



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

5.19.21

APRIL 1, 2024

EFFECTIVE DATE

(04-01-2024)

PURPOSE

- (1) This transmits revised IRM 5.19.21, Liability Collection, Campus Procedures for Handling Identity Theft.

MATERIAL CHANGES

- (1) Refer to the table below for details on the list of material changes on this IRM.

IRM Subsection	Description of Change
IRM 5.19.21.2	Updated the table in paragraph (2) by removing the reference to Form 14039. The first row is associated with IDTVA handling non-tax-related issues if the taxpayer's identity was stolen, but they indicated that their identity was not used inappropriately for tax purposes.
IRM 5.19.21.2	Updated the table in paragraph (2) by removing the reference to the IDTVA toll-free number, as the IRS does not request the taxpayer to file a Form 14039 in this subsection.
IRM 5.19.21.2	Added Form 14039-B, Business Identity Theft Affidavit and Form 14566, BMF Identity Theft Referral.
IRM 5.19.21.2.1	Updated the table in paragraph (6) to include TC 971 AC 504 source codes "EMPL/EMPL-M" or "ICMCCA".
IRM 5.19.21.2.1	Added a row to the "If/Then" table in paragraph (6) to reference: If TC 972 AC 522 is present with tax administration source code "NOIDT" or "NORPLY", then the requirements TP or IDTVA needs.

IRM Subsection	Description of Change
IRM 5.19.21.2.1	Updated a row to the “If/Then table in paragraph (6) to replace tax administration source codes; “INCOME”, “INCMUL”, “NOFR”, “UNWORK” and “OTHER” with source code “PNDCLM”.
IRM 5.19.21.2.1.1	Added content to the “If/And/Then” table row (3) in paragraph (3) under ‘And’ column when there is a posted unreversed TC 971 AC 501, AC 504 or AC 506 (that was not input by WI PRP DDB).
IRM 5.19.21.2.1.2	Added content to paragraphs (2) & (3) to include TC 971 AC 504 and its source codes.
IRM 5.19.21.2.1.2	Updated paragraph (4) to send BMF accounts assigned to Status 22 and forward referrals to the IDTVA BMF IDT liaison found on SERP. Removed the reference to SBSE from the paragraph.
IRM 5.19.21.2.1.2	Updated paragraph (4) to replace Form 4442, Inquiry Referral, with Form 14566, BMF Identity Theft Referral, when sending referrals to function’s liaisons.
IRM 5.19.21.2.1.2	Updated paragraph (7)(c) & (d) to address the TC 971 AC 504 or AC 506 and the Letter 4674-C.
IRM 5.19.21.2.2.1	Added AC 504 to paragraph (4).
IRM 5.19.21.2.2.2	Added AC 504 to paragraphs (2) & (3).
IPU 22U1147 issued 12-01-2022 IRM 5.19.21.2	Removed reference to Form 14103, Identity Theft Assistance Request (ITAR) from paragraph (1) as it is obsolete.
IPU 22U1147 issued 12-01-2022 IRM 5.19.21.2	Clarified table in box 1, paragraph (4) to contact the identity theft toll-free number if the ACS representative cannot answer questions that the taxpayer may have at a later time or to check on the status of Form 14039.

IRM Subsection	Description of Change
IPU 22U1147 issued 12-01-2022 IRM 5.19.21.2	Removed reference to IRM 13.1.7.4, Exceptions to Taxpayer Advocate Service Criteria, whose situations meet systemic burden (Criteria 5-7) from paragraph (2) and replaced it with IRM 13.1.18.7, Assisting Taxpayers with Economic Burdens (Criteria 1-4 Cases).
IPU 22U1147 issued 12-01-2022 IRM 5.19.21.2	Removed IDTVA procedures requiring a referral for cases meeting Identity Protection Specialized Unit (IPSU) and meeting TAS criteria 5-7 from paragraph (2).
IPU 22U1147 issued 12-01-2022 IRM 5.19.21.2	Removed paragraph (6) note in reference to ITAR and IPSU.
IPU 22U1147 issued 12-01-2022 IRM 5.19.21.2	Replaced word “CIS” in the If/Then table under paragraph (4) with Correspondence Imaging Inventory “CII” per the inventory system with AMS.
IPU 22U0583 issued 05-04-2022 IRM 5.19.21.2.1.2	Updated If/Then table under paragraph (2) to correct the Kansas City - IDTVA-C ACSS fax number.
IPU 22U0809 issued 07-14-2022 IRM 5.19.21.2.1.2	Updated If/Then table under paragraph (2) to correct the Fresno Campus - IDTVA-C ACSS fax number.
IPU 22U0809 issued 07-14-2022 IRM 5.19.21.2.1.2	Updated If/Then table under paragraph (2) to remove the Philadelphia Campus - IDTVA call site due to realignment.
IPU 22U0809 issued 07-14-2022 IRM 5.19.21.2.1.2	Added If/Then table in paragraph (12) to address where to mail and fax accounts with international ID Theft involvement.
Throughout	Replaced the words “he” and “she” with gender-neutral language.
Throughout	Editorial changes were made to update links and reference points and clarify information to assist and support the end-user.

EFFECT ON OTHER DOCUMENTS

IRM 5.19.21 dated March 23, 2022, is superseded. The following IRM Procedural Updates (IPUs) have been incorporated into this IRM: 22U0583 issued 05-04-2022, 22U0809 issued 07-14-2022, and 22U1147 issued 12-01-2022.

AUDIENCE

Small Business Self-Employed (SB/SE) and Wage and Investment (W&I) Compliance, W&I Accounts Management (AM) and Field Assistance employees who process Balance Due responses

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5.19.21

Campus Procedures for Handling Identity Theft

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5.19.21.1
(03-23-2022)
**Program Scope and
Objectives**

- (1) **Purpose:** This section discusses the overall identity theft guidance, processes, and procedures aimed at preventing identity theft, protecting taxpayers, and providing assistance to victims of identity theft. While many topics are touched upon in this chapter, comprehensive guidance about all of them cannot be included here. As you use this chapter, remain alert for references to other resources, such as related IRM's and websites. Access that guidance as needed to ensure a thorough understanding of topics. Sections within this chapter:
 - Establish procedures for taxpayer interaction
 - Discuss identity theft claim requirements
 - Define collection activity in identity theft cases
 - Describe steps needed in determining identity theft cases
 - Describe steps needed to resolve identity theft cases
- (2) **Audience:** These procedures and guidelines apply to IRS Campus tax examiners, collection representatives, customer service representatives, and team managers.
- (3) **Policy Owner:** Director, Collection Policy, SBSE.
- (4) **Program Owner:** Collection Policy, SBSE, Case Resolution Alternatives (CRA) is the program owner of this IRM.
- (5) **Primary Stakeholders:** The primary stakeholders that are impacted by this IRM section include:
 - Campus Collection
 - Accounts Management
 - Identity Protection Strategy and Oversight (IPSO)
 - Identity Theft Victims Assistance (IDTVA)
 - Designated Identity Theft Adjustment (DITA)
- (6) **Program Goals:** Identity theft places a burden on its victims and presents a challenge to businesses, organizations, and government agencies, including the Internal Revenue Service (IRS). By following the direction in this IRM section, employees can combat tax-related identity theft with an aggressive strategy for prevention, detection, and victim assistance.

5.19.21.1.1
(03-23-2022)
Background

- (1) The definitions for Individual Master File (IMF) and Business Master File (BMF) identity theft are:
 - IMF identity theft is the filing of an individual tax return when someone uses an individual's personal information, such as name, Social Security Number (SSN), or other identifying information without permission to obtain tax benefits, or cause taxpayer harm or to commit fraud, or other criminal acts.
 - BMF identity theft is the filing of a business tax return when someone creates, uses, or attempts to use a business's or individual's identifying information without authority to obtain tax benefits or to enable fraudulent schemes.

5.19.21.1.2
(04-01-2024)

Authority

- (1) The Identity Protection Strategy & Oversight (IPSO) Program was established to ensure servicewide implementation of federal directives to protect citizens and government employees. The following are the principal documents involving the identity theft program:
 - Combating Identity Theft: A Strategic Plan, The President's Identity Theft Task Force Report, April 2007
 - Combating Identity Theft, Volume II: Supplemental Information, The President's Identity Theft Task Force Report, April 2007
 - President's Identity Theft Task Force Report Summary of Interim Recommendations, September 2006
 - Office of Management and Budget (OMB), M-17-12, Preparing for and Responding to a Breach of Personally Identifiable Information, January 3, 2017- *Office of Management and Budget (OMB), M-17-12, Preparing for and Responding to a Breach of Personally Identifiable Information, January 3, 2017, https://irm.web.irs.gov/common/scripts/ExitScript.asp?GOTO=https://www.whitehouse.gov/wp-content/uploads/legacy_drupal_files/omb/memoranda/2017/m-17-12_0.pdf*
 - Office of Management and Budget (OMB), M-03-22, OMB guidance for Implementing the Privacy Provisions of the E-Government Act of 2002, September 26, 2003 - *Office of Management and Budget (OMB), M-03-22, OMB Guidance for Implementing the Privacy Provisions of the E-Government Act of 2002, September 26, 2003, <https://www.whitehouse.gov/wp-content/uploads/2017/11/203-M-03-22-OMB-Guidance-for-Implementing-the-Privacy-Provisions-of-the-E-Government-Act-of-2002-1.pdf>*

5.19.21.1.3
(03-23-2022)

Responsibilities

- (1) The Director, Collection Policy is the executive responsible for the policies and procedures related to W&I's identity theft program. They are responsible for overseeing program coordination for campus collection personnel related to the identity theft program.
- (2) The program manager, Case Resolution Alternatives (CRA), is responsible for delivering policies and procedures put forward by the W&I identity theft program.
- (3) The campus team, department, and operation managers are responsible for ensuring the guidance and procedures described in this IRM are complied with.

5.19.21.1.4
(03-23-2022)

Program Management and Review

- (1) **Program Effectiveness.** The program effectiveness is measured by the following review types and by the level of management.
 - Centralized Quality Review System (CQRS) and Program Analysis System (PAS) routinely conduct sample reviews of all phone and paper cases to monitor and evaluate the quality of contacts or cases under the procedures in this IRM.
 - Frontline managers, leads, and on-the-job instructors (OJIs) use the Embedded Quality Review System (EQRS), the National Quality Review System (NQRS), and the Data Collection Instrument (DCI) to input case reviews. EQRS is used to evaluate employee performance and provide feedback, and NQRS is used to ensure program delivery with this IRM. NQRS data is used to report the official organizational business-quality results.

- Case Reviews are conducted by campus managers to ensure compliance with this IRM.
- Operational Reviews are conducted by department managers, operation managers, and campus directors annually to evaluate program delivery, conformance to administrative and ensure compliance requirements with this IRM.

5.19.21.1.5
(03-23-2022)

Program Controls

- (1) Identity Theft Indicators. These indicators are utilized to track identity theft cases from the time a victim or the IRS initially suspects identity theft through case closure. Identity theft indicators are posted as TC 971 AC 50X or TC 971 AC 52X. Identity theft cases involving a BMF entity are input on the identified modules in CC TXMODA, and identity theft cases involving an IMF entity are posted on the entity (CC ENMOD).
- (2) Resolved Identity Theft Indicators. A TC 972 AC 522 with tax administration source code "NOIDT", "NORPLY" or "IRSERR" are posted when the case has been resolved but the identity theft was not confirmed.
- (3) Tax Administration Source Codes. These source codes are utilized to track identity theft cases when they are initially identified. The tax administration source codes are shown with TC 971 AC 52X to identify the claim and your research results.

5.19.21.1.6
(03-23-2022)

**Terms/Definitions/
Acronyms**

- (1) Frequently used terms within this IRM section, along with their definition, include:
 - a. **Tax-related identity theft:** Identity Theft with a direct effect on the taxpayer's (or dependent's) or business's filing and payment requirements, such as their ability to file a tax return, receive a refund, or take other actions associated with these responsibilities. Tax-related identity theft is most often associated with the theft of a taxpayer's (or dependent's) Social Security Number (SSN).
 - b. **Non-tax related identity theft:** The taxpayer (or dependent) or business experiences an incident, such as becoming a victim of a data breach from their medical office or a lost or stolen wallet, a stolen purse, an online phishing scam or computer hack, which may place them at risk of identity theft related to their credit or finances. Still, there is no direct effect on tax administration at this time.
- (2) Frequently used acronyms within this IRM section along with their full title include:

Acronym	Full Title
ACS	Automated Collection System
ACSS	Automated Collection System Support
ADJ	Adjustment
AMS	Accounts Management System
BMF	Business Master File
CII	Correspondence Imaging Inventory

Acronym	Full Title
CNC	Currently Not Collectable
CRA	Case Resolution Alternatives
CSCO	Compliance Services Collection Operation
CQRS	Centralized Quality Review System
DITA	Designated Identity Theft Adjustment
EIN	Employer Identification Number
EQRS	Embedded Quality Review System
FPLP	Federal Payment Levy Program
IA	Installment Agreement
IDTVA	Identity Theft Victim Assistance
IMF	Individual Master File
IPSO	Identity Protection Strategy and Oversight
IRM	Internal Revenue Manual
NQRS	National Quality Review System
OJI	On the Job Instructor
OMB	Office of Management and Budget
PAS	Program Analysis System
PNDCLM	Pending Claim (taxpayer alleges identity theft but has not provided required claim / information)
RSED	Refund Statute Expiration Date
SBSE	Small Business Self Employed
SSN	Social Security Number
TIN	Taxpayer Identification Number
URF	Unidentified Remittance File
UNWORK	Identity Theft Claim received but has not yet been worked
W&I	Wage and Investment

5.19.21.1.7
(03-23-2022)

Related Resources

(1) IRM resources:

- IRM 25.23, Identity Protection and Victim Assistance

5.19.21.2
(04-01-2024)

Identity Theft - General Information

(1) There are different types of forms regarding identity theft:

- Form 14027-B, Identity Theft Case Referral

- Form 14039, Identity Theft Affidavit, is used by taxpayers who are victims or believe they may become victims of identity theft. Form 14039 is used to report both tax-related and non-tax-related identity theft.

Note: Form 14039 no longer requires the submission of supporting documentation. The form will be utilized to obtain additional information from the taxpayer to support the identity theft claim only if internal/external resources available cannot authenticate the request of identity theft.

- Form 14039-B, Business Identity Theft Affidavit, is used for a business to file an identity theft claim.
- Form 14566, BMF Identity Theft Referral, is used by functional liaisons to provide detailed information about suspected identity theft affecting a business entity, enabling the IRS to investigate and take appropriate action.

(2) When handling cases with identity theft issues, refer to the following Issue/Response Chart:

Issue	Response
The taxpayer's identity is stolen; however, they have no indication their stolen identity was used inappropriately for tax purposes, Example: They haven't received an IRS notice.	<ol style="list-style-type: none"> Advise the taxpayer to contact the Federal Trade Commission (FTC) through https://www.identitytheft.gov. Advise the taxpayer to also make a report to their local police and one of the three major credit bureaus: <ul style="list-style-type: none"> Experian: 1-888-397-3742 Equifax: 1-800-525-6285 TransUnion: 1-800-680-7289
The taxpayer states an e-mail was received from the IRS requesting their personal identifying information, Example: SSN, Employment Identification Number (EIN), financial information, etc.	<ol style="list-style-type: none"> Advise the taxpayer the IRS does not request personal or financial information by e-mail; as a result, the taxpayer should not respond to this email. Request the taxpayer forward a copy of this e-mail to IRS at phishing@irs.gov. For additional guidance: See IRM 21.1.3.23, Scams (Phishing) and Fraudulent Schemes.
The taxpayer knows another person filing a federal tax return with a stolen SSN or EIN,	Ask the taxpayer for additional information, such as the perpetrator's name and stolen SSN or EIN. See IRM 21.3.4.28.3, Other Tax Related Identity Theft Issues, when the taxpayer knows another person is filing a federal tax return with a stolen SSN.
The taxpayer requests a new SSN because their identity has been stolen,	Advise the taxpayer to contact SSA at 1-800-772-1213 or https://www.ssa.gov/ .
The taxpayer states that they have been a victim of Identity Theft that was resolved. The taxpayer has either lost or never received their IP PIN.	<ol style="list-style-type: none"> Follow the guidance in IRM 25.23.2.9, Identity Protection Personal Identification Number (IP PIN), to determine if an IP PIN was issued. If re-issuance is necessary, follow IRM 25.23.2.9.4, Lost, Misplaced or Non-Receipt of IP-PIN Overview. If the taxpayer needs to request an IP PIN refer the taxpayer to https://www.irs.gov/ippin.

Note: IRM 5.19.21.2.1, Identity Theft Claim, and IRM 5.19.21.2.1.1, Identity Theft Claim Processing, contain additional information on identity theft claim and processing. More information on identity theft may be found in IRM 25.23, Identity Protection and Victim Assistance.

- (3) If the taxpayer calls in and indicates that a credit on their account does not belong to them, research to determine where the credit should be applied. If you perform thorough research but cannot determine where the credit should be used, follow the below procedures:

If ...	Then ...
You receive authorization from the SSN owner through oral statement or correspondence that the credit does not belong to them; refer to IRM 21.5.8.2, Credit Transfers Overview,	If the credit is less than one year old, prepare Form 2424, Account Adjustment Voucher, to transfer the credit to the Unidentified Remittance File (URF). If the credit is more than one year old, prepare Form 8758, Excess Collections File Addition, to transfer credit to Excess Collection.

Note: Payments cannot be transferred to Unidentified Remittance or Excess Collection unless a credit is available.

- (4) Compliance Services Collection Operation (CSCO) cases should go to IDTVA-C Fresno (*mailto:*W&I IDT:Fresno:SPEC-CSCO*).

Note: Balance due cases in statuses other than 22 will be routed to IDTVA-C Fresno (*mailto:*W&I IDT:Fresno:SPEC-CSCO*).

Note: Offer in Compromise (OIC) cases where there is identity theft involvement forward to identity theft <https://serp.enterprise.irs.gov/content/who-where/identity-theft-sbse-field-collection-and-oic.html>.

If....	Then...
We receive the required Identity Theft Claim from the taxpayer. (Form 14039, Identity Theft Affidavit, police report, or Form 14157, Return Preparer Complaint, is attached.)	<ol style="list-style-type: none"> 1. Send the case to IDTVA-C Fresno (<i>mailto:*W&I IDT:Fresno:SPEC-CSCO</i>). 2. Notate Accounts Management System (AMS) of all documents received and case actions taken and close case control.

If....	Then...
We receive the required Identity Theft Claim from the taxpayer. (Form 14039-B, Business Identity Theft Affidavit, is attached.)	<ol style="list-style-type: none"> 1. Send the case to Correspondence Imaging Inventory (CII) to scan and route to the BMF identity theft sites. See Exhibit 3.13.6-12, Appendix L - Document Types, Category Codes, Priority Codes, IDT, and IDTVA - BMF. 2. Notate AMS of all documents received and case actions taken, and close case-control.
We do not receive any claim from the taxpayer.	<ol style="list-style-type: none"> 1. Send a letter to the taxpayer telling them to complete the required identity theft claim, and 2. Include instructions to mail the identity theft claim to the IDTVA-C Fresno address listed in Who/Where on SERP. 3. Notate AMS of letter sent, case actions are taken and close case-control.

- (5) Automated Collection System Support (ACSS) will follow IRM 5.19.6.21, Victor V Inventory, for handling identity theft casework.
- (6) The Taxpayer Advocate Service (TAS) is an *independent* organization within the IRS, led by the National Taxpayer Advocate (NTA). Its job is to protect taxpayers' rights by striving to ensure that every taxpayer is treated fairly and knows and understands their rights under the Taxpayer Bill of Rights (TBOR). TAS offers free help to taxpayers, including when taxpayers face financial difficulties due to an IRS problem, when they are unable to resolve tax problems they haven't been able to resolve on their own, or when they need assistance to address an IRS system, process, or procedure that is not functioning as it should. TAS has at least one taxpayer advocate office located in every state, the District of Columbia, and Puerto Rico.
- Refer taxpayers to the Taxpayer Advocate Service when the contact meets TAS criteria. Refer to IRM 13.1.7.3, TAS Case Criteria, if you cannot resolve the taxpayer's issue the same day. The definition of "same day" is within 24 hours. "Same Day" cases include cases you can completely resolve within 24 hours, as well as cases in which you have taken steps to begin resolving the taxpayer's issue. In cases where taxpayer states they have a hardship, use sufficient probing to determine that a manual refund is required before referring to TAS. For additional information, refer to IRM 21.1.3.18, Taxpayer Advocate Service (TAS) Guidelines.
 - Taxpayers may request assistance during or after enforcement action. The request must meet the criteria as listed in IRM 13.1.7.3, TAS Case

Criteria. The identifying function will prepare Form 911, Request for Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance Order).

- (7) The Taxpayer Bill of Rights (TBOR) - every taxpayer has a set of ten fundamental rights when dealing with the IRS.

- The Right to be Informed.
- The Right to Quality Service
- The Right to Pay No More than the Correct Amount of Tax
- The Right to Challenge the IRS's Position and Be Heard
- The Right to Appeal and IRS Decision in an Independent Forum
- The Right to Finality
- The Right to Privacy
- The Right to Confidentiality
- The Right to Retain Representation
- The Right to a Fair and Just Tax System

- (8) The TBOR lists rights that already exist in the tax code, putting them in simple language and grouping them into 10 broad categories. Employees are responsible for being familiar with and acting in acceptance with taxpayer rights. See IRC 7803(a)(3), Execution of Duties in Accord with Taxpayer Rights. For additional information about the TBOR, see <https://www.irs.gov/taxpayer-bill-of-rights> and Policy Statement 1-236 in IRM 1.2.1.2.36.

5.19.21.2.1
(04-01-2024)

Identity Theft Claim

- (1) When a taxpayer claims to be a **victim** of identity theft, they should be advised to submit their claim using Form 14039, Identity Theft Affidavit. Refer to IRM 25.23.2.3, Identity Theft Claims - General Guidelines.

Note: Form 14039, Identity Theft Affidavit, no longer requires the submission of additional information/documentation.

- (2) If unable to resolve the account using internal information or information already provided by the taxpayer, request additional information/documentation to substantiate identity theft. This may include:

- Authentication of Identity - A copy of the current, valid form of identification.

Example: Driver's license, state identification card, social security card, passport, military ID, etc.

Any U.S. federal or state government-issued form of identification **MUST** be signed by the taxpayer (or legal guardian if a minor).

- Evidence of identity theft.

Example: A copy of a police report or Form 14039, Identity Theft Affidavit, as evidence of identity theft. Form 14039 should only be requested when the taxpayer has not previously submitted the form or when the submitted form was illegible.

- Payor documents, such as W-2 or 1099, utility bills, deeds, or other proof of residency.

- (3) Form 14039, Identity Theft Affidavit, and any additional information are **required** if the taxpayer requests abatement or adjustment of tax balances associated with identity theft and are referenced throughout this subsection.

- (4) Taxpayers who submit a police report rather than Form 14039, Identity Theft Affidavit must also provide an explanation of how the identity theft is affecting their tax records if not included within the police report.
- (5) Taxpayers who previously submitted the above identity theft claim to the IRS have already substantiated their claim, and need not submit Form 14039 again.

Note: A TC 971 AC 501 or AC 506 (except AC 506 that were input by WI PRP DDB) indicates the claim was received and adjustments made (if required). A TC 971 AC 522 indicates only that the claim has been received.

- (6) To determine if the taxpayer needs to furnish identity theft documentation, review their account and follow the chart below:

If ...	Then ...
An unreversed TC 971 AC 522 PNDCLM, IRSID or a TC 971 AC 506 is present,	The taxpayer does need to provide new claim/information (i.e., Form 14039 or Police Report).
An unreversed TC 971 AC 501 with any tax administration source code, TC 971 AC 504 EMPL/EMPL-M or ICMCCA or a TC 971 AC 522 with the following tax administration codes; UNWORK, INCOME, INCMUL, NOFR, and OTHER is present,	The taxpayer does not need to provide new claim/information. Note: Claim/information is valid for an incident for three years from the date it is received and processed by the IRS. If the taxpayer experiences identity theft after that time frame, the taxpayer will need to submit new claim/information.
A TC 972 AC 522 with tax administration code NOIDT or NORPLY ,	The taxpayer must provide new information, or the information requested by IDTVA. Note: The taxpayer would have received a letter outlining the information needed by IDTVA.

If ...	Then ...
TC 971 AC 522 PNDCLM,	Research AMS/IDRS for any indication the taxpayer's correspondence has been received (i.e., CII print, correspondence control on IDRS) that has not been identified as identity theft documents. If there is no indication any claim/information has been received, then inform the taxpayer to provide claim/information to consider their identity theft claim. If there is an indication, then no additional correspondence is needed.
TC 971 AC 501, AC 504, AC 506 or AC 522 is not present; the taxpayer indicates they never sent an identity theft claim.	The taxpayer must provide claim/information.

- (7) Do not apply the TC 971 AC 522 "PNDCLM" or "IRSID" or "UNWORK" to the SSN of a taxpayer when an Individual Taxpayer Identification Number (ITIN) taxpayer reports the misuse of the SSN.

Example: In the course of performing an audit, the employee identifies an ITIN taxpayer who has been working under the SSN belonging to another individual. The SSN owner is unaware of the misuse of their SSN. Do not apply the TC 971 AC 522 to the SSN used by the ITIN taxpayer.

5.19.21.2.1.1
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Identity Theft Claim Processing

- (1) Accounts with TC 971 AC 522 require the input of an appropriate source code and secondary date. This will enable the IRS to flag accounts at different stages of processing, from initial identity theft claim to closure, dependent upon case specifics.
- (2) Once the function is made aware that the taxpayer is a possible victim of identity theft, they will be responsible for checking to see if there is an open control. If there is, the tax examiner will contact that employee to verify they are working on the identity theft issue. If the case is being worked by the controlling area and it has no impact on your compliance case – work the case as you would normally.

Note: Always check the Alerts section of AMS to see if there is a CII image and open the CII link to see if the document is for the identity theft claim. If so, do not ask the taxpayer to submit claim/information per the instructions below. Instead, follow IRM 5.19.21.2.1, Identity Theft Claim.

- (3) For areas other than ACS, use the following directions when processing identity theft issues:

Caution: Prior to marking an account with TC 971 AC 522 PNDCLM, UNWORK, or IRSID research CC ENMOD/IMFOLE to ensure the questionable tax

year has not already been marked. Do not input a second matching code for the same tax year if the coding already exists.

If ...	And ...	Then ...
The taxpayer makes a claim of identity theft,	<p>Has not provided:</p> <ul style="list-style-type: none"> Form 14039 , Identity Theft Affidavit. <p>Note: For more information on the required claim/information, see IRM 25.23.2.3 Identity Theft Claims - General Guidelines.</p>	<ol style="list-style-type: none"> Input TC 971 AC 522 containing the miscellaneous field using the applicable BOD/Function, Program name, and the Tax Administration Source Code listed below: “PNDCLM” and input the tax year of the identity theft incident into the secondary date field. See Examples in IRM 5.19.21.2.1.1(7). Phone or Taxpayer Assistance Center (TAC) operations should verbally advise the taxpayer to submit the required claim/information and provide the appropriate address. See IRM 5.19.21.2, Identity Theft - General Information. Paper operations should send a letter to the taxpayer and request they provide the required claim/information and provide the appropriate address. Suspend collection, allowing the taxpayer time to respond. Input TC 470 with no closing code. Document AMS.
The taxpayer makes a claim of identity theft,	Has provided Form 14039, Identity Theft Affidavit, as described in IRM 25.23.2.3, Identity Theft Claims - General Guidelines.	<ol style="list-style-type: none"> Input TC 971 AC 522 containing the miscellaneous field using the applicable BOD/Function, Program name, and the Tax Administration Source Code listed below: “UNWORK” and input the tax year of the identity theft incident into the secondary date field. See Examples in IRM 5.19.21.2.1.1(7). Forward to the appropriate IDTVA-C ACSS site along with Form 4442. Document AMS.
The taxpayer makes a claim of identity theft,	Has provided required claim/information as described in IRM 25.23.2.3, Identity Theft Claims - General Guidelines, and there is a posted unreversed TC 971 AC 501, AC 504 or AC 506 (that was not input by WI PRP DDB).	<ol style="list-style-type: none"> Continue working the non-identity theft issue(s).

If ...	And ...	Then ...
The taxpayer makes a claim of identity theft,	There is a TC 972 AC 522 with tax administration source code "NOIDT" or "NORPLY".	1. Taxpayer is required to provide claim/information. Forward new identity theft claim to appropriate IDTVA-C ACSS operation along with Form 4442.
The taxpayer alleges identity theft.	There is a posted unreversed TC 971 AC 506 that was input by WI PRP DDB	1. Taxpayer is required to provide claim/information. 2. Advise the taxpayer to submit the required claim/information and provide the appropriate address. See IRM 5.19.21.2, Identity Theft - General Information.

- (4) ACS employees will follow IRM 5.19.21.2.1.2, Identity Theft Guidance for ACS Call-Site Employees, when handling identity theft calls.
- (5) If an active levy, IRM 5.19.21.2.2, Addressing Outstanding Levies.
- (6) Input appropriate TC 971 AC 5XX. Utilize either IAT REQ77 (mandated) or IAT Compliance Suite (suggested) Tools for this input.
- (7) TC 971 AC 522 input contains a miscellaneous field that must be completed consisting of the following:
 - a. BOD/Function (Business Operating Division/Function), for example, "WI" or "SBSE".
 - b. Program Name, for example, "ACS" or "CSCO".
 - c. Tax Administration Source, the only source code that should be utilized by Campus is PNDCLM.

Example: "MISC>WI ACS PNDCLM"

- (8) When inputting the required information, the TRANS-DT> - field on the IAT REQ77 (mandated) or IAT Compliance Suite (suggested) Tools input screen will automatically populate with the date of input.
- (9) The 971 AC 522 input also contains a secondary date field used to identify the tax year at issue. Complete this field by inputting the year associated with identity theft. Use "MMDDYYYY" format.

Example: "SECONDARY-DT>12312021"

Note: If more than one year is involved, input a separate TC 971 AC 522 for each tax year related to the identity theft incident.

- (10) Use TC 972 in the event the TC 971 needs to be reversed. The TC 972 contains a miscellaneous field that must be completed, including the reason for the reversal. Select the appropriate reason for the reversal from the following list:

Abbreviation for Entry	Description
"TPRQ"	Taxpayer request
"IRSERR"	Keying or other internal mistake

Example: "MISC>WI ACS TPRQ".

(11) **TC 972 AC 522 Source Codes**

Term / Acronym	Description	Secondary Date Field
" NORPLY " — The taxpayer did not provide identity theft Claim.	This code is used to close a suspended case when the taxpayer fails to provide the requested identity theft claim within the time specified by the employee assigned.	Will match the tax year of the TC 971 AC 522 "PNDCLM."

5.19.21.2.1.2
(04-01-2024)
**Identity Theft Guidance
for ACS Call Site
Employees**

- (1) The following procedures apply for ACS Call Site employees when handling calls in which the taxpayer is claiming or has claimed identity theft. Also, follow IRM 5.19.21.2, Identity Theft - General Information, through IRM 5.19.21.2.1, Identity Theft Claim, for additional guidance on identity theft.
- (2) When the taxpayer is disputing the balance owed (original or additional assessment) **on an IMF only account** based on identity theft and command code (CC) *ENMOD* does not indicate a TC 971 AC 506, TC 971 AC 504 with tax administration source code **EMPL**, **EMPL-M** or **ICMCCA** or TC 971 AC 501 posted or TC 972 AC 522 with tax administration source code "NOIDT" or "NORPLY" after a TC 971 AC 522:

Caution: IF CC *ENMOD* indicates either a TC 971 AC 501, TC 971 AC 504 with tax administration source code **EMPL**, **EMPL-M** or **ICMCCA** or AC 506 or TC 972 AC 522 with tax administration source code "NOIDT" or "NORPLY" (not active identity theft), do not refer the case to the "O" function.

Exception: If there is only a TC AC 506 that was input by WI PRP DDB with no subsequent TC 971 AC 501 or AC 506.

If	Then
<p>A Correspondence Imaging Inventory (CII) indicator is present in the ALERTS section on AMS and it is the document for the identity theft claim,</p>	<ol style="list-style-type: none"> 1. Reassign the SB/SE or W&I case on ACS: "TOO9,01,CISIMG" 2. Input TC 971 AC 522 "UNWORK" on CC <i>ENMOD</i>, if one is not already present for the tax year in question. **See Caution at the end of Chart** 3. If a levy is active, follow IRM 5.19.21.2.2, Addressing Outstanding Levies. 4. Document AMS with all actions taken. 5. Advise the taxpayer the claim has been received, and they should receive a letter within 60 days of confirming receipt of the claim.
<p>No claim/information is available (CII Image) and the taxpayer can immediately FAX the required claim/information, Note: Direct faxes to Fresno or Kansas City based on ACSS state mapping.</p>	<ol style="list-style-type: none"> 1. Have the taxpayer fax documents to the appropriate IDTVA-C ACSS site. <ul style="list-style-type: none"> • Internal Revenue Service Fresno Campus : FAX: 855-443-6908 • Internal Revenue Service Kansas City Campus: Internal Revenue Service Fax: 855-663-7048 2. Reassign the SB/SE or W&I case on ACS: "TOV1,60,DTADJ". 3. Input TC 971 AC 522 "PNDCLM" on CC <i>ENMOD</i>, if one is not already present for the tax year in question. **See Caution at end of Chart** 4. If a levy is active, follow IRM 5.19.21.2.2, Addressing Outstanding Levies. 5. Document AMS with all actions taken and directions were given to the taxpayer. 6. Advise the taxpayer they should receive a letter within 60 days of receipt from IDTVA-C ACSS confirming receipt of the claim.

If	Then
<p>No claim/information is available (CII Image), and:</p> <ul style="list-style-type: none"> • The taxpayer CAN NOT immediately FAX the required claim/information, <p>or</p> <ul style="list-style-type: none"> • The taxpayer wants to mail the claim/information, <p>Note: Direct mail or faxes to Fresno or Kansas City based ACSS state mapping.</p>	<ol style="list-style-type: none"> 1. Advise the taxpayer of the fax number to be used or to mail the required claim to the appropriate IDTVA-C ACSS site address. Provide a firm deadline date. The appropriate addresses are located below: <ul style="list-style-type: none"> • Internal Revenue Service Fresno Campus : Internal Revenue Service 3211 S Northpointe Dr. Fresno, CA 93725 Stop 3501 FAX: 855-443-6908 • Internal Revenue Service Kansas City Campus: Internal Revenue Service P.O. Box 219236 Kansas City, MO. 64121 STOP 5050 P-4 Fax: 855-663-7048 2. Warn of enforcement action. See IRM 5.19.1.7, Warning of Enforcement Action and Enforced Collection. 3. Reassign the SB/SE or W&I case on ACS: "TOV1,60,DTADJ". 4. Input TC 971 AC 522 "PNDCLM" on CC <i>EN-MOD</i> if one is not already present for the tax year in question. **See Caution at the end of Chart** 5. Document AMS with all actions taken and directions were given to the taxpayer, including the deadline date.

If	Then
If there is an open IDTVA Compliance IDRS identity theft control base, refer to Exhibit 25.23.2-16, IDTVA IDRS Category Controls by Function,	<ol style="list-style-type: none"> 1. Refer the caller to the applicable function/employee by providing the taxpayer with the controlling employee's direct contact information (see Note below). Note: Some W&I functions currently use the toll-free identity theft telephone number and have assigned aspect extension numbers. The IDRS control base activity code can determine this. If the activity codes show "IDTXXXXXX", provide the taxpayer with the toll-free and Aspect extension numbers. "XXXXXX" indicates the Aspect number. See IRM 25.23.4.18.5, Taxpayer Calls on Identity Theft (IDT) Cases (IDTVA Paper Employees Only). 2. If not already in ACS Function "O", reassign the SB/SE or W&I case on ACS to: "TOO9,01,CNTRL". 3. If a levy is active, follow IRM 5.19.21.2.2, Addressing Outstanding Levies. 4. Document AMS with all actions taken.
If there is an open IDRS identity theft control base to a non-Compliance function, refer to Exhibit 25.23.2-16, IDTVA IDRS Category Control by Function,	<ol style="list-style-type: none"> 1. If not already in ACS Function "O", reassign the SB/SE or W&I case on ACS to: "TOO9,01,CNTRL". 2. If a levy is active, follow IRM 5.19.21.2.2, Addressing Outstanding Levies. 3. Document AMS with all actions taken. 4. Advise the taxpayer the case is being referred to the identity theft specialized team. The taxpayer should expect a letter within 60 days from the day the referral is received by the identity theft specialized team.

Note: Time frames for International accounts refer to IRM 5.19.19.5.3, International Account Time Frames.

Caution: The secondary date field on IAT REQ77 Tool is limited to the current calendar year and 7 prior years. The secondary date field will not allow the input of any date outside that range. If the year in question is 2016 or earlier, input the TC 971 AC 522 on the 2017 tax year and leave AMS history (if you do not have AMS access, leave a history on ENMOD) indicating which year was affected by identity theft. For example, if the year affected by identity theft was 2015, leave the following history on ENMOD/AMS as applicable: H,AC522-2015, then input the TC 971 AC 522 on the 2017 tax year (earliest year allowed by programming).

- (3) When the taxpayer is disputing the balance owed (original or additional assessment) on an IMF only account based on identity theft and CC *ENMOD*

indicates a TC 971 AC 501, TC 971 AC 504 with tax administration source code **EMPL**, **EMPL-M** or **ICMCCA** or TC 972 AC 522 with tax administration source code “NOIDT” or “NORPLY” posted after a TC 971 AC 522 or a TC 971 AC 506 (except an AC 506 that was input by WI PRP DDB) is present. **DO NOT** request the taxpayer to submit/resubmit the claim. The identity claim is valid within three (3) years of the TC 971 AC 501/504/506/522 and **ONLY** applies to when a taxpayer continues to dispute a resolved identity theft. All other disputes should be worked with the taxpayer on the call.

- a. Reassign the SB/SE or W&I case on ACS: “TOO0,01, IDTADJ”, and non-ACS Accounts: Input CC *STAUP* 2209.
 - b. If a levy is active, follow IRM 5.19.21.2.2, Addressing Outstanding Levies.
 - c. Document AMS with all actions taken.
 - d. Advise the taxpayer a referral is being sent to another area for resolution of their case and should receive written or telephone contact within 30 days of receipt.
- (4) When the taxpayer is disputing the balance owed (original or additional assessment) and a **BMF account** is involved based on identity theft, reassign the account on ACS “TOO3,01, BMFIDT”. Prepare a Form 14566 , BMF Identity Theft Referral, indicating the taxpayer is claiming identity theft on a BMF account. Forward the referral to the IDTVA BMF IDT liaison in W&I found on *SERP*, <https://serp.enterprise.irs.gov/content/irm-supplements/identity-theft-bmf.html>. **Do not input any TC 971 AC 522 on BMF accounts.** The determination for the TC 971 will be made by the AM BMF IDT Team.
- (5) If the taxpayer wants an Installment Agreement (IA) or states they are Currently Not Collectable (CNC), document AMS with the required information (financial statement, IA amount, etc.). Encourage the taxpayer to make voluntary payments to reduce their balance. **Do not set up the IA or CNC account.** IDTVA-C ACSS will transfer the case to ACS to address any compliance issues when the identity theft issue is resolved.
- (6) If the taxpayer indicates the address of record or name is incorrect, document AMS with the information provided by the taxpayer. **Do not make any changes to the entity information.** The IDTVA-C ACSS team will make the necessary changes, as determined.
- (7) When the taxpayer is **NOT** disputing the balance owed (original or additional assessment) based on identity theft and has a TC 971 AC 501, TC 971 AC 504 with tax administration source code **EMPL**, **EMPL-M** or **ICMCCA** or AC 506 (except an AC 506 input by WI PRP DDB) or TC 972 AC 522 “NOIDT” is present subsequent to a TC 971 AC 522 for the same tax year or tax years:
- a. Advise the taxpayer that the identity theft situation has been resolved.
 - b. A notice or letter will be issued (or may have been already issued).
 - c. If TC 971 AC 501 was input, then CP 01, Identity Theft Claim Acknowledgement, or Letter 4674-C , Identity Theft Post Adjustment Victim Notification, is issued.
 - d. If TC 971 AC 506 (except an AC 506 that was input by WI PRP DDB), TC 971 AC 504 with tax administration source code **EMPL**, **EMPL-M** or **ICMCCA** or TC 972 AC 522 “NOIDT” or **NORPLY** was input, then Letter 4674-C, Identity Theft Post Adjustment Victim Notification, is issued.
 - e. Do not refer the case to the IDTVA-C ACSS Coordinator or reassign the case to the “O” function.
 - f. Continue with normal balance due resolution (e.g., IA, CNC, etc.).

- (8) If a taxpayer calls back to check on the status of the account and the follow-up date has expired in the “O” function inventory and an open control **DOES NOT** exist:
- Check AMS history to see if actions were taken to resolve the issue. If the case has been resolved, explain to the taxpayer and continue with normal balance due resolution (e.g., IA, CNC, etc.), or
 - If there is no information that the issue has been resolved, follow the first three procedures in the If/Then table in paragraph (2) above.
- (9) If a taxpayer calls back to check on the status of the account and the follow-up date has expired in the “O” function and an open control **DOES** exist:
- Follow the last two procedures in the If/Then table in paragraph (2) above.
 - Input “OADT,01,IDTRFRL”.
- (10) If a taxpayer calls back to check on the status of their account and states they did file the tax return in question for which the TC 971 AC 522 was input:
- Follow the procedures in the “If/Then” table in paragraph (2) above with an open IDRS control base assigned to an identity theft employee;
 - If no open control, input the TC 972 AC 522 with tax administration source code “IRSERR” and resolve the balance due. Update the case to the appropriate function based on the actions taken on the account.
- Note:** If more than one return is filed, refer the case to IDTVA-C.
- (11) If a taxpayer calls back who is in bankruptcy and may be a victim of identity theft, promptly contact Centralized Insolvency Operation (CIO) (same day notification, when possible). Referral information should be faxed to Insolvency using Form **4442**, Inquiry Referral, assigned to the case. Telephonic notification may also be used. All actions must be promptly documented by IRS employees. These numbers can be found within <http://serp.enterprise.irs.gov/content/who-where/insolvency/insolvency.html>.
- (12) Refer to the table below for details on where to mail and fax accounts with international ID Theft involvement.

If	Then
An account has international ID Theft involvement,	<p>Advise the taxpayer of the fax number to be used or to mail the required claim to Philadelphia IDTVA-C ACSS/CSCO International Team.</p> <ul style="list-style-type: none"> Internal Revenue Service Philadelphia Campus: Internal Revenue Service 2970 Market Street Philadelphia, PA 19104 Stop 4-J30.152 FAX: 855-516-2284

- (13) International accounts can be identified by File Location Codes (FLC) 20, 21, 60, 66, 78, and 98. FLC 21, 66, and 78 contain all returns with a U.S. possession or territory address with a 5-digit ZIP Code. Form 1040-PR, Planilla para la Declaración de la Contribución Federal sobre el Trabajo por Cuenta Propia, or Form 1040-SS, U.S. Self-Employment Tax Return, which includes Puerto Rico, American Samoa, Guam, U.S. Virgin Islands and the Commonwealth of the Northern Marianna Islands.
- (14) FLC 20, 60, and 98 are used for returns with:
- A foreign address.
 - Form 2555, Foreign Earned Income.
 - Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, Form SSA-1042S, Social Security Benefit Statement, Form 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, or Form 8288-A, Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests.
 - Dual Status Notification.
 - Form 1040-NR, U.S. Nonresident Alien Income Tax Return, or Form 1040-NR-EZ, U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents.

Caution: Do not assume that an account is International just because you have received non-English correspondence. Ensure that the above criteria is met.

5.19.21.2.2
(03-23-2022)

Addressing Outstanding Levies

- (1) If there is a balance due **not** attributable to identity theft, collection activities, including the appropriate use of enforced collection action, are not prohibited when a taxpayer has established that they were a victim of identity theft.
- a. Be sensitive to the adverse impact that being a victim of identity theft may have upon a taxpayer and their ability to pay.
 - b. Consider temporarily suspending the account until the identity theft incident is resolved in cases where you determine the identity theft will have an adverse impact on the taxpayer's ability to pay.

Note: Caution should be used to ensure collection activities are taken only on balance due modules not attributable to identity theft.

- (2) If the taxpayer claims financial hardship as a result of a tax-related identity theft issue:
- a. Prepare and submit Form 911, Request for Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance Order). If the taxpayer requests to contact Taxpayer Advocate Service (TAS) directly, advise the taxpayer to call 1-877-777-4778 toll-free, or go to <https://www.irs.gov/taxpayer-advocate>.

Caution: If the IRS can provide relief or take substantive action towards providing relief within 24 hours, do not send the case to TAS unless the taxpayer requests TAS assistance and meets TAS criteria.

- b. If the taxpayer is an individual, refer to IRM 25.23.2.2.1, Taxpayer Interaction.

- c. If the identity theft situation involves a business, refer to IRM 25.23.9, BMF Identity Theft Processing.
- (3) Review the case history for outstanding enforcement activity that may need to be corrected (i.e., levies, liens).
- (4) A levy attaching the assets of the victim in a mixed entity case must be immediately released. Accounts should be adjusted and all pre-levy notices properly issued before levy re-issuance. Refer to IRM 25.23.10.7.2.2(8), IDTVA Specialties ACSS Preliminary Research Needed for Determining Identity Theft on Cases Meeting ACS IDT criteria, for guidance on mixed entity cases. Also, see IRM 25.23.4.6.1, Required Research, for appropriate adjustment actions.

Exception: If no account adjustment is required and all pre-levy notices were properly issued, a levy may remain in effect unless a circumstance outlined in IRM 5.11.2.3.1, Legal Basis for Releasing Levies, is present. Also, see IRM 5.1.28.8, Identity Theft Case Resolution, for required actions on cases involving identity theft.

- (5) A levy attaching to assets of non-owner of the TIN for which:
 - a. The IRS assessed the liability in the name of the non-owner of the TIN,
 - b. The IRS issued all pre-levy notices properly to non-owner of the TIN,
 - c. The IRS assessed the liability under the **TIN of the victim**,
 - d. The assessment is based solely on the **income of the non-owner of the TIN**, and
 - e. There are no credits (e.g., payment offset, etc.) attributable to the victim for the assessment listed on the levy, which may remain in effect unless a circumstance outlined in IRM 5.11.2.3.1, Legal Basis for Releasing Levies, is present. The assessment is not invalid for the sole reason that it was made under the victim's TIN/SSN.

Note: If unable to determine if the liability of the non-owner of the TIN is satisfied then release the levy until the account can be adjusted to ensure the levy is not enforced on a satisfied liability.

Reminder: To prevent re-issuance of the levy, change levy source to "INFO ONLY."

5.19.21.2.2.1
(04-01-2024)
Addressing ACS Paper Levies

- (1) When the taxpayer claims to be a victim of identity theft and the Form 14039 , Identity Theft Affidavit, and/or police report has not been received, a levy release is not warranted unless there is an economic hardship situation. On ACS, ensure the account is in the "O" function inventory.
- (2) When the taxpayer claims to be a victim of identity theft and the Form 14039 and/or police report has been received, the levy should be released only for the tax modules affected by the identity theft.
- (3) Follow IRM 5.19.4.4.10, Levy Release: General Information, for full and partial levy release procedures.
- (4) **For employees without access to ACS**, if a levy release is warranted, fax Form 14394, Identity Theft Collection Alert, to the appropriate IDTVA-C ACSS Coordinator. Be sure to provide identity theft support documentation, including documenting the tax module(s) affected by the identity theft. See <http://serp.enterprise.irs.gov/databases/who-where.dr/idt-liaison-listing.html>.

Note: Consider a release of a levy based on prior indication of identity theft (TC 971 AC 501, AC 504 or AC 506 or TC 972 AC 522) on IDRS.

5.19.21.2.2.2
(04-01-2024)

**Addressing Outstanding
FPLP Levies**

- (1) A thorough review of the account must be conducted to ensure that all tax years affected by tax-related identity theft are blocked from the FPLP program.
- (2) When a TC 971 AC 501, AC 504, AC 506 or TC 972 AC 522 "NOIDT" has not been posted to the entity for tax administrative identity theft, employees must take steps to block outstanding FPLP levies.
 - a. When a module has been selected for Federal Payment Levy Program (FPLP) (unreversed TC 971 AC 060), it may be necessary to input a manual block. Refer to IRM 5.19.9.4.7, FPLP Levy Release: General.
 - b. When an FPLP account is matched with a Federal payment or FPLP account (unreversed TC 971 AC 062) and the disbursement of the Federal payment is imminent, an immediate FPLP release through the FPLP coordinator may be necessary, see IRM 5.19.9.4.7.1, Immediate Release Through the FPLP Coordinator.
- (3) When a TC 971 AC 501, AC 504, AC 506 or TC 972 AC 522 "NOIDT" is posted, FPLP will automatically block the tax modules entered into the secondary date field. However, depending on when the TC 971 AC 501, AC 504, AC 506 or TC 972 AC 522 "NOIDT" was input, there may be a need for an immediate release where the disbursement of the Federal payment is imminent. Follow the procedures in IRM 5.19.9.4.7.1, Immediate Release Through the FPLP Coordinator.

Caution: Do not manually block the case from levy if the assessment is not a result of the identity theft.

- (4) If a tax year affected by identity theft is included in the FPLP program, keep in mind that the return of levy proceeds requires special handling in accordance with IRC 6343(d), Authority to Release Levy And Return Property, and IRM 5.11.2.4, Returning Levied Property to the Taxpayer - Erroneous Levies. FPLP levy payments can only be returned if the payment date is within two (2) years preceding the request for the return of funds. FPLP levy payment dates should be verified before returning the payment.

5.19.21.2.2.3
(03-23-2022)

**Addressing Outstanding
SITLP, MTLP, and
AKPFD Levies**

- (1) There may be situations involving SITLP, MTLP, AKPFD affected by identity theft issues. In those cases, the employee will be required to follow the procedures outlined in the chart below:

If...	Then...
The taxpayer indicates they are a victim of identity theft, and there is a TC 971 AC 522 present,	<ul style="list-style-type: none"> Input a TC 470 with no closing code
The taxpayer indicates they are a victim of identity theft, and there is not a TC 971 AC 522 present,	<ul style="list-style-type: none"> Follow the normal procedures for inputting a TC 971 AC 522 "PNDCLM" Input a TC 470 with no closing code

If...	Then...
An employee is working on a resolved identity theft case,	<ul style="list-style-type: none"> Reverse the TC 470 as appropriate, following the normal reversal procedures

Note: Automated Levy Program (ALP) systems (i.e., SITLP, AKPFD, and MTLF) are identified by the existence of a TC 971 AC 600, 601, or 602 on each module selected. IRM 5.19.9, Liability Collection, Automated Levy Programs, for further information.

- (2) To stop systemic levy action while the identity theft case is being resolved, manual exclusion is necessary. This is achieved by the input of the TC 470 with no closing code. Once the case is resolved the TC 470 must be reversed to allow inclusion in the applicable ALP program.

5.19.21.2.3
(03-23-2022)
**Identity Theft and
Disposition of Levy
Proceeds**

- (1) This section was developed to provide guidance for cases that involve identity theft issues where the individual calling was levied, and levy proceeds have been sent to the IRS. The caller may be the owner or non-owner of the TIN. Ensure the levy has been released.
- (2) The Internal Revenue Code (IRC) distinguishes between “wrongful” levies and other types of improper or “erroneous” levies.
- A “wrongful” levy is one that improperly attaches property belonging to a third party in which the taxpayer has no rights. IRC 6343(b) specifically authorizes the IRS to return property wrongfully levied upon (or an amount of money equal to the amount levied upon) to its rightful owner (the third party) if requested by the third party within two years after the date of the levy. See IRM 5.11.2.3.2.1, Wrongful Levy, for wrongful levy procedures.
 - An “erroneous” levy is one that properly seeks to capture a taxpayer’s property (rather than a third party’s property), but nevertheless is served prematurely or otherwise in violation of an administrative procedure or law. IRC 6343(d) explicitly authorizes the IRS to return property erroneously levied to the victim if requested by the taxpayer within two years after the date of the levy. See IRM 5.11.2.3.2.3, Erroneous Levies, for erroneous levy procedures.

Note: Do not confuse this situation with one where the taxpayer (SSN owner) does not owe a liability. See IRM 5.19.21.2.3.2(2), Returning Proceeds from Wrongful Levy – (Non Owner).

5.19.21.2.3.1
(03-23-2022)
**Returning Levy
Proceeds to ID Theft
Victims – (SSN Owner)**

- (1) These procedures address cases where the owner of the SSN claims the IRS levied on property they have an interest in to satisfy the tax liability that does not belong to them.
- (2) When the SSN owner is claiming a refund of levy proceeds because the levy was based on the assessment of liability not belonging to the taxpayer, consideration for returning the payments falls under normal payment Refund Statute Expiration Date (RSED) procedures and time frames (generally two years from the payment date). See IRM 25.6.1.10.2.7, Claims for Credit or Refund - General Time Period for Submitting a Claim.

If the claim date is	Then
Less than two years from the payment date,	The limitations for returning the payment falls under normal RSED procedures
More than two years from the payment date,	Follow the chart in IRM 25.6.1.10.2.7, Claims for Credit or Refund - General Time Period for Submitting a Claim.

Note: Go to paragraph (3) if the conditions in paragraph (2) are met.

- (3) If the conditions in paragraph (2) are satisfied, the levy proceeds should be returned to the SSN owner:
- An identity thief (non-owner of the SSN) has filed a return in the taxpayer's name.
 - The SSN owner (taxpayer) did not have a filing obligation or at least didn't file a return, which delayed the discovery of the identity theft.
 - The identity theft return either was audited or reviewed, and there is an assessed balance on the victim (SSN owner) account that the IRS is attempting to collect (defaulted deficiency or summary assessment of overstated withholding).
 - The IRS has used its levy authority to collect against the assessment.
 - The IRS determines it should abate the assessments created as a result of the return filed by the non-owner of the SSN. The taxpayer's account will have zero liability and a credit balance equal to the amount of levy proceeds.

Example: The taxpayer was a victim of identity theft. The identity thief uses the taxpayer's SSN to work and not report or pay tax. This employment fraud caused an AUR assessment to be made, based on wage income reported to the IRS that was not included on their tax return. The taxpayer was unaware that he was a victim of identity theft until he received a bank levy notice in the mail. The taxpayer comes forward to dispute the events and informs the IRS of the identity theft. Upon learning that the unreported wage income was not that of the taxpayer, we will remove (back out) the invalid assessment.

Caution: Because the assessment and levy were for the taxpayer/victim rather than an assessment for a taxpayer and a levy on a third-party, the two (2) year wrongful levy statute does not apply. However, because the assessment is invalid, the levy is considered to be erroneous and the levy proceeds may be returned to the victim under IRC 6343(d) if requested by the taxpayer within two years after the date of the levy.

5.19.21.2.3.2
(03-23-2022)
**Returning Proceeds
from Wrongful Levy –
(Non Owner)**

- (1) The non-owner of the Taxpayer Identification Number (TIN) may file a wrongful levy claim for return of levy proceeds (from the assets of the non-owner of the TIN) already received and processed by the IRS. See IRM 5.19.21.2.3(2)a, Identity Theft and Disposition of Levy Proceeds, for the definition of "wrongful" levy.

- (2) A “wrongful” levy claim may be appropriate when:
- a. The assessment is based solely on the SSN owner’s income, since the levy improperly attaches to property belonging to a third party (the non-owner(s) of the TIN).
 - b. The assessment is based on the combined income of the non-owner(s) of the TIN and the owner’s, since the levy may have improperly attached to property belonging to a third party (the non-owner of the TIN).
 - c. The assessment is based on the combined income of multiple non-owners, since the levy may have improperly attached to property belonging to the third-parties.
- (3) When speaking with the caller, secure information to determine that the individual requesting the return of levy proceeds is the non-owner of the SSN and not the owner of the original SSN. Verify the following:
- a. Name, address, and SSN/ITIN.
 - b. The levy issued was to a source belonging to the non-owner of the SSN based on the taxes assessed under the SSN of the rightful owner or assessed in the name of the victim based on the earnings of the non-owner of the SSN.

Example: The non-owner produces proof of the SSN via pay stubs or any other substantiating document and has rent/utility receipts where current name/address is the name/address on CC *IRPTR* print out and pay stubs show use of that SSN.

- c. The non-owner must provide substantiation to show ownership of the levy payments.
- d. Taxes were assessed on the account of the rightful owner of the SSN or assessed based on the earnings of the non-owner of the SSN.
- e. The true owner’s account (SSN) is being used by the owner and the non-owner (not merely by the non-owner to work).
- f. Contact from non-owner must be within two (2) years of the date of the levy. However, if the date of the levy was on or before March 22, 2017, then the non-owner must contact the IRS to request return of levy proceeds within 9 months of the date of levy.

Note: If the IRS is contacted more than two (2) years after the date of the levy, we have **no** authority to return the wrongful levy payments.

- (4) See IRM 5.11.2.3.2.1, Wrongful Levy, for appropriate action. Contact the IRS Collection Advisory group for the area where the wrongful levy claim was made to determine if the non-owner of the TIN would qualify for the wrongful levy claim consideration. Advise the caller to carefully read Pub 4235, Collection Advisory Offices Contact Information, which lists the addresses of Advisory Group offices to send wrongful levy claims under IRC 6343(b).
- a. Collection Advisory will evaluate a properly filed claim. If the claim is disallowed, Collection Advisory should notify the third party in writing of the reason for disallowing the claim and of the right to bring suit against the government. If the claim is disallowed because it was not made timely within two (2) years from the date of the levy, Collection Advisory should send Letter 3973, Wrongful Levy Claim Rejection - Untimely Claim, via certified mail.

- b. If the claim is disallowed for another reason, Collection Advisory should send the claimant Letter 3974, Wrongful Levy Claim Rejection Letter, via certified mail.

Note: Disallowance of the claim may be appealed through the Collection Appeals Program (CAP) if the claim is rejected.

- (5) If a levy is served where the IRS:

- Assessed the liability in the name of the non-owner of the SSN
- Issued all pre-levy notices properly to non-owner of the SSN
- The assessment is made under the SSN
- The assessment is based solely on the income of the non-owner
- There are no credits (e.g., payment, offset, etc.) attributable to the SSN owner for the assessment listed on the levy.

- (6) The levy may remain in effect unless there is an independent basis for releasing it. See IRM 5.11.2.3.1, Legal Basis for Releasing Levies. The assessment is not invalid for the sole reason it was made under the victim's TIN/SSN.

Reminder: To prevent re-issuance of the levy, change levy source to "INFO ONLY."

5.19.21.2.4
(04-01-2024)
**Processing Guidelines
for ACS/ACSS
Employees**

- (1) If the caller (non-owner of the SSN) has documentation/verification readily available, instruct the caller to forward the information to the appropriate IDTVA-C ACSS site. The phone assistor is required to take all necessary action during the call and document AMS with all actions taken.

Caution: The date of levy issuance impacts the following If and Then decision making.

If ...	And ...	Then ...
Date of levy was issued on or before March 22, 2021. Non-owner of the SSN contacts IRS within 9 months of the levy issuance date,	Non-owner has their own account (i.e., valid SSN OR ITIN),	<p>Non-owner substantiates levy payment(s).</p> <ol style="list-style-type: none"> 1. Complete full compliance check. Refer to IRM 5.19.1.4.4.1, Full Compliance Check. 2. Ask the non-owner for substantiation (i.e., pay stubs or payroll records) to prove ownership of the levy payments. 3. If substantiation is secured during the call (faxed to CR), forward to the appropriate IDTVA-C ACSS site. 4. Manually refund the levy payment(s) to the non-owner; complete Form 5792, Request for IDRS Generated Refund (IGR) (reference the non-owner's true account number on the refund check), per IRM 21.4.4.5.1, Preparation of Form 5792, IDRS Generated Refund. Caution: Ensure non-owner has no valid balance due modules. 5. If substantiation needs to be mailed in: Provide IDTVA-C ACSS site address Input history code: W&I: "TOV1,XX,RFND" SB/SE: "TOV1,XX,RFND" 6. Input TC 570 (to freeze funds/prevent refund). 7. Document AMS.

If ...	And ...	Then ...
Date of levy was issued on or before March 22, 2021. Non-owner of the SSN contacts IRS within 9 months of the levy issuance date,	Non-owner does not have their own account,	<ol style="list-style-type: none"> 1. Advise the non-owner to file a return, Form W-7, Application for IRS Individual Taxpayer Identification Number (if no ITIN), and substantiation to verify payments and mail to the appropriate IDTVA-C ACSS site. If Non-Owner of the SSN requests Income Documents refer to IRM 21.3.4.28.1, Tax Return Related Identity Theft Issues. 2. Input TC 570 (to freeze funds/prevent refund). 3. For SB/SE or W&I cases, input history code: "TOV1,60,ITIN" (or "IRSN") <p>Note: IRM 21.3.4.28.1, Tax Return Related Identity Theft Issues, addresses issue if non-owner requests CC <i>IRPTR</i> income documents.</p> <p>Reminder: ITIN application process:</p> <ol style="list-style-type: none"> 1. Federal income tax return. 2. Form W-7, Application for IRS Individual Taxpayer Identification Number. 3. Proof of identity and foreign status documents. 4. Assistance available to complete Form W-7, Application for IRS Individual Taxpayer Identification Number: 800-829-1040 IRS.GOV TAC Acceptance Agent
Date of levy was issued on or before March 22, 2021. Non-owner contacts IRS more than 9 months after the levy issuance date but less than 12 months,	Intentionally Left Blank	<p>Do not return the levy payment(s) to the non-owner</p> <ol style="list-style-type: none"> 1. Advise the non-owner that the payment cannot be returned to them because they did not request it timely. 2. Input TC 570 (to freeze funds/prevent refund). 3. Reassign SB/SE or W&I cases to: "TOV1,XX,EXCESSC" XX = If payment is less than 12 months old, adjust the follow-up date accordingly to meet the 12-month requirement.

If ...	And ...	Then ...
Date of levy was issued on or before March 22, 2021. Non-owner contacts IRS more than 12 months after the levy issuance date,	Intentionally Left Blank	<p>Refer the payment(s) to Excess Collection</p> <ol style="list-style-type: none"> 1. Advise the non-owner that the payment cannot be returned to them because they did not request it timely. 2. Complete Form 8758, Excess Collections File Addition for each credit. Helpful Hints: Box 3 Source Code =“CO” (from where credit is transferred Collection =“CO”) Box 4 Status Code =“IDEN” (Identified) Box 9 Payment Type (remittance received) “CA” = cash “CC” = cashier’s check “MO” = money order “PC” = personal check “UK” = unknown Box 16 Reason = “Wrongful Levy-Do Not Apply or Refund ID Theft”. IRM 3.17.220.2.2.1, Preparation of Form 8758.
Date of levy was issued after March 22, 2021. Non-owner of the SSN contacts IRS within two (2) years of the levy issuance date,	Non-owner has their own account (i.e., valid SSN OR ITIN),	<p>Non-owner substantiates levy payment(s).</p> <ol style="list-style-type: none"> 1. Complete full compliance check. Refer to IRM 5.19.1.4.4.1, Full Compliance Check. 2. Ask the non-owner for substantiation (i.e., pay stubs or payroll records) to prove ownership of the levy payments. 3. If substantiation is secured during call (faxed to CR) forward to the appropriate IDTVA-C ACSS site. . 4. Manually refund the levy payment(s) to the non-owner; complete Form 5792, Request for IDRS Generated Refund (IGR), (reference the non-owner’s true account number on the refund check), per IRM 21.4.4.5.1, Preparation of Form 5792, IDRS Generated Refund. Caution: Ensure non-owner has no valid balance due modules. 5. If substantiation needs to be mailed in: Provide IDTVA-C ACSS site address Input history code: W&I: “TOV1,XX,RFND” SB/SE: “TOV1,XX,RFND” 6. Input TC 570 (to freeze funds/prevent refund). 7. Document AMS.

If ...	And ...	Then ...
Date of levy was issued after March 22, 2021. Non-owner of the SSN contacts IRS within two (2) years of the levy issuance date,	Non-owner does not have their own account,	<ol style="list-style-type: none"> 1. Advise the non-owner to file a return, Form W-7, Application for IRS Individual Taxpayer Identification Number, (if no ITIN), and substantiation to verify payments and mail to the appropriate IDTVA-C ACSS site. If Non-Owner of the SSN requests Income Documents refer to IRM 21.3.4.28.1, Tax Return Related Identity Theft Issues. 2. Input TC 570 (to freeze funds/prevent refund). 3. For SB/SE or W&I cases, input history code: "TOV1,60,ITIN" (or "IRSN") <p>Note: IRM 21.3.4.28.1, Tax Return Related Identity Theft Issues, addresses issue if non-owner requests CC <i>IRPTR</i> income documents.</p> <p>Reminder: ITIN application process:</p> <ol style="list-style-type: none"> 1. Federal income tax return. 2. Form W-7, Application for IRS Individual Taxpayer Identification Number. 3. Proof of identity and foreign status documents. 4. Assistance available to complete Form W-7, Application for IRS Individual Taxpayer Identification Number: 800-829-1040 IRS.GOV TAC Acceptance Agent
Date of levy was issued after March 22, 2021. Non-owner contacts IRS more than two (2) years after the levy issuance date,	Intentionally Left Blank	<p>Refer the payment(s) to Excess Collection</p> <ol style="list-style-type: none"> 1. Advise the non-owner that the payment cannot be returned to them because they did not request it timely. 2. Complete Form 8758, Excess Collections File Addition, for each credit. Helpful Hints: Box 3 Source Code ="CO" (from where credit is transferred Collection ="CO") Box 4 Status Code ="IDEN" (Identified) Box 9 Payment Type (remittance received) "CA" = cash "CC" = cashier's check "MO" = money order "PC" = personal check "UK" = unknown Box 16 Reason = "Wrongful Levy-Do Not Apply or Refund ID Theft". IRM 3.17.220.2.2.1, Preparation of Form 8758.

Note: If the caller states they want to file a formal wrongful levy claim, inform them of Pub 4528, Making an Administrative Wrongful Levy Claim Under Internal Revenue Code (IRC) Section 6343(b).