



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

21.6.7

AUGUST 29, 2024

## EFFECTIVE DATE

(10-01-2024)

## PURPOSE

- (1) This transmits revised IRM 21.6.7, Individual Tax Returns, Adjusting Individual Tax Accounts.

## MATERIAL CHANGES

- (1) IRM 21.6.7.1 Changed WI Service Center to TS Service Center.
- (2) IRM 21.6.7.1.2 Added new legislation.
- (3) IRM 21.6.7.3 Changed Transcript (TRNS) to Computer Paragraph (CP). IPU 24U0155 issued 01-30-2024.
- (4) IRM 21.6.7.3 Removed CP 29 which is obsolete.
- (5) IRM 21.6.7.4.1 Revised when a CP notice issued. IPU 23U1081 issued 11-09-2023.
- (6) IRM 21.6.7.4.1.3 Added to use the specific reason code when one is provided. IPU 24U0155 issued 01-30-2024.
- (7) IRM 21.6.7.4.2 Changed Transcript (TRNS) to Computer Paragraph (CP). IPU 24U0155 issued 01-30-2024.
- (8) IRM 21.6.7.4.2 - Deleted subsection and IRM 21.6.7.4.2.1, renumbered subsequent subsections. Removed instructions for processing CP 29 which is obsolete. Added IRM 21.5.7.3.3 for requesting payment documents.
- (9) IRM 21.6.7.4.2.1 Changed Transcript (TRNS) to Computer Paragraph (CP). IPU 24U0155 issued 01-30-2024.
- (10) IRM 21.6.7.4.2.2 Changed Transcript (TRNS) to Computer Paragraph (CP). IPU 24U0155 issued 01-30-2024.
- (11) IRM 21.6.7.4.2.3 Updated 4442 procedures. IPU 23U1124 issued 11-24-2023.
- (12) IRM 21.6.7.4.2.5.2 Clarified procedures for correct year posted first.
- (13) IRM 21.6.7.4.2.5.3 Clarified procedures for incorrect year posted first.
- (14) IRM 21.6.7.4.2.7.1 Updated 4442 procedures. IPU 23U1124 issued 11-24-2023.
- (15) IRM 21.6.7.4.2.7.1 Changed Transcript (TRNS) to Computer Paragraph (CP). IPU 24U0155 issued 01-30-2024.
- (16) IRM 21.6.7.4.2.7.3 Added link for Transaction codes. IPU 24U0743 issued 06-11-2024.
- (17) IRM 21.6.7.4.3 Changed Transcript (TRNS) to Computer Paragraph (CP). IPU 24U0155 issued 01-30-2024.
- (18) IRM 21.6.7.4.3 Removed CP 29 which is obsolete and clarified post refund procedures.
- (19) IRM 21.6.7.4.4 Added link to SERP CP 36 Closure Checklist. IPU 23U1081 issued 11-09-2023.

- (20) IRM 21.6.7.4.4 Added category code to title and changed Transcript (TRNS) to Computer Paragraph (CP). IPU 24U0155 issued 01-30-2024.
- (21) IRM 21.6.7.4.4 Removed CP 29 and CP 36 which is obsolete. Updated the duplicate filing considerations.
- (22) IRM 21.6.7.4.4.1 Added verbiage for categorizing IDT1. IPU 23U1081 issued 11-09-2023.
- (23) IRM 21.6.7.4.4.1 Added category code to title and changed Transcript (TRNS) to Computer Paragraph (CP). IPU 24U0155 issued 01-30-2024.
- (24) IRM 21.6.7.4.4.1 Updated the program number for IDT cases. IPU 24U0743 issued 06-11-2024.
- (25) IRM 21.6.7.4.4.1 Updated title and Removed CP 36 language which is obsolete.
- (26) IRM 21.6.7.4.4.2 Changed Transcript (TRNS) to Computer Paragraph (CP). IPU 24U0155 issued 01-30-2024.
- (27) IRM 21.6.7.4.4.2 Removed CP 29 which is obsolete.
- (28) IRM 21.6.7.4.4.3 Changed Transcript (TRNS) to Computer Paragraph (CP). IPU 24U0155 issued 01-30-2024.
- (29) IRM 21.6.7.4.5 Removed 2 categories from TRNS 36 Transcript Tool results. IPU 23U1081 issued 11-09-2023.
- (30) IRM 21.6.7.4.5 Changed Transcript (TRNS) to Computer Paragraph (CP). IPU 24U0155 issued 01-30-2024.
- (31) IRM 21.6.7.4.5 Added procedures for Taxpayer Protection Program. IPU 24U0397 issued 03-13-2024.
- (32) IRM 21.6.7.4.5 Added how to refer cases to Exam. IPU 24U0743 issued 06-11-2024.
- (33) IRM 21.6.7.4.5 Removed CP 36F and replaced with multiple (DUPTIN) filing condition. Added explanation of removal of CP 36F name.
- (34) IRM 21.6.7.4.5.1 Added Scenario 3 to list of determinations. IPU 23U1081 issued 11-09-2023.
- (35) IRM 21.6.7.4.5.1 Changed Transcript (TRNS) to Computer Paragraph (CP). IPU 24U0155 issued 01-30-2024.
- (36) IRM 21.6.7.4.5.1 Removed CP 36F and replaced with multiple (DUPTIN) filing condition.
- (37) IRM 21.6.7.4.5.2 Changed Transcript (TRNS) to Computer Paragraph (CP). IPU 24U0155 issued 01-30-2024.
- (38) IRM 21.6.7.4.5.2 Removed CP 36F and replaced with multiple (DUPTIN) filing condition.
- (39) IRM 21.6.7.4.5.3 Changed Transcript (TRNS) to Computer Paragraph (CP). IPU 24U0155 issued 01-30-2024.
- (40) IRM 21.6.7.4.5.3 Updated how to refer cases to Exam. IPU 24U0743 issued 06-11-2024.
- (41) IRM 21.6.7.4.5.3 Removed CP 36F and replaced with multiple (DUPTIN) filing condition.
- (42) IRM 21.6.7.4.5.4 Added box for income not matching IRPTR. IPU 23U1081 issued 11-09-2023.
- (43) IRM 21.6.7.4.5.4 Changed Transcript (TRNS) to Computer Paragraph (CP). IPU 24U0155 issued 01-30-2024.

- (44) IRM 21.6.7.4.5.4 Updated how to refer cases to Exam. IPU 24U0743 issued 06-11-2024.
- (45) IRM 21.6.7.4.5.4 Removed CP 36F and replaced with multiple (DUPTIN) filing condition.
- (46) IRM 21.6.7.4.5.5 Changed Transcript (TRNS) to Computer Paragraph (CP). IPU 24U0155 issued 01-30-2024.
- (47) IRM 21.6.7.4.5.5 Updated how to refer cases to Exam. IPU 24U0743 issued 06-11-2024.
- (48) IRM 21.6.7.4.5.5 Removed CP 36F and replaced with multiple (DUPTIN) filing condition.
- (49) IRM 21.6.7.4.5.6 Removed CP 36F and replaced with multiple (DUPTIN) filing condition.
- (50) IRM 21.6.7.4.7 Removed information about Desert Storm/Shield or Bosnia which is no longer valid.
- (51) IRM 21.6.7.4.10 Added a link for more information on received date and grace periods. IPU 24U0743 issued 06-11-2024.
- (52) IRM 21.6.7.4.11 Changed Transcript (TRNS) to Computer Paragraph (CP). IPU 24U0155 issued 01-30-2024.
- (53) IRM 21.6.7.4.11 Added IRM reference for updating RPD.
- (54) IRM 21.6.7.4.12 Updated the location of Presidential Election Campaign Fund (PECF) check box. IPU 24U0743 issued 06-11-2024.
- (55) IRM 21.6.7.4.12 Added IRM reference for No Consideration Procedures.
- (56) IRM 21.6.7.4.14 Changed Transcript (TRNS) to Computer Paragraph (CP). IPU 24U0155 issued 01-30-2024.
- (57) IRM 21.6.7.4.14 Added to not add amended claims date on true duplicate returns and IRM reference for CP 54B guidance and removed Form 1040EZ and Form 1040A.
- (58) IRM 21.6.7.4.14.1 Changed Transcript (TRNS) to Computer Paragraph (CP). IPU 24U0155 issued 01-30-2024.
- (59) IRM 21.6.7.4.14.1 Updated where to send referral for systemic DUPF.
- (60) IRM 21.6.7.4.15 Added category code to title and changed Transcript (TRNS) to Computer Paragraph (CP). IPU 24U0155 issued 01-30-2024.
- (61) IRM 21.6.7.4.15 Removed CP 93 as it is obsolete.
- (62) IRM 21.6.7.4.16 Changed Transcript (TRNS) to Computer Paragraph (CP). IPU 24U0155 issued 01-30-2024.
- (63) IRM 21.6.7.4.16 Add general information for duplicate assessments, combined from IRM 21.6.7.4.16.1 which is removed.
- (64) IRM 21.6.7.4.16.1 Changed Transcript (TRNS) to Computer Paragraph (CP). IPU 24U0155 issued 01-30-2024.
- (65) IRM 21.6.7.4.16.1 Removed entire subsection and combined information with IRM 21.6.7.4.16.
- (66) IRM 21.6.7.4.18 Added current year return information.
- (67) IRM 21.6.7.4.18.1 Changed CAT-A referral reason code. IPU 24U0174 issued 02-01-2024.

- (68) IRM 21.6.7.4.18.1 Updated language for 474C letter.
- (69) Exhibit 21.6.7-1 Added three more reason codes. IPU 24U0397 issued 03-13-2024.
- (70) Various editorial changes, such as correcting links, typographical errors, etc., throughout the IRM.

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

IRM 21.6.7, Individual Tax Returns, Adjusting Individual Tax Accounts, dated August 22, 2023 (effective 10-02-2023) is superseded. This also incorporates Interim Procedural Updates (IPUs), IPU 23U1081 (effective 11-09-2023), IPU 23U1124 (effective 11-24-2023), IPU 24U0155 (effective 01-30-2024), IPU 24U0174 (effective 02-01-2024), IPU 24U0397 (effective 03-13-2024), and IPU 24U0743 (effective 06-11-2024).

#### **AUDIENCE**

All employees performing account/tax law work in SB/SE and TS.

LuCinda J Comegys  
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Taxpayer Services

21.6.7

Adjusting Individual Tax Accounts

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21.6.7.1  
(10-01-2024)  
**Program Scope and Objectives**

- (1) **Purpose:** This IRM provides instruction on adjusting individual tax accounts. There are various reasons a tax account may need to be adjusted.
- (2) **Audience:** The primary users of the IRM are all Accounts Management employees who are in contact with taxpayers by telephone, correspondence, or in person. This includes Contact Representatives, Tax Examiners, and management officials.
- (3) **Policy Owner:** The Director of Accounts Management is the policy owner of this IRM.
- (4) **Program Owner:** Accounts Management, Policy and Procedures IMF (PPI) is the program owner of this IRM.
- (5) **Primary Stakeholders:** The primary stakeholders are organizations that collaborate with Accounts Management, including:
  - Taxpayer Services (TS) Return Integrity & Verification Operations (RIVO)
  - TS Service Centers, Submission Processing (SP)
  - Small Business/Self-Employed (SB/SE) Service Centers, Compliance
- (6) **Program Goals:** Program goals for this type of work are:
  - Achieve a high customer accuracy rate for phone calls and paper adjustments related to adjusting individual tax accounts
  - Efficiency in resolving paper adjustment cases related to adjusting individual tax accounts
  - Continuous assessment for vulnerabilities and opportunities for improvement
  - Effective communication with customers

The Accounts Management Program Letter, which can be found on the *AM website*, and IRM 1.4.16, Accounts Management Guide for Managers, have more information on these goals.

21.6.7.1.1  
(06-23-2021)  
**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 related to adjusting individual tax accounts.
- (2) This IRM includes information and instructions on how to process these adjustment requests in order to provide a complete and accurate adjustment to taxpayer accounts.

21.6.7.1.2  
(10-01-2024)  
**Authority**

- (1) Authority for these procedures is found in the following sections of the Internal Revenue Code (IRC) and their corresponding Treasury regulations.
  - IRC 199A
  - IRC 6201(a)
  - IRC 6402(a)
  - IRC 6511
  - Protecting Americans from Tax Hikes Act (PATH Act) enacted December 18, 2015
  - The Disaster Tax Relief and Airport and Airway Extension Act of 2017, enacted on September 29, 2017
  - The Tax Cuts and Job Act (TCJA) enacted on December 22, 2017

- The Bipartisan Budget Act of 2018 enacted on February 9, 2018
- The Coronavirus Aid, Relief, and Economic Security (CARES) Act enacted on March 27, 2020
- The Consolidated Appropriations Act, 2021, enacted on December 27, 2020
- The American Rescue Plan Act of 2021 enacted on March 11, 2021
- The Inflation Reduction Act of 2022 and CHIPS Act enacted on August 16, 2022

21.6.7.1.3  
(10-01-2020)  
**Responsibilities**

- (1) The Director of Accounts Management is responsible for monitoring operational performance for all the Accounts Management campuses.
- (2) The Operations Manager is responsible for monitoring operational performance.
- (3) The Team Managers and Leads are responsible for ensuring employees have the tools to perform their duties.
- (4) Employees are responsible for following the instructions contained in this IRM and maintaining updated IRM procedures.

21.6.7.1.4  
(10-01-2020)  
**Program Management and Review**

- (1) **Program Reports:** The program reports provided in this IRM are for identification purposes for the Accounts Management Contact Representatives and Tax Examiners. For reports concerning quality, inventory, and aged listings, refer to IRM 1.4.16, Accounts Management Guide for Managers. The overage report can be viewed by accessing Control Data Analysis, Project PCD, and are on the Control-D/Web Access server, which has a login program control.
- (2) **Program Effectiveness:** Program effectiveness is determined by Accounts Management's employees successfully using IRM guidance to perform necessary account actions and duties. The following are used to ensure program effectiveness:
  - National Quality Review System (NQRS)
  - Centralized Evaluative Review (CER)
  - Managerial Reviews
- (3) **Annual Review:** Review the processes included in this manual annually to ensure accuracy and promote consistent tax administration. This may be included under responsibilities for a manager.

21.6.7.1.5  
(10-01-2020)  
**Program Controls**

- (1) Federal Managers Financial Integrity Act (FMFIA) of 1982 requires federal agency executives periodically review and annually report on the agency's internal control systems.
- (2) The Government Accountability Office (GAO) sets forth the standards for an effective Internal Control in the Federal Government.
- (3) Systemic controls are embedded in the xMend Integrated Automation Technologies (IAT) tool and the Integrated Data Retrieval System (IDRS).



21.6.7.1.6  
(10-03-2022)

### Acronyms

- (1) For a comprehensive listing of acronyms, refer to the *Acronyms Database*.

Acronym	Definition
ACA	Affordable Care Act
AM	Accounts Management
AMS	Account Management Services
APTC	Advance Premium Tax Credit
ASED	Assessment Statute Expiration Date
BMF	Business Master File
BS	Blocking Series
CCC	Computer Condition Code
CII	Correspondence Imaging Inventory
CP	Computer Paragraph
CRN	Credit Reference Number
DLN	Document Locator Number
DPAD	Domestic Production Activity Deduction
EIP	Economic Impact Payment
EITC	Earned Income Tax Credit
ERS	Error Resolution System
ES	Estimated Tax
FS	Filing Status
FTP	Failure to Pay
HC	Hold Code
IAT	Integrated Automated Technologies
IDRS	Integrated Data Retrieval System
IMF	Individual Master File
IRA	Individual Retirement Account
IRC	Internal Revenue Code
IRM	Internal Revenue Manual
ITIN	Individual Taxpayer Identification Number
MEF	Modernized Electronic Filing

Acronym	Definition
MFJ	Married Filing Jointly
MFS	Married Filing Separately
MXEN	Mixed Entity
NOL	Net Operating Loss
PECF	Presidential Election Campaign Fund
PII	Personally Identifiable Information
PRC	Penalty Reason Code
PTC	Premium Tax Credit
QBID	Qualified Business Income Deduction
RC	Reason Code
RIVO	Return Integrity and Verification Operations
RPD	Return Processable Date
RSED	Refund Statute Expiration Date
RTR	Remittance Transaction Research
SC	Source Code
SE	Self-Employment
SFR	Substitute For Return
SSA	Social Security Administration
TIN	Taxpayer Identification Number
TPP	Taxpayer Protection Program

21.6.7.1.7  
(10-01-2017)

#### Related Resources

- (1) The basic IMF account resolution/adjustment procedures are found in IRM 21.6, Individual Tax Returns. Use the general procedures outlined in this IRM in conjunction with:

- IRM 13, Taxpayer Advocate Service
- IRM 21, Customer Account Services
- IRM 25, Special Topics
- IRM 20, Penalty and Interest

Additional related resources include the following (list is not all inclusive):

- *Document 6209 (IRS Processing Codes and Information)*
- *Integrated Automation Technologies (IAT) Tool Instructions*
- *IDRS Command Code Job Aid*

- (2) 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 *Taxpayer Bill of Rights*.

21.6.7.2  
(10-01-2002)  
**What Are Adjustments  
to Individual Tax  
Accounts?**

- (1) Adjustments to individual tax accounts are required changes because of the following:
- An amended or duplicate return filed
  - Taxpayer call
  - Taxpayer written request
  - Face-to-face request

21.6.7.3  
(10-01-2024)  
**Individual Tax Accounts  
Research**

- (1) Before disclosing any tax information, verify you are speaking with the taxpayer or authorized representative. See IRM 21.1.3, Operational Guidelines Overview. Also, before leaving any messages on a taxpayer's answering machine, review IRM 10.5.1.6.7.2, Answering Machines or Voicemail. Fax procedures contained in IRM 10.8.1.4.18.6.2.2, Facsimile and Facsimile Devices, are reviewed prior to faxing confidential information to the taxpayer or authorized representative.
- (2) This section presents information on adjusting individual tax accounts. There are various reasons a tax account may need to be adjusted.
- (3) It may be necessary to prepare and forward Form 911, Request for Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance Order), to the Local Taxpayer Advocate. See IRM 21.1.3.18, Taxpayer Advocate Service (TAS) Guidelines, for complete information.

**Note:** Form 911 is on the Accounts Management Service (AMS) system for on-line completion.

- (4) To adjust individual tax accounts you may have to research the following:
- Source and Reason Codes - Computer Paragraph (CP) - CP 21A/ CP 21B/ CP 21C/ CP 22A
  - Post Refund Case - Form 1040-X
  - Duplicate or Amended Return -
  - Superseding Return
  - State Tax Return Posts to Account
  - Presidential Election Campaign Fund
  - Return for Each Form W-2
  - True Duplicate
  - Duplicate or Amended - Transaction Code (TC) 420
  - Duplicate Assessment - Document (Doc) Code 51
  - Net Operating Loss (NOL) - Carryforward
  - Identity Theft Indicators on ENMOD
- (5) See IRM 21.5.2.3, Adjustment Guidelines - Research, for additional research information.

**Caution:** Prior to converting a Form 1040-X to a Form 1040 when reprocessing a return to another Taxpayer Identification Number (TIN), research the

spouse's TIN to determine if an original return has already posted there. This will prevent generation of a multiple (DUPTIN) filing condition. Also research other TINS where the return may have posted, for example invalid segments and/or ITINs.

**Note:** If claim is located under the spouse's TIN, follow E-freeze procedures in IRM 21.5.6.4.9, E- Freeze.

21.6.7.4  
(10-01-2002)

#### Adjusting Individual Tax Accounts Procedures

- (1) This section explains the procedures for adjusting individual tax accounts.

21.6.7.4.1  
(11-09-2023)

#### Source and Reason Codes - CP 21A/CP 22A Notices

- (1) A taxpayer is issued a notice of adjustment when the IRS takes an action on the taxpayer's tax account. The notice, Computer Paragraph (CP) CP 21A, CP 21B, CP 21C and CP 22A, is sent with an explanation of the action. The explanation is specified on the notice by use of one source code (SC) and one to three reason codes (RC). The SC and RC advise the taxpayer of the adjustment action taken.

**Note:** A CP 21A, CP 21B, CP 21C and CP 22A is not issued if the account balance is zero or credit balance and an adjustment (Command Code (CC) ADJ54) for TC 290 .00 is input with **no** item reference numbers (IRNs) or input with ONLY IRNs changing numerical data - NOT TAX (e.g., IRN 886, 887, 888, 889, 892, 895, 896, etc.). However, a CP 21A, CP 21B, CP 21C and CP 22A will be issued if the account was in balance due status before the adjustment was input. If you choose to NOT send a notice to the taxpayer, Hold Code (HC) 3 is included in the adjustment. Refer to IRM 21.5.2.4.15, Rules on Hold Codes (HC), and IRM 20.1.2.2.10, Hold Codes and Notices, for additional information.

**Note:** When using the IAT xMend tool to input an adjustment, the user is prompted to issue a Letter 4364C, xClaim Correspondence Letter - IMF. If not sending a Letter 4364C, deselect the "Load Letter Dialog" check box. If sending a different letter, select the "Write Your Own" check box.

**Caution:** If a letter is appropriate and HC 3 is used, you **must** send correspondence to the taxpayer.

21.6.7.4.1.1  
(10-01-2002)

#### Action for CC ADJ54

- (1) Enter a SC and at least one RC on CC ADJ54 when inputting:
- TC 29X for an amount with or without secondary transactions and/or credit/item reference numbers.
  - TC 290 for zero with secondary transactions and/or credit/item reference numbers.
  - TC 290 to disallow a claim.

**Reminder:** When disallowing a claim or releasing a freeze it is NOT necessary to enter a SC; SC 0 generates.

21.6.7.4.1.2  
(10-01-2021)

## Source Code (SC)

- (1) Source code (SC) selection designates which opening statement is used on a taxpayer's notice.
- (2) The valid range for the SC is 1 through 9.
- (3) When the taxpayer's filing requirement code is "7," a SC marked with two asterisks (\*\*) prints in Spanish.
- (4) Use the SC with the highest numeric code if more than one SC applies.
- (5) Application of SC(s):

If	Then
Releasing a freeze on the account, disallowing a claim or inputting RC 054, RC 097, or RC 098	SC 0 generates.
Adjustment is exactly what the taxpayer requests on a claim or duplicate/amended return	Input SC 1.
Adjustment is the result of a CP 08, CP 09, or CP 27	Input SC 1.
Adjustment was made based on an internally generated notice.	Input SC 2.
Taxpayer replies to a math error notice and SC 3 or 4 do not apply	Input SC 2.
Adjustment is due to new legislation which changes the law too late to update current tax forms or makes an issue effective retroactively	Input SC 3.
Adjustment is the result of an error by an IRS employee	Input SC 4.
Adjustment is a carryback claim	Do not use a SC; SC 5 generates.
Adjustment reflects a math error made by the taxpayer on a claim or duplicate/amended return	Input SC 6. <b>Reminder:</b> DO NOT use SC 6 for adjustments based on a taxpayer's reply to a previous math error notice.
Adjustment is an offset reversal, TC 897, or TC 766 with an Offset Trace Number (OTN) <b>Note:</b> SC 7 may only be used with RCs 086, 087, 089, 090 and 091	Input SC 7.
Adjustment results from taxpayer contact with the Taxpayer Advocate Service (TAS)	Input SC 8.
Adjustment is made by the Underreporter function	Input SC 9.

- (6) For SC notice verbiage, see *Document 6209, Master File Source Codes, Section 8C.2.*

21.6.7.4.1.3  
(01-30-2024)

#### Reason Code (RC)

- (1) Reason code (RC) selection designates the end of the statement that is printed on the taxpayer's notice.
  - a. The RC should describe the area(s) of the return affected by the adjustment action.
  - b. Use the RC(s) which best describes the cause of the adjustment.
  - c. A reason code is not required for a **ripple** effect change. This is when cascading effects from an adjustment affect other items by the change made.
  - d. When indicated in other IRM references, enter a reason code even when a TC 290 for .00 is made to the account.
  - e. Use the specific reason code when other IRM references provide one.

**Exception:** Do not enter a reason code if specific instructions direct you not to.

**Example:** The taxpayer provides an additional Form W-2 which changes wages and withholding. A change to Earned Income Tax Credit (EITC) results. Use RC 007, wages, and RC 051, withholding; the EITC change does not require RC 053.

- (2) A maximum of three RCs may be used. If more than three are necessary, use the three which most clearly explain the reason for the adjustment.
- (3) Refer to Exhibit 21.6.7-1, Reason Codes, for RC language. RCs are marked with:
  - a. One asterisk (\*) for international accounts (PSC only).
  - b. Two asterisks (\*\*) to print in Spanish when the taxpayers filing requirement code is "7"; RC 042 only prints in Spanish.
  - c. Three asterisks (\*\*\*) when reversing offsets through the Treasury Offset Program.

**Note:** RCs 086, 087, 089, 090 and 091 are the only RCs permitted to be used with SC 7; no other SC may be used.

For additional information see *Document 6209 Section 8C - Master File Codes*.

21.6.7.4.1.4  
(10-01-2017)

#### Penalty Reason Code

- (1) The penalty RC does not print on the Individual Master File (IMF) taxpayer notice.
- (2) Only enter a penalty RC if the adjustment includes a penalty change.
- (3) The penalty RC is input in the fourth RC position on the CC ADJ54 format. Use the regular RC 062 or RC 065 (071 for Spanish) in the first, second, or third position.
- (4) See the applicable section of IRM 20.1, Penalty Handbook, for complete penalty relief criteria, and penalty RC application for the given penalty. General information is found in IRM 20.1.1, Introduction and Penalty Relief, and Exhibit 20.1.1-1, Penalty Relief—Application Chart, contains the complete penalty reason code chart. Penalty specific relief information (including any specific reason code requirements) are found in the IRM for the specific penalty.

21.6.7.4.2  
(10-01-2024)

**Locate an Original  
Return (TC 150)**

- (1) Request additional information via Integrated Data Retrieval System (IDRS) to locate the taxpayer's original return. Check the following:
  - On the IAT RESULTS tool bar, click on the R button (Refund Screen Button), this launches the Refund Research Screen. The Refund Research screen allows the assistor to quickly obtain information from several IDRS Command Codes.
  - CC FFINQ for returns in processing. The return DLN is displayed on IDRS.
  - CC SUMRY, CC TRDBV, CC REINF, CC RTVUE, CC IMFOL, AND CC ENMOD to research any current year information.
  - CC NAMES, CC INOLE, AND CC ATINQ FOR ANY OTHER TINS (valid or invalid) under all names pertaining to case.
  - CC ERINV for unprocessed returns in the reject area. Follow local procedures for completing open reject cases.
  - CC IMFOL for a spouse's TIN (valid and invalid).
  - CC IMFOL for the posting of TC 150, TC 977, or TC 976 with a current year DLN on any TIN located in the above steps.
  - CC UPTIN for an unpostable return with a current list year. Follow unpostable procedures if original return is unpostable.
- (2) If there are payments (credits) on the module, and a TC 150 cannot be located:
  - a. Request the payment posting document(s). See IRM 21.5.7.3.3 Requesting Documents Through IDRS, for additional information.
  - b. Review for any indication of another name or TIN.

**Exception:** If the payment is an Integrated Submission and Remittance Processing (ISRP) or Lockbox payment and you have access to the Remittance Transaction Research (RTR) system, research RTR for the posting document and notes indicating changes or deletions. See IRM 21.5.7.3, Missing Payments Research, and IRM 21.5.7.3.1, Remittance Transaction Research (RTR) System, for additional information.

**Note:** During filing season, a return other than "refund" may be delayed in processing. If TC 610 (remittance with return) posted, the return may be in-house awaiting processing. See IRM 21.2.4.3.44.1, AMRH12 Resolution, for additional information on TC 610 remittances.

21.6.7.4.2.1  
(11-24-2023)  
**TC 150 - Different Year  
or Different TIN**

- (1) If you identify a different year or different Taxpayer Identification Number (TIN) case while responding to inquiries on the AM toll-free telephone line, prepare Form e-4442 / 4442, Inquiry Referral, and route it to the Campus AM Account Paper function within your Directorate, except Puerto Rico who will send the Form e-4442 / 4442 to the Brookhaven Campus paper function until further notice, using either **Mixed Period** or **Mixed Entity** as the reason for referral.

**Exception:** If there is an open control on the account, refer Form e-4442 / 4442 to the employee with the open control using **Open Control** as the reason for referral.

- (2) If the original return is posted on a different year, take the following action:



If the original return is located on a different year and the duplicate or amended return posted to	Then
The correct period	<ol style="list-style-type: none"> <li>1. Request the original return using CC ESTAB, Form 2275, or use the MeF return.</li> <li>2. Back out the original return from the incorrect tax period. Follow procedures in IRM 21.6.7.4.2.5, Tax Period Changes.</li> <li>3. Compare the returns for any adjustments.</li> <li>4. Correct the posted account to include any changes on the duplicate or amended return.</li> <li>5. Edit the original return for reprocessing to the correct tax period, prepare Form 3893, Re-Entry Document Control, if needed, and forward for processing.</li> </ol> <p><b>Note:</b> Refer to IRM 21.5.2.4.23, Reprocessing Returns/ Documents, for additional information.</p>
An incorrect period	<ol style="list-style-type: none"> <li>1. Transfer any misapplied payments to the correct tax period.</li> <li>2. Adjust the correct tax period to include any changes on the duplicate or amended return.</li> <li>3. Input TC 971 AC 002 on the incorrect tax year to cross-reference the correct tax period. See IRM 21.5.1.4.8, Transaction Code 971.</li> </ol>

- (3) If the original return is found on another TIN, determine if the accounts can be resequenced. Follow procedures in IRM 21.6.2.4.1, Resequencing Accounts.

If the accounts	Then
<b>CAN</b> be resequenced	Follow the instructions in IRM 21.6.2.4.1, Resequencing Accounts.
<b>CANNOT</b> be resequenced	<ol style="list-style-type: none"> <li>1. Compare the duplicate or amended return with the posted TC 150.</li> <li>2. Transfer any misapplied payments to the correct TIN. Follow procedures in IRM 21.5.8, Credit Transfers.</li> <li>3. Adjust the posted tax module to include any changes on the duplicate or amended return, if necessary.</li> <li>4. Input TC 971 AC 002 on the incorrect TIN to cross-reference the correct TIN; and release the "E-" freeze. See IRM 21.5.1.4.8, Transaction Code 971.</li> </ol>

- (4) When working filing status changes involving a joint account, follow procedures in IRM 21.6.1, Filing Status and Exemption/Dependent Adjustments.

21.6.7.4.2.2  
(10-01-2018)  
**TC 150 - Original Return  
Not Obtained**

- (1) If a TC 150 is located and there is no reason to request the original return for verification, make the adjustment using the appropriate blocking series. See IRM 21.5.2.4.22, Blocking Series (BS).



If the original return is requested but not received and	Then
The return is charged out to another area	Contact the area for the return or a complete copy.
The return is not charged out to another area	Request the return a second time.
A second request does not secure the return	<ol style="list-style-type: none"> <li>1. If unable to secure the return after the two previous requests, input another request as "Special Search" using Form 2275, Records Request, Charge and Recharge. For information on where to fax Form 2275, refer to <i>Who/Where Tab</i>, then click on the Files Contact Listing to research the fax number of the file location needed.</li> <li>2. Send a Letter 418C, Amended/Original Return Unavailable; Copy Requested, to the taxpayer. <b>Note:</b> Exhaust all in-house means to secure the return before contacting the taxpayer.</li> <li>3. Suspend the case for 40 days; 70 days for overseas taxpayers that meet international criteria. Refer to IRM 21.8.1.2.14, International Forms Processing, for additional information.</li> <li>4. If no reply to the Letter 418C, follow procedures in IRM 21.5.3, General Claims Procedures.</li> </ol>

21.6.7.4.2.3  
(04-18-2022)

**TC 150 Not Located -  
Duplicate or Amended  
Return Obtained**

- (1) If the duplicate or amended return is received and is intended to be an original return:
  - a. Determine if the return is complete and processable.
  - b. Telephone or correspond for missing forms, schedules, or signatures.
  - c. Suspend for 40 days; 70 days for overseas taxpayers that meet international criteria. Refer to IRM 21.8.1.2.14, International Forms Processing, for additional information.
  - d. If no correspondence was necessary (return was complete and processable as filed) or if there is no reply to correspondence, process the return as follows:

If	Then
The return is a Form 1040 series	<ol style="list-style-type: none"> <li>1. Circle out in red, all "G" coded marks and/or notations on the return (e.g., "Duplicate," "Copy," "Amended," etc.). <b>Exception:</b> If the return was GUF voided/deleted in error by Integrity and Verification Operation (IVO)/Taxpayer Protection Program (TPP), and the IRP data supports the income/withholding shown on the return or the taxpayer provides substantiation, change the received date to the received date of the deleted return.</li> <li>2. To determine the DLN to be used on the reprocessed return refer to IRM 21.5.2.4.23.3, DLNs Used for Reprocessing Documents.</li> <li>3. Enter Computer Condition Code (CCC) "3" on refund returns, when the signature and/or Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer, is missing. <b>Reminder:</b> CCC "3" generates a TC 570 and a "-R" freeze on the account when the TC 150 posts. The overpayment will not refund until the freeze is released. <b>Note:</b> Computer Condition Codes (CCCs) are entered in the blank area to the right of "Spouse itemizes on a separate return, or you were a dual-status alien". Refer to Exhibit 3.11.3-4, Computer Condition Codes (CCC), for additional information.</li> <li>4. Process the return as original. Refer to IRM 21.5.1.5.5 Processing/ Reprocessing CII Tax Returns.</li> <li>5. Input TC 971 AC 002 to indicate the duplicate return is being reprocessed as the original (to post as TC 150). Use the posted TC 976 date as the transaction date.</li> </ol>
The return is a Form 1040-X, Amended U.S. Individual Income Tax Return	<ol style="list-style-type: none"> <li>1. Circle out, in red, the word "Amended" and the "X" in the return title.</li> <li>2. Prepare a blank Form 1040, U.S. Individual Income Tax Return, or conversion Form 6114, Prior Year and Conversion Form 1040 Edit Sheet, with all relevant tax data.</li> <li>3. Reprocess the return as an original. Refer to IRM 21.5.2.4.23, Reprocessing Returns/Documents.</li> <li>4. Input TC 971 AC 002 to indicate the amended return is being reprocessed as the original (to post as TC 150) which will release the E- freeze. Use the posted TC 977 date as the transaction date.</li> <li>5. Enter CCC "U" when forms or schedules, to support the return entries, are missing.</li> </ol>

- (2) In cases where the TC 971 AC 010 created an "E-" freeze because no TC 150 posted, research CC FFINQ:

If	Then
Original return is in processing	Monitor IDRS until the TC 150 posts. Refer to IRM 21.4.1.4.1.2.6, Error Resolution System (ERS) Status Codes, for additional information when considering ERS involvement.
TC 610 is posted and there is no information on CC FFINQ, the return may be a balance due e-filed return that has not posted, or the original return due date has not expired	Push code the return with your IDRS number. Follow procedures in IRM 21.5.1.4.4.2, TC 930 Push Codes, or IRM 21.5.1.5.7, CII Push Codes.
TC 610 posted, determine if the original return was rejected by researching CC TRDBV	Follow the procedures in (1) above to process the taxpayer's Form 1040-X as the original
None of the above apply and Form 1040-X is for the current year	<ol style="list-style-type: none"> <li>1. "G" code the Form 1040-X.</li> <li>2. Send to Numbering for processing. <b>Note:</b> This action allows the "E-" freeze to remain on the module awaiting TC 150 posting.</li> </ol>
None of the above apply and Form 1040-X is for a prior year	Follow procedures under (1) above.

21.6.7.4.2.4  
(10-01-2021)

**TC 150 Not Located -  
Duplicate/Amended  
Return Not Obtained**

- (1) When there is no TC 150 and the duplicate or amended return cannot be obtained, take the following action:

If	Then
TC 971 created the TC 977	<ol style="list-style-type: none"> <li>1. Correspond with the taxpayer using a Letter 418C, Amended/Original Return Unavailable; Copy Requested, to request copies of the original and duplicate amended return.</li> <li>2. Suspend case for 40 days; 70 days for overseas taxpayers.</li> </ol>
TC 971 did not create the TC 977	<ol style="list-style-type: none"> <li>1. Request TC 976/977 DLN.</li> <li>2. If unable to secure the return after the two previous requests, input another request as "Special Search" using Form 2275, Records Request, Charge and Recharge</li> <li>3. Send a Letter 418C, to the taxpayer to request copies of the original and duplicate amended return. <b>Note:</b> Do not send Letter 418C if return is charged out to another area. Contact the area for the return or a complete copy.</li> <li>4. Suspend case for 40 days; 70 days for overseas taxpayers.</li> </ol>

- (2) If there is no reply to the correspondence and you have not received the duplicate or amended return take the following action:

If	Then
No credits posted on the account	<ol style="list-style-type: none"> <li>1. Prepare a dummy return.</li> <li>2. Use the DLN of the TC 976 or 977 to post a TC 150 and release the freeze. See IRM 21.5.2.4.23, Reprocessing Returns/Documents, for information on reprocessing returns.</li> </ol>
Credits posted on the account	<ol style="list-style-type: none"> <li>1. Prepare a dummy return, with a tax liability equal to the credits.</li> <li>2. Use the DLN of the TC 976 or 977. See IRM 21.5.2.4.23, Reprocessing Returns/Documents, for information on reprocessing returns.</li> </ol>
TC 971 created the TC 977	<ol style="list-style-type: none"> <li>1. Prepare a dummy return with a new DLN to post a TC 150 and release the freeze.</li> <li>2. Input TC 971 AC 002 to release the E- freeze and prevent the issuance of an erroneous "-A" freeze. See IRM 21.5.2.4.23, Reprocessing Returns/Documents, for information on reprocessing returns.</li> </ol>

**Caution:** This procedure is used only if insufficient information is available to process the return as an original. This action satisfies the filing requirement for the module. Ensure the return was not intended for another module.

21.6.7.4.2.5  
(10-01-2021)  
**Tax Period Changes**

- (1) Returns may be processed to an incorrect period or taxpayer requests a change in accounting period. The following procedures are included in this section:
  - Mixed periods
  - Change in accounting period
- (2) When a return is posted to an incorrect period it may be necessary to correct the assessment statute expiration date (ASED) to reflect the correct return received date. Use CC REQ77/FRM77 to input TC 560 to correct the ASED if necessary. See IRM 2.4.19.2, Overview of Command Codes REQ77, FRM77, and FRM7A, for information on CC REQ77. Refer to IRM 25.6.1.5, Basic Guide for processing Cases with Statute of Limitation Issues, for ASED related concerns as applicable.
- (3) Use the following instructions when using TC 560 to correct the ASED:
  - a. TC 560 on CC REQ77 is input on IDRS to correct the ASED to show the posting of the correct return
  - b. Input "70" (in the DLN-CD field) to extend the ASED or "99" (in the DLN-CD field) to back date/back down the ASED

21.6.7.4.2.5.1  
(01-30-2024)  
**Mixed Periods**

- (1) A mixed period duplicate filing condition (DUPF) is created when returns from different tax periods, but for the same taxpayer, are processed to the same tax module.
- (2) One of two conditions occur on mixed period cases.
  - a. The **correct year** return posts first
  - b. An **incorrect year** return posts first
- (3) If you identify a mixed period case while staffing the AM toll-free telephone line or are located in a Taxpayer Assistance Center, prepare Form e-4442 / 4442, Inquiry Referral, and route it to the Campus AM paper function within your Directorate except Puerto Rico who will send the Form e-4442 / 4442 to the Brookhaven Campus paper function until further notice, using **Mixed Period** as the reason for referral.

**Exception:** If there is an open control on the account, refer the Form e-4442 / 4442 to the employee with the open control using **Open Control** as the reason for referral.

- (4) If a return needs to be reprocessed, you must research the secondary TIN (if the filing status is joint) to see if a return has already been filed for that tax period. If an original return is found on the secondary TIN, do not reprocess the return. Follow appropriate adjustment procedures on the secondary TIN. See IRM 21.6.1.5, Filing Status Change Procedures.
- (5) Refer any reprocessable/reinput return for which the ASER has expired or is imminent to the Statute function as indicated below:

If	Then
Document posted as a TC 150	Within 90 days of expiration
Document did not post as a TC 150 (e.g., document posted as a TC 976/977 and never posted as a TC 150)	Within 180 days of expiration

- (6) Do not abate tax on the incorrect module before referring the cases to the Statute function.
- (7) Refer to IRM 25.6.1, Statute of Limitations Processes and Procedures, and Document 7368, Basic Guide for Processing Statute Cases.

21.6.7.4.2.5.2  
(10-01-2024)  
**Correct Year Return Posted First**

- (1) If the **correct** year posted first, take the following action:
  - a. Transfer any misapplied payments to the correct period.
  - b. Use a secondary TC 570 on the credit side, if needed, to prevent refunds from generating.
  - c. Release the “-A” freeze by inputting a TC 29X.
  - d. Input a TC 971 AC 002 to cross-reference the other tax period. Use the posted TC 976/977 date as the transaction date.
- (2) If **there is no return posted** on the other tax period, do not request the return from files. Prepare a dummy return, including all schedules and forms, using

the information from CC TRDBV or CC RTVUE, for the correct tax period if there is no return posted. Refer to IRM 21.5.2.4.23.11, Reprocessing “Dummy” Returns, for additional information. Input TC 971 AC 017 on the reprocessable year. See IRM 21.5.2.4.23, Reprocessing Returns/Documents, for information on reprocessing returns.

- (3) If there is a TC 140 in the module, input TC 599 closing code (CC) 094 for taxable return secured, TC 599 CC 096 for non-taxable return secured, and TC 971 AC 017 on the reprocessable year. Refer to IRM 5.19.2, Individual Master File (IMF) Return Delinquency, for additional information.
- (4) See IRM 21.5.1.5.5, Processing/Reprocessing CII Tax Returns, for information on processing CII images.
- (5) If **there is a return posted** on the other tax period, adjust the tax, credit, and reference fields to reflect the correct return information.

#### 21.6.7.4.2.5.3 (10-01-2024)

##### **Incorrect Year Posted First**

- (1) If the **incorrect** year posted first, take the following action:

**Caution:** Refer to IRM 20.1.2.2.6.2, Incorrect Tax Shown Recorded, and IRM 20.1.2.2.6.3, Wrong Return Posted First, for procedures on accounts when the taxpayer’s original, true return is being processed after a TC 150 has posted or when correcting errors related to the “tax shown” on the original return.

- a. Transfer any misapplied payments to the correct period.
- b. Use a secondary TC 570 on the credit side, as needed.
- c. Input TC 570 on the debit side, if a refund was not issued, to suppress CP 60, We removed a payment Erroneously Applied to Your Account - Balance Due issuance.
- d. Increase or decrease tax and credits to reflect the correct figures. Use the appropriate hold code. For additional information, see *Document 6209 Section 8C - Master File Codes, 3 - Hold Codes*.
- e. Use blocking series “00.”
- f. Update the Return Processable Date and if needed update the ASED using TC 560 to 3 years from the received date of the TC 976 return as applicable.
- g. Include a statement in the Remarks section indicating that because of the mixed period, the TC 976 is now the original return.
- h. Adjust any item reference fields.
- i. Use Hold Code 3 or 4, as needed.
- j. Advise taxpayer of corrected figures if the account will now be in balance due status. Correspond with the taxpayer using a Letter 2670C, Wrong Year Post First/Correction Notification.
- k. Consider any posted penalties.
- l. Analyze the module to determine if ES penalty should be assessed or recomputed. See IRM 20.1.3, Estimated Tax Penalties.
- m. Input TC 971 AC 001. Cross-reference the other tax period. Refer to IRM 21.5.1.4.8, Transaction Code 971, for additional information.
- n. Correct the withholding to reflect any refund or offsets previously issued from the incorrect year’s modules.
- o. If a refund was previously issued, follow procedures in IRM 21.5.2.4.23.10, Moving Refunds.

- p. When a refundable credit was involved, the credit must be reversed and any refund or offset must be corrected. Refer to IRM 21.5.2.4.23.10, Moving Refunds, and IRM 21.6.3.4.2, Refundable Credits, for additional information.

**Caution:** Enter Computer Condition Code (CCC) O in the filing status portion of the return to prevent a second refund.

- q. Correspond with taxpayer if a refund was issued using a Letter 2670C, Wrong Year Post First/Correction Notification. Advise a processing error was made and an additional refund or balance due notice will be issued.
- r. Refer to IRM 21.4.6.4.1, Tax Offset, if TC 896 or TC 826 posted to the module.

- (2) If **there is no return posted** on the other tax period, do not request the return from files. Prepare the dummy return, including all schedules and forms, based on the information from CC TRDBV or CC RTVUE, if a TC 150 is not posted. If the Modernized e-file system (MeF) return is available on the AMS system, thru the Employee User Portal (EUP) application, you can print and process the return. Refer to IRM 21.5.2.4.23.11, Reprocessing "Dummy" Returns, for additional information. Input TC 971 AC 017 on the reprocessible year. Use Form 3893, Re-Entry Document Control, and route appropriately.
- (3) If there is a TC 140 in the module, input TC 599 CC 094 for taxable return secured, TC 599 CC 096 for non-taxable return secured, and a TC 971 AC 017 on the reprocessible year.

**Note:** Use posting delay code for one cycle, on the correct year, if the incorrect year is in balance due status and the correct year in overpayment status.

- (4) Refer to IRM 21.5.2.4.23, Reprocessing Returns/Documents, for information on reprocessing returns. Follow local procedures for bypass DIF scoring.
- (5) Refer to IRM 21.5.1.5.5, Processing/Reprocessing CII Tax Returns, for information on processing CII images.
- (6) If there is a return posted on the correct tax period:
  - a. If **there is a return posted** on the other tax period, Increase or decrease the tax, credit, and reference fields to reflect the correct return information.
  - b. Use posting delay code on the correct year for one cycle if the incorrect year is in balance due status and the correct year is in overpayment status. Follow the procedures in IRM 21.6.7.4.14, True Duplicate Return, if the posted data matches the second return.

21.6.7.4.3  
(10-01-2024)  
**Post Refund Case -  
Form 1040-X**

- (1) Forms 1040-X are received in AM when a TC 150 is not present on the module.
  - a. The Form 1040-X has been adjusted.
  - b. The adjustment resequences for 10 cycles.
  - c. The adjustment then unposts if no TC 150 is present.
  - d. A TC 977 generates.
- (2) Contact the Unpostable function if Form 1040-X and the deleted adjustment document are not received in AM.



- (3) Review the Form 1040-X to determine the correct TIN or tax period.
- (4) Take the following action to resolve the case:
  - a. Math verify the Form 1040-X.
  - b. Obtain the original return, as necessary.
  - c. Determine if an incorrect refund was issued due to a math error or erroneous refund. Refer to IRM 21.5.4.5, Math Error Procedures Processing, or IRM 21.4.5.5, Erroneous Refund Categories and Procedures, for additional information.
  - d. Input the adjustment to the correct account.
  - e. Use the *appropriate blocking series, RC and SC*.

21.6.7.4.4  
(10-01-2024)

**Duplicate or Amended  
Returns (DUPF/1040X)**

- (1) A Duplicate Filing Condition, (TC 976/977) occurs when a duplicate or amended return posts to an account with an original return (TC 150) posted. Consider using the *CP 36 Closure Checklist* located on SERP Job Aids and all of the following when working Duplicate filings:
  - True Duplicate returns, see IRM 21.6.7.4.14, True Duplicate Return, for more information.
  - Superseding returns, see IRM 21.6.7.4.10, Superseding Returns, for more information.
  - Math Errors. Follow procedures in IRM 21.5.4.5, Math Error Procedures Processing.
  - Return filed for each income document, for example Form W-2 and/or Form 1099, see IRM 21.6.7.4.13, Return for Each Form W-2 and/or Form 1099, for more information.
  - TIN related problems, see IRM 21.6.2, Adjusting TIN - Related Problems.
  - Injured Spouse allocations when the TC 976/977 is blocked in "92", see IRM 21.4.6.5.2, Injured Spouse Inquiries.
  - Premium Tax Credit (PTC) elements:
  - Penalty and interest, see IRM 21.5.2.4.9, Penalty Overview.
- (2) When increasing or decreasing income and there is PTC data elements on the module as shown in IRM 21.6.3.4.2.12.7, Premium Tax Credit (PTC) - Adjusting the Account, then refer to IRM 21.6.3.4.2.12.6, Premium Tax Credit Amended Returns, for additional information.
- (3) When adding an exemption (spouse or dependent) and the PTC data elements are NOT present, deleting an exemption and one or more of the PTC data elements are present, or correcting the TIN of an exemption claimed on the return due to math error, then research Coverage Data Repository (CDR) to verify if the person being added/deleted received the Advanced Premium Tax Credit (APTC). If they received APTC, then refer to IRM 21.6.3.4.2.12.6, Premium Tax Credit Amended Returns, IRM 21.6.3.4.2.12.6.1, 8962 PTC Calculator Response, and for math errors refer to IRM 21.6.3.4.2.12.5, Premium Tax Credit Notice / Letter Responses, for additional information.
- (4) When changing the filing status (except Single to Head of Household or Head of Household to Single) and one of the Premium Tax Credit (PTC) data elements as shown in IRM 21.6.3.4.2.12.7, Premium Tax Credit (PTC) - Adjusting the Account, are on the module, refer to IRM 21.6.1.5, Filing Status Change Procedures, (5), to determine potential impact.
- (5) When a Duplicate filing occurs, master file generates:



- A “-A” freeze on the account

**Note:** When the original return (TC 150) posts after multiple amended/duplicate returns, only one CII case will generate based on the last TC 976/977. You must consider all posted TC 976/977s when adjusting the account.

**Caution:** There are situations when a return with a later received date posted as the TC 150, while a return with an earlier received date is posted as a TC 976 on the account. Make sure thorough research is completed in these situations. For information on correcting the Assessment Statute Expiration Date (ASED), follow IRM 21.6.7.4.2.5.3, Incorrect Year Posted First.

- (6) For Duplicate filed returns where the Economic Impact Payment (EIP) was not issued see IRM 21.6.3.4.2.13.1, Economic Impact Payments- Account information, for information regarding systemic release of these payments.

21.6.7.4.4.1  
(10-01-2024)

**Duplicate Filing Control  
- (DUPF)**

- (1) The DUPF is assigned through CII and the control base (DUPF) remains open until:

- The “-A” freeze is released, or
- The case is referred to the appropriate area and resolved.

- (2) The release of the “-A” freeze allows the computer to generate a refund or offset of any credits. See *Document 6209, Section 8A, Master File Codes - Transaction, MF and IDRS Collection Status, Freeze and IDRS Status 48, Restrictive and Filing Requirement*, for instructions on releasing the “-A” freeze.

**Caution:** If DUPF is on an invalid TIN, **Do Not** release a refund unless the taxpayer responded to CP 54B.

- (3) The Files function no longer pulls returns for duplicate filing conditions. Utilize CC ESTAB to request the return when necessary.

**Note:** **Do not** request the return for a signature on the duplicate filed return.

- (4) Following are some conditions where a return is necessary:

**Note:** This list is **not** all inclusive.

**Reminder:** **Do not** request the return if you are transferring the case to identity theft.

- No information on CC TRDBV for the duplicate return
- Unable to verify the income and withholding information claimed on the duplicate return using CC IRPTR
- AUR and CAT A criteria
- Taxpayer is deceased and the Form 1310 is needed
- SFR audit reconsideration
- **\*\*For tax period 2019 only\*\*** some taxpayers used the Non-filer tool on IRS.gov to obtain Economic Impact Payments (EIP); they subsequently filed Amended EIP Returns to report income. This caused Duplicate filing conditions (TC 976/977) and generated CII cases. Temporarily, until the Federal Records Center (FRC) is reopened and Campus Files

Areas are caught up, CSR's are processing the claims using the information based upon IDRS data (CC TRDBV). If CAT-A criteria is met, DO NOT REQUEST the original or duplicate return. Suspend the case to CAT-A with "Amended EIP \$1" Non-filer tool return in the CII Case Notes. The CAT-A classifier reviews the IDRS data and attempt to make a determination with the information available or advise the CSR to request the documents.

**Caution:** Do not order the document if the DLN contains a Julian date of 888 or 887. These are Exam SFR cases and were not sent in by the taxpayer and not in Files.

- (5) Input CC ESTAB to request the original return and/or the TC 976.

**Note:** If no response is received from the *Files Function* after twenty one (21) business (work) days for in-house requests, OR thirty (30) business (work) days for FRC requests, you may submit a second request. A subsequent request may be submitted using the initial request method (CC ESTAB or Form 2275).

If	Then
The return is charged out to another area	Contact the area to determine the actions needed.
Unable to secure the return after two CC ESTAB requests	<ol style="list-style-type: none"> <li>1. Input a third request as a "Special Search" using Form 2275, Records Request, Charge and Recharge. For information on where to fax Form 2275, refer to <i>Who/Where Tab</i>, then click on the Files Contact Listing to research the fax number of the file location needed.</li> <li>2. Send a Letter 418C, Amended/Original Return Unavailable; Copy Requested, to the taxpayer. <b>Note:</b> Exhaust all in-house means to secure the return before contacting the taxpayer.</li> <li>3. Suspend the case for 40 days; 70 days for overseas taxpayers.</li> <li>4. If no response is received, follow No Consideration procedures for the claim and send a Letter 916C, Claim Incomplete for Processing; No Consideration. Refer to IRM 21.5.3.4.6.3, No Consideration Procedures, for more information.</li> </ol>

- (6) If the TC 976 generated as a result of TC 971 AC 141 (automated Substitute For Return (SFR)), or the module has a history item of "REPRXAS150", and you can determine that the original return (TC 150) belongs to the taxpayer then release the -A freeze.
- (7) Utilize CC TRDBV and CC IRPTR to research the original and duplicate return to verify the following:
- a. The name(s) of the taxpayer(s)
  - b. The address on the two returns
  - c. The filing status on both returns
  - d. The dependent(s) on both of the returns

- e. The income and credits (e.g., federal withholding) reported on the original and/or duplicate return

**Note:** For additional information on the entity refer to IRM 21.6.7.4.4.4, Entity Verification.

**Caution:** It is extremely important that you carefully review for a refund statute expiration date (RSED). Refer to IRM 25.6.1, Statute of Limitations Processes and Procedures, for additional information.

(8) Follow the table below for researching the DUPF Accounts:

Row Number	If	Then
1	After research you determine the two returns belong to the same taxpayer	<ol style="list-style-type: none"> <li>1. Verify the income reported on the two returns using CC IRPTR.</li> <li>2. Determine why the duplicate return was filed.</li> <li>3. Make adjustments to the return if needed.</li> </ol>
2	Taxpayer is responding to a math error or adding additional information to original return	Input a TC 290 for the amount of the adjustment with the appropriate reference numbers and RCs. See <i>Document 6209 Section 8C - Master File Codes</i> , for additional information. If no change to the return, input a TC 290 .00 to release the -A freeze.
3	You can determine either the duplicate or the original return belongs to another tax period	<p>Follow the procedures in IRM 21.6.7.4.2.5.2, Correct Year Return Posted First, or IRM 21.6.7.4.2.5.3, Incorrect Year Posted First.</p> <p><b>Note:</b> Do not request the return from files. Prepare the dummy return, including all schedules and forms, based on the information from CC TRDBV. If the return is available on AMS, you can print and process the return.</p>
4	After research you determine that the returns do not belong to the same taxpayer and the case meets Mixed Entity criteria	Follow the procedures in IRM 21.6.2.4.2, Mixed Entity Procedures.

Row Number	If	Then
5	After research you determine that the returns do not belong to the same taxpayer and the case meets identity theft criteria as described in IRM 21.3.4.28, Identity Theft Issues	<ol style="list-style-type: none"> <li>1. Do not request the tax returns, MFTRA U (Numident), or TRPRT prints.</li> <li>2. Notate your research in the Case Notes section of CII for example: "Researched CC TRDBV, CC IRPTRL and CC IMFOL."</li> <li>3. Research account for related cases and documents and link to case.</li> <li>4. Use CC REQ77 to input the TC 971 AC 522 on CC ENMOD. See Exhibit 25.23.2-10, IMF Only TC 971 AC 522 Tax-Related Identity Theft, Case Status (Initial Claim/Suspicion), for additional information.</li> <li>5. Change the category code to either IDT1 (taxpayer identified identity theft) or IDT3 (IRS identified identity theft) and update the program number as appropriate.</li> <li>6. Mark the case as statute searched and reassign the case to Identity Theft. See <i>AM Site Specialization Temporary Holding Numbers</i>.</li> </ol>
6	After research you determine that an unresolved TPP Indicator is present on the account	Follow the procedures in IRM 21.5.6.4.9.1, E-Freeze Procedures for Unresolved Taxpayer Protection Program (TPP) Issues.
7	The TC 976 Document Locator Number (DLN) is assigned blocking series 920-929, (indicates a Form 8379, Injured Spouse Allocation, has been filed with the return)	<ol style="list-style-type: none"> <li>1. Reassign the case to Injured Spouse. See <i>AM Site Specialization Temporary Holding Numbers</i>.</li> <li>2. Use category DMFC.</li> <li>3. Update the program code to 97140.</li> <li>4. Refer to IRM 21.4.6.5.2, Injured Spouse Inquiries, for additional information.</li> </ol>

- (9) If all case actions have been completed and you are **monitoring** the account to ensure proper posting, close the case and establish a monitor base on IDRS using category code "MISC" with the current date as a received date.

**Note:** When establishing this monitor control base, using an asterisk (\*) generates the current date when used with CC ACTON.

**Caution:** If it appears that the taxpayer is expecting a response and a notice will not be issued, correspond with the taxpayer using an appropriate C-Letter.

- (10) Take the following actions concerning Social Security Administration (SSA) Benefits on a duplicate return or Form 1040-X that claims withholding and/or refundable credits:

- Review any duplicate or amended return that claims SSA benefits (total or taxable) with refundable credits and/or withholding and the refund is equal to the amount of the credits.

**Note:** For a complete list of refundable credits, refer to IRM 21.6.3.4.2, Refundable Credits.

- Follow IRM 21.5.3.4.6.3, No Consideration Procedures, if CC IRPTR does not substantiate the request and use Letter 916C, Claim Incomplete for Processing; No Consideration. Suggested paragraph: "We cannot substantiate the income, withholding, or credits being claimed on the return. Therefore, we cannot process your claim at this time. If you have official supporting documents such as Form W-2, Forms 1099, or any other form that reports information concerning the income, withholding or credit, you may file another claim and attach your documentation".

**Note:** These procedures should be followed even though the withholding or refundable credit is below the specified tolerance amount. If cases are routed to the ID Theft sites, they will be returned to the originator.

- (11) When working correspondence and the taxpayer writes identity theft and/or the Form 14039, IRS Identity Theft Affidavit, is attached, take the following actions:

- Send Letter 5073C to the taxpayer
- Input the TC 971 AC 522 on CC ENMOD

**Note:** Do not input an additional TC 971 AC 522 if one already exists for the same tax year.

- Change the category code to IDT1.
- Reassign the case to identity theft. See *Accounts Management Site Specialization Temporary Holding Numbers*.

21.6.7.4.4.2  
(10-01-2024)  
**Unnumbered Form  
1040-X, Subsequent  
Return or Unnumbered  
Subsequent Return**

- (1) Unnumbered Form 1040-X or subsequent return meeting Accounts Management (AM) criteria may be directly routed or hand carried to AM. Refer to IRM 3.11.6, Data Processing (DP) Tax Adjustments, for additional information.
- (2) The Correspondence Imaging Inventory (CII) inputs a TC 971 AC 010 on these cases.
- A TC 977 with Document Code 77 generates indicating a return is "in house."
  - The -A freeze generates on the account.
  - Input the appropriate adjustment or TC 290 .00 to release the -A freeze.
- Note:** AM employees **MUST** use the Integrated Automations Technologies (IAT) tools, as mandated in Exhibit 21.2.2-2, Accounts Management Mandated IAT Tools, to input adjustment of tax, penalty, interest and the release of freeze codes. Refer to IRM 21.2.2.4.4.14, Integrated Automation Technologies, for more information.
- (3) Process these returns in the same manner as duplicate or amended returns.
- (4) Input the appropriate TC 971 action code when rerouting misdirected Forms 1040-X or subsequent returns. See IRM 21.5.1.4.8, Transaction Code 971.

21.6.7.4.4.3  
(01-30-2024)

**Preliminary Verification  
Procedures**

- (1) Compare the duplicate, amended or subsequent return with CC TXMOD. Note any discrepancies in the:
  - Document Locator Number (DLN)
  - Year
  - Name
  - TIN
  - Address
  - Filing Status
- (2) Review the case for any missing forms and schedules. Follow procedures in IRM 21.5.3.4, General Claims Procedures, for numbered and unnumbered claims when information is missing.

21.6.7.4.4.4  
(12-20-2022)

**Entity Verification**

- (1) Compare the subsequent return's entity with the posted account information.

If	Then
Entity does not match	Search for any other TIN or names entered on the return.
Another TIN is found	<ol style="list-style-type: none"> <li>1. Use CC NAMES, CC INOLE, or CC ATINQ to locate the correct account.</li> <li>2. Request CC IMFOL for any newly found TIN.</li> </ol>

- (2) Compare the address, filing status and exemptions for entity corrections:
  - a. See the procedures in IRM 3.13.5.49, Updating Address Records, and IRM 3.24.37.6.16, Street Address Entries, (2)(e), for information about entering PO Boxes and street addresses.

**Caution:** Exercise caution when correcting addresses shown on copies of returns and amended return, since they may reflect an old address.

  - b. To verify the correct zip code for a taxpayer, refer to the United States Postal Service (USPS) Web Page, *Look Up a ZIP Code*
  - c. Refer to IRM 21.6.1, Filing Status and Exemption/Dependent Adjustments, for information on correcting the filing status and exemptions.
- (3) If a new address is shown on the subsequent return and CC ENMOD does not reflect the change, then update the entity with the new address. Research the entire account for any indication of identity theft before making any address updates.

21.6.7.4.4.5  
(10-01-2002)

**Income, Tax,  
Deductions, and Credits  
Verification**

- (1) Follow procedures in IRM 21.5.3.4.5, Math and Master File Verification of Claims and Amended Returns.

21.6.7.4.5  
(10-01-2024)  
**Multiple Uses of  
Taxpayer Identification  
Numbers - (DUPTIN  
Filing Condition)**

- (1) A multiple (DUPTIN) filing condition occurs when the same TIN is used as a primary taxpayer on one return and a secondary taxpayer on another return for the same tax year. These cases have an open control to Brookhaven or Philadelphia only. If there is no open control and the account contains a TC 971 AC 151 with a TC 570 holding the refund, follow the procedures in (17) below. CP 36F is obsolete and has been changed to Multiple (DUPTIN) Filing Condition. The multiple (DUPTIN) filing condition is assigned through CII as CP 36F.
- (2) When a DUPTIN filing condition occurs, Master File posts the second return and:
  - Freeze any overpayment on the second return with a TC 570 (-R freeze).
  - Post a TC 971 AC 151 to indicate there is a multiple TIN filing condition. The primary TIN from the X-Ref return is reflected in the TC 971.
- (3) Telephone assistants should advise taxpayers to respond to the Letter 31C, Duplicate Returns Filed; Explanation Requested. Once taxpayers have responded to the letter, they should hear something within 30 - 45 days.
- (4) Below are definitions for use when working multiple (DUPTIN) filing condition:
  - DUPTIN return is the return that posted second and generates the multiple (DUPTIN) filing CII case
  - X-Ref return is the return that posted first
  - Common taxpayer is the taxpayer found on both returns

**Note:** This taxpayer is always referred to as the common taxpayer even when discussing their separate return (primary filer).

  - Primary taxpayer is the taxpayer who filed the joint return with the common taxpayer.
- (5) There are three scenarios involved when working DUPTIN Filing Conditions.
  - Scenario 1 - DUPTIN return is filing status (FS) 1 (Single), 3 (Married Filing Separate), or 4 (Head of Household)
  - Scenario 2 - DUPTIN return is FS 2 (Married Filing Joint) or 6 (Married Filing Joint and your spouse cannot be claimed as a dependent on another person's return)
  - Scenario 3 - DUPTIN return and X-Ref return is FS 2 (Married Filing Joint) or 6 (Married Filing Joint and your Spouse cannot be claimed as a dependent on another person's return)

**Note:** Refer to CC RTVUE/ENMOD to check the filing status on the returns. When a multiple (DUPTIN) filing condition generates on a Scenario 3 account, the filing status on the X-Ref module changes to FS 1.
- (6) When working multiple (DUPTIN) filing condition cases, it may be necessary to follow procedures in other IRM sections such as IRM 21.3.3.4.8.2, Campus Collection Function Correspondence/Inquiry/Notice, IRM 21.5.1, General Adjustments, IRM 21.6.1, Filing Status and Exemption/Dependent Adjustments, IRM 21.6.2, Adjusting TIN-Related Problems, IRM 3.21.263, IRS Individual Taxpayer Identification Number (ITIN) Real Time System (RTS), and IRM 25.6, Statute of Limitations.



**Note:** When referring a case to other areas, ensure that all relevant documents have been scanned and attached and that all actions taken on the case have been recorded on Correspondence Imaging Inventory (CII).

**Caution:** Be sure to research both accounts to determine international involvement which may include but is not limited to:

DLNs  
Addresses  
Forms  
Location Code

(7) The DUPTIN case is controlled on IDRS/Correspondence Imaging Inventory (CII) and assigned for review. The control base generally is established on the Common Taxpayer's TIN (DUPTIN) and should remain open until:

- The "-R" freeze is released, or,
- The case is referred to the appropriate area.

**Note:** When referring cases to CAT-A you **must** control the case on the Common Taxpayer's TIN.

(8) The release of the "-R" freeze allows the computer to generate a refund or offset credits.

**Note:** If multiple (DUPTIN) filing condition is on an invalid TIN, **Do Not** release the refund unless the taxpayer responded to CP 54B.

#  
#  
#  
#

**Note:** Accounts with category code "CRIM" that do not have one of the above freeze codes, may be worked by AM employees.

- (10) If at any point the taxpayer provides documentation that states fraud or forgery, or the taxpayer gives an indication of fraud or forgery, refer the case to Exam following instructions in IRM 21.6.1.5.7, Married Filing Joint or Married Filing Separate is Invalid or Filed with Incorrect Status, (3). Use the "CAT-A Other" option on CII.
- (11) If there is any indication the taxpayer is in a combat zone and the multiple (DUPTIN) filing condition is the only issue, release the -R freeze and take no further action. If working case through CII, follow the current CII Updates to reassign CII case to designated employee per local procedures for -C/-G/-I freezes. See IRM 21.5.1.5, Correspondence Imaging Inventory (CII) Procedures.

**Exception:** **Do not** release the -R freeze when there is an indication of mixed period, mixed entity or identity theft involvement.

**Note:** If the account indicates the taxpayer exited the combat zone, the combat indicator on CC IMFOLE must be a "2" before any action can be taken.



- (12) When there is an indication on the account of Automated Underreporter (AUR)

922 on the module, by using CC REQ77. Inputting the TC 971 AC 151 is an indication to AUR to close their case.

**Note:** If AUR process code is pending (PN) on the account, input the TC 971 AC 151 with posting delay 1.

When the TC 922 is located on the tax module, locate the Process Code. Follow the table below for routing the case:

If	Then
<ol style="list-style-type: none"> <li>1. Process Code below 55</li> <li>2. TC 971 AC 151 was input</li> <li>3. Exam criteria is met</li> </ol>	Forward case to Exam via CAT-A. Exam accepts case before AUR inputs their closing code.
<ol style="list-style-type: none"> <li>1. Process code 55 and above</li> <li>2. TC 971 AC 151 was input</li> <li>3. Exam Criteria is met</li> </ol>	<p>Hold case until AUR inputs closing code and then forward case to Exam. On Process Codes 55 and above AUR has sent out a notice to the taxpayer concerning underreported income. AUR has to wait for response before inputting Process Code to close.</p> <p><b>Note:</b> AUR closing code must be present prior to routing to Exam.</p>

- (13) Input CC ESTAB to request the return posted on the DUPTIN only if necessary. For a list of when a return is necessary refer to IRM 21.6.7.4.4.1 (4), Duplicate Filing Control - (DUPF). Use the table if unable to secure a return:

If	Then
The return is charged out to another area	Contact the area to determine the actions needed.
Unable to secure the return	<ol style="list-style-type: none"> <li>1. If unable to secure the return after the two previous requests, input a third request as "Special Search" using Form 2275, Records Request, Charge and Recharge</li> <li>2. Send a Letter 418C, Amended/Original Return Unavailable; Copy Requested, to the taxpayer. <b>Note:</b> Exhaust all in-house means to secure the return before contacting the taxpayer.</li> <li>3. Suspend the case for 40 days; 70 days for overseas taxpayers.</li> </ol>
No reply to Letter 418C, Amended/Original Return Unavailable; Copy Requested	<ol style="list-style-type: none"> <li>1. Assess the amount of any payment received with the return on the X-Ref TIN.</li> <li>2. If there is a credit on the module, transfer the credit following instructions in IRM 21.2.4.3.10, Applying Unresolved Credits for AMRH. .</li> </ol>

- (14) AM works each multiple (DUPTIN) filing condition up to the point that it is determined that the case's category code is procedurally required to be changed to one which would move the case to another area. This means that work with TIN-related problems such as identity theft, scrambled SSNs, IVO involvement or no merges should be routed to the appropriate area. Before transferring the case to another area to complete, notate your research on CII (e.g., "Researched CC TRDBV, CC IRPTL and CC IMFOL"). If the taxpayer is due a refund, perfect the entity information if needed and release the refund.

**Note:** If a determination is made that a case should be re-categorized (e.g., to IDT1, IDT3, SCRM, etc.), **Do Not** send Letter 31C or any other type of correspondence.

- (15) AM Employees who have access to the Integrated Automation Technology (IAT) aMend tool are required to use the tool. The tool assists in making adjustments, combining returns, separate to joint, sending letters and inputting required transaction codes when necessary. This tool performs unpostable checks and ensures use of appropriate codes, amounts and dates to prevent unpostables.
- (16) Follow steps below when there is the Taxpayer Protection Program (TPP) marker unpostable (UNP) 126-0 on the account:

IF	And	Then
UNP 126-0 on FS 1/3/4 and no valid return is posted on FS 1/3/4	Joint return is the good return with no UNP 126-0	Release refund on valid joint return using CC REQ54 to input TC 290 for .00. Open a control on FS 1/3/4 account to RIVO using: C#,CP36F-IDT,A,MISC 1485022222,*
UNP 126-0 is on both the Duptin and Common Taxpayer's TIN	Research determines the returns are not valid and case meets identity theft criteria	Send case to IDT following IRM 21.6.7.4.4.1, Duplicate Filing Control - (DUPF)

- (17) When researching a joint return and a TC 971 AC 151 with a TC 570 has posted on the account, take the following actions to resolve the account:

If	And	Then
TC 971 AC 151 with TC 570 is posted on a joint account	Research of the secondary TIN shows: <ul style="list-style-type: none"> <li>• there is no open control base with category code "C36F",</li> <li>• there is no return posted on Master File (per CC IMFOLT), and</li> <li>• CC TRDBV shows a return was received that was deleted or voided by Submission Processing or CC TRDBV and CC IMFOL shows a return posted with MFT 32</li> </ul>	1. <b>Do not</b> forward a Form e-4442 / 4442 to Brookhaven AM 2. Verify the information on the joint return 3. Input a TC 571 (using CC REQ77) or TC 290 for .00 (using REQ54) on the joint account to release the refund

- (18) The multiple (DUPTIN) filing condition cases are ran through the CP 36 Transcript Tool weekly to identify what type of case it may be. All cases identified as IDT1, IDT3 and IDT8 are removed from the inventory and transferred to identity theft teams. The tool leaves a history item on CC ENMOD that assists in identifying the action needed to close the case. If there isn't any history item on CC ENMOD, the case is worked following normal duplicate return procedures. See the table below for the CP 36 Transcript Tool category and the description on how the history item is displayed.

Category	History Item	IRM Reference
International	INTRNTNAL	Review case to determine any additional actions.
CP05A	CP05A	IRM 25.23.4.8.1.1, Identity Theft (IDT) with RIVO Involvement.
IDT1	IDT1	IRM 21.6.2, Adjusting TIN-Related Problems
IVO	IVO	IRM 25.23.4.8.1.1, Identity Theft (IDT) with RIVO Involvement
IDT3	IDT3	IRM 21.6.2, Adjusting TIN-Related Problems
Prior Actions	PRIORACT	Review case to determine any additional actions.
FS Changes	FSCHANGE	IRM 21.6.1.5, Filing Status Change Procedures
AUR	AUR	IRM 21.6.7.4.6, Adjustment Considerations
Deceased	DECEASED	IRM 25.23.4.8.1.2, Identity Theft (IDT) with Decedent Taxpayer Involvement

Category	History Item	IRM Reference
Mixed Period	MIXEDPRD	IRM 21.6.7.4.2.5.1, Mixed Periods

21.6.7.4.5.1  
(10-01-2024)

**Multiple (DUPTIN) Filing  
Condition Entity  
Verification**

- (1) Review both the DUPTIN and X-Ref return by using the appropriate command codes to verify if the **name** of the Common Taxpayer matches on both returns. Examples:
  - Jane Doe and Jane Doe - matches
  - Jane E Doe and Jane A Doe - does not match
  - Jane Doe and J Doe - does not match
  - Kathy Doe and Kathleen Doe - does not match
  - Kathy Doe and Cathy Doe - does not match
- (2) If the Common Taxpayer's name does not match see IRM 21.6.2, Adjusting TIN-Related Problems, unless there is a clear indication there is only one taxpayer involved.
- (3) If the Common Taxpayer's name does match then determine if Scenario 1, 2 or 3 exist and follow procedures in IRM 21.6.7.4.5.3, DUPTIN Return is FS 1/3/4 (Scenario 1) X-Ref Return is FS 2/6; IRM 21.6.7.4.5.4, DUPTIN Return is FS 2/6 (Scenario 2) X-Ref Return is FS 1/3/4; and IRM 21.6.7.4.5.5, DUPTIN is FS 2/6 (Scenario 3) X-Ref Return is FS 2/6.

21.6.7.4.5.2  
(10-01-2024)

**Telephone Inquiries  
Regarding Multiple  
(DUPTIN) Filing  
Condition**

- (1) If there is a TC 971 AC 151 on the DUPTIN module and you receive a telephone contact regarding the case, follow the chart below:

Column number	If	Then
1	The call is regarding a refund and this is the first contact	<ol style="list-style-type: none"> <li>1. Do not complete a Form e-4442 / 4442, Inquiry Referral.</li> <li>2. Advise the caller they might be receiving a letter and they have to complete the attached questionnaire and return it to the address on the notice.</li> </ol> <p><b>Note: Do not release any freeze conditions on the account.</b></p>

Column number	If	Then
2	45 days have passed since the first contact and a letter has not been issued to the caller	<ol style="list-style-type: none"> <li>1. Complete a Form e-4442 / 4442 and fax it to the site with the multiple (DUPTIN) filing condition control or attach to the Correspondence Imaging Inventory (CII) case if you have CII access. See IRM 21.3.5.4.2.1.1, Preparing an e-4442 / 4442, for additional information.</li> <li>2. Advise the caller they should be receiving a letter within 30 days and they must complete the questionnaire and return it to the address on the notice.</li> </ol> <p><b>Note: Do not release any freeze conditions on the account</b></p>
3	If more than 30 days have passed from the Form 4442 referral date and taxpayer has not received a letter	<p>Taxpayer meets TAS Criteria, refer to the procedures in IRM 21.1.3.18, Taxpayer Advocate Service (TAS) Guidelines, to determine if referral to TAS is appropriate.</p> <p><b>Note: Do not release any freeze conditions on the account.</b></p>
4	The caller states they are a victim of identity theft	<ol style="list-style-type: none"> <li>1. Complete a Form e-4442 / 4442 and fax it to the site with the multiple (DUPTIN) filing condition control or attach to the CII case if you have CII access. See IRM 21.3.5.4.2.1.1, Preparing an e-4442 / 4442, for additional information.</li> <li>2. Advise the caller to send a Form 14039, IRS Identity Theft Affidavit.</li> <li>3. Input a TC 971 AC 522 on CC ENMOD with a Tax Administration Source CodePNDCLM in the MISC field. For additional information on TC 971 IDT indicators, refer to IRM 25.23.2.4.4, Initial Allegation or Suspicion of Tax-Related Identity Theft - IMF Identity Theft Indicators.</li> </ol> <p><b>Note: Do not release any freeze conditions on the account.</b></p>
5	The caller states an incorrect TIN was used on the return	<p>Complete a Form e-4442 / 4442 and fax it to the site with multiple (DUPTIN) filing condition control or if using Correspondence Imaging Inventory (CII) notate all remarks in the history section. See IRM 21.3.5.4.2.1.1, Preparing an e-4442 / 4442.</p> <p><b>Note: Do not release any freeze conditions on the account.</b></p>
6	The case has been closed and the -R freeze has not been released	<ol style="list-style-type: none"> <li>1. Do not release the freeze.</li> <li>2. Prepare a Form e-4442 / 4442 and forward to the area that last had the case.</li> </ol> <p><b>Note:</b> If Brookhaven AM referred the multiple (DUPTIN) filing condition case to another area i.e., EXAM, ID Theft/MXEN route the Form e-4442 / 4442 to that appropriate area.</p>

Column number	If	Then
7	TC 971 AC 151 with a TC 570 on the account and no open control	Refer to IRM 21.6.7.4.5 (17), Multiple Uses of Taxpayer Identification Numbers - (DUPTIN Filing Condition), for additional information.

21.6.7.4.5.3  
(10-01-2024)  
**DUPTIN Return is Filing Status 1/3/4 (Scenario 1)**  
**X-Ref Return is Filing Status 2/6**

- (1) Follow the procedures below when working cases where the DUPTIN (DUPTIN return is the return that posted second) on a FS 1/3/4 return has already been used as a secondary TIN on a joint return for the same tax period.
- (2) Correspond with the Common Taxpayer using Letter 31C, Duplicate Returns Filed; Explanation Requested. Letter 31C is shown on CC ENMOD and the request complete screen may be captured on CII. Address Letter 31C to the Common Taxpayer TIN **only** and issue to **both** addresses as shown on the DUPTIN and the X-Ref (X-Ref return is the return that posted first) return if different.

**Note:** If a determination is made that a case should be re-categorized (e.g., to IDT1, IDT3, SCRM, etc.), **Do Not** send Letter 31C or any other type of correspondence.

**Exception:** If Form 1040-X, Amended U.S. Individual Income Tax Return, is received before the Letter 31C is mailed to the common taxpayer, or is received from the common taxpayer or the primary taxpayer on a joint return and based on the actions, resolves the multiple (DUPTIN) filing condition issue, then use the Form 1040-X to adjust the account. Do not send the Letter 31C. Take **all actions** that are required to correct the account.

**Caution:** For ASED/RSED considerations when the taxpayer is changing the filing status on a statute return, refer to IRM 25.6.1.5, Basic Guide for Processing Cases with Statute of Limitations Issues, for additional information. For more information on filing status changes refer to IRM 21.6.1.4, Filing Status Research, IRM 21.6.1.5.5, Married Filing Joint to Married Filing Separate, Single, or Head of Household Procedures, or IRM 21.6.1.5.7, Married Filing Joint or Married Filing Separate is Invalid or Filed with Incorrect Status.

- (3) Suspend the case for 40 days; 70 days for overseas taxpayers that meet international criteria, refer to IRM 21.8.1.2.14, International Forms Processing.
- (4) Attach or link taxpayer's response to the CII case when referring to Exam via CAT-A. If a reply is received, or the suspense period has expired, follow the table below:

**Note:** When referring a case to Exam via CAT-A for deficiency procedures, the additional assessment (net tax increase/credit decrease) must be at least

Exam; AM has the authority to work these cases. When referring a multiple (DUPTIN) filing case to Exam use CAT-A CP 36 F.

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**Note:** Do not send cases to Exam if the taxpayer is from Puerto Rico and the issue is self-employment (SE) tax. Refer the case to Philadelphia IMF International since the case meets international criteria. Refer to IRM 21.8.1.2.14, International Forms Processing.

**Note:** If the required case action is to back out FS 1/3/4, refer to IRM 21.6.1.5, Filing Status Change Procedures; IRM 21.6.1.7.2, Command Code DDBCK; and IRM 21.5.2.4.23.10, Moving Refunds, for additional information.

**Caution:** If changing the filing status and name on a return, per the table below and there are offsets, reverse the offsets back to the spouse's account. Use a posting delay code to allow the entity change to post first.

Row Number	If	And	Then
1	Reply indicates the common taxpayer filed both returns	The X-Ref return, filing status (FS) 2/6, is the correct filing	<ol style="list-style-type: none"> <li>1. Refer to IRM 21.6.1.5.3.1, Married Filing Separate, Single, or Head of Household to Married Filing Joint and Both Taxpayers Previously Filed, and IRM 21.6.1.7.2, Command Code DDBCK, for additional information.</li> <li>2. If all the income from the FS 1/3/4 return is reported on the FS 2/6 return, back out the FS 1/3/4 return on the common taxpayer TIN. If refund was issued on the FS 1/3/4, move the refund to the joint return. Notify the taxpayer of the action taken on the account by using a Letter 673C, Duplicate Returns Filed; Adjustment or Refund Explained.</li> <li>3. If any of the income on the FS 1/3/4 return was not reported on the FS 2/6 return, refer the case to Exam via CAT-A for deficiency procedures, see note above. <b>Do not back out the FS 1/3/4 return.</b></li> <li>4. If the difference in net tax liability is below the threshold for referral to Exam for deficiency procedures, back out the FS 1/3/4 return. Use the Letter 673C, Duplicate Returns Filed; Adjustment or Refund Explained, to notify the taxpayer of the actions taken on the account and inform the taxpayer that a Form 1040-X must be filed if changes are needed to the FS 2/6 return.</li> </ol>



Row Number	If	And	Then
2	Reply indicates the common taxpayer filed both returns	<ol style="list-style-type: none"> <li>1. The DUPTIN return (FS 1/3/4) is the correct filing and was filed prior to the due date <b>or</b></li> <li>2. filed after the due date and the common taxpayer has provided documentation to support the marriage was not legal for federal tax purposes, refer to IRM 21.6.1.5.7, Married Filing Jointly or Married Filing Separately is Invalid or Filed with Incorrect Status, for additional information.</li> </ol>	<ol style="list-style-type: none"> <li>1. Refer the primary taxpayer on the joint return to Exam via CAT-A (CAT-A CP 36F) for deficiency procedures. <b>Note:</b> If the primary taxpayer on the joint return filed an amended return which was disallowed, reconsider/re-examine the amended return based on the action being taken on the common taxpayer. For example, if a Form 1040-X filed by the primary on the FS 2 return to change from FS 2 to FS 3 was disallowed for not being timely on the election.</li> <li>2. If the difference in net tax liability is below the threshold for referral to Exam for deficiency procedures, change the filing status on the joint return to married filing separate unless additional information supports another filing status. Remove the name and TIN of the common taxpayer from the account. Do not change any tax or credits on the return.</li> <li>3. Release the refund on the FS 1/3/4 using a Posting Delay Code (PDC).</li> <li>4. If the refundable or non-refundable credits on the joint return belong to the common taxpayer, erroneous refund procedures should be researched. Refer to IRM 21.4.5.5, Erroneous Refund Categories and Procedures, for additional information. For a list of refundable and non-refundable credits refer to IRM 21.6.3.4.1, Non-Refundable Credit Procedures, and IRM 21.6.3.4.2, Refundable Credits.</li> <li>5. Send a letter to the primary taxpayer on the joint return stating the filing status was changed because our records indicate the incorrect filing status was used on the return. Inform the taxpayer a Form 1040-X may need to be filed. <b>Caution:</b> In the letter, <b>do not</b> inform the primary taxpayer how the information was received to change the joint return.</li> </ol>



Row Number	If	And	Then
3	Reply indicates the common taxpayer filed both returns	The DUPTIN return (FS 1/3/4) is the correct filing but was filed after the due date	<ol style="list-style-type: none"><li>1. Compare return information to verify if all income reported on the DUPTIN return was reported on the joint return.</li><li>2. If all income was reported, disallow the claim in full, refer to IRM 21.6.1.5.5, Married Filing Joint to Married Filing Separate, Single, or Head of Household Procedures, and send Letter 105C, Claim Disallowed. Back out the DUPTIN return.</li><li>3. If not all income was reported, the joint return must be assessed using deficiency procedures. Refer the case to Exam via CAT-A as a "CAT-A CP 36 F."</li><li>4. If the difference in net tax liability is below the threshold for referral to Exam for deficiency procedures, back out the FS 1/3/4 return. If a refund was issued on the FS 1/3/4, move the refund to the joint return. For additional information refer to IRM 21.5.2.4.23.10, Moving Refunds. Notify the taxpayer by using the Letter 105C, Claim Disallowed, the FS 1/3/4 was not accepted.</li></ol>

Row Number	If	And	Then
4	Reply indicates common taxpayer did not file one of the returns	The FS 2/6 return is not valid	<ol style="list-style-type: none"> <li>1. Follow procedures in IRM 21.6.1.5.7, Married Filing Joint or Married Filing Separate is Invalid or Filed with Incorrect Status, (3), if the taxpayer indicates fraud or forgery.</li> <li>2. If the taxpayer does not indicate fraud or forgery and does not meet the criteria for Exam as stated in note above, release the refund on the FS 1/3/4 return using a PDC.</li> <li>3. Change the filing status on the joint return to married filing separate unless additional information supports another filing status. Remove the name and TIN of the common taxpayer from the account. Do not change any tax or credits on the return. If the credits on the joint return belong to the secondary taxpayer, erroneous refund procedures may need to be followed. Refer to IRM 21.4.5.5, Erroneous Refund Categories and Procedures, for additional information. For a list of refundable and non-refundable credits refer to IRM 21.6.3.4.1, Non-Refundable Credit Procedures, and IRM 21.6.3.4.2, Refundable Credits.</li> <li>4. If any of the FS 1/3/4 refund was applied to the joint return due to a balance due return, reverse the offsets.</li> <li>5. Send a letter to the primary taxpayer on the joint return stating the filing status was changed because our records indicate the incorrect filing status was used on the return. Inform the taxpayer that a Form 1040-X may need to be filed.</li> </ol> <p><b>Caution:</b> In the letter, <b>do not</b> inform the primary taxpayer how the information was received to change the joint return.</p> <p><b>Note:</b> If the primary taxpayer on the joint return filed an amended return which was disallowed, reconsider/re-examine the amended return based on the action being taken on the common taxpayer. For example, if a Form 1040-X filed by the primary on the FS 2 return to change from FS 2 to FS 3 was disallowed for not being timely on the election.</p>

Row Number	If	And	Then
5	Reply indicates common taxpayer did not file the FS 1/3/4 but the return matches IRP data	The income on the FS 1/3/4 return matches the information on CC IRPTR.	<ol style="list-style-type: none"> <li>1. Send a letter advising the taxpayer to file a Form 14039, Identity Theft Affidavit, and return it within 40 days. Leave the control base open. <ul style="list-style-type: none"> <li>• If Form 14039 is received within 40 days indicating identity theft, follow the procedures in IRM 21.6.7.4.4.1, Duplicate Filing Control - (DUPF), and route the case to identity theft.</li> </ul> </li> <li>2. If the Form 14039 is not received within 40 days, follow the procedures below: <ul style="list-style-type: none"> <li>• Compare the data on the FS 1/3/4 return to the joint return to verify income/ withholding is reported</li> <li>• If all income is reported, back out the FS 1/3/4 and notify the taxpayer of all actions taken by using a Letter 673C, Duplicate Returns Filed; Adjustment or Refund Explained.</li> </ul> </li> <li>3. If all income on the FS 1/3/4 return was not reported on the FS 2/6 return, refer the case to Exam via CAT-A for deficiency procedures, see note above. <b>Do not back out the FS 1/3/4 return.</b></li> <li>4. If the difference in net tax liability is below the threshold for referral to Exam for deficiency procedures, back out the return. If refund was issued on the FS 1/3/4, move the refund to the joint return. Use the Letter 673C, Duplicate Returns Filed; Adjustment or Refund Explained, to notify the taxpayer of the actions taken on the account and inform the taxpayer that a Form 1040-X must be filed if changes are needed to the FS 2/6 return.</li> </ol>
6	Reply indicates common taxpayer did not file one of the returns	The taxpayer has no knowledge of one of the returns. It appears 2 taxpayers are using the same TIN and may be a victim of ID Theft.	Transfer the case to identity theft by following the procedures in IRM 21.6.7.4.4.1, Duplicate Filing Control - (DUPF).

Row Number	If	And	Then
7	No reply from common taxpayer, or no signature on Letter 31C	Return was timely filed	<ol style="list-style-type: none"> <li>1. Compare the data on the FS 1/3/4 return to the joint return to verify income/withholding is reported</li> <li>2. If all income is reported, back out the FS 1/3/4 and notify the taxpayer of the actions taken on the account by sending the Letter 673C, Duplicate Returns Filed; Adjustment or Refund Explained.</li> <li>3. If any of the income on the FS 1/3/4 return was not reported on the FS 2/6 return, refer the case to Exam via CAT-A for deficiency procedures. <b>Do not back out the FS 1/3/4 return.</b></li> <li>4. If the difference in net tax liability is below the threshold for referral to Exam for deficiency procedures: <ul style="list-style-type: none"> <li>• Change the filing status on the FS 2/6 to FS 1/3/4.</li> <li>• Remove the name and TIN of the common taxpayer from the joint return. Do not change any tax or credits on the return.</li> <li>• Send a letter to the primary taxpayer stating the filing status has been changed due to information received and a Form 1040-X may need to be filed.</li> <li>• Release the refund on the FS 1/3/4 using a PDC.</li> </ul> </li> </ol> <p><b>Note:</b> If the primary taxpayer on the joint return filed an amended return which was disallowed, reconsider/re-examine the amended return. For example, if a Form 1040-X filed by the primary on the FS 2 return to change from FS 2 to FS 3 was disallowed for not being timely on the election.</p>

Row Number	If	And	Then
8	No reply from common taxpayer, or no signature on Letter 31C	Return was filed after the due date	<ol style="list-style-type: none"> <li>1. Compare the data on the FS 1/3/4 return to the joint return to verify income/withholding is reported</li> <li>2. If all the income is reported, back out the FS 1/3/4 and notify the taxpayer of the actions taken on the account by sending the Letter 673C, Duplicate Returns Filed; Adjustment or Refund Explained.</li> <li>3. If all income was not reported, back out the FS 1/3/4 return completely, and send the Letter 916C, Claim Incomplete for Processing; No Consideration.</li> </ol> <p><b>Note:</b> If the primary taxpayer on the joint return filed an amended return which was disallowed, reconsider/re-examine the amended return. For example, if a Form 1040-X filed by the primary on the FS 2 return to change from FS 2 to FS 3 was disallowed for not being timely on the election.</p>

**Caution:** It is extremely important that you carefully review for the Assessment Statute Expiration Date (ASED), and the Refund Statute Expiration Date (RSED). Refer to IRM 25.6.1, Statute of Limitations Processes and Procedures, for additional information.

- (5) Refer to the following IRMs when the taxpayer responds after the case has been closed and submits information indicating a return that was previously backed out was correct.
  - IRM 25.15.19.2.4, Joint Returns – Invalidated,
  - IRM 25.15.19.2.4.2, Determining if Joint Election is Valid, and
  - IRM 25.15.19.2.4.3, Joint Election is Invalid.
- (6) If taxpayer does not respond (no reply) or no signature on the Letter 31C, and the common taxpayer has made payments on the account, compare the data on the FS 1/3/4 to the FS 2/6 to verify income/withholding is reported. Follow the table below to resolve the cases:

Row Number	IF	THEN
1	Income is reported on the FS 2/6	<ol style="list-style-type: none"> <li>1. Back out the FS 1/3/4. Refer to IRM 21.6.1.5.3.1, Married Filing Separate, Single, or Head of Household to Married Filing Joint and Both Taxpayers Previously Filed, and IRM 21.6.1.7.2, Command Code DDBCK, for additional information.</li> <li>2. Send Letter 673C, informing the taxpayer of the actions taken on the account.</li> </ol>
2	Income is not reported on the FS 2/6	<ol style="list-style-type: none"> <li>1. Thorough research should be completed to determine the taxpayer's intent.</li> <li>2. Research tax years prior and after the tax year of the case.</li> <li>3. If the income on the FS 1/3/4 return was not reported on the FS 2/6 return, refer the case to Exam via CAT-A for deficiency procedures. <b>Do not</b> back out the FS 1/3/4 return.</li> <li>4. If the difference in net tax liability is below the threshold for referral to Exam via CAT-A for deficiency procedures, and the taxpayer has made payments on the FS 1/3/4: <ul style="list-style-type: none"> <li>• Change the filing status on the FS 2/6 to FS 1/3/4.</li> <li>• Remove the name and TIN of the common taxpayer from the joint return. Do not change any tax or credits on the return.</li> <li>• Release the refund on the FS 1/3/4 return using a PDC.</li> <li>• Send a letter to the primary taxpayer stating the filing status has been changed due to information received and a Form 1040-X may need to be filed.</li> <li>• <b>Do not</b> back out the FS 1/3/4 return.</li> </ul> </li> </ol>

21.6.7.4.5.4  
(10-01-2024)

**DUPTIN Return is Filing Status 2/6 (Scenario 2)**  
**X-Ref Return is Filing Status 1/3/4**

- (1) Follow the procedures below when working cases where the DUPTIN (DUPTIN return is the return that posts second) Return is FS 2/6 (Scenario 2) and has already been used as a primary TIN on a FS 1, 3, or 4 return for the same year.
- (2) Correspond with the common taxpayer using Letter 31C, Duplicate Returns Filed; Explanation Requested. Letter 31C is shown on ENMOD and the request complete screen may be captured on CII. Address Letter 31C to the

Common Taxpayer TIN **only** and issue to **both** addresses as shown on the DUPTIN and the X-Ref (X-Ref return is the return that posted first) return if different.

**Note:** If a determination is made that a case should be re-categorized (e.g., to IDT1, IDT3, SCRM, etc.), **Do Not** send Letter 31C or any other type of correspondence.

**Exception:** If Form 1040-X, Amended U.S. Individual Income Tax Return, is received before the Letter 31C is mailed to the common taxpayer, or received from the common taxpayer or the primary taxpayer on a joint return and based on the actions, resolves the multiple (DUPTIN) filing issue, then use the form to adjust the account. Take **all actions** that are required to correct the account.

**Caution:** For ASSED/RSED considerations when the taxpayer is changing the filing status on a statute issue, refer to IRM 25.6.1.5, Basic Guide for Processing Cases with Statute of Limitations Issues, for additional information. For more information on filing status changes refer to IRM 21.6.1.4, Filing Status Research, and IRM 21.6.1.5.5, Married Filing Joint to Married Filing Separate, Single, or Head of Household Procedures.

- (3) Suspend the case for 40 days; 70 days for overseas taxpayers that meet international criteria. Refer to IRM 21.8.1.2.14, International Forms Processing.
- (4) Attach or link taxpayer's response to the CII case when referring to Exam via CAT-A. If a reply is received, or the suspense period has expired, follow the table below:

**Note:** When referring a case to Exam via CAT-A for deficiency procedures, the additional assessment (net tax increase/credit decrease) must be at least

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Exam, AM has the authority to work these cases. **Do not** send cases to Exam if the taxpayer is from Puerto Rico and the issue is Self-Employment (SE) Tax. Refer these cases to Philadelphia IMF International since these cases meet international criteria. Refer to IRM 21.8.1.2.14, International Forms Processing, for additional information. When referring a multiple (DUPTIN) filing case to Exam use CAT-A CP 36 F.

**Note:** If the required case action is to back out FS 1/3/4, refer to IRM 21.6.1.5.3.1, Married Filing Separate, Single, or Head of Household to Married Filing Joint and Both Taxpayers Previously Filed, IRM 21.6.1.7.2, Command Code DDBCK, and IRM 21.5.2.4.23.10, Moving Refunds, for additional information.

**Caution:** If changing the filing status and name on a return, per the table below and there are offsets, reverse the offsets back to the spouse's account. Use a posting delay code to allow the entity change to post first.



Row Number	If	And	Then
1	Reply indicates the common taxpayer filed both returns	<p>FS 2/6 DUPTIN return is the legally valid filing and the statute for filing a joint election has not expired</p> <p><b>Note:</b> If the taxpayer wants to change the filing status of a legally filed FS 2/6 return, an amended return will have to be filed.</p>	<ol style="list-style-type: none"> <li>1. Refer to IRM 21.6.1.5.3.1, Married Filing Separate, Single, or Head of Household to Married Filing Joint and Both Taxpayers Previously Filed, and IRM 21.6.1.7.2, Command Code DDBCK, for additional information.</li> <li>2. Back out FS 1/3/4 return on the common taxpayer TIN if all the income is reported on the joint return. If the taxpayer received a refund move the refund to the joint return. Refer to IRM 21.5.2.4.23.10, Moving Refunds, for additional information. Notify the taxpayer of the action taken on the account by using a Letter 673C, Duplicate Returns Filed; Adjustment or Refund Explained. Release the refund on the FS2 return using a Posting Delay Code (PDC) if applicable, refer to IRM 21.5.8.4.6, Posting Delay Code.</li> <li>3. If income on FS 1/3/4 return was not reported on the FS 2/6 return, refer the case to Exam via CAT-A for deficiency procedures. <b>Do not back out the 1/3/4 return.</b></li> <li>4. If the difference in net tax liability is below the threshold for referral to Exam for deficiency procedures, back out the FS 1/3/4, and move the refund to the joint return. Notify the taxpayer by using a Letter 673C that a Form 1040-X should be filed if changes are needed to the FS 2/6 return. Release the refund using a PDC if applicable.</li> </ol>

Row Number	If	And	Then
2	Reply indicates common taxpayer filed both returns	The FS 2/6 DUPTIN return is the legally valid filing, but was filed after the statute for filing a joint election expired, and one taxpayer has not previously filed	<p>1. Compare the income on the joint return to the income on the separate return. If there is income on the joint not reported on the FS 1/3/4, verify if it meets 25 percent or more net tax increase/decrease. If it does meet the 25 percent</p> <p>more refer to Exam via CAT-A.</p> <p>2. If the joint return meets the threshold for deficiency procedures per note above, refer to Exam (CAT-A CP36 F).</p> <p>3. If the difference in net tax liability is below the threshold for referral to Exam via CAT-A for deficiency procedures, change the filing status on the joint return to married filing separate, unless additional information supports another filing status. Remove the name and TIN of the common taxpayer from the return. Do not change any tax or credits on the return. Release refund using a PDC.</p> <p>4. Send the Letter 105C informing the primary taxpayer that the IRS has accepted the return, but has changed the taxpayer's filing status from MFJ to MFS because the time to make the joint election has expired. Refer to IRM 21.5.3.4.6.1, Disallowance and Partial Disallowance Procedures, for additional information. Inform the taxpayer that a Form 1040-X may need to be filed. The refund should be released on the primary taxpayers account.</p> <p><b>Caution:</b> In the letter, do not inform the primary taxpayer how the information was received to change the joint return.</p>

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Row Number	If	And	Then
3	Reply indicates the common taxpayer filed both returns.	<p>The FS 1/3/4 X-Ref return is the legally valid return for the common taxpayer, and the FS 2/6 return is void for the common taxpayer, but a valid tax return for the primary taxpayer (but shows an incorrect filing status)</p> <p><b>Caution:</b> The return may be void for the common taxpayer only because the common taxpayer did not make a valid joint election (because the common taxpayer either is not legally married, executed the return under duress, or submitted the return after petitioning the Tax Court or more than three years after filing the original separate return). Otherwise, the IRS must accept the valid MFJ election for both taxpayers. If the common taxpayer indicates that the two taxpayers are married, or if the original return is MFS, the FS 2/6 return is valid for both taxpayers and you should follow procedures in Box 1 above.</p>	<ol style="list-style-type: none"> <li>1. Refer the primary taxpayer to Exam via CAT-A (CAT-A CP 36 F) for deficiency procedures.</li> <li>2. If the difference in net tax liability is below the threshold for referral to Exam for deficiency procedures, change the filing status on the joint return to married filing separate unless additional information supports another filing status. Remove the name and TIN of the common taxpayer from the joint return. Do not change any tax or credits on the return. Release the refund on the FS 2 return using a PDC.</li> <li>3. Send a letter to the primary taxpayer on the joint return notifying the filing status was changed because our records indicate the incorrect filing status was used on the return. Inform the taxpayer that a Form 1040-X may need to be filed. <b>Caution:</b> In the letter, <b>do not</b> inform the primary taxpayer how the information was received to change the joint return.</li> <li>4. When changing a joint return to a FS 3, research the account to verify if any offsets from the spouse's returns were made to pay on the balance due. If there are offsets, reverse and place back on the spouse's account to refund.</li> </ol>

Row Number	If	And	Then
4	Reply indicates the common taxpayer did not file the FS 1/3/4 return	It appears multiple individuals are using the same TIN	<p>Refer to IRM 21.6.2.4.2, Mixed Entity Procedures.</p> <p><b>Note:</b> If you can determine through preliminary research the joint return is the good return, and the income reported matches IRPTR, release the -R freeze on the joint return. Continue to follow the procedures above for the FS 1/3/4. The joint return is not needed as part of the preliminary research if the refund has been released. If you cannot make a clear determination that the joint return is good, <b>do not</b> release the -R freeze and continue to follow the procedures in IRM 25.23.4.4, Taxpayer Inquiries Involving Identity Theft (IDT).</p>

Row Number	If	And	Then
5	Reply indicates common taxpayer did not file the FS 1/3/4 return	The income on the FS 1/3/4 return matches the information on CC IRPTR	<ol style="list-style-type: none"> <li>1. Send a letter advising the taxpayer to file a Form 14039, Identity Theft Affidavit, and return it within 40 days. Leave the control base open. <ul style="list-style-type: none"> <li>• If Form 14039 is received within 40 days indicating identity theft, follow the procedures in IRM 21.6.7.4.4.1 (11), Duplicate Filing Control - (DUPF), and route the case to identity theft.</li> </ul> </li> <li>2. If the Form 14039 is not received within 40 days, then follow the procedures below: <ul style="list-style-type: none"> <li>• Compare the data on the FS 1/3/4 return to the joint return to verify income/withholding is reported</li> <li>• If all income is reported, back out the FS 1/3/4 and move the refund, if present, to the joint return. Notify the taxpayer of the actions taken on the account by using a Letter 673C. Release refund on FS 2 return using a PDC if applicable.</li> </ul> </li> <li>3. If all income on the FS 1/3/4 return was not reported on the FS 2/6 return, refer the case to Exam via CAT-A for deficiency procedures. <b>Do not back out the FS 1/3/4 return.</b></li> </ol>

Row Number	If	And	Then
			4. If the difference in net tax liability is below the threshold for referral to Exam for deficiency procedures, back out the FS 1/3/4 and move the refund if present to the joint return. Use the Letter 673C to notify the taxpayer of the actions taken on the account and inform the taxpayer that a Form 1040-X must be filed if changes are needed to the FS 2/6 return. Release the refund on the FS 2 return using a PDC if applicable.
6	Reply indicates common taxpayer did not file the FS 1/3/4 return	The income on the FS 1/3/4 return does not match the information on CC IRPTR	Follow the procedures in IRM 21.6.7.4.4.1 (11), Duplicate Filing Control - (DUPF), and route the case to identity theft.

Row Number	If	And	Then
7	Reply indicates the common taxpayer did <b>not</b> file the DUPTIN FS 2/6 return	The FS 2/6 return is not valid	<ol style="list-style-type: none"> <li>1. Follow procedures in IRM 21.6.1.5.7, Married Filing Joint or Married Filing Separate is Invalid or Filed with Incorrect Status, (3), if the taxpayer indicates fraud or forgery.</li> <li>2. If the taxpayer does not indicate fraud or forgery, and/or the difference in net tax liability is below the threshold for referral to Exam via CAT-A for deficiency procedures, change the filing status on the joint return to married filing separate unless additional information supports another filing status. Remove the name and TIN from the joint return. Do not change any tax or credits on the return.</li> <li>3. When changing a joint return to a FS 3, research the account to verify if any offsets from the spouse's returns were made to pay on the balance due. If there are offsets, reverse and place back on the spouse's account to refund.</li> <li>4. Release the refund on the FS 2/6 unless the refund statute has expired using a PDC. If the statute has expired, transfer the refund to excess.</li> <li>5. Send a letter to the primary taxpayer on the joint return stating the filing status was changed because our records indicate the incorrect filing status on the return. Inform the taxpayer that a Form 1040-X may need to be filed.</li> </ol> <p><b>Caution:</b> In the letter, <b>do not</b> inform the primary taxpayer how the information was received to change the joint return.</p>



Row Number	If	And	Then
8	Reply indicates the common taxpayer did <b>not</b> file the DUPTIN FS 2/6 return	The taxpayer has no knowledge of the FS 2/6 return. It appears 2 taxpayers are using the same TIN and could be a victim of ID Theft.	Transfer the case to identity theft by following the procedures in IRM 21.6.7.4.4.1, Duplicate Filing Control - (DUPF).
9	No reply from common taxpayer or no signature on Letter 31C	The statute has or has not expired	<ol style="list-style-type: none"> <li>1. Compare the income on the joint return to the income on the separate return.</li> <li>2. If the common taxpayer's income on the joint return was not reported on separate return, refer the case to Exam via CAT-A for deficiency procedures.</li> <li>3. If the difference in net tax liability is below the threshold for referral to Exam for deficiency procedures, change the filing status on the joint return to married filing separate unless additional information supports another filing status. Remove the common taxpayer's name and TIN from the joint return. Do not change any tax or credits on the return.</li> <li>4. If the difference in net tax liability is below the threshold for referral to Exam for deficiency procedures, release the refund using a PDC.</li> <li>5. Send a letter to the primary taxpayer on the joint return stating the filing status was changed because our records indicate the incorrect filing status was used on the return. Inform the taxpayer that a Form 1040-X may need to be filed.</li> </ol> <p><b>Caution:</b> In the letter, <b>do not</b> inform the primary taxpayer how the information was received to change the joint return.</p>

**Caution:** It is extremely important that you carefully review for a refund statute expiration date (RSED). Refer to IRM 25.6.1, Statute of Limitations Processes and Procedures, for additional information.

- (5) Refer to the following IRMs when the taxpayer responds after the case has been closed and submits information indicating a return that was previously backed out was correct.
- IRM 25.15.19.2.4, Joint Returns – Invalidated,
  - IRM 25.15.19.2.4.2, Determining if Joint Election is Valid, and
  - IRM 25.15.19.2.4.3, Joint Election is Invalid.

21.6.7.4.5.5  
(10-01-2024)  
**DUPTIN is Filing Status  
2/6 (Scenario 3) X-Ref  
Return is Filing Status  
2/6**

- (1) Follow the procedures below when working cases where the same TIN is used as a primary TIN on a FS 2 or 6 return and as a secondary TIN on another FS 2 or 6 return for the same tax year:

**Note:** When referring a case to Exam via CAT-A for deficiency procedures, the additional assessment (net tax increase/credit decrease) must be at least

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Exam; AM has the authority to work these cases. When referring a multiple (DUPTIN) filing case to Exam use CAT-A CP 36 F. **Do not** send cases to Exam if the taxpayer is from Puerto Rico and the issue is self-employment (SE) Tax. Refer the case to Philadelphia IMF International since the case meets international criteria. See IRM 21.8.1.2.14, International Forms Processing, for additional information.

**Note:** If a determination is made that a case should be re-categorized (e.g., to IDT1, IDT3, SCRM, etc.), **Do not** send Letter 31C or any other type of correspondence.

Row Number	If	And	Then
1	FS on DUPTIN return is 2/6	FS on the X-Ref return is 2/6 and the taxpayers on both returns are the same (e.g., John and Mary Birchtree; Mary and John Birchtree)	<ol style="list-style-type: none"> <li>1. Compare figures on both returns to verify they are the same.</li> <li>2. If same, back out DUPTIN return.</li> <li>3. If figures are not the same, refer to IRM 21.6.7.4.13, Return for Each Form W-2 and/or Form 1099, to adjust the filing that posted first to include any unclaimed income, withholding, etc. shown on the second return.</li> <li>4. When comparing returns remember to check for additional exemptions. If needed, adjust the exemptions on the account.</li> <li>5. Input adjustment on account where second return posted to back it out; use Hold Code 4. For additional information on inputting adjustments, refer to IRM 21.6.7.4, Adjusting Individual Tax Accounts Procedures.</li> <li>6. Notify the taxpayer whose information is changed of the actions taken on the account by sending the Letter 673C, Duplicate Returns Filed; Adjustment or Refund Explained.</li> </ol>

Row Number	If	And	Then
2	FS on DUPTIN return is 2/6	FS on the X-Ref return is 2/6 and common taxpayer on both returns but with different spouses. (e.g., John and Mary Birchtree; Mary Birchtree and Bob Greenleaf)	<ol style="list-style-type: none"><li>1. Correspond with the common taxpayer to determine if taxpayer filed both returns. Send Letter 31C.</li><li>2. Send Letter 31C to both addresses as shown on the DUPTIN and the X-Ref returns, if different. Address correspondence to the <b>common taxpayer only</b>. Send correspondence under the <b>common taxpayers TIN only</b>.</li><li>3. If the taxpayer is due a refund, advise the refund is held until the matter is resolved.</li><li>4. Suspend the case for 40 days; 70 days for overseas taxpayers.</li></ol>

Row Number	If	And	Then
3	Reply indicates common taxpayer did not file one of the returns	One of the returns is not valid. The common taxpayer has a different spouse on each return	<ol style="list-style-type: none"> <li>1. Follow procedures in IRM 21.6.1.5.7, Married Filing Joint or Married Filing Separate is Invalid or Filed with Incorrect Status, (3), if the taxpayer indicates fraud or forgery. <b>Caution:</b> If the additional assessment does not meet the deficiency criteria for fraud or forgery, follow #3 below.</li> <li>2. If the taxpayer does not indicate fraud or forgery, refer the primary taxpayer on the invalid return to Exam via CAT-A for deficiency procedures per (1) above.</li> <li>3. If the difference in net tax liability is below the threshold for referral to Exam for deficiency procedures, change the filing status on the joint return to married filing separate, unless the additional information supports another filing status. Remove the name and TIN of the common taxpayer from the return. Do not change any tax or credits on the return. Release the refund using a posting delay code.</li> </ol>

Row Number	If	And	Then
			<p>4. Send a letter to the primary taxpayer on the joint return that the common taxpayer stated they did not file, notifying them that our records indicate the incorrect filing status was used on the return. Inform the taxpayer that a Form 1040-X may need to be filed.</p> <p><b>Caution:</b> In the letter, do not inform the taxpayer how the information was received to change the joint return.</p>
4	No reply from common taxpayer or no signature on Letter 31C	Research indicates a mixed entity	Follow procedures in IRM 21.6.2, Adjusting TIN-Related Problems. All cases determined to be Mixed Entity (MXEN) are worked by employees who work duplicate filings.
5	No reply from common taxpayer or no signature on Letter 31C and IDRS history indicates the correct spouse	Research indicates the common taxpayer on both returns is the same person	Refer both joint returns to Exam via CAT-A. Do not take into consideration the deficiency procedures in (1).
6	Reply indicates common taxpayer did <b>not</b> file one of the returns	The taxpayer has no knowledge of one of the returns. It appears two taxpayers are using the same TIN and may be a victim of ID Theft.	Follow the procedures in IRM 21.6.7.4.4.1, Duplicate Filing Control - (DUPF), to transfer the case to an identity theft specialized site.

**Caution:** It is extremely important that you carefully review for a refund statute expiration date (RSED). Refer to IRM 25.6.1, Statute of Limitations Processes and Procedures, for additional information.

**Note:** See IRM 4.13.2.2, Function Responsible and Routing Instructions, for Automated Substitute For Return (ASFR) Reconsideration cases.

21.6.7.4.5.6  
(10-01-2024)  
**DUPTIN EIP Adjustments**

- (1) Research first to determine what year the Economic Impact Payment (EIP) was issued from. **If the EIP for both TINs was based off of 2018 and you are working a 2019 multiple (DUPTIN) filing condition, no adjustment to the EIP is needed.**

- (2) When working a multiple (DUPTIN) filing condition case which involves an EIP use the tables below to resolve the EIP issue on the 2020 or 2021 module. Use the tables below to correct the EIP on the accounts for 2020 and 2021.
- (3) If you are following IRM 21.6.7.4.5.3, DUPTIN Return is FS 1/3/4 (Scenario 1) X-Ref Return is FS 2/6, use table below to resolve the EIP.

Row Number	If	And	Then
1	Reply indicates the common taxpayer filed both returns	The X-Ref return, FS 2/6, is the correct filing	Take no action on EIP
2	Reply indicates the common taxpayer filed both returns	The DUPTIN Return (FS 1/3/4) is the correct filing and was filed prior to the due date	Take no action on EIP
3	Reply indicates the common taxpayer did not file the FS 1/3/4 or common taxpayer did not file FS 2/6 due to multiple individuals using the same TIN	It appears multiple individuals are using the same TIN	Follow IRM 21.6.2.4.7.2, Economic Impact Payment (EIP) - Manual Adjustments - General Information, to balance the account



Row Number	If	And	Then
4	Reply indicates common taxpayer did not file the FS 2/6 return	The FS 2/6 return should not stand	<ul style="list-style-type: none"> <li>Review the TC 971 AC 199/195 amount shown for each TIN on CC IMFOLE. The TC 971 AC 199 is systemically generated when EIP is decreased. The TC 971 AC 195 must be input manually when making a positive adjustment to EIP using HC 4.</li> </ul> <p><b>Note:</b> Refer to IRM 21.6.3-2, TC 971 AC 199 MISC Field Descriptions for Economic Impact Payments (EIPs), for details on inputting the AC 195 manually.</p> <ul style="list-style-type: none"> <li>Reverse the entire EIP adjustment on the FS 2/6 return using the applicable reference numbers and reason codes from IRM 21.6.3.4.2.13.1(4), Economic Impact Payments (EIP) - Account Information. This creates a systemic TC 971 AC 199 in the entity.</li> <li>Input a second adjustment under the TIN for the primary on the FS 2/6 return. Make a positive adjustment to EIP with HC 4, using the same reason codes, CRNs, and dollar amounts.</li> </ul> <p><b>Note:</b> When multiple EIP adjustments are needed, input each adjustment separately. Use posting delay codes as necessary.</p>
5	No reply from common taxpayer		Take no action on EIP

- (4) If you are following IRM 21.6.7.4.5.4, DUPTIN Return is FS 2/6 (Scenario 2) X-Ref Return is FS 1/3/4, follow the table below to resolve the EIP.

Row Number	If	And	Then
1	Reply indicates the common taxpayer filed both returns	FS 2/6 DUPTIN return is correct	Take no action on EIP
2	Reply indicates the common taxpayer filed both returns	The FS 1/3/4 X-Ref return is the correct filing and was filed prior to the due date.	Take no action on EIP
3	Reply indicates the common taxpayer did not file the FS 1/3/4 return or common taxpayer did not file FS 2/6 due to multiple individuals using the same TIN	It appears multiple individuals are using the same TIN	Refer to IRM 21.6.2.4.7.2, Economic Impact Payment (EIP) -Manual Adjustments- General Information, for information on how to resolve these cases
4	Reply indicates the common taxpayer did not file the DUPTIN FS 2/6 return	The FS 1/3/4 filing should stand	<ul style="list-style-type: none"> <li>Review the TC 971 AC 199/195 amount shown for each TIN on CC IMFOLE. The TC 971 AC 199 is systemically generated when EIP is decreased. The TC 971 AC 195 must be input manually when making a positive adjustment to EIP using HC 4.</li> <li>Reverse the entire EIP adjustment on the FS 2/6 return using the reference numbers and reason codes from IRM 21.6.3.4.2.13.1 (4), Economic Impact Payments (EIP) - Account Information. This creates a systemic TC 971 AC 199 in the entity.</li> <li>Input a second adjustment under the TIN for the primary on the FS 2/6 return. Make a positive adjustment to EIP with HC 4, using the same reason codes, CRNs, and dollar amounts.</li> </ul> <p><b>Note:</b> When multiple EIP adjustments are needed, input each adjustment separately. Use posting delay codes as necessary.</p>
5	No reply from common taxpayer		Take no action on EIP

- (5) If you are following IRM 21.6.7.4.5.5, DUPTIN is FS 2/6 (Scenario 3) X-Ref Return is FS 2/6, use the table below to resolve the EIP.

Row Number	If	And	Then
1	FS on DUPTIN return is 2/6	FS on the X-Ref return is 2/6 and taxpayers on both returns are the same (e.g., John and Mary Cypress; Mary & John Cypress)	Take no action on the EIP
2	FS on DUPTIN return is 2/6	FS on the X-Ref return is 2/6 and common taxpayers on both returns but with different spouses (e.g., John and Mary Cypress; Mary Cypress & Robert Maple)	Follow procedures below based on taxpayer response or lack of response
3	No reply from common taxpayer		Take no action on EIP

Row Number	If	And	Then
4	Reply indicates common taxpayer did not file one of the returns	<ul style="list-style-type: none"> <li>One of the returns is not valid</li> <li>OR</li> <li>If taxpayer has no knowledge of one of the returns and it appears 2 taxpayers are using the same TIN</li> </ul>	<ul style="list-style-type: none"> <li>Review the TC 971 AC 199/195 amount shown for each TIN on CC IMFOLE. The TC 971 AC 199 is systemically generated when EIP is decreased. The TC 971 AC 195 must be input manually when making a positive adjustment to EIP using HC 4.</li> <li>If first bullet from "AND" column, then reverse the entire EIP adjustment on the invalid FS 2/6 return using the reference numbers and reason codes from IRM 21.6.3.4.2.13.1(4), Economic Impact Payments (EIP)-Account Information. This creates a systemic TC 971 AC 199 in the entity.</li> <li>Make a positive adjustment to EIP with HC 4, using the same reason codes, CRNs, and dollar amounts.</li> <li>If a refund was issued, follow procedures in IRM 21.5.2.4.23.10, Moving Refunds, to transfer the refund information to the correct account.</li> <li>OR</li> <li>If second bullet from "AND" column then follow Refer to IRM 21.6.2.4.7.2, Economic Impact Payment (EIP) and Multiple Taxpayers Using the Same TIN- Manual Adjustments- General Information, for information on how to resolve the EIP for these cases.</li> </ul> <p><b>Note:</b> If multiple EIP adjustments are needed, input each adjustment separately. Use posting delay codes as necessary.</p>

(6) For more Information on how to adjust the EIP, see IRM 21.6.3.4.2.13.3, Economic Impact Payments (EIP) - Manual Adjustments.

21.6.7.4.6  
(10-01-2021)

**Adjustment  
Considerations**

- (1) Review the account for freeze conditions. Follow procedures in IRM 21.5.6, Freeze Codes, and *Document 6209, Chapter 8A, Section 4*, Master File Freeze Codes and IDRS Status 48, for the following items:
  - A list of freeze codes
  - A brief explanation of why they generate
  - Releasing freeze conditions
- (2) If the taxpayer's response results in either a full or partial abatement of the AUR assessment on a married filing joint (MFJ) account, any refund generated by the abatement must be paid jointly to both spouses unless one or more TC 706 is present and all four of the following are true:
  - The TC 706 credit(s) offset from one of the spouses on the joint return, but that taxpayer is currently filing as a single or separate filer, or as a joint filer with a new spouse
  - No payment or credits other than a TC 706 posted to the account since the AUR assessment
  - In the case of partial abatements, all TC 706 credits offset from the same person
  - All TC 706 occurred less than two years before the date of the full or partial abatement

If a TC 706 is present and all four of the above are true, move the applicable TC 706 credits back to the modules where they originated.

**Note:** For additional information refer to IRM 21.4.6.4.1.1, Tax Offset Reversal.

**Example:** The primary taxpayer and secondary taxpayer file a joint return for 2022. AUR assessed an additional \$800.00 on their 2022 joint liability. Taxpayers divorce, secondary files a return for 2023 that claims a \$500.00 overpayment and the primary doesn't file a 2023 return that would claim the overpayment. Due to the outstanding AUR assessment, the \$500.00 overpayment is transferred in April 2023 to the MFJ tax liability for 2022. No other payments are made towards the MFJ 2022 return. Then in September 2023, there is a partial abatement of \$400.00 for the 2022 AUR assessment. Because the 4 requirements above are met, move the \$100.00 credit that results from the partial abatement back to the secondary's 2023 account to prevent the credit from refunding on the joint return.

**Example:** The primary taxpayer and secondary taxpayer file a joint return for 2022. AUR assessed an additional \$800.00 on their 2022 joint liability. Taxpayers divorce, the secondary files a return for 2023 that claims a \$500.00 overpayment and the primary files a return for 2023 that claims \$300.00 overpayment. Due to the outstanding AUR assessment, the \$500.00 and the \$300.00 overpayments are transferred in April 2022 to the MFJ tax liability for 2022. No other payments are made towards the MFJ 2022 return. Then in September 2023, the AUR assessment is completely backed out. Because all 4 requirements above are met, move the

overpayments back to the original 2023 returns of the primary and secondary before refunding; do not refund from the 2022 joint account.

- (3) Use hold codes and priority codes when necessary.
- (4) Use posting delay codes when necessary. Transactions may need to post later than others when multiple transactions are input. A posting delay code can be entered for 1 to 6 cycles.
- (5) Notice Review may delete a refund and assign a case to AM because of a TC 976 or TC 977.
  - a. Ensure the TC 841 ("P-" freeze) is posted.
  - b. Input necessary credit transfers or adjustments after the TC 841 posts.
- (6) Input a TC 170 for zero (.00) when decreasing withholding and/or transferring timely payments from the module and tax is also being adjusted when there is not a Computer Condition Code (CCC) "P" present.
- (7) If a return is "U" coded during processing, the "U" coding is displayed on CC TXMOD. Update the Return Processable Date (RPD) as applicable. Follow procedures in IRM 20.2.4.6.1, Updating the RPD on Unprocessable Returns.
- (8) If the adjustment notice does not give a clear explanation **and/or** a notice will not be issued, provide the taxpayer with an explanation by telephone or letter. Follow procedures in IRM 21.5.4.5.1, Setting the Initial Math Error Action, if appropriate.

**Example:** There is a difference between the taxpayer's figures and the adjustment made.

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846). Do not input TC 290 for .00 to release the refund. A manual refund is required using Form 3753, Manual Refund Posting Voucher. Follow procedures in IRM 21.4.4.5.2, Preparation of the Form 3753, Manual Refund Posting Voucher, to prepare the manual refund. If the taxpayer submitted Form 8302, Electronic Deposit of Tax Refund of \$1 Million or More, include it with Form 3753. Follow procedures in IRM 3.17.79.3.10.1, Form 8302, Electronic Deposit of Tax Refund of \$1 Million or More.

21.6.7.4.7  
(10-01-2024)  
**Interest and Penalty  
Considerations**

- (1) The computer assesses or abates Failure To File (FTF) or Failure To Pay (FTP) penalties according to interest and penalty adjustments made on the module, except when the penalties were manually assessed.
- (2) The computer generates assessments and abatements of interest on all transactions.
  - a. Usually, adjustments to interest are not necessary.
  - b. Follow procedures in IRM 20.1, Penalty Handbook, and IRM 20.2, Interest.

**Note:** Not all Combat Zone cases (-C Freeze) require manual computation of interest once the taxpayer exits the Combat Zone. Master File (MF) will resume interest once taxpayer exits if the account is not restricted. Follow procedures in IRM 20.1.2.2.2.1, Combat Zone

- IRC 7508. If the account is subject to penalty, the failure to pay (FTP) penalty requires manual computation if the taxpayer has exited the Combat Zone. Follow procedures in IRM 20.1.2, Failure to File/Failure to Pay Penalties.

**Note:** Refer to the IRM 5.19.10.6.3, Combat Zone Freeze Code, for further information on freeze code for combat zone.

- (3) Review amended returns for corrections to estimated tax (ES) penalty.
  - a. ES penalty is based on the original TC 150 (minus EITC and Fuel Tax Credit).
  - b. Correct the ES penalty if the adjustment is due to a “superseding” or a “Separate to Joint” case.
  - c. Correspond with taxpayer, if a requested adjustment to penalty is not allowed.

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- (5) If the taxpayer submits a recomputation of the penalty, math verify it.

If adjusting withholding and	Then
Module shows TC 170/171 with a Document Code 17, 18, 24, 47, 51, 52, or 54	<ul style="list-style-type: none"><li>1. Review the ES penalty.</li><li>2. Determine if the penalty should be adjusted. Refer to IRM 3.14.1.6.20.4.7, ES Penalty Computation, and IRM 3.14.1.6.20.4.8, ES Penalty Command Codes, for additional information.</li></ul>
Account has a posted TC 176	ES penalty recomputes systemically.

21.6.7.4.8  
(10-01-2015)  
**Special Considerations**

- (1) Check for decedent refund returns.
  - These returns require special handling
  - Follow procedures in IRM 21.4.1.5.9.4, Deceased Taxpayers
- (2) Check for statutes; see IRM 25.6, Statute of Limitations.

**Caution:** Form 1040-X may appear to request a tax decrease, however, when verified against posted data, the actual result may be a tax increase.

  - a. Any claim received prior to the Refund Statute Expiration Date (RSED) is considered timely, even if taxpayer contact is necessary to perfect the claim.
  - b. If a protective claim is received, follow procedures in IRM 21.5.3.4.7.3, Protective Claims.
- (3) Review for credit-elect requests, offsets and reversals.



21.6.7.4.9  
(10-01-2002)  
**Signature Verification**

- (1) Make sure the signature agrees with the entity. If the signature is a copy, missing, or does not agree with the entity, follow procedures in IRM 21.5.3.4.4, Signature Requirements for Claims.

21.6.7.4.10  
(06-11-2024)  
**Superseding Returns**

- (1) The due date of a calendar year individual income tax return is generally April 15th. A fiscal year individual income tax return is generally due the fifteenth day of the fourth month following the close of the fiscal year. Refer to IRM 21.5.1.4.2.5, Received Date - Grace Periods, for additional information.

**Note:** If the due date falls on a weekend or holiday, the return is due on the next business day. Under Notice 2020-23, the due date of a 2019 calendar year individual income tax return is postponed to July 15th, 2020. Under Notice 2021-21, the due date of a 2020 calendar year individual income tax return is postponed to May 17, 2021. For more information on Statute consideration, refer to IRM 21.5.3.4.3, Tax Decrease and Statute Consideration.

- (2) An amended (Form 1040-X) or corrected (duplicate) return filed on or before the due date or the extended due date is a superseding return.

**Note:** See IRM 21.5.3.4, General Claims Procedures, for information regarding the amended claims date.

- (3) Correspondence postmarked on or before the due date or extended due date, requesting changes to tax returns, is processed as superseding information.

**Caution:** A superseding return may have posted before the return filed as the original. Refer to IRM 21.5.1.4.2.4, Received Date - Determination, for assistance. Submission Processing does not date stamp timely filed returns, nor does it keep envelopes for timely filed returns.

- (4) Consider the following when making a superseding adjustment:

- Changes in irrevocable elections (e.g., Section 179, Joint to Separate)

**Note:** A return filed after the original due date but on or before the extended due date does not constitute a superseding return in this situation.

- Manual computation of ES Penalty. Refer to IRM 20.1.3, Estimated Tax Penalties.
- Reversal of offsets to other Individual Master File (IMF), Business Master File (BMF), and Debtor Master File (DMF) accounts when increasing the balance due
- Returns meeting Examination criteria. Follow procedures in Exhibit 21.5.3-2, Examination Criteria (CAT-A) - General.
- Reversal of the offset to the Treasury Offset Program, refer to IRM 21.4.6.5.7.1, Allowable TOP Offset Reversals.
- Use the appropriate non-refile blocking series. Refer to IRM 21.5.1.5.3, CII Source Documentation, and *Document 6209 - Section 4 - Adjustment Blocking Series*, for additional information.

**Exception:** Use the appropriate refile blocking series when required to be associated with the original return (e.g., separate to joint).

- Use item reference number 871 when necessary. Refer to IRM 20.1.2.2.6.2, Incorrect Tax Shown Recorded, and IRM 20.1.2.2.6.3, Wrong Return Posted First, for additional information.

21.6.7.4.11  
(10-01-2024)

#### State Tax Return

- (1) If the taxpayer submitted a State tax return or State information on a Form 1040 series return and/or the State portion of the Form W-2:

- a. Block out the DLN on the State return and make a copy.
- b. Return the photocopy and/or Form(s) W-2 to the taxpayer using a Letter 315C, Form/Document/Payment Unnecessary; Returned to Taxpayer.

**Caution:** Extreme care must be taken to ensure that only the material relative to the taxpayer(s) to which the correspondence is addressed is enclosed in the envelope. See IRM 21.3.3.4.24, Breaches of Personally Identifiable Information (PII) Caused by Manual Stuffing Errors, for additional information.

- c. Consider possible changes to the return processable date (RPD), see IRM 21.6.7.4.6, Adjustment Considerations.
- d. Release the “-A” freeze using a TC 290 for .00 (using CC REQ54) with the appropriate blocking series. See IRM 21.5.2.4.22, Blocking Series (BS), for additional information.

**Note:** If the DUPF is on an invalid TIN, DO NOT release a refund unless the taxpayer responded to CP 54B, use HC 4.

21.6.7.4.12  
(10-01-2024)

#### Presidential Election Campaign Fund (PECF)

- (1) Congress established the Presidential Election Campaign Fund (PECF) to support financing of presidential election campaigns.

- a. Taxpayers may file an amended return to designate a part of the tax liability to the PECF, if not specified on the original return.
- b. The amended return must be filed within 20 and one half months after the original due date for filing the return.

**Note:** If claim is not received timely and the only change is to the PECF, follow IRM 21.5.3.4.6.3, No Consideration Procedures.

- c. The PECF fund amount is \$3.

- (2) Only take action on an amended return with a PECF designation change from “No” to “Yes.” A “Yes” designation may not be changed.

- (3) Research CC IMFOLR to determine any change to the election. Prepare a “dummy” Form 1040-X, for input whenever the taxpayer indicates an addition to the PECF.

- (4) Using a blank Form 1040-X, take the following steps:

- a. Edit the tax period at the top of the form.
- b. Edit the taxpayers name control and social security number.
- c. Edit the filing status code.
- d. Edit IMF Computer Condition Code (CCC) “5,” in the blank area above column C heading, if the taxpayer checks one box. Edit CCC “6,” if taxpayer checks two boxes.
- e. Enter the received date in MMDDYY form in the blank section of columns.

- f. Use the CII image Stamp feature or write "0/S" (original signed on taxpayers Form 1040-X) in red ink at the bottom of page 1.
- g. Write your employee number at the bottom of the return.
- h. Edit the PECF, on the top right corner on first page of the Form 1040-X.
- i. Edit "PECF Prep" in the left margin of the Form 1040-X then continue processing the return.
- j. Attach a routing slip and send to the batching function in a Submission Processing (SP) site to be processed using Tax Class/Doc Code 211 and blocking series 990-999.

**Note:** Complete the Form 3210, Document Transmittal, and have it shipped by UPS Ground to a SP site.

The SP site addresses are:

Austin - Internal Revenue Service, 3651 South I-H 35, Austin, TX 78741, Stop 6054

Kansas City - Internal Revenue Service, 333 W. Pershing Road, Kansas City, MO 64108-4302 Stop 6052

Ogden - Internal Revenue Service, 1973 N Rulon White Blvd. Ogden, UT 84201 Stop 6054

21.6.7.4.13  
(10-13-2017)  
**Return for Each Form  
W-2 and/or Form 1099**

- (1) Taxpayers may erroneously file a separate return for each Form W-2 and/or Form 1099 received. Take the following action to resolve the duplicate filing condition:
  - a. Secure returns, **if needed**, to verify wages, credits, and tax liability.
  - b. Combine wages, other income and withholding.
  - c. Compute the correct tax liability.
  - d. Input the appropriate adjustment transaction to increase or decrease the tax, credits, income, and deductions.
  - e. Send the taxpayer a Letter 673C, Duplicate Returns Filed; Adjustment or Refund Explained, or Letter 4364C, xClaim Correspondence Letter - IMF.
  - f. Provide a detailed explanation of the changes to the account.
  - g. Advise the taxpayer that all Forms W-2 and/or Form 1099 should be filed on one return in the future and that an amended return should be filed for additional Forms W-2 and/or Form 1099 received after the return is filed.
- (2) If the correct tax liability is greater than taxpayer expected:
  - a. Treat as a math error.
  - b. Use blocking series 77 or 78.
  - c. Follow procedures in IRM 21.5.4.5.1, Setting the Initial Math Error Action.
- (3) If the taxpayer submitted original copy of Forms W-2 to substantiate entries on an original or amended return, do not return documents to the taxpayer.

21.6.7.4.14  
(10-01-2024)  
**True Duplicate Return**

- (1) A true duplicate condition occurs when the taxpayer files two returns with the exact same tax information. The most common reasons for duplicate filings are:

- a. The taxpayer files a copy of the original Form 1040 or 1040-SR.

**Reminder:** For tax year 2018 and subsequent years Form 1040A/1040EZ are obsolete.

**Note:** The original return may have been filed electronically.

- b. A return is filed with a payment of an outstanding balance.
  - c. The original refund claimed was reduced by a math error.
  - d. The taxpayer did not receive a refund within their expected time frame and files another return.
  - e. Photocopies of pages 1 and 2, Form 1040, intended for Form 1045, Application for Tentative Refund, are input as an original return.
  - f. The taxpayer did not receive the expected refund due to an invalid TIN condition.
  - g. The taxpayer did not receive a refund because of a missing signature on Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer ("R" freeze).
- (2) Six common checks for resolving a true duplicate condition are:
- a. Reviewing the account for unreversed penalties.
  - b. Checking the received date of both returns to make sure the earliest post marked return posted first. If the TC 150 has a later received date than the TC 976, update the Return Processing Date (RPD) to record the TC 976 return received date and manually recompute any overpayment interest that was based on an improper return received date (see IRM 20.2.4.4, Delinquent Returns) and post it with TC 770. Follow IRM 20.1.2.2.6.3, Wrong Return Posted First, for procedures on accounts when the taxpayer's original, true return is being processed after a TC 150 has posted or when correcting errors related to the **tax shown** on the original return. For assistance in manually computing credit interest, refer to IRM 20.2.4.12, Manually Computing Credit Interest.
  - c. Searching for taxpayer notes or letters.
  - d. Checking for name and address changes.
  - e. Making sure no corrected or prior year Forms W-2 and/or Forms 1099 are included.
  - f. Checking all attachments for Forms 1045 or 1040-X claiming a carryback. Follow procedures in IRM 21.5.9, Carrybacks.
- (3) Compare the second return to the original return's using CC TRDBV, CC IMFOL and CC RTVUE. The amounts for the taxable income, adjusted gross income, total tax, self-employment tax, primary and secondary self-employment income as well as the number of exemptions should match before determining it is a true duplicate case.

If	Then
Second return is a true duplicate	<ol style="list-style-type: none"> <li>1. Release the “-A” freeze by inputting a TC 290 .00. No Reason Code and no amended claims date is required.</li> <li>2. Use the appropriate hold code (HC) and blocking series (BS). See IRM 21.5.2.4.15, Rules on Hold Codes (HC), for additional information.</li> </ol>
A true duplicate return posted to an invalid TIN	<ol style="list-style-type: none"> <li>1. Review the TXMOD notice section.</li> <li>2. Determine if a CP 54B was issued, see IRM 21.3.1.6.36.1, CP 54B Inquiry Regarding Name and SSN - Refund Delayed, for additional information.</li> <li>3. <b>DO NOT</b> release the refund if taxpayer did not reply to the CP 54B.</li> <li>4. Release the “-A” freeze by inputting a TC 290 .00.</li> <li>5. Use HOLD CODE 4 to hold the credit.</li> <li>6. Initiate taxpayer correspondence.</li> </ol>

- (4) If it appears the taxpayer is expecting a response, and previous actions haven't resolved the issue, send a letter advising the taxpayer of the action taken.

**Example:** An original refund return was filed in February. The taxpayer submitted a second return in September with no changes to the original return. Account research shows a refund was issued in September. It appears the second return was filed because a refund wasn't issued, and now that the refund has been issued, no letter is needed.

21.6.7.4.14.1  
(10-01-2024)

#### Systemically Identified True Duplicate Returns

- (1) Duplicate returns are systemically compared to the original return utilizing established criteria. If all items match, the duplicate return is considered a true duplicate return and systemically closed as a true duplicate return. No DUPF CII case will generate. Systemically identified and closed true duplicate returns are identified by TC 971 AC 142.
- (2) If a systemically identified true duplicate return is later identified as not being a true duplicate, follow established procedures for processing duplicate returns outlined in IRM 21.6.7.4.4, Duplicate or Amended Returns (DUPF/1040X).

**Note:** If information is received while staffing the AM toll-free telephone line indicating that the duplicate return is not a true duplicate return, prepare Form e-4442 / 4442, Inquiry Referral, and route as in-house referral.

**Exception:** If a TC 971 AC 125 is also present on the account, refer to IRM 25.23.4.4, Taxpayer Inquiries Involving Identity Theft (IDT), for guidance.

21.6.7.4.15  
(10-01-2024)

#### Duplicate/Amended TC 420 (DAUD)

- (1) A case generates in CII when a duplicate or amended return posts to a module which contains an open TC 420 as stated in IRM 21.5.6.4.24, -L freeze. To resolve :
  - a. Use IRM 21.6.7.4.4.1, Duplicate Filing (DUPF) Control, procedures in addition to data from the Audit Information Management System (AIMS) file.

- b. Research the AIMS file with CC AMDISA for the current status.
- c. Follow the procedures outlined in IRM 21.5.3, General Claims Procedures.

21.6.7.4.16  
(10-01-2024)

**Duplicate Assessment -  
Doc Code 51**

- (1) A duplicate assessment generates a CII case when a prompt assessment attempts to post as an original return, to a module containing a TC 150. A prompt assessment, identified by TC 370 and Document Code 51:
  - Posts as a TC 290 with all tax, penalty, and interest transactions associated with the TC 370
  - Generates a TC 976 and sets the duplicate filing condition, “-A” freeze
- (2) Action required:
  - a. Follow DUPF verification procedures outlined in IRM 21.6.7.4.4.3, Preliminary Verification Procedures.
  - b. Determine the reason for the prompt assessment.

If it is determined that	Then
This is a valid assessment	Input a TC 290 for .00 using CC REQ54 to release the “-A” freeze. <b>Note:</b> If this is on an invalid TIN, <b>DO NOT</b> release the refund unless the taxpayer has responded to the CP 54B; use hold code 4.
This is an <b>erroneous</b> assessment	Input a TC 291 using CC REQ54 to abate the assessment.

- (3) Examination and Collection functions, as well as certain servicing campus functions may request an expeditious assessment (Prompt, Quick, Jeopardy) when:
  - The statute is imminent (does not apply to jeopardy)
  - The collection of taxes is in jeopardy
- (4) The servicing campus Accounting function makes the assessment.
  - a. The tax data necessary for these assessments is transmitted to the Accounting function by telephone, mail, or facsimile (fax).
  - b. Tax, penalty, and interest are assessed.
  - c. A balance due notice is sent to taxpayer or given to taxpayer if a jeopardy levy is contemplated.
- (5) The information is entered into the Distributed Input System (DIS) to post to the master file.
- (6) These pre-journalized transactions are numbered with a Document Code 51.



21.6.7.4.17  
(02-03-2020)

**Net Operating Loss  
(NOL) - Carryforward**

- (1) Taxpayers may carry a Net Operating Loss (NOL) or excess business credit forward to the current tax year.
- (2) Taxpayers eligible to carryback a net operating loss may elect to forgo the carryback period and carry the entire NOL forward. Carrybacks, carryforwards, and requests for an election to forgo a carryback period are worked in the carryback teams. If received by a non-Carryback team, reassign the case per the *AM Site Specialization Temporary Holding Numbers* under the Who/Where tab on SERP. See IRM 21.5.9, Carrybacks, for technical information.
- (3) Unlike carryback claims, carryforwards do not require special processing guidance. The carryback team resolves carryforwards using the procedures included in IRM 21.5.3, General Claims Procedures.

21.6.7.4.18  
(10-01-2024)

**Qualified Business  
Income Deduction  
(QBID)**

- (1) IRC 199A allows individuals and certain estates and trusts to deduct up to 20% of Qualified Business Income (QBI) from a qualified trade or business operated as a sole proprietorship or through a partnership, S corporation, trust, or estate. QBI includes income from a qualified domestic trade or business. Amounts received as wages, capital gain, interest, and dividend income that are not considered QBI **are excluded** from the calculation.
- (2) IRC 199A also allows individuals, and certain estates and trusts to deduct up to 20% of the eligible taxpayer's qualified real estate investment trust (REIT) dividends and qualified publicly traded partnership (PTP) income.
- (3) The Qualified Business Income Deduction (QBID) is limited to the lesser of:
  - a. The sum of the amounts described in the paragraphs (1) and (2) above; or
  - b. An amount equal to 20% of the excess (if any) of taxable income of the taxpayer for the taxable year, over the net capital gain of the taxpayer for the taxable year.
- (4) A deduction under IRC 199A(g) is also available to specified agricultural and horticultural cooperatives. This deduction is similar to the domestic production activities deduction under former IRC 199. The deduction can be taken by the cooperative or passed through to patrons and taken on Form 1040. See IRM 21.6.7.4.18.1, Adjusting the Qualified Business Income Deduction, for guidance when adjusting this deduction.
- (5) Individuals, estates and trusts, and specified agricultural and horticultural cooperatives that directly claim the deduction will figure their allowable QBID for 2018 using a worksheet that is not required to be filed with the IRS. Form 8995, Qualified Business Income Deduction Simplified Computation or Form 8995-A, Qualified Business Income Deduction, must be filed with the IRS which began in 2019. Partnerships, S corporations, and certain estates and trusts do not claim the deduction but must report information necessary for their owners and beneficiaries to claim the deduction.
- (6) The QBID is available for tax years ending after December 31, 2017 and is generally reported on the 2018 Form 1040, Line 9 or the 2019 Form 1040 and 1040-SR, Line 10. QBID is reported on the 2020 - present Form 1040, line 13. While this topic is currently out of scope (OOS), there is basic information that should be provided to the taxpayer concerning resource materials and self-help methods (e.g., for 2018 Form 1040 Instructions and Publication 535, Business

Expenses, and for 2019 and after, Form 8995 and Form 8995-A Instructions), see IRM 21.1.1.3.2, Out of Scope and Limited Service, for more information.

21.6.7.4.18.1  
(10-01-2024)

**Adjusting the Qualified  
Business Income  
Deduction**

- (1) QBID is subject to CAT-A criteria, see IRM 21.5.3-2, Examination Criteria (CAT-A) - General, for more information. If CAT-A criteria is met, forward the case to CAT-A via Correspondence Imaging Inventory (CII), using the CAT-A referral reason code “**QBID**”.
- (2) If the claim **does not** meet CAT-A criteria, **and** the QBID on Form 1040 exceeds the taxable income limitation detailed below, limit the deduction to the taxable income limitation and follow IRM 21.5.4.5.1, Setting the Initial Math Error Action. Send the taxpayer Letter 474C, Math Error Explained (IMF), explaining the changes.

The explanation should be similar to the following paragraph:

“The Qualified Business Income Deduction claimed on the return filed on MM/DD/YYYY is more than the statutory maximum allowed. We have limited the deduction accordingly. See Form 1040 instructions, Publication 535, Business Expenses, and Form 8995/8995-A instructions for additional information.”

**Exception:** If the adjustment to the QBID does not require the assessment of **additional tax**, see IRM 21.5.3.4.6.1, Disallowance and Partial Disallowance Procedures, and send the taxpayer a Letter 106C, Claim Partially Disallowed, instead of the Letter 474C.

- (3) The taxable income limitation is calculated as follows:



If	Then
The taxpayer files a Schedule D	<ol style="list-style-type: none"> <li>1. Start with the AGI from Form 1040/ 1040-SR/ 1040-NR.</li> <li>2. Subtract the standard/itemized deductions from Form 1040/1040-SR/1040-NR.</li> <li>3. Subtract the “net capital gain”- which is the smaller of Schedule D, line 15 or line 16, <b>unless either</b> line 15 or 16 is blank or a loss, in which case the net capital gain is \$0.00.</li> <li>4. Subtract any qualified dividends from Form 1040/1040-SR/ 1040-NR.</li> <li>5. Multiply the resulting amounts by 20 percent (.20)- <b>this is the taxable income limitation.</b></li> </ol>
The taxpayer does not file a Schedule D	<ol style="list-style-type: none"> <li>1. Start with the AGI from Form 1040/Form 1040-NR.</li> <li>2. Subtract the standard/itemized deduction from Form 1040/1040-SR/1040-NR.</li> <li>3. Subtract the “net capital gain”- which includes any <b>positive amounts</b> reported as capital gain distributions from Form 1040/1040-SR/1040-NR.</li> <li>4. Subtract any qualified dividends from Form 1040/1040-SR/1040-NR.</li> <li>5. Multiply the resulting amounts by 20 percent (.20)- <b>this is the taxable income limitation.</b></li> </ol>

- (4) For tax year 2018 **only**, taxpayers who are claiming a Domestic Production Activity Deduction (DPAD) under IRC 199A(g) are instructed to:

- Write-in the deduction and subtract it from their taxable income using line 10.
- Attach a statement that the reduced income was a result of the DPAD under IRC 199A(g).

This write-in deduction causes the return to fall out to Error Resolution System (ERS).

**Example:** AGI (line 7) minus standard/itemized deduction (line 8) minus QBID (line 9) will not equal taxable income (line 10) if DPAD is reported.

If DPAD is reported on Form 1040 line 10, ERS employees review the return for the supporting statement attached to the return. If the statement is not present, a Taxpayer Notice Code (TPNC) 731 is assigned and a notice is sent to the taxpayer.

**NOTE: The “write-in” amount entered on Form 1040 line 10 cannot exceed the taxable income.**

If	Then
The taxpayer contacts the IRS to correct the math error.	<ul style="list-style-type: none"> <li>Review the account to ensure the necessary information (as described above) has been included.</li> <li>If you cannot verify the information, request the taxpayer to provide the supporting documentation.</li> <li>Once verified, accept the taxpayer's figures and adjust accordingly.</li> <li>For additional information see IRM 21.5.4.5.3, Processing Responses to Math Error Notices.</li> </ul>
The taxpayer files a Form 1040X claiming the DPAD deduction.	<ul style="list-style-type: none"> <li>Review the account to ensure the necessary information (as described above) has been included.</li> <li>If you cannot verify the information, send the appropriate letter requesting the missing information.</li> <li>Once verified, accept the taxpayer's figures and adjust accordingly.</li> <li>For additional information see IRM 21.5.4.5.3, Processing Responses to Math Error Notices.</li> </ul>

For tax years 2019 and subsequent, taxpayers must report their deduction on Form 8995, Qualified Business Income Deduction Simplified Computation, or Form 8995-A, Qualified Business Income Deduction.

(5) When adjusting the Qualified Business Income Deduction (QBID):

- Use TC **29X** to reflect any tax changes from QBID.
- Use reason code **156** and the appropriate *source code* and *blocking series*.
- Input item reference number 886 to adjust the taxable income as needed.

**Exhibit 21.6.7-1 (03-13-2024)****Reason Codes**

The following tables list the reason codes printed on adjustment notices, or found throughout the IRM.

**Filing Status and Exemptions:**

Reason Code	Literal Which Prints on the CP 21/CP 22A Notice Filing Status and Exemptions (Use the RC for the new filing status; e.g., single to HOH - use RC 004)
001	Filing status to single
002	Filing status to married filing a joint return
003	Filing status to married filing a separate return
004	Filing status to head of household
005	Filing status to qualifying widow(er) with dependent child
006	Total exemption amount (2017 and prior)
040*	Bona fide and physical presence test
104	Total exemption amount for Katrina house guest

**Income:**

Reason Code	Literal Which Prints on the CP 21/CP 22A Notice Income
007	Income from wages, salaries, tips, etc.
008	Interest and/or dividends income
012	Business income (or loss)
013	Investment gain (or loss)
014*	Foreign Earned Income reported on Form 2555
016	Pensions and Annuities
017	<b>Note:</b> Nothing prints on CP 21A/22A. Beginning 10/1/2002, reintroduce RC 017 for tracking purposes only. Used with RC 053 when adjusting an account <b>ONLY</b> for CP 27 or 09. <b>Note:</b> The RC 017 was previously used for tax year 1993 OBRA.
018	Schedule E income (or loss)
019	Farm income (or loss)
020	Unemployment compensation
021	Other income
022	Total Income

**Exhibit 21.6.7-1 (Cont. 1) (03-13-2024)****Reason Codes**

<b>Reason Code</b>	<b>Literal Which Prints on the CP 21/CP 22A Notice Income</b>
029	Taxable Social Security Benefits
042**	Ingreso por cuenta propia

**Adjustments to Income:**

<b>Reason Code</b>	<b>Literal Which Prints on the CP 21/CP 22A Notice Adjustments to Income</b>
025	Amount claimed as payment made to a qualified retirement plan
027	Interest penalty on early withdrawal of savings
030	Adjustments to income
031*	Foreign earned income exclusion
032	Adjusted Gross Income
052	Roth Individual Retirement Account (IRA) election to reflect that the total taxable conversion amount is subject to tax (Primary Taxpayer)
058	Roth IRA election to reflect that the taxable conversion amount must be reported and any tax due paid over 4 years (Primary Taxpayer)
059	Roth IRA election to reflect that the total taxable conversion amount is subject to tax (Secondary Taxpayer)
060	Roth IRA election to reflect that the taxable conversion amount must be reported and any tax due paid over 4 years (Secondary Taxpayer)
083*	Income exempt per tax treaty
084*	Scholarship or fellowship exclusion
094*	Net operating loss carryback or carryforward
139	Adjustments made due to fraudulent identity theft return

**Tax Computation:**

<b>Reason Code</b>	<b>Literal Which Prints on the CP 21/CP 22A Notice Tax Computation</b>
033	Additional taxes from Form 4970, Tax on Accumulation Distribution of Trusts, Form 4972, Tax on Lump-Sum Distributions, or Form 8814, Parents' Election To Report Child's Interest and Dividends
034*	Dual status tax

**Exhibit 21.6.7-1 (Cont. 2) (03-13-2024)****Reason Codes**

<b>Reason Code</b>	<b>Literal Which Prints on the CP 21/CP 22A Notice Tax Computation</b>
043	Schedule D computation. <b>Note:</b> Includes Schedule D, Schedule D Worksheet, Capital Gain Tax Worksheet (CGTW) and Qualified Dividend and Capital Gain Tax Worksheet (QDCGTW). (Use RC 043 for Schedule D tax computation change; use RC 013 for Schedule D investment gain or loss.)
046	Schedule J (Prior to 1999, RC 046 was used for recomputing prior year investment credit.)
070*	Zero Bracket Amount
075	Taxable income
076	Schedule A
092	Standard deduction
124	Schedule L, Standard Deduction for certain filers
136	Additional Medicare Tax
137	Net Investment Income Tax

**Credits:**

<b>Reason Code</b>	<b>Literal Which Prints on the CP 21A/CP 22A Notice Credits</b>
035	Education Credit, see IRM 21.6.3.4.1.5.2, Form 8863 - Adjusting the Credit.
036	Tax credits, see IRM 21.6.3.4.1.2, Adjusting Non-Refundable Credit Modules.
041*	Alternative Minimum Foreign Tax Credit
063*	Virgin Island credit on Form 8689, Allocation of Individual Income Tax to the U.S. Virgin Islands
072	Health Insurance Credit, see IRM 21.6.3.4.2.9.7, Adjusting the Credit
172**	Employer Credit for Paid Family and Medical Leave
173**	Credit for Other Dependents
230	Advanced Manufacturing Production Credit (refundable and non-refundable)
231	Advanced Manufacturing Investment Credit (refundable and non-refundable)

**Other Taxes:**

**Exhibit 21.6.7-1 (Cont. 3) (03-13-2024)****Reason Codes**

<b>Reason Code</b>	<b>Literal Which Prints on the CP 21/CP 22A Notice Other Taxes</b>
024**	Uncollected Social Security and/or Medicare Tax
037*	Non-effectively connected tax
038*	Backup withholding
044**	Self-Employment Tax
045	Minimum Tax or Alternative Minimum Tax
047	Social Security Tax on Tip Income not reported to employer or uncollected employee Social Security Tax Railroad Retirement Tax Act (RRTA)Tax on Tips
048	Tax on your Individual Retirement Account
049	Total tax
050	Household Employment Taxes (Schedule H)
095*	Tax computation using the 30 percent statutory rate or reduced treaty rate
136	Additional Medicare Tax
137	Net Investment Income Tax
153	Shared Responsibility Payment (ACA)
154	Shared Responsibility Payment (Compliance use only) (ACA) Shared Responsibility Payment (5000A penalty)
170	Schedule H FUTA
171	Schedule H CAWR

**Affordable Care Act (ACA):**

<b>Reason Code</b>	<b>Literal Which Prints on the CP 21/CP 22A Notice Affordable Care Act (ACA)</b>
151	Premium Tax Credit
152	Excess Advanced Premium Tax Credit Repayment
153	Shared Responsibility Payment
154	Shared Responsibility Payment (Compliance <b>Only</b> to be used on the CP 15H)

**Tax Reform:**

**Exhibit 21.6.7-1 (Cont. 4) (03-13-2024)****Reason Codes**

<b>Reason Code</b>	<b>Literal Which Prints on the CP 21/CP 22A Notice Tax Reform</b>
156**	Qualified Business Deduction
157**	Opportunity Zone
158**	Reversal of Installment Deferral
159**	Excess Business Loss
164**	IRC 965 Systemic Credit Reversal
174**	Net tax liability under Section 965
190**	This is amount deferred for next 7 years under 965(h)

**Economic Impact Payments:**

<b>Reason Code</b>	<b>EIP Reason Codes (Informational Only) Literal Will Not Print on the CP 21/CP 22A Notice</b>
200	No payment or "plus-up payment" due (includes AGI phase-out)
201	No payment due to the taxpayer being claimed on another return (TC 971 AC 199 may reflect "DSI") or Someone can claim you/spouse as a dependent box checked
202	No payment due to TIN issues (an invalid primary or secondary TIN, invalid due to assignment date, and ITIN) (A TC 971 AC 166 in the entity identifies SSNs issued for non-work purposes)
203	No payment due to the filing of Form 1040-NR, Form 1040-PR, or Form 1040-SS
205	<ul style="list-style-type: none"> <li>Systemic catch-all for when a payment cannot be issued, such as a refund less than \$1 and SSA/RRB deceased individual</li> <li>Payment was previously considered (including an amount for zero) and could be reduced or eliminated.</li> <li>Tax year 2021 "plus-up payments"</li> </ul>
206	Payment reduced to AGI phase-out
207	Deceased taxpayer, payment issued to surviving spouse
209	Taxpayer qualifies for \$1,200/\$2,400
211	One or more children have an invalid TIN
213	All claimed children qualify
214	EIP 1 and EIP 3, split equally between primary and secondary taxpayer
215	EIP 1 and EIP 3, attributed to only the primary taxpayer
216	EIP 1 and EIP 3, attributable to only the secondary taxpayer
217	EIP 2 split equally between primary and secondary taxpayer

**Exhibit 21.6.7-1 (Cont. 5) (03-13-2024)****Reason Codes**

Reason Code	EIP Reason Codes (Informational Only) Literal Will Not Print on the CP 21/CP 22A Notice
218	EIP 2 attributable to the primary taxpayer
219	EIP 2 attributable to the secondary taxpayer

**Payments:**

Reason Code	Literal Which Prints on the CP 21/CP 22A Notice Payments
051	Total Federal Income Tax Withheld
053	Earned Income Credit (allowed/increased/decreased)
054	Earned Income Credit (disallowance only). Used with SC 0 and reads: "Your claim for Earned Income Credit is not approved. You will be sent a separate letter formally disallowing your claim."
055	Excess Social Security Tax or RRTA Tax Withheld
057	Regulated Investment Company Credit
061	Payments and/or credits
069*	Form 8288, U.S. Withholding Tax Return for Disposition by Foreign Persons of U.S. Real Property Interests, or Section 1446 withholding
039*	Social Security tax withheld based on your visa
071	Advanced Child Tax Credit <b>Tax Year 2007</b> Economic Stimulus Payment
072	Health Coverage Tax Credit <b>Note:</b> RC 072 is valid for tax year 2001 and subsequent.
077	Advance Child Tax Credit
078	Advance Child Tax Credit
079	Advance Child Tax Credit
102	Credit for Federal telephone excise tax paid (Effective January 2007)
103	EIC Certification
105	Making Work Pay and Government Retiree Credit - If no government retiree credit is taken
106	Refundable Education Credit
108	Making Work Pay and Government Retiree Credit - If government retiree credit of \$250 is taken



## Exhibit 21.6.7-1 (Cont. 6) (03-13-2024)

## Reason Codes

Reason Code	Literal Which Prints on the CP 21/CP 22A Notice Payments
109	First-Time Homebuyer Credit - 2008 Credit required to be repaid
110	First-Time Homebuyer Credit - When the home was purchased in 2009 or 2010 <b>Note:</b> Do not use RC 110 when adjusting accounts for FTHBC recapture.
111	Making Work Pay and Government Retiree Credit - If government retiree credit of \$500 is taken
112	Requirement to repay the First-Time Homebuyer Credit waived. This is forgiveness for taxpayers who had a loss when the house was sold
113	Requirement to repay the First-Time Homebuyer Credit waived. This is forgiveness for taxpayers who had a loss on the house due to natural disaster
114	Repayment of the First-Time Homebuyer Credit. This is for taxpayers who converted their home to rental or business use. Systemic use only
115	First-Time Homebuyer Credit transferred to spouse. Transfer to spouse requested on Form 5405, Repayment of the First-Time Homebuyer Credit
116	Repayment of spouse's share of the First-Time Homebuyer Credit waived. This is forgiveness if the primary taxpayer is deceased
117	Repayment of spouse's share of the First-Time Homebuyer Credit waived. This is forgiveness if the secondary taxpayer is deceased
118	Requirement to repay the First-Time Homebuyer Credit waived. This is forgiveness when both taxpayers are deceased
119	Repayment of First-Time Homebuyer Credit. Used when updating the primary entity section
120	Repayment of First-Time Homebuyer Credit. Used when updating the spouse's entity section
121	Internal Use Only. Used to adjust the primary First Time Homebuyer Credit year <b>Note:</b> When adjusting both the primary and secondary year, use RC 000. When the adjustment posts to Masterfile RC 000 drops off.
122	Internal Use Only. Used to adjust the spouse's First-Time Homebuyer Credit year. See the note in RC 121 above
123	Repayment of First-Time Homebuyer Credit. This updates the joint entity section
124	Schedule L Standard Deduction for Certain Filers
125	First-time Homebuyer Credit - this is for the repeat home owners up to \$6,500 ( up to \$3,250 for married individuals filing separately)

**Exhibit 21.6.7-1 (Cont. 7) (03-13-2024)****Reason Codes**

<b>Reason Code</b>	<b>Literal Which Prints on the CP 21/CP 22A Notice Payments</b>
126	First-Time Homebuyer Credit - this is for the military, foreign service, or intelligence community
127	Requirement to repay the First-Time Homebuyer Credit waived. This is for members of the military, foreign service, or intelligence community
128	First-time Homebuyer Credit for homes purchased by first time homebuyer without binding contract attached
129	First-Time Homebuyer Credit for homes purchased by long time residents without binding contract or 5 out of 8 years documentation attached
130	Income Exclusion for Loan Forgiveness for Health Professionals
132	Repayment of First-Time Homebuyer Credit. Used to adjust a joint FTHBC repaid via separate returns
133	Repayment of the First-Time Home Buyer Credit. This is for taxpayers whose home was destroyed, condemned, or disposed of under threat of condemnation, and had a gain
135	2010 Gulf Region Oil Spill

**Penalties, Fees and Interest:**

<b>Reason Code</b>	<b>Literal Which Prints on the CP 21/CP 22A Notice Penalties, Fees, and Interest</b>
023	<p>Interest charged. We reduced the interest because you were located in a Presidentially Declared Disaster Area. We eliminated the interest charged during the time period for which an extension of time to file returns and pay taxes was granted</p> <p><b>Caution:</b> For 1996 (and subsequent) - RC 23 is used ONLY for Legislative interest abatement for taxpayers in Disaster areas; see IRM 20.2, Interest.</p> <p><b>For 1993:</b> RC 023 was used with SC 0 and read <b>You elected on your 1993 federal income tax return to defer two-thirds of additional 1993 tax associated with the tax rate increase imposed by the 1993 Budget Reconciliation Act. The third and final installment of deferred tax is now due.</b></p> <p><b>Note:</b> RC 023 was used for the tax year 1993 only with the Budget Reconciliation Act wording.</p>

## Exhibit 21.6.7-1 (Cont. 8) (03-13-2024)

## Reason Codes

Reason Code	Literal Which Prints on the CP 21/CP 22A Notice Penalties, Fees, and Interest
062**	Penalty due to reasonable cause (Interest is charged on any unpaid tax and may not be removed for reasonable cause) <b>Note:</b> Use RC 062 only when Penalty Reason Code (PRC) is in the "Reasonable Cause" category.
064	Reconsideration No-Response. (Compliance Examination use only.)
065**	Penalty Charge <b>Note:</b> Use RC 065 only when PRC is NOT in the "Reasonable Cause" category.
066	Reconsideration disallowed in full. (Compliance Examination use only.)
067	Reconsideration disallowed in part. (Compliance Examination use only.)
068	Reconsideration allowed in full. (Compliance Examination use only.)
071**	Reserved
073	Assessment of fee
074	Interest Charges
077**	Reserved
080	<b>Exclusive:</b> Ministerial Interest case; report purposes only. Nothing prints on CP 21A/CP 22A
081	<b>Exclusive:</b> Ministerial Interest case; report purposes only. Nothing prints on CP 21A/CP 22A
082	<b>Exclusive:</b> Ministerial Interest case; report purposes only. Nothing prints on CP 21A/CP 22A
226	MFT 40, Form 8849 No interest. For tracking purposes only, nothing prints on the CP21A/CP22A.
227	MFT 40, Form 8849 Interest required if not paid within 20 days of return processable date. For tracking purposes only, nothing prints on the CP21A/CP22A.
228	MFT 40, Form 8849 Interest required if not paid within 45 days of return processable date. For tracking purposes only, nothing prints on the CP21A/CP22A.
229	MFT 40, Form 8849 Interest required if not paid within 60 days of return processable date. For tracking purposes only, nothing prints on the CP21A/CP22A.

Treasury Offset Program:

**Exhibit 21.6.7-1 (Cont. 9) (03-13-2024)****Reason Codes**

<b>Reason Code</b>	<b>Literal Which Prints on the CP 21/CP 22A Notice Treasury Offset Program</b>
086***	An Injured Spouse Claim was filed, requesting a refund of the non-obligated spouse's share of the amount applied against the non-tax debt <b>Note:</b> RC 086 used only with SC 7.
087***	We have corrected a math or processing error on your return <b>Note:</b> RC 087 used only with SC 7.
089***	The offset was done in violation of the automatic stay of bankruptcy <b>Note:</b> RC 089 used only with SC 7.
090***	The offset resulted from a payment which was specifically intended for application to an outstanding IRS balance <b>Note:</b> RC 090 used only with SC 7.
091***	Based on the superseding tax return you filed, we have adjusted the tax, withholding, or credits reported on your original tax return <b>Note:</b> RC 091 used only with SC 7.

**Miscellaneous and Special Projects:**

<b>Reason Code</b>	<b>Literal Which Prints on the CP 21/CP 22A Notice Miscellaneous and Special Projects</b>
085	Refund status. Based on a review of your account or on the information you provided, we are releasing your overpayment. Your overpayment is being refunded unless you have other outstanding liabilities
093	<b>Immediate Tax Relief credit — RELIEF Act 2001</b> <b>For tax year 2000 (ONLY):</b> RC 093 is generated if the TC 290 .00 CRN 338 was systemically reversed (cycle 200151 or 200152). RC 093 can be manually input; SC 0 generates. <b>For tax year 2000, RC 093 reads:</b> "We reversed the Immediate Tax Relief credit on your 2000 tax account since it was not refunded to you by December 31, 2001, as the law requires. We are sorry the refund was not issued in time to meet this requirement." <b>For tax year 2019:</b> RC 093 prints as a standalone without a Source Code. RC 093 reads: We are required by law to mail the Economic Impact Payment by December 31 2020. We could not issue the check by this date so you will not get the payment based on your 2019 tax account. However, you may be able to claim a credit on your 2020 Federal Return.

## Exhibit 21.6.7-1 (Cont. 10) (03-13-2024)

## Reason Codes

Reason Code	Literal Which Prints on the CP 21/CP 22A Notice Miscellaneous and Special Projects
096	<p>Tax Relief Credit</p> <p><b>2020 and 2021 Recovery Rebate Credit</b>  <b>For tax year 2020 and 2021:</b> RC 096 is used when correcting account information. Use RC 096 with appropriate SC and any other RCs. RC 096 reads: <b>Recovery Rebate Credit.</b></p> <p><b>2008 Recovery Rebate Credit</b>  <b>For tax year 2008:</b> RC 096 is used when correcting account information. Use RC 096 with appropriate SC and any other RCs. RC 096 reads: <b>Recovery Rebate Credit.</b></p> <p><b>Immediate Tax Relief credit — RELIEF Act 2001</b>  <b>For tax year 2001:</b> Use RC 096 with the appropriate SC and any other RCs; <b>RC 096 reads: Tax Relief Credit.</b></p> <p><b>For tax year 2000:</b> RC 096 alone generates (no manual input of RC 096) ONLY with the systemic posting of TC 290 .00 CRN 338 (DLN of NN254-999-05099-1). RC 096 read: "We applied a credit to your 2000 tax account due to new legislation. We used (offset) all or part of your credit to pay your past due Federal tax as the law requires. We will send a separate notice to you about the offset."</p>
097	Innocent Spouse Claim-Disallowed (Never prints a CP 21A/CP 22A. RC 098 used for tracking purposes.)
098	Innocent Spouse Claim-Allowed (Never prints a CP 21A/CP 22A. RC 098 used for tracking purposes.)
099**	<p>Account Information</p> <p><b>Note:</b> Use ONLY when RCs above do not apply or when instructed by a specific IRM.</p>
100	Form 1040, U.S. Individual Income Tax Return, filer converted to Form 1040NR, U.S. Nonresident Alien Income Tax Return, filer - used by PSC
101	Form 1040NR, U.S. Nonresident Alien Income Tax Return, filer converted to Form 1040, U.S. Individual Income Tax Return, filer - used by PSC
131	Return Preparer Misconduct - information that prints on the adjustment notice is <b>return data due to return preparer misconduct</b>
160	Recipient's Form 1042-S indicates money is in escrow
161	Recipient's Form 1042-S does not match the Withholding Agent's Form 1042-S copy
162	Recipient has already claimed the Form 1042-S credit
163	Withholding Agent did not deposit sufficient funds

**Exhibit 21.6.7-1 (Cont. 11) (03-13-2024)****Reason Codes**

<b>Reason Code</b>	<b>Literal Which Prints on the CP 21/CP 22A Notice Miscellaneous and Special Projects</b>
165	Multiple Issues Concerning Form 1042-S and Form 1040NR/NR-EZ
166	Form 1042-S Escrow Box Checked on WA Copy
167	Form 1042-S Name Mismatch to Form 1040NR/NR-EZ
168	Form 1042-S TIN Mismatch to Form 1040NR/NR-EZ
169	Form 1042-S FTW Mismatch to Form 1040NR/NR-EZ
176	Home Grant Penalty and Interest Free Adjustment
177	Home Grant with Carryback Criteria Penalty and Interest Free Adjustment
221	Excess Advance Child Tax Credit Repayment
232	Elective Payment Election Sequestration

**Reserved for Criminal Restitution Assessments:**

<b>Reason Code</b>	<b>Literal Which Prints on the CP 21/CP 22A Notice Reserved for Criminal Restitution Assessments</b>
141	Criminal restitution assessment with IMF client returns of the preparer the basis for the underlying tax liability, with duplicate or possible duplicate civil assessments
142	Criminal restitution assessment with BMF client returns of the preparer the basis for the underlying tax liability, with duplicate or possible duplicate civil assessments
143	Criminal restitution assessment with IMF underlying tax liability, with duplicate or possible duplicate civil assessment
144	Criminal restitution assessment with BMF underlying tax liability, with duplicate or possible duplicate civil assessment
145	Criminal restitution assessment with IMF underlying tax liability, with duplicate criminal restitution assessment
146	Criminal restitution assessment with BMF underlying tax liability, with duplicate criminal restitution assessment
<b>Note:</b> Any TC 29X with RCs 141 through 146 must also have either RC 147 or RC 148.	
147	There is reasonable cause to waive the FTP penalty, if known <b>Note:</b> RC 147 may not be used without using one of the RCs 141 through 146, except with a TC 290 for zero amount.

## Exhibit 21.6.7-1 (Cont. 12) (03-13-2024)

## Reason Codes

Reason Code	Literal Which Prints on the CP 21/CP 22A Notice Reserved for Criminal Restitution Assessments
148	There is <b>NO</b> reasonable cause to waive the FTP penalty, if known <b>Note:</b> RC 148 may not be used without using one of the RCs 141 through 146, except with a TC 290 for zero amount.
149	RESERVED
150	Used with CRN 337 to mirror payments applied to duplicate restitution-based assessments

## Reserved Reason Codes:

Reserved Reason Codes
<b>Reserved:</b> RCs 009, 010, 011, and 026

**Note:** \*RCs marked with one asterisk (\*) for international accounts (PSC) only.

\*\* RCs marked with two asterisks (\*\*) print in Spanish when the entity filing requirement is '7'.

\*\*\*RCs marked with three (\*\*\*) for reversing offsets through the Treasury Offset Program.

RC 042 prints in Spanish **only**.

RCs 086, 087, 089, 090, and 091 are the only RCs permitted to be used with SC 7; no other SC may be used.

For additional information see *Document 6209 Section 8C - Master File Codes*.

