desert Storm/Operation Joint Endeavor/ Haiti/Operation Unified Response
54	55	Bosnia/Yugoslavia/Operation Allied Forces
56	57	Operation Iraqi Freedom/Operation Enduring Freedom/Afghanistan/Iraqi Freedom/New Dawn
58	59	Combat Zone Hospitalization

- (5) The new TC 500 CC 58 will be used when a combat zone veteran has been hospitalized due to injuries sustained in a combat zone. Upon input of the TC 500 CC 58 an indicator 3 will systemically update to IMFOLE signifying that the taxpayer is hospitalized. Upon their exit from the hospital a new TC 500 CC 59 will be input, and IMFOLE will systemically update to an indicator 2 (no longer in a combat zone). The TC 500 CC 58 will mirror the existing functionality of the TC 500 CC 52/54/56 by extending the ASSED, suspending interest and penalties, and preventing collection, however, it will not prevent the extension of the CSED for the duration of hospitalization. The new TC 500 CC 59 will mirror the existing functionality of the 53/55/57 and allow for the re-entry into active collection 180 days from posting.
- (6) The source of the TC 500 on CC IMFOLE can be identified by the DLN.

If the DLN...	TC 500 was created...	TC 500 Location
<p>Has all 8s or 9s in the 6th – 13th position. A TC 500 DLN with 8s posts for the non-participating spouse. TC 500 DLN with 9s posts for the spouse who participated in the CZ.</p> <p>Example: 28277-888-88888-x, 28277-999-99999-x.</p>	<p>From DoD data sent each month.</p>	<p>CC IMFOLE and the tax module that is prior to the year of entry. EXAMPLE: Taxpayer entered CZ in 2012. TC 500s generate to the 2011 tax period.</p>
<p>Has a “2” in position 3 of the DLN. Position 4 and 5 carry the Document Code of the Form 1040 that was filed, which are 05 - 12, 21 or 22. (See Document 6209, <i>Master File Freeze Codes and IDRS Status 48</i>, Section 2-2, List of Returns and Forms.) EXAMPLE: xx207-xxx-xxxxx-x, xx210-xxx-xxxxx-x</p>	<p>When taxpayer noted “combat zone” on a tax return, amended return or e-filed return. The return was coded with CCC“ K”, “Z ”or RPC “R”.</p> <p>Note: Use of RPC “R” was disabled as of January 2007.</p>	<p>CC IMFOLE only. The DLN and entry date of the TC 500 match the DLN and TC 150 date of the tax return on which the taxpayer self-identified. NOTE: CCC“ K” sets cc 56, “Z” sets cc 52, RPC “R” sets cc 54.</p>
<p>Has Doc Code “77” in positions 4 and 5. Positions 6 – 13 will be variable. EXAMPLE: xxx77-123-58349-x.</p>	<p>By manual input using CC REQ77</p>	<p>CC IMFOLE</p>

(7) Locate all open TC 500s on the account. Research the following:

Research	Make Note of the following	Additional information
<p>CC IMFOLE</p>	<ul style="list-style-type: none"> • Combat indicator code • TC 500s open entry dates. • TC 500 date and DLN, if TC 500 is a tax return DLN. See (4) box 2 above. 	<ul style="list-style-type: none"> • TC 500s on CC IMFOLE that carry no date can be ignored. • If there are no TC 500s but –C freeze is present and Combat indicator is “1”, research CC IMFOLR/ TRDBV/RTVUE below.
<p>CC IMFOLR/ TRDBV/ RTVUE for each tax period on IMFOLI that has a –C freeze and a G– and/or –I freeze.</p>	<p>CCC“ K” or “Z” or RPC “R” and tax year. NOTE: RPC “R” can be located on CC TRDBV or RTVUE only.</p>	<ul style="list-style-type: none"> • Some –C freezes were set but a TC 500 did not generate. (“CZNO500” Transcripts). • Taxpayers may self-identify on more than one tax return. Not all tax return TC 500s may appear on CC IMFOLE.

Research	Make Note of the following	Additional information
CC IMFOLT for each tax period on CC IMFOLI that has a –C freeze and a G– and/or –I freeze.	<ul style="list-style-type: none"> TC 500(s) dates, closing codes, CSED Code (found only on CC IMFOLT) Tax period TC 150 DLN and date TC 976/977 is present along with TC 500 	<ul style="list-style-type: none"> If TC 500 on CC IMFOLE carries a TC 150 tax return DLN, the TC 150 with matching date and DLN must be located to correct the account. Taxpayers also self-identify on amended returns.
CC INOLES	<ul style="list-style-type: none"> X-REF TINs (cross reference accounts). See NOTE below Date of Death, if present 	Look for joint filers who switch primary taxpayers on tax returns or both spouses have served in a CZ. Check to see if one of the spouses has remarried. The correct information needed to close the transcript may be available on the cross reference account.
AMS, CC ENMOD and CC TXMOD history information	<ul style="list-style-type: none"> CZ information and dates Any Letter 2761-C sent and their dates Control base and IDRS history 	Research account for accurate information.
X-REF TINs	Research IDRS and AMS	<ul style="list-style-type: none"> If the Combat indicator on CC IMFOLE is “blank” or “0” discontinue research If Combat indicator is “1” or “2”, follow the same research path as above.

Note: If another employee has an open Combat Zone Clean-Up transcript on the X-REF TIN, the employee with the earliest control date will work the primary and cross reference accounts. If needed, contact the employee with the other control base to coordinate. The losing employee will close their case on AMS as “Transferring an Open Control Base to Another - IDRS number, who has the earliest combat zone transcript.” Input history item on IDRS (e.g. “H,SEEAMSHIST”) and AMS history on the cross reference TIN account to alert the other caseworker.

5.19.10.7.2.3
(10-10-2023)

Resolving Combat Zone Accounts

- (1) After researching the account, follow the procedures below for resolving CZ accounts.
- (2) Compare the TC 500 closing codes, entry, and exit dates to determine each CZ suspense period. All open TC 500s must be located and resolved (unless otherwise directed below), either by removal or the input of a TC 500 with a valid exit date.
- (3) Follow the table to address ALL other unreversed TC 500s.

Exception: For self-identified TC 500s created by coding a tax return CCC “K” or CCC “Z”, it is only necessary to address the one that is open on CC

IMFOLE. Once the open one on CC IMFOLE is resolved, other unresolved return TC 500s will be ignored by Master File.

If...	And...	Then...
CC INOLES indicates the taxpayer is deceased	Date of Death is prior to the CZ entry date.	See procedures below for removing the TC 500.
CC INOLES indicates the taxpayer is deceased	Date of Death was after the CZ entry date and the taxpayer has a surviving spouse.	See procedures below for sending Letter 2761-C.
CC INOLES indicates the taxpayer is deceased	Date of Death was after the CZ entry date and the taxpayer has no surviving spouse.	Input a TC 500 cc 53, 55 or 57 exit date that is the earlier of the date of death or two years from the entry date.
Date of birth on CC INOLES indicates the taxpayer was over 65 or under 18 at the time of CZ entry.	No indication of military income for that year on CC IRPTR and no DoD dates around the same time frame.	See procedures below for removing the TC 500.
On accounts with entry dates for 1994 and prior	There is no information on AMS or IDRS that provides a resolution of the open entry date.	Input a TC 500 cc 53, 55 or 57 exit date that is two years from the entry date.
<p>Open TC 500 on CC IMFOLE is from a tax return, i.e.:</p> <ul style="list-style-type: none"> • Open TC 500 has a return DLN or • Open TC 500 on CC IMFOLE and also on CC TXMOD along with a TC 976/977 (Form 1040X). <p>Note: Research the Form 1040X on Correspondence Imaging System (CIS), if available. If there is nothing on the form that indicates the taxpayer is self-identifying, remove the related TC 500. See procedures below.</p>	The tax return TC 500 entry date open on CC IMFOLE is within 18 months of any DoD TC 500 dates present on CC IMFOLE	<p>See procedures below for removing the TC 500.</p> <p>Note: Only remove the tax return TC 500 that is open on CC IMFOLE.</p>

If...	And...	Then...
<p>Open TC 500 on CC IMFOLE is from a tax return, i.e.:</p> <ul style="list-style-type: none"> • Open TC 500 has a return DLN or • Open TC 500 on CC IMFOLE and also on CC TXMOD along with a TC 976/977 (Form 1040X). <p>Note: Research the Form 1040X on Correspondence Imaging System (CIS), if available. If there is nothing on the form that indicates the taxpayer is self-identifying, remove the related TC 500. See procedures below.</p>	<p>The tax return TC 500 open on CC IMFOLE was late filed and any DoD TC 500 dates present on CC IMFOLE fall within the tax year of the return</p>	<p>See procedures below for removing the TC 500.</p> <p>Note: Only remove the tax return TC 500 that is open on CC IMFOLE.</p>
<p>Open TC 500 on CC IMFOLE is from a tax return, i.e.:</p> <ul style="list-style-type: none"> • Open TC 500 has a return DLN or • Open TC 500 on CC IMFOLE and also on CC TXMOD along with a TC 976/977 (Form 1040X). <p>Note: Research the Form 1040X on Correspondence Imaging System (CIS), if available. If there is nothing on the form that indicates the taxpayer is self-identifying, remove the related TC 500. See procedures below.</p>	<p>The tax return CZ TC 500 entry date open on CC IMFOLE is more than 18 months from any DoD TC 500 dates present on CC IMFOLE.</p>	<p>See procedures below for sending Letter 2761-C.</p>

If...	And...	Then...
<p>Open TC 500 on CC IMFOLE is from a tax return, i.e.:</p> <ul style="list-style-type: none"> • Open TC 500 has a return DLN or • Open TC 500 on CC IMFOLE and also on CC TXMOD along with a TC 976/977 (Form 1040X). <p>Note: Research the Form 1040X on Correspondence Imaging System (CIS), if available. If there is nothing on the form that indicates the taxpayer is self-identifying, remove the related TC 500. See procedures below.</p>	No DoD dates are present on CC IMFOLE	See procedures below for sending Letter 2761-C.
Duplicate DoD TC 500s cc 52, 54, 56 are on the module with the same entry date but one TC 500 has a CSED Code "P" and the other TC 500 has a CSED Code "S".	Only one DoD TC 500 53, 55, 57 is present with CSED Code "P" or "S"	Input a duplicate TC 500 cc 53, 55, 57 to close out the open TC 500 cc 52, 54, 56. Use the same CSED Code as the open TC 500.
Based on research, an unreversed TC 500 on CC TXMOD/ IMFOLT has a correct entry date.	The exit date is known	Input TC 500 cc 53, 55, 57 to close out the TC 500 cc 52, 54, 56. Follow (5) below.
Based on research, an unreversed TC 500 on CC TXMOD/ IMFOLT has a correct entry date	The exit date is not known	See procedures below for sending Letter 2761-C.
It can be determined that a TC 500 entry date on CC TXMOD/ IMFOLT is incorrect	Taxpayer may not have been in a combat zone	See procedures below for removing the TC 500.
Unable to determine if TC 500 entry date on CC TXMOD/ IMFOLT is correct	The entry date of the TC 500 falls within the entry and exit date of another CZ suspense period that has the same CSED and closing codes	Take no action. This date is ignored by Master File.
Unable to determine if TC 500 entry date on CC TXMOD/ IMFOLT is correct	History on IDRS or AMS shows that one or more Letter 2761-C were sent regarding the unreversed TC 500 and no indication of taxpayer reply	Follow IRM 5.19.10.7.2.5(1) box 1, Taxpayer Does Not Respond to Letter 2761C.

- (4) If Combat indicator “1” has been open for more than two years (i.e., the most recent open TC 500 entry date on CC IMFOLE is more than two years old) and cannot be resolved using the procedures above:
 - a. Beginning in 2012, military orders or other documentation are required for self-identified entry dates of 2010 and later. Accounts resolved via Generalized IDRS Interface (GII) are excepted at this time. Follow IRM 5.19.10.6.2(7), (8) and (9), Combat Zone Qualified Individuals and Areas.
 - b. Send the Letter 2761-C to request the dates from the taxpayer
 - c. Suspend the account for 60 days. In the letter, give the taxpayer 45 days to respond.
- (5) Follow procedures below to make corrections to the CZ account. For multiple input corrections, delay each input by one cycle.

Example: TC 500 followed by TC 502 with no Posting Delay Code, followed by TC 500 cc 56 PDC 1, followed by TC 500 cc 57 PDC 2.

TC 502 and TC 342/272/162 can post in the same cycle.

To...	Then...
Input a TC 500 entry date to CC TXMOD. <ul style="list-style-type: none"> • If it is a new entry, enter it to the tax period for the year of entry. • If a tax return was not filed for the year of entry, input TC 500 to a prior year. <p>Note: CC REQ77 will not accept a TC 500 with an entry date that is prior to the tax year. For example, an attempt to input an entry date of September 1, 2006 to the 2007 module will not take.</p>	Using CC REQ77, input TC 500 cc 52, 54 or 56. Enter the entry date in the TRANS-DT field. Use CSED Code “P” or “S”, if known.
Input a TC 500 entry date for first time filer	Input TC 500 cc 52, 54, or 56 using an entry date of January 1st to the first tax period filed by the taxpayer.
Input a TC 500 exit date to CC TXMOD where the TC 500 entry date is located.	Input TC 500 cc 53, 55 or 57. Enter the exit date in the TRANS-DT field. Use the same CSED Code as the TC 500 cc 52, 54 or 56.
Input an exit date for an entry date created by the filing of a tax return (CCC “K”, “Z” or RPC “R”).	<ol style="list-style-type: none"> 1. Input a TC 500 cc 52, 54 or 56 to the tax period on which the taxpayer self-identified. For the entry date, use the TC 150 date. 2. Follow with a TC 500 cc 53, 55 or 57, with the exit date.

To...	Then...
Remove an entry date created by the filing of a tax return (CCC "K", "Z" or RPC "R") NOTE: CCC "K" sets cc 56, "Z" sets CC 52. RPC "R" sets CC 54.	<ol style="list-style-type: none"> 1. Input a TC 500 CC 52, 54 or 56 to the tax period on which the taxpayer self-identified. For the entry date, use the TC 150 date. 2. Then, input TC 502. Use the same CSED Code as the TC 500. If the account has balance due modules, address any TC 340/270/160s per (6) below. 3. If there are other TC 500s on the module that should not be removed, re-input them with the correct PDC to post after the TC 502 or input them to an earlier module.
Remove TC 500s on CC TXMOD.	<ol style="list-style-type: none"> 1. Input TC 502. Use the same CSED Code as the TC 500. 2. If the account has balance due modules, address any TC 340/270/160s. See last paragraph.
Remove all TC 500s, CZ freeze condition(s) created by the filing of a tax return AND remove –C freeze from the account. (Taxpayer indicates "never in a combat zone".)	<ol style="list-style-type: none"> 1. Input TC 502 to all tax periods that contain TC 500s. Use the same CSED Code as the TC 500. 2. Follow box 4 above to remove the TC 500 or freeze condition(s) from each tax return coded CCC "K" or "Z". 3. If there is a TC 340, TC 160, or TC 270 on the account, (Check all tax modules with a G– and/or –I freeze.) you MUST manually input the TC 342 .00, TC 162 .00, or TC 272 .00 using CC REQ54 to remove the restriction on computation of the interest and penalties. DO NOT input TC 162 if the return is delinquent.

- (6) For accounts with balance due modules, to correct the TC 340/270/160, figure the CZ suspense period for the most recent entry and exit date still on the account.

Example: The most recent entry and exit date is February 1, 2009 to October 31, 2009. Add 180 days. The CZ suspense period is February 1, 2009 to April 29, 2010.

Note: Since the last suspense period ended in 2010, do not address any TC 340/270/160 found on tax periods 2010 and prior. However, remove TC 340/270/160, if they were created by a TC 500, when they appear on any balance due modules for tax periods 2011 and subsequent.

Exception: DO NOT input TC 162 if the tax return is delinquent.

5.19.10.7.2.4
(04-20-2022)
**Taxpayer Responds to
Letter 2761C**

- (1) Input Operation received date when comments are put on AMS concerning receipt of Letter 2761C. This is necessary for the monitoring of correspondence for 90 days by CSCO employees.
- (2) If the taxpayer responds, "Still in Combat Zone" and does not provide entry/exit dates, input AMS history and close the case.
- (3) When the taxpayer attaches documentation such as military orders, discharge from active duty or other:
 - Documentation is NOT required for DoD dates and for other entries dated prior to 2010. Follow (4).
 - If taxpayer dates are within 60 days of documentation dates, use the taxpayer dates. If taxpayer dates disagree with documentation dates by more than 60 days, use the documentation dates. If an entry date is already present on IDRS, correct it using the criteria above.
 - Only resolve the open TC 500s. If taxpayer provides documentation for dates that are already closed, input the documentation dates on AMS. Do not change TC 500 dates that are already closed.
 - If taxpayer provides new entry/exit dates that are not on IDRS, input the dates via CC REQ77.
- (4) See IRM 5.19.10.7.2.3(6), Resolving Combat Zone Accounts, for input instructions.
- (5) For responses regarding CZ entry dates dated prior to 2010 and for all DoD entry dates, follow procedures below, if taxpayer responds by providing requested information. When corrections to the TC 500/502 are needed, delay each input by one cycle.

If...	And...	Then...
Entry date is from DoD	N/A	Input the exit date provided by the taxpayer.
TC 500 cc 52, 54 or 56 entry date is on the tax module.	DoD dates are not present	<ol style="list-style-type: none"> 1. Remove the TC 500 by inputting a TC 502 if entry date on tax period is not within 60 days of the taxpayer's date. 2. Input the correct dates provided by the taxpayer.
The -C freeze condition was created by a tax return. (CCC: K , Z or RPC: R) with no TC 500 entry date on the tax module.	DoD dates are not present	<ol style="list-style-type: none"> 1. Input TC 500 using the date of the TC 150 as the transaction date. Determine the closing code using the return's CCC or RPC. 2. Input TC 502 to remove the TC 500. 3. Input the correct dates provided by the taxpayer.

If...	And...	Then...
The –C freeze condition was created by a tax return. (CCC: “K”, “Z” or RPC: “R”) AND DoD entry and/or exit dates are present on the account.	TC 500 CC 52, 54 or 56 entry date is not on the tax module and exit date provided is within the 180 day suspense period after the DoD exit date	<ol style="list-style-type: none"> 1. Input TC 500 using the date of the TC 150 as the transaction date. Determine the closing code using the return’s CCC. 2. Input TC 502 to remove the TC 500. 3. Do not input the entry and exit dates from the taxpayer. See EXAMPLE 1 below.
The –C freeze condition was created by a tax return. (CCC: “K”, “Z” or RPC: “R”) AND DoD entry and/or exit dates are present on the account.	TC 500 CC 52, 54 or 56 entry date is not on the tax module and exit date provided is not within the 180 day suspense period of the DoD exit date	<ol style="list-style-type: none"> 1. Remove the TC 500 freeze condition created by the tax return. 2. Input TC 502 to remove the TC 500. 3. Input the entry and exit dates provided by the taxpayer.
TC 500 CC 52, 54 or 56 entry date is on the tax module, AND DoD entry and/or exit dates are present on the account.	Taxpayer exit date provided is within the 180 day suspense period after the DoD exit date.	<ol style="list-style-type: none"> 1. Remove the TC 500 by inputting a TC 502. 2. Do not input the entry and exit dates from the taxpayer. See EXAMPLE 1 below.
TC 500 CC 52, 54 or 56 entry date is on the tax module ,) AND DoD entry and/or exit dates are present on the account.	Exit date provided is not within the 180 day suspense period of the DoD exit date.	<ol style="list-style-type: none"> 1. Remove the TC 500 on the tax module by inputting a TC 502 if the entry date on the module is different from the taxpayer’s date by more than 60 days. 2. Input the entry and exit dates from the taxpayer. See EXAMPLE 2 below. If taxpayer’s entry date is within 60 days of the posted TC 150, enter the taxpayer’s exit date.
A late reply is received from the taxpayer and the TC 500s were corrected per IRM 5.19.10.7.2.5, Taxpayer Does Not Respond to Letter 2761C.	Combat Zone status was removed using TC 502.	Input the entry and exit dates provided by the taxpayer on the original TXMOD. Restrictions may need to be reinput. See IRM 5.19.10.7.2.3(6), Resolving Combat Zone Accounts. .
A late reply is received from the taxpayer and the TC 500s were corrected per IRM 5.19.10.7.2.5, Taxpayer Does Not Respond to Letter 2761C.	The TC 500 entry date was set systemically by DoD and an exit date two years from the entry date was input.	Remove the two year exit date and use the entry and exit dates provided by the taxpayer.

Note: DoD dates are January 1, 2005 to March 31, 2005. The 180 day suspense period ends September 27, 2005.

Example: 1: Taxpayer dates are February 1, 2005 to July 31, 2005. The taxpayer's dates are within the 180 days of the DoD exit date. Use the DoD entry and exit date. Do not input the taxpayer's dates.

Example: 2: Taxpayer dates are February 1, 2005 to October 30, 2005. The taxpayer's dates are 33 days beyond the 180 days of the DoD exit date. Input the entry and exit date provided by the taxpayer. If the taxpayer does not provide you with an entry date, use the manually input entry date or the DoD entry date, whichever is earlier.

- (6) If the taxpayer response is incomplete or does not indicate participation in a Combat Zone area:

If....	Then....
Taxpayer's response is they were never in a CZ or refuses to provide the requested dates	Remove all TC 500s and the -C freeze conditions from the account.
Taxpayer does not provide documentation, or documentation does not support their claim.	Remove any TC 500 on the account that was entered for this combat zone period. Refer to IRM 5.19.10.7.2.3(5), Resolving Combat Zone Accounts, for correction procedures.
Taxpayer's responds they served in an area that is not qualified for the CZ suspension. See IRM 5.19.10.6.2, Combat Zone Qualified Individuals and Areas, for a current list	<ol style="list-style-type: none"> 1. Remove the associated TC 500 dates from the account. 2. Send Letter 2761-C, to inform the taxpayer that they do not qualify for combat zone postponement, but may qualify for military postponement.

- (7) Take all appropriate account actions for any other tax year when the taxpayer provides it in their response to the Letter 2761C, even if it is for a tax year not being worked by transcript.
- (8) When all actions are completed, document them on AMS. If the account is controlled to you on IDRS, close your control base.
- (9) CSCO will retain responses to Letter 2761C in a paper file for three months or 90 days from operation received date.

5.19.10.7.2.5
(10-10-2023)
Taxpayer Does Not Respond to Letter 2761C

- (1) Take the following actions when the taxpayer does not respond to the Letter 2761-C , Request for Combat Zone Service Dates. See IRM 5.19.10.7.2.3(5), *Resolving Combat Zone Accounts*, for input instructions.

If...	And...	Then...
Taxpayer does not respond within 60 days, or until extended time referenced in IRM 5.19.10.6 .	TC 500 cc 52, 54 or 56 is present on the tax module and was not set by DoD	Input TC 502 to remove the entry date.
Taxpayer does not respond within 60 days, or until extended time referenced in IRM 5.19.10.6	Was set systemically by DoD	Input TC 500 with the correct cc 53, 55 or 57 and an exit date two years from the entry date.
Taxpayer does not respond within 60 days, or until extended time referenced in IRM 5.19.10.6	TC 500 cc 52, 54 or 56 is not on the tax module, but the –C Freeze is present, set by CCC“ K” or “Z” or RPC “R”	See IRM 5.19.10.7.2.3(5), Resolving Combat Zone Accounts, to remove.
Letter 2761-C, is returned undelivered. Research for a possible new address	Another address is found	Reissue the letter.
Letter 2761-C, is returned undelivered. Research for a possible new address	No new address is found and TC 500 is not present on the tax module, and –C freeze is present, set by CCC “K” or “Z” or RPC “R”	<ol style="list-style-type: none"> 1. Input to CC ENMOD “2761C-UD”. 2. Input TC 500 Closing Code 52, 54 or 56. The entry date is the TC 150 date. 3. Input TC 500 cc 53, 55 or 57, with the exit date two years from the entry date.
Letter 2761-C, is returned undelivered. Research for a possible new address	No new address is found AND TC 500 is present on the tax module.	Input TC 500 cc 53, 55, or 57 two years from the entry date.
Letter 2761-C sent to the taxpayer’s ex-spouse is returned undelivered. Research for a possible new address. See NOTE below.	Another address is found for the ex-spouse.	Reissue the letter to the ex-spouse. Do not reissue the letter to the taxpayer’s address.
Letter 2761-C sent to the taxpayer’s ex-spouse is returned undelivered. Research for a possible new address. See NOTE below	No new address is found for the ex-spouse.	<ol style="list-style-type: none"> 1. Input history to CC ENMOD, “UD2761C2SP” and AMS. 2. Do not input an exit date. 3. If there is time remaining in the 60 day suspense period, wait for the taxpayer’s reply to Letter 2761-C for proper resolution of the case.
If the primary taxpayer has replied for the ex-spouse.	N/A	Do not address the UD.

Note: When a Letter 2761-C is sent to a taxpayer, a copy of the letter is sent to the taxpayer’s ex-spouse if a joint return was filed for the year in question, and if the ex-spouse now resides at a different address. For information on how to identify these accounts see IRM 2.4.6.6.4, Ex-Spouse Indicator.

- (2) Close the IDRS control base after documenting AMS per IRM 5.19.10.7.2.1, Combat Zone Clean-up Transcript Processing.

5.19.10.8
(02-08-2023)
—Q Transcripts

- (1) The IAT tools as listed in IRM 5.19.10.1.7, Related Resources must be used by Campus Compliance employees for procedures outlined in this IRM. When an action must be taken and an IAT tool is available, Campus Compliance employees with access to the tool are required to use it to complete the action.

Note: If an IAT tool is not functioning properly or it is determined not to be appropriate due to a specific situation, the case should be worked without the tool, using IDRS. For more information on each tool as well as a job aid for each tool see the *IAT Website*.

- (2) Diagnostic–Q (DIAG–Q) transcripts are generated weekly to identify potential problem modules on the Taxpayer Identification File (TIF) data base and to offer a random review of the TIF’s content. These transcripts provide a means to identify and remove unnecessary accounts from the TIF files. SB/SE CSCO works BMF and IMF transcripts at various campuses.
- (3) The DIAG-Q transcripts will be identified by a one character type code: Y, X, M, D, E, O, F, R, 1-9, A, S, P, G or C in that priority order. The type code is printed in the transcript heading, and each type is sorted so that it prints together, except types F, O, and M. For additional information on DIAG-Q Transcripts, refer to IRM 2.9.1.18, Diagnostic Transcripts, and IRM 2.9.1.19, Reason Codes General Processing Information.
- (4) Every TIF module contains an RC reflecting the highest priority criteria for which the module is being retained. Understanding the RC is sometimes necessary when resolving numeric type (1-9) DIAG-Q transcripts. The most common RCs found on Collection DIAG-Q transcripts modules are:
- Balance Due: 55, 6I, 6N, 6T, FF, PA, PB, PC, and PD
 - Return Delinquency: EE, QQ, SS, T1, T2, T3, T4 and T5
 - Freeze conditions: 33
 - Unpostable: BU
 - Open Control Base: UA, UB, UM, and US

5.19.10.8.1
(04-20-2022)
General Procedures for
Diagnostic–Q
Transcripts

- (1) Review DIAG–Q transcripts immediately upon receipt and process as follows: return or forward the following per campus directions to User Support or to the appropriate area:
- Type P
 - Type A, unless requested by CSCO through User Support
 - Freeze Code –Z– Y–, or –X
 - Freeze Code –A or –L without a –W, –V, or –Y
 - Issue is not a Collection issue
 - Open control base for a function other than Collection
 - Transcript does not meet criteria for generation
 - A credit balance with a settled return and ASED is more than 180 days (six months). If the ASED is within 180 days, route to the Statute function.
- (2) If the transcript shows an open CSCO control base (upper right corner), route to the employee or group assigned.

- (3) The Balance Due/TDA Section will process the following types, if there is no open control base:
 - Type C
 - Type S with the following RCs: 33, 55, 6I, 6N, 6T, 77, MM, PA, PB, PC, YY, **, (Freeze codes C-, F-, I-, W-, Z-, -A, -I, -V, -W only), and PD (When Status code is 43,44, 47, 48, 50 or 51 only)
 - Type M
 - Numerics with the following RCs: 33, 55, 6I, 6N, 6T, 77, MM, PA, PB, PC, PD, YY, **, (Freeze Codes C-, I-, L-, V-, -A, -I, -N, -T, -U, -V, -W,
- (4) The Return Delinquency/TDI Section will process the following types, if there is no open control base:
 - All Type D
 - All Type E
 - Type R with no TC 150 or TC 240
 - Numerics with no TC 150
- (5) Each CSCO establishes a monitoring system to ensure the expected action occurs when a DIAG–Q transcript is resolved. The review cycle depends on the action taken or expected.
- (6) CSCO should monitor the types of DIAG–Q transcripts generated to identify trends, determine where additional training or review is needed, and to identify necessary procedural or system changes.
- (7) Numeric transcripts generate yearly until account is resolved.
- (8) If the module on the transcript is no longer on IDRS, take no action. Destroy transcript, and put comments on AMS.
- (9) For research procedures, see IRM 5.19.10.5.1, General Procedures For All Transcripts. Document AMS with the following history item, “DIAG#RSHRD”, for diagnostic credit research.
- (10) If there is a –V, –W or –VW on the account, see IRM 21.5.6.4.44, -V Freeze, and IRM 21.5.6.4.46, -W Freeze.
- (11) If there is a –Y freeze on the account, with a TC 470 in the module, and the status is 71, input a TC 472. Document AMS with actions.
 - a. If the CSED is within six months of expiring and there is a TC 470 on the module, see IRM 5.19.10.5.6, Claim Pending Collection Statute Transcript (AM 23W). The TC 470 is unnecessary.
 - b. If a transcript has generated with a –Y freeze for any other reason, forward to the correct OIC Unit.
- (12) If there is a TC 608 on the module see IRM 5.19.10.4, Collection Statute Expiration Date (CSED) Verification and Correction, all subsections. See IRM 5.19.10.5.2, PMTEXPCSED Transcripts, and the appropriate general section. Make sure the CSED statute law has been followed.
- (13) Each campus should establish an inventory control system to maintain receipts, closings and current inventories.

5.19.10.8.2
(02-01-2014)
Diagnostic-Q, Type C

- (1) Type C DIAG-Q transcripts are generated when the CSED has expired and both of the following conditions exist.
 - a. The RC is 55, 6I, 6T, 6N, PA, PB, PC, or PD, and
 - b. The current service center (SC) status is 19 through 89, (except 23, 27-40, 45, 52-55, 59, 62, 65-70, 74-88).
- (2) Some modules, with RC 55, are brought to IDRS for the first time, and the CSED may have already expired. Most of these will age off in one week.
 - a. If no other retention criteria remains on the module or account, no follow-up transcript will be generated.
 - b. If retention criteria exists, a follow-up transcript will generate whenever there is activity on the module; otherwise, the module will drop from the TIF during the weekend update following the date of the transcript.

5.19.10.8.2.1
(04-20-2022)
Processing
Diagnostic-Q, Type C

- (1) Review the module for retention criteria and a TC 608. If any are found, resolve the issue. If the latest CSED has expired, there should be a TC 608 in the module.
 - a. If there are retention criteria on the module, resolve them and allow the computer to update.
 - b. If the module has more than one assessment, review the payments to make sure they were not made before the CSED. Ensure IRC 6502 has been followed. If IRC 6502 has been violated, take the necessary action to resolve the issue. Follow procedures in IRM 5.19.10.5.2, PMTEX-PCSED Transcripts, when payments have been applied after the CSED.
 - c. Cases in ST 24 (Queue) should be reviewed for tax liability and expired statutes. If the CSED has expired, a TC 608 should be in the module.
 - d. If the module contains -C and -I freeze codes and a TC 608, input TC 290.
- (2) If there is an "N" after the TIN, it is a NMF account. Follow the procedures below:
 - a. Research all transcripts on ANMF to determine if the account is open or closed.
 - b. If the module is closed on ANMF and the SC Status is 89, input STAUP 12. Document AMS with the following history items: DIAGCASC, Diagnostic C ANMF System closed.
 - c. If the module is still open on ANMF, route the TIN to the NMF Operation. Refer to the Figure below, Fax Request for Action on NMF Account. This template is designed exclusively for the NMF Operation. This figure should be used as a group FAX, and the contact person should be designated by the campus. Notate "CSED Issue". Document AMS with the following history item, DIAGCASOR, Diagnostic C ANMF System open Route.

Fax Request for Action on NMF Account
To:
FAX Number:
From (contact person):

Fax Request for Action on NMF Account
Organization/Campus:
Phone Number:
TIN:
MFT:
TAX Period:
Request:
Confidentiality Notice: This facsimile transmission and the documents accompanying it may contain confidential information which is privileged or is subject to non-disclosure provisions of Federal Law, including 26 U.S.C., Section 6103 and the Privacy Act, 5 U.S.C., Section 552a. If you are not the intended recipient, you are hereby notified that any disclosure, copying, or distribution, or the taking of any action in reliance on the contents, is prohibited. If you have received this transmittal in error, please notify the sender immediately to arrange for the return of the document.

Figure 5.19.10-5

5.19.10.8.3
(02-08-2023)
Diagnostic-Q, Type S

- (1) Type S DIAG-Q transcripts with the following RCs: 55, 6I, 6N, 6T, 77, FF, MM, PA, PC, YY, **, 33 (Freeze codes -C, -F, V-, G-, -I, V-, or W- only), and PD (When ST code is 43,44, 47, 48, 50 or 51 only) are generated when a module is in:
 - ST 46, 49, 50, 51, 76, and 77 and the status did not update within 5 cycles, or
 - ST 48 and the number of cycles in the delay has passed, or
 - ST 47 and the status did not update timely, or
 - ST 23 and no control base (immediately)
- (2) A follow-up transcript generates every 5 cycles, as long as the module meets the criteria in (1) above. CSCO is responsible for working these transcripts; there are still weekly computer programs designed to update the statuses automatically.
- (3) If the transcript is a follow-up, check AMS or IDRS history section; if DIAGSRHRD is present, document AMS and close the control.
- (4) Process using General Instructions in IRM 5.19.10.5.1, General Procedures For All Transcripts and IRM 5.19.10.7.2, Combat Zone Clean-Up Transcript.

5.19.10.8.3.1
(02-08-2023)
Processing Type S

- (1) The following If/And/Then Chart provides procedures for processing a module when the statuses are mismatched, CSED is not imminent or is imminent with and without freeze codes, and no action cases.
- (2) Follow the procedures below to process Type S:

If...	And...	Then...
Statuses are mismatched/ cycle delay has expired.	CSED is imminent/no other restriction/Balance due (amount n/a).	<ol style="list-style-type: none"> Document AMS with the following history item, "DIAGSCSED," then close the control. Note: When the CSED is imminent, the only status the module will change to is 12. All restrictions must be removed before the module goes to the retention file. If a follow-up transcript is received, check the IDRS history section as well as AMS for the above history item; if found, document AMS and close. If not found, see 1).
Statuses are mismatched/ cycle delay has expired.	CSED is imminent, Freeze Code I—	<ol style="list-style-type: none"> Resolve I— per IRM 5.19.10.8.7.3, Freeze Code I— (Credit Interest Restricted). If a follow-up transcript is received, and no additional restrictions are found, close the control. Refer to the Note in the first Then 1) at the top. Additional follow-up transcripts, refer to the Note in the first Then 2).
Statuses are mismatched/ cycle delay has expired.	CSED is imminent, Freeze Code –I.	<ol style="list-style-type: none"> Resolve –I following IRM 5.19.10.8.7.2, Freeze Code –I (Debit Interest Restricted). If a follow-up transcript is received, and there are no additional restrictions, refer to the Note in the first Then 1).
Statuses are mismatched/ cycle delay has expired.	CSED is imminent, Freeze Code W–.	<ol style="list-style-type: none"> Resolve W– per IRM 5.19.10.5.6, Claim Pending Collection Statute Transcript (AM 23W). If a follow-up transcript is received, and there are no additional restrictions, refer to the Note in the first Then 1) above.
Statuses are mismatched/ cycle delay has expired.	CSED is imminent, Freeze Code –V or –W (TC 520) or Code –Y (TC 480/780/782)	<ol style="list-style-type: none"> If there is an unreversed TC 470 in module, input TC 472. If a follow-up transcript is received, and there are no additional restrictions, refer to the Note in the first Then 1) above.
Statuses are mismatched/ cycle delay has expired.	CSED is imminent, Freeze Code –Z (TC 941).	Contact Criminal Investigation and follow their guidelines.
Statuses are mismatched/ cycle delay has expired.	CSED is imminent, Freeze Code A–	Resolve per IRM 5.19.10.5.5, CSED (SPC3) Transcript.

If...	And...	Then...
Statuses are mismatched/ cycle delay has expired.	CSED is not imminent.	<ol style="list-style-type: none"> 1. Search for restrictions and resolve them. 2. If there are no restrictions found, check IDRS/AMS history section to determine last action taken and check IDRS for the any updates to the module. 3. If the last action was a STAUP 22XX and the module shows no updates, input history item DIAGSCPH (CPH = Computer Problem sent to Headquarters). Route TIN to Headquarters for disposition. 4. If the last action was a STAUP 22XX and the module has been updated, input a STAUP 2201 if the amount is below the deferral amount. If the amount is above the deferral amount, input STAUP 2200.
If the module shows SC48/MF58	Balance is below the deferral amount.	<ol style="list-style-type: none"> 1. Input CC RECON, if module updates, use history item RECON. 2. If module doesn't update, after CC RECON, input CC STAUP 2201. Close and input history item STAUP 2201. 3. If a follow-up transcript generates, check the IDRS/AMS history section. If RECON or STAUP 2201 has already been done, input CC MFREQD. Close the control with history item MFREQD.
If the module shows SC6X/MFXX	Balance is below the deferral amount.	<ol style="list-style-type: none"> 1. Default IA using CC IADFL and Suppress Default Indicator "1". 2. CC STAUP 2201 3. Use history item IADFL/STAUP.
If the module shows SC6X/MFXX	Balance is above the deferral amount	<ol style="list-style-type: none"> 1. Determine if the taxpayer should be reinstated, or defaulted. 2. If the taxpayer should be reinstated, follow IRM 5.19.10.10.6.3, IAAL Review of Restricted Interest and Penalty Account - CSCO Processing. Document AMS with the following history item, IA/REINST, and close. 3. If the module should be defaulted, use CC IADFL with default category "OTHER" and Suppress Default Indicator "1". Input CC STAUP 2201. Document AMS with the following history item, IADFL/STAUP, and close.

If...	And...	Then...
If the module shows SC48/MF58	Balance is above the deferral amount	<ol style="list-style-type: none"> 1. Input CC RECON; if module updates, use history item RECON. 2. If the module doesn't update after RECON, input CC STAUP 2200. Document AMS with following history item, STAUP 2200, and close. 3. If a follow-up transcript generates, check IDRS/AMS history section for the command codes in 1) and 2). If found, input CC MFREQD. Document AMS with the following history item, MFREQD, and close.
MFT 35/65 has an unpostable TC 530/09	No other issues	Close case – no action

Figure 5.19.10-6

5.19.10.8.4
(02-01-2014)
Diagnostic–Q, Type E

- (1) Type E transcript generates when a TC 904 is sent to the TIF because the annual Master File leveling process has removed the module to the retention register and a corresponding module exists on the TIF with one of the following conditions:
 - Module status of 19-21, 46 (IMF CZ Only), 47, 48, 50, 56, 58, 60, 61, 63, 64, 89 (with Pending TC 500 or Pending TC 470).
- (2) These transcripts are generated once a year, BMF in cycle 3 and IMF in cycle 4. Most remain on the TIF until action is taken to cause the module to drop.
- (3) No follow-up transcripts are generated. However, if not resolved, other types of DIAG–Q transcripts may generate (For example: Type S or Type Numeric).
- (4) Review the module to determine if it should be dropped or removed from the TIF or reestablished on the Master File.
- (5) If recent activity such as a pending transaction, open control or unpostable appears on the account, take no action. Otherwise, resolve any restrictive conditions and close.

5.19.10.8.5
(06-01-2018)
Diagnostics–Q — Numerics

- (1) There are several conditions that will cause a Type Numeric DIAG–Q transcript to generate. The most common criteria for numeric DIAG–Q transcripts received in CSCO are:
 - The RC has not changed for one year
 - There has been no activity on the module for one year and
 - There is no open control base.
- (2) For IDRS module retention criteria, refer to IRM 2.9.1.13, IDRS Module Retention Criteria for the TIF.
- (3) These transcripts generate as soon as the criteria is met, and again each year on the anniversary of the last activity. The Type number 1–9 indicates the number of years since the RC was changed or updated.

- (4) Follow-up transcripts are not generated. However, if a numeric DIAG–Q is not resolved, the criteria holding the module on the TIF may also cause generation of alpha type and annual numeric DIAG–Qs.
- (5) Unlike some alpha type DIAG–Q transcripts, numerics 1–9 will not drop from the TIF when action is not taken. Each module must be analyzed and, in most instances, action must be taken to reactivate the module or remove it from the TIF. Type 5 - 9 should be reviewed by your campus. You should determine if the generation of the transcript is necessary, and the time frame is right or if feedback needs to be shared with responsible operation.

5.19.10.8.5.1
(04-20-2022)

- (1) When resolving a balance due/TDA numeric DIAG–Q, follow the table below.

Processing Numerics

If...	Then...
Latest CSED expired	<ol style="list-style-type: none"> 1. Look for a restrictive condition such as a I– freeze code and credit. Resolve all credit issues per IRM 5.19.10.5.2, PMTEX-PCSED Transcripts. 2. Check the payment date. If the RSED on the payment has expired, follow IRM 5.19.10.5.1, General Procedures For All Transcripts, to transfer the payment to the XSF or URF. <p>Note: If module contains a TC 582, resolve any retention and freeze code.</p>
Pending TC 470 (no cc, cc 94, or cc 98)	<ol style="list-style-type: none"> 1. Monitor the module until the transaction posts. 2. If the input of the transaction has been more than three weeks, refer to Type S procedures.
Module within six months of the latest CSED	Refer to IRM 5.19.10.8.3, Diagnostic-Q, Type S. Resolve all credit issues.
Statuses mismatch and cycle delay has passed	Refer to IRM 5.19.10.8.3, Diagnostic-Q, Type S.
Master file balance due notice issued within the past 5 weeks	Monitor. If more than 5 weeks, refer to, IRM 5.19.10.8.3, Diagnostic-Q, Type S.
A– Freeze Code	Look for an expired CSED; refer to IRM 5.19.10.5.5, CSED (SPC3) Transcript.
V– Freeze Code	Look for outstanding liability on another account. Refer to IRM 5.19.10.3.12, Generation of CP 44 and CP 188 or IRM 5.19.10.5.8, Non-Master File Liability (NMFL) Transcripts.

If...	Then...
- Freeze Codes	<ol style="list-style-type: none"> 1. If there is a TC 608 and/or lien on the module, the restrictive condition must be resolved in order for the lien to release. TC 582 is self releasing when the CSED expires or the module status is 12. 2. If the module contains a credit and TC 608, follow IRM 5.19.10.5.2, PMTEXPCSED Transcripts. 3. If no TC 608 is present, look for other debit modules and transfer the credit. 4. If there are no other OBs, verify the RSED. If the statute has not expired, research RTR to verify the credit. 5. If the credit belongs to the taxpayer, prepare form for manual refund. Refer to the General Instructions and IRM 21.4.4, Manual Refunds, and notify the taxpayer. 6. If the credit does not belong to the taxpayer and you can determine where it should be applied, transfer the credit. Otherwise, move the credit to the XSF or URF per IRM 5.19.10.5.1, General Procedures For All Transcripts. 7. If the RSED has expired, move the credit to the XSF.
-I Freeze Code	Debit interest is restricted. Refer to IRM 5.19.10.8.7.2, Freeze Code -I (Debit Interest Restricted).
-V, -W or ST 72	Update AMS and close case.
-L Freeze Code	<ol style="list-style-type: none"> 1. Open examination case. Input the appropriate history. 2. If the module shows there was a previous -L and credit remains, contact Examination for disposition of the credit.
Unreversed TC 914, TC 916, TC 918 present	Update AMS and close case.
Unreversed TC 470	Refer to IRM 5.19.10.5.3, Accounts Maintenance Claim Pending (AM06W) Transcripts or IRM 5.19.10.5.6, Claim Pending Collection Statute Transcript (AM 23W).
OIC Issues	<p>See issues below.</p> <ol style="list-style-type: none"> 1. For Numerics 1 and 2, issued due to an open TC 480, take no action and input AMS history "TC 480 less than (<) 3 years". A submitted Offer can pend for up to three years. 2. Module has no CSED (TC 971 AC 32). Fax Form 4442 to OIC, notate "CSED Issue". 3. TC 470, see above. 4. If the module was previously in OIC, and the module was settled and then another credit posts (CSED not an issue), no additional P&I should be assessed. 5. If the module was previously in OIC, a TC 608 wrote off debit amount, and credit posts (has a date after the CSED), see IRM 5.19.10.5.2, PMTEXPCSED Transcripts.
Pending and unpostable transactions	Monitor the transaction until it posts, if three weeks have passed, see Type S procedures.
Location Codes	See IRM 5.19.10.5.11, NOMRG-TDA Transcript NM07.

If...	Then...
Current ASGNI/ASGNB history items/control bases	See issues below. <ol style="list-style-type: none"> 1. Current ASGNI/ASGNB, input history item. 2. Resolve per history item. 3. Control bases; when necessary, close base (merge). If control base is recent, close your module to the control base.

Figure 5.19.10-7

- (2) The most common cause of a Balance Due/TDA DIAG–Q numeric transcript is a condition that prevents a module from updating to a balance due or TDA status. See Exhibit 5.19.10-1, Restrictive Conditions.
- (3) In most cases, a Balance Due/TDA DIAG–Q numeric transcript can be resolved by identifying the restrictive condition and removing it. If the CSED is within 180 days, look for available credits in Excess Collections, Unpostable and on TDI module.
- (4) Research IDRS.
 - a. If no data, take the appropriate action.
 - b. If recent activity indicates the module is current or the transcript module status has updated since the transcript generated, input History Item “DIAG #”CR NT and close.

Example: The module has a current (within one year) ASGNI/ASGNB or history item indicating the balance due notice process or TDA is in active inventory.

Example: The module is now in a Master File and SC balance due notice status and the next notice is not due to be issued.

Example: There is a satisfying transaction that has been pending for less than three cycles.

5.19.10.8.6
(06-01-2018)
Reason Codes

- (1) An RC is assigned to each module on the TIF to explain why it is present on the TIF. The RC on a diagnostic transcript is the highest priority RC related to that module. For detailed information, or additional RCs, see IRM 2.9.1-1, Reason Codes.

5.19.10.8.6.1
(02-01-2014)
Reason Code 33

- (1) If the RC is 33, and:
 - a. The freeze code is not a Collection responsibility, route to User Support with explanation.
 - b. If the freeze is a W–, resolve per (c) or (d) below.
 - c. If the freeze is a L– (SC ST 73), and there is an indication of an open case, contact the employee or group responsible for the open case. Change the TC 470 closing code to other than 99. Document AMS with history Item, “DIAG#OPNCS”.
 - d. If there is no freeze code present in the FZ portion of the transcript, review the module for an unreversed TC 470 and resolve accordingly. (This occurs when a TC 470 cc 90/93 is input to a module in notice

status or a TC 470 00/90/93 is input to a module in TDA status). The Master File W- freeze is systemically released after 22 cycles, but TIF processing does not release the freeze on balance due notice/TDA status update.

- 5.19.10.8.6.2 (05-01-2007)
Reason Code -EE or QQ
- (1) If research shows the RC or module E cycle (mod E cyc) has changed, close the control with the following history item DIAG(X)CRNT, and see example below.

Tax Period	Year	Reason Code	Mod E Cycle
*30 *	199312	EE	200212

Figure 5.19.10-8

- (2) The following If/Then Chart provides procedures to process a module when both the SC and Master File statuses are 23, with either RCs QQ or EE, and without.

If...	Then...
The RC is QQ or EE or the TIF module TDI indicator is not closed or blank.	<ol style="list-style-type: none"> 1. Prepare a routing slip to the Return Delinquency/TDI function to resolve the TDI issue. 2. Input History item, DIAG#TOTDI.
Not as above.	<ol style="list-style-type: none"> 1. Review the module for retention criteria causing it to be retained on the TIF (ex: RC 33 or Ux). 2. Resolve retention criteria. 3. Input History Item DIAG#RC. 4. Monitor to ensure expected action occurs.

Figure 5.19.10-9

- 5.19.10.8.7 (05-01-2007)
Freeze Codes
- (1) A freeze code is assigned to restrict a module based on a TC. Refer to Document 6209, Section 8A-4, *Master File Freeze Codes and IDRS Status 48*, for a detailed explanation of each freeze code.
- (2) If the module contains a freeze code and TC 582, see IRM 5.19.10.5.1(12), General Procedures For All Transcripts.
- 5.19.10.8.7.1 (09-15-2010)
Freeze Code -E
- (1) If the module contains an -E freeze and there is no TC 150 posted, document AMS with the following history Item "DIAG#TOUS". Prepare a routing slip, and send to User Support.

5.19.10.8.7.2
(08-17-2021)
**Freeze Code -I (Debit
Interest Restricted)**

- (1) If there is a -I freeze code, debit interest restriction, with a TC 340 on the module, process as follows:
- a. Research the reason for the restricted interest. If the account reflects new activity, then re-compute the module again, as appropriate. See IRM 20.2.1.4.2, Manual Calculation of Interest, and IRM 20.2.5.6.1, Reasons to Manually Compute Interest, when recomputing a restricted interest tax module.

Example: A new payment posts to the account after the most recent manual interest recalculation

- b. If the original computation was in error, take the necessary steps to adjust the account.
- c. Use a non-restricting TC 340, whenever possible. See IRM 20.2.5.6.3, Non-Restricting Transaction Code (TC) 340.
- d. If the computation agrees with the original computation and/or the taxpayer has been given a refund, the case should be verified by the Lead.
- e. If a TC 530 was input subsequent to an unreversed TC 520, document AMS with a history item and close.
- f. If the module contains the following freeze codes -CI, and there is a TC 608 posted, check the entity to see if there is an exit date.

5.19.10.8.7.3
(10-15-2012)
**Freeze Code I- (Credit
Interest Restricted)**

- (1) If there is an I- freeze code present on the module, SC status is 12, MF Status is 60/22 with a credit balance, check status section to see if the account was once in ST 60. If you determine that additional P&I should be assessed and the IA should be reinstated, refer to IRM 5.19.10.10.6.3, IAAL Review of Restricted Interest and Penalty Accounts-CSCO Processing. Since the Master File and IDRS have different tolerances, this sometimes causes an installment account to stall in the system. Follow the procedures below:

- a. If there is an invalid TIN, research for the valid TIN. If found, transfer the credit to the valid SSN account using ADD24. Use the date the credit became available.
- b. Research TIN for other balance due modules. If found, transfer the credit to that module using ADD24. Use the date the credit became available.
- c. If no other accounts can be found for the invalid TIN, research the payment using RTR and Integrated Submission and Remittance Processing System (ISRP). If no information is received, request the payment voucher and/or return.
- d. When the payment voucher is received and the payment doesn't belong to the taxpayer, move the entire payment to the appropriate taxpayer's account. If the payment belongs to the taxpayer, and the voucher shows the same TIN, refer to (e) below.
- e. Prepare the necessary forms for a manual refund. Notate the form with the reason for the refund. Monitor the module until the status updates to ST 12. Document AMS with the history item, "DQ#SBATDBA". Refer to IRM 21.4.4, Manual Refunds.
- f. If no voucher is received, send a letter to the taxpayer questioning the invalid TIN. If the taxpayer doesn't respond within 45 days, or the letter is returned undeliverable, refer to (g).
- g. If no voucher is received, and the letter was undeliverable, prepare necessary forms to transfer the credit to Excess Collections. Input a TC 971 AC 296 unless the credit is refund statute barred. Document AMS with the appropriate history items.

5.19.10.9
(06-01-2018)
EFT Listings

- (1) The IAT tools as listed in IRM 5.19.10.1.7, Related Resources must be used by Campus Compliance employees for procedures outlined in this IRM. When an action must be taken and an IAT tool is available, Campus Compliance employees with access to the tool are required to use it to complete the action.

Note: If an IAT tool is not functioning properly or it is determined not to be appropriate due to a specific situation, the case should be worked without the tool, using IDRS. For more information on each tool as well as a job aid for each tool see the *IAT Website*.

- (2) This subsection has procedures to monitor the DDIA electronic exchange of bank information and payment data between the Automated Clearing House (ACH) and the banks.
- (3) To monitor this data, EFT Listings issue on a daily basis when problems occur. Some types of problems include:
 - Incorrect bank account number and/or bank routing number
 - Insufficient funds in the taxpayer checking account
 - Incorrect taxpayer name/does not match bank account name
 - Taxpayer account is not in ST 60
- (4) For more information on the DDIA program, refer to IRM 5.19.1.8, DDIA Monitoring Procedures - CSCO Processing.
- (5) If a taxpayer requests a DDIA, see IRM 5.19.1.6.4.13, DDIA.

5.19.10.9.1
(02-01-2014)
CC EFTAD for Problem ID and Correction - CSCO Processing

- (1) CC EFTAD displays several payment statuses:

Payment Status	Definition
[blank]	The payment request was not yet sent to the bank.
[A]	The prenote or payment request was sent to the bank and is good. Note: The bank can revoke this up to 60 days later.
[C]	Is always associated with a payment request for a dollar amount greater than .00 and indicates our request for payment was not honored.
[D]	Denotes a deferred payment and posts when CC EFTOF was used to turn off a payment request. Note: Payment status [D] also posts if the account leaves ST 60 within 15 days of the payment request.

5.19.10.9.1.1
(04-28-2008)

**Verify EFT 1240 Run -
CSCO Processing**

- (1) Access CC EFTAD with definer “D” and the current date, each day, to verify the EFT 1240 run is completed by Computer Services. Verify:
 - a. The tape was prepared by checking the payment request status
 - b. If the Payment Status is “[A]”, the tape was prepared and sent to the correspondent bank; otherwise, contact Computer Services to schedule the run.
 - c. The Deposit Status at the top of the EFTAD display is “[V]”, denoting the deposit tape was transmitted to the bank
 - d. If Payment Statuses or the Deposit Status is “[]” (blank), notify Computer Services immediately.
 - e. There is no scheduled DDIA activity for that day if the response to CC EFTADD is “NO DATA”.
- (2) Verify the cause of Payment Status “[]” (blank):
 - a. Determine if the DDIA was revised within 15 days of the payment, but CC EFTOF was not used to turn off the payment request. These accounts appear on EFT 10 and must be worked promptly.
 - b. Determine when a new prenote was done by using CC EFTAD with the taxpayer’s TIN.
 - c. If the prenote was not changed, check CC IADIS or CC ENMOD to see if the agreement was revised.
 - d. Notify Computer Services immediately if neither of the preceding conditions above created the Payment Status “[]” (blank).
- (3) Access CC EFTAD with the taxpayer’s TIN to:
 - a. See a summary of the DDIA activity for the taxpayer
Example: Research for a payment request to use CC EFTOF to turn it off.
 - b. Check the Payment Status, to see if the tape of the correspondent bank was created. This enables advising a taxpayer whether they should contact their bank after researching CC EFTAD
 - c. Determine the date an EFT 18 generated, but no evidence exists it was worked

5.19.10.9.2
(09-13-2022)

**EFT 1240 Listing - CSCO
Processing**

- (1) The EFT 1240 is a computer system run generating our DDIA payment requests and prenotes to the correspondent bank on a daily basis. This listing must be processed within 5 working days of receipt. Prenote and payment requests look the same; however, prenotes are always for “.00” dollars.
- (2) The EFT 1240 also generates a listing posting the TC 670 to affected taxpayer accounts on IDRS. DDIA TC 670 transactions use a special blocking series and DLN.
Example: “ 97318-000-80116-6”: The document code is always “18”, with a blocking series of “800” to “899”.
- (3) Blocking series “800” to “899” is used by Master File to produce a, CP 166, Insufficient Funds on Direct Debit Installment Agreement, for BMF accounts.

5.19.10.9.2.1
(09-15-2010)

EFT 1240 Error Records

- (1) EFT 1240 are assessed on control-D by CSCO on a daily basis and must be worked within one day of receipt.
- (2) CSCO contacts Computer Services immediately if the EFT 1240 listing is not received.
- (3) Review the listing to ensure no error records are present. If records are present, notify the Computer Branch IMMEDIATELY; otherwise, destroy the listing.

5.19.10.9.2.2
(05-14-2008)

EFT 12 Expected Deposits Not Sent to Bank - CSCO Processing

- (1) EFT 12 displays a listing of "Expected Deposit Dates not Sent to Bank", this listing must be processed within 5 working days of receipt. This means there was DDIA information, prenotes and payment requests, to be sent to the correspondent bank on that date, but we did not do the necessary transmission.
- (2) If a date appears in this section, the liaison notifies the Computer Branch immediately upon receipt for correction.

Caution: This must be done within TWO days from the run date of EFT 12.

- (3) If Computer Branch is not notified within two days, we must:
 - a. Re-input the DDIA, generating new prenotes, or
 - b. Wait until the next month to send our payment requests

5.19.10.9.3
(09-13-2022)

EFT 18 Listing - CSCO Processing

- (1) The EFT 18 program is used to notify CSCO on a daily basis and must be worked within 10 days of receipt.,
 - If there was a problem with a payment request
 - It also is the computer run posting TC 671 and TC 286 to the taxpayer accounts reversing the credit the EFT 12 program applied to the taxpayer's account

Note: If the original documents must be secured from another center, the time frame for processing the account on the error listing increases to three days.

- It is put in EFTAD and indicates rejected by bank. TC 670 posts with a TC 286 and is then treated as a skipped payment, but the DDIA does not default unless the two prior skips were previously used.
- (2) Transaction Codes 671 and 280 are identified by special blocking series and document codes as described in IRM 5.19.10.9.2, EFT 1240 Listing - CSCO Processing:
 - The first TC 671 generates , CP 166, Insufficient Funds on Direct Debit Installment Agreement for BMF accounts, and turns off the Skip Indicator on both IMF and BMF accounts.
 - The third TC 671 causes the agreement to default
 - (3) EFT 18 generates a hard copy listing received daily in CSCO.
 - (4) The EFT 18 Listing consists of:
 - Non-Payment Problem Register, EFT 1823 Listing
 - Account Change List, EFT 1824 Listing

5.19.10.9.3.1
(10-10-2023)

Non-Payment Problem Register

- (1) The Non-Payment Problem Register generates whenever a payment is not received from the financial institution; work this problem register within ten days of receipt.
- (2) When working the EFT 1823 listing, ensure the taxpayer is allowed a skip if you reinstate the agreement.
- (3) Take no action on accounts not in ST 60.
- (4) The following are associated reason codes and resolutions:

Reason Code	IMF/BMF	Resolution
<ul style="list-style-type: none"> • R01: Insufficient Funds • R09: Uncollected Funds 	IMF or BMF accounts	<ol style="list-style-type: none"> 1. Research IDRS. 2. Check CC IADIS to verify date of last DDIA input. 3. Check CC EFTAD for 3 or more rejected debits since date of last DDIA input <ul style="list-style-type: none"> • If less than 3 rejected payments, since last DDIA was input, take no action. • If more than 3 rejected payments since last DDIA was input, default DDIA. 4. Update AMS.

Reason Code	IMF/BMF	Resolution
<ul style="list-style-type: none"> • R02: Account Closed • R03: No Account/Unable to Locate • R12: Branch Sold to Another Financial Institution • R13: Invalid ACH Routing Number • R16: Account Frozen • R18: Improper Effective Entry Date • R19: Amount Field Error • R23: Credit Entry Refused by Receiver • R25: Addenda Error • R26: Mandatory Field Error • R27: Trace Number Error • R28: Routing Number Check Digit Error • R30: RCF Not Check Truncation Participant • R31: Permissible Return Entry • R32: RDFI Non-settlement • R34: Participation us Limited by a Federal or State Supervisor • R35: Return of Improper Debit Entry • R70: Permissible return not accepted 	IMF accounts	<ol style="list-style-type: none"> 1. If the account meets SIA criteria, convert to a regular agreement, requiring the taxpayer to mail a check or money order and stop future DDIA payment requests by turning off the EFT Indicator 2. Change the ALN from "03XX" to an appropriate ALN. 3. Send a letter advising the taxpayer we established an installment agreement and reminder notices will be sent to them monthly. 4. Charge User Fee. 5. If the account balance does not meet SIA criteria, default the DDIA. 6. Send a letter and enclose Forms 433-D and 433-F. 7. Input STAUP 2209 on account. 8. Update AMS.

Reason Code	IMF/BMF	Resolution
<ul style="list-style-type: none"> • R02: Account Closed • R03: No Account/Unable to Locate • R12: Branch Sold to Another Financial Institution • R13: Invalid ACH Routing Number • R16: Account Frozen • R18: Improper Effective Entry Date • R19: Amount Field Error • R23: Credit Entry Refused by Receiver • R25: Addenda Error • R26: Mandatory Field Error • R27: Trace Number Error • R28: Routing Number Check Digit Error • R30: RCF Not Check Truncation Participant • R31: Permissible Return Entry • R32: RDFI Non-settlement • R34: Participation us Limited by a Federal or State Supervisor • R35: Return of Improper Debit Entry • R70: Permissible return not accepted 	BMF accounts	<ol style="list-style-type: none"> 1. For ALN 0315 <ul style="list-style-type: none"> • Default DDIA • Update EFT CD 1 to EFT CD 0 • Send Letter 2272C with Form 433-D for taxpayer to submit new DDIA (Use paragraph supplied by HQ) 2. If the account balance does not meet SIA criteria, default the DDIA. <ul style="list-style-type: none"> • Send a letter and enclose Forms 433-D and either a Form 433-B or Form 433-F. • Input STAUP 2209 on account. 3. Update AMS.
<ul style="list-style-type: none"> • R04: Invalid Account Number Structure • R05: No Prenotification on File • R06: Return Requested by Originating Institution • R11: Customer Advises Authorization Error • R17: File Record Edit Criteria • R20: Non-transaction Account • R21: Invalid Company Identification • R22: Invalid Individual ID Number • R24: Duplicate Entry 	IMF accounts	<ol style="list-style-type: none"> 1. Convert to a regular IA and send Letter 1961C, Installment Agreement for Direct Debit Form 433-D Not Granted. 2. If the account balance does not meet SIA criteria, default the DDIA. 3. Send a letter and enclose Forms 433-D and 433-F. 4. Input STAUP 2209 on account. 5. Update AMS.

Reason Code	IMF/BMF	Resolution
<ul style="list-style-type: none"> • R04: Invalid Account Number Structure • R05: No Prenotification on File • R06: Return Requested by Originating Institution • R11: Customer Advises Authorization Error • R17: File Record Edit Criteria • R20: Non-transaction Account • R21: Invalid Company Identification • R22: Invalid Individual ID Number • R24: Duplicate Entry 	BMF accounts	<ol style="list-style-type: none"> 1. For ALN 0315 <ul style="list-style-type: none"> • Default DDIA • Update EFT CD 1 to EFT CD 2 • Send Letter 2272C with Form 433-D for taxpayer to submit new DDIA (Use paragraph supplied by HQ) 2. For ALN 03XX <ul style="list-style-type: none"> • Convert to a regular IA and send Letter 1961C, Installment Agreement for Direct Debit Form 433-D Not Granted 3. If the account balance does not meet SIA criteria, default the DDIA. <ul style="list-style-type: none"> • Send a letter and enclose Forms 433-D and either a Form 433-B or Form 433-F. • Input STAUP 2209 on account. 4. Update AMS.
<ul style="list-style-type: none"> • R07: Authorization Revoked by Customer • R08: Payment Stopped • R10: Customer Advises Not Authorized • R14: Account-Holder Deceased • R15: Individual (Beneficiary) Deceased • R29: Corporate Customer Advises Not Authorized 	IMF or BMF accounts	Default Agreement

Reason Code	IMF/BMF	Resolution
Financial Institution Error: <ul style="list-style-type: none"> • R71: Misrouted Dishonored Return • R72: Untimely Dishonored Return • R73: Timely Original Return 	IMF accounts	<ol style="list-style-type: none"> 1. The first time these codes are returned, allow an additional skip and update AMS narrative. 2. If these codes are received again in the following month convert to a regular agreement requiring the taxpayer to mail a check or money order. Stop future DDIA payment requests by turning off the EFT Indicator. Change ALN from "03XX" to another appropriate ALN. 3. Send a letter advising the taxpayer we established an IA and reminder notices are sent monthly. 4. Update AMS.
Financial Institution Error: <ul style="list-style-type: none"> • R71: Misrouted Dishonored Return • R72: Untimely Dishonored Return • R73: Timely Original Return 	BMF accounts	<ol style="list-style-type: none"> 1. The first time these codes are returned, allow an additional skip and update AMS narrative, if monthly payments have been made. If no payments, default agreement. 2. If these codes are received again in the following month, <ul style="list-style-type: none"> • Default the DDIA. • Update EFT CD 1 to EFT CD 2 • Send Letter 2272C with Form 433-D for taxpayer to submit new DDIA 3. Update AMS.
Taxpayer Error: <ul style="list-style-type: none"> • R74: Corrected Return • R75: Original Return - Not a Duplicate • R76: No Errors Found 	IMF or BMF accounts	<ol style="list-style-type: none"> 1. The first time these codes are returned, allow an additional skip and update AMS narrative. 2. If these codes are received again in the following month, default the agreement.

Note: BMF accounts using the Letter 2272C use the following language in the blank paragraph: "Your bank rejected the automatic withdrawal payment request due to an incorrect routing number, account number, or closed checking account. Your Direct Debit Installment Agreement has been

defaulted. If you would like another installment agreement, please complete the enclosed Form 433-D, Installment Agreement, with updated checking account information.”

- (5) Verify the TC 671 and TC 286 posted to the taxpayer’s accounts:

If...	Then...
Transaction Codes 671 and 286 are present	Take no action
Transaction Codes 671 and 286 are not present	Notify the Computer Branch immediately
The return RC indicates the taxpayer closed the account or stopped payment and this is the first TC 671	Manually default the DDIA to prevent a second request for the payment.

- (6) The other return RCs cause the system to default the agreement when the second TC 671 posts to the account; no further action is necessary.
- (7) If the EFT 18 displays error records, the liaison reports the problem to the Computer Branch immediately.
- (8) Retain the EFT 18 listing for one year. File the EFT 18 listings in reverse chronological order by Mellon (or Bank of America) Date.
- (9) Sometimes an EFT 18 listing generates, but TC 671 and TC 280 do not post to IDRS. Accounting Operations is out of balance in this circumstance:
- The Computer Branch can correct this condition in most cases.
 - When they are unable to correct this condition, CSCO prepares a one-sided Form 2424, Account Adjustment Voucher, for each affected taxpayer, to reverse the credit, attaching a copy of the EFT 18 with the appropriate taxpayer underlined in RED as backup documentation.

5.19.10.9.3.2
(10-10-2023)
Account Change List

- (1) Each returned case has an associated return reason code; the EFT 1824 Listing must be worked within ten days of receipt. The following chart outlines reason codes and the cause:

Reason Code	Cause
“C01” or “C06”	Incorrect Account Number
“C02” or “C07”	Incorrect Routing Number
“C03” or “C08”	Incorrect Routing and Account Number
“C04”	Incorrect Individual Name /Receiving Company Name
“C05”	Incorrect Transaction Code

Reason Code	Cause
"C09"	Incorrect Individual Identification Number
"C10"	Incorrect Company Name
"C11"	Incorrect Company Identification Number
"C12"	Incorrect Company Name and Incorrect Company Identification Number
"C13"	Not a member of the ACH

- (2) The most common reason for a returned case is a problem with the ABA/Transit Number or the taxpayer account number:

If.....	And.....	Then.....
Financial institution provided updated bank account and/or routing number (Reason codes 01, 02, 03, 06, 07, 08)	Monthly payments continue to be made since last DDIA was input (no rejected payments) IMF or BMF accounts	Send Letter 1962C and request new Form 433-D with updated checking account number and/or bank routing number.
Financial institution provided updated bank account and/or routing number (Reason codes 01, 02, 03, 06, 07, 08)	Less than 3 monthly payments were rejected since last DDIA was input, within the last 12 months. IMF accounts	Convert the DDIA to a regular agreement and charge user fee. Send Letter 1961C to the taxpayer informing them to make their payment by check directly to the IRS.
Financial institution provided updated bank account and/or routing number (Reason codes 01, 02, 03, 06, 07, 08)	Less than 3 monthly payments were rejected since last DDIA was input, within the last 12 months. BMF accounts	For ALN 0315 <ul style="list-style-type: none"> • Default DDIA. • Update EFT CD1 to EFT CD 0. • Send Letter 2272C with Form 433-D for taxpayer to submit new DDIA (Use paragraph supplied by HQ).

If.....	And.....	Then.....
Financial institution provided updated bank account and/or routing number (Reason codes 01, 02, 03, 06, 07, 08)	3 or more monthly payments were rejected since the last DDIA was input, within the last 12 months. IMF or BMF accounts	Default the agreement.
If the reason code is 04, 05, 09, 10, 11, 12	Monthly payments continue to be made since last DDIA was input (no rejected payments) IMF or BMF accounts	Take no action.
If the reason code is 04, 05, 09, 10, 11, 12	Less than 3 monthly payments were rejected since last DDIA was input, within the last 12 months. IMF accounts	Convert the DDIA to a regular agreement and charge user fee. Send Letter 1961C to the taxpayer informing them to make their payment by check directly to the IRS.

If.....	And.....	Then.....
If the reason code is 04, 05, 09, 10, 11, 12	Less than 3 monthly payments were rejected since last DDIA was input, within the last 12 months. BMF accounts	<ol style="list-style-type: none"> 1. For ALN 0315 <ul style="list-style-type: none"> • Default DDIA. • Update EFT CD1 to EFT CD 2. • Send Letter 2272C with Form 433-D for taxpayer to submit new DDIA (Use paragraph supplied by HQ). 2. For ALN 03XX <ul style="list-style-type: none"> • Convert to a regular IA and send letter 1961C, Installment Agreement for Direct Debit Form 433-D Not Granted, to the taxpayer informing them to make their payment by check directly to the IRS.
If the reason code is 04, 05, 09, 10, 11, 12	3 or more monthly payments were rejected since the last DDIA was input, within the last 12 months. IMF or BMF accounts	Default the agreement

If.....	And.....	Then.....
If the Reason code is 13	The bank is not a member of the Automated Clearing House (ACH). IMF accounts	Convert the DDIA to a regular agreement and charge user fee. Send Letter 1961C to the taxpayer informing them to make their payment by check directly to the IRS.
If the Reason code is 13	The bank is not a member of the Automated Clearing House (ACH). BMF accounts	<ol style="list-style-type: none"> 1. For ALN 0315 <ul style="list-style-type: none"> • Default DDIA • Update EFT CD1 to EFT CD 2 • Send Letter 2272C with Form 433-D for taxpayer to submit new DDIA (Use paragraph supplied by HQ) 2. For ALN 03XX <ul style="list-style-type: none"> • Convert to a regular IA and send letter 1961C, Installment Agreement for Direct Debit Form 433-D Not Granted, to the taxpayer informing them to make their payment by check directly to the IRS.

Note: Programming is incomplete to process savings account Direct Debit Installment Agreements (savings accounts only). If research reveals a DDIA savings request, contact and inform the taxpayer these accounts cannot be processed at this time. Convert the DDIA to a regular agreement and inform the taxpayer of the change. Charge user fee.

Reminder: These accounts MUST be set up as a:

- Direct Debit regular checking
- Direct Debit business checking
- Regular installment agreement

Note: BMF accounts using the Letter 2272C use the following language in the blank paragraph:” Your bank rejected the automatic withdrawal payment request due to an incorrect routing number, account number, or closed checking account. Your Direct Debit Installment Agreement has been defaulted. If you wouldlike another installment agreement, please complete the enclosed Form 433-D, Installment Agreement, with updated checking account information”.

(3) If the account is no longer in ST 60, take no action.

5.19.10.9.4
(05-14-2008)
**EFT 16 Listing - CSCO
Processing**

- (1) The EFT 16 Listing identifies when Accounting Operations is “out of balance” due to activity occurring for DDIAAs. This arises when the correspondent bank gives return items, such as bad payments, on paper instead of through the EFT 18 Listing. This listing must be processed within 5 working days of receipt.
- a. When this occurs, a one-sided Form 2424, Account Adjustment Voucher, is prepared to manually reverse the taxpayer’s credit.
 - b. Collection assists Accounting Operations with required research to resolve the out of balance condition.
 - c. However, Accounting Operations needs minimal assistance in such matters as the correspondent bank provides the taxpayer data necessary to identify the problem account.
- (2) The EFT 16 Listing generates daily, routed to Accounting Operations.
- a. If CSCO receives an EFT 16, follow up with Accounting Operations within one day of receipt to determine if they received a copy.
 - b. If Accounting Operations did not receive it, forward the EFT 16 Listing to Accounting Operations.
 - c. If Accounting Operations did receive it, destroy the EFT 16 Listing.

5.19.10.9.5
(02-08-2023)
**EFT 10 Listing - CSCO
Processing**

- (1) The EFT 10 Listing is an error list generated by Computer Services. CSCO receives this listing each week; and it must be worked within 10 days of receipt. The number of accounts on this list is low if CSCO inputs DDIAAs correctly and works the EFT 18 Listings in a timely manner. The EFT 10 ensures the DDIA program functions correctly and CSCO processes the agreements correctly.
- (2) Take the following actions to resolve different error categories:

If	And	Then
Status Now Closed: The account is no longer in ST 60	IMF or BMF account	<ol style="list-style-type: none"> 1. Check IDRS for a cross reference account in ST 63. ALN XX63 2. Establish a DDIA on the cross reference account if the primary account is in ST 12. 3. Default the cross reference account if the primary account is not in ST 12. 4. Update AMS.
Agreement Not on EFT File or Pre-note Information not sent to Bank	IMF account	<ol style="list-style-type: none"> 1. Check the Agreement Locator Number (ALN) on CC IADIS. 2. Turn off the EFT Indicator if the ALN denotes it is not a DDIA. 3. Check CC EFTAD for bank data if the ALN denotes it is a DDIA. 4. If bank data not present on CC EFTAD, convert the DDIA to a regular IA. 5. Send Letter 1961-C, Installment Agreement for Direct Debit Form 433-D, to inform the taxpayer of the change and request banking information. 6. If there was a TIN - Merge, re-input the bank data. 7. Update AMS.

If	And	Then
Agreement Not on EFT File or Pre-note Information not sent to Bank	BMF account	<ol style="list-style-type: none"> 1. Check the Agreement Locator Number (ALN) on CC IADIS. 2. Turn off the EFT Indicator if the ALN denotes it is not a DDIA. 3. Check CC EFTAD for bank data if the ALN denotes it is a DDIA. 4. If bank data not present on CC EFTAD <ul style="list-style-type: none"> • For ALN 0315 <ul style="list-style-type: none"> • Default DDIA • Update EFT CD 1 to EFT CD 2 • Send Letter 2272C with Form 433-D for taxpayer to submit new DDIA (Use paragraph supplied by HQ) • For ALN 03XX <ul style="list-style-type: none"> • Convert to a regular IA and send Letter 1961C, Installment Agreement for Direct Debit Form 433-D Not Granted. 5. If the account balance does not meet SIA criteria, default the DDIA. <ul style="list-style-type: none"> • Send a letter and enclose Form 433-D and either a Form 433-B or Form 433-F. • Input STAUP 2209 on account. 6. Update AMS.

If	And	Then
Negative Confirmation on Bank Information: EFT 18 Listing not timely worked	IMF account	<ol style="list-style-type: none"> 1. Access CC EFTAD and determine the date of the EFT 18. 2. Pull EFT 18 and correct the prenote information. See IRM 5.19.10.9.3, EFT 18 Listing - CSCO Processing. 3. If unable to locate the EFT 18, convert to a regular IA and send Letter 1961-C, Installment Agreement for Direct Debit Form 433-D Not Granted.
Negative Confirmation on Bank Information: EFT 18 Listing not timely worked	BMF account	<ol style="list-style-type: none"> 1. Access CC EFTAD and determine the date of the EFT 18. 2. Pull EFT 18 and correct the prenote information. See IRM 5.19.10.9.3, EFT 18 Listing - CSCO Processing. 3. If unable to locate the EFT 18, <ul style="list-style-type: none"> • For ALN 0315 <ul style="list-style-type: none"> • Default DDIA • Update EFT CD 1 to EFT CD 2 • Send Letter 2272C with Form 433-D for taxpayer to submit new DDIA (Use paragraph supplied by HQ) • For ALN 03XX <ul style="list-style-type: none"> • Convert to a regular IA and send Letter 1961C, Installment Agreement for Direct Debit Form 3-D Not granted.

If	And	Then
Duplicate Payment Date: Payment date changed within 15 days of scheduled payment due date	IMF or BMF accounts	Notify the taxpayer they should send us this month's payment via check or money order, and the DDIA will resume the following month. Caution: Sometimes during computer processing, the payment erroneously is pulled regardless, resulting in two payments taken from the account in a single month.
Payment Amount: .00	IMF or BMF accounts	<ol style="list-style-type: none"> 1. Check CC IADIS, to verify the payment amount. 2. Correct the payment amount using the information on Form 433-D, if ".00" displays in the payment amount field.
Payment request within pre-note period	IMF or BMF accounts	<ol style="list-style-type: none"> 1. Check AMS history for recent actions or taxpayer requests that may affect how case is worked. 2. Verify the EFT code is "1" and the ALN is "03XX" on IADIS. 3. Confirm the checking account information is listed on EFTAD and that debits are not being rejected by the bank. 4. If 3 or more rejected debit attempts within the last 12 months, default the agreement. <p>Note: Do not default for 3 or more rejected debit attempts if the agreement has been revised / reinstated during the same 12 month period.</p>

- (3) If other error records or notations appear on EFT 10, notify the Computer Branch.

5.19.10.9.6
(10-15-2012)
**EFT 14 Listing - CSCO
Processing**

- (1) The EFT 14 Listing is a report generated by the Computer Branch. CSCO receives this report weekly. This listing must be processed within 10 days of receipt.
 - The first part of the report is the “Dropped Account Register”. This listing is a record of all accounts in DDIA status with no DDIA activity for six (6) months.

Note: File this listing in reverse chronological order and retain the listing for one year.
 - The second part of the report is the “Inactive Accounts List”; this a list of DDIA accounts in DDIA status with no payments requested within eight cycles.
- (2) Review accounts on the “Inactive Accounts List” within five days of receipt to determine why no payment request was generated. This listing is typically small if the EFT 10 and EFT 18 Listings are worked timely.
- (3) The most common reason for accounts appearing on this listing is the prenote period did not expire in time to make a payment request or the account is no longer in DDIA status.
 - a. Verify the account is in ST 60.
 - b. Check CC IADIS, to see if the EFT indicator is off
 - c. If indicator is on, take no action
 - d. Verify the DDIA information using CC EFTAD, to see if the prenote was input less than 15 days prior to the payment due date.
 - e. If the prenote was input less than 15 days prior to the payment due date, take no action.
 - f. For all other conditions, notify Computer Services.
- (4) EFT 14 also displays a list of “Expected Deposit Dates Not Sent to Bank”; for related instructions see: IRM 5.19.10.9.2.2, EFT 12 Expected Deposits Not Sent to Bank - CSCO Processing.

5.19.10.9.7
(06-22-2017)
**EFT 28 Listing - CSCO
Processing**

- (1) This listing allows CSCO to verify the information on the EFT file corresponds with the IA file on IDRS. The listing is created quarterly and must be processed within 30 days of receipt.

Note: The DDIA liaison notifies the Computer Branch to run the EFT 2811 Listing quarterly.
- (2) The listing includes a summary of accounts in the following categories:
 - The status on the EFT file does not agree with corresponding status on the TIF
 - An active account on the TIF is not on EFT file
 - The taxpayer is on EFT file, but not on the TIF

5.19.10.9.7.1
(09-13-2022)
**Status on EFT File
Differs from TIF – CSCO
Processing**

- (1) When the status on EFT file differs with TIF data, this indicates the IA displayed on CC EFTAD does not agree with the EFT Indicator displayed on IADIS. Check the ALN displayed on IADIS and verify there is banking information on EFTAD then:

If...	And...	Then...
The account is an active DDIA, in ST 60	not full paid or defaulted	Ensure the EFT Indicator is “[1]”. If not, change the EFT indicator to “[1]” only if bank information is listed.
The account is an inactive DDIA, full paid or defaulted, not in ST 60	The EFT Indicator is “[0],[1] or “[2] ”	Take no action.

- (2) If the ALN indicates the account is no longer a DDIA, and account is in ST 60, verify a Letter 1961-C, Installment Agreement for Direct Debit Form 433-D Not Granted, was sent when the DDIA was converted to a regular IA, if not, send it now, informing the taxpayer:
- We accepted and processed their agreement.
 - Of the return address if CP 521, Installment Agreement Reminder Notice , is not received and/or the payment address if mailing their payment with a CP 521 using the CSCO campus having jurisdiction.

5.19.10.9.7.2
(11-10-2022)
**Active Account on TIF
Not on EFT File – CSCO
Processing**

- (1) When an active account is on the TIF, but not on the EFT file, this indicates the account is on IDRS, the EFT indicator is ON, but there is no bank data available on the account.
- a. Check the ALN
 - b. Change the EFT indicator to “[0]” if the ALN shows the account is not a DDIA
- (2) Follow below for DDIA ALNs.

If...	And...	Then...
The ALN shows account should be a DDIA	IMF or BMF account	Verify EFTAD has bank account information and payments are being made on TXMOD.

If...	And...	Then...
Payments are not being made	IMF account	<ol style="list-style-type: none"> 1. Check the agreement Locator Number (ALN) on CC IADIS. 2. If no bank data on CC EFTAD, convert the DDIA to a regular IA. 3. Send Letter 1961-C, Installment Agreement for Direct Debit Form 433-D, to inform the taxpayer of the change and request banking information. 4. If there was a TIN- Merge, re-input the bank data. 5. Update AMS.
Payments are not being made	BMF account	<ul style="list-style-type: none"> • For ALN 0315 <ol style="list-style-type: none"> 1. Default DDIA 2. Update EFT CD 1 to EFT CD 2 3. Send Letter 2272-C, with Form 433-D for taxpayer to submit new DDIA (Use paragraph supplied by HQ) • For ALN 03XX • Convert to a regular IA and send Letter 1961-C, Installment Agreement for Direct Debit Form 433-D Not Granted

- (3) If the agreement is not a DDIA or the file indicates it should no longer be a DDIA, change the EFT indicator to “[0]”.

- 5.19.10.9.7.3
(04-28-2008)
**Taxpayer on EFT File
But Not on TIF – CSCO
Processing**
- (1) When the taxpayer is listed on the EFT File, but is not on the Taxpayer Identification File (TIF), this indicates the account is on the EFT File but not on IDRS. Check the installment status on EFTAD.
 - (2) If the Payment Status is “[D]”, take no action. The account drops off six months from the last EFT update.
 - (3) If any status other than “[D]” displays, notify the appropriate point of contact in Headquarters Information Technology(IT).
- 5.19.10.9.8
(06-01-2018)
**Purging the Direct Debit
Installment Agreement
File and Disposition of
Cases**
- (1) Balance due operations that input DDIA's will establish and maintain a file of input documents. Refer to IRM 5.19.1.8, DDIA Monitoring Procedures.
- 5.19.10.10
(10-10-2023)
**Installment Agreement
Accounts List (IAAL)**
- (1) The IAT tools as listed in IRM 5.19.10.1.7, Related Resources, must be used by Campus Compliance employees for procedures outlined in this IRM. When an action must be taken and an IAT tool is available, Campus Compliance employees with access to the tool are required to use it to complete the action.

Note: If an IAT tool is not functioning properly or it is determined not to be appropriate due to a specific situation, the case should be worked without the tool, using IDRS. For more information on each tool as well as a job aid for each tool see the *IAT Website*.
 - (2) Refer to IRM 2.4.30.6, Installment Agreement Accounts List (IAAL), for a description of the IAAL and the conditions of each category.
 - (3) When working the IAAL, see *Installment Agreement Accounts List - eGuide* for assistance when working the program.
 - (4) This subsection provides procedures for working accounts appearing on the IAAL. Each week, the CSCO Operation receives an IAAL which contains installment agreements with changes on a ST 60 account.
 - (5) Refer to IRM 5.19.1.3.2.4, Revenue Officer (RO) Assignment, when account is in ST 26.
 - (6) Do not reestablish a DDIA unless there is bank information on EFTAD.
- 5.19.10.10.1
(02-01-2021)
**IAAL Processing Time
Frames and Dispositions
– CSCO Processing**
- (1) Work the IAAL by IRS received date, based on the Installment Agreement Priority Listing. For additional information see Exhibit 5.19.10-4, IAAL Prioritization List.
 - (2) Complete ALL actions within established time frames based on tier assignment of each category.

Exception: The above guidelines exclude the MFT 31 category: see IRM 5.19.10.10.13, MFT 31 Category on the IAAL.
 - (3) Annotate each account on the IAAL. Documentation on AMS should indicate IAAL processing and actions taken on accounts.

Example: IAAL: Reinstated, Defaulted, etc.

5.19.10.10.1.1
(02-01-2012)

**IAAL - Generalized IDRS
Interface (GII) Tool
Process**

- (1) GII Tool is used to process weekly IAAL cases. The tool can reinstate certain installment agreements, default installment agreements, take no action on accounts, send letters to taxpayers, and put comments on ENMOD.

If.....	Then.....
SUSPENDED category - the installment agreement meets GII SIA criteria	The tool will reinstate the IA, send letter to taxpayer and input comments on ENMOD.
SUSPENDED category - the installment agreement does not meet GII SIA total balance due criteria	The case will be assigned to a tax examiner to be worked.
SUSPENDED category - the installment agreement does not meet GII SIA monthly payment criteria	The tool will default the IA.
LITIGATION category – installment agreement is now in ST 72	The tool will close case, take no action and input comment on ENMOD – “GII-LITNA”.
F/S OLD category - taxpayer did not respond to CP 522/522P	The tool will close case, take no action and input comment on ENMOD – “GII-DFSNA” The IA will default systemically.
REVIEW AGREEMENT category - installment agreement has an ALN of “12”	The tool will close case, take no action and input comment on ENMOD – “GII-RANA” These cases are monitored by CCP.
LIEN DETERMINATION category – ALN is other than “66”	The tool will close case, take no action and input comment on ENMOD - “GII-LDNA” The IA will default systemically.
LIEN DETERMINATION category - ALN is 66	The case will be assigned to a tax examiner to be worked.

Note: GII programming will restrict reinstating in certain instances. For example, cross reference installment agreements, restricted penalties and interest, and multiple conditions.

- (2) AMS documentation is not required for cases closed through the GII Tool. If a case is closed by GII, documentation of actions taken can be found on ENMOD.

5.19.10.10.1.2
(09-15-2010)

Multiple-Condition Cases

- (1) Review the history items on IDRS using CC ENMOD and/or AMS for all multiple-condition cases.
- (2) Cases with Agreement Locator Number (ALN) "12XX" are field or ACS multiple-condition cases.
- (3) Cases with Agreement Locator Number (ALN) "92XX" are campus multiple-condition cases.
- (4) When working a case with a multiple condition ALN, research AMS/ENMOD to find the conditions not represented in the ALN and address both conditions.

Example: XREF IA, "XX63", with a backup-53, "XX53", use ALN "9263" and a history instructing to CNC the account in case of default.

5.19.10.10.1.3
(06-01-2018)

Revising or Reinstating Accounts on the IAAL

- (1) Reinstatement an IA using CC IAGRE. For managerial approval requirements, see IRM 5.19.1.6.4.8, IA Managerial Approval.
- (2) Re-input cross reference TINs (SSN or EIN) if included in the IA. Do not charge any additional user fee, including original or reinstatement, on these accounts.
- (3) Re-input a three-year review date on IMF only, BMF Trust Fund. see IRM 5.14.11.5, Considerations after Default or Termination, Including Reinstatement.
- (4) Re-input the EFT indicator on DDIA. For additional information see IRM 5.19.1.8, DDIA Monitoring Procedures - CSCO Processing.
- (5) Update the ALN as appropriate.

Example: The ALN is "0136" and CSCO reinstates the agreement; update the ALN to "9036"

- (6) Update the appropriate User Fee code. For additional information see IRM 5.19.1-11, IA User Fee Codes.

5.19.10.10.2
(10-02-2018)

IAAL Full Paid Category

- (1) All accounts reaching full-paid, ST 12, during the week displayed on the weekly IAAL, process these accounts as follows.
- (2) No action is required on Full Paid accounts with the following exceptions:

ALN...	Agreement Type...
XX63	Cross-referenced TIN
XX08	Continuous Wage Levy
11YY	Payroll Deduction Agreement (PDIA)
XX32	Anticipated Debit Module
12YY	Multiple Conditions
91YY	Payroll Deduction Agreement (PDIA)
XX12	Partial Pay Agreement (PPIA) with all CSEDs expired

ALN...	Agreement Type...
92YY	Multiple Conditions

5.19.10.10.2.1
(02-08-2023)
**Full Paid Restricted
Interest and Penalty
Accounts**

- (1) Installment Agreements under the Restricted Interest and Penalty Category on the IAAL, include modules that contain restricted interest and/or FTP penalty, which must be assessed and collected. Each restricted module appears on the IAAL when updated to ST 12.
- (2) If any module contains a posted TC 608, the module’s last CSED has expired. TC 608 generates a G– and/or –I freeze and appears on the IAAL if account is in ST 6X. GII systemically closes these accounts and places a history “GII-IAAL” and “GIICSEDEXP” on CC ENMOD.
- (3) Research IDRS to determine which tax period(s) caused the account to appear on the IAAL. The tax period(s) to be addressed will have a FTP penalty freeze and/or interest freeze, with or without a B– freeze. See Document 6209, *Section 8A - 4, Master File Freeze Codes and IDRS Status 48*. Determine if accruals were assessed and collected:

If...	Then...
No additional interest or penalty adjustment is necessary	Input TC 290 for .00 with blocking series 05 (Use Blocking Series 00 if you have original return) and Hold Code (HC) 3.

If...	Then...
<p>There are modules where accruals were not assessed and need to be collected, and there are six months or more remaining on the CSED</p>	<ol style="list-style-type: none"> 1. Research the account following the above procedures in paragraph 2. 2. Re-compute the interest or FTP using ACT/DMI, or CC COMPA/COMPAD allowing for all applicable waivers, suspensions and rate changes, to the current 23C date. See IRM 20.1, Penalty Handbook and IRM 20.2, Interest, for more detailed instructions. 3. Assess accruals or correct the penalty or interest using CC ADJ54 in blocking 05 (unless you ordered the document from files.) and HC 0. Do not create a balance due on in IRM 21.3.1.6.49, CP 86 Restricted interest/ Penalty Conditions, .or IRM 21.3.1.6.48.2, Adjusting CP 86 Accounts. 4. If the available credit is more than the additional amount due, assess only the additional amount and let the remainder refund or offset. 5. Reinstate the agreement using CC IAGRE. Revise the installment agreement locator number to XX32. Change the assessment indicator to "1", allowing the new assessment to post without suspending the agreement. Note: Enter a history on AMS indicating the additional assessment amount and actions taken. If the response is IAPND, reinstate the agreement by using IADIS information. 6. Send the appropriate letter to inform the taxpayer of the changes. 7. Waive the user fee and annotate AMS with the reason if all applicable fees have been paid.
<p>There were only modules in which accruals were not assessed and need to be collected and have less than six months remaining on the CSED</p>	<ul style="list-style-type: none"> • No action is required if the balance is zero on that tax period. • If there is a credit on the module, resolve the credit by assessing any penalty or interest due, up to the credit amount. • If no additional penalty or interest is due, input a TC 290 .00.
<p>Accruals were assessed and collected on all modules</p>	<p>No action is required.</p>

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5.19.10.10.2.2
(09-13-2022)
**Full Paid Continuous
Wage Levy Accounts**

- (1) It is imperative a wage levy is released immediately when the account becomes full paid. Whenever possible levy releases should be faxed to the employer to prevent collection of excess levy proceeds. See IRM 10.5.1.6.9.4, Faxing, for guidelines.
- (2) Determine the levy source from the CC IADIS record. If not found, review the following for levy source data. Update AMS with the levy source when found.
 - CC ENMOD and CC TXMOD history
 - AMS history
 - RTR System to view payment documents
 - CC LEVYE
 - SSA levy payments are identified by a “49” in the 3rd and 4th positions of the EFT-TRACE-NUM.
 - ACS archives. If CWL was established by ACS per the Originator Code or ALN on CC IADIS, contact the *ACS Support Liaison* found under the SERP “Who/Where” tab.
- (3) Process accounts with a continuous wage levy, Agreement Locator Number “XX08” as follows:

If...	And...	Then...
The account is full paid, including accruals of P&I	<ul style="list-style-type: none"> • The previous levy release shows on CC ENMOD or elsewhere and • No payments are being received 	No action is required.
The account is full paid, including accruals of P&I	<ul style="list-style-type: none"> • No levy release shows on CC ENMOD or elsewhere OR • Payments are still being received AND the levy source can be determined 	<ol style="list-style-type: none"> 1. Prepare a release of the levy on wages, Form 668-D, Release of Levy/Release of Property From Levy. For levy release procedures, see IRM 5.19.4.4.10, Levy Release: General Information. 2. Fax Part 1 to the employer if the number is available, otherwise mail Part 1 to the employer 3. Destroy Form 668-D after one year from date of release. Refer to Document 12990, Records Control Schedules, Schedule 28, Item 43, for retention details.

If...	And...	Then...
The account is full paid, including P&I accruals	No levy release is shown and the levy source can NOT be determined	<ol style="list-style-type: none"> 1. You can attempt to contact the taxpayer to identify the levy source and the number to fax the release. If unable to obtain the information send Letter 2571-C, To Employer: Discontinue/Adjust Payroll Deduction, to the taxpayer authorizing the release of the continuous wage levy. 2. Advise the taxpayer to give their employer a copy of the letter if unable to fax.
The account is not full paid, including P&I accruals	Restricted interest and/or penalty was not assessed	<ol style="list-style-type: none"> 1. Follow procedures for computing and assessing accruals in IRM 5.19.10.10.2.1, Full Paid Restricted Interest and Penalty Accounts. 2. Reinstate the IA and change the assessment indicator to "1". ALN should be "XX08". 3. Waive the User Fee.

5.19.10.10.2.3
(03-23-2020)

**Cross-Referenced TINs
on Status 60 Accounts**

- (1) If the cross reference account is in ST 63, update the IA to ST 60. Do not charge any additional user fee, for origination or reinstatement, on ST 63 accounts. Keep the same user fee on the cross reference agreement.

- (2) Update the ALN

Example: "9063" becomes "9036" if streamlined.

- (3) If the cross reference TIN is full paid, take no action.

- (4) Review history items on ENMOD or AMS. If the agreement was a PPIA, history item, "PPIA/xref" should display. When setting up the cross-referenced TIN on a PPIA:

- a. Use the appropriate ALN; for additional information, see IRM 5.19.1-9, ALNs.
- b. Use a PPIA indicator of "2".
- c. Use a Review Suppress Indicator (RSI) of "5" for IMF and "6" for BMF.
- d. Use the review cycle shown on the original TIN

Exception: If the only remaining modules all contain a CSED expiring sooner than the original review cycle, use an RSI of "6" and a review cycle coinciding with the date the CSED expires. The case generates on the IAAL so a letter may be sent informing the taxpayer payments are not required.

- 5.19.10.10.2.4
(03-23-2020)
**Full Paid Payroll
Deduction Agreements –
CSCO Processing**
- (1) Notify the employer to discontinue payments if the payroll deduction installment agreement (PDIA) is full paid early because of a credit offset, or similar condition. Use Letter 2571-C, To Employer: Discontinue/Adjust Payroll Deduction.
 - (2) Send Letter 2571-C, To Employer: Discontinue/Adjust Payroll Deduction, to the employer if accruals are assessed on a restricted penalty and/or interest module in addition to the letter sent to the taxpayer regarding the assessment.
- Note:** Letter 3230-C, Third Party Contact Letter and Letter 3230-SP, Third Party Contact Letter - Spanish Version, are not required on Full Paid accounts, or when only accrued restricted penalty and/or interest is due.
- 5.19.10.10.2.5
(10-15-2012)
**Previous Agreement Full
Paid with Anticipated
Debit Module (XX32) –
CSCO Processing**
- (1) Process these accounts per established guidelines: see IRM 5.19.10.10.3.4, Anticipated Debits on the IAAL.
- 5.19.10.10.2.6
(04-28-2008)
**Expired CSED – Partial
Payment Installment
Agreements**
- (1) When the CSED expires on the final module of a PPIA, the account is listed on the IAAL in the full paid category; work these accounts as follows.
 - (2) Review the account to confirm the CSED is expiring on the final module of the PPIA. Send Letter 3127-C, Revision/Reinstatement to Installment Agreement, informing the taxpayer the CSED is about to expire, and they are not required to make payments, but they may make voluntary payments.
 - (3) It is possible a PPIA can be full paid due to unanticipated payment or offset; no action is necessary on these cases.
- 5.19.10.10.3
(06-01-2018)
**IAAL Suspended and
Suspended Over 4
Weeks (Status 61)**
- (1) When certain changes occur on an account in ST 60, the agreement suspends. The account updates to ST 61 and appears in the “Suspended” category on the IAAL. If required action is not taken on accounts in the suspended category, the account reappears every four weeks on the IAAL in the “ST 61 over 4 Weeks” category.
 - (2) Taxpayers do not receive reminder notices while their accounts are in ST 61. It is extremely important to work these cases as quickly as possible. See Exhibit 5.19.10-4, IAAL Prioritization List.
 - (3) If the TP’s account wasn’t debited within the last 30 days, send appropriate letter to inform the taxpayer that their DDIA will continue.
- 5.19.10.10.3.1
(09-13-2022)
**Suspended — Pre-Bal or
Expired Pre-Assessed
Installment Agreement
(PreIA)**
- (1) Pending Installment Agreements appear on the IAAL for two reasons:
 - The pre-assessed module(s) was/were not the actual balance due posted and the monthly payment or balance does not meet streamlined criteria.
 - The return or proposed assessment does not post after 16 cycles (EXPRES).
 - (2) Take the following actions for Pre-Bal cases:

If.....	Then.....
The payment amount is less than	<ul style="list-style-type: none"> • If the payment is not the same as the original agreement or the taxpayer does not propose a new monthly payment, determine the payment amount to meet the 1/72 criteria. • Send Letter 5166-C, Installment Agreement Suspended: Additional Information Is Needed, advising the taxpayer of the new payment amount and to call or write if the taxpayer agrees with the new monthly payment amount. • Include Form 433-F, Collection/Information Statement, and advise the taxpayer to complete the form and return it only if they do not agree with the revised monthly payment amount. • Warn the taxpayer that enforcement action may be taken if response is not received within 10 days of the letter. • Input STAUP 2205.
The balance due is above Business (OOB) Sole Proprietor)	Reject the IA request and send Form 433-F, Collection/Information Statement. For additional information, see IRM 5.19.1.6.4.9, IA Rejection Criteria.

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- (3) To input corrections or suspend a PreIA, nullify the IA using CC IAGRE with Review Action “3”
 - a. To revise a PreIA to include an assessed module(s), first nullify the IA and suppress the default notice, using Review Action “3”, and reinstate it using Review Action “1”.
 - b. To extend a PreIA and Pre-DDIAs, use Review Action “2”. If bank information is not available on EFTAD, revise IA to pay by mail and send Form 433-D. Update User Fee.

(4) Take the following actions for PreIA cases:

If...	Then...
The anticipated module is paid in full	Take no action.
<ul style="list-style-type: none"> • The taxpayer did not file a return and • There is no TC 460 dated just before or any time after the PrelA was input 	Take no action.
<ul style="list-style-type: none"> • Any module on SUMRY is in ST 26 and • The collection assignment is to a RO 	Take no action.
All modules on SUMRY are in ST 71 or 72	Take no action.
All modules on SUMRY are in ST 12 or ST 60	Take no action.
The proposed assessment has not posted on IDRS, but there is an open control to ASFR, AUR or Examination	Extend the agreement <ul style="list-style-type: none"> • For pay by mail IA - notify the taxpayer we haven't finished processing their account. Once we complete processing, we'll issue a first balance due notice. Then we'll send a monthly statement with a payment voucher and return envelope shortly before each payment is due. The statement will show the balance remaining on their account, as well as the monthly payment amount. • For DDIA - notify the taxpayer we can't deduct the first payment from their checking account until after we issue the first balance due notice. Advise them to monitor their checking account after they receive the notice to make sure payments are being deducted. • If IA/DDIA is expired a second time, extend the agreement. Do not send another letter.
The return has not posted because the TC 150, 290 or 300 went unpostable on TXMOD	Extend the agreement.
The anticipated module return posted on the cross-reference SSN (spouse) account	<ol style="list-style-type: none"> 1. Nullify the agreement under the incorrect SSN. 2. Re-establish the IA on the correct SSN. 3. Transfer any payments on the incorrect account to the tax period where the return was posted.
<ul style="list-style-type: none"> • The assessment posted and the PrelA was a Full Pay Request agreement and account not full paid and • The due date for full payment plus two additional cycles has not passed 	Input a STAUP 22 for two cycles beyond the scheduled full payment date on the module

If...	Then...
The name controls on IDRS or MF do not match Reminder: Make sure the agreement was input for the intended taxpayer.	<ol style="list-style-type: none"> 1. If the IA was input on the wrong account, establish the IA under the correct account 2. If the IA was input on the correct account, nullify the IA, suppressing the default notice. Correct the name control on IDRS. Reinstate the IA. 3. If the correct account is unknown, take no action
The anticipated module is in ST 23 or ST 53 on SUMRY	<ol style="list-style-type: none"> 1. There is an unreversed TC 530 newer than the date the PreIA was input. Take no action. 2. There is an older unreserved TC 530. Reverse with a TC 531. Nullify the original agreement and reinstate the IA.
The anticipated module is in ST 23 and/or ST 53 on MF only (IMFOL, nothing on SUMRY)	<ol style="list-style-type: none"> 1. There is an unreserved TC 530 newer than the date of the PreIA was input. Take no action. 2. There is an older unreserved TC 530, you must reverse the TC 531. 3. CC MFREQ "C" the module. 4. Input TC 971 AC 043. 5. Hold the IA request until the module posts to IDRS, usually two cycles, then input IA.
You cannot determine the reason why the PreIA expired	Extend the IA unless it was previously extended once; otherwise take no action.

- (5) If there is any open control base on IDRS, determine whether it is necessary to make contact before taking any action on the account.

5.19.10.10.3.2
(08-17-2021)
Suspended for New Assessment

- (1) There are several different reasons an account suspends. The next proper action depends primarily on the reason the account suspended. CC IADIS indicates the reason for the suspension:
 - The assessment indicator only pulls in a new assessment if it posts within ten cycles from the cycle the assessment indicator was turned on.
 - Accruals only assessments, TC 276 and TC 196, do not appear on the IAAL Suspended Category.
 - If reinstating the IA, to allow an additional future assessment to be included in the agreement, input the assessment indicator on the IA, and input the correct ALN.
- (2) A new module, or "New Mod", is the most common reason for an account to suspend:

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If...	Then...
The assessed balance, including the new assessment, meets full compliance criteria per IRM 5.19.1.6.4, IAs or meets the guidelines for an In-Business Trust Fund Express Agreement per IRM 5.19.1.6.4.2, IA Requirements IBTF Express Agreement. See also IRM 5.19.1.2.6, Case Processing Authority Levels and IRM 5.19.1-9, ALNs.	<ol style="list-style-type: none"> 1. Reinstate the IA. 2. Send the appropriate letter and inform the taxpayer that the new module has been included and payments have not changed. 3. Charge the appropriate User Fee per IRM 5.19.1.6.4.6(10) and 11), IA Payment Methods and User Fees (UF) Overview.
The new module is fully paid	Reinstate the IA
The IA is fully paid, everything except the new mod	Input CC STAUP on the new module, moving it from suspended status into the notice stream as follows: <ul style="list-style-type: none"> • STAUP 56 01 (IMF) • STAUP 58 01 (BMF)
All others	<ol style="list-style-type: none"> 1. Take the appropriate action depending on if working an IA, extension or CTWL in the IRM subsections to follow. 2. Use the correct default category with IADFL when defaulting an agreement. 3. Avoid using the "OTHER" category whenever possible.

Note: If you determine that an IA was defaulted erroneously, restore the IA at the previous terms. If the previous terms required managerial approval or exceeded functional authority, manager review is required to confirm that the default was erroneous and that it is being restored at the previous terms.

Example: An IA defaulted because a new liability posted. The taxpayer full paid the new liability, but the payment posted after the IA defaulted. The IA exceeded Campus authority. The employee should obtain managerial concurrence, then restore the IA at the previous terms.

5.19.10.10.3.3
(02-08-2023)
Unanticipated Debits on the IAAL

- (1) Research IDRS using CC SUMRY and CC TXMOD to determine which debit posted. All modules are in ST 61 including the new assessment.

Note: There are IMF modules on the IAAL that default and have an aggregate

procedures in IRM 5.19.1.6.4.5, Account Statuses Affecting IAs. Put comments on AMS "Exceeds Campus Authority". This should allow the account to send the taxpayer a CP 523.

- (2) Only CSCO, ACS and ACS Support Operation(s) assigned to work DDIA agreements may input and revise DDIA.
- (3) Prior to reinstating the agreement you must check the CSED to determine if the module(s) will full pay before the existing CSED expires. If the CSED is not protected, default the IA using "NEW MOD" and leave a history on AMS ex-

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plaining the CSED problem. For additional information see IRM 25.6.1.12, Collection Statute Expiration Date (CSED).

Note: Copy and paste payment calculator results from IAT to AMS showing the CSED is not protected.

- (4) Reinstate the agreement using CC IAGRE, as long as CSED is protected, send appropriate letter and waive the User Fee if the new debt is paid or any of the conditions in the list below are met:
- Has a history on ENMOD, TXMOD or AMS that the new debit should be included but the ALN is not "XX32"
 - Is for the tax period during which the IA was established and the
 - Requires no more than two additional monthly payments
 - For IMF and Out of Business taxpayers, results from penalties and interest, and/or assessments of tax for periods covered by the agreement. **Reminder:** if the new debit causes the agreement to no
- required.
- If the IA suspended because of a DEBT TC caused by TC 240 reference number 697 or 699 even if balance due is over campus authority.
- (5) A PPIA is not CSED protected so a PPIA can be reinstated if the new debt is paid.
- (6) If none of the conditions in (4) are met and the assessed balance, including the new debit, meets streamlined criteria, follow IRM 5.19.10.10.3.2(2), Suspended for New Assessment.
- (7) IBTF Express Agreements do not require managerial approval.
- (8) If you determine that the taxpayer has an unfiled return(s), DO NOT default the IA if conditions meet any of the criteria in (4) above. Because an IA has already been granted to the taxpayer we cannot now default the IA for an unfiled return.
- (9) Default the agreement if the account does not meet conditions outlined in (3) or (4) above; use CC IADFL with default category "NEW MOD."

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5.19.10.10.3.4
(08-17-2021)

**Anticipated Debits on
the IAAL**

- (1) Reinstate the agreement using CC IAGRE if the debit was anticipated or the Agreement Locator Number (ALN) is "XX32". Waive the user fee and enter a history on ENMOD of, "Fee Waived" and annotate the reason on AMS.

Note: If the IA was recently revised and the revision User Fee has not been paid, do not waive the user fee. Taxpayer is liable to pay the revision user fee charge. Refer to Treas. Reg. 300.2.

for new procedures.

- (2) Take the following actions:

If...	And...	Then...
<ul style="list-style-type: none"> The ALN is "XX32" There are still assessed modules with a balance due 	History items on CC ENMOD, TXMOD or AMS indicate the new module was anticipated	<ol style="list-style-type: none"> Reinstate the agreement. Change the ALN to the appropriate number.
<ul style="list-style-type: none"> The ALN was "XX32" The assessed modules were full paid, but the new assessment is not yet assessed <p>Example: Anticipated debt on next year's return due to nonpayment of ES Taxes, open control for AUR, ASFR, or Examination, etc.</p>	<ul style="list-style-type: none"> History items on CC ENMOD, TXMOD or AMS indicate the new module was anticipated AMS shows the proposed amount of the new assessment 	<ol style="list-style-type: none"> Reinstate the agreement using CC IAPND. Waive the user fee, as this was intended to be part of the existing IA when established. Annotate AMS with comments.
<ul style="list-style-type: none"> The ALN was "XX32" The assessed modules were paid, but the new assessment is not yet assessed <p>Example: Anticipated debt on next year's return due to nonpayment of ES Taxes, open control for AUR, ASFR, or Examination, etc.</p>	<ul style="list-style-type: none"> History items on CC ENMOD, TXMOD, or AMS indicate if the new module was anticipated. AMS does not show the proposed amount of the new assessment. And you are unable to determine the amount of the proposed assessment. 	<ol style="list-style-type: none"> Do not reinstate the IA. Send the taxpayer Letter 2272-C, Installment Agreement Cannot Be Considered, with Form 9465, Installment Agreement Request. Advise the taxpayer to send Form 9465 when they receive a bill for the new assessment.
The new account balance totals and OOB Sole Proprietor)	The total balance can be paid within 72 months	<ol style="list-style-type: none"> Determine if a lien should be filed. Send Letter 2603-C, Installment Agreement Accepted-Notice of Federal Tax Lien Will be Filed, notifying the taxpayer of our intent to file a lien. Input a history item on CC ENMOD. Request a lien after 30 days if the taxpayer does not respond. Open a control base to monitor for lien filing.
New liability brings the total IMF and OOB Sole Proprietor)	One payment will bring it within SIA	Reinstate only as DDIA.

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If...	And...	Then...
New liability brings the total IMF and OOB Sole Proprietor)	One payment will not bring to within SIA	Send Form 433-F, Collection Information Statement, or Form 433-B, Collection Information Statement for Business.

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5.19.10.10.3.5
(03-23-2020)
New Debit Extends Agreement Beyond CSED – CSCO Processing

- (1) Check history items on ENMOD or AMS. If new debit is indicated it was included in PPIA proposal (financial secured), reinstate the agreement; for additional information: see IRM 5.19.1.6.5, PPIA.
- (2) If there is no indication the new debit was included in a PPIA, default the account using CC IADFL, category code NEW MOD. Input STAUP 2201, accelerate case to ACS.

5.19.10.10.3.6
(03-23-2020)
New Debit on Continuous Wage Levy – CSCO Processing

- (1) Continuous Wage Levies (CWL) are identified by the Agreement Locator Number (ALN) XX08. Take the following actions:
 - 1. Default the account using CC IADFL, category code NEW MOD.
 - 2. Input STAUP 2200
 - 3. ASGNI/ASGNB 0120; for input procedures see IRM 2.4.27, Command Code ASGNI/ASGNB formerly TSIGN.

Note: Do not include MFT 35 or MFT 65 modules on a CWL.

5.19.10.10.3.7
(03-23-2020)
New Debit on Payroll Deduction Installment Agreement - CSCO Processing

- (1) Payroll Deduction Installment Agreements (PDIA) are identified by the Agreement Locator Number (ALN) 11YY or 91YY.
- (2) If the account appears on the IAAL because of a new liability:

If:	Then:
The current PDIA monthly payment amount meets SIA for the total liability (current PDIA balance plus new liability)	<ul style="list-style-type: none"> 1. Modify PDIA to include new liability. 2. Send Letter 2318-C , Installment Agreement; Payroll Deduction (F2159), to taxpayer, advising them to notify employer of the change to the PDIA.

If:	Then:
The current PDIA monthly payment amount does not meet SIA for the total liability (current PDIA balance plus new liability)	<ol style="list-style-type: none"> 1. Send Letter 2318-C , Installment Agreement; Payroll Deduction (F2159), to taxpayer, advising them of the minimum acceptable monthly payment amount. 2. Include Form 2159, Payroll Deduction Agreement. 3. Control the case and give taxpayer 15 days to reply. 4. Monitor case for 30 days. If no response, default PDIA

5.19.10.10.3.8
(04-20-2022)

-J Freeze or TC 470 CC 94 - Unsubstantiated Math Error

- (1) A module with a -J freeze or a pending, unreversed TC 470 CC 94, i.e., an unsubstantiated math error, will cause an installment agreement to suspend and appear on the IAAL. It will continue to appear on the IAAL in the suspended category until the freeze/TC 470 CC 94 is released.
- (2) Take the following action:

IF	AND	THEN
The -J freeze and/or TC 470 CC 94 is unreversed,	This is the first time the account is reflected on the IAAL	<ol style="list-style-type: none"> 1. Reinstate installment agreement. 2. Send the taxpayer Letter 3127-C, Revision/Reinstatement to Installment Agreement and User Fee Adjustments. 3. Update AMS with comments, "IAAL Suspended due to Math Error; Letter 3127C sent".
The -J freeze and/or TC 470 CC 94 is unreversed,	This is not the first time the account has been in the suspended category for the math error condition,	<ol style="list-style-type: none"> 1. Check AMS history for prior IAAL activity. 2. If Letter 3127C was previously sent for this issue, no action needed. 3. If Letter 3127C was not previously sent for this issue, send letter now, following instructions above.
-J Freeze/TC 470 CC 94 was reversed,	No additional tax has been assessed,	<ol style="list-style-type: none"> 1. Reinstate the agreement with the same terms as before the suspension. 2. User fee remains the same.

IF	AND	THEN
<p>-J Freeze/TC 470 CC 94 was reversed,</p>	<p>Additional tax has been assessed,</p>	<ol style="list-style-type: none"> 1. Determine whether the monthly payment amount meets SIA, within CSED. 2. If the original terms are still acceptable, reinstate the IA. 3. If the IA no longer meets SIA, or the previous CIS is over 1 year old, send Letter 484-C, Collection Information Statement Requested (Form 433F/433D); Inability to Pay, to request Form 433-F, Collection Information Statement, and suspend for 45 days. <ul style="list-style-type: none"> • Include the minimum proposed monthly payment amount we can accept without financial information. • Inform them if they cannot pay the minimum monthly payment amount, they should complete and submit Form 433-F. • Ask the taxpayer to respond with the requested information within 30 days from date of letter. 4. Default IA using category code NEW MOD.

5.19.10.10.3.9
(10-02-2018)

RET DEL or TDI MOD

(1) An IA will suspend with reason codes “RET DEL,” or “TDI MOD” when past due returns have not been filed.

If...	Then...
<p>The IMF IA defaulted due to IRS error and/or suspended, Example: Misapplied payment, or rejected for open TDI after 11/30/1999</p>	<p>a. If TDI/RET DEL, send Letter 2269-C, Delinquent Individual Return; Insufficient Response/No Record, or appropriate letter to request missing return be filed within 30 days. Document AMS history.</p> <p>b. If TC 140 is present, shelve the TDI module with a TC 598 CC 082, allowing the current IA to continue.</p> <p>c. Reinstate the IA for TDI/RET DEL.</p> <p>d. If the account is other than 6X, enter the “original agreement acceptance date” on line 7 of CC “IAORG”. Note: See the Exhibit in IRM 2.4.30-3, Command Code IAORG, Item 21, to ensure correct failure to pay penalty is charged.</p> <p>e. Waive the reinstatement user fee.</p>

(2) If the IA is accepted in error and input via CC **IAPND**, when the return posts, the CC **IAPND** defaults on the IAAL due to open TDI's.

- Reinstate IA,
- Send Letter 2269-C, Delinquent Individual Return; Insufficient Response/No Record, or other appropriate letter, and request missing return be filed within 30 days,
- Document AMS history.

5.19.10.10.3.10
 (06-22-2018)
OIC - 5YR

(1) An IA will suspend with reason code “OIC-5YR” when a taxpayer may have defaulted on their OIC. Under the terms of an OIC, the taxpayer must file all returns on time and have no additional balance due for five years.

If...	Then...
<p>ENMOD/AMS history shows “PRINT2OIC” (or similar) within the last 6 months</p>	<p>Take no action.</p>

If...	Then...
No history on ENMOD/AMS	<ul style="list-style-type: none"> • Send a copy of the IAAL page with an IADIS print to OIC • Leave history on ENMOD/AMS: "PRINT2OIC".

5.19.10.10.4
(03-23-2020)
**IAAL Defaulted Category
(Status 64)**

- (1) The account appears on the IAAL five cycles after it updates to ST 64 if no action occurs in the interim. Process these accounts immediately to prevent Taxpayer's Delinquent Account (TDA) issuance in seven (7) cycles.

Note: There are IMF modules on the IAAL that default and have an aggregate

default. Do not follow the procedures in IRM 5.19.1.6.4.5, Account Statuses Affecting IAs. Put comments on AMS "Exceeds Campus Authority". CP 523 is issued when account goes into ST 64.

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- (2) The IA defaults and the status changes from ST 60, and ST 63 in some instances, to ST 64 when the following conditions occur:

Installment Agreement Action	Description
DEFAULTED-PMT INS	The required payment was not made
DEFAULTED-BAD CHK	The payment was dishonored
DEFAULTED-F/S OLD	Failure to provide requested financial information
DEFAULTED-C/R DFL	A manual default was input using CC IADFL due to a default on a cross reference account
DEFAULTED-NEW MOD	A new balance due module appears on the account. The default can either be systemic or manual
DEFAULTED-TDA MOD	A balance due module updates to TDA status

Installment Agreement Action	Description
DEFAULTED-OTHER	A manual default was input using CC IADFL for all other conditions. This includes accounts defaulting out of the Suspended category. When defaulting an IA using category code "OTHER", the CP 523 notice just states that they failed to meet the terms of the IA, it does not explain to the taxpayer why the IA was defaulted. If another category code fits the situation, that code should be used to default the IA.

(3) See the IRM references below for accounts with the following characteristics displayed on the IAAL:

- Payroll Deduction: ALN "11YY" and "91YY": see IRM 5.19.10.10.4.1, Defaulted Payroll Deduction Agreements/Payment Missing
- Continuous Wage Levies: ALN "XX08": See IRM 5.19.10.10.4.2, Defaulted Continuous Wage Levy
- Cross reference Accounts: ALN **XX63**: Identified as "CR TINS", ST 63: See IRM 5.19.10.10.4.3, Defaulted Installment Agreement with Cross Reference TIN
- Currently Not Collectible (CNC): ALN "XX53": See IRM 5.19.10.10.4.4, Defaulted with Backup 53 (ALN XX53)
- Partial Payment Installment Agreements: ALN "12": See IRM 5.19.10.10.4.4, Defaulted with Backup 53 (ALN XX53)

(4) For all other above deferral accounts appearing under the categories DEFAULTED-PMT INS and DEFAULTED-BAD CHK see below.

If...	Then...
Required payment is missing	<ol style="list-style-type: none"> 1. Research account, and any cross reference accounts, for payment. 2. If payment is located, transfer it, if appropriate. 3. Reinstate the agreement. 4. Waive the User Fee. 5. Annotate AMS with comments.
Payment was dishonored	<ol style="list-style-type: none"> 1. Research account, to determine if taxpayer made up dishonored payment. 2. Reinstate the agreement. 3. Advise the taxpayer of the User Fee. 4. Annotate AMS with comments.

(5) For accounts below deferral amounts shown in IRM 5.19.1.2.6, Case Processing Authority Levels:

- a. If there are cross-referenced accounts, take all modules into consideration when determining deferral.
- b. Work any accounts that are PDIA, Wage Levy, or Federal Employee/Retiree (FERDI, denoted by “FED—EMP-F” under the appropriate IAAL procedures
- c. For all other below deferral accounts, take no action.

5.19.10.10.4.1
(04-20-2022)

**Defaulted Payroll
Deduction
Agreements/Payment
Missing**

- (1) Make two phone attempts during the day you work the case; make an attempt to determine why we did not receive the payment, to both:
 - The employer, during the day
 - The taxpayer, during the evening
- (2) Do not hold the case for a return call. Do not reinstate the agreement if unable to reach the employer or the taxpayer. Document on AMS, “unable to contact”.
- (3) Take the following actions based on the response from the employer or taxpayer:

If...	And...	Then...
The employer/taxpayer indicates payments were made	N/A	1. Initiate payment tracer action. If payment located, transfer if appropriate 2. Reinstate the agreement. 3. Waive the User Fee. 4. Annotate AMS with reason.

If...	And...	Then...
The employer/taxpayer indicates the taxpayer was temporarily laid off	The taxpayer will return to work before the next monthly payment is due or the following month	<ol style="list-style-type: none"> 1. Reinstate the agreement. 2. Input the name, address and telephone number, if available, if the employer information is not already on IAGRE. Reinput the ALN to activate the generation of the systemic letter when the account becomes full paid. 3. Update the next payment due cycle, if necessary. 4. Send Letter 2273-C, Installment Agreement Accepted-Terms Explained, informing the taxpayer the IA was reinstated. Advise them of \$89 User Fee, or if they qualify under low-income guidelines, the reinstatement fee is \$43. See <i>Installment Agreement (IA) User Fee Codes</i> for new procedures. 5. If the taxpayer contacts us, advise them to contact their employer to start sending payments on the agreed payment date.
The employer/taxpayer indicates they temporarily laid off the taxpayer	The IMF taxpayer will not return to work before the next monthly payment is due, or the following month	Do not reinstate the agreement.
The employer indicates the taxpayer no longer works there	For IMF accounts	<ol style="list-style-type: none"> 1. Do not reinstate the agreement. 2. Delete the levy source and telephone number, if applicable.
The employer indicates the taxpayer is temporarily laid off or no longer working there	For BMF accounts	<ol style="list-style-type: none"> 1. Default IA. 2. Assign case to RO, 2200 6541.

5.19.10.10.4.2
(10-02-2018)

Defaulted Continuous Wage Levy

- (1) Review IDRS for payments on defaulted continuous wage levies.
- (2) Reinstate the Continuous Wage Levy (CWL) if the levy source is making payments. If the payment is less than the amount shown on the original agreement, change the monthly payment amount to the amount currently received each month. If over the level of authority, reassign to 2200 0120.
CAUTION - Do not include MFT 35 or MFT 65 modules on CWL.

- (3) Contact the employer regarding the missing payments if they are not found on the account:

If the employer indicates...	And...	Then...
Payments were sent	N/A	<ol style="list-style-type: none"> 1. Initiate payment tracer action and reinstate the agreement. 2. Waive the User Fee. 3. Update AMS history.
The taxpayer is temporarily laid off	The taxpayer will return to work before the next monthly payment is due, or the following month	<ol style="list-style-type: none"> 1. Reinstate the agreement and update the payment due cycle, if necessary. 2. Waive the User Fee. 3. Update AMS history.
The taxpayer is temporarily laid off	The taxpayer will not return to work before the next monthly payment is due, or the following month	<ol style="list-style-type: none"> 1. Review IDRS for the previous assignment number. 2. If a field assignment, input CC ASGNI with an assignment number of "6466". 3. All others, input STAUP 2200 and ASGNI "0120".

- (4) If unable to reach the employer after two attempts, review IDRS for the previous assignment number:
- a. If field assignment, input CC ASGNI with assignment number of 6466
 - b. All others input STAUP 22 00 and ASGNI 0120

5.19.10.10.4.3
(04-28-2008)

Defaulted Installment Agreement with Cross Reference TIN

- (1) Input CC STAUP for 07 cycles on all modules on the cross reference TIN if the account will not be reinstated.
- (2) Reinstate the cross reference TIN to ST 63 if the IA is reinstated.

5.19.10.10.4.4
(10-02-2018)

Defaulted with Backup 53 (ALN XX53)

- (1) Defaulted with Backup 53 are accounts where a determination of CNC was made as backup to the IA in case of default. These accounts are established with an Agreement Locator Number (ALN) of "XX53". Partial Payment Installment Agreements may also have a backup 53 indicated as a history item on CC ENMOD or in AMS narrative.
- (2) Process these accounts as follows:

If...	And...	Then...
<ul style="list-style-type: none"> The reason for default is payment insufficient or bad check and The Collection Information Statement (CIS), if required, is less than twelve months old 	Form 53, Report of Currently Not Collectible Taxes, or AMS narrative, does reflect managerial approval	<ol style="list-style-type: none"> Input TC 530 with the closing code shown in the AMS narrative. Send Letter 4624-C, Case Closed -- Currently Not Collectible; Lien Filing Notification on Currently Not Collectible.
<ul style="list-style-type: none"> The reason for default is payment insufficient or bad check and The Collection Information Statement (CIS), if required, is less than twelve months old 	Form 53, Report of Currently Not Collectible Taxes, or AMS narrative does not reflect managerial approval	<ol style="list-style-type: none"> Secure managerial approval. Input TC 530 as referenced above. Send Letter 4624-C, Case Closed -- Currently Not Collectible; Lien Filing Notification on Currently Not Collectible.
<ul style="list-style-type: none"> The CNC information is incomplete or data cannot be located and The Collection Information Statement or Financial Screen, if required, is over twelve months old 	N/A	<ol style="list-style-type: none"> Send Letter 484-C, Collection Information Statement Requested Form 433-F/ Form 433-D; Inability to Pay/ Transfer. Enclose Form 433-F or Form 433-B, for determination. Input STAUP 2206.
The IA is for a deceased taxpayer account	N/A	<ol style="list-style-type: none"> Input TC 530 cc 08. Release the 130 freeze.
A Partial Payment IA, ALN "XX12"	<ul style="list-style-type: none"> There is a backup 53 history item on ENMOD of "PPIA/CNCXX " or In AMS history, usually at the bottom of the financial statement 	<ol style="list-style-type: none"> The "XX" reflects one of the TC 530 action codes of 24 to 32. Input the appropriate TC 530 if the history item is present on ENMOD or on AMS. Send Letter 4624-C, Case Closed - Currently Not Collectible; Lien Filing Notification on Currently Not Collectible. Take no action if there is no history item to reflect the backup 53.

(3) A TC 530 CC 39 is not a CNC account. This closing code is used by ACS to shelve cases.

5.19.10.10.4.5 (06-01-2018)
IAAL Out of Campus Accounts – CSCO Processing

(1) Transfer out of campus taxpayer accounts to the appropriate campus for the taxpayer; for procedures: see IRM 5.19.1.4.1, Account Actions on Referral/ Redirects.

5.19.10.10.5 (03-23-2020)
IAAL Deferred Agreement Over One Year (Status 63) – CSCO Processing

(1) When an IA is input to an account and a cross reference TIN is input, the cross reference account updates to ST 63. No payment reminders are sent and payment analysis is not made on these accounts. If the account is in ST 63 for one year with no update, it appears on the IAAL for review:

If...	Then...
The primary account is still in ST 60	Take no action
The primary account is in ST 22, 24 or 26	1. <ul style="list-style-type: none"> • Default the ST 63 account using CC IADFL, using category code CR DFL. • Input STAUP 22 01 to issue the TDA.
The primary account is in ST 53	Update the ST 63 account to ST 53.
The primary account is in ST 12, full paid, and a balance remains on the cross reference account	<ul style="list-style-type: none"> • Update the ST 63 account to ST 60 using CC IAGRE. • Correct ALN • Do not charge User Fee
The primary account is in a status other than ST 22, 60 or 12	Review the history items and payment history on the related cross reference account to determine if the ST 63 account should be defaulted or updated to ST 60.

5.19.10.10.6 (03-23-2020)
IAAL Review Agreements

(1) Accounts which display on the IAAL in category “Review Agreements” are those which had an indicator input to suppress the agreement review notice when the IA was established. These accounts generate to the IAAL two cycles prior to the agreement review cycle.

(2) All accounts, which appear under Review Agreements during the week, will display on the weekly IAAL . Work these accounts as follows:

If...	Then...
A continuous wage levy, refund to full pay the account, or restricted interest and/or penalty	Follow the instructions in the next subsections of this IRM.

If...	Then...
Partial Payment Installment Agreement with ALN "12" of PPIA indicator	These accounts are monitored by the field's CCP through IAT. See IRM 5.4.11.6, Installment Agreements Monitored by Integrated Automation Technologies (IAT). Cases not meeting systemic parameters of the IAT monitoring process will be generated on a Manual Action List (MAL). Take no action.
All others	<ol style="list-style-type: none"> 1. Update next review cycle for "3" years, or 156 cycles 2. Change the "Review Suppress Indicator" to "1". 3. Reinstate to ST 60.

5.19.10.10.6.1
(10-15-2012)

(1) Process Agreement Locator Number "XX08", Continuous Wage Levy, accounts as follows:

**IAAL Review of
Continuous Wage Levy
– CSCO Processing**

If...	And...	Then...
The remaining balance due, including accruals, is less than the monthly payment amount	N/A	Send Form 688-D, Release of Levy on Wages, Salary and Other Income, to the employer showing the remaining balance due. For levy release procedures see IRM 5.19.4.4.10, Levy Release: General Information.
The remaining balance due is larger than the monthly payment amount	For Legacy Cases Only: The account will not be full paid before the CSED and the levy form was annotated, "Monitor Levy as IA, Unable to Secure Form 900."	<ol style="list-style-type: none"> 1. Input a new review date one month before the CSED expires. 2. Input a Suppress Review Notice Indicator of "5" for analysis.
The remaining balance due is larger than the monthly payment amount	The CSED expires in 30 - 60 days	Send a levy release to the employer advising one additional payment should be made. For levy release procedures see IRM 5.19.4.4.10, Levy Release: General Information.

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- 5.19.10.10.6.2 (05-06-2016)
IAAL Review for Refund to Full Pay Account – CSCO Processing
- (1) Accounts appear on the IAAL for review when a refund is expected to full pay the account and the refund did not appear on the account. Research IDRS and Master File to determine if the return was filed:

If...	And...	Then...
<ul style="list-style-type: none"> • Return was filed or • Return did not post and you cannot determine if it was filed 	The refund did not full pay the account	<ol style="list-style-type: none"> 1. Update the IA showing the original payment amount as the payment amount on CC IADIS. 2. Allow reminder notices to issue.

- 5.19.10.10.6.3 (02-01-2014)
IAAL Review of Restricted Interest and Penalty Accounts – CSCO Processing
- (1) Compute and assess restricted interest and/or penalty accounts with ALN “XX27”; for procedures to compute restricted interest and/or penalty: see IRM 5.19.10.10.2.1, Full Paid Restricted Interest and Penalty Accounts.
- (2) Turn the assessment indicator on with CC IAGRE.

- 5.19.10.10.7 (03-23-2020)
Litigation/Bankruptcy Module on the IAAL – CSCO Processing
- (1) Accounts displaying on the IAAL in Litigation must be reviewed on IDRS. Accounts are on the IAAL due to a pending TC 520, usually with a Bankruptcy Closing Code. If due to a TC 520 with a Litigation Closing Code, no action is necessary.
- (2) Bankruptcy modules are identified with TC 520 closing codes 81, 83, 60 through 67, or 85.
- (3) For any module already in ST 72, or in ST 60 with a pending TC 520 and a bankruptcy closing code, take no action.
- (4) For any module in ST 61, with no pending or posted TC 520 with a bankruptcy closing code, default the agreement using IADFL, with default category “OTHER” and Suppress Default Indicator “1”. Input STAUP 2201.
- (5) As for the non-dischargeable taxes, Bankruptcy only suspends the IA for the duration of the bankruptcy. At the conclusion of the bankruptcy, Insolvency takes the following actions:
- a. Input TC 521s to reverse all open TC 520s
 - b. Request reinstatement of the IA for only the non-dischargeable taxes, and waive the user fee generally with Form 4844, Request for Terminal Action, with copies of the prior agreement IADIS prints as attachments

- 5.19.10.10.8 (08-17-2021)
IAAL TC 914 on Agreement – CSCO Processing
- (1) If a TC 914, -Z freeze appears on the IAAL, prepare Form 4442, Inquiry Referral, to CI. Include the eight-digit Agent ID Number on the form, found under the DLN of TC 914 transaction, so CI can determine if:
- The IA should continue
 - ST 91 (CI Hold) should be input

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Ogden Post of Duty.

- (3) Monitor the case 30 days for response. If there is no reply, contact the CSCO HQ Analyst for further guidance.

5.19.10.10.9
(06-01-2018)
**IAAL Account
Transferred – CSCO
Processing**

- (1) Take no action on accounts transferred:
- In accordance with current procedures: in IRM 5.19.1.4.1, Account Actions on Referral/Redirects, or
 - When the case defaulted and the account was transferred
- (2) Accounts appearing on the IAAL under the following titles are accounts where the Collection Location Code (CLC) is being changed with a Doc Code 50:
- “PAYROLLDIA TRANSFER”
 - “WAGE LEVY TRANSFER”
 - “CNC TRANSFER”
- (3) Review the history on CC IADIS for the following: **XFERXX XX**

Note: The first “XX” indicates the site the account came from; the second “XX” indicates the gaining site.

Example: “XFER29 49 ”

- (4) Locate the paper file related to these types of agreements and mail them via Form 3210, Document Transmittal, to the gaining site. Indicate “Account Transferred” on Form 3210. Re-input the IA at your site.

Note: Once all employer information has been input to CC IAGRE and the paper files eliminated, this category will be removed from the IAAL.

5.19.10.10.10
(03-23-2020)
**IAAL Lien Determination
– CSCO Processing**

- (1) A lien determination is required to reinstate cases with a balance due above
- (2) See IRM 5.19.4.5.3.1(1), Before Filing NFTLs. If this information is present on the account being researched, follow procedures in (3) below in filing a lien. If no written warning of lien filing is present, do nothing on the account.
- (3) If the ALN is “XX66”, (File Lien in Event of Default), prepare a lien request and submit to Centralized Lien Processing. The originator already determined a lien must be filed if the IA defaults and the taxpayer was informed of this action. See *Centralized Lien Processing* on SERP Who/Where. Click on the link to the “ALS Lien Assistant” for instructions on submitting your request.

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5.19.10.10.11
(06-01-2018)
**IAAL DDIA in New
Center**

- (1) The “DDIA IN NEWCTR” requires the DDIA be re-input at the new campus. Pull the DDIA file and forward to the new campus using Form 3210, Document Transmittal. Indicate on Form 3210, “Attn: DDIA Liaison”, and, “Account Transferred, DDIA needs to be re-input at your site”. For the mailing address of DDIA liaisons, see *DDIA Liaisons Campus* on SERP Who/Where.

5.19.10.10.12
(08-17-2021)

IAAL Categories:
“ORIGINATION FEE TRACKING”,
“REINSTATEMENT FEE TRACKING”, and
“DISHONORED CHECKS” (formerly
“USER FEE ERROR LISTING”)

(1) The User Fee is deducted from the payment in CP 521, Installment Agreement Reminder Notice, processing and applied to the User Fee module:

- MFT 13: BMF
- MFT 55: IMF

Note: For definition, see IRM 5.19.1.6.4.6.1, User Fee Modules (MFT 13 and MFT 55).

(2) IDRS generates a listing on the IAAL under two categories for all payments, regardless of status, where there is:

- No Agreement
- User Fee Code inconsistent
- Duplicate Origination Fee
- Duplicate Restructuring/Reinstatement Fee
- Dishonored Checks

(3) The “ORIGINATION FEE TRACKING” heading category includes only:

- Origination paid discrepancies
- Duplicate payment(s)
- Dishonored checks

(4) When the billing record shows the origination fee was paid, and a TC 694/DPC 50 or 49 posts in the current cycle, the account is listed under the origination tracking category.

(5) The “REINSTATEMENT FEE TRACKING” heading category only includes:

- Reinstatement paid discrepancies
- Duplicate payment(s)
- Dishonored checks

(6) When the billing record shows the reinstatement fee was paid and a TC 694/DPC 51 posts in the current cycle, the account is listed under the reinstatement tracking category.

(7) CSCO must determine what the billing record should reflect and if any other action is needed.

Note: The billing record is defined as: IDRS — IADIS user fee codes 0 - 9.

(8) This listing generates due to the MFT 13/55 reflecting a duplicate or possible mismatch of the TC 694.

(9) Both origination and reinstatement fee tracking categories include dishonored checks. When a check is dishonored, identify the accounts by a reversed TC 694 with a TC 695 Doc Code 87. Accounting Operations also inputs TC 361. When these appear on the IAAL listing, the fee is set as “Not Paid”. CSCO must review and/or reverse the correct code.

(10) In both categories, including Dishonored Check information, research the account to determine if the user fee is a:

- A true duplicate
- Discrepancy, or

- Dishonored check

(11) Based on this determination, take the appropriate action and update the fee

Example: Transfer, abate, etc.

(12) In most instances, MFT 13/55 does not display on IDRS; research these accounts using CC CFOL.

Caution: When researching the account, a duplicate fee paid may actually be due and collected because of the account leaving ST 6X and another IA or reinstatement was established or initiated, creating a new Origination or Reinstatement fee billing. For true duplicate fees collected see paragraph (15) below.

Example: Before January 1, 2017, the taxpayer incurred a user fee of \$120.00, paid the fee, and later defaulted, subsequently initiating on or after January 1, 2017, a new origination fee of \$225.00. In this scenario, both fees are due, but may reflect on the listing as a duplicate fee because of the duplicate TC 694; this example requires no transfer/abatement of the fee.

(13) Discrepancies may result in the TC 694 with the incorrect DPC code of 49 - 51. The mismatches often occur because the IA was IAREV, or revised, in some way after the bill for the user fee went out and the time this fee payment comes in. Research IDRS or Master File to determine if the incorrect DPC code 49 - 51 should be revised on IDRS or the User Fee

Example: On or after January 1, 2017, a \$225.00 origination fee was due; however, the incorrect DPC user fee reflects only a \$50.00 fee collected; this example requires a correction of the additional \$175.00 applied towards the user fee. Transfer, per paragraph (15) below.

Example: On or after January 1, 2017, the taxpayer only actually owes a reinstatement user fee of \$89.00 and the incorrect origination fee of \$225.00 was collected; therefore, creating a \$136.00 overpayment. This example requires a correction of the overpaid portion of the fee, transfer per paragraph (17) below.

(14) To update the user fee:

1. Initiate CC IAREV
2. The CC IAGRE displays CC IAREV if there is an IA (ST 60)
3. To update the screen, input "0" in the "Review Account" field
4. Proceed to the "User Fee CD" field and update with the appropriate user fee code

Reminder: Only update the user fee code on ST 60 accounts; for other status accounts, take no action on updating the user fee code. These accounts are updated if the agreement is re-input or reinstated with the appropriate user fee due.

(15) To transfer or abate a user fee payment: see IRM 5.19.1.6.4.6.3, User Fee Payment Transfer/User Fee Abatements.

Reminder: When transferring or abating the fee, ensure to update the fee on ST 60 accounts per paragraphs (12) through (14) above.

- (16) If more than one duplicate user fee is deducted, it may be an indicator the taxpayer is submitting a copy of the original CP 521, Installment Agreement Reminder Notice, with subsequent installment payments:
 - a. You can attempt to contact the taxpayer by telephone with instructions to avoid this condition occurring in the future.
 - b. If unable to reach the taxpayer, send Letter 3127-C, Revision/ Reinstatement to Installment Agreement, to explain the circumstances.
 - c. Create a history item on ENMOD and add the reason the duplicate fee is appropriate to AMS.

Example: "DUP-UF-LTR"

- (17) For all other information regarding user fees, refer to the following IRM references for a complete overview, identification, establishment, module identification, and fee payment/abatement:
 - IRM 5.19.1.6.4.6, IA Payment Methods and User Fees (UF) Overview
 - IRM 5.19.1.6.4.6.1, User Fee Modules (MFT 13 and MFT 55)
 - IRM 5.19.1.6.4.6.2, Manual Establishment of a User Fee Module
 - IRM 5.19.1.6.4.6.3, User Fee Payment Transfer/User Fee Abatements

5.19.10.10.13
(08-17-2021)
MFT 31 Category on the IAAL

- (1) Installment Agreements are not transferred to MFT 31 modules when accounts are mirrored. The TINs generate on the IAAL for necessary action.
- (2) Four weeks after appearing on the IAAL, review the accounts and determine the status of the IA prior to the mirroring. If the account was mirrored due to Innocent Spouse activity, follow the chart below:

If...	Then...
The IA on the joint account defaulted and CP 523, IMF Installment Agreement Default Notice, was issued	Take no action.
The IA on the joint account would default; however, the mirroring of the account prevented the default. Example: MFT 30 200212, Balance: .00, Status 12 MFT 30 200312, Balance: 2,000.00, Status 21 The MFT 30 200212 module was mirrored (MFT 31), but a new liability posted (MFT 30 200312).	Re-establish the IA on the joint account, the balance due modules should now be MFT 31, and immediately default the agreement. This causes the CP 523, IMF Installment Agreement Default Notice, to generate. Note: If the joint account has an L— freeze, send Form 4442, Inquiry Referral, to CCP and request they issue a default Letter 2975-C Notice of Intent to Levy - Intent to Terminate Your Installment Agreement (Spouse) - Certified Mail, to the taxpayer.

If...	Then...
<ul style="list-style-type: none"> • The IA was only for modules now mirrored • There is a balance due, now on MFT 31 • No activity occurred resulting in the IA defaulting 	Re-establish the IA on the account without an L-freeze (nonpetitioning spouse).
The IA is still active (ST 61) on nonmirrored module(s) in the joint account only Example: MFT 30 200212, Balance: .00, Status 12 MFT 30 200312, Balance: 2,000.00, Status 61 MFT 31 200212, Balance: 1,200.00, Status 21	<ol style="list-style-type: none"> 1. Re-establish the IA and add the MFT 31 module . 2. Waive the user fee and allow the skip.

(3) In all cases where the IA is re-established, use the same terms present on the MFT 30 modules. Do not change the user fee code current on IAREV; if the current user fee code is:

- a. "O", it should remain as "O"
- b. "R", it should remain as "R"

(4) In this scenario, allow the skip.

5.19.10.10.14
(08-17-2021)
**IAAL Military Combat
(CSCO Processing)**

- (1) All accounts that were in IA status prior to entering a CZ and have now exited the CZ will appear on the IAAL under this category.
- (2) Taxpayers who were hospitalized due to a combat zone injury are entitled to all benefits given to taxpayers deployed to a combat zone area.

5.19.10.10.14.1
(03-23-2020)
**IAAL Military Combat -
Suspense Period**

- (1) All CZ participants (military and nonmilitary) are entitled to a suspense period of 180 days from the date of departure from the CZ in addition to the time they spent serving in the CZ.
- (2) All collection action (e.g. notices, letters, telephone calls, liens, levies, installment agreements, etc.) will be stopped during this time period. In addition, all penalties and interest will be waived on any balance due accounts.
- (3) The start date of the suspense period begins the day following the transaction date of the TC 500, Closing Code XX (entry date).
- (4) The ending date of the suspense period is calculated from the transaction date of the TC 500 Closing Code XX (exit date) plus 180 days for Balance Due cases.
- (5) On return delinquencies for 2001 and subsequent period, the taxpayer will be given up to 180 days plus 105 (106 leap year) days of grace time if the taxpayer was in the CZ for that tax year or filing season from the transaction date of TC 500 closing code XX (entry date). The grace time days only applies to the filing of a tax return and is not used to compute the new CSED. See IRM 5.19.10.6.4, Combat Zone Computation of Suspense Period. For more

detail on RDDs for taxpayers in a Combat Zone, see IRM 20.2.7.11.1, Time Disregarded by Reason of Combat Zone Service.

5.19.10.10.14.2
(03-23-2020)

**IAAL Military Combat -
Accruals**

- (1) Assessment of penalties and interest will require manual computations of accruals.
- (2) The CZ period must be computed before accruals can be calculated. Use the CZ entry date and exit date displayed on IMFOLE plus at least 180 days to compute the suspense period see IRM 20.2.7.11.1, Time Disregarded by Reason of Combat Zone Services. The accrual of penalties and interest is suspended from the entry date to the exit date, plus at least 180 days.
 - a. Compute penalties and interest from their transaction date to the date of the TC 500 cc 52, 54 or 56 (entry date). Then compute the penalties and interest from the TC 500 cc 53, 55 or 57 (exit date) plus 180 days.
 - b. The account may require the addition of penalties erroneously abated by the computer. These accounts can be identified by the presence of a TC 277 and/or TC 167 in balance due modules assessed prior to entering the CZ. The taxpayer is still liable for these penalties. Compute these penalties from the return due date to the entry date into the CZ and update the account on IDRS using CC ADJ54.

5.19.10.10.14.3
(01-15-2013)

**IAAL Military Combat -
Reinstatement of
Installment Agreements**

- (1) CZ accounts previously in ST 60 will be printed on the IAAL under the heading "Military Combat". It is important that these accounts are worked within two cycles to prevent them from automatically updating to ST 20 and issuing the first balance due notice (CP 501, IMF 1st Notice - Balance Due). Use the following instructions for contacting the taxpayer regarding their prior agreement. For cases appearing on the IAAL under "Military Combat":
 - a. Send Letter 2702-C , Combat Zone, informing the taxpayer that the prior IA has been reinstated unless the taxpayer wishes to full pay the balance due or change the date of payment and/or the payment amounts. Letter 2702-C, Combat Zone, must include the updated balance due amount and that full payment will be expected, if the terms of the agreement are not met. The updated balance due amount will require the manual computation of interest and penalties to allow for the suspended period.
 - b. Input a STAUP 56 for XX cycles (determine number of cycles remaining in suspense). The account will immediately update to ST 48. Input the IA using CC IADIS. Ensure that the automatic skip indicator is set to allow the taxpayer to miss one payment before the account is defaulted for nonpayment.

Note: No reinstatement user fee will be charged.

Exhibit 5.19.10-1 (06-10-2022)**Restrictive Conditions**

IDRS balance due processing identifies certain restrictive conditions which prohibits issuance of balance due notice and TDA. The module will not update to the next status. It will be analyzed in the next processing cycle for issuance of the appropriate status. The following table lists restrictive conditions.

List	Restrictive Conditions
1	Module within six months of the latest CSED
2	Unreversed TC 470
3	Pending TC 470 (no cc, cc 94, or cc 98)
4	Unreversed TC 608 present
5	Left hand freeze O. Re-establishment of an account (O- freeze)
6	Pending unpostable transaction code (UN or NU)
7	FTP penalty or interest accrual amount is negative
8	Current cycle is earlier than cycle of return due date plus 2 cycles
9	Right hand freeze A, J, V, or X (A-, J-, V-, or X-)
10	If next notice is 505 (TDA) and -G freeze present
11	PN TC 150–400, 411, 412, 488, 520 (except cc 71, 72, 75, or 84), 530, 534, 535, 611–692 (except TC 6x0), 701–772 (except TC 7x0), 792, 802, 806, 807, 820–843, 850, 890, 971, 976, 977
12	Master file balance due notice issued within the past 5 weeks
13	Unreversed TC 914, TC 916, TC 918 present
14	Pinex notice 569T or 569R issued within the past 5 weeks
15	Freeze code containing an L-

Exhibit 5.19.10-2 (04-20-2022)**Reason Codes, TDA/TDI, Explanation**

RCs are generated based on certain conditions on the Master File and IDRS. They are for informational purposes only. The following chart displays RCs, explanations, and states whether or not the RC is for TDA, TDI or both.

Reason Code	Explanation	TDA/TDI
33	Various freeze or hold conditions exist	TDA or TDI
55	Balance due module, first balance due notice has been issued	TDA
6I	Master File (MF) Status is 60, SC Status is 12	TDA
6T	SC Status is 26 MF Status is 22, 24, or 26	TDA
BU	A transaction went unpostable	TDA or TDI
EE	TDI in progress	TDI
FF	ST 53 and another tax year is being extracted with a RC other than FF	TDA
PA	Module is in a balance due notice status. CSED is not expired.	TDA
PB	Module is in TDA status. CSED is not expired.	TDA
PC	Module is in IA status. CSED is not expired	TDA
PD	Module is in suspense or deferred action status. CSED is not expired	TDA
QQ	TDI notice status	TDI
SS	TDI processing suspended on this module	TDI
T1	TDI closed by TC 594 or TC 599	TDI
T2	TDI closed by TC 593	TDI
T3	TDI closed. Transferred to another campus	TDI
T4	Closed TDI tax module for any reason other than those pertaining to other RCs	TDI
T5	TDI closed; NMF posting (TC 590)	TDI
UA	Open Control Base	TDA or TDI
UB	Open Control Base	TDA or TDI
UM	Open Control Base	TDA or TDI
US	Open Control Base	TDA or TDI

Exhibit 5.19.10-3 (06-22-2018)
EFT Prioritization List

The EFT (Electronic Funds Transfer) Listings are segmented into three tiers based on processing deadlines.

Tier 1 must be worked in 5 calendar days from received date.

- EFT 12
- EFT 16
- EFT 1240
- EFT 1825

Tier 2 must be worked in 10 calendar days from received date.

- EFT 10
- EFT 14
- EFT 18
- EFT 19
- EFT 20
- EFT 1823

Tier 3 must be worked in 30 calendar days from received date.

- EFT 28

Exhibit 5.19.10-4 (04-20-2022)
IAAL Prioritization List

The IAAL is segmented into three Tiers based on processing deadlines:

- Tier 1 must be completed within five (5) business days
- Tier 2 must be completed within 30 business days
- Tier 3 must be worked within 45 business days

Tier 1 (must be worked within 5 business days) includes the following categories:

- Defaulted (ST 64)
- Military Combat
- Full Paid (restricted P&I Only)
- Full Paid (Multiple Conditions)
- Full Paid (All Others)

Tier 2 (must be worked within 30 business days, beginning December 1, 2021) includes the following categories:

- Suspended (ST 61)
- ST 61 Over 4 Weeks
- Expired Pre-Assessed
- ST 63 Over One Year
- Track Orig Fee
- Track Rein Fee

Tier 3 (must be worked within 45 business days) includes the following categories:

- MFT 31
- Review Agreements
- TC 914 on Agreement
- Account Transferred
- Lien Determination
- Litigation

Exhibit 5.19.10-5 (02-08-2023)

CSED Computation Reference Table

Use the information in the "Suspension Time Frame" column to compute the CSED. See IRM 5.19.10.4.4.1, CSED Considerations and subsections for additional guidance.

Transaction Code	TC Closing Code or TC 550 Definer Code	Description	Suspension Time Frame	IRM References
468/469	N/A	Estate Tax Lien	<ul style="list-style-type: none"> Suspended from the TC 468 to the TC 469 IDRS does not update the CSED 	<ul style="list-style-type: none"> IRM 5.1.19.3.12, Estate Tax IRM 5.5.5.3, Collection Statute Expiration Date under IRC 6503(d)
488/489	N/A	Estate Tax Lien	<ul style="list-style-type: none"> Suspended from the ST 14 date (TC 488) to the TC 489 date 	<ul style="list-style-type: none"> IRM 5.1.19.3.12, Estate Tax IRM 5.5.7.9.1, Non-Probate Assets
480/481/ 482/ 780/ 550	definer 07	Offer In-Compromise	<ul style="list-style-type: none"> For specific guidance, follow, Exhibit 5.19.10-6 and Exhibit 5.19.10-7. TC 481 (rejected OIC) dates include the 30 days and any appeal period or If Offer is returned and TC 481 is input, the 30 days does NOT apply 	<ul style="list-style-type: none"> IRM 5.1.19.3.4, Offer in Compromise IRM 5.19.7, Monitoring Offer in Compromise IRM 8.21.5.5.3, Offer in Compromise
500/550	cc 51 (cc 50 was used prior to 2004) and definer 06	Military Deferment	<ul style="list-style-type: none"> Suspended for the period of military service plus an additional 270 days TC 550 definer code 06 will be entered with the correct CSED 	<ul style="list-style-type: none"> IRM 5.1.19.3.9, Military Deferment IRM 5.4.12.2.3, Military Deferment

Exhibit 5.19.10-5 (Cont. 1) (02-08-2023)
CSED Computation Reference Table

Transaction Code	TC Closing Code or TC 550 Definer Code	Description	Suspension Time Frame	IRM References
500	cc 52,54, or 56 (enter) and 53, 55, or 57 (exit)	Combat Zone	<ul style="list-style-type: none"> • Use the TC 500 dates on CC IMFOLE to compute the CSED • Suspended from the date of entry to the date of exit plus 180 days • For multiple overlapping periods, 180 days is added to the last exit date • See IRM 5.19.10.4.4.1, CSED Considerations, for additional guidance when computing CSEDs with Combat Zone suspensions. 	<ul style="list-style-type: none"> • IRM 5.1.7.10.3, Combat Zone freeze Codes • IRM 5.1.19.3.8, Combat Zone or Contingency Operation • IRM 20.2.7.9.1, IRC 6601(c) Suspension Period Calculation

Exhibit 5.19.10-5 (Cont. 2) (02-08-2023)
 CSED Computation Reference Table

Transaction Code	TC Closing Code or TC 550 Definer Code	Description	Suspension Time Frame	IRM References
520/521 or 550	cc 60 - 67, 81, 83 and 85 - 89, definer 03	Bankruptcy	<ul style="list-style-type: none"> • Suspended from the TC 520 to the TC 521 date plus six months • If a TC 520 date is within six months of a previously posted TC 521, compute the suspension from the first TC 520 to the last TC 521 and add six months to the end. • TC 520s dated after July 1986 and TC 521s dated after January 1987 are systematically computed in most cases. • A TC 521 with statistical indicator 999, will reverse all open TC 520s in the module for closing codes 81, 83, 85 through 89 and 60 through 67 • cc 84 does not suspend the CSED • TC 522 is input to remove a TC 520 and does not affect the CSED 	<ul style="list-style-type: none"> • IRM 5.1.19.3.1.1, Transaction Codes for Bankruptcy • IRM 5.9.4.2, Property of the Estate • IRM 5.9.5.6, Bankruptcy "Freeze" Code (TC 520) • IRM 5.9.5.6.1, Closing Codes • IRM 5.9.5.6.2, Reversing the Bankruptcy Inventory • IRM 5.9.17.19, ASED/CSED Considerations • Document 6209 , 11.8.8

Exhibit 5.19.10-5 (Cont. 3) (02-08-2023)
CSED Computation Reference Table

Transaction Code	TC Closing Code or TC 550 Definer Code	Description	Suspension Time Frame	IRM References
520/521 or 550	cc 76 or 77 and 70 (TC 520 only), definer 10	Collection Due Process	<ul style="list-style-type: none"> Suspended from the TC 520 to the TC 521 date If the recalculated CSED is less than 90 days from the TC 521 date, then the CSED extends to 90 days from the TC 521 date CSEDs are automatically calculated for TC 520/521s posted as of 01-01-2001, except when only one spouse requested the hearing Prior to January 2000, TC 520 cc 70 was used for all hearing requests and reversed with TC 521 no closing code Closing codes 70 through 75 do not suspend the CSED. <p>Note: CC 73 suspends the CSED for MFT 55 and MFT 01. See below.</p>	<ul style="list-style-type: none"> IRM 5.1.9.3.6, Suspension of Collection Statute of Limitations IRM 5.1.9.3.6.1, Transaction Code TC 520 and TC 521 CC 76/77 IRM 5.19.8.4.10, Suspension of the Collection Statute Expiration Date (CSED) Document 6209, 11.8.8
520/521	cc 73 (MFT 55 and MFT 01 ONLY)	Litigation	<ul style="list-style-type: none"> Period is from TC 520 date to TC 521 date. CSED is suspended for TC 520/521 posted cycle 200002 or later for tax periods 199901 and subsequent Prior to cycle 200002 cc 73 did not suspend the CSED. 	<ul style="list-style-type: none"> IRM 25.3.8, Litigation and Judgements TC 520 -W Freeze Service-wide Guide IRM 5.11.1.4.9, Refund Litigation

Exhibit 5.19.10-5 (Cont. 4) (02-08-2023)
CSED Computation Reference Table

Transaction Code	TC Closing Code or TC 550 Definer Code	Description	Suspension Time Frame	IRM References
520/521 or 520/550/521	cc 76 - 80, definer 04	District Court Litigation/ Judgment	<ul style="list-style-type: none"> Suspended from the TC 520 to the TC 521 date unless a new TC 550 is posted with a later transaction date If the tax liability is reduced to judgment, the CSED is extended indefinitely until satisfied (TC 550 definer code 04) cc 84 does not suspend the CSED 	<ul style="list-style-type: none"> IRM 5.1.19.3.2, Judgement/ Litigation IRM 5.1.19.3.2.1, Transaction Codes for Judgement/ Litigation IRM 5.5.1.9, Collection Statute Expiration Date (CSED) IRM 5.9.6.7, Chapter 7 Asset (7A) Process IRM 25.3.5.4.2, Additional Procedures for Judgements for Assessed Liabilities Document 6209, 11.8.8
520/550/521	cc 80, definer 02	District Court Litigation - Assets in Control of the Court	Suspended from the TC 520 to the TC 521 date plus six months	<ul style="list-style-type: none"> IRM 5.5.1.9, Collection Statute Expiration Date (CSED) Document 6209, 11.8.8
520/521 470/472	cc 82 (TC 520) or cc 95 (TC 470)	Civil Penalty with Appeal Rights	<ul style="list-style-type: none"> Suspended from the TC 520 to the TC 521 date May be suspended with TC 470 cc 95. A new TC 550 should be input when the TC 470 is reversed. See IRM 5.19.10.4.4.1, CSED Considerations. 	<ul style="list-style-type: none"> Document 6209, 11.8.8 IRM 5.19.14.2.2 Note, Trust Fund Recovery Program Statute of Limitations
520/521	varies	Summons Enforcement	Period is from the date the suit is filed until the proceeding is resolved	<ul style="list-style-type: none"> IRM 25.6.1.12.2.1, Conditions Postponing Collection or Suspending the 10 Year Collection Period

Exhibit 5.19.10-5 (Cont. 5) (02-08-2023)
CSED Computation Reference Table

Transaction Code	TC Closing Code or TC 550 Definer Code	Description	Suspension Time Frame	IRM References
520/521	varies	Third Party Summons	Period is from six months after the service of the summons and ending on the date of the final resolution of the summoned party's response	<ul style="list-style-type: none"> IRM 25.6.1.12.2.1, Conditions postponing Collection or Suspending the 10 Year Collection Period
550	definer code 01	Installment Agreement with Form 900, Tax Collection Waiver	<ul style="list-style-type: none"> Accept the CSED date input with TC 550 definer code 01 as valid. Refer to IRM 5.19.10.4.4.3, for additional guidance. ONLY Field employees have the authorization to secure Form 900 Waivers 	<ul style="list-style-type: none"> IRM 5.1.19.3.5, Installment Agreements IRM 5.14.2.2.2, Asset Equity and Partial Payment Installment Agreement IRM 5.14.2.2.3, Waiver Procedures for Partial Payment Installment Agreement IRM 5.14.2.3, Collection Statute Expiration Date (CSED): Law, Policy and Procedures IRM 5.14.2.3.2, CSED Expiration Legal Reference: 1.) 90 Day Rule for Installment Agreement 2.) Non-Installment Agreement CSEDs
550	definer code 08	Wrongful Levy (Seizure)	Suspended from the date property is wrongfully seized or received to the date it is returned or the date a wrongful levy judgment becomes final, plus 30 days	<ul style="list-style-type: none"> IRM 5.1.19.3.10, Wrongful Levy (Seizure) IRM 5.10.6.15, Wrongful Seizure - Payment of Claims After Sale

Exhibit 5.19.10-5 (Cont. 6) (02-08-2023)
 CSED Computation Reference Table

Transaction Code	TC Closing Code or TC 550 Definer Code	Description	Suspension Time Frame	IRM References
550	definer 08	Wrongful Lien	Suspended from the date any person becomes entitled to a certificate of discharge of lien until 30 days after the earlier of the earliest date on which the IRS no longer holds any of the amount as a deposit or bond or the date a judgment concerning the value of the IRS's interest in the property becomes final	<ul style="list-style-type: none"> IRM 5.1.19.3.11, Wrongful Lien
550	definer 09	Taxpayer Living Outside of the US	<ul style="list-style-type: none"> Suspended while the taxpayer is outside the U.S. if absence is for a continuous period of at least six months CSED does not expire until six months after the taxpayer's return to the country 	<ul style="list-style-type: none"> IRM 5.1.19.3.7.1, Policies For Adjusting the CSED When Internal Revenue Code (IRC) 6503 (c) Applies
550	N/A	Enforcement of the Two-Tier Tax Scheme (Exempt Organization Only)	For specific guidance refer to the IRM references.	<ul style="list-style-type: none"> IRM 5.1.19.3.14, Enforcement of the Two-Tier Tax Scheme

Exhibit 5.19.10-5 (Cont. 7) (02-08-2023)
CSED Computation Reference Table

Transaction Code	TC Closing Code or TC 550 Definer Code	Description	Suspension Time Frame	IRM References
971/972	AC 043/063/163	Installment Agreement - Pending, Rejected or Appealed	<ul style="list-style-type: none"> • Effective for transactions dated 3/9/2002 and after • From the TC 971 AC 043 to the TC 971 AC 063 dates for pending IAs • For 30 days following a rejected IA. TC 971 AC 043 to the TC 972 AC 043 dates. The transaction date of the TC 972 AC 043 includes the 30 days • For 30 days following termination. Master File adds 30 days to the TC 971 AC 163 date. except when TC 971 AC 163 is generated by ST 12 • During the appeal of the terminated or rejected IA. • If the TC 971/972 AC 043 dates are the same, the CSED is not suspended • TC 972 AC 043 dates include the 30 days. 	<ul style="list-style-type: none"> • IRM 5.19.1.6.4.7, Pending Installment Agreement Criteria • IRM 5.19.1.6.4.9, Installment Agreement Rejection Criteria • IRM 5.19.8, Collection Appeal Rights • IRM 25.6.1.12.2.1, Conditions Postponing Collection or Suspending the 10 year Collection Period
971/972	AC 065	Innocent Spouse	<ul style="list-style-type: none"> • Suspended from the TC 971 AC 065 to the TC 972 AC 065 date • TC 971/972 AC 065 with the same dates does not suspend the CSED 	<ul style="list-style-type: none"> • IRM 25.15.1.8, Statute of Limitations on Collections • IRM 25.15.2.4.2, Innocent Spouse Indicator Transaction Code (TC) 971/972

Exhibit 5.19.10-5 (Cont. 8) (02-08-2023)
 CSED Computation Reference Table

Transaction Code	TC Closing Code or TC 550 Definer Code	Description	Suspension Time Frame	IRM References
971/550	AC 99/98 and definer code 05	Taxpayer Assistance Order	<ul style="list-style-type: none"> • Suspended from the TC 971 AC 99 to the TC 971 AC 98 dates. • Until Information System computer program changes, the TC 971 AC 99 and 98 will not suspend the statute. Statute must be revised using TC 550 definer code 05. 	<ul style="list-style-type: none"> • IRM 13.1.14.3.1, Period(s) Suspended • IRM 13.1.14.4.2, Transaction Codes to Input on IDRS When IRC 7811(d) Applies • IRM 13.1.14.4.2.2, Input of transaction Code 971 With Action Code 98

Exhibit 5.19.10-6 (04-20-2022)
CSED Chart for OIC

1. Use the following tables to manually compute the CSED when OIC is present on the module.

If...	And...	CSED suspension is...	In addition...
TC 480 date is 12/31/1999 and prior	Any TC 550 or TC 290 with an amount is present prior to 01/01/2007	TC 480 to TC 481/482/781/788	<ul style="list-style-type: none"> Add 1 year Exclude the days from 12/21/2000 through 03/08/2002
TC 480 date is 12/31/1999 and prior	TC 780 date is 12/31/1999 and prior	TC 480 to TC 781/788	<ul style="list-style-type: none"> Add 1 year Exclude the days from 12/21/2000 through 03/08/2002 Stop at the later of the original CSED or 12/31/2002
TC 480 date is 12/31/1999 and prior	TC 481/482 date is 12/31/1999 and prior	TC 480 to TC 481/482	<ul style="list-style-type: none"> Add 1 year Exclude the days from 12/21/2000 through 03/08/2002 Stop at the later of the original CSED or 12/31/2002
TC 480 date is 01/01/00 or later	TC 481/482/780 is 01/01/00 or later	TC 480 to TC 481/482/780	Exclude the days from 12/21/00 through 03/08/2002
TC 480 date is 03/09/2002 or later	TC 481/482/780 is 03/09/2002 or later	TC 480 to TC 481/482/780	Effective March 09,2002, input of the TC 480 suspends the CSED period during the time an offer is pending, during the thirty days following rejection of an offer, and for any period when a timely filed appeal from the rejection is being considered by Appeals. That is for the period of time between the TC 480 and the TC 481, TC 482, or TC 780 only (do not add a year to this suspension). This law change is not retroactive.

- 2) Be aware of the following:

- TC 480/483 does not suspend the CSED.
- Do not add any days to the TC 481 date. The 30 days and any appeal period is included in the TC 481 date.
- If an Offer is rejected as unprocessable, the TC 481 date may be less than 30 days from the TC 480 date.

Exhibit 5.19.10-7 (04-20-2022)
CSED Chart for OIC (continued)

Use the following table to compute a CSED when an OIC is pending prior to 01/01/2000 but accepted, rejected or withdrawn 01/01/2000 or later.

If...	And...	CSED suspension is...
TC 480 date is 12/31/1999 and prior	TC 481/482/780 is 01/01/2000 or later	If the original CSED is later than 12/31/2002: <ol style="list-style-type: none"> 1. Compute the number of days from 01/01/2000 to TC 481/482/780. 2. Exclude any days from 12/21/2000 through 03/08/2002. 3. Add to original CSED. This is the new CSED.
TC 480 date is 12/31/1999 and prior	TC 481/482/780 is 01/01/2000 or later	If the original CSED is earlier than 12/31/2002: <ol style="list-style-type: none"> 1. Compute the number of days from TC 480 date to 12/31/1999, plus 1 year and add to the original CSED. 2. Then, add the number of days from 01/01/2000 to TC 481/482/780 date. 3. Exclude any days from 12/21/2000 through 03/08/2002. This is the new CSED.

Exhibit 5.19.10-8 (10-15-2012)
Manual Calculations of a CSED Using the Julian Date Calendar

Use when the transaction date does not extend past the calendar year:

STEP	Action
1	Identify the assessment on the tax module. (TC 150, Return Posted, TC 290 or TC 300, additional assessments etc.)
2	Take the date of the assessment (TC 150, TC 290, TC 300) and add 10 years. This is the original CSED date of that assessment. For example: If a taxpayer's return posted (TC 150) on 04-15-2005, the original CSED is 04-15-2015.
3	Take the original CSED and exchange the date of 04-15-2015 with the corresponding Julian Date using Document 5657 or the Julian Date Calendar. For example: 04-15-2015 Julian date is 105. (2015 is not a leap year).
4	Review the tax module to identify any transactions that suspend the CSED. (TC 480, TC 780, TC 520, TC 521 etc.) Take the date of the beginning TC such as TC 480 or TC 520, and exchange the date for the corresponding Julian date using Document 5657 or Julian Date Calendar. For example if TC 480 is on the account with a date of 05-01-2005, the Julian date is 121.
5	Take the closing transaction or the transaction that ends the CSED extension, such as TC 780 or TC 521, and exchange the date for the corresponding Julian date. If TC 780 is dated 06-30-2005 the Julian date is 181.
6	Then take the larger Julian date and subtract the smaller Julian Date. In the above example, $181-121=60$, The CSED is extended 60 days.
7	Add the result in step 6 to the Julian date of the original CSED. (105 and add 60 days) $105+60=165$. Find the date corresponding to Julian date (165). It is June 14.
N/A	The new CSED for the module in this example is 06-14-2015.

Exhibit 5.19.10-9 (02-01-2014)**Manual Calculations of a CSED Using the Julian Date Calendar**

Use when the transaction date extends past the calendar year:

STEP	ACTION
1	Review the module and find the assessment (TC 150, TC 290 or TC 300).
2	Take the assessment date and add 10 years, this is the Original CSED date. Example 04-15-2005 + 10 years= 4-15-2015.
3	Exchange the original CSED date of 04-15-2015 with the corresponding Julian date of 04-15-2015 using Document 5657 or the Julian Date Calendar. The corresponding Julian date of 04-15-2015 is 105 (2015 is not a leap year).
4	Review the tax module to identify any transactions that suspend the CSED. (TC 480, TC 780, TC 520, TC 521 etc.) Take the date of the beginning TC , such as TC 480 or TC 520, and exchange the date for the corresponding Julian date of that day using Document 5657 or Julian Date Calendar. For example, if a TC 480 is on the account with a date of 11-01-2005, the Julian date is 305.
5	If the closing transaction date is in the following year, (Example: TC 780 is 02-01-2006), take the ending Julian date for year 2005 (2005 is not a leap year, so the Julian date would be 365) subtract the Julian date from the opening TC 480. (365-305=60). From 11-01-2005 to 12-31-2005 the CSED was extended 60 days. Then find the corresponding Julian date of the TC 780 in 2006 (not a leap year) and add to the 60 days. The Julian date of 02-01-2006 is 32; add 60+32=92. The CSED will be extended for a total of 92 days.
6	Take the Julian date of the Original CSED (105) and add the amount of CSED extension (92 days). 105+92=197.
7	Find the date corresponding to the Julian date (197). It is 07-16-2015.
N/A	The CSED for the module in this example is 07-16-2015.

Exhibit 5.19.10-10 (04-20-2022)
CSED Calculator Worksheet

- 1) See IRM 5.19.10.4.2, Transaction Codes and Case Actions that Suspend or Extend the CSED for situations that extend the CSED.
- 2) See also SERP IRM Supplements, CSED Helper.