



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

8.20.6

APRIL 17, 2024

## EFFECTIVE DATE

(04-17-2024)

## PURPOSE

- (1) This document transmits revised IRM 8.20.6, Account and Processing Support (APS), Interim Actions.

## MATERIAL CHANGES

- (1) This IRM was updated by incorporating the following Interim Guidance Memorandums:

IRM	Title and Brief Description
8.20.6.8.8(3)	Incorporated Interim Guidance Memorandum AP-08-0222-0002, Processing Actions for Appeals Docketed Exam Casework. Added a new paragraph (3) Ensure a TC 520 cc 72 posts to all petitioned periods.
8.20.6.32.2.2(1)	Incorporated Interim Guidance Memorandum AP-08-0423-0004, Including Large Corporate Compliance (LCC) Returns in the Coordinated Industry Case (CIC) Category.
8.20.6.20.2(3)	Incorporated Interim Guidance Memorandum AP-08-0423-0003, Interim Guidance Requiring Deadline Date to Petition Tax Court on Collection Due Process (CDP) Notices of Determination.
8.20.6.20.3	Incorporated Interim Guidance Memorandum AP-08-1222-0019, Accept Transfers of Offers in Compromise (OIC) in Automated Offer in Compromise (AOIC). After (1) added bullet: If there is no WUNO for the OIC, return the request to ATE. After (2) (f) added two steps: (1) select "Yes" from drop down arrow in "Accept" column (2) click "Submit" at bottom of screen).
8.20.6.3.5.3	Incorporated Interim Guidance Memorandum AP-08-0922-0015, Appeals Reporting Data Needs (ARDN) Discontinuing the Requirement to Enter Certain Codes into Appeals Centralized Database System (ACDS) and Form 5402, Appeals Transmittal and Case Memo. Deleted the prior 3rd bullet (Item 42 ARDI Indicator Payment Code).
8.20.6.8.1(6) 8.20.6.10.1(6) 8.20.6.11(2) 8.20.6.12(7) 8.20.6.15 (1) 8.20.6.19.1(4) 8.20.6.29.3(2) 8.20.6.33(1), (2) (3), (4), (6), (7), (8) & (9)	Incorporated Interim Guidance Memorandum AP-08-0922-0014, Disbandment of APS Reports Team. Due to an APS reorganization and the changing needs of the Appeals function, the APS Reports Team is being disbanded and its personnel will be redirected to perform general APS work. References to the Reports Team has been removed from the IRM and responsibilities to generate and manage the reports will fall upon management and or its designees.
8.20.5 & 8.20.7	Incorporated Interim Guidance Memorandum AP-08-0923-0008, Appeals Electronic Case Files Initiative (ECFI) for Small Business/Self Employed (SB/SE) Field Examination Cases Implementation. Please see IRM 8.20.5 and 8.20.7

- (2) Incorporated the previously approved Appeals Service Level Agreement (SLA) Statement with TAS to 8.20.6.1 (5)
- (3) Updated paragraph 8.20.6.1.3 (8) with the approved Taxpayer Bill of Rights statement: The Taxpayer Bill of Rights (TBOR) lists rights that already existed in the tax code, putting them in simple language and grouping them into 10 fundamental rights. Employees are responsible for being familiar with and acting in accord with taxpayer rights. See **IRC 7803(a)(3)**, Execution of Duties in Accord with Taxpayer Rights. For additional information about the TBOR, see <https://www.irs.gov/taxpayer-bill-of-rights>.
- (4) Editorial changes including updates to references and web page links have been made throughout.

### **EFFECT ON OTHER DOCUMENTS**

This IRM supersedes IRM 8.20.6, Account and Processing Support (APS), Interim Actions dated February 22, 2022 and incorporates the following Interim Guidance Memoranda:

AP-08-0922-0014, Disbandment of APS Reports Team

AP-08-0922-0015, Appeals Reporting Data Needs (ARDN) Discontinuing the Requirement to Enter Certain Codes into Appeals Centralized Database System (ACDS) and Form 5402, Appeals Transmittal and Case Memo

AP-08-1222-0019, Accept Transfers of Offers in Compromise (OIC) in Automated Offer in Compromise (AOIC)

AP-08-0423-0003, Interim Guidance Requiring Deadline Date to Petition Tax Court on Collection Due Process (CDP) Notices of Determination

AP-08-0423-0004, Including Large Corporate Compliance (LCC) Returns in the Coordinated Industry Case (CIC) Category

AP-08-0222-0002, Processing Actions for Appeals Docketed Exam Casework

AP-08-0923-0008, Interim Guidance - Appeals Electronic Case Files Initiative (ECFI) for Small Business/Self Employed (SB/SE) Field Examination Cases Implementation, please see IRM 8.20.5 and IRM 8.20.7

### **AUDIENCE**

Appeals

Patrick E. McGuire, Acting Director,  
Case and Operations Support

8.20.6

Interim Actions

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- 8.20.6-2 General Acronyms and Acronym Definitions Included in APS IRMs 8.20.5, 8.20.6, and 8.20.7
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8.20.6.1  
(04-17-2024)  
**Program Scope and Objectives**

- (1) *Purpose.* This IRM section describes the interim actions and procedures used by Account and Processing Support (APS). An interim action is any database change or processing action taken after the case is carded on ACDS and before the case is submitted to Account and Processing Support (APS) for final closing. Specifically, IRM 8.20.6:
  - a. Provides guidance and procedures for the range of interim actions required for cases under Appeals and/or Counsel jurisdiction.
  - b. Provides specific instructions for processing interim account adjustments.
  - c. Includes instructions for issuing notices which convey Tax Court rights to the taxpayer.
  - d. Includes an exhibit for calculating the default date.
  - e. Includes an exhibit for General Acronyms and Codes.
  - f. Includes an exhibit for ACDS Acronyms and Codes.
  - g. Includes an exhibit for AIMS Acronyms and Command Codes.
  - h. Includes an exhibit for IDRS Acronyms and Command Codes.
  - i. Includes an exhibit for the APS Area Consolidated Report.
  - j. Includes an exhibit with procedures for refunding an IRC 6603 Deposit prior to case resolution.
  - k. Includes an exhibit with IRM Resources Related to Updating or Correcting IRS Systems when One or Both Taxpayers Become Deceased.
- (2) *Audience.* Appeals Account and Processing Support (APS) employees.
- (3) *Policy Owner.* Appeals Policy is under Director, Case and Operations Support.
- (4) *Program Owner.* Appeals Policy is the program office responsible for providing technical and procedural guidance to the Appeals organization.
- (5) **In accordance with IRM 25.30.2.3, Statement of Commitment, Appeals will work collaboratively with the Taxpayer Advocate Service (TAS) to enhance the taxpayer experience. For more information, see IRM 25.30.2, Service Level Agreement between the IRS Independent Office of Appeals and the Taxpayer Advocate Service.**
- (6) *Contact Information:* Appeals employees should follow established procedures on How Contact an Analyst. Other employees should contact the Product Content Owner shown on the Product Catalog Information page for this IRM.

8.20.6.1.1  
(09-10-2018)  
**Background**

- (1) In February of 2003, Appeals changed the reporting structure of the APS function within Appeals from the local office Chief, to the Director of APS. The Director of APS reports to the Director, Case and Operations Support in Appeals headquarters.
- (2) The APS specific Internal Revenue Manuals (IRM) are in IRM 8.20, Account and Processing Support (APS).
- (3) APS responsibilities are described in IRM 8.20.6.1.3, Responsibilities.

8.20.6.1.2  
(09-10-2018)  
**Authority**

- (1) IRM 8.20, Account and Processing Support (APS), establishes the APS program and policy framework for Appeals.

8.20.6.1.3  
(04-17-2024)  
**Responsibilities**

- (1) The Director, Case and Operations Support (COS) is the executive responsible for designing, developing, delivering, and monitoring short- and long-range tax administration policies, programs, strategies, and objectives for the Appeals organization.
- (2) The Director, Policy, is responsible for providing technical and procedural guidance to Appeals employees, establishing and maintaining policies and standard procedures for Appeals work streams.
- (3) Policy is comprised of two teams of analysts: Collection Policy and Examination Policy. The analyst(s) responsible for APS programs report to the Manager for Collection Policy.
- (4) The Policy analyst shown on the Product Catalog page as the originator is the assigned author of this IRM.
- (5) For more information on Appeals Policy, see the About Appeals - Case and Operations Support (COS) page on the Appeals website, where you can navigate to the two Policy teams' web pages.
- (6) The Director, APS, is the senior manager responsible for the control and processing of all Appeals cases. The Director, APS, reports to the Director COS. For more information on APS, see the APS page on the Appeals website.
- (7) Appeals Account and Processing Support (APS) has primary responsibility for the following:
  - Receiving and processing ACDS, AIMS, IDRS and other system/account update requests from the Appeals Technical Employees (ATE) and Counsel Attorneys.
  - Issuing notices to the taxpayer which convey Tax Court rights and maintaining the case in suspense until the next applicable action.
  - Verifying and updating Assessment Statute Expiration Dates (ASED) for each taxpayer's account in Appeals' or Counsel's jurisdiction.
  - Processing partial assessments and manual refunds when required as an interim action.
  - Monitoring daily, weekly, bi-weekly, monthly, and quarterly reports and taking appropriate action(s) as applicable.
- (8) The Taxpayer Bill of Rights (TBOR) lists rights that already existed in the tax code, putting them in simple language and grouping them into 10 fundamental rights. Employees are responsible for being familiar with and acting in accord with taxpayer rights. See **IRC 7803(a)(3)**, Execution of Duties in Accord with Taxpayer Rights. For additional information about the TBOR, see <https://www.irs.gov/taxpayer-bill-of-rights>.

8.20.6.1.4  
(09-10-2018)  
**Program Reports**

- (1) The APS function utilizes a variety of reports from the following systems to verify, control, analyze and monitor cases under Appeals and/or Counsel jurisdiction:
  - Appeals Centralized Database System (ACDS)
  - Automated Information Management System (AIMS)
  - Docketed Information Management System (DIMS)
  - Innocent Spouse Tracking System (ISTS)
  - Integrated Database Retrieval System (IDRS)
  - Processing Employee Automated System (PEAS)

- (2) The following IRMs provide specific information related to APS program reports:

- IRM 8.10.1, Appeals Reports and Projects - Internal Reports
- IRM 8.20.2, Account and Processing Support (APS) - IDRS Transcripts and Automated Systems
- IRM 8.20.3, Account and Processing Support (APS) - Appeals Centralized Database System (ACDS)
- IRM 8.20.10, Account and Processing Support (APS) - Appeals Processing Employee Automated System (PEAS)

8.20.6.1.5  
(09-10-2018)  
**Terms and Acronyms**

- (1) The APS processing IRM terms and acronyms are provided in the following Exhibits:

- Exhibit 8.20.6-2, General Acronyms and Acronym Definitions Included in APS IRMs 8.20.5, 8.20.6, and 8.20.7
- Exhibit 8.20.6-3, Appeals Centralized Database System (ACDS) Acronyms and Codes Included in IRM 8.20.5, 8.20.6, and 8.20.7
- Exhibit 8.20.6-4, Audit Information Management System (AIMS) Acronyms and Command Codes (CC) Included in IRM 8.20.5, 8.20.6 and 8.20.7
- Exhibit 8.20.6-5, Integrated Data Retrieval System (IDRS) and Corporate Files On-Line (CFOL) Acronyms and Command Codes (CC) Included in IRM 8.20.5, 8.20.6, and 8.20.7

8.20.6.1.6  
(04-17-2024)  
**Related Resources**

- (1) Additional APS program information and resources are available as provided below:

- The APS Web Page at *Account and Processing Support (APS)*, *Account and Processing Support (APS)*
- IRM 8.20.5, Account and Processing Support (APS) - Carding New Receipts
- IRM 8.20.7, Account and Processing Support (APS) - Closing Procedures

8.20.6.2  
(09-10-2018)  
**Appeals Payment Processing Overview**

- (1) To ensure timely transmission to the appropriate Remittance Processing Function, checks received in Appeals must be promptly provided to the designated Appeals Technical Employee (ATE) for preparation of Form 3244-A, Payment Posting Voucher - Examination and a Form 3210 or an E3210. See IRM 8.7.17, *Technical and Procedural Guidelines - Appeals Remittance Procedures* for additional information.
- (2) When the Appeals Technical Employee (ATE) determines that an interim assessment must be made as a result of receipt of the payment, the ATE will use Form 5402, Appeals Transmittal and Case Memorandum to request that APS process an interim assessment. See IRM 8.7.17, *Procedures for Assessing Advanced Remittances* for additional information.
- (3) When the ATE determines the remittance received is an IRC 6603 Deposit, they will provide this information on the Form 5402, submitted to APS for an interim or a closing action, to differentiate the 6603 Deposit from an advanced payment of tax.

- (4) Taxpayers may also use the Electronic Federal Tax Payment System (EFTPS) to submit IRC 6603 Deposits, advance payments and other types of remittance. For more information, see IRM 3.17.277, Electronic Payments.

8.20.6.2.1  
(09-10-2018)

**IRC 6603 Deposits,  
Undesignated  
Remittances and  
Conversion of Cash  
Bonds Under Revenue  
Procedure 2005-18**

- (1) The ATE will annotate Form 5402 with information pertaining to payments or 6603 Deposits received in Appeals for the following circumstances:
- Remittances received while the case is in Appeals
  - Information pertaining to remittances identified by the taxpayer but not found on the transcript of account
  - Amount of advanced payment(s) and tax period(s) to which the payment applies
  - Amount(s) designated to pay tax (TC 640/670), or penalty (TC 690), or interest (TC 680)
  - Amount of disputable tax and the date of the **Notice**, 30-Day or 90-Day Letter for IRC 6603 deposits.

**Note:** APS must be provided with the information in e) above because the taxpayer can request the return/refund of an IRC 6603 Deposit at any time prior to its conversion to a payment upon the posting of an assessment, APS uses the information in e) above to correctly calculate the overpayment interest at the Federal short term rate on the portion of the IRC 6603 Deposit refunded to the taxpayer.

**Exception:** If any portion of an IRC 6603 Deposit is in excess of the *disputable tax* amount, the amount identified as excess by the ATE is refunded without overpayment interest at the Federal short term rate. See IRM 8.20.6.2.2 (3) below for additional details.

8.20.6.2.2  
(09-10-2018)

**General Awareness of  
Interest Rules When a  
Payment or an IRC 6603  
Deposit is Received and  
Posted**

- (1) IRC 6601, Interest on Underpayment, Nonpayment, or Extension of Time for Payment, of Tax and IRC 6622, Interest Compounded Daily, provides authority for the accrual of underpayment interest and compound interest. Section 8 of Rev. Proc. 2005-18 provides procedures for the running of interest on an assessed tax liability satisfied by application of a remittance (whether the remittance initially was treated as a payment of tax or a deposit).
- (2) When the taxpayer remits a payment (TC 640, TC 670, TC 680, or TC 690) for the **full amount** of the underlying tax deficiency, penalties (if any), and accrued interest, the account is considered full paid as of the payment received date and underpayment interest ceases to further accrue. However, if the taxpayer remits a payment that is less than the full amount of tax, penalty, and accrued interest owed on the account, additional underpayment interest continues to accrue daily on the unpaid amount until the remaining underpaid balance is full paid, or until the account balance equals \$0.00. Transaction Codes for certain payments received after the tax return is filed are listed below:
- TC 640 - Advance Payment of Determined Deficiency of Underreporter Proposal
  - TC 640 with a Designated Payment Code (DPC) 12 - IRC 6603 Deposit (see (3) below)
  - TC 670 - Subsequent Payment
  - TC 680 - Designated Payment of Interest

- TC 690 - Designated Payment of Penalty
- (3) Rev. Proc. 2005-18, Deposits Made to Suspend the Running of Interest on Potential Underpayments provides procedures for interest application when an IRC 6603 Deposit is posted to the taxpayer's account with a TC 640 and a Designated Payment Code (DPC) of 12. Underpayment interest accrual is suspended on the IRC 6603 Deposit amount as of the deposit received date.
  - (4) The Service retains the IRC 6603 Deposit until the final adjustments are posted to the taxpayer's account, unless the taxpayer submits a written request for refund of all or a portion of the IRC 6603 Deposit, prior to the resolution of the taxpayer's case. The written request for the refund of an IRC 6603 Deposit is processable for an amount less than or equal to, the collective amount of tax, penalties and interest in dispute. See IRM 8.20.6.2.2 (5) for more specific guidance on determining the **disputable tax\*** amount. When an IRC 6603 Deposit posted to the taxpayer's account and does not exceed the **disputable tax\*** amount, the entire amount of the IRC 6603 Deposit is interest bearing and earns overpayment interest at the Federal Short Term rate when refunded. When an IRC 6603 deposit is posted to the taxpayer's account for an amount greater than the **disputable tax\*** amount, the excess 6603 Deposit is refundable, but is not interest bearing, thus overpayment interest is neither allowed nor paid on the excess amount.

**Reminder:** Once an assessment is posted to an account, **ONLY** the amount of the IRC 6603 Deposit in excess of the tax, penalty, and interest assessment is available for refund but is not interest bearing because at the time of remittance, it was an excess deposit and thus remains an excess deposit.

- (5) \*Rev. Proc. 2005-18 Section 2 *Background* .03 *Section 6603(c)* and .04 *Section 6603(d)(2)* clarifies and defines the term **disputable tax**. The Appeals Technical Employee or Counsel Attorney in receipt of the taxpayer's written request for refund of their 6603 Deposit, will verify for APS, the amount of the IRC 6603 Deposit that is attributable to **disputable tax**. If any portion of the IRC 6603 Deposit is in excess of the **disputable tax** amount, the excess amount can still be refunded but will not include accrued overpayment interest at the Federal short-term rate. See Rev. Proc. 2005-18 Section 8 Determination of Underpayment Interest for additional information.

**Note:** IRM 20.2.4, IRC 6603 Deposits provides the Servicewide policy and procedures specific to IRC 6603 Deposits.

- (6) Overpayment interest allowed on an IRC 6603 Deposit returned at a taxpayer's request must be manually computed at the Federal short-term rate and posted via a transaction code (TC) 770.

**Reminder:** Overpayment interest calculated at the Federal short-term rate is only applicable to the portion of the 6603 Deposit attributable to **disputable tax**. If the taxpayer submitted a 6603 Deposit in excess of the amount of **disputable tax**, the excess amount is refundable upon written request by the taxpayer, but that excess amount over and above the amount(s) in dispute is not interest bearing nor is it included in the overpayment interest computation. When the 6603 Deposit is posted for the disputed amount or for less than the disputed amount, the APS TE need only calculate the overpayment interest at the Federal short-term



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rate for the principle amount being manually refunded. When the 6603 Deposit is posted for an amount greater than (in excess of) the disputed amount, APS must follow a two-part process to identify the 6603 Deposit excess amount:

### *Two-Part Process Table for Steps Used to Identify the Interest Bearing Portion and the Non-Interest Bearing Portion of a 6603 Deposit*

Part I of 6603 Deposit Refund: Calculation to Determine Excess Deposit Amount	Part II of 6603 Deposit Refund: Overpayment Interest Application on ONLY the Interest Bearing Portion
Calculate Underpayment Interest on disputed Tax and Penalty amount(s).	Calculate Overpayment Interest at the Federal short-term rate on the 6603 Deposit amount = Total amount in dispute*.
Add Tax/Pen/Int amounts to determine the total amount in dispute*.	Prepare the Form 3753, Manual Refund Posting Voucher.
Calculate the amount of 6603 Deposit in excess of disputed Tax/Pen/Int.	Refund Principle = amount of 6603 Deposit requested by the taxpayer to be refunded Overpayment Interest = amount calculated above on only the interest bearing portion of the 6603 Deposit attributable to the total amount in dispute.
The excess 6603 Deposit is refundable and included in the refund principle amount, but the excess amount is not included in the overpayment interest computation.	TC 840 amount is comprised of the principle amount and the overpayment interest calculated on the interest bearing portion of the 6603 Deposit at the Federal short-term rate.

**Example:** Taxpayer submits an IRC 6603 Deposit for \$20,000,000.00 on October 15, 2012 along with a 30-Day Letter (issued by LB&I on August 1, 2012) for an additional tax deficiency of \$10,000,000.00 and penalty of \$2,000,000.00 for MFT 02 Tax Period 201012. The 30-Day Letter identifies the amount in dispute is \$12,000,000.00 plus any applicable interest thereon. The taxpayer files a protest and their case enters Appeals Jurisdiction. On January 15, 2014, the taxpayer provides the ATE with a written request for a full refund of their \$20,000,000.00 IRC 6603 Deposit prior to their case being resolved. The ATE determines that only \$12,000,000.00 plus applicable underpayment interest thereon can be refunded with accrued overpayment interest at the Federal short-term rate. The remainder of the 6603 Deposit principle is refundable, but is in excess of the amount in dispute and thus, it is **not interest bearing**. The ATE submits a written request to APS, for an interim action manual refund of the taxpayer's 6603 Deposit amount attributable to disputable tax and penalty (\$12,000,000.00), accrued underpayment interest thereon of (\$ amount to be determined by APS) and the amount **NOT** attributable to disputed tax (\$8,000,000.00 - \*). \*The accrued underpayment interest is calculated by APS. Upon receipt of the request, APS calculates the underpayment interest on the disputed tax amount up to the IRC 6603 received date = \$1,500,000.00, and prepares the manual refund for the \$ 20,000,000.00. APS then calculates the overpayment interest for only the \$13,500,000.00 of the interest bearing principle at the Federal short-term rate. The remaining \$6,500,000.00 principle amount is refunded without interest. See Exhibit 8.20.6-7, Refund of IRC 6603 Deposit - Amount in Dispute and Excess Amount Components

From IRM 8.20.6.2.2 (6) Example for an overview of the process followed by the ATE and then by APS to correctly process the taxpayer's request as described in this example.

- (7) For additional information on interest application related to payments and 6603 Deposits see:
- IRM 20.2.1-2 Exhibit, Definition of Terms (Cash Bond and IRC 6603 Deposit)
  - IRM 20.2.4, IRC 6603 Deposits
  - IRM 20.2.4, Identification and Rate of Interest for 6603 Deposits
  - IRM 20.2.4, Applying an Excess 6603 Deposit Against Another Liability
  - IRM 20.2.4, Request for Return of an IRC 6603 Deposit
  - IRM 20.2.4, Designating a Deposit Made Under Rev. Proc. 84-58 (Cash Bond) as a Deposit Under IRC 6603
  - IRM 20.2.5, Consideration of Payments for LCU
  - IRM 20.2.5, Start Date for LCU Interest Rate
  - IRM 20.2.6, Assessment of Interest Accruals
  - IRM 20.2.6, Computer Generated Interest Computations
  - IRM 20.2.6, Steps to Compute Interest
  - IRM 20.2.6, Types of Interest Suspensions
  - IRM 20.2.6, Payment Allocation and Reallocation

#### 8.20.6.3

(04-17-2024)

#### **Account and ACDS Updates, Changes, or Corrections Required as an Interim Action**

- (1) During their consideration of the taxpayer's case, the Appeals Technical Employee (ATE) may identify one or more of a variety of changes that must be made to ACDS, AIMS, IDRS and/or the Partnership Control System (PCS). Upon notification of the change request from the ATE, APS must process the system update(s) as an Interim Action. Listed below are several events during the course of Appeals' consideration of the case that necessitate systemic updates:
- ACDS Field(s) Update
  - Name Change
  - Address Change
  - Assessment Statute Expiration Date (ASED) Change
  - AIMS Status Change
  - AIMS Database Element Correction
  - Transfer of AIMS Database to a new Appeals Office Code (AOC)
  - Partnership Control System (PCS) Updates
  - Adding or Removing Tax Period(s) from the CDP WUNO which includes reversing TC 520(s) posted if necessary

An overview of the ACDS/AIMS/IDRS/PCS system interim update process from the ATE initiation of the update request to the APS procedure for each specific type of system update is provided in the subsections below.

- (2) When the ATE determines that a change to the taxpayer and/or Power of Attorney (POA) name and/or address is required, they will make the change in ACDS using the AIVP Validation Tracking System (VTS), Other Validation. The validation is available from the AO/SO Validation menu accessible from the CARATS screen or the Case Summary Card bottom menu. The change is designated as a Normal Update (N) if the change is the result of new case information. If the change is needed to correct an error on ACDS the change will be designated as an Error Correction (E) on the validation screen.

- (3) When the ATE becomes aware of a name and/or address change for the taxpayer and/or POA, they will ensure that both ACDS and the taxpayer's entity information on IDRS is updated/corrected. The ATE will submit a request to APS to update the taxpayer's information on IDRS to ensure that IDRS reflects the correct name and address for the taxpayer as soon as the change in the entity information is known. See IRM 8.20.6.3 (7) for procedures on how APS receives an ATE update request.
- (4) Updates, changes and modifications to ACDS critical data fields on cases where AIMS = Y requires the Appeals Technical Employee (ATE) to select the appropriate Processing Team Manager (PTM) in the Validation Tracking System to ensure that the request for Statute Date and Statute Code update are sent to the PTM's PEAS mailbox. Upon receipt of the systemic notification, the PTM will assign the update request to an APS Tax Examiner (TE) for update of ACDS/AIMS and/or IDRS as appropriate.

**Reminder:** APS must always ensure that the Statute Date and Statute Code on ACDS and AIMS are both updated and match to ensure adequate Statute Protection, and avoid an AMATCH validation problem between ACDS and AIMS.

- (5) When a PCS database element must be updated, the ATE will prepare Form 8339, PCS Change and submit the completed form to their designated PTM for assignment to an APS Tax Examiner (TE). The PTM, upon receipt of the systemic notification, will assign the update to an APS TE for update of PCS as appropriate.
- (6) Appeals employees must use the validation tracking system (VTS) to update the ACDS Critical Data Fields. APS will reject all requests that are available for the ATE to update through the VTS. See IRM 8.10.3, Critical Data Field for specific information covering the ACDS Critical Data Fields and the ACDS User Role validation responsibility for each of the fields.
- (7) The ATE uses the following procedures to request assistance from APS to correct or update ACDS/AIMS/IDRS/PCS information:
  - a. Prepare "ACDS Update Request Form" or "APS Request Form for Collection Cases" found on APGolf under ACDS Updates, completing only the required items.
  - b. Submit the prepared ACDS Record update(s) and instruction(s) to their servicing APS Office Organizational Mailbox (OMB) via encrypted email.

**Reminder:** Do not send update requests to the PTM's Outlook e-mail address.

- (8) APS will:
  - a. Process the "ACDS Update Request Form" using the ACDS Record update instructions within 3 business days of receipt.
  - b. E-mail the requesting employee if clarification is needed to process the request.
  - c. Reject any request for update/correction when not submitted via the electronic form/mailbox.
- (9) The electronic mailbox allows APS management to monitor timeliness and accuracy of the ACDS Update Requests.



- (10) See the following IRM 8.10.3, *Appeals Reports and Projects - Appeals Inventory Validation Process* for specific additional guidance on AIVP:
- IRM 8.10.3, Validation of Appeals Centralized Database System (ACDS)
  - IRM 8.10.3, Critical Data Field for additional information and the link to *Critical Data Fields*
  - IRM 8.10.3, ACDS Update Request Form
  - IRM 8.10.3, Other System Updates
  - IRM 8.10.3, Statute Validation
  - IRM 8.10.3, IDRS Updates
  - IRM 8.10.3, Appeals Technical Employee (ATE) Validations

8.20.6.3.1  
(09-10-2018)  
**ACDS - Updating Case Status**

- (1) ACDS must always reflect the location of the case. Anytime a case moves from one location to another or is closed, the action must be updated to reflect the move/closure of the case.
- (2) When the status of a case is changed on AIMS, ACDS must also be updated to identify the location of the case. Some items that may need to be updated are:
- **ACTION** - code to describe action taken
  - **TODATE** - date action started
  - **FROMDATE** - date action ended
  - **LACTION** - code to describe action (locally defined)
  - **LTODATE** - date local action started
  - **LFROMDATE** - date local action ended
- (3) See the ACDS Utilities Menu for a list of current status codes.

8.20.6.3.2  
(09-10-2018)  
**ACDS Closing Code 30 - Transfer of a Case Between Areas Within Appeals**

- (1) Any necessary approvals of the Appeals Area Directors or the Chief, Appeals will be secured by the ATM and documented in the file before submitting the case to APS to complete the transfer.
- (2) The ATM will enter a CC 30 action through their ATM closing screen which will automatically generate a PEAS unassigned record.
- (3) The sending Appeals APS Office will transmit the following items:
- Administrative File
  - Form 3210, Document Transmittal *Document Transmittal*, original and 1 copy or an E3210 1 print
  - ACDS Transfer Form (if used)

**Reminder:** AIMS programming will not allow an AIMS record in status 81 to transfer. Update AIMS to status 80 or 82 before transmitting the administrative file.

- (4) Make the following ACDS updates to transfer a case:
- a. Select "Special Activities Menu"
  - b. Select "Closing Code 30 Update – Transfer to another Office" and search for the case
  - c. Select the TRANSFER AREA (The Area you are transferring the case TO)

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- d. Select a TRANSFER AOC from the list of valid TRANSFER AOCs for the TRANSFER AREA
- e. Select the correct TRANSFER POD, if there is more than one POD for the TRANSFER AOC
- f. Select DATECLSD/TODATE = date the case is mailed
- g. Select "R" for a **Regular** Transfer or "W" for a **Workload** Transfer
- h. Select "Submit Update"

**Reminder:** Do Not Update ACTION, ACDS systemically updates this field with ACTION = **TR NNXXPODC** (NN=Area, XX=AOC, POD=POD Initials, C=R or W)

- (5) When a return is on AIMS and is transferred to another AOC, the sending office will transfer the AIMS database using command code AMSOCA. See IRM 8.20.6.3.5.4, AIMS Control Transfer to Another AOC for additional information.
- (6) When the case is received, the receiving office will accept the case from the INBOX by selecting "(Y)es ACCEPT this transfer case," which will systemically enter a FROMDATE in the ACTION "TR NNXXPODC" field. Manually enter the FROMDATE in the LACTION "POD-POD" field.
- (7) The receiving office will acknowledge receipt by signing and dating the appropriate boxes and returning a copy of the signed Form 3210 to the transferring Appeals Office.

**Exception:** If the E3210 was generated by the initiator using the *Transmittal Database* and you also have access to the *Transmittal Database*, perform the receipt and acknowledgement actions electronically whenever possible to avoid unnecessary creation of a paper record. As the Service continues to progress towards a paperless process for the Future State, E3210 generated using the Transmittal Database will gradually replace the current paper Form 3210 Transmittal to track the transfer of custody of taxpayer records and other tracked documents.

**Reminder:** Once the receiving office accepts the transfer from their INBOX, if some reason exists for not accepting the transfer, the receiving office will contact the originating ATM by phone or email prior to returning the case. Contact with the originating ATM by telephone or e-mail is **required before returning the case** to minimize shipping cost and for protection of the taxpayer's Personally Identifiable Information (PII).

- (8) When APS is required to transfer the case back to the originating office, APS follow procedures in (1) - (5) above to complete the transfer process.
- (9) See IRM 8.20.6.3.3, *ACDS Closing Code 40 - Re-assignment of a Case Within the Same Area* below for a case re-assigned to another ATE within the same area.

## 8.20.6.3.3

(09-10-2018)

**ACDS Closing Code 40 -  
Reassignment of a Case  
Within the Same Area**

- (1) Cases are re-assigned to another Appeals Technical Employee (ATE) after approval by the Appeals Team Manager (ATM). The ATE will print out a re-assignment sheet and the ATM will identify the new ATE.
- (2) Cases are only re-assigned if both ATEs are in the same area.
- (3) Make the following ACDS updates to re-assign a case:
  - a. Select "Special Activities Menu"
  - b. Select "Closing Code 40 Update – Reassign to another AO" and search for the case
  - c. Select the new Appeals Technical Employee. The list is alphabetical by last name

**Note:** To determine proper routing, refer to Case Routing instructions for the specific work stream found on the Appeals Web site: *.Appeals Only Routing Addresses and Instructions*

  - d. Update the CORWUGRADE to correct the grade of the case, if necessary
  - e. Select "Submit Update"
  - f. If you are mailing the case to another POD, return to the "Main Cases Menu" and select "Action Fields Update" and update ACTION = SHIPPED with a TODATE = date mailed and select POD initials of the receiving office.

**Example:** "RCH-BAL" means Richmond sent the case to Baltimore for reassignment to another ATE within the same area.
- (4) If the case is re-assigned to an Appeals Technical Employee in another office with another Appeals Office Code within the area and the case is on AIMS, transfer the AIMS database using command code AMSOCA. See IRM 8.20.6.3.5.4, *AIMS Control Transfer to Another AOC*, for additional information.
- (5) When the case is received from an Appeals Office within the Field area, update ACDS with a FROMDATE in ACTION SHIPPED and on LACTION POD-POD.
- (6) Cases re-assigned to an Appeals Technical Employee outside your area, will be closed as a transfer. See IRM 8.20.6.3.2, *ACDS Closing Code 30 - Transfer of a Case Between Areas Within Appeals*.

## 8.20.6.3.4

(09-10-2018)

**ACDS Feature Codes for  
Post Appeals Mediation  
Cases**

- (1) For purposes of accurately tracking the amount of direct time on Appeals cases, Appeals mediators will be assigned as a team member on the mediation case.
- (2) The Appeals mediator will request that Account and Processing Support (APS):
  - a. Input the feature code "TL" to create the Team Leader record for the Appeals Team Case Leader (ATCL) or ATE even if there are no other team members on the case besides the Appeals mediator;
  - b. Input the feature code "TM" to create the Team Member record for the Appeals mediator; and
  - c. Input the feature code "MD" on the same case to indicate it is a mediation case. (This feature code will only be used on cases for which the taxpayer requests mediation while the case is in Appeals jurisdiction.)

8.20.6.3.5  
(09-10-2018)  
**APS Guidance for IDRS,  
AIMS, and PCS  
Corrections and Updates**

- (1) APS is required to update AIMS and PCS when appropriate to ensure database accuracy.
- (2) APS must monitor all IDRS, AIMS, and PCS changes until the respective database reflects the correct data.
- (3) Specific update actions, their respective command codes, and applicable IRM references are provided in the subsections below:
  - IRM 8.20.6.3.5.1, Address or Name Change - Form 2363
  - IRM 8.20.6.3.5.2, AIMS Status and ASSED Updates
  - IRM 8.20.6.3.5.3, AIMS Data Field Correction
  - IRM 8.20.6.3.5.4, AIMS Control Transfer to Another AOC
  - IRM 8.20.6.3.5.5, Partnership Control System Update

8.20.6.3.5.1  
(09-10-2018)  
**Address or Name  
Change - Form 2363**

- (1) Upon receipt of a Form 2363, Master File Entity Change, prepared by the ATE, APS will input the entity update(s) on IDRS. Name and address changes may be input on the same Form 2363 or each change may be input separately.
- (2) See IRM 2.4.9, IDRS Terminal Input, Command Codes ENREQ, INCHG, IRCHG, BNCHG and BRCHG for additional information.

8.20.6.3.5.2  
(09-10-2018)  
**AIMS Status and ASSED  
Updates**

- (1) APS will update AIMS when there is a change in the jurisdictional status of a case. To update the AIMS Status from 81 to 80 Non-Docketed Appeals, or 82 Docketed Appeals, use command code **AMSTUA**. To update the AIMS Status 80 Non-Docketed Appeals to Status 82 Docketed Appeals, use command code **AMSTUB**.

**Example:** When an Appeals case is in AIMS Status 80 “Non-Docketed Appeals,” and a Statutory Notice of Deficiency (SND) is issued by Appeals, if the taxpayer petitions the United States Tax Court (USTC), APS must update the AIMS Status to 82 “Docketed Appeals” upon transmittal of the case to Counsel jurisdiction. For this AIMS Status Update, use CC: **AMSTUB**.

**Reminder:** AIMS and ACDS must match with respect to the correct status of the case to ensure database accuracy of both systems. If the current AIMS Status is 80, (Non-Docketed Appeals), and ACDS shows the case is docketed, the case will be reflected on the AMATCH Mismatch Data Report which must be worked quarterly by each APS PTM for their respective Appeals Office Code (AOC). For additional information see IRM 8.10.1, Returns with Mismatched Data.

- (2) CC: **AMSTUB** is also used to update the Assessment Statute Expiration Date (ASED).
- (3) Upon receipt of an “ACDS Statute Update Notification,” the APS TE will use CC: **AMSTUB** to update the AIMS ASED as requested by the ATE. The AIMS ASED is updated to the corresponding Extended Assessment Statute Expiration Date (ASED) or applicable AIMS Alpha Statute Code as follows:
  - Extended ASED date per the Statute Extension i.e. Form 872
  - ASED Code 872-A for an open ended Statute Extension i.e. Form 872-A
  - AIMS Alpha Statute per ACDS Statute Code (see table below for list)

ACDS Statute Code	AIMS Alpha Statute	Purpose
<b>Claim</b>	<b>AA</b>	Claim Pending
<b>CBYYMM</b>	<b>BB</b>	Carryback Pending
<b>RFRTN</b>	<b>FF</b>	Reference Return
<b>10495</b>	<b>GG</b>	Non-TEFRA Flow Through Entity
<b>TFINV</b>	<b>HH</b>	TEFRA Investor
<b>10495</b>	<b>PP</b>	ATE intentionally allowing the ASED to expire

**Note:** The AIMS Statute Date is systemically updated to **MM-“QQ”-YYYY** when the AIMS Status Code 80, or 81 is updated to 82, “Docketed Appeals.”

(4) For additional information on CC: **AMSTUA** and **AMSTUB** see:

- CC: **AMSTUA** IRM 2.8.4, Command Code **AMSTUA**, and IRM 2.8.4-3 Exhibit, *Command Code AMSTUA*
- CC: **AMSTUB** IRM 2.8.4, Command Code **AMSTUB**, and IRM 2.8.4-4 Exhibit, *Command Code AMSTUB*

8.20.6.3.5.3  
(04-17-2024)  
**AIMS Data Field  
Correction**

(1) APS will use command code **AMAXUA** when appropriate to correct the AIMS data elements identified below:

- Item 16 - Appeals Code
- Item 20 - Claim Rejection Date
- Item 800 - Appeals Results
- Item 801 - Counsel Results
- Item 802 - Appeals Adjustment Amount
- Item 803 - Appeals Grade
- Item 804 - Appeals Time
- Item 805 - Counsel Adjustment Amount
- Item 806 - Counsel Grade
- Item 807 - Counsel Time
- Item 808 - Amount Disallowed - Exam Claim
- Item 809 - Amount of Appeals/Counsel Claim
- Item 810 - Amount Disallowed - Appeals/Counsel Claim
- Item 811 - Closing Code
- Item 820 - Workunit Number
- Item 821 - Prior Appeals Code

**Note:** Command Code **AMAXUA** cannot be used to correct TIN, MFT, file source, tax period, or name control.

(2) For additional information on CC: **AMAXUA** see:

- IRM 2.8.6, Command Code **AMAXUA**
- IRM 2.8.6-7 Exhibit, Command Code **AMAXUA** *Command Code AMAXUA*

8.20.6.3.5.4  
(09-10-2018)

**AIMS Control Transfer to Another AOC**

- (1) AIMS CC: "AMSOC" with definer "A" is used to transfer the AIMS database to the correct AOC. For additional information on AIMS CC: AMSOC, see:
  - IRM 2.8.5, Account Short Closing Command Code AMSOC
  - IRM 2.8.5-10 Exhibit, Command Code AMSOCA

8.20.6.3.5.5  
(09-10-2018)

**Partnership Control System Update**

- (1) When a PCS database element must be updated, the ATE will prepare Form 8339, *PCS Change* and submit the completed form to their designated PTM for assignment to an APS TE. APS uses CC: TSCHG to input the information provided on Form 8339 and update the PCS. Updates made to AIMS database elements common to the PCS are reflected on the PCS database records after nightly processing. If the PCS and AIMS records are within the same campus area, AIMS changes are reflected on the PCS when they are made. For additional information on PCS Command Codes see:
  - IRM 4.29.2, Updating PCS Records (TSCHG)
  - IRM 4.29.2, PCS Change (TSCHG I or P)
  - IRM 4.29.2, Researching PCS Accounts
  - IRM 4.29.2, Linkage Summary (TSUMY)
  - IRM 4.29.2, Specific Record Inquiry, (TSINQ)
  - IRM 4.29.2, Release of Linkage Freeze on AIMS Investor Records (TSCLS)
  - IRM 4.29.2-4 Exhibit, *Instructions for Form 8339, PCS Change*
  - IRM 4.29.2-5 Exhibit, TSCHG Elements and Valid Range of Values
  - IRM 4.29.3, Overview of PCS Database Elements

8.20.6.3.6  
(09-10-2018)

**ACDS Attachments**

- (1) Appeals uses ACDS to control and update all cases under Appeals and/or Counsel jurisdiction. The ACDS record attachment functionality provides a method by which case related forms, documents, and other pertinent information can be uploaded as an attachment to the respective WUNO.
- (2) The following list provides examples of forms, documents, and case related information that may be uploaded as an attachment to the applicable ACDS record when processing an interim action on a paperless case (**this list is not all inclusive**):
  - Form 5402, Appeals Transmittal and Case Memo Pre-ATM Approval (no ACAPDATE)
  - Form 5402, Appeals Transmittal and Case Memo Approved with ATM signature (with ACAPDATE)
  - Form 4549, Income Tax Examination Changes
  - Form 5278, Statement - Income Tax Changes
  - Form 3610, Audit Statement
  - Signed Waiver(s) of Agreement (Form 870, Form 870-AD, etc...)
  - Signed Consents to Extend the Time to Assess Tax (Form 872, Form 872-A, etc...)
  - Signed Form 872-T, Notice of Termination of Special Consent to Extend the Time to Assess Tax
  - Signed Form 866, Agreement as to Final Determination of Tax Liability (Original Form 866 must be retained for 6 years)
  - Signed Form 906, Closing Agreement on Final Determination Covering Specific Matters (Original Form 906 must be retained for 6 years)
  - Entered Tax Court Decision
  - Entered Tax Court Order



- Signed Form 3870, Request for Adjustment
- Input Completed Form 3870, Request for Adjustment - (includes DLN)
- Input Completed Form 8485, Assessment Adjustment Case Record - (includes DLN)
- Input Completed Form 5403, Appeals Closing Record - (includes DLN)
- Signed Form 8278, Assessment and Abatement of Miscellaneous Penalties
- Input Completed Form 8278, Assessment and Abatement of Miscellaneous Penalties - (includes DLN)
- Form 2859, Request for Quick or Prompt Assessment - (includes DLN)
- Form 2285, Concurrent Determinations of Deficiencies
- 6404(g) Worksheet
- SEQUA Spreadsheet
- Form 5403 Instructions
- Input Completed Form 12249, Adjustment Document - (includes DLN)
- ACT/DMI Interest Computations (review completed only)

- (3) Although ACDS programming controls the file name for the attachment, the user can input a file description to differentiate each attachment. For purposes of consistency across Appeals, the following ACDS file descriptions are recommended for APS:

ACDS Attachment Segment	Variation(s)	Examples
Document Type and Number-Attachments without a specific category or numeric designation e.g. interest computations are identified by a descriptive acronym	<ul style="list-style-type: none"> <li>• Form</li> <li>• Interest Computation</li> <li>• Letter</li> <li>• Entered Tax Court Decision with Docket Number</li> <li>• Entered Tax Court Order with Docket Number</li> </ul>	<ul style="list-style-type: none"> <li>• F5403-</li> <li>• ICMP-</li> <li>• L3535-</li> <li>• TCD-NNNNN-NN-</li> <li>• TCO-NNNNN-NN-</li> </ul>
Document Status-Attachments are uploaded for different reasons and at different stages. The Document Status definer identifies the stage(s) applicable to the attachment type.	<ul style="list-style-type: none"> <li>• Not Signed</li> <li>• Approved With Signature</li> <li>• Reviewed and Approved</li> <li>• Input and Request Completed</li> </ul>	<ul style="list-style-type: none"> <li>• NS-</li> <li>• AS-</li> <li>• RA-</li> <li>• RC-</li> </ul>
When the Attachment covers all Tax Periods in the WUNO	No MFT or Tax Period is included in the ACDS attachment file name	N/A
When the Attachment is for a specific MFT- and specific Tax Period-	<ul style="list-style-type: none"> <li>• MFT = "NN-"</li> <li>• Tax Period = "YYYYMM-"</li> </ul>	<ul style="list-style-type: none"> <li>• 30-201012-</li> <li>• 02-201012-</li> <li>• 01-201006-</li> </ul>

**Note:** See Table Below for Additional Notes for APS

Additional Notes Applicable to the ACDS Attachment File Name
Dashes are used to separate the file description segments.
Documents that require a Signature Authorization can be status "NS" for Not Signed or "AS" for Approved With Signature.

**Additional Notes Applicable to the ACDS Attachment File Name**

Documents that do not require a Signature Authorization but do require a Review e.g. manual interest computations, should not be uploaded as an ACDS attachment, until the review is completed and the interest computation has been approved by the designated authority. This means that **all manual interest computations when uploaded** will include the Document Status “RA” to denote **Reviewed and Approved**

Account adjustment documents are only uploaded as ACDS attachments after the entries have been input and the **Request Completed** message is returned by AIMS/IDRS. APS TE will notate the **partial or full DLN on the adjustment document**. This type of ACDS attachment file name will include the Document Status Code “RC”.

**IMPORTANT:** Only attach the following APS generated documents with Status RA or RC:

- **Reviewed and Approved (RA)** (manual interest computations)
- **Request Completed (RC)** (account adjustment documents which are input and include the DLN)

**Example:** #1 The ACDS Attachment File Description for a Form 5403 for MFT 30 tax period 201112 for WUNO 0123456789 that is input with a “Request Completed” and uploaded on 03-15-2016 is:  
“F5403-RC-30-201112”

**Example:** #2 The ACDS Attachment File Description for a Form 2859 for MFT 30 tax period 201012 for WUNO 1234567890 which includes the PTM’s signature and the Document Locator Number (DLN), uploaded on 03-15-2016 is:  
“F2859-RA-30-201012”

**Example:** #3 The ACDS Attachment File Description for a Reviewed and Approved ACT/DMI Manual Interest Computation for WUNO 9876543210 MFT 30 201012 tax period uploaded on 03152016 is:  
“ICMP-RA-30-201212”

**Example:** #4 Using Example #3 information but the tax period is 201112:  
“ICMP-RA-30-201112”

## 8.20.6.4

(09-10-2018)

**Certified and Registered Mail Procedures**

- (1) Certified and Registered mail records are maintained for 5 years in compliance with Document 12990, Appeals Records Control Schedule (RCS) 10, Item 6 *Mailing Records*. APS will maintain a record of delivery of certified or registered mail which may be Post Office Department Form 3877, Firm Mailing Book, or the form used by a private mail service.
- (2) Computer generated listings are acceptable; however, they must contain the same information and follow a similar format.
- (3) APS mails all “Appeals-issued” statutory notices of deficiency/claim disallowance and determination letters. APS also maintains the certified and registered mailing files. In some locations a centralized or consolidated mail room performs the mailing functions.
- (4) The following types of letters require a certified or registered mail receipt:
  - Abatement of Interest Claim Notice of Determination
  - Collection Due Process (CDP) Notice of Determination



- Deficiency Dividend Form 2198, Determination of Liability for Personal Holding Company Tax
- Employment Tax Determination (IRC 7436, Notice of Determination of Worker Classification)
- EP and EO Final Adverse Determination
- Innocent Spouse Determination letter
- Notice of Claim Disallowance under IRC 6532
- Statutory Notice of Deficiency (90-day/150-day)

(5) Use **certified** mail for the following address types:

- Address is within the 50 United States
- APO = **A**rmy or **A**ir Force **P**ost **O**ffice
- FPO = U.S. Navy **F**leet **P**ost **O**ffice
- DPO = **D**iplomatic **P**ost **O**ffice
- Address within a United States Territory *Domestic Mail Manual (DMM) 608 Postal Information and Resources* See section 2.0 *Domestic Mail*, 2.1 *Definition of "Domestic"* for a list of "United States Territories and Possessions"
- Address within a Freely Associated State *Domestic Mail Manual (DMM) 608 Postal Information and Resources* See section 2.0 *Domestic Mail*, 2.2 *Mail Treated as Domestic* for a list of "Freely Associated States"

(6) Use **registered** mail for letters to taxpayers with foreign mailing addresses that are not included in the address types listed in IRM 8.20.6.4 (5) above. A "Return Receipt" must be requested when sending by registered mail.

(7) See IRM 1.22.2, *International Mail* for additional information.

8.20.6.5  
(09-10-2018)

**Form 3210, Document Transmittal and E3210 Follow-up Requirement**

(1) See IRM 21.1.7, *Suspense Copies, Form 3210, Document Transmittal*, for procedures on monitoring and acknowledgement follow-up requirements.

**Exception:** If the E3210 was generated by the initiator using the *Transmittal Database* and you also have access to the *Transmittal Database*, perform the receipt and acknowledgement actions electronically whenever possible to avoid unnecessary creation of a paper record. As the Service continues to progress towards a paperless process for the Future State, E3210 generated using the *Transmittal Database* will gradually replace the current paper Form 3210 Transmittal to track the transfer of custody of taxpayer records and other tracked documents.

(2) See page 8 of Document 13056, Employee Toolkit: Shipping Procedures for Personally Identifiable Information (PII) for *Procedures for Use of Form 3210, Document Transmittal*.

(3) Upon receipt of the Form 3210 or E3210 acknowledgement, enter the FROMDATE on ACDS to close the SHIPPED Action.

8.20.6.6  
(04-17-2024)

**Procedures for Shipping Personally Identifiable Information (PII)**

(1) The Shipping Policy for PII is located at: *Protect Sensitive Information*

(2) For additional information on shipping PII see:

- Document 13056, Employee Toolkit, Shipping Procedures for Personally Identifiable Information (PII)
- Document 13144, Proper PII Shipping Procedures

8.20.6.7  
(09-10-2018)

**Abatement of Interest  
Claim - Issuance of  
Notice of Interest  
Abatement Claim  
Disallowance**

- IRM 10.5.1.6.9.3, Shipping Personally Identifiable Information (PII)
- (3) All Appeals employees must adhere to the procedures for shipping PII.
- (1) The following guidelines are provided for abatement of interest claims filed after July 30, 1996.
- (2) The ATE prepares a disallowance letter for unagreed cases. The taxpayer has 180 days to petition the United States Tax Court (USTC) for review of the disallowance.
- (3) Upon receipt of the administrative file with the signed notice of disallowance (Letter 2391, Partial Allowance - Abatement of Interest or Letter 2392, Full Disallowance for Abatement of Interest - Final Determination), mail and retain copies in the same manner as outlined for notices of deficiency. See list below:
- a. Verify the taxpayer's address using ENMOD or INOLES.
  - b. If the taxpayer lives within the U.S., send the final determination letter by certified mail. See IRM 8.20.6.4 (5).
  - c. If the taxpayer lives outside the U.S., send the letter by registered mail. See IRM 8.20.6.4 (6).
  - d. Complete United States Postal Service (USPS) Form 3800, Certified Mail Receipt.
  - e. Document the certified mail number on the original and all additional copies.
  - f. Send the appropriate copies of the letter and schedules to the representative, if applicable.
  - g. Keep a dated copy of the letter and schedules in the administrative file.
  - h. Suspend the administrative file until the taxpayer petitions, or the taxpayer defaults.
- Note:** The taxpayer has 180 days to petition the Tax Court when the notice of disallowance is issued to an address within the U.S., and the taxpayer has 240 days to petition the Tax Court when the notice is mailed to an address outside of the U.S.
- i. In the mailing record - enter the taxpayer's name and mailing address as it appears on the envelope, and enter the mailing date.
- (4) Update ACDS:
- **SNTYPE = 180A**
  - **SNDATE =** date letter is mailed
- Reminder:** The letter **MUST** be mailed on the date shown on the letter.
- On the return level screen, **SND = Y**
- (5) APS retains the disallowed interest abatement claim administrative file in suspense during the timeframe during which the taxpayer can petition the Tax Court, plus an additional 30 days to allow for receipt of taxpayer's petition to the U.S. Tax Court. See IRM Exhibit 8.20.6-1, Calculating the Default Date for additional information.
- (6) If the letter issued to the taxpayer was for "**partial disallowance**," APS processes the abatement on the allowed portion of the claim as an interim ad-

justment in accordance with the ATE instruction and takes no account adjustment action on the disallowed portion of the claim during the suspense period.

**Note:** If the interest abatement claim was resolved with finality by obtaining Form 906, Closing Agreement on Final Determination Covering Specific Matters, a final determination letter is not needed. See IRM 8.20.7, Account and Processing Support (APS) - Closing Procedures for guidance on closing an agreed interest abatement case.

8.20.6.8  
(09-10-2018)  
**Introduction to  
“Appeals-Issued”  
Statutory Notice of  
Deficiency (SND)**

- (1) When Appeals issues a statutory notice of deficiency (SND), the case is considered a 90-day case from the date the notice is issued until a petition is filed with the United States Tax Court (USTC) or until expiration of the 90-day + 30 day suspense period. This section covers how to process Appeals-issued 90-day cases that are both resolved and not resolved during the 90-day period.

**Note:** Once the SND is issued, the case is suspended for the period of time the taxpayer has the right to file a petition with the Tax Court plus an additional 30 days to allow for the taxpayer’s petition to be received by the Tax Court Docket Office, have a Docket Number assigned and be included on the Electronic Docket Listing (EDL). Until the SND suspense period and the additional 30 day timeframe expire, the case cannot be removed from suspense for default closing action.

- (2) A statutory notice of deficiency is most commonly referred to as a 90-day letter, SND or SNOD.
- (3) If there is a deficiency in the case as defined in IRC 6211, IRC 6212 authorizes mailing a statutory notice of deficiency (SND) to the taxpayer’s last known address using certified or registered mail.
- (4) After Appeals issues the SND, the case can also be reconsidered during the 90-day period. Reconsideration of a case does not extend the 90-day time in which the taxpayer may petition the Tax Court for a redetermination. See IRM 8.20.6.8.7, Reconsideration of Appeals-Issued Statutory Notice of Deficiency During Suspense Period for additional information.
- (5) For any SND mailed to an address outside of the United States, add an additional 60 suspense days to the normal 90 + 30 day suspense period.

**Example:** A 90 + 30 day (120 day) suspense period becomes a 150 + 30 day (180 day) suspense period when the mailing address is outside of the United States.

8.20.6.8.1  
(04-17-2024)  
**“Appeals-Issued” SND -  
Case to Counsel for  
Concurrence**

- (1) Some notices of deficiency, as well as Employee Plans (EP) and Exempt Organizations (EO) final adverse determination letters, will go to Counsel for concurrence before the letter is issued. The ATE will indicate when Counsel concurrence is required. The administrative file sent to Counsel will contain the following:
  - Approved Form 5402 marked for Counsel concurrence and either a completed but unsigned statutory notice or a draft of paragraphs to be included in the statutory notice.

## 8.20 Account and Processing Support (APS)

- All returns and documents which were in the case file when it was received in the Appeals Office.
  - Copies of all correspondence received or sent while the case was in Appeals.
- (2) Form 3210 or an E3210 must be used whenever transmitting taxpayer information.
  - (3) Enter action code **SNDC** and the current date (date case sent to Counsel) on the update case screen.
  - (4) Since Appeals Field Offices are not always co-located with their servicing APS Team, but may be co-located with their servicing Counsel Office, it is not mandatory that cases sent to Counsel for Concurrence be routed through APS; however **it is mandatory** that ACDS accurately reflect the location of the administrative file.
  - (5) The Appeals employee who forwards the case to Counsel for SND Concurrence must update ACDS with action code **SNDC** and the current date (date case sent to Counsel) to document the location of the administrative file.

**Reminder:** When the SND is sent to Counsel, and the case will not be routed through the designated APS Office, the ATE must submit an ACDS Update Request to their servicing APS Office, requesting the ACDS record be updated with: Action Code = SNDC and a TODATE = to the date on which the file was transmitted to Counsel.

- (6) APS management, or its designated employees, will run the SNDC follow-up list on a monthly basis to determine if Counsel has returned the administrative file. .

8.20.6.8.2  
(09-10-2018)

### “Appeals-Issued” SND Case Returned by Counsel - Concurrence Approved

- (1) When the administrative file is returned through APS with Counsel's approval, APS will:
  - a. Review the file to confirm all returns and other documents were returned.
  - b. Sign and return the acknowledged Form 3210/E3210 as appropriate.
  - c. Transmit the file to the Appeals Technical Employee (ATE), with Counsels' concurrence with the unsigned SND, or Counsels' concurrence of the draft paragraph to be included in the SND.
  - d. Update ACDS by entering the date the administrative file was returned by Counsel in the **FROMDATE** on the case update screen.
  - e. Use Form 3210 or E3210 whenever transmitting taxpayer information.
- (2) If the case is returned from Counsel directly to the ATE and not through APS, the ATE must ensure the FROMDATE is entered on ACDS to reflect the return of the case to Appeals. If Counsel returns the case to Appeals through APS, the APS TE will update the FROMDATE on ACDS and forward the case to the ATE for their action.

8.20.6.8.3  
(09-10-2018)

### “Appeals-Issued” SND Case Returned by Counsel - Without Concurrence

- (1) When the administrative file is returned through APS without Counsel's approval APS will:
  - a. Confirm that all returns, documents, and other papers forwarded to Counsel were returned except those intended for Counsel's retention.
  - b. Acknowledge the Form 3210/E3210 as appropriate.

- c. Update ACDS by entering the date the administrative file was returned by Counsel in the **FROMDATE** on the update case screen.
- d. Transmit the file to the ATE for further consideration.
- e. Use a Form 3210 or an E3210 whenever transmitting taxpayer information.

- (2) If the case is returned from Counsel directly to the ATE and not through APS, the ATE must ensure the FROMDATE is entered on ACDS to reflect the return of the case to Appeals. If Counsel returns the case to Appeals through APS, the APS TE will update the FROMDATE on ACDS and forward the case to the ATE for their action.

8.20.6.8.4  
(09-10-2018)  
**Appeals Statutory  
Notices of Deficiency  
(SND) - Issuance,  
Suspense, and Interim  
Processes**

- (1) APS mails notices of deficiency and maintains the certified mailing files. In some locations, a centralized or consolidated mail room may perform these functions. Certified mail records and files must be retained for 5 years from the issuance date to comply with Document 12990, "Records Control Schedules," "Schedule 10, Appeals - Administrative Records, Item 6 Mailing Records."
- (2) The administrative file submitted by the ATE must include an approved Form 5402, a signed notice of deficiency letter and a correctly prepared "right-sized" envelope with the ATE's correct return address.

**Note:** If the ATE does not provide a correctly prepared "right-sized" envelope, APS will not reject the case for this reason alone. Instead, APS will correctly prepare the envelope(s). If the envelope's return address is different from the ATE's return address, use a label to overlay the envelope's return address with the ATE's correct return address. This will ensure that if the SND is undeliverable or unclaimed, it will be returned to the ATE's local office and received by the ATE.

**Caution:** Carefully review the taxpayer's address on the envelope as the envelope is used to determine whether the SND was mailed to the "Last Known Address." in the event of a petition to the United States Tax Court (USTC).

- (3) If the SND is for a separate individual return, a window envelope may be used. However, use the right sized envelope to avoid disclosing any information other than the name and address.
- (4) If the SND is for a joint return, each spouse must receive a notice in an envelope addressed only to them.
- (5) APS will:
  - a. Verify the address included on the notice prepared by the ATE and approved by the ATM matches the INOLES or ENMOD print included in the administrative file submitted by the ATE
  - b. Compare the name and address of the taxpayer(s) shown on the SND with the name and address shown on the envelope(s) to ensure they are the same
  - c. Contact the ATE if there is a discrepancy to resolve prior to issuing the SND
  - d. Ensure there are a sufficient number of copies of the SND and identify them for distribution to the persons designated to receive them

(6) APS must also verify that the SND, and any agreement form all have the same:

- Taxpayer(s) name(s)
- TIN
- Tax period(s)
- Deficiency amount
- Penalty amount(s)

(7) ACDS will calculate the “**Last Day to Petition Tax Court**” and populate the SNEXPDATE field after APS enters the SNTYPE and SNDATE fields and clicks “Submit.” APS must enter the SNEXPDATE on the SND letter. IRM Exhibit 8.20.6-1, Calculating the Default Date provides additional information.

**Note:** ACDS is programmed to account for Saturdays, Sundays and Legal Holidays in the District of Columbia.

**Caution:** Always use the correct SNTYPE and SNDATE to ensure that the SNEXPDATE is calculated correctly.

- a. 90 days are added to the date the SND is issued, if the taxpayer’s address is within the United States.
- b. 150 days are added to the date the SND is issued, if the taxpayer’s address is outside the United States or the Service has knowledge that the taxpayer is out of the country when the notice of deficiency is issued.
- c. Complete United States Postal Service (USPS) Form 3800, Certified Mail Receipt.
- d. **Notate the certified mail number on the original letter and all additional copies.**

(8) Duplicate original notices are **not required** if both spouses are at the **same address**.

- One spouse will receive the original notice
- The other spouse will receive a copy of the same notice
- Both notices (original and copy) must be sent via certified mail
- Each SND (original and copy) will have its own certified mail receipt number

(9) **Duplicate original** notices are **required** if each spouse has a **different address**. Each notice sent to the joint taxpayer’s at a different address must each have its own certified mail receipt number.

(10) APS will date the SND and all copies. The SND (both the original and the copy) **MUST** be mailed on this date.

**Caution:** APS must be aware of their local mail room requirements regarding postmark dates to ensure that the postmark date and letter date are the same.

(11) Unless the Form 2848, Power of Attorney and Declaration of Representative or Form 8821, Tax Information Authorization mailing instructions state otherwise, the taxpayer receives the original letter (certified/registered mail) and the representative receives a copy (regular mail). For notices on an MFT 30 Married Filing Joint account, see IRM 8.20.6.8.4 (8) and IRM 8.20.6.8.4 (9) above.



- (12) When the Form 2848, or Form 8821 includes specific mailing instructions, the ATE and APS are required to adhere to the specified mailing instructions for the respective taxpayer(s) and respective tax period(s). Several examples of alternate mailing instructions that may be authorized by the taxpayer via the Form 2848 or Form 8821 are:
- Send all original documents to the representative (use certified/registered mail) and a copy to the taxpayer (use regular mail). The letter will be addressed to the taxpayer **in care of** the representative.
  - Send a copy of the documents to a second representative.
  - Do NOT send a copy to the representative.
- Caution:** When Married Filing Joint taxpayer's reside at **different addresses**, each taxpayer must receive an **original notice mailed to their respective address**. In the case of duplicate original notices, the Form 2848 or Form 8821 mailing instructions apply to each taxpayer and/or their representative as applicable per the Form 2848 or Form 8821 in effect for each taxpayer and tax period.
- (13) The **original** notice must be mailed by certified or registered mail regardless of who is designated to receive the original notice.
- IRM 8.20.6.4, Certified and Registered Mail Procedures provides additional details and guidance for determining address categories.
  - Use **Certified Mail** when the address is within the United States, U.S. Territories and Possessions, an APO, FPO, DPO, the United Nations, or a Freely Associated State (see IRM 8.20.6.4 (5)).
  - Use **Registered Mail** when the address is not authorized to receiving certified mail, and thus categorized as foreign or international (see IRM 8.20.6.4 (6)).
- (14) Insert the following items in the envelope containing the **original** SND:
- a. Accompanying statements and schedules as provided by the ATE within the SND package
- Reminder:** The certified/registered mail number must be included on the original notice and all copies.
- b. Return envelope for the taxpayer to return their signed agreement
- (15) Insert the following items in the envelope containing a **copy** of the SND:
- a. Copy of the accompanying statements and schedules as provided by the ATE within the SND package
- Reminder:** The certified/registered mail number must be included on the original notice and all copies.
- b. Return envelope for the joint taxpayer at the same address or for the taxpayer's representative to return their signed agreement
- (16) Enter the taxpayer's name, mailing address as it appears on the envelope (in care of representative, if appropriate), and mailing date in the mailing record.
- (17) Distribute the remaining copies of the SND package as follows:
- Fasten one copy to the administrative file
  - Forward one copy to Counsel if their prior concurrence was necessary

- Use a Form 3210 or E3210 whenever transmitting taxpayer information to an IRS function, Appeals personnel and Counsel personnel
- Place the administrative file in the “Letter Issued-Awaiting Taxpayer’s Action” file

8.20.6.8.5  
(09-10-2018)

#### ACDS SNTYPE Update

- (1) Once an SND is issued by Appeals, update ACDS.
- (2) An entry is required in SNTYPE on all Appeals cases where an SND or a notice of determination (NOD) letter has been issued. Select the appropriate category from the following list:
  - 030A - Appeals-issued notice of determination
  - 090A - Appeals-issued notice of deficiency, CDP notice of determination with an innocent spouse
  - 150A - Appeals-issued notice of deficiency to taxpayer residing outside the United States
  - 180A - Appeals-issued notice of final determination of partial or full disallowance of an abatement of interest claim, CDP notice of determination with an interest abatement claim
  - FPAA - TEFRA (Appeals-issued FPAA)

**Note:** In the event the SND is rescinded under Rev. Proc. 98-54, follow the instructions set forth in IRM 8.20.6.8.13, Rescinded Appeals-Issued Notice of Deficiency Under Rev. Proc. 98-54.

- (3) Update ACDS as follows:
  - **SNDATE** - enter the date the letter is mailed
  - **SNEXPDATE** - this date is computer generated
  - **SND** - enter “Y” in the update returns screen for each tax period covered by the SND

8.20.6.8.6  
(09-10-2018)

#### Undeliverable or Unclaimed “Appeals-Issued” Statutory Notice of Deficiency (SND) or Notice of Determination (NOD)

- (1) Occasionally, the mail service is unable to deliver an SND or NOD, either because the taxpayer cannot be located (undeliverable) or because the taxpayer will not accept delivery (unclaimed). In these circumstances, the Post Office returns the **undeliverable/unclaimed** notice to the Appeals office according to the **Return Address** on the envelope.
- (2) The following paragraphs provide instructions for the following UND/UNC types:
  - Statutory Notice of Deficiency see IRM 8.20.6.8.6 (3) and IRM 8.20.6.8.6 (4)
  - Notice of Determination (CDP and INNRP) see IRM 8.20.6.8.6 (5)
  - Notice of Claim Disallowance see IRM 8.20.6.8.6 (6)
- (3) Upon receipt of the undeliverable or unclaimed SND in the Appeals Office, the recipient\* (see Note below) must provide the **unopened** SND to the appropriate ATE for their action and decision. When the ATE’s initials are not provided on the envelope’s return address, the recipient will research ACDS to identify the appropriate ATE.

**Note:** \*The recipient is the person designated to receive and distribute the Appeals Office mail per local office procedures.



(4) Undeliverable or Unclaimed Statutory Notice of Deficiency (SND) Procedures:

IF ATE Decides:	THEN APS Will:
The SND will not be reissued	<ul style="list-style-type: none"> <li>Upon receipt of the SND and ATE's written decision, place documents inside of the suspended administrative file</li> </ul>
A courtesy copy will be sent to a different address without impact to the existing SND, the ATE will prepare the courtesy copy and envelope and forward the UND/UNC SND and the courtesy copy and right sized and addressed envelope to APS	<p>Upon receipt of the UND/UNC SND, the courtesy copy and envelope prepared by the ATE, and the ATE's written decision:</p> <ol style="list-style-type: none"> <li>Place the courtesy copy into the right sized envelope prepared by the ATE,</li> <li>Seal and mail the courtesy copy,</li> <li>Enter "Courtesy Copy mailed per ATE instruction MM-DD-YYYY" in ACDS Note field,</li> <li>Place ATE written decision and instructions into the SND suspense file.</li> </ol> <p><b>Note:</b> Do not update the ACDS address or taxpayer's entity address unless specifically requested in writing by the ATE.</p>
The SND must be reissued and sufficient time remains on the statute, the ATE will generate a new SND with the new Last Known Address, secure ATM approval, and submit the package to APS.	<p>Upon receipt of the new SND package, APS will:</p> <ol style="list-style-type: none"> <li>pull the administrative file from suspense</li> <li>reissue the new SND via certified mail</li> <li>update ACDS SNTYPE and SNDATE</li> <li>suspense the administrative file under the new default date</li> </ol>
The SND was not issued to the last known address and the ASER is expired, the ATE will immediately notify their ATM. The ATM will contact the PTM the same day to alert them of the potential barred statute and request the administrative file be pulled from suspense and returned to the ATE.	<p>Upon notification from the ATM, and prior to releasing the suspended administrative file to the ATE, the APS PTM will review the suspended administrative file, and the information provided to APS with respect to the SND Issuance Address. See IRM 8.21.7 Discovering a Potentially Barred Statute. Coordination between the ATM and PTM is required to ensure timely and accurate reporting of the potentially barred statute and accurate determination of the causation.</p>
they need the administrative file for their action and decision	<p>upon notification by the ATE, APS will:</p> <ol style="list-style-type: none"> <li>insert a charge-out notated with the date of removal and who the file is being sent to as a placeholder for the admin file</li> <li>update ACDS Note field to identify the date the administrative file was returned to the ATE</li> <li>use Form 3210 or an E3210 to transmit the file if ATE is not co-located</li> <li>identify charged-out SND files as the Statutory Notice Issued Report is worked and follow-up actions taken as appropriate</li> </ol>

- (5) Undeliverable or Unclaimed Notice of Determination (NOD) Procedures for CDP or INNRP:
- When the undeliverable/unclaimed (UND/UNC) CDP or INNRP NOD is received in Appeals, there is no additional action needed by the ATE. The recipient\* (as defined in IRM 8.20.6.8.6 (3) above), will forward the **unopened** UND/UNC NOD to APS for association with the administrative file.
  - In offices where APS is responsible for receiving the Appeals Office mail, APS will associate the UND/UNC NOD with the administrative file.
- (6) Undeliverable or Unclaimed Notice of Interest Abatement Claim Disallowance procedures differ depending on if the Notice of Interest Abatement Claim Disallowance was **Undeliverable**, or if it was **Unclaimed**:
- Upon receipt of the **undeliverable** "Notice of Interest Abatement Claim Disallowance" in the Appeals Office, the recipient\* (as defined in IRM 8.20.6.8.6 (3) above), must provide the **unopened** Interest Abatement Claim NOD to the appropriate ATE for their action and decision. When the ATE's initials are not provided on the envelope's return address, the recipient\* will use ACDS to identify the ATE for their decision/action. The ATE will decide if another letter should be mailed to a different address or not. The ATE will forward the **undeliverable** Interest Abatement Claim NOD to APS for association with the suspended administrative file.
  - Upon receipt of the **unclaimed** "Notice of Interest Abatement Claim Disallowance" in the Appeals office, the Recipient\* (as defined in IRM 8.20.6.8.6 (3) above), will forward the **unopened** Interest Abatement Claim NOD to APS for association with the suspended administrative file. The ATE does not need to take any action on an **unclaimed** NOD.

8.20.6.8.7  
(09-10-2018)  
**Reconsideration of  
"Appeals-Issued"  
Statutory Notice of  
Deficiency During  
Suspense Period**

- (1) If the Appeals Team Manager (ATM) or Appeals Area Director decides to grant further consideration of a case in the suspense period, reactivate the case. When notified the case is being reconsidered APS will:
- a. Prepare a "chargeout" with the name of the case, the ATE, and the date the action is taken
  - b. Place the "chargeout" in the "Letter Issued-Awaiting Taxpayer's Action File" as a placeholder for the administrative file
  - c. Remove the administrative file from suspense and transmit the file to the ATE
  - d. Use a Form 3210 or an E3210 whenever transmitting taxpayer information
  - e. Indicate in the Note section of ACDS that the case has been returned to the ATE for reconsideration
- (2) If no agreement is reached after consideration or reconsideration in the suspense period the ATE will ensure there is an approved informal memorandum and a signed closing letter for the unagreed case and return the case to APS. Upon receipt of the approved informal memorandum and signed closing letter for the unagreed case, APS will:
- a. Date the memorandum
  - b. Date and mail the closing letter

- c. Indicate in the Note section of ACDS that the case has been returned to APS for SND Suspension
- d. File the original memorandum and copy of the closing letter in the administrative file
- e. Return the administrative file to the "Letter Issued-Awaiting Taxpayer's Action File" and remove the "chargeout"

8.20.6.8.8  
(04-17-2024)

**Tax Court Petition Filed During the "Appeals-Issued" Statutory Notice of Deficiency Suspense Period**

- (1) If the taxpayer files a petition with the Tax Court:
  - Verify that both taxpayers signed the petition for an SND issued to married filing joint taxpayers.
  - If both taxpayers are not included on the petition, see IRM 8.20.6.8.10.1, Appeals-Issued SND Petitioning/Non-Petitioning Spouse.
  - Verify that all tax periods are included for a petition filed in response to a multi-year SND.
  - If all SND tax periods are not included in the petition, see IRM 8.20.6.8.11, Non-Petitioned Year in an Appeals-Issued Statutory Notice of Deficiency for special handling and processing procedures.
  - Remove the administrative file from "Letter Issued-Awaiting Taxpayers' Action File."
- (2) Update AIMS to status 82. AIMS automatically generates docketed alpha code "QQ" using the MMQQYYYY format (positions 15–20) when Appeals updates the AIMS status from 80 to 82. See IRM 8.20.6.3.5.2, AIMS Status and ASSED Updates for additional information.
- (3) Ensure a TC 520 cc 72 posts to all petitioned periods.
- (4) Update the ACDS Record via the ACDS Special Activities> Closing Code 42/43 Update as follows:
  - a. **DKTNO** = docket number
  - b. **CLOSINGCD** = 43
  - c. **DATECLSD** = date case sent to Counsel
  - d. **ACTION** = DCJUR
  - e. **TODATE** = date case sent to Counsel
  - f. **DC Office** = Counsel Office code
  - g. **ATTORNEY** = name of attorney
  - h. **SNDATE** = do not delete entry
  - i. **STATDATE** = blank for each tax period included on the petition
  - j. **Statute CODE** = DOCKT for each tax period identified on the petition
  - k. DIMS TE will close the DIMS record once they notify the appropriate APS office of the petitioned SND

**Reminder:** Do not delete the **SNEXPDATE** entry.

- (5) APS prepares the Form 14758, Appeals/Counsel Routing Coversheet, printed on **orange paper**, attaches it to the administrative file and forwards the administrative file to Counsel for Answer.
- (6) Use a Form 3210, or an E3210 whenever transmitting taxpayer information.
- (7) Counsel will retain the administrative file after answer for settlement or trial preparation since Appeals already attempted settlement and issued an SND when an agreement could not be reached.

- (8) If Counsel answers the petition and returns the administrative file to Appeals for a second attempt at settlement, input Closing Code 42 on ACDS to put the case/record back in Part 2 of the assigned employee's inventory.
- (9) When a non-docketed non-TEFRA flow through entity is related to a docketed case, APS will also enter the DKTNO of the related case followed by the letter **N** in the **DKTNO** field.

**Note:** Whenever the related case is a docketed Small Tax Court case, the docketed number will include an "S". APS will enter the docket number in the DKTNO field and replace the "S" with an "N" on the Non-Docketed Non-TEFRA Flow Through Entity ACDS record.

Docket Number of Related Docketed Case	ACDS DKTNO Entry on Non-Docketed Non-TEFRA Flow Through Entity Record
12345-15	12345-15N
12345-15S	12345-15N

8.20.6.8.9  
(09-10-2018)

**Disposition of  
"Appeals-Issued"  
Statutory Notice of  
Deficiency (SND) Cases**

- (1) After an SND is issued on a case, disposition occurs in one of the following ways:

IF .....	THEN .....
the taxpayer agrees to the deficiency within the 90-day (150-day) period by signing the appropriate agreement form,	the case is forwarded for assessment action under Form 5402, Appeals Transmittal and Case Memorandum.
the taxpayer fails to file the petition with the USTC before the Last Day to Petition, and the case does not become docketed prior to the end of the additional 30 day suspense period,	the case is forwarded for default assessment action under Form 5402 Appeals Transmittal and Case Memorandum.
the taxpayer enters into agreement under IRC 6212(d) to rescind the Notice of Deficiency	follow procedures in 8.20.6.9.12, Rescinded Appeals-Issued Notice of Deficiency Under Rev. Proc. 98-54.
the taxpayer files a timely petition and the case becomes docketed in the Tax Court	the entire administrative file is transmitted to Counsel for answer and usually, the case will remain in Counsel's jurisdiction for trial preparation.  <b>Note:</b> If Appeals issued the SND before full consideration because the ASER was imminent, then Appeals can ask Counsel to refer the docketed case back to Appeals for reconsideration.

**Caution:** To ensure ASED accuracy and protection, always review TLCATS and the information provided by Counsel or DIMS to verify the following items:

- All tax periods listed on the SND are included
- Both taxpayers names and their signatures if the SND was issued on a MFT 30 Married Filing Joint (MFJ) account
- Consult with the Counsel Attorney to address any discrepancy or omission and document the discussion and resolution in the PEAS CAR

8.20.6.8.10  
(09-10-2018)

**Married Filing Joint MFT 30 Accounts Requiring Specialized Action(s)**

- (1) APS is responsible for issuing, monitoring and controlling “Appeals-issued” SNDs.
- (2) APS is also responsible for ensuring “Compliance-issued” NPS SNDs are properly controlled by the originating function with the following exception:

**Exception:** When one spouse is deceased then APS is responsible for controlling and taking appropriate action(s) to ensure timely assessment of the Deceased NPS MFT 31 account. See IRM 8.20.6.8.10.2, Deceased Spouse on a Married Filing Joint MFT 30 Statutory Notice of Deficiency - New MFT 31 Split Account Process.

- (3) When an SND is issued on a MFT 30 Married Filing Joint (MFJ) account, the Primary TP and Secondary TP are treated individually for the purpose of:
  - Legally signing a waiver of agreement, or
  - Legally petitioning the United States Tax Court (USTC).
- (4) When the resolution of the “Appeals-Issued” SND on a MFJ MFT 30 Account is split due to one of the scenarios listed below, APS must take additional actions to ensure protection of the ASED for both taxpayers:
  - a. Single Agreement - Waiver of Agreement received from one spouse but not the other (Use TC 971 AC 105 to establish MFT 31)
  - b. Single Petition - One Petitioning Spouse/One Non-Petitioning Spouse (Use TC 971 AC 103 to establish MFT 31)
  - c. Separate Petitions - Each Spouse files a separate petition (Each Spouse has a docket number associate both cases for Counsel to consider together - no split account needed)
  - d. Separate Agreements - Waiver of Agreement received from each spouse but with different agreement dates (Use TC 971 AC 105 to establish MFT 31)
  - e. Deceased Spouse - Surviving Spouse has Fiduciary authority (via Form 56) to represent the deceased spouse (agreed, defaulted, petition processed on MFT 30 MFJ acct.)
  - f. Deceased Spouse - Neither the Surviving Spouse, nor a Fiduciary has authority to represent the deceased (TC 971 AC 105 Agreed/Unagreed or TC 971 AC 103 PS/NPS)
  - g. Deceased Spouse - Fiduciary, **not the surviving spouse**, has legal authority to represent the deceased spouse via Form 56, Notice Concerning Fiduciary Relationship (Use MFT 30 for account disposition if Surviving Spouse and Fiduciary have same response to SND. Use MFT 31 procedures if they take separate actions.)

- (5) Since the Appeals-issued SNDs on a MFJ account may require two different interim actions, one for each spouse, and then ultimately require further adjustments to each spouse's account and/or the Joint MFT 30 account, both the interim action(s) and the closing action(s) are staged in this section for clarity and consistency.
- (6) The table below provides guidance for the additional interim/closing actions required for the various instances identified in (3) a) - g) above:

Row #	If .....	And .....	Then .....
1	only one TP (TPH or TPW) signs the SND Waiver of Agreement Form 4089,	the other TP does not sign the same Waiver of Agreement	use TC 971 AC 105 to create an MFT 31 account for the TP who agreed and assess the full amount of the SND. The TP who did not agree is kept in SND Suspense until the earlier of: <ul style="list-style-type: none"> <li>• receipt of SND Waiver signed by the previously unagreed TP,</li> <li>• petition of SND by previously unagreed TP,</li> <li>• SND Default Date</li> </ul>
2	only one TP on a MFJ MFT 30 SND filed a Petition to USTC,	the other TP is not included as a Petitioner,	after verifying there is a Non-Petitioning Spouse (NPS), take the following actions: <ul style="list-style-type: none"> <li>• Use TC 971 AC 103 to create an MFT 31 account for the NPS</li> <li>• Prepare a Dummy File for the NPS</li> <li>• Update ACDS and AIMS according to IRM 8.20.6.8.10.4 , ACDS and AIMS Updates on Appeals- Issued SND Non-Petitioning Spouse</li> <li>• Continue suspense of the dummy NPS file</li> <li>• Forward the PS administrative file to Counsel for DCJUR</li> <li>• Upon resolution of the NPS SND: <ul style="list-style-type: none"> <li>✓ process adjustment(s) for the NPS MFT 31 account as appropriate</li> <li>✓ use PEAS suspense and monitor for posting of adjustments</li> <li>✓ associate assessment documentation with the NPS dummy file and forward the dummy file to Counsel for association with the docketed PS administrative file.</li> </ul> </li> </ul>
3	both taxpayer's on a MFJ MFT 30 SND file separate petitions,	neither spouse is included on the other spouse's petition	see IRM 8.20.5, Joint Return - Separate Petitions for ACDS update procedures. After updating ACDS, associate both docketed case files for transfer to Counsel for Answer. These separate docket numbers for the same SND MFT 30 account must remain together throughout the process and will be closed together under the MFT 30 MFJ closing process.



Row #	If .....	And .....	Then .....
4	both spouses sign separate waivers	the waivers are received on different dates	according to the Office of Servicewide Interest (OSI) each taxpayer's split account is treated separately for interest purposes due to the different waiver dates. Use MFT 31 for each spouse and use TC 971 AC 110 to link the accounts for systemic mirroring of payments/credits.

**Note:** If one spouse is deceased, see IRM 8.20.6.8.10.2, Deceased Spouse on a on a Married Filing Joint MFT 30 Statutory Notice of Deficiency - New MFT 31 Split Account Process for procedures.

- (7) When one spouse agrees and the other spouse does not sign the same agreement, use TC 971 AC 105 to create an MFT 31 account for the agreeing spouse and post their assessment prior to their ASER using AMCLSS. Associate the MFT 31 agreed assessment documentation with the SND file for continued suspense. The remaining unagreed spouse can later:

- Submit a separate agreement (see **a** below), or
  - Take no action and default (see **b** below), or
  - File a petition for the SND (the agreed spouse's assessment documentation remains associated with the petitioned administrative file and the case is transmitted to Counsel for Answer. See IRM 8.20.6.8.10.1, Appeals-Issued SND - Petitioning/Non-Petitioning Spouse for instructions.
- a. A separate agreement on a later date requires the SND be removed from suspense and submitted for closing action.

**Caution:** The spouse who submitted the second agreement must have an MFT 31 account created using TC 971 AC 105 and a TC 971 AC 110 must be posted for each MFT 31 account to allow for systemic mirroring of payments to ensure accurate balance due notices are provided to each respective spouse.

**Reminder:** Taxpayers on a MFJ MFT 30 account need only pay the tax, penalty and interest amount once. For this reason, payments submitted by one spouse for a joint liability must be mirrored to the other spouse's MFT 31 account. If the difference in agreement dates results in one spouse being liable for a larger interest amount, that spouse's MFT 31 notices will reflect the correct interest amount owed by them based on the separate action they took when submitting their signed agreement because underpayment interest application is statutory under IRC 6601.

**Note:** See IRM 21.6.8, Exam/Appeals/AUR MFT 31 Accounts (1) when both taxpayer's are responsible for the same debt and also see IRM 21.6.8, DUPASMT Transcripts for additional information to consider and act upon when an MFT 31 account is not fully paid.

- b. If the unagreed spouse defaults on a later date and the SND is removed from suspense and submitted for closing action. The defaulted SND must be assessed against the unagreed spouse's MFT 31 account. Use TC

## 8.20 Account and Processing Support (APS)

971 AC 105 to create the MFT 31 account for the unagreed (defaulted) spouse and also post a TC 971 AC 110 to ensure payments submitted by one spouse will be systemically mirrored to the other spouse's MFT 31 account. Since the unagreed (defaulted) spouse's MFT 31 assessment will not contain an Agreement Date, the IRC 6601(c) underpayment interest suspension does not apply for this taxpayer. Once all payments and credits are applied and/or mirrored to each account, the MFT 31 account processed as a default may have a remaining outstanding balance for which the unagreed (defaulted) spouse is solely liable. Underpayment interest application is statutory under IRC 6601.

- (8) APS TE's must document their actions within their PEAS Case Activity Record (CAR) and effectively use PEAS Suspense and PEAS Follow-Up tools to support efficiency and accuracy.
- (9) For additional guidance on Split Spousal Assessments see:
  - IRM 3.17.46, Non-Petitioning and Petitioning Spouse Accounts
  - IRM 21.6.8, Individual Tax Returns, Split Spousal Assessments (MFT 31 / MFT 65)

### 8.20.6.8.10.1 (09-10-2018) "Appeals-Issued" SND - Petitioning/Non- Petitioning Spouse

- (1) When Appeals issues a Statutory Notice of Deficiency (SND) for a proposed joint deficiency and only one spouse petitions the United States Tax Court (USTC), and the other spouse agrees or does not take any action (defaults), the case is considered a "petitioning/non-petitioning spouse" (PS/NPS) case.
- (2) If only one spouse petitions (confirm with Counsel), several additional steps must be taken. The issuing APS office will:
  - a. Prepare a "dummy file" for continued suspense of the NPS SND (if no agreement for that spouse has been received)
  - b. Update ACDS to create a Petitioning Spouse (PS) MFT 31 record and a Non-Petitioning Spouse (NPS) MFT 31 record
  - c. See IRM 8.20.5, Non-Petitioning Spouse (NPS) Cases for ACDS record update procedures
  - d. Create the NPS MFT 31 Account on IDRS using CC: REQ77/FRM77 to input TC 971, Action Code 103, XREF TIN = NPS TIN to the MFT 30 account
  - e. Do not create an MFT 31 Account for the PS because the need for the MFT 31 account cannot be determined until the Docketed Case for the petitioning spouse is resolved
  - f. Provide the petitioned case to Counsel for trial preparation
  - g. Continue to monitor the NPS SND in suspense until receipt of an agreement or a separate petition, or until the SND default date
- (3) If the NPS submits a separate petition, update ACDS and forward the NPS dummy file to Counsel.

**Reminder:** Since each taxpayer's petition is for the same SND and the same MFT 30 MFJ account, the separate docket numbers must be associated for Counsel's consideration and action(s). The final outcome of the docketed cases will be processed on the MFT 30 MFJ account. Clearly document the dummy file's Form 14758, Appeals/Counsel Routing Coversheet with the Docket Number for the related petitioned case in Counsel jurisdiction to alert Counsel to associate these separately petitions cases together.



**Note:** Do not delete the MFT 31 account already created, this will be resolved during the closing process.

- (4) If the NPS SND becomes either agreed or defaulted, APS must take the action to ensure timely assessment of the SND on the NPS MFT 31 account.

**Reminder:** If the NPS is deceased, specialized processing actions must be followed to allow for MFT 31 Split Account Processing on both the Deceased NPS and the Surviving PS. See IRM 8.20.6.8.10.2, Deceased Spouse on a Married Filing Joint MFT 30 Statutory Notice of Deficiency - New MFT 31 Split Account Process for guidance on how to **avoid Automated Non-Master File (ANMF) processing** requirements for both taxpayers.

- (5) Prepare Form 5403, as described below and input the MFT 31 Account Adjustment:

- a. Check box "AMCLSS" at the top of Form 5403
- b. TIN = TIN of primary taxpayer on the joint account
- c. MFT = 30
- d. Item 12 - Enter total tax and penalty to be assessed against the non-petitioning spouse

**Note:** On the MFT 31 account, the TC 300 will generate a TC 470, which will withhold collection indefinitely if the APS TE opens an IDRS Control Base using CC: ACTON.

**Reminder:** Any TC 470 posted after July 6, 1990 will automatically reverse at 15 cycles or 9 cycles with no control base. To manually reverse the MFT 31 TC 470 prior to the automatic reversal, input a TC 472 with no Closing Code.

- e. Item 14 is a required entry for AMCLSS and must reflect the correct ASSED for the MFT 31 assessment since a MFJ Return must have been filed in order to elect the Married Filing Joint Filing Status. (SFR accounts may have an AIMS **EE** ASSED but the TXMODA ASSED will remain blank whenever the taxpayer has not filed a return to establish the normal ASSED.)

**Caution:** If the NPS ASSED is within 60 days, follow quick assessment procedures to make the MFT 31 NPS assessment and monitor the assessment until it is posted to the MFT 31 account. Do not duplicate the tax or penalty amounts in Item 12 of the Form 5403.

- f. Item 56 - Check PA if the primary SSN is the non-petitioning spouse
- g. Item 56 - Check SA if the secondary TIN is the non-petitioning spouse - this will cause the assessment to post to the MFT 31 account created for the secondary TIN

**Reminder:** If Item 56 is checked for SA, you must also enter Item 57 with the Spouse's 4 Alpha Character Name Control when inputting Command Code AMCLSS entries or AMCLS will return a reject message **"ITEM 57 REQUIRED WHEN ITEM 56 EQUALS SA OR SE."** (Item 57 is included on the current revision of Form 5403 (Rev. 10/2014)).

- h. Items 16, 20, 802–811, 39, and 42 - Make no entries
- i. Make a copy of the completed CC: AMCLSS Form 5403 for the dummy file
- j. Make a copy of the face of the return and associate it with the Form 5403 to be sent to campus files as the source document for the adjustment transaction
- k. Document the PEAS CAR with actions taken and other information necessary to communicate the status and next action(s) for the NPS account
- l. Place the case in PEAS Suspense for monitoring of the MFT 31 adjustments
- m. Upon verification of the MFT 31 adjustment posting, update the MFT 31 ACDS record and PEAS as appropriate and forward the NPS dummy file and assessment verification to Counsel for association with the petitioning spouse's docketed case

**Note:** If the case is being transferred because a change in place of trial has been granted, the **transferring APS office** is responsible for processing the interim assessment against the non-petitioning spouse.

- (6) APS TE's must document their actions within their PEAS Case Activity Record (CAR) before closing PEAS.
- (7) If one of the taxpayers on a Married Filing Joint MFT 30 account is deceased, special procedures are necessary to update ACDS and IDRS. See IRM 8.20.6.8.10.2, Deceased Spouse on a Married Filing Joint MFT 30 Statutory Notice of Deficiency - New MFT 31 Split Account Process for procedures to use when the deceased spouse is the Non-Petitioning Spouse (NPS) SND.

8.20.6.8.10.2  
(09-10-2018)

**Deceased Spouse on a Married Filing Joint MFT 30 Statutory Notice of Deficiency - New MFT 31 Split Account Process**

- (1) APS is responsible for managing split account processing whenever the NPS is deceased regardless of the source of the SND (Compliance issued the SND or Appeals issued the SND). This type of account condition, where one spouse is deceased and the surviving spouse filed a timely petition for the MFJ SND with only one signature results in a Petitioning Spouse/Non-Petitioning Spouse (PS/NPS) case for which split account processing is necessary.

**Caution:** Prior to development of the new MFT 31 processing on a Deceased TP all deceased NPS assessments required Non-Master File (NMF) 20 processing. Once the NMF processing has been initiated for one spouse, **the other spouse must also be assessed using NMF 20 procedures.** With implementation of the new procedures outlined below, NMF processing will not be necessary for adjusting PS/NPS (deceased) docketed cases in the future. Until all existing NMF 20 PS/NPS (deceased) accounts within Appeals inventory have been resolved, this IRM will continue to provide procedures for both types and the APS TE must follow the MFT 31 process beginning on the effective date of this new guidance, and follow NMF 20 process for existing inventory on which the Deceased NPS has already been assessed using NMF 20 procedures. See IRM 8.20.6.8.10.2.1, Deceased Spouse on a Married Filing Joint MFT 30 SND - ANMF 20 Split Account Process.

- (2) When an MFT 30 MFJ account has been filed and one of the taxpayers later becomes deceased, the IRS is notified by the Social Security Administration (SSA) to inactivate the deceased taxpayer's entity. The IRS' Entity Unit inputs a TC 020 on the deceased spouse's entity which changes the Mail Filing Re-

quirement (MFR) to 08. MFR 08 “inactivates” the deceased TP’s entity, serves as an Identity Theft Protection measure, and any subsequent TC inputs to create a module e.g. TC 971 AC 10X will unpost (UPC 349 RC 1)

- (3) In the past, this type of entity condition restricted IDRS MFT 31 account creation for the deceased NPS and both taxpayer’s had to be assessed using NMF 20 assessment processing. The procedures for NMF 20 PS/NPS are detailed below in IRM 8.20.6.8.10.2.1, Deceased Spouse on a Married Filing Joint MFT 30 SND - MFT 20 Non-Master File (NMF) Process. Once the deceased NPS is assessed using NMF 20 procedures, the petitioning spouse assessment **must also be processed using NMF 20 procedures to ensure that the NMF Unit can accurately manage post-closure accounting updates for both MFJ taxpayers.**

**Caution:** If the Deceased NPS’ ASED is within 90 days of expiring, the APS TE must determine if Quick Assessment procedures are necessary to process the assessment once the MFT 31 account is activated on MF. Quick Assessment procedures are always necessary to process a NMF 20 assessment regardless of the number of days remaining on the ASED.

- (4) As of the effective date of this IRM’s publication, APS will follow the steps listed below to accomplish MFT 31 Split Account Processing for the deceased spouse which then also allows for MFT 31 processing for the surviving spouse:

- a. Verify that the ASED applicable to the Deceased NPS is at least 90 days from the current date.

**Caution:** The multi-step process can take up to 6 weeks to complete the three-step MFT 31 creation and posting process so managerial involvement is required to authorize this process for an ASED that is < 90 days from the current date.

- b. **STEP #1** - Use CC: INCHG to input a TC 012, “Reopen Entity Account” on the Deceased TP’s entity.
- c. Document action(s) taken in the PEAS Case Activity Record (CAR) and use PEAS Suspense and Follow-up process to monitor for posting of the TC 012.
- d. Once posted, the TC 012 will change the MFR 08 to MFR 05 on the taxpayer’s reactivated entity.
- e. **STEP #2** - Use CC: FRM77/REQ77 to input TC 971 AC 103 for the Deceased NPS SSN on the MFT 30 MFJ account.
- f. Document action(s) taken in the PEAS CAR and use PEAS Suspense and Follow-up process to monitor for posting of the TC 971 AC 103 which will generate an MFT 31 account.
- g. **STEP #3** - Once the MFT 31 account is active, use CC: REQ77 to input a TC 540 “Closes Account Deactivates Account” to deactivate the entity in compliance with Identity Theft Protection requirements.
- h. Document action(s) taken in the PEAS CAR and use PEAS Suspense and Follow-up process to monitor for posting of the TC 020.
- i. Once posted, the TC 020 will change the MFR 05 to MFR 08 which deactivates the entity and reinstates the Identify Theft Protection Measure.
- j. Within the same cycle as the TC 020 is input, process the NPS MFT 31 account adjustment(s) as appropriate based on the defaulted SND.

**Reminder:** Follow Quick Assessment procedures if the ASED is within 60 days.

- k. Document action(s) taken in the PEAS CAR and use PEAS Suspense and Follow-up process to monitor for posting of the TC 020 as well as the MFT 31 adjustment(s).
- l. Upon completion and posting of all TCs, associate the NPS administrative file with the Docketed PS file.
- m. Update the ACDS MFT 31 record for the NPS and close PEAS when all interim actions have been successfully completed.
  - ✓ STATDATE = blank
  - ✓ Statute CODE = ASED

**Note:** At closing, the APS TE will determine if the Entered Decision or Entered Order to Dismiss necessitates an adjustment to the NPS MFT 31 and creation of an MFT 31 account for the PS.

- (5) The following IRM References provide detailed guidance for Command Codes (CC) ENREQ and INCHG:

<b>IRM 2.4.9 References for Re-Activating the DECD TPs Entity Mail Filing Requirement (MFR) 08 to MFR 05</b>
IRM 2.4.9, Command Code ENREQ
IRM 2.4.9, Command Codes INCHG, IRCHG, BNCHG or BRCHG
IRM 2.4.9, Changes Permissible by Service Center and Field Offices
IRM 2.4.9, Daily Transaction Register
IRM 2.4.9-3, IMF CC INCHG General Format
IRM 2.4.9-4, IMF Name Line Change
IRM 2.4.9-5, IMF Name Line Change - Surname Requirements
IRM 2.4.9-6, IMF - 040, 041 to Change SSN or Nameline
IRM 2.4.9-7, IMF Address Change
IRM 2.4.9-11, Removal of an Account from Master File

8.20.6.8.10.2.1  
(09-10-2018)

**Deceased Spouse on a  
Married Filing Joint MFT  
30 Statutory Notice of  
Deficiency - ANMF 20  
Split Account Process**

- (1) This section covers the past practice of processing the Deceased NPS using NMF 20 procedures for processing the defaulted NPS assessment. As of the effective date of this revision, a new three-step process (covered in IRM 8.20.6.8.10.2 above) is approved for APS to reactivate the Deceased TPs entity, create an MFT 31 account, and then Deactivate the Deceased TP's entity. Docketed cases for which one spouse has already been assessed using NMF MFT 20 procedures must continue to use NMF MFT 20 procedures to also process the PS assessment at closing.
- (2) If NMF procedures are followed for the Deceased NPS account then ANMF procedures must also be followed for the PS account. **Do NOT** process one spouse on ANMF and the other spouse on MFT 31 as this will result in subsequent inaccuracies for one or both of the accounts after the Appeals closing actions are completed.

- (3) If the Appeals-issued MFT 30 MFJ **SND defaults** and neither the surviving spouse nor the deceased spouse's representative take an action to jointly or separately agree or jointly or separately file a petition, then the default assessment is posted to the MFT 30 MFJ account. The name line on ACDS and Master File must accurately reflect which spouse is "DECD," and if a fiduciary represents the deceased spouse, the "in care of" information must also be present to ensure that the account notices are mailed appropriately.
- (4) Table #1, Table #2, and Table #3 (see (7) below) provide processing analysis steps and processing requirements when one taxpayer on a MFJ MFT 30 account is deceased:

**Table #1 "Appeals-Issued" SND ATE Determines Authority for the Surviving Spouse to Represent the Deceased Spouse**

If ATE Determines:	When:	Final Account Actions:	Then:
Surviving Spouse legally represents the Deceased Spouse	Surviving Spouse signs the agreement or petition <b>for both</b>	Posted to MFT 30	Spouses are NOT treated separately
Surviving Spouse legally represents the Deceased Spouse	Surviving Spouse only signs the agreement or petition for themselves and <b>not on behalf of the Deceased Spouse</b>	See Table #2 below	Spouses are treated separately unless the petition is perfected to include both the surviving spouse and the deceased spouse.
Surviving Spouse does NOT legally represent the Deceased Spouse and NO Fiduciary is Identified for the Deceased Spouse	Surviving Spouse only agrees or petitions for themselves Deceased Spouse SND will default (NPS)	See Table #2 below	Spouses are treated separately for the purpose of agreement or filing of a petition
Deceased Spouse is legally represented by a Fiduciary who is NOT the surviving spouse	<ul style="list-style-type: none"> <li>Surviving Spouse can only agree or petition for themselves</li> <li>Fiduciary can only agree or petition for the Deceased Spouse</li> </ul> <p>★ Surviving Spouse and Fiduciary can coordinate to agree or petition together see IRM 8.20.6.8.10.2.1 (7) Table #3 1st row</p>	See Table #3 below	<p>Spouses are treated separately unless the surviving spouse and Fiduciary for the deceased spouse coordinate their actions for the MFJ SND:</p> <ul style="list-style-type: none"> <li>Both agree</li> <li>Both petition</li> <li>Both default</li> <li>Assessment is made on the MFT 30 MFJ account</li> </ul>

**Table #2 If Surviving Spouse does NOT Legally Represent the Deceased Spouse and No Fiduciary is Identified**

Deceased Spouse	Surviving Spouse	Interim SND NPS Default Assessment is:	Final Account Actions at Closing
Primary Taxpayer	Secondary Taxpayer	Posted to MFT 31	<ul style="list-style-type: none"> <li>• Create MFT 31 for Secondary TP</li> <li>• Adjust MFT 31 for Deceased PTP if SND amounts are adjusted</li> <li>• Link both MFT 31 accounts so payments can be systemically mirrored using TC 971 AC 110</li> </ul>
Secondary Taxpayer and STP has never filed a return as a PTP, then Deceased STP has no entity established.	Primary Taxpayer	Posted to MFT 20	<ul style="list-style-type: none"> <li>• Assess ANMF 20 for Primary TP</li> <li>• If SND amounts are adjusted, prepare MFT 20 adjustment documents for deceased STP ANMF 20 and submit them to ANMF</li> </ul>

(5) **Automated Non-Master File Accounting References:**

- IRM 3.17.46, Accounting and Data Control - Automated Non-Master File Accounting
- IRM 3.17.46, Additional Assessments

(6) **Prepare and fax the forms listed below to RACS EEFax # 855-254-9562 Attn: ANMF Assessment Needed Petitioning/Non-Petitioning Spouse (Secondary TP Deceased):**

- Form 2859, Request for Quick or Prompt Assessment for deceased secondary spouse only. Always include the **Attn:** statement provided above in the Form 2859 Remarks Section.
- Interest Computation up to the 23C Date on Form 2859.

**Reminder:** Always include a notation to identify the NMF MFT 20 Account Adjustments as a Split Spousal Assessment and include the other Spouse's Name and SSN so the NMF Unit is aware that the Deceased Taxpayer is a Non-Petitioning Spouse. At Closing, any additional NMF 20 account adjustment documents include the cross-referencing information to the other spouses' SSN, Name and Tax Period. Adherence to this requirement assists the ANMF Unit with linking the accounts and cross-referencing payments posted on one NMF 20 account to the other NMF 20 account.



- Form 3177, Notice of Action for Entry on Master File TC 470 cc 90. ANMF will input this on ANMF
- Document representing the assessment authority (e.g. Defaulted SND).
- Form 3210 or an E3210.

**Note:** Do not include a completed Form 5403 for the MFT 20 account.

**Caution:** The TC 470 cc 90 input by ANMF will automatically reverse after 180 days. To extend the TC 470 cc 90 hold on the MFT 20 account, fax the Form 3177 to EEFax # 855-254-9569.

**Reminder:** #1 If the petitioning taxpayer's Entered Tax Court Decision results in less tax and/or penalty, the APS TE must prepare a Form 1331-B, Notice of Adjustment to adjust the MFT 20 account to the correct amount of tax and/or penalty. The Form 1331-B must be faxed to the Covington Accounting Manual Assessment/Manual Refund Team at EEFax # 855-254-9569. Always include cross-referencing information to alert ANMF that the taxpayer is part of a Married Filing Joint return. Use Form 3210 or an E3210 when transmitting taxpayer information.

**Reminder:** #2 See the **MFT 20 Account Adjustments** table below, last row for the required information to include in the NMF Transcript Request. See IRM 4.71.2, Non-Master File Transcript Requests for additional information.

**MFT 20 Account Adjustments**

MFT 20 Action Needed	Required Documents	EEFax Number
Assess Deceased Secondary Spouse	<ul style="list-style-type: none"> <li>• Form 2859</li> <li>• Include the following notation: "Deceased NPS (identify SSN) and Petitioning Spouse (identify SSN)"</li> <li>• Interest Computation</li> <li>• Defaulted SND (documentation for assessment authority)</li> <li>• Form 3177</li> <li>• Form 3210</li> </ul>	855-254-9562
Extend TC 470 cc 90	<ul style="list-style-type: none"> <li>• Form 3177</li> <li>• Form 3210</li> </ul>	855-254-9569
Adjust MFT 20 Account	<ul style="list-style-type: none"> <li>• Form 1331-B</li> <li>• Include the following notation: "Deceased NPS (identify SSN) and Petitioning Spouse (identify SSN)"</li> <li>• Interest Computation</li> <li>• Entered Tax Court Decision (documentation for abatement authority)</li> <li>• Form 3210</li> <li>• Secure an NMF Transcript and associate with the MFT 20 Account adjustment documentation.</li> </ul>	855-254-9569

MFT 20 Action Needed	Required Documents	EEFax Number
<b>Request MFT 20 Transcript</b>	<ul style="list-style-type: none"> <li>Fax Transmittal which includes:</li> <li>Your name</li> <li>Your EEFax Number</li> <li>“Request for MFT 20 transcript”</li> <li>Include the following notation: “Deceased NPS (identify SSN) and Petitioning Spouse (identify SSN)”</li> <li>TP Name</li> <li>TIN</li> <li>Tax Period(s)</li> </ul>	855-254-9569

- (7) If a Fiduciary legally represents the deceased spouse, Table #3 below provides instructions for SND actions, APS interim actions, and APS final account actions at closing.

**Table #3 Fiduciary Legally Represents the Deceased Spouse**

Deceased Spouse Represented by Fiduciary	SND Actions:	APS Interim Actions:	Final Account Actions at Closing
Primary TP DECD & Secondary TP Surviving  OR Secondary TP DECD & Primary TP Surviving	Fiduciary and Surviving TP jointly sign Agreement	<ul style="list-style-type: none"> <li>Verify ACDS and IDRS name lines are updated with “DECD”</li> <li>Verify TC 540 is input if identified and requested by the ATE</li> <li>Prepare case for closing as Agreed</li> </ul>	★ Agreed SND adjustments are posted to MFT 30 MFJ Account
Primary TP DECD & Secondary TP Surviving  OR Secondary TP DECD & Primary TP Surviving	Fiduciary and Surviving TP jointly file Petition	<ul style="list-style-type: none"> <li>Verify ACDS and IDRS name lines are updated with “DECD”</li> <li>Verify TC 540 is input if identified and requested by the ATE</li> <li>Prepare case for update to Counsel for Answer</li> <li>Update ACDS and transmit case</li> </ul>	★ Settled or Entered Decision adjustments are posted to MFT 30 MFJ Account

Deceased Spouse Represented by Fiduciary	SND Actions:	APS Interim Actions:	Final Account Actions at Closing
Primary TP DECD Secondary TP Surviving OR Secondary TP DECD & Primary TP Surviving	Fiduciary and Surviving TP sign separate agreements on <b>different dates</b>	<ul style="list-style-type: none"> <li>• Verify ACDS and IDRS name lines are updated with "DECD"</li> <li>• Verify TC 540 is input if identified and requested by the ATE</li> <li>• Prepare case for closing</li> </ul>	Each spouse is subject to IRC 6601(c) underpayment interest suspension based upon their individual agreement date. Process MFT 31 Split Spousal assessments using TC 971 AC 105 to establish the MFT 31 accounts for each spouse. Input TC 971 AC 110 to systemically mirror payments/credits as the account balance must only be paid once.
Primary TP DECD Secondary TP Surviving OR Secondary TP DECD & Primary TP Surviving	Fiduciary and Surviving TP file separate petitions	<ul style="list-style-type: none"> <li>• In addition to the actions identified for jointly-filed petitions,</li> <li>• Use PEAS CAR to document the reason why an MFT 31 account or ANMF MFT 20 account is not initiated for the NPS.</li> <li>• Use PEAS Suspense and PEAS Follow-up options to continue to monitor the docket listing.</li> <li>• Once the second (separate) petition is filed on behalf of the DECD spouse, forward the remaining suspense file to Counsel for association with the administrative file.</li> </ul>	Settled or Entered Decision adjustments are posted to MFT 30 MFJ Account

8.20.6.8.10.3  
(09-10-2018)  
**Deceased Taxpayer  
Identified by an Appeals  
Technical Employee  
After Docketed or  
Non-Docketed Case is  
Assigned**

- (1) A taxpayer may become deceased while their case is active in Appeals or Counsel jurisdiction. Upon receipt of the ATE's request to update the taxpayer's entity name line, address, and/or "in-care-of" information and the request to post a TC 540 to the tax period for the year in which the taxpayer became deceased, APS will:

- Use Form 2363, Master File Entity Change to identify the applicable Transaction Codes and document the information for input
- Use CC: INCHG to input the entity changes
- Use CC: REQ77 to input a TC 540 on the tax period identified by the ATE as the year during which the taxpayer became deceased.

**Caution:** Do not add the TC 540 tax period to the ACDS record because it is neither open on AIMS nor active in an Appeals Status. The PEAS CAR entry is sufficient to document the authorized action taken by the APS TE.

**Reminder:** If at the time the interim action request to post the TC 540 for the deceased TP, you know that an MFT 31 split account will be necessary, then input the TC 971 AC 10X to allow creation of the MFT 31 account for the decedent. Once the MFT 31 account is fully established, input the TC 540 to inactivate the decedents entity. If it cannot be known that split spousal processing will be necessary at the time the ATE requests input of the TC 540, then take no action to initiate MFT 31 creation. IRM 8.20.6.8.10.2, Deceased Spouse on a Married filing Joint MFT 30 Statutory Notice of Deficiency - New MFT 31 Split Account Process will be followed at the appropriate time when necessary.

- Document the account adjustment activity in the PEAS Case Activity Record (CAR) and place the PEAS case in suspense for monitoring until all TC's input are fully posted.
- (2) See Exhibit 8.20.6-8, IRM Resources Related to Updating or Correcting IRS Systems when One or Both Taxpayers Become Deceased for additional information.

8.20.6.8.10.4  
(09-10-2018)  
**ACDS and AIMS  
Updates on an  
"Appeals-Issued" SND  
Non-Petitioning Spouse  
SND Case**

- (1) When a SND issued on an MFT 30 Married Filing Joint (FS = 2) return and only one spouse files a petition, the ACDS record for the MFT 30 account, must be updated to include an MFT 31 for the petitioning spouse, and an MFT 31 for the non-petitioning spouse.

- MFT 30 Joint Return (this is the key case)
- MFT 31 Petitioning Spouse (PS) do not create an MFT 31 account for the PS as an interim action
- MFT 31 Non-Petitioning Spouse (NPS) create an MFT 31 account for the NPS as an interim action **unless** one spouse is deceased, then see:  
⇒ IRM 8.20.6.8.10.2, Deceased Spouse on a Married Filing Joint MFT 30 Statutory Notice of Deficiency - New MFT 31 Split Account Procedures  
⇒ IRM 8.20.6.8.10.2.1, Deceased Spouse on a Married Filing Joint MFT 30 Statutory Notice of Deficiency - ANMF 20 Split Account Process

**Note:** These instructions only apply to statutory notices of deficiency issued on an MFT 30 FS 2.

**Reminder:** A non-petitioning spouse workunit is not created for CDP determination cases if only one spouse petitions because the tax is already assessed so **MFT 31 assessment procedures do not apply** to CDP cases.

- (2) ACDS field entries for MFT 31 ACDS records required on a **Compliance-Issued** SND are provided in IRM 8.20.5, Non-Petitioning Spouse Case Carding Requirements. ACDS field entries for MFT 31 ACDS records required on an **Appeals-Issued** SND are provided below.
- (3) Update the MFT 30 Joint Return ACDS Record as follows:
  - **FEATRC**D - Enter NS
  - **DKTNO** - Enter Docket Number as it appears on the docket listing
- (4) Update the Returns Screen on the MFT 30 Joint Return:
  - a. **AIMS** indicator - Enter "Y"  
Appeals-Issued SNDs will already have AIMS controls established however, the AIMS Status 80 "Non-Docketed" must be updated to AIMS Status 82 "Docketed" via CC: AMSTUB.
  - b. **STATDATE** - Enter the actual statute date of the joint return which results from the status of the non-petitioning spouse. This will reflect the most conservative ASSED until such time as the NPS SND is agreed, defaults, or also becomes docketed.
  - c. Statute **CODE** - "NPS"
  - d. Upon resolution of the Non-Petitioning Spouse (NPS) SND, the ACDS record for the MFT 30 Joint Account, and the MFT 31 NPS Account must be updated as described in (5) and (6) below.
- (5) Upon verification of the NPS MFT 31 assessment posting, update the MFT 30 ACDS record as follows:
  - STATDATE = blank
  - Statute CODE = DOCKT
  - NOTES = NPS MFT 31 Assessment 23C = MM-DD-YYYY
- (6) Upon verification of the NPS MFT 31 assessment posting, update the MFT 31 NPS ACDS record as follows:
  - STATDATE = blank
  - Statute CODE = ASSED
  - NOTES = NPS MFT 31 Assessment 23C = MM-DD-YYYY
- (7) After verifying the MFT 31 assessment has posted, the APS TE must close the IDRS Control Base opened under their IDRS number on the NPS MFT 31 account to allow systemic reversal of the TC 470.
- (8) The MFT 31 account TC 470 will automatically reverse in 9 or 15 cycles to resume collection activity.

**Reminder:** APS will not enter CSED information on the MFT 31 NPS ACDS record.

8.20.6.8.11  
(09-10-2018)  
**Non-Petitioned Year in  
an “Appeals-Issued”  
Statutory Notice of  
Deficiency**

- (1) Oftentimes, an SND is issued for multiple tax periods. Occasionally, one or more of the tax periods listed in the SND may be omitted from the petition (intentionally or unintentionally). These cases are considered potential “Non-Petitioned Year,” (NPY) cases **until** Counsel confirms the intention of the taxpayer.
- (2) When one or more tax periods are missing from the petition, **confirm with Counsel**, before taking action to separate the NPY tax return(s) from the petitioned tax return(s) and original administrative file.
- (3) If Counsel confirms that the taxpayer **intended** to include all SND tax periods on their petition, or provided a perfected petition to include all tax periods, then remove the case from suspense and use normal procedures to update ACDS and AIMS and transmit the file to Counsel.
- (4) If Counsel verifies that the petitioner intentionally **omitted** one or more tax periods, **and** the taxpayer will not submit a “perfected petition” to include **all** of the tax periods, take the following actions:
  - Separate the non-petitioned year(s) tax return(s) and create an SND file for continued suspense awaiting agreement or default
  - Confirm with Counsel whether they **do** or **do not** want the NPY(s) associated with the docketed administrative file once they are closed, and document the SND suspended file accordingly so appropriate action is taken upon their removal from SND suspense
  - Update the ACDS Returns Level for each **Petitioned** tax period: STATDATE = Blank and Statute CODE = “DOCKT.” Do not update the NPY’s until they are closed from SND suspense.

***ACDS Return Level Updates for Petitioned Tax Period(s)***

ACDS Code	ACDS Entry
STATDATE	Blank
Statute CODE	DOCKT

- Update AIMS Controls to Status 82 for the petitioned year(s) **ONLY** via CC: AMSTUB
- In ACDS NOTE field enter “Non-Petitioned Year(s) = YYYYMM in SND Suspense” (list each NPY)
- Print the updated ACDS record and affix the print to the original administrative file to alert Counsel of the NPY(s)
- Identify the NPY(s) on the Form 14758, Appeals/Counsel Routing Coversheet
- Follow normal procedures to transmit the docketed years and the original administrative file to Counsel using Form 3210 or an E3210
- Do not update the Closing Code for the ACDS record to 43 since the Non-petitioned year(s) are still in Appeals jurisdiction and their ASSED(s), which are not controlled by the petition, must continue to be monitored by APS until an agreement is received for the NPY(s) or the SND defaults.

**Reminder:** Always confirm if the Counsel Attorney wants the NPY(s) re-charged to them for association with the petitioned case, after conclusion of the SND suspense and APS processing actions. See IRM 8.20.6.8.11 (5) below if Counsel **does want** the NPY return(s) re-charged to them. See



IRM 8.20.6.8.11 (6) below if Counsel **does not want** the NPY return(s) re-charged to them once they are agreed or defaulted.

- (5) When Counsel **does want** the (defaulted or agreed) NPY(s) for association with the docketed administrative file after they are assessed and closed on AIMS, APS will take the following steps upon agreement or default:
- Process the agreed or defaulted tax period(s) assessment using CC: AMCLSA.
  - Input TC 971 AC 057 on each assessed tax period to identify the location of the workpapers (latest docketed year).
  - Make a copy of the completed Form 5403(s) and page one of the tax return(s).
  - Affix a copy of the Form 5403 to each return as appropriate.
  - Prepare Form 4251, Return Charge-Out to recharge the tax return(s) to the applicable Counsel Attorney. See IRM 25.5.1, Recharging and Refiling Documents for additional guidance.
  - Prepare the "Source Document Package" for each tax period: (see table below)

Source Document Package
Original Form 5403
Form 4251, Return Charge-Out
Copy of the first page of the tax return

- Use Form 3210 or an E3210 to transmit the "Source Document Package" to the appropriate Campus Files Function for association with the Form 5147, IDRS Transaction Record.
- Update the AIMS Indicator to **E** for the assessed tax period(s) **ONLY** to avoid an ACDS and AIMS mismatch on the AMATCH Report during the timeframe the ACDS Docketed WUNO remains open.
- Update the ACDS Returns Level statute date and statute code for the assessed tax period(s) **ONLY**:

***ACDS Return Level Update for Assessed Non-Petitioned Tax Period(s) Before Assessment Posts***

ACDS Code	ACDS Entry
STATDATE	Update to the numeric ASED MM-DD-YYYY
Statute CODE	Leave Blank

- Update the ACDS Record: (see table below)

***ACDS Record Update When the Non-Petitioned Tax Period(s) Adjustments are Input***

ACDS Action	ACDS Entry
Update ACDS NOTE field	"NPY(s) assessed agreed/defaulted 23C date = MM-DD-YYYY"
Use ACDS Closing Code 43	Updates the ACDS record to Counsel Jurisdiction ACTION = DOCKT

- k. Use Form 3210 or an E3210 to transmit the re-charged tax return(s) to the Counsel Attorney for association of the NPY returns with the Docketed administrative file.
- l. Document the PEAS CAR as appropriate.
- m. Suspend and monitor on PEAS until the adjustments are fully posted.
- n. After assessment fully posts, update ACDS STATDATE and Statute CODE per the table below and close PEAS:

***ACDS Return Level Update for Assessed Non-Petitioned  
Tax Period(s) After Assessment Posts***

ACDS Code	ACDS Entry
STATDATE	Update to Blank
Statute CODE	Update to ASED

**Note:** Depending on the timing of the ACDS and AIMS update action for the petitioned years, the ACDS Mismatch Report may reflect the discrepancy in the petitioned tax periods STATDATE and Statute CODE, however, the ACDS NOTE field will provide the necessary clarification as to the legitimate reason for the mismatch.

- (6) When Counsel **does not want** the (defaulted or agreed) NPY(s) for association with the docketed administrative file after they are assessed and closed on AIMS, APS will take the following steps upon agreement or default:
  - a. Process the agreed or defaulted tax period(s) assessment using CC: AMCLSA
  - b. Input TC 971 AC 057 on each assessed tax period to identify the location of the workpapers (latest docketed year)
  - c. Transmit the source documents and original returns to the appropriate Campus Files Function for association with the Form 5147, IDRS Transaction Record using Form 3210 or an E3210 per normal closing procedures
  - d. Update the AIMS Indicator to **E** for the assessed tax period(s) **ONLY** to avoid an ACDS and AIMS mismatch on the AMATCH Report.
  - e. Update ACDS Returns Level for the Non-Petitioned tax period(s) **ONLY**, following procedures in IRM 8.20.6.8.11 (5) list item i) **before** the assessment is fully posted.
  - f. Update the ACDS Record: (see table below)

***ACDS Record Update When The Non-Petitioned Tax Period(s) Adjustments are Input***

ACDS Action	ACDS Entry
Update ACDS NOTE field	"NPY(s) assessed agreed/defaulted 23C date = MM-DD-YYYY"
Use ACDS Closing Code 43	Updates the ACDS record to Counsel Jurisdiction ACTION = DOCKT

- g. Document the PEAS CAR as appropriate
- h. Suspend and monitor on PEAS until the adjustments are fully posted then update ACDS STATDATE and Statute CODE following procedures

in IRM 8.20.6.8.11 (6) list item n) **after** the assessment is fully posted and close PEAS.

8.20.6.8.12  
(09-10-2018)

**Defaulted  
“Appeals-Issued”  
Statutory Notice of  
Deficiency**

- (1) If the taxpayer(s) does not sign and submit the waiver (Agreement), or does not file a timely petition with the tax court, the case is removed from SND Suspense on the Default Date.
- (2) The Default Date is calculated by adding 30 days to the last day to file a petition date. For taxpayer’s with a U.S. Address, the Default Date is 90+30=120 days from the SND Issuance Date. For taxpayer’s with an address outside of the U.S., the Default Date is 150 + 30 =180 days from the SND Issuance Date.
- (3) Check the Statutory Notice Report for any case where Appeals issued the statutory notice of deficiency. Also check for any case on which Appeals accepted jurisdiction from Compliance during the 90-day period.
- (4) Refer to IRM 8.20.7, Closing the Case on ACDS for ACDS closing procedures.

8.20.6.8.13  
(09-10-2018)

**Rescinded  
“Appeals-Issued” Notice  
of Deficiency Under Rev.  
Proc. 98-54**

- (1) In the event Appeals rescinds an “Appeals-issued” SND per Form 8626, Agreement to Rescind Notice of Deficiency, update ACDS as follows:
  - a. Remove 090A or 150A from **SNTYPE** field
  - b. Remove date from **SNDATE** field
  - c. Enter “SND rescinded (date signed by Commissioner)” in **NOTE** field
  - d. Change **Y** to **N** in **SND** field
- (2) If Form 872 or Form 872-A was also completed in conjunction with Form 8626, Agreement to Rescind Notice of Deficiency update the **STATDATE** or statute **CODE** as appropriate on both ACDS and AIMS.

8.20.6.9  
(04-17-2024)

**“Compliance-Issued”  
Statutory Notice of  
Deficiency (SND) -  
Premature  
Default/Assessment**

- (1) IRM 8.20.5, General Carding Information for Docketed Cases is the primary APS reference for receipt and acceptance of “Compliance-Issued” SND cases. This section is included in the APS Interim Action IRM 8.20.6 to clarify and specify the difference between APS Carding responsibility and action(s) and APS Interim Action responsibilities on a “Compliance-Issued” SND. Furthermore, this section provides a clear distinction from the APS Interim Action(s) required for an “Appeals-Issued” SND which is a separate and distinct Interim Action process for APS.
- (2) APS DIMS Team responsibilities for a Docketed “Compliance-Issued” SND are:
  - Monitor the Electronic Docket Listing (EDL)
  - Create ACDS skeletal record(s)
  - Perform follow-up with Compliance function if docketed administrative file is not received timely
  - Create a dummy file for Counsel if necessary
  - Receive docketed administrative files from Compliance functions
  - Generate Form 14758, Appeals/Counsel Routing Coversheet, print it on bright orange paper, complete all applicable entries, and affix to top of file

## 8.20 Account and Processing Support (APS)

- Verify and document on ACDS that any **non-petitioned** tax period or **non-petitioning** spouse accounts are accurately controlled by the Compliance Source Function
  - See IRM 8.20.6.9 (12) for a list of links to Compliance Source Function Contacts
  - Monitor and protect ASER's and when necessary, process protective assessments
  - Transmit dummy file or administrative file to Counsel
  - Coordinate with and support assigned APS Field and APS Campus offices
  - Transfer ACDS record to appropriate AOC
  - Close DIMS
- (3) APS (non-DIMS) responsibilities for a Docketed "Compliance-Issued" SND are:
- Receive docketed administrative files from Compliance functions.
  - Generate Form 14758, Appeals/Counsel Routing Coversheet, print it on bright orange paper, complete all applicable entries, and affix to top of file.
  - Contact DIMS Team to notify them of receipt of original administrative file and request closure of DIMS record.
  - Verify ACDS and AIMS are accurately updated.
  - Verify that any non-petitioned tax period or non-petitioning spouse accounts are accurately controlled by the Compliance Source Function (this includes documenting ACDS appropriately).
  - See IRM 8.20.6.9 (12) for a list of links to Compliance Source Function Contacts.
  - Use PEAS to apply direct time for post-carding actions and close PEAS when actions and monitoring are concluded.
  - Monitor and protect ASER's and when necessary, process protective assessments.
  - Transmit original administrative file to Counsel using Form 3210 or an E3210.
  - See IRM 8.20.6.9 (4) below when the **original petition is amended** to include the NPS.
- (4) APS responsibilities for a Docketed "Compliance-Issued" SND when the **original petition is amended** to include the NPS:
- Upon receipt of written verification from Counsel that the NPS is converted to a Joint Petitioning Spouse, APS must take specific actions to intervene on the NPS MFT 31 account since a default assessment for the newly petitioned spouse will be an invalid (premature) assessment.
  - Perform IDRS research to determine the current status of the NPS MFT 31 account established by the Compliance Function.
  - When the MFT 31 account does **not already** have the NPS default assessment pending, see **Alpha List** in IRM 8.20.6.9 (5) below.
  - When the MFT 31 account **already** has the NPS default assessment pending or posted, see IRM 8.20.6.9.1, Interim Abatements Authorized by ATE/ATM/Counsel Attorney.
- (5) When a petition for an MFT 30 Married Filing Joint SND is amended to add the other spouse, and the NPS MFT 31 default assessment is **not already pending or posted** to the NPS MFT 31 follow **Alpha List below**:

- a. Use CC: ACTON to **Open** an IDRS Control Base in Case History Status Code "A" Assigned - Actively Being Worked and also **Enter** a history item "NPS added to Petition DKTNO NNNNN-YY" on the NPS MFT 31 account and on the MFT 30 account.

**Reminder:** Placing an IDRS Control and entering the History Item on the MFT 31 will protect the account from erroneous default assessment of the SND for the NPS while entering the History Item on the MFT 30 account serves to retain the History Item information in the event the MFT 31 account ages off the active IDRS database.

**Note:** When inclusion of the NPS on an amended petition overlaps with the Compliance function pulling the NPS "dummy file" for default assessment, the IDRS control base and history item restricts the compliance function from processing the adjustment transaction. The MFT 31 intervention process serves to prevent an erroneous assessment by the Compliance Function, an incorrect notice to the taxpayer, erroneous credit offsets to the MFT 31 balance due account, and an interim abatement action by APS.

- b. Use encrypted email to alert originating function to close NPS dummy file suspense and transmit the NPS (documents) to Appeals for association with the docketed administrative file. See IRM 8.20.6.9 (12) below for a list of links to Compliance Source Function Contacts.
  - c. Provide your EEFax number or mailing address to the originating function within the encrypted email.
  - d. Upon receipt of the NPS documentation from the Compliance function, use CC: ACTON to close the IDRS Control Base (MFT 31).
  - e. Use CC: REQ77 to input a TC 972 AC 103 to close the MFT 31 account on IDRS.
  - f. Monitor the account updates until posted, then use CC: ACTON to close the IDRS Control Base (MFT 30).
  - g. Update ACDS to close the MFT 31 record(s) since all account adjustments will be processed on the MFT 30 account.
  - h. Update the MFT 30 ACDS NOTE field with "NPS added to petition MFT 31 closed."
  - i. Document actions taken on the PEAS CAR and close PEAS.
- (6) When a petition for an MFT 30 Married Filing Joint (MFJ) SND is amended to add the other spouse, and the NPS MFT 31 default assessment is **already pending or posted** to the NPS MFT 31 see IRM 8.20.6.9.1, "Interim Abatements Authorized by ATE/ATM/Counsel Attorney" for processing guidance.
  - (7) When a "Compliance-Issued" SND is closed from Compliance Technical Services (CTS) as a defaulted SND and shipped to Compliance Case Processing (CCP) for a default assessment, additional actions are required by both Compliance and APS.
  - (8) CTS follows guidance in:
    - IRM 4.8.9, Unlocatable Case Files when the assessment has not been made and AIMS controls remain open.
    - IRM 4.8.9, Status 90 Cases when the assessment has been made and the AIMS controls are closed and in Status 90.

- (9) The lists below illustrates the coordination of steps taken by CTS, DIMS, and the APS Office aligned with the designated Counsel office to resolve the problem and secure the case for Counsel:

**SND is Defaulted but has not been assessed - AIMS Controls are open:**

- When the file is not received timely by Appeals and the AIMS Controls are still open, the APS DIMS team will identify the case as aging on the DIMS Listing and will contact Compliance Technical Services (CTS) to request the file.
- CTS will take the necessary actions to ensure the return of the original administrative file from Compliance Case Processing (CCP) and will also create a "DUMMY FILE" which they will forward to the DIMS Team for ACDS Carding and transmission to the appropriate Counsel Office.
- Upon return of the original administrative file from CCP, CTS will use AIMS CC: AMCLSE to update AIMS controls to Appeals Unassigned Status 81 and process the docketed case to the Appeals Office aligned with the designated Counsel Office.
- Upon receipt of the original administrative file from CTS, APS will update ACDS to reflect the original administrative file has been received and forward the administrative file to the Counsel Attorney, or the ATE for association with the "DUMMY FILE."

**SND is Defaulted and has been assessed - AIMS Controls are closed  
Status 90:**

- CTS prepares Form 3177, Notice of Action for Entry on Master File to input CC: STAUP (15) cycles to prevent the issuance of balance due notices to the taxpayer.
- CTS provides the items listed below to the Appeals DIMS Team via EEFax:
  - a. Verification that the CC: STAUP is input.
  - b. Copy of the docket list page identifying the taxpayer, tax period(s) docket number, and Appeals Office.
  - c. Copy of the closed control care showing the date the SND was issued.
  - d. Copy of Form 5348, AIMS/ERCS Update prepared for CTS to update AIMS to Status Code 24. (CTS will reopen AIMS in Status Code 21, then update to Status Code 24).

**Note:** CTS cannot input the CC: AMSTUR in the same cycle the AIMS controls were closed to Status 90.

- Once the case is re-established in AIMS Status 24, CTS takes the following additional actions:
  - a. Retrieve the Form 5344, Examination Closing Record from RGS CEAS.
  - b. Input the CC: AMCLSE and process the re-constructed file to Appeals for association with the original administrative file retrieved by APS from CCP.
  - c. Archive the RGS electronic file so Appeals can gain access and view the record.

- (10) Upon receipt of the EEFax documents from CTS, DIMS will:

- Create the skeletal ACDS Record.



- Attach the EEFax documentation to the ACDS Record.
- Use CC: ESTAB to request the original administrative file for the applicable APS Office.
- Identify in ACDS NOTE field that CC: ESTAB is input.
- Transfer the ACDS skeletal record to the applicable APS Office.
- Close DIMS.

(11) Upon receipt of the ACDS record from DIMS, the APS Office will:

- Accept the transfer of the ACDS record into their AOC.
- Access the documentation attached to the ACDS record to determine adjustment actions required to correct the taxpayer's account.
- Request written authorization from the Counsel Attorney to abate the default assessment.
- Process the abatement of the CCP assessment once written approval is received from Counsel (see IRM 8.20.6.9.1, Interim Abatements Authorized by ATE/ATM/Counsel Attorney for additional guidance on interim abatement actions.)
- Use CC: FRM77 to post a TC 520 cc 72 to the taxpayer's account to establish the Master File (MF) "-W" Litigation Freeze on IDRS for each applicable tax period.
- Use CC: AMSTUA to update AIMS controls to Status 82, once AIMS controls are re-established and placed in AIMS Status 81 and the administrative file has been received.
- Update ACDS to correct all applicable fields including the STATDATE and the Statute CODE.
- Forward the administrative file to Counsel once it's received as a result of DIMS CC: ESTAB request for association with the dummy file.
- Document the PEAS CAR with actions taken.
- Monitor all transactions until fully posted to the account(s).
- Close PEAS once all necessary actions are taken and monitoring is completed.

(12) See the list below for links to Compliance Source Contacts and References:

- *ASFR Contacts*
- *ASFR Brookhaven Coordinators*
- *ASFR Reconsideration Returns Centralized Processing Sites*
- *AUR Coordinators*
- *AUR Contacts by TC 922 DLN*
- *Odgen Campus Directory*
- *Campus Directory*
- IRM 3.17.46, Non-Petitioning and Petitioning Spouse Accounts
- IRM 21.6.8, Individual Tax Returns, Split Spousal Assessments (MFT 31 / MFT 65)

8.20.6.9.1  
(04-17-2024)  
**Interim Abatements  
Authorized by  
ATE/ATM/Counsel  
Attorney**

- (1) Upon receipt of the written verification and/or approval of the ATE/ATM/Counsel Attorney to authorize the abatement of a premature assessment, the APS Tax Examiner will analyze the taxpayer's account(s) and take the appropriate action(s) to correct AIMS, IDRS, and ACDS.
- (2) Follow the steps below to process the abatement of the default assessment:
  - a. Verify the TC 520 cc 72 is "-W" Litigation Freeze is posted to each applicable tax module.

## 8.20 Account and Processing Support (APS)

- b. Prepare and input account adjustment document(s) to reverse the premature default assessment.
  - c. See IRM 8.20.6.9.1 (3) if AIMS controls **are not** yet re-established.
  - d. See IRM 8.20.6.9.1 (4) if AIMS controls **are** re-established.
  - e. Use **Hold Code 4** on the adjustment document to suppress the notice to the taxpayer and also hold any credit remaining on the account.
  - f. Use the appropriate Priority Code to bypass any unpostable condition(s).
  - g. Monitor the account for posting of abatement transaction(s).
  - h. Notify Counsel when the abatement has posted and forward the account adjustment documents for association with the docketed case file.
  - i. Document actions taken in the PEAS CAR and close PEAS.
- (3) If AIMS controls are closed and have not yet been fully re-established (TC 424 posted but no 420), prepare Form 8485, Assessment Adjustment Case Record to abate the premature assessment.
- Enter Priority Code 1 (see (4) Reminder below).
  - Use **Hold Code 4**.
  - Annotate in the Remarks section: “**Priority abatement needed - timely filed petition received MM-DD-YYYY.**”
  - Depending on the day of the IDRS cycle on which the non-AIMS adjustment is input, full AIMS controls may or may not post **prior** to the adjustments transactions.
  - For additional guidance on processing CC: ADJ54 adjustments see IRM 8.20.6.19.3, Partial Interim Assessment/Abatement Non-AIMS CC: REQ54/ADJ54.
- (4) If AIMS controls have already been re-established (TC 420 posted), prepare Form 5403, Appeals Closing Record to abate the premature assessment via CC: AMCLSF.
- Enter the applicable Priority Code as needed to avoid an unpostable.
  - Use **Hold Code 4** to hold both the notice and any credit posted to the account.
  - Annotate in the Remarks section: “**Priority abatement needed - timely filed petition received MM-DD-YYYY.**”
  - For additional guidance on processing CC: AMCLSF adjustments see IRM 8.20.6.19.2, Partial Interim Assessment/Abatement AIMS CC: AMCLSF.
- Reminder:** All transaction codes and item reference numbers input with the premature assessment must be reversed. Priority Code 1 will allow a Non-AIMS adjustment to post even though a TC 42X is on the account. **Hold Code 4** will hold both the notice and any credit posted to the account.
- Note:** IRM 4.8.9, Status 90 Cases, outlines the steps used by Exam Technical Services to input CC STAUP and prepare and send a Field Exam prematurely defaulted docketed file to Appeals (including Command Code AMSTUB). Premature assessment cases require APS actions as outlined above.
- (5) Links to references for Unpostables (UPC) caused when an input transaction is within \$10.00 of a previously posted transaction are provided below:

- IMF UPC 158 Reason Code 1 IRM 3.12.179, UPC 158 Estimated Penalty/Duplicate Assessments/Abatements
- BMF UPC 328 Reason Code 2 IRM 3.12.279, UPC 328 Potential Duplicate Transaction
- *Document 6209* Section 8B - Master File Codes 2

## 8.20.6.9.2

(09-10-2018)

**Petitioning/Non-Petitioning Taxpayer, or Non-Petitioned Year(s) in Multiple Year “Compliance-Issued” SND**

- (1) Upon receipt of the administrative file from a Compliance function, where only one spouse is determined to have petitioned the USTC, APS will review the file for the following items and when TXMODA or AMDISA is not included, performs IDRS research to secure a current TXMODA and AMDISA:
  - Review the TXMODA to verify that the submitting function has input TC 971 AC 103 on the MFT 30 account for the NPS TIN.
  - Review the AMDISA to verify that the submitting function has requested AIMS controls for the MFT 30 account, and updated AIMS controls to Appeals Status 81.
  - Verify the file includes the original return, or acceptable documentation in the absence of an original return.
  - Verify that CC: ESTAB has been input by the originating function or take action to input CC: ESTAB if the administrative file has been prematurely released from SND suspense.
- (2) When a Statutory Notice of Deficiency is issued by a Compliance Function (not Appeals), on an MFT 30 Married Filing Joint (MFJ) account, and only one of the spouses files a petition with the United States Tax Court (USTC), the originating function must prepare a dummy file for the Non-Petitioning Spouse (NPS) for continued suspense under their jurisdiction.
- (3) The originating function retains jurisdiction of the NPS SND until one of the following occurs for the NPS SND remaining in their suspense:
  - Non-Petitioning Spouse files a separate petition to the United States Tax Court (USTC)
  - Non-Petitioning Spouse submits a signed waiver of agreement for the SND
  - Non-Petitioning Spouse SND defaults
- (4) If the NPS files a separate Petition to the USTC, the Compliance function will follow their existing procedures to transmit the NPS Dummy file to Appeals for assignment to the Counsel Attorney who has jurisdiction over the Petitioning Spouse's docketed case.
- (5) If the NPS does not file a separate Petition, upon conclusion of the NPS SND suspense, either by signed waiver, or default, the Compliance function with jurisdiction for the NPS SND, will process the NPS MFT 31 assessment and forward the NPS assessment verification along with the NPS dummy file to APS.
- (6) Upon receipt of the NPS Dummy file and NPS assessment verification, APS will update ACDS per the instructions provided in IRM 8.20.6.8.10.4, ACDS and AIMS Updates on Non-Petitioning Spouse SND Cases and timely transmit the NPS Dummy file to Counsel for association with the Petitioning Spouse's docketed case under Counsel Jurisdiction.
- (7) Although Appeals has no jurisdictional authority over the NPS assessment or NPS Assessment Statute Expiration Date (ASED) on a Compliance-Issued

SND, the APS PTM can authorize an MFT 31 **protective assessment** against the NPS for the tax and penalty amount identified on the “Compliance-Issued” SND under the following circumstances:

- a. An encrypted email is sent by the APS TE (always include your PTM in the email Cc line) to the originating Compliance SND function manager to request written verification that the Compliance function is controlling the ASSED for the NPS - and **no reply is received** within 5 business days;
  - b. The Counsel Attorney with jurisdiction for the Petitioning Spouse verifies in writing that the petition does not cover the NPS; and
  - c. The ASSED for the NPS assessment is within 60 days of expiring thus justifying the **protective assessment** action by Appeals.
- (8) Upon written approval from the PTM for APS to make a **protective assessment** to the NPS MFT 31 account, APS will follow the procedures in IRM 8.20.6.8.10.1, Appeals-Issued SND Petitioning/Non-Petitioning Spouse for processing the NPS MFT 31 protective assessment on the Compliance-issued SND.
- (9) APS will **not** initiate a MFT 31 **protective assessment** against the NPS for a “Compliance-issued” SND under the following circumstances:
- Compliance has already established the MFT 31 account and the SND assessment is pending, or
  - Compliance verifies in writing that they are controlling the ASSED for the NPS and will forward the assessment verification to Appeals with the dummy file, or
  - Counsel confirms that the spouse is included on the petition.
- (10) If one or more tax periods included on a “Compliance-Issued” SND are not included on the petition, APS must take the appropriate actions. See the table below for applicable decision points:

***If And Then Chart for Petitioned/Non-Petitioned Tax Period(s) in a Multiple Year  
“Compliance-Issued SND”***

When .....	And .....	Then .....
<p>CTS has retained the original tax return or a copy of the return for the Non-Petitioned Tax Period(s)</p> <p><b>This is the correct process for a NPY.</b> In the event APS receives an NPY admin file or AIMS Control in error, The following rows describe additional actions required to ensure ACDS and AIMS are correct.</p>	<p>APS verifies that CTS retained the AIMS Control(s) for the NPY(s).</p>	<p>APS must:</p> <ul style="list-style-type: none"> <li>• Ensure ACDS properly contains <b>only the Petitioned tax periods</b> with the Statute CODE and does not contain the Non-Petitioned Tax Periods remaining under Compliance Jurisdiction.</li> </ul>

When .....	And .....	Then .....
Compliance issued the SND	CTS has submitted the entire administrative file to Appeals including the Non-Petitioned Tax Period(s),	APS must: <ul style="list-style-type: none"><li>• Use secure email to notify the CTS Contact that one or more tax periods were not included on the petition. After Counsel has verified that the NPY will not be added to the petition, return the NPY to the originating office.</li><li>• Verify using CC: AMDIS, that only the AIMS controls for the petitioned tax periods have been transferred into Appeals AIMS Status 81.</li><li>• Use CC: AMSTUB to back-down AIMS controls for any non-petitioned tax period. This ensures that the non-petitioned tax period's ASSED remaining in Compliance' Jurisdiction will continue to be monitored and protected by Compliance.</li></ul>

When .....	And .....	Then .....
CTS included the original return/ copy of a return for the Non-Petitioned Year and also updated AIMS for the NPY to Status 81.	<ul style="list-style-type: none"> <li>APS must use secure email to alert Technical Services that the NPY/ AIMS was erroneously transmitted along with the petitioned years and will be returned to CTS. Identify the NPY ASSED within the email subject line and request confirmation from CTS.</li> <li>Response from CTS confirms that they mistakenly updated the AIMS Status for the Non-Petitioned Year(s) and transmitted the Non-Petitioned Tax Return(s) to Appeals.</li> </ul>	<p>APS must:</p> <ul style="list-style-type: none"> <li>Transmit the Non-Petitioned Tax Period(s) and the respective AIMS controls back to CTS for their continued monitoring and suspense.</li> </ul> <p><b>Reminder:</b> Neither Appeals, nor Counsel has jurisdiction of the "Compliance Issued" SND tax periods omitted from the petition. The ASSED for the Non-Petitioned Tax Period(s) is the responsibility of the function with jurisdiction over the SND, in this example, the responsibility for protection of the ASSED remains with CTS.</p>
At any time, it is determined that the ASSED is at risk of expiring without a timely assessment being processed	the APS PTM determines that a Protective Assessment must be processed to protect the ASSED,	the APS PTM will direct the APS TE to prepare a Protective Assessment and submit it for processing prior to the ASSED.

**Reminder: Statute Protection is APS Highest Priority**

**Note:** Once the ASSED is protected and the complete DLN is assigned to the assessment, if the status of the previously Non-Petitioned Tax Period changes to Agreed or Petitioned, APS will coordinate with CTS and/or Counsel to determine if additional adjustments to the account are required.

- (11) Using the guidelines provided in IRM 8.20.6.3.6, ACDS Attachments, APS TE's must associate documentation of their follow-up actions taken per (10) above with the ACDS WUNO for the petitioned tax period(s). If the APS TE also has an open PEAS record for the respective WUNO, they must also document their actions within their PEAS Case Activity Record (CAR).

8.20.6.10  
(09-10-2018)  
**Docketed Case Settled  
by Appeals - STIPFF**

- (1) After the Appeals office secures signed decision documents, the STIP Package is forwarded to Field Counsel.
- (2) The STIP Package includes the following documents:



- a. Two signed decision documents with original signatures for filing with the Tax Court
  - b. Approved Form 5402, Appeals Transmittal and Case Memo
  - c. Appeals Case Memo (ACM), if prepared in addition to Form 5402
  - d. Settlement computation
- (3) STIPFF is an ACDS Action Code that means “Stipulation for filing.” When Appeals settles a docketed case, Appeals retains the administrative file and forwards only the STIP Package to Counsel for entry of the Decision. STIPFF is the term used to categorize the process of controlling the retained administrative file. STIPFF procedures apply to both Field and Campus APS.
- (4) APS verifies that the admin file includes all returns listed on the Form 3210 or E3210 and all returns are controlled on ACDS.

**STIPFF - Administrative File Retained in Appeals**

If .....	And .....	Then .....
ATM/ATE forwards STIP Package to Counsel	sends Administrative File to APS for STIPFF,	APS: <ul style="list-style-type: none"> <li>• Acknowledges the Form 3210 or E3210</li> <li>• Updates ACDS: <ol style="list-style-type: none"> <li>a. ACTION = STIPFF</li> <li>b. TODATE = Date ATM mailed STIP Package</li> </ol> </li> <li>• Places the administrative file in STIPFF Suspense in alphabetical order</li> </ul>
ATM/ATE associates STIP Package with administrative file	sends both the STIP Package and the administrative file to APS,	APS: <ul style="list-style-type: none"> <li>• Acknowledges the Form 3210</li> <li>• Forwards the STIP Package to Counsel using Form 3210 or E3210</li> <li>• Ensures calendar cases are transmitted timely</li> <li>• Updates ACDS: <ol style="list-style-type: none"> <li>a. ACTION = STIPFF</li> <li>b. TODATE = Date APS mails STIP Package</li> </ol> </li> <li>• Places the administrative file in STIPFF suspense in alphabetical order</li> </ul>

- (5) Rarely, Counsel will request both the admin file and STIP package.

**STIPFF Process - Administrative File Sent to Counsel**

If .....	And .....	Then .....
Counsel requests both the STIPFF package and the administrative file	the ATM/ATE sends both items to Counsel. The ATM prepares an ACDS ACTION/ TODATE Update Request and submits it to their servicing APS email address.	APS updates ACDS: <ol style="list-style-type: none"> <li>a. ACTION = STIPFF</li> <li>b. TODATE = Date ATM/ATE sent both the STIP Package and Admin. File to Counsel</li> <li>c. LACTION = AFINCXXX AFINC = Admin File in Counsel XXX = Counsel Office Initials</li> </ol> <p><b>Example:</b> Phoenix Counsel = PHX</p>

If .....	And.....	Then .....
Counsel requests both the STIPFF package and the administrative file	the ATM/ATE sends both items to APS for processing to Counsel.	<p>APS:</p> <ul style="list-style-type: none"> <li>• Ensure Form 14758 reflects the correct APS Office for Counsel to submit their case for closing actions</li> <li>• Acknowledges the Form 3210 or E3210</li> <li>• Forwards the admin file and STIP Package to Counsel using Form 3210 or E3210</li> <li>• Ensures calendar cases are transmitted timely</li> <li>• Updates ACDS: <ul style="list-style-type: none"> <li>a. ACTION = STIPFF</li> <li>b. TODATE = Date APS sends both the STIP Package and Admin. File to Counsel</li> <li>c. LACTION = AFINCXXX</li> </ul> </li> </ul> <p>AFINC = Admin File in Counsel XXX = Counsel Office Initials</p> <p><b>Example:</b> Phoenix Counsel = PHX</p>

8.20.6.10.1  
(04-17-2024)

#### **Docketed EZ Closing Procedures**

- (1) The Independent Office of Appeals, in partnership with the Office of Chief Counsel, developed the EZ Close process to streamline closing Appeals-settled docketed cases, both S and Regular, by transmitting electronic documents instead of case files for qualifying cases. On all Appeals-settled docketed cases where the Appeals office mails decision documents to the petitioner or counsel of record, all Appeals offices will now send Letter 5534, Decision Transmittal, to transmit those decision documents.
  - (2) Docketed cases settled using the Docketed EZ Closing process will include Feature Code EZ and the following attachments to ACDS:
    - Decision Document (with waiver language)
    - Undated Letter 5534
    - Schedule of Adjustments and ACM (if applicable)
    - Form 5402 and Form 5403 Instructions
    - Settlement Computations
    - Other files as applicable (May/Sequa worksheet; 6404(g) worksheet; Form(s) 2285)
  - (3) APS will:
    - Receive case and acknowledge Form 3210.
    - Update ACDS with STIPFF action and verify that the ATE entered Feature Code EZ.
- Note:** If the Feature Code EZ is not already entered, update the Feature Code to EZ using the validation tracking system (VTS) and identify the update as an Error Correction.
- Update ACDS with LACTION = "ECLOSE"

- (4) Once all actions in (3) above are taken, APS will place the case in STIPFF suspense until:

- Notified that case must be sent to Counsel for trial preparation
- Notified that the decision is entered and attached to the ACDS record

**Reminder:** Counsel will not upload decisions that **do not contain a waiver paragraph** until the 100th day after the entered decision date because without the waiver paragraph, either the petitioner or the Service may file an appeal of the Tax Court Decision. The tax examiner will not include an agreement date on the assessment document when the entered decision does not contain a waiver paragraph. Due to the additional Counsel suspense time, the ASED may be within 60 days. Always verify the ASED and take all necessary processing actions to timely process the assessment.

- (5) When a docketed "ECLOSE" case is ready for APS closing action, Counsel will "Green Light" the closing by uploading the following attachments to ACDS:

- Entered Decision Document
- Form 1734, Transmittal Memorandum (or equivalent)
- Update TLCATS with ACD, indicating documents are loaded to ACDS.

- (6) APS management, or its designated employees, monitor and generate the following reports :

- Work STIPFF report monthly. If a case is overage, contact Counsel to advise that if they want the administrative file for Trial Preparation, they should send their request to the APS Support Request Intake Site.
- Generate AdHoc BOE STIPFF Report and upload to the Appeals-Counsel SharePoint weekly (or as otherwise directed).
- Receive the TLCATS-CAAB report (a list of entered decisions) from Counsel weekly and input DECENT/ORDENT action.
- Monitor ACDS DECENT/ORDENT reports.
- Work DECENT/ORDENT reports monthly to identify cases with Feature Code "EZ" that are ready for closure with closing documents uploaded to ACDS. Pull and assign on PEAS for final closure.

- (7) The APS Processing Team Manager (PTM) will:

- Work the STIPFF Report monthly to validate against cases in the STIPFF drawer. If notified to send the administrative file to Counsel for trial preparation, follow IRM 8.20.6.10.1.1 below.
- Upon notification that case is ready for closure, and after Counsel uploads the entered Decision Document and Form 1734 (or equivalent) to ACDS, pull the case from STIPFF drawer.
- Assign on PEAS for closure.

- (8) The APS Tax Examiner (TE) will:

- Print entered decision document and Form 1734 (or equivalent) from ACDS.
- Verify that the entered decision includes the waiver paragraph. If not, verify that at least 100 days have elapsed from the decision entered date.
- Process account adjustments in accordance with the entered decision.

- Close the case using appropriate closing procedures. See IRM 8.20.7.24, Docketed Cases.

8.20.6.10.1.1  
(02-22-2022)

**Case Status Changes  
from Appeals-Settled to  
Trial Preparation**

- (1) If contacted by Counsel and requested to send the docketed administrative file and any related reference WUNOs for trial preparation, the PTM will pull the case from the STIPFF drawer and assign on PEAS to a tax examiner as INT DCJUR.
- (2) When assigned a docketed EZ case for trial preparation, the TE will:
  - Use the Closing Code 43 update screen to update the case to part 3, DCJUR.
  - Update related reference WUNOs to DCOTHER.
  - Leave Feature Code EZ on ACDS.
  - Transmit the case to Counsel following normal DCJUR procedures. Notate on Form 3210, "Docketed EZ Case Requested by Counsel for Trial Preparation."

**Note:** Counsel will return the case to Appeals for final closure after settlement following normal closing procedures.

8.20.6.11  
(04-17-2024)

**Docketed Case Settled  
by Appeals, Counsel  
Prepares the STIP -  
PREPSTIP**

- (1) ACTION PREPSTIP is used when Appeals settles the case, but Counsel prepares the decision document. APS enters action code PREPSTIP and the TODATE (date case placed in PREPSTIP) on the update case/returns screen.
- (2) The admin file is sent to Counsel and copies are NOT maintained by APS.

**PREPSTIP Process**

If .....	Then .....
The ATM/ATE sends the admin file to Counsel. The ATM prepares an ACDS ACTION/TODATE Update Request and submits it to their servicing APS email address.	APS updates ACDS: <ol style="list-style-type: none"> <li>ACTION = PREPSTIP</li> <li>TODATE = Date ATM/ATE sent the Admin File to Counsel</li> </ol>
The ATM/ATE sends the Admin file to APS to send to Counsel.	APS: <ul style="list-style-type: none"> <li>• Acknowledges the Form 3210 or E3210</li> <li>• Forwards the admin file to Counsel using Form 3210 or E3210,</li> <li>• Ensures calendar cases are transmitted timely</li> <li>• Updates ACDS:               <ol style="list-style-type: none"> <li>ACTION = PREPSTIP</li> <li>TODATE = Date Admin File sent to Counsel</li> </ol> </li> </ul>

**Note:** When the Tax Court Decision is Entered (DECENT), or the Tax Court Order is Entered (ORDENT), the ACDS ACTION Code PREPSTIP is replaced with the next applicable action e.g., DECENT, ORDENT. This process is managed by APS management.

8.20.6.12

(04-17-2024)

**Docketed Case Not Settled by Appeals - Jurisdiction Released to Counsel DCJUR**

- (1) When Appeals concludes docketed case consideration without settlement, Appeals forwards the case to Counsel. Ordinarily a settlement computation is not required in an unagreed docketed case, however, if the ATE concedes an issue, a settlement computation might be necessary.
- (2) When APS receives the administrative file with an approved Form 5402 releasing jurisdiction, APS will take the following actions:
  - a. Examine the file to ensure that all returns, documents, and other papers are included in the folder
  - b. Date Form 5402 in the upper right corner
  - c. Date and mail the letter addressed to the petitioner or representative advising that jurisdiction has been released to Counsel
  - d. Place a copy of the letter, Form 5402, and the ACM in the administrative file
  - e. Verify the correct Counsel Office Location using TLCATS, update the DC Office Field if the correct Counsel Office is not already correctly identified on ACDS
  - f. Update ACDS as shown in (3) below
  - g. Transmit the administrative file to Counsel using Form 3210, E3210, or Form 2828
- (3) Update ACDS:
  - Using Special Activities> Closing Code 42/43
  - Enter CLOSINGCD 43 which moves the case from Part 2 to Part 3 and updates ACDS Action to DCJUR
  - TODATE = the date administrative file sent to Counsel
- (4) When a case moves from Part 2 to Part 3, it shows in the ATE's inventory as suspense status "E/T".
- (5) When Counsel returns the administrative file for final closing, upon receipt, verify the file received includes all returns, and forms required for closing the case. Documents should be in chronological order with the most recently dated documents on top. The case is then assigned by the PTM or Lead to the appropriate APS TE for closing action(s).
- (6) If the category on ACDS is IC (Industry Case), CIC (Coordinated Industry Case), or the case is an Estate and Gift Tax case, notify the PTM that a CIT Referral Form must be prepared and submitted to the \*AP Complex Interest mailbox for assignment of an APS-CIT TE to process the entered decision or entered order and ACDS closing. Upon response from the \*AP Complex Interest mailbox identifying the APS-CIT TE assignment, the case will be transmitted to the APS-CIT TE at the address provided in the email for closing actions.
- (7) APS management, or its designated employees, will run the DCJUR follow-up list monthly to determine whether Counsel has returned the administrative file.

8.20.6.12.1

(02-22-2022)

**Counsel Receives and Accepts Delinquent Return - Interim Adjustment Procedures**

- (1) On occasion when a case is in Counsel Jurisdiction based on a Tax Court petition challenging a Substitute for Return (SFR), the petitioning taxpayer(s) may submit a delinquent return to the Counsel Attorney for consideration. This may occur to allow for a change in filing status per IRC 6013(b)(3)(A)(i) or (iii).

- (2) Counsel will determine whether to accept the return as a basis for settlement and send to Appeals for interim adjustment prior to entering a decision document.
- (3) When Counsel **accepts the return**, they will take the following actions:
  - a. Verify that the delinquent return includes the correct name(s) and TIN(s) for the taxpayer(s).
  - b. Verify that the delinquent return is signed and dated by the taxpayer(s).
  - c. If the amount to be assessed differs from the amount or type of tax shown on the return, then for any joint taxpayer who is not also a party to the Tax Court Case, Counsel will secure signed Form 870-AD, Offer to Waive Restrictions on Assessment and Collection of Tax Deficiency and to Accept Overassessment, to reflect the specified amount. This might occur in rare situations when the petitioner's decision document increases the deficiency beyond the return amount or includes penalties other than automatically calculated penalties (such as Failure to File, Failure to Pay, etc.). Counsel will determine if Form 870-AD is required.
  - d. Prepare the most recent version of Form 3608, Counsel Request For Tax Computation Work.
  - e. Upload the return, Form 3608, Form 870-AD (if applicable) and Statutory Notice of Deficiency (if not already attached to the petition) to the Appeals Case Support Intake list.
- (4) For a **Potential Overpayment** delinquent return, the attorney will identify the Refund Statute Expiration Date (RSED) on the Form 3608. If the RSED is barred for refund or offset, the overpayment must be moved to the Excess Collections File and cannot be refunded to the taxpayer(s), or offset to another tax period.
- (5) Upon receipt of the request from the APS TA to process the Delinquent Return using TCS computations and Form 5403 Instructions, the Processing Team Manager (PTM) assigns the interim action to an APS TE on PEAS.
- (6) Upon receiving the PEAS assignment, the APS TE will access ACDS attachments listed below:
  - Form 3608
  - Form 5403 Instructions
  - Delinquent Return (APS will associate this with Form 5403 CC: AMCLSF adjustment source document)
  - Signed Form 870-AD (if applicable) to identify the "waiver date" for authority to assess the original tax for the joint taxpayers on their MFT 30 Married Filing Joint account when only one taxpayer petitioned the USTC.
- (7) Using information provided in ACDS attachments, APS will:
  - Verify the Assessment Statute Expiration Date (ASED) and/or Refund Statute Expiration Date (RSED).
  - Perform AIMS, IDRS, and Entity research to verify the current status of the taxpayer's account and database information.
  - Input all Entity Changes as appropriate using IDRS CC: INCHG, or the IAT Address Tool.



- Update ACDS to reflect the correct Name and Address (contact your PTM and/or Counsel Attorney if you have questions about entity changes).
- Set a **PEAS follow-up date** = to the expected 23C date for posting **entity changes** and monitor for posting of the entity changes to ENMOD and filing status change to TXMODA.

**Reminder:** Always verify entity and filing status changes fully post before inputting any account adjustments. This is necessary to avoid unpostables, erroneous notices and erroneous refunds.

- Document in the PEAS Case Activity Record (CAR). See table in the Example below:

**Example:**

PEAS Case Activity Record (CAR) Entries	
a.	CC: INCHG input 23C date = MM-DD-YYYY
b.	ACDS updated to correct name line and address

- (8) APS will prepare an AIMS CC: AMCLSF partial assessment to post tax, penalties, ASER, Item Reference Codes and Credit Reference Codes reflected on tax computations to the taxpayer's account.

**Reminder:** #1 - Always enter **Hold Code (HC) 4 in Item 07 of Form 5403** to hold both the notice and any credit. The notice will not be issued at any time and if the account adjustments result in an overpayment, the overpayment will only be released upon posting of TC 300 entered via CC: AMCLSA. If the RSED is barred, APS will transfer the overpayment to Excess Collections when the case is closed.

**Reminder:** #2 - Always use the appropriate **Priority Code (PC) in Item 09 of Form 5403** to bypass an unpostable condition. Entering PC 9 causes computer programming to generate IRC 6651(a)(2) Failure to Pay Penalty from the Return Due Date (RDD).

- (9) APS will complete Form 5403 items listed below:

**Form 5403, Appeals Closing Record Entries**

Form Field	Entry
Command Code	AMCLSF (Partial)
Items 1 thru 4	Must match the entity information verified by Counsel
Blocking Series	78X
Item 07	Hold Code 4

Form Field	Entry
<b>Item 08 Agreement Date</b>	Leave BLANK The signed Form 870-AD agreement <b>in this specific instance</b> , merely confers assessment authority on behalf of the non-petitioning spouse, for the original return tax assessment which does not qualify for IRC 6601(c) underpayment deficiency interest suspension.
<b>Item 09</b>	Priority Code 9 Used to computer generate FTP Penalty TC 276 from the RDD.
<b>Item 12</b>	<ul style="list-style-type: none"> <li>• TC 300 assessment</li> <li>• TC 160 Failure to File Penalty (if applicable)</li> <li>• TC 170 Estimated Tax Penalty (if applicable)</li> </ul>
<b>Item 13</b>	Disposal Code 03
<b>Item 14</b>	Enter the ASED determined by adding 3 years to the IRS (Counsel) Received Date affixed on the Delinquent Return. This will post the most conservative ASED to the taxpayer's account and bypass Unpostable Code 150 RC 3, 5 and 6.
<b>Item 15</b>	Entries identified on Form 5403 Instructions prepared by TCS
<b>Item 800</b>	Enter Appeals results
<b>Item 36</b>	Enter the hash total
<b>Item A</b>	Identify the entity changes input (Example: TC 013 Name Line Change, TC 014, TC 015 Address Change, TC 016 Filing Status Change)
<b>Items C, D, E, F</b>	Enter applicable information and date(s)

**Reminder:** Do NOT input AMCLSF adjustment(s) **until** the entity changes have posted. Premature input may result in one or more unpostable conditions.

- (10) Once the APS TE completes the adjustment document, APS will document their actions in the PEAS Case Activity Record (CAR) and place the case in PEAS Suspense until the PEAS Follow-up date set for monitoring the Entity change transaction code(s) posting date.
- (11) Once the Entity change transaction codes post, the APS TE will remove the case from PEAS Suspense and input AMCLSF entries.
- (12) Upon receiving a "Request Completed" response, APS will document the partial DLN in Item 15b on Form 5403\*and create an electronic record for attachment to ACDS.
- (13) APS will attach Form 5403, CC: AMCLSF to ACDS,.
- (14) APS will notify the Counsel Attorney via encrypted email when AMCLSF has been input. Prepare the Counsel email notification as follows:
  - Subject Line: "Docket # NNNNN-YY Interim Assessment Input 23C date = MM-DD-YYYY"
  - Attachment: Form 5403, Appeals Closing Record, CC: AMCLSF

- (15) APS will prepare the adjustment source document for shipment to files for association with Form 5147, Transaction Record, generated at the Campus Files Function and transmit the following documents assembled in the order provided below to Campus Files Function using Form 3210, or an E3210:
  1. Form 5403
  2. Copy of the delinquent return
  3. Form 870-AD
  4. TCS computations
  5. Form 5403 Instructions
- (16) APS will document the PEAS Case Activity Record (CAR) with the actions taken and place the case in PEAS Suspense to monitor for posting of adjustments.
- (17) Once the adjustments post, remove the case from PEAS Suspense and close PEAS.

**Note:** When the Counsel Attorney determines that the delinquent return fully settles the taxpayer's case, they will prepare the Tax Court Decision Document with the following statement: "That there is no deficiency in income tax due from, nor overpayment due to, petitioner for the taxable year." The decision document in this scenario covers when the taxpayer's delinquent return fully settles the tax court case and for this specific category of decision document, a waiver paragraph is not necessary, nor will it be included. Counsel will retain the administrative file until expiration of the 90-day appeal period. Once the 90-day appeal period has expired, Counsel will transmit the case to APS for processing the Entered Tax Court Decision. See IRM 8.20.7, Closing Procedures, for closing guidance.

**Caution:** If the taxpayer's delinquent return only partially settles the tax court case, and a tax deficiency and/or penalty must also be assessed, the decision document will be prepared for the additional "Tax and/or penalty". It will contain the Waiver Paragraph if all parties agree to the assessment. This type of decision document is processed when the case is submitted to APS for closing action. See IRM 8.20.7.24, Docketed Cases, for additional information.

**Reminder:** The ASED on the MFT 30 account will reflect 3 years from the received date of the delinquent return once the interim action partial assessment entries covered in (9) above post. The extended ASED will be posted to the MFT 30 account by inputting the extended ASED date in Item 14 during the CC: AMCLSA AIMS closing action.

8.20.6.13  
(09-10-2018)  
**Docketed  
Reconsideration Cases  
(Closing Code 42) -  
Jurisdiction Returned to  
Appeals by Counsel**

- (1) Any docketed case may be transferred between Counsel and Appeals by agreement when transfer may promote a more efficient disposition of the case.
- (2) If a Campus Appeals office forwards a case to Field Counsel for "trial preparation" and, subsequently, the Petitioner or Counsel of Record wish to discuss "settlement," presents new information or decides to settle based upon Appeals' settlement offer, Field Counsel may return case jurisdiction to Campus Appeals when all agree there is a strong possibility of settlement and the case **is not on a Tax Court calendar**.

- (3) If the case **is on a Tax Court calendar**, Field Counsel may return the case to Field Appeals for reconsideration.
- (4) If Counsel returns the case to Appeals for reconsideration, Appeals will accept jurisdiction of the case and the following administrative actions will be taken:
  - a. APS uses ACDS Special Activities> Closing Code 42/43 to update the record from Part 3 to Part 2 with Closing Code 42. This action auto-populates the FROMDATE for the DCJUR action and removes the case from the DCJUR follow-up list.
  - b. If Counsel returns the case directly to the ATE/ATM, the ATE/ATM must submit an ACDS Update Request to their servicing APS Team to update ACDS Closing Code to 42.
  - c. If an AC/FR was previously input on the Case Activity Record (CAR), the ATM will input \*\*RR to reflect the case is returned to the assigned technical employee. This will change the prior AC/FR to MS. Or, if the case needs to be reassigned to a different technical employee, the ATM will reassign and input \*\*RR on the CAR.
  - d. After reconsideration, the ATE will input AC/FR and submit the case to the ATM.
  - e. The ATM will input a revised ACAPDATE and submit to APS for closing.

8.20.6.14  
(09-10-2018)  
**United States Tax Court  
Calendars for Trial  
Sessions**

- (1) The United States Tax Court (Tax Court) regularly issues calendars for trial sessions. The calendars list petitioner(s) names, case docket numbers, trial session date and location (city and state). A trial session's calendar also lists cases in which motions are calendared for hearing at a trial session.
- (2) The Tax Court posts all session schedules to its web site, <http://www.ustaxcourt.gov>.
- (3) Tax Court judges sometimes issue orders requesting specific actions by the IRS that may impact Counsel/Appeals calendar time frames or document submissions. Appeals employees should pay particular attention to the requirements of any orders of this nature issued by a Tax Court judge.

8.20.6.14.1  
(09-10-2018)  
**ACDS Tax Court  
Calendar Program  
(TAXCAL)**

- (1) The Tax Court Calendar program (TAXCAL) is a sub-system of ACDS developed and maintained by Appeals.
- (2) The ACDS Tax Court Calendar (TAXCAL) program provides Appeals offices with a method to identify and monitor Tax Court Calendar cases and generate Tax Court Calendar reports within ACDS.
- (3) As soon as a calendar is established, Counsel provides Appeals with an electronic file for each Tax Court Calendar to upload into TAXCAL. Fresno APS is responsible for uploading all Tax Court Calendars onto TAXCAL.
- (4) The ACDS Tax Court Calendar functionality is menu based and user-friendly. Based upon the permissions of the user, the program allows appropriate functionality.
- (5) The ACDS permissions levels for Tax Calendar are as follows:
  - a. (14000) Tax Calendar
  - b. (14100) Tax Calendar, User
  - c. (14200) Tax Calendar, Coordinator

- d. (14300) Import Electronic Calendar - restricted permission
- (6) ACDS web-based technology allows the program to match a docket number to any case on ACDS, in any Appeals office.
- (7) A calendared case input on a Tax Court calendar created in any Appeals office will appear on the appropriate group's or ATE's report.
- (8) The TAXCAL program provides the following functionality:
  - Electronically import or manually create an ACDS Tax Court Calendar
  - Match a calendar case to an ACDS case
  - Provide a status report for Counsel
  - Notify the assigned ATE when the case appears on a calendar
  - Link on the TAXCAL record to e-mail the calendar coordinator or assigned ATE
  - Add comments to the TAXCAL record
- (9) Tax Court Calendar actions are the responsibility of both the Field Appeals and Campus Appeals ATEs for their assigned cases.
- (10) A TAXCAL report listing all Dockets on the calendar in Docket Number order should be generated by the Field Appeals office and faxed to the Field Counsel responsible for the calendar within five business days of receipt of the calendar. This list shows the name of the ATE assigned to the case and if the case is unassigned or unmatched. The designated Field Appeals ATM is responsible for resolving unassigned or unmatched cases.
- (11) Appeals provides Field Counsel with periodic calendar status reports. The designated Appeals ATM responsible for the calendar generates the report monthly. These calendar status reports are generated from TAXCAL and provide the following information:
  - Name of the docketed case
  - TIN of the docketed case
  - Docket number
  - Name of the ATE assigned the case, if assigned
  - Attorney/paralegal assigned to the case as shown on ACDS
  - Closing code and date closed, if applicable
  - "Status" of the case
- (12) The report is forwarded to each Field Counsel responsible for the calendar. Field Counsel updates the list with the name of the attorney/paralegal assigned to the case within two workdays from the date of receipt of the list. Field Counsel delivers or faxes the list back to the Appeals office responsible for the calendar so that the ACDS database can be updated with the corrections. Subsequent lists contain those corrections.
- (13) The TAXCAL Users' Manual is posted on the Appeals web site on the ACDS page.

8.20.6.15  
(04-17-2024)

**DECENT and ORIENT  
Procedures**

- (1) Upon receipt of a TLCATS Listing indicating a “Decision” or “Order” was entered by the Tax Court, the APS management, or its designated employees, will research ACDS for all cases listed on the TLCATS document with a Decision/Order entered date.

***Actions Upon Receipt of an Entered Tax Court Decision or Order***

IF the case.....	THEN.....
is found on ACDS	<p>the APS management, or its designated employees, will promptly update the following fields in ACDS:</p> <ul style="list-style-type: none"> <li>• ACTION - either DECENT or ORIENT</li> <li>• TODATE - the date the Decision/Order was entered</li> <li>• Statute - ACDS will calculate the <b>DECENT STATUTE DATE</b> at 150 days from the ACTION TODATE and will populate the STATUTE CODE with 150DAY</li> </ul> <p><b>Reminder:</b> When a case includes a tax period that has an ASERD expiring within 60 days, promptly fax notification to alert the appropriate APS office of the entered Decision/Order so that immediate follow-up actions begin.</p>
is NOT found on ACDS	the APS management, or its designated employee will establish controls on ACDS to ensure statute protection.

8.20.6.16  
(09-10-2018)

**Dismissed Cases  
(Entered Orders)**

- (1) A distinction is made between a case dismissed for lack of jurisdiction and a case dismissed for lack of prosecution.
- (2) A dismissal for lack of jurisdiction is not a determination on the merits, and the Order of Dismissal does not reflect a deficiency amount.
- (3) A dismissal for lack of prosecution is considered to be a final determination on the merits, and the Order of Dismissal includes a deficiency amount.

8.20.6.16.1  
(09-10-2018)

**Entered Order to  
Dismiss for Lack of  
Jurisdiction**

- (1) The Tax Court can dismiss a case for lack of jurisdiction for a variety of reasons such as:
- Petition was not filed on or before the 90th/150th day for filing a timely petition
  - Petitioner did not pay the filing fee
  - Petition was filed by an unauthorized representative of the deceased person (Estate Tax)
  - Petition was filed in violation of the Bankruptcy Code Stay Provision
  - Notice of deficiency or notice of determination was not issued for the tax period(s) identified on the petition
  - Notice of deficiency was not issued to the taxpayer (premature petition)
  - Notice of deficiency was not sent to the taxpayer's last known address (see (2) below)
- (2) Generally a Tax Court dismissal for lack of jurisdiction does not favor the taxpayer, however, the dismissal can be based on circumstances that do favor the taxpayer. For example, a deficiency notice may be determined to be invalid because it was not sent to the taxpayer's last known address. The Tax Court lacks jurisdiction over a case that is based upon an invalid notice.



- a. When the USTC determines that the Statutory Notice of Deficiency was not sent to the taxpayer's last known address, the Appeals Team Manager (ATM) will determine if the ASER is still open or not.
  - b. If the ASER is still open, the ATM may request that the ATE prepare and re-issue the statutory notice of deficiency to the correct address.
  - c. If the statute of limitation is not open, the ATM will follow barred statute procedures.
- (3) When a taxpayer whose case is in Appeals jurisdiction submits a petition in response to an "Appeals-Issued" CDP/EH decision letter, 30 day letter, or some other Appeals letter that does not contain Tax Court rights, the Appeals administrative file may or may not be needed. APS will:
- Contact the Counsel attorney to confirm whether they plan to dismiss the case and determine if the Counsel Attorney requires the Appeals administrative file or not.
  - If Appeals had the case as a non-docketed case and the original WUNO is already closed, the DIMS Team will follow the steps in the applicable Example below:

**Example:****Step Action Table #1 - When the Original WUNO is Already Closed**

Step	Action
1.	Create a New WUNO - skeletal record on ACDS
2.	Cross-reference the original WUNO in the Note field
3.	Add a Note "TP petitioned erroneously, original admin closed, no dummy file needed"
4.	Leave the case on AOC 00's database until the dismissal is entered
5.	Upon receipt of the dismissal the case is assigned on PEAS for closing action(s)

- If there is no previous ACDS record for the taxpayer, follow the steps in the Example below:

**Example:****Step Action Table #2 - When No Prior WUNO is on ACDS**

Step	Action
1.	Create a skeletal record on ACDS
2.	Add a Note "TP petitioned erroneously, original admin closed, no dummy file needed"
3.	Upon receipt of the dismissal the case is assigned on PEAS for closing action(s)

**Reminder:** When an Income/Gift/Estate taxpayer submits a petition to the USTC based upon an "Examination-Issued" letter that does not confer tax court rights, the APS DIMS Team follows IRM 8.20.5, Premature Petition Carding and Certification Procedure.

- (4) Each Appeals office designates an Appeals Technical Employee (ATE) who is responsible for review of dismissed cases prior to assessment.

- (5) See IRM 8.20.7, Dismissed for Lack of Jurisdiction Case Closing for ACDS, AIMS and IDRS closing procedures.
- 8.20.6.16.2  
(09-10-2018)  
**Entered Order to Dismiss for Lack of Prosecution**
- (1) Appeals gives no further consideration to cases that are dismissed by the Tax Court for lack of prosecution.
- (2) Upon receipt of the Tax Court Dismissal the case is assigned on PEAS to an APS TE for ACDS, AIMS, and IDRS closing actions in compliance with the Order to Dismiss.
- (3) See IRM 8.20.7, Dismissed for Lack of Prosecution Case Closing for closing procedures.
- 8.20.6.16.3  
(09-10-2018)  
**Entered Decision/Order is Vacated**
- (1) In the very rare circumstance when an entered decision/order is vacated by the court, the entered decision/order which was vacated is no longer in effect.
- (2) When APS becomes aware of a vacated Decision/Order, APS will:
- Verify with the Counsel Attorney that the entered Decision/Order has been vacated
  - Update ACDS from PEAS to remove the Action Code DECENT or ORDENT and replace it with DCJUR
  - Use the date the entered Decision/Order was Vacated as the TODATE
  - Add a Note: "Decision/Order Entered MM/DD/YYYY Vacated on MM/DD/YYYY"
- (3) If the case is returned by Counsel for further Appeals consideration, update ACDS following the procedures in IRM 8.20.6.13 (4), Docketed Reconsideration Cases (Closing Code 42) - Jurisdiction Returned to Appeals by Counsel.
- (4) If Counsel does not return the case for further Appeals consideration, but instead sends the case to APS for processing of a new Entered Decision/Order, APS will follow appropriate Docketed case closing procedures in IRM 8.20.7.
- 8.20.6.17  
(09-10-2018)  
**Appeal of Tax Court Decision**
- (1) A Tax Court decision in a regular case can be appealed by either the petitioner or the U.S. Government. Counsel retains tried Tax Court case files for 100 days after the Tax Court decision is entered. The 100 days is comprised of the 90 day appeal period + 10 additional days to allow for mailing, receipt and upload of the appeal. The Entered Decision on this case type will not include a waiver paragraph. When 100 days elapse without an appeal being filed by either the petitioner or the U.S. Government, Counsel forwards the case to APS for processing of the entered decision. APS will not include an entry in the Form 5403 Item 08 Agreement Date when processing the entered decision. Follow the procedures below when an appeal of the Tax Court Decision is filed within the 90-day period.
- Note:** If the Entered Decision does not include the waiver paragraph and includes language stating there is no additional deficiency or penalty (No-Change), and the Counsel Attorney will not appeal the decision on behalf of the IRS, the case may be released to APS and not be held for the 100 day appeal period. APS can accept the No-Change decision and process the No-Change closing following normal closing procedures. See Chief Counsel Directives Manual 35.8.2.4, Waiver Paragraph (1) if additional clarification is necessary.

8.20.6.17.1  
(09-10-2018)  
**Assessment of  
Deficiency Determined  
by the Tax Court When  
an Appeals of the Tax  
Court Decision is  
Pending**

- (1) If the case goes to the Court of Appeals (Appellate Court), the deficiency determined by the Tax Court can be assessed and collected **unless** the petitioner files an “appeal bond” (also called a review bond) with the Tax Court. The appeal bond must be in an amount fixed by the Court on or before the time the notice of appeal is filed. No assessment is made if the bond is filed.
- (2) An appeal bond is not the same as an IRC 6603 Deposit. The appeal bond is an irrevocable, open-ended promise by the taxpayer to pay the tax, additions to tax, and interest determined to be due. The taxpayer will provide security for the bond, which is **not** posted to the taxpayer’s account.
- (3) The docket attorney from Counsel’s Field office has the responsibility to ensure prompt assessment of the tax, generally within 60 days after the decision of the Tax Court becomes final. Counsel will notify Appeals when the decision becomes final (after the case is finished in the Court of Appeals and/or Supreme Court).

8.20.6.17.2  
(09-10-2018)  
**Appeal Filed by  
Petitioner, Bond Filed**

- (1) Counsel notifies APS:
  - When an appeal of an entered tax court decision is filed with the Court of Appeals
  - Whether or not a bond was also filed by the petitioner
- (2) Upon notification from Counsel, APS will update ACDS as follows:
  - a. Action Code = APPEALED
  - b. TODATE = Date the appeal was filed
  - c. LACTION = (optional entry - local procedure)
  - d. TODATE = (optional entry - local procedure)
  - e. Upload the TLCATS transmittal as an attachment to the ACDS WUNO
- (3) When Counsel secures a bond from the taxpayer, APS does not adjust the taxpayer’s account.
- (4) When Counsel does not secure a bond from the taxpayer, APS must follow procedures in IRM 8.20.6.17.3, Appeal Filed by Petitioner, No Bond Filed below to adjust the taxpayer’s account per the Entered Decision.
- (5) Once the Counsel attorney receives notification that the decision has become final, they will notify Appeals and transmit the administrative file to Appeals using Form 1734, Transmittal Memorandum, with an annotation, “Tax Court Case/Assessment must be made before [MM-DD-YYYY].”
- (6) The APS PTM is responsible for assigning the case to ensure the account adjustments are processed timely.

8.20.6.17.3  
(09-10-2018)  
**Appeal Filed by  
Petitioner, No Bond  
Filed**

- (1) If the petitioner files a notice of appeal but does not file a bond, the tax must be assessed. The decision document will **not** contain an IRC 6213(a) waiver paragraph so an Agreement Date is **not** entered on the assessment document, nor is the waiver period considered in the deficiency interest calculation associated with the assessment. The assessment must be made even if the tax is paid.
- (2) The attorney contacts the PTM and immediately delivers the administrative file using Form 1734, with an annotation “Appealed Tax Court Case/Assessment must be made by [MM-DD-YYYY].”

- (3) APS will process the assessment via:
- Form 5403, CC: AMCLSF, in order to keep the AIMS controls open, or
  - Form 2859, Quick Assessment if required due to dollar amount, or ASSED protection.
- (4) The earliest assessment statute is 60 days after the Tax Court decision becomes final. The Tax Court decision becomes final after the Appeals Court case (or Supreme Court case) decision is entered. Therefore, a quick assessment is not necessary unless notification has been received that the Tax Court decision has become final. The IRC 6213(a) paragraph will not be on this decision so there is no agreement date associated with the resulting tax assessment.
- (5) The APS employee who receives the assessment notification or administrative file from Counsel must check the ACDS Category Code to identify if the interim adjustment will be processed by the local APS Team, or if it must be processed by the APS-Complex Interest Team (CIT).
- (6) The APS employee must notify their PTM to request preparation of the CIT Referral Form if the ACDS Category Code is:
- CIC (Coordinated Industry Case)
  - IC (Industry Case)
  - EXM/TEGE (Subcategory Estate and Gift) TYPE = ES (Estate) or TYPE = G (Gift)
- (7) For the cases identified in (6) above, the APS PTM will prepare and submit the completed CIT Referral Form to the \*AP Complex Interest mailbox for assignment of an APS-CIT TE.
- (8) Within 2 business days, the PTM will receive an email response from the \*AP Complex Interest mailbox which identifies the APS-CIT TE assigned to process the interim adjustment, as well as their fax number and complete mailing address.
- (9) Upon receipt of a response from the \*AP Complex Interest mailbox, the PTM or designated APS TE will fax or mail the documents required to process the **interim assessment** to the assigned APS-CIT TE.

**Reminder:** Whenever possible, avoid unnecessary shipment of cases to reduce mailing costs and eliminate the risk for loss and inadvertent disclosure of PII.

- (10) APS will process the interim assessment of the Entered Decision under Appeal as follows:
- a. Verify that the amount of deficiency and/or penalty reflected in the decision agrees with the amounts in Item 12 of Form 5403.
  - b. Verify that all applicable "interest-related" forms and schedules are available for accurate computation of the interest for the interim assessment action. See IRM 8.20.7, AIMS CC: AMCLSA General Processing for specific guidance covering APS verification procedures and requirements.

**Example:** An MFT 30 account requires a 6404(g) worksheet so the APS TE can accurately process the interest related transactions. If the 6404(g) worksheet was either not included in the case

when it was originally submitted to Counsel or if is not included in the interim assessment request submitted by Counsel, follow existing procedures to request the 6404(g) worksheet from TCS.

**Reminder:** IRC 6404(g) provides for an underpayment interest suspension and applies to any MFT 30 timely filed return from 199812 through 200512 for which the IRS did not provide the taxpayer with the notice of the proposed additional liability within the required 12-18 month timeframe unless one of the exceptions listed under 6404(g)(2) applies, thus rendering the account ineligible for IRC 6404(g) interest suspension. Beginning with the 200612 tax period, the IRS has 36 months to provide a notice to the taxpayer of the liability or 6404(g) interest suspension may apply.

**Caution:** It is possible for an MFT 30 tax period to be ineligible for 6404(g) interest suspension because a Substantial Understatement Penalty is proposed, which causes the 6404(g) analysis to reach one result “Does Not Apply”; but if the settlement or Tax Court Decision eliminates the penalty, then the account **must be re-evaluated for IRC 6404(g) application**. This “re-evaluation” requirement is of critical importance to the respective taxpayer to protect their *Right to Be Informed*, *Right to Quality Service*, *Right to Pay No More than the Correct Amount of Tax*, and their *Right to A Fair and Just Tax System*. If a timely filed 199812 - 200512 tax period’s **original** “6404(g) analysis” resulted in “IRC 6404(g) interest suspension does not apply because of an exclusionary feature” e.g. a “Substantial Understatement Penalty is proposed”, but once the taxpayer’s case is “Settled” or “Finalized” with the *exclusionary feature(s)* eliminated, then the applicability of 6404(g) interest suspension must be re-evaluated and verified as applicable or not applicable. The 6404(g) re-determination must be documented on a 6404(g) Worksheet and provided to APS when the case is submitted for processing of the account adjustments, whether requesting an interim action or a closing action.

**Note:** The interim assessment posting and removal of the TC 520 cc 72 instructed in c) below, will initiate collection activity so accurate computation of the interest is critical. Without the appropriate “interest-related” forms and schedules, the interest adjustment may be overstated or understated.

**Table of Interest-Related Features Which Require Additional Documentation for Interest Accuracy**

Interest IRC and Feature	MFT/Master File	Required Form/Schedule
IRC 6404(g) Untimely Notice	30 - IMF	6404(g) worksheet
IRC 6601(d) Carry-back	30 - IMF and 02 BMF	Form 2285(s)
IRC 6621(c) LCU Interest	02 - BMF LCU	Notice Amount and Trigger Date
IRC 7508 Combat Zone	30 - IMF	ENMOD/TXMOD/F-3198/F-5402

Interest IRC and Feature	MFT/Master File	Required Form/Schedule
IRC 7508A Disaster Area	Any	ENMOD/TXMOD/F-3198/F-5402
Rev. Rul. 99-43 SEQUA	Any	SEQUA Spreadsheet

- c. Input TC 521 Closing Code (cc) 72 to reverse the TC 520 cc 72 and initiate collection activity.

**Reminder:** Manual reversal of the TC 520 cc 72 is necessary when processing the interim adjustment, unlike the closing adjustment CC: AMCLSA which automatically generates the TC 521 reversal.

**Reminder:** Assessment Verification requires a complete DLN for the transaction(s) input.

***If and Then Table for Assessment Verification***

If .....	Then .....
Adjustment is processed via CC: AMCLSF	<ul style="list-style-type: none"> <li>• APS TE monitors the account using CC: TXMODA until the transaction code(s) are fully posted.</li> <li>• APS TE inputs TC 521 cc 72 once TCs are fully posted.</li> </ul>
Adjustment is processed via Quick Assessment (Q/A) which APS faxes to the appropriate Accounting function for processing	<ul style="list-style-type: none"> <li>• APS TE receives notification from the Accounting function which includes the complete DLN as well as a copy of the billing assembly.</li> <li>• APS TE inputs TC 521 cc 72 once TCs are fully posted.</li> </ul>
Quick Assessment DLN is not provided to the APS TE by the 23C Date	<p>APS TE will contact the Accounting function to:</p> <ul style="list-style-type: none"> <li>• Identify the reason for the delay.</li> <li>• Provide the information needed to resolve the issue.</li> <li>• Secure the complete DLN and billing assembly.</li> <li>• Input TC 521 cc 72 once TCs are fully posted.</li> </ul>

**Reminder:** PEAS Suspense and PEAS Follow-up features must be used to properly control inventory monitoring and set follow-up action date(s).

- d. When the interim assessment is processed by APS-CIT using the necessary faxed documents, and the administrative file is being held by Counsel, or the originating APS Office, the APS-CIT TE transmits the assessment documentation via fax for association with the administrative file.
- e. Upon receipt of the assessment documentation, associate the assessment verification with the administrative file and prepare Form 3210 or an E3210 to transmit the administrative file to the designated Counsel Attorney.
- f. Notate the following on the Form 3210, or E3210 "Assessment is posted and assessment verification is attached."

(11) Update ACDS as follows:

- ACTION = APPEALED
- TODATE = date the case is transmitted to Counsel
- LACTION = (Local Option)



- LTODATE = (Local Option)

(12) Update ACDS Return Level for each tax period with assessment verification as follows:

- STATDATE = remove ASER date and leave blank
- Statute CODE = ASER for each tax period with assessment verification

(13) Follow-up on Form 3210 or E3210 transmittal acknowledgement of receipt as appropriate.

8.20.6.17.4  
(09-10-2018)  
**Refund or Credit While  
an Appeal of the Tax  
Court Decision is  
Pending**

- (1) The Internal Revenue Service Restructuring and Reform Act of 1998 (RRA 98) added IRC 6512(a)(6) and amended IRC 6512(b) to give the federal courts jurisdiction to order a refund or credit of certain amounts while an appeal of a Tax Court decision is pending.
  - a. If the Tax Court determines both an overpayment and a deficiency, the Service may refund or credit the uncontested portion of the overpayment while the appeal is pending.
  - b. If the Service does not refund or credit the uncontested portion of the overpayment, the taxpayer may bring an action in Tax Court, District Court, or the United States Court of Federal Claims to recover that amount.
- (2) When Appeals receives a letter from Counsel directing that an uncontested overpayment on an Appealed Tax Court case is approved for refund or credit to the taxpayer, APS will process the refund using manual refund procedures or apply the designated amount of the credit to the taxpayer's designated account, and retain the tax court litigation freeze code (TC 520 cc 72) on the taxpayer's account.
- (3) The letter from Counsel serves as the authority for initiating the manual refund and/or applying the taxpayer's credit as directed. The TC 520 cc 72 Litigation Freeze must be retained on the taxpayer's account currently under Tax Court jurisdiction.

8.20.6.18  
(09-10-2018)  
**Interim Adjustment and  
Interim Account Update  
Processing**

- (1) Tax and/or penalty adjustments, miscellaneous transaction code updates and entity changes requested by the ATE or Counsel Attorney before the taxpayer's case is ready to close with finality are categorized as "Interim Adjustments." An interim adjustment can be required for a wide variety of reasons on an AIMS or a Non-AIMS account. Interim adjustments can be required on Docketed and Non-Docketed cases with open AIMS controls, as well as Collection Due Process (CDP) cases which do not have open AIMS controls. The presence or absence of AIMS controls and the specific interim adjustment requested by the Appeals Technical Employee determines which adjustment document and adjustment Command Code APS will use to perform the interim adjustment. All interim account adjustment requests for a tax/penalty increase or a tax/penalty decrease must be authorized in writing by the ATE or Counsel Attorney.
- (2) Interim account **adjustments** are categorized as follows:
  - AIMS - processed via Form 5403 AIMS CC: AMCLSF or \*Form 2859
  - Non-AIMS - processed via Form 3870 or Form 8485 IDRS CC: REQ54/ADJ54

## 8.20 Account and Processing Support (APS)

- Civil Penalty account adjustment prior to case closing - processed via Form 8278 IDRS CC: REQ54/ADJ54
- Credit Transfer - processed via Form 2424 IDRS CC: ADD/ADC 24, 34, 48
- \*Excess Collection credit application or credit retrieval prior to case closing - processed via \*Form 8758 or \*Form 8765
- \*Manual Refund required prior to case closing - processed via \*Form 5792 or \*Form 3753

**Note:** An \* in the listing above denotes a manual processing procedure for which APS prepares the adjustment document but APS does not have permission to use the specific IDRS Command Code required for input of the adjustment(s). APS must instead, transmit the document to another function e.g. Accounts Management, for input.

(3) An **interim account adjustment** action can be requested/authorized by the ATE/Counsel Attorney prior to case closing for the following reasons:

- Abatement of a premature default assessment on a "Compliance-Issued" SND (AIMS or Non-AIMS)
- Abatement of an erroneous or premature assessment on an "Appeals-Issued" SND (AIMS or Non-AIMS)
- Assessment of Employee Share of FICA Tax before issuance of a SND (AIMS)
- Assessment of a partial agreement of tax and or penalty in a deficiency case (AIMS)
- Assessment of an entered tax court decision that has been appealed with no bond filed by the petitioner (AIMS)
- Assessment of a Non-Petitioning Spouse MFT 31 agreed or default assessment (AIMS) on an "Appeals-Issued" SND
- Assessment of adjustments based upon a delinquent return received and accepted by Counsel
- Collection Due Process (CDP) adjustments authorized by the ATE prior to the CDP case final determination (Non-AIMS)
- Credit transfer from one account to another
- Barred refund credit transfer to excess collections or request to restore a credit from excess collections
- Identity Theft (IDT) adjustments (AIMS or Non-AIMS)
- Refund of a partial claim allowance where a Certified Notice of Partial Disallowance is suspended until expiration of the time for which the taxpayer can file a Petition with the USTC (AIMS or Non-AIMS)
- Refund of an uncontested overpayment when an entered tax court decision has been Appealed (AIMS)
- Refund of a 6603 Deposit when requested "in writing" and authorized by the ATE or Counsel
- Return Preparer Misconduct (RPM) related account adjustments
- Reversal of a refundable credit before the issuance of a SND (AIMS)
- Other specific reasons authorized by the ATE (AIMS or Non-AIMS)

**Reminder:** Whenever the ASER is within 60 days for an AIMS assessment or within 90 days for a Non-AIMS assessment, Form 2859, Quick Assessment procedures must be used.

**Caution:** If you are inputting an adjustment (CC: ADJ47/ADJ54) after Cycle 52 and before Cycle 3 (BMF) or Cycle 4 (IMF) of a given calendar year, you

must consider the affect of the annual Dead Cycles with respect to ASED related time frames.

⇒ For a BMF account, IDRS Cycles 01 and 02 are Dead Cycles, so the 23C Date defaults to the 23C Date for Cycle 03.

⇒ For an IMF account, IDRS Cycles 01, 02, and 03 are Dead Cycles, so the 23C Date defaults to the 23C Date for Cycle 04.

✓ If the default 23C Date will cause the AIMS adjustment to post with less than 60 days remaining on the ASED, then follow Quick Assessment procedures to process the assessment.

See IRM 3.30.123.4.7, Dead Cycles - A Week Counter for additional information.

(4) Interim account **updates** are categorized as follows:

- Miscellaneous Transaction Code input (TC 48X/52X/55X/56X/97X) via Form 3177 IDRS CC: REQ77/FRM77
- Entity change input (Name Line/ Address/ In Care Of/ Filing Status/ Spousal SSN) IDRS CC: INCHG/BNCHG
- Account History Items and/or IDRS Case Control actions required for certain account adjustment actions included in the listing above via Form 4844 IDRS CC: ACTON

(5) Interim account adjustments and interim account updates are not required on most cases and will only be requested when necessary to ensure the taxpayer's account information is accurate while under Appeals or Tax Court jurisdiction.

(6) APS TEs must place the PEAS case in suspense and monitor all interim account updates and all interim account adjustments until they are posted to the taxpayer's account.

(7) APS TEs must also close any IDRS Control Base assigned to their IDRS number when their input transaction(s) post.

(8) For detailed procedures on specific types of Interim Account Adjustments see the following sections:

- IRM 8.20.6.19, Interim Account Adjustments - Assessment or Abatement Prior to Final Determination
- IRM 8.20.6.20, Collection Due Process (CDP) Interim Processes

**Reminder:** Appeals mandated the use of Integrated Automation Technology (IAT) beginning on 10/01/2014. Whenever possible, APS TE's should use IAT Tools to input account updates and adjustments in place of manually typing the Command Code. .

8.20.6.19  
(09-10-2018)  
**Interim Account  
Adjustments -  
Assessment or  
Abatement Prior to Final  
Determination**

- (1) When appropriate, the ATE or Counsel Attorney will request that APS process a partial/interim adjustment. Guidance is provided in this section for the most common situations requiring interim account adjustments which generally result in a change to the dollar amount owed by the taxpayer, or a change to the overpaid amount available for offset or refund to the taxpayer.
- (2) Upon receipt of the interim adjustment request, verify that the Assessment Statute Expiration Date (ASED) is correctly reflected on ACDS and AIMS when applicable.

## 8.20 Account and Processing Support (APS)

**Note:** See IRM 8.21.2, Account and Processing Support (APS) Statute Responsibility for guidance on APS Tax Examiner statute verification responsibilities.

- (3) The following list identifies AIMS Interim Account Adjustments processed via Form 5403 CC: AMCLSF:
- Abatement of an erroneous or premature assessment
  - Assessment of a Delinquent Return secured and accepted by Counsel
  - Assessment of Employee Share of FICA Tax before issuance of a SND
  - Assessment of an entered tax court decision that has been appealed with no bond filed by the petitioner
  - Assessment of a Non-Petitioning Spouse MFT 31 prior to resolution of the Petitioning Spouse case
  - Assessment of a partial agreement of tax and or penalty in a deficiency case
  - Identity Theft (IDT) adjustments
  - Refund of a partial claim allowance where a Certified Notice of Partial Disallowance is suspended until expiration of the time for which the taxpayer can file a Petition with the USTC
  - Reversal of a refundable credit before the issuance of the Appeals SND
  - Other reasons authorized by the ATE

**Reminder:** Whenever the ASER is within 60 days APS must use Quick Assessment procedures on an AIMS assessment.

- (4) Non-AIMS Account Interim Adjustments submitted to APS via Form 3870 CC: REQ54/ADJ54:
- Abatement of an erroneous or premature assessment when AIMS controls are closed
  - Collection Due Process (CDP) adjustments prior to the CDP case final determination
  - Identity Theft (IDT) adjustments when account is not open on AIMS
  - Refund of a partial claim allowance where a Certified Notice of Partial Disallowance is suspended until expiration of the time for which the taxpayer can file a Petition with the USTC when account is not open on AIMS
  - Other reasons not specifically listed

**Reminder:** Whenever the ASER is within 90 days APS must use Quick Assessment procedures on a Non-AIMS assessment.

8.20.6.19.1  
(04-17-2024)

### Concurrence by Counsel to Remove Fraud Penalty "DCOTHER"

- (1) There are several instances which require Counsel concurrence before APS can complete the requested interim action.
- (2) When Counsel's concurrence is required, the ATE will notify APS to:
- Transmit the administrative file to Counsel, and
  - Update ACDS
- (3) APS will update ACDS by entering action code DCOTHER and the date the case was transmitted to Counsel on the update case screen.

## 8.20.6.19.2

(04-17-2024)

**Partial (Interim)  
Assessment/Abatement  
AIMS CC: AMCLSF**

- (4) On a monthly basis, APS management, or its designated employees, will run the DCOTHER follow-up list to determine if Counsel has returned the administrative file.
- (1) Generally, the ATE will retain the administrative file and tax return when requesting that APS process a Partial (Interim) Assessment/Abatement. If a restricted interest computation is also necessary, the ATE will include a copy of page 1 of the return and applicable restricted interest worksheets along with the partial assessment authorization (signed waiver) and Form 5403 instruction worksheet. (A second Form 5403 worksheet will be prepared and processed when the return is finally closed.)
- (2) An interim abatement is generally required as a result of a premature Compliance Issued SND however, that is not the only circumstance for which an ATE, ATM, or Counsel Attorney may request APS process an interim abatement of tax, penalty, or interest on an account. Each circumstance and account condition requires APS to analyze the applicable account, and process the authorized interim account adjustments in order to:
- Correct the account balance
  - Correct the account condition
  - Avoid an unpostable condition
  - Release or Hold any refund as directed by the ATE/ATM/Counsel Attorney
  - Release or Hold any billing notice as directed by the ATE/ATM/Counsel Attorney
- (3) Procedures for preparing the Form 5403, Appeals Closing Record:
- a. Check block "AMCLSF (Partial)" at the top of Form 5403 prepared for the interim adjustment(s).
  - b. Analyze the taxpayer's account condition to determine if the adjustment will result in a credit balance or a debit balance.  
  
**Note:** The ATE will identify if the refund and/or notice should be held and not issued to the taxpayer.
  - c. When processing an adjustment that results in a credit balance, and the ATE/ATM/Counsel Attorney has requested that the credit balance be held and NOT refunded, use the appropriate Hold Code in Item 07 on Form 5403. See (4) - (6) below for additional guidance on controlling overpayment modules and processing credit transfers.
  - d. When the ATE/ATM/Counsel Attorney requests the credit balance be refunded to the taxpayer, do not use a Hold Code **unless** the refund must be made using Manual Refund procedures.
  - e. When the ATE/ATM/Counsel Attorney wants **only the notice** held, the APS TE must use enter the appropriate Hold Code in Item 07 on Form 5403.
  - f. Determine the correct use of Hold Codes by following instructions outlined below and in Document 6209, *Master File Codes*. Proper use of Hold Codes is important to accurately release, or prevent billing notices and/or refunds from being generated prior to final closure action.

**Hold Code Usage Decision Table**

Hold Code	Use This Hold Code if.....
1	An advance payment (TC 640), designated interest payment (TC 680), or subsequent payment (TC 670) is present on the transcript of account and you DO NOT want a refund to go to the taxpayer until final closure. Without the hold code, any amount in excess of your partial or interim assessment amount will be released for refund. See g) below for instruction on releasing or offsetting some or all of the credit as requested by the ATE or Counsel.
2	(1) Above is true and, in addition, you do not want a billing notice issued to the taxpayer until final closure.
3	You must make an assessment but do not want a billing notice issued to the taxpayer until final closure.
4	Same as HC "1" except that a notice will not be issued at any time.

- g. Leave Items 16, 20, 802–811, 39, and 42 blank.
- h. Complete other items following Form 5403 instructions.

(4) Tax and/or penalty abatement authorized by the ATE can result in a credit balance on the taxpayer's account. A credit balance is resolved in the following ways when the Refund Statute Expiration Date (RSED) is open:

- a. The credit is offset to the taxpayer's earliest balance due underpayment period
- b. The credit is offset to a specific tax period per the taxpayer's or ATE's written request
- c. The credit is held pending an assessment on another Appeals/Counsel jurisdiction tax period
- d. The credit is released for refund, or is manually refunded when the taxpayer has no pending assessment(s) or outstanding balance due

**Reminder:** IRC 6402, Authority to Make Credits or Refunds (a) General Rule. "In the case of any overpayment, the Secretary, within the applicable period of limitations, may credit the amount of such overpayment, including any interest allowed thereon, against any liability in respect of an internal revenue tax on the part of the person who made the overpayment and shall, subject to subsections (c), (d), (e), and (f) refund any balance to such person."

(5) When a credit balance is available for offset or refund and the taxpayer has one or more balance due tax periods, APS will process a credit transfer using the appropriate hold codes on both the debit side and the credit side. For additional guidance on credit transfer procedures see:

- IRM 2.4.17, IDRS Terminal Input, Command Codes ADD24/34/48, FRM34 and DRT24/48
- IRM 3.17.21, Accounting and Data Control, Credit and Account Transfers
- IRM 4.4.3, AIMS Procedures and Processing Instructions, Credit Transfers and Reprocessing Returns
- IRM 21.5.6, Account Resolution, Freeze Codes
- IRM 21.5.8, Account Resolution, Credit Transfers



- (6) When the ATE requests a credit balance on one tax period be offset to another tax period currently under Appeals or Counsel's jurisdiction, APS will control the retention of the credit on the overpaid module until the appropriate time to offset the credit to the underpaid module. When APS performs the credit transfer process, they will use the appropriate hold code on both the losing and the gaining module to avoid an erroneous refund.
- (7) Only one carrier transaction (TC 30X/29X) can post to a given tax module per cycle. Use the appropriate Posting Delay Code (PDC) "1 through 6" to **input** subsequent adjustment transaction within the same cycle and the PDC will cause the subsequent adjustment(s) to "re-sequence" and post in the order you determine based on the PDC.
- (8) For additional information on the use of Posting Delay Codes see IRM 21.5.2, Posting Delay Code (PDC).
- (9) If a quick assessment is required due to the ASED expiring within 60 days, or for an agreed and unpaid assessment over \$100,000.00, prepare Form 2859, Request for Quick or Prompt Assessment to include all applicable assessment information. See IRM 4.4.25 AIMS Procedures and Processing Instructions, Quick Assessments for additional guidance.
  - The APS TE must determine the appropriate action(s) to hold the notice or hold the credit, or both when requested by the ATE.

**Note:** See IRM 4.4.25, Form 2859, for guidance on holding the notice (billing) and credit.

- The APS TE must update the taxpayer's account with appropriate History Item. See IRM 4.4.25, Research and Actions Required Prior to Quick Assessment, CCP or Campus Examination Procedures for additional guidance.
  - The APS TE must place the PEAS record in Suspense for monitoring of the account and upon receipt of the Form 3552, Prompt Assessment Billing Assembly, document the DLN in PEAS, close PEAS inventory record and forward the assessment verification to the ATE for association with the administrative file.
- (10) When processing a Partial (Interim) assessment using Form 2859, Request for Quick or Prompt Assessment APS will not input Form 5403 via Command Code AMCLSF. Instead, they will document Item A on Form 5403 as follows:

**Note:** "Interim Quick Assessment made - do not process Item 12 entries."

- (11) Adjustments to item reference numbers from Form 5403 cannot be made as part of the quick assessment. These reference numbers will be updated as identified on the Form 5403 Instruction Worksheet which will be prepared by the ATE or TCS at the time of final determination of the case. See IRM 4.4.25, Reference Number Adjustment for additional information.

8.20.6.19.3  
(09-10-2018)

**Partial Interim  
Assessment/Abatement  
Non-AIMS CC:  
REQ54/ADJ54**

- (1) Form 3870, Request for Adjustment *Request for Adjustment* is prepared and approved by the ATE/ATM and is submitted to APS for processing Non-AIMS account interim adjustments via CC: REQ54/ADJ54. The Approving Official Signature authorizes APS to process the account adjustments requested by the ATE.
- (2) IRM 2.4.16, IDRS Terminal Input - Command Codes REQ54 and ADJ54 provides detailed item entry instructions and explanations for reference by APS TE's authorized to input Non-AIMS adjustments.
- (3) APS must verify the following items when entered by ATE, or complete the following items on Form 3870 as follows:
  - Item 15 **Sequence Number**, identified by APS TE.
  - Item 16 **Blocking Series**, 05X, 15X, 18X, 96X, 97X, 98X, 99X.
  - Item 17 **Deficiency Interest to Date**, MM-DD-YYYY when restricted interest TC 34X is adjusted.
  - Item 18 **Source Code**, this is a required field for IMF TC 29X adjustments. The Source Code (SC) chooses the beginning explanation appearing on the taxpayer's adjustment notice with the reason code (RC) completing the statement. See Document 6209, Section 8C - Master File Codes, Source Codes, Reason Codes, Hold Codes and Priority Codes or IRM 21.6.7, **Source Code (SC)** to identify the appropriate Source Code for the Appeals adjustment. The most common SC used for Appeals adjustments is "2" which begins the adjustment notice with "We changed your [YYYYMM]" account to correct your [RC].
  - Item 19 **Reason Code**, this is a required entry and up to 3 RC's may be input, position #4 is for entry of a Penalty RC when appropriate. When multiple RC's are input, enter them in numeric order from lowest number to highest number. RC 099 is used when other RC's do not apply and to complete the notice statement with "Account Information." See Document 6209, Section 8C - Master File Codes, Source Codes, Reason Codes, Hold Codes and Priority Codes or IRM 21.6.7, Reason Code (RC) to identify the appropriate Reason Code for the Appeals adjustment. If a penalty is being adjusted or suppressed, the correct Penalty Reason Code must be entered in position #4. See IRM 21.6.7, Penalty Reason Code for additional guidance.
  - Item 21 **Hold Code**, is entered when appropriate. See Document 6209, Section 8C - Master File Codes, Source Codes, Reason Codes, Hold Codes and Priority Codes to identify the appropriate Hold Code for the Appeals interim adjustment.
  - Item 23 **Priority Code**, is entered by APS and must be used when certain conditions exist on the module. The most common PC used on Appeals non-AIMS adjustments is "1." See Document 6209, Section 8C - Master File Codes, Source Codes, Reason Codes, Hold Codes and Priority Codes to identify the appropriate Priority Code for the Appeals adjustment.
  - Item 24 **Posting Delay Code**, is entered by APS when the adjustment is input in during the current cycle, but the posting of the transactions must be delayed from 1-6 cycles. A PDC is only entered when needed.
  - Item 25 **Source Document (SD) Attached**, this is a required entry. "Y" means the SD will be submitted to files for association with the REQ54/ADJ54 Form 5147, IDRS Transaction Record  
"N" means no SD "NSD" will be submitted to files  
"R" means the SD is being retained by the input function

- Item 29 **TC No.** is where the Transaction Code(s) being adjusted are entered along with the increase or decrease dollar amount for each respective TC entered on the associated row i.e. 29X, 16X, 27X, 34X, etc.
  - Item 29 **Ref. No. Item Adjustment** is where the IRN(s) being adjusted are entered along with the increase or decrease amount for each respective IRN i.e. 888, 886, 889, 878, 887, etc.
  - Item 29 **Ref. No. Credit Adjustment** is where the CRN(s) being adjusted are entered along with the increase or decrease amount for each respective CRN i.e. 806/807, 764/765, 337/338, 256, 257, etc.
  - Item 30 **Remarks** is used to identify any other specific information needed to complete the adjustment i.e. Refund Statute Control Date (RFSCDT), TCB-DT, and other information not specifically provided an item entry.
  - Item 31 Complete as appropriate.
- (4) A Form 8485, Assessment Adjustment Case Record can be prepared by APS, based on the Form 3870 provided by the ATE, to process the Non-AIMS account interim adjustments if additional fields are needed since the Form 3870 only allows for 4 TC Numbers to be entered.
- (5) The APS TE must verify that their adjustments have posted to the account before closing the PEAS record. PEAS Suspense must be used as appropriate. See IRM 8.20.10, Account and Processing Support - Processing Employee Automated System (PEAS), for additional information.
- (6) All interim/partial account adjustments AIMS and Non-AIMS must have the Adjustment Source Document associated with the administrative file as well as a copy of the Adjustment Source Document sent to Campus Files for association with the Form 5147, IDRS Transaction Register when Item 25 SD = "Y".
- Exception:** Non-AIMS Adjustments input with "NSD" in CC: ADJ54 Remarks, do not require that the Adjustment Source Document be sent to files because the Form 5147, will not print out for the Files Operation to associate with the Source Document.
- (7) The APS TE must close the IDRS Control Base for each account they've adjusted once the transactions have posted.

8.20.6.19.4  
(09-10-2018)

**Partial Agreements > \$1  
Million on Team Cases**

- (1) When the ATE secures a partial agreement for more than \$1 million, ACDS will be updated to allow for the agreed portion of the WUNO to be processed and closed, while the unagreed portion of the WUNO will remain assigned to the ATE. This process is necessary, to ensure the >\$1 million Appeals results are timely recorded on ACDS, processed on IDRS, and not delayed for resolution of the unagreed issues/tax periods.
- (2) This process requires the following steps be taken **in the order identified**:
1. ATE requests a new WUNO for the Agreed tax period/issues by submitting an ACDS Update Request to their servicing APS Office
  2. Servicing APS Office creates a new WUNO for the Agreed tax period(s)/issue(s) and notifies the ATE upon completion of the request
  3. APS alerts their PTM/Area TA to submit a Ticket to have the New WUNO ASNDATE and RECDATE corrected to same date as Original WUNO

**Partial Agreement WUNO and Original WUNO ACDS Entries**

<b>New WUNO for Partial Agreement (PA)</b>	<b>Original WUNO for Unagreed Issues</b>
TP Name, TIN, Address is the same as original WUNO	TP Name, TIN, Address does not change
ASNDATE - Date must be in same FY as CREATED date	ASNDATE - Does not change
REQAPPL - Same as original WUNO	REQAPPL - Does not change
RECDATE - Date must be in same FY as CREATED date	RECDATE - Does not change
CREATED - Same as original WUNO	CREATED - Does not change
FEATRCD - PA for Partial Assessment	FEATRCD - Does not change
NOTE - Enter Original WUNO for cross-reference. AIMS Partial Assessments (CC: AMCLSF) do not include Form 5403 Items 800/801/804 entries so upon final closing, the total amounts for these items will be included on the Final Form 5403.	NOTE - Enter New PA WUNO for cross-reference to alert the APS TE who completes the final case to include both the Partial Assessment and Final Assessment dollars and hours on the AMCLSA Form 5403 Items 800/801/804.
ACAPDATE - Date Form 5402 for agreed items is signed.	ACAPDATE - Is not updated until original WUNO is closed.
CLOSINGCD - Enter the Closing Code provided on the Form 5402	CLOSINGCD - Is not updated until original WUNO is closed.
Return Level Information - entered from Form 5402 for the partial agreement.	Return Level Information - adjusted to avoid duplication of PropdTax and PropdPen information and to reflect only remaining unagreed amount(s). This information will be provided by the ATE within their ACDS Update Request.
TOTHRs - 0.00 because the total case time will be reflected upon closing of the Original WUNO.	TOTHRs - Is not updated until the original WUNO is closed.

4. Upon notification that the New WUNO has been created, the ATE prepares the CIT Referral Form for the Partial Assessment using the New WUNO and submits the request to \*AP Complex Interest mailbox for assignment to an APS-CIT TE.
5. APS CIT-TE receives all of the forms and documents necessary to accurately process the partial assessment from ATE, (via fax, secure email, or mail). ATE retains the administrative file during this process whenever possible to avoid unnecessary mailing costs as well as the risks associated when mailing PII.

**Reminder:** When APS returns the assessment verification information to the ATE, it must be associated with the tax return, and preferably attached to the front of the first page of the return with any Form 2285 and interest computation(s) attached to the back of the first page of the return. See (4) below if APS has the return in their possession.

6. APS-CIT TE closes the New ACDS WUNO for the Partial Agreement within 2 days of receipt of the documentation and imports the New ACDS WUNO into their PEAS Inventory.

- (3) APS-CIT TE takes the following actions upon processing of the Partial Agreement:
  - Transmit adjustment source document(s) to Campus Files for association with the Form 5147
  - Monitor IDRS to verify posting
  - Notify the ATE that the assessment(s) has posted
  - Forward the completed partial assessment package back to the ATE via fax, secure email, or mail
  - Close the PEAS Record
- (4) When the return is in the APS TE's possession, APS will attach the assessment verification to the face of the return and attach any Form 2285, Concurrent Determinations of Deficiencies and interest computations(s) to the back of the first page of the return and transmit the return and all documents, including the assessment verification to the ATE or Counsel Attorney.
- (5) When the return is **NOT** in the APS TE's possession, after processing the interim assessment and verifying the adjustments have posted to the account, APS will transmit all documents including assessment verification and interest computations (if applicable) associated with the adjustment to the Appeals Technical Employee or Counsel Attorney as appropriate.
- (6) This procedure applies only to assessable partial agreements. Both a Form 870, Waiver of Restrictions on Assessment & Collection of Deficiency in Tax & Acceptance of Overassessment and a stipulation of agreed issues, entered by the Tax Court, must be secured on docketed cases.
- (7) This procedure may also be used when Appeals settles some issues in a case and then returns the balance of the case to LB&I as a premature referral.

8.20.6.20  
(09-10-2018)  
**Collection Due Process  
(CDP) Interim Processes**

- (1) There are several interim processes that may take place after the ATE receives a CDP/EH hearing request and before they issue a Determination, Decision or Closing Letter. Some of the Interim Processes are:
  - a. Carding a related Offer In Compromise (OIC), INNOCENT SPOUSE, or LIABILITY WUNO
  - b. Abatement of interest (ABINT), penalty or tax
  - c. Credit transfer
  - d. Installment Agreement, see IRM 8.20.6.27, Installment Agreement (IA) Collection Related Actions
  - e. Adding or removing tax periods from a CDP WUNO and updating the taxpayer's account(s) to add, correct or reverse a TC 520
  - f. Accepting OIC transfer in AOIC

8.20.6.20.1  
(09-10-2018)  
**CDP Interim  
Adjustments**

- (1) ATEs may require an interim adjustment before closing their CDP/EH case.
- (2) ATEs will generally prepare adjustment requests using one of the following forms:
  - a. Form 3870 – Request for Adjustment
  - b. Form 2424 – Account Adjustment Voucher
  - c. Form 4159 – Payment Tracer Request
- (3) APS employees will inform the requesting employee, via EEFax or e-mail, that the interim adjustment has been processed. If there are inaccuracies with the

## 8.20 Account and Processing Support (APS)

adjustment request, APS will attempt to rectify the discrepancy with the initiator in the most time efficient manner, elevating any unresolved issues to the PTM/ATM level only if necessary.

**Reminder:** All Non-AIMS adjustments and all account updates (i.e. credit transfers) must be monitored by the APS TE until they are fully posted. See IRM 8.20.10, PEAS Suspense from Full Update (6) for additional information.

- (4) The APS TE must close any IDRS Control Base assigned to them once the input transactions post. The generic CDP control will not be closed until the final case closing.

8.20.6.20.2  
(04-17-2024)

### CDP Notices of Determination (NOD)

- (1) In an unagreed CDP case, the ATE will prepare one of the following Notices:

- a. Letter 3193, Notice of Determination Concerning Collection Action(s) Under Section 6320 and/or 6330.
- b. Letter 4389, Notice of Determination - Abatement of Interest - When abatement of interest is raised as an issue.
- c. Letter 4390, Notice of Determination - Request for Relief from Joint and Several Liability - When innocent spouse is raised as an issue.

**Note:** The ATE will no longer prepare and issue a separate Innocent Spouse determination letter or an Interest Abatement claim disallowance letter when these issues are raised during the hearing. Instead, combination letters are used to communicate the decision of Appeals.

- (2) A Determination Letter must be sent separately, certified or registered, to each joint filer.

- (3) The steps for issuing a notice of determination letter are:

- a. Verify the address using ENMOD or INOLES.
- b. Send the letter via Certified Mail if the taxpayer lives within the U.S.
- c. Send the letter via Registered Mail if the taxpayer lives outside the U.S.
- d. Complete Postal Service (PS) Form 3800 certified mail receipt.
- e. Place the certified mail number on the original letter and also include on all additional copies.
- f. Enter the issuance date on the letter.
- g. Calculate 30 days from the issuance date using the ACDS Target Date utility. **Usage of the tool is mandatory to ensure accuracy.** To locate the tool, click on **Utilities** in the ACDS menu bar. This will open the Utilities Menu. Scroll down the Utilities Menu to locate the **Target Date** link. Click on the link to open the input screen. Enter the issuance date in the Beginning Date field and use 30 as the Number of Days. Enter the resulting Target Date on the NOD in the "Last day to file petition with US tax court" field.
- h. Ensure that the NOD is mailed no later than the issuance date printed on the NOD.
- i. Send the appropriate copies of the letter to the authorized representative, if there is one.
- j. Place a copy of the letter(s) and all attachments in the administrative file. Upload and attach the dated NOD to ACDS.



- k. Enter the taxpayer's name, mailing address (as it appears on the envelope), and the mailing date on the PS Form 3877 or **Form 9814**, Request for Mail/Shipping Service, mailing record.

(4) Update ACDS for CDP WUNO:

- SNTYPE = 030A
- SNDATE = date letter is mailed

**Reminder:** The letter **MUST** be postmarked with the same date that is on the Notice of Determination.

**Caution:** APS must be aware of local mail room requirements regarding postmark dates to ensure that the postmark and letter dates are the same.

- SND = Y

(5) Update ACDS for CDP-related Innocent Spouse WUNO:

**Note:** CDP cases with a related Innocent Spouse WUNO requires a combination closing Letter 4390 to communicate Appeals determination and explain Tax Court rights.

- SNTYPE = 090A
- SNDATE = Date Letter 4390 is mailed

**Reminder:** The letter **MUST** be postmarked with the same date that is on the Notice of Determination.

**Caution:** APS must be aware of local mail room requirements regarding postmark dates to ensure that the postmark and letter dates are the same.

- SND = Y

(6) Update ACDS for CDP-related Abatement of Interest WUNO:

**Note:** CDP cases with a CDP-related Abatement of Interest WUNO requires a combination closing Letter 4389 to communicate the decision of Appeals.

- SNTYPE = 180A
- SNDATE = Date letter 4389 is mailed.

**Reminder:** The letter **MUST** be postmarked with the same date that is on the Notice of Determination.

**Caution:** APS must be aware of local mail room requirements regarding postmark dates to ensure that the postmark and letter dates are the same.

- SND = Y

(7) Suspend the administrative file until the earlier of one of the following occurs:

- a. the taxpayer files a petition to the USTC
- b. the time period for filing a petition expires and the additional 30 day suspense period ends without the case being assigned a docket number.

**Note:** If a Letter 4389, Notice of Determination - Abatement of Interest is issued, the taxpayer has 180 days to file a petition for review of the determination. If a Letter 4390, Notice of Determination - Request for Relief from Joint and Several Liability is issued, the taxpayer has 90 days to file a petition for review of the determination.

- (8) See IRM Exhibit 8.20.6-1, Calculating the Default Date for additional information.
- (9) APS will generate the monthly statutory notice follow-up report to ensure cases are defaulted timely. See IRM 8.10.1, Appeals Reports and Projects, Internal Reports for additional guidance.

8.20.6.20.3  
(04-17-2024)

**Accepting Offer in  
Compromise (OIC)  
Transfer in Automated  
Offer in Compromise  
(AOIC)**

- (1) Within 14 days of assignment of a request from ATE to accept OIC transfer in AOIC, Tax Examiner (TE) will verify there is a WUNO for the subject OIC.
  - If there is no WUNO for the OIC, return the request to ATE.
- (2) To accept OIC transfers in AOIC,
  - a. Access AOIC
  - b. select OIC Appeals at AOIC Menu
  - c. select Accept Transfers at Appeals Menu
  - d. select **Query the List by Offer** or **Query the List by TIN** and populate the appropriate request field with Offer Number or TIN
  - e. click Query
  - f. at Accept Transfers screen,
    - 1. select Yes from drop down arrow in Accept column
    - 2. click Submit at bottom of screen

8.20.6.21  
(09-10-2018)

**CDP Procedures for  
Determining If the  
Taxpayer Petitioned Tax  
Court**

- (1) This section contains procedures for APS to:
  - a. Determine whether the taxpayer submitted a petition to the USTC on any of the following:
    - Collection Due Process Notice of Determination
    - Innocent Spouse Notice of Determination related to the CDP
    - Interest Abatement Claim Disallowance
  - b. Timely process the administrative file to Counsel on a petitioned case
  - c. Default the determination letter when the taxpayer failed to timely file a petition
- (2) The U.S. Tax Court has sole jurisdiction for CDP NODs, Innocent Spouse NODs, or Interest Abatement Claim Disallowance.
- (3) Office of Chief Counsel provides Appeals with docketed case information via **Tax Litigation Counsel Automated Tracking System**, (TLCATS).
  - TLCATS - is a management information system used by the Office of Chief Counsel to track all aspects of tax litigation cases. It is an on-line interactive and batch processing system that allows Chief Counsel personnel to store and retrieve case data throughout all phases of the tax litigation process allowing for case coordination nationwide.

- (4) If the CDP NOD is petitioned, see IRM 8.20.6.21.1, Petitioned CDP Cases - DCJUR.
- (5) After the applicable suspense period for the CDP NOD has expired and TLCATS and DIMS research verifies that no petition to the USTC has been filed during the suspense period, the WUNO is updated and closed.
- (6) For closing information, see IRM 8.20.7, CDP Notices of Determination (NOD) Default Closing Procedures.

8.20.6.21.1  
(09-10-2018)

**Petitioned CDP Cases -  
DCJUR**

- (1) Use "Special Activities Menu" option 5 "Closing Code 42/43 Update" to update ACDS case/returns screen:
  - a. DKTNO = docket number
  - b. CLOSINGCD = 43 (This closing code will move the case to Part 3, status E/T)
  - c. DATECLSD = date case sent to Counsel
  - d. DC OFFICE = enter the local Counsel office
  - e. ATTORNEY = attorney's name
  - f. Statute CODE = **SUSP** for each tax period identified on the petition
- (2) Send the administrative file to the Area Counsel office that has jurisdiction. Whenever transmittal memo Form 2828, Form 3210, or E3210 are used, perform timely follow-up until Counsel acknowledges receipt of the administrative file.

8.20.6.21.2  
(09-10-2018)

**CDP Cases Remanded  
by the U.S. Tax Court  
and Supplemental  
Notices of Determination**

- (1) Occasionally, a court will remand a CDP case to Appeals for further action. When this occurs, Appeals will generally issue a Letter 3978, Supplemental Notice of Determination after reconsideration of the case.
- (2) After first contacting the ATM, the remanded case will be sent by Counsel directly to the ATM who will assign the case to the appropriate ATE.
- (3) Upon receiving the remand determination from Counsel, the ATE will e-mail APS with their assignment information and APS will take the following actions to update ACDS:
  - a. From the Special Activities Menu, input interim closing code 42 to change the case from PART 3 (Counsel jurisdiction) to PART 2 (Appeals jurisdiction) on ACDS
  - b. Enter "REMAND" in the LOC 3 field
  - c. Remove the SNTYPE\*
  - d. Remove SNDATE\*
  - e. Remove SNEXPDATE
  - f. \*Enter "Original SND issued MMDDYYYY" in the NOTE field to preserve the original information on the ACDS record
  - g. Verify that the Statute CODE is "SUSP"

**Note:** When the ATM approves the CDP "REMAND" determination, they will enter a new ACAPDATE. The Supplemental Notice of Determination supersedes the original Notice of Determination which is why the SN fields on ACDS must be updated and left blank.

- (4) When work on the remanded case has been completed, the ATE will prepare Form 3210, or E3210, or Form 2828, Transmittal Memorandum to return the case to APS through the ATM.
- (5) Upon receiving the "REMAND" determination from the ATM, APS will update ACDS as follows:
  - a. Input interim closing code 43, Petitioned Case to return the case to PART 3 (Counsel jurisdiction) on ACDS
- (6) APS will mail the Supplemental Notice of Determination Letter as follows:
  - a. Separately, to each joint filer
  - b. Via regular mail unless directed by the ATE, ATM, or Counsel to send via certified or registered mail
- (7) Return the case to Area Counsel using a Form 3210 or an E3210.

8.20.6.22  
(04-17-2024)  
**Disaster Relief Cases**

- (1) Appeals Policy requires the input of the "DR" (Disaster Relief) feature code on ACDS for "affected taxpayers" identified for suspension. The ATE adds the ACDS Feature Code "DR" on cases in their assigned inventory
- (2) At the time when the "DR" feature code is added, the suspense time frame, if known, must also be entered in ACDS NOTE field.
- (3) Appeals employees must be aware of the disaster relief indicators commonly used on Integrated Data Retrieval System (IDRS).
- (4) Master File (MF) freeze **-O**, "Disaster freeze, set by TC 971 AC 86 or 87 causes unique penalty and interest processing and suppresses notices. The MF freeze releases when the current date is beyond the disaster end date in the TC 971."
- (5) Master File (MF) freeze **-S**, "Disaster indicator for all taxpayers in a minor disaster area. This MF freeze is released when the 23C date is later than the disaster end date of the "-S" freeze. Penalty and interest relief is given at master file on all BMF MFTs (except MFT 12 and MFT 88). Compliance is not waived by IDRS for the "-S" freeze."
- (6) Transaction Code (TC) 971 AC 688 posted to CC: ENMOD, also posts to an account to indicate a disaster with systemic and interest relief, but no compliance relief.
- (7) Additional Disaster Relief references for guidance and procedure are listed below:
  - *Master File Freeze Codes*
  - IRM 8.7.1, Disaster Relief Cases
  - IRM 20.2.7, Federally Declared Disaster-IRC 7508A
  - IRM 20.2.7, IRC 7508A Interest Computation
  - IRM 25.16.1, Disaster Systemic Account Indicators

8.20.6.23  
(09-10-2018)  
**Employee Plan Exempt  
Organization (EP/EO)  
Adverse Determination  
Letters**

- (1) When denying tax exempt status (determination cases) or cancelling tax exempt status (revocation cases), a Final Adverse Determination letter is issued.
- (2) Handle Final Adverse letters like a notice of deficiency except for the following:
  - a. The time allowed to file a petition under IRC 7476, the EP declaratory judgment proceeding, is 91 days after the issuance of the final EP adverse determination letter, rather than 90 days.
  - b. Use certified and registered mail procedures outlined in IRM 8.20.6.4, Certified and Registered Mail Procedures.
  - c. Default final adverse letters 120 days after issuance.
- (3) Update ACDS:
  - SNTYPE = 090A
  - SNDATE = date letter is mailed
  - SND (on return level) = Y (for revocation cases there is no return level information for determination cases)
- (4) Occasionally, an adverse determination requires the taxpayer to file a taxable or amended taxable return. If the taxpayer files this return with Appeals, the ATE submits the original return to the appropriate Campus function for processing. APS does not process original returns on Non-Docketed cases.
  - a. Before the ATE transmits the return to the Campus, the ATE may request that APS prepare Form 2363-A, Request for IDRS Input for BMF-EO Entity Change, to update the filing requirement as determined by the ATE. Send this form for processing of the filing requirement update to:  
  
Internal Revenue Service TEGE  
1100 Commerce Street MC 4920  
Dallas, TX 75242-1027  
Attn: Mandatory Review
- (5) See IRM 8.20.7, EP and EO Determination Case Closing Procedures, for additional information.

8.20.6.24  
(09-10-2018)  
**Employee Tax  
Compliance (ETC)**

- (1) There are several types of interim processing requirements for Employee Tax Compliance (ETC) cases in Appeals:
  - Employee Tax Compliance (ETC) Exam Unagreed Non-Docketed
  - Employee Tax Compliance (ETC) Unagreed Non-Docketed Timely CDP
  - Employee Tax Compliance (ETC) CDP Unagreed Non-Docketed Cases That Require An Equivalent Hearing
  - Employee Tax Compliance (ETC) Docketed Cases

8.20.6.24.1  
(09-10-2018)  
**Employee Tax  
Compliance (ETC) Exam  
Unagreed Non-Docketed  
Cases**

- (1) If the taxpayer does not agree with the Appeals determination, the ATE:
  - Completes an unagreed ACM and CARATS record, and
  - Requests TCS prepare a Statutory Notice of Deficiency (SND) to be included in the case file
- (2) The case goes to the designated ATM reviewer Field East or West who:

- a. Approves the case
- b. Signs the SND
- c. Inputs the ACAPDATE on ACDS
- d. Routes the case to the Atlanta APS office

- (3) Atlanta APS mails the letter by certified mail and suspenses the case for the 90-day period. If petitioned, Atlanta APS forwards the case to Counsel for answer. Appeals statute guidelines apply at all times.

8.20.6.24.2  
(09-10-2018)

**Employee Tax  
Compliance (ETC)  
Unagreed Non-Docketed  
Timely CDP Cases**

- (1) If the taxpayer does not agree with Appeals determination in a timely requested Collection Due Process (CDP) ETC Case:
- The ATE completes a Form 5402 an ACM and CARATS record
  - The ATE prepares a Notice of Determination, along with envelopes and transcripts with the most recent address to the taxpayer and the power of attorney
- (2) The case goes to the designated ATM reviewer who will:
- a. Approve the case
  - b. Sign the Notice of Determination
  - c. Input the ACAPDATE on ACDS
  - d. Route the case to the Atlanta APS office
- (3) Atlanta APS mails the Notice of Determination by certified mail and suspends the case for the 30 day period during which the taxpayer can file a petition with the Tax Court + the additional 30 day suspense timeframe to allow for mailing and assignment of a docket number. The total suspense timeframe is 60 days.
- If petitioned, Atlanta APS forwards the case to Counsel for answer.
  - If not petitioned, Atlanta APS sends the case to Memphis Campus APS for backend processing and closing.
- (4) If the taxpayer signs waiver Form 12257, Summary Notice of Determination, Waiver of Right to Judicial Review of a Collection Due Process Determination, Waiver of Suspension of Levy Action, and Waiver of Periods of Limitation in Section 6330(e)(1) indicating agreement with Appeals determination in a timely requested CDP hearing:
- a. The ATE completes a Form 5402, an ACM and CARATS record.
  - b. The ATE prepares a Letter 4382, Form 12257 Closing Letter acknowledging receipt of the waiver, along with envelopes and transcripts with the most recent address to the taxpayer and the power of attorney.
- (5) The ATE transmits the case to the designated ATM reviewer who will :
- a. Approve the case
  - b. Sign the Form 12257 and Letter 4382
  - c. Input the ACAPDATE on ACDS
  - d. Route the case to the Atlanta APS office

**Note:** Atlanta APS sends the CDP case for closing to Memphis Campus APS for backend processing and closing.



8.20.6.24.3  
(09-10-2018)

**Employee Tax  
Compliance (ETC) CDP  
Unagreed Non-Docketed  
Cases That Require An  
Equivalent Hearing**

- (1) If the taxpayer is provided with an equivalent hearing in an ETC case (because the taxpayer did not timely request a CDP hearing):

- The ATE completes Form 5402, an ACM and CARATS record
- The ATE prepares a Decision Letter, whether the outcome is agreed or unagreed, along with envelopes to the taxpayer and the power of attorney

- (2) The case goes to the designated ATM reviewer who will :

- a. Approve the case
- b. Sign the Decision Letter
- c. Input the ACAPDATE on ACDS
- d. Route the case to the Atlanta APS office

**Note:** Atlanta APS sends the equivalent hearing case to Memphis Campus APS for backend processing and closing.

8.20.6.24.4  
(09-10-2018)

**Employee Tax  
Compliance (ETC)  
Docketed Cases**

- (1) If the taxpayer files a petition, Atlanta APS forwards the case to Counsel. After the court makes a determination, the case is sent back to Atlanta APS for ACDS closing action(s).

8.20.6.25  
(09-10-2018)

**Identity Theft (ID Theft)  
Interim Processing**

- (1) There are several interim processes for Identity Theft (ID Theft) cases in Appeals:

- Input of ID Theft Tracking Indicator TC 971 AC 522
- Reversal of ID Theft Tracking Indicator TC 972 AC 522
- ID Theft Interim Adjustments (Holtsville APS: \*AP-COS-APS-EAST-HOL ACDS Update Request)
- ID Theft Indicator Acronyms and Definitions see IRM 8.20.6.25.4 below

- (2) Links to Identity Theft IRM guidance are provided below:

- IRM 25.23.1, Identity Protection and Victim Assistance - Policy Guidance
- IRM 25.23.2, Identity Protection and Victim Assistance - General Case Processing
- IRM 25.23.4, Multiple Individuals Using the Same TIN

8.20.6.25.1  
(09-10-2018)

**Input of ID Theft  
Tracking Indicator**

- (1) Within 5 business days of receipt of the request from the ATE, APS inputs the ID theft tracking indicator.

- (2) APS uses the Command Codes (CC) and process below to input TC 971, AC 522 on the taxpayer's account:

- Enter CC: ENMOD (SSN), then press ENTER
- Enter CC: REQ77
- CC: FRM77 is displayed for the selected SSN

- (3) APS completes the following fields on the CC: FRM77 screen:

**CC: FRM77 TC 971 AC 501 Field Entries to Input the ID Theft Indicator**

FIELD	ENTER
TC	Transaction code requested on Form 4844 or Form 3177
TC 971/AC 522	Action Code requested on Form 4844 or Form 3177
TRANS-DT	Auto populated with the current date
SECONDARY-DT	The tax year affected by the ID theft incident in the format MM-DD-YYYY
MISC	The specific information from Form 4844 or Form 3177 showing: <ul style="list-style-type: none"> <li>• BOD/Function: AP</li> <li>• Program Name: AP</li> <li>• Tax Administration Source: as requested on Form 4844 or Form 3177</li> </ul>
REMARKS	IDENTITY THEFT

8.20.6.25.2  
(09-10-2018)

**Reversal of ID Theft  
Tracking Indicator TC  
972 AC 522**

- (1) APS receives a Form 4844 or Form 3177 from the ATE requesting reversal of the ID theft indicator via a TC 972 AC 522.
- (2) APS uses the Command Codes (CC) and process below to input TC 972 and AC 522 on the taxpayer's account:
  - Enter CC: ENMOD (SSN), then press Enter
  - Enter CC: REQ77
  - CC: FRM77 is displayed for the selected SSN
- (3) Complete the following fields on the CC: FRM77 screen.

**CC: FRM77 TC 972 AC 522 Field Entries to Reverse the ID Theft Indicator**

FIELD	ENTER
TC	972
TC 972 / AC 522	522
TRANS-DT	Enter the transaction date of the TC 971 AC 522 being reversed
SECONDARY-DT	Enter the tax year of the TC 971 AC 522 being reversed in the MM-DD-YYYY format
MISC	Form 4844 or Form 3177 will show a Reason Code which reflects the reason for the reversal: <ul style="list-style-type: none"> <li>• FALSE</li> <li>• IRSADM</li> <li>• IRSERR</li> <li>• NOIDT</li> <li>• NORPLY</li> <li>• OTHER</li> <li>• TPRQ</li> </ul>
REMARKS	Identity Theft Reversed

8.20.6.25.3  
(09-10-2018)  
**ID Theft Interim  
Adjustment**

- (1) Docketed ID Theft cases generally require account adjustments to be completed as an interim adjustment and not at closing.
  - a. The ATE prepares the documents to request an interim adjustment and forwards them to their ATM for approval via secure e-mail with the subject line "Interim Adjustment-ID Theft." If Counsel submits the request to APS, go to c).
  - b. The ATM notes the interim adjustment is approved and forwards the secure e-mail with attachments to \*AP-COS-APS-EAST-HOL ACDS Update.
  - c. APS notifies the ATE/Counsel when the interim adjustment has been processed and identifies the 23C date(s) for the transaction(s).
  - d. APS documents their action(s) in the PEAS Case Activity Record.
  - e. APS uses PEAS Suspense as appropriate.
  - f. APS monitors the adjustment(s) until fully posted, then closes the interim action case on PEAS.

**Note:** If the ID Theft Interim Adjustment is initiated by Counsel, the ATM approval steps a) and b) above do not apply.

8.20.6.25.4  
(09-10-2018)  
**ID Theft Indicator  
Acronyms and  
Definitions**

- (1) The acronyms most commonly used by APS for processing ID Theft cases are provided below:
  - 1) BOD/Function AP = Appeals
  - 2) Program Name AP = Appeals
  - 3) Tax Administration Source IRSID and PNDCLM
- (2) Additional ID Theft processing guidance and the complete tables of ID Theft acronyms and definitions, are located in the source IRM 25.23.2, Identity Protection and Victim Assistance - General Case Processing references listed below:
  - Exhibit IRM 25.23.2-1, Acronyms and Definitions
  - Exhibit IRM 25.23.2-2, IMF Only TC 971 AC 501 - Taxpayer Initiated Identity Theft Case Closure (Tax Related) - TC 971 AC 501
  - Exhibit IRM 25.23.2-3, IMF Only TC 972 AC 501 - Reversal of TC 971 AC 501
  - Exhibit IRM 25.23.2-10, IMF Only TC 971 AC 522 Tax-Related Identity Theft, Case Status (Initial Claim/Suspicion and Supporting Documents)
  - Exhibit IRM 25.23.2-11, IMF Only TC 972 AC 522 - Reversal of TC 971 AC 522
  - Exhibit IRM 25.23.2-17, IDTVA Work Matrix
- (3) Holtsville APS uses IDRS CC: IDT48/IDT58 to move erroneous refunds to the ID Theft "1545" Account. For additional information on the use and input of these CC's see: IRM 2.4.61, IDRS Terminal Input, Command Code IDT48/IDR58/RPM48/RPM58/CSO48/CSO58.

8.20.6.26  
(09-10-2018)  
**Innocent Spouse Interim  
Procedures**

- (1) There are multiple interim processing procedures for Innocent Spouse cases in Appeals:
  - Innocent Spouse Notice of Determination Procedures
  - Full Relief Allowed to Requesting Spouse
  - Partial Relief Allowed to Requesting Spouse
  - Relief Denied to Requesting Spouse

- Both Spouses Request Relief
- Innocent Spouse Short Statute Procedures
- Form 8857, Request for Innocent Spouse Relief, filed during the 90-Day or 150-Day Period

8.20.6.26.1  
(04-17-2024)

#### Innocent Spouse Notice of Determination Procedures

- (1) When issuing an innocent spouse notice of determination, APS uses procedures similar to those for issuing a notice of deficiency:
  - a. Check for ATM signatures on all letters
  - b. Verify the addresses for both taxpayers using ENMOD or INOLES. If different, check file for newest address
  - c. Check TIN's on all letters
  - d. Send the letter by certified mail if taxpayer lives within the United States
  - e. Send the letter by registered mail if taxpayer lives outside the United States
  - f. Date the letter which must match the date the letter is actually mailed
  - g. Send the appropriate copies of the letter and schedules to the representative, if applicable
  - h. Put a copy of the letter and schedules in the administrative file
  - i. Enter the taxpayer's name, mailing address as it appears on the envelope, and the mailing date in the mailing record

**Reminder:** APS mails Letter 3289 Final Appeals Notice - to Non-Requesting Spouse to the NRS by regular mail on the same date the determination letter is sent by certified mail to the RS.

- (2) Update the Innocent Spouse Tracking System (ISTS):
  - a. Update the ISTS to stage 16, Appeals determination issued, using the date the letter was mailed as the stage date and input the required ADP Code, IRC Code Section, and Reason Code information provided by the ATE on the Customized Form 5402.
  - b. See IRM 25.15.14 Innocent Spouse Tracking System for addition information.
- (3) Update the following fields on ACDS on both the RS and Joint records:
  - **SNTYPE = 090A**
  - **SNDATE** = date letter is mailed. The letter **MUST** be mailed on the date on the letter
  - On the return level screen, **SND = Y**
- (4) Suspend the administrative file until the RS petitions or default the case at the end of the 90 + 30 day suspense period. The 120 day suspense period is comprised of the 90 days the RS has to petition plus an additional 30 days to allow sufficient time for Appeals to receive notification of the filing of a Tax Court petition. Use the ACDS "**Target Date**" Calculator from the Utilities Menu to compute the default date. See Exhibit 8.20.6-1, Calculating the Default Date for additional information.

**Note:** The RS has 90 days to petition. There is no provision for extra days to file a petition if the RS lives outside the United States.

8.20.6.26.2  
(09-10-2018)

**Full Relief Allowed to Requesting Spouse (RS)**

- (1) When a determination is made that the requesting spouse will receive full relief from a determined joint liability under the provisions of IRC 6015, and the NRS was notified and given an opportunity to participate in the administrative proceedings, do not issue a notice of deficiency to the requesting spouse.
- (2) See the table below for the letters issued, who prepares each letter, and instructions as to the mailing requirements:

Letter and Title	Sent To:	Prepared By:	Mailing Requirements:
Letter 894, Notice of Deficiency	Non-Requesting Spouse	Tax Computation Specialist	Must be sent in a <b>separate envelope</b> but on the <b>same day</b> as Letter 3288 and Letter 3289
Letter 3288, Final Appeals Determination - to Requesting Spouse	Requesting Spouse	Appeals Officer	Must be sent in a <b>separate envelope</b> but on the <b>same day</b> as Letter 894 and Letter 3289
Letter 3289, Final Appeals Determination - to Non-Requesting Spouse	Non-Requesting Spouse	Appeals Officer	Must be sent in a <b>separate envelope</b> but on the <b>same day</b> as Letter 894 and Letter 3288

- (3) APS mails the following letters:

***Requesting Spouse (RS) and Non-requesting Spouse (NRS) Letters When Full Relief Allowed***

Requesting Spouse (RS) Letters	Non-requesting Spouse (NRS) Letters
1. Letter 3288, Final Appeals Determination - to Requesting Spouse  <b>Note:</b> Do not issue a notice of deficiency to the RS nor send a copy of the NRS's notice of deficiency to the RS.	1. Letter 894, Notice of Deficiency 2. Letter 3289, Final Appeals Notice - to Non-Requesting Spouse

8.20.6.26.3  
(09-10-2018)

**Partial Relief Allowed to Requesting Spouse (RS)**

- (1) When a determination is made that the requesting spouse will receive partial relief from the deficiency and both spouses had the opportunity to participate in the administrative proceedings, the notice of deficiency to the NRS and the RS will show the full amount of the deficiency.
- (2) The TCS prepares the statutory notice of deficiency, including Letter 894. The ATE prepares Letter 3288 and Letter 3289. The Letter 894, Notice of Deficiency will be sent to the taxpayers on the same date as the Letter 3288 and Letter 3289.
- (3) The ATE prepares and APS sends Letter 3288, Final Appeals Determination - to Requesting Spouse, to the RS by certified mail with Tax Court rights. The final determination letter (Letter 3288) and notice of deficiency will be mailed on the same date, but in **separate envelopes**.
- (4) The following letters must be prepared and issued:

***Requesting Spouse (RS) and Non-requesting Spouse (NRS) Letters When Partial Relief Allowed to Requesting Spouse***

Requesting Spouse Letters	Non-Requesting Spouse Letters
1. Letter 894, Notice of Deficiency 2. Letter 3288, Final Appeals Determination - to Requesting Spouse	1. Letter 894, Notice of Deficiency 2. Letter 3289, Final Appeals Notice - to Non-requesting Spouse

**Note:** Only one Letter 894 is prepared for the joint notice of deficiency (unless duplicate originals are needed due to name changes, different addresses, etc.)

8.20.6.26.4  
(09-10-2018)

**Relief Denied to Requesting Spouse**

- (1) When a determination is made that the requesting spouse will not receive relief from the deficiency (i.e., both spouses are liable for the entire deficiency), the Letter 894, Notice of Deficiency to both the NRS and the RS is required.
- (2) The TCS prepares the Letter 894, *Notice of Deficiency*. The ATE prepares Letter 3288 and Letter 3289. The notice of deficiency must be sent to the taxpayers at the same time as the Letter 3288 and Letter 3289, but **in separate envelopes**. See IRM 25.15.12, Notice of Determination Under IRC 6015, for additional information.
- (3) The ATE prepares and APS sends Letter 3289, Final Appeals Notice - to Non-requesting Spouse, to the NRS by regular mail. The Letter 3289 and Letter 894 must be sent on the same date, but **in separate envelopes**.
- (4) The ATE prepares and APS sends Letter 3288, Final Appeals Determination - to Requesting Spouse, to the RS by certified mail with Tax Court rights. The Letter 3288 and Letter 894 must be mailed on the same date, but **in separate envelopes**.
- (5) The following letters must be prepared and issued:

***Requesting Spouse (RS) and Non-requesting Spouse (NRS) Letters When Relief is Denied to Requesting Spouse***

Requesting Spouse Letters	Non-requesting Spouse Letters
1. Letter 894, Notice of Deficiency 2. Letter 3288, Final Appeals Determination - to Requesting Spouse	1. Letter 894, Notice of Deficiency 2. Letter 3289, Final Appeals Notice - to Non-requesting Spouse

**Note:** Only one Letter 894 is prepared for the joint notice of deficiency (unless duplicate originals are needed due to name changes or different addresses.)

8.20.6.26.5  
(09-10-2018)

**Both Spouses Request Relief**

- (1) If both spouses request relief and had the opportunity to participate in the administrative proceedings the statutory notice of deficiency is prepared and issued using the following procedures.
- (2) The TCS prepares the Letter 894 and the ATE prepares Letter 3288, Final Appeals Determination - to Requesting Spouse.



- (3) APS sends Letter 3288, Final Appeals Determination - to Requesting Spouse, with Tax Court rights, to each RS by certified mail. The Letter 3288 and Letter 894 must be sent on the same date, but **in separate envelopes**.
- (4) The following letters must be prepared and issued:

***Requesting Spouse (RS) and Non-requesting Spouse (NRS) Letters When Both Spouses Request Relief***

Requesting Spouse Letters	Other Requesting Spouse Letters
1. Letter 894, Notice of Deficiency 2. Letter 3288, Final Appeals Determination - to Requesting Spouse	1. Letter 894, Notice of Deficiency 2. Letter 3288, Final Appeals Determination - to Requesting Spouse

**Note:** Only one Letter 894, Notice of Deficiency is prepared for the joint notice of deficiency (unless duplicate originals are needed due to name changes, different addresses, etc.)

8.20.6.26.6  
(09-10-2018)  
**Innocent Spouse Short Statute Procedures**

- (1) If the ASER is about to expire before consideration of the innocent spouse issue can be completed and one or both of the spouses will not extend the statute, the notice of deficiency to the NRS and the RS will show the full amount of the deficiency.
- (2) The ATE will request a new WUNO for the innocent spouse case and retain copies of all pertinent documents from the notice of deficiency (income) file. Cross reference the income WUNO and add a cross-reference on the income case to the innocent spouse WUNO. The ATE will continue consideration of the innocent spouse issue while the notice of deficiency is pending.
- (3) APS is responsible for “suspending” the notice of deficiency during the suspense period and if a petition to the U.S. Tax Court was filed, APS will use the table below to identify ACDS update and processing actions:

***If-Then Table for APS Actions When a Tax Court Petition is Filed on an Innocent Spouse Notice of Deficiency***

If...	Then...
A joint petition is filed by both spouses	1. Update ACDS with the docket number and forward the file to Counsel for the timely filing of an “Answer” to the petition. 2. Use Closing Code 42 to move the case from Part 1 to Part 2. 3. Flag the file for return to Appeals for consideration of the innocent spouse issue. 4. After assessment, the innocent spouse request will be processed following post-assessment procedures.

If...	Then...
Each spouse files a separate petition	<ol style="list-style-type: none"> <li>1. Update ACDS to control two workunit numbers, each with its own separate docket number and a cross-reference to the other, and follow existing procedures to expeditiously process the file to Counsel for the timely filing of an "Answer" to the petition.</li> <li>2. Use Closing Code 42 to move the case from Part 1 to Part 2.</li> <li>3. Flag the file for return to Appeals for consideration of the innocent spouse issue.</li> <li>4. After assessment, the innocent spouse request will be processed following post-assessment procedures.</li> </ol>
Only the requesting spouse files a petition	<ol style="list-style-type: none"> <li>1. Make a default assessment on the non-requesting (non-petitioning) spouses' MFT 31 account and include copies of the assessment paperwork in the case file.</li> <li>2. Update ACDS with the docket number and follow existing procedures to expeditiously process the file to Counsel for the timely filing of an "Answer" to the petition.</li> <li>3. Use Closing Code 42 to move the case from Part 1 to Part 2.</li> <li>4. Flag the file for return to Appeals for consideration of the innocent spouse issue.</li> <li>5. After assessment, the innocent spouse request will be processed following post-assessment procedures.</li> </ol>
Only the non-requesting spouse files a petition	<ol style="list-style-type: none"> <li>1. Make a default assessment on the non-requesting (non-petitioning) spouses' MFT 31 account and include copies of the assessment paperwork in the case file.</li> <li>2. Update ACDS with the docket number and follow existing procedures to expeditiously process the file to Counsel for the timely filing of an "Answer" to the petition.</li> <li>3. Use Closing Code 42 to move the case from Part 1 to Part 2.</li> <li>4. Flag the file for return to Appeals for consideration of the innocent spouse issue.</li> <li>5. After assessment, the innocent spouse request will be processed following post-assessment procedures.</li> </ol>
No petition is filed (when the full suspense time frame has elapsed)	<ol style="list-style-type: none"> <li>1. Make the default joint assessment on MFT 30.  <b>Note:</b> Follow normal procedures to assess the joint account by default. Notify the ATE with the innocent spouse case that the assessment was made so the ATE can update the statute date/code on the case.</li> <li>2. After assessment, the innocent spouse request will be processed following post-assessment procedures.</li> </ol>

8.20.6.26.7  
(09-10-2018)  
**Form 8857 Filed During  
the 90-Day or 150-Day  
Period**

- (1) In cases where Appeals issued the notice of deficiency for a joint return, and during the 90/150-day period a spouse mails a Form 8857, Request for Innocent Spouse Relief to Appeals requesting Relief from Joint and Several Liability, APS will pull the case from suspense and return it to the Assigned ATE.
- (2) The ATE will take appropriate action(s) and return the administrative file to APS for continued suspense.

**Note:** APS monitors the case while it is in the hands of the ATE, either by using LACTION and LTODATE or PEAS.

- (3) If no petition is filed by either taxpayer in response to the notice of deficiency, APS will:
- Assess the deficiency reflected on the notice
  - Close the case on ACDS and AIMS, if it is controlled on AIMS
  - Recharge the administrative file and forward it and the Form 8857 to Cincinnati Centralized Innocent Spouse Operation (CCISO) for consideration of the relief issue

**Note:** The RS and/or NRS have appeal rights depending on CCISO's determination.

- (4) If a petition is filed in response to the notice of deficiency, APS will:
- Close the case to Counsel for trial preparation with closing code 43 on ACDS
  - Send a copy of the Form 8857 to CCISO for consideration of the relief issue, and provide CCISO with the name and address of the Counsel attorney, if known, or the Counsel office, if the name of the attorney is not known
  - Retain a copy of the transmittal in the administrative file for Counsel's information
  - Forward the administrative file to Counsel for Answer/Trial Preparation

8.20.6.26.8  
(04-17-2024)  
**Innocent Spouse Online  
References**

- (1) For additional online resources see:
- Innocent Spouse Web Page*
  - IRM 25.15.7, Innocent Spouse Shared Processing Responsibilities
  - IRM 25.15.12, Relief from Joint and Several Liability, Appeals Procedures
  - IRM 25.15.14, Validating the Inventory Validation Listing (IVL) - Appeals

8.20.6.27  
(09-10-2018)  
**Installment Agreement  
(IA) Collection Related  
Interim Actions**

- (1) **Installment Agreement** - APS inputs a TC 971 AC 043 upon receiving a written request from the ATE to reflect that a "processable" request for an Installment Agreement has been received.
- (2) **Command Code STAUP** - APS inputs a CC: STAUP 22-XX (XX = number of cycles) when requested by the ATE. See IRM 2.4.28, IDRS Terminal Input, Command Codes STAUP, STATI, and STATB for additional information.
- (3) See IRM 8.20.7, Installment Agreement (IA) for additional information.

8.20.6.28  
(09-10-2018)  
**IRC 7436 Notice of  
Determination of Worker  
Classification Issuance**

- (1) When issuing the IRC 7436 Notice of Determination of Worker Classification, follow the same steps used to issue a statutory notice of deficiency letter:
- Verify the address using ENMOD or INOLES
  - Send the letter Certified Mail if the taxpayer lives within the U.S. Send the letter Registered Mail if the taxpayer lives outside the U.S.
  - Send the appropriate copies of the letter and schedules to the representative, as applicable

- d. Place a copy of the letter and schedules in the administrative file
- e. Update ACDS and suspend the administrative file until the taxpayer petitions, or until the suspense period concludes without the taxpayer filing a petition
- f. Enter the taxpayer's name, mailing address as it appears on the envelope, and the mailing date in the mailing record

- (2) See IRM 8.7.16, Explanation of IRC 7436 Notices of Determination of Worker Classification for additional information.

8.20.6.29  
(09-10-2018)

**Offer In Compromise  
(OIC) Interim Actions**

- (1) OIC Interim Actions are requested for one of three reasons:
  - Creation of a new WUNO when an OIC is related to an existing CDP or EH WUNO
  - Creation of a new WUNO when an OIC is related to an existing Non-CDP Offer
  - Counsel review of Accepted OIC's  $\geq$  \$50,000.00

8.20.6.29.1  
(09-10-2018)

**Offer In Compromise  
(OIC) Received After the  
Related CDP or EH Case**

- (1) If an OIC is received **after** the CDP/EH case has been carded-in, the ATE must submit a request to APS requesting a "New WUNO for the OIC".
- (2) The ATE's request to create an OIC WUNO package will include the following:
  - a. A copy of the related CDP/EH case summary card noted at the top to "Please Create OIC Workunit"
  - b. Feature Code = DP
  - c. Cross-reference WUNO for the related CDP/EH case in the NOTE field
  - d. Offer Amount = NNN (provide the dollar amount of the OIC for APS to enter in the WUpropdOfrAmt ACDS field)
- (3) APS will enter the following information on ACDS as provided on the Form 656:
  - Taxpayer Name
  - Taxpayer Address
  - MFT
  - Tax Periods
  - Offer Amount
  - Offer Number
  - Received Date of Offer
- (4) Upon completion of the ATE's request, APS will return the completed ACDS Update Request to the ATE via secure email.
- (5) See IRM 8.20.5, CDP/EH Offer In Compromise (OIC) Case Carding for related information.

8.20.6.29.2  
(02-22-2022)  
**Automated Offer in  
Compromise (AOIC)  
Generated Form 7249**

- (1) When ready to proceed with offer acceptance, the Appeals Technical Employee (ATE) will submit a request to APS for an AOIC generated Form 7249 on APS Action Request Form, re-titled "Request for AOIC Form 7249". APS will generate the AOIC Form 7249 according to the following procedures:

***Step Chart for Generating AOIC Form 7249***

Step Number	Action
1.	The Tax Examiner who is assigned the "Request for AOIC Form 7249" will access AOIC and locate subject offer from <b>Query</b> screen.
2.	Under <b>MFT</b> tab, TE will: <ul style="list-style-type: none"> <li>• Delete, update, and/or add tax period(s) to match periods listed on request form and attached transcripts.</li> <li>• Select "Update Accrued Date", <b>Submit</b> with present date.</li> <li>• Select "Request Interest", <b>Submit</b> with present date.</li> </ul>
3.	If applicable, under <b>Entities</b> tab, using Update Offer Entity, TE will update name and address tab from information on request form.
4.	Under <b>Offer</b> tab, TE will complete fields in "Update Offer" screen from information on the request form.
5.	If a CDP-ETA or CDP-DATL is listed on the request form, TE will temporarily change "Offer Type" from "Collection Due Process" to: <ul style="list-style-type: none"> <li>• "Alternative Basis" or "A", if ETA, or</li> <li>• "Liability" or "L" if DATL, and</li> <li>• Select <b>Submit</b></li> </ul>

Step Number	Action
6.	<p>Under Terms tab, TE will:</p> <ul style="list-style-type: none"> <li>• Select “Update terms”, then</li> <li>• Select “Cash” or “Deferred” from drop-down menu, then</li> <li>• Select “Update Accepted Terms” button</li> <li>• Select <b>Submit</b></li> <li>• At “Update Accepted Terms” screen, verify/select Terms Type from drop-down menu, and select <b>Submit</b>.</li> <li>• Complete the fields according to the terms listed on the Form 656, 656-L, or 14640 that is attached to the request form.</li> </ul> <p><b>Note:</b> For TFRP DATLs, all CDP DATLs, and terms on Forms 656, 656-L, or 14640 that do not fit AOIC terms templates, TE will select “UC – Unique Circumstances” and complete the field according to the form attached to the request.</p> <ul style="list-style-type: none"> <li>• Input Collateral Agreement terms with form number and title, if listed on request form.</li> </ul>
7.	Under <b>Master File</b> tab, TE will select “Refresh Master File Data” and select <b>Submit</b> .
8.	<p>Under <b>Form 7249</b> tab, TE will:</p> <ul style="list-style-type: none"> <li>• Select “Compose” and complete fields from information on the request form.</li> <li>• Select ATE and approving official’s name from the pull-down menus per information in the request form.</li> <li>• Select “Reason for Acceptance” from information on the request form.</li> <li>• Select Submit.</li> </ul>
9.	<p>To generate the Form 7249, TE will:</p> <ul style="list-style-type: none"> <li>• Select View,</li> <li>• Open the PDF and save it in a local folder on TE’s computer, then</li> <li>• Attach the AOIC 7249 saved in the local folder to a secure email and send to requesting ATE.</li> </ul>
10.	TE will select Clear Previous Form 7249s, which will clear the print queue.
11.	If TE changed Offer Type in Step 5, TE will change Offer Type back to Collection Due Process under Offer tab, Update Offer.

- (2) For any request that does not have complete information to generate an AOIC Form 7249, APS will request the necessary information in a secure email to



the ATE with a five (5) business day response date. If APS does not receive the necessary information by the five (5) business day response date, APS will return the request to the ATE.

8.20.6.29.3  
(04-17-2024)  
**Counsel Review of  
Accepted OIC -  
DCOTHER**

- (1) Offers in Compromise (OIC) on liabilities of \$50,000 or more, are subject to Counsel's review. When the ATM signs and dates the Form 7249, Offer Acceptance Report, indicating preliminary approval of the OIC, the following procedures must be followed to ensure ACDS accurately reflects the location and status of the case:

***OIC for Liability > \$50,000 To Counsel for Review***

If.....	Then.....
ATM forwards the case to Counsel via Form 3210 or E3210 <b>without</b> routing the case thru APS	ATM will: <ul style="list-style-type: none"> <li>• Prepare an ACDS Update Request and submit it to their servicing APS Team via secure email</li> <li>• ACTION = DCOTHER</li> <li>• TODATE = date sent to Counsel</li> </ul> APS will: <ul style="list-style-type: none"> <li>• Update the ACDS as requested</li> <li>• Notify the requester that ACDS Update is completed</li> </ul>
ATM forwards the case to APS to send to Counsel.	APS will: <ul style="list-style-type: none"> <li>• Prepare Form 3210 or E3210 for transmission of the case to Counsel</li> <li>• Update ACDS ACTION = DCOTHER TODATE = date case sent to Counsel</li> <li>• Perform timely Form 3210 or E3210 follow-up</li> </ul>

- (2) On a monthly basis, APS management, or its designated employees will run the DCOTHER follow-up list to determine if Counsel has returned the OIC case.
- (3) When the OIC case is returned by Counsel, the following procedures must be followed to ensure ACDS accurately reflects the location and status of the case:

***OIC Returned to Appeals From Counsel - Review Complete***

If.....	Then.....
Counsel returns the reviewed case directly back to ATE/ATM	ATE/ATM will: <ul style="list-style-type: none"> <li>• Prepare an ACDS Update Request and submit it to their servicing APS Team via secure email</li> <li>• FROMDATE = date Appeals received case from Counsel</li> </ul> APS will: <ul style="list-style-type: none"> <li>• Update ACDS to close the DCOTHER action with the FROMDATE provided</li> <li>• Notify the requester that ACDS Update is completed</li> </ul>

If.....	Then.....
Counsel returns the reviewed case to APS	<p>APS will:</p> <ul style="list-style-type: none"> <li>• Receipt and return Form 3210 or E3210</li> <li>• Update ACDS FROMDATE = date Appeals received case from Counsel</li> <li>• Forward case to ATM using a Form 3210 or an E3210 for their action</li> </ul>

8.20.6.30  
(09-10-2018)

**Personal Holding  
Company (PHC) Tax  
Alleviated by Deficiency  
Dividend**

- (1) Upon receipt of the PHC case for issuance of the Notice of Determination, APS will use certified mail procedures to send the following items:
  - Form 2198, Determination of Liability for Personal Holding Company Tax
  - Form 976, Claim for Deficiency Dividends Deductions by a Personal Holding Company, Regulated Investment Company, or Real Estate Investment Trust
  - Cover letter prepared by the ATE
- (2) APS will also:
  - Notify the ATE of the date Form 2198 is mailed.
  - Place the case in suspense during the 90 + 30 = 120 days - suspense action is taken by APS or the ATE as per ATE request.
  - Prepare Form 5403, Appeals Closing Record, in accordance with Compliance function's claim verification and the Form 5403 Instruction Worksheet to close the case to the Campus upon conclusion of the suspense.

8.20.6.31  
(09-10-2018)

**Team Leader/Team  
Member (TL/TM) Cases**

- (1) APS will follow the procedures below when creating a team leader and team member case on ACDS.
- (2) The APS office that originates the WUNO controls the WUNO as a key case with an AO in the originating office designated as the team leader. All other supporting Appeals offices which have team members (including those in the same office as the team leader) control the WUNO as a team member reference WUNO.
- (3) The key case is referred to as the team leader case.

8.20.6.31.1  
(09-10-2018)

**Team Leader Case  
Update Actions**

- (1) APS will add FEATRCD "TL" to the original WUNO.

8.20.6.31.2  
(09-10-2018)

**Team Member Case  
Carding Actions**

- (1) After the original WUNO is updated with FEATRCD "TL", APS will select "Input one TM on case for this TL Case".
  - a. AOC - use the drop down menu to choose the "Current Area AOC", this is the Area AOC where the team member is located.
  - b. TIN - enter a separate modifier (A through J) at the end of the TIN for each team member.
  - c. TYPE - enter "REF" to identify this as a team member case.

- d. FEATRCOD - enter "TM" to identify this as a team member case.
- e. KEYCASE - enter the information from the team leader case.
- f. Return Information - do NOT enter any return level information for the TM REF ACDS record.

8.20.6.32  
(04-17-2024)

**TEFRA Interim  
Processing Procedures**

- (1) The following sections provide instructions regarding TEFRA interim actions:

- Assessment of TEFRA Partnership Issues
- Appeals Office Mails Agreement Forms
- Receiving/Accepting Agreement Forms
- TEFRA Issues Resolved Before Non-TEFRA Issues
- Non-TEFRA Entities and PCS
- User Special Message Field
- Non-Docketed TEFRA Case - Closed Unagreed and Final Partnership Administrative Adjustment (FPAA) Issued
- Petitions to the Tax Court (USTC)
- Notifying the Campus TEFRA Function (CTF)
- TEFRA Interim Processing Steps - Multiple Petitions Filed on an "Appeals-Issued" FPAA
- Petitions to the U.S. Court of Federal Claims or a U. S. District Court
- Authorization to Send Administrative File
- Administrative File Routing for Closing Package Preparation
- FPAA Issued by APS TEFRA Team and an Action is Filed with the U.S. Court of Federal Claims or a U.S. District Court

**Note:** The *TEFRA Web Page* includes additional resources e.g., training modules, TEFRA and Non-TEFRA IRM references, TEFRA Contacts, and TEFRA-related Procedures and Alerts.

8.20.6.32.1  
(09-10-2018)

**Assessment of TEFRA  
Partnership Issues**

- (1) Appeals may receive a TEFRA investor closing package from the CTF consisting of documents showing the resolution of the TEFRA partnership issues (decision document, defaulted FPAA or settlement agreement form), a Form 4605A, Examination Changes - Partnerships, Fiduciaries, Small Business Corps. & Domestic Intl. Sales Corp. (Unagreed and Excepted Agreed) and a Form 886Z, TEFRA Partners' Shares of Income showing the corrected amount on all issues for the investor under Appeals jurisdiction.
- (2) If APS receives a TEFRA investor closing package from the CTF and the ACDS case record has a CODE = TFINV, APS will request a TSUMYI and update ACDS to reflect the one-year statute date and remove the TFINV code. APS will forward the TEFRA investor closing package and the updated case summary card, if appropriate, to the ATE or ATCL.
- (3) When penalties or other affected items are applicable and the investor does not agree, the ATE may request that APS issue a statutory notice of deficiency to the investor. APS will update the related non-key case summary card on ACDS to reflect the issuance of the SND. The case will remain a reference return at this time.

8.20.6.32.2  
(09-10-2018)

**Appeals Office Mails  
Agreement Forms**

- (1) After the settlement is approved by the Appeals Team Manager (ATM), the case (including the partner agreement forms and transmittal letters) are transmitted to APS.

- (2) APS mails the transmittal letter and two copies of the agreement form to each partner. Copies of the transmittal and agreements are included in the administrative file. The administrative file is returned to the ATE.

8.20.6.32.2.1  
(09-10-2018)

**Receiving/Accepting  
Agreement Forms**

- (1) At the discretion of the ATE, either their local APS, or the Laguna Niguel APS Team, ensures that the documents listed on the Form 3210 or E3210 are included in the agreement package.
- (2) Local APS, or the Laguna Niguel APS Team, mails the agreement form package to the key case CTF within 5 workdays after the forms are signed for the Commissioner, using the Form 3210 or E3210 prepared by the TCS.

8.20.6.32.2.2  
(04-17-2024)

**TEFRA Issues Resolved  
Before Non-TEFRA  
Issues**

- (1) If the TEFRA partnership key case is resolved, the Campus TEFRA Function (CTF) will process (including computing and assessing any tax) the partnership adjustments for the investors who are not Coordinated Industry Case (CIC), Large Corporate Compliance (LCC), Joint Committee, or other corporate specialty cases. The CTF will send a copy of the computations, Form 5344, Examination Closing Record, and Form 4549A, Income Tax Examination Changes (Unagreed and Excepted Agreed), to APS. APS will forward these documents to the ATE for association with the investor file.

8.20.6.32.2.3  
(09-10-2018)

**Non-TEFRA Entities and  
PCS**

- (1) Non-TEFRA entities may or may not have been linked on PCS by the examiner. The numbers of investors and/or their geographic locations are factors that are considered. If the case was linked on PCS, there will be a PICF code 2 on the AMDISA.
- (2) When the non-TEFRA key case is linked on PCS, the investor returns for SB/SE cases are sent to the key case CTF, which is responsible for protecting the statute on the investor cases. For investor cases already charged out to either SB/SE or LB&I, the examiner with control of the investor case has the statute responsibility. The CTF will also secure agreements, assess tax and send notices of deficiency when necessary.
- Centralized TEFRA Function (CTF) for SB/SE is Brookhaven
  - Centralized TEFRA Function (CTF) for LB&I is Ogden
- (3) To determine the applicable CTF for non-TEFRA entities that are linked on PCS, use the table below:

***Table for How to Determine the CTF for Non-TEFRA Entities with a PCS Linkage***

IDRS Research:	=	Then
CC: TSINQP CTF field	OSC	Ogden is the Key Case Campus
CC: TSINQP CTF field	BSC	Research CC: TXMODC for the Non-TEFRA Key Case (see next row)
CC: TXMODC shows	No Data	Ogden is the Key Case Campus
CC: TXMODC shows	Data returned (see next row)	Review the "Control Base and History Information" (see next row)
Control Base and History Information shows	"Assign To" IDRS number begins with 0179	Brookhaven is the Key Case Campus

IDRS Research:	=	Then
Control Base and History Information shows	"Assign To" column is blank	Ogden is the Key Case Campus

- (4) The PCS system places a PICF Code 6 on the AIMS record for the investor. The code alerts personnel to the existence of an ongoing examination of the key case return and prevents its premature closure.
- (5) If the non-TEFRA key case is not linked on PCS, the key case examiner is responsible for statute control for all of the investor returns. The CTF has no responsibility for any statute protection for any investor unless that investor is in the CTF because of another non-TEFRA linkage.

8.20.6.32.2.4  
(09-10-2018)  
**User Special Message Field**

- (1) The PCS provides a unique field to add an optional message to a linked record. Up to 20 characters, letters or numbers, can be used. The message may be used to identify, locate, or process an investor. This field is used to show the docket number, when applicable.

- User Special Messages may appear on CC: TSINQ

- (2) The following example illustrates how the Special User Message is used.

**Example:** "Sub of NN-NNNNNNN" (conveys that the taxpayer is a subsidiary of a parent company with the TIN = NN-NNNNNNN)

8.20.6.32.3  
(09-10-2018)  
**Non-Docketed TEFRA Case - Closed Unagreed and Final Partnership Administrative Adjustment (FPAA) Issued**

- (1) When a Non-Docketed TEFRA case cannot be settled, several additional steps must be taken by the ATE, ATM, Appeals TEFRA Team (ATT) ATM, and APS TEFRA Team prior to entering an ACAPDATE on the Non-Docketed TEFRA ACDS Record. The:
  - a. Field ATM notifies the ATT ATM that an FPAA will be issued on the Non-Docketed TEFRA case and each tax period requires a separate ACDS record and a separate FPAA
  - b. ATT ATM notifies the Laguna Niguel APS TEFRA Team to update the Non-Docketed TEFRA WUNO keeping the earliest (oldest) ax period, remove the other unagreed tax periods and create a new WUNO for each of the other unagreed tax periods in the current WUNO
  - c. APS TEFRA Team follows current IRM 8.20.5, TEFRA Key Case Carding to establish a new and separate WUNO for each unagreed tax period on which a separate FPAA will be issued.

**Example:** An unagreed Non-Docketed TEFRA WUNO includes three tax periods:

**Table Showing the ACDS Updates for Each Tax Period When an Unagreed TEFRA WUNO Must be Updated and a New WUNO Must be Created for Each Additional FPAA Tax Period**

Tax Periods in Non-Docketed TEFRA WUNO	APS TEFRA Team Updates ACDS	Once FPAA is Issued:
200912	Oldest tax period remains with original WUNO and all later tax periods are removed from this WUNO)	<ul style="list-style-type: none"> <li>• Field ATM Enters ACAPDATE</li> <li>• APS TEFRA Team Enters Closing Code 13</li> </ul>

Tax Periods in Non-Docketed TEFRA WUNO	APS TEFRA Team Updates ACDS	Once FPAA is Issued:
201012	Creates a new Non-Docketed TEFRA WUNO for this tax period	<ul style="list-style-type: none"> <li>Field ATM Enters ACAPDATE</li> <li>APS TEFRA Team Enters Closing Code 13</li> </ul>
201112	Creates a new Non-Docketed TEFRA WUNO for this tax period	<ul style="list-style-type: none"> <li>Field ATM Enters ACAPDATE</li> <li>APS TEFRA Team Enters Closing Code 13</li> </ul>

- d. APS TEFRA Team notifies the ATT ATM once all new WUNO's are created.
  - e. ATT ATM notifies the Field ATM to enter the ACAPDATE on the original unagreed TEFRA WUNO and also on each of the newly created TEFRA WUNO's. The ACDS Closing Code for both the original WUNO and the NEW WUNO's is "13"
  - f. ATT ATM will determine if the Centralized TEFRA Function (CTF) or Appeals will issue the FPAA
  - g. ATT ATE coordinates preparation of the FPAA package
  - h. APS updates both the Original and the NEW TEFRA ACDS WUNO's once the FPAA's are issued and suspenses the administrative file(s) for 150 days + 30 days = 180 days.
- (2) The AIMS control for each of the tax periods in FPAA suspense remain in a Non-Docketed AIMS Status until one of the following actions occurs:
- Agreement is received, or
  - FPAA Defaults, or
  - Tax Matters Partner (TMP) files a petition with the United States Tax Court.
- (3) On the date the TEFRA WUNO's are suspended due to the issuance of the FPAA, the APS TEFRA Team must ensure that each of the systems contain the correct information for each of the tax periods:
- ACDS - Each unagreed tax period has a separate WUNO with ACAPDATE, FPAA entries, and CC 13
  - AIMS - Each unagreed tax period is in AIMS Status 80 Non-Docketed
  - PCS - Each unagreed tax period is linked with correct information reflected in the PCS fields

8.20.6.32.4  
(09-10-2018)  
**Petitions to the United States Tax Court (USTC)**

- (1) A petition may be filed with the Tax Court, U.S. Court of Federal Claims or a U. S. District Court. The procedures in this section apply only to cases petitioned to the United States Tax Court (USTC). If a petition is filed with either the U.S. Court of Federal Claims or a U. S. District Court, see IRM 8.20.6.32.6.
- (2) When the TMP files a petition it is uploaded to the Electronic Docket Listing. The APS DIMS team notifies the Laguna APS team to retrieve the key case administrative file, check the petition for accuracy, update ACDS and AIMS as described below and forward the case file to Counsel for answer.



- (3) Since a separate FPAA was issued for each tax period Laguna APS only updates the specific ACDS and AIMS record for the tax period(s) petitioned. For each petitioned tax period, Laguna APS updates the ACDS case level information as follows:
- Docket number
  - Counsel office
  - Attorney
  - Closing code 43
  - Date Closed for trial preparation to Counsel
  - TODATE is the date the case forwarded to Counsel

**Note:** When Closing Code 43 is input:

- ✓ ACDS Action field DCJUR automatically populates
- ✓ STATDATE field is blank
- ✓ Statute CODE DOCKT automatically populates

- (4) APS uses CC:AMSTUB to update the AIMS Status for each tax period to "82."
- (5) When multiple petitions have been filed, see IRM 8.20.6.32.5, TEFRA Interim Processing Steps - Multiple Petitions Filed.

8.20.6.32.4.1  
(04-17-2024)

**Notifying the Campus  
TEFRA Function (CTF)**

- (1) Notify the key case Campus TEFRA Function (CTF) that the TEFRA key case is docketed.

**Note:** Instructions for determining which CTF is the key case CTF may be found on the *TEFRA Web Page*, and in IRM 8.20.6.32.2.3 (3) table above.

- (2) Request the CTF notate the docket number on the key case administrative file and document the file with the following statement: **"Docketed Case - Do not execute agreement forms without first contacting the Appeals Technical Employee."**
- (3) Request that CTF add the docket number to the PCS database.
- (4) Always use secure email when electronically transmitting PII.

8.20.6.32.5  
(09-10-2018)

**TEFRA Interim  
Processing Steps -  
Multiple Petitions Filed  
on an "Appeals-Issued"  
FPAA**

- (1) When the Tax Matters Partner (TMP) files a separate petition for each tax period in a multi-period WUNO, the APS TEFRA Team must notify Counsel when multiple petitions are filed for the same TEFRA taxpayer to ensure the related docketed cases are assigned appropriately within Counsel. Request Counsel identify the controlling docket number.
- (2) Attach the email to Counsel with Counsel's response to the controlling WUNO.
- (3) Since each TEFRA tax period has its own WUNO, (created at the time the FPAA(s) were issued) each WUNO will have its own Docket Number. Identify the controlling docket number on each related petitioned WUNO in the Note field.
- (4) Laguna APS must also request that CTF add the applicable docket number to each PCS record.
- (5) When Appeals is notified of the controlling docket number, all other related docket numbers will be dismissed. Upon receipt of the TLCATS Transmittal with dismissal information, APS updates ACDS as follows:

- **ACTION CODE:** "ORDENT"
- **TODATE:** The order entered date as indicated on the TLCATS transmittal

(6) When copies of the dismissals are received, APS closes the dismissed docketed cases on ACDS as follows:

- a. **CLOSING CODE = 11** if dismissed, Appeals-issued FPAA
- b. **CLOSING DATE** = date closed
- c. **ACTION CODE** = ACKCLS
- d. **TODATE AND FROMDATE** = date closed
- e. **NOTE:** "Dismissed-multiple petitions filed, controlling DKT#XXXX-XX"

(7) Place copies of the dismissals in the TEFRA partnership administrative file.

8.20.6.32.6  
(09-10-2018)

**Petitions to the U.S.  
Court of Federal Claims  
or a U. S. District Court**

- (1) Under the unified proceedings, the TMP may file a petition directly with either the U.S. Court of Federal Claims or a U. S. District Court and gain direct access to that court and the Department of Justice (DOJ) acquires jurisdiction of the case. **Appeals neither retains, nor re-acquires jurisdiction of a case for which a petition is filed in one of these courts.**
- (2) If the TMP does not file a petition, any notice partner or 5-percent group may file a petition with any of the courts within 60 days after the expiration of the FPAA 120 day period. The additional 60 days results in a total number of 180 days for FPAA Suspense.
- (3) The ATT ATM will provide the Laguna APS Team with instructions for updating, closing, and transmitting the administrative file when multiple petitions are filed with the USTC, or with a court under DOJ jurisdiction. See:
  - IRM 8.20.6.32.6.1, Authorization to Send Administrative File
  - IRM 8.20.6.32.6.2, Administrative File Routing for Closing Package Preparation

8.20.6.32.6.1  
(09-10-2018)

**Authorization to Send  
Administrative File**

- (1) Petitions to the U.S. Court of Federal Claims or a U. S. District Court may be listed on the Electronic Docket List (EDL).
- (2) If the case is not listed on the EDL, a copy of the first page of the petition will be accepted by APS as authorization to close these case from ACDS.

8.20.6.32.6.2  
(09-10-2018)

**Administrative File  
Routing for Closing  
Package Preparation**

- (1) If a valid petition is filed with the U.S. Court of Federal Claims or with a U. S. District Court, APS will forward the administrative file to the Appeals TEFRA Team (ATT) ATE.
- (2) The ATT ATE will prepare a closing package and electronically transmit it to the CTF.
- (3) After the ATT has prepared and transmitted the closing package the administrative file will be returned to APS for suspense.
- (4) APS will monitor AIMS for release of the "H" freeze. When the "H" has been removed by CTF, APS will follow procedures in IRM 8.20.6.32.6.3 below to close the case out of Appeals jurisdiction.

8.20.6.32.6.3  
(09-10-2018)

**FPAA Issued by APS  
TEFRA Team and an  
Action is Filed with the  
U.S. Court of Federal  
Claims or a U.S. District  
Court**

- (1) When an FPAA was issued by the APS TEFRA Team and an action is filed with one of these courts, the Appeals TEFRA Team (ATT) provides APS with closing instructions. The APS TEFRA Team closes ACDS and AIMS and “re-charges” the administrative case file to Associate Area Counsel for release to the Department of Justice (DOJ) using the procedures in this sub section.
- (2) The APS TEFRA Team takes the following actions:

Laguna APS TEFRA Team Actions	Entries and Details:
Update and close ACDS	<ul style="list-style-type: none"> <li>Closing Code 18 <i>Closed to Department of Justice - TP filed suit in Federal Court of Claims</i></li> <li>Closing Code 19 <i>Closed to Department of Justice - TP filed suit in U.S. District Court or Bankruptcy Court</i></li> </ul>
Input CC: AMCLSA <ul style="list-style-type: none"> <li>Close AIMS Controls to Status 90</li> <li>PCS is updated by CTF</li> </ul>	<ul style="list-style-type: none"> <li>Item 08 - leave blank</li> <li>Item 12 - TC 300 \$ 0.00</li> <li>Item 13 - DC 12</li> <li>Item 14 - leave blank</li> <li>Item 15 - leave blank</li> <li>Appeals Entries - match ACDS</li> </ul>
Re-charge the administrative file to Counsel	<ul style="list-style-type: none"> <li>Prepare Form 2275 and attach it to the face of each return.</li> <li>Use CC: ESTAB to re-charge the administrative file to Counsel.</li> <li>Use a Form 3210 or an E3210 to transmit the administrative file and monitor for the signed return receipt verification.</li> </ul>
Prepare a “Re-Charge and Source Document (SD) Package” for transmission to the appropriate Campus Files Function	Re-Charge and SD Package includes: <ol style="list-style-type: none"> <li>Copy of the Form 2275 affixed to the top of the SD package</li> <li>Copy of the front page of each return</li> <li>Copy of the adjustment document used for CC: AMCLSA input</li> </ol> <ul style="list-style-type: none"> <li>Transmit the SD package to Campus Files for association with the Form 5147</li> <li>Document PEAS CAR with actions taken</li> <li>Use PEAS Suspense to monitor IDRS until all TC’s post</li> <li>Close the PEAS Record</li> </ul>

8.20.6.33  
(04-17-2024)  
**APS Reports**

- (1) APS Reports purposes are to:
- Ensure Database Accuracy
  - Prevent Barred Statutes
  - Strengthen Appeals Inventory Control

## 8.20 Account and Processing Support (APS)

- (2) APS management, or its designated employees, are responsible for managing a variety of ACDS and AIMS Reports for Appeals cases controlled by the following APS Areas:
- APS East
  - APS West
- (3) APS management, or its designated employees, generate, analyze, research, and manage the following AIMS and ACDS Reports:

Report Title	Run Frequency	Follow-up Date	Follow-up Action
ANSWER	Monthly	60 days from Run date	Follows up with appropriate Counsel Office on aged case(s)
APPEALED	Quarterly	90 days from Run date	Follows up with appropriate Counsel Attorney on aged case(s)
DCJUR	Monthly	60 days from Run date	Follows up with appropriate Counsel Attorney on aged case(s)
DCOTHER	Monthly	60 days from Run date	Follows up with appropriate Counsel Attorney and APS PTM on aged case(s)
DECENT/ORDENT	Monthly	15 days from Run date	Follows up with appropriate Counsel Attorney and APS PTM on aged case(s)
PREPSTIP	Monthly	60 days from Run date	Follows up with appropriate Counsel Attorney and the ATE on aged case(s)
STIPFF	Monthly	60 days from Run date	Follows up with appropriate Counsel Attorney on aged case(s)
Status 81	Monthly	90 days from Run date	Contact the Compliance Function who transferred AIMS to Appeals status and also contact the appropriate PTM for resolution and verification of case location
STATUTE	Bi-Weekly (twice per month)	30 days from Run date	Alert to APS Area TA for ASERD's expiring within 30 days

Report Title	Run Frequency	Follow-up Date	Follow-up Action
ON AIMS NOT ON ACDS	Monthly	Not Applicable because this report will include all cases meeting search criteria.	Contact the PTM to verify location of case and update of AIMS and/or ACDS as appropriate

- (4) APS management, or its designated employees, review and research all non-docketed and docketed cases on the reports to determine if they have been properly updated on ACDS and whether or not AIMS Status are updated to the appropriate status i.e. 20, 21, 34, 70, 71, 72, 80, 81, 82, or 90.
- (5) When updating the ACDS ACTION field, ensure that all related cases on ACDS are also updated with the same ACDS ACTION.
- (6) APS management, or its designated employees, contact Counsel, Appeals personnel, LB&I, SB/SE, W&I, TE/GE, and others as appropriate to identify the file location and resolve potential inconsistencies with the case actions.
- (7) APS management, or its designated employees conduct TLCATS Research to:
  - Verify if case is still in Counsel
  - Determine the date Counsel is returning the docketed case to APS via the Event List/Case Summary Screen 1 and 2 (ELIS/CSC1/CSC2) completion date
  - Determine the Decision Entered Date, the 150-day ASSED, expiring or expired statute via the Case Decision (CDEC) Information Screen
  - Identify the Trial Calendar Date via the Case Trial (CTRI) Data Information Screen
- (8) APS management, or its designated employees contact the APS office for the controlling Appeals Office Code (AOC) identified in the ACDS location field via email for the following reasons:
  - If a docketed case was returned from Counsel to the ATE/ATM, and the ACDS record has not been updated to accurately reflect the location and status of the case  
**Reminder:** Never enter a FROMDATE on APPEALED, ANSWER, DECENT, or ORDENT cases.
  - If the DECENT/ORDENT case has been sent to APS and not assigned promptly
  - To request an update to ACDS and AIMS or to locate a missing case
  - To research, verify, and update a Assessment Statute Expiration Date (ASSED) expiring within 30 days
- (9) Upon completing the review, research and updates for each ACDS and AIMS Report, each PTM or designated employee will follow the reporting instructions provided by their APS Area Manager (AM), and APS Area Technical Advisor (TA).
- (10) The consolidated spreadsheet for each APS Area includes the following fields from left to right:
  - a. Date of the Report

- b. Report Name
  - c. Total Cases on Report
  - d. % Current
- (11) Each APS Area Report includes the following column headings from left to right:
- APS Area
  - # of cases
  - # NOT current
  - total # of cases
  - total # NOT current
  - % Current
- (12) Under the APS Area Column Heading are two alternating rows to identify the respective:
- APS Offices within the APS Area
  - Date of the oldest case for that APS Office
- (13) The rows beneath the last APS Office and Date of their oldest case provide the:
- Total # of cases for each of the columns identified in row #2
  - Total Currency Percentage for each of the columns identified in row #2
- (14) An example of the APS Area Consolidated Report is provided in Exhibit 8.20.6-6.
- (15) See IRM 8.10.1, Appeals Reports and Projects, Internal Reports for additional guidance on report definitions, report parameters, and managerial monitoring requirements for the information provided in each report.



**Exhibit 8.20.6-1 (09-11-2013)****Calculating the Default Date**

1. Click on **Utilities** in the ACDS (black) menu bar, this will open the Utilities Menu
2. Scroll down in the Utilities Menu to locate the **Target Date** link, click on the link to open the input screen.
3. **Beginning Date** - enter the **Last Day to File a Petition** date in a **MM/DD/YYYY** format.
4. **Number of Days** - enter the applicable number of days based on the type of notice per the table below:

Number of Days	Type of Notice
30	<ul style="list-style-type: none"><li>• CDP Notice of Determination</li><li>• Statutory Notice of Deficiency</li><li>• Innocent Spouse Notice of Determination</li></ul>
60	<ul style="list-style-type: none"><li>• Abatement of Interest Notice of Disallowance</li></ul>

**Exhibit 8.20.6-2 (09-10-2018)****General Acronyms and Acronym Definitions Included in APS IRMs 8.20.5, 8.20.6, and 8.20.7**

<b>Acronym</b>	<b>Acronym Definition</b>
ABINT	Abatement of Interest
AC	TC 971 Action Code
ACA	Affordable Care Act
ACDS	Appeals Centralized Database System
ACM	Appeals Case Memorandum
ACS	Automated Collection System
ACT/DMI	Automated Computation Tool (Decision Modeling Inc.)
AGI	Adjusted Gross Income
AIVP	Appeals Inventory Validation Process
AMT	Alternative Minimum Tax
ANMF	Automated Non-Master File
AOC	Appeals Office Code
AOIC	Automated Offer In Compromise
AP	<ul style="list-style-type: none"> <li>• Appeals</li> <li>• Adjustment Pending</li> </ul>
APO	Army or Air Force Post Office
APS	Account and Processing Support
ARDI	Accounts Receivables Dollar Inventory
ASED	Assessment Statute Expiration Date
ATCL	Appeals Team Case Leader
ATE	Appeals Technical Employee which includes: <ul style="list-style-type: none"> <li>• Appeals Officer</li> <li>• Hearing Officer</li> <li>• Settlement Officer</li> <li>• Appeals Team Case Leader</li> </ul>
ATM	Appeals Team Manager
ATT	Appeals TEFRA Team
AUR	Automated Underreporter
BMF	Business Master File
BOD	Business Operating Division
BS	Blocking Series
CAF	Centralized Authorization File

**Exhibit 8.20.6-2 (Cont. 1) (09-10-2018)****General Acronyms and Acronym Definitions Included in APS IRMs 8.20.5, 8.20.6, and 8.20.7**

<b>Acronym</b>	<b>Acronym Definition</b>
CAP	Collection Appeal Program
CAR	Case Activity Record
cc	Closing code associated with a Transaction Code (TC) e.g. TC 52X
CC	<ul style="list-style-type: none"> <li>• ACDS Closing Code</li> <li>• Command Code</li> </ul>
CCISO	Cincinnati Centralized Innocent Spouse Operation
CCP	Compliance Case Processing
CDI	Corporate Data Initiative
CDP	Collection Due Process
CDP/EH	Collection Due Process Equivalent Hearing
CDPTD	Collection Due Process Timeliness Determination
CFO	Chief Financial Officer
CG	Computer Generated
CI	Criminal Investigation
CNC	Currently Not Collectable
CPM	Control Point Monitor
CRN	Credit Reference Number
CSED	Collection Statute Expiration Date
CTF	Campus TEFRA Function
CVPN	Civil Penalty
DATC	Doubt as to Collectability
DATL	Doubt as to Liability
DC	Disposal Code
DDIA	Direct Deposit Installment Agreement
DIMS	Docketed Information Management System
DKTNO	Docket Number
DLN	Document Locator Number
DO	District Office
DPC	Designated Payment Code
DPO	Diplomatic Post Office
E&G	Estate and Gift

**Exhibit 8.20.6-2 (Cont. 2) (09-10-2018)****General Acronyms and Acronym Definitions Included in APS IRMs 8.20.5, 8.20.6, and 8.20.7**

<b>Acronym</b>	<b>Acronym Definition</b>
E3210	Electronic 3210
EDL	Electronic Docket List
EEFax	Electronic Employee Fax number
EH	Equivalent Hearing
EIC	Earned Income Credit
EIN	Employer Identification Number
EITC	Earned Income Tax Credit
EMPL	Employment
EP/EO	Employee Plan Exempt Organization
EPSS	Electronic Products & Services Support
ES	Estate Tax
ESA	Coverdell Education Savings Accounts
EX	Excise
FBAR	Foreign Bank and Financial Account
FE	Field Examination
FLC	File Location Code
FOIA	Freedom of Information Act
FPA	Final Partnership Administrative Adjustment
FPO	Fleet Post Office
FS	Filing Status
FTE	Flow Through Entity
FTM	Fast Track Mediation
FTS	Fast Track Settlement
HC	Hold Code
HOH	Head of Household
HSA	Health Savings Accounts
IA	Installment Agreement
IAT	Integrated Automation Tool
IDT	Identify Theft
IGM	Interim Guidance Memorandum
IMF	Individual MF

**Exhibit 8.20.6-2 (Cont. 3) (09-10-2018)****General Acronyms and Acronym Definitions Included in APS IRMs 8.20.5, 8.20.6, and 8.20.7**

<b>Acronym</b>	<b>Acronym Definition</b>
IMS	Issue Management System
INNSP	Innocent Spouse
INTL	International
IRA	Individual Retirement Account
IRA MF	Individual Retirement Account MF
IRC	Internal Revenue Code
IRM	Internal Revenue Manual
IRN	Item Reference Number
IRS	Internal Revenue Service
ISTS	Innocent Spouse Tracking System
ITIN	IRS Individual Taxpayer Identification Number
LOJ	Lack of Jurisdiction
MAAS	Manual Assessment (Literal used to identify a Quick Assessment)
MF	Master File
MMIA	Manually Monitored Installment Agreement
MEF	Modernized E-File
MFJ	Married Filing Joint
MFS	Married Filing Separate
MFT	Master File Tax
MOIC	Monitoring Offer In Compromise
MR	Manual Refund
MSA	Archer Medical Savings Accounts
NAP	National Account Profile
NF	Non-Filer
NMF	Non-Master File
NOD	Notice of Determination
NPS	Non-Petitioning Spouse
NPY	Non-Petitioned Year
NRS	Non-Requesting Spouse
NRU	Non>Returns Unit
NSD	No Source Document

**Exhibit 8.20.6-2 (Cont. 4) (09-10-2018)****General Acronyms and Acronym Definitions Included in APS IRMs 8.20.5, 8.20.6, and 8.20.7**

<b>Acronym</b>	<b>Acronym Definition</b>
OAR	Operations Assistance Request
OIC	Offer In Compromise
OMB	Organizational Mailbox
PAM	Post Appeals Mediation
PC	<ul style="list-style-type: none"> <li>• Post Closing</li> <li>• Priority Code</li> </ul>
PCS	Partnership Control System
PDC	Posting Delay Code
PDIA	Payroll Deduction Installment Agreement
PEAS	Processing Employee Automated System
PENAP	Penalty Appeal
PER	Potential Error Report (AQMS)
PICF	Partnership Investor Control File
PII	Potentially Identifiable Information
POA	Power of Attorney
POD	Post of Duty
PPIA	Partial Pay Installment Agreement
PR	Premature Referral
PRN	Penalty Reference Number
PS	Petitioning Spouse
PTM	APS Processing Team Manager
Q/A	Quick Assessment (Manual Assessment MAAS)
RAR	Revenue Agents Report
RDD	Return Due Date
REF	Reference
REP	Representative
RJ	Retained Jurisdiction
RFRTN	Reference Return
RRAP	Rapid Response Appeals Process
RRB	Railroad Retirement Board
RS	Requesting Spouse



**Exhibit 8.20.6-2 (Cont. 5) (09-10-2018)****General Acronyms and Acronym Definitions Included in APS IRMs 8.20.5, 8.20.6, and 8.20.7**

<b>Acronym</b>	<b>Acronym Definition</b>
RSD	Retained Source Document
RSED	Refund Statute Expiration Date
SB/SE	Small Business Self-Employed
SC	Source Code (If not used for Source Code, may be used to indicate Service Center (Campus) e.g. SC Claim)
SD	Source Document
SFR	Substitute For Return
SND	Statutory Notice of Deficiency
SPDER	Servicewide Policy, Directives and Electronic Research
SSN	Social Security Number
ST	Status
SUB	Substitute For Return (ACDS Statute Code)
TAS	Taxpayer Advocate Service
TBOR2	Taxpayer Bill of Rights 2
TC	Transaction Code
TCS	Tax Computation Specialist
TE	APS Tax Examiner
TE/GE	Tax Exempt Government Entities
TEFRA	Tax Equity and Fiscal Responsibility Administration
TETR	Telephone Excise Tax Refund
TFINV	TEFRA Investor
TFRP	Trust Fund Recovery Penalty
TIN	Taxpayer Identification Number
TIPRA	Tax Increase Prevention and Reconciliation Act of 2005
TL	Team Leader
TLCATS	Tax Litigation Counsel Automated Tracking System
TM	Team Member
TMP	Tax Matters Partner
TR	Transfer
TSA	Technical Services Advisory

**Exhibit 8.20.6-2 (Cont. 6) (09-10-2018)****General Acronyms and Acronym Definitions Included in APS IRMs 8.20.5, 8.20.6, and 8.20.7**

<b>Acronym</b>	<b>Acronym Definition</b>
TXI	Taxable Income
UNC	Unclaimed Notice
UND	Undeliverable Notice
USTC	United States Tax Court
VTs	Validation Tracking System
W&I	Wage and Investment
WH	Withholding
WHC	Withholding Compliance
WUNO	Workunit Number

**Exhibit 8.20.6-3 (09-10-2018)****Appeals Centralized Database System (ACDS) Acronyms and Codes Included in IRM 8.20.5, 8.20.6, and 8.20.7**

<b>Acronym/Code</b>	<b>Acronym/Code Definition</b>
ACAPDATE	Appeals Team Manager Approval Date
ACDS	Appeals Centralized Database System
ACTION	Type of Action taken on case
APPEALS AMTCLM	Amount of Claim Received While Under Appeals Jurisdiction
APPEALS AMTDIS	Amount of AMTCLM Disallowed by Appeals
AQMSSELECT	Six-digit Indicator automatically set when the case is selected for AQMS review
ASESD	Statute Code for a posted assessment which identifies a protected ASER
CAPIA	Collection Appeal Program Installment Agreement (ACDS CASES Type Code)
CAPLN	Collection Appeal Program Lien (ACDS CASES Type Code)
CAPLV	Collection Appeal Program Levy (ACDS CASES Type Code)
CAPSZ	Collection Appeal Program Seizure (ACDS CASES Type Code)
CARATS	Case Activity & Automated Timekeeping System
CLOSINGCD	Code representing type of case disposition
DATECLSD	ACDS Action Date
DCJUR	Case in Counsel Jurisdiction
DCOTHER	Case in Counsel for Review suspense
DDAMTCL	Amount of Claim Considered by Compliance Examination
DDAMTDIS	Amount of Claim Disallowed by Compliance Examination
DDJRET	Case in Compliance Appeals Retains Jurisdiction
DECENT	Decision Entered by the Tax Court
DKTNO	Docket Number
E/BNK	ACDS CARATS Status Code - Inactive - Taxpayer Bankruptcy
FEATRCD	Approved code to identify a special feature
FPA(A/S/D)	Final Notice of Appeals issued by (function)
FROMDATE	The date the action was completed
INTERIM	Interim assessment or abatement requested
LACTION	Local Action reserved for local definition
LFROMDATE	Date the local action was completed

**Exhibit 8.20.6-3 (Cont. 1) (09-10-2018)**

**Appeals Centralized Database System (ACDS) Acronyms and Codes Included in IRM 8.20.5, 8.20.6, and 8.20.7**

<b>Acronym/Code</b>	<b>Acronym/Code Definition</b>
LTODATE	Date the local action was taken
ORDENT	Order of Dismissal by Tax Court
PART	Identified case jurisdiction (1, 2, or 3)
PREPSTIP	Stipulation sent to Counsel for preparation
RevsdPen	Appeals revised determination of penalty liability
RevsdTax	Appeals revised determination of tax liability
SHIPPED	Ship case between offices/PODs in the same Appeals Area
SNDATE	Date Notice of Deficiency or Notice of Determination was mailed
SNDC	Statutory Notice of Deficiency sent to Counsel for Concurrence
SNEXPDATE	Statutory Notice of Deficiency expiration date
SNTYPE	Source and Type of Notice of Deficiency or Notice of Determination mailed
STIPFF	Stipulation for Filing
TODATE	The date the action was taken
TRXXX	Case transferred from one Appeals Area to another Appeals Area
WUNO	Work Unit Number

**Exhibit 8.20.6-4 (09-10-2018)**

**Audit Information Management System (AIMS) Acronyms and Command Codes (CC) Included in IRM 8.20.5, 8.20.6 and 8.20.7**

<b>Acronym/CC</b>	<b>Acronym/CC Definition</b>
AIMS	Audit Information Management System
CC	Command Code
AM424	AIMS CC used to request establishment of AIMS controls
AMAXU	AIMS CC used to update the AIMS Database
AMCLS	AIMS CC used to input account adjustments
AMDIS	AIMS research CC
AMSOC	AIMS CC used for short closing of the AIMS record
AMSTU	AIMS CC used to update the AIMS Status Code

**Exhibit 8.20.6-5 (09-10-2018)**

**Integrated Data Retrieval System (IDRS) and Corporate Files On-Line (CFOL) Acronyms and Command Codes (CC) Included in IRM 8.20.5, 8.20.6, and 8.20.7**

<b>Acronym/CC</b>	<b>Acronym/CC Definition</b>
IDRS	Integrated Data Retrieval System
ADD24	IDRS CC used to transfer credit to a Dummy account or when a secondary TC is required.
ADD34	IDRS CC used to transfer credit between modules when no secondary TC is required.
ADD48	IDRS CC used to transfer Overpayment Credit Elect, Refund Repayment, Substantiated Credit Allowances or Withholding/FICA Credit.
ADJ54	IDRS CC used to adjust tax, penalty, interest, credit and reference items on a taxpayer's account.
BNCHG	IDRS CC generated by CC ENREQ for a BMF/NMF and EPMF entity change.
CFOL	Corporate Files On-Line
CC	Command Code
MF	Master File
ACTON	IDRS CC used to open, update and close an IDRS control base
BMFOL	CFOL CC used to research a business taxpayer's account information
CFINK	CFOL CC used to research Power of Attorney (POA) information on the Centralized Authorization File (CAF)
ENMOD	IDRS CC used to research a taxpayer's entity information
ENREQ	IDRS CC used to open a CC INCHG or BNCHG input screen.
ESTAB	IDRS CC used to enter requests for original paper documents, copies, information, etc. The kind of request made depends on the request code input with CC ESTAB.
IDT48	IDRS CC used to reverse a fraudulent refund to the taxpayer affected by ID THEFT.
IDT58	IDRS CC used to reverse a partial refund to the taxpayer affected by ID THEFT.
IMFOL	CFOL CC used to research an individual taxpayer's account information
INCHG	IDRS CC generated by CC ENREQ for an IMF entity change.
INOLES	CFOL CC used to research a taxpayer's entity information
ISTSRA	ISTSRA with Definer A displays a case with all its data fields, stages and comments.
REQ54	IDRS CC used to open CC ADJ54 format screen.
REQ77/FRM77	IDRS CC used to input miscellaneous transaction codes to the tax module

**Exhibit 8.20.6-5 (Cont. 1) (09-10-2018)**

**Integrated Data Retrieval System (IDRS) and Corporate Files On-Line (CFOL) Acronyms and Command Codes (CC) Included in IRM 8.20.5, 8.20.6, and 8.20.7**

<b>Acronym/CC</b>	<b>Acronym/CC Definition</b>
SPARQ	CFOL CC used to research a more current address of a former spouse associated with a prior year Married Filing Joint Form 1040.
STAUP	IDRS CC used to update/suspend MF Status for modules that are or have been balance due modules. Command Code STAUP is valid for IMF, BMF, IRAF, and NMF.
TERUP	IDRS CC used to delete all or part of the entries made to a specific account by a specific employee.
TSCHG	PCS CC used to effect changes to PICF data elements.
TSCLS	PCS CC used to close the partnership/partner linkage
TXMODA	IDRS CC used to display a taxpayer's account, monitor account updates, and research pending, posted and unpostable transaction codes.
XSINQ	IDRS CC used to research the Excess Collections File



**Exhibit 8.20.6-6 (09-10-2018)**  
**APS Area Consolidated Report**

<b>APS Area</b>	<b># of Cases Per Rpt. Type</b>	<b># NOT Current Per Rpt. Type</b>	<b>Total # of Cases</b>	<b>Total # NOT Current</b>	<b>% Current</b>
Office					
Oldest Case					
Office					
Oldest Case					
Office					
Oldest Case					
Office					
Oldest Case					
Office					
Oldest Case					
Total					
Currency %					

**Exhibit 8.20.6-7 (09-10-2018)****Refund of IRC 6603 Deposit - Amount in Dispute and Excess Amount Components From IRM 8.20.6.2.2 (6) Example**

<b>IRC 6603 Deposit Components</b>	<b>Component \$ Amounts</b>	<b>Interest Bearing at the Federal Short-term Rate Yes/No</b>
Disputed Tax Amount*	\$10,000,000.00	Yes†
Disputed Penalty Amount*	\$ 2,000,000.00	Yes†
Disputed Underpayment Interest Amount**	\$ 1,500,000.00	Yes†
Deposit in Excess of T/P/I Amount(s) in dispute**	\$ 6,500,000.00	No
Total IRC 6603 Deposit	\$20,000,000.00†	Refundable with mixture of interest bearing and non-interest bearing components
*ATE verifies and provides documentation to APS	** APS calculates the amount of underpayment interest attributable to the tax and penalty in dispute. APS then subtracts all disputed amounts (T/P/I) from the total 6603 Deposit \$ amount to determine the excess deposit amount. The excess amount is refundable but is not interest bearing.	APS Calculates Overpayment (TC 770) Interest at the Federal short-term rate‡ on the amount = (T/P/I) and Prepares the Manual Refund <ul style="list-style-type: none"> <li>• † Principle = \$ 20,000,000.00</li> <li>• ‡ TC 770 Interest = \$ 25,000.00</li> <li>• Total Refund = \$ 20,025,000.00</li> </ul>

**Exhibit 8.20.6-8 (09-10-2018)****IRM Resources Related to Updating or Correcting IRS Systems when One or Both Taxpayers Become Deceased****This list of IRM Resources is provided to support efficient IRM Research when One or Both Taxpayer's Become Deceased and Assessment Action is Necessary**

- IRM 8.20.6.3, Account and ACDS Updates, Changes, or Corrections Required as an Interim Action
- IRM 8.20.6.3.5, APS Guidance for IDRS, AIMS, and PCS Corrections and Updates
- IRM 8.17.4, Notices of Deficiency for Special Types of Taxpayers
- IRM 8.17.4, Fiduciary Relationships/Deceased Taxpayer
- IRM 8.17.4, Deceased Taxpayer, Joint Return Filed
- IRM 8.20.2, When to Request Non-Master File (NMF) Transcripts
- IRM 2.4.19-4 Exhibit, Transactions Valid with Command Code FRM77
- IRM 2.4.19-5 Exhibit, Command Code FRM77 Input
- IRM 3.5.61, Receiving and Preparing Other Documents For Filing
- IRM 3.5.61, Form 56, Notice Concerning Fiduciary Relationship/Form 56-F Notice Concerning Fiduciary Relationship of Financial Institution
- IRM 3.5.61, Alpha Files Listing
- IRM 3.12.179, Decedent Returns see (4) for TC 971 AC 524 (input by Accounts Management to prevent ID Theft of decedent SSN)
- IRM 3.13.2, Care of Name
- IRM 3.13.2, Correspondence Regarding a Fiduciary Relationship
- IRM 3.13.2, Form 56, Notice Concerning Fiduciary Relationship
- IRM 3.13.2-2 Exhibit, Transaction Codes (see TC 098 and TC 099)
- IRM 3.13.5, Entity Section
- IRM 3.13.5, Establishing and Maintaining the Entity
- IRM 3.13.5, Form 56, Notice Concerning Fiduciary Relationship
- IRM 3.13.5, Form 2363, Master File Entity Change
- IRM 3.13.5, Determining Primary Taxpayer Address Changes Due to IDRS
- IRM 3.13.5, Determining Secondary Taxpayer Address Change Due to IMF Processing
- IRM 3.13.5, Updating Address Records
- IRM 3.13.5, Information Required to Complete Address Changes
- IRM 3.13.5, Entering In Care of Address Information
- IRM 3.13.5, UPC 147 RC 4/CP 01H Processing/Reversals of Incorrect TC 971 AC 524
- IRM 3.13.5, Using CC INCHG Instead of CC IRCHG
- IRM 3.13.5, Researching Using CC ENMOD to Initiate Entity Changes
- IRM 3.13.5, Use CC MFREQ D to Complete Address Changes During IMF Cycles 01-03
- IRM 3.13.5, Correcting a Taxpayer's Name
- IRM 3.13.5, Completing Name Changes With CC INCHG
- IRM 3.13.5, Determining Name Line Year Used with TC 013 Corrections
- IRM 3.13.5, Inputting Name Changes for Deceased Taxpayers
- IRM 3.13.5, Inputting Name Changes for Taxpayers (Married Filing Jointly)
- IRM 3.13.5, Add, Delete or Change Spouses' TIN (generates a TC 017)
- IRM 3.13.5, CP 54 Notice Due to (Deceased Taxpayer(s))
- IRM 3.13.122, UPC 182 - Account Deactivated by Mail Filing Requirement (MFR) 08
- IRM 3.13.122, Resolution for Specific Transaction Codes
- IRM 3.13.122, UPC 182 - Social Security Number (SSN) Belong to a Single Taxpayer
- IRM 3.13.122, Resolution when Social Security Number (SSN) belongs to Deceased Primary Taxpayer with a Joint Return

**Exhibit 8.20.6-8 (Cont. 1) (09-10-2018)****IRM Resources Related to Updating or Correcting IRS Systems when One or Both Taxpayers Become Deceased**

**This list of IRM Resources is provided to support efficient IRM Research when One or Both Taxpayer's Become Deceased and Assessment Action is Necessary**

- IRM 4.8.9, Fiduciary Relationship
- IRM 4.10.8, Deceased Taxpayers
- IRM 4.19.3, Deceased Taxpayers
- IRM 4.19.3, Letters From a Third Party and Authorization From a Valid Power of Attorney (POA) (7) - (13)
- IRM 5.18.1, Deceased Taxpayer
- IRM 5.19.1, Deceased Taxpayers - Entity Changes
- IRM 5.19.7, Death of a Taxpayer-Termination of Consideration
- IRM 5.19.7, Death of the Taxpayer While Monitoring the OIC
- IRM 21.6.6, Updating an Entity on Decedent Accounts
- IRM 21.6.6, Processing Decedent Account Refunds
- IRM 21.6.8, What is MFT 31 / MFT 65 (1) 6th bullet
- IRM 21.7.1, Fiduciary Name/Address Change

