



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

21.3.1

AUGUST 29, 2024

## EFFECTIVE DATE

(10-01-2024)

## PURPOSE

- (1) This transmits revised IRM 21.3.1, Taxpayer Contacts Resulting From Notice Issuance.

## MATERIAL CHANGES

- (1) IRM 21.3.1.2 Added statement to reissue a CP notice only when a subject specific IRM advises the notice be reissued. IPU 23U1015 issued 10-13-2023.
- (2) IRM 21.3.1.2 Added information about Document Upload Tool (DUT).
- (3) IRM 21.3.1.2.1 Added additional instructions to aid in locating erroneous notice procedures in IRM 25.13.1.3. IPU 23U1015 issued 10-13-2023.
- (4) IRM 21.3.1.2.1 Updated procedures for Erroneous Correspondence. IPU 24U0556 issued 04-23-2024.
- (5) IRM 21.3.1.4 Removed note about status 22/26 and added link for balance due resolution.
- (6) IRM 21.3.1.6.2 Updated title of notice due to TCS update and added information about the notice.
- (7) IRM 21.3.1.6.5 Updated title of notice due to TCS update and removed list of notices which are obsolete.
- (8) IRM 21.3.1.6.6 Updated title of notice due to TCS update and removed list of notices which are obsolete.
- (9) IRM 21.3.1.6.7 Updated title of notice due to TCS update and removed obsoleted forms.
- (10) IRM 21.3.1.6.8 Updated title of notice due to TCS update and removed obsoleted notices.
- (11) IRM 21.3.1.6.9 Added a step if the taxpayer disagrees with the notice a balance due is on the account.
- (12) IRM 21.3.1.6.10 Replaced link to IRM 21.5.8, Credit Transfers, with link to IRM 21.5.7, Payment Tracers, to provide guidance to research for missing or misapplied payment. IPU 23U1015 issued 10-13-2023.
- (13) IRM 21.3.1.6.10.1 Added notice CP 14C information. IPU 24U0556 issued 04-23-2024.
- (14) IRM 21.3.1.6.10.2 Updated CP 14H Shared Responsibility Payment Balance Due \$5 or More, No Math Error. IPU 24U0556 issued 04-23-2024.
- (15) IRM 21.3.1.6.10.3 Added new notice CP 14IA. IPU 24U0556 issued 04-23-2024.
- (16) IRM 21.3.1.6.12 Removed CP notices.
- (17) IRM 21.3.1.6.16 Added resolution chart. IPU 24U0758 issued 06-13-2024.
- (18) IRM 21.3.1.6.16 Updated title of notice due to TCS update and removed obsoleted notice.

- (19) IRM 21.3.1.6.17 Updated title of notice due to TCS update, removed CP 24T which is obsolete, and added link for payment tracer procedures.
- (20) IRM 21.3.1.6.21 Deleted IRM 21.3.1.6.21, CP 29 Amended Return Posted, No Original which is obsolete and renumbered subsequent subsections.
- (21) IRM 21.3.1.6.25 Removed IRM CP 36 and subsection due to CP 36 notices being obsolete. Updated title of notice due to TCS update and changed IRS to CP 44 worked in Atlanta CSCO.
- (22) IRM 21.3.1.6.28 Removed IRM CP 41, Unresolved Manual Refund Freeze, which is obsolete and renumbered subsequent subsections.
- (23) IRM 21.3.1.6.38 Removed the notice generating and replaced with CII case is created when CP 86 is issued.
- (24) IRM 21.3.1.6.38.2 Removed the step of computing interest and penalties.
- (25) IRM 21.3.1.6.40.1 Removed setting up IA procedures.
- (26) IRM 21.3.1.6.41.2 Clarified procedures for AUR paper processes.
- (27) IRM 21.3.1.6.51 Removed sentence about tax examiners sending notices. IPU 24U0325 issued 03-04-2024.
- (28) IRM 21.3.1.6.51 Clarified procedures if the taxpayer has questions. IPU 24U0556 issued 04-23-2024.
- (29) IRM 21.3.1.6.52 Clarified Process Code 31. IPU 24U0166 issued 01-31-2024.
- (30) IRM 21.3.1.6.52 Clarified referring calls and CII cases. IPU 24U0325 issued 03-04-2024.
- (31) IRM 21.3.1.6.52 Added information about the Document Upload Tool (DUT). IPU 24U0648 issued 05-14-2024.
- (32) IRM 21.3.1.6.52.1 Updated hours of operation for AUR telephone service. IPU 23U1015 issued 10-13-2023.
- (33) IRM 21.3.1.6.52.1 Corrected hours of operation for AUR telephone service. IPU 23U1080 issued 11-09-2023.
- (34) IRM 21.3.1.6.52.1 Updated transfer procedures. IPU 24U0166 issued 01-31-2024.
- (35) IRM 21.3.1.6.52.2 Clarified guidance for determining when to send the letter 86C when routing paper cases to AUR. IPU 23U1015 issued 10-13-2023.
- (36) IRM 21.3.1.6.52.2 Added link to AUR addresses. IPU 23U1080 issued 11-09-2023.
- (37) IRM 21.3.1.6.52.2 Updated routing of correspondence. IPU 23U1125 issued 11-24-2023.
- (38) IRM 21.3.1.6.52.2 Added TC 240 procedure and clarified examples that should not be routed to AUR. IPU 24U0166 issued 01-31-2024.
- (39) IRM 21.3.1.6.52.2 Added how to close case on CII. IPU 24U0758 issued 06-13-2024.
- (40) IRM 21.3.1.6.55 Removed IRM 21.3.1.6.55 Letter 3228 Annual Reminder Notice which is obsolete and renumbered subsequent subsections.
- (41) IRM 21.3.1.6.58 Updated language to match revision to IRM 21.7.4.4.4.20. IPU 23U1015 issued 10-13-2023.

- (42) IRM 21.3.1.7.17 Added forms to the title.
- (43) IRM 21.3.1.7.19 Deleted Form 1065. IPU 24U0556 issued 04-23-2024.
- (44) IRM 21.3.1.7.28 Added CP 199, renumbered subsequent subsections. IPU 24U0047 issued 01-04-2024.
- (45) IRM 21.3.1.7.28 Added link for Business Tax Account (BTA). IPU 24U0648 issued 05-14-2024.
- (46) IRM 21.3.1.7.29 Added CP 199A, renumbered subsequent subsections. IPU 24U0047 issued 01-04-2024.
- (47) IRM 21.3.1.7.29 Added link for Business Tax Account (BTA). IPU 24U0648 issued 05-14-2024.
- (48) IRM 21.3.1.7.49.2 Removed penalty and interest calculation procedure.
- (49) Various editorial changes were made throughout this IRM. Reviewed to update punctuation and cross references.

#### **EFFECT ON OTHER DOCUMENTS**

IRM 21.3.1 Taxpayer Contacts Resulting from Notice Issuance, dated September 13, 2023 is superseded. This also incorporates Interim Procedural Updates (IPUs), IPU 23U1015 (effective 10-13-2023), IPU 23U1080 (effective 11-09-2023), IPU 23U1125 (effective 11-24-2023), IPU 24U0047 (effective 01-04-2024), IPU 24U0166 (effective 01-31-2024), IPU 24U0325 (effective 03-04-2024), IPU 24U0556 (effective 04-23-2024), IPU 24U0648 (effective 05-14-2024), and IPU 24U0758 (effective 06-13-2024).

#### **AUDIENCE**

The primary users of this IRM are employees who answer notice contacts.

LuCinda Comegys  
Director, Accounts Management  
Taxpayer Services



21.3.1

Taxpayer Contacts Resulting From Notice Issuance

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21.3.1.1  
(10-11-2017)  
**Program Scope and Objectives**

- (1) **Purpose:** This IRM covers information on Computer Paragraph (CP) notices, internal notices, and all forms of correspondence issued during the processing of a tax return. This section provides guidelines for identifying and resolving inquiries concerning Computer Paragraph (CP) notices, internal notices, and all forms of correspondence issued during the processing of a tax return.
- (2) **Audience:** The primary users of this IRM are all employees in Business Operating Divisions (BODs) who are in contact with taxpayers by telephone, correspondence, or in person, including Accounts Management (AM), Return Integrity and Compliance Systems (RICS), and Submission Processing (SP).
- (3) **Policy Owner:** The Director of Accounts Management.
- (4) **Program Owner:** Policy and Program Management, Accounts Management (AM), Taxpayer Services (TS).
- (5) **Primary Stakeholders:** The primary stakeholders are organizations that Accounts Management collaborates with; for example: Return Integrity & Compliance Systems (RICS), Compliance, and Submission Processing.
- (6) **Program Goals:** Program goals for this type of work are in the Accounts Management Program Letter, as well as, IRM 1.4.16, Accounts Management Guide for Managers.

21.3.1.1.1  
(10-11-2017)  
**Background**

- (1) Employees in the Accounts Management (AM) organization respond to taxpayer inquiries and phone calls; as well as process claims and other internal adjustment requests. Notices provide general information, provide account updates, and relay requests for action to internal and external recipients.

21.3.1.1.2  
(10-01-2019)  
**Authority**

- (1) Refer to IRM 1.2.1.13, Policy Statements for Customer Account Services Activities, for the information.

21.3.1.1.3  
(09-12-2017)  
**Responsibilities**

- (1) The Chief, Taxpayer Services has overall responsibility for the policy related to this IRM, which is published on a yearly basis.
- (2) Accounts Management's Policy and Program Management Section has responsibility for the information in this IRM. Information is published in this IRM on a yearly basis. Additional information is found in IRM 1.1.13.7.3, Accounts Management (AM), and IRM 21.1.1, Accounts Management and Compliance Services Overview.

21.3.1.1.4  
(10-02-2023)  
**Program Controls**

- (1) **Program Reports:** The program reports provided in this IRM are for identification purposes for the Accounts Management Contact Representatives (CRs) and Tax Examiners (TEs). For reports concerning quality, inventory, aged listing, refer to IRM 1.4.16, Accounts Management Guide for Managers. Age listings can also be viewed by accessing Control Data Analysis, on the Control-D /Web Access server, which has a login program control.
- (2) **Program Effectiveness:** Program Effectiveness is determined by Account Management's employee successfully using IRM guidance to perform necessary account actions and duties.

- (3) **Program Controls:** Goals, measures and operating guidelines are listed in the yearly Program Letter. Quality data and guidelines for measurement are referenced in IRM 21.10.1, Embedded Quality (EQ) for Accounts Management, Campus Compliance, Field Assistance, Tax Exempt/Government Entities, Return Integrity and Compliance Services (RICS) and Electronic Products and Service Support.

21.3.1.1.5  
(10-11-2017)  
**Acronyms**

- (1) The following table contains frequently used acronyms with their definitions.

<b>Acronym</b>	<b>Definition</b>
AC	Action Code
ACA	Affordable Care Act
ACS	Automated Collection System
ALE	Applicable Large Employer
AIMS	Automated Information Management System
AM	Accounts Management
AMC	Alternative Media Center
AMS	Account Management Services
AMT	Alternative Minimum Tax
ANMF	Automated Non Master File
AUR	Automated Underreporter
BMF	Business Master File
BOD	Business Operating Division
CAWR	Combined Annual Wage Reporting
CC	Command Code
CCC	Computer Condition Code
CII	Correspondence Imaging Inventory
CP	Computer Paragraph
CNC	Currently not Collectible
CRN	Credit Reference Number
CSCO	Compliance Services Collection Operation
CSR	Customer Service Representative
DDIA	Direct Debit Installment Agreement
DLN	Document Locator Number

<b>Acronym</b>	<b>Definition</b>
DP	Data Processing
EFTPS	Electronic Federal Tax Payment System
EITC	Earned Income Tax Credit
ERS	Error Resolution System
ES	Estimated Tax
FS	Filing Status
FTD	Federal Tax Deposit
FTF	Failure to File
FTP	Failure to Pay
FUTA	Federal Unemployment Tax Act
IA	Installment Agreement
IAT	Integrated Automated Technologies
IDRS	Integrated Data Retrieval System
IMF	Individual Master File
IPSO	Identity Protection Specialist Operations
IRA	Individual Retirement Account
IRC	Internal Revenue Code
IRM	Internal Revenue Manual
MFJ	Married Filing Jointly
MFS	Married Filing Separately
NMF	Non Master File
PC	Process Code
POA	Power of Attorney
PRN	Penalty Reference Number
RIVO	Return Integrity and Verification Operations
RPD	Return Processable Date
RSED	Refund Statute Expiration Date
SERP	Servicewide Electronic Research Program
SFR	Substitute For Return

Acronym	Definition
SNIP	Servicewide Notice Information Program
SSA	Social Security Administration
TC	Transaction Code
TCS	Taxpayer Correspondence Services
TE	Tax Examiner
TIF	Taxpayer Information File
TIN	Taxpayer Identification Number
TPNC	Taxpayer Notice Code
TS	Taxpayer Services

21.3.1.1.6  
(10-11-2017)

#### Related Resources

- (1) Refer to IRM 1.4.2.1.8, Related Resources, for information on related resources that impact internal controls.

21.3.1.2  
(10-01-2024)

#### Notice Overview

- (1) This section provides guidelines for identifying and resolving inquiries concerning Computer Paragraph (CP) notices, internal notices, and notices issued during the processing of a return.

- a. Use *Servicewide Notice Information Program (SNIP)* to provide a generic explanation of the notice.
- b. Authenticate the caller, then access IDRS to identify the notice issued.

**Caution:** Before disclosing any tax information, verify you are speaking with the taxpayer or authorized representative. Refer to IRM 21.1.3.2.3, Required Taxpayer Authentication, IRM 21.1.3.3.2, Oral Disclosure Consent/Oral TIA (Paperless F8821) and IRM 21.1.3.3, Third-Party (POA/TIA/F706) Authentication. Review IRM 10.5.1.6.7.2, Answering Machine or Voicemail, before leaving any messages on a taxpayer's answering machine. Review fax procedures contained in IRM 10.5.1.6.9.4, Faxing, prior to faxing confidential information to the taxpayer.

- c. Most CP notices cannot be reissued unless a subject specific IRM advises you to do so.
  - d. Follow guidelines for balance due notices and delinquent return notices found in IRM 5.19.1.2, Balance Due Overview, and IRM 5.19.2, Individual Master File (IMF) Return Delinquency.
  - e. Refer to *Document 6209*, Section 9, Notices and Notice Codes, for a complete list of notices.
- (2) Each subsection in this section presents an overview of a specific notice or letter, general procedures for working the notice, and a reference to the Internal Revenue Manual (IRM) for detailed procedures.

- (3) The Taxpayer Advocate Service (TAS) is an independent organization within the Internal Revenue Service (IRS), led by the National Taxpayer Advocate. Its job is to protect taxpayers' rights by striving to ensure that every taxpayer is treated fairly and knows and understands their rights under the Taxpayer Bill of Rights (TBOR). TAS offers free help to taxpayers, including when taxpayers face financial difficulties due to an IRS problem, when they are unable to resolve tax problems they haven't been able to resolve on their own, or when they need assistance to address an IRS system, process, or procedure that is not functioning as it should. TAS has at least one taxpayer advocate office located in every state, the District of Columbia, and Puerto Rico.
  - a. If the taxpayer requests assistance from the Taxpayer Advocate Service, or if you cannot resolve the taxpayer's issue the same day, then prepare and forward Form 911, Request for Taxpayer Advocate Service Assistance (and Application for Taxpayer Assistance Order), to the local Taxpayer Advocate. The **e-911** is an electronic version of the Form 911 and is available through AMS.
  - b. Refer the taxpayer to the *Taxpayer Advocate Service Public Site* for additional information.
- (4) 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>.
- (5) Taxpayers may request correspondence in an alternative media format. See IRM 21.5.2.4.26, Form 9000, Alternative Media Preference, for additional information.
- (6) Taxpayers who receive a notice that states they can respond electronically by submitting their documentation online using the Document Upload Tool (DUT) accessed through IRS.gov. This secure step allows taxpayers or their tax professional to electronically upload documents rather than mailing them in, helping reduce time and effort resolving tax issues. When language on the notice informs the taxpayer to send documents using the Document Upload Tool, the notice will include a link and a unique access code. Taxpayers can open the link, enter their name and Tax Identification Number, then securely upload the requested documents. The taxpayer receives confirmation when their documents are successfully transmitted to the IRS.

21.3.1.2.1  
(04-23-2024)  
**Erroneous  
Correspondence  
Procedures**

- (1) See IRM 25.13.1.3, TCS Services, paragraph 1, table, second row, for all erroneous notice issues, e.g., misspellings or bad grammar, incorrect IRS phone numbers, etc.
- (2) See IRM 10.5.4.3.3, Inadvertent Unauthorized Disclosures and Losses or Thefts of IT Assets, BYOD Assets and Hardcopy Records/Documents, and the *Report Losses, Thefts or Disclosures page*, in the *Disclosure and Privacy Knowledge Base Site*, for information about how to report inadvertent unauthorized disclosures involving Sensitive But Unclassified (SBU) data, including Personally Identifiable Information (PII) and tax information, and additional incident and data breach reporting requirements.

- (3) If a call or reply is received indicating an inadvertent unauthorized disclosure may have occurred in the mailing, faxing, or electronic transmission of a notice, letter, or correspondence, e.g., multiple notices or letters in a single envelope with another taxpayer's information, or the taxpayer states they received IRS mail, e-mail, or a fax belonging to another taxpayer, immediately report the disclosure to the Office of Privacy Governmental Liaison and Disclosure (PGLD) Incident Management Office (IM) using the *PII Breach Reporting Form*.
- a. Ask the caller for the name(s) and tin(s) from the notice(s), letter(s), or correspondence. For both oral and written replies, notate the TIN(s) involved in the inadvertent unauthorized disclosure.
  - b. After the PII Breach Reporting Form has been submitted, an Excel spreadsheet will be sent to you (the reporting employee) to list the TIN(s) involved in the inadvertent unauthorized disclosure so that PGLD/IM can notify the potentially impacted individuals.
  - c. If the notice(s), letter(s), or correspondence was received by the caller via US mail, ask the caller to reseal the envelope and write "Not at this address" and "Return to Sender" on the envelope and place it in the mail.
  - d. If the caller refuses to comply with notating the envelope and placing it in the mail, ask the caller to destroy the notice, letter, or correspondence.
  - e. If the notice(s), letter(s), or correspondence was delivered via email, fax, EEFax, or other electronic transmission, ask the caller to delete the email or other electronic transmission, or destroy the notice(s), letter(s), or correspondence if printed.
  - f. Document the information obtained from the caller regarding the disposition of the notice, letter, or correspondence, i.e., is the notice, letter, or correspondence being returned to the IRS, or being destroyed by the caller, in the **Detail Summary** section on the *PII Breach Reporting Form*. Do not include PII on the PII Breach Reporting Form.

**Note:** PGLD/IM is unable to notify the potentially impacted individuals of data breaches involving inadvertent unauthorized disclosures, losses, or thefts unless they have the TIN(s) involved in the data breach.

### 21.3.1.3 (10-01-2019)

#### What Is a Notice?

- (1) A Computer Paragraph (CP) notice results from:
- Input of notice codes
  - Computer analysis of an account on Master File (MF)
  - Posting of a transaction
- (2) Computer Paragraph (CP) notices may:
- Request payment
  - Give instructions
  - Provide information
  - Request information
  - Propose penalties or assessments
- (3) To determine the last notice sent to the taxpayer, review the Notice History Section on Command Code (CC) TXMOD or the Entity Notice Section on CC ENMOD.

- (4) Notice (CP) numbers usually are printed in the upper right corner of a CP notice. Each notice contains taxpayer's name, address, truncated Taxpayer Identification Number (TIN), and a computer generated or pre-printed message.
- (5) Internal notices/transcripts are issued to alert IRS employees of possible necessary action. Copies of these notices are not sent to the taxpayer.

21.3.1.4  
(10-01-2024)

**Notice Resolution**  
**Actions Research**

- (1) The following actions are common to all notice resolutions:

If	And	Then
Refund is due	Normal processing time has not elapsed, refer to IRM 21.4.1.4, Refund Inquiry Response Procedures	<ol style="list-style-type: none"> <li>1. Review the account to determine if the return has posted or a processing problem exists. If either of these conditions exists follow appropriate IRM procedures for resolution.</li> <li>2. If there is no indication the return is having a processing problem or it has not yet posted, advise taxpayer of normal processing time, refer to IRM 21.4.1.4.1.1, Return Not Found.</li> </ol>
Refund is due	Normal processing time has elapsed	Refer to IRM 21.4.1, Refund Research.
There is a balance due	Taxpayer agrees	Refer to IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.
There is a balance due	A payment is not properly credited	Refer to IRM 21.5.7.3, Missing Payment Research, to locate payment. Transfer credit, refer to IRM 21.5.8, Credit Transfers. Refer to IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.
There is a balance due	Taxpayer agrees but cannot pay in full	Refer to IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.
Penalties and interest are assessed	Taxpayer does not agree	Refer to IRM 20.1, Penalty Handbook, or IRM 20.2, Interest. Refer to IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.
Taxpayer does not agree with notice	Documentation is needed from taxpayer or files	<ol style="list-style-type: none"> <li>1. Request documentation.</li> <li>2. Open a control base if appropriate.</li> <li>3. If necessary suppress all balance due notices (STAUPS/TC 470).</li> <li>4. Refer to IRM 21.5.4, General Math Error Procedures, IRM 21.5.10, Examination Issues, and IRM 21.7.12, Non-Master File (NMF) Adjustments.</li> </ol> <p><b>Reminder:</b> If you are staffing the toll-free lines at a remote site and you need to pull the document using CC ESTAB to resolve the issue, follow the procedures in IRM 21.5.2.3, Adjustment Guidelines -Research.</p>

**Note:** Refer the caller to the telephone number provided on their notice for future contacts.

21.3.1.4.1  
(09-12-2017)  
**Dual Notices**

- (1) Section 3201(d) of Reform and Restructuring Act of 1998 requires the IRS to (whenever practicable) mail duplicate notices separately to each individual filer of a joint tax return. This process is referred to as dual notice issuance.
- (2) Dual notices are issued as follows:

- a. All notices are sent dual if IRS records indicate filers live at different addresses.
  - b. If IRS records indicate filers live at the same address, then any notice required by statute are sent separately to each spouse. In addition, certain other notices that contain elements of notices required by statute are also sent separately. Refer to IRM 5.19.9.3.4, SITLP Notices.
- (3) Notices that do not need to be sent separately include Submission Processing pipeline notices (including Math Error notices) and Collection installment agreement monthly reminder notices. Most of the dual notices include language to explain why the IRS is sending duplicate notices.

21.3.1.4.2  
(09-12-2017)  
**Examination Notice of  
Deficiency Procedures**

- (1) If taxpayers have questions concerning notices of deficiency, direct them to call the number on the notice, or write to address shown. Advise of the following:
- a. If they choose to petition the tax court, they have 90 days from the notice date and 150 days if the notice is addressed to a person outside the U.S.
  - b. A telephone call or written communication does not extend the time for filing a petition with the tax court.
  - c. The last date to file a petition is included in the header information of the notice.

21.3.1.5  
(10-03-2022)  
**Notice Descriptions**

- (1) The list below contains the four most common notice categories:

- Individual Master File (IMF) notices
- Business Master File (BMF) notices
- Non-Master File (NMF) notices
- Submission Processing (SP) Notices

**Note:** Accounts Management (AM) no longer negotiates payments on balance due accounts or sets demand dates for missing or unfiled returns. A request for basic account information is considered an account related issue. Do not transfer callers if the only reason for the call is to request transcripts, correct math errors, locate missing payments or to inquire on return status.

You are to address the following types of balance due calls with the taxpayer or their authorized representative (this list is not all inclusive):

- Math errors
- Penalty abatement
- Payment tracer
- Request for a hold (STAUP)
- Missing returns (e.g., information on which returns are missing, request for wage and income information, address to send return, etc.)

- (2) Refer to IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.

**Note:** Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.

- 21.3.1.6  
(06-25-2021)  
**IMF Notices**
- (1) Information in this section applies to Individual Master File (IMF) notices and other individual notices. Each subsection presents an overview of a specific notice, general procedures for working the notice, and a reference to the IRM containing detailed procedures.
- 21.3.1.6.1  
(10-02-2023)  
**CP 05/CP 05A - We're Holding Your Refund**
- (1) A CP 05, We're Holding Your Refund, or CP 05A, We're Holding Your Refund Until We Finish Reviewing Your Tax Return, is issued to taxpayers.
- (2) The notice informs the recipient their refund is being held pending additional review.
- (3) Refer to IRM 21.5.6.4.35.3, -R Freeze Overview For Accounts With Return Integrity and Verification Operations (RIVO) Involvement, for additional information.
- (4) Taxpayers who receive the CP 05A, Information Request Related to a Refund, can respond electronically by submitting their documentation online using the Document Upload Tool (DUT) accessed through IRS.gov. This secure step allows taxpayers or their tax professional to electronically upload documents rather than mailing them in, helping reduce time and effort resolving tax issues.
- (5) When language on the notice informs the taxpayer to send documents using the Document Upload Tool, the notice will include a link and a unique access code. Taxpayers can open the link, enter their name and Tax Identification Number, then securely upload the requested documents. The taxpayer receives confirmation when their documents are successfully transmitted to the IRS.
- 21.3.1.6.2  
(10-01-2024)  
**CP 06/CP 06A - Request for Supporting Documentation**
- (1) A CP 06, Request for Supporting Documentation, notifies the taxpayer that their refund will be held pending an examination. Exam needs supporting documentation concerning Premium Tax Credit (PTC). Form 14950, Premium Tax Credit Verification, is enclosed to request the appropriate documentation.
- (2) A CP 06A, Request for Supporting Documentation, requests supporting documentation regarding the Premium Tax Credit (PTC) You Claimed - Balance Due/Even. Form 14950, Premium Tax Credit Verification, is enclosed to request the appropriate documentation.
- (3) Taxpayers who receive the CP 06, Exam Initial Contact Letter - Premium Tax Credit (PTC), can respond electronically by submitting their documentation online using the Document Upload Tool (DUT) accessed through IRS.gov. This secure step allows taxpayers or their tax professional to electronically upload documents rather than mailing them in, helping reduce time and effort resolving tax issues.
- 21.3.1.6.3  
(10-02-2023)  
**CP 08 - You May Qualify for Child Tax Credit (CTC)**
- (1) A CP 08, You May Qualify for Child Tax Credit (CTC), notifies the taxpayer of potential eligibility to claim Additional Child Tax Credit. The notice is issued when the taxpayer:
- Computes an amount for the Child Tax Credit, has zero tax liability, and fails to use the remaining portion of the credit to claim the Additional Child Tax Credit, **or**
  - Indicates eligibility for the Child Tax Credit (by checking the boxes on line 6c) but does not claim the Child Tax Credit due to zero tax liability and does not claim the Additional Child Tax Credit.

- (2) Refer to IRM 21.6.3.4.2.8.3, CP 08, Additional Child Tax Credit, for procedures on working CP 08 notices.
- (3) Taxpayers who receive the CP 08, Additional Child Tax Credit, can respond electronically by submitting their documentation online using the Document Upload Tool (DUT) accessed through IRS.gov. This secure step allows taxpayers or their tax professional to electronically upload documents rather than mailing them in, helping reduce time and effort resolving tax issues.
- (4) When language on the notice informs the taxpayer to send documents using the Document Upload Tool, the notice will include a link and a unique access code. Taxpayers can open the link, enter their name and Tax Identification Number, then securely upload the requested documents. The taxpayer receives confirmation when their documents are successfully transmitted to the IRS.

21.3.1.6.4  
(10-02-2023)  
**CP 09 - Earned Income  
Credit - You May Be  
Entitled to EIC**

- (1) A CP 09, Earned Income Credit - You May Be Entitled to EIC, notifies the taxpayer of potential eligibility for Earned Income Tax Credit (EITC).
  - a. Answer questions concerning eligibility and how to claim the credit. Refer to Publication 596, Earned Income Credit, for information and eligibility rules.
  - b. Inform the taxpayer that if the EITC is allowed and the taxpayer has more than three children, the Additional Child Tax Credit may be affected. Advise the taxpayer to complete *Schedule 8812*, Credits for Qualifying Children and Other Dependents.
  - c. Instruct the taxpayer to submit the completed and signed Form 15111, part of the CP 09, in the envelope provided.
- (2) Refer to IRM 21.6.3.4.2.7.8, Earned Income Tax Credit (EITC) - CP 09 / CP 27.
- (3) When language on the notice informs the taxpayer to send documents using the Document Upload Tool, the notice will include a link and a unique access code. Taxpayers can open the link, enter their name and Tax Identification Number, then securely upload the requested documents. The taxpayer receives confirmation when their documents are successfully transmitted to the IRS.

21.3.1.6.5  
(10-01-2024)  
**CP 10 -Error on Return -  
We Reduced Your  
Overpayment Applied to  
Your Estimated Tax**

- (1) A CP 10 notifies the taxpayer that an overpayment applied to the next year's tax as a credit elect was reduced due to an error on a Form 1040 series return.
- (2) When responding to a CP 10, follow guidance in IRM 21.5.4, General Math Error Procedures.

**Note:** Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.

21.3.1.6.6  
(10-01-2024)  
**CP 11 - Math Error on  
return - Balance Due**

- (1) A CP 11, Math Error on Return - Balance Due, is issued as a first notice notifying the taxpayer of an error in the math on an individual return that results in a balance due.

- (2) When responding to a CP 11 series notice, follow guidance in IRM 21.5.4, General Math Error Procedures.

**Note:** Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.

21.3.1.6.7  
(10-01-2024)

**Individual Return  
Incomplete for  
Processing: Forms 1040  
& 1040-SR**

- (1) During original return processing, a Letter 12C, Individual Return Incomplete for Processing: Form 1040 and Form 1040-SR, is sent to IMF taxpayers requesting information missing from the return.

**Note:** International tax returns that are incomplete for processing may receive similar alternative notices such as a Letter 4087-C, Letter 2894-SP or Letter 2894-C. Refer to IRM 3.21.3, Individual Income Tax Returns, for more information.

- (2) Returns are not returned to the taxpayer. The return is suspended awaiting response from the taxpayer.

**Exception:** Refer to IRM 3.11.3.5.2.1, Correspondence When Sending Return Back to the Taxpayer, for specific circumstances when a tax return is returned to the taxpayer.

21.3.1.6.7.1  
(06-25-2021)

**Researching Letter 12C**

- (1) Check IDRS for the following Information:

If	Then
Code and Edit sends the request for information	Research IDRS using Command Code (CC) ENMOD to determine what information is missing on the original return. A history item should be on CC ENMOD that displays the selective paragraphs input on Letter 12C.
Error Resolution (ERS) sends the request for information	Use CC ERINV to view the ERS status code information. Refer to IRM 21.4.1.4.1.2.6, Error Resolution System (ERS) Status Codes.
The taxpayer has received the Letter 12C	Advise the taxpayer to respond to the letter supplying the requested information.

21.3.1.6.8  
(10-01-2024)

**CP 12 - Overpaid Math  
Error - Refund Due**

- (1) A CP 12, Overpaid Math Error - Refund Due, is issued as a first notice to inform the taxpayer of an error in the math on an individual return that changes the refund amount.

- (2) A refund hold is applied when the account meets Notice Review criteria. The account contains a Transaction Code (TC) 570 with blocking series "55555", indicating the refund hold has been applied, and a TC 971 AC 804 with the CP number in the miscellaneous field. The hold systemically expires 7 calendar

days after the TC 971 AC 804 daily cycle. If both the AC 804 and AC 805 are present, the hold expires 7 calendar days from the TC 971 804 or 805 cycle date.

(3) There are different types of CP 12 notices:

- CP 12, Math Error, Overpayment of \$1 or More
- CP 12E, Exam Coded Math Error Overpayment of \$1 or More

(4) When responding to a CP 12 series notice, follow the table below:

If	And	Then
The taxpayer received more/less of a refund than requested	Taxpayer agrees	Advise taxpayer to correct their copy of the return.
The taxpayer received less of a refund than requested and disagrees	Adjustment generates a refund	Refer to IRM 21.5.4.5.3, Processing Responses to Math Error Notices.
The taxpayer received more of a refund than requested and disagrees	Adjustment generates a balance due	Refer to IRM 21.4.5.5, Erroneous Refund Categories and Procedures, to determine the appropriate category and procedures for working the case. <b>Exception:</b> Taxpayer returned their original refund check, identified by a TC 841 with a P-Freeze on the account, after self-identifying an IRS administrative error. Then taxpayer calls or writes providing substantiation of the error that occurred on their original return, then follow procedure in IRM 21.5.4.5.3, Processing Responses to Math Error Notices.

21.3.1.6.9  
(10-01-2024)  
**CP 13 - Math Error-  
Balance Due < \$5,  
Overpayment <\$1**

- (1) A CP 13, Math Error- Balance Due < \$5, Overpayment < \$1, notifies the taxpayer that:
- a. An error occurred in the math on an individual return.
  - b. Payment is not required if the balance due on the notice is less than \$5.00.
  - c. An overpayment of less than \$1.00 is not refunded without a written request from the taxpayer.
- (2) There are different types of CP 13 notices:
- CP 13, Math Error - Balance Due < \$5, Overpayment < \$
  - CP 13A, EIC Math Error

- CP 13T, Math Error- Balance Due < \$5, Overpayment < \$1. This notice is generated from taxpayer notice codes (TPNCs) 250, 322, 414, 417, 730, and/or 731 (see *Notices and Notice Codes* for an explanation of these TPNCs). However, a CP 13 may be issued if another TPNC is used in conjunction with those listed.

(3) Follow the table below if the taxpayer disagrees with the notice.

If	And	Then
Taxpayer does not agree	A refund is due	Refer to IRM 21.5.4.5.3, Processing Responses to Math Error Notices.
Taxpayer does not agree	A balance is due	Refer to IRM 21.5.4.5.3, Processing Responses to Math Error Notices. If a balance due is on the account, Refer to IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.  <b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.

21.3.1.6.10  
(10-13-2023)

**CP 14 - Balance Due \$5 or More, No Math Error**

(1) A CP 14, Balance Due \$5 or More, No Math Error, is issued as a first notice to notify taxpayer of a balance due when no math error or Estimated Tax (ES) discrepancy exists. Do the following:

- Research IDRS.
- If taxpayer states that a payment is missing, research IDRS for payment (refer to IRM 21.5.7, Payment Tracers).
- Explain reason for the balance due. It may be the result of a missing payment or the assessment of a penalty.
- Refer to IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.

**Note:** Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.

21.3.1.6.10.1  
(04-23-2024)  
**CP 14C - You have more time to pay your taxes due to a disaster**

- (1) A CP 14C, You have more time to pay your taxes due to a disaster, is printed in front of the CP 14 when the taxpayer’s address of record is located in a federal declared disaster area. The cover sheet is a 2-page notice that acknowledges the federally declared disaster and gives the amount that is owed, however the payment due date is postponed until after the declaration expires. Do the following:
  1. Research IDRS for federally declared disaster indicators, see IRM 25.16.1.7, Disaster Systemic Account Indicators.
  2. Advise the taxpayer to follow the payment due date on the CP 14C.
  3. Explain the CP 14 printed after the cover sheet gives the assessed balance, any assessed penalty and interest, and any payments/credit applied to the account.
  4. Have the taxpayer go to the link on the cover sheet for additional questions.

21.3.1.6.10.2  
(04-23-2024)  
**CP 14H - Owed Minimum Essential Health Coverage Payment (Shared Responsibility Payment)**

- (1) A CP 14H, Owed Minimum Essential Health Coverage Payment (Shared Responsibility Payment), is issued as a first notice to notify taxpayer of a SRP balance due for not securing minimum essential health insurance for themselves and/or their dependents, if applicable. SRP assessments are on MFT 35 and assessed as a TC 240 with Penalty Reference Number 692.

If	Then
Taxpayer agrees with the notice	When responding to balance due issues, refer to IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.  <b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.
Taxpayer disagrees	Refer to procedures in IRM 21.6.4.4.20.3.1, Shared Responsibility Payment Adjustments.

21.3.1.6.10.3  
(04-23-2024)  
**CP 14IA - Balance Due, No Math Error, IA Established**

- (1) A CP 14IA is used in place of a CP14 when the taxpayer files their tax return and enters into an installment agreement immediately. The notice provides the assessment information of the return filed, breaks down the penalty, interest, and credits/payments, and acknowledges an established installment agreement is in place. The taxpayer is directed to follow the terms outlined in their payment plan confirmation letter.

21.3.1.6.11  
(10-02-2023)  
**CP 15 - Civil Penalty Notice**

- (1) A CP 15, Civil Penalty Notice, notifies the taxpayer a civil penalty was assessed and why it was assessed.

If	Then
Taxpayer agrees with the notice	<p>When responding to Balance Due issues, refer to IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.</p> <p><b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.</p>
Taxpayer disagrees	<ol style="list-style-type: none"> <li>1. Advise taxpayer to send documentation as a response to the CP 15.</li> <li>2. Refer to IRM 20.1.1-5, Penalty Reference Numbers (600 Series), for an explanation of the three-digit reference number which identifies the penalty type.</li> </ol>

21.3.1.6.11.1  
(10-02-2023)

(1) A CP 15B, Civil Penalty Notice for Trust Fund Recovery Penalty, notifies the taxpayer a Trust Fund Recovery Civil Penalty (TFRP) was assessed.

**CP 15B - Civil Penalty  
Notice for Trust Fund  
Recovery Penalty**

If	Then
Taxpayer requests a payment plan	<p>Refer to IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.</p> <p><b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.</p>
Taxpayer disputes assessment	<p>Explain they were identified as a person responsible for collecting and paying withheld income, excise, and employment taxes, and <b>willfully</b> failed to collect or pay those taxes. A responsible person is a person or group of people who were responsible to collect and pay trust fund taxes.</p>
Taxpayer claims they are not a responsible officer.	<p>Refer taxpayer to the Advisory group that handles the address where they reside. Refer to IRM 5.19.1.5.4, TFRP Issues.</p>

21.3.1.6.11.2  
(10-02-2023)  
**CP 15H - Shared  
Responsibility Payment  
Due**

(1) A CP 15H, Shared Responsibility Payment (SRP) Due, notifies the taxpayer a SRP penalty was assessed for not securing minimum essential health insurance for themselves and/or their dependents, if applicable. SRP assessments are on MFT 35 and assessed as a TC 240 with Penalty Reference Number 692.

If	Then
Taxpayer agrees with the notice	Refer to IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.  <b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.
Taxpayer disagrees	Provide the taxpayer with the assessing function information and advise the taxpayer to send documentation to support their disagreement to the assessing function.

21.3.1.6.12  
(10-01-2024)  
**CP 16 Overpayment with  
Offset**

(1) A CP 16, Overpayment with Offset, is issued as a first notice to advise taxpayer of an error in the math on an individual return resulting in an overpayment that was applied to another IMF tax liability. A refund hold is applied when the account meets Notice Review criteria. The account contains a TC 570 with blocking series **55555**, indicating the refund hold has been applied, and a TC 971 AC 804, and the miscellaneous field will reflect the CP number. The hold will systemically expire 7 calendar days after the TC 971 AC 804 daily cycle. If both the AC 804 and AC 805 are present, the hold will be for 7 calendar days from the TC 971 AC 804 or AC 805 cycle dates.

(2) There are different types of CP 16 notices:

- CP 16, Overpayment with Offset
- CP 16T, Tax Reform Overpayment with Offset. This notice is generated from taxpayer notice codes (TPNCs) 250, 322, 414, 417, 730, and/or 731 (see *Notices and Notice Codes* for an explanation of these TPNCs). However, a CP 16 may be issued if another TPNC is used in conjunction with those listed.

(3) When responding to notice inquiries:

- a. Explain offset process if requested to do so. Refer to IRM 21.4.6, Refund Offset.
- b. Refer to IRM 21.3.1.6.8, CP 12 Math Error, Overpayment of \$1 or More, for resolution of math error notices.

21.3.1.6.13  
(09-12-2017)

**CP 17 Refund of  
Unfrozen Excess  
Estimated Tax (ES)  
Credits**

- (1) A CP 17, Refund of Unfrozen Excess ES Credits, notifies the taxpayer of a refund of unfrozen estimated credits.
  - a. Advise taxpayer no action is required.
  - b. Tell taxpayer they will receive a refund within 4 to 6 weeks of the notice date if no other Federal taxes or obligations are owed and a refund amount remains.

21.3.1.6.14  
(10-02-2023)

**CP 21A Data Processing  
Adjustment Notice,  
Balance Due of \$5 or  
more**

- (1) A CP 21A, Data Processing Adjustment Notice, Balance Due of \$5 or more, notifies the taxpayer of a data processing (DP) tax adjustment resulting in a balance due when account is in Taxpayer Delinquent Account (TDA) Status.
  - a. Research IDRS.
  - b. Explain the reason for the notice.
- (2) For resolution, follow the table below:

If	And	Then
Taxpayer agrees	There is zero balance	Advise no action is necessary.
Taxpayer agrees	A balance is due	<p>Refer to IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.</p> <p><b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.</p>
Taxpayer indicates a payment was made	Has not been credited	<ol style="list-style-type: none"> <li>1. Follow IRM 21.5.7.3, Missing Payments Research, to determine if a sufficient timeframe has elapsed to perform payment tracer procedures.</li> <li>2. Research for missing payment.</li> <li>3. Transfer the payment if needed.</li> <li>4. Refer to IRM 21.5.8, Credit Transfers.</li> </ol>
Taxpayer disagrees	Adjustment resulted from a DP tax adjustment	<ol style="list-style-type: none"> <li>1. Verify the correctness of the adjustment.</li> <li>2. Review the CII image to determine if the adjustment posted agrees with the adjustment requested by the taxpayer.</li> <li>3. If it has been determined the case was not worked correctly, apologize to the taxpayer and make the necessary corrections.</li> <li>4. If you have not received training on working paper inventory, send a referral following IRM 21.3.5.4.2.1.1, Preparing an e-4442/4442.</li> </ol>
Taxpayer disputes deficiency assessment	Adjustment resulted from examination of the return	Advise the taxpayer that under certain conditions, you can request an audit reconsideration. Refer to IRM 4.13.1.3.1, Research/Initial Case Screening.
Taxpayer disputes deficiency assessment	Adjustment resulted from return executed by the IRS under IRC 6020(b) See IRM 21.5.3.4.10, Returns Prepared Under IRC 6020(b) - Substitute for Return (SFR), for additional information.	<p>Advise taxpayer they can request an audit reconsideration if:</p> <ol style="list-style-type: none"> <li>1. The taxpayer has information that was not previously considered which, if timely submitted, would have resulted in a change to the assessment.</li> <li>2. An original delinquent return is filed by the taxpayer after an assessment was made because of a return executed by the IRS under IRC 6020(b) or other substitute for return procedures.</li> <li>3. There was an IRS computational or processing error in assessing the tax. Refer to IRM 4.13.1.2.1, Criteria for reconsideration.</li> <li>4. The taxpayer moved and did not receive any correspondence from the IRS.</li> </ol>

21.3.1.6.14.1  
(10-02-2023)  
**CP 21H - Data Processing Adjustment Notice Shared Responsibility Payment (SRP)**

- (1) A CP 21H, Shared Responsibility Payment (SRP) Adjustment Notice, notifies the taxpayer of a SRP adjustment resulting in a balance due or refund.
- (2) If the taxpayer agrees with the notice, verify payoff amount if requested. Refer to IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.  
**Note:** Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.
- (3) If the taxpayer disagrees with the SRP amount, follow procedures in IRM 21.6.4.4.20.3.1, Shared Responsibility Payment Adjustments.

21.3.1.6.15  
(06-13-2024)  
**CP 22A - Data Processing Adjustment Notice, Balance Due of \$5 or more**

- (1) A CP 22A, Data Processing Adjustment Notice, Balance Due of \$5 or more, notifies the taxpayer of a data processing (DP) tax adjustment resulting in a balance due of \$5 or more when the account was not in Taxpayer Delinquent Account (TDA) status prior to the adjustment or when the account is going to TDA status in the current cycle.
- (2) For resolution, follow the table below:  
**Note:** Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.

If	And	Then
Taxpayer agrees	There is a zero balance or a balance is due	<ol style="list-style-type: none"> <li>1. Advise no action is necessary.</li> <li>2. Refer to IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due/ Missing Returns.</li> </ol>
Taxpayer indicates a payment was made	Has not been credited	<ol style="list-style-type: none"> <li>1. Follow IRM 21.5.7.3, Missing Payments Research, to determine if a sufficient timeframe has elapsed to perform payment tracer procedures.</li> <li>2. Research for missing payments.</li> <li>3. Transfer the payment if needed.</li> <li>4. Refer to IRM 21.5.8, Credit Transfers.</li> </ol>

If	And	Then
Taxpayer disagrees	Adjustment resulted from a DP tax adjustment	<ol style="list-style-type: none"><li>1. Verify the correctness of the adjustment.</li><li>2. Review the CII image to determine if the adjustment posted agrees with the adjustment requested by the taxpayer.</li><li>3. If you determine the case was not worked correctly, apologize to the taxpayer and make the necessary corrections.</li><li>4. If you have not received training on working paper inventory, send a referral following IRM 21.3.5.4.2.1.1, Preparing an e-4442/4442.</li></ol>

If	And	Then
Taxpayer disputes deficiency assessment	Adjustment resulted from examination of the return or Adjustment resulted from return executed by the IRS under IRC 6020(b). See IRM 21.5.3.4.10, Returns Prepared Under IRC 6020(b) - Substitute for Return (SFR), for additional information.	<ol style="list-style-type: none"> <li>1. Advise the taxpayer that under certain conditions, you can request an audit reconsideration. Refer to IRM 4.13.1.3.1, Research/Initial Case Screening.</li> <li>2. Advise taxpayer they can request an audit reconsideration if:                             <ol style="list-style-type: none"> <li>a. The taxpayer has information that was not previously considered which, if timely submitted, would have resulted in a change to the assessment.</li> <li>b. An original delinquent return is filed by the taxpayer after an assessment was made because of a return executed by the IRS under IRC 6020(b) or other substitute for return procedures.</li> <li>c. There was an IRS computational or processing error in assessing the tax. Refer to IRM 4.13.1.7, Acceptance of Request.</li> <li>d. The taxpayer moved and did not receive any correspondence from the IRS</li> </ol> </li> </ol>

21.3.1.6.15.1  
(10-02-2023)

**CP 22H - Shared Responsibility Payment (SRP) Adjustment Notice, Balance Due of \$5 or more**

- (1) A CP 22H, Shared Responsibility Payment (SRP) Adjustment Notice, Balance Due of \$5 or more, is issued when the account was not in TDA status prior to the adjustment or when the account is going to TDA status in the current cycle.
- (2) Research the account to verify the true status/issue and provide the payoff if requested. For AM employees, see IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.

**Note:** Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.

- (3) If the taxpayer disagrees with the SRP amount, follow procedures in IRM 21.6.4.4.20.3.1, Shared Responsibility Payment Adjustments.

21.3.1.6.16  
(10-01-2024)  
**CP 23 - Estimated Tax Credits Discrepancy - We Changed Your Return to Match Your Credits or Payments Posted to Your Account - Balance Due**

- (1) A CP 23, Estimated Tax Credits Discrepancy - We Changed Your Return to Match Your Credits or Payments Posted to Your Account - Balance Due, notifies the taxpayers of a discrepancy between estimated tax credits claimed on the return and credits posted to the account, resulting in a balance due of \$1.00 or more.
- (2) This notice also notify the taxpayer of a math error.
- (3) Review payment amounts and dates.

If	Then
A payment or credit-elect is missing	<ol style="list-style-type: none"> <li>1. Research for missing payment.</li> <li>2. Transfer credit if appropriate.</li> <li>3. Refer to IRM 21.5.8, Credit Transfers.</li> <li>4. If TP states payments are under spouse's TIN refer to IRM 21.6.3.4.2.3.2, Estimated Tax Joint Allocation.</li> </ol>
Taxpayer agrees with the notice	<ol style="list-style-type: none"> <li>1. Advise taxpayer to correct their copy of the return.</li> <li>2. Refer to IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.  <b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.</li> </ol>

21.3.1.6.17  
(10-01-2024)  
**CP 24 - Estimated Tax Credits Discrepancy - We Changed Your Return to Match Your Credits or Payments Posted to Your Account -You May Have a Credit or Overpayment**

- (1) A CP 24, Estimated Tax Credits Discrepancy - We Changed Your Return to Match Your Credits or Payments Posted to Your Account -You May Have a Credit or Overpayment, notifies the taxpayer of a discrepancy between estimated tax credits claimed on return and credits posted to the account, resulting in an overpayment of \$1.00 or more. In addition to a discrepancy in estimated tax payments, a CP 24 may advise the taxpayer their return contained a math error or the statute for refund has expired.
- (2) A TC 570 with blocking series "5555" holds the refund. If a TC 846 has not posted to the account, see IRM 21.5.6.4.35.4(5), Refund Holds, to determine when the refund will be released.
- (3) There are different types of CP 24 notices:
  - CP 24, Estimated Tax Discrepancy, Overpayment of \$1 or More
  - CP 24E, Estimated Tax Discrepancy - Return Changed to Match Payments and Credits IRS Received - Adjusted Refund, Potential Credit
- (4) When responding to a CP 24 series notice, refer to the table below.

If	Then
This is an estimated tax discrepancy	Review payment dates and amounts shown on the notice.
Taxpayer indicates a payment is erroneously credited to account	<ol style="list-style-type: none"> <li>1. Research IDRS to locate account where payment belongs.</li> <li>2. Apply to correct account, or</li> <li>3. If you cannot locate correct account, transfer to Excess Collection or Unidentified File.</li> <li>4. Refer to IRM 21.5.7, Payment Tracers, for additional information to research for a missing or misapplied payment.</li> <li>5. Refer to IRM 21.5.8, Credit Transfers.</li> </ol>
Taxpayer received a refund of an erroneously credited payment	Refer to IRM 21.4.5, Erroneous Refunds.
Taxpayer agrees with notice	<ol style="list-style-type: none"> <li>1. Advise taxpayer a refund will be issued within 4 to 6 weeks of the date on the notice if no other tax is due or obligations are owed.</li> <li>2. Advise taxpayer of a possible TOP offset.</li> </ol>
Taxpayer agrees with notice and requests the overpayment is applied to the subsequent tax year	<ol style="list-style-type: none"> <li>1. Confirm the credit has not offset or refunded.</li> <li>2. Refer to IRM 21.5.8.4.2(4), Determining Correct Credit Transfer Format, for procedures to apply the overpayment as a credit elect.</li> </ol>
Notice contains math error information	Refer to math error notice resolution in IRM 21.3.1.6.8, CP 12, Math Error Overpayment of \$ 1 or More.
The taxpayer indicates they received the CP 24 <b>but</b> didn't file their tax return yet, <b>and</b> the ES payments should <b>NOT</b> be refunded	<ol style="list-style-type: none"> <li>1. Determine if a TC 971 AC 850 is appropriate to flip the refund to paper check for the credit / refund see IRM 21.4.1.5.7(3) Direct Deposits- General Information, for more information.</li> <li>2. If there is an open IDTVA control on the account, refer to IRM 25.23.12.4.1, Telephone Inquiries Regarding Identity Theft Victim Assistance (IDTVA) Tax - Related Cases.</li> <li>3. If there is no open IDTVA control, recommend the TP file a paper return with a Form 14039 attached and provide recommendations from IRM 25.23.12.2, Identity Theft Telephone General Guidance.</li> </ol>

21.3.1.6.18  
(10-03-2022)

**CP 25 - Estimated Tax Discrepancy, We Changed Your Return to Match Your Credits or Payments Posted to Your Account - Even Balance**

- (1) A CP 25, Estimated Tax Credits Discrepancy - We Changed Your Return to Match Your Credits or Payments Posted to Your Account - Even Balance, notifies the taxpayer of a discrepancy between estimated tax credits claimed on return and credits posted to the account, resulting in an overpayment of less than \$1.00, or a balance due of less than \$5.00.
- (2) This notice also informs taxpayer that no refund is issued for less than \$1.00 unless taxpayer requests it in writing, and no payment is necessary of a balance due less than \$5.00.
- (3) There are different types of CP 25 notices:
  - CP 25, Estimated Tax Credits Discrepancy - We Changed Your Return to Match Your Credits or Payments Posted to Your Account - Even Balance
  - CP 25T, Tax Reform Estimated Tax Discrepancy, Even Balance. This notice is generated from Taxpayer Notice Codes (TPNCs) 250, 322, 414, 417, 730, and/or 731 (see *Notices and Notice Codes* for an explanation of these TPNCs). However, a CP 25 may be issued if another TPNC is used in conjunction with those listed.
- (4) Refer to table in IRM 21.3.1.6.16, CP 23 - Estimated Tax Credits Discrepancy - We Changed Your Return to Match Your Credits or Payments Posted to Your Account - Balance Due, if taxpayer wants to pay Balance Due < \$5.

21.3.1.6.19  
(10-02-2023)

**CP 27 - Earned Income Credit (EIC) Potential for Taxpayer Without Qualifying Children**

- (1) A CP 27, EIC Potential for Taxpayer Without Qualifying Children, notifies the taxpayer without children of possible eligibility for the EITC. Refer to IRM 21.6.3.4.2.7.8, EITC CP 09 / CP 27.
- (2) If trained,
  - a. Answer questions about eligibility.
  - b. Advise how to claim the credit.
  - c. If the taxpayer qualifies, advise taxpayer to sign the notice and return in the envelope provided.
- (3) If not trained, transfer caller following the *Telephone Transfer Guide (TTG)*.

21.3.1.6.20  
(03-17-2016)

**CP 30 - Estimated Tax Penalty Notice - Reduced Refund**

- (1) A CP 30, Estimated Tax Penalty Notice - Reduced Refund, notifies the taxpayer all or part of an overpayment has been applied to an estimated tax penalty. Advises taxpayer all or some of required estimated tax payments were not timely.

If	Then
Taxpayer indicates a payment was not credited to account	Research for missing payment.
The taxpayer's credit elect was reduced due to the assessment of an ES penalty.	Advise taxpayer they may need to make up the difference on the first quarter payment or increase future Estimated Tax (ES) payments. Encourage the taxpayer to use the on-line payment options located on <i>IRS.gov</i> under the payment tab.
Taxpayer wants to have part or all of penalty removed	Before advising the taxpayer to file Form 2210, determine if the taxpayer meets the criteria. Refer to IRM 20.1.3.3.1.7.1, Form 2210 or Form 2210-F. If the taxpayer qualifies for the ES Penalty waiver, advise the taxpayer to complete Form 2210, Underpayment of Estimated Tax by Individuals, Estates and Trusts, and provide the appropriate mailing address.

**Note:** Form 2210 with instructions **is not** included with the notice.

21.3.1.6.20.1  
(01-26-2010)

**CP 30A - Reduced or  
Removed Estimated Tax  
Penalty**

- (1) A CP 30A, Reduced or Removed Estimated Tax Penalty, notifies the taxpayer that Form 2210, Underpayment of Estimated Tax by Individuals, Estates and Trusts, was incorrect, resulting in a refund.
- a. A response is not required unless taxpayer disagrees.

If	Then
Taxpayer disagrees	Review Form 2210 and explain how amount was computed.
Taxpayer still disagrees	Advise taxpayer they may either: <ol style="list-style-type: none"> <li>1. Return the voided check with a written explanation of why they disagree, or</li> <li>2. Keep check and pay penalty if they received notice that a penalty has been assessed.</li> </ol>

- b. Refer to IRM 21.4.3, Returned Refunds/Releases, for more information on returning refund checks.

21.3.1.6.21  
(10-12-2021)

**CP 32 - We Sent You a  
Replacement Refund  
Check to Replace the  
One That Expired and  
CP 32A - Call Us to  
Request a New Refund  
Check - Old Check Has  
Now Expired**

- (1) The CP 32 and CP 32A are issued when an original refund check is not cashed within one year.
- a. The CP 32 notifies the taxpayer the refund was reissued.
- b. The CP 32A notifies the taxpayer we will not reissue again without a request from the taxpayer.

If	Then
Taxpayer has moved	Correct the taxpayer's address.
More than 30 days have passed since the notice was issued and taxpayer has not received the refund	Refer to IRM 21.4.1, Refund Research.
More than a year has passed, the taxpayer has not cashed the refund check and Economic Impact Payment (EIP) is included in the credit balance	Follow procedures in IRM 21.6.3.4.2.13.3, Economic Impact Payments - Manual Adjustments. If EIP is included in the credit balance, reverse the EIP.

- (2) When the credit balance includes the Recovery Rebate Credit (RRC), refer to IRM 21.6.3.4.2.14, Recovery Rebate Credit, and IRM 21.6.3.4.2.13, Economic Impact Payments (EIP), to determine whether the account should be adjusted to allow a refund.

21.3.1.6.22  
(12-14-2011)

**CP 39 - Overpaid Taxes Applied to Your Balance Due from a Secondary Social Security Number (SSN)**

- (1) A CP 39, Overpaid Taxes Applied to Your Balance Due from a Secondary Social Security Number (SSN), notifies the taxpayer an overpayment for a return on which the taxpayer is the secondary SSN has been applied to the balance due on a return for another year, which is the return identified in the heading of the notice. The notice explains that a joint filer is responsible for paying the tax due on the return as originally filed and any tax resulting from subsequent adjustment (e.g., an examination). Advise taxpayer this is an information notice and a response is not required.

21.3.1.6.23  
(01-02-2020)

**CP 40 (IMF) and CP 140 (BMF) - Overdue Account Sent to Private Collection Agency**

- (1) The CP 40, Overdue Account Sent to Private Collection Agency (IMF), notifies the **taxpayer** that their tax account has been assigned to a private collection agency (PCA) for collection.
- (2) The CP 140, Overdue Account Sent to Private Collection Agency (BMF), notifies the **business** that their tax account has been assigned to a private collection agency (PCA) for collection.
- (3) Both notices advise taxpayers and/or businesses to contact the PCA directly to resolve balance due issues. Refer to IRM 5.19.1.5.21, Private Debt Collection, for additional information.

21.3.1.6.24  
(10-02-2023)

**CP 42 - Overpaid Taxes Applied - Refund Reduced to Pay on a Secondary Social Security Number (SSN)**

- (1) A CP 42, Overpaid Taxes Applied - Refund Reduced to Pay on a Secondary Social Security Number (SSN), notifies the taxpayer of an offset of an overpayment for the return that is the subject of the notice to satisfy a Federal tax obligation for a joint return for another tax year on which the taxpayer was the secondary SSN. **Be aware of disclosure criteria.** Refer to IRM 21.1.3.2, General Disclosure Guidelines.

If	And	Then
Taxpayer agrees with notice	An overpayment remains;	Advise the taxpayer they should receive a refund within 4 weeks, if they owe no other taxes. <b>Note:</b> Advise taxpayer of a possible TOP offset for child or spousal support, Federal non-tax debts, state income tax obligations, or unemployment compensation debts.
The taxpayer did not receive refund check	Four weeks have passed	Advise the taxpayer to check and see if they owe other taxes (e.g., state or are they behind on child support). If not; refer to IRM 21.4.2, Refund Trace and Limited Payability.
Taxpayer agrees with the notice	The balance due remains on a prior year account.	Refer to IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns. <b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.
Taxpayer indicates he sent in a payment	There is no payment (TC 670) posted on the account	Research to locate the missing payment. Refer to IRM 21.5.7, Payment Tracers.
Taxpayer disagrees	Taxpayer states spousal obligation not correct	1. Request taxpayer to supply justification to the Account Management function. 2. Request written documentation only if the issue cannot be resolved with oral statement.
Taxpayer disagrees	Balance due arose from a return filed by one spouse	1. Advise the spouse who is not liable to file Form 8379, Injured Spouse Claim Allocation. 2. Refer to IRM 21.4.6.5.2, Injured Spouse Inquiries.

**Note:** For an audit reconsideration, refer to IRM 21.5.10.4.3, Audit Reconsiderations. For a Substitute for Return (SFR), refer to IRM 5.19.2, Individual Master File (IMF) Return Delinquency. For an AUR issue refer to IRM 21.3.1.6.41, Status of Individual Master File (IMF) Underreporter Cases.

21.3.1.6.25  
(10-01-2024)

**CP 44 - Refund Delayed Because You May Owe on Another Non-Individual (IMF) Account**

- (1) A CP 44, Credit Available For Application to Non-IMF Account, is issued when 130 present in the entity module. This is a three-part notice; Part 1 is sent to the taxpayer and Parts II and III are generated to the Atlanta CSCO.
- a. Informs the campus that an IMF overpayment is available for application to a non-IMF outstanding liability, or of an overpayment available to use in an Offer-in-Compromise.
  - b. Informs taxpayer an available overpayment was applied to an outstanding balance on another account.
- (2) After application of credit, remaining overpayment is refunded.
- a. Advise taxpayer to allow six to eight weeks on a non-individual account for IRS to determine if a tax liability exists.

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- b. If more than 8 weeks have elapsed and taxpayer has not received any information, prepare Form 4442, Inquiry Referral, and send to Compliance Service Collection Operations, *CSCO in the Atlanta campus*. Include taxpayer’s day and evening telephone numbers.

21.3.1.6.26  
(07-19-2023)  
**CP 49 - Overpayment Adjustment -Refund Applied to Other Liabilities**

- (1) A CP 49, Overpayment Adjustment - Refund Applied to Other Liabilities, notifies the taxpayer the overpayment on an individual return was applied to a prior year’s unpaid IMF liability.

If	And	Then
Taxpayer agrees with notice	A balance due remains on prior year	<ol style="list-style-type: none"> <li>1. <b>Accounts Management Employees</b> - follow procedures in IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.</li> <li>2. <b>All other employees</b> - follow procedures in IRM 5.19.1.2, Balance Due Overview.</li> </ol>
Taxpayer agrees with notice	An overpayment remains	<ol style="list-style-type: none"> <li>1. Advise taxpayer a refund will be issued within four to six weeks if no other Federal taxes or obligations are owed (TOP offset for child or spousal support, Federal non-tax debts, or state income tax).</li> <li>2. Refer to IRM 21.4.1, Refund Research, if four weeks have passed.</li> </ol>
Payment was made	Was <b>NOT</b> properly credited to the prior year account	Research IDRS to locate payment (e.g., TC 670). Refer to IRM 21.5.7, Payment Tracers.
Taxpayer disagrees with notice	Supplies supporting information	<ol style="list-style-type: none"> <li>1. Adjust the account as appropriate.</li> <li>2. Send the taxpayer a notice explaining the adjustment to tax.</li> <li>3. Advise the taxpayer that Penalty and Interest is charged until the account is paid in full. Refer to IRM 20.1, Penalty Handbook and IRM 20.2, Interest.</li> </ol>

21.3.1.6.27  
(10-02-2023)  
**CP 51A - We’ve Calculated Your Income Tax For You - Balance Due**

- (1) A CP 51A, We’ve Calculated Your Income Tax For You - Balance Due, notifies the taxpayer the IRS computed their tax and gives balance due. Interest or penalty for late payment is not charged if amount due is paid within 30 days of notice date or by due date of return.
- (2) Use the chart below to assist in the working of CP 51A responses.

<b>If</b>	<b>Then</b>
Taxpayer agrees with notice	Refer to IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns. <b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.
Payment was not properly credited to account	Research IDRS for missing payment, refer to IRM 21.5.7, Payment Tracers.
Taxpayer disagrees	Request taxpayer supply justification to Customer Service. Request written documentation only if issue not covered by oral statement.
Taxpayer's disagreement involves an item not reported on original return	Advise taxpayer to file amended return, Form 1040-X, Amended U.S. Individual Income Tax Return

- 21.3.1.6.27.1 (09-12-2017)  
**CP 51B - We've Calculated Your Income Tax For You - Refund**
- (1) A CP 51B, We've Calculated Your Income Tax For You - Refund, notifies the taxpayer the IRS computed their tax and provides refund amount. Advise taxpayer the refund should be received within 2 weeks of the date of the notice if no other Federal taxes or obligations are owed and a refund amount remains.

<b>If</b>	<b>Then</b>
Taxpayer agrees with notice	No action is necessary.
Taxpayer disagrees with notice	Refer to IRM 21.3.1.6.27, CP 51A Non-Compute, Balance Due of \$5 or more.

- 21.3.1.6.27.2 (09-12-2017)  
**CP 51C - We've Calculated Your Income Tax For You – Even Balance**
- (1) A CP 51C, We've Calculated Your Income Tax For You – Even Balance, notifies the taxpayer the IRS computed their tax and account balance is zero.

If	Then
Taxpayer agrees with notice	Advise that no action is required.
Payment was not properly credited	Research IDRS for missing payment. Refer to IRM 21.5.7, Payment Tracers.
Taxpayer disagrees with notice	Refer to IRM 21.3.1.6.27, CP 51A Non-Compute, Balance Due of \$5 or more.

21.3.1.6.28  
(10-03-2022)  
**CP 53 - Your Refund Check Will Be Sent to You by Mail - Failed Direct Deposit**

- (1) A CP 53, Your Refund Check Will Be Sent to You by Mail - Failed Direct Deposit, Check in the Mail, notifies the taxpayer an electronic funds transfer was not honored.

**Caution:** Additional taxpayer authentication is required on modules where RIVO or CI-SDC indicators are present and a CP 53 series notice was issued (e.g., CP 53, 53A, 53B, 53C, or 53D) for the tax period in question. See IRM 21.4.1.4(3), Refund Inquiry Response Procedures.

Advise the taxpayer:

- a. No action is required. Because the financial institution could not accept direct deposit of the refund, IRS is issuing a paper check.
- b. Taxpayer will receive a refund, within five weeks of the RFND-PAY-DATE of the original TC 846 if no other Federal taxes or obligations are owed and a refund amount remains.
- c. If four weeks have passed, refer to IRM 21.4.1, Refund Research.

21.3.1.6.28.1  
(10-31-2018)  
**CP 53A - Attempt to Direct Deposit Your Refund, Could Not Be Processed. A Paper Check Will Be Issued.**

- (1) A CP 53A, A Message About Your Request for an Electronic Deposit Refund, notifies the taxpayers that an attempt to direct deposit their refund, could not be processed by their financial institution.

**Caution:** Additional taxpayer authentication is required on accounts when there was a CP 53A issued. See IRM 21.4.1.4(3), Refund Inquiry Response Procedures.

Advise taxpayer:

- a. No action is required. The financial institution could not accept the direct deposit of the refund so IRS is reviewing the account.
- b. Within 10 weeks from the notice issuance date, they will either receive the refund via a paper check, if no other Federal taxes or obligations are owed, or will receive a letter requesting additional information.
- c. If 10 weeks have passed, research the account to determine if a P-Freeze is present. If present, refer to IRM 21.5.6.4.31, P-Freeze Overview. If no freeze code is present, refer to IRM 21.4.1.5.7.1, Direct Deposit of Refunds.

21.3.1.6.29  
(10-03-2022)

**CP 54x Series Notices,  
Inquiry Regarding Name  
and Social Security  
Number (SSN)**

- (1) There are four notices in the CP 54 series:
  - CP 54B, Additional Information Needed Regarding Name and Social Security Number (SSN) - Refund Delayed,
  - CP 54E, Discrepancy Between Name and Social Security Number (SSN) on Estimated Tax Payments,
  - CP 54G, Discrepancy Between Name and Social Security Number (SSN) - Even/Balance Due, and
  - CP 54Q, Discrepancy Between Name and Social Security Number (SSN) - Second Request.
- (2) These notices are issued to a taxpayer when:
  - A return with an invalid primary Social Security Number (SSN) posts. The taxpayer may receive a math error notice instead. Refer to IRM 21.5.4, General Math Error Procedures, for more information.
  - The account is invalid (found on the invalid segment of MF). The CP 54x series of notices advise the taxpayer to compare the name and identifying number with the SSN on their most recent social security card so the IRS can release a refund. Refer to IRM 21.6.1.6.7, Resolving CP 54 Notices with Math Error Involvement, and IRM 3.13.5.129, CP 54 Notice Overview.
- (3) Refer to IRM 3.13.5.20, IMF Taxpayer Identification Number (TINs) Format, for information on ITINs and IRM 21.5.6, Freeze Codes, for information on "I-" Freeze. Usually an account with an invalid SSN also has a "-G" Freeze (math error), refer to IRM 21.5.4, General Math Error Procedures.

21.3.1.6.29.1  
(10-02-2023)

**CP 54B - Additional  
Information Needed  
Regarding Name and  
Social Security Number  
(SSN) - Refund Delayed**

- (1) A CP 54B, Additional Information Needed Regarding Name and Social Security Number (SSN) - Refund Delayed, notifies the taxpayer of a problem with name and SSN on a refund return.
  - a. Research IDRS to verify name and SSN. Refer to IRM 3.13.5.129, CP 54 Notice Overview, for procedures.
  - b. If you are unable to verify entity information and resolve issue with oral statement, advise taxpayer to complete, sign, and return second page of the notice. Advise that signed response can be accepted by fax.
  - c. Taxpayer will receive refund within 30 days of receipt of reply if no other Federal taxes or obligations are owed and a refund amount remains.
  - d. Refer to IRM 21.5.6, Freeze Codes, if there is a "G" Freeze on the module.
  - e. Refer to IRM 21.6.2.3.1, NMRG Conditions, if research determines a TIN-related problem exists.

21.3.1.6.29.2  
(10-03-2022)

**CP 54E - Discrepancy  
Between Name and  
Social Security Number  
(SSN) on Estimated Tax  
Payments**

- (1) A CP 54E, Inquiry Regarding Name and SSN on ES Tax Payments, notifies the taxpayer of a problem with name and SSN on estimated tax payment.
  - a. Research IDRS to verify name and SSN. Refer to IRM 3.13.5.129, CP 54 Notice Overview, for procedures.
  - b. If you are unable to verify entity information and resolve issue with oral statement, advise taxpayer to complete, sign and return second page of the notice. Advise that signed response can be accepted by fax.
  - c. If the payment is on the wrong TIN, input a credit transfer. Refer to IRM 21.5.8, Credit Transfers.

21.3.1.6.29.3  
(10-02-2023)

**CP 54G - Discrepancy  
Between Name and  
Social Security Number  
(SSN) - Even/Balance  
Due**

- (1) A CP 54G, Inquiry Regarding Name and SSN - Even/Balance Due, notifies the taxpayer of a problem with name and SSN on return with an even balance or a balance due.
  - a. Research IDRS to verify name and SSN. Refer to IRM 3.13.5.129, CP 54 Notice Overview, for procedures.
  - b. If you are unable to verify the entity information and resolve issues with oral statement, advise taxpayer to complete, sign and return second page of the notice. Advise that signed response can be accepted by fax.
  - c. If the taxpayer agrees with the balance due, verify payoff amount if requested. For AM employees, see IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.

**Note:** Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.
  - d. If the taxpayer disagrees with the balance due because of a misapplied payment, research for the payment and input a credit transfer. Refer to IRM 21.5.8, Credit Transfers.

21.3.1.6.29.4  
(10-01-2015)

**CP 54Q - Discrepancy  
Between Name and  
Social Security Number  
(SSN) - Second Request**

- (1) A CP 54Q, SSN and Name Inquiry - Second Request, is an automatic follow-up notice (second request) to the CP 54B.
- (2) Automatically generates one year after the CP 54B if the taxpayer still resides on the invalid segment of Master File.
- (3) Refer to IRM 21.3.1.6.29.1, CP 54B Inquiry Regarding Name and SSN - Refund Delayed.

21.3.1.6.30  
(02-03-2023)

**CP 56V - Installment of  
CARES Act Deferred  
Social Security Taxes is  
Due (IMF)**

- (1) A CP 56V, Installment of CARES Act Deferred Social Security Taxes is Due (IMF), is the first courtesy notice to remind taxpayers that social security taxes deferred under the Coronavirus Aid, Relief, and Economic Security (CARES) Act Section 2302 were due by December 31, 2021, and December 31, 2022. The CARES Act allowed employers and taxpayers to defer the payment and deposit of certain social security taxes incurred from March 27, 2020 to December 31, 2020.
  - The amount due for December 31, 2021 is one-half of the amount they were eligible to defer, with the remainder due December 31, 2022.
  - The amount eligible to defer is generally one-half of the employer share of social security taxes for employers and Schedule H filers, and/or one-half of the social security taxes due for the 2020 filing year for self-employed individuals.
- (2) Refer to IRM 21.7.2.8, Deferred Payment of Social Security Taxes for Employers and Self-Employed Individuals, and IRM 21.6.4.4.8.5.2, Deferred Payment of Social Security Taxes for Employers and Self-Employed Individuals, for procedural guidance.
- (3) When responding to balance due issues, refer to IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.

**Note:** Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.

21.3.1.6.31  
(10-02-2023)

**CP 57 - Electronic Fund Transfer - Notice of Insufficient Funds on a Direct Debit Installment Agreement (DDIA) Payment Individual Master File (IMF)**

- (1) A CP 57, Electronic Fund Transfer - Notice of Insufficient Funds on a DDIA Payment (IMF), notifies the taxpayer that a direct debit installment agreement payment was not honored due to insufficient funds.

If	Then
Taxpayer agrees	<p>If the taxpayer agrees with the balance due, verify payoff amount if requested. For AM employees, see IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.</p> <p><b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.</p> <p>Encourage the taxpayer to use the on-line payment options available on <i>IRS.gov</i> under the payment tab.</p>
Taxpayer is having trouble that will prevent further installment payments from being honored	Research to verify status/issue, then transfer the call to ACS according to the TTG.
Taxpayer has reasonable cause for removal of penalty	Refer to IRM 20.1.10.6.3.3, Penalty Relief.
Taxpayer insists there were sufficient funds in their account	Advise the taxpayer to contact their bank.

- (2) For more information refer to IRM 20.1.10.7, IRC 6657 - Bad Checks (Dishonored Checks or Other Forms of Payment).

21.3.1.6.32  
(10-02-2023)

**CP 60 - We Removed a payment Erroneously Applied to Your Account. - Balance Due**

- (1) A CP 60, We Removed a payment Erroneously Applied to Your Account. - Balance Due, notifies the taxpayer when a credit is transferred out creating a debit balance of \$5.00 or more. Informs taxpayer of a credit reversal.

If	Then
Taxpayer agrees with notice	Refer to IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns. <b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.
Payment was not properly credited	1. Research IDRS for missing payment. 2. Refer to IRM 21.5.7, Payment Tracers.

21.3.1.6.33  
 (06-25-2021)  
**CP 62 - Notice of Credit Transfer - We Credited Your Account**

- (1) A CP 62, Notice of Credit Transfer - We Credited Your Account, notifies the taxpayer of a payment they inquired about was located and applied to a specific account. The notice also advises of one of the following:
  - A balance due
  - An even balance/no tax owed
  - A refund has been or will be issued subject to offset for any Federal tax or other obligations owed, such as a Treasury Offset Program (TOP) offset (see for child or spousal support, Federal non-tax debts, or state income tax).
- (2) Research IDRS and explain the reason for the notice. Follow procedures in table below.

If	And	Then
Taxpayer agrees with notice	There is an overpayment	<ol style="list-style-type: none"> <li>1. Advise refund will be issued within four to six weeks. Warn of possible offset.</li> <li>2. If more than four weeks have passed, refer to IRM 21.4.1, Refund Research.</li> </ol>
Taxpayer agrees with notice	There is a balance due	Refer to IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns. <b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.
Payment was made	Was not properly credited to the account	<ol style="list-style-type: none"> <li>1. Research IDRS for payment.</li> <li>2. Refer to IRM 21.5.7, Payment Tracers.</li> </ol>
Taxpayer disagrees with notice for a reason other than a missing payment	Provides justification	Refer to appropriate IRM and take necessary action to correct account.

21.3.1.6.34  
(10-02-2023)

**CP 71 - Taxes Still Owed  
- Annual Reminder**

- (1) A CP 71, Taxes Still Owed - Annual Reminder, is issued to a taxpayer once a year to remind taxpayer of a balance due, including penalty and interest. The notice is generated on accounts previously in a deferred Status (Status 23):

If	And	Then
Taxpayer agrees with notice	Taxpayer's financial status has not changed	No action is necessary.
Taxpayer indicates their financial status has changed	Payments can now be made	<ol style="list-style-type: none"> <li>1. Research the account to verify the true status/issue and provide the payoff if requested. For AM employees, see IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.</li> </ol> <p><b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.</p>
Taxpayer indicates a payment was made	Was not properly credited to account	<ol style="list-style-type: none"> <li>1. Research for payment.</li> <li>2. Refer to IRM 21.5.7, Payment Tracers.</li> </ol>
Taxpayer disagrees with notice for reasons other than missing payment	Provides justification	Refer to appropriate IRM and take necessary action to correct account.

21.3.1.6.34.1  
(10-02-2023)

**CP 71A -Taxes Owed,  
Currently Not Collectible  
- Annual Reminder -  
Your Passport May be  
Denied or Revoked**

- (1) A CP 71A, Taxes Owed, Currently Not Collectible - Annual Reminder - Your Passport May be Denied or Revoked, is issued to a taxpayer once a year on tax modules in Status 53 (currently not collectible). Status 53 is an IDRS status and the module may show another Master File status.

If	Then
Taxpayer offers to make payments	1. Research the account to verify the true status/issue and provide the payoff if requested. For AM employees, see IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.  <b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.
Taxpayer requests a final payoff	Compute payoff amount.
Taxpayer is unable to pay	1. Explain CP 71A is an annual notice. No enforcement action will be taken now. 2. Provide payoff amount if requested. 3. Refer to IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.  <b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.

21.3.1.6.34.2  
(05-23-2018)  
**CP 71C - Taxes Still Owed - Annual Reminder - Your Passport May be Denied or Revoked and CP 171 - Business (BMF) Annual Reminder of Overdue Taxes - Taxpayer Delinquent Account Notice**

- (1) A CP 71C, Taxes Still Owed - Annual Reminder - Your Passport May be Denied or Revoked, and CP 171, Business (BMF) Annual Reminder of Overdue Taxes - Taxpayer Delinquent Account Notice, is issued to taxpayer bi-annually for all Taxpayer Delinquent Accounts (TDA) in the queue that have been in status 24 for at least one year. The Compliance Services Collection Operations (CSCO) return address is on the notice along with an Automated Collection System (ACS) telephone number. These notices are issued from February through November based on the Taxpayer's Identification Number (TIN).

21.3.1.6.34.3  
(10-02-2023)  
**CP 71D - Taxes Still Owed - Annual Reminder**

- (1) A CP 71D, Taxes Still Owed - Annual Reminder, is issued to taxpayer once a year on accounts in collection Status 26 with a module balance due of \$25.00 or greater. A separate notice is issued for each module in Status 26.
- Note:** Accounts Management (AM) no longer negotiates payments on balance due accounts or sets demand dates for missing/unfiled returns. A request for basic account information should be considered an account related issue.

If	Then
Taxpayer has recently been contacted by IRS and has paid or arranged to pay	Advise taxpayer that notice is required by law and to disregard.
Call received on Toll Free numbers (other than ACS)	<p>1. Research the account to verify the true status/issue and provide the payoff if requested. For AM employees, see IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.</p> <p><b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.</p>
Calls received on Field Collection (FC)	Refer to ACS on Form 4442, Inquiry Referral. Create Form 4442 following IRM 21.3.5.4.2, How to Prepare a Referral.
Taxpayer offers to make payments	<p>1. Research the account to verify the true status/issue and provide the payoff if requested. For AM employees, see IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.</p> <p><b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.</p>
Taxpayer requests a final payoff	Compute payoff amount.
Taxpayer is unable to pay	<p>1. Research the account to verify the true status/issue and provide the payoff if requested. For AM employees, see IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.</p> <p><b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.</p>

21.3.1.6.34.4  
(10-02-2023)  
**CP 71H - Shared  
Responsibility Payment  
(SRP) - Annual Balance  
Due Reminder Notice for  
Affordable Care Act  
(ACA)**

- (1) A CP 71H, Shared Responsibility Payment (SRP) - Annual Balance Due Reminder Notice for Affordable Care Act (ACA), is issued once a year on Affordable Care Act (ACA), MFT 35 modules to remind the taxpayer of a balance due.

If	Then
Taxpayer offers to make payments	1. Research the account to verify the true status/issue and provide the payoff if requested. For AM employees, see IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.  <b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.
Taxpayer requests a final payoff	Compute payoff amount.
Taxpayer is unable to pay	1. Explain CP 71H, is an annual notice. The SRP is not subject to penalties, liens or levies but interest will continue to accrue. In addition, the IRS may offset federal tax refunds to the SRP until it is paid in full.  2. Research the account to verify the true status/issue and provide the payoff if requested. For AM employees, see IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due/ Missing Returns.  <b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.

- 21.3.1.6.35  
(07-19-2023)  
**CP 75 - Refund Hold - Return Being Examined Regarding Credits Claimed, Need More Information**
- (1) A CP 75, Refund Hold - Return Being Examined Regarding Credits Claimed, Need More Information, notifies the taxpayer that their refund is held pending an examination. The case is open in the Audit Information Management System (AIMS) in Origination Code 5041, Project Code 0261, and source code 06. Refer to IRM 21.5.10.4.1, Earned Income Tax Credit (EITC) and Other Projects, for information on how to handle these cases.
  - (2) When language on the notice informs the taxpayer to send documents using the Document Upload Tool, the notice will include a link and a unique access code. Taxpayers can open the link, enter their name and Tax Identification Number, then securely upload the requested documents. The taxpayer receives confirmation when their documents are successfully transmitted to the IRS.
- 21.3.1.6.36  
(10-03-2022)  
**CP 81 - Unfiled Tax Return - Credit About to Expire, We May Have a Refund for You**
- (1) A CP 81, Unfiled Tax Return - Credit About to Expire, We May Have a Refund for You, notifies the taxpayer when the refund statute is within six months of Refund Statute Expiration Date (RSED). The CP 81 informs the taxpayer "We May Have A Refund For You". The CP 81 is issued to coincide with news and press releases to remind taxpayers:
    - a. A return has not been filed.
    - b. The time to file a claim for a refund/overpayment is about to expire.
    - c. To claim the overpayment, the return/claim is filed before the RSED.
  - (2) Refer to the following references for additional information:
    - IRM 25.6.1.6.17, CP 81/081
    - IRM 25.12, Delinquent Return Refund Hold Program
    - IRM 25.6.1.8.4, Processing Original Delinquent Returns.
- 21.3.1.6.37  
(10-03-2022)  
**CP 85 and CP 87 (Exam Soft Notices)**
- (1) A CP 85, Exam EIC "Soft" Notice, and CP CP 87, Exam Dupe TIN Notice, are issued to taxpayer as soft notices by Examination. They are sent for information purposes only and inform the taxpayer they may have claimed one of several tax benefits in error.
  - (2) No adjustments are made to the return, nor will be made, unless the taxpayer initiates an adjustment. For additional information and adjustment procedures, refer to IRM 21.5.10.4.2, Exam Soft Notices CP 85A, CP 85B, CP 85C, CP 87A, CP 87B, CP 87C, and CP 87D.
- 21.3.1.6.38  
(10-01-2024)  
**CP 86 - Restricted Interest/Penalty Conditions**
- (1) A CP 86, Restricted Interest/Penalty Conditions, generates a case in CII in the same cycle as the TC 150. Research the account to determine the reason for the restriction and compute the current amount of interest to assess or abate.
  - (2) Anytime debit interest is manually computed, it is necessary to recompute the entire tax module to ensure an accurate computation is made and attach a source document to the account. Refer to IRM 20.2.5.6.2, Manual Computations, and IRM 20.2.1.4.2.1, Manual Calculation of Interest - Documentation, for more information.
  - (3) Update interest from the last interest update on manually computed accounts. Request return and source documents if necessary.
  - (4) Refer to IRM 20.2, Interest, for interest computation.

- (5) Refer to IRM 21.7.11.4.5.1, Routing of CP 186 Subsequent Payment Freeze, with Freeze Code U-, -V, -W, -Y, or TC 521 with Closing Codes 81.

21.3.1.6.38.1  
(10-03-2022)

**CP 86 - Failure to Pay  
(FTP) Restriction**

- (1) Review Failure to Pay (FTP) penalty manually when the penalty is restricted from computer computation. Input changes to penalty manually.
- (2) Analyze module to determine if Failure-to-File (FTF) penalty was correctly reduced to 22.5 percent (4.5 percent per month) when the Transaction Code (TC) 270 was assessed. See IRM 20.1.2.3.8, Failure to Pay Tax- RC 6651(a)(2) and (3). If the maximum Failure to Pay (FTP) penalty has been assessed and there is no Transaction Code (TC) 971 Action Code (AC) 262 on the account, input TC 971 AC 262 using CC REQ77.
- (3) CP 86 special consideration with respect to Notice 2015-09 (tax periods 201412 – 201511 only). Refer to IRM 20.1.2.2.4.3, Notice 2015-09 Penalty Relief, for procedures.

21.3.1.6.38.2  
(10-01-2024)

**Adjusting CP 86  
Accounts**

- (1) Analyze tax module, transcript, and source document to determine if you should manually adjust interest and/or penalty. Any CP 86, Restricted Interest/ Penalty Conditions, modules with the following conditions are transferred to Atlanta CSCO:

- Modules currently in Taxpayer Delinquent Account (TDA) status (Collection statuses 22, 24, 26 or 60)
- Modules that have the following freeze codes: U-, -V, -W, -Y, or Transaction Code (TC) 521 with Closing Code 81

**Note:** Do not close the Submission Processing control base or send any paper to Atlanta CSCO. Accounts Management employees must reassign to a unique IDRS number, 0765500001. Close your CII case using the “Close as MISC” option, then reassign a new IDRS control to 0765500001.

If	Then
No additional interest or penalty adjustment is necessary and 1. There is <b>no</b> credit or freeze code on the account <b>OR</b> 2. There is a credit or freeze code on the account.	1. No account actions are required, close case. <b>or</b> 2. Determine if the freeze should be released following normal freeze procedures. Resolve the credit issue when appropriate. Take all account actions as required by normal procedures.
Manual action is necessary	1. Refer to IRM 20.2.5.6.2, Manual Computations, and IRM 20.1.2.2.5, Manual Penalty Adjustments, when manually computing and adjusting interest and penalties. 2. Due to recent changes to FTP penalty programming, refer to IRM 20.1.2.2.6, Correcting Incorrect Assessments.  <b>Note:</b> Release the G- freeze with a TC 272 for .00 when the module has been restricted because of a reversed refundable tax credit, except if the credit reversal is a TC 767 with CRN 000 or CRN 334. Refer to IRM 20.1.2.2.6.1.3.1, Adjusting Refundable Credits Without a CRN and With CRN 334.
Available credit is less than the additional amount	Assess total additional amount. <b>Exception:</b> If the additional amount exceeds  only the available credit. Do not
Available credit is more than the additional amount.	Assess only the additional amount due and let the remainder be refunded.

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**Reminder:** IRC 6631 requires IRS to send an explanation to the taxpayer any time interest is manually computed, as in the case of the CP 86. Refer to IRM 20.2.5.6.2, Manual Computations. Additional information on source documentation can be found in IRM 20.2.1.5.2.1, Manual Calculation of Interest - Documentation.

- (2) If the module contains a **-C** freeze, and the module does not contain a TC 166, determine if the FTF penalty needs to be assessed.

**Exception:** Do not assess FTF penalty if the return contains computer condition code (CCC) **R**.

Follow these steps to determine the amount of FTF penalty to be assessed (if any):

- 1. If the return appears to have been filed late, then determine the number of months (if any) subject to the penalty for filing late. See IRM

20.1.2.3.7.1, Period Subject to IRC 6651(a)(1) for detailed instructions. Keep in mind when timely mailing equals timely filing. See IRM 20.1.2.2.1, When Timely Mailing Equals Timely Filing or Paying (Received Date vs. Filing/Payment Date). If the number of months subject to penalty is zero, stop. No FTF penalty is due.

2. If the return was filed late, determine the amount subject to penalty. See IRM 20.1.2.3.7.2, Amount Subject to IRC 6651(a)(1), for detailed instructions. If the amount subject to penalty is zero or less, stop. No FTF penalty is due.
3. Multiply 5 percent by the number of months subject to penalty (determined in step 1). This is the FTF penalty rate.
4. Multiply the amount subject to penalty (determined in step 2) by the FTF penalty rate in step 3). This is the gross FTF penalty amount.
5. Determine the amount of penalty for paying late accrued during the period subject to the penalty for filing late. For each month subject to FTF penalty, the FTP penalty is 1/2 percent of so much of the tax shown on the return that was not paid at the beginning of each month subject to the FTF penalty.

**Exception:** There are certain conditions under which the basic penalty rate may be increased or decreased. Refer to IRM 20.1.2.3.8.1, Computing the Penalty, for more information.

6. Subtract the FTP penalty (determined in step 5) from the gross FTF penalty (determined in step 4). This is the net FTF penalty due. Assess this amount with TC 160 along with any FTP penalty or interest adjustment that is needed.

**Reminder:** IRC 6751, requires IRS to include the name of the penalty, the section of the IRC under which the penalty is being imposed, and a computation of the penalty whenever a penalty is manually computed, as in the case of the CP 86. Refer to IRM 20.1.2.2.5, Manual Penalty Adjustments.

21.3.1.6.39  
(10-03-2022)  
**CP 89 - Annual  
Installment Agreement  
Statement - Payments  
Received and Where  
They Were Applied**

- (1) A CP 89, Annual Installment Agreement Statement - Payments Received and Where They Were Applied, is issued to taxpayer as an annual reminder notice sent on all accounts with installment agreement activity. This notice provides the following information:
  - For your Records - This is not a Bill
  - Provides a one-year accounting of all payments submitted
  - Shows modules to which payments were applied
  - Shows all balance due periods
- (2) The notice instructs the taxpayer:

If	And	Then
The notice shows restricted interest and/or penalty	The taxpayer wants a balance with the penalty and interest	Contact IRS at the telephone number on the notice
The notice does not show all the payment(s) they made during the year.		Contact IRS at the telephone number on the notice

21.3.1.6.40  
(04-23-2024)  
**IMF Underreporter  
Notices and Letters**

- (1) An underreporter investigation begins when there is a discrepancy between the income reported to IRS by taxpayers on their personal income tax return, and the income documents, such as Form W-2, Wage and Tax Statement, and Form 1099 series.
- (2) Process codes (PC) are used to provide an audit trail for Automated Underreporter (AUR) case processing.
- (3) Underreporter uses letters to request and gather information. If taxpayer indicates they received these letters, explain based on the following:
  - CP 2501, Initial Contact to resolve Discrepancy Between Income, Credits, and Deductions Claimed on Return & Those Reported by Payer. In certain situations, issuance of a CP 2501 provides better customer service since it is an inquiry instead of a proposal of assessment.
  - CP 2000, Request for Verification of Unreported Income, Payments, and/or Credits, notifies the taxpayer of a proposed change to tax liability because of income that is not identifiable or apparently not fully reported on the return and/or credits and deductions that appear overstated. When a CP 2000 is issued, the AUR function opens a control base on the module. IDRS will show the following indicators]
    1. A TC 922,
    2. An open IDRS control Base established to XX88002000 (XX is the Campus Location Code) and,
    3. An underreporter process code of 55 or 57.
  - Letter 1802-C — Used to provide information at the close of the underreporter case. Response may or may not be needed.
  - Letter 2625-C — Used to correspond with an employer/payer to clarify income from Form W-2, Wage and Tax Statement, and the Form 1099 series. Ask employer/payer to complete form and return.
  - Letter 2626-C — Used to correspond with taxpayer to obtain additional information or to provide further explanation subsequent to a CP 2000 or CP 250-1 notice. A response is usually expected.
  - Letter 2627-C — Used to obtain missing information when an incomplete Power of Attorney (POA) is submitted by taxpayer. A response is expected.
  - Letter 4314-C — Used to inform taxpayer the case is not yet resolved. This is issued from AUR when another action is being taken on a case at the same time (e.g., when a letter to validate income or additional research is being conducted).

- Letter 2893-C — Used to notify taxpayer of adjustment due to Underclaimed or Overclaimed Withholding, Excess Social Security Tax, or Additional Medicare Tax Withheld.
- (4) AUR sends the CP 2005 to taxpayers to thank them for information and to inform them that AUR is closing the case with no change to the tax liability and/or refundable credits.
  - (5) When working accounts with Automated Underreporter (AUR) involvement, research the account to identify the AUR case status, Process Code, or AUR specific penalties. See IRM 21.3.1.6.41, Status of Individual Master File (IMF) Underreporter Cases, to determine if actions are required.

21.3.1.6.40.1  
(10-01-2024)

**Ordering a Copy of CP 2000, CP 2501, or 2893C Letter**

- (1) Users having access to Account Management Services (AMS) may print and provide a copy of the CP 2000, Request for Verification of Unreported Income, Payments, or Credits, and CP 2501, Initial Contact to Resolve Discrepancy Between Income, Credits, and/or Deductions Claimed on Return and Those Reported by Payer, or CP 2893, Underclaimed / Over-claimed Withholding, Excess Social Security or Medicare Tax Closure. For delivery methods, see IRM 21.1.3.9(5), Mailing and Faxing Tax Account Information.

**Caution:** On jointly filed returns when the requestor is the secondary taxpayer, the address may be different from that of the primary due to divorce or separation. In these situations, when sending a copy of the CP 2000, make sure to sanitize the primary's address from the letter to prevent inadvertent disclosure.

**Caution:** When using AMS to provide the taxpayer with a copy of CP 2000 or CP 2501, review the notice date. If the taxpayer has not had enough time to receive the AUR notice, do not disclose any AUR notice information including the presence of the notice.

**Note:** If the CP 2000 does not appear on AMS and the module is not active when researching CC TXMOD, activate the module by inputting CC MFREQ for the tax year in question. Refresh AMS after inputting CC MFREQ, the CP 2000 should now appear on AMS. If the CP 2000 is still not showing on AMS, follow the procedures below.

- (2) Provide a copy of a CP 2000, CP 2501, or Letter 2893C, based on how the request was received:
  - a. If the request was received during telephone contact, and the letter is not available on AMS, create Form 4442, Inquiry Referral, following IRM 21.3.5.4.2, How to Prepare a Referral. Route Form 4442 to the campus where the AUR case is assigned/was worked using the first two digits of the TC 922 DLN to determine the location. See IRM 21.3.1.6.41, Status of Individual Master File (IMF) Underreporter Cases, for information about the TC 922 process codes (PC).

**Note:** When preparing the Form 4442, select: Referral Type: IRM, IRM Category: Underreporter/AUR, Sub Category: Copies of CP 2000, CP 2501, 2893C Letter.

- b. If the request was received on a paper or CII case, route the correspondence or Form 1040-X, Amended U.S. Individual Income Tax return, to the campus where the case is assigned. The first two digits of the TC 922 DLN indicate where the case is assigned. See IRM 21.3.1.6.41, Status of Individual Master File (IMF) Underreporter Cases, for information about the TC 922 process codes (PC).
- (3) Advise taxpayer to expect a reply within 60 days unless the call was transferred to the AUR transfer number.

21.3.1.6.41  
(05-14-2024)  
**Status of Individual  
Master File (IMF)  
Underreporter Cases**

- (1) Consider existing account conditions and determine when they take priority over an AUR response or may prevent you from inputting an adjustment. Examples include, but are not limited to:
  - a. Criminal Investigations (CI), see IRM 21.5.6.4.51, Z- Freeze, and IRM 21.5.6.4.52, -Z Freeze,
  - b. Frivolous Returns and Claims, see IRM 21.5.3.4.16.7, Identifying Returns/Correspondence and Responding to Frivolous Argument,
  - c. Return Integrity Verification Operations (RIVO), see: IRM 21.5.6.4.35.3.2, -R Freeze Paper Procedures for Accounts With Return Integrity Verification Operations (RIVO) Involvement.
- (2) When working accounts with Automated Underreporter (AUR) involvement, research the account to identify the AUR case status, Process Code, or AUR specific penalties.
  - a. Identify the Underreporter process code (PC) listed under the Transaction Code (TC) 922 on the account. The status of an AUR case is determined by the last PC posted.
  - b. The definitions of AUR PC are found in *Underreporter Process Codes* and in IRM 4.19.3-4, AUR Process Codes
  - c. Refer to the table below to determine when Accounts Management should respond to the taxpayer's inquiry or when a case should be referred to AUR. Refer the case/call to AUR only when the status allows for the referral **and** the case meets AUR criteria. Do not route cases or transfer calls to AUR that do not address the AUR assessment and/or request reconsideration of the assessment.

**Note:** If additional assistance is required, contact the appropriate Automated Underreporter (AUR) Coordinator. A listing is provided under the "Who/Where" tab *AUR Coordinators* on the Servicewide Electronic Research Program (SERP) home page. Do not share the telephone contact information with the taxpayer.
- (3) Once the last process code is determined, use the following chart to determine the status of the AUR issue and the correct action to be taken:

If	Then
1. TC 922 but <b>no PC</b> is shown	<ol style="list-style-type: none"> <li>Underreporter <b>does not</b> have a case. <b>Do not</b> refer to AUR.</li> <li>Respond to the taxpayer following normal procedures.</li> </ol>
2. The last PC is 01, 03 or 06	<ol style="list-style-type: none"> <li>The AUR issue or case is pending, and the taxpayer may or may not receive a notice. <b>Do not</b> refer to AUR.</li> <li>Respond to the taxpayer following normal procedures.</li> </ol>
3. The last PC is 09	<ol style="list-style-type: none"> <li>AUR <b>has not</b> contacted the taxpayer yet.</li> <li>Only transfer calls to AUR if they are calling about the underreporter issue.</li> </ol> <p><b>Caution:</b> Do not send the TP a copy of a CP 2000 prior to the notice date.</p>
4. The last PC is 07, 19, or 49	<ol style="list-style-type: none"> <li>There is no AUR case. This designates a soft notice, CP 2057. <b>Do not</b> refer to AUR.</li> <li>If contact is a Form 1040-X, respond to taxpayer following normal procedures.</li> </ol>
5. The last PC is 10–14, 15*, 16, 17, 18*, or 21–29	<ol style="list-style-type: none"> <li>The AUR issue or case was closed, and taxpayer will not receive a notice. <b>Do not</b> refer the case or call to AUR.</li> </ol> <p><b>Exception:</b> Beginning May 2015, PC 17 is used to close verified ID Theft cases based on taxpayer contact.</p> <p><b>Note:</b> *PC 15/18: If the PC immediately preceding PC 15 or 18 is 01, 03, or 06 the case was closed without taxpayer contact.</p> <ol style="list-style-type: none"> <li>Respond to the taxpayer following normal procedures.</li> </ol>
6. The last PC is 31	<ol style="list-style-type: none"> <li>The AUR issue was systemically closed through Auto Notice Screen Out. No notice is issued to the taxpayer.</li> <li>Respond to the taxpayer following normal procedures.</li> </ol>
7. The last PC is 35, 36, 38, 62–64, 66, 82, 83, 85 or 86	<ol style="list-style-type: none"> <li>AUR has closed their case and transferred it to an Examination function.</li> <li>Respond to the taxpayer following normal procedures.</li> </ol>
8. The last PC is 44, 72 or 84	<ol style="list-style-type: none"> <li>AUR has closed their case and transferred it to Campus Fraud.</li> <li><b>Do not</b> advise the taxpayer that their case was referred to Campus Fraud.</li> <li>Respond to the taxpayer following normal procedures.</li> </ol>
9. The last PC is 46, 65 or 76	<ol style="list-style-type: none"> <li>AUR has closed their case and transferred it to Criminal Investigation.</li> <li><b>Do not</b> advise the taxpayer that their case was referred to Criminal Investigation.</li> <li>Respond to the taxpayer following normal procedures.</li> </ol>
10. The last PC is 80	<ol style="list-style-type: none"> <li>AUR has closed their case and transferred it to Appeals.</li> <li>Respond to the taxpayer following normal procedures.</li> </ol>
11. The last PC is 30, 34, 54, 55, 57–60, 75, 77–79, 81, 95, 97–99	<ol style="list-style-type: none"> <li>Case is open in AUR. Follow appropriate steps below.</li> <li>If this is a telephone contact, refer to IRM 21.3.1.6.41.1, Responding to Individual Master File (IMF) Underreporter Telephone Inquiries.</li> <li>If this is a paper case, refer to IRM 21.3.1.6.41.2, Responding to Individual Master File (IMF) Underreporter Paper Inquiries.</li> </ol>

If	Then
12. The last PC is 15*, 18*, 39, 47, 48, 51, 52, 69, 70, 71, 73, 74, 89, 91, 92 or 93	1. Case was worked and closed by AUR with no change to the tax liability and/or refundable credits. <b>Do not</b> refer the case or call to AUR. <i>Note:</i> PC *15/18: If the PC immediately preceding PC 15 or PC 18 is other than 01, 03 or 06, the taxpayer was contacted by AUR. <i>Note:</i> Beginning May 2015, PC 17 is used to close verified ID Theft cases based on taxpayer contact. <i>Note:</i> Beginning September 30, 2016, PCs 39, 69, and 89 indicate an AUR tax assessment. 2. Respond to the taxpayer following normal procedures.
13. The last PC is 20, 37, 39, 53, 62, 67, 68, 69, 82, 87, 88, 89, 90 or 94	1. Case was worked and closed by AUR with an adjustment to tax liability and/or refundable credits. Follow appropriate steps below. 2. If this is a telephone contact, refer to IRM 21.3.1.6.41.1, Responding to Individual Master File (IMF) Underreporter Telephone Inquiries. 3. If this is a paper case, refer to IRM 21.3.1.6.41.2, Responding to Individual Master File (IMF) Underreporter Paper Inquiries.
14. The last PC on the account is 96	1. AUR determined an assessment is not necessary. The case is transferred to another function, such as Bankruptcy or Adjustments. a. If there <b>is not an open control to AUR</b> , then respond to the taxpayer following normal procedures. b. If there is an <b>open control to AUR</b> then follow instructions in paragraph 2 or 3 below. 2. If this is a telephone contact, refer to IRM 21.3.1.6.41.1, Responding to Individual Master File (IMF) Underreporter Telephone Inquiries. 3. If this is a paper case, refer to IRM 21.3.1.6.41.2, Responding to Individual Master File (IMF) Underreporter Paper Inquiries.

- (4) When language on the notice informs the taxpayer to send documents using the Document Upload Tool (DUT), the notice will include a link and a unique access code. Taxpayers can open the link, enter their name and Tax Identification Number, then securely upload the requested documents. The taxpayer receives confirmation when their documents are successfully transmitted to the IRS.

21.3.1.6.41.1  
 (01-31-2024)  
**Responding to Individual Master File (IMF) Underreporter Telephone Inquiries**

- (1) Explain reason for the notice. Ask the taxpayer to compare their records with income and withholding listed on the CP 2000 or CP 2501. You can often resolve the discrepancy based on the taxpayer’s response.

- (2) AUR accepts oral statements for resolution of many issues. Refer to IRM 4.19.3.22.2, Telephone Responses.

**Caution:** Many of these oral statements involve Official Use Only (OUO) information.

- (3) Review the account and identify the last process code (PC). Refer to the charts in paragraph 5 and 6 to determine if the call should be transferred to AUR.

**Note:** If a call is received from a third party **on an AM Toll Free line**, and the third party states they have authorization to speak to the IRS granted on the CP

2000 or CP 2501, transfer the call to AUR. AM does not have the capability to see the authorization granted on the CP notices. For calls received on the Practitioner Priority Services (PPS) line, refer to IRM 21.3.10.5, Transfers and/or Referrals.

- (4) To maximize customer satisfaction and IRS business results, use probing questions to determine the purpose of the call. Research IDRS to identify if the call should be transferred immediately after completing required taxpayer authentication in IRM 21.1.3.2.3, Required Taxpayer Authentication. Follow procedures in paragraph 6 to assist the caller when an open AUR issue has been identified.

**Note:** If the PC is not identified in the table in paragraph 6, there is not an open AUR issue. Refer to IRM 21.3.1.6.41, Status of Individual Master File (IMF) Underreporter Cases, for instructions.

- (5) When the taxpayer contacts the IRS by phone for the purpose of establishing a payment arrangement for the AUR assessment, determine if the taxpayer agrees with the AUR assessment shown on the CP 2000 or Notice of Deficiency.

If	And	Then
Taxpayer agrees	Taxpayer requests to mail their response to AUR 1. Instruct the taxpayer to complete their AUR notice response form by checking the "I agree with all changes" box, signing, and dating their form. 2. Advise taxpayer to return their completed form to the address shown on the notice.	1. <b>Do not</b> transfer the call to AUR. 2. <b>Accounts Management Employees</b> - follow procedures in IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns. 3. <b>All other employees</b> - follow procedures in IRM 5.19.1.2, Balance Due Overview.
Taxpayer agrees	Taxpayer requests to fax their response to AUR, instruct taxpayer to fax the form to the fax number provided on their notice.	1. <b>Do not</b> transfer the call to AUR. 2. <b>Accounts Management Employees</b> - follow procedures in IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns. 3. <b>All other employees</b> - follow procedures in IRM 5.19.1.2, Balance Due Overview.

If	And	Then
Taxpayer <b>does not</b> agree	Taxpayer does not understand why they owe <ol style="list-style-type: none"> <li>1. Explain reason for the notice.</li> <li>2. Ask the taxpayer to compare their records with the income and withholding listed on the CP 2000, Request for Verification of Unreported Income, Payments, and/or Credits.</li> <li>3. If the taxpayer’s underreporter issue is beyond the scope of your training, do not discuss the AUR issue with the caller.</li> </ol>	Transfer the call to AUR informing the taxpayer they are being transferred. Provide AUR hours of operation 7:00 a.m. - 8:00 p.m. local time and AUR toll-free number 800-829-8310. <ol style="list-style-type: none"> <li>a. Extension 1841 English</li> <li>b. Extension 1842 Spanish</li> </ol>
The CP 2000, CP 2501 or Letter 2893C was lost, destroyed or not received.		Follow IRM 21.3.1.6.40.1, Ordering a Copy of CP 2000, CP 2501, or 2893C Letter.

(6) Use the following chart to determine the correct action based on the last process code (PC):

If	Then
1. The last PC is 30, 34, 54, 55, 57-60, 75, 77-79, 81, 95, or 97-99	<ol style="list-style-type: none"> <li>1. Case is open in AUR. Follow appropriate steps below.                             <p><b>Caution:</b> If there are no <b>open</b> AUR controls on IDRS, AUR has completed their review and the call <b>should not</b> be transferred to AUR.</p> </li> <li>2. If the taxpayer’s underreporter issue is beyond the scope of your training, do not discuss the AUR issue with the caller. Transfer the call to AUR informing the taxpayer they are being transferred. Provide AUR hours of operation 7:00 a.m. - 8:00 p.m. local time and AUR toll-free number 800-829-8310.                             <ol style="list-style-type: none"> <li>a. Extension 1841 English</li> <li>b. Extension 1842 Spanish</li> </ol> </li> <li>3. If the taxpayer does not have a copy of the notice, follow IRM 21.3.1.6.40.1, Ordering a Copy of CP 2000, CP 2501, or 2893C Letter.</li> </ol>

If	Then
2. The last PC is 20, 37, 39, 53, 62, 67, 68, 69, 82, 87, 88, 89, 90 or 94	<ol style="list-style-type: none"> <li>1. Case was worked and closed by AUR with an adjustment to tax liability and/or refundable credits. Follow appropriate steps below.</li> <li>2. If the taxpayer does not understand why they owe, explain reason for the notice.</li> <li>3. Ask the taxpayer to compare their records with the income and withholding listed on the CP 2000, Request for Verification of Unreported Income, Payments, and/or Credits. You can often resolve the discrepancy based on the taxpayer's response.</li> <li>4. If the taxpayer does not have a copy of the notice, follow IRM 21.3.1.6.40.1, Ordering a Copy of CP 2000, CP 2501, or 2893C Letter.</li> <li>5. If the taxpayer's underreporter issue is beyond the scope of your training or if they still don't understand or disagree, do not discuss the AUR issue with the caller. Transfer the call to AUR informing the taxpayer they are being transferred. Provide AUR hours of operation 7:00 a.m. - 8:00 p.m. local time and AUR toll-free number 800-829-8310.               <ol style="list-style-type: none"> <li>a. Extension 1841 English</li> <li>b. Extension 1842 Spanish</li> </ol> </li> </ol>
3. The last PC is 96	<ol style="list-style-type: none"> <li>1. If there is an <b>open control to an AUR employee</b> on IDRS, follow appropriate steps below.</li> <li>2. If the taxpayer does not understand why they owe, explain reason for the notice.</li> <li>3. Ask the taxpayer to compare their records with the income and withholding listed on the CP 2000, Request for Verification of Unreported Income, Payments, and/or Credits. You can often resolve the discrepancy based on the taxpayer's response.</li> <li>4. If the taxpayer's underreporter issue is beyond the scope of your training or if they still don't understand or disagree, do not discuss the AUR issue with the caller. Transfer the call to AUR informing the taxpayer they are being transferred. Provide AUR hours of operation 7:00 a.m. - 8:00 p.m. local time and AUR toll-free number 800-829-8310.               <ol style="list-style-type: none"> <li>a. Extension 1841 English</li> <li>b. Extension 1842 Spanish</li> </ol> </li> <li>5. If the taxpayer does not have a copy of the notice, follow IRM 21.3.1.6.40.1, Ordering a Copy of CP 2000, CP 2501, or 2893C Letter.</li> </ol>

21.3.1.6.41.2  
(10-01-2024)

**Responding to  
Individual Master File  
(IMF) Underreporter  
Paper Inquiries**

- (1) Review all correspondence and Forms 1040-X to determine if the response is related to an AUR issue or account change.
- (2) If the taxpayer requests a copy of their tax return, use the TDS system to provide a copy of the return, refer to IRM 21.2.3.3.1, Assistance by an IRS Representative.
- (3) If the taxpayer indicates a need to contact the source of the income, advise the taxpayer of different avenues to obtain this information, for example, the internet or directory assistance. If the taxpayer has tried these sources and failed, research IDRS using CC IRPTR and provide the address if available.

- (4) **Do not** refer cases to AUR that are not related to the AUR assessment or proposed assessment. The examples below are situations where the taxpayer is not denying the receipt of, or disagreeing with the amount of the AUR assessment. **Do not route these types of cases to AUR.** Examples of cases that should **not** be routed to AUR include, but are not limited to:
- Tentative Carrybacks (TENTs) and Restricted Interest Claims (RINTs)
  - Payment tracers or misapplied payments
  - Entity changes, change in filing status, dependents or exemptions
  - Claiming a credit
  - Correcting a math error
  - Receive a Form 8379, Injured Spouse Indicator
  - Form 1040-X received with a Schedule C reducing income through expense reporting and subsequently reducing self-employment tax that was not the AUR issue
  - Form 1040-X received with a Schedule D, adjusting the capital gain that was not the AUR issue
- (5) Review the account to determine if Category A (CAT-A) criteria is present. Prior to making the requested changes, follow IRM 21.5.3-2, Examination Criteria (CAT-A) General.
- (6) **If** correspondence relates to two different tax periods, and one of which relates to the AUR Program **and** you can separate the issues by tax period, then photocopy the correspondence related to the AUR issues and route using Enterprise E-Fax (EEFax) to the appropriate *AUR address*. Work other issue or tax period following normal adjustment procedures.
- (7) Follow procedures in IRM 21.5.1.5.2, Cases Currently Assigned in CII, when AUR needs to review the taxpayer's information. Only use "Reroute" in CII when the taxpayers paper filed Form 1040X created the CII case. Attached files do not print when CII reroute is used. When linked cases, MEF 1040-X, and correspondence are needed, use EEFax or a secure e-mail address to send the case documents to the appropriate *AUR address*. Leave a CII case note and select "close as MISC" as required.
- (8) Identify the process code (PC) and refer to the table below to determine the correct action. Refer the case to the open control in AUR only when the status allows for the referral **and** the case meets AUR criteria. Do not route cases to AUR that do not address or do not request reconsideration of the AUR assessment.

**Note:** If additional assistance is required, contact the appropriate Automated Underreporter (AUR) Coordinator. A listing of *AUR Coordinators* is provided under the "Who/Where" tab on the Servicewide Electronic Research Program (SERP) home page. Do not share the telephone contact information with the taxpayer.

**Caution:** A TC 240 penalty with Penalty Reference Number 680 assessed by AUR for substantial understatement of income is adjusted when decreasing the previous AUR assessment by AUR. If the taxpayer is disputing the penalty or if the penalty needs adjusting, route these cases to AUR. If the adjustment is **not** related to the AUR assessment, **do not** route these cases to AUR.

Use the following chart to determine the correct action based on the last process code (PC):

If	Then
<p>1. The last PC is 30, 34, 54, 55, 57-60, 75, 77-79, 81, 95, or 97-99</p>	<ol style="list-style-type: none"> <li>1. Case is open in AUR. Follow appropriate steps below. If there are no open AUR controls on IDRS, AUR has completed their review. <b>Do not</b> route cases to AUR unless there is an open AUR control.</li> <li>2. Route the correspondence or Form 1040-X to AUR at the campus where the AUR control is open. The first two digits of the TC 922 DLN indicate where the case was worked. Refer to the <i>AUR Addresses (Open Cases)</i> for open cases. <b>Exception:</b> If the taxpayer includes either Form 14039, Identity Theft Affidavit, or a police report, route to Identity Theft Victim Assistance (IDTVA). Do not route to AUR. Refer to IRM 25.23.4-5, IDTVA Routing Matrix, for procedures.</li> <li>3. If case is a Form 1040-X, input <b>TC 971 AC 015</b> with the received date of the amended return as the transaction date to indicate the case has been transferred to AUR.</li> <li>4. Follow IRM 21.3.3.4.2.1, Use of 86C Letter - Referring Taxpayer Inquiry/Forms to Another Office, to determine when it is necessary to send Letter 86C to the taxpayer when sending correspondence to another area.</li> </ol>
<p>2. The last PC is 20, 37, 39, 53, 62, 67, 68, 69, 82, 87, 88, 89, 90 or 94</p>	<ol style="list-style-type: none"> <li>1. Case was worked and closed by AUR with an adjustment to tax liability and/or refundable credits.</li> <li>2. If the taxpayer files a claim or amended return requesting a refund or abatement of tax previously assessed by AUR, or if the taxpayer is denying receipt or disagrees with the amount of the AUR identified income, <b>route</b> to AUR at the campus where the case was worked. The first two digits of the TC 922 DLN indicate where the case was worked. <ol style="list-style-type: none"> <li>a. Refer closed cases to <i>AUR Reconsideration Request Contact Information</i>.</li> </ol> <b>Exception:</b> If the taxpayer includes either Form 14039, Identity Theft Affidavit, or a police report, route to Identity Theft Victim Assistance (IDTVA). Do not route to AUR. Refer to IRM 25.23.4-5, IDTVA Routing Matrix, for procedures. </li> <li>3. If case is a Form 1040-X, input <b>TC 971 AC 015</b> with the received date of the amended return as the transaction date to indicate the case has been transferred to AUR.</li> <li>4. Follow IRM 21.3.3.4.2.1, Use of 86C Letter - Referring Taxpayer Inquiry/Forms to Another Office, to determine when it is necessary to send Letter 86C to the taxpayer when sending correspondence to another area.</li> </ol>

If	Then
<p>3. The last PC is 96</p>	<ol style="list-style-type: none"> <li>1. If there is an <b>open control to AUR</b>, follow appropriate steps below. <b>Reminder:</b> If there is <b>not an open control to AUR</b>, AUR has completed their review and the case <b>should not</b> be routed to AUR.</li> <li>2. Route the correspondence or Form 1040-X to the campus where the case is assigned. The first two digits of the TC 922 DLN indicate where the case is assigned.</li> <li>3. If case is a Form 1040-X, input <b>TC 971 AC 015</b> with the received date of the amended return as the transaction date to indicate the case has been transferred to AUR.</li> <li>4. Follow IRM 21.3.3.4.2.1, Use of 86C Letter - Referring Taxpayer Inquiry/ Forms to Another Office, to determine when it is necessary to send Letter 86C to the taxpayer when sending correspondence to another area.</li> </ol>

21.3.1.6.42  
(01-22-2020)  
**Form 9774 - Annual Reminder Notice on Non-Master File (NMF) Accounts**

- (1) The Form 9774, Annual Reminder Notice for Automated Non-Master File (ANMF) / Non-Master File (NMF), is sent to all Non-Master File (NMF) accounts, including Tax Delinquency Account (TDAs) and those in Status 53. Refer to IRM 21.3.1.8.1, Non-Master File (NMF) Notices, for more information.

21.3.1.6.43  
(06-11-2013)  
**Individual Taxpayer Identification Number (ITIN) Notice Inquiries**

- (1) AM telephone assistors will address ITIN status and notice inquiries from applicants or their authorized representatives. General instructions for responding to ITIN notice inquiries can be found in IRM 3.21.263.8, Accounts Management (AM).
- (2) Instructions for responding to inquiries on specific ITIN notices are in the following subsections.

21.3.1.6.43.1  
(06-11-2013)  
**CP 565 - Individual Taxpayer Identification Number (ITIN) Assigned, Active/Inactive, or Renewed**

- (1) CP 565, Individual Taxpayer Identification Number (ITIN) Assigned, Active/Inactive, or Renewed, advises the applicant of their assigned ITIN.
- (2) Follow instructions in IRM 3.21.263.8.3.1, Response to CP 565, Individual Taxpayer Identification Number (ITIN) Assigned, Active/Inactive, or Renewed, to respond to the caller.

21.3.1.6.43.2  
(10-03-2022)  
**CP 566 - ITIN Suspense Notice**

- (1) CP 566, ITIN Suspense Notice, advises the applicant that additional information and/or supporting identification or exception documentation is necessary to complete the processing of Form W-7, Application for IRS Individual Taxpayer Identification Number. Applicants may be referred to a Taxpayer Assistance Center (TAC), when they are responding to a CP 566 with **newly** submitted supporting documentation.

**Note:** All TAC's operate by appointment. Advise the taxpayer to call the appointment number 844-545-5640, to schedule an appointment.

**Reminder:** Research the notes in the ITIN RTS to confirm whether the taxpayer previously authenticated at a Taxpayer Assistance Center (TAC). If the taxpayer has been authenticated previously, **do not** refer applicants

receiving a CP 566 to a Taxpayer Assistance Center (TAC). Current procedures require the applicant to submit their original documents directly to SPC ITIN Operations in response to a suspense notice. The TAC will not authenticate the same passport or national ID card a second time from an applicant in response to a ITIN suspense notice.

- (2) Follow instructions in IRM 3.21.263.8.3.2, Response to CP 566 and Form 14415 Suspense Notices, to respond to the caller.

**Reminder:** Review all remarks on the W-7 Application View Screen as well as comments and the history area on the W-7 History Screen. **Do not read the actual RTS comments or remarks to the applicant.**

21.3.1.6.43.3  
(06-11-2013)  
**CP 567 - ITIN Rejection Notice**

- (1) CP 567, ITIN Rejection Notice, advises the applicant that the application cannot be processed as submitted. The notice explains why the application was rejected or why the ITIN was revoked.
- a. You may not be eligible for an ITIN
  - b. Your documents may be invalid
  - c. We may not have received a reply when we asked for more information
- (2) For more information on what the taxpayer needs to do next, refer to *Understanding Your CP 567 Notice*.

21.3.1.6.43.4  
(09-12-2017)  
**CP 574 - ITIN Hard Reject Notice**

- (1) CP 574, Hard Reject Notice, advises the applicant that the application was rejected because the application required supporting identification documentation and a valid U.S. federal tax return.
- (2) Follow instructions in IRM 3.21.263.8.3.4, Response to CP 574, Hard Reject Notice, to respond to the caller.

21.3.1.6.44  
(10-23-2022)  
**Letter 6115-C - Informational Underreported Income Letter Potential 1040X**

- (1) The Letter 6115-C is a soft notice that informs the taxpayer there appears to be a discrepancy with income reported by a third-party to the IRS. The notice provides information, such as, the name of the third-party and the address. The issuance of the Letter 6115-C is identified by **Transaction Code 971 Action Code 123 with MISC field of "6115-C SENT" on Command Code TXMODA or IMFOLT**. You can review CC IRPTR for the additional income information reported under the taxpayer's SSN.
- (2) Letter 6115-C requests that the taxpayer review their records and if the income reported on their return is **CORRECT** to:
- Not contact the IRS about this notice.
  - Contact the third-party if the income was incorrectly reported to the IRS and request that the third-party payer verify and correct their records.

**Note:** If no action is taken, the taxpayer should expect to continue to have reporting problems if the income is not corrected before filing future returns. In addition, the current return may be subject to additional examination which may result in the taxpayer owing additional tax and possibly being charged interest and penalties.

- (3) Letter 6115-C requests that the taxpayer review their records and if the income reported on their return is **NOT CORRECT** to:

- File an amended return, Form 1040-X.
- Mail Form 1040-X to the address based upon the state they reside in, refer to the *Instructions for Form 1040-X, Where To File*.

**Caution: Do not refer a case or telephone call in response to a Letter 6115-C to AUR. Respond to a telephone call and process a case in response to a Letter 6115-C following normal procedures.**

(4) Refer to chart below for handling of calls received pertaining to the Letter 6115-C:

If the Taxpayer Calls and States	Response:
The income on tax return they filed is correct.	<ol style="list-style-type: none"> <li>1. Inform taxpayer to contact the third-party payer stating the income reported to IRS is incorrect. Payer must correct their records if determined incorrect and submit corrected documentation to taxpayer and IRS. If the taxpayer indicates a need to contact a W-2 payer, advise the taxpayer of the different sources to obtain this information, e.g., Yellow Pages, the World Wide Web, directory assistance. If the taxpayer has tried these sources and failed, research CC IRPTR and provide the address if available.</li> <li>2. Record a history on AMS of the actions taken.</li> </ol>
The income on tax return is not correct.	<ol style="list-style-type: none"> <li>1. Income can be added to return by submitting Form 1040-X to amend the return.</li> <li>2. Mail Form 1040-X to the address based upon the state they reside in, refer to the <i>Instructions for Form 1040-X, Where To File</i>.</li> <li>3. Record a history on AMS of the actions taken.</li> </ol>

If the Taxpayer Calls and States	Response:
Taxpayer needs a copy of tax return.	<ol style="list-style-type: none"> <li>1. Taxpayer wants a copy of the originally filed return; inform taxpayer to submit Form 4506, and the fee to the address notated on form.</li> <li>2. Taxpayer wants a copy of filed return and does not need original return. Inform taxpayer requested transcript can be secured from <i>IRS.gov</i>. If taxpayer does not have ability to secure from website, refer to, IRM 21.2.3, Transcripts.</li> <li>3. Record a history on AMS of the actions taken.</li> </ol>
Taxpayer needs a Form 1040-X.	Direct taxpayer to call 800-829-3676 or go to <i>IRS.gov</i> to secure form. Record a history on AMS of the actions taken.
Taxpayer states they did not bank with financial institution, did not work for employer, income is not theirs, etc.	<ol style="list-style-type: none"> <li>1. Advise the taxpayer How To Report Identity Theft, Refer to IRM 25.23.12.3, Identity Theft Telephone General Guidance.</li> <li>2. <b>Never</b> refer the taxpayer back to the employer/payer if there is any indication of identity theft.</li> <li>3. Record a history on AMS of the actions taken.</li> </ol>
Taxpayer is submitting Form 1040-X and needs a payment plan.	Follow procedures in IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.

21.3.1.6.45  
(07-19-2023)  
**IRC 965 - IMF CP  
Notices**

- (1) IRC 965 imposes a transition tax on untaxed foreign earnings of foreign corporations with U.S. shareholders. For more information, refer to IRM 21.5.13.3.6, IRC 965 CP Notices - IMF. The following section provides guidance for IMF CP notices that were created for IRC 965 processing and worked in the Brookhaven campus.
- (2) The CP 47A, CP 47B, and CP 47C inform the taxpayer that the IRS has received and processed their income tax return and they elected to pay their IRC 965 net liability in installments.

- CP 47A, Tax Assessed - Notification of the Requested Credit Elect/Refund Being Applied to Section 965 Tax Liability, notifies the taxpayer that their requested credit elect or refund was applied to the 965 tax liability. We can only refund or apply credit elect payments or credits exceeding the full tax liability.
- CP 47B, Tax Assessed - Notification of a Credit Elect/Refund Being Applied to Section 965 Tax Liability, notifies the taxpayer that any payments or credits exceeding the installment amount due are applied to the next IRC 965 installment payment obligation.
- CP 47C, Tax Assessed-Included Section 965 Tax Liability, notifies the taxpayer that the IRC 965 tax has been assessed.

If the taxpayer agrees with the tax assessed, the Brookhaven employee advises that no action is required and to continue to make timely annual installment payments as required by IRC 965(h). If the taxpayer disagrees with the tax assessed, the Brookhaven employee explains the reason for the notice. For more information, refer to IRM 21.5.13.3.6.

- (3) The CP 56, Annual Section 965(h) Installment Notice, is issued annually to notify taxpayers who made a 965(h) election of their IRC 965 installment payment amount and due date. The Brookhaven employee advises the taxpayer to follow the instructions on the notice and pay the amount due. Failure to pay by the due date may result in a penalty and the full amount of their net tax liability under IRC 965 may become due immediately. Refer to IRM 21.5.13.3.6.

21.3.1.6.46  
(10-13-2023)  
**Micro-Captive Insurance  
Amended Returns**

- (1) Several U.S. Tax Court decisions have confirmed that certain micro-captive arrangements are not eligible for claimed Federal tax benefits. Taxpayers who took a deduction or other tax benefit on a prior year return can amend their returns to remove these benefits.
- (2) Letter 6336, Micro-Captive Insurance, Soft Notice, was previously sent to certain taxpayers that have taken a deduction or other tax benefit on a prior year tax return related to micro-captive insurance. The letter stated that the IRS had information that the taxpayer had taken a deduction or other tax benefit related to micro-captive insurance on a prior year tax return.
- (3) The Soft Notice is now obsolete, however, there may still be amended returns that have not been processed that were previously filed in response to the Soft Notice.
- (4) Taxpayers filing paper amended individual returns, in relation to micro-captive insurance (including those in response to the Soft Notice), must write “**Micro-captive**” at the top of the first page of the amended return and mail it to:  
Internal Revenue Service  
2970 Market Street  
Philadelphia, PA 19104
- (5) If the amended individual return was filed electronically, taxpayers include “Microcaptive” when explaining the reason(s) for change(s).
- (6) Taxpayers filing amended business returns on paper in response to the Soft Notice, must write “**Microcaptive**” at the top of the first page of the amended return and mail to the address listed in the instructions for the amended return.

Taxpayers filing amended business returns electronically include “**Microcaptive**” when explaining the reason(s) for change(s).

- (7) For IMF amended returns received, AM centralized these claims in the Philadelphia Campus under IDRS Number 0543060816 for domestic claims and IDRS Number 0534180131 for international, and scanned in under CII Category code SPC0. In some instances, statutes may be extended as needed according to local procedures established between Philadelphia AM and LB&I.
- (8) BMF amended returns are scanned into CII under category code SPC0, see IRM 21.7.4.4.20, Micro-Captive Insurance Amended Returns, for more information regarding BMF amended returns.
- (9) For instructions on adjusting these cases, see IRM 21.5.3, General Claims Procedures.

21.3.1.7  
(10-01-2021)  
**Business Master File  
(BMF) Notices**

- (1) Information in this section applies to Business Master File (BMF) notices and other business notices. Each subsection presents an overview of a specific notice, general procedures for working the notice, and a reference to the IRM containing detailed procedures.

21.3.1.7.1  
(10-03-2022)  
**CP 101 - Math Error,  
Balance Due of \$5 or  
More on Form 940**

- (1) A CP 101, Math Error, Balance Due of \$5 or More on Form 940, notifies the taxpayer of an error on Form 940 and Form 940–EZ, Employer’s Annual Federal Unemployment Tax (FUTA) Return, that resulted in a balance due.
- (2) When responding to Balance Due issues, refer to IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.

**Note:** Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.

- (3) When taxpayer indicates a payment was made and has not been credited to the account, refer to IRM 21.5.7.3, Missing Payments Research.
- (4) For resolution of the error, refer to IRM 21.5.4.5.3, Processing Responses to Math Error Notices.

21.3.1.7.2  
(10-03-2022)  
**CP 102 - Math Error,  
Balance Due of \$5 or  
More on Form 941, Form  
941SS, Form 943, Form  
944, Form 944SS, Form  
945**

- (1) A CP 102, Math Error, Balance Due of \$5 or More on Form 941, Form 941SS, Form 943, Form 944, Form 944SS, Form 945, notifies the taxpayer of an error on Form 941, Employer’s Quarterly Federal Tax Return, Form 941SS, Employer’s Quarterly Federal Tax Return American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands, Form 944, Employer’s Annual Federal Tax Return, Form 943, Employer’s Annual Tax Return for Agricultural Employees, or Form 945, Annual Return of Withheld Federal Income Tax Return, that results in a balance due.
- (2) When responding to Balance Due issues, refer to IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.

**Note:** Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.

- (3) When taxpayer indicates a payment was made and has not been credited to account, refer to IRM 21.5.7.3, Credit Transfers.
- (4) For resolution of the CP 102, refer to IRM 21.5.4.5.3, Processing Responses to Math Error Notices.
- 21.3.1.7.3  
(03-03-2020)  
**CP 107 - Math Error, Balance Due of \$5 or More - Form 1042**
- (1) A CP 107, Math Error, Balance Due of \$5 or More- Form 1042, notifies the taxpayer of an error on Form 1042. For more information concerning the CP 107, see IRM 3.14.2.9.24, CP 107, Balance Due Form 1042.
- 21.3.1.7.4  
(10-01-2015)  
**CP 108 - Problem With Your Federal Tax Deposit (FTD)**
- (1) A CP 108, Problem With Your Federal Tax Deposit (FTD), notifies the taxpayer when Service Center Recognition Image Processing System (SCRIPS) processing does not find the type of tax and/or tax period cannot be determined on an Electronic Federal Tax Payment System (EFTPS) payment.
- (2) This notice advises taxpayer where the credit has been posted and provides a tear-off portion to be returned if payment was applied incorrectly. Refer to IRM 21.7.11.4.1, CP 108 - Problem With Your Federal Tax Deposit (FTD), for resolution.
- 21.3.1.7.5  
(10-03-2022)  
**CP 111 - Math Error, Overpayment of \$1 or More on Form 940**
- (1) A CP 111, Math Error, Overpayment of \$1 or More on Form 940, notifies the taxpayer of an error on the Form 940, Employer's Annual Federal Unemployment Tax (FUTA) Return, resulting in a change in the amount of the refund.
- (2) For resolution of the CP 111, refer to IRM 21.5.4.5.3, Processing Responses to Math Error Notices.
- 21.3.1.7.6  
(10-03-2022)  
**CP 112 - Math Error, Overpayment of \$1 or More on Form 941, Form 941-SS, Form 943, Form 944, Form 944-SS, and Form 945**
- (1) A CP 112, Math Error, Overpayment of \$1 or More on Form 941, Form 941-SS, Form 943, Form 944, Form 944-SS, and Form 945, notifies the taxpayer of an error on Form 941, Form 941-SS, Form 944, Form 943, or Form 945, resulting in a change in the amount of the refund.
- (2) For resolution of the CP 112, refer to IRM 21.5.4.5.3, Processing Responses to Math Error Notices.
- 21.3.1.7.7  
(10-03-2022)  
**CP 117- Math Error, Overpayment of \$1 or More on Form 1042**
- (1) A CP 117, Math Error, Overpayment of \$1 on Form 1042, generates when the taxpayer makes an error in calculation resulting in the correction generating a refund. For more information see IRM 3.14.2.9.25, CP 117, Overpayment Form 1042.
- 21.3.1.7.8  
(09-12-2017)  
**CP 130 - Potential Exemption from Alternative Minimum Tax (AMT)**
- (1) CP 130, Potential Exemption from Alternative Minimum Tax (AMT), generates when the taxpayer completes Form 4626, Alternative Minimum Tax - Corporations, and it appears the taxpayer is not liable for AMT.
- (2) Refer to IRM 21.7.4.4.7.3, CP 130 – Potential Exemption from Alternative Minimum Tax (AMT), for information on how to work this notice.

- 21.3.1.7.9 (10-03-2022)  
**CP 134B - Federal Tax Deposit (FTD) Discrepancy - Balance Due**
- (1) A CP 134B, Federal Tax Deposit(s) (FTD) Discrepancy - Balance Due, notifies the taxpayer that the amount of Federal Tax Deposits (FTDs) or estimated tax payments credited differs from the amount reported resulting in a balance due.
- (2) Notice generated on tax modules with a math error with math error notice codes 24, 26 or 39:

If	Then
Taxpayer indicates credit was not given for a missing payment	Refer to IRM 21.5.7, Payment Tracers.
Taxpayer has other information that resolves balance due	Take appropriate action, refer to IRM 21.7.1, BMF/NMF Miscellaneous Information.
Taxpayer agrees with notice	<ol style="list-style-type: none"> <li>1. Research the account to verify the true status/issue.</li> <li>2. When responding to Balance Due issues, refer to IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.</li> </ol> <p><b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.</p>

- 21.3.1.7.10 (10-01-2009)  
**CP 134R - FTD Discrepancy - Refund**
- (1) A CP 134R, FTD Discrepancy - Refund, notifies the taxpayer that the amount of Federal Tax Deposits (FTDs) or estimated Tax payments credited differs from the amount reported resulting in an overpayment.
- (2) Notice generated on tax modules with a math error notice code 24, 26 or 39:

If	Then
Taxpayer disagrees with notice and indicates excess payment(s) were intended for another period	Initiate credit transfer to appropriate period. Refer to IRM 21.5.8, Credit Transfers.
Taxpayer has other information that resolves the overpayment	Take appropriate action, refer to IRM 21.7.1, BMF/NMF Miscellaneous Information.
Taxpayer agrees with notice	<ol style="list-style-type: none"> <li>1. Advise taxpayer to correct their records.</li> <li>2. Advise taxpayer to expect the refund within four to six weeks.</li> </ol> <p><b>Note:</b> Advise the taxpayer of any offset that may impact the refund/credit.</p>

21.3.1.7.11  
(02-02-2016)  
**CP 136 and CP 136B - Annual Notification of FTD Deposit Requirements (Form 941, Form 941SS)**

- (1) A CP 136, Annual Notification of FTD Deposit Requirements (941, 941SS), is issued yearly to filers of Form 941 and Form 941-SS to advise employers of which deposit method to use for the upcoming calendar year if different from the current deposit method.
- (2) A CP 136B, Your Federal Tax Deposit Requirements for (Form 941) figured using the second preceding calendar year Form 944 as the Form 941 lookback period, is issued yearly to filers of Form 941 who filed Form 944 in the current or prior year, to advise employers of which deposit method to use for the upcoming calendar year.

21.3.1.7.12  
(02-02-2016)  
**CP 137, CP 137A and CP 137B - Annual Notification of FTD Deposit Requirements**

- (1) A CP 137, Annual Notification of FTD Deposit Requirements (Form 943), is issued yearly to filers of Form 943 to advise employers which deposit method to use for the upcoming calendar year if different from the current deposit method.
- (2) A CP 137A, Annual Notification of FTD Deposit Requirements (Form CT-1), is issued yearly to filers of Form CT-1 to advise employers which deposit method to use for the upcoming calendar year if different from current deposit method.
- (3) A CP 137B, Annual Notification of FTD Deposit Requirements (Form 945), is issued yearly to filers of Form 945 to advise employers which deposit method to use for the upcoming calendar year if different from the current deposit method.

21.3.1.7.13  
(10-02-2023)  
**CP 138 - Notification That the Overpayment on the Return was Offset Against Another Tax Period with a Balance Due**

- (1) A CP 138, Notification That the Overpayment on the Return was Offset Against Another Tax Period with a Balance Due, notifies the taxpayer that an overpayment on a return has been offset to another tax period with a balance due. After researching IDRS, explain reason for the balance due. Refer to IRM 21.5.7, Payment Tracers, for information about locating missing payments. If the taxpayer has questions about the balance due, follow instructions in table below:

If	Then
Taxpayer has additional information that resolves balance due	Take appropriate action, refer to IRM 21.7, Business Tax Returns and Non-Master File Accounts.
Taxpayer agrees with notice	If the taxpayer agrees with the balance due, verify payoff amount if requested. For AM employees, see IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.  <b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.

- 21.3.1.7.14  
(10-03-2022)  
**CP 141 - Series Notices, Penalty Charged Under Internal Revenue Code Section 6652(c)**
- (1) There are three notices in the CP 141 series:
    - CP 141C, We Charged a Penalty Under Internal Revenue Code Section 6652(c) - Form Filed Late and Incomplete,
    - CP 141I, We Charged a Penalty Under Internal Revenue Code Section 6652(c) - Form Incomplete, and
    - CP 141L, We Charged a Penalty Under Internal Revenue Code Section 6652(c) - Form Filed Late.
  - (2) The CP 141 series notices are generated when an Exempt Organization (EO) return is received late and/or has missing or incomplete information.
  - (3) Route all correspondence regarding CP 141 notices to the Ogden Accounts Management Center, EO Accounts MS: 6552. Refer to IRM 21.3.8.10, Account Issues - Tax Exempt/Government Entities (TEGE), and IRM 21.7.7.6.23, Exempt Organization Penalties, for additional information.
- 21.3.1.7.15  
(10-01-2009)  
**CP 142 - Tax Exempt Bonds, Late Filed Return**
- (1) A CP 142, Tax Exempt Bonds, Late Filed Return, is generated when a Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues, Form 8038-G, Information Return for Government Purpose Tax-Exempt Bond Issues, or Form 8038-GC, Consolidated Information Return for Small Tax-Exempt Government Bond Issues, is filed late and a reason for the late filing is not provided.
  - (2) Route all correspondence regarding CP 142, Tax Exempt Bonds, Late Filed Return, notices to the Ogden Accounts Management Center, EO Accounts MS: 6552. Refer to IRM 21.3.8.10, Account Issues - Tax Exempt/Government Entities (TEGE), and IRM 21.7.7.4.4, Tax Exempt Bond Correspondence and Processing Overview, for additional information.
- 21.3.1.7.16  
(10-01-2009)  
**CP 143 - Tax Exempt Bonds, Late Filing Accepted**
- (1) A CP 143, Tax Exempt Bonds, Late Filing Accepted, is a manually generated notice that informs the filer the response they provided to IRS for filing Form 8038, Information for Tax-Exempt Private Activity Bond Issues, Form 8038-G, Information Return for Government Purpose Tax-Exempt Bond Issues, or Form 8038-GC, Consolidated Information Return for Small Tax-Exempt Government Bond Issues, late was accepted.
  - (2) Route all correspondence regarding CP 143 notices to the Ogden Accounts Management Center, EO Accounts MS: 6552. Refer to IRM 21.3.8.10, Account Issues - Tax Exempt/Government Entities (TEGE), and IRM 21.7.7.4.4, Tax Exempt Bond Correspondence and Processing Overview, for additional information.
- 21.3.1.7.17  
(10-01-2024)  
**CP 145 - Notice of Credit-Elect on Forms 1120C, 1120F, 1120L, 1120M, 941, 943, 720, 1041, 1042, CT-1**
- (1) A CP 145, Notice Of Credit Elect on Forms 1120C, 1120F, 1120L, 1120M, 941, 943, 720, 1041, CT-1, notifies the taxpayer of the amount of credit applied to the next taxable period when the amount differs from the taxpayer's requested amount by \$1.00 or more.
  - (2) This notice is issued when any of the following tax returns post with Computer Condition Code (CCC) **E**:
    - Form 1120, Corporate Income Tax Return series
    - Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons
    - Form CT-1, Employer's Annual Railroad Retirement Tax Return

- Form 940, Employer’s Annual Federal Unemployment (FUTA) Tax Return
- Form 941, Employer’s Quarterly Federal Tax Return
- Form 944, Employer’s Annual Federal Tax Return
- Form 943, Employer’s Annual Tax Return for Agricultural Employees
- Form 720, Quarterly Federal Excise Tax Return

**Note:** Refer to Document 6209, IRS Processing Codes and Information, Section 3 for information on **CCCs**.

(3) After researching IDRS, explain reduction in refund or credit-elect amount. Follow table below for resolution:

If	Then
Taxpayer agrees with notice	1. Advise taxpayer to correct their copy of return. 2. Advise taxpayer to amend their estimated tax schedule and increase payments to avoid a penalty for underpayment of estimated tax.
Taxpayer indicates credit was not given for a missing payment	Refer to IRM 21.5.7, Payment Tracers.
Overpayment was not to be credited to next year	Refer to IRM 21.5.8, Credit Transfers.

21.3.1.7.18  
(10-02-2023)

**CP 160 - Business (BMF)  
Balance Due - Annual  
Reminder Notice**

(1) A CP 160, Business (BMF) Balance Due - Annual Reminder Notice, is issued to remind taxpayer of a balance due on a deferred account (status 23):

<b>If</b>	<b>And</b>	<b>Then</b>
Taxpayer agrees with notice	Taxpayer's financial status has not changed	No action is necessary.
Taxpayer indicates a change in financial Status	Payments can be made on the account	If the taxpayer agrees with the balance due, verify payoff amount if requested. For AM employees, see IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns. <b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.
Taxpayer indicates a payment was made	Was not credited to the account	1. Research for the payment. 2. Refer to IRM 21.5.7, Payment Tracers.
Taxpayer does not agree with notice	Provides information for adjustment	Research account, explain balance due, and adjust account if appropriate.

21.3.1.7.19  
(04-23-2024)  
**CP 161 - No Math Error,  
Balance Due**

- (1) A CP 161, No Math Error, Balance Due, is issued to taxpayer as a first notice to notify them of tax, penalties, or interest due on any BMF return with a balance due of \$1.00 or more and no math errors.
- (2) After researching IDRS, explain reason for the balance due. It may result from a missing payment or the assessment of penalties such as failure to file (FTF), estimated tax (ES), or dishonored check penalties:

If	Then
Taxpayer agrees with notice and it is a balance due	1. Research the account to verify the true status/issue and provide the payoff if requested. For AM employees, see IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.  <b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.
Taxpayer indicates a payment was made and has not been credited to their account	1. Research for payment. 2. Refer to IRM 21.5.7, Payment Tracers.
Taxpayer does not agree with notice	1. Research account. 2. Explain balance due. 3. Adjust account if appropriate. 4. Refer to IRM 21.7.1, BMF/NMF Miscellaneous Information, for possible error conditions. 5. If balance due is confirmed, provide the payoff amount if requested and transfer the call to ACS according to the TTG.

21.3.1.7.20  
 (10-02-2023)  
**CP 162 - Late or Incomplete Return Penalty - Partnership or S-Corporation**

- (1) A CP 162, Late or Incomplete Return Penalty - Partnership or S-Corporation, notifies the partnership that a penalty has been assessed for failure to timely file a complete Form 1065, U.S. Return of Partnership Income, or Form 1120S, U.S. Income Tax Return for an S Corporation. Refer to IRM 21.7.4.4.2.8.2, Small Partnership Penalty Abatement, and IRM 21.7.4.4.2.7, Partnership Penalties, for more information.
- (2) If Form 1065 or Form 1120S was filed late, incomplete, or both, do the following:

If	Then
Taxpayer agrees with notice	<ol style="list-style-type: none"> <li>1. Research the account to verify the true status/issue and provide the payoff if requested. For AM employees, see IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.</li> </ol> <p><b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.</p>
Taxpayer requests abatement of Late Filing Penalty and penalty amount is within oral statement ceiling	<ol style="list-style-type: none"> <li>1. Consider taxpayer's information and adjust or abate if criteria are met.</li> <li>2. Refer to IRM 20.1, Penalty Handbook for penalty abatement and reasonable cause procedures.</li> </ol>
Taxpayer requests abatement of Late Filing Penalty and amount is over oral statement ceiling	<ol style="list-style-type: none"> <li>1. Determine if the taxpayer can fax documentation to you while on the telephone. Refer to IRM 21.5.2.4.3(5), Adjustments Requiring An Amended Return or Taxpayer Documentation, for additional information on accepting faxed documentation.</li> <li>2. If the taxpayer cannot fax immediately, advise them to call back when they are able to fax or, if unable to fax, they may submit the request and supporting documentation to the address where they filed their return.</li> <li>3. Refer to IRM 20.1, Penalty Handbook, for penalty abatement and reasonable cause procedures.</li> <li>4. Consider taxpayer's information and adjust or abate if appropriate.</li> </ol>

21.3.1.7.21  
(10-03-2022)  
**CP 163 - BMF Annual  
Reminder Notice -  
Overdue Taxes**

- (1) A CP 163, BMF Annual Reminder Notice - Overdue Taxes, is issued annually to remind the taxpayer of a balance due of Tax, Penalty and Interest on a module that has been in Currently Not Collectible (CNC) status (with closing code 12 or 24–32) for at least 65 cycles.

21.3.1.7.22  
(10-03-2022)  
**CP 165 - Penalty  
Assessed for  
Dishonored Check**

- (1) A CP 165, Penalty Assessed for Dishonored Check, notifies the taxpayer that a check was not honored by their bank.
- (2) Refer to IRM 20.1.10.7, IRC 6657 Bad checks (Dishonored Checks or Other Forms of Payment).

21.3.1.7.23  
(10-02-2023)  
**CP 166 - Insufficient Funds on Direct Debit Installment Agreement**

- (1) A CP 166, Insufficient Funds on Direct Debit Installment Agreement, notifies the taxpayer that a direct debit installment agreement payment was dishonored due to insufficient funds.

If	Then
Taxpayer agrees	Request submission of missing payment.
Taxpayer is having trouble that prevents further installment payments from being honored	1. Research the account to verify the true status/issue and provide the payoff if requested. For AM employees, see IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.  <b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.
Taxpayer has reasonable cause for removal of penalty	Refer to IRM 20.1.1, Introduction and Penalty Relief.
Taxpayer insists there were sufficient funds in their account	Advise the taxpayer to contact their bank.

- (2) Refer to IRM 20.1.10.7, IRC 6657 - Bad Checks (Dishonored Checks or Other Forms of Payment).

21.3.1.7.24  
(10-03-2022)  
**Letter 4010-C - Federal Unemployment Tax Act (FUTA) Certification - Proposed Increase to FUTA Tax**

- (1) Letter 4010-C, Federal Unemployment Tax Act (FUTA) Certification - Proposed Increase to FUTA Tax, notifies the taxpayer of a proposed increase in tax to Form 940 based on state certification of credit information that differs from taxpayer's return.
- (2) CSR should refer to IRM 4.19.5.4.13, Customer Service Representative (CSR) Information, to assist callers.
- (3) Follow IRM 21.7.3.4, Unemployment Tax Procedures, when working CII cases.

21.3.1.7.25  
(10-03-2022)  
**Letter 4011C - FUTA Certification - Proposed Decrease to FUTA Tax**

- (1) Letter 4011C, FUTA Certification - Proposed Decrease to FUTA Tax, notifies the taxpayer of a proposed decrease in tax to Form 940 based on state certification of credit information that differs from that on taxpayer's return.
- (2) CSR should refer to IRM 4.19.5.4.13, Customer Service Representative (CSR) Information, to assist callers.
- (3) Follow IRM 21.7.3.4, Unemployment Tax Procedures, when working CII cases.

- 21.3.1.7.26  
(10-03-2022)  
**CP 187 - BMF Annual Reminder Notice (Status 22 or 26 Accounts)**
- (1) A CP 187, Annual Reminder Notice (Status 22 or 26 Accounts), is issued as an annual reminder notice of balance due BMF accounts in Status 22 and 26. A separate notice is issued on each module.
  - (2) Follow guidance provided in IRM 21.3.1.4, Notice Resolution Actions Research. Transfer the call to ACS according to the TTG after researching status and providing payoff amount, if requested.
- 21.3.1.7.27  
(10-03-2022)  
**CP 191 - Notice of Installment on Forms 1041, 1120, 706, 2290, 4638, 990C, 990T, or 11**
- (1) The CP 191 is an internal notification to the campus accounting to update the installment billing clerks file.
  - (2) If response received for Form 706, United States Estates (and Generation-Skipping Transfer) Tax Return, forward to Estate and Gift Tax Operations, KCSPC, Stop 6052, 333 W. Pershing Rd. Kansas City, MO 64108-4302
- 21.3.1.7.28  
(05-14-2024)  
**CP 199 - Clean Vehicle Registration Notification**
- (1) CP 199, Clean Vehicle Registration Notification, is issued to dealers / specific sellers who registered in the Energy Credits Online (ECO) tool. The notice informs the taxpayer they have registered to either:
    - Electronically submit “time of sale” seller reports, or
    - Electronically submit “time of sale” seller report and also participate in the advance payment program
  - (2) The notice provides an internal IRS phone number to a pre-recorded message. **Do Not** advise the taxpayer to call that number. If the taxpayer did not register their business to utilize the clean vehicle seller reports found on ECO, advise them to follow the instructions in the letter.
  - (3) If the taxpayer is having trouble accessing their Business Tax Account, which is how the taxpayer accesses the ECO tool, see IRM 21.2.1.64, Business Tax Account (BTA).
- 21.3.1.7.29  
(05-14-2024)  
**CP 199A - Clean Energy Account Creation**
- (1) CP 199A, Clean Energy Account Creation, is issued to certain business, tax exempt and government entities who successfully created a Clean Energy Account through the Energy Credits Online (ECO) tool. The notice informs the taxpayer to register their intention to make either of the following:
    - An elective payment election under IRC 6417 or IRC 48D(d)
    - A transfer election under IRC 6418
  - (2) The notice provides an internal IRS phone number to a pre-recorded message. **Do Not** advise the taxpayer to call that number. If the taxpayer did not create a Clean Energy Account through ECO, advise them to follow the instructions in the letter.
  - (3) If the taxpayer is having trouble accessing their Business Tax Account, which is how the taxpayer accesses the ECO tool, see IRM 21.2.1.64, Business Tax Account (BTA).

21.3.1.7.30  
(09-12-2017)  
**CP 207 - FTD  
Information  
Notice-Proposed FTD  
Penalty**

- (1) A CP 207, Proposed Averaged FTD Penalty (amounts less than \$75,000), Request for Correct Record of Federal Tax Liability (ROFTL) Information, is generated on Form 940, Form 941, Form 943, Form 944, Form 945 and Form 1042 tax modules when the Record of Federal Tax Liability (ROFTL) section of the return is incomplete, illegible or the total tax liability reported on the ROFTL does not equal the net taxes on the return. The CP 207 notifies the taxpayer to complete and return a ROFTL or IRS systemically assesses an averaged FTD penalty. CP 207L is generated for averaged penalties of \$75,000 or more.
- (2) Advise the caller to complete a ROFTL for the appropriate form identified in the notice and to either fax or mail it. Follow procedures in IRM 20.1.4.18, CP 207 or CP 207L Notices.

21.3.1.7.31  
(10-03-2022)  
**CP 210 - Examination  
(Audit) or Data  
Processing Tax  
Adjustment - Balance  
Due, Overpayment, or  
Even Balance**

- (1) A CP 210, Examination (Audit) or Data Processing Tax Adjustment - Balance Due, Overpayment, or Even Balance, notifies the taxpayer of an Examination or Data Processing tax adjustment notice, resulting in overpayment of \$1.00 or more or a zero balance. Also issued as a return settlement notice when penalties are assessed on overpaid modules. After researching IDRS, explain reason for the notice.

If	And	Then
Taxpayer agrees with notice	Balance is zero	No action is necessary.
Taxpayer agrees with notice	There is a credit	<ol style="list-style-type: none"> <li>1. Advise taxpayer a refund will be issued within two to three weeks if no other Federal taxes or obligations are owed. (i.e., TOP offset for child or spousal support, Federal non-tax debts, or state income tax). <b>Note:</b> Review freeze conditions, if present, to determine if additional actions are needed to release credit or to provide additional information to the taxpayer.</li> <li>2. Advise taxpayer to allow up to two additional weeks for mail time.</li> </ol>
Taxpayer disagrees	Adjustment did not result from examination of return	<ol style="list-style-type: none"> <li>1. Ask taxpayer to send necessary documentation. Determine if the documentation can be faxed while you are on the telephone with the taxpayer. If the taxpayer can fax, provide them with your fax number. Refer to IRM 21.5.2.4.3, Adjustments Requiring an Amended Return or Taxpayer Documentation, for additional information on accepting faxed documentation.</li> <li>2. If the taxpayer cannot fax immediately, advise them to call back when they are able to fax or, if unable to fax, to submit the request and supporting documentation to the address on the notice.</li> <li>3. For information about BMF tax adjustments, refer to IRM 21.7, Business Tax Returns and Non-Master File Accounts.</li> </ol>
Adjustment resulted from an examination of return	Taxpayer disputes deficiency assessment	Under certain conditions, you can request an audit reconsideration. Refer to IRM 21.5.10, Examination Issues.
Adjustment resulted from an examination of a BBA partnership. <b>Note:</b> The words “Imputed Underpayment” only appear in the billing summary of a CP210 or CP220 that is related to a BBA audit.	Taxpayer disputes deficiency assessment	<ol style="list-style-type: none"> <li>1. Explain that the audit has been resolved, either through Appeals or the time to appeal the exam results has expired. BBA assessments are not made until those critical dates have passed. Explain that if they need more detail about the assessment, they should consult with the partnership representative for the tax year shown at the top of the notice.</li> <li>2. Instruct taxpayer to pay the amount owed. If necessary, explain options to pay or prepare installment agreement.</li> </ol>

21.3.1.7.32  
(10-02-2023)

**CP 215 - Civil Penalty Assessment**

(1) A CP 215, Civil Penalty - 500 and 600 Series, notifies the taxpayer a civil penalty was assessed.

If	Then
Taxpayer agrees with notice	If the taxpayer agrees with the balance due, verify payoff amount if requested. For AM employees, see IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.  <b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.
Taxpayer disagrees	Advise taxpayer to submit a written request, that explains the circumstances, to the assessing function.

(2) **Intentional Disregard Civil Penalty**

If	Then
Penalty Reference Number (PRN) 537 and Project Code 0179 were used to assess Intentional Disregard Penalty and the taxpayer is appealing the assessment.	Close control, prepare Form 4442, Inquiry Referral, and include CII image.

If	Then
<p>PRN 537 and Project Code 0179 were used to assess Intentional Disregard Penalty and taxpayer submits a written request or a Form 843, Claim for Refund and Request for Abatement, to have the penalty removed.</p>	<p>Close control and send denial letter with appeal rights. Include the following in an open paragraph:</p> <ul style="list-style-type: none"> <li>• “The information you provided to support your request for penalty relief of IRC 6721(e) due to reasonable cause was not acceptable. You must exercise due diligence in providing the information or statements we requested. If you have taken proper and reasonable steps and wish to appeal this assessment, submit a written appeal request within thirty (30) days from the date of this letter. Include a specific explanation of your due diligence for the Intentional Disregard Penalty you wish us to remove.”</li> </ul>

21.3.1.7.33  
(10-03-2022)  
**CP 220 - Examination (Audit) or Data Processing Tax Adjustment - Balance Due, Overpayment, or Even Balance**

- (1) A CP 220, Examination (Audit) or Data Processing Tax Adjustment - Balance Due, Overpayment, or Even Balance, is an adjustment notice from Exam or Data Processing, resulting in balance due, overpayment, or a even balance. The CP 220 is also issued as a return settlement notice when penalties are assessed on overpaid modules. After researching IDRS, explain reason for the notice. For resolution, refer to table in IRM 21.3.1.7.31, CP 210 Examination (Audit) or Data Processing Tax Adjustment - Balance Due, Overpayment, or Even Balance.

21.3.1.7.34  
(10-02-2023)  
**CP 225 - Missing Payment Applied**

- (1) A CP 225, Missing Payment Applied, is issued to advise taxpayer that a tax payment inquired about was located and applied to a specific account. This letter also advises taxpayer of a remaining balance due, a zero-account balance, or a refund issued. After researching IDRS, explain reason for the notice.

If	And	Then
Taxpayer agrees with notice	A refund is due	Advise taxpayer they will receive the refund within two weeks if no other Federal taxes or other obligations are owed and a refund amount remains (i.e., TOP offset for child or spousal support, Federal non-tax debts, or state income tax).
Taxpayer agrees with notice	There is a balance due	If the taxpayer agrees with the balance due, verify payoff amount if requested. For AM employees, see IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns. <b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.
Taxpayer disagrees with notice	Indicates additional payment was made but not credited to account	<ol style="list-style-type: none"> <li>1. Research for missing payment.</li> <li>2. Transfer credit if found.</li> <li>3. Refer to IRM 21.5.8, Credit Transfers.</li> </ol>

21.3.1.7.35  
(10-03-2022)  
**CP 230 - Combined Annual Wage Reporting - CAWR/DP Tax Adjustment Amended Return Filed**

- (1) A CP 230, Combined Annual Wage Reporting - CAWR/DP Tax Adjustment Amended Return Filed, notifies the taxpayer of a determination of refund due, because of a Combined Annual Wage Reporting (CAWR) adjustment made due to the taxpayer’s amended return being filed and processed.
- (2) Advise taxpayer the refund amount is based on the response submitted to CAWR, amended return, and the comparison of the figures reported on employment tax return and information submitted on information returns. Figures were presented to taxpayer previously by the CAWR program via Letter 98-C, Wage Discrepancy per SSA; Information/Verification, or Letter 99-C, Letter of Employment Tax Problem (CAWR).
- (3) If taxpayer does not agree with refund, advise them to contact the processing center at the address indicated on the notice. Assist taxpayer in preparing response to issuing center.

21.3.1.7.36  
(10-03-2022)  
**CP 238 - Late Federal Tax Deposit (FTD) Educational Notice - No Penalty Charged**

- (1) A CP 238, Late Federal Tax Deposit (FTD) Educational Notice - No Penalty Charged, is issued to first time Form 941, Form 943, and Form 944 filers who did not deposit correctly. The CP 238 explains:
  - One or more deposits were late or were not made according to the taxpayer’s current deposit requirements.
  - The IRS is not charging a federal tax deposit penalty because our records indicate this is the first time they have been liable for this type of tax return.
- (2) A Notice 931 is enclosed to explain the deposit requirement for Form 941. Refer to IRM 20.1.4, Failure to Deposit Penalty, for more information on deposit requirements and penalties.

21.3.1.7.37  
(10-02-2023)  
**CP 240 - Combined Annual Wage Reporting - CAWR/DP Discrepancy Tax Adjustment**

- (1) A CP 240, Combined Annual Wage Reporting - CAWR/DP Discrepancy Tax Adjustment, notifies the taxpayer of an adjustment to the account when there is a discrepancy between information reported on the employment tax returns and the W–2, W–2G, or 1099–R forms submitted. This notice is a bill issued to taxpayer because of the Combined Annual Wage Reporting (CAWR) program.
- (2) After researching IDRS (BMFOLU) explain reason for the notice. Advise taxpayer that amount due is based on a comparison of figures reported on employment tax return with information submitted on information returns. The figures were previously presented to taxpayer during CAWR program. The bill is generated whether or not the taxpayer responded to the CAWR notice or correspondence issued if a discrepancy still existed. Late replies to the CAWR notice or correspondence would not have prevented the notice from being issued.

**Note:** The bill also may result from partial payment.

If	Then
Taxpayer disagrees with notice	<ol style="list-style-type: none"> <li>1. Advise taxpayer to reply to address provided on notice.</li> <li>2. Assist taxpayer in preparing response to issuing center.</li> <li>3. Refer to IRM 4.19.4.11, IRS-CAWR/SSA-CAWR - CSR Information.</li> </ol>
Taxpayer agrees with notice	<ol style="list-style-type: none"> <li>1. Research the account to verify the true status/issue and provide the payoff if requested. For AM employees, see IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.</li> </ol> <p><b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.</p>

21.3.1.7.38  
(10-03-2022)  
**Letter 99-C - Notice of  
Employment Tax  
Problem**

- (1) A Letter 99-C, Notice of Employment Tax Problem, is issued for an IRS-CAWR case to notify taxpayer of a discrepancy between information reported on the Federal employment tax returns Form 941, Employer's Quarterly Federal Tax Return, Form 944, Employer's Annual Federal Tax Return, Form 943, Employer's Annual Federal Tax Return for Agricultural Employees, Form 945, Annual Return of Withheld Federal Income Tax, or Schedule H, Household Employment Taxes) and the Form W-2 submitted to SSA or the Form W-2 G, Certain Gambling Winnings or Form 1099-R, Distribution From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRA, Insurance Contracts etc., submitted to the IRS. Refer to IRM 4.19.4.11, IRS-CAWR/SSA-CAWR - CSR Information.
- (2) Do the following:
  - a. Advise taxpayer that Letter 99-C is not a bill, but a proposed increase or decrease in tax based on a comparison of figures reported on employment tax return and information submitted on information returns. The Letter 99-C can address either an increase or a decrease.
  - b. Ask taxpayer to compare totals on employment tax returns and information returns to their records with the figures shown on the Letter 99-C.
  - c. Assist taxpayer in identifying the error and reviewing filing requirements and tax computation on employment tax return.
  - d. Assist taxpayer in preparing a complete response to CAWR unit of the issuing center (e.g., missing Form 941, or Form W-2). Refer to IRM 4.19.4.11, IRS-CAWR/SSA-CAWR - CSR Information.

21.3.1.7.39  
(10-03-2022)  
**Letter 98-C - Wage  
Discrepancy per SSA;  
Information/Verification  
Requested**

- (1) A Letter 98-C, Wage Discrepancy per SSA; Information/Verification Requested, is issued on a SSA-CAWR case to notify taxpayer of a discrepancy between information reported on the employment tax returns and that reported on the Forms W-2 submitted to Social Security Administration (SSA), i.e., taxpayer is reporting more Social Security Wages, Medicare Wages and/or Federal Withholding tax on an employment tax return than is reported on Form W-2 or Form W-3.
- (2) Advise taxpayer:
  - a. Letter 98-C is a proposed penalty assessment and is a request for copies of Forms W-2 previously requested by SSA. It also notifies the taxpayer of a potential penalty assessment if forms are not submitted to the IRS to be forwarded to SSA.
  - b. IRS must receive copies of forms or proof of timely filing before the "due" date outlined in the notice to prevent a penalty assessment against the taxpayer. This occurs even if taxpayer insists they filed the forms with SSA previously. Advise taxpayer to respond to address on the notice.
  - c. It is extremely important that the taxpayer provide the forms or proof of timely filing directly to the IRS to prevent assessment of penalty for failing to file Form W-2.
  - d. If taxpayer does not respond to notice and provide a copy of the Form W-2 filed with SSA, they are assessed a penalty.
- (3) Assist taxpayer in identifying the error (e.g., SSA did not receive all the Form W-2 and/or Form W-3, Transmittal of Wage and Tax Statements, for the EIN, taxpayer used two different TINs).
  - a. Ask taxpayer to compare their records with figures listed on Letter 98-C.

- b. Determine whether taxpayer's total submission was received and processed by SSA. Ask taxpayer to compare submissions according to their records with figures on the Letter 98-C. You also may access BMFOLU for the W-2 or W-3 amounts.

If	Then
Figures listed on Letter 98-C show some Forms W-2 were processed by SSA	Tell taxpayer to identify which forms are missing.
Taxpayer states W-2 amounts are correct and that no forms are missing (also check for corrected W-2)	<ol style="list-style-type: none"> <li>1. Taxpayer did not correctly compute employment tax.</li> <li>2. Advise taxpayer to review their return and file the applicable adjusted employment tax return if appropriate. Refer to IRM 21.7.2.4.6, Adjusted Employer's Federal Tax Return or Claim for Refund, for more information.</li> </ol>

- (4) Assist taxpayer in preparing a response to CAWR unit of the issuing center. (Refer to IRM 4.19.4, CAWR Reconciliation Balancing, for more information on the CAWR program). Never transfer the taxpayer's call to the CAWR unit.

21.3.1.7.40  
(10-03-2022)  
**CP 256V - Installment of CARES Act Deferred Social Security Taxes is Due (BMF)**

- (1) A CP 256V, Installment of CARES Act Deferred Social Security Taxes is Due (BMF), is the first courtesy reminder that Social Security taxes deferred under the CARES Act Section 2302 are due by December 31, 2021 and December 31, 2022. Refer to IRM 21.7.2.8, Deferred Payment of Social Security Taxes for 2020, for additional information.
- (2) The first installment amount, due December 31, 2021, is half the employer's share of Social Security taxes that **could** have deferred, including any amount of the employee's share of Social Security taxes deferred under Notice 2020-65 as modified by Notice 2021-11, minus all deposits and payments the IRS has received.
- (3) The second installment, due December 31, 2022, is the remaining unpaid deferred taxes.

21.3.1.7.41  
(09-12-2017)  
**CP 259 - Master File Generated 1st Taxpayer Delinquency Investigation (TDI) Notice for Delinquent Business Tax Returns**

- (1) CP 259 series notices (A - G) are issued from Master File on accounts that have not received a return to satisfy the filing requirement.
- (2) Refer to IRM 21.7.7.6.26, CP 259, CP 42X & CP 249 Entity Notices, for more information for Exempt returns.

**Note:** DO NOT route when there is a notation of "599" on the return.

21.3.1.7.42  
(10-02-2023)  
**CP 260 - Credit Reversal Adjustment**

- (1) A CP 260, Credit Reversal Adjustment, notifies the taxpayer of a credit reversal (e.g., erroneous payment posted and taken out, other credits allowed and then removed) or an adjustment to their account. After researching IDRS, explain reason for the notice.

If	And	Then
Taxpayer agrees with notice	A balance is due	1. Research the account to verify the true status/issue and provide the payoff if requested. For AM employees, see IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.  <b>Note:</b> Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.
Taxpayer disagrees with notice	Indicates a payment was not credited to the account	1. Research account and make appropriate credit transfer(s). 2. Refer to IRM 21.5.8, Credit Transfers.

21.3.1.7.43  
(10-03-2022)  
**CP 267 - No Math Error - Credit Offset Notice**

- (1) A CP 267, No Math Error - Credit Offset Notice, notifies the taxpayer of possible misapplied payments and allows taxpayer to advise IRS of their correct application.
- (2) The CP 267 Notice requires a response and are worked on an expedited basis. After researching IDRS, explain tax deposit discrepancies and reason for overpayment. Refer to IRM 21.7.11.4.9, CP 267 or CP 268 - Notice of Excess Credit, for procedures.

21.3.1.7.44  
(10-03-2022)  
**CP 268 - Math Error - Credit Offset Notice**

- (1) A CP 268, Math Error - Credit Offset Notice, notifies the taxpayer of an error on return and possible misapplied payments resulting in an overpayment. It allows taxpayer the opportunity to advise IRS of validity of math error and proper application of credits.
- (2) Notice requires a response and are worked on an expedite basis. After researching IDRS, explain reason for the overpayment. Refer to IRM 21.7.11.4.9, CP 267 or CP 268 - Notice of Excess Credit, for procedures.

21.3.1.7.45  
(10-03-2022)  
**CP 282 - Notification of Possible Additional Partnership Filing Requirements for Form 1065/1065-B**

- (1) A CP 282, Notification of Possible Filing Requirement, Form 1065 and Form 1065-B, notifies the taxpayer of a possible requirement to file information returns and withhold tax. This notice is generated when a filer of Form 1065, U.S. Return of Partnership Income, or Form 1065-B, U.S. Return of Income for Electing Large Partnerships, checks a box on Schedule B, indicating they had foreign partners during the year. Refer to IRM 21.7.4.4.2.11, CP 282 Notice, Notification of Possible Additional Partnership Filing Requirements (Withholding

Tax on Foreign Partners), for additional information and procedures for responding to taxpayer inquiries. Refer to IRM 21.8.2.16.1, CP 282 - Form 1065 for international cases.

- 21.3.1.7.46  
(10-02-2023)  
**CP 289 - Annual Installment Agreement Statement**
- (1) A CP 289, Annual Installment Agreement Statement, is issued as an annual BMF notice. The notice shows all payments made for the year and an ending balance. It advises the taxpayer that this notice is not a bill. It also instructs the taxpayer to contact the IRS if:
- a. There is restricted interest and/or penalty on the module and the taxpayer wants a balance due. After addressing account issues and verifying the payoff amount if requested, AM employees follow IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.
 

**Note:** Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.
  - b. The taxpayer made a payment that is not shown on the notice.
- 21.3.1.7.47  
(10-03-2022)  
**CP 208 - Notice, Potential Credit Transfer Action Form 1041**
- (1) The CP 208, Potential Credit Transfer Action Form 1041, is an **internal** notice. When Form 1041 posts with credit shown on the election line and the credit has not been transferred, a -P freeze generates. The freeze is released when the module balance becomes zero or debit status.
- (2) Refer to IRM 21.7.4.4.1.12.3, CP 208 Notice, Potential Credit Transfer Action Form 1041, for procedures.
- 21.3.1.7.48  
(10-01-2015)  
**CP 224 - Notice, Potential Qualification as a Personal Service Corporation**
- (1) The CP 224, Potential Qualification as a Personal Service Corporation, is issued to businesses who, based on the business activity described on the Form 1120 they filed, may qualify as a personal service corporation.
- (2) Refer to IRM 21.7.4.4.4.3.1, CP 224 Notice, Potential Qualification as a Personal Service Corporation, for procedures.
- 21.3.1.7.49  
(10-03-2022)  
**Letter 2030/Letter 2531-Business Master File (BMF) Underreporter Program- General Information**
- (1) The BMF Underreporter (BUR) program is designed to review Form 1120, U.S. Corporation Income Tax Return series, and Form 1041, U.S. Income tax return for Estates and Trusts series, for potential Underreported or missing income. BUR Operations is located in the Ogden Campus. The program compares the information reported on the Form 1120 and Form 1041 to the Information Return Master File (IRMF) which contains income documents, such as Form 1099, Schedule K-1, etc., submitted by payers.
- (2) BUR sends letters (Formerly CP notices) to Form 1120 and Form 1041 filers notifying them of the discrepancy between the information documents and what is reported on the income tax return. These letters are:
- a. Letter 2030, Initial Notice Issued to Request Verification for Unreported Income, Deductions, Payment and/or Credits on BMF Income Tax Returns Matched to Payer Information Documents
  - b. Letter 2531, Initial Contact for Potential Discrepancy of Income, Deductions and/or Credits Claimed on BMF Income Tax Returns Matched to Payer Information Documents

- (3) Letter 2531 is sent to the taxpayer as an inquiry, not a proposal of assessment. The letter is sent to a taxpayer to obtain information prior to the issuance of the Letter 2030.
- (4) The Letter 2030 is the BUR notice of proposed assessment relating to the underreporter issues on the Form 1120 and Form 1041.
- (5) When the account has been selected to be worked by BUR, the account displays a TC 925. The process codes shown with the TC 925 provides the status of the case as it goes through BUR processing. *BMF Underreporter Process Codes* are located in the Document 6209.

**Example:** 925 07152013 0.00 20134108 00277-276-71240-3

PROCESS-CD>40304500

- (6) When a letter is issued, the BUR function puts a control on the module. IDRS research shows:
  - a. An open IDRS control base with control category code "BUR0", "BUR1", "BURS" or "BURC" controlled to employee number, 048xxxxxxx.
  - b. An underreporter process code. The process codes update as the case progresses through the BUR process.

**Note:** The process codes may appear as history notes on CC TXMOD.

- (7) When there is a TC 925 and/or an open BUR control on the tax module, the following taxpayer correspondence is routed to BMF-AUR to be worked:
  - Letter 4550-C, BMF Underreporter (BUR) Additional Correspondence
  - Letter 4551-C, BMF Underreporter (BUR) Closing
  - Letter 4552-C, BMF Underreporter (BUR) Payer Inquiry / Nominee Recipient Inquiry
  - Letter 2030, Initial Notice - Request Verification for Unreported Income, Deductions, Payments and/or Credits on BMF Income Tax Returns Matched to Payer Information Documents
  - Letter 2531, Initial Contact for Discrepancy of Income, Deductions and/or Credits Claimed on BMF Income Tax Returns Matched to Payer Information Documents
  - Letter 3219-B, BMF AUR Statutory Notice of Deficiency - 90 Day Letter
  - Form 4089-B, Notice of Deficiency - Waiver
  - Form 1120-X, Amended U.S. Corporation Income tax return
  - Amended Form 1041, U.S. Income Tax return for Estates and Trusts

**Note:** On CII route to the OAMC central printer, MS 6663, Attn: BUR for processing. **DO NOT** put BUR control base in case status code B.

- (8) BMF AUR tax assessment can be found on MFT 02 (Form 1120) or MFT 05 (Form 1041) accounts. A BUR assessment can be identified by reviewing the blocking series of the TC 290 adjustment. For Form 1120 the blocking series may be 55, 57, 58 or 59. For Form 1041 the blocking series is 64 or 89.
- (9) If written correspondence, Form 1120-X or amended Form 1041 is received relating to a closed BUR assessment, take the following actions:
  1. If the account is in status 58 input a STAUP 2209

2. For all other notice status, input nine-week STAUP to the next notice status.
  3. If forwarding to BUR a Form 1120-X or amended Form 1041, input TC 971 AC 015. This leaves the appropriate audit trail for the amended returns.
  4. Route Form 1120-X, or Form 1041 amended return and all correspondence to BUR: M/S 6663
- (10) If TC 925 only shows Process Code 4030 on the account, do not refer case to BUR. Work the taxpayer's issue following normal procedures.
- (11) If the taxpayer calls and they didn't receive the letter or is requesting a copy of any of the letter, transfer the call to Extension 1827. If the call cannot be transferred, provide the caller with the BMF-BUR phone number and hours of operation. The BUR number is 877-571-4712. The hours of operation are from 9:00 a.m. – 5:00 p.m. local time.
- (12) BUR may send several other notices. These include:
- Letter 2627-C - Used to obtain missing information when an incomplete Power of Attorney (POA) is submitted by taxpayer. A response is expected.
  - Letter 2893-C - Used to notify taxpayer of adjustment.
  - Letter 4314-C - Used to inform taxpayer the case is not yet resolved. This is issued from BUR when another action is being taken on a case at the same time (e.g., when a letter to validate income or additional research is being conducted).
  - Letter 4550-C - Used to correspond with taxpayer to obtain additional information or to provide further explanation subsequent to a Letter 2030 or Letter 2531 notice. A response is usually expected.
  - Letter 4551-C - Used to notify taxpayer of conclusion of their BUR case. No response is expected.
  - Letter 4552-C - Used to correspond with an employer/payer to clarify income. Ask employer/payer to complete form and return.

Copies of these letters can be obtained from BUR when the taxpayer calls the area.

- (13) For additional information on the BUR Program, refer to IRM 4.119.4, BMF Underreporter (BUR) Program.

21.3.1.7.49.1  
(10-03-2022)

**Letter 2531 - Initial  
Contact for Potential  
Discrepancy of Income,  
Deductions and/or  
Credits Claimed on BMF  
Income Tax Returns  
Matched to Payer  
Information Documents  
Procedures**

- (1) If the taxpayer calls questioning the receipt of a Letter 2531, review the account and determine the current process code.
- (2) The following are the procedures for working the various process codes relating to the Letter 2531:

Last Process Code	Definition	Then
4030	Case has been selected by BMF Underreporter (BUR).	<ol style="list-style-type: none"> <li>1. The taxpayer has <b>NOT YET</b> received the notice.</li> <li>2. <b>DO NOT</b> refer the case to BUR.</li> <li>3. Respond to the taxpayer's issue following normal procedures.</li> </ol>
4300, 4305	Letter 2531 establishes IDRS control base.	<ol style="list-style-type: none"> <li>1. Advise the caller the letter is providing information pertaining to a discrepancy between the Form 1120 or Form 1041 and information documents submitted under that EIN.</li> <li>2. Advise the taxpayer to respond to the letter indicating if they agree or disagree with the issues raised. Explain they need to provide an explanation and documentation, if appropriate for each item they are disputing.</li> <li>3. Advise taxpayer to attach a copy of the letter to their response.</li> <li>4. Provide the Ogden mailing address. IRS 1973 N Rulon White Blvd Stop 6663 Ogden Utah 84201-0062</li> <li>5. If the taxpayer wishes to talk to the BUR, transfer to Extension 1827. If unable to transfer, provide the taxpayer with the BUR phone number, 877-571-4712 number. The hours of operation are from 9:00 a.m. – 5:00 p.m. local time.</li> <li>6. If the taxpayer wishes to fax the information, provide the fax number, 855-235-8847.</li> </ol>
4310	Letter 2531 generated but not mailed.	<ol style="list-style-type: none"> <li>1. The taxpayer has <b>NOT YET</b> received the notice.</li> <li>2. <b>Do not</b> refer the case to BUR.</li> <li>3. Follow normal procedures for handling the taxpayer's issue.</li> </ol>
4350, 4370, 4380	The case has been transferred to another area.	<ol style="list-style-type: none"> <li>1. Do not refer to BUR.</li> <li>2. Follow normal procedures for handling the taxpayer's issue.</li> </ol>
4340, 4400, 4420, 4440, 4460	BUR case closed no change to the tax liability and/or refundable credits.	<ol style="list-style-type: none"> <li>1. Do not refer to BUR.</li> <li>2. Follow normal procedures for handling the taxpayer's issue.</li> </ol>

Last Process Code	Definition	Then
4470	The case has been worked and closed by BUR with an adjustment to tax or refundable credits.	<ol style="list-style-type: none"> <li>1. Explain the reason for the balance owed.</li> <li>2. Provide the Ogden mailing address. IRS 1973 N Rulon White Blvd Stop 6663 Ogden Utah 84201-0062</li> <li>3. The taxpayer can file a Form 1120-X, but it is not necessary.</li> <li>4. If the taxpayer wishes to fax the information, provide the fax number, 855-235-8847.</li> <li>5. If the taxpayer wishes to talk to the BUR transfer to Extension 1827. If unable to transfer, provide the taxpayer with the BUR phone number, 877-571-4712 number. The hours of operation are from 9:00 a.m. – 5:00 p.m. local time.</li> <li>6. If the taxpayer disagrees with the assessment and there no balance is due after the needed information is provided to BMF-AUR: For accounts in status 58 input a STAUP 2209 For all other notice statuses, input a STAUP 5809.</li> <li>7. If the taxpayer agrees and there is a potential or assessed a balance on the account, follow normal collection procedures.</li> </ol>

- (3) When working paper cases, route all cases referring to BUR to Ogden BUR, Stop 6663. Do not route Form 1120-X or amended Form 1041 if unrelated to the BUR issue. Input a TC 971 AC 015 if only routing a Form 1120-X or amended Form 1041 relating to the BUR issue.

21.3.1.7.49.2  
(10-01-2024)  
**Letter 2030 - Initial Letter Issued to Request Verification for Unreported Income, Deductions, Payment and/or Credits on BMF Income Tax Returns Matched to Payer Information Documents Procedures**

- (1) When working accounts with BMF Underreporter (BUR) Involvement, it is necessary to research the account to determine where the account is in the BMF-BUR process. This can be determined by reviewing the Underreporter Process Codes listed under the Transaction Code (TC) 925 on the account. Review the account and determine the last process code. Refer to chart below to determine procedures for working the case.

Last Process Code	Definition	Procedure
4030	Case has been selected by BUR.	Paper or Phones: <ol style="list-style-type: none"> <li>1. Do not send a Form 4442, Inquiry Referral.</li> <li>2. Respond to the taxpayer's issue following normal procedures.</li> </ol>
4100, 4110, 4130-4170, 4210, 4220, 4240, 4260, 4270, or 4290	The case has been closed prior to contact with the taxpayer.	<ol style="list-style-type: none"> <li>1. The taxpayer has NOT YET received the notice.</li> <li>2. Do not send a Form 4442, Inquiry Referral.</li> <li>3. Respond to the taxpayer's issue following normal procedures.</li> </ol>
4560, 4570, 4580, 4590, 4770, 4780, 4790, 4800	The case has been transferred to another area.	<ol style="list-style-type: none"> <li>1. Do not send a Form 4442, Inquiry Referral.</li> <li>2. Respond to the taxpayer's issue following normal procedures.</li> </ol>
4550, 4600, 4610, 4630, 4660, 4810, 4820, 4830, 4860, 4890	BUR case closed with no change to tax liability and/or refundable credits.	<ol style="list-style-type: none"> <li>1. Do not refer the case to BUR.</li> <li>2. Respond to the taxpayer' issue following normal procedures.</li> <li>3. Do not send a Form 4442, Inquiry Referral.</li> </ol>

Last Process Code	Definition	Procedure
4500, 4505, 4520, 4525, 4530, 4535, 4540, 4700, 4705, 4750, 4755, and the taxpayer agrees:	Letter 2030 or Letter 3219B.	<ol style="list-style-type: none"> <li>1. Provide the Ogden mailing address. IRS 1973 N Rulon White Blvd Stop 6663 Ogden, UT 84201-0062</li> <li>2. Advise the taxpayer to respond to the notice indicating if they agree or disagree with the issues raised. Explain they need to provide an explanation and documentation (if appropriate) for each item(s) they are disputing.</li> <li>3. Advise taxpayer to attach a copy of the notice to their response.</li> <li>4. The taxpayer can file a Form 1120-X or amended Form 1041, but it is not necessary.</li> <li>5. If the taxpayer wishes to fax the information, provide the fax number, 855-235-8847.</li> <li>6. If the taxpayer wishes to talk to BUR transfer to Extension 1827. If unable to transfer, provide the taxpayer with the BMF-BUR phone number, 877-571-4712 number. The hours of operation are from 9:00 a.m. – 5:00 p.m. local time.</li> <li>7. If the taxpayer disagrees with the assessment or the provides the needed information to BUR and resolves the balance owed: <ol style="list-style-type: none"> <li>a. For accounts in status 58 input a STAUP 2209.</li> <li>b. For all other notice status input 9 week STAUP to the next notice status.</li> </ol> </li> <li>8. Refer to IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due/ Missing Returns, if a balance is due.</li> </ol>
4510	Letter 2030 generated but not mailed.	<ol style="list-style-type: none"> <li>1. The taxpayer has <b>NOT YET</b> received the notice.</li> <li>2. <b>DO NOT</b> refer the case to BUR.</li> <li>3. Respond to the taxpayer's issue following normal procedures.</li> </ol>

Last Process Code	Definition	Procedure
4200, 4670, 4675, 4680, 4840, 4850, 4870, 4875	<p>The case was worked and closed by BUR with an adjustment to tax liability and/or refundable credits.</p> <p><b>Note:</b> PC 4850 is used when the account is assessed by default</p>	<ol style="list-style-type: none"> <li>1. Explain to the taxpayer the reason for the letter. In the case of PC 4850, advise the caller the IRS did not receive a response from the taxpayer.</li> <li>2. If the taxpayer disagrees with the assessment or the provides the needed information to BUR and resolves the balance owed:               <ol style="list-style-type: none"> <li>a. For accounts in status 58 input a STAUP 2209.</li> <li>b. For all other notice status input 9- week STAUP to the next notice status.</li> </ol> </li> <li>3. Provide the Ogden mailing address:                IRS                1973 N Rulon White Blvd                Stop 6663                Ogden, UT 84201-0062</li> <li>4. If the taxpayer wishes to talk to the BUR transfer to Extension 1827. If unable to transfer, provide the taxpayer with BMF-BUR phone number, 877-571-4712 number. The hours of operation are from 9:00 a.m. – 5:00 p.m. local time.</li> <li>5. If the taxpayer wishes to fax the information, provide the fax number, 855-235-8847.</li> </ol>

- (2) When working paper cases, route all cases referring to BUR to Ogden BUR, Stop 6663. Do not route Forms 1120-X or amended Form 1041 if they are unrelated to the BUR issue. Input a TC 971 AC 015 if routing only a Form 1120-X or amended Form 1041 relating to the BUR issue.

21.3.1.7.49.3  
(10-01-2018)  
**Business Underreporter (BUR) Special Handling**

- (1) Do not refer Tentative Carrybacks (TENTs,) Restricted Interest Claims (RINTs), payment tracers, or entity change only requests to BUR.
- (2) If correspondence relates to two different tax periods and only one relates to the BUR issue:
  - a. Separate issues by tax period.
  - b. Route as appropriate.
  - c. Work other issue or tax period following normal adjustment procedures.

21.3.1.7.50  
(07-19-2023)  
**IRC 965 - BMF CP  
Notices**

- (1) IRC 965 imposes a transition tax on untaxed foreign earnings of foreign corporations with U.S. shareholders. For more information, refer to IRM 21.5.13.4.5, IRC 965 CP Notices - BMF. The following section provides guidance for BMF CP notices that were created for IRC 965 processing and worked in the Ogden campus.
- (2) The CP 247A, CP 247B, and CP 247C inform the taxpayer that the IRS has received and processed their income tax return and they elected to pay their IRC 965 net liability in installments.
  - CP 247A, Tax Assessed - Notification of the Requested Credit Elect/Refund Being Applied to Section 965 Tax Liability, notifies the person/entity that their requested credit elect or refund was applied to IRC 965 tax liability. We can only refund or apply credit elect payments or credits exceeding the full tax liability.
  - CP 247B, Tax Assessed - Notification of a Credit Elect/Refund Being Applied to IRC 965 Tax Liability, notifies the person/entity that any payments or credits exceeding the installment amount due for the inclusion year, are applied to the next IRC 965 installment payment obligation.
  - CP 247C, Tax Assessed-Included IRC 965 Tax Liability notifies the person/entity that their IRC 965 tax has been assessed.

If the taxpayer agrees with the tax assessed, the Ogden employee advises no action is required and to continue to make timely annual installment payments as required by IRC 965(h). If the taxpayer disagrees with the tax assessed, the Ogden employee explains the reason for the notice. For more information, refer to IRM 21.5.13.4.5, IRC 965 CP Notices - BMF.

- (3) The CP 256, Annual IRC 965(h) Installment Notice, is issued annually to notify taxpayers who made a 965(h) election, of their IRC 965 installment payment amount and due date. The Ogden employee advises the taxpayer to follow the instructions on the notice and pay the amount due. Failure to pay by the due date may result in a penalty, and the full amount of their net tax liability under IRC 965 may become due immediately, refer to IRM 21.5.13.4.5, IRC 965 CP Notices- BMF.

21.3.1.8  
(10-01-2021)  
**NMF and Other Notices**

- (1) Information in this section applies to Non Master File (NMF) notices and other notices. Each subsection presents an overview of a specific notice, general procedures for working the notice, and a reference to the IRM containing detailed procedures.

21.3.1.8.1  
(07-19-2023)  
**Non-Master File (NMF)  
Notices**

- (1) NMF notices provide the following telephone numbers for the taxpayer to contact the IRS:
  - Within the US, call toll-free 833-972-8965
  - Outside of the US, call 267-466-4777

Procedures for employees assigned to the NMF toll-free and non toll-free numbers are in IRM 21.7.12.5.1, NMF Toll-Free and Non Toll-Free Number. NMF notices contain an "n" after the TIN. NMF notices can also be identified by the tax class (third digit) in the DLN of 6.

- (2) Notice numbers are shown in the bottom right-hand corner. The notice shows an "n" after the Taxpayer Identification Number (TIN).

- Form 6335, NMF First Notice NMF First Notice, is the first notice issued on a Non-Master File account.
- Form 4840, NMF Fourth Notice, is the next notice issued on a Non-Master file account. (NMF Notices 2 and 3 are no longer in use.)
- Form 9774, Annual Reminder Notice for ANMF/NMF, is the annual reminder notice.
- The address on the notice is the address where the taxpayer’s NMF account resides.

21.3.1.8.1.1  
(07-19-2023)  
**Resolution of NMF Notices**

- (1) If you are contacted by a taxpayer at a number other than the number listed in IRM 21.3.1.8.1, Non-Master File (NMF) Notices, above, take the following action:
  - a. Answer any questions to the extent of your ability and expertise.
  - b. If you do not have the expertise or system access required to answer the taxpayer’s question and/or resolve the issue, advise the taxpayer to call 833-972-8965 for Domestic entities or 1-267-466-4777 for International entities.
 

**Note:** Employee Plans (EP) have their own toll-free number, 877-829-5500.
  - c. Do not refer taxpayers to above numbers unless they have one of the notices listed in IRM 21.3.1.8.1, Non-Master File (NMF) Notices.

21.3.1.8.2  
(10-03-2022)  
**Employee Plans Masterfile (EPMF) Notice CP 403 and CP 406**

- (1) Notices CP 403, Form 5500, First Delinquency Notice, and CP 406, Form 5500, Second Delinquency Notice, are return delinquency notices. These notices are issued to taxpayers with a filing requirement for Form 5500, Annual Return/Report of Employee Benefit Plan, and inform the taxpayer of an overdue return.
- (2) CP 403 is the first notice and CP 406 is the final notice. A response is required.
- (3) Delinquency cases are placed on the Taxpayer Information File (TIF). Each case is retained on this file for a period determined by the date the last tax module was satisfied in the entity. The TIF is updated weekly with any satisfying transaction input during the week.

If	And	Then
A Form 5500-R, Registration Statement of Employee Benefit Plan, return has not posted	It is 15 months after the return due date	CP 403 is issued. This is the first notice
A Form 5500-EZ, Annual Return of A One-Participant (Owners/ Partners and Their Spouses) Retirement Plan or A Foreign Plan, return has not posted	It is 26 months after the return due date	CP 403 is issued. This is the first Notice.
No response is received	No notice delay is input	The second notice, CP 406 is issued 12 weeks later.

- (4) Resolve CP 403 and CP 406 issues as follows:

If	And	Then
You are familiar with the criteria for filing Form 5500	You can answer the taxpayer's questions	<ol style="list-style-type: none"> <li>1. Advise the taxpayer if they are required to file a return.</li> <li>2. Order any forms needed.</li> <li>3. Advise the taxpayer how to respond to the notice.</li> </ol>
You are not familiar with the criteria for filing these forms, and/or you cannot answer the taxpayer's question		Transfer the call to TEGE EP notice application, Extension 1764.
You receive an on-line inquiry concerning notice CP 403 or CP 406	The inquiry concerns a Form 5500-EZ	Refer to IRM 21.3.8.10.2.10, CP 403.
You receive a written inquiry on CP 403 or CP 406	There is no TC 150 on the module	Route the notice to the Entity unit at the address on the notice.

- (5) Refer to IRM 3.13.36, EPMF Account Numbers, for more information on CP 403 and CP 406.

21.3.1.8.3  
(05-23-2018)

**Employer Shared  
Responsibility Payment  
(ESRP) Notices**

- (1) The Patient Protection and Affordable Care Act, and the Health Care and Education Reconciliation Act of 2010 (collectively, the Affordable Care Act or ACA) has many key provisions including shared responsibility payments for certain employers.
- (2) Employer Shared Responsibility Payment (ESRP). Beginning calendar year 2015 and after, employers employing an average of 50 full-time employees or combination of full-time and full-time equivalent employees on business days in the prior year (i.e., number of employees during 2014 is used to determine liability for calendar year 2015) are be subject to the Employer Shared Responsibility provisions under IRC 4980H (added to the Code by the ACA) Form 1094-C and Form 1095-C are used to report information about offers (or non-offers) of health coverage and enrollment in health coverage to an employee by the employer. ESRP is not be self-reported by the taxpayer. Instead, ESRP is assessed by an Exam function based on information reported to the IRS. Form 1094-C and Form 1095-C are used by Exam in determining whether an employer owes an ESRP.
- (3) Master File Tax Code (MFT) has been established to record assessments, abatements, and other account actions. MFT 43, Employer Shared Responsibility, is processed to BMF.
- (4) On MFT 43, the assessment posts as a TC 298 with a three-digit reference number of 240, which identifies the type of assessment. A TC 290 is input along with the TC 298. A TC 150 never posts to this module.
- (5) Prior to an assessment by Exam, various notices/letters are sent to certain employers who have been identified as potentially being assessed an ESRP.
- (6) See IRM 20.2.11.14(1), Affordable Care Act (ACA), and IRM 5.19.4.2.2, Affordable Care Act (ACA) - Employer Shared Responsibility Provision (ESRP) §4980H, for general information.

21.3.1.8.3.1  
(10-02-2023)  
**Resolution of ESRP  
Notices**

- (1) The following section provides guidance on the various notices/letters issued on the Employer Shared Responsibility Payment Modules - MFT 43 and the chart below provides a brief description.

Notice	Description
Letter 5699	Non-filer letter - issued to employers advising our records shows they may be an Applicable Large Employer (ALE) and haven't filed the required information returns (i.e., Forms 1094-C and 1095-C).
Letter 5840	Closing letter - issued to employers advising issue is resolved.
Letter 226-J	Preliminary letter - issued to employers advising of the proposed ESRP.
Letter 5040-J	Follow-up letter - issued to employers as a follow-up to the Letter 226-J.
Letter 227-K	Acknowledgement letter - Issued when information provided results in a 0 ESRP. Case is processed and closed.
Letter 227-L	Acknowledgement letter - issued to employers advising the proposed ESRP has been revised. Form 14765, Employee Premium Tax Credit (PTC) Listing, enclosed to give the employer the opportunity to agree, disagree, or appeal.
Letter 227-M	Acknowledgement letter - Form 14765, Employee Premium Tax Credit (PTC) Listing, enclosed to give the employer the opportunity to agree, disagree, or appeal.
Letter 227-N	Acknowledgement letter - sent after the case comes back from Appeals.
CP 220 J, CP 233 J, CP 503 J, CP 504 J	Assessment/Adjustment letters - issued to employers once assessment has been posted or adjusted on MFT 43.

- (2) Taxpayer must follow the guidance in the letter and respond to the return address on the notice. The return addresses on the notices are determined by the DLN of the ESRP adjustments on IDRS. ESRP assessments contain a DLN of either a 17, 29 or 83. See chart below for mailing addresses associated with these DLN's.

DLN of ESRP Assessment	Mailing Address
17	Department of Treasury Internal Revenue Service Group 2219 7300 Turfway Road, Suite 410 Florence, KY 41042
29 or 83	Department of Treasury Internal Revenue Service Mail Stop 6663 1973 North Rulon White Blvd Ogden, UT 84201-0062

- (3) Letter 5699, Missing Information Return Form 1094/1095-C - issued to taxpayers advising our records shows they may be an ALE and haven't filed the required information returns, Form 1094-C and Forms 1095-C. If taxpayer has additional questions about letter, they must contact the person listed on the letter.
- (4) Letter 5840 - issued to taxpayer advising issue is resolved and no response is needed. However, if the taxpayer has additional questions about the letter, they must contact the person listed on the notice or write to the return address on the letter.
- (5) Letter 226 J - issued to taxpayers advising of the proposed ESRP. The IRS uses information from the Forms 1094-C and 1095-C filed by Applicable Large Employers (ALEs) and income tax returns filed by employees to identify ALEs that may be subject to the Employer Shared Responsibility Payment (ESRP) under IRC 4980H. If the IRS identified an ALE as being potentially liable for the ESRP, the IRS sends the ALE and authorized Power of Attorney (POA), if applicable, a Letter 226-J, which is often referred to as a Preliminary Letter.

If	Then
Taxpayer agrees, disagrees, or needs to provide additional information.	Taxpayer must follow the guidance in the letter and respond to the return address on the notice. See paragraph 2 above for the return address on the taxpayer's notice.
Taxpayer wishes to speak with someone.	Taxpayer can contact the person listed on the notice.

- (6) Letter 5040-J - issued to Employers as a follow-up to the Letter 226-J.

If	Then
Taxpayer agrees, disagrees, or needs to provide additional information.	Taxpayer must follow the guidance in the letter and respond to the return address on the notice. See paragraph 2 above for the return address on the taxpayer's notice.
Taxpayer wishes to speak with someone.	Taxpayer can contact the person listed on the notice.

- (7) Letter 227-J - issued to taxpayer advising of various actions taken or additional information needed after initial response to Letter 226-J. Letter 227\_K is the acknowledgement letter that is sent when information provided results in a -0-ESRP. The 227-L and 227-M are letters sent after information provided results in a recalculation of the ESRP. The 227-N is the acknowledgement letter that is sent after the case comes back from Appeals. If the taxpayer inquires about these letters see If/ Then chart below.

If	Then
Taxpayer agrees, disagrees, or needs to provide additional information.	Taxpayer must follow the guidance in the letter and respond to the return address on the notice. See paragraph 2 above for the return address on the taxpayer's notice.
Taxpayer wishes to speak with someone.	Taxpayer can contact the person listed on the notice.

- (8) CP 220J, CP 233J, CP 503J, CP 504J - Master File notices issued after assessment or adjustment has posted to MFT 43. The assessments posts as a TC 298 with a three-digit reference number which identifies the type of assessment. The reference number can be 240.

If	Then
Taxpayer agrees with notice.	Advise how to submit payment, see IRM 5.19.1.2, Balance Due Overview.
Taxpayer disagrees.	Advised taxpayer to follow instructions in letter and submit a written request or file Form 843 that explains the circumstances to the assessing function (i.e., return address on notice). See paragraph 2 above for the return address on the taxpayer's notice.

If	Then
Taxpayer has questions about the ESRP (e.g., calculation).	TP is to submit written inquiry to return address on the notice. See paragraph 2 above for the return address on the taxpayer's notice.

21.3.1.8.4  
(10-02-2023)  
**Letter 4912/4912A -  
Non-Compliant Tax  
Practitioners**

- (1) The Letter 4912, Tax Compliance Notice of Proposed Escalation, notifies the taxpayer that they are not in compliance with their individual and/ or business federal tax filing and payment obligations. It advises the taxpayer that we are proposing to escalate their non-tax compliance case to the Office of Professional Responsibility. Advise the taxpayer to follow the instructions in the letter. To assist the taxpayer in resolving issues, refer to IRM 5.19.1, Balance Due to assist the taxpayer in resolving issues.
- (2) The Letter 4912-A, Proposing Denial of Participation into Annual Filing Season Program, notifies the taxpayer that they are not in compliance with their personal federal tax filing and payment obligations. It advises the taxpayer that we are proposing to deny their participation in the Annual Filing Season Program. Advise the taxpayer to follow the instructions in the letter.
- (3) Research the account to verify the true status/issue and provide the payoff if requested. For AM employees, see IRM 21.1.1.3.1, Accounts Management (AM) Customer Service Representative (CSR) Duties Handling Accounts with Balance Due / Missing Returns.

**Note:** Guidance for handling calls received for accounts in Status 22/26 has not changed - transfer using established procedures.

21.3.1.8.5  
(07-19-2023)  
**Letter 6173 - Virtual  
Currency Soft Notice**

- (1) A digital asset is a digital representation of value that functions as a medium of exchange, a unit of account, and/or a store of value. Examples include Bitcoin and E-gold. In some environments, it operates like "real" currency i.e., the coin and paper money of the United States or of any other country that is designated as legal tender, circulates, and is customarily used and accepted as a medium of exchange in the country of issuance. Virtual Currency may be used to pay for goods or services, or held for investment.
- (2) The Letter 6173, Virtual Currency Soft Notice, was issued to taxpayers that have, or had, one or more transactions containing digital assets, and may not have met their tax filing and reporting requirements for the transactions. This includes transactions involving crypto-currency and non-crypto virtual currencies.
- (3) The letter states that digital assets accounts and/or transactions may be taxable, and that the IRS has no record of receiving a return with digital assets information. It also advises taxpayers to file the applicable form or schedule to report digital assets accounts, or provide a statement of facts explaining why they believe all tax and reporting requirements related to digital assets accounts have been met. It provides the taxpayer with a separate address for statements and/or correspondence and for returns/ amended returns.
- (4) For statements and/or correspondence, the mailing address is:

Department of the Treasury, Internal Revenue Service, 3651 IH-35, Mail Stop: 4308 AUSC, Austin, TX 78741.

- (5) The letter instructs the taxpayer to write the phrase “Letter 6173” at the top of the amended return and mail it to the following address:  
Internal Revenue Service, 2970 Market Street, Philadelphia, PA. 19104
- (6) The letter also provides a unique hot line number for taxpayers to call if they need to speak to someone concerning this letter. That hot line number is 737-880-7990.
- (7) Amended returns are received and centralized at the Philadelphia Campus under IDRS Number 0543025331 for domestic claims and IDRS Number 0534026194 for international, and scanned in under CII Category code SPC 2. In some instances, statutes may be extended as needed according to local procedures established between Philadelphia AM and LB&I. For instructions on adjusting these cases, see IRM 21.5.3 General Claims Procedures for more information.
- (8) If a call is received on the toll-free line, advise the caller to respond to the notice or provide the caller with the hot line number 737-880-7990. Advise the taxpayer that this is not a toll-free number.

21.3.1.8.5.1  
(07-19-2023)

**Letter 6174 - Virtual  
Currency Education and  
Letter 6174A, Virtual  
Currency Education-Plus**

- (1) Letter 6174, Virtual Currency Education, and Letter 6174-A, Virtual Currency Education-Plus, are issued to taxpayers that have, or had, one or more accounts containing digital assets, and may not have met their tax filing and reporting requirements for the transactions. This includes transactions involving crypto-currency and non-crypto virtual currencies.
- (2) Letter 6174 educates taxpayers about reportable digital asset transactions they may not have known could be taxable, schedules or forms used for reporting such transactions, resources available for taxpayers to educate themselves on the matter, and how to obtain the necessary forms. This letter advises the taxpayers to file the applicable form or schedule to report digital assets accounts, or provide a statement of facts explaining why they believe all tax and reporting requirements related to digital assets accounts have been met.
- (3) Letter 6174 A, is similar to Letter 6174. It educates taxpayers about reportable digital assets, schedules or forms used for reporting such transactions, resources available for taxpayers to educate themselves on the matter, and how to obtain the necessary forms. In addition, it provides instructions on how to report these transactions and advises the taxpayer that the IRS may send other correspondence about potential enforcement activity in the future.
- (4) Both the Letter 6174 and Letter 6174 A instruct the taxpayer to write the phrase “Letter 6174” or “Letter 6174 A” at the top of the amended return and/or statements.
- (5) **For statements and/or correspondence** the taxpayer is directed to send to:  
Department of the Treasury, Internal Revenue Service, 3651 IH-35, Mail Stop: 4308 AUSC, Austin, TX 78741.
- (6) **For amended returns/returns**, the taxpayer is directed to send to:  
Internal Revenue Service, 2970 Market Street, Philadelphia, PA 19104.

- (7) If the taxpayers call on the toll-free line, advise the caller to respond to the notice or provide the caller with the hot line number 737-880-7990. Advise the taxpayer that this is not a toll-free number.
- (8) Amended returns are received and centralized at the Philadelphia Campus under IDRS Number 0543025331 for domestic claims and IDRS Number 0534026194 for international, and scanned in under CII Category code SPC 2. In some instances, statutes may be extended as needed according to local procedures established between Philadelphia AM and LB&I. For instructions on adjusting these cases, see IRM 21.5.3, General Claims Procedures for more information.

21.3.1.9  
(10-19-2022)

**Request for Copy of  
Notice in an Alternative  
Media Format**

- (1) Assist the taxpayer in obtaining a copy of the notice in alternative media format from the Alternative Media Center (AMC). The AMC provides multiple alternative media preparation and delivery services to IRS employees and taxpayers with disabilities. The AMC converts taxpayer notices to Braille or large print and considers requests for other alternative media formats. For more information about the AMC see IRM 1.18.4.4, Alternative Media Center, or visit the AMC intranet site at <http://amc.enterprise.irs.gov>.
- (2) When the taxpayer requests a copy of a notice in an alternative media format, follow the procedures below:
  - a. If the taxpayer has access to a fax machine, request a copy of the notice and a cover sheet. The cover sheet should include the taxpayers name, address, daytime phone number, and the preferred alternative media format. Advise the taxpayer to fax the notice and cover sheet to: Alternative Media Center, at (855) 473-2006.  
If the taxpayer doesn't have access to a fax machine, advise the taxpayer to mail a copy of the notice and a cover sheet to Internal Revenue Service, Alternative Media Center, 400 N. 8th St. Room G39, Richmond, VA 23219.
  - b. Input IDRS Command Code STAUP, if appropriate.
  - c. Verify the address on the notice.
- (3) If you receive a written request for a copy of a notice in alternative media format, prepare a Form 4442 or Form e-4442, Inquiry Referral, and email the completed Form 4442/e-4442 and the taxpayer notice to AMC help desk at [altmc@irs.gov](mailto:altmc@irs.gov), or fax it to Alternative Media Center at (855) 473-2006.
- (4) The AMC provides a copy of the notice in the preferred alternative media format within 15 days of receipt.
- (5) If the AMC is unable to provide the requested information in the preferred format, they respond to the taxpayer within 5 business days of receipt if valid contact information is available for the taxpayer.
- (6) The AMC does not have access to the taxpayer's account information. If the AMC is unable to read the notice or if information is missing from the request, the notice is returned to the employee and manager listed in Part 1 of the Form 4442 or Form e-4442, or the sender of the email.
- (7) Taxpayers may request future correspondence in an alternative media format. See IRM 21.5.2.4.26, Form 9000, Alternative Media Preference, for additional information.