



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

5.19.22

FEBRUARY 9, 2024

## EFFECTIVE DATE

(02-09-2024)

## PURPOSE

- (1) This transmits Revised IRM 5.19.22, *Liability Collection - Business Master File (BMF) Return Delinquency*.

## MATERIAL CHANGES

- (1) IRM 5.19.22.2.4: Added reference to Document Upload Tool (DUT) and linked to IRM 5.19.16.8 for additional information on DUT.
- (2) IRM 5.19.22.2.4(1): Updated OTC correspondence and notice error procedures and hyperlinks.
- (3) IRM 5.19.22.5.2(3): IPU 23U0141 issued 01-20-2023 Removed IPSU referral procedures due to ITAR inventory program becoming obsolete effective 10/01/2022.
- (4) IRM 5.19.22.5.3.1.2.3(3): IPU 23U0141 issued 01-20-2023 Changed IDRS CC ENMOD to CC's INOLE and BMFOLE.
- (5) IRM 5.19.22.5.5.1: IPU 23U0141 issued 01-20-2023 Updated procedures for Erroneous Taxpayer Correspondence involving the disclosure of SBU data, including PII and tax information. No longer reported to OTC.
- (6) IRM 5.19.22.5.7: IPU 23U0538 issued 04-25-2023 Updated to reflect that BMF TDI Research are systemically on AMS effective January 2022 and no longer worked via IAT.
- (7) IRM 5.19.22.5.7.1: IPU 23U0538 issued 04-25-2023 Removed paragraph 2(a) requiring referral of certain cases to Accounts Management.
- (8) IRM 5.19.22.5.7.2: IPU 23U0538 issued 04-25-2023 Removed subsection on IAT processing of BMF TDI Research Transcripts. Effective January 2022, IAT is no longer used for this process.
- (9) IRM 5.19.22.5.7.2: IPU 23U0538 issued 04-25-2023 Updated procedures in table for resolving BMF TDI Research Transcripts
- (10) IRM Exhibit 5.19.22-3: IPU 23U0141 issued 01-20-2023 Removed Cincinnati and Fresno Submission Processing.
- (11) IRM Exhibit 5.19.22-3: IPU 23U0141 issued 01-20-2023 Changed Note under Ogden and Kansas City.
- (12) IRM Exhibit 5.19.22-4 IPU 23U0141 issued 01-20-2023 Changed Brookhaven and Memphis SP to Ogden Submission Processing.
- (13) Formatting and editorial changes were made throughout the document.

## EFFECT ON OTHER DOCUMENTS

IRM 5.19.22, *Liability Collection - Business Master File (BMF) Return Delinquency*, dated July 15, 2020, is superseded. IRM Procedural Updates (IPUs): 23U0141, dated January 20, 2023 and 23U0538, dated April 24, 2023, have been incorporated into this IRM.

**AUDIENCE**

Small Business/Self-Employed (SB/SE) and Wage & Investment (W&I) employees in CSCO, ACS, Automated Substitute for Return (ASFR)/ 6020(b), Territory Area Office, and AM, who process BMF Return Delinquency Responses.

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Inventory Delivery & Selection (CIDS)

5.19.22

Business Master File (BMF) Return Delinquency

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5.19.22.1  
(06-19-2018)  
**Program Scope and Objectives**

- (1) The objective of the Business Masterfile (BMF) Return Delinquency (RD) program is to promote filing compliance for taxpayers liable for BMF returns.
- (2) **Purpose:** This IRM provides instructions for employees who work taxpayer contacts in the BMF RD program.
- (3) **Audience:** Small Business Self Employed (SBSE) employees in Compliance Services Collection Operations (CSCO), Automated Collection System (ACS) employees, Wage and Investment (W&I) employees staffing BMF toll free telephone applications, Field Assistors at Taxpayer Assistance Centers (TAC)
- (4) **Policy Owner:** Director, Collection Policy.
- (5) **Program Owner:** Nonfiler and Inventory Analysis (NIA) which is an organization within SBSE Collection Headquarters, Collection Inventory, Delivery and Selection (CIDS).
- (6) **Primary Stakeholders:** SBSE tax examiners in CSCO, ACS employees, W&I Customer Service Representatives staffing BMF toll free telephone applications, Field Assistors at TACs.
- (7) **Program Goals:** This IRM contains instructions for contacting taxpayers who are potentially liable for unfiled BMF tax returns, securing delinquent returns for processing, and identifying tax modules for which no return is required. By following the processes and procedures provided in this IRM, employees will process BMF RD cases in a manner consistent with the law and with IRS policy and procedures.

5.19.22.1.1  
(06-19-2018)  
**Background**

- (1) IRM 5.19.22 provides instructions for employees receiving written or telephonic responses to BMF RD notices, CP 259 and CP 518. It includes procedures for determining if a taxpayer is liable for the filing of a BMF tax return. The instructions and information contained in this IRM and in other applicable IRMs cannot address every possible issue that may arise. If the taxpayer's question/problem cannot be resolved by using the available references, it may be necessary to consult your lead/manager to determine the necessary corrective action. Any issue/question that cannot be resolved at the site-level or that could have Servicewide impact must be elevated by the lead/manager to the headquarters analyst with program responsibility.
- (2) The IRS is committed to a customer service program that encourages taxpayers to comply voluntarily with the tax laws and assists them in meeting their obligations.
- (3) The SBSE CSCO Nonfiler Operation is committed to achieving excellence in the service it provides to its customers. We provide our customers with assistance in a manner that warrants the highest degree of public confidence. Representatives practice courtesy and proper communication techniques while ensuring that responses are technically and procedurally accurate and complete.

5.19.22.1.2  
(06-19-2018)  
**Authority**

- (1) Title 26 of the United States Code (USC) or more commonly known as the Internal Revenue Code (IRC).

- (2) All Policy Statements for Collection are contained in IRM 1.2.14, **Service-wide Policy Statements**:
- Code sections which provide the IRS with the authority to issue levies.
  - Congressional Acts which outline additional authorities and responsibilities such as the Travel and Transportation Reform Act of 1998 or the Tax Reform Act of 1986.
  - Policy Statements that provide authority for the work being done.

5.19.22.1.3  
(06-19-2018)  
**Roles and Responsibilities**

- (1) The Director, Collection Inventory Delivery & Selection (CIDS), is responsible for all policy and procedures related to nonfiler programs. They are responsible for overseeing program coordination for Campus procedures related to nonfiler programs. They work closely with Campus Collection directorships and operations in each campus as primary contact and support for nonfiler programs.
- (2) The Operations Manager is responsible for managing remote collection activities including telephone, correspondence and face-to-face transactions, following the procedures in this IRM. They oversee department, team and employee responses to taxpayer inquiries and responses concerning filing compliance inquiries. They oversee department, team and employee actions to resolve nonfiler accounts by taxpayers who did not timely file tax returns due.
- (3) The Department manager is responsible for overseeing team and employee responses to taxpayer inquiries and responses concerning nonfiler inquiries, following the procedures in this IRM. They oversee team and employee actions to resolve nonfiler accounts by taxpayers who did not timely file tax returns due.
- (4) The Team manager is responsible for overseeing employee responses to taxpayer inquiries and responses concerning taxpayer delinquent return accounts and investigations, following the procedures in this IRM. They oversee employee actions to resolve nonfiler accounts of taxpayers who did not file returns timely.
- (5) Employees who process BMF RD program responses are responsible for responding to taxpayer inquiries and responses concerning missing returns, following the procedures in this IRM.

5.19.22.1.4  
(06-19-2018)  
**Program Management and Review**

- (1) **Program Reports:** The following daily and weekly reports are generated by management, and can assist with evaluating the performance of the BMF RD program:
- Embedded Quality Review System (EQRS) Reports.
  - National Quality Review System (NQRS) Reports.
  - Accounts Management Services (AMS) Reports.
  - Monthly Monitoring Report (MMR).
  - Work Planning & Control (WP&C) Reports.
  - Case Control Activity System (CCA) Reports.
  - Collection Activity Report (CAR).
- (2) **Program Effectiveness:** The program results are housed on the Collection Program and Campus Reports SharePoint site in the Monthly Monitoring Report (MMR). The MMR captures NQRS results to show monthly and cumulative stats. Evaluative (EQRS) and national (NQRS) quality reviews and

consistency reviews are routinely conducted, along with Headquarters reviews to ensure case actions are timely and in accordance with the procedures in this IRM.

- Phone and paper cases are routinely reviewed by Centralized Quality Review System (CQRS) and Program Analysis System (PAS) to ensure case actions are timely and in accordance with the procedures in this IRM.
- Case reviews are conducted by managers to ensure compliance with this IRM.
- Operational reviews are conducted by the Department and Operation Managers annually to evaluate program delivery, conformance to administrative requirements and ensure compliance with this IRM.
- Headquarters Collection Inventory Delivery & Selection (CIDS) Policy will conduct ad hoc program reviews as necessary to verify compliance with IRM requirements, address TIGTA/GAO findings, and address any trends that appear.

5.19.22.1.5  
(06-19-2018)  
**Program Controls**

- (1) Incoming telephone calls are distributed to telephone representatives using the Aspect systems.
- (2) Taxpayer responses are distributed to correspondence tax examiners.
- (3) The AMS system tracks employee actions and is monitored by Operation, Department, and Front-Line managers along with Collection HQ employees.
- (4) Managers are required to follow program management procedures and controls addressed in:
  - IRM 1.4.11, *Field Assistance Guide for Managers*
  - IRM 1.4.16, *Accounts Management Guide for Managers*
  - IRM 1.4.20, *Filing & Payment Compliance Managers Handbook*

5.19.22.1.6  
(06-19-2018)  
**Terms/Definitions/  
Acronyms**

- (1) Lists of some of the terms with definitions as well as acronyms and their definition used in this IRM are found below. This list is not all inclusive. For details on other acronyms, use the Search feature on the IRS Home Page.

**Defined Terms**

<b>Word</b>	<b>Definition</b>	<b>Example</b>
Batching	The area in Submission Processing responsible for establishing control of the documents through processing using the Block Batch Tracking System (BBTS).	Send the tax return to Batching for processing as original.
Calendar Year	Accounting period beginning January 1 and ending December 31.	The corporation is a calendar year filer meaning their Form 1120 will be for the accounting period beginning January 1 and ending December 31.

<b>Word</b>	<b>Definition</b>	<b>Example</b>
Campus Support	Commonly referred to as “Ramp-down” or “Back-end” sites Campuses. These are Campus sites that no longer have a Submission Processing (SP) organization.	The Andover, Atlanta, Brookhaven, Memphis and Philadelphia are Campus Support sites as they no longer have a Submission Processing (SP) organization.
Entity	An area within the campus that resolves issues with the business name, EIN, address and filing requirements.	Send the case to Entity to verify the correct filing requirements for the taxpayer.
Fiscal Year	Accounting period covers 12 months and ends in a month other than December.	The corporation is a fiscal year filer with the fiscal year ending September 30, meaning their Form 1120 will be for the accounting period beginning October 1, 2017 and ending September 30, 2018.
Received Date	Date the item was received.	The taxpayer’s correspondence must be stamped with the date the IRS received it, i.e the IRS Received Date.

#### **Acronyms**

<b>Acronym</b>	<b>Definition</b>
ACS	Automated Collection System
ACSS	Automated Collection System Support
ASED	Assessment Statute Expiration Date
BMF	Business Master File
CP	Computer Paragraph
CSCO	Compliance Services Collection Operations
CSED	Collection Statute Expiration Date
EIN	Employer Identification Number
EO	Exempt Organization
EP	Employee Plans
IDRS	Integrated Data Retrieval System
IMF	Individual Master File

<b>Acronym</b>	<b>Definition</b>
IRP	Information Returns Program
MFT	Master File Tax code.
SBSE	Small Business/Self-Employed Business Operating Division (BOD)
W&I	Wage and Investment Business Operating Division (BOD)

5.19.22.1.7  
(07-09-2020)

**Related Resources**

- (1) While many topics are touched upon in this IRM section, comprehensive guidance about all of them cannot always be included here. As you use this IRM section, remain alert for references to other resources, such as related IRMs and websites. Access that guidance as needed to ensure a thorough understanding of topics.
- (2) Additional resources can be found as applicable in:

<b>Resource</b>	<b>Title</b>
IRM 2.3	<i>IDRS Terminal Responses</i>
IRM 2.4	<b>IDRS Terminal Input</b>
IRM 3.13.62,	<b>Media Transport and Control</b>
IRM 3.30.123,	<b>Processing Timeliness: Cycles, Criteria and Critical Dates</b>
IRM 5.19.2,	<b>Individual Master File (IMF) Return Delinquency</b>
IRM 5.19.3,	<b>Backup Withholding Program</b>
IRM 5.19.4,	<b>Enforcement Action</b>
IRM 5.19.10,	<b>Collection Operations Transcript Processing</b>
IRM 5.19.16,	<b>Compliance Services Collection Operations (CSCO) Clerical Procedures</b>
IRM 5.19.22,	<b>Business Master File (BMF) Return Delinquency</b>
IRM 21.1,	<b>Accounts Management and Compliance Services Operations</b>
IRM 21.2,	<b>Systems and Research Programs</b>
IRM 21.3,	<b>Taxpayer Contacts</b>

Resource	Title
IRM 21.4,	<b>Refund Inquiries</b>
IRM 21.5,	<b>Account Resolution</b>
IRM 21.7,	<b>Business Tax Returns and Non-Master File Accounts</b>
IRM 21.10,	<b>Quality Assurance</b>
IRM 20.1,	<b>Penalty Handbook</b>
IRM 20.2,	<b>Interest</b>
Document 6209,	<b>IRS Processing Codes and Information</b>

- (3) Employees may also find the following information helpful:
- *Servicewide Electronic Research Program (SERP)*
  - *Servicewide Notice Information Program (SNIP)*
  - *Correspondex Letters*
  - *Integrated Automation Technologies (IAT) Tools*
- (4) The Taxpayer Bill of Rights is found at IRC 7803(a)(3). Employees are responsible for being familiar with and acting in accordance with taxpayer rights. See IRC 7803(a)(3), *Execution of Duties in Accord with Taxpayer Rights*. For additional information about the TBOR, see *Taxpayer Bill of Rights FAQs* on IRS Source.

5.19.22.2  
(01-02-2015)

#### What Is The BMF Return Delinquency Program?

- (1) The objective of the Business Master File (BMF) Return Delinquency (RD) Program is to work responses to notices that were generated through Case Creation and issued to taxpayers that have been identified as liable to file and have not filed a tax return by the Return Due Date (RDD).
- (2) A compliance check is conducted for a delinquent tax return based on the Program Completion Date (PCD) for each specific BMF tax return. PCD is determined when all timely filed, error free returns are processed and the information is transmitted to Martinsburg Computing Center (MCC) for posting. For more information on PCD, see IRM 3.30.123.2.1, *Program Completion Date (PCD) Definitions*.
- (3) A Transaction Code (TC) 141 is created to Document the Compliance record and start the RD notice process.

**Note:** TC 141 does not post to Integrated Data Retrieval System (IDRS) for BMF modules, however if the account is in Taxpayer Delinquency Investigation (TDI) status, it can be assumed the TDI record has been created.

- (4) Modules in the RD Program consist of the following:
- Delinquent Notice Master File(MF) Status 02,
  - TDI Master File(MF) Status 03,
  - Case Closed in Status 06 with a TC 593, 595, 596, 597, or 598,
  - Case Closed in Status 06 with a TC 590 cc 019, which only suppresses the notices.

- (5) Another BMF RD Nonfiler program is Automated 6020(b) (BMF). Refer to IRM 5.18.2, *Business Returns IRC A6020(b) Processing*, for the Automated 6020(b) program.

5.19.22.2.1  
(01-27-2020)  
**BMF Return Delinquency  
Overview**

- (1) This section provides procedures for Business Master File (BMF) working the Return Delinquency (RD) Program in the campuses, call-sites, and Field Assistance (FA) offices to ensure timely resolution of taxpayer inquiries received via telephone, paper or face-to-face in regards to a BMF RD module.
- (2) Inventory should be worked on a first-in first-out basis to reduce or eliminate overage. See IRM 3.30.123.5.2, *Response to Correspondence and Overage Criteria*, for additional guidance.
- (3) For reporting purposes, the “Days to Close” for Compliance Services Collection Operations (CSCO) is determined from the CSCO received date to closing date.
- (4) When sending a letter requesting additional information from the taxpayer, allow up to 30 days for the taxpayer to respond and 15 days for mail delivery, for a total of 45 days.
- (5) If additional information is needed refer to IRM 5.19.22.2.2, *Out Calls and Disclosure Procedure Overview*.
- (6) All Employees must attempt to resolve each RD account on initial contact including closing modules with the appropriate Transaction Code (TC) 59X.

**Note:** Use a block indicator of “BB” for all TC 594 and 599 transactions. See IRM 2.4.26.3 (1) (c), *Command Code FRM49*, for more information.

- (7) Written requests for RD cases received in CSCO and ACS Support Operations must be controlled within 30 days from the IRS received date, with a cycle delay of up to 15 cycles. Cases must be controlled and delayed earlier if taxpayer is potentially harmed by receiving subsequent notice and/or acceleration of entity to TDI Status 03 while the case is in campus possession. See IRM 5.19.22.5.1.1, *Accelerate or Delay to TDI Status 03* and note below.

**Note:** In order to prevent inappropriate notices and TDIs when processing taxpayers responses, a delay must be input to suppress the issuance of a CP 518, *Final Notice - Return Delinquency*, for the number of cycles required to complete the action. See IRM 3.30.123.5.4, *Balance Due, Return Delinquency and Backup Withholding Notices*.

- (8) For Undeliverable (UD) mail follow IRM 5.19.16.1, *Undeliverable (UD) Mail, Bad Address and Address Research (ADR) Processing*.
- (9) If the case meets Policy Statement P-21-3 criteria and cannot be closed by the 30th day, an interim letter must be sent to the taxpayer. For additional guidance see IRM 21.3.3.4.2.2, *Interim Responses*.
- (10) When a taxpayer is asking questions or requesting a response, you must send an appropriate closing letter informing the taxpayer of actions taken to resolve their issue whether or not an interim letter was sent. Refer to IRM 21.3.3.4.2, *Policy Statement P-21-3 (formerly P-6-12) Procedures*, for additional information.

- (11) Any return or responses related to RD notices are excluded from P-21-3.

**Exception:** If the taxpayer is requesting an acknowledgement to receipt of a tax return, send appropriate closing letter.

- (12) For information on IDRS control procedures, see IRM 21.5.1.4.2.2, *Integrated Data Retrieval System (IDRS) - Control Procedures*.
- (13) In all references throughout the IRM that instruct employees to address any balance due issue, it is **only** required for employees that have had training on Balance Due (BD) work. If the employee has not had adequate BD training, then take the necessary actions regarding the RD issue and refer the BD issue to the appropriate area within your site.
- (14) Throughout the IRM, all deadline dates, target dates or parameters are counted by calendar days not business days. You start counting with the first day you notify the taxpayer (by telephone or letter), or the first day of actions taken (i.e., IDRS, AMS, etc....), or the first day of entering follow-up items on ACS. See the chart below for more information.

If	Then
The calculated call-back date falls on a Saturday, Sunday or Holiday	The taxpayers call-back date will be the next business day. <b>Reminder:</b> Add an additional 4 days to your follow-up on ACS.
Providing the taxpayer a deadline date	Calculate the time frame leading up to the deadline by starting with the current day. <b>Note:</b> The total follow-up time could include a grace period of up to 5 days.
Sending a letter requesting additional information from the taxpayer	Allow up to 30 days for the taxpayer to respond and 15 days for mail delivery, for a total of 45 days.
Other follow-up time added to your deadline date	<ul style="list-style-type: none"> <li>• Additional 15 days follow-up date for decedent cases</li> <li>• Additional 30 days follow-up date for “generally” all others.</li> </ul>

5.19.22.2.2  
(09-15-2015)  
**BMF Out Calls and  
Disclosure Procedure  
Overview**

- (1) Throughout this IRM, if additional information is needed to resolve the case and a telephone number is available, attempt to call the taxpayer.
- (2) When contacting taxpayers by telephone, out calls should be placed between the hours of 8:00 a.m. and 9:00 p.m. of the taxpayers time zone.

**Note:** These guidelines are also applicable when making out calls on a Saturday or Sunday.

**Exception:** When contacting a taxpayer’s representative (POA), contacts should only be attempted during routine business hours (i.e., 8:00 a.m. to 6:00 p.m., Monday thru Friday) based on the POA’s time zone unless other arrangements have been agreed to by the POA. Other arrangements/information must be documented on Accounts Management Services (AMS).

- (3) When addressing the delinquent return via telephone contact and the taxpayer has the return already prepared, encourage the taxpayer to fax directly to you while on the telephone. If unable to fax, give taxpayer the Submission Processing address based on the State in which their business is located. See *Where to File Tax Returns* on [www.irs.gov](http://www.irs.gov).
- (4) When working telephone contact, it is required to verify/secure and input all taxpayer’s telephone numbers (i.e., home, work, cell phone, etc.) when working any Notice Status 02 or TDI Status 03 modules. Document IDRS, ACS and AMS accordingly.
- (5) All employees are required to follow disclosure guidelines.
- (6) For purposes of identification and to prevent unauthorized disclosures of tax information, follow the chart below:

If the contact is	Then
Taxpayer	See IRM 21.1.3.2.3, <i>Required Taxpayer Authentication</i> or IRM 11.3.2.3.2, <i>Requirements for Verbal or Electronic Requests</i> .
Mailing and Faxing Tax Account Information	See IRM 21.1.3.9 (2), <i>Mailing and Faxing Account Information</i> , and IRM 11.3.1.11, <i>Facsimile Transmission of Tax Information</i> .
Power of Attorney (POA, Form 2848, <i>Power of Attorney and Declaration of Representative</i> )	See IRM 11.3.3, <i>Disclosure to Designees and Practitioners</i> .
Tax Information Authorization (TIA) Form 8821, <i>Tax Information Authorization</i>	See IRM 11.3.3.2, <i>Disclosure to Third Parties Based Upon Taxpayer Request for Assistance</i> . See IRM 11.3.3.3 (1), <i>Distinction Between Disclosure to Designees and the Conference and Practice Requirements</i> . See IRM 11.3.3.3 (2), <i>Distinction Between Disclosure to Designees and the Conference and Practice Requirements</i> .
Oral Disclosure Consent	See IRM 11.3.3.2.1, <i>Requirements for Oral Authorization</i> .
Parent/Guardian of Minor	See IRM 11.3.2.4.10, <i>Minors</i> .

If the contact is	Then
Hearing Impaired (including telecommunications device for the deaf (TDD) equipment)	See IRM 11.3.2.3.2 (2), <i>Requirements for Verbal Electronic Requests</i> .
Third Party claiming a material interest	See IRM 11.3.2.4, <i>Persons Who May Have Access to Returns and Return Information Pursuant to IRC 6103 (e)</i> .

- (7) If making out-calls and there is a valid POA on file, you must contact the POA and not the taxpayer.

**Note:** CSCO and ACSS employees may, but are not required to, leave a message on an answering machine or voice mail.

5.19.22.2.3  
(09-15-2015)  
**Documenting BMF  
Account Actions**

- (1) You are required to document actions taken on taxpayer's accounts and/or actions promised by a taxpayer. Documentation must also include results of tools used in determining return delinquency requirements, such as Integrated Automation Technologies (IAT).

**Note:** This is a general statement. Refer to the specific sections within the IRM for accurate documentation.

- (2) All documentation will be done via Account Management System (AMS). All documentation must be, to the extent possible, completed while the taxpayer is on the phone. When working paper, AMS documentation must support action(s) taken based on complete research.
- (3) Complete and accurate case documentation promotes quality and consistency in working cases. Documentation should contain enough information so that any person subsequently reading it can easily determine what decisions were made, why those decisions were made, what actions were taken and what further actions are required to resolve the case.
- (4) Do not use the term "Illegal Tax Protester" (ITP) or similar designations on IDRS, ACS History Codes, or AMS comments. The Internal Revenue Service (IRS) Restructuring and Reform Act of 1998 (RRA 98), Section 3707, prohibits the use of any tax protester designation to describe the taxpayer. If you identify any such reference, immediately inform your manager. Terms such as "frivolous argument" or "tax avoidance argument" are acceptable terms to use.
- (5) When securing an updated address via telephone or correspondence document as mailing address vs. location address, if applicable. When the taxpayer is requesting a change of address, and has moved from one state to another, you may need to document the Collection Location Code (CLC) . See IRM 5.19.1.4.2.1, *Entity and Address Changes*. For additional assistance for address changes, refer to:
- IRM 3.21.3.11.4.1, *International Mailing Address*.
  - IRM 3.13.5.55, *Inputting Domestic Address Changes*.

- IRM 2.4.9, *Command Codes ENREQ, INCHG, IRCHG, BNCHG and BRCHG.*

**Example:** If address on file is a P.O. Box, and a street address is secured, document P.O. Box as mailing address, and street address as location address on ENMOD.

5.19.22.2.4  
(02-09-2024)

### BMF Correspondence Overview

- (1) IRS correspondence or notice errors must be identified and reported to the *Office of Taxpayer Correspondence (OTC)* utilizing the *Request For Services button*. Correspondence or notice errors include misspellings or bad grammar, incorrect IRS phone numbers, and incorrect, missing, or unreadable text. Taxpayer correspondence that results in the unauthorized disclosure of Sensitive But Unclassified (SBU) data, including Personally Identifiable Information (PII) and tax information, must be reported directly to the Office of Privacy, Governmental Liaison and Disclosure (PGLD) Incident Management Office using the *PII Breach Reporting Form*. See IRM 25.13.1.3, *OTC Services*, IRM 10.5.4, *Privacy and Information Protection, Incident Management Program*, and the *Report Losses, Thefts or Disclosure* page in the Disclosure and Privacy Knowledge Base Site, for additional information.
  - (2) When requesting a delinquent return, remind the taxpayer to ensure the correct **current** address is on the return, whether it is a copy or original return.
  - (3) If responding via correspondence to a taxpayer response (CP notice or letter), employees are required to acknowledge documentation and/or information received and take all necessary actions. See IRM 21.3.3, *Incoming and Outgoing Correspondence/Letters* for additional guidance.
  - (4) For **CSCO employees**: When corresponding with taxpayers use the appropriate Accounts Management (AM) Toll Free number. Document AMS to reflect actions taken and any pertinent information for the next employee.
- Note:** Situations may arise when it will be necessary for CSCO employees to give their direct telephone number to resolve a situation on an account, but these instances should be rare.
- (5) If taxpayer requests written confirmation that we received their tax return or correspondence, send Letter 2358-C, *IMF/BMF TDI Closing Letter*, or other letter that more appropriately describes the situation.
  - (6) When referring a case to another office for resolution send Letter 86-C. Refer to IRM 21.3.3.4.2.1, *Use of 86C Letter - Referring Taxpayer Inquiry/Forms to Another Office* for additional guidance on when it is necessary to issue the letter.
  - (7) When working correspondence, it is required to verify/secure and input all taxpayers telephone numbers (i.e., home, work, cell phone, etc.) when working any Notice Status 02 or Taxpayer Delinquency Investigation (TDI) Status 03 modules. Document IDRS, ACS and AMS accordingly.
  - (8) The Document Upload Tool (DUT) can be used so taxpayers can upload documentation requested or required to provide. See IRM 5.19.16.8, **Document Upload Tool (DUT) Receipts**.

5.19.22.2.5  
(03-09-2015)  
**IAT Tools for Campus  
Compliance Employees**

- (1) This section provides information on mandated IAT tools for Campus Compliance Employees
- (2) IAT provides tools that simplify research, reduce keystrokes, eliminates repetitive typing, and increases the accuracy of regular work processes.
- (3) The chart below provides a list of mandated tools for SBSE ACS Call Site, ACS Support, CSCO and ASFR employees. Descriptions of each tool as well as job aids can be found on the *IAT website*, Instructions and Job Aids.
- (4) If an IAT tool is not available, or an employee has a problem with the IAT Task Manager, the case must be processed through IDRS, following established procedures. See the *IAT Website*, for how to report/fix problems with IAT tools.
- (5) Additional IAT tools will be added to the following list when one is deemed beneficial and seen as adding quality to Campus Collection work processes.
- (6) IAT tool users can visit the *IAT Website*, to become a subscriber to the IAT newsletter. The iNews details all ongoing IAT activity with tool retirements and rollouts.
- (7) See IAT Tool table below.

Functions	IAT Tools	Suggested Use
SBSE, ACS and ACS Support Functions	<ul style="list-style-type: none"> <li>• Credit Transfer</li> <li>• Erroneous Manual Refund (EMT)</li> <li>• Fill Forms</li> <li>• Letters</li> <li>• Refund Suite</li> <li>• REQ54</li> <li>• REQ77</li> <li>• X Mend(<b>ACSS</b>)</li> </ul>	<ul style="list-style-type: none"> <li>• Payment Tracer</li> <li>• Compliance Suite</li> </ul>
SBSE CSCO	<ul style="list-style-type: none"> <li>• Credit Transfer</li> <li>• Erroneous Manual Refund (EMT)</li> <li>• ESTAB</li> <li>• FRM49</li> <li>• Letter</li> <li>• REQ54</li> <li>• REQ77 (TDI)</li> <li>• Refund Suite</li> <li>• TFRP Suite (SB)</li> <li>• Payment Tracer/Tracer (BAL)</li> <li>• Withholding Compliance - (<b>WI BAL</b>)</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance Suite</li> </ul>

5.19.22.3  
(01-02-2015)  
**BMF Return Delinquency  
Case Creation Overview**

- (1) Return Delinquency (RD) case creation identifies taxpayers who have not filed a delinquent tax return, but IRS data indicates they are liable to file. This section defines the criteria for Business Master File (BMF) Case Creation.

5.19.22.3.1  
(07-07-2016)  
**BMF Delinquency Case Creation**

- (1) The case creation process prioritizes and identifies productive inventory using third party data for BMF nonfiler cases.
- (2) This process is known as the Business Masterfile Case Creation Nonfiler Identification Process (BMF CCNIP). Collection select codes are assigned to each module to identify and prioritize work selection and assignment. Headquarter analysts will select inventory based on Select Code (SC), Master File Tax (MFT) and inventory needs. The BMF select codes are displayed on CC TXMODA, to assist with research and indicates the last reported income for the entity.

**Note:** See Document 6209, Section 11-7, “**BMF Select Codes**”

- (3) The BMF case creation program identifies business taxpayers that have an open filing requirement for a return that is not filed. Potential BMF RD modules are identified and created 16 weeks after filing due date of each specific return type.
- (4) The following chart will provide the most common Primary Codes (PC) seen on RD modules and notice time frames:

If	Then	Then
PC-A	A CP 259 or CP 959 (Spanish version) notice (first notice) is sent to the taxpayer to request filing of the return. <b>Note:</b> 259/959 notice will contain Letter 3164, <i>Third Party Contact</i> , Notice 609 , <i>Privacy Act Notice</i> , and a return envelope.	<ul style="list-style-type: none"> <li>• Generally, original notice is not resolved within 10 weeks, then a CP 518 or CP 618 (Spanish version) is issued.</li> <li>• Generally, if CP 518 or CP 618 (Spanish version) is not resolved, then case moves to Collection enforcement, i.e., ACS, Queue, Collection Field Function or 6020(B).</li> </ul>
PC-B	A CP 259 or CP 959 (Spanish version) notice (first notice) is sent to the taxpayer to request filing of the return.	If unresolved the case is suppressed.

If	Then	Then
PC-X	A CP 259 or CP 959 (Spanish version) notice (first notice) is sent to the taxpayer to request filing of the return.	<ul style="list-style-type: none"> <li>Original notice is not resolved within 5 weeks it moves on to treatment stream.</li> <li>Depending on coding and category, some cases bypass ACS and to straight to Collection Field function (CFf)</li> </ul>

- (5) BMF Return Delinquency notices can be verified using CC TXMOD and CC BMFOLS. The notice information is displayed on CC TXMOD in the “Notice History Section”.

**Exception:** PC-B modules will not have information displayed on CC TXMOD. However, CC BMFOLS displays what type of Primary Code was assigned, along with the cycle the notice was issued.

- (6) A sample of notices are reviewed by the CSCO TDI function prior to mailing. See IRM 5.19.22.5.9, *Return Delinquency On-Line Notice Review (OLNR) System*, for procedures on working the Notice Review Register.
- (7) If UD mail is received follow IRM 5.19.16.1, *Undeliverable (UD) Mail, Bad Address and Address research (ADR) Processing*.

5.19.22.4  
(07-07-2016)

#### BMF Return Delinquency Research

- (1) Research tools that will help you in resolving Return Delinquency (RD) responses include, but are not limited to the following:
- Integrated Data Retrieval System (IDRS)/ Corporate Files On Line (CFOL) Command Codes (CC)
  - Automated Collection System (ACS) -ACSWeb
  - Account Management Services (AMS)
  - ADR (Address Research)
  - Document 6209
  - IRM 2.3.1, *Section Titles and Command Codes for IDRS Terminal Responses*
  - IRM 2.4, *IDRS Terminal Input*
  - Accurint (Lexis Nexus)
  - RTR (Remittance Transaction Research)
- (2) Research **all cross reference** accounts for possible case resolution using research tools, without taxpayer contact. This includes spouse’s SSN number, Individual Master File (IMF) and Business Master File (BMF) cross reference when identified through research or taxpayer states sole proprietor or owns a business, or Non-Master File (NMF) when either Overflow Status, MFT 31 (Mirrored account), or High Dollar criterion \$1 Billion or more. The Automated Non-Master File (ANMF) System is an accounting and data control of NMF accounts.

**Note:** DO NOT reverse a previous TC 59X with a TC 592 on a module if CC ENMOD shows TC 971 AC 502 (\$1 Billion or more), TC 971 AC 100-104 and 145 or MFT 31 (Mirrored accounts) on IMF.

- (3) See IRM 5.19.22.5.6, *Credit Balance Overview* for procedural guidance on researching credit balance accounts. If a credit is identified as being mis-applied, take the necessary actions to move the credit to the correct module or entity.
- (4) Electronic payments (EFTPS) can be researched and verified via IDRS command code EFTPS. Electronic payment information is retained and can be researched for the current year plus four previous years. Information on EFTPS, including how to enroll, can be found at [www.eftps.gov](http://www.eftps.gov) or by calling EFTPS Customer Service at 800-555-4477. See IRM 2.3.70.2, *General*, for guidance on using the CC EFTPS to verify if payments were applied correctly.

5.19.22.5  
(01-02-2015)  
**BMF Return Delinquency  
Procedures**

- (1) This section provides guidance in resolving taxpayer inquiries and responses to accounts in the Return Delinquency (RD) Program.

5.19.22.5.1  
(01-02-2015)  
**BMF Cases Referred**

- (1) Delinquency requests may be received from other areas within the IRS on the following forms:
  - Form 4442, *Inquiry Referral* - Request for actions unable to be completed by originator.
  - Form 9948, *Referrals To* - Referral/Routing to other areas within the IRS.
  - Form 3499, *Information Transmittal*- Referral/Routing to other areas within the IRS
  - Form 3210, *Document Transmittal*- Document transmittal to other areas within the IRS.
  - Form 2209, *Courtesy Investigation* - Request for Collection to secure a return when a return has previously posted and has been removed (e.g., Transaction Code (TC) 291, etc.).

**Note:** We no longer accept Form 2209 for account modules where returns have been removed and a TC 150 for zero remains. If you receive this form for this type of request, please return to sender with a statement explaining we no longer need these created.

5.19.22.5.1.1  
(01-02-2015)  
**Accelerate and/or Delay  
To TDI Status 03 on BMF  
Accounts**

- (1) During normal processing, a RD module goes into Notice Status 02 when the first RD notice (CP 259) is issued. There are exceptions which will be discussed later.
- (2) For PC-A "Non PC-B" modules, a final RD (CP 518 ) is issued 10 cycles later. The module goes into TDI Status 03, 10 cycles after the issuance of the CP 518, a total of 20 cycles from the issuance of the first notice.
- (3) You may accelerate and/or delay a Non PC-B RD module to TDI Status 03. Case goes to ACS by using command code (CC) ASGNI or CC ASGNB, see IRM 2.4.27-3, *ASIGNI/ASGNB Input Display - Definers*, for using a delay Cnn .

**Note:** A delay of 8 cycles "C08" is the longest delay allowed without leaving an IDRS control base open on the account for monitoring.

- (4) When working a RD response (correspondence or online) and you cannot resolve the RD module, the module may be accelerated to TDI Status 03 for further investigation.

**Note:** For more detailed examples, see Exhibit 5.19.22-5, *Accelerate and/or Delay to TDI Status 03 Examples*.

5.19.22.5.1.2  
(01-27-2020)

**Accelerate BMF  
Accounts to Compliance  
Territory Office (Revenue  
Officer)**

- (1) In certain situations when all attempts to resolve the RD module have failed, and the taxpayer has requested a face to face meeting, refer the taxpayer to contact their nearest field assistance office. Provide the taxpayer with the Taxpayer Assistance Center appointment toll-free number, 844-545-5640, and proceed to accelerate the module to TDI Status 03.

**Note:** Make sure the taxpayer is aware that the TAC office will not prepare the return for them. If they need assistance with preparing a return, refer them to the appropriate toll free number.

- (2) If the taxpayer requests face to face meeting at their place of business or residence because they can't get to a field assistance office or has lost records due to circumstances beyond their control (fire, flood, seizure, etc.) and we can't re-construct their records, suggest the taxpayer estimate expenses. If they cannot estimate expenses, then refer case to a Compliance Territory Office, then send Letter 86-C or other appropriate transfer letter to the taxpayer.
- (3) Follow the procedures in the table below:

If	And	Then
RD module is in Notice Status 02 or TDI Status 03,	You have supporting documentation,	<ol style="list-style-type: none"> <li>1. Using CC ASGNI or CC ASGNB.</li> <li>2. Assign the account to 6466 for assignment to Territory Office (indicating supporting documentation).</li> <li>3. For Notice Status 02 only, input a delay C01 to accelerate to TDI Status 03.</li> <li>4. Route the case to the appropriate territory office (Revenue Officer).</li> </ol>
RD module is in Notice Status 02 or TDI Status 03,	You do not have supporting documentation,	<ol style="list-style-type: none"> <li>1. Using CC ASGNI or CC ASGNB.</li> <li>2. Assign the account to 6401.</li> <li>3. For Notice Status 02 only, input a delay C01 to accelerate to TDI Status 03.</li> <li>4. Destroy the notice.</li> </ol>
RD module is a satisfied (Status 06 closed with a TC 59X) and the taxpayer has another module in Compliance Territory Office (Revenue Officer) status,	You have supporting documentation,	<ol style="list-style-type: none"> <li>1. Using CC ASGNI or CC ASGNB, assign the account to 6466.</li> <li>2. Input a TC 592 to reverse the previous TC 59X, using FRM49.</li> <li>3. Route the case to the appropriate territory office (Revenue Officer).</li> </ol>
RD module is a satisfied (Status 06 closed with a TC 59X) and the taxpayer has another module in Compliance Territory Office (Revenue Officer) status,	You do not have supporting documentation,	<ol style="list-style-type: none"> <li>1. Using CC ASGNI or CC ASGNB, assign the account to 6401.</li> <li>2. Input a TC 592 to reverse the previous TC 59X, using FRM49.</li> <li>3. Destroy the notice.</li> </ol>

If	And	Then
RD module is a satisfied (Status 06 closed with a TC 59X) and there are no other modules assigned to the Compliance Territory Office (Revenue Officer).	You have supporting documentation.	<ol style="list-style-type: none"> <li>1. Using CC ASGNI or CC ASGNB, - assign the account to 6466.</li> <li>2. Input a TC 592 to reverse the previous TC 59X, using FRM49.</li> </ol>

5.19.22.5.2  
(01-20-2023)  
**Taxpayer Advocate  
Service Referrals on  
BMF Accounts**

- (1) This section provides procedures and guidance for working referrals to the Taxpayer Advocate Service (TAS). Our goal is to address and resolve the taxpayer’s issue on initial contact whenever possible and avoid unnecessary referrals to TAS. Make every attempt to assist the taxpayer prior to referring to TAS.
- (2) Refer taxpayers to the Taxpayer Advocate Service (TAS) (see IRM 13.1.7.2, *TAS Case Criteria*) when you can’t 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 in 24 hours, as well as cases in which you have taken steps within 24 hours to begin resolving the taxpayer’s issue. Do not refer “same day” cases to TAS unless the taxpayer asks to be transferred to TAS and the case meets TAS criteria. Refer to IRM 13.1.7.4, *Same-Day Resolution by Operations*. When you refer cases to TAS, use Form 911, *Request for Taxpayer Advocate Services Assistance (and Application for Taxpayer Assistance Order)*, and forward to TAS. See (3) below for special procedures for identity theft issues.
- (3) Follow the table below if referring the account to the Taxpayer Advocate Service:

If	Then
Case is in Notice Status 02,	<ul style="list-style-type: none"> <li>• Input a delay C08 using CC ASGNI or CC ASGNB.</li> <li>• Document Account Management Services (AMS) of actions taken including case referral to TAS.</li> </ul>
Case is in TDI Status 03.	<ul style="list-style-type: none"> <li>• Document AMS of actions taken including case referral to TAS.</li> <li>• If the account is on ACS input history item as follows: For ACS Support employees: TOS7,45,TAS For ACS Call Sites employees: TOR2,45,TAS</li> </ul>

- (4) Use Form 911, *Request for Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance order)*, and forward to the Taxpayer Advocate Office in accordance with your local procedures.

5.19.22.5.3  
(06-13-2019)

**BMF Return Delinquency  
Responses and Inquiries**

- (1) This subsection provides guidance on the procedures for processing Business Master File (BMF) Return Delinquency (RD) notice responses and inquiries.
- (2) Document account of actions taken as stated per the specific IRM section.
- (3) For Accounts Management (AM) employees receiving telephonic responses to BMF RD notices, take the following actions on stand alone RD accounts only. For combo cases, i.e the taxpayer has both balance due and RD modules, follow procedures in IRM 5.19.1, *Balance Due*.
  - Explain the purpose of the notice to the taxpayer, if needed.
  - If the caller states the business is liable to file the return, encourage them to e-file the return or file a paper return using the Submission Processing address based on their State location, as needed. . As needed, provide the submission processing mailing address on *Where to File Tax Returns* on [www.irs.gov](http://www.irs.gov). Document AMS history.
  - If the caller states the business is **not** liable to file the tax return requested, follow procedures in IRM 5.19.22.5.3.1.1, *BMF Response Taxpayer Not Liable*. AM employees will follow CSCO procedures for inputting the appropriate TC 59X with closing code (cc). Document AMS history with: the caller's name, caller's position and reason given for the business not being liable for filing. Advise the caller they do not need to respond in writing to the notice as the inquiry has been closed based on their oral statement.
  - If the taxpayer lost, cannot locate their RD notice or has no record of receiving the notice and is required to file the delinquent return(s), advise them to file the return as they normally do. Document AMS history.
  - If the taxpayer lost, cannot locate their RD notice or has no record of receiving the notice and is **not** required to file the delinquent return(s), follow CSCO procedures in IRM 5.19.22.5.3.1.1, *BMF Response Taxpayer Not Liable*, to input TC 59X with appropriate closing code. Document AMS history with: the caller's name, caller's position and reason given for the business not being liable for filing.

**Note:** Always encourage taxpayers to file delinquent returns as they normally do and use oral statement authority to close RD modules where taxpayer states they are not liable as directed above. However if needed and as appropriate, callers can be directed to fax delinquent returns and not liable for filing responses to the BMF RD E-Fax number, 855-800-5944.

- (4) ACS, ACSS, CSCO and FA employees must follow procedures in the remainder of this subsection.
- (5) For additional information regarding BMF RD modules, see Document 6209, Chapter 11 *Collection/BMF Taxpayer Delinquency Investigation (TDI) Explanation*, at *SERP - Status Indicators - TDI/DEL RET (Edited Values Only) - Section 11 - 6209 (irs.gov)*.

5.19.22.5.3.1  
(01-02-2015)

**BMF Response with No Returns**

- (1) The following IRM section provides directive guidance on determining if the taxpayer is liable to file and how to assist in resolving taxpayers RD issues.
- (2) Research is necessary to determine appropriate action(s) needed for resolution. Resolve all taxpayer issues in a timely manner to prevent subsequent notices and/or TDI issuances.

**Note:** AM employees: See IRM 5.19.22.5.3(3), *BMF Return Delinquency Responses and Inquiries*

- (3) Employees are not required to request a return for the current processing year until 20 weeks past the Return due date (RDD).
- (4) When working RD issues with balance due accounts, refer to IRM 5.19.1, *Balance Due*, for resolution of the balance due account.

**Note:** If you are not trained to work balance due cases, route the case to the balance due function in our site, after you have completed the RD request.

- (5) When corresponding with the taxpayer and addressing multiple years only send one letter whenever possible. It may be necessary to send more than one letter when addressing multiple MFT's.
- (6) When working a module in Status 06 previously closed with a TC 590 cc 019, 593, 597 or 598, follow the procedures throughout this section for the status (Notice-02 or TDI-03) the module was in when the 59X code was entered.
- (7) If the taxpayer/business provides a personal business telephone number on a response to a notice or RD correspondence, document the entity with the telephone number secured. If the area code is not available, look it up using *Area Code/Time Zone Search* on SERP.
- (8) When a taxpayer responds to a RD request, their main responses may be:
  - My business ceased operations on
  - My business filed under another name
  - My business filed under another EIN
  - My business had no activity for the period above
  - Other reason for not filing (These responses may vary)
  - I have a credit/payment/deposit and want it applied to the following
- (9) Responses from a taxpayer should be verified through “**research**” before closing action can be taken. Research would include but not limited to :
  - CC BMFOL with definers U, W, R and L for W2/W3 CAWR data.
  - CC IRPTRL using “IND Type 3” to verify business income and business activity reported to IRS.
  - CC IRPTRI; to review W-2 information submitted by payers
  - CC BRTVUE; verify if wages paid
  - CC TRDBV; verify for deleted returns.

**Note:** AM employees: See IRM 5.19.22.5.3(3), *BMF Return Delinquency Responses and Inquiries*

- (10) If research indicates that the taxpayer may be liable to file, follow procedures in IRM 5.19.22.5.3.1.3, *BMF Taxpayer Liable*.

**Note:** AM employees: See IRM 5.19.22.5.3(3), *BMF Return Delinquency Responses and Inquiries*

5.19.22.5.3.1.1  
(01-27-2020)

**BMF Response Taxpayer  
Not Liable**

- (1) Follow the procedures in this subsection if the taxpayer's response states they are not liable for the return(s) requested. AM employees refer to IRM 5.19.22.5.3 , *BMF Return Delinquency Responses and Inquiries*, before continuing in this subsection. Some examples of taxpayer statements indicating they are not liable include but are not limited to:
  - No longer have employees (employment tax returns)
  - My business had no activity for the tax period or
  - Out of Business
- (2) ACS, ACSS, CSCO and FA employees, when following procedures in this IRM subsection, if a credit balance remains on the account, you must follow all credit balance research procedures before closing the module with a TC 590, 591 or 593. See IRM 5.19.22.5.6, **Credit Balance Overview**.
- (3) TC 590 will only satisfy the period, indicating not liable, it is input on. The filing requirements will remain open for the subsequent periods, therefore a TC 590 must be input on all applicable periods.
- (4) Input of the TC 591 on the earliest delinquent period will close all subsequent delinquent periods for the same MFT, unless there is a credit or extension on a subsequent (newer) module. You must also input a TC 591 cc 075/025/020 on all modules with a credit or extension on any newer modules than the earliest delinquent period in order for the FR's to remain closed. If there is no open TDI module create a dummy module and input a TC 591 on the earliest period, but not more than 6 years (old).
- (5) For responses to employment tax returns, Form 940, Form 941, Form 943 or Form 944; use CC BMFOLU to review MFT 88, Combined Annual Wage Reporting (CAWR) data for that year. If the posted "POSTED (94X/1040)" figure is less than "REPORTED (W-3)" amount, assume the taxpayer is liable for the return and follow procedures in IRM 5.19.22.5.3.1.3. See IRM 5.19.22.5.3.1.2, *BMF Response "Other"* for more information by specific tax form.
- (6) For taxpayer responses not addressed in this subsection and for information specific to the tax form requested see IRM 5.19.22.5.3.1.2, *BMF Response "Other"*.
- (7) Follow the procedures in the subsections linked below based upon the taxpayer's response:
  - IRM 5.19.22.5.3.1.1.1, *Taxpayer Response - No Activity for the Tax Period(s)*.
  - IRM 5.19.22.5.3.1.1.2, *Taxpayer Response - Not liable and/or Will Not Be Liable For Future Returns On The Delinquent MFT*.
  - IRM 5.19.22.5.3.1.1.3, *Taxpayer Response - Out of Business*.
- (8) If research indicates taxpayer is liable to file follow guidance in IRM 5.19.22.5.3.1.3, *BMF Taxpayer Liable*.

5.19.22.5.3.1.1.1  
(01-27-2020)

**Taxpayer Response - No Activity for the Tax Period(s)**

(1) Follow procedures in this subsection when the response indicates no activity or no employees (employment taxes) for the period(s).

If	Then
CSCO or AM employee	<ul style="list-style-type: none"> <li>• Input TC 590 cc 075 via CC FRM49 on each tax period addressed by the taxpayer response.</li> <li>• If working a telephonic contact and there are other RD modules (Status 02 or 03), ask the taxpayer if they are liable for those tax returns.</li> <li>• If working correspondence and there are other RD modules (Status 02 or 03), take no further action.</li> </ul>
ACS or ACSS employee	<ul style="list-style-type: none"> <li>• Input TC 590 cc 025 via CC FRM49 on each tax period addressed by the taxpayer response.</li> <li>• If the account is on ACS, enter history code "TOC0,30, RDPND" or "TOS0,30, RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ul>
FA employee	<ul style="list-style-type: none"> <li>• Input TC 590 cc 020 via CC FRM49 on each tax period addressed by the taxpayer response.</li> <li>• If the account is on ACS, enter history code "TOC0,30, RDPND" or "TOS0,30, RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ul>

5.19.22.5.3.1.1.2  
(01-27-2020)

**Taxpayer Response - Not liable and/or Will Not Be Liable For Future Returns on the Delinquent MFT**

(1) Follow procedures in this subsection when the response indicates they are not liable and/or will not be liable for future returns on the delinquent MFT.

If	Then
CSCO or AM employee	<ul style="list-style-type: none"> <li data-bbox="1027 289 1430 352">• Input TC 591 cc 075 via CC FRM49.</li> <li data-bbox="1027 352 1430 699">• If employment tax (Form 941, Form 943 or Form 944; close Form 940 filing requirements if research indicates taxpayer not liable. See IRM 5.19.22.5.3.1.2.3, <i>BMF Response Form 940 Employer's Annual Federal Unemployment (FUTA) Tax Return</i>.</li> <li data-bbox="1027 699 1430 1052">• Use CC BMFOLI or SUMRY to identify open RD modules (status 02 or 03) for the three years prior to the current year on same MFT. Send Letter 282-C or other letter that better describes the situation requesting the taxpayer file returns for the RD tax periods.</li> </ul>

If	Then
ACS or ACSS employee	<ul style="list-style-type: none"> <li data-bbox="930 289 1338 352">• Input TC 591 cc 025 via CC FRM49.</li> <li data-bbox="930 352 1338 699">• If employment tax (Form 941, Form 943 or Form 944; close Form 940 filing requirements if research indicates taxpayer not liable. See IRM 5.19.22.5.3.1.2.3, <i>BMF Response Form 940 Employer's Annual Federal Unemployment (FUTA) Tax Return</i>.</li> <li data-bbox="930 699 1338 888">• If the account is on ACS, enter history code, "TOC0,30,RDPND" or "TOS0,30,RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> <li data-bbox="930 888 1338 1239">• Use CC BMFOLI or SUMRY to identify open RD modules (status 02 or 03) for the three years prior to the current year on same MFT. Send Letter 282-C or other letter that better describes the situation requesting the taxpayer file returns for the RD tax periods.</li> </ul>

If	Then
FA employee	<ul style="list-style-type: none"> <li>• Input TC 591 cc 020 via CC FRM49.</li> <li>• If employment tax (Form 941, Form 943 or Form 944; close Form 940 filing requirements if research indicates taxpayer not liable. See IRM 5.19.22.5.3.1.2.3, <i>BMF Response Form 940 Employer's Annual Federal Unemployment (FUTA) Tax Return</i>.</li> <li>• If the account is on ACS, enter history code, "TOC0,21,RDPND" or "TOS0,21,RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> <li>• Use CC BMFOLI or SUMRY to identify open RD modules (status 02 or 03) for the three years prior to the current year on same MFT. Send Letter 282-C or other letter that better describes the situation requesting the taxpayer file returns for the RD tax periods.</li> </ul>

5.19.22.5.3.1.1.3  
(01-27-2020)

**Taxpayer Response -  
Out of Business**

- (1) Follow procedures in this subsection when the response indicates the taxpayer is out of business.

If	Then
Closing date is provided and is before the notice period,	<ul style="list-style-type: none"> <li>• Input TC 591 with cc via CC FRM49. CSCO and AM use cc 075 ACS and ACSS use cc 025 FA use cc 020</li> <li>• Use CC ENREQ/BNCHG to enter the business closing date, "DT-BUS-CLD&gt;" and to close all open filing requirements for each MFT.</li> <li>• Use CC BMFOLI or SUMRY to identify open RD modules (status 02 or 03) for the three years prior to the current year. Send Letter 282-C or other letter that better describes the situation requesting the taxpayer file returns for the RD tax periods.</li> <li>• If the account is on ACS, enter history code, "TOC0,30,RDPND" or "TOS0,30,RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ul>
The closing date provided is only for a month and year with no specific day provided,	Follow all procedures in the row above and use the last day of the month for the business closing date, <b>DT-BUS-CLD&gt;</b> .
The closing date provided is only a year with no specific month and day,	Follow all procedures in the row above and use the last day of the fiscal year filing period for business closing date, <b>DT-BUS-CLD&gt;</b> .
The taxpayer provides no business closing date (correspondence only)	Attempt to call the taxpayer to request business closing date. If unable, send Letter 145-C, or other letter that best describes the situation, asking for the business closing date.

5.19.22.5.3.1.1.4  
(11-12-2015)  
**BMF Little or No Tax Due**

(1) This section addresses closing modules without enforcement action even when a return is due if it meets certain criteria. Policy Statement **P-5-133** of IRM 1.2.14, *Service-wide Policies and Authorities - Policy Statements for the Collecting Process* allows closing modules if the following condition is met.

- There would be no tax due on the delinquent return(s).

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**Note:** Minimum tax due is defined as the aggregate net tax due.

**Exception:** This policy statement does not apply to Form 1065, *U.S. Partnership Return of Income*, Form 990 series, and Form 1120-S, *U.S. Income Tax Return for an S Corporation*. These forms are used for various reporting purposes and generally do not have tax due.

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**Note:** For accounts over 6 years, do not contact or send letter, just close using the appropriate TC 59X.

(2) For accounts that meet **P-5-133** criteria, managerial approval is required for closing account "Little or no Tax Due" with the exception of accounts over six years old. If the module meets criteria for "Little or No Tax Due", document AMS history with all research and actions taken and follow procedures in the table below:

**Note:** For ACS, ACSS, CSCO and FA employees following the procedures in table below to close an account "Little or No Tax Due", do not inform the taxpayer the account module is being closed as "Little or No Tax Due".

**Note:** For ACS, ACSS, CSCO and FA employees, if a credit balance remains on the account, you must follow all credit balance research procedures before closing the module with a TC 590, 591 or 593. See IRM 5.19.22.5.6, *Credit Balance Overview*. If you are talking to the taxpayer on the phone, discuss credits for resolution.

If	Then
CSCO or AM Employee	<ol style="list-style-type: none"> <li>1. Send Letter 2255-C or other appropriate letter. You are not required to contact the taxpayer if the module is over 6 years old.                             <ul style="list-style-type: none"> <li>• If talking to the taxpayer by telephone request return(s) for all delinquent tax periods. No letter is required to be sent when talking to the taxpayer on the phone.</li> </ul> </li> <li>2. If requesting more than one return, all must have a deadline documented.</li> <li>3. After managerial approval, input TC 590 cc 077 using CC FRM49.                             <p><b>Exception:</b> Managerial approval not required for closing modules over 6 years old.</p> </li> </ol>

If	Then
ACS or ACSS Employee	<ol style="list-style-type: none"> <li data-bbox="1024 285 1430 411">1. If account is not on ACS, set a 45 day deadline and send a Letter 2255-C or other appropriate letter.</li> <li data-bbox="1024 411 1430 537">2. If contacting taxpayer by telephone, set a deadline of 30 days from the day you are closing the case.</li> <li data-bbox="1024 537 1430 789">3. If account is on ACS, enter ACS history code "TOC0,05,RDPND" or "TOS0,05,RDPND" and send an LT18 letter, which requests the taxpayer to file the return within 10 days from the date of receipt. <b>Exception:</b> Closures over 6 years enter ACS history code "TOC0, 30, RDPND" or "TOS0, 30, RDPND"</li> <li data-bbox="1024 1031 1430 1125">4. After managerial approval input TC 590 cc 027 using CC FRM49 on IDRS. <b>Exception:</b> Closures over 6 years old do not require managerial approval.</li> </ol>

If	Then
FA Employee	<ol style="list-style-type: none"> <li>1. If speaking with a taxpayer in a face to face meeting request return(s) for all delinquency periods.</li> <li>2. Set a deadline of 30 days from the day you are closing the case.</li> <li>3. If the account is on ACS enter ACS history code "TOC0,05,RDPND" or "TOS0,05,RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> <li>4. After managerial approval input TC 590 cc 020 using CC FRM49 on IDRS. <b>Exception:</b> Closures over 6 years old do not require managerial approval.</li> </ol>

(3) If account does not meet **P-5-133** criteria, see IRM 5.19.22.5.3.1.3, *BMF Taxpayer Liable*.

5.19.22.5.3.1.2  
(07-07-2016)

**BMF Response "Other"**

(1) This sub section addresses the other types of responses that may be provided by the taxpayer.

**Note:** AM employees: See IRM 5.19.22.5.3(3), *BMF Return Delinquency Responses and Inquiries*

If	Then
Taxpayer states they are a victim of Identity Theft	See IRM 10.5.3, <i>Identity Protection Program</i> and IRM 10.5.3.3, <i>BMF Identity Theft Procedures</i> .
Taxpayer responds he is not liable and is requesting a refund but did not submit a tax return	See IRM 5.19.22.5.3.1, <i>BMF Response with No Return</i> .

If	Then
<p>Taxpayer states, in writing, a payroll company is responsible for the filing of their return</p> <p><b>Note:</b> A payroll company is not a Payroll Agent.</p>	<ol style="list-style-type: none"> <li>1. Research account to determine if taxpayer is liable for filing. If the taxpayer is not liable, see IRM 5.19.22.5.3.1.1, <i>BMF Response Taxpayer Not Liable</i>.</li> <li>2. Do not close the filing requirements</li> <li>3. Contact the taxpayer via telephone or correspondence to request the delinquent return.</li> <li>4. For phone contact :                             <ul style="list-style-type: none"> <li>• Instruct the taxpayer to file a signed and dated return, including current address.</li> <li>• Provide the taxpayer with the appropriate IRS CSCO return address to mail the return. For CSCO addresses see Exhibit 5.19.22-2, <i>CSCO Nonfiler Campus Addresses</i>.</li> <li>• Document AMS comments accordingly.</li> </ul> </li> </ol>
<p>Taxpayer states they have a Payroll Agent and account has a TC 971 AC 384 posted.</p> <p><b>Note:</b> Form 940 cannot be filed under a parent company/corporation or Payer Agent and must be filed by each subsidiary.</p>	<ol style="list-style-type: none"> <li>1. Input a TC 591 with the appropriate closing code.</li> <li>2. Document AMS of information, including the taxpayer has a payer agent on file.                             <ul style="list-style-type: none"> <li>• If on ACS enter ACS history code: ACS: TOC0,30, RDPND or TOS0,30, RDPND or FA: TOC0,21, RDPND or TOS0,21, RDPND. See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ul> </li> </ol>

If	Then
Taxpayer states they have a Payroll Agent but account has no TC 971 AC 384 posted.	<ol style="list-style-type: none"> <li>1. Inform taxpayer by telephone or correspondence they are required to file a Form 2678, <i>Employer/Payer Appointment of Agent</i>, to request for a payer agent to file and pay taxes.</li> <li>2. Inform taxpayer we cannot close their FR until verification is received that Form 2678 has been received and processed.</li> <li>3. Document AMS of actions taken, including deadline date to taxpayer.</li> <li>4. If the account is on ACS, input history OADT,45,F2678. See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>
Taxpayer indicates they will file (CSCO employees only)	<ol style="list-style-type: none"> <li>1. Send a Letter 2255-C or appropriate letter. <b>Note:</b> If the correspondence does not specify a date, do not input mmdd.</li> <li>2. If the taxpayer does provide a date, do not allow more than 60 days. If the taxpayer does not provide a date, allow 30 days to file with a 45 day follow-up.</li> <li>3. For Form 940 ,Form 941 ,Form 943 and Form 944 only, advise the taxpayer that failure to file by the specified date, employment returns may be processed under IRC 6020(b) if not filed voluntarily.</li> <li>4. Input a C08 using CC ASGNB (see IRM 2.4.27, <i>CC ASGNI/ASGNB formerly TSIGN</i>). To accelerate to ACS, see IRM 5.19.22.5.1.1, <i>Accelerate and/or Delay To TDI Status 03</i> <b>Note:</b> If the account has a subsequent balance due issue, ensure any STAUP's and delays are equivalent.</li> <li>5. Document AMS of actions taken, including deadline date to file.</li> </ol>

If	Then
<p>Taxpayer indicates they will file (ACS employees only)</p>	<ol style="list-style-type: none"> <li>1. Send a Letter 2255-C or other appropriate letter.</li> <li>2. If the taxpayer does provide a date, do not allow more than 60 days. If the taxpayer does not provide a date, allow 30 days to file with a 45 day follow-up.</li> <li>3. For Form 940 ,Form 941 ,Form 943 and Form 944 only, advise the taxpayer that failure to file by the specified date, employment returns may be processed under IRC 6020(b) if not filed voluntarily. Follow guidelines below for 6020(b) criteria:</li> <li>4. If the account does not have Employment code F, G, or T, and                         <ul style="list-style-type: none"> <li>• Has a module with MFT 01, 10 or 11 within the last three years,</li> <li>• LRA data with the same MFT of delinquent module between \$250 - \$1500, and/or</li> <li>• A delinquent module has a credit balance between \$250-\$1500,</li> <li>• Reassign "TOI7,XX,TFRO" where XX stands for the deadline plus 30 days. IRM 5.19.22.2.1, <i>Return Delinquency Overview</i> for information on determining follow-up dates.</li> </ul> </li> </ol>

If	Then
	<p>5. If the module delinquency is over \$1500, reassign case "TOI7,XX,TFQU", where XX stands for the deadline plus 30 days. IRM 5.19.22.2.1, <i>Return Delinquency Overview</i> for information on determining follow-up dates.</p> <p>6. If the account contains Employment Code G or T, reassign the account for managerial approval for TFRO assignment: TOC0,,TFRO or TOS0,,TFRO (ASC Sites)</p> <p>7. If the account has an Employment Code F (Federal Agency), assign the account to TOH3,60,FAD. Document comments of actions taken. <b>Note:</b> FAD accounts are handled at the Brookhaven Campus-CSCO Operations. Refer to: <i>FEDERAL AGENCY DELINQUENCY CONTACTS</i> for contact information.</p> <p>8. If the account does not meet 6020(b) criteria enter "TOI7,XX,TFQU" XX stands for the deadline plus 30 days. See IRM 5.19.22.5.3.4, <i>BMF Substitute for Return A6020(b) Program Referrals (Forms 940, 941, 943 or 944)</i>, for additional guidance to determine if module meets 6020(b) criteria. IRM 5.19.22.2.1, <i>Return Delinquency Overview</i> for information on determining follow-up dates.</p> <p>9. Document AMS and ACS of actions taken, including the target date and warning of enforcement action. <b>Note:</b> If the correspondence does not specify a date, do not input mmdd.</p>

If	Then
<p>Taxpayer states return was filed less than ten weeks ago and research does not show a TC 150 and account is in Status 02</p>	<p>Allow time for the return to post by inputting a delay of 8 weeks using a <b>C08</b> on CC ASGNB (see IRM 2.4.27).</p> <p><b>Note:</b> The delay prevents the module from going to TDI status.</p> <p><b>Exception:</b> PC-B modules cannot be delayed, as these modules do not go into TDI status.</p>
<p>Taxpayer states return was filed less than ten weeks ago and research does not show a TC 150 and account is in Status 03</p>	<ol style="list-style-type: none"> <li>1. Document AMS with actions taken, including date the taxpayer filed, as “mmdd” with mmdd for the month and date.</li> <li>2. If the account is on ACS, enter ACS history code “OADT,45,CMNTS”. See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>
<p>Taxpayer states return was filed more than ten weeks ago and research does not show a TC 150 but AP150, PN150, RJ150 or Unpostable 150 has posted</p>	<p>Take no action.</p>
<p>Taxpayer states return was previously filed and return posted correctly under another TIN</p>	<p>Input TC 590 with appropriate cc.</p>
<p>Taxpayer states return was previously filed but posted to wrong tax period but same TIN</p>	<ol style="list-style-type: none"> <li>1. Control or refer case accordingly, see IRM 5.19.22.5.4, <i>Return Delinquency TIN and Entity Research</i>.</li> <li>2. Transfer to the appropriate Accounts Management BMF Unit. Notate the routing slip (e.g., Form 4442, Form 3210, etc.) “Return posted to incorrect tax period”.</li> <li>3. Input a TC 594 cc 083/033/022.</li> <li>4. Document AMS of actions taken.</li> <li>5. If on ACS, move to the appropriate inventory.</li> </ol>

If	Then
Taxpayer submits cancelled check and encoder information matches the notice	<ol style="list-style-type: none"> <li>1. If the payment is not on the module, follow the procedures in IRM 21.5.7, <i>Payment Tracers</i>.</li> <li>2. If research leads you to a module with the return posted, then follow the procedures above for a return posted under another TIN, Name or Tax Period.</li> <li>3. If the payment is on the module, follow the procedures in paragraph 5 below and request a copy of the return from the taxpayer.</li> </ol>
Taxpayer submits cancelled check but encoder information does not match the notice	<ol style="list-style-type: none"> <li>1. Research the account module listed on the encoder information (TIN, MFT and Tax Period) to see if the return posted.</li> <li>2. If the payment is located, then follow the procedures above for a return posted under another TIN, Name or Tax Period.</li> <li>3. If the payment is not located, follow the procedures in IRM 21.5.7, <i>Payment Tracers</i>.</li> <li>4. If research leads you to a module with the return posted, then follow the procedures above for a return posted under another TIN, Name or Tax Period.</li> <li>5. If research does not lead you to a module with the return posted, ask the taxpayer for a copy of the return.</li> <li>6. Document AMS of information secured and target date given to taxpayer to file.</li> </ol>
Form 941 was filed instead of a Form 944, or vice versa	See IRM 5.19.22.5.3.1.2.4, <i>BMF Response Form 941 (Employer's Quarterly Federal Tax Return)</i> or IRM 5.19.22.5.3.1.2.6, <i>BMF Response Form 944, Employer's Annual Federal Tax Return</i> .
Response states they are an LLC filer	See IRM 5.19.22.5.3.1.2.2, <i>BMF Response Limited Liability Company (LLC)</i> .

If	Then
Only information provided is that the taxpayer is in bankruptcy	See IRM 5.19.22.5.3.3, <i>BMF Special Handling Responses</i>
Response has only a signature, and the delinquent module can not be resolved. Account is in Status 02	<ol style="list-style-type: none"> <li>1. Input a delay code of "C08" using CC ASGNB to accelerate the account to ACS. See IRM 5.19.22.5.1.1, <i>Accelerate and/or Delay To TDI Status 03</i> for additional guidance.</li> </ol> <p><b>Exception:</b> PC-B's cannot be accelerated.</p> <ol style="list-style-type: none"> <li>2. Destroy the notice.</li> <li>3. Document AMS</li> </ol> <p><b>Note: This delay code will allow any return that might have been detached from the notice to post before the next notice cycle.</b></p>
Response has only a signature, and the delinquent module can not be resolved. Account is in Status 03	Take no action

- (2) When you are unable to determine the taxpayer's intent, based on the information they provided and can not resolve through research, contact the taxpayer to request additional information. Follow the table below for general case resolution guidance:

**Note:** If a telephone number is provided on the response or already available on CC ENMOD, attempt to contact the taxpayer (do not leave a call back message), before sending a letter to the taxpayer (telephone attempt must be documented on AMS).

If	Then
Telephone contact is made with the taxpayer and taxpayer is not liable	See IRM 5.19.22.5.3.1.1, <i>BMF Response Taxpayer Not Liable</i> .
Telephone contact is made with the taxpayer and taxpayer is liable	See IRM 5.19.22.5.3.1.3, <i>BMF Taxpayer Liable</i> .

If	Then
Unable to make telephone contact. (CSCO employees)	<ol style="list-style-type: none"> <li>1. Send Letter 2255-C or other appropriate letter requesting information required to close the module.</li> <li>2. Input delay C08 using CC ASGNB, refer to IRM 2.4.27 , <i>Command Code ASGNI/ ASGNB formerly TSIGN</i> , for guidance. See IRM 5.19.22.5.1.1, <i>Accelerate and/or Delay To TDI Status 03</i> for guidance on referring case to ACS.</li> <li>3. Document AMS of research completed and actions taken, including information requested and date given to taxpayer to file.</li> </ol>
Unable to make telephone contact. (ACS, ACSS or FA employees)	<ol style="list-style-type: none"> <li>1. Send Letter 2255-C or other appropriate letter.</li> <li>2. Enter history code "TOI7,XX,TFQU" (XX stands for the deadline plus 30 days). See IRM 5.19.5-5, <i>ACS History Codes</i>. IRM 5.19.22.2.1, <i>Return Delinquency Overview</i> for information on determining follow-up dates.</li> </ol> <p><b>Note:</b> If the module meets 6020(b) criteria do not send/assign to TOI7. See IRM 5.19.22.5.3.4, <i>BMF Substitute for Return 6020(b) Program Referrals</i>.</p>

5.19.22.5.3.1.2.1  
(01-02-2015)

**BMF Response Taxpayer Deceased**

- (1) This section will provide procedural guidance on identified decedent accounts related to sole proprietor businesses and husband and wife partnerships.
- (2) All procedures apply to contacts via telephone, correspondence or in person unless otherwise noted.
- (3) All information secured and/or actions taken must be documented on AMS. If original documents are secured, make copies and return the originals to provider.
- (4) When speaking to or corresponding with third parties, refer to IRM 11.3.2.4.11, *Deceased Individuals*.

- See IRM 5.19.2.5.4.6.6, *IMF Response Taxpayer Deceased* for procedures on identifying decedent entities.
  - See IRM 5.19.1.5.3.2, *Deceased Taxpayers - Entity Changes* for guidance on any Entity issues.
- (5) If a telephone call is received from a third party stating taxpayer is deceased and the business is no longer in business:
- Ask probing questions to secure date of death
  - Request a copy of the death certificate
  - Research IDRS to determine if taxpayer is liable to file the return
  - Take necessary closing actions, if applicable
- (6) If there is an indication the delinquent module will have a potential liability or there is a balance due module existing on the entity or an associated module, attempt to secure the following information to be forwarded to the Advisory Unit.
- Date of Death (unless there is a prior TC 540 already on the module). If there is no date of death present on CC INOLES, attempt to secure a copy of the death certificate.
  - County in which the taxpayer resided at time of death, and County in which taxpayer died, if different.
  - Name, address, telephone number of the fiduciary (executor or administrator), if any.
  - If speaking to third party on telephone, secure name and telephone number of person, if different than fiduciary.
  - If combo account, inquire for open probate and assets. See IRM 5.19.1.5.3, *Deceased Taxpayers* for guidance.
  - Probe to determine if an EIN has been requested for the Estate, if applicable. If an EIN was requested, ask if a Form 1041 has been filed

**Note:** It is not necessary to request documentation on modules meeting Little or No Tax Due or there are no other open modules or balance due issues.

If	And	Then
<p>The business was a sole proprietorship</p>	<p>Taxpayer died before the notice period or indicates they were out of business before the notice period.</p>	<ul style="list-style-type: none"> <li>• Ask probing questions to secure date of death</li> <li>• Request a copy of the death certificate</li> </ul> <p><b>Note:</b> If a notarized or original death certificate is received, document the entity and return the original to the sender.</p> <ul style="list-style-type: none"> <li>• Research IDRS to determine if taxpayer is liable to file the return</li> <li>• Take necessary closing actions, if applicable</li> </ul> <p><b>Note:</b> If there is an indication the deceased taxpayer has an estate, request the EIN of the estate and if they filed a Form 1041.</p>

If	And	Then
The business was a sole proprietorship	The taxpayer died during or subsequent to the delinquent periods	<ul style="list-style-type: none"> <li>• Ask probing questions and secure documentation to establish if there is an estate.</li> <li>• If an estate exists, secure supporting documentation and EIN of Estate.</li> <li>• Forward any secured documentation to the <i>Advisory Area</i> for follow up.</li> </ul>
Return delinquency is for a partnership	One of the partners is deceased	The other partner(s) are liable for the return and any taxes due, the remaining partner(s) are still liable to file. See IRM 5.19.22.5.3.1.3, <i>BMF Taxpayer Liable</i> for resolution guidelines.
Return delinquency is on a corporation	One of the responsible officers is deceased	Contact the other officers for the return and any taxes due. See IRM 5.19.22.5.3.1.3, <i>BMF Taxpayer Liable</i> , for resolution guidelines.

If	And	Then
Return delinquency is on a corporation and only had one officer	They are deceased	<ul style="list-style-type: none"> <li>• Probe to secure date of death</li> <li>• Request a copy of the death certificate</li> </ul> <p><b>Note:</b> If a notarized or original death certificate is received, document the entity and return the original to the sender.</p> <ul style="list-style-type: none"> <li>• Research IDRS to determine if taxpayer is liable to file the return.</li> <li>• Take necessary closing actions, if applicable.</li> </ul> <p><b>Note:</b> If there is an indication the deceased taxpayer has an estate, request the EIN of the estate and if they filed a Form 1041.</p>

(7) CSCO employees refer to the If/Then table below for documenting and closing the module:

If	Then
<p>The tax liability does not exceed the minimum tax due, see IRM 5.19.22.5.3.1.1.4 , <i>BMF Little or No Tax Due</i>, for criteria,</p>	<ol style="list-style-type: none"> <li>1. On delinquent modules, input TC 590 cc 077 using CC FRM49.</li> <li>2. Close all open Filing Requirements on the next tax period using a TC 591 cc 075.</li> </ol> <p><b>Note:</b> If a credit balance remains on the account, <b>you must</b> follow all credit balance research procedures before closing the module with a TC 590, 591 or 593. See IRM 5.19.22.5.6, <i>Credit Balance Overview</i>.</p>

If	Then
<p>The tax liability exceeds minimum tax due, see IRM 5.19.22.5.3.1.1.4 <i>BMF Little or No Tax Due</i>, for criteria.</p>	<ol style="list-style-type: none"> <li>1. Close all open Filing Requirements on the next tax period using a TC 591 cc 075.</li> <li>2. Determine all the tax returns that may be due and request returns be filed. If a telephone number is provided attempt to call the responder. If fiduciary (executor or administrator) cannot be reached by telephone or no telephone number is available send Letter 2255-C or other appropriate letter. <b>Note:</b> If contact is made by telephone and you determine the taxpayer is liable for the return(s), request fiduciary (executor or administrator) to file all delinquent tax returns.</li> <li>3. Document AMS of information secured, including any information indicating the taxpayer is deceased.</li> <li>4. For Employment Tax returns (Trust Fund) only, view the last return filed. If the liability is above \$1,500 (last return filed multiplied by the number of delinquent modules), see IRM 5.19.22.5.1.2, <i>Accelerate to Compliance Territory Office (Revenue Officer)</i>.</li> <li>5. If module is in Status 02, accelerate to ACS, see IRM 5.19.22.5.1.1, <i>Accelerate and/or Delay To TDI Status 03</i>.</li> </ol>

(8) ACS and ACSS employees refer to the If/Then table below for documenting and closing the module:

If	Then
<p>The tax liability does not exceed the minimum tax due, see IRM 5.19.22.5.3.1.1.4 , <i>BMF Little or No Tax Due</i>, for criteria,</p>	<ol style="list-style-type: none"> <li>1. On the delinquent modules, input TC 590 cc 027 using CC FRM49.</li> <li>2. Close all open Filing Requirements on the next tax period using a TC 591 cc 025.</li> <li>3. If account is on ACS, enter history code, "TOC0,30,RDPND" or "TOS0,30,RDPND ".See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol> <p><b>Note:</b> If a credit balance remains on the account, <b>you must</b> follow all credit balance research procedures before closing the module with a TC 590, 591 or 593. See IRM 5.19.22.5.6, <i>Credit Balance Overview</i>.</p>

If	Then
<p>The tax liability exceeds minimum tax due, see IRM 5.19.22.5.3.1.1.4 <i>BMF Little or No Tax Due</i>, for criteria.</p>	<ol style="list-style-type: none"> <li>1. Close all open Filing Requirements on the next tax period using a TC 591 cc 025.</li> <li>2. Determine all the tax returns that may be due and request returns be filed. If a telephone number is provided attempt to call the responder. If fiduciary (executor or administrator) cannot be reached by telephone or no telephone number is available send Letter 2255-C or other appropriate letter. <b>Note:</b> If contact is made by telephone and you determine the taxpayer is liable for the return(s), request fiduciary (executor or administrator) to file all delinquent tax returns.</li> <li>3. Document AMS of information secured, including any information indicating the taxpayer is deceased.</li> <li>4. For Employment Tax returns (Trust Fund) only, view the last return filed. If the liability is above \$1,500 (last return filed multiplied by the number of delinquent modules), see IRM 5.19.22.5.1.2, <i>Accelerate to Compliance Territory Office (Revenue Officer)</i>.</li> <li>5. If module is in Status 02, accelerate to ACS, see IRM 5.19.22.5.1.1, <i>Accelerate and/or Delay To TDI Status 03</i>.</li> <li>6. Contact the administrator or executor and request the following information. Document AMS of information secured: <ul style="list-style-type: none"> <li>• Date of death,</li> <li>• County in which the taxpayer died,</li> <li>• Name/address; telephone number of fiduciary,</li> <li>• Did the taxpayer own property at the time of death? What type of property and estimated value of property?</li> </ul> </li> <li>7. Ask if Estate has been settled and date, if known. If an Estate has been established, request EIN number. Probe and document if a Form 1041 was filed or will be filed.</li> <li>8. Determine if there is an estate, the type of assets, court location, and docket number of the proceeding.</li> <li>9. Document AMS of pertinent information secured.</li> <li>10. If the account is on ACS, enter history code "TOR4,XX,DECD" (XX stand for the deadline the death certificate is to be sent, plus 30 days). See IRM 5.19.5-5, <i>ACS History Codes</i>. IRM 5.19.22.2.1, <i>Return Delinquency Overview</i> for information on determining follow-up dates.</li> </ol>

(9) FA employees refer to the If/Then table below for documenting and closing the module:

If	Then
<p>The tax liability does not exceed the minimum tax due, see IRM 5.19.22.5.3.1.1.4 , <i>BMF Little or No Tax Due</i>, for criteria,</p>	<ol style="list-style-type: none"> <li>1. On delinquent modules, input TC 590 cc 020 using CC FRM49.</li> <li>2. Close all open Filing Requirements on the next tax period using a TC 591 cc 040.</li> <li>3. Document AMS of actions taken, including the taxpayer’s date of death and tax computation. If the account is on ACS, enter history code “TOC0,21,RDPND” or “TOS0,21,RDPND” . See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol> <p><b>Note:</b> If a credit balance remains on the account, <b>you must</b> follow all credit balance research procedures before closing the module with a TC 590, 591 or 593. See IRM 5.19.22.5.6, <i>Credit Balance Overview</i>.</p>

If	Then
<p>The tax liability exceeds minimum tax due, see IRM 5.19.22.5.3.1.1.4 <i>BMF Little or No Tax Due</i>, for criteria.</p>	<ol style="list-style-type: none"> <li>1. Close all open Filing Requirements on the next tax period using a TC 591 cc 023.</li> <li>2. Determine all the tax returns that may be due and request returns be filed. If a telephone number is provided attempt to call the responder. If fiduciary (executor or administrator) cannot be reached by telephone or no telephone number is available send Letter 2255-C or other appropriate letter. <b>Note:</b> If contact is made by telephone and you determine the taxpayer is liable for the return(s), request fiduciary (executor or administrator) to file all delinquent tax returns.</li> <li>3. Document AMS of information secured, including any information indicating the taxpayer is deceased.</li> <li>4. For Employment Tax returns (Trust Fund) only, view the last return filed. If the liability is above \$1,500 (last return filed multiplied by the number of delinquent modules), see IRM 5.19.22.5.1.2, <i>Accelerate to Compliance Territory Office (Revenue Officer)</i>.</li> <li>5. If module is in Status 02, accelerate to ACS, see IRM 5.19.22.5.1.1, <i>Accelerate and/or Delay To TDI Status 03</i>.</li> <li>6. Contact the administrator or executor and request the following information. Document AMS of information secured: <ul style="list-style-type: none"> <li>• Date of death,</li> <li>• County in which the taxpayer died,</li> <li>• Name/address; telephone number of fiduciary,</li> <li>• Did the taxpayer own property at the time of death? What type of property and estimated value of property?</li> </ul> </li> <li>7. Ask if Estate has been settled and date, if known. If an Estate has been established, request EIN number. Probe and document if a Form 1041 was filed or will be filed.</li> <li>8. Determine if there is an estate, the type of assets, court location, and docket number of the proceeding.</li> <li>9. Document AMS of pertinent information secured.</li> <li>10. If the account is on ACS, enter history code "TOR4,XX,DECD" (XX stand for the deadline the death certificate is to be sent, plus 30 days). See IRM 5.19.5-5, <i>ACS History Codes</i>. IRM 5.19.22.2.1, <i>Return Delinquency Overview</i> for information on determining follow-up dates.</li> </ol>

5.19.22.5.3.1.2.2  
(07-07-2016)

**BMF Response Limited  
Liability Company (LLC)**

- (1) A Limited Liability Company (LLC) is an unincorporated business entity created under state law that has characteristics of both a partnership and a corporation.

**Note:** It is similar to a corporation in that the owners have limited personal liability for negligent acts and LLC debts, yet it is similar to a partnership as it provides management flexibility and may provide benefits of a pass-through reporting of tax of income. Refer to IRM 5.1.21, *Collecting From Limited Liability Companies*, for additional information. Owners of an LLC are called members.

- (2) A LLC may have two or more members or it may be a single member. A LLC with two or more members has the option of filing, under certain conditions, as a partnership, or as a corporation. LLCs can be identified by a "LLC>" indicator on CC ENMOD. If present, "LLC>S" identifies the entity as a single member and "LLC>M" as a multi-member.

- A single member LLC has the option under certain conditions, of either filing as a corporation, or be disregarded for tax purposes, in which case the single owner reports the LLC's income tax items directly on their own personal tax return. A single member LLC can opt to file as a corporation by filing Form 8832, *Entity Classification Election*. This is identified by a TC 076 on CC ENMOD. Refer to Publication 3402, *Tax Issues for Limited Liability Companies*, for additional information.
- For tax years after January 1, 2009, a single member LLC is treated as a separate corporation for employment tax and excise tax purposes, even if it has elected disregarded entity status for federal income tax purposes.
- For tax periods after January 1, 2009, a single member LLC must file employment tax and excise tax returns under its own EIN.

**Note:** For more information, see IRM 5.1.21.7.6, *Employment and Excise Taxation for the Disregarded Entity*.

- (3) If a RD response states they are an LLC and have filed another way (such as personal Form 1040 with appropriate Schedule, employment, partnership or corporation return under another EIN or MFT), research the other account module. If LLC did file another way, document AMS of actions taken, including the EIN the LLC filed under and then follow procedures in the tables below

**Note:** For ACS, ACSS, CSCO and FA employees following the procedures in the table below, if a credit balance remains on the account, you must follow all procedures in IRM 5.19.22.5.6, *Credit Balance Overview*, before closing the module with a TC 590, 591 or 593.

**Note:** AM employees: See IRM 5.19.22.5.3(3), *BMF Return Delinquency Responses and Inquiries*

- (4) CSCO employees refer to the If/Then table below:

If	Then
The response doesn't state this EIN will no longer be used	Input TC 590 CC 075 using CC FRM49. <b>Exception:</b> If research indicates income has been claimed under a cross reference TIN or personal 1040 with appropriate Schedule for at least the last 3 years, input a TC 591 cc 075.
The response states this EIN will no longer be used.	Input TC 591 cc 075 using CC FRM49.

(5) ACS and ACSS employees refer to the If/Then table below:

If	Then
The response doesn't state this EIN will no longer be used	1. Input TC 590 cc 025 using CC FRM49. <b>Exception:</b> If research indicates income has been claimed under a cross reference TIN or personal 1040 with appropriate Schedule for at least the last 3 years, input a TC 591 cc 075).  2. If the account is on ACS, enter history code, "TOC0,30,RDPND" or "TOS0,30,RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i> .
The response states this EIN will no longer be used.	1. Input TC 591 cc 025 using CC FRM49. 2. If the account is on ACS, enter history code, "TOC0,30,RDPND" or "TOS0,30,RDPND ". See IRM 5.19.5-5, <i>ACS History Codes</i> .

(6) FA employees refer to the If/Then table below:

If	Then
The response doesn't state this EIN will no longer be used	1. Input TC 590 cc 020 using CC FRM49. <i><b>Exception:</b></i> If research indicates income has been claimed under a cross reference TIN or personal 1040 with appropriate Schedule for at least the last 3 years, input a TC 591 cc 075).  2. If the account is on ACS, enter history code "TOC0,21,RDPND" or "TOS0,21,RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i> .
The response states this EIN will no longer be used.	1. Input TC 591 cc 020 using CC FRM49. 2. If the account is on ACS, enter history code, "TOC0,21,RDPND" or "TOS0,21,RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i> .

(7) If the response states they are an LLC and have filed an employment, partnership or corporation return under another EIN, MFT or Form 1040, *U.S. Individual Income Tax Return*, research the other account module, if it does not indicate a return was filed, or the response does not provide the EIN the return was filed under, see IRM 5.19.22.5.3.1.3, *BMF Taxpayer Liable*.

5.19.22.5.3.1.2.3  
(01-20-2023)

**BMF Response Form  
940 Employer's Annual  
Federal Unemployment  
(FUTA) Tax Return**

(1) Taxpayers are required to file Form 940 if they answer "yes" to either one of these questions for the year at issue or the proceeding year:

- Did they pay wages of \$1,500 or more to employees in any calendar quarter?
- Did they have one or more employees for at least some part of a day in any 20 or more different weeks?

**Note:** For most cases, research CC BRTVUE on Form 941, Form 943 or Form 944 to verify wages, and number of employees to determine if taxpayer is required to file Form 940.

- (2) Taxpayers need to include all full-time, part-time, and temporary employees. However, if the business is a partnership, advise they do not count its partners.
  - (3) If the Employment Code (EC) of the Entity is T, W, F or G (identified on CC's INOLE and BMFOLE) the taxpayer is generally not liable to file. Forward any inquiries related to a Federal Agency as indicated by EC "F", to the centralized FAD team in Brookhaven Campus. See *Federal Agency Delinquency (FAD) Contact Information* on SERP.
  - (4) State and Local Governments that act as fiscal agents for home health care workers will be required to file Form 940 and are identified by EC "A".
  - (5) Agricultural employers are liable if they meet either of the tests below:
    - They paid cash wages of \$20,000 or more to agricultural workers in any calendar quarter in the current or preceding calendar year.
    - They employed 10 or more agricultural workers for some portion of a day during any 20 different weeks in the current or preceding calendar year.
  - (6) Employers with household employees are liable and have the option to file either a Form 940 or Schedule H (Form 1040) if they paid \$1,000 or more in any calendar quarter during the current or preceding year for work in:
    - A private home
    - A local college club
    - A local chapter of a college fraternity or sorority
- Note:** Generally, employers of household employees must file Schedule H (Form 1040) Household Employment Tax instead of Form 940. See also IRM 21.7.3.3.1, *Form 940 Filing Requirements* for more information, if necessary.
- (7) For additional guidance see IRM 21.7.3, *Unemployment Taxes* and Publication 15, *(Circular E) Employer's Tax Guide* for further guidance on filing requirements.
  - (8) For information on Form 940 deposit requirement see IRM 20.1.4.9, *Form 940*. For procedures to respond to taxpayer requests for a payment arrangement including a balance due on Form 940 account(s), refer to IRM 5.19.1, *Balance Due*.
  - (9) When addressing Form 940, research and address all applicable employment tax returns for the same year by the wages reported on the Form 940. If research indicates taxpayer is liable to file a related employment tax return(s) for the same year, taxpayer contact is required to address delinquency, either by telephone or appropriate letter.
  - (10) If the taxpayer states they are not liable because no wages or insufficient wages were paid, review the Form 941, Form 943 or Form 944. Document AMS of actions taken and follow procedures in the table below:

**Note:** If taxpayer states only employees are family members (spouse, child under 18) then taxpayer is not required to file Form 940.

If	Then
If notice response is received stating they did not pay at least \$1,500 in non-agricultural wages,	<ol style="list-style-type: none"> <li>1. Input TC 590 with appropriate closing code on the appropriate Form 940 modules.</li> <li>2. Research and address all other delinquent associated returns in the same tax year to determine if liable to file. If research determines the taxpayer is not liable to file an associated module, close by inputting a TC 590 with appropriate closing code.</li> </ol>
Form 941, Form 943, Form 944 filing history shows no wages paid or wages below the filing requirement,	See IRM 5.19.22.5.3.1.1, <i>BMF Response Taxpayer Not Liable</i> .
Form 941, Form 943, Form 944 filing history shows wages paid meets the Form 940 filing requirement,	See IRM 5.19.22.5.3.1.3, <i>BMF Taxpayer Liable</i> .
If the taxpayer of business sends an annual return such as a Form 1120 showing no wages were paid.	See IRM 5.19.22.5.3.1.1, <i>BMF Response Taxpayer Not Liable</i> .

- (11) Some organizations, such as religious, charitable, and educational organizations, are exempt from FUTA taxes. If an organization claims to be exempt from FUTA taxes research the entity through CC ENMOD for possible TC07X/09X indicator. The transaction code indicates taxpayer made an election and has been granted church exemption from Social Security tax or small business election. If an entity has been identified as an exempt organization, document AMS history with all research and actions taken and follow procedures in the tables below.

**Note:** For ACS, ACSS, CSCO and FA employees following the procedures in the tables below, if a credit balance remains on the account, you must follow all procedures in IRM 5.19.22.5.6, *Credit Balance Overview*, before closing the module with a TC 590, 591 or 593.

- (12) CSCO employees refer to the If/Then table below:

<b>If</b>	<b>Then</b>
IDRS research does not indicate exempt status	<ol style="list-style-type: none"> <li>1. Input delay C08 using CC ASGNB to accelerate to ACS. See IRM 5.19.22.5.1.1, <i>Accelerate or Delay To TDI Status 03</i>, for guidance on accelerating account.</li> <li>2. Route the taxpayer's written response or Form 4442 to Entity area for determination of exempt status.</li> </ol>
IDRS research indicates exempt status	Input TC 591 cc 075 to indicate the business is no longer required to file Form 940

(13) ACS and ACSS employees refer to the If/Then table below:

<b>If</b>	<b>Then</b>
IDRS research does not indicate exempt status	<ol style="list-style-type: none"> <li>1. Route the taxpayer's written response or Form 4442 to Entity Control for determination of exempt status.</li> <li>2. Enter code "TOR1,45,CMNTS".</li> </ol>
IDRS research shows exempt status	<ol style="list-style-type: none"> <li>1. Input a TC 591 cc 025 to indicate the business is no longer required to file Form 940.</li> <li>2. If module on ACS input "TOC0,30, RDPND" or "TOS0,30, RDPND".</li> </ol>

(14) FA employees refer to the If/Then table below:

<b>If</b>	<b>Then</b>
IDRS research does not indicate exempt status	<ol style="list-style-type: none"> <li>1. Route the taxpayer's written response or Form 4442 to Entity Control for determination of exempt status.</li> <li>2. Enter code "TOR1,45,CMNTS".</li> </ol>
IDRS research shows exempt status	Input TC 591 cc 020 to indicate the business is no longer required to file Form 940.

- (15) If the taxpayer states they are not liable because the business is closed, see IRM 5.19.22.5.3.1.2, *BMF Response "Other"*.
- (16) If the taxpayer states they are not liable because the business is an LLC, see IRM 5.19.22.5.3.1.2.2, *BMF Response Limited Liability Company (LLC)*.
- (17) If the business merely had a change in the method of operation (e.g., sole proprietor to corporation or partnership to sole proprietor) during the notice period, so that the new entity is a successor employer see IRM 4.19.5.4.7.14, *Successor Employer* review accounts before requesting a Form 940.
- (18) For case resolution, the taxpayer can file a combined Form 940 on either TIN. Document AMS history with all research and actions taken, including TIN of the combined return, and follow procedures in the tables below.

**Note:** AM employees: See IRM 5.19.22.5.3(3), *BMF Return Delinquency Responses and Inquiries*

**Note:** For ACS, ACSS, CSCO and FA employees, when following procedures in the table below, if a credit balance remains on the account, you must follow all credit balance research procedures before closing the module with a TC 590, 591 or 593. See IRM 5.19.22.5.6, *Credit Balance Overview*.

- (19) CSCO employees refer to the If/Then table below:

If	Then
Form 940 was filed on the <b>old</b> TIN which included wages and tax liability for both TINs,	<ol style="list-style-type: none"> <li>1. Input a TC 590 cc 075 on the delinquent module on the "new" TIN.</li> <li>2. Close all open FR on the "old" TIN.</li> </ol>
Form 940 was filed on the <b>new</b> TIN which included wages and tax liability for both TINs,	<ol style="list-style-type: none"> <li>1. Input a TC 591 cc 075 using CC FRM49 on the delinquent module on the "old" TIN.</li> <li>2. Close all open FR on the "old" TIN.</li> </ol>
Form 940 was not filed (but research indicates wages paid).	<ol style="list-style-type: none"> <li>1. See IRM 5.19.22.5.3.1.3, <i>BMF Taxpayer Liable</i>.</li> </ol> <p><b>Note:</b> If research (per above IRM guidelines) indicates taxpayer filed a Form 940 but did not claim all wages paid, inform taxpayer of discrepancy and how to correct.</p>

- (20) ACS and ACSS employees refer to the If/Then table below:

If	Then
Form 940 was filed on the <b>old</b> TIN which included wages and tax liability for both TINs,	<ol style="list-style-type: none"> <li>1. Input a TC 590 cc 025 using CC FRM49 on the delinquent module on the “new” TIN.</li> <li>2. Close all open FR on the “old” TIN.</li> <li>3. If the account is on ACS, enter history code “TOC0,30,RDPND” or “TOS0,30,RDPND”. See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>
Form 940 was filed on the <b>new</b> TIN which included wages and tax liability for both TINs,	<ol style="list-style-type: none"> <li>1. Input a TC 591 cc 025 using CC FRM49 on the delinquent module on the “old” TIN.</li> <li>2. Close all open FR on the “old” TIN.</li> <li>3. If the account is on ACS, enter history code “TOC0,30,RDPND” or “TOS0,30,RDPND”. See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>
Form 940 was not filed (but research indicates wages paid).	<ol style="list-style-type: none"> <li>1. See IRM 5.19.22.5.3.1.3, <i>BMF Taxpayer Liable</i>.</li> </ol> <p><b>Note:</b> If research (per above IRM guidelines) indicates taxpayer filed a Form 940 but did not claim all wages paid, inform taxpayer of discrepancy and how to correct.</p>

(21) FA employees refer to the If/Then table below:

If	Then
Form 940 was filed on the <b>old</b> TIN which included wages and tax liability for both TINs,	<ol style="list-style-type: none"> <li>1. Input a TC 590 cc 020 using CC FRM49 on the delinquent module on the “new” TIN.</li> <li>2. Close all open FR on the “old” TIN.</li> <li>3. If the account is on ACS, enter history code “TOC0,21,RDPND” or “TOS0,21,RDPND”. See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>
Form 940 was filed on the <b>new</b> TIN which included wages and tax liability for both TINs,	<ol style="list-style-type: none"> <li>1. Input a TC 591 cc 020 using CC FRM49 on the delinquent module on the “old” TIN.</li> <li>2. Close all open FR on the “old” TIN.</li> <li>3. If the account is on ACS, enter history code “TOC0,21,RDPND” or “TOS0,21,RDPND”. See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>
Form 940 was not filed (but research indicates wages paid)	<ol style="list-style-type: none"> <li>1. See IRM 5.19.22.5.3.1.3, <i>BMF Taxpayer Liable</i>.</li> </ol> <p><b>Note:</b> If research (per above IRM guidelines) indicates taxpayer filed a Form 940 but did not claim all wages paid, inform taxpayer of discrepancy and how to correct.</p>

(22) If a taxpayer with household employees states they now report all wages on Schedule H with their Form 1040, document AMS history with all research and actions taken and follow procedures in the tables below.

**Note:** For ACS, ACSS, CSCO and FA employees, when following procedures in the table below, if a credit balance remains on the account, you must follow all credit balance research procedures before closing the module with a TC 590, 591 or 593. See IRM 5.19.22.5.6, *Credit Balance Overview*.

(23) CSCO employees refer to the If/Then table below:

If	Then
Research on RTVUE shows a Schedule H was filed on the taxpayer's Form 1040 return.	Input a TC 591 cc 075 to document the business is no longer required to file a Form 940.
Research on RTVUE shows a Schedule H was not filed on the taxpayer's Form 1040 return.	Send Letter 282-C or appropriate letter to inform taxpayer our records do not indicate they reported the FUTA taxes on their Form 1040. They have the option to file a Form 940 or correct and file their Form 1040. See IRM 5.19.22.5.3.1.3, <i>BMF Taxpayer Liable</i> .

(24) ACS and ACSS employees refer to the If/Then table below:

If	Then
Research on RTVUE shows a Schedule H was filed on the taxpayer's Form 1040 return.	<ol style="list-style-type: none"> <li>1. Input a TC 591 cc 025 to document the business is no longer required to file a Form 940.</li> <li>2. If the module is on ACS, enter the ACS history code "TOC0,30,RDPND" or "TOS0,30,RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>
Research on RTVUE shows a Schedule H was not filed on the taxpayer's Form 1040 return.	Inform taxpayer our records do not indicate they reported the FUTA taxes on their Form 1040. They have the option to file a Form 940 or correct and file their Form 1040. See IRM 5.19.22.5.3.1.3, <i>BMF Taxpayer Liable</i> .

(25) FA employees refer to the If/Then table below:

If	Then
Research on RTVUE shows a Schedule H was filed on the taxpayer's Form 1040 return.	<ol style="list-style-type: none"> <li>1. Input a TC 591 cc 040 to indicate the business is no longer required to file a Form 940.</li> <li>2. If the module is on ACS, enter the ACS history code "TOC0,21,RDPND" or "TOS0,21,RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>
Research on RTVUE shows a Schedule H was not filed on the taxpayer's Form 1040 return.	Inform taxpayer our records do not indicate they reported the FUTA taxes on their Form 1040. They have the option to file a Form 940 or correct and file their Form 1040. See IRM 5.19.22.5.3.1.3, <i>BMF Taxpayer Liable</i> .

5.19.22.5.3.1.2.4  
(01-27-2020)

**BMF Response Form 941 (Employer's QUARTERLY Federal Tax Return)**

- (1) If the taxpayer states they are not liable because the business is closed, see IRM 5.19.22.5.3.1.2, *BMF Response "Other"*.
- (2) If the business responds it is a seasonal or intermittent filer but does not indicate if they are liable, verify the filing requirements on ENMOD or INOLE. Document or change filing requirements to denote a casual/intermittent filer, if appropriate, using CC ENREQ. Refer to Document 6209 for BMF Filing Requirements.
- (3) If the business responds indicating they are a seasonal or intermittent filer and therefore not liable, document AMS history with all research and actions taken, including season/months of business operation, if applicable, and follow procedures in the tables below.

**Note:** For ACS, ACSS, CSCO and FA employees, if a credit balance remains on the account, you must follow all credit balance research procedures before closing the module with a TC 590, 591 or 593. See IRM 5.19.22.5.6, *Credit Balance Overview*.

- (4) CSCO employees refer to the If/Then table below:

If	Then
Response does not provide the dates of operation (i.e., open during summer months only, open during holiday season),	<ol style="list-style-type: none"> <li>1. Input a TC 590 cc 075 using CC FRM49 only on the quarters the business is responding to.</li> <li>2. For all other open return delinquency modules, see IRM 5.19.22.5.3.1.3, <i>BMF Taxpayer Liable</i>.</li> </ol>

If	Then
Response does provide the dates of operation (i.e., open during summer months only, open during holiday season).	Close all open return delinquency modules for all periods the business was not in operation by inputting a TC 590 cc 075 using CC FRM49.

(5) ACS and ACSS employees refer to the If/Then table below:

If	Then
Response does not provide the dates of operation (i.e., open during summer months only, open during holiday season)	<ol style="list-style-type: none"> <li>1. Input a TC 590 cc 025 using CC FRM49 only on the quarters the business is responding to.</li> <li>2. For all other open return delinquency modules, see IRM 5.19.22.5.3.1.3, <i>BMF Taxpayer Liable</i>.</li> <li>3. If the module is on ACS, enter history code, "TOC0,30,RDPND" or "TOS0,30,RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>
Response does provide the dates of operation (i.e., open during summer months only, open during holiday season)	<ol style="list-style-type: none"> <li>1. Close all open return delinquency modules for all periods the business was not in operation by inputting a TC 590 cc 025 using CC FRM49.</li> <li>2. If the account is on ACS, enter history code, "TOC0,30,RDPND" or "TOS0,30,RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>

(6) FA employees refer to the If/Then table below:

If	Then
Response does not provide the dates of operation (i.e., open during summer months only, open during holiday season)	<ol style="list-style-type: none"> <li>1. Input TC 590 cc 020 (using CC FRM49) only on the quarters the business is responding to.</li> <li>2. For all other open return delinquency modules follow procedures in IRM 5.19.22.5.3.1.3, <i>BMF Taxpayer Liable</i>.</li> <li>3. If the module is on ACS, enter history code, "TOC0,21,RDPND" "TOS0,21,RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>
Response does provide the dates of operation (i.e., open during summer months only, open during holiday season)	<ol style="list-style-type: none"> <li>1. Close all open return delinquency modules for all periods the business was not in operation by inputting a TC 590 cc 020 using CC FRM49.</li> <li>2. If the account is on ACS, enter history code, "TOC0,21,RDPND" or "TOS0,21,RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>

- (7) If a taxpayer with household employees states they currently report all their employment taxes on Schedule H with their Form 1040, research CC RTVUE to verify if they reported as stated. Document AMS history with all research and actions taken and follow procedures in the tables below.

**Note:** For ACS, ACSS, CSCO and FA employees, if a credit balance remains on the account, you must follow all credit balance research procedures before closing the module with a TC 590, 591 or 593. See IRM 5.19.22.5.6, *Credit Balance Overview*.

- (8) CSCO employees refer to the If/Then table below:

If	Then
Research indicates the taxpayer filed a Schedule H on their individual Form 1040 tax return,	<ol style="list-style-type: none"> <li>1. Input a TC 591 cc 075 to show the business is no longer required to file a Form 941.</li> <li>2. Close all FR's for Form 940, if appropriate.</li> </ol>

If	Then
Research on RTVUE shows a Schedule H was not filed on the taxpayer's Form 1040 return.	See IRM 5.19.22.5.3.1.3, <i>BMF Taxpayer Liable</i> .

(9) ACS and ACSS employees refer to the If/Then table below:

If	Then
Research on RTVUE shows a Schedule H was filed on the taxpayer's Form 1040 return.	<ol style="list-style-type: none"> <li>1. Input a TC 591 cc 025 indicating the business is no longer required to file a Form 941. <b>Note:</b> Close all FR's for Form 940, if appropriate.</li> <li>2. Close all FR's for Form 940, if appropriate.</li> <li>3. If the account is on ACS, enter history code "TOC0,30,RDPND" or "TOS0,30,RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>
Research on RTVUE shows a Schedule H was not filed on the taxpayer's Form 1040 return.	See IRM 5.19.22.5.3.1.3, <i>BMF Taxpayer Liable</i> .

(10) FA employees refer to the If/Then table below:

If	Then
Research on RTVUE shows a Schedule H was filed on the taxpayer's Form 1040 return.	<ol style="list-style-type: none"> <li>1. Input a TC 591 cc 020 to indicate the business is no longer required to file Form 941.</li> <li>2. Close all FR's for Form 940 if appropriate.</li> <li>3. If the account is on ACS, enter the ACS history code "TOC0,21,RDPND" or "TOS0,21,RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>
Research on RTVUE shows a Schedule H was not filed on the taxpayer's Form 1040 return.	See IRM 5.19.22.5.3.1.3, <i>BMF Taxpayer Liable</i> .

**Note:** See Publication 926, *Household Employer's Tax Guide*, and, Schedule H (Form 1040) *Household Employment Taxes* for additional information regarding filing requirements.

**Note:** If issuing correspondence to the taxpayer to address question(s) on or misunderstanding of Form 941 versus Form 944 filing requirements, Correspondex Letter 2284-C, *Delinquent Return (Form 940, 941, 943 and 944)*, contains existing paragraphs that address this issue. However, if another Correspondex letter better addresses the taxpayers issue(s), that letter can be sent instead.

- (11) If the Return Delinquency notice is requesting a delinquent Form 941, but the taxpayer states that they are a Form 944 filer for that year, research and verify via Form 944 cache indicator on CC BMFOLE to determine the correct FR for year of the delinquent tax period. The filing requirement for Form 941/944 can change based on whether the employers annual employment tax liability (that is, social security, Medicare, and withheld Federal income taxes) is \$1,000 or less. However, the taxpayer is sent prior notification if their filing requirement is changed. See IRM 5.19.22.5.3.1.2.6, *BMF Response Form 944, Employer's ANNUAL Federal Tax Return*, for additional information regarding the requirements for Form 944 criteria. Document AMS history with all research and actions taken and follow procedures below.

**Note:** For ACS, ACSS, CSCO and FA employees, if a credit balance remains on the account, you must follow all credit balance research procedures before closing the module with a TC 590, 591 or 593. See IRM 5.19.22.5.6, *Credit Balance Overview*.

- (12) For CSCO employees, if the taxpayer has Form 941 FR for that calendar year, and the taxpayer states they meet the criteria for Form 944 FR, and did not have employees for the delinquent quarter, then:
- a. Inform the taxpayer that our records indicate they are required to file Form 941 for the delinquent year, as based on a look-back period for that calendar year, although their tax for that year meets the Form 944 criteria.
  - b. Input TC 590, with appropriate closing code on the Form 941 quarter(s) the taxpayer states had no employees.
- (13) For ACS and ACSS employees, if the taxpayer has Form 941 FR for that calendar year, and the taxpayer states they meet the criteria for Form 944 FR, and did not have employees for the delinquent quarter, then:
- a. Follow procedures above.
  - b. If account is on ACS, input history code "TOC0,30,RDPND" or "TOS0,30,RDPND". See IRM 5.19.5-5, *ACS History Codes*.
- (14) For FA employees, if the taxpayer has Form 941 FR for that calendar year, and the taxpayer states they meet the criteria for Form 944 FR, and did not have employees for the delinquent quarter, then:
- a. Follow procedures above.
  - b. If account is on ACS, input history code "TOC0,21,RDPND" or "TOS0,21,RDPND". See IRM 5.19.5-5, *ACS History Codes*.

- (15) If a response is from an agricultural employer and they state Form 943 was filed instead of Form 941, research CC BMFOLI for filing history. If research validates taxpayers response, document AMS history with all research and actions taken and follow procedures below.
- Note:** For ACS, ACSS, CSCO and FA employees, if a credit balance remains on the account, you must follow all credit balance research procedures before closing the module with a TC 590, 591 or 593. See IRM 5.19.22.5.6, *Credit Balance Overview*.
- (16) For CSCO employees, if Form 943 posted for delinquent period, then:
- Input a TC 591 CC 075 using CC FRM49 on the Form 941 delinquent module.
  - Transfer any credits misapplied from Form 941 module(s) to the Form 943.
  - If any Form 941 were filed in error, follow procedures in IRM 21.7.2, *Employment and Railroad Tax Returns*.
- (17) For ACS and ACSS employees, if Form 943 posted for delinquent period, then:
- Input a TC 591 CC 025 using CC FRM49 on the Form 941 delinquent module.
  - Transfer any credits misapplied from Form 941 module(s) to the Form 943.
  - If any Form 941 were filed in error, follow procedures in IRM 21.7.2, *Employment and Railroad Tax Returns*.
  - If the account is on ACS, enter the ACS history code "TOC0,30,RDPND" or "TOS0,30,RDPND". See IRM 5.19.5-5, *ACS History Codes*.
- (18) For FA employees, if Form 943 posted for delinquent period, then:
- Input a TC 591 cc 020 using CC FRM49 on the Form 941 delinquent module.
  - Transfer any credits misapplied from Form 941 module(s) to the Form 943.
  - If any Form 941 were filed in error, follow procedures in IRM 21.7.2, *Employment and Railroad Tax Returns*.
  - If the account is on ACS, enter the ACS history code "TOC0,21,RDPND" or "TOS0,21,RDPND". See IRM 5.19.5-5, *ACS History Codes*.
- (19) If a Form 941 posted for delinquent period, then control or refer the case, see IRM 5.19.22.5.4, *Return Delinquency TIN and Entity Research*.
- (20) If neither Form 941 or Form 943 has posted, then see IRM 5.19.22.5.3.1.3, *BMF Taxpayer Liable*.
- (21) If research indicates taxpayer had wages paid over \$1,500 for a Form 941, in any given quarter (per tax period), the taxpayer may be liable to file a Form 940 for the applicable tax year. Complete research to determine if taxpayer needs to file a Form 940 whether it is in an open TDI status or not see IRM 5.19.22.5.3.1.2.3, *BMF Response Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return*. If there is no indication the taxpayer filed under another EIN send a letter to the taxpayer requesting the return.
- (22) Effective January 1, 2012, monthly filing and special deposit procedures became obsolete.

5.19.22.5.3.1.2.5  
(11-12-2015)

**BMF Response Form  
943 (Employer's Annual  
Federal Tax Return for  
Agricultural Employees)**

- (1) If taxpayer states not liable for Form 943 as they reported under their Individual return Form 1040 (Schedule F), research cross reference SSN on Form 1040 Schedule F for wages paid. Input TC 590 cc 075 on module if applicable.
- (2) If a response is from an agricultural employer and they state Form 941 was filed instead of Form 943, research CC BMFOLI for filing history, document AMS history with all research and actions taken and follow procedures below.

**Note:** For ACS, ACSS, CSCO and FA employees, if a credit balance remains on the account, you must follow all credit balance research procedures before closing the module with a TC 590, 591 or 593. See IRM 5.19.22.5.6, *Credit Balance Overview*.

- (3) For CSCO employees, if a Form 941 posted for delinquent period, then:
  - a. Input a TC 591 CC 075 using CC FRM49 on the Form 943 delinquent module.
  - b. Transfer any credits misapplied from Form 943 module(s) to the Form 941.
  - c. If any Form 943 returns were filed in error, follow procedures in IRM 21.7.2, *Employment and Railroad Tax Returns*.
- (4) For ACS and ACSS employees, if a Form 941 posted for delinquent period, then:
  - a. Input a TC 591 CC 025 using CC FRM49 on the Form 943 delinquent module.
  - b. Transfer any credits misapplied from Form 943 module(s) to the Form 941.
  - c. If any Form 943 returns were filed in error, follow procedures in IRM 21.7.2, *Employment and Railroad Tax Returns*.
  - d. If the account is on ACS, enter the ACS history code "TOC0,30,RDPND" or "TOS0,30,RDPND". See IRM 5.19.5-5, *ACS History Codes*.
- (5) For FA employees, if a Form 941 posted for delinquent period, then:
  - a. Input a TC 591 CC 020 using CC FRM49 on the Form 943 delinquent module.
  - b. Transfer any credits misapplied from Form 943 module(s) to the Form 941.
  - c. If any Form 943 returns were filed in error, follow procedures in IRM 21.7.2, *Employment and Railroad Tax Returns*.
  - d. Document AMS of actions taken.
  - e. If the account is on ACS, enter the ACS history code "TOC0,21,RDPND" or "TOS0,21,RDPND". See IRM 5.19.5-5, *ACS History Codes*.

**Note:** If there is a credit balance on the module, **you must** follow all procedures in IRM 5.19.22.5.6, *Credit Balance Overview* before closing the module with a TC 590, 591 or 593.

- (6) If the taxpayer responds indicating they have agricultural employees and filed a Form 941, control or refer the case, see IRM 5.19.22.5.4, *Return Delinquency TIN and Entity Research*.
- (7) If neither Form 943 nor Form 941 has posted, see IRM 5.19.22.5.3.1.3, *BMF Taxpayer Liable*.

5.19.22.5.3.1.2.6  
(07-07-2016)  
**BMF Response Form  
944, Employer's  
ANNUAL Federal Tax  
Return**

- (8) If the taxpayer states they are not liable because the business is an LLC, IRM 5.19.22.5.3.1.2.2, *BMF Response Limited Liability Company (LLC)*.

- (1) If the taxpayer states that during the period in question the total tax liability is \$2,500 or more, notify the taxpayer they are still required to file the Form 944 for the delinquent tax period and can **only** change their filing requirement for the current tax year.

**Note:** To assist and prevent taxpayer burden educate the taxpayer on the business rules for the Form 944 program. Inform the taxpayer they can only change the filing requirement from a Form 941 to Form 944 or vice-versa during a specified period of time prior to the filing of the return. For additional information see IRM 21.7.2.4.9, *Form 944, Employer's ANNUAL Federal Tax Return*.

- (2) An entity cannot have an open FR for both Form 941 and Form 944 within the same tax year. However, if a return posts (TC 150) to the incorrect FR for the year in question, input a TC 590 on the open TDI. If a TC 291 is present on the module indicating the return was reversed, forward to AM to add tax back onto the module.

**Note:** When forwarding request to AM clearly notate actions to be taken and reason.

- (3) Entities that are exempt to the Form 944 program:

- Household and agricultural employers,
- Taxpayers with a LB&I BOD code,

- (4) Since Form 944 is considered interchangeable or a successor to Form 941, Form 944 information can be discussed with a valid Form 2848 or Form 8821 that states "Employment taxes" as the type of tax information, or lists Form 941 or Form 944 as the tax form number. Reporting agents do not have the authority to opt-out of the program for their clients.

- (5) As of January 2009, a "F944 CACHE" field was created on CC ENMOD and BMFOLE to indicate tax years (2006-2015) for Form 944 filing requirement.

- CC BMFOLE displays the cache on the second page, with an indicator "1" on each year the taxpayer is liable to file Form 944, and "blank" if the filing requirement is other than Form 944.
- CC BMFOLE displays the cache with an indicator "2", An indicator "2" in a cache field means that the taxpayer is liable for a Form 944 for the current year and will be liable for a Form 941 in the following year. At the close of a current year, an indicator "2" automatically updates to an indicator "1".
- CC ENMOD displays the cache on the first page, with a "1" under the tax years the taxpayer has a Form 944 FR, and "9" if the FR is other than Form 944.

**Note:** The FR indicator on CC ENMOD displays the current tax year filing requirement and is not necessarily indicative for prior tax years due to the unique programming of the Form 944 .

**Note:** This is an exception to the rule to prevent any further confusion to the taxpayer. This exception “only” applies when a return is **already** posted to an account.

- (6) Document AMS history with all research and actions taken and follow procedures in the table below:

**Note:** For ACS, ACSS, CSCO and FA employees, if a credit balance remains on the account, you must follow all credit balance research procedures before closing the module with a TC 590, 591 or 593. See IRM 5.19.22.5.6, *Credit Balance Overview*.

- (7) If Form 944 FR was not effective for the calendar year of the RD module and the taxpayer is liable to file Form 941 for the delinquent module, and there were wages or withholding for the RD tax period, then see IRM 5.19.22.5.3.1.3, *BMF Taxpayer Liable*.
- (8) For CSCO employees, if Form 944 FR was effective for the calendar year and they are not liable to file, then:
- Input TC 590 cc 075 on the RD module, and any other open RD Form 941 modules for the RD calendar year.
  - If the taxpayer’s current FR is Form 944, input TC 590 cc 075 on the Form 941 RD module.
- (9) For ACS and ACSS employees, if Form 944 FR was effective for the calendar year and they are not liable to file, then:
- Input TC 590 cc 025 on the RD module, and any other open RD Form 941 modules for the RD calendar year.
  - If the account is on ACS, enter the ACS history code “TOC0,30,RDPND” or “TOS0,30,RDPND”. See IRM 5.19.5-5, *ACS History Codes*.
  - If the taxpayer’s current FR is Form 944, input TC 590 cc 025 on the Form 941 RD module.
- (10) For FA employees, if Form 944 FR was effective for the calendar year and they are not liable to file, then:
- Input TC 590 cc 020 on the RD module, and any other open RD Form 941 modules for the RD calendar year.
  - If the account is on ACS, enter the ACS history code “TOC0,21,RDPND” or “TOS0,21,RDPND”. See IRM 5.19.5-5, *ACS History Codes*.
  - If the taxpayer’s current FR is Form 944, input TC 590 cc 020 on the Form 941 RD module.
- (11) **Do not change filing requirements from a Form 944 to Form 941 or vice versa on a subsequent year based on a prior year filing.** See IRM 21.7.2.4, *Employment Tax Returns Procedures*, for additional guidance.
- (12) If research determines the taxpayer is not liable to file Form 944 for the tax period indicated, IRM 5.19.22.5.3.1.1, *BMF Response Taxpayer Not Liable*.

**Note:** If additional information is needed on Form 944 issues not covered in this section see IRM 21.7.2.4.9, *Form 944, Employer’s ANNUAL Federal Tax Return*.

5.19.22.5.3.1.2.7  
(07-09-2020)  
**BMF Response Forms  
966 (Corporate  
Dissolution or  
Liquidation)**

- (1) A corporation must file **Form 966** Corporate Dissolution or Liquidation, if it adopts a resolution or plan to dissolve the corporation or liquidates any of its stock.
- (2) Form 966 is required to be filed within 30 days after the resolution or plan is adopted to dissolve the corporation or liquidate any of its stock.
- (3) If **line 10** of Form 966 refers to “**Sec.1361(b)(3)(B)**” the form must be referred to the appropriate Entity area for review of intent of Q-sub election.
- (4) If a Form 966 is received with the statement, “**Filed Pursuant to Notice 97-4**” refer the form to the appropriate Entity area.
- (5) If a Form 966 is received “**without**” the statement “**Filed Pursuant to Notice 97-4**”, or if the taxpayer refers to line 10 “Section 331 or 332” on the Form 966 (which identifies a partial or complete liquidation), refer to the table below to close the filing requirements and forward the Form 966 to files:
  - a. Code the top of each Form 966 received with name control, and tax period.
  - b. Review CC ENMOD to identify if there are open filing requirements (FR) on the entity. If there are open FR on the entity, use the date in Box 7A as the dissolution date to close filing requirements. If there is no final year indicated, no date on Box 7A, use the current year as the final year.
  - c. Input the “date business closed” on CC ENMOD.
  - d. It is not necessary to research to validate whether the taxpayer is liable to file or not since the taxpayer signed the Form 966 validating their dissolution of the corporation.
  - e. For ACS, ACSS, CSCO and FA employees, if a credit balance remains on the account, you must follow all credit balance research procedures before closing the module with a TC 590, 591 or 593. See IRM 5.19.22.5.6, *Credit Balance Overview*.
  - f. Document AMS history with all research and actions taken, including the dissolution date, and follow procedures in the table below to close the applicable filing requirements:

If	Then
For CSCO,	1. Input TC 591 cc 75 (using CC FRM49) on period subsequent to dissolution date. 2. If the taxpayer <i>is on the telephone</i> and states there is a liability on the current year return, inform the taxpayer they are required to file a final return. However, do not remove the filing requirements.

If	Then
For ACS and ACSS Employees,	<ol style="list-style-type: none"> <li>1. Input TC 591 cc 25 (using CC FRM49) on periods subsequent to the dissolution date.</li> <li>2. If the taxpayer <i>is on the telephone</i> and states there is a liability on the current year return, inform the taxpayer they are required to file a final return. However, do not remove the filing requirements.</li> <li>3. If the account is on ACS, enter history code "TOC0,30,RDPND" or "TOS0,30,RDPND" .</li> </ol>
For FA Employees.	<ol style="list-style-type: none"> <li>1. Input TC 591 cc 20 (using CC FRM49) on period subsequent to dissolution date.</li> <li>2. If you are speaking to the taxpayer <i>on the telephone</i> and states there is a liability on the current year return, inform the taxpayer they are required to file a final return. However, do not remove the filing requirements.</li> <li>3. If the account is on ACS, enter the history code "TOC0,21,RDPND" or "TOS0,21,RDPND" .</li> </ol>

- g. These forms do not get processed or assigned a DLN as the form is only used to inform the IRS of the dissolution of their corporation. Forward the Form 966 directly to appropriate Campus Support site (files) via Form 3210. See also IRM 3.5.61.1.9 , *Ramped Down Campuses - Processing of Documents*, for additional information.

**Note:** Form 966 for various years can be sent to Files using one (or the same) Form 3210. Complete a Form 3210, in the "remarks" section, write: "Form 966 - file and maintain in the alpha files".

- (6) If received in Philadelphia forward form(s) along with Form 3210 to:

IRS, Ogden Submission Processing Center

1973 N. Rulon White Blvd., Mail Stop 6722

Ogden, UT 84201-1000

- (7) If Form 966 is received, use current year as last return due. If form not secured, request it from taxpayer, and close the following years as explained above.
- (8) Input "Out of Business date on CC ENMOD" if date is provided on Form 966 . An "Out of Business date" can not be input or created more than 12 months after the current date.

**Note:** For documenting the taxpayer is closing the business more than 12 months in the future, document AMS with future closing date and forward to files area within Submission Processing. Do not close the filing requirements.

5.19.22.5.3.1.2.8  
(11-12-2015)  
**BMF Response Form 1041, U.S. Income Tax Return for Estates and Trusts**

(9) On all actions above, document AMS of all pertinent information including actions taken.

(1) If taxpayer responds stating they filed a Form 990 instead of a Form 1041. Review the account, if research shows a TC 598 cc 032 or cc 097, this indicates the taxpayer’s exempt status has been revoked and they are required to file Form 1041. For additional information see IRM 5.19.22.5.3.1.2.11, *BMF Response Form 990, Return of Organization Exempt From Income Tax*.

(2) All return delinquency issues and coding, along with the preparation of the return for processing are completed at the receiving site, and only the “Form 1041 Return” is sent to CSPC for processing.

(3) The type of trusts reported on Form 1041 are:

- Decedent’s Trust - The fiduciary must file for the estate of a domestic.
- Trust - The fiduciary must file for domestic trust taxable under IRC Sec 641.
- Bankruptcy Estate - The fiduciary must file for an estate of an individual involved in bankruptcy proceeding under Chapter 7 or 11.

**Note:** See IRM 21.7.4.4.1, *Form 1041, U.S. Income Tax for Estates and Trusts*, for additional information.

(4) If response indicates no liability for Form 1041 because the trust did not have sufficient income, document AMS history with all research and actions taken and follow procedures in the table below:

**Note:** For ACS, ACSS, CSCO and FA employees, if a credit balance remains on the account, you must follow all credit balance research procedures before closing the module with a TC 590, 591 or 593. See IRM 5.19.22.5.6, *Credit Balance Overview*.

**Note:** AM employees: See IRM 5.19.22.5.3(3), *BMF Return Delinquency Responses and Inquiries*

If	Then
For CSCO Employees,	Input TC 590 cc 075 using CC FRM49.
For ACS and ACSS Employees,	1. Input TC 590 cc 025 using CC FRM49. 2. If the account is on ACS, enter ACS history code “TOC0,30,RDPND” or “TOS0,30,RDPND”. See IRM 5.19.5-5, <i>ACS History Codes</i> .
For FA Employees.	1. Input TC 590 cc 020 using CC FRM49. 2. If the account is on ACS, enter history code “TOC0,21,RDPND” or “TOS0,21,RDPND”. See IRM 5.19.5-5, <i>ACS History Codes</i> .

(5) If response indicates there is no current or future liability for Form 1041 or it describes a trust with any of the following terms, document AMS history with all research and actions taken and follow procedures in the table below:

**Note:** For ACS, ACSS, CSCO and FA employees, if a credit balance remains on the account, you must follow all credit balance research procedures before closing the module with a TC 590, 591 or 593. See IRM 5.19.22.5.6, *Credit Balance Overview*.

**Note:** AM employees: See IRM 5.19.22.5.3(3), *BMF Return Delinquency Responses and Inquiries*

- Unfunded Trust (trust set up but no money credited)
- Grantor Trust (taxpayer filed for information purposes only)
- Charitable Remainder (taxpayer files for information purposes only)
- Revocable Trust (filing for information purposes only)
- Keogh Plan (retirement plan for self-employed individuals)
- Retirement Plan
- Custody Account
- Agency Account
- Employee Benefit Account
- Life Insurance Trust
- Guardian and Conservator
- Ancillary Trust
- Charitable Revocable Unfunded Trust (CRUT)
- Substantial Owner (taxpayer files for information purposes only)

If	Then
For CSCO Employees,	Input TC 591 cc 075 using CC FRM49.
For ACS and ACSS Employees,	1. Input TC 591 cc 025 using CC FRM49. 2. If the account is on ACS, enter history code "TOC0,30,RDPND" or "TOS0,30,RDPND"
For FA Employees.	1. Input TC 591 cc 020 using CC FRM49. 2. If the account is on ACS, enter history code "TOC0,21,RDPND" or "TOS0,21,RDPND" .

5.19.22.5.3.1.2.9  
(11-12-2015)  
**BMF Response Form  
1065, U.S. Return of  
Partnership Income**

- (1) If the taxpayer states the partnership only consists of a husband and wife partnership, they may opt to file as a “ **Qualified Joint Venture- Husband and Wife**” on their personal tax return. For tax years beginning after December 31, 2006, the Small Business and Work Opportunity Tax Act of 2007 (Public Law 110-28) provides that a “qualified joint venture” whose only members of the partnership are husband and wife have the option to report their partnership income on their joint tax return and elect not to be treated as a partnership for Federal tax purposes. Taxpayers can report their business earnings, expenses, etc. as sole proprietors under Schedule C on their 1040 tax return. The taxpayer must divide all items of income, gain, losses, deductions, and credit between them in accordance with their respective interests in the business, and report the income and deductions on their jointly filed federal tax return. Refer to IRM 21.7.4.4.2, *Form 1065, U.S. Return of Partnership Income* for additional information.
- a. If a taxpayer states they are a husband and wife partnership and/or they filed the delinquent year as a “qualified joint venture” and reported their

- business income on their joint individual Federal tax return - verify if taxpayer reported the income on their individual tax return.
- b. If it is determined by research the taxpayers included their partnership income on their personal joint tax return, input TC 590, with the appropriate closing code on the delinquent tax year for the Form 1065.
  - c. If the taxpayer states they will no longer file as a partnership, or dissolving partnership, and will continue to file as a joint venture, input a TC 591 with the appropriate closing code.
- (2) Taxpayer states they have not filed Form 1065 but are filing Form 1120 or vice versa, input a TC 591 on the inappropriate MFT to close the FR for that form. Document AMS of actions taken.
  - (3) If taxpayer states they are not liable because the partnership has dissolved, see (Link to other response section)
  - (4) If the response indicates no liability for filing based on any of the following situations:

**Note:** AM employees: See IRM 5.19.22.5.3(3), *BMF Return Delinquency Responses and Inquiries*

- a. Joint venture (an association for investment purposes only that conducts no business),
  - b. Doctors and lawyers who have a common secretary, office manager, etc.,
  - c. Husband and wife partnership,
  - d. IRC 761(a) election was made,
  - e. Partnership for investment only, not active business,
  - f. Partnership for joint production, extraction, or use of property, not for selling services or property produced or extracted, or
  - g. Partnership made up of dealers in securities for a short period for the purpose of underwriting, selling, or distributing a particular security,
  - h. Disregarded Entity (for additional information see IRM 21.7.13.4.3.5, *Disregarded Entities*),
- Note:** If a disregarded entity has employees they may still be required to file employment taxes.
- i. If the taxpayer states they are not liable because the business is an LLC, see IRM 5.19.22.5.3.1.2.2, *BMF Response Limited Liability Company (LLC)*.
- (5) Document AMS history with all research and actions taken and follow procedures in the table below:

**Note:** For ACS, ACSS, CSCO and FA employees, if a credit balance remains on the account, you must follow all credit balance research procedures before closing the module with a TC 590, 591 or 593. See IRM 5.19.22.5.6, *Credit Balance Overview*.

If	Then
For CSCO Employees,	Input TC 591 cc 075 using CC FRM49.
For ACS and ACSS Employees,	1. Input TC 591 cc 025 using CC FRM49. 2. If the account is on ACS, enter history code "TOC0,30,RDPND" or "TOS0,30,RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i> .
For FA Employees.	1. Input TC 591 cc 020 using CC FRM49. 2. If the account is on ACS, enter history code "TOC0,21,RDPND" or "TOS0,21,RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i> .

- (6) If the partnership states they did not receive any income and did not pay or incur any expenses, they are not considered to engage in a trade or business, and are not required to file a Form 1065, document AMS history with all research and actions taken and follow procedures in the table below:

**Note:** For ACS, ACSS, CSCO and FA employees, if a credit balance remains on the account, you must follow all credit balance research procedures before closing the module with a TC 590, 591 or 593. See IRM 5.19.22.5.6, *Credit Balance Overview*.

**Note:** AM employees: See IRM 5.19.22.5.3(3), *BMF Return Delinquency Responses and Inquiries*.

If	Then
For CSCO Employees,	Input TC 590 cc 075 using CC FRM49.
For ACS and ACSS Employees,	1. Input TC 590 cc 025 using CC FRM49. 2. If the account is on ACS, enter history code "TOC0,30,RDPND" or "TOS0,30,RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i> .
For FA Employees.	1. Input TC 590 cc 020 using CC FRM49. 2. If the account is on ACS, enter history code "TOC0,21,RDPND" or "TOS0,21,RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i> .

5.19.22.5.3.1.2.10  
(11-12-2015)

**BMF Response Form 1120 (Series), U.S. Corporation Income Tax Return**

- (1) If the taxpayer states the corporation is a Form 1120-S filer and TC 090 is not present on ENMOD, document AMS history with all research and actions taken and follow procedures in the table below:

**Note:** AM employees: See IRM 5.19.22.5.3(3), *BMF Return Delinquency Responses and Inquiries*.

If	And	Then
A return was filed and a UPC310/RJ150 is on module,	The account is in Notice Status 02,	Input delay C15 using CC ASGNB, see IRM 5.19.22.5.1.1, <i>Accelerate and/or Delay To TDI Status 03</i> for additional information on accelerating to ACS.
A return was filed and a UPC310/RJ150 is on module,	Account is in TDI Status 03,	If the account is on ACS, enter history code <b>OADT,45,CMNTS</b> . See IRM 5.19.5-5, <i>ACS History Codes</i> .
No return has been filed.	Account is in Notice Status 02,	<ol style="list-style-type: none"> <li>1. Refer taxpayer's correspondence or Form 4442 to Entity Control.</li> <li>2. Input delay C08 using CC ASGNB to accelerate account to ACS. See IRM 5.19.22.5.1.1, <i>Accelerate and/or Delay To TDI Status 03</i>, for additional information.</li> <li>3. Send Letter 86-C to taxpayer to inform their account was referred to Entity, if applicable.</li> </ol>
No return has been filed.	Account is in TDI Status 03,	<ol style="list-style-type: none"> <li>1. Refer the taxpayer's correspondence or Form 4442 to Entity.</li> <li>2. Send Letter 86-C to taxpayer to inform their account was referred to Entity, if applicable.</li> <li>3. If the account is on ACS, enter history code "OADT,45,CMNTS". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>

**Note:** If research indicates a TC 090 present on the module the Filing Year Month (FYM) now becomes a 12.

- a. If the corporation states a Form 990 series has been or will be filed instead of Form 1120, document AMS history with all research and actions taken and follow procedures in the table below:

**Note:** For ACS, ACSS, CSCO and FA employees, if a credit balance remains on the account, you must follow all credit balance research procedures before closing the module with a TC 590, 591 or 593. See IRM 5.19.22.5.6, *Credit Balance Overview*.

If	And	Then
No previous filing history,	Account is in Notice Status 02,	<ol style="list-style-type: none"> <li>1. Refer account to Entity. <b>Note:</b> Attach any pertinent information on Form 4442 or appropriate form.</li> <li>2. Input delay C08 using CC ASGNB. to accelerate to ACS, see IRM 5.19.22.5.1.1, <i>Accelerate and/or Delay To TDI Status 03</i></li> <li>3. Send Letter 86-C to taxpayer to inform them of referral to Entity, if applicable.</li> </ol>
No previous filing history,	Account is in TDI Status 03,	<ol style="list-style-type: none"> <li>1. Refer account to Entity. <b>Note:</b> Attach any pertinent information on Form 4442 or appropriate form.</li> <li>2. Send Letter 86-C to taxpayer to inform them of referral to Entity, if applicable.</li> <li>3. If the account is on ACS, enter history code "OADT, 45, CMNTS". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>

If	And	Then
Research indicates Exempt Status (Form 990) has been revoked (TC 598 cc 032 or cc 97).	For CSCO, ACS, ACSS and FA employees,	Inform the taxpayer their exempt status has been revoked and they are required to file Form 1120.
Form 990 (MFTs 33, 34, 44, 56, or 67) has been filed.	For CSCO Employees,	Input TC 591 cc 075 using CC FRM49 (on the Form 1120 module).
Form 990 (MFTs 33, 34, 44, 56, or 67) has been filed.	For ACS and ACSS Employees,	<ol style="list-style-type: none"> <li>1. Input TC 591 cc 025 using CC FRM49 (on the 1120 module).</li> <li>2. If the account is on ACS, enter history code "TOC0, 30, RDPND" or "TOS0, 30, RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>
Form 990 (MFTs 33, 34, 44, 56, or 67) has been filed.	For FA Employees.	<ol style="list-style-type: none"> <li>1. Input TC 591 cc 020 using CC FRM49 (on the Form 1120 module).</li> <li>2. If the account is on ACS, enter history code "TOC0, 21, RDPND" or "TOS0, 21, RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>

- (2) Corporations that are connected to a parent corporation by stock ownership in a chain of corporations are considered subsidiaries. The parent corporation files one Form 1120 for all corporations involved as a consolidated return. If taxpayer's response states a consolidated Form 1120 tax return was or will be filed by a parent corporation, document AMS history with all research and actions taken, including the parent company TIN if secured, and follow procedures in the table below:

**Note:** For ACS, ACSS, CSCO and FA employees, if a credit balance remains on the account, you must follow all credit balance research procedures before

closing the module with a TC 590, 591 or 593. See IRM 5.19.22.5.6, *Credit Balance Overview.*:

**Note:** AM employees: See IRM 5.19.22.5.3(3), *BMF Return Delinquency Responses and Inquiries*

If	And	Then
Parent TIN is provided and there is a Form 1120 or Form 990C FR,	For CSCO Employees,	Input TC 590 cc 014 using CC FRM49. Research CC BMFOLE to determine the parent NAICS code [North American Industry Classification System]. If unavailable use 999000.
Parent TIN is provided and there is a Form 1120 or Form 990C FR,	For ACS, ACSS and FA Employees,	<ol style="list-style-type: none"> <li>1. Input TC 590 cc 014 using CC FRM49. Research CC BMFOLE to determine the parent NAICS code. If unavailable use 999000.)</li> <li>2. If the account is on ACS, enter history code "TOC0, 30, RDPND" or "TOS0, 30, RDPND ". See IRM 5.19.5-5, <i>ACS History Codes.</i></li> </ol>
No Parent TIN is provided, or there is no Form 1120 or 990C FR on the parent TIN.	Not available on BMFOLE.	See IRM 5.19.22.5.3.1.2, <i>BMF Response "Other"</i> .

(3) If the taxpayer states the corporation merged with another corporation and all returns will be filed under merged corporation’s TIN, document AMS history with all research and actions taken, including the TIN of the merged corporation as appropriate, and follow procedures in the table below:

**Note:** For ACS, ACSS, CSCO and FA employees, if a credit balance remains on the account, you must follow all credit balance research procedures before closing the module with a TC 590, 591 or 593. See IRM 5.19.22.5.6, *Credit Balance Overview.*

If	And	Then
The merge date is prior to the notice period	For CSCO Employees,	<ol style="list-style-type: none"> <li>1. Input TC 591 cc 075 using CC FRM49.</li> <li>2. Close all open FR on the notice (old) TIN.</li> <li>3. Transfer any credits to the merged (new) TIN.</li> </ol>
The merge date is prior to the notice period	For ACS and ACSS Employees,	<ol style="list-style-type: none"> <li>1. Input TC 591 cc 025 using CC FRM49.</li> <li>2. Close all open FR on notice (old) TIN.</li> <li>3. Transfer any credits to the merged (new) TIN.</li> <li>4. If the account is on ACS, enter history code, "TOC0, 30, RDPND" or "TOS0, 30, RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>
The merge date is prior to the notice period	For FA Employees,	<ol style="list-style-type: none"> <li>1. Input TC 591 cc 020 using CC FRM49.</li> <li>2. Close all open FR on notice (old) TIN.</li> <li>3. Transfer any credits to the merged (new) TIN.</li> <li>4. If the account is on ACS, enter history code "TOC0, 21, RDPND" or "TOS0, 21, RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>

If	And	Then
The merge date is after the beginning of the notice period,	Intentionally left blank	A short period return is due, see IRM 5.19.22.5.3.1.3, <i>BMF Taxpayer Liable</i> .
No merge date is given.	Intentionally left blank	See IRM 5.19.22.5.3.1.2, <i>BMF Response "Other"</i> .

(4) For all other responses, follow the chart below:

If	And	Then
Taxpayer indicates the corporation was closed	Intentionally left blank	see IRM 5.19.22.5.3.1.2, <i>BMF Response "Other"</i> .
Taxpayer indicates the corporation became inactive or dormant (i.e., no activity, no income, no gains, no losses)	Provides a date	see IRM 5.19.22.5.3.1.2, <i>BMF Response "Other"</i> .
Taxpayer indicates the corporation was inactive or dormant during the tax period on the notice	Does not provide a date	Input a TC 590 with appropriate CC on the notice module only using command code FRM49. See IRM 5.19.22.5.3.1, <i>BMF Response with No Returns</i> .
Taxpayer states they are not liable because the business is an LLC or disregarded entity	Intentionally left blank	see IRM 5.19.22.5.3.1.2.2, <i>BMF Response Limited Liability Company (LLC)</i> . <b>Note:</b> If a disregarded entity has employees they may still be required to file employment taxes.
Taxpayer states they file the income information on their Schedule C of Form 1040	Intentionally left blank	<ul style="list-style-type: none"> <li>They are still required to file a Form 1120.</li> <li>See IRM 5.19.22.5.3.1.3, <i>BMF Taxpayer Liable</i>.</li> </ul>

- (5) If a credit balance remains on the account, research and attempt to resolve the credit balance by following credit balance research procedures. See IRM 5.19.22.5.6, *Credit Balance Research Overview*.

5.19.22.5.3.1.2.11 (1) Use the following Chart to resolve responses on Form 990.  
(06-19-2018)

**BMF Response Form 990, Return of Organization Exempt from Income Tax**

If	And	Then
<p>a. Exempt Organization status code 97 appears on ENMOD (EO-STAT), INOLES (STS-CD) or BMFOLO (Current Status CD), the exempt status has been systemically recognized as revoked.</p> <p>b. The taxpayer has not filed the required Form 990 series for three consecutive years, beginning with tax year 2007 and if the due date (or extended due date) of the third year's filing has passed, the tax exempt status will be revoked even though status code 97 has not been generated.</p>	<p>Determine whether the tax-exempt status has been revoked or will be revoked because the organization has failed to file its Form 990 series for three consecutive years and the due date (or extended due date) of the third year's filing has passed:</p>	<ul style="list-style-type: none"> <li>• If the tax exempt status has been or will be revoked, no further action is required to secure a return or initiate a referral. Close the delinquent return modules by inputting: TC 598 cc 032 for ACS/ACSS TC 598 cc 082 for CSCO</li> <li>• Document action on AMS</li> </ul> <p><b>Note:</b> A prior closed delinquent return does not indicate a return was filed.</p>
<p>The tax-exempt status has been or will be revoked,</p>	<p>Intentionally left blank</p>	<ul style="list-style-type: none"> <li>• No further action is required to secure a Form 990 return or initiate a referral.</li> <li>• Close the delinquent Form 990 modules by inputting TC 598 cc 032 for ACS/ACSS TC 598 cc 082 for CSCO.</li> <li>• Document action taken on AMS</li> </ul> <p><b>Note:</b> The Form 990 filing requirement will convert to a Form 1120 or Form 1041 effective beginning with the tax year after the revocation.</p>

If	And	Then
<p>The taxpayer has filed a Form 990 series for one or more of the three previous years, the exempt status is retained</p>	<p>A Form 990 is due for the un-filed years.</p>	<ul style="list-style-type: none"> <li>• Contact the taxpayer and request the filing of the appropriate Form 990</li> <li>• Use the filing threshold chart and information obtained from the taxpayer to determine which Form 990 series filing is required (Form 990, Form 990-EZ, Form 990-PF, Form 990-N ). See the <i>Form 990 Series Which Forms Do Exempt Organizations File Filing Phase In</i> page on <a href="http://www.irs.gov">www.irs.gov</a>. <b>Note:</b> If the taxpayer is a Form 990-N filer <b>do not secure a return.</b></li> <li>• For current year Form 990-N filings ask the taxpayer to submit the electronic Form 990-N , or “e-Postcard”, online by visiting the IRS website at <i>Tax Information for Charities &amp; Other Non-Profits</i>. The e-Postcard online process can only be used for the current tax year (i.e., an organization’s tax year 2009 Form 990-N can only be filed after its tax year 2009 has ended and before its next tax year ends.)</li> <li>• For more information regarding the IRM 990-N (e-Postcard), visit the frequently asked questions (FAQs) at: <i>Annual Electronic Filing Requirement for Small Exempt Organizations — Form 990-N (e-Postcard)</i>.</li> </ul>
<p>All applicable Form 990 series filings are <b>not</b> secured,</p>	<p>Intentionally left blank</p>	<ul style="list-style-type: none"> <li>• Warn the taxpayer of possible revocation if the organization fails to file for three consecutive years</li> <li>• Close the delinquent return modules by inputting TC 598 cc 032 for ACS/ACSS TC 598 cc 082 for CSCO</li> <li>• It is not necessary to set a deadline date or to confirm filing. If the taxpayer does not file, TE/GE will revoke the tax-exempt status.</li> </ul>

If	And	Then
The taxpayer is liable	Intentionally left blank	<ul style="list-style-type: none"> <li>• Request the returns be filed and mailed to: 1 973 Rulon White Blvd, Ogden, UT 84404,</li> <li>• Close the return delinquency modules by inputting TC 598 cc 032 for ACS/ACSS TC 598 cc 082 for CSCO/AM</li> <li>• Document AMS comments that the open TDIs were shelved per Collection Policy Interim Guidance SBSE-05-0711-052.</li> <li>• If the account is on ACS, input a 30-day follow-up time frame for the open modules to drop off ACS.</li> </ul>

5.19.22.5.3.1.2.12  
(11-12-2015)

**BMF Response Form  
2290, Heavy Highway  
Vehicle Use Tax Return**

(1) All Form 2290 correspondence received in Collection Operations and the module is **not** in Status 02 or 03 must be sent to the:

Cincinnati Campus, CIRSC Excise,

Stop 5701G

(2) If the taxpayer is liable for filing a Form 2290, document AMS history with all research and actions taken, including the date vehicle was first used during the taxable period, if applicable, and follow procedures in the table below:

**Note:** For ACS, ACSS, CSCO and FA employees, if a credit balance remains on the account, you must follow all credit balance research procedures before closing the module with a TC 590, 591 or 593. See IRM 5.19.22.5.6, *Credit Balance Overview*.

If	And	Then
Vehicle was in use in July,	Intentionally left blank	See IRM 5.19.22.5.3.1.3 <i>BMF Taxpayer Liable</i>
Vehicle was first used after July and the short period return (the beginning year and month the vehicle is registered. If the first month of use is January, 2011, the tax module would be '201101' ) has been filed.	For CSCO Employees,	<ol style="list-style-type: none"> <li>1. Input TC 590 cc 075 on the full (12 month) tax period beginning module (TXYRO7).</li> <li>2. For the short period return, see IRM 5.19.22.5.3.1.2, <i>BMF Response "Other"</i>.</li> </ol>
Vehicle was first used after July and the short period return (the beginning year and month the vehicle is registered. If the first month of use is January, 2011, the tax module would be '201101' ) has been filed.	For ACS and ACSS Employees,	<ol style="list-style-type: none"> <li>1. Input TC 590 cc 025 on full (12 month) tax period beginning module (TXYR07).</li> <li>2. For the short period return, see IRM 5.19.22.5.3.1.2, <i>BMF Response "Other"</i>.</li> <li>3. If the account is on ACS, enter history code "TOC0,30,RDPND" or "TOS0,30,RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>
Vehicle was first used after July and the short period return (the beginning year and month the vehicle is registered. If the first month of use is January, 2011, the tax module would be '201101' ) has been filed.	For FA Employees,	<ol style="list-style-type: none"> <li>1. Input TC 590 cc 020 on full (12 month) tax period beginning module (TXYR07).</li> <li>2. For the short period return, follow procedures in IRM 5.19.22.5.3.1.2, <i>BMF Response "Other"</i>.</li> <li>3. If the account is on ACS, enter ACS history code "TOC0,21,RDPND" or "TOS0,21,RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>
Vehicle was put in use after July and the short period return (the beginning year and month the vehicle is registered. If the first month of use is January, 2011, the tax module would be '201101' ) has not been filed.	For CSCO Employees,	<ol style="list-style-type: none"> <li>1. Input TC 590 cc 075 on full (12 month) tax period beginning module (TXYR07).</li> <li>2. If unable to contact the taxpayer by telephone, send Letter 2255-C or other appropriate letter. Instruct the taxpayer to file the short period return.</li> </ol>

If	And	Then
Vehicle was put in use after July and the short period return (the beginning year and month the vehicle is registered. If the first month of use is January, 2011, the tax module would be '201101' ) has not been filed.	For ACS and ACSS Employees,	<ol style="list-style-type: none"> <li>1. Input TC 590 cc 025 on full (12 month) tax period beginning module (TXYR07).</li> <li>2. Instruct the taxpayer to file the short period return. If unable to contact the taxpayer by telephone, send Letter 2255-C or other appropriate letter.</li> <li>3. If the account is on ACS, enter ACS history code "TOC0,30, RDPND" or "TOS0,30, RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>
Vehicle was put in use after July and the short period return (the beginning year and month the vehicle is registered. If the first month of use is January, 2011, the tax module would be '201101' ) has not been filed.	For FA Employees,	<ol style="list-style-type: none"> <li>1. Input TC 590 cc 020 on full (12 month) tax period beginning module (TXYR07).</li> <li>2. Instruct the taxpayer to file the short period return. If unable to contact the taxpayer by telephone, send Letter 2255-C or other appropriate letter.</li> <li>3. If the account is on ACS, enter history code "TOC0,21, RDPND" or "TOS0,21, RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>
The original return was previously filed and is AP/PN posted on IDRS,	The taxpayer permanently takes the Heavy Vehicle off the road during the year, and requests a refund of the pre-paid tax,	Refer the case to: CIRSC Excise, stop 5701G.
The taxpayer states they are not liable due to limited use, gross weight was below 55,000 lbs, or the previous owner paid the tax.	The heavy vehicle 55,000 lbs or more was on the road 5,000 miles or less during the year (7,500 miles or less for agricultural use).	See IRM 5.19.22.5.3.1.1, <i>BMF Response Taxpayer not Liable</i> .

5.19.22.5.3.1.3  
(06-13-2019)

**BMF Taxpayer Liable**

- (1) If research indicates the taxpayer is liable to file, follow the guidance in this section.
- (2) Accounts Management Services (AMS) systemically inputs a 15 cycle TDI notice delay. This delays the progression of next notice issuance and therefore must be considered as part of case closing action(s) even if no action to delay or accelerate the next notice is required. Specific notice delay or acceleration procedures are located throughout this IRM.
- (3) If the taxpayer has sent correspondence and provided a telephone number or a telephone number is available on the account attempt to call the taxpayer before sending a letter to the taxpayer.

**Note:** CSCO and ACSS employees will not be required to leave a message on an answering machine or voice mail, telephone attempt(s) must be documented on AMS

(4) Always advise the taxpayer to:

- “sign and date” the return(s),
- use current address on the return,
- include all required schedules and documents,
- **CSCO and AM employees** If phone contact has been made, encourage them to e-file the return or file a paper return using the Submission Processing address based on their State location, as needed. See the *Where to File Tax Returns* page on [www.irs.gov](http://www.irs.gov). Advise the taxpayer that the return can be faxed to the BMF RD E-Fax number, 855-800-5944, but faxing the return may delay processing of the return.
- Document AMS comments accordingly.

**Note:** ACS employees can accept tax return(s) through fax while on the telephone with the taxpayer. If the taxpayer does not have the documents necessary during telephone contact the taxpayer should be directed to send the tax return and all required schedules to the appropriate Submission Processing address based on their State location. See the *Where to File Tax Returns* page on [www.irs.gov](http://www.irs.gov).

(5) If necessary, provide the required tax forms or request them through SERP. If the taxpayer has Internet access, refer him/her to the *IRS Forms and Publications* page on [www.irs.gov](http://www.irs.gov). You can also provide the Toll-Free number to order forms 1-800-829-3676.

**Note:** On AMS use “**ELITE**” to directly mail forms to the taxpayer’s address on entity.

(6) When responding to the taxpayer by written response (all employees), follow the guidelines below:

If	Then
For CSCO Employees,	<ol style="list-style-type: none"> <li>1. Instruct the taxpayer to file and set a deadline date for 30 days, with a follow up date 45 days to take next action, allowing mail time.</li> <li>2. Send a Letter 2255-C , Letter 2284-C, or other letter that best describes the taxpayer issue(s). <ul style="list-style-type: none"> <li>• In the letter, advise the taxpayer that failure to file by the specified date could subject them to penalty and interest charges and Form 940, Form 941, Form 943 and Form 944 employment returns may be processed under IRC 6020(b), if not filed voluntarily.</li> <li>• Based on the <i>State Mapping for BMF Paper Returns</i>, determine if appropriate submission processing site is Cincinnati (CSC) or Ogden (OSC).</li> <li>• If CSC, in an open paragraph in the letter, advise taxpayer to mail return to: Internal Revenue Service 201 West Rivercenter Blvd. Stop 312 Covington, KY 41011</li> <li>• If OSC, in an open paragraph in the letter, advise taxpayer to mail return to: Internal Revenue Service 1973 Rulon White Blvd. Stop 6054 Ogden, UT 84201</li> </ul> </li> <li>3. If the taxpayer states they are a victim of Identity theft, see IRM 5.19.2.6, <i>Identity Theft Procedures</i> for additional guidance on Identity Theft.</li> <li>4. Document AMS of actions taken, including the target date.</li> <li>5. Input a delay "C08" using CC ASGNB (see IRM 2.4.27, <i>CC ASGNI/ASGNB formerly TSIGN</i>). See IRM 5.19.22.5.1.2, <i>Accelerate to Compliance Territory Office (Revenue Officer)</i>, for additional guidance.)</li> </ol> <p><b>Note:</b> If also addressing a balance due issue for the taxpayer, ensure all STAUPs and delays are equal.</p>

If	Then
<p>For ACS, ACSS and FA Employees</p>	<ol style="list-style-type: none"> <li>1. Instruct the taxpayer to file and set a deadline of 30 days, with a follow up date of 45 days to take next action allowing mail time.</li> <li>2. Send LT18, or appropriate letter advising the taxpayer that failure to file by the specified date could subject the taxpayer to a fine and/or criminal penalties. Furthermore, if the delinquent module is Form 940, Form 941, Form 943 and Form 944 employment returns, they may be processed under IRC 6020(b) if not filed voluntarily.</li> <li>3. If the account is on ACS, enter history codes with "XX" stands for the deadline plus 30 days as follows: <ul style="list-style-type: none"> <li>• If the account does not have Employment code F, G or T, and</li> <li>• Has a module with MFT 01, 10 or 11 within last three years, and</li> <li>• LPS data with the same MFT of delinquent modules of \$1500 or less, and/or</li> <li>• A delinquent module has a credit balance of \$1500 or less,</li> <li>• Then reassign to "TOI7,XX,TFRO8600" (where XX stands for the deadline plus 30 days) See IRM 5.19.22.2.1, <i>Return Delinquency Overview</i> for information on determining follow-up dates.</li> </ul> <p><b>Note:</b> The LPS data must be within 3 years of the earliest delinquent period. If the data is older, it does not meet 6020(b) criteria.</p> </li> <li>4. If the account does not meet 6020(b) criteria enter, "TOI7,XX,TFQU". (XX stands for the deadline plus 30 days) See IRM 5.19.22.2.1, <i>Return Delinquency Overview</i> for information on determining follow-up dates. <p><b>Exception:</b> If the account contains Employment Code, G, or T, reassign the account for Managerial approval for TFRO assignment: TOC0,,TFRO (ASC Sites) or TOS0,,TFRO.</p> </li> <li>5. If the account has an Employment Code F; Federal Agency Delinquency (FAD), re-assign the account to TOH3,60,FAD. Document AMS of actions taken. <p><b>Note:</b> FAD accounts (Employment Code F) are worked at the Brookhaven CSCO Operation. Refer to: <i>FEDERAL AGENCY DELINQUENCY CONTACTS</i> for FAD contact information.</p> </li> </ol>

(7) When on the telephone with the taxpayer follow the procedures below:

If	And	Then
Contact is made with the taxpayer	CSCO	<ul style="list-style-type: none"> <li>• Determine if the taxpayer has the necessary information and forms to file the delinquent return(s). Provide necessary forms for taxpayer to file, if requested. Instruct the taxpayer to file and set a deadline of 30 days (allow more time if needed, taking into consideration the complexity of the delinquent return(s), and other pertinent circumstances), but not more than 60 days.</li> <li>• For Form 940, Form 941, Form 943 and Form 944 only, advise the taxpayer failure to file by the specified date, employment returns may be processed under IRC 6020(b) if not filed voluntarily.</li> <li>• Document AMS of actions taken.</li> <li>• Input a delay C08, using CC ASGNB (see IRM 2.4.27, <i>Command Code ASGNI/ASGNB formerly TSIGN</i>) to accelerate to ACS, see IRM 5.19.22.5.1.1, <i>Accelerate and/or Delay To TDI Status 03</i>.</li> </ul> <p><b>Note:</b> If also addressing a balance due issue for the taxpayer, ensure any STAUP's and delays equivalent.</p> <p><b>Note:</b> If there are other modules in balance due, See IRM 5.19.1, <i>Balance Due</i> to address the TDA modules.</p> <p><b>Exception:</b> If you are not trained on TDA modules, complete a Form 4442 for the TDA issue and forward to the appropriate area to resolve.</p>

If	And	Then
They do not have a balance due module	ACS/FA employee	<ol style="list-style-type: none"> <li>1. Ask the taxpayer for explanation why the return(s) was not filed, (e.g., the taxpayer owed money and could not pay, so they did not file; taxpayer could not find tax records, health/family issues, etc.).</li> <li>2. Determine if the taxpayer has the necessary data and forms to file the return(s) and provide data, if needed.</li> <li>3. Instruct the taxpayer to file the return and set a deadline (see table in paragraph below) taking into consideration the complexity of the delinquent return(s) and other pertinent circumstances, but generally not more than 30 days.</li> <li>4. For Form 940, Form 941, Form 943 and Form 944 only, advise the taxpayer that failure to file by the specified date, employment returns may be processed under IRC 6020(b) if not filed voluntarily.</li> <li>5. Document AMS of information secured, see IRM 5.19.22.5.3.4, <i>BMF Substitute for Return 6020(b)</i>, along with the deadline date for filing and warning of enforcement actions. <ul style="list-style-type: none"> <li>• If the account is on ACS, enter ACS history codes with "XX" stands for the deadline plus 30 days, (IRM 5.19.22.2.1, <i>Return Delinquency Overview</i> for information on determining follow-up dates.)</li> <li>• <b>IF:</b> the account does <b>not</b> have Employment code F, G or T, and,</li> <li>• Has a module with MFT 01, 10 or 11 within last three years, and</li> <li>• LPS data with the same MFT of delinquent modules of \$1500 or less, and/or there is a delinquent module has a credit balance of \$1500 or less,</li> <li>• Reassign to "TOI7,XX,TFRO8600" where XX stands for the deadline plus 30 days</li> </ul> </li> <li>6. If the account "<b>does not</b>" meet 6020(b) criteria enter, "TOI7,XX,TFQU" where XX stands for the deadline plus 30 days.</li> <li>7. If the account contains Employment Code G or T, reassign the account for managerial approval for TFRO assignment: "TOC0,,TFRO" or "TOS0,,TFRO".</li> <li>8. If the account has an Employment Code F (Federal Agency), assign the account to TOH3,60,FAD. Document comments of actions taken. <p><b>Note:</b> FAD accounts (Employment Code F) are worked in CSCO at the Brookhaven Campus. Refer to: <i>FEDERAL AGENCY DELINQUENCY CONTACTS</i> for additional contact information.</p> </li> </ol>

If	And	Then
<p>The taxpayer has another module in TDA Status 22.</p>	<p>ACS/FA employee</p>	<ol style="list-style-type: none"> <li>1. Ask the taxpayer for reasons why the return was not filed (e.g., the taxpayer owed money and could not pay, so they did not file; taxpayer could not find tax records, health/family issues, etc.). Determine if the taxpayer has the necessary data and forms to file the return(s) and provide data as needed. Instruct the taxpayer to file the return and set a deadline date, taking into consideration the complexity of the delinquent return(s) and other pertinent circumstances, but generally not more than 30 days.</li> <li>2. If the taxpayer has been given a previous deadline, allow only a 10-day extension, document the additional justification for the second extension and advise the taxpayer no further extensions will be granted.</li> <li>3. For Form 940, Form 941, Form 943 and Form 944 only, advise the taxpayer failure to file by the specified date, employment returns may be processed under IRC 6020(b) if not filed voluntarily.</li> <li>4. Warn the taxpayer of potential enforcement action (lien/levy).</li> </ol> <p><b>Note:</b> If taxpayer is unable to pay, refer to IRM 5.19.17.2.1.4, <i>CNC Unable to Pay - Hardship</i>, to further analyze and verify for CNC criteria, otherwise follow items 5 through 8 below.</p> <ol style="list-style-type: none"> <li>5. If on ACS, document comments with the information secured, see IRM 5.19.22.5.3.4, <i>BMF Substitute for Return A6020(b) Program Referrals (Forms 940, 941 or 943)</i> along with the deadline date for filing and warning of enforcement actions on AMS.</li> <li>6. Set the case up for the next enforcement action and enter a follow up date 30 days after the deadline given to the taxpayer.</li> </ol> <p><b>Note:</b> See IRM 5.19.1, <i>Balance Due</i> to address the TDA modules).</p> <p><b>Exception:</b> If you are not trained on TDA modules, transfer the call or ask the taxpayer if you can have someone call them and complete a Form 4442 for the TDA issue and forward to the appropriate area to resolve.</p>

(8) If you are an **ACS** employee use the following table to determine the time frame to allow the taxpayer to file a return:

Circumstance/Complexity	Establish Deadline
<p>Taxpayer has tax forms completed but has not mailed return(s)</p>	<p>10 days</p>

Circumstance/Complexity	Establish Deadline
Taxpayer has not completed tax forms but has all necessary information for easy filing (no schedules)	10 days
Taxpayer has most tax forms and must file a return with schedules	30 days
Taxpayer is in need of all necessary tax forms	30 days
Taxpayer has multiple returns that should be filed	30 days
Taxpayer has multiple returns to be filed and has no forms or wage information	30 days
Taxpayer has medical hindrance, POA issues, catastrophic event, or needs to reconstruct records	30 days <b>Note:</b> Allow more time if the information gathered above shows it is needed, taking into consideration the complexity of the delinquent return(s), and other pertinent circumstances

5.19.22.5.3.2  
(09-15-2015)  
**BMF Responses with Original or Copy of Return - Overview of Clerical Procedures**

- (1) The clerical staff screens all incoming RD responses and separates secured returns and notice responses. Responses with returns attached to CP 259, CP 518 or CP 080, including returns received by fax, are detached from the notice by the clerical staff and sent to Submission Processing. Refer to IRM 5.19.16.2.2, *BMF Return Delinquency Notice (RD) Batching Procedures*, for additional information.
- (2) If correspondence is attached to the return containing a taxpayer’s request which needs to be addressed, the case will be assigned to a tax examiner’s inventory to work. Examples may include (this list is not all inclusive):
  - Taxpayer informing business closed on MMDDYYYY and attached return is last return required.
  - Taxpayer requesting an installment agreement or extension of time to pay.
  - Taxpayer requesting abatement of penalties and interest for reasonable cause.

5.19.22.5.3.2.1  
(01-27-2020)  
**BMF Response with Original Return(s)**

- (1) Generally secured returns are routed directly to Submission Processing upon receipt to the CSCO and ACS Support Operations. However, it may be necessary to validate and code returns for processing when working CSCO Return Delinquency transcripts. Refer to IRM 5.19.22.5.7, *BMF Transcript Overview*, for procedures on resolving transcript issues.

- (2) This subsection provides the instructions to process original taxpayer returns.
- (3) When working Combo cases, i.e., taxpayer's account contains both balance due and tax delinquency module(s), input a TC 599, with the applicable closing code, when securing a delinquent return and the taxpayer indicates they are interested in an installment agreement. CSCO employees must edit returns in green pen or pencil. See IRM 5.19.1.4.4.1, *Full Compliance Check*, and IRM 5.19.1.6.4.7, *Pending IA Criteria*. See *Document 6209 Section 11.8.3* and IRM 2.4.26.3, Command Code FRM49, for information on TC 599 input.
- (4) It is not necessary to send delinquent **original** returns to the Statute Control Unit prior to being sent for processing if the return is the "**initial**" original return secured and we have coded the return with a TC 59X or we secured return(s) prepared under the authority of IRC 6020(b), per IRMs 3.11.xx, i.e., for example, IRM 3.11.154.3.6, *Statute Returns*, and IRM 25.6.1.8, *Original Delinquent Returns*.
- (5) This process does not apply to certain types of statute year tax returns, as a result the following types of tax returns **need** to be routed to the Statute Control Unit:
  - Tax return being **reprocessed** with an "Original IRS Received Date"
  - **Reprocessed** a tax return for a different tax period and/or incorrect tax form, i.e., Form 941 to Form 944, Form 1120 to Form 1120-S or vice versa.
  - A previous TC 610 payment on a statute year module and no indication a return was previously processed
  - Previous unpostable condition on the module (DC/DU 150, DC 976, U301, etc.) and the original return has not been processed and it is now more than 33 months from its original received date. Forward to Statute Unit requesting a quick assessment.
  - **Credits/payments previously moved to Excess Collection (XSF)**, see IRM 25.6.1.8.4(6), *Processing Original Delinquent Returns*.
  - If the prior (unpostable, rejected, etc.) return is over 2 years and nine months. Attach a print of the CC TRDBV screen to substantiate taxpayer's intent to the secured return. Forward to Statute Unit requesting a quick assessment. .
- (6) For any return received in inventory, close IDRS control base and respond to any taxpayer issue, as needed. Do not input TC 599 unless return is part of a Combo case and the taxpayer is requesting an installment agreement. Refer to paragraph (3) above. Input a delay "C12" via CC ASGNB. Forward return for routing to Submission Processing. If the taxpayer filed a frivolous return or is making a frivolous argument, follow the procedures in the table below:

If	Then
<p>Taxpayer files a frivolous return:</p> <ul style="list-style-type: none"> <li>• See IRM 25.25.10, <i>Frivolous Return Program</i>, for a list of frivolous arguments.</li> <li>• The return or attached schedules must be altered or falsified to reflect a frivolous argument. For example, reducing percentage of taxable income associated with war efforts.</li> </ul> <p><b>Note:</b> The most common frivolous argument taken by BMF accounts is the Fuel Tax Credit (FTC), when the business has no basis for FTC.</p>	<ol style="list-style-type: none"> <li>1. Input TC 595 cc 082/024 and Refer on Form 3210 to: Ogden Compliance Services ATTN: FRP, m/s 4450 1973 N. Rulon White Blvd. Ogden, UT 84404</li> <li>2. Document AMS of information secured.</li> <li>3. For “ACS/FA/ACS-Support” employees only: If the account is on ACS, enter history code “TOR3,30,CMNTS”. See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>
<p>Taxpayer files an accurate return but has attached frivolous correspondence:</p>	<ol style="list-style-type: none"> <li>1. Process the return in the normal manner</li> <li>2. Send the correspondence to Ogden by referring to: Ogden Compliance Service ATTN: FRP, m/s 4450 1973 N. Rulon White Blvd. Ogden, UT 84404</li> </ol>

5.19.22.5.3.3  
 (01-02-2015)  
**BMF Special Handling Responses**

(1) Review for the following conditions:

If	And	Then
<p>Taxpayer response is threatening or indicates a potentially dangerous situation (online or in correspondence),</p>	<p>Account is in Notice Status 02 or TDI Status 03,</p>	<ol style="list-style-type: none"> <li>1. Assign to 8150 using to Command Code (CC) ASGNB.</li> <li>2. Refer to IRM 5.1.3.1, <i>Potentially Dangerous Taxpayer (PDT)</i>.</li> <li>3. Report all incidents to Treasury Inspector General Tax Administration (TIGTA), by telephone. TIGTA can be reached at 1-800-366-4484. TIGTA will inform you where to send the case.</li> <li>4. For cases in Notice Status 02, input delay C08 using CC ASGNB. To accelerate to Automated Collection System (ACS), see IRM 5.19.22.5.1.1, <i>Accelerate or Delay To TDI Status 03</i>.</li> <li>5. Document Account Management Services (AMS) indicating the case was sent to TIGTA.</li> <li>6. If the account is on ACS, input TOR3,60,TIGTA. <b>Note:</b> After the investigation is completed, a determination will be made, and the employee through their Director will be informed of the disposition of the case in a memo.</li> <li>7. If TIGTA states this isn't a threat then work the case appropriately.</li> </ol>
<p>Taxpayer indicates refusal to file based on frivolous claims or citing Fifth Amendment, or states a violation of their constitutional rights. <b>Note:</b> Refer to IRM 4.10.12.1.1, <i>Frivolous Arguments</i>, for definitions of frivolous arguments.</p>	<p>Account is in Notice Status 02 or TDI Status 03,</p>	<ol style="list-style-type: none"> <li>1. Input TC 595 cc 082/032 and route on Form 3210 to: Ogden Compliance Services ATTN: FRP, m/s 4450 1973 N. Rulon White Blvd. Ogden, UT 84404</li> <li>2. Document AMS of all secured pertinent information.</li> <li>3. If the account is on ACS, enter history code "TOR3,30,CMNTS ". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>
<p>Open Criminal Investigation (CI) control or TC 914.</p>	<p>Account is in Notice Status 02,</p>	<ol style="list-style-type: none"> <li>1. Input delay "C08" (three week) using CC ASGNB (see IRM 2.4.27, <i>Command Code ASGNI/ASGNB formerly TSIGN</i>).</li> <li>2. Route notice to CI Branch.</li> <li>3. If CI returns the case, resolve through correspondence. <b>Note:</b> <b>DO NOT</b> telephone the taxpayer.</li> </ol>

If	And	Then
Open Criminal Investigation (CI) control or TC 914.	Account is in TDI Status 03.	<ol style="list-style-type: none"> <li>1. Document AMS with pertinent information and indicating case was sent to CI.</li> <li>2. Route to CI Branch.</li> <li>3. If the account is on ACS, enter "TOR3,60,CI or TC914".</li> <li>4. If CI returns the case, resolve through correspondence.</li> </ol> <p><b>Note: DO NOT</b> telephone the taxpayer.</p>
Potential fraud cases	Intentionally left blank	See IRM 5.19.2.5.4.2, <i>IMF Special Handling</i>
Taxpayer requests a visit from an IRS representative	Intentionally left blank	Attempt to resolve the case. If you are unable to resolve the case, see IRM 5.19.22.5.1.2, <i>Accelerate to Compliance Territory Office (Revenue Officer)</i> .
Combat Zone	the IRS may provide administrative relief for certain qualified BMF taxpayers with military members serving in a combat zone/qualified hazardous duty area. Although BMF taxpayers are not entitled to time in the Combat Zone plus the 180-day (or more) postponement period, the IRS can consider whether it is appropriate to waive any applicable penalties for that period due to reasonable cause. Note however, the IRS does not have the authority to waive interest during the postponement period with regard to BMF taxpayers. In addition, the IRS provides other administrative relief such as the suspension of collection activity during the period of time in which a postponement would occur if the BMF taxpayer qualifies.	<ol style="list-style-type: none"> <li>1. To consider administrative Combat Zone relief to BMF taxpayers, the following conditions must be met: <ul style="list-style-type: none"> <li>• The business is a partnership, sole proprietorship (except where the sole proprietorship is essentially Schedule C businesses of an individual income taxpayer) or a personal services corporation (e.g., doctor, dentist, Certified Public Accountant (CPA), etc.) where the key individual/partner is/or was in the combat zone, <b>AND</b></li> <li>• The business had to <b>CEASE</b> operations from the time the key individual/partner entered the combat zone.</li> </ul> </li> <li>2. To grant administrative Combat Zone relief to qualified BMF taxpayers, and to remove the RD modules from TDI notice status 02 and Status 03, Input TC 598 CC 070 to close out an open TDI.</li> <li>3. If the taxpayer contacts us, assist them with their issues. Inform them with a 2255C or other appropriate letter they <b>ARE</b> required to file their BMF return while in the combat zone and will <b>NOT</b> be given an additional 180 days after they exit the combat zone to file their current year and any delinquent returns. However, they can request relief from any penalties (excluding interest) that might be due based on reasonable cause. Otherwise, see IRM 5.19.22.5.3.1.3, <i>BMF Taxpayer Liable</i>.</li> <li>4. When determined the taxpayer is no longer in combat zone or the -C freeze was input in error, see IRM 5.19.10.7.2.2 and IRM 5.19.10.7.2.3 for procedures to release the freeze on the account.</li> <li>5. See IRM 5.19.10.6 and Publication 3 for additional guidance on Combat Zone.</li> </ol>

If	And	Then
Exam issues/ referrals	The taxpayer's response indicates the case is in Exam	<ol style="list-style-type: none"> <li>1. Research AIMS using CC AMDIS. <ul style="list-style-type: none"> <li>• If no data is available, see IRM 5.19.22.5.3.1.2, <i>BMF Response "Other"</i>, for procedural guidance.</li> <li>• If a TC 420, -L freeze, or an open AIMS control is present on TXMOD, input TC 595 cc 082/032 using CC FRM49 and route case to Examination, Classification Branch.</li> <li>• If command code "AMDISA" has a Status 90, indicating the case is closed, do not send to Exam even if a minus L freeze or open 420 exists. Work the response or return as appropriate per procedures throughout the IRM.</li> </ul> </li> <li>2. If a TC 421 is on the module, which reversed the TC 420 indicating Exam did not select the case for their program, proceed with normal RD processing. <p style="margin-left: 20px;"><b>Note:</b> For Notice Status 02 cases not closed as taxpayer not liable, accelerate to TDI Status 03 by inputting a C01.</p> </li> <li>3. When working a transcript created by a TC 595 without a posted return, and there is no indication why the case was referred to Exam or not selected, reverse the TC 595 with a TC 592 and proceed with normal RD processing.</li> </ol>
Response indicates potential Identity Theft	Intentionally left blank	See IRM 5.19.2.6, <i>Return Delinquency Identity Theft Procedures</i> .

**Note:** A bankruptcy stay does not prohibit gathering information from the taxpayer to determine the correct tax liability or sending the taxpayer information for the sole purpose of securing a return. If a return is secured, send a photocopy to the appropriate *Insolvency/Bankruptcy* site, along with a copy of any other pertinent information secured. Code the return and input TC 599 cc 092/042 for processing.

5.19.22.5.3.4  
(06-13-2019)  
**BMF Substitute for  
Return A6020(b)  
Program TDI and  
Reconsideration  
Referrals (Forms 940,  
941, 943 or 944) - ACS  
Employees Only**

- (1) Unresolved TDIs may be assigned to the Campus Automated 6020(b) (A6020(b)) program for 6020(b) processing based on the criteria in the If and then chart in (7) below. For more information on A6020(b) criteria see IRM 5.18.2.2.1, *Research Criteria for IRC 6020(b) Processing*. Responses where an A6020(b) assessment has already been made, can also be referred to the A6020(b) based on (10) below.
- (2) For accounts in ACS with a 6020(b) indicator, a letter (LT18) is mailed at the time of assignment of the case to ACS when systemic letters are operational. The LT18 advises the taxpayer a 6020(b) return may be prepared if the return

is not filed. The case is assigned to the ACS C5 inventory that have a telephone number and to I2 inventory if there is no telephone number available.

**Note:** Entities that meet A6020(b) criteria, see IRM 5.18.2.2.1, *Research Criteria for IRC 6020(b) Processing* for more information about 6020(b) criteria, can be excluded from C5 or I2 and not receive an LT18 letter if there is an open TDA for the case at the time of assignment. In some situations where the TDA is resolved, the case will require an LT18 letter be mailed if the nonfiler has not been contacted and warned of 6020(b) enforcement action.

- (3) A minimum of four telephone attempts made on at least two different days at two different times of the day must be made to secure a time frame (date) for filing. If prior contact has been made and a deadline for filing is set, then it is not necessary to contact the taxpayer again.
- (4) If there is no telephone number or the telephone number is no longer in service, assign the case "TOI2,,TNR" for telephone number research.

**Note:** The predictive dialer will not make directory assistance calls. CR's not working predictive dialer may make directory assistance calls at the discretion of local management. If a telephone number is found, the case may stay in the C5 inventory so the predictive dialer can make another telephone attempt.

- (5) If a telephone number is not found, check to see if an LT18 letter has been issued.
  - If no LT18 has been issued, reassign TOI2 and issue the LT18.
  - If an LT18 has been previously issued, reassign the case to TOI7. If the previous LT18 was returned as undeliverable (UD), reassign case TOI2 for locator research to be conducted.
- (6) If contact is made with the taxpayer or authorized representative, follow the directions in (7).
- (7) If open filing requirements are Form 940 , Form 941, Form 943 or Form 944 and the module is on ACS, ask the taxpayer or authorized representative if they were in business during the delinquent tax period, and follow procedures in the "if and then" chart below:

**Note:** For Form 940; Compare the Form 941 quarters for the same tax year as the delinquent module for information regarding wages paid to validate if taxpayer is liable to file the Form 940.

If	Then
Response indicates they have no employees for that tax period only	1. Input TC 590 cc 025. 2. Document AMS 3. Move to appropriate ACS inventory.

If	Then
Response indicates they no longer have employees	<ol style="list-style-type: none"> <li>1. Input TC 591 cc 025.</li> <li>2. Document AMS</li> <li>3. Move to appropriate ACS inventory.</li> </ol>
Response indicates they will be filing the missing returns and their account meets A6020(b) criteria:	<ol style="list-style-type: none"> <li>1. Set a specific deadline to file and warn taxpayer of enforcement action if deadline not met: i.e., 6020(b).</li> <li>2. Provide taxpayer with Submission Processing mailing address. See <i>Where to File Returns</i> page on www.irs.gov.</li> <li>3. Document AMS.</li> <li>4. Reassign to "TOI7,XX,TFRO8600", where XX stands for the deadline plus 30 days. IRM 5.19.22.2.1, <i>Return Delinquency Overview</i> for information on determining follow-up dates.</li> </ol>
Response indicate they will be filing the missing returns and their account meets A6020(b) criteria <b>and</b> the Module delinquency: <ul style="list-style-type: none"> <li>• Is over \$1500,</li> <li>• Or all the modules are over three years old from current calendar year,</li> </ul>	<ol style="list-style-type: none"> <li>1. Set a specific deadline to file and warn taxpayer of enforcement action if deadline not met.</li> <li>2. Provide taxpayer with Submission Processing mailing address. See <i>Where to File Returns</i> page on www.irs.gov.</li> <li>3. Document AMS.</li> <li>4. Reassign the case to "TOI7,XX,TFQU ", where XX stands for the deadline plus 30 days. IRM 5.19.22.2.1, <i>Return Delinquency Overview</i> for information on determining follow-up dates.</li> </ol>
No information is provided	Re-assign the case TOI7,XX,TFQU, which XX stands for the deadline plus 30 days. See IRM 5.19.22.2.1, <i>Return Delinquency Overview</i> for information on determining follow-up dates.

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- (8) If contact is made and the account does not meet 6020(b) criteria, set a specific deadline to file, warn taxpayer of enforcement action if deadline not met: i.e., 6020(b) and follow instructions below.

If	Then
The account does not meet	Re-assign the account for management approval for TFRO assignment: <ul style="list-style-type: none"> <li>• TOC0,,TFRO (ACS Call Site) or</li> <li>• TOS0,,TFRO (ACS Support)</li> </ul>
	1. Re-assign the account to TOH3,60,FAD. 2. Document history of any pertinent information.  <b>Note:</b> FAD accounts are worked at the Brookhaven Campus. Refer to Serp-Who/Where: <i>FEDERAL AGENCY DELINQUENCY CONTACTS</i> :
The cases do not contain at least one Form 940, Form 941, Form 943 or Form 944 module	Assign the account to "TOI7,XX,NO6020B ", where XX stands for the deadline date plus 30 days. IRM 5.19.22.2.1, <i>Return Delinquency Overview</i> for information on determining follow-up dates. If the taxpayer fails to meet the deadline, the next case action will be to send the case to the queue since no other enforcement action is available for ACS to take at this time.

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- (9) If contact is made with the taxpayer and you determine 6020(b) action is no longer appropriate, see IRM 5.19.22.5.3.1, *BMF Response with No Returns*.
- (10) When in contact with taxpayers responding that they are not liable for a period where an A6020(b) assessment has been made, advise them to file their own return(s) showing zero tax due. Taxpayer should file a paper return using the Submission Processing address based on their State location, as needed. See the *Where to File Tax Returns* page on [www.irs.gov](http://www.irs.gov). Update AMS and IDRS history with the date the taxpayer promises to file. If contact is not made, and correspondence indicates they are not liable for a period where an A6020(b) assessment has been made, refer the correspondence to the A6020(b) unit in Brookhaven as follows:

A6020(b) Unit

Internal Revenue Service

PO Box 480 Stop 661Z

Holtsville, NY 11742-0480

**Exception:** Parenthesis (10) above only applies to an IRC 6020(b) assessment made by the Automated 6020(b) program. If a TC 599 CC 063 is present, follow procedures in (11) below.

**Note:** Input a STAUP 58/09 for any module in Status 21 or STAUP 22/09 for any module in Status 56 or 58. For any modules in Status 22,24 or 26, input a TC470 with no closing code.

- (11) If a TC 599 CC 063 is present on the account the 6020(b) assessment was done by a Revenue Officer (RO) and must go back to the RO for reconsideration. To locate RO's address:
1. Locate TSIGN assignment number using CC TDINQ
  2. *RO Look Up* on SERP
  3. Send documents or request using Form 3210 to the appropriate RO address
- (12) If the taxpayer sends an original return for a tax period that has a posted 6020(b) assessment, forward to Submission Processing for an adjustment to be made.

5.19.22.5.4  
(02-15-2011)

**BMF Return Delinquency  
TIN and Entity Research**

- (1) This section provides guidance on working all Return Delinquency (RD) Research (Taxpayer Identification Number [TIN] and Entity) issues.
- (2) Accounts Management (AM) call sites have employees trained to work RD Research cases related to TIN and Entity problems.

**Note:** Customer Service Representative's (CSR) not trained to work RD Research cases have the option of referring the case within their site in accordance with local management decision.

- (3) For **AM call-site employees** only, if an "RD Research" case "cannot" be closed, complete a Form 4442. If the module is in Notice Status 02, route the Form 4442 to the appropriate Compliance Services Collection Operation (CSCO). If the account is in Taxpayer Delinquency Investigation (TDI) Status 03, route the Form 4442 to the appropriate Automated Collection System (ACSS) Support site within your Business Operating Division (BOD).
- (4) For **AM Call site CSR's** only, if you identify a TIN & Entity problem or RD posting error and you are unable to resolve the account, take the following actions:

If	Then
Account is in Notice Status 02,	<ul style="list-style-type: none"> <li>• Input a delay code “C08” using command code (CC) ASSGNB to allow 8 weeks to delay the account from accelerating to TDI Status 03. <b>Note: Do not</b> input a Notice Code “A” to prevent any additional RD notices.</li> <li>• The referring employee (TE or CSR) must open and close an Integrated Data Retrieval System (IDRS) control base with the activity code “RD Research”.</li> <li>• Route a Form 4442 to the appropriate CSCO Site.</li> </ul>
Account is in TDI Status 03.	<ul style="list-style-type: none"> <li>• The referring employee (Tax Examiner [TE] or CSR) must open and close an IDRS control base with the activity code “RD Research”.</li> <li>• Route a Form 4442 to the appropriate ACS Support site.</li> </ul>

5.19.22.5.4.1  
(07-07-2016)  
**BMF TIN and Entity Problems Overview**

- (1) The following is a list of conditions that are considered TIN, Entity and Employment Code issues:
- Taxpayer has two or more TINs.
  - Taxpayer used a TIN other than their assigned TIN.
  - Two or more taxpayers are using the same TIN.
  - Taxpayer changed names.
  - Taxpayer used a name other than the Master File name.
  - Change in business structure (Business master File [BMF] only).
  - Taxpayer lists TIN as applied for.
  - Entity name is Government Agency and Employment code (EC) is not coded as A, F, G, T or Business name is coded as EC A, F, G, T and is not clearly a Government entity
- (2) IRM 5.19.22.5.4.1.1, *BMF TIN and Entity Problems*, contains procedures for working these cases.

5.19.22.5.4.1.1  
(01-27-2020)  
**BMF TIN and Entity Problems**

- (1) Use the following list to identify BMF notice responses which should be researched as TIN or entity problems and require research:
- One taxpayer with two TINs, or two taxpayers using the same TIN.
  - Business changed from an individual owner to another individual owner.
  - Individual owner changed to corporation.
  - Individual owner changed to partnership.
  - Partnership changed to an individual owner.
  - Partnership changed to a corporation.
  - Corporation changed to a partnership.
  - Corporation changed to an individual owner.
  - Individual owner died, and the estate takes over the business.

- TIN has been applied for.
  - TIN was assigned individually to either the husband or wife.
- (2) Do not consider a return filed by a parent company or corporation as an entity problem. See IRM 21.7.4.4.4.4, Consolidated Returns, for information regarding parent companies and subsidiaries. See IRM 5.19.22.5.3.1.2.10, *BMF Response Form 1120 (Series), U.S. Corporation Income Tax Return*, for information regarding parent corporations.
- (3) A sole proprietor TIN is assigned to an un-incorporated business that is owned by one person.

**Note:** A husband and wife can file as a “joint venture”, see IRM 5.19.22.5.3.1.2.9, *BMF Response Form 1065, U.S. Return of Partnership Income*, for additional information. See IRM 21.7.13.5.1, *EIN Assignment: Sole Proprietorship*, for complete definition of Sole Proprietorship.

If	Then
The TIN was assigned individually and the taxpayer dies,	The surviving spouse must be assigned a new TIN.
The TIN was assigned jointly to the husband and wife and either dies.	The surviving spouse can continue to use the same TIN.

- (4) Determine the correct TIN and name using taxpayer information and IDRS research.
- (5) If the taxpayer’s return posted to the correct TIN with the correct name, but the notice TIN is incorrect, take the following actions:

If	And	Then
For CSCO and AM Employees,	No returns have posted to the notice account	<ol style="list-style-type: none"> <li>1. Input TC 591 cc 075 using CC FRM49.</li> <li>2. Transfer credit to the correct TIN.</li> <li>3. Document AMS of information and actions taken, including the cross reference TIN.</li> </ol>
For ACS and ACSS Employees,	No returns have posted to the notice account	<ol style="list-style-type: none"> <li>1. Input TC 591 cc 025 using CC FRM49.</li> <li>2. Transfer credit to the correct TIN.</li> <li>3. Document AMS of the information, including the cross reference TIN.</li> <li>4. If the account is on ACS, enter history code "TOC0,30, RDPND" or "TOS0,30, RDPND". See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>
For FA Employees.	No returns have posted to the notice account	<ol style="list-style-type: none"> <li>1. Input TC 591 cc 020, using CC FRM49.</li> <li>2. Transfer credit to the correct TIN.</li> <li>3. Document AMS of all pertinent information, including the cross reference TIN.</li> <li>4. If the account is on ACS, enter history code "TOC0,21, RDPND" or "TOS0,21, RDPND" . See IRM 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>

- (6) If the RD notice has the incorrect name assigned to the TIN, and the return(s) posted to the notice account, forward the information with complete documentation to the appropriate BMF Accounts Management area for resolution on a Form 4442 or appropriate form.
- (7) If the notice TIN and name are correct, but the taxpayer’s return posted under another name or TIN, input a TC 594 cc 083 on the module. Transfer to the appropriate BMF Accounts Management. Notate on the routing slip “TIN Related Problem”.
- (8) Any Governmental agency entity issues involving Employment Code problems must be forwarded to Entity for validation/correction.
- (9) If a business changes structure (i.e., sole prop. to corp.) during the notice period, employer tax returns can be filed on either TIN.

If	And	Then
For CSCO and AM Employees,	The return was filed on the "old" TIN	<ol style="list-style-type: none"> <li>1. Input TC 590 cc 075 on the "new" TIN.</li> <li>2. Transfer any credits on the "new" TIN to the "old" TIN.</li> <li>3. Close FR on "old" TIN.</li> <li>4. Document AMS of cross reference TIN and any pertinent information.</li> </ol>
For ACS and ACSS Employees,	The return was filed on the "old" TIN	<ol style="list-style-type: none"> <li>1. Input TC 590 cc 025 on the "new" TIN.</li> <li>2. Transfer any credits on the "new" TIN to the "old" TIN.</li> <li>3. Close filing requirement on the "old" TIN.</li> <li>4. Document AMS of any actions taken and pertinent information, including the "old" TIN.</li> <li>5. If the account is on ACS, enter history code "TOC0,30,RDPND" or "TOS0,30,RDPND". See IRC 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>
For FA Employees,	The return was filed on the "old" TIN	<ol style="list-style-type: none"> <li>1. Input TC 590 cc 020 on the "new" TIN.</li> <li>2. Transfer any credits on the "new" TIN to the "old" TIN.</li> <li>3. Close the filing requirement on the "old" TIN.</li> <li>4. Document AMS of pertinent information, including the "old" TIN.</li> <li>5. If the account is on ACS, enter history code "TOC0,21,RDPND" or "TOS0,21,RDPND". See IRC 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>
For CSCO and AM Employees,	The return was filed on the "new" TIN	<ol style="list-style-type: none"> <li>1. Input TC 591 cc 075 on the "old" TIN.</li> <li>2. Transfer any credits on the "old" TIN to the "new" TIN.</li> <li>3. Close FR on "old" TIN.</li> <li>4. Document AMS of pertinent information, including the "new" cross reference TIN.</li> </ol>

If	And	Then
For ACS, ACSS and FA Employees,	The return was filed on the "new" TIN	<ol style="list-style-type: none"> <li>1. Input TC 591 cc 025 on the "old" TIN.</li> <li>2. Transfer any credits on the "old" TIN to the "new" TIN.</li> <li>3. Close FR on "old" TIN.</li> <li>4. Document AMS of pertinent information including the "new" (cross reference ) TIN.</li> <li>5. If the account is on ACS, enter history code "TOC0,30,RDPND" or "TOS0,30,RDPND". See IRC 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>
For FA Employees.	The return was filed on the "new" TIN	<ol style="list-style-type: none"> <li>1. Input TC 591 cc 020 on the "old" TIN.</li> <li>2. Transfer any credits on the "old" TIN to the "new" TIN.</li> <li>3. Close FR on "old" TIN.</li> <li>4. Document AMS of all pertinent information, including the "new" (cross reference ) TIN.</li> <li>5. If the account is on ACS, enter history code "TOC0,21,RDPND" or "TOS0,21,RDPND". See IRC 5.19.5-5, <i>ACS History Codes</i>.</li> </ol>

- (10) If the return is not located via research, work the case as an insufficient response. See IRM 5.19.22.5.3.1.2, *BMF Response "Other"*, for procedural guidance.

5.19.22.5.4.2  
(01-02-2015)

**BMF Return Delinquency  
Due to Posting Errors**

- (1) If you determine a BMF taxpayer used the wrong form:

If	Then
BMF return posted to an incorrect period, or tax posted to an incorrect period,	<ol style="list-style-type: none"> <li>1. Transfer to the appropriate Accounts Management BMF unit.</li> <li>2. Notate on the routing slip "Return posted to an incorrect tax period."</li> <li>3. Document AMS of actions taken.</li> </ol>
If the BMF original return posted to the correct account, but the amount of tax, taxable income, etc. does not match IDRS,	<ol style="list-style-type: none"> <li>1. Forward the information secured to the appropriate Accounts Management Unit.</li> <li>2. Notate on the Form 4442 all pertinent information regarding the discrepancy identified, i.e., "Figures on Return do not match figures posted to IDRS."</li> <li>3. Document AMS of actions taken.</li> </ol>
One return for multiple periods, see IRM 21.7.2.4.7.3, <i>Multiple Quarters Filed on Form 941</i> .	<ol style="list-style-type: none"> <li>1. Transfer to the appropriate Accounts Management BMF Unit - notate on the routing slip "Multiple periods included on one return".</li> <li>2. Document AMS of actions taken.</li> </ol>

- 5.19.22.5.5 (07-07-2016)  
**BMF Unable to Locate**
- (1) This section is not intended for Accounts Management (AM) employees.
  - (2) For procedures to process all undeliverable RD notices and ACS LT letters, including those with yellow stickers from the post office, see IRM 5.19.16.1.2, *Undelivered (UD) Mail procedures*.

- 5.19.22.5.5.1 (01-20-2023)  
**BMF Third Party Contact and Responses**
- (1) This section is not intended for AM employees.
  - (2) IRC 7602(c) generally prohibits IRS employees from contacting persons other than the taxpayer about the collection or determination of the tax liability of such taxpayer without first giving the taxpayer , except as otherwise provided by the Secretary, 45 days' advance notice that contacts with persons other than the taxpayer are intended to be made during a period (not greater than one year but subject to renewal) which is specified in the notice.
  - (3) IRC 7602(c)(2) requires that the IRS provide a record of persons contacted upon the taxpayer's request. When a Third Party contact is made, the employee making the contact must complete Form 12175, *Third Party Contact Report Form* as part of routine case documentation. Refer to IRM 5.19.5.12, *Notification of Third Party Contact*. Include the following information:
    - Taxpayer's TIN
    - Name Control

- Employee Identification Number
- MFT and Tax Period
- Spouse's TIN if a joint liability (Indicate whether the contact was for the Primary TIN, Secondary TIN, or both)
- Date of contact
- Name of third party if known
- The relationship of the taxpayer to the third party, if known. Write the term that describes the relationship (e.g., spouse, parent, sibling, child, neighbor, etc.)
- The occupation of the third party if known (e.g., gardener, loan officer, etc.)

**Note:** The employee should not include the address or telephone number of the third party.

- If the employee determines that there is a reprisal concern when or if the taxpayer is informed of the third party contact, mark the Form 12175 as a "reprisal contact" and do not include the name, relationship to the taxpayer, or the occupation of the third party contact. See IRM 5.19.5.12, *Notification of Third Party Contact* for additional information.
  - Route the completed Form 12175 to the Area Office or Campus, Third Party Contact coordinator. A copy of the Form 12175 must be kept with the case file and Comments section updated to document the information.
- (4) Compliance Services Collection Operation (CSCO) Return Delinquency (RD) and Automated Collection System (ACS) functions will work third party responses. Before contacting third parties, refer to IRM 5.19.5.12, *Notification of Third Party Contact*, for additional guidance.
- (5) All IRS data breaches involving Sensitive But Unclassified (SBU) data, including Personally Identifiable Information (PII) and tax information, and all suspected security incidents, including any incidents of loss or mishandling of IRS information technology resources and lost or stolen IRS IT assets and BYOD assets, must be reported immediately upon discovery, to the Office of Privacy, Governmental Liaison and Disclosure (PGLD) Incident Management Office (IM), via the *PII Breach Reporting Form*, or the Computer Security Incident Response Center (CSIRC), via the *Computer Security Incident Reporting Form*, depending on what was lost, stolen, or disclosed. See the *Report Losses, Thefts or Disclosures of Sensitive Data; Report Lost or Stolen IT Assets and BYOD Assets* page and IRM 10.5.4, *Privacy and Information Protection, Incident Management Program*, and the *If/Then Guide for Reporting Incidents and Data Breaches (PDF)*, for incident and data breach reporting requirements to PGLD/IM, CSIRC, the Situational Awareness Management Center (SAMC), the Treasury Inspector General for Tax Administration (TIGTA), and local Law Enforcement, based on what was lost, stolen, destroyed, or disclosed.
- (6) An employee who becomes aware of a data breach which involves erroneous taxpayer correspondence involving the disclosure of SBU data, including PII and tax information, that is, a notice, letter, or transcript, which was mailed, emailed, faxed, EEFaxed, or generated or transmitted via the Income Verification Express Service (IVES), Return and Income Verification Services (RAIVS), Transcript Delivery System (TDS), Secure Data Transport (SDT), or other electronic transmission, to the wrong address or addressee; or notices, letters, transcripts, faxes, or other electronic/digital documents sent with mixed entity

information such as correct taxpayer information is on page one, but unrelated taxpayer information is on page two; two letters for different taxpayers in the same envelope; the attachment in the correspondence is for a different taxpayer, etc.; or an inadvertent unauthorized disclosure of SBU data, including PII and tax information, such as a verbal disclosure, or an email sent to the wrong person or not properly encrypted; or the loss, theft, or unauthorized destruction of documents containing SBU data, including PII and tax information, such as hardcopy records, documents, or case files, packages lost or stolen during UPS or FedEx shipment, or lost or stolen remittances; or an electronic disclosure of SBU data, including PII and tax information, in IRMs, Training Materials, PowerPoints, IRS Source, SharePoint, etc., or on external systems/sites such as WhatsApp, GitHub, etc., is required to report the data breach immediately upon discovery to his or her manager, and to the Office of Privacy, Governmental Liaison and Disclosure (PGLD) Incident Management Office (IM), via the *PII Breach Reporting Form*. Visit the *Report Losses, Thefts or Disclosures of Sensitive Data; Report Lost or Stolen IT Assets and BYOD Assets*, and see IRM 10.5.4, **Privacy and Information Protection, Incident Management Program**, and the *If/Then Guide for Reporting Incidents and Data Breaches (PDF)*, for incident and data breach reporting requirements to PGLD/IM, CSIRC, the Situational Awareness Management Center (SAMC), the Treasury Inspector General for Tax Administration (TIGTA), and local Law Enforcement, based on what was lost, stolen, destroyed, or disclosed.

- (7) If the reply or information from the third party of possible disclosure is received without the mis-directed notice enclosed, send an appropriate letter informing them to return the misdirected mail to the IRS mailing address shown on the envelope and include a note stating "Misdirected Mail", or mark the envelope "Misdirected Mail" and "Return to Sender". The United States Postal Service (USPS) will return it to IRS.
- (8) If a third party (e.g., practitioner, new occupant, ex-spouse) provides a new address, do **not** document Master File until address can be verified by the taxpayer or Power of Attorney (POA). Send Letter 2475-C , Letter 2788-C or other appropriate letter to the taxpayer's new address.

**Note:** Do not send Returns or Return information with the Letter 2475-C , Letter 2788-C unless the taxpayer has verified the new address.

**Note:** Before contacting third parties, refer to IRM 5.19.5.12, *Notification of Third Party Contact*.

5.19.22.5.6  
(01-02-2015)  
**BMF Credit Balance  
Overview**

- (1) Credit Balances must be thoroughly researched and addressed to determine the correct disposition, especially before closing the module with a transaction code (TC) 590, 591 or 593.
- (2) For ES/FTD payment, research command code (CC) EFTPS to determine if there are additional Taxpayer Identification number(s) (TIN) associated to the taxpayer.
- (3) If research indicates the credit cannot be transferred or refunded, leave the credit on the module whether or not the credit is statute barred (not available for refund or credit offset), The credit(s) will remain on the module until it is systemically transferred to Excess Collections.

**Exception:** If the credit is identified as a levy payments, see IRM 5.19.22.5.6.3, *Levy Payment Procedures*.

5.19.22.5.6.1  
(01-02-2015)  
**BMF Credit Balance  
Research Procedures**

- (1) Research IDRS on all credit(s) and payments on the module, research includes all open or previously closed modules to determine or rule out if the credits were mis-applied to an incorrect tax period or TIN:

**Example:** Quarterly, Estimated, Federal Tax Deposits (FTD) deposits, Installment agreement (IA) payments for Individual, Business accounts and/or cross reference modules

If	Then
Research indicates credit was mis-applied	Follow procedures in IRM 5.19.22.5.6.2, <i>Credit Balance Offset or Refund Procedures</i>
The payment is not identified as an electronic payment	Research payments via Remittance Transaction Research (RTR) program
The payment is identified as an electronic payment	Verify if the payment was applied correctly by researching CC EFTPS using: <ul style="list-style-type: none"> <li>• Definer “E”, when a trace number is available</li> <li>• Definer “T” when no trace number is available</li> </ul> <p><b>Note:</b> To learn more about viewing payment(s) online. See IRM 2.3.70, <i>Command Code EFTPS</i>. For additional information on Electronic Federal Tax Payment System (EFTPS) payments (i.e., credit card, electronic funds, third party payments such as payroll or Intuit, etc.), see IRM 3.17.277.5.3, <i>EFT Number</i>.</p>

If	Then
Payment can not be re-researched thru RTR or EFTPS	<ol style="list-style-type: none"> <li>1. Order the TC document for further research.</li> <li>2. If research does not provide any results, or if the requested payment document is not received, do not re-order documents again. Refer to 2 below and see IRM 5.19.22.5.6.2, <i>Credit Offset or Refund Procedures</i>, for resolution.</li> </ol> <p><b>Note:</b> Allow 15 days for response regarding any EFTPS request. Allow 30 days for MICRO or research request per CC ESTAB, if necessary.</p>
EFTPS research or requested payment documentation is inconclusive, or there is an indication the payment is still mis-applied	See IRM 21.5.7.4.7.15, <i>Electronic Federal Tax Payment System (EFTPS)</i> , for additional guidance on resolving the credit.
You are unable to research credit online or cannot verify payment	Contact the EFTPS unit in Ogden for additional guidance. For information about EFTPS, see IRM 3.17.277.1, <i>Electronic Federal Tax Payment System (EFTPS)</i> , for overview, financial agent responsibilities and their customer service telephone numbers and payment types.
Possible TIN or posting errors	See IRM 5.19.22.5.4, <i>Return Delinquency TIN and Entity Research</i> , for guidance on TIN and Entity research.
Research indicates the credit was mis-applied and belongs to another tax period or TIN	Transfer the credit accordingly. See IRM 5.19.22.5.6.2, <i>Credit Offset or Refund Procedures</i> .

- (2) It may be necessary to contact taxpayer via telephone or correspondence (Letter 112-C or appropriate letter) to determine if the credit belongs to the taxpayer and/or applied to the correct period. See IRM 5.19.22.5.6.2, *Credit Offset or Refund Procedures*.
- (3) If an inquiry is received from taxpayer or you are working an issue which includes a module that was previously closed with TC 597 or TC 598,
  - Determine where to apply the credit or payment
  - Determine if the module can be closed with a TC 590 or 591
- (4) If the credit should remain on the module, input a TC 971 AC 296. See IRM 5.19.22.5.6.4, *Input of TC 971 AC 296 - Credit Research Completed*, for additional guidance.

5.19.22.5.6.2  
(07-07-2016)  
**BMF Credit Offset or Refund Procedures**

- (1) Generally, a taxpayer must file a claim for a refund within 3 years of the date the original return was filed or within 2 years of the date the tax was paid, which ever is later (Internal Revenue Code (IRC) Section 6511). Refer to IRM 25.6.1.10.2.7, *Claims for Credit or Refund-General Time Period of Submitting a Claim*.
- (2) If no return was filed, a claim may be allowed if filed within 2 years from the date of the payment. If a claim is not available for offset or refund, it is considered statute barred, see paragraph 3 below for additional information.

**Exception:** An original delinquent return with prepaid credits is considered a timely claim if postmarked within 3 years from the due date, plus extensions. Extensions include the time of extension granted by a Presidential Declared Disaster, see IRM 25.6.1.10, *Claims, Abatements and Refunds* for procedures.

If	Then
It is determined that a payment or credit belongs to another tax period or TIN	<ol style="list-style-type: none"> <li>1. Transfer the credit(s) or payment(s) to partial pay, full pay or to allow the payment to properly refund to the earliest Collection Statute Expiration Date (CSED) date, as applicable</li> <li>2. See IRM 21.5.8-1, <i>Transaction Codes and Reversals</i>, for additional information on using the correct transaction codes and reversals.</li> <li>3. Send a Letter 672-C , Letter 2358-C or appropriate letter.</li> <li>4. Document AMS of actions taken.</li> </ol>
The credit/payment is available for offset or refund (not statute barred) and <b>you are able</b> to determine where to apply the credit for offset or refund the credit	<ol style="list-style-type: none"> <li>1. Take the appropriate actions to resolve the credit.</li> <li>2. Send a Letter 672-C , Letter 2358-C or appropriate letter.</li> <li>3. Document AMS comments of actions taken</li> </ol>

If	Then
<p>The payment or credit (i.e., credit elect) is available for offset or refund (not statute barred) and unable to determine where to apply</p>	<p>Taxpayer contact is required:</p> <ol style="list-style-type: none"> <li>1. If a telephone number is available, attempt to contact the taxpayer to determine where to apply the credit/ payment and/or request a tax return. See IRM 5.19.5.3.10, <i>Telephone Techniques and Communication Skills</i>, for additional guidance.</li> </ol> <p><b>Note:</b> At discretion of local management research telephone directory/web-site or research www.411.com for an updated telephone number, if necessary.</p> <ol style="list-style-type: none"> <li>2. If unable to contact the taxpayer via telephone, send a Letter 112-C or appropriate letter to taxpayer. Input a TC 971 AC 296 to document credit research completed. See IRM 5.19.22.5.6.4, <i>Input of TC 971 Action Code (AC) 296 - Credit Research Completed</i>.</li> <li>3. Document AMS of actions taken.</li> </ol>

## (3) Letter 112-C responses or research:

If	Then
<p>Taxpayer responds to a Letter 112-C or other appropriate letter for a closed RD module</p>	<ol style="list-style-type: none"> <li>1. Process per the taxpayer's instructions.</li> <li>2. A signed statement of non-liability can be used to prepare a "dummy return".</li> <li>3. Attach the signed statement (affidavit statement from the Letter 112-C ) to the dummy return for processing.</li> </ol> <p><b>Note:</b> A "dummy (zero tax) return" can be prepared to address the credit if taxpayer responds "not liable" as long as the signed Letter 112-C is attached. The "dummy return" signifies that the taxpayer is requesting a refund of the payment(s) when it is determined that the taxpayer is not liable to file for the specific tax period. See IRM 5.19.22.5.3.2.1, <i>BMF Response with Original Return(s)</i> for additional guidance. If there is a TC 716 (Credit Elect) you can reverse the credit to the prior year so it can refund systemically rather than preparing a dummy return.</p>

If	Then
A Letter 112-C or another appropriate letter was sent within the past 12 months on a closed module (TC 593, TC 597 or TC 598)	Do not send another letter unless there is an indication that the taxpayer's entity was updated since the last letter was issued.
The credit is not available for offset or refund as statute barred	<ol style="list-style-type: none"> <li>1. Leave the credit on the module. Input TC 971 AC 296 to document credit balance research completed.</li> <li>2. <b>Do not</b> manually move the credit to Excess Collections.</li> </ol> <p><b>Note:</b> This would also apply to tax periods over 6 years old.</p>

5.19.22.5.6.3  
(01-09-2015)  
**BMF Levy Payment Procedures**

- (1) If the credit is a levy payment Designated Payment Code (DPC) 04, 05 or a mis-applied levy payment with a DPC 99, research the entity to determine what modules were included in the levy. The research may include researching previous balance due modules with a TC 670, DPC 05 or 99, identifying a levy payment. Research all cross reference TIN's for possible origin of the levy.
- (2) Transfer the applicable credit(s) to an existing identified module(s) that were included in the levy to full pay. If all levy modules are no longer in balance due status, offset or transfer credit to any other outstanding liabilities that were not subject to the levy. Follow the procedures in this section for further actions to be taken.

**Caution:** "Other outstanding liabilities" does not include individual SRP modules(s). Surplus levy proceeds may not be applied to individual SRP modules. (MFT35)

**Caution:** Do not transfer payments to a cross reference entity unless you are able to verify the source of the levied funds is liable for the cross referenced debt.

**Note:** It has been identified that levy payments are being processed with a DPC 99- miscellaneous payment. It may be necessary to utilize RTR system or request the source document to research payment. It also may be necessary to contact the taxpayer to provide the levy source information if necessary to release the levy.

- (3) If no balance due(s) module is identified of the origin of levy issuance, input a credit transfer to move the credit to the original levy module to allow the payment to refund to the taxpayer. Use bypass indicator 1, if required. If the

balance due module(s) is identified as a Debtor master File (DMF)- with a TC 130, input the credit transfer to the original levy module to allow the payment to offset (TC 896) to the DMF account.

**Caution:** If there is a SRP (MFT35) balance due module, you will need to use a TC 570 when moving the payment back to the original levy module and a manual refund will have to be completed.

- (4) If a levy payment posted to a module(s) with no assessment and no indication of other outstanding liabilities on the account and the payment was received within the last 9 months, transfer the payment to the latest full paid module in order for the payment to be refunded with penalty and interest. See IRM 5.19.6.23.1, *Researching LEVYPMT Transcripts and Open LEVY Control Bases*.

**Caution:** If there is a SRP (MFT35) balance due module, you will need to use a TC 570 when moving the payment back to the original levy module and a manual refund will have to be completed.

**Note:** Do not move credit to a module on a retention register to avoid an Un-postable condition. Retention register modules must be moved back online before input of credit transfer. This does not apply to modules in temporary retention.

- (5) If the levy payment was received after the 9 month period, if telephone number is available, attempt to call the taxpayer before sending Letter 112-C or other appropriate letter to the taxpayer requesting the taxpayer's intent or disposition of the credit or a claim for a refund. If you determine the levy payment is statute barred, see IRM 5.19.6.23.1, *Researching LEVYPMT Transcripts and Open LEVY Control Bases* for additional guidance, if necessary.

**Caution:** When talking to the taxpayer, if there is a SRP (MFT35) balance due, you can't ask them to apply the credit to this outstanding liability. If they inform you that they want the payment applied to the SRP balance, you can move the credit per their request.

- (6) If you determine the levy has been full paid, prepare a Form 668-D , Levy Release form. Refer to paragraph 8 to determine levy origin. You have the option to mail the 668-D to the levy address, but faxing would be more efficient. The taxpayer must be notified a levy release was issued. Refer to IRM 5.19.6.22.1, *Researching LEVYPMT Transcripts and Open LEVY Control Bases* for additional guidance.

- (7) **For IMF entities only:** If identified a wage levy is now full paid and proceeds have been misapplied to other tax periods, a Form 668-D must be prepared to release the levy.

- (8) Determine the origin of the levy source prior to completing Form 668-D. Research all modules for posted returns, full paid modules and temporary register for possible mis-applied payment and origin of the levy. It may be necessary to order ISRP transcripts or utilize RTR to order/research the last payment to assist in determining the levy source(s).

- (9) If the payment is a designated payment code (DPC) 04, 05 or 99 and you determine it is not a true levy payment, change the DPC to "0" (zero, zero) and

continue with procedures in IRM 5.19.22.5.6.1, *Credit Balance Research Procedures* also see IRM 5.19.22.5.6.2, *Credit Offset or Refund Procedures*.

**Note:** The DPC can be changed on the adjustment screen (ADD24, ADD34). If the credit is to be left on the account, a credit transfer must still be made to change the “DPC”. This can be done by transferring the credit back to the same account module and at the same time changing the DPC code to “00” zero).

5.19.22.5.6.4  
(06-13-2019)  
**Input of TC 971 AC  
296-Credit Research  
Completed on BMF  
Accounts**

- (1) After all research has been completed and it is determined that the credit(s) and/or payment(s) will remain on the module, a TC 971 AC 296 **must be input** to identify that all necessary research was completed and provides an audit trail for future reference.
- (2) Follow the steps below for input utilizing CC REQ 77:
  - Input TC 971 in the “TC field”
  - Input AC 296 in the “TC 971/151- CD field”
  - If a cross reference TIN was also researched, input the cross reference TIN in the “X-REF TIN field”
- (3) If closing the RD module, input TC 590, 591 or 593 with the appropriate 2 digit code using CC FRM49.

**Note:** TC 590, 591 or 593 can not be input on a module with a credit balance unless a TC 971 AC 296 input. An error message will display alerting to “Resolve Credit Balance”, and will not allow the input of the TC 590, 591 or TC 593.

- (4) Input of TC 971 AC 296 is only required once for a tax module with multiple credits at the time of the research.
- (5) If a prior TC 971 AC 296 was input on a module which subsequently indicates an additional credit or payment, **another** TC 971 AC 296 must be input after research is completed and determined all credit and payments cannot be resolved and will remain on the module.

5.19.22.5.7  
(04-25-2023)  
**BMF Transcript  
Overview**

- (1) Transcripts are the form of maintenance most widely used by the IRS to ensure proper activity occurs within a module/account. The transcripts are generated systemically when certain predefined criteria is met and unresolved condition(s) remain on an account for a specific length of time. The criteria is established when its presence indicates either expected module activity has not occurred or some sort of manual intervention that may be necessary to resolve the account.

**Note:** When working CSCO Transcripts, take a count for each module resolved.

- (2) If a transcript account is six years or older from the current tax year and there is no credit(s) posted, input a Transaction Code (TC) 590 cc 077, no managerial approval is required.
- (3) If a transcript account is six years or older from the current tax year and there is credit(s) posted, IRM 5.19.22.5.6, *Credit Balance Overview*, before closing the module with the appropriate TC 59X.

- (4) **There are three types of transcripts that are generated:**
- a. **TDI Research Transcripts (TDI)-** designed to generate on a unresolved TC 599/594 and a TC 150 has not posted to the account.
  - b. **Accounts Maintenance (AM 18)** – designed to generate on credit balance accounts where a tax return has not posted. A follow-up transcript will generate every 26 cycles until the case is resolved. Unresolved Accounts Management (AM)-18 transcripts will generate as a DIAGQ transcript after one year.
  - c. **Diagnostic (DIAG) Transcripts** - there are two types of DIAG transcripts, DIAG P and DIAG Q. Compliance Services Collection Operation (CSCO) receives DIAG Q transcripts. Transcripts are generated weekly on entities and tax modules meeting predetermined criteria which might indicate incorrect processing has occurred. The primary purpose for these transcripts is to identify systemic, programming or computer operation problems.
- (5) If the account has an open or unreversed TC 520 present (-V or -W freeze) with closing codes (cc) 60 - 67, 81 or 83 - 89, and your transcript module has a credit balance,
- fax a copy of BMFOLT or TXMOD print showing the credit or payment on the module along with a Form 4442, Inquiry Referral, to:
  - Centralized Insolvency Operation (CIO) Payment Team at fax number (855) 383–9728.
  - On the Form 4442 explain you are working a credit balance transcript which needs to be addressed on the account with an open TC 520.
  - Once the Form 4442 has been sent to CIO, close the case and input AMS comments of actions taken.
- (6) All assessment statute period transcripts must be worked on a priority basis. When requesting returns from files, review all statutes before reprocessing. Per IRM 3.11.154.3.6 , *Statute Returns*, and IRM 25.6.1.8, *Original Delinquent Returns*, statute clearance is not necessary on original secured returns by Compliance employees being forwarded for processing.
- Note:** Use CC TRDBV when working statute period transcripts to look for potential deleted returns. If a processable return that went unpostable is found on CC TRDBV, refer to IRM 25.6.1.9, *Assessments*.
- (7) Prior to January 2022, BMF TDI Transcripts were screened and worked via the automated IAT System. Cases that needed to be manually worked were extracted and a control base was established via the Case Control Activity System (CCA Report) and assigned to the appropriate CSCO Campus. Effective January 2022, BMF TDI- are systemically controlled on AMS.
- (8) While working any BMF TDI related transcripts, if research of CC TRDBV determines a prior return was deleted due an incorrect form received from the taxpayer, it may be required to create a “dummy return” to resolve the transcript. If an employer with a Form 944 filing requirement files a Form 941, current procedures allows the IRS to create a dummy/ combined return with the available information on CC TRDBV, if there is sufficient information to do so. Follow the guidelines below to create a compiled Form 944 extracting the required data from the 4 signed Form 941 returns secured. Inform the taxpayer via letter or phone of actions taken to post the return data and prevent any

further confusion. Notate AMS of all actions taken. See IRM 25.6.1.6.4, *Statute of Limitations Chart for Tax Returns*, for more information.

**Note:** There may be situations when a taxpayer may not be liable for all 4 quarters of Form 941 (i.e.,- Seasonal or no employees for a specific quarter, or research indicates they filed the total tax with the returns secured). In this instance the “dummy” Form 944 must be created.

- Combine return data from all 4 quarters of Form 941 information from CC TRDBV, and enter the totals to the corresponding line on the “compiled” Form 944 you are creating. Mark in the top margin of the “combined” Form 944 with “COMBINED RETURN”.
- Mark the signature line of the Form 944 “See attached” to indicate taxpayer’s signature is on the attached documents.
- Mark the top of each Form 941 “Do not Process”.
- Attach prints of CC TRDBV for each of the deleted Form 941 returns securely beneath the combined Form 944 return.
- Use the IRS received date on the first deleted return on TRDBV on the combined Form 944.

**Note:** The original return filed starts the ASED as a deleted return is considered a valid return per Statute criteria. Ensure the returns are securely attached together to prevent confusion during processing.

- (9) When working a TDI transcript and there is a credit available for offset or refund (not statute barred) and **you are able** to determine where to apply the credit for offset or refund the credit, take appropriate actions to resolve the credit, and send a Letter 672-C , Letter 2358-C or appropriate letter using the correct paragraphs to inform the taxpayer of the offset or refund.

**Note:** If unable to determine where to apply the payment or credit (including credit elect), see IRM 5.19.22.5.6.2, *Credit Offset or Refund Procedures*.

- (10) When working a TDI transcript and the credit/payments are statute barred and the credit/payment date is at least 5 years old, you can transfer to the Excess Collection file (XSF). For specific procedures, see IRM 5.19.22.5.7.3, *Accounts Maintenance (AM) 18 Transcripts*.

- (11) When working an AM18 TDI transcript and the credit/payments are Levy payments, route transcript to appropriate ACSS site for resolution.

5.19.22.5.7.1  
(04-25-2023)

**BMF TDI Research  
(TC594/599) Transcript -  
Manual Work Processing**

- (1) TDI research transcripts are generated on accounts that have unsatisfied or unreversed TC 594 or 599 as a catch to resolve the issue, regardless of the module balance. There are various reasons a tax return was not processed, and subsequently generating a transcript. Each transcript is unique and research of various sections of the IRM may be utilized. This section only gives general guidance and is not exclusive of actions needed to resolve the account.
- (2) BMF transcripts will generate if a TC 150, 610, 590, 591, 592, 593, 595, 596, 597, 914 or 976 does not post within 40 cycles after the TC 594, TC 599, TC 976, TC 610, or Unpostable 150/610 cycles.

5.19.22.5.7.2  
(04-25-2023)

**Resolving BMF TDI  
Research (TC 594/599)  
Transcripts**

(1) Effective January 2022, BMF TDI- Research Transcripts are systemically controlled on AMS.

(2) Research the account and follow the chart below to close transcript case:

**Note:** Per IRM 3.11.154.3.6 , *Statute Returns* and IRM 25.6.1.8 , *Original Delinquent Returns*, statute clearance is not necessary on original secured returns by Compliance employees being forwarded for processing.

If	And	Then
If the account has a TC 150 (AP, PN or unpostable), TC 610, TC 590, TC 591, TC 593, TC 595, TC 596, TC 597, TC 914, TC 916 or TC 976	Intentionally left blank	Close the transcript case on AMS. Input history “no action needed” or other appropriate history remarks.
If there is no open filing requirement for the MFT	No credit balance on the module	<ol style="list-style-type: none"> <li>1. Input a TC 590 cc 075</li> <li>2. Document findings and actions as appropriate on AMS to close the transcript case.</li> </ol>
If there is no open filing requirement for the MFT	There is a credit balance on the module	Follow all credit balance research procedures. See IRM 5.19.22.5.6 , <i>Credit Balance Overview</i> , before inputting TC 59X with appropriate closing code
<p>Research indicates the TC 594 was input in error, a TC 599 issue can not be resolved,</p> <p><b>Note:</b> Definition of error indicates TC 599/594 was input on incorrect tax period. Example- AMS states secured return on 2008; however TC 599 input on 2009.</p>	Taxpayer is not liable for this period only,	<ol style="list-style-type: none"> <li>1. Input a TC 590 cc 075</li> <li>2. Document findings and actions as appropriate on AMS to close the transcript case.</li> </ol> <p><b>Note:</b> If a credit balance remains on the account, you must follow all credit balance research procedures. See IRM 5.19.22.5.6, <i>Credit Balance Overview</i> before inputting TC 59X with appropriate closing code. If credit is a Levy payment, see also IRM 5.19.22.5.6.3, <i>Levy Payment Procedures</i>. If credit/payment is statute barred and the payment date is at least 5 years or more, you can transfer to Excess Collections file (XSF), see IRM 5.19.22.5.7.3 <i>Accounts Maintenance (AM) 18 Transcripts</i>.</p>

If	And	Then
<p>Research indicates the TC 594 was input in error, a TC 599 issue can not be resolved,</p>	<p>Taxpayer will not be liable for future periods,</p>	<ol style="list-style-type: none"> <li>1. Input TC 591 cc 075.</li> <li>2. Document findings and actions as appropriate on AMS.</li> </ol> <p><b>Note:</b> If a credit balance remains on the account, you must follow all credit balance research procedures, see IRM 5.19.22.5.6, <i>Credit Balance Overview</i> before inputting TC 59X with appropriate closing code. If credit is a Levy payment, see also IRM 5.19.22.5.6.3, <i>Levy Payment Procedures</i>. If credit/payment is statute barred and the payment date is at least 5 years or more, you can transfer to Excess Collections file (XSF), see IRM 5.19.22.5.7.3, <i>Accounts Maintenance (AM) 18 Transcripts</i>.</p>
<p>Research indicates the TC 594 was input in error, a TC 599 issue can not be resolved,</p>	<p>Taxpayer is Liable, or Taxpayer is Liable and DC 150, RJ150, RS 150 posting to the module after 10 cycles and cannot pull the return from Files (return is not available),</p>	<ol style="list-style-type: none"> <li>1. If a telephone number is available, attempt to contact the taxpayer before sending Letter 282-C , or an appropriate letter requesting a copy of previously file return.</li> <li>2. If contact is made by telephone, you must indicate to the taxpayer to include a new signature(s) and date on the return and indicate "RD" on top of the tax return so it can be processed appropriately. Provide the correct Submission Processing address CSCO's return address, see Exhibit 5.19.22-2, <i>CSCO Nonfiler Campus Addresses</i>.</li> <li>3. If the module is Little or No Tax due or a Primary Code (PC)-B case, input a TC 590 cc 077.</li> <li>4. Document findings and actions as appropriate on AMS and close control.</li> </ol> <p><b>Note:</b> If a credit balance remains on the account, you must follow all credit balance research procedures. See IRM 5.19.22.5.6, <i>Credit Balance Overview</i> prior to input of TC 59X with appropriate closing code. If credit is a Levy payment, see also IRM 5.19.22.5.6.3, <i>Levy Payment Procedures</i>. If credit/payment is statute barred and the payment date is at least 5 years or more, you can transfer to Excess Collections file (XSF), see IRM 5.19.22.5.7.3, <i>Accounts Maintenance (AM) 18 Transcripts</i>.</p>

If	And	Then
Form 944 has posted for the tax year or transcript is dealing with Form 944/941 filing issues,	ASED on deleted returns will expire within 180 to 90 days.	<ol style="list-style-type: none"> <li>1. Determine taxpayer's filing requirement by utilizing the F944 cache on BMFOLE.</li> <li>2. Additional research may be necessary to resolve FR issues regarding Form 941/944. See IRM 5.19.22.5.3.1.2.6, <i>BMF Response Form 944, Employer's ANNUAL Federal Tax Return</i> or IRM 25.6.1.11.1.4.2.10 , ST-12 (Credit No Return), paragraphs 8 and 9.</li> <li>3. Not clear if taxpayer filed all required returns, follow normal transcript procedures to request returns and resolve credits. <b>Note:</b> Maintain an open control and set pull date for 45 days to allow taxpayer time to respond to your request. If no response, then follow procedures below and close control.</li> </ol>
Form 944 has posted for the tax year or transcript is dealing with Form 944/941 filing issues,	ASED on deleted returns will expire within 90 days.	<ol style="list-style-type: none"> <li>1. Determine taxpayer's filing requirement by utilizing the F944 cache on BMFOLE.</li> <li>2. Review TRDBV for potential deleted returns.</li> <li>3. If deleted returns are present, ASED is within 90 days of expiring and there is a prior statute transcript control on the account, complete Form 4442, and route to Statute unit indicating statute transcript issue.</li> <li>4. Document AMS that case was routed to statute.</li> <li>5. Prepare and forward to Statute requesting a "prompt assessment".</li> </ol>
Transcript is dealing with Form 1120/1120S/1065 filing issues	Intentionally left blank	<ol style="list-style-type: none"> <li>1. SP has procedures to address Form 1120/1120S/1065 return issues to force them to post.</li> <li>2. If you find a deleted return, bring the case to your Team manager or Lead for guidance.</li> </ol>
If none of the conditions in this table above apply	Intentionally left blank	<ol style="list-style-type: none"> <li>1. Send Letter 282-C or other appropriate letter requesting return.</li> <li>2. Close transcript case, document AMS history with "letter XXXC sent requesting return" or other more appropriate history remarks.</li> </ol>

5.19.22.5.7.3  
(01-02-2015)  
**BMF Accounts  
Maintenance (AM) 18  
Transcripts**

- (1) Semi-annually a CP 080 AM 18 is systemically generated to taxpayers which have BMF TDI modules in ST 06 that have a credit balance and no tax return posted. The CP notice requests the taxpayer to file a return (with signature). Even though the program is worked at the Philadelphia CSCO Campus, responses are to be worked at the receiving site. Do not transship.
- (2) Six months before the credit expires, a systemic last chance notice (CP 081 [BMF] letter) will be sent to the taxpayer explaining the credit will expire in six months.
- (3) If the credit balance is not resolved before the statute expires, it will systemically transfer to the Excess Collection file after 51 months of no module activity. There are two exceptions:

- a. A previous TC 594/599 TDI Research Transcript with a credit balance was not resolved, or
  - b. The credit balance is from a TC 670 and the Designated Payment Code (DPC) indicates a levy payment.
- (4) AM-18 transcripts generate:
- 40 cycles after an unsatisfied or un-reversed TC 594/599,
  - 20 cycles after any TC 590, 591, 593, 597 or 598 if the DPC indicates a levy payment.
- Note:** These types of transcripts must be routed to appropriate ACSS site for resolution.
- (5) The AM-18 transcripts generate on a monthly basis and are assigned through AMS.
- If there is an unpostable TC 150 condition, see IRM 5.19.22.5.7.2, **BMF Resolving TDI Research (TC 594/599) Transcripts**, for further actions.
  - If there is a credit on a Form 941 or Form 944 module, verify if credit is applied to the correct Form 941/944 tax period and move appropriately if needed.
- (6) If a module has a TC 595 present and no TC 420, TC 421 or TC 300, follow procedures in paragraph 7 second if and then chart.
- (7) For transcripts with TC 595 and TC 420 present, research IDRS command code AMDISA to determine if the case is still open in Exam.

If	Then
Case is open in Examination,	Take no further action and destroy the transcript.
Case is not open in Examination. (no TC 420, TC 421 or TC 300 present)	<ol style="list-style-type: none"> <li>1. Reverse the TC 595 with a TC 592.</li> <li>2. Resolve the credit balance per the Credit Balance Section IRM 5.19.22.5.6, <i>Credit Balance Overview</i>.</li> </ol>

- (8) If there is a TC 596 present, contact Criminal Investigation (CI) to resolve the credit balance.
- (9) If an AM-18 transcript is generated and research shows a return has now posted or an assessment has posted to the account, close the account as “No Action”.
- (10) If none of the above conditions exist and the credits are **not** statute barred take the following actions:
- If telephone number is available attempt to call the taxpayer
  - Research credits and input a TC 971 AC 296 prior to sending a letter
  - If no telephone number available or taxpayer is not reached by telephone, send a 112C or other appropriate letter

- **Close the transcript open control base** and follow procedures in table below.

**Exception:** ACSS employees, If payments are non-statute barred levy payments see IRM 5.19.22.5.6.3, *Levy Payment Procedures*.

If	Then
A previous TC 59X is on the module and the taxpayer is liable,	<ol style="list-style-type: none"> <li>1. Research credit and input TC 971 AC 296.</li> <li>2. Input TC 592 to reverse the previous TC 59X, using FRM49 and accelerate account to ACS per IRM 5.19.22.5.1.1 <i>Accelerate and/or Delay To TDI Status 03</i>.</li> <li>3. Document AMS of actions taken.</li> </ol>
The taxpayer responds to a CP 080 generated from AM-18 Transcript,	<ol style="list-style-type: none"> <li>1. If telephone number is available attempt to call the taxpayer</li> <li>2. Research credits and input a TC 971 AC 296.</li> <li>3. If no telephone number available or taxpayer is not reached by telephone, send a Letter 112-C or other appropriate letter</li> <li>4. Document AMS of actions taken.</li> </ol>
The taxpayer responds to a CP 080 from an AM-12 Transcript,	Forward the response to the appropriate AM function.
The account is a PC-B, Little or No Tax Due or over 6 years old,	<ol style="list-style-type: none"> <li>1. After researching credit, input a TC 971 AC 296 . <b>Note:</b> No managerial approval is needed when working transcripts.</li> <li>2. Input a TC 590 CC 077.</li> <li>3. Document AMS of actions taken.</li> </ol>

- (11) If working a credit balance transcript where any credits or payments are statute barred and the payment dates are at least 5 years old or more, prepare Form 8758, *Excess Collections File Addition*, see IRM 3.17.220.2.1.1, *Preparation of Form 8758*.

**Exception:** ACSS employees, If the module has a TC 594/599 and there are levy payments with Designated Payment Codes (DPC) of 04, 05, 16, 18, 20, 21 or 99, you must follow procedures in IRM 5.19.22.5.6.3, *Levy Payment Procedures*, before transferring to excess.

**Note:** Normally, a statute barred credit/payment will systemically be cleared to zero with a TC 388 after 51 months of no activity on the module. However, in some instances, the credit will appear back on the module (TC 389) indicating activity. Therefore, transferring credits with payment dates at least 5 years old to excess will avoid future credit balance transcripts.

- (12) Send Form 8758 to the appropriate area based on the first two digits of DLN of the payment you are sending to excess and route based on SERP Who/Where; *UNIDENTIFIED/ EXCESS COLLECTION CONTACTS*.
- (13) If the credit or payment cannot be transferred or refunded and is statute barred and the date of the credit or payment is less than 5 years, input TC 971 AC 296, see IRM 5.19.22.5.6.4, *Input of TC 971 AC 296 - Credit Research Completed*.
- (14) If the account has an open or unreversed TC 520 present (-V or -W freeze) with closing codes (cc) 60 - 67, 81 or 83 - 89, refer to IRM 5.19.22.5.7, *Transcript Overview*, for further actions.

5.19.22.5.8  
(01-02-2015)  
**BMF Diagnostic-Q  
Transcripts**

- (1) Diagnostic-Q (DIAG-Q) transcripts are generated weekly to identify potential problems on IDRS. You must review any prior actions (i.e., TC 59X, credit balances or freeze codes) to determine if the module was appropriately worked. If not worked properly, follow the appropriate procedures to resolve the issue.

**Note:** Although not all DIAG-Qs require action, they are used to identify and remove unnecessary modules/accounts from the Taxpayer Information File (TIF).

- (2) DIAG-Q Transcripts are identified by a one character type code:

- M, D, E, O, F, R, 1-9, A, S, G, or C in that priority order
- These codes are in the transcript heading, and each type is sorted together

**Exception:** Types **F, O, and M** are sorted by assignee employee number

- The number types "1-9" identify the number of years the account has been on the TIF
- Refer to IRM 2.9.1.18.3.2, *Type Definition of DIAG-Q Transcripts* for detailed definitions of the above indicated type codes

- (3) Document AMS comments with the following information:

- DIAG-Q type
- Reason code
- Any actions taken

**Note:** When working DAIG-Q transcripts, take a count for each **module** resolved.

5.19.22.5.8.1  
(01-02-2015)  
**BMF General  
Procedures for  
Diagnostic-Q Transcripts**

- (1) Review DIAG-Q transcripts immediately upon receipt.
- (2) return the following DIAG-Qs to Service Center User Support:
  - Type P
  - Type O with a Transaction Code (TC) 150 or TC 240
  - 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
  - Non-Collection issue
  - Open control base for a non-Collection function
  - Transcript does not meet criteria for generation
  - A credit balance with a settled return (only if the Assessment Statute Expiration Date [ASED] is more than 180 days). If the ASED is within 180 days, route to the Statute function.
- (3) When the DIAG transcript show TSIGN 8000, do the following:
  - No associated balance due modules, destroy the transcript.
  - There are associated balance due modules, TSIGN to 0000 using CC ASGNI
- (4) When the transcript shows an open Compliance Services Collection Operation (CSCO) control base (upper right corner) route to the employee or group assigned.
- (5) When the transcript shows an open territory/area office Collection control base, do not route it to the territory/area office employee, you must work per procedures below.
- (6) The Return Delinquency code types are as follows:

If	Then
Type D <b>Note:</b> these have a TDI-MOD-STATUS-CD of 1 or 9	<ol style="list-style-type: none"> <li>1. Research on IDRS to determine if the return delinquency is actually open</li> <li>2. If not, the module must be closed on IDRS with appropriate TC 59X</li> </ol>
Type O (No TC 150 or TC 240) <b>Note:</b> these transcripts contain an open control base	<ol style="list-style-type: none"> <li>1. Determine if the transcript should be routed to the open control base or should be closed.</li> <li>2. Once the control base is closed, it will drop off from IDRS</li> </ol>
Type R (No TC 150 or TC 240)	<ol style="list-style-type: none"> <li>1. Review to determine if there are any unusual cases or potential problems</li> <li>2. Resolve if possible using the return delinquency procedures</li> </ol>

If	Then
Type 1-9 (No TC 150) <b>Note:</b> These transcripts are generated for modules with unresolved conditions that have been on IDRS for one, two, three years, etc.	<ol style="list-style-type: none"> <li>1. The number identifies the number of years</li> <li>2. Analyze the module to determine resolution</li> <li>3. See IRM 5.19.22.5.8.2, <i>Diagnostic-Q - Return Delinquency/TDI Numerics</i>, and subsections for further information</li> </ol>

(7) When working a DIAG-Q transcript:

If	And	Then
There is a credit available for offset or refund	You <b>are able</b> to determine where to apply the credit	<ol style="list-style-type: none"> <li>1. Resolve the credit, see IRM 5.19.22.5.6, <i>Credit Balance Overview</i></li> <li>2. Send a Letter 672-C (credit offsets), Letter 2358-C (Taxpayer Delinquency Investigation [TDI] closing letter) or appropriate letter to inform the taxpayer of the offset or refund</li> <li>3. Document AMS comments per IRM 5.19.22.5.8, <i>Diagnostic-Q Transcripts</i></li> </ol>
There is a credit or payment not available for offset or refund	The credit is Statute Barred	Follow procedures in IRM 5.19.22.5.7.3, <i>Accounts Maintenance (AM) 18 Transcripts</i> <b>Note:</b> If a credit balance remains on the account, you must follow all credit balance research procedures before closing the module with a TC 590, 591 or 593, see IRM 5.19.22.5.6, <i>Credit Balance Overview</i> .
Sending a letter to the taxpayer	Requesting additional information	<ol style="list-style-type: none"> <li>1. Document AMS comments per IRM 5.19.22.5.8, <i>Diagnostic-Q Transcripts</i></li> <li>2. Indicate type of letter sent</li> <li>3. Do not hold the account open to wait for response. Taxpayer responses to these letters will be batched as new RD work.</li> </ol>

If	And	Then
Working the various types of DIAG-Q transcripts	You identify issues/problems either from systemic or procedural guidance	Contact your local Planning and Analysis staff prior to contacting Headquarters for assistance

- (8) Each service center must establish an inventory control system to maintain and monitor receipts, closings, and current inventories.
- (9) Every TIF module contains a reason code reflecting the highest priority criteria for which the module is being retained on IDRS. The reason codes found on (CSCO) DIAG-Q transcript modules for Return Delinquency are EE, QQ, SS, RF, T1, T2, T3, T4, T5 and 33. A complete list of reason codes can be found in IRM 2.9.1-1, *Reason Codes*.
- (10) See Table below for a summary of these Reason Codes found on module types "T" (tax module) or "E" (entity);

Reason Codes	Module Type	Aging Factor in Cycles	MF Extraction/TIF Retention Criteria
33	E & T	MFEXCL (Master File Exclusive) reason code; module will remain on the TIF/IDRS until MF extracts or assigns the module a different reason code.	<b>MF:</b> For entities: One of the following must apply: For "E" entity module: 1. Temporary TIN or Account TIN changed current cycle. For "T" tax modules: 1. A freeze or hold condition is present on the module (IMF/BMF). <b>TIF:</b> Tax module is in Service Center Status 53 and the COLL-CLOSING-CD is equal to 90 or 93 (valid for tax module only).
EE	T	MFEXCL	<b>MF:</b> One of the following must apply, 1. Tax module is in TDI status. 2. Module is in TDI notice status with a credit balance. 3. Module is in TDI notice status (status code 02) and another module in the account is in TDI status (status code 03). 4. Module is in TDI fourth notice status (TDI indicator code 7). <b>For EPMF</b> the module is in TDI or TDI notice status. <b>TIF:</b> N/A.
QQ	E & T	12 for entity	<b>MF:</b> N/A <b>TIF:</b> 1. For entities; CURRENT-CYC minus the CLOSURE-CYC of the ENT-TDI-COMPLIANCE-REC is less than 12. 2. For tax modules; Contains TDI-MOD-STATUS-CD equal to (1,4,5,6,7, or 9) or DELAY-TDI-CD equals 2 and the TDI-MOD-STATUS-CD equals 0 and the MF-STATUS is less than 06.

Reason Codes	Module Type	Aging Factor in Cycles	MF Extraction/TIF Retention Criteria
RF	T	MFEXCL	<b>MF:</b> The module is frozen due to a TDI Refund Freeze. <b>TIF:</b> N/A
SS	T	5	<b>MF:</b> N/A <b>TIF:</b> All of the following must apply; 1. Tax module contains TDI-MOD-STATUS-Cd of 0. 2. No TC 150 is present in the module. 3. Module contains a pending or posted TC 474. 4. Current cycle minus the TC 474 cycle is less than 5. 5. There is no subsequent TC 590, 591, or 593-599 (if posted and pending transactions have the same cycle, consider the posted subsequent to the pending).
T1	T	none	<b>MF:</b> N/A <b>TIF:</b> All of the following must apply: 1. Current Master File Status is 23. 2. TDI-CD not equal to 0, 2, 8, 9, T, X, Y, or space. 3. RWMS-QUEUE is 0 or 1. .
T2	T	64 (from MOD-STATUS-CYC- of TIF-50)	<b>MF:</b> N/A <b>TIF:</b> Tax module TDI-CLOSURE-TYPE is equal to 8 and the TDI-CD is equal to 1, 2, or 8.
T3	T	4 (from TRANSFER-CYC of TIF-32)	<b>MF:</b> N/A <b>TIF:</b> Account TDI-CD is equal to T (transfer) and the module TDI-MOD-STATUS-CD is significant (not equal to zero or blank) .
T4	T	3 (BMF, EPMF, NMF), 10 (IMF) from (MOD-STATUS--CYC of TIF-50)	<b>MF:</b> N/A <b>TIF:</b> Module TDI-MOD-STATUS-CD is equal to 2 or 8 and account TDI-CD is significant .

5.19.22.5.8.2  
(01-02-2015)  
**BMF Diagnostic-Q -  
Return Delinquency/TDI  
Numerics**

- (1) Retention on the TIF is governed by the principle that a module should be retained as long as any one of a specified criterion is met, such as a dummy module less than three cycles old, accounts in TDA status, accounts in TDI status, modules containing any open pending transactions, modules with open control bases, and Accounts Maintenance Transcripts not previously resolved. If a module is being kept on file because of these reasons and it is identified that the criteria no longer applies, the module is then analyzed to see if any of the other specified criteria apply.
- (2) A Return Delinquency/TDI module may remain on the TIF for reasons due to current TIF processing. The module may remain because it was not processed correctly. In most cases the Return Delinquency/TDI DIAG-Q cannot be resolved based on only one condition. You must analyze several items to discover what is holding the module on the TIF and determine the appropriate resolution. This will involve reviewing the entire account including the entity modules.

5.19.22.5.8.2.1  
(01-02-2015)  
**BMF TIF 32 Record**

- (3) When resolving a Return Delinquency/TDI numeric DIAG-Q, consider the items contained in the following sections below.
- (1) The TIF record must be researched for each case. The account cannot begin or continue notice issuance, accelerate to TDI, or recognize a satisfying transaction without the TIF 32 record. The absence of the TIF 32 record is a common restrictive condition. To check for a TIF 32 record, the module must be on CC TDINQ, see IRM 2.3.26, *Command Code TDINQ*.
- (2) If the TIF 32 record is not present and the module should begin or continue notice issuance, accelerate to TDI, or a TC 59X must be input to satisfy the module, the TIF 32 Section must be built. Document AMS comments and monitor for the compliance record to be shown on TDINQ:

**Note:** If BMF, input a TC 590 cc 075 and TC 592 in the same cycle. The module will update in 2 cycles.

- (3) Once the TIF 32 record is present and the module is updated, review the module. If the criteria that caused the DIAG-Q to generate no longer exist, monitor until any expected activity occurs. (For example: monitor until the notice/TDI is issued OR if a satisfying 59X was previously input, monitor until the TIF TDI module indicator is closed). Then destroy the transcript. Document AMS comments with the following information: DIAG-Q type, reason code and any actions taken.

5.19.22.5.8.2.2  
(01-02-2015)  
**BMF Reason Codes**

- (1) A reason code is assigned to each module on the TIF to explain why it is present on the TIF. The reason code reflected on the diagnostic transcript is the highest priority reason code related to the module. Follow the instructions below for addressing reason codes commonly encountered when working DIAG-Q transcripts.
- (2) If the Reason code is EE, QQ, or 33 and the MFT is not 01 or 11, and any of the following conditions are met, input TC 590 cc 019;
  - Module is a PC-B;
  - The tax period is more than six years from the current processing tax year.
- (3) If the Reason Code is EE or QQ, and the module is a Non PC-B, it is less than six years from the current processing tax year, and the module does not meet any of the above criteria,

If	And	Then
TC 610 is present.	ASED is within 6 months,	1. Input History item DIAGTOST. 2. Route to Statute function.
TC 610 is present.	ASED is more than 6 months,	1. Input History item DIAGTOAM. 2. Route to the appropriate Account Maintenance function.

If	And	Then
No TC 610 is present	Intentionally left blank	<ol style="list-style-type: none"> <li data-bbox="1029 285 1430 537">1. If telephone number is available, attempt to call the taxpayer before sending Letter 112-C or an appropriate letter. If unexpired credits available use the appropriate selective paragraphs.</li> <li data-bbox="1029 537 1430 726">2. Before sending a letter, make sure TIF 32 record is present and if not present on CC TDINQ, follow IRM 5.19.22.5.8.2.1, <i>TIF 32 Record</i>.</li> <li data-bbox="1029 726 1430 852">3. Input appropriate AMS comments such as "DIAG 112C sent". Close open control base.</li> </ol>

- (4) If the Reason Code is EE, QQ, or 33 and the MFT is 01 or 11, use the following procedures;

**Note:** If a credit balance remains on the account, follow procedures in IRM 5.19.22.5.8.1, *General Procedures for Diagnostic-Q Transcripts*.

If	And	Then
Module is a PC-B	Intentionally left blank	Input TC 590 cc 019
Form 941 /Form 943 filing requirement is closed	Intentionally left blank	Input TC 590 cc 019
The Module is over six years old	Intentionally left blank	Input TC 590 cc 019
Form 941 /Form 943 filing requirement is open	The subsequent tax period of the same MFT has not been filed	Input TC 474 cc 01
Form 941 /Form 943 filing requirement is open	The credit is more than the tax on the subsequent tax period of the same MFT	Input TC 590 cc 019
Form 941 /Form 943 filing requirement is open	The credit is within \$5,000 of the tax on the subsequent tax period of the same MFT	Input TC 590 cc 019

If	And	Then
Form 941 /Form 943 filing requirement is open	The Credit is more than \$5,000 less than the tax on the subsequent tax period of the same MFT	Input TC 474 cc 01

5.19.22.5.8.2.3  
(01-02-2015)  
**BMF Freeze Codes**

- (1) Identify and research the freeze code and its condition before taking action on an account. It is possible for a combination of freeze codes to be present on a module. You must take all of them into consideration. Refer to ADP-Document 6209, section 8 which contains a complete list of freeze codes and their explanations. It also contains information on how to release the freeze. Some freeze codes you will be able to release, and some may require contact with other areas.
- (2) If the freeze code is not a Collection issue, contact the function responsible for resolving the freeze via telephone or Form 4442 referral requesting to resolve the freeze condition and provide any necessary information.

**Note:** In some instances the freeze condition may still be necessary. If so, input history item DIAG CRNT and destroy the transcript.

5.19.22.5.8.2.4  
(01-02-2015)  
**BMF MF Status/Module  
TDI Indicator  
Comparison**

- (1) A complete list of MF/Status TDI Indicator Codes can be found in the Document 6209 ,Section 11.
- (2) If the TIF (IDRS) TDI module indicator is 2 (closed TDI) and the Master File status shows MF-STS>3 (open TDI status) which does not match, input a TC 590 cc 019 and TC 592 on the same day and monitor for posting. After monitoring for 2 cycles;
  - If the TIF TDI module indicator is 1 (open TDI) and the Master File status is MF-STS>02 or 03 (open TDI) which now matches as open TDI, and the criteria that caused the DIAG-Q to generate no longer exist, close your control base and document AMS comments such as *“Corrected the mismatch condition on the DIAG-Q transcript so both TDI indicator and MF status are now in open TDI status”*.
  - If the DIAG-Q criteria still exist, research the account for other restricted conditions and resolve following the appropriate procedures within.
- (3) If the TIF module TDI indicator is open, (even though there is a non-Substitute For Return (SFR) TC 150 or other satisfying transaction posted to the module), ensure the TIF 32 record is present see IRM 5.19.22.5.8.2.1, *TIF 32 Record*. Input AMS comments as appropriate such as DIAG TCxxx, satisfying TC (e.g., TC 150, TC 590, etc.).
- (4) If the TIF module indicator is blank, the reason code is QQ, and no balance due, coordinate with User Support to have the module removed from the TIF using Form 6759. Input history item DIAGTOUS.
- (5) If the TIF module indicator is not blank or closed and the Master File filing requirement is 8, ensure the TIF 32 record is present per IRM 5.19.22.5.8.2.1, *TIF 32 Record*, input a TC 597 cc 082, and resolve any credit balance per IRM

5.19.22.5.8.1 *General Procedures for Diagnostic-Q Transcripts*, in paragraphs 6 and 7. If a TC 540 is posted without a TC 150 and there is a requirement to file, send Letter 2268-C or other appropriate letter requesting that the return be filed for the deceased taxpayer.

- (6) If a TC 540 is posted without a TC 150 and there isn't a requirement to file, input a TC 591 cc 075/025 to close the module.

**Note:** If a return is received the TC 540 must be reversed before a TC 599 can be input. Code the return with the Condition Code 'F' and send for processing.

- (7) If the TIF module indicator is 9, ensure the TIF 32 record is present per IRM 5.19.22.5.8.2.1, *TIF 32 Record*, and input history item DIAGMRG. Research the account for other restrictive conditions and resolve following the appropriate procedures within. If no other restrictive conditions are found, destroy the transcript.
- (8) If the previous master File status of 06 was reactivated to status 02 or 03, research the account for the TIF 32 record. If no TIF 32 record is found resolve per IRM 5.19.22.5.8.2.1, *TIF 32 Record*. If the TIF 32 record is present, research CC BMFOL E, I, S, T. Review these Command Codes for activity to determine what reactivated the transcript module.

If	And	Then
The activity that reactivated the Status 06 has been satisfied	Intentionally left blank	<ol style="list-style-type: none"> <li>1. Input History appropriate AMS comments such as DIAG 597.</li> <li>2. Input TC 597 cc 082.</li> <li>3. Resolve any credit and follow procedures in IRM 5.19.22.5.8.1, <i>General Procedures for Diagnostic-Q Transcripts</i>, in paragraphs 6 and 7. IRM 5.19.22.5.6, <i>Credit Balance Overview</i>.</li> </ol>
Activity has not been satisfied	The tax period is more than six years old from current tax year,	Resolve per IRM 5.19.22.5.8.2.2, <b>Reason Codes</b> , see paragraph 2 for IMF DIAG and paragraph 3 for BMF DIAG.
Activity has not been satisfied	The tax period is less than six years old from current tax year.	Resolve per IRM 5.19.22.5.8.2 <i>Diagnostic-Q Return Delinquency/TDI Numerics</i> , and appropriate subsections.

- (9) If the TDI Status History Section shows the module in Status 03 with Master File TDI indicator 5 or 6 (TDI) and a matching TIF module indicator, ensure the TIF 32 record is present per IRM 5.19.22.5.8.2.1, *TIF 32 Record*.

If	Then
The last 4 digits of the assignment number is "8000" (significant SFR/ASFR) see IRM 2.4.27, <i>Command Code ASGNI or ASGNB formerly TSIGN</i> ,	<ol style="list-style-type: none"> <li>1. Follow procedures in IRM 5.19.22.5.8.2, <i>General Procedures for Diagnostic-Q Transcripts</i>, in paragraph 1 in the Note. Input History item appropriate AMS comments.</li> <li>2. Destroy the transcript.</li> </ol>
The last 4 digits is not assignment number "8000", as stated above.	<ol style="list-style-type: none"> <li>1. Assign to area office (xxx6401) using ASGNI or ASGNB.</li> <li>2. Input appropriate AMS comments such as assign "to area office" DIAGXXXX.</li> <li>3. Destroy the transcript.</li> </ol>

- (10) If the Status History Section is in Status 03 with Master File TDI indicator 8 (ACS) and a matching TIF Module TDI indicator, ensure the TIF 32 record is present per IRM 5.19.22.5.8.2.1, *TIF 32 Record* and the ASGNI or ASGNB is 0000 or 0110. Input and destroy the transcript.
- (11) If the Status History Section shows the module is in Status 03 with Master File TDI Status History indicator 7 (ACS) and the TIF module TDI indicator matches, ensure the TIF 32 record is present per IRM 5.19.22.5.8.2.1, *TIF 32 Record* and the ASGNI or ASGNB is 7000. Input appropriate AMS comments and destroy the transcript.
- (12) If the module is in SC and MF Status 23, or if the TIF module TDI indicator is open, and a TC 150 posted:

If	And	Then
The 150 contains Tax Class/Doc 210	The tax was assessed by SFR/ASFR with a TC 290 or Exam with a TC 300.	<ol style="list-style-type: none"> <li>1. Ensure the TIF 32 record is present per IRM 5.19.22.5.8.2.1, <i>TIF 32 Record</i>.</li> <li>2. Input appropriate AMS comments.</li> <li>3. Destroy the transcript.</li> </ol>

5.19.22.5.8.2.5  
(01-02-2015)  
**BMF Location Codes**

- (1) If the primary and secondary location codes do not match, or if the TIF TDI account indicator = T (see CC TDINQ), input appropriate AMS comments such as Location Code Change. Ensure that the TIF 32 record, see IRM 5.19.22.5.8.2.1, *TIF 32 Record*. Document the account to reflect the correct Location Code, see IRM 2.4.9, *Command Code ENREQ, INCHG, IRCHG, BNCHG and BRCHG*.

5.19.22.5.8.2.6  
(01-02-2015)  
**BMF Module Balance**

- (1) If a credit remains on the account, follow procedures in IRM 5.19.22.5.8.1, *General Procedures for Diagnostic-Q Transcripts*.

5.19.22.5.8.2.7  
(01-02-2015)  
**BMF RS 904**

- (1) A transcript will generate when a RS 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. **Example: Tax period 1994 has been moved to the retention and a dummy has been created for the same MFT and period to open a control base.** The solution is to close the open control base if the case is controlled to you. If the case is controlled to another employee, contact the employee to close the control base. Once the control base is closed, monitor the case for 3 cycles and the dummy module will be dropped from the TIF.
- (2) A RS 904 will also be sent when a module is incorrectly brought back from retention and a transaction attempts to post to the module. In this case CC BMFOLB must be executed to correctly bring the module from retention. Once the module is available, input CC MFREQC, correct any Unpostable condition, resolve any credits available per IRM 5.19.22.5.8.1, *General Procedures for Diagnostic-Q Transcripts*, in paragraphs 6 and 7 and monitor until expected activity occurs.
- (3) With the presence of a RS 904 research for a possible attempted merge. Monitor the module until the merge is completed and the module is able to drop from the TIF. If further action is needed to the complete or correct the merge, take the necessary actions to correct, which may involve contacting Entity. Monitor until expected activity occurs, and close the case by inputting appropriate AMS comments such as “merge is complete”.
- (4) With the presence of a RS 904 if no retention criteria exists and the module cannot be procedurally resolved, or if the module was erroneously created, prepare Form 6759 , *Request for Taxpayer Data*, and route to User Support to have the module removed from the TIF.

5.19.22.5.8.2.8  
(01-02-2015)  
**BMF DIAG Current**

- (1) If research indicates recent activity and the module balance is current or the transcript module status has updated since the transcript generated, input appropriate AMS comments indicating “module is current, no action needed” and destroy the transcript. See the following examples:
  - The module has a current (within one year) ASGNI or ASIGNB (see IRM 2.4.27, *Command Code ASGNI/ASGNB formerly TSIGN*) or history item indicating the return delinquency notice process of TDI is in active inventory.
  - The module is now in Master File and Service Center return delinquency status and the next notice is not due to be issued.
  - There is a satisfying transaction code that has been pending for less than three cycles.

5.19.22.5.8.2.9  
(01-02-2015)  
**BMF Unpostables**

- (1) Use CC UPTIN to research for pending unpostables (Unnn), contact the Unpostable function by telephone to resolve the unpostable transaction from the Generalized Unpostable Framework (GUF). Input appropriate AMS comments and destroy the transcript.
- (2) If there is an unresolved nullified or rejected unpostable or another transcript condition (AM, TDIRSH, etc.), contact the function responsible by telephone to resolve the condition. Input appropriate AMS comments and destroy the transcript.

5.19.22.5.8.2.10  
(01-02-2015)

**Other Restrictive  
Conditions on BMF  
Accounts**

- (1) If there is a 'Y' freeze on any module, or if any module is in status 71, review the module for any unpostable or accounts maintenance condition. If present, route to the centralized Offer In Compromise (OIC) campus, refer to SERP under Who/Where tab for the appropriate OIC campus. Input appropriate AMS comments.
- (2) If there is a -V, -W, or -VW freeze on the account, review the module for any unpostable or accounts maintenance condition. If present, try to resolve by contacting the Territory/Area office technical support by telephone to release the freeze. If they cannot release the freeze or you are unable to contact the area, then input appropriate AMS comments indicating "no action" and destroy the transcript.
- (3) If there is an unreversed TC 595, research AMDISA. If AMDISA is closed, reverse the TC 595 and secure the return if appropriate. If AMDISA is open, destroy the transcript. Input appropriate AMS comments

5.19.22.5.9  
(01-02-2015)

**BMF Return Delinquency  
On-Line Notice Review  
(OLNR) System**

- (1) The Return Delinquency (RD) Notice Review and Register was replaced by the On-Line Notice Review (OLNR) System. The OLNR system allows tax examiners to review the entity portion of the notices and determine notice disposition. The system eliminates the previous manual process that included handling and mailing of notices by each Campus.
- (2) All Business Master File (BMF) CP RD notices are viewed by selected Compliance Services Collection Operation (CSCO) employees at each Campus. The tax examiners conduct the reviews at their workstation via desktop computer. They verify the accuracy of the notices by comparing the information on the OLNR system with Integrated Data Retrieval System (IDRS) entity information.
- (3) The OLNR system allows the tax examiner to review the notices prior to mailing to avoid printing codes that should be voided and allow editing capabilities when a notice needs correction prior to mailing.
- (4) Notices not reviewed prior to cycle close out will automatically default, print and mail at the Correspondence Production Services (CPS) print sites.

**Note:** When working through the OLNR system, utilize IDRS to verify the accuracy of the notices (i.e., entity, Transaction Code [TC] 150, TC 590, etc.)

5.19.22.5.9.1  
(01-02-2015)

**Overview of BMF  
On-Line Notice Review  
(OLNR) Process**

- (1) A sample (batches) of CSCO notices will be displayed on the OLNR system each week. The batches will be created **Friday**. Each CSCO site will be restricted to review the batches of work for their campus. After selecting the week's posting cycle, each batch of work is assigned a unique batch number beginning with "7000" series.
- (2) The OLNR batch close out occurs at the end of each cycle. All reviews of batches of work must be completed by the following **Friday**. If an observed holiday falls on a scheduled close-out day (Thursday) ensure all OLNR batches are worked by COB the day prior to close out.
- (3) The OLNR System utilizes the disposition code data to create the Notice Disposition Reports. There are four weekly reports.
  - **The Control-D Web Weekly Report-** is used by employees, leads and managers at the **start of each cycle's work**.

- The report file names are: **OLNR BMF Delinquency Review Register** and **OLNR-BMF CP 518 DELIQ Review Register**.  
**Note:** The above file name listings will display the same batch number as shown on the OLN system. Managers and/or Leads can use the lists to assign work and keep control of which batch(s) an employee has been assigned on OLN. These lists identify various select codes with definitions (i.e., select code 04 - Decedents, select code 39 - \$100K including broker sales, etc.) which are not displayed on the OLN batches.  
  
**Note:** The listings above will also contain an additional list, **Notice 6+ Years Old**. These listings can **only** be located on Control-D web and must be manually printed and distributed weekly to the employees to work.
- **The OLN Web Weekly Report-** is displayed through the OLN web. The report is only accessible for Leads and Managers to view their employee’s final determination of the disposition of the notice at the **end of each cycle**. The disposition code (see codes definitions below) entered for each notice will determine how the notice will be handled. Leads and Managers must review at the **end of each cycle’s work** close out (Friday or Monday) to verify batch completed. They also can use this report for their managerial reviews by checking the employee’s closed batch.
- <http://odn0010vpolnr/OlnrWeb> - for Ogden server (BMF campus - Memphis)
- <http://cov0010vpolnr/OlnrWeb> - for Cincinnati server (BMF Campuses - Brookhaven and Philadelphia).

**Note: After close out, batches not worked “Not Reviewed” with disposition code “NR” will automatically change to disposition code “P” for print.**

(4) CSCO will not utilize all the disposition codes as explained in IRM 3.14.1.4.2.2, *Notice Disposition Code Table*. Disposition codes used for CSCO are defined below.

Disposition Code	Action
<b>E</b>	Code is used to access the “ <b>entity</b> ” screen to document with any changes. Code E is used for all BMF CPs. If any changes made, leave the code as “E” for printing and mailing. If no entity changes made, change the code to “P” for print.
<b>P</b>	Code allows the notice to be <b>printed</b> and mailed in original condition.
<b>V</b>	Code is used to prevent a notice from being printed. Use this code when the notice needs to be <b>voided</b> .

5.19.22.5.9.2  
(01-02-2015)  
**On-Line Notice Review  
(OLNR) General  
Procedures for BMF**

- (1) Notices must be reviewed for accuracy. Research IDRS utilizing, CC ENMOD, BMFOL (definer E or I), SUMRY, TXMOD, INOLES to verify entity information. Check each tax module to verify if other conditions exists (i.e., TC 59X, TC 150, freeze codes, etc.) which will prevent issuance of the notice. For the BMF CP 259 , CP 959 and CP 518 , we will only correct the Entity portion of the notice. The name and address lines are limited to a specific number of characters as listed in the tables below:

***BMF Notice Entity Section of the OLN Notice Screen:***

Display Name	Data Length
Primary Name Line	35
Continuation Name Line	34
Sort Name Line	35
Care of Name Line	35
Foreign Address	35
Street Address	35
City	22
State	2
Zip Code	12
TIN	11
DLN	17
Entity Type	12
Other	1

- (2) The OLN system allows tax examiners to correct notices and identity errors caused by programming or systemic problems. If a reoccurring error is identified, contact management to immediately contact Headquarters (HQ). HQ will contact the campus for additional information, if necessary.

5.19.22.5.9.3  
(07-07-2016)  
**BMF On-Line Notice  
Review (OLNR)  
Procedures**

- (1) The BMF OLN process is classified into 3 separate categories/ listings:
- TC 591 on a prior module on the account.
  - Modules over 6 years old.
  - BMF select Code Review.

**Note:** Specific review process for each category type will be discussed in the paragraphs below. If a notice is voided during the OLN process, you must document action taken on AMS as TXMOD will not identify the notice was previously voided.

- (2) All notices identified with a TC 591 on a prior tax period for the same Master File Tax (MFT) will be included in a batch on the OLN system to be reviewed and determined if the notice should be mailed or deleted from the print file to be mailed. Follow the If/Then table below for procedural guidance for working these types of notices.

If	And	Then
The tax period on the notice is for a tax period <b>prior</b> to the TC 591 tax period,	Intentionally left blank	Input a “ <b>P</b> ” disposition code for printing and mailing the notice.
The tax period on the notice is for a tax period <b>after</b> the TC 591 and prior to the filing requirement being re-opened with an extension or credit balance,	There is no indication of business activity for the inactive tax periods,	<ol style="list-style-type: none"> <li>1. Close the inactive tax periods without a credit balance or extension with a TC 591 cc 075. Input “<b>V</b>” disposition code to void the notice for these periods, and re-close the FR.</li> <li>2. For tax period(s) containing an extension or credit balances, input “<b>P</b>” disposition code for printing and mailing the notice.</li> <li>3. If cannot determine if the business is inactive and credits or extensions are on at least one tax module, input “<b>P</b>” disposition code for printing and mailing the notice.</li> </ol>
A tax period after the TC 591 has a return filed.	Intentionally left blank	Input “ <b>P</b> ” disposition code for printing and mailing the notice.

- (3) Notice(s) are automatically suppressed if they are more than 6 years old (filing year plus 5 prior years). However, since programming errors can occur, a criteria was established to identify years over 6 years old, reject the notice to be manually reviewed. This listing will not be included in batches on the OLN system, but is reported on Control-D report. The report on Control-D will list all suppressed notices more than 6 years old. Access Control-D web **at the beginning** of each cycle to see if a list is available. If available, follow guidelines as stated below:

If	Then
The account has no assignment,	Input a TC 590 cc 019 (suppress in notice status) on the notice module.  <b>Note:</b> If a credit balance remains on the account, <b>you must</b> follow all credit balance research procedures before closing the module with a TC 590. See IRM 5.19.22.5.6, <i>Credit Balance Overview</i> .
The account is assigned to a RO TSIGN or IDRS assignment number.	Document AMS to indicate suppression of the notice.

**Note:** The “Notice 6+ year” listing can only be found on Control-D and must be printed and distributed to employees for processing.

- (4) The OLNLR BMF select code sample was designed as a review process to review the assigned Select Code to a module. The weekly OLNLR listing will include 5 TINs for each BMF select code type. Do not conduct complete research on notices selected by Selection Codes. Take no action based on Selection Code.
- (5) BMF CAF notices will be part of the sample if a CAF indicator is “present”. If a notice is being “V” for Void or “P” for Print, the CAF notice will receive the same disposition as the primary notice (excluding the business entity changes).

**Exhibit 5.19.22-1 (01-02-2015)****BMF Return Delinquency Overview- Policy Statement P-21-3 (formerly P-6-12)**

1. If addressing a taxpayer issue other than an original return and cannot be closed immediately, then a closing letter must be sent per Policy Statement P-21-3 , to support your closing actions taken. Policy Statement P-21-3 states the following:

- Timeliness and Quality of Taxpayer Correspondence.
- The IRS will issue quality responses to all taxpayer correspondence.
- Taxpayer correspondence is defined as all written communication from a taxpayer or his/her representative, excluding tax returns, whether solicited or unsolicited.
- This includes taxpayer requests for information, as well as that which may accompany a tax return; responses to IRS requests for information; and annotated notice responses.
- A quality response is timely, accurate, professional in tone, responsive to taxpayer needs (i.e., resolves all issues without further contact).

**Exhibit 5.19.22-2 (09-15-2015)**  
**CSCO Nonfiler Campus Addresses**

If the taxpayer is using the United States Postal Service (USPS), provide the Submission Processing mailing address found on the *Where to File Tax Returns* page on [www.irs.gov](http://www.irs.gov). If the taxpayer requests to use a Private Delivery Service (PDS) such as UPS or Fedex, provide the Submission Processing mailing address found on the *Submission Processing Center Street Addresses for Private Delivery Service (PDS)* page on [www.irs.gov](http://www.irs.gov).

**Exhibit 5.19.22-3 (01-20-2023)**  
**Submission Processing Files Addresses**

Utilize the addresses below when instructed to forward documents to the Submission Processing Files area.

**RETURN TO FILES ADDRESSES**

Processing Center	Address
Austin	Internal Revenue Service Austin Submission Processing Center SEP:W:CAS:SP:AU:PPO:DRD2:204:S/S 2021 E. Woodward, Stop 6722 AUSC Austin, TX 78741-7805
Kansas City <b>Note:</b> Kansas City Files Area receives returns processed at Andover, Atlanta and Fresno.	Internal Revenue Service Kansas City Submission Processing Center SE:W:CAS:SP:KC:PPO:DRD1:DRT 105 333 W. Pershing Road, Mail Stop 6700 Attention: CCU Kansas City, MO 64108-4302
Ogden <b>Note:</b> Ogden Files Area receives returns processed at Philadelphia Submission Processing Center Brookhaven, Cincinnati, Memphis and Philadelphia. See Exhibit 5.19.22-4, <i>Files Address</i> on where to route requests/refiles	Internal Revenue Service Ogden Submission Processing Center 1973 N Rulon White Blvd., Stop 6722, Central Control Team Ogden, UT 84404

**Exhibit 5.19.22-4 (01-20-2023)****Files Address**

Utilize the addresses below when instructed to forward documents to Files.

Brookhaven, Memphis, Cincinnati and Philadelphia (previously Submission Processing Campuses) have ramped down and no longer have a Files Function on location.

Services for source document association, requests and re-files and sending of requests must be directed to other Campuses at the addresses shown below:

<b>Campus</b>	<b>Requests/Refiles</b>
Brookhaven	Internal Revenue Service, Ogden Submission Processing Center, 1973 Rulon White Blvd., Files M/S 6722, Ogden, Utah 84201
Memphis	Internal Revenue Service, Ogden Submission Processing Center, 1973 Rulon White Blvd., Files M/S 6722, Ogden, Utah 84201
Philadelphia	Internal Revenue Service, Ogden Submission Processing Center, 1973 Rulon White Blvd., Files M/S 6722, Ogden, Utah 84201
Andover	Internal Revenue Service, Kansas City Submission Processing Center, 333 W. Pershing Road Kansas City, MO 64108-4302

**Exhibit 5.19.22-5 (01-02-2015)**

**Accelerate and/or Delay to TDI status 03 Examples**

<b>If</b>	<b>And</b>	<b>Then</b>
The taxpayer responds to the final RD notice stating a return will be filed within eight weeks,	The module will move to TDI Status 03 in two cycles	Delay the change to TDI Status 03 by inputting a delay C08.
The taxpayer responds to the first RD notice within two cycles stating a return will be filed within eight weeks.	The module will move to TDI Status 03 in 12 cycles	Accelerate to TDI Status 03 by inputting a delay C08.

When working a RD response (correspondence or online) and you cannot resolve the RD module, the module may be accelerated to TDI Status 03 for further investigation.

**Exhibit 5.19.22-5 (Cont. 1) (01-02-2015)****Accelerate and/or Delay to TDI status 03 Examples**

<b>If</b>	<b>And</b>	<b>Then</b>
RD module is in Notice Status 02,	Intentionally left blank	Follow procedures in the taxpayer liable section for BMF IRM 5.19.22.5.3.1, <i>BMF Response with No Returns</i> .
RD module is satisfied (Status 06 closed with a TC 59X) and the taxpayer has another module in ACS,	The taxpayer indicates they are liable (i.e., promise to file) or research (i.e., IRPTR, SUPOL) indicates the taxpayer is liable,	<ul style="list-style-type: none"> <li>Using CC ASGNI or CC ASGNB (see IRM 2.4.27, <i>Command Code ASGNI/ASGNB formerly TSIGN</i>) assign the account to 0110 (ACS)</li> <li>Input a TC 592 to reverse the previous TC 59X, using FRM49.</li> </ul>
RD module is satisfied (Status 06 closed with a TC 59X) and the taxpayer has another module in ACS,	There is no indication from the taxpayer they are liable or research (i.e., IRPTR, SUPOL) shows the taxpayer is not liable,	Destroy the notice.
RD module is satisfied (Status 06 closed with a TC 59X) and the taxpayer is not in ACS. <b>NOTE:</b> These cases should only be assigned to ACS if you have information indicating the RD was closed in error with any satisfying TC 59X (excluding current Combat Zone, 598 closing code (cc) 70)	The taxpayer indicates or research shows the taxpayer is liable,	<ul style="list-style-type: none"> <li>Input a TC 592 to reverse the previous TC 59X, using FRM49.</li> </ul>
RD module is satisfied (Status 06 closed with a TC 59X) and the taxpayer is not in ACS. <b>NOTE:</b> These cases should only be assigned to ACS if you have information indicating the RD was closed in error with any satisfying TC 59X (excluding current Combat Zone, 598 closing code (cc) 70).	There is no indication from the taxpayer they are liable or research shows the taxpayer is not liable.	Destroy the notice and take no action on the account.

**Exhibit 5.19.22-6 (06-13-2019)**  
**BMF Returns and Definitions**

If	Then
Form 11-C	<ol style="list-style-type: none"> <li data-bbox="358 426 1477 583">1. The Form 11-C, <i>Occupational Tax and Registration Return for Wagering</i> is used to register a person or business that accepts wagers and to pay the occupational tax on wagering. Any person engaged in the business of accepting wagers is liable to file and pay tax on Form 11-C. Both the principal operator of a business and all employee-agents are required to file.</li> <li data-bbox="358 583 1477 709">2. All Form 11-C returns are processed at the Cincinnati Submission Processing Center (CSPC). All return delinquency issues and coding of return, along with the preparation of the return for processing are completed at the receiving site, <b>only</b> the "Form 11-C Return" is sent to CSPC for processing.  <b>Note:</b> All Form 11-C Returns, 11-C Supplemental Returns without a TC 150 posted, and 11-C Correspondence received in Collection Operations when the taxpayer's account module is not in Status 02 or 03 must be sent to CIRSC Excise, Stop 5701G. <ol style="list-style-type: none"> <li data-bbox="423 856 1477 1014">a. A principal operator is a person or business that operates in the business of accepting wagers for their own account.  <b>Note:</b> Each principal operator filing a Form 11-C is also required to file Form 730, <i>Monthly Tax Return for Wagers</i>. See paragraph 7 below for definition and filing requirements for Form 730.</li> <li data-bbox="423 1035 1477 1255">b. An employee-agent is a paid employee of a principal operator and accepts wagers on the principal operator's behalf. All employee-agents are required to have their own TIN(s) separate from the principal operator's. Each employee-agent is responsible for filing their own Form 11-C and paying the tax. However, principal operators are allowed to file a Form 11-C for each of their employee-agents.  <b>Note:</b> If an employee-agent works for more than one principal operator, they are only required to file and pay tax with one Form 11-C.</li> </ol> </li> <li data-bbox="358 1287 1477 1770">3. The tax liability on Form 11-C is computed on a fiscal year basis beginning July 1st and ending on June 30th of the next year. The Form 11-C is due to be filed and paid in advance by July 1st of each tax year. <ol style="list-style-type: none"> <li data-bbox="423 1381 1477 1602">a. The Form 11-C for a new business is due on or before the first day of the month in which the business starts accepting wagers. The tax period will still end on the following June 30th. The tax period beginning date will always be shown as the tax period on IDRS, transcripts and notices.  <b>Note:</b> A taxpayer begins accepting wagers on September 10th, 2006. The tax period will be reflected as 200609 on IDRS. The return is due to be filed and paid on September 10th, 2006.</li> <li data-bbox="423 1623 1477 1707">b. A person or business that was already accepting wagers as of July 1st will file renewal returns. The tax period will always be 20YY07, with YY representing the year in which the tax period begins.</li> <li data-bbox="423 1717 1477 1770">c. There are no deposit requirements for paying the tax on Form 11-C. The payment may be sent with the return.</li> </ol> </li> </ol>

**Exhibit 5.19.22-6 (Cont. 1) (06-13-2019)**  
**BMF Returns and Definitions**

If	Then
	<p>4. There are two different rates that are charged depending on whether wagering activity is legal according to the state law of the taxpayer. Organizations that are exempt from income tax under Section 501 or 521 of the IRC are not exempt from the excise tax on wagering. Organizations that are exempt from income tax under Section 501 or 521 of the IRC are not necessarily exempt from the excise tax on wagering or the excise occupational tax.</p> <ul style="list-style-type: none"> <li>a. In states where wagering is not legalized (as determined by the state), the rate is \$500 per year. When a business or person starts in a month other than July, the tax is prorated at \$41.66 per month for the remainder of the fiscal year through June 30th.</li> <li>b. In states where wagering is legalized (as determined by the state), the rate is \$50 per year. When a business or person starts in a month other than July, the tax is prorated at \$4.16 per month for the remainder of the fiscal year through June 30th.</li> </ul> <p>5. Although additional tax is not due, a supplemental return must be filed within 30 days (except as noted below) by principal operators and/or employee-agents when certain events occur. Principal operators must file a supplemental Form 11-C and complete line 7 when any of the following events occur;</p> <ul style="list-style-type: none"> <li>a. Taxpayer changes its business or home address.</li> <li>b. A surviving spouse or child, executor, administrator, or other legal representative continues the business of a deceased person who paid the occupational tax. The supplemental return must be filed before accepting wagers at the new address or by the end of the 30 day period after the change, whichever comes first.</li> <li>c. A person continues the business as a receiver or trustee in bankruptcy.</li> <li>d. A person continues the business as an assignee for creditors.</li> <li>e. One or more members withdraw from a firm or partnership.</li> <li>f. A corporate name is changed.</li> <li>g. A principal operator hires a new agent or employee to receive wagers. The supplemental return must be filed within 10 days of hiring a new employee-agent and will include the name, address and TIN of each new employee-agent.</li> </ul> <p>6. Employee-agents must file a supplemental return if they are hired to receive wagers for another party within 10 days after being hired. They must complete line 7 of the Form 11-C to record the name, address and TIN of each principal operator that hired them.</p> <p>7. A supplemental return is only required when a taxpayer has already filed and paid the occupational tax on a Form 11-C for the tax period. The taxpayer should fill out the entity portion of the Form 11-C return, check the supplemental registration return box, check the applicable box on line 3 and fill-in information on line 7 only.</p> <p><b>Note:</b> If an 11-C Supplemental Return is received in CSCO and a TC 150 has posted for the tax period, please associate the Supplemental return with the original return.</p>

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**Exhibit 5.19.22-6 (Cont. 2) (06-13-2019)**  
**BMF Returns and Definitions**

If	Then
Form 730	<p>1. Form 730, <i>Monthly Tax Return for Wagers</i>, is required to be filed by any person in the business of accepting wagers who conducts wagering pools or lotteries, or who is required to be registered and receives wagers for another. Taxpayers are required to use Form 730 to report monthly the taxes due under IRC 4401(a). All Forms 730, along with Form 11-C are processed at the Cincinnati Submission Processing Center (CSPC).</p> <p><b>Note:</b> All return delinquency issues and coding, along with the preparation of the return for processing are completed at the receiving site, and only the "Form 730 Return" is sent to CSPC for processing.</p> <p><b>Note:</b> All Form 730 Returns and Correspondence received in Collection Operations when the taxpayer's account module is not in Status 02 or 03 must be sent to CIRSC Excise, Stop 5701G.</p> <ol style="list-style-type: none"> <li>a. Form 730 is filed by principal operators to report excise tax on wagers accepted. Persons liable for filing Form 730 must have filed a Form 11-C.</li> <li>b. The Form 730 is due to be filed and paid by the last day of the month following the month for which wagers are being reported (i.e., The Form 730 for the month of August is due before the last day of September.)</li> <li>c. The tax rate is 2 percent, but a lower rate of 0.25 percent is applicable in states where the particular type of wagering is legalized.</li> </ol> <p>2. A person is liable for the tax when they are engaged in the business of accepting wagers. A person is engaged in the business of accepting wagers if they make it a practice to accept wagers, on which they assume a risk of profit or loss, depending upon the outcome of the event on which the wager is placed. Organizations that are exempt from income tax under Section 501 or 521 of the IRC are not exempt from the excise tax on wagering.</p> <ol style="list-style-type: none"> <li>a. Wagers on which a tax is imposed include any wager made on a sports event or contest placed with a person engaged in the business of accepting wagers, any wager placed in a pool (conducted for profit) on a sports event or contest, and any wager placed in a lottery conducted for profit.</li> <li>b. Wagers on which a tax is not imposed include any pari-mutuel wagering such as horse racing or dog racing, when the pari-mutuel wagering enterprise is licensed under state law; any wager placed in coin operated devices such as pinball machines; wagers made on sweepstakes, wagering pools, or lotteries, if they are conducted by an agency of a state and the wagers are placed with the state agency or its authorized agents or employees; and games of the type in which usually all persons placing wagers are present when wagers are placed, winners are determined, and prizes or other property are distributed.</li> </ol> <p><b>Note:</b> The amount of the wager includes any fee or charge incident to placing the wager, and is not the amount that the bettor stands to win.</p> <ol style="list-style-type: none"> <li>c. There are no deposit requirements for paying the tax on Form 730. The payment may be sent with the return.</li> </ol> <p>3. If no wagers were accepted during a month, a zero liability return should be filed showing No Activity.</p>

**Exhibit 5.19.22-6 (Cont. 3) (06-13-2019)**  
**BMF Returns and Definitions**

If	Then
Form 706	<ol style="list-style-type: none"> <li>1. Form 706, <i>U.S. Estate Tax Return</i>, is filed by an executor of a decedents estate to compute the estate tax imposed by Chapter 11 of the IRC and also certain generation-skipping transfer taxes imposed at death under Chapter 13.</li> <li>2. A Return Delinquency module is created, and a delinquency notice is mailed if the Executor of the Estate files an extension to file and the return is not filed.</li> </ol>
Form 709	<ol style="list-style-type: none"> <li>1. Form 709, <i>United States Gift (and Generation - Skipping Transfer) Tax Return</i>, is used to report transfers subject to federal gift and certain generation-skipping transfer taxes and to compute tax due, if any on those transfers.  <b>Note:</b> See IRM 21.7.5, <i>Estate and Gift Tax Returns</i>, for additional information, if necessary.</li> </ol>
Form 720	<ol style="list-style-type: none"> <li>1. Form 720, <i>Quarterly Federal Excise Tax Return</i>, and its attachments is used to report liability and payment of various types of excise tax. Many of these taxes are set aside into trust funds earmarked for related capital projects, such as highway and airport improvements. Excise taxes are independent of income taxes. There are numerous changes to excise taxes as new tax laws are implemented for specific tax years, which result in tax rate changes, new credit reference numbers (CRN's) and procedures. For additional information refer to IRM 21.7.8.4, <i>Excise Tax Procedures</i>. Refer taxpayers to Publication 510, <i>Excise Taxes</i>, for additional information and guidance with preparation and filing requirements.</li> </ol>
Form 8804	<ol style="list-style-type: none"> <li>1. Form 8804, <i>Annual Return for Partnership Withholding Tax (Section 1446)</i>, is used to report the total liability under section 1446 for the partnership's tax year. (Form 8804 is also a transmittal form for Form 8805).</li> <li>2. Who must file Form 8804? All partnerships with effectively connected gross income that is allocable to a foreign partner in any tax year, whether or not distributions were made during the partnership's tax year. The partnership may designate a person to file the forms. The partnership, or person it designates, must file these forms even if the partnership has no withholding tax liability under section 1446.</li> <li>3. Form 8804 is due on or before the 15th day of the third month after the close of the partnership's taxable year. However, if the partnership keeps its books and records outside of the United States and Puerto Rico (this is indicated by a check box in the upper right corner of Form 8804 ), then the Return Due Date (RDD) is the 15th day of the sixth month after the close of the partnership's taxable year. Therefore, a calendar year return would be due April 15th, or June 15th, respectively. See IRM 3.22.15, <i>Foreign Partnership Withholding</i>.</li> </ol>
Form 8805	<ol style="list-style-type: none"> <li>1. Form 8805, <i>Foreign Partner's Information Statement of Section 1446 Withholding Tax</i>, is used to report the effectively connected taxable income allocated and total tax credit allowed to the foreign partner for the partnership's tax year.</li> <li>2. Who must file Form 8805? A partnership must file a Form 8805 for each partner to whom it has allocated effectively connected taxable income, whether or not distributions were made during the partnership's tax year. The partnership may designate a person to file the forms. The partnership, or person it designates, must file these forms even if the partnership has no withholding tax liability under section 1446.</li> </ol>

**Exhibit 5.19.22-6 (Cont. 4) (06-13-2019)**  
**BMF Returns and Definitions**

If	Then
Form 940	<ol style="list-style-type: none"> <li>1. Form 940, <i>Employer's Annual Federal Unemployment (FUTA) Tax Return</i>, is used along with state unemployment tax systems in providing funds for paying unemployment compensation to workers who have lost their jobs. Only the first \$7,000 paid to each employee is subject to Federal Unemployment Tax Act (FUTA) tax.</li> <li>2. Taxpayers are required to file Form 940 if they answer "yes" to either one of these questions for the year at issue or the preceding year: <ul style="list-style-type: none"> <li>• Did they pay wages of \$1,500 or more to employees in any calendar quarter?</li> <li>• Did they have one or more employees for at least some part of a day in any 20 or more different weeks?</li> </ul> </li> <li>3. Taxpayers need to include all full-time, part-time, and temporary employees. However, if the business is a partnership, advise they do not count its partners.</li> <li>4. If the Employment Code (EC) of the Entity is F, G, T or W (identified on CC ENMOD) the taxpayer is generally not liable to file. If the EC is "F", indicating a federal agency, contact the centralized FAD Unit in BSC CSCO prior to any actions taken to verify agency does not have any civilian employees.</li> <li>5. Agricultural employers are liable if they meet either of the tests below: <ul style="list-style-type: none"> <li>• They paid cash wages of \$20,000 or more to agricultural workers in any calendar quarter in the current or preceding calendar year.</li> <li>• They employed 10 or more agricultural workers for some portion of a day during any 20 different weeks in the current or preceding calendar year.</li> </ul> </li> <li>6. Employers with household employees are liable and have the option to file either a Form 940 or Schedule H (Form 1040) if they paid \$1,000 or more in any calendar quarter during the current or preceding year for work in: <ul style="list-style-type: none"> <li>• A private home</li> <li>• A local college club</li> <li>• A local chapter of a college fraternity or sorority</li> </ul> </li> <li>7. For additional guidance see IRM 21.7.3, <i>Unemployment Taxes</i> and Publication 15, <i>(Circular E) Employer's Tax Guide</i>, for further guidance on filing requirements.</li> </ol>
Form 941	<ol style="list-style-type: none"> <li>1. Form 941, <i>Employer's QUARTERLY Federal Tax Return</i>, is a quarterly return to report payroll taxes, which consists of withheld income tax and both employee and employer shares of Social Security and Medicare taxes for each quarter. Form 941 is also used to report any current quarter's adjustments.</li> </ol>

**Exhibit 5.19.22-6 (Cont. 5) (06-13-2019)**  
**BMF Returns and Definitions**

If	Then
Form 943	<ol style="list-style-type: none"> <li>1. Taxpayers are required to file Form 943 if they pay wages to one or more farm workers. Employees are subject to social security and Medicare taxes and federal income tax withholding if: <ul style="list-style-type: none"> <li>• the employer paid an employee cash wages of \$150 or more in a year for farm work, or</li> <li>• the total (cash and non-cash) wages that are paid to all farm workers is \$2,500 or more.</li> </ul> </li> <li>2. See the instructions for Form 943, <i>Employer's Annual Federal Tax Return for Agricultural Employees</i>, and Publication 51, <i>(Circular A), Agricultural Employer's Tax Guide</i>, for additional information.</li> <li>3. If the taxpayer employs both farm and non-farm workers, they must report employment tax for the farm workers on Form 943 separate from employment taxes of non-farm workers (Form 941 /Form 944).</li> <li>4. In addition, household employers who work on a for-profit farm, must report wages for these workers on Form 943. However, household employers who work on a non-profit farm must report wages for these workers separately on Schedule H (Form 1040).</li> </ol>

**Exhibit 5.19.22-6 (Cont. 6) (06-13-2019)**  
**BMF Returns and Definitions**

If	Then
Form 944	<ol style="list-style-type: none"> <li>1. As of January 2006, the Form 944 program was implemented with the objective to reduce burden on certain small business taxpayers. Qualified small businesses have the option to file and report their employment tax on an annual basis using Form 944 instead of on a quarterly basis using Form 941.</li> <li>2. To qualify for the program one of the following must apply: <ul style="list-style-type: none"> <li>• The taxpayer would have been notified by the IRS that they were selected and are required to file Form 944, (Written notifications are sent to selected taxpayers prior to February 1st of the tax year ).</li> </ul> <p><b>Note:</b> Taxpayers continue to file Form 944 for subsequent years unless they receive another notification letter informing them their FR was changed, or opt-out of the program prior to April 1st.</p> <ul style="list-style-type: none"> <li>• Those whose annual liability for social security, Medicare, and withheld federal income taxes is \$1,000 or less (indicative per EIN assignment process), or</li> <li>• Taxpayer filed Form 944 for the prior year and reported \$2,500 or less in total tax liability.</li> </ul> </li> <li>3. As of January 2010 tax year, Form 944 FR will change to a voluntary program. <ul style="list-style-type: none"> <li>• Taxpayer will have the option to file Form 944 if they fit the criteria for the year requested by contacting the IRS.</li> <li>• Eligible employers who wish to file Form 944 must make the request by calling the IRS on or before April 1st of the current tax year (April 1, 2011 for returns for tax year 2011).</li> <li>• The IRS will then issue formal notification of the new Form 944 filing requirement.</li> <li>• Employers can also make the request to file Form 944 in writing; written correspondence must be postmarked on or before March 15th of the current tax year (March 15, 2011 for returns for tax year 2011).</li> <li>• New employers that recently received an EIN or had an EIN but were not previously required to file Form 941 or Form 944 who want to call to request to opt in or out of filing Form 944 for the current tax year must call the IRS on or before the first day of the month that their first required Form 941 for the current tax year is due to establish a Form 944 filing requirement.</li> </ul> <p><b>Example:</b> If their first return is due July 30th, they must call on or before July 1st (e.g., for returns for tax year 2011, call made on or before April 1, 2011, July 1, 2011, October 1, 2011, or January 1, 2012).</p> <ul style="list-style-type: none"> <li>• Employers who want to make a written request to opt in or out of filing Form 944 for the current tax year must have their written correspondence postmarked on or before the 15th day of the month before their first required Form 941 for the current tax year is due (e.g., for returns for tax year 2011, correspondence postmarked on or before March 15, 2011, June 15, 2011, September 15, 2011, or December 15, 2011).</li> </ul> <p><b>Note: Except for new employers, the FR can not be changed after April 1st of the requested tax year.</b></p> </li> </ol>

**Exhibit 5.19.22-6 (Cont. 7) (06-13-2019)**  
**BMF Returns and Definitions**

If	Then
	<p>4. As of January 2009, a “F944 CACHE” field was created on CC ENMOD and BMFOLE to indicate tax years (2006-2015) for Form 944 filing requirement.</p> <ul style="list-style-type: none"> <li>• CC BMFOLE displays the cache on the second page, with an indicator “1” on each year the taxpayer is liable to file Form 944, and “blank” if the filing requirement is other than Form 944.</li> <li>• CC BMFOLE displays the cache with an indicator “2”, An indicator “2” in a cache field means that the taxpayer is liable for a Form 944 for the current year and will be liable for a Form 941 in the following year. At the close of a current year, an indicator “2” automatically updates to an indicator “1”.</li> <li>• CC ENMOD displays the cache on the first page, with a “1” under the tax years the taxpayer has a Form 944 FR, and “9” if the FR is other than Form 944.</li> </ul> <p><b>Note:</b> The FR indicator on CC ENMOD displays the current tax year filing requirement and is not necessarily indicative for prior tax years due to the unique programming of the Form 944 .</p> <p><b>Note:</b> This is an exception to the rule to prevent any further confusion to the taxpayer. This exception “<b>only</b>” applies when a return is <b>already</b> posted to an account.</p> <p>5. Entities that are exempt to the Form 944 program:</p> <ul style="list-style-type: none"> <li>• Household and agricultural employers,</li> <li>• Taxpayers with a LMSB BOD code,</li> </ul>
Form CT-1	<p>1. Form CT-1, <i>Employers Annual Railroad Retirement Tax Return</i>, is used to report compensation subject to tax under the “Railroad Retirement Tax Act” (RRTA). Taxpayers are required to file Form CT-1 by the last day of February each tax year.</p> <p>2. All Form CT-1 returns are processed at the Kansas City Submission Processing Center. However, all return delinquency issues, coding, and preparation of the return for processing are required to be completed at the receiving site. Forward only the Form CT-1 tax return to CPSC for processing:  IRS  Kansas City, MO 64999-0048</p> <p>3. See Pub 15-A, <i>Employer’s Supplemental Tax Guide for additional information</i>, or the instructions for Form CT-1.</p>
Form 945	<p>1. Form 945, <i>Annual Return of Withheld Federal Income Tax</i>, is used to report withheld federal income tax from non-payroll payments, such as:</p> <ul style="list-style-type: none"> <li>• Pensions (including governmental section 457(b) plan distributions), annuities, and IRA distributions</li> <li>• Military retirement</li> <li>• Gambling winnings</li> <li>• Indian gaming profits</li> <li>• Voluntary withholding on certain government payments</li> <li>• Back-up withholding</li> </ul> <p>2. Report all federal income tax withholding from non-payroll payments or distributions annually on one Form 945. All federal income tax withholding reported on Form 1099 (for example, Form 1099-R or Form 1099-MISC or Form W-2G must be reported on Form 945.</p>

**Exhibit 5.19.22-6 (Cont. 8) (06-13-2019)**  
**BMF Returns and Definitions**

If	Then
Form 966	<ol style="list-style-type: none"> <li>1. A corporation must file Form 966, <i>Corporate Dissolution or Liquidation</i>, if it adopts a resolution or plan to dissolve the corporation or liquidates any of its stock.</li> <li>2. Form 966 is required to be filed within 30 days after the resolution or plan is adopted to dissolve the corporation or liquidate any of its stock.</li> <li>3. If line 10 of Form 966 refers to Sec.1361(b)(3)(B) the form must be referred to the appropriate Entity area for review of intent of Q-sub election.</li> <li>4. If a Form 966 is received with the statement, "Filed Pursuant to Notice 97-4" refer the form to the appropriate Entity area.</li> <li>5. If a Form 966 is received without the statement "Filed Pursuant to Notice 97-4", or if the taxpayer refers to line 10 Section 331 or 332 on the Form 966 (which identifies a partial or complete liquidation). The return must be edited and filing requirements resolved before sending to files.</li> </ol> <p><b>Note:</b> If Form 966 is attached to CP 259 or CP 518, follow procedures in IRM 5.19.22.5.3.1.2.7, <i>BMF Response Forms 966/964 (Corporate Dissolution or Liquidation)</i> . If the document is received without the CP notice, follow procedures in IRM 21.2.5.4.2.1, <i>Form 966 Procedures</i>.</p>
Form 990	<ol style="list-style-type: none"> <li>1. Various Form 990 returns are used by tax exempt organizations, nonexempt charitable trusts, and section 527 political organizations to provide the IRS with information required by IRC 6033.</li> <li>2. Organizations exempt from income tax must file a version of Form 990 based on their gross receipts and total revenues from all the sources without subtracting expenses.</li> </ol>

**Exhibit 5.19.22-6 (Cont. 9) (06-13-2019)**  
**BMF Returns and Definitions**

If	Then
Form 1041	<p>1. Form 1041, <i>U.S. Income Tax Return for Estates and Trusts</i>. Form 1041 is used to report income, deductions, gains, losses, etc. of an estate or trust. Form 1041 must be filed by the fiduciary of an estate that has:</p> <ul style="list-style-type: none"> <li>• Gross income for the tax year of \$600 or more, or</li> <li>• A beneficiary who is a nonresident alien.</li> </ul> <p>Form 1041 must also be filed for "Trusts" that have:</p> <ul style="list-style-type: none"> <li>• Any taxable income for the tax year,</li> <li>• Gross income of \$600 or more, regardless of taxable income, or</li> <li>• A beneficiary who is a nonresident alien.</li> </ul> <p><b>The types of returns are:</b></p> <ul style="list-style-type: none"> <li>• Form 1041, <i>U.S. Fiduciary Income Tax Return</i>.</li> <li>• Form 1041-A, <i>U.S. Information Return - Trust Accumulation of Charitable Amounts</i> (This is processed as an Exempt Organization return.)</li> <li>• Form 1041-ES, <i>Estimated Income Tax for Fiduciaries</i></li> <li>• Form 1041-QFT, <i>U.S. Income Tax Return for Estates and Trusts</i></li> </ul> <p>2. The type of trusts reported on Form 1041 are:</p> <ul style="list-style-type: none"> <li>• Decedent's Trust - The fiduciary must file for the estate of a domestic.</li> <li>• Trust - The fiduciary must file for a domestic trust taxable under IRC Sec 641.</li> <li>• Bankruptcy Estate - The fiduciary must file for an estate of an individual involved in bankruptcy proceeding under Chapter 7 or 11.</li> </ul> <p><b>Note:</b> See IRM 21.7.4.4.1, <i>Form 1041, U.S. Income Tax for Estates and Trusts</i>, for additional information.</p>

**Exhibit 5.19.22-6 (Cont. 10) (06-13-2019)**  
**BMF Returns and Definitions**

If	Then
Form 1042	<ol style="list-style-type: none"> <li data-bbox="358 386 1474 856">1. Form 1042, <i>Annual Withholding Tax Return for U.S. Source Income of Foreign Persons</i>, is used by withholding agents to report tax withheld at source on certain income paid to nonresident alien individuals, foreign partnerships, or corporations not engaged in trade or business in the United States. Per IRC 1441 - IRC 1464, Chapter Three Withholding and IRC 1442, states that, a person who makes a payment of U.S. source interest, dividends, royalties, and certain other types of income to a foreign person must generally deduct and withhold 30% from the payment. Form 1042 is also used by withholding agents to report tax withheld on withholdable payments for chapter 4 purposes that are made to certain foreign entities that do not satisfy the requirements of IRC 1471(b) and IRC 1472(b) (or an applicable intergovernmental agreement for implementing these requirements) and to certain other foreign financial institutions with respect to their account holders (as defined under the chapter 4 regulations). See IRM 21.8.2.12.3, <i>Form 1042 Filing Requirement</i>, or Publication 515 , <i>Withholding of Tax on Nonresident Aliens and Foreign Corporations</i>, as a reference. Form 1042 is identified with a MFT of 12, and a open FR of 01.</li> <li data-bbox="358 863 1474 1226">2. Form 1042 must be filed to any of the following: <ul style="list-style-type: none"> <li data-bbox="423 894 1474 982">• Taxpayer is required to file Form 1042-S (whether or not any tax was withheld or was required to be withheld) for chapter 3 or 4 purposes. A Form 1042 must be filed even if they file Form 1042-S electronically.</li> <li data-bbox="423 989 1474 1052">• Taxpayer pays gross investment income to foreign private foundations that are subject to tax under section 4948(a).</li> <li data-bbox="423 1058 1474 1121">• Taxpayer pays any foreign person specified federal procurement payments that are subject to withholding under IRC 5000C</li> <li data-bbox="423 1127 1474 1226">• Taxpayer is a qualified intermediary, withholding foreign partnership, withholding foreign trust, participating FFI, or reporting Model 1 FFI making a claim for a collective refund under its applicable agreement with the IRS.</li> </ul> </li> <li data-bbox="358 1232 1474 1430">3. The Form 1042-T serves as a transmittal for Form 1042-S returns, which are information returns used to report income paid to the foreign person. The Form 1042-T is Tax Class 5 and Document Code 01. A withholding agent must file a Form 1042 by March 15th in order to pay and report taxes withheld. Form 1042 is a Master File annual tax return (NMF for 1984 and prior), filed only for the calendar year and cannot be filed as a fiscal year return.</li> </ol>

**Exhibit 5.19.22-6 (Cont. 11) (06-13-2019)**  
**BMF Returns and Definitions**

If	Then
Form 1065	<ol style="list-style-type: none"> <li>1. Form 1065 , <i>U.S. Return of Partnership Income</i>, is an information return to report income, deductions, gains, losses, etc. from the operation of a partnership. See also Publication 541, <i>Partnerships</i>, for additional information.</li> <li>2. A partnership is the relationship between two or more persons who work together to carry on a trade or business. The term partnership includes a limited partnership, syndicate, group, pool, joint venture, or other unincorporated organization, that is not a corporation, trust, estate, or sole proprietorship. Each partner contributes money, property, labor, or skill and all expect to share in the profits and losses of the business. The partnership must file a Form 1065 to report its taxable income or loss. See Publication 541, <i>Partnerships</i>, for additional information.</li> <li>3. Form 1065 is an information return used to report the income, deductions, gains, losses, etc., from the operation of a partnership. A partnership does not pay tax on its income but “passes through” any profits or losses to its partners. <ul style="list-style-type: none"> <li>• The return is due on the 15th day of the 4th month following the close of the tax year.</li> <li>• One general partner or limited liability company manager must sign the return.</li> <li>• See “Who Must Sign” in the instructions on the Form 1065 when the return is made by a receiver, trustee or assignee.</li> </ul> </li> <li>4. Each individual partner’s distributive share of the income or loss must be reported on the partner’s’ individual income tax return. Each partner must make estimated tax payments, if applicable.</li> <li>5. All partnerships must file Form 1065, unless it neither received income nor incurred any expenditures that are treated as deductions or credits for federal tax purposes.</li> </ol>
Form 1120	<ol style="list-style-type: none"> <li>1. Corporations are required to file Form 1120, <i>U.S. Corporation Income Tax Return</i>, FR 01 to report their income, gains, losses, deductions, credits, and tax liability. All domestic corporations (including corporations in bankruptcy) must file whether or not they have taxable income. Some corporations may choose to file a specialized version of the Form 1120. (Refer to IRM 3.13.2, <i>BMF Account Numbers</i>.)</li> <li>2. Form 1120–S, <i>US Small Corporation Income Tax Return</i>, FR 02: A domestic corporation can elect to be taxed under provisions of Sub-chapter S of the IRC. Form 2553, <i>Election by a Small Business Corporation</i>, must be submitted. An approved election can be identified by the TC 090. These corporations elect not to be subject to income tax. If a corporation qualifies, its income is taxed to the shareholders, who report their share on their individual income tax returns.</li> </ol>

## Exhibit 5.19.22-6 (Cont. 12) (06-13-2019)

## BMF Returns and Definitions

If	Then
Form 2290	<ol style="list-style-type: none"> <li>1. Form 2290, <i>Heavy Highway Vehicle Use Tax Return</i>, is filed by the person, business, or organization in whose name the vehicle is registered or required to be registered under state, District of Columbia, Canadian, or Mexican law at the time of its first use during the taxable period on a public highway in the United States. If registered in more than one name, the owner is required to file.</li> <li>2. The return is filed annually for the period July 1 through June 30. Research for the current tax module (i.e., TXYR 07) using the year and beginning month (July for a full 12 month return). All returns are filed and processed at the Cincinnati Submission Processing Center (CSPC). <ol style="list-style-type: none"> <li>a. For vehicles in use in July, the tax return must be filed by August 31.</li> <li>b. For vehicles first used in any month other than July, the tax return must be filed by the last day of the month following the month the vehicle was first used. These returns will have a tax period beginning with the month the vehicle was first used and ending June 30. The tax on this short period return will be prorated.</li> <li>c. Additional returns for various short periods may be filed by the same person, business, or organization.</li> </ol> </li> <li>3. Except for unusual circumstances (i.e., seasonal use) a short period return is only used in the first year of registration. After the first year an annual return is filed for the July 1st through June 30th period and is due on August 31st.</li> </ol>
Form 8752	<ol style="list-style-type: none"> <li>1. Form 8752, is filed by partnerships and S corporations that have elected to file their return (Form 1120, Form 1065) as a fiscal tax year rather than a calendar year basis. The Form 8752 is used to remit the required payment intended to represent the value of the tax deferral from filing as a fiscal year versus a calendar year. The taxpayer must calculate the correct amount of tax that they would benefit from electing from fiscal year to calendar year basis. The payment must be paid when the Form 8752 is filed and is considered as a deposit for their Form 1120 or Form 1065 tax return. Form 8752 is an annual form that is due by May 15 of each year in which the election is in effect.</li> <li>2. Form 8752 is identified with a MFT 15, document code 23, and tax class 2. See Form 8752 instructions for line by line computation instructions. See also IRM 21.7.4.4.7, <i>Form 8752, Required Payment or Refund Under Section 7519</i>, for additional information.</li> </ol>

