



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

21.7.1

AUGUST 28, 2024

EFFECTIVE DATE

(10-01-2024)

PURPOSE

- (1) This transmits revised IRM 21.7.1, Business Tax Returns and Non-Master File Accounts, BMF/NMF Miscellaneous Information.

MATERIAL CHANGES

- (1) Various editorial changes are made throughout this IRM. Also, this IRM is revised to reflect the following changes:

IRM Reference	Material Change
IRM 21.7.1.4.7.1(5)	Removed authentication procedures and If/And/Then Table to link to authentication procedures in IRM 10.10.3.3.14. IPU 23U0981 issued 10-02-2023
IRM 21.7.1.4.7.1(6)	Removed paragraph; same Information provided in the IRM 10.10.3.3.14 link contained in IRM 21.7.1.4.7.1 Paragraph 5. IPU 23U0981 issued 10-02-2023
IRM 21.7.1.4.7.1(6)	Updated IRM link in "If and Then" Chart for taxpayer authentication procedures previously referencing IRM 21.1.3.2.3 (8), Required Taxpayer Authentication to IRM 10.10.3.3.6, Identity Proofing for Required Taxpayer Authentication per SERP Feedback #14103. IPU 23U1108 issued 11-20-2023.
IRM 21.7.1.4.7.1(6)	Updated If/and/then, taxpayer, reference from IRM 10.10.3.3.6, Identity Proofing for Taxpayer Authentication to IRM 21.1.3.2.3, Required Taxpayer Authentication. Added reminder to see IRM 21.1.3.9 when faxing Letter 147C. IPU 24U0086 issued 01-16-2024
IRM 21.7.1.4.7.1(6)	Removed wording "if required" in box 1 of the if/and/then chart for taxpayer authentication following procedures in IRM 21.1.3.2.3 , Required Taxpayer Authentication per SERP Feedback #18495. IPU 24U0604 issued 05-03-2024.
IRM 21.7.1.4.7.1(7)	Renumbered to Paragraph 6; updated information in the If/And/Then Table referring to renumbered paragraphs. IPU 23U0981 issued 10-02-2023

IRM 21.7.1.4.7.1(8)	Renumbered to Paragraph 7; updated instruction to refer to IRM 10.10.3.3.14(2) if EIN is not located. IPU 23U0981 issued 10-02-2023
IRM 21.7.1.4.7.1(9)	Renumbered to Paragraph 8. IPU 23U0981 issued 10-02-2023
IRM 21.7.1.4.8.1.1(1)	Added reference to Form 9779 EFTPS Business Enrollment Form. IPU 23U1108 issued 11-20-2023.
IRM 21.7.1.4.8.1.1(2)	Updated hours of operation for EFTPS Customer Service and added the EFTPS Customer Service Phone number for callers outside of the United States 303-967-5916 per SERP Feedback #13969. IPU 23U1108 issued 11-20-2023.
IRM 21.7.1.4.8.1.5(1)(a)	Added phone number for the EFTPS Voice Response System (VRS) 800-555-3453. IPU 23U1108 issued 11-20-2023.
IRM 21.7.1.4.11.4(1)	Updated Ogden Large Corp phone number from 801-620-5492 to 801-620-5497, per SERP Feedback #15663. IPU 24U0086 issued 01-16-2024
IRM 21.7.1.4.11.3(4)	Updated the IDRS # for CAMC LCI 17 from 0236205278 to 0236026366 per SERP Feedback #20147. IPU 24U0781 issued 06-20-2024.
IRM 21.7.1.4.11.5(2)	Updated link to the LCI Request Form and Instructions. IPU 24U0086 issued 01-16-2024
IRM 21.7.1.4.11.5(4)	Updated link to the LB&I Practice Area Analysts. IPU 24U0086 issued 01-16-2024
IRM 21.7.1.4.11.6(2)	Note added to advise a letter doesn't need to be sent to the taxpayer when removing a business from the Large Corp Program when there is indication the business is closed and/or there are no open filing requirements. IPU 23U1108 issued 11-20-2023.
IRM 21.7.1.4.11.8(2)	Updated example with current year dates.

EFFECT ON OTHER DOCUMENTS

IRM 21.7.1 dated August 25, 2023 effective October 1, 2023 is superseded. The following IRM procedural update(s) have been incorporated into this IRM: IPU 23U0981 issued 10-02-2023, IPU 23U1108 issued 11-20-2023, IPU 24U0086 issued 01-16-2024, IPU 24U0604 issued 05-03-2024, and IPU 24U0781 issued 06-20-2024.

AUDIENCE

The primary users of this IRM are Customer Service Representatives (CSR) who answer Business Master File (BMF) taxpayer inquiries and issues involving BMF tax returns.

Lucinda Comegys
Director, Accounts Management
Taxpayer Services Division

21.7.1

BMF/NMF Miscellaneous Information

Table of Contents

21.7.1.1 Business Tax Returns and Non-Master File (NMF) Accounts Program Scope and Objectives

21.7.1.1.1 Background

21.7.1.1.2 Authority

21.7.1.1.3 Roles and Responsibilities

21.7.1.1.4 Program Management and Review

21.7.1.1.5 Program Controls

21.7.1.1.6 Terms/Definitions/Acronyms

21.7.1.1.7 Related Resources

21.7.1.2 What Are Business Tax Returns and Non-Masterfile (NMF) Accounts?

21.7.1.3 Business Research

21.7.1.3.1 Taxpayer Advocate Service (TAS)

21.7.1.3.1.1 Congressional Correspondence

21.7.1.3.2 Small Business Internet Site

21.7.1.4 Business Master File (BMF) /Non-Masterfile (NMF) Adjustment Procedures

21.7.1.4.1 Transaction Codes (TC)

21.7.1.4.2 Notice Suppression Indicator (NSI)

21.7.1.4.3 Miscellaneous Codes

21.7.1.4.4 Miscellaneous Adjustment Situations (BMF)

21.7.1.4.4.1 Toll-free Calls When Return Needed

#

21.7.1.4.4.3 Estate and Gift Inquiries - Accounts Management

21.7.1.4.4.3.1 Estate and Gift Tax - Call Referrals/Case Transfers by Customer Service Representatives (CSRs)

21.7.1.4.4.4 Excise Taxes

21.7.1.4.4.4.1 Excise Operations Telephone Transfer Guidance (TTG)

21.7.1.4.5 Federal Agencies

21.7.1.4.5.1 FEDTAX II Payments and Form 941

21.7.1.4.5.1.1 Federal Agencies - Forms 941-X

21.7.1.4.5.2 Abatement of Penalty and Interest Involving Federal Agencies

21.7.1.4.6 BMF Offset Program

21.7.1.4.6.1 -E Freeze/Debit Offset

21.7.1.4.6.2 Q- Freeze/Offset

21.7.1.4.6.3 D- Freeze, Transaction Code (TC) 470 Closing Code (cc) 97 Restricted to Examiners Working Large Corporate Accounts

21.7.1.4.6.4 BMF Refund Offsets

- 21.7.1.4.7 Employer Identification Numbers (EINs)
 - 21.7.1.4.7.1 Employer Identification Number (EIN) Verification and Requests for Letter 147C, EIN Previously Assigned
- 21.7.1.4.8 Federal Tax Deposits (FTDs)
 - 21.7.1.4.8.1 Electronic Federal Tax Payment System (EFTPS)
 - 21.7.1.4.8.1.1 EFTPS Enrollment
 - 21.7.1.4.8.1.2 EFTPS - Website
 - 21.7.1.4.8.1.3 EFTPS Deposit Requirements
 - 21.7.1.4.8.1.4 EFTPS Payment Methods
 - 21.7.1.4.8.1.5 EFTPS Direct (ACH Debit)
 - 21.7.1.4.8.1.6 EFTPS (ACH Credit)
 - 21.7.1.4.8.1.7 Federal Tax Application (FTA) - Same-day Wire - IMF Taxpayer
 - 21.7.1.4.8.1.8 Federal Tax Application (FTA) - Same-day Wire - BMF Taxpayer
 - 21.7.1.4.8.1.9 Federal Tax Deposit (FTD) Penalties and Penalty Relief on EFTPS Payments
 - 21.7.1.4.8.2 Form 8109/Form 8109-B, Federal Tax Deposit (FTD) Coupons
 - 21.7.1.4.8.2.1 Resolving Inquiries Involving Federal Tax Deposit (FTD) Coupons
 - 21.7.1.4.8.3 Agent Prepared Federal Tax Deposits (FTD)
- 21.7.1.4.9 Fiduciary Name/Address Change
- 21.7.1.4.10 Technical Unit
 - 21.7.1.4.10.1 Identification of Priority or Special Cases
 - 21.7.1.4.10.2 Initial Case Review
 - 21.7.1.4.10.3 Accounts Desk Procedures (ADP) Technical Section
- 21.7.1.4.11 Large Corp Unit
 - 21.7.1.4.11.1 Large Corporate Compliance Program (LCC) Replaces Coordinated Industry Cases (CIC) and Field Contact Guidance
 - 21.7.1.4.11.2 Working Large Corp Cases (LCI Designated)
 - 21.7.1.4.11.3 Routing Large Corp Cases and Inquiries
 - 21.7.1.4.11.4 Campus Contacts for Large Corp Cases
 - 21.7.1.4.11.5 Requesting Large Corp Participation
 - 21.7.1.4.11.6 Removing Large Corp Participants
 - 21.7.1.4.11.7 Inputting/Removing the LCI and CEP Indicator
 - 21.7.1.4.11.8 Online Notice Review (OLNR) Process for Large Corp Notices
 - 21.7.1.4.11.9 Federal and State Agencies Accounts Receivables (Form 941)
 - 21.7.1.4.11.10 Failed Savings and Loans
 - 21.7.1.4.11.11 D- Freeze/Large Corp Offset
 - 21.7.1.4.11.11.1 Use and Posting of TC 470 cc 97 by Examiners Working Large Corp Accounts

#

21.7.1.4.11.13 Federal Contractor Tax Check Process

21.7.1.4.11.13.1 Tax Check Validation Process

21.7.1.4.11.13.2 Tax Check Taxpayer Contact

21.7.1.1
(10-01-2021)
**Business Tax Returns
and Non-Master File
(NMF) Accounts
Program Scope and
Objectives**

- (1) This section is designed to help Customer Service Representatives (CSR) and Tax Examining Assistants (TE) with resolving Business and Non-Masterfile account issues.
- (2) **Purpose:** This IRM provides procedures and guidance for resolving taxpayer inquiries related to Business Master File (BMF) and Non-Master-file (NMF) accounts.
- (3) **Audience:** The primary users of this IRM are Accounts Management Customer Service Representatives (CSR) and Non-Master-file Tax Examiners (TE) who answer BMF taxpayer inquiries (telephone, correspondence, or in person) and internal account requests. The IRM is intended for Customer Account Services issues involving BMF tax returns.
- (4) **Policy Owner:** The policy owner is the Director, Accounts Management, Taxpayer Services Division.
- (5) **Program Owner:** Taxpayer Services (TS), Accounts Management (AM), Policy and Procedure BMF (PPB).
- (6) **Primary Stakeholders:** The primary stakeholders are Taxpayer Services (TS) and organizations that collaborate with AM (e.g., Submission Processing (SP), Small Business Self Employed (SB/SE), and Large Business & International (LB&I).
- (7) **Program Goals:** Program goals for this type of work are to accurately and expeditiously answer taxpayer inquiries and correspondence which are included in the Accounts Management Program Letter.

21.7.1.1.1
(10-01-2021)
Background

- (1) Accounts Management (AM) employees provide responses to taxpayer correspondence and phone calls, as well as process claims, research and adjust certain applications and perform other internal adjustment requests.
- (2) IRM 21.7.1 provides guidance to employees assigned to AM Business Master File teams, as well as provide specific guidance for employees assigned to the Large Corp teams. Procedures in this section include the following:
 - Notice Suppression Indicator (NSI)
 - Miscellaneous Adjustment Situations (BMF)
 - Federal Agencies
 - BMF Offset Program
 - Employer Identification Numbers (EINs)
 - Federal Tax Deposits (FTDs)
 - Fiduciary Name/Address Change
 - Technical Unit
 - Large Corp Unit

21.7.1.1.2
(10-01-2022)
Authority

- (1) The procedures in this IRM help to translate a variety of legal and administrative authorities into practical guidance assistants can use. These authorities take many forms and are cited in this IRM as they apply to the topic being discussed. Refer to IRM 1.11.2.2.5, *Address Management and Internal Controls*, for more information about authorities of this program, process, or activity:
 - Public Law
 - Internal Revenue Code

- Regulations

(2) See IRM 1.2.1.13, *Servicewide Policies and Authorities, Policy Statements for Customer Account Services Activities*, that contains the Policy Statements which relate to Customer Account Services activities. The following are used by this program:

- Policy Statement 21-1 (Formerly P-6-1) - Service Commitment to Taxpayer Service Program
- Policy Statement 21-2 (Formerly P-6-10) - The public impact of clarity consistency and impartiality in dealing with tax problems must be given high priority
- Policy Statement 21-3 (Formerly P-6-12) - Timeliness and Quality of Taxpayer Correspondence
- Policy Statement 21-4 (Formerly P-6-13) - One-stop service defined
- Policy Statement 21-5 (Formerly P-6-40) - Assistance furnished to taxpayers in the correction of accounts

21.7.1.1.3
(10-12-2021)
**Roles and
Responsibilities**

- (1) The Taxpayer Services Chief Commissioner has overall responsibility for the policy related to this IRM which is published on a yearly basis.
- (2) Accounts Managements Policy and Procedure BMF (PPB) has responsibility for the information in this IRM, which is published on a yearly basis. The Chief of this team is responsible for ensuring this IRM is submitted timely to publishing each year.
- (3) The Director of Accounts Management oversees the policies in this IRM and approves and authorizes the issuance of this IRM.
- (4) More information is found in IRM 21.1.1, *Accounts Management and Compliance Services Overview*.

21.7.1.1.4
(10-01-2021)
**Program Management
and Review**

- (1) Program and management reviews are performed on Accounts Management employees work to ensure their work is completed according to procedural guidelines contained in this IRM.
- (2) **Program Reports:** The program reports provided in this IRM are for identification purposes for the Accounts Management Customer Service Representatives (CSR) and Tax Examiners (TE). For reports concerning quality, inventory, aged listings, refer to IRM 1.4.16, *Accounts Management Guide for Managers*. View aged listings by accessing Control Data Analysis, Project PCD, are on the Control-D/Web Access server, which has a login program control.
- (3) **Program Effectiveness:** Program Effectiveness is determined by Accounts Management's employees successfully using IRM guidance to perform necessary account actions and duties.

21.7.1.1.5
(10-01-2021)
Program Controls

- (1) IRS uses access control measures to provide protection from unauthorized alteration, loss, unavailability, or disclosure of information. Access control follows the principle of least privilege and separation of duties. This IRM provides guidance for managing access to protected data and for reviewing adherence to data security and procedural guidelines.

- (2) Accounts Management employees work is reviewed for administrative, privacy, security and safety practices according to the responsibilities outlined in this IRM in conjunction with other applicable IRMs and IRS guidance. Embedded Quality Review System (EQRS) is used to provide a point of reference in monitoring, conducting, measuring and improving the quality of work.

21.7.1.1.6
(08-25-2017)
**Terms/Definitions/
Acronyms**

- (1) The ReferenceNet Legal and Tax Research Service page provides an *Acronym Database* to research acronyms found within this IRM.
- (2) The following table includes a list of common acronyms used by Accounts Management employees. This list is not all inclusive.

Acronym	Definition
AGI	Adjusted Gross Income
AM	Accounts Management
AMT	Alternative Minimum Tax
BMF	Business Master File
BMFOL	Business Master File On-Line
BS	Blocking Series
CFOL	Corporate File On-Line
CIC	Coordinated Industry Cases
CII	Correspondence Imaging Inventory
EIN	Employer Identification Number
FR	Filing Requirement
FTC	Foreign Tax Credit
FTD	Federal Tax Deposit
IDRS	Integrated Data Retrieval System
IDT	Identity Theft
IMF	Individual Master File
IMFOL	Individual Master File On-Line
JCC	Joint Committee Case
LC	Large Corp
LCI	Large Corp Indicator
LCC	Large Corporate Compliance
MeF	Modernized e-File
MFT	Master File Tax
MTC	Minimum Tax Credit

Acronym	Definition
NMF	Non-Masterfile
RIVO	Return Integrity Verification Operation
SSN	Social Security Number
TC	Transaction Code
TXI	Taxable Income

21.7.1.1.7
(10-01-2021)

Related Resources

- (1) See IRM 21.2.2-2, *Accounts Management Mandated IAT Tools*, for a list of tools for use by Accounts Management employees. The following list is not all inclusive:

- Disclosure Tool
- Letter Tool
- Credit Transfer Tool
- REQ54 Tool
- Manual Refund Tool/EMT Tool
- Missing Refund (CHKCL) Tool
- Stop Refund (NOREF) Tool
- Erroneous Refund Tool
- BMFO RCA Tool
- FTD Tool
- EIN Assignment Tool

Accounts Management *Case Management Guidelines* Job Aid, is a resource provided to caseworkers to use when answering correspondence or processing claims.

- (2) In addition to IRM 21.7.1, CSRs refer to resources available to them, including but not limited to:
- IRM 21 (e.g., IRM 21.1, *Accounts Management and Compliance Services Operations*; IRM 21.5, *Account Resolution*)
 - IRM 2.3, *IDRS Terminal Responses*
 - IRM 2.4, *IDRS Terminal Input*
 - IRM 13.1, *Taxpayer Advocate Case Procedures*
 - IRM 20.2, *Interest*
 - IRM 20.1, *Penalty Handbook*
 - IRM 25.6, *Statute of Limitations*
 - IRM 25.23.11, *Business Master File (BMF) Identity Theft Procedures for Accounts Management*
 - Document 6209, *IRS Processing Codes and Information*
 - SERP, Servicewide Electronic Research Program, to view SERP Alerts, IPUs, Correspondence Letters and IRM Supplements among others

21.7.1.2

(10-01-2014)

What Are Business Tax Returns and Non-Masterfile (NMF) Accounts?

(1) The types of tax and related forms in this section are:

- Employment Tax Returns (Form 941, Form 943, Form 944, Form 945, Form 94X-X)
- Unemployment Tax Return (Form 940)
- Corporate Income Tax Returns (Form 1120 series, except International Tax Returns)
- Fiduciary Tax Returns (Form 1041, Form 1041-A, Form 5227)
- Partnership Tax Returns (Form 1065, Form 1065-B)
- Real Estate Mortgage Investment Conduit (REMIC) Income Tax Return (Form 1066)
- Required Payment or Refund Under Section 7519 (Form 8752)
- Railroad Tax Returns (Form CT-1, Form CT-2)
- Estate and Gift Tax Returns (Form 706 and Form 709 series)
- Exempt organizations (Form 990, Form 990-EZ, Form 990-T, Form 990-PF, Form 4720)
- Excise Tax Returns (Form 11-C, Form 720, Form 730, Form 2290)
- Various NMF returns

21.7.1.3

(10-01-2017)

Business Research

(1) Research procedures and adjustment actions are throughout this chapter within each type of form/tax.

(2) Refer to the proper reference material to research technical issues, e.g., Pub 15, *(Circular E) Employer's Tax Guide*, Pub 334, *Tax Guide for Small Business (For Individuals Who Use Schedule C or C-EZ)*, and Document 6209, *IRS Processing Codes and Information*.

(3) In addition to IRM 21.7.1, also see the following Internal Revenue Manuals or documents for more instructions:

- Document 6209, *IRS Processing Codes and Information*
- IRM 2.3, *IDRS Terminal Responses*
- IRM 2.4, *IDRS Terminal Input*
- IRM 13.1, *Taxpayer Advocate Case Procedures*
- IRM 20.2, *Interest*
- IRM 20.1, *Penalty Handbook*
- IRM 25.6, *Statute of Limitations*

21.7.1.3.1

(10-01-2022)

Taxpayer Advocate Service (TAS)

(1) 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*.

(2) Accounts Management (AM) assistants must be familiar with Taxpayer Advocate Service (TAS) criteria and TBOR, as discussed in paragraph 1. For more information about TBOR, refer to Pub 1, **Your Rights as a Taxpayer**.

(3) Refer taxpayers to TAS when the contact meets TAS criteria (see IRM 13.1.7, *Taxpayer Advocate Service (TAS) Case Criteria*) and the taxpayer's issue isn't resolved the same day. The definition of "same day" is within 24 hours. "Same day" cases include cases resolved in 24 hours, as well as cases in which steps have been taken within 24 hours to begin resolving the taxpayer's issue. Do not refer these cases to TAS unless they meet TAS criteria and the

taxpayer asks for a transfer to TAS. Refer to IRM 13.1.7.6, *Same Day Resolution by Operations*. When referring cases to TAS, use Form 911, *Request for Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance Order)*, and forward to TAS in accordance with local procedures.

Note: Taxpayers have the right to quality service. Taxpayers have the right to receive prompt, courteous, and professional help in their dealings with the IRS, to be spoken to in a way they can easily understand, to receive clear and easily understandable communications from the IRS, and to have a way to file complaints about inadequate service.

21.7.1.3.1.1
(10-01-2017)
**Congressional
Correspondence**

- (1) TAS works congressional inquiries. When a congressional inquiry is received via telephone or correspondence, follow the procedures in IRM 21.1.3.18, *Taxpayer Advocate Service (TAS) Guidelines*, to determine whether the congressional inquiry is referred to TAS.

21.7.1.3.2
(10-01-2008)
**Small Business Internet
Site**

- (1) Refer taxpayers who want to use the internet or resources and services available for businesses to *Small Business and Self-Employed Tax Center*.

21.7.1.4
(05-30-2017)
**Business Master File
(BMF) /Non-Masterfile
(NMF) Adjustment
Procedures**

- (1) This subsection contains general procedures and information to consider when inputting adjustments.
- (2) Take the following actions with oral statement on BMF accounts:
 - a. Payment/credit transfers (see IRM 21.5.8.2, *Credit Transfers Overview*).
 - b. Changes to item reference codes/numbers (not tax).
 - c. Certain penalty abatement requests. See IRM 20.1.1.3.1, *Unsigned or Oral Requests for Penalty Relief*.

Exception: An exempt organization incomplete return penalty abatement request is worked at the Ogden Campus only. Ogden Submission Processing Center (OSPC) works failure by large partnerships to file Form 1065, Partnership Tax Return, electronically and penalty abatement requests.

- d. Entity corrections including the primary name line. Some examples of entity corrections include spelling errors, incomplete names, missing or incorrect suffixes.
- e. Address changes. See IRM 21.1.3.20, *Oral Statement Authority*, for more information.
- f. Decimal point errors (increase or decrease) for tax or credits to restore figures as shown on the return.
- g. Missing schedule (information shown on original or amended return but schedule is not attached). Taxpayer can fax copy.
- h. Verification that a return is a true duplicate return (except Form 1065).
- i. Math errors/IRS errors (IRM 21.5.4.4, *Math Error Procedures Research*).
- j. Certain administrative errors, as noted throughout this chapter.

Note: For the definition of Administrative Errors, see IRM 21.7.2.4.6.3.1, *Administrative Errors*, and IRM 21.1.3.20, *Oral Statement Authority*, for complete information on oral authority.

- (3) Enter any adjustment remarks in the “Remarks” section of Command Code (CC) ADJ54 on Integrated Data Retrieval System (IDRS). See IRM 21.1.3.20.2, *Oral Statement Documentation Requirements*, for information on remarks, oral statement, and source document requirements.

21.7.1.4.1
(08-20-2015)

Transaction Codes (TC)

- (1) Use Transaction Codes (TCs) to make adjustments to the Master File (MF) through IDRS.
- (2) The primary TCs to adjust tax include:
 - TC 290 to increase tax
 - TC 291 to decrease tax

21.7.1.4.2
(03-24-2006)

Notice Suppression Indicator (NSI)

- (1) Notice Suppression Indicator (NSI) 1 prevents small balances from being printed on Audit/DP Tax adjustment notices CP 210, *Examination (Audit) or Data Processing Tax Adjustment - Balance Due, Overpayment, or Even Balance*, CP 220, *Examination (Audit) or Data Processing Tax Adjustment - Balance Due, Overpayment, or Even Balance*, CP 910, *Audit/DP Adjustment on Forms 94XPR (Spanish)*, or CP 920, *Audit/DP Adjustment on Forms 94XPR (Spanish)*.
 - a. NSI 1 suppresses adjustment data on the notice. **It does not suppress the notice.**
 - b. The notice is issued with the following modified wording: “This is in response to your request for an adjustment to your tax account for the period indicated above. The adjustment was made for the exact amount you requested.”
- (2) Use NSI 1 when the adjustment is for the exact amount the taxpayer requested and the adjustment results in one of the following:

#

Note: Based on an analysis of the case issues, do not use NSI 1 if the taxpayer is better served by using the normal unabbreviated notice.

21.7.1.4.3
(10-01-2017)

Miscellaneous Codes

- (1) References for other codes:
 - Hold Codes - IRM 21.5.2.4.15, *Rules on Hold Codes (HC)*, and Document 6209, *IRS Processing Codes and Information*
 - Penalty Reason Codes - IRM 20.1.1-2, *Penalty Reason Code (PRC) Chart*, and Document 6209
 - Posting Delay Codes - IRM 21.5.2.4.17, *Posting Delay Code (PDC)*
 - Freeze Codes - IRM 21.5.6, *Freeze Codes*, and Document 6209
 - Priority Codes - IRM 21.5.2.4.16, *Priority Codes (PC)*, and Document 6209

21.7.1.4.4
(10-01-2023)

Miscellaneous Adjustment Situations (BMF)

- (1) **Case is assigned to Accounts Management by Output Review.** Ensure Transaction Code (TC) 841 is posted (P– Freeze) before making an adjustment if a case is assigned to Accounts Management by Output Review because of a TC 976 on the module.

- (2) **Refund deletions.** To avoid incorrect notices being generated, **do not** input any necessary credit transfers until after the TC 841 has posted.
- (3) **Computer condition code (CCC) G.** When Code and Edit enters CCC G on an amended return:
 - a. The return posts to the module as a TC 976.
 - b. No tax data is entered in order to prevent the return from posting as an original.
 - c. Until the case is resolved, money submitted with the return is frozen from refunding.
- (4) **Failure to File (FTF)/Failure to Pay (FTP) penalties and computer-generated interest.**
 - a. The computer assesses or abates FTF and FTP penalties based on adjustments made to the module, except when IDRS shows manually assessed penalties or the module indicates other restrictions to the penalties. See IRM 20.1.2, *Failure To File/Failure To Pay Penalties*, for more information.
 - b. In most cases, it is not necessary to adjust interest.
 - c. The computer generates assessments and abatements of interest on all transactions, except when interest is manually computed or when other conditions prevent the computer from performing the calculation. (See IRM 20.2.1.4, *Normal and Restricted Interest* and IRM 20.2.5.6, *Restricted Interest*.)
- (5) **Difference between taxpayer's computation and yours.** When the IRS's computation is different from the taxpayer's, provide a complete explanation by letter or phone if the reason for adjustment is not sufficiently clear from the generated adjustment notice.
- (6) **Ensure correct adjustments.** If posted data does not match data provided by

original return before contacting the taxpayer for more information.

If	Then
Amended return can be verified with posted data or with Corporate Files On-Line (CFOL) Command Codes (CCs)	Do not request the original return.
Return is not received within 40 days or after two requests	Contact the taxpayer to secure a copy. (Accept faxed copies of the original return .)
Original return is requested and it is determined no adjustment is necessary	Forward the return to Files using local procedures.
Document code 54 refile document locator number (DLN) is required	Input TC 290 \$.00 using a document code 54 refile DLN.
Document code 54 refile DLN is not required	Each campus should determine whether to refile under an old or new control DLN. Ensure the method is uniform in each campus.

- (7) **Adjustments creating a refile DLN.** These adjustments must have the original return attached. If not, prepare Form 2275, *Records Request, Charge and Recharge*, to associate the original return with the adjustment document. See IRM 21.5.1.5.3, *CII Source Documentation*, for information on Correspondence Imaging Inventory (CII) procedures and blocking series.

- a. Use Blocking Series (BS) 18 instead of Form 2275, *Records Request, Charge and Recharge*, when possible.

Note: Use the correct non-refile BS if the original return is filed electronically. Do not use BS 18. See IRM 3.42.4.9.2.1, *Researching e-file BMF Identification Codes*.

- b. BS 18 updates the control DLN.
c. BS 18 generates CP 155, *Notice to Refile Return-Forms 94X, 1120*, which notifies Files to refile the return/case under the new control DLN.
d. BS 18 is valid for all Master File Tax (MFT) codes except 04 and 13.

- (8) **45-day interest-free period.** See IRM 20.2.4.7.5, *45-Day Rule*, for more information on interest-free period involving original returns, claims, and refunds.

Note: In 2010, Public Law 111–147 (HIRE Act), added Internal Revenue Code (IRC) 6611(e)(4) to increase the interest-free period from 45 days to 180 days on any overpayment resulting from tax deducted and withheld under Chapter 3 or Chapter 4 of the IRC. See IRM 20.2.4.7.6, *180-Day Rule*.

- (9) **\$10 million assessments.** The Office of Unpaid Assessments (Accounts Receivable) must analyze assessments over \$10 million to determine if they are classified correctly for required financial statements. Forward documentation (**photocopies**) of assessments over \$10 million (when the account has not been full paid) to:

#

- (10) BMF identity theft (IDT) inquiries, including Form 14039-B, **Business Identity Theft Affidavit**, refer to IRM 25.23.11, *Business Master File (BMF) Identity Theft Procedures for Accounts Management*, for IDT inquiries, and questions about Form 14039-B, *Business Identity Theft Affidavit*.

21.7.1.4.4.1
(10-12-2021)

**Toll-free Calls When
Return Needed**

- (1) The Customer Service Representative (CSR) must probe the caller and determine whether a copy of the tax return is necessary to resolve the issue within the same day. If the inquiry is not resolved by researching the Integrated Data Retrieval System (IDRS), Corporate File On-Line (CFOL), Correspondence Imaging Inventory (CII), or Employee User Portal (EUP) and the CSR determines a copy of the tax return is necessary, request the taxpayer send a signed copy of the tax return by Enterprise e-Fax (EEFax). If an amended tax return or taxpayer documentation is needed to complete the account correction, review IRM 21.5.2.4.3, *Adjustments Requiring an Amended Return or Taxpayer Documentation*, for more guidance.
- (2) IRM 21.2.3.4.2, *Facsimile*, indicates the number of EEFax pages is limited to the file size of the request and cannot exceed the Outlook Exchange size limit of 10 MB. The EEFax system does not have a defined page limitation for inbound or outbound faxes; however, Information Technology recommends an approximate 100-page limitation. If the document being faxed is near the recommended page limit, determine whether specific tax return pages or schedules satisfy the requirements to correct the account. The taxpayer may need to submit an amended return. The method of submission (paper or e-file) depends on the type of tax return and the taxpayer's filing requirements.
- (3) If analysis of the case determines the tax return must be pulled from Files, complete a Form 4442, *Inquiry Referral*, or Form e-4442, *E-Inquiry Referral*, and forward to the Accounts Management (AM) paper function within your directorate. Some site inventory procedures allow for the CSR to order the document and keep the case in their individual inventory. See the exception in IRM 21.5.2.3, *Adjustment Guidelines - Research*, paragraph 1, for procedures.
- (4) The site receiving the Form 4442, *Inquiry Referral*, or Form e-4442, *E-Inquiry Referral*, requests the tax return from Files and works the case.

Reminder: Do not request an e-filed tax return. See IRM 3.42.4.9.2.1, *Researching e-file BMF Identification Codes*, for more information.

#

[illegible]

(1) This section contains information on the Form 706 series of Estate Tax returns and on Form 709, United States Gift (and Generation-Skipping Transfer) Tax Return. The specific forms covered in this section include:

- Form 706, *United States Estate (and Generation-Skipping Transfer) Tax Return*
- Form 706-NA, *U.S. Estate (and Generation-Skipping Transfer) Tax Return Estate of nonresident not a citizen of the United States*
- Form 706-A, *United States Additional Estate Tax Return (IRC Section 2032A)*
- Form 706-GS(D), *Generation-Skipping Transfer Tax Return For Distributions*
- Form 706-GS(T), *Generation-Skipping Transfer Tax Return For Terminations*
- Form 706-QDT, *U.S. Estate Tax Return for Qualified Domestic Trusts*
- Form 706-D, *United States Additional Estate Tax Return Under IRC Section 2057*
- Form 709, *United States Gift (and Generation-Skipping Transfer) Tax Return*

- (2) Forward all centralized Estate and Gift Tax amended returns, claims, penalty abatement requests, notices, or other correspondence to SB/SE:

Internal Revenue Service
Estate and Gift Tax Operation, Stop 824G
7940 Kentucky Drive
Florence, KY 41042

- (3) Only SB/SE Estate and Gift Tax Operation employees at the Cincinnati Campus input any adjustments to Estate and Gift accounts (including tax, penalty, and interest). **No other areas are authorized to adjust these accounts.**

21.7.1.4.4.3.1
(05-04-2023)

Estate and Gift Tax - Call Referrals/Case Transfers by Customer Service Representatives (CSRs)

- (1) Taxpayers may call with Estate and Gift Tax questions about an account or concerning tax law.

Note: Estate and Gift Tax questions are considered out of scope (OOS) for Accounts Management employees.

- (2) Account questions referring to an extension or to a return that is already filed. Examples of account issues include:

- CP Notice issues (math error, balance due, etc.)
- Extension of time to file return
- Extension to Pay, i.e., IRC 6161
- Payoff request
- Closing letters
- Penalty or interest issues
- Installment agreements, i.e., IRC 6161 and IRC 6166
- Receipt of payment
- Form 8939, *Allocation of Increase in Basis for Property Acquired From a Decedent*

- (3) Tax law issues are usually unrelated to a filed return. Examples of tax law issues/questions include:

- Executor's responsibilities
- Internal Revenue Code (IRC) sections
- Reported items or deductions allowed on an Estate Tax return

- (4) **Do not confuse** calls about Form 706, **United States Estate (and Generation-Skipping Transfer) Tax Return** (MFT 52) with calls on Form 1041, *U.S. Income Tax Return for Estates and Trusts*, on MFT 05. Although both forms involve "Estates" they are distinctly different:

- When an individual dies, the property and debts that person accumulated up to the date of death are referred to as the individual's "Estate". The gross estate is reported on Form 706 if certain dollar criteria are met.
- The other common type of "Estate" is a decedent's estate. It is created with the death of the taxpayer and remains open until the final distribution of the assets of the estate to the heirs and other beneficiaries.

Note: Income that is received after the date of death is reported on Form 1041, *U.S. Income Tax Return for Estates and Trusts*, if there is gross income of \$600 or more in the taxable year, or if any beneficiary is a non-resident alien. See IRM 21.7.4.4.1.1.1, *Domestic Decedents and Bankruptcy Estates*, for more information.

- (5) The Estate and Gift Tax Program toll-free telephone service hours of operation for **account** calls (pertaining to Form 706 series returns and to Form 709 only)

from 10:00 a.m. until 2:00 p.m., Eastern Time, Monday through Friday. Route Estate and Gift **account calls** as follows:

- Provide the taxpayer with the Estate and Gift toll-free telephone number, 866-699-4083, then transfer the caller to 3020 if the call site is equipped with Infrastructure Upgrade Project (IUP), **or**
 - Offer to prepare Form 4442, *Inquiry Referral*, or Form e-4442, *E-Inquiry Referral*, for routing to Estate and Gift at the Cincinnati campus via fax at 855-386-5128.
- (6) Refer International Estate and Gift Tax **account** questions from callers located within the U.S. or within countries that can call toll-free numbers to 866-699-4083. International Estate and Gift taxpayers located outside the U.S. and without access to toll-free numbers may call 859-320-3456 (not a toll-free number) for **account** questions (pertaining to Form 706-NA and to Form 709 only). This telephone number goes to voice mail and clerks check the messages daily. The International email address is *sbse.eg.intl@irs.gov*, and is given to international callers located outside the U.S.
- (7) Calls relating to Estate and Gift **tax law issues** (non-account related) cannot be transferred by all call sites. However, if your system allows you to transfer the call, transfer to 92194 (English) or to 92195 (Spanish), or, if your site is using the IUP numbers, transfer to 3013 (English) or to 3014 (Spanish). Otherwise, advise the taxpayer that you are unable to transfer the call and instruct the taxpayer to call back on 800-829-1040. Regular hours of operation for tax law type calls: weekdays 7:00 a.m. until 7:00 p.m., taxpayer's local time. Alaska and Hawaii follow Pacific Time.

Reminder: As of January 2, 2014, AM does **NOT** answer OOS tax law questions; see IRM 21.1.1.3.2, *Out of Scope and Limited Service*, for more information. Apologize for any inconvenience the taxpayer may have incurred.

21.7.1.4.4.4
(10-01-2023)
Excise Taxes

- (1) The Cincinnati Campus works the following Excise Tax returns and claims:
- Form 637, *Application for Registration (For Certain Excise Tax Activities)*
 - Form 720-X, *Amended Quarterly Federal Excise Tax Return*
 - Form 720-TO, *Terminal Operator Report*
 - Form 720-CS, *Carrier Summary Report*
 - Form 8849, *Claim for Refund of Excise Taxes (Six Schedules)*

- (2) The Ogden Submission Processing Campus processes the following original excise tax returns and amended returns. The address is listed below.

Note: Refer inquiries about these forms to the Cincinnati campus listed in paragraph 3.

- Form 11-C, *Occupational Tax and Registration Return for Wagering*
- Form 720, *Quarterly Federal Excise Tax Return*

Caution: If there is Return Integrity Verification Operations (RIVO) involvement on the tax module (e.g., open control, TC 971 AC 711, or TC 973), refer to IRM 25.23.11.6.3, *BMF Returns Selected for RICS Review*, for additional information. Do not

send copies of the tax return already filed and pending RIVO review to Ogden Submission Processing.

- Form 730, *Monthly Tax Return for Wagers*
- Form 2290, *Heavy Highway Vehicle Use Tax Return*

Internal Revenue Service
1973 N Rulon White Blvd, Stop 6110
Ogden, UT 84404

- (3) Forward all centralized Excise Tax claims or adjustment requests to the Cincinnati Campus for processing and use the following address:

Internal Revenue Service
Excise Operations, Stop 5701G
7940 Kentucky Dr.
Florence, KY 41042

- (4) The processing of Form 4136, *Credit for Federal Tax Paid on Fuels*, Form 8864, *Biodiesel and Renewable Diesel Fuels Credit*, and of Form 6478, *Biofuel Producer Credit*, **is not** centralized at the Cincinnati Campus. The Submission Processing Center where the taxpayer files the related income tax return processes forms attached to the income tax return. The correct campus processes the related correspondence and amended income tax returns.
- (5) The Individual Master File (IMF) processing procedures for Form 4136, Credit for Federal Tax Paid on Fuels, are under IRM 21.6.3.4.2.6.1, *Fuel Tax Claims*. The Business Master File (BMF) processing procedures are under IRM 21.7.4.4.9.1, *Form 4136, Credit for Federal Tax Paid on Fuels*.
- (6) See IRM 21.6.3.4.1.11, *Form 6478, Biofuel Producer Credit*, or IRM 21.7.4.4.8.3.4, *Form 6478, Biofuel Producer Credit*, for Form 6478 procedures.
- (7) For any cases involving potential identity theft and RICS involvement, refer to IRM 25.23.11.6.3, *BMF Returns Selected for RICS Review*, for additional guidance.
- (8) For more information on potential BMF identity theft, see IRM 25.23.11.4, *Business Master File (BMF) ID Theft Research*.

21.7.1.4.4.4.1

(11-20-2019)

**Excise Operations
Telephone Transfer
Guidance (TTG)**

- (1) Consider Centralized Excise inquiries received by Accounts Management (AM) Customer Service Representatives (CSRs) out of scope. The CSR may prepare a referral (see IRM 21.3.5, *Taxpayer Inquiry Referrals Form 4442*) or transfer the caller as follows:

Note: Sites that have the Infrastructure Upgrade Project (IUP) numbers use the four-digit number to transfer calls.

If the caller has questions about	Then
Tax law issues relating to Excise Taxes	See the <i>Telephone Transfer Guide</i> for the specific extension based on the tax law subject.

If the caller has questions about	Then
Installment Agreement/ Reinstatement requests and installment agreement payment inquiries	Transfer number 1089
Account issues related to Excise Taxes (including credit transfer of misapplied payments within Excise accounts) Reminder: A misapplied payment that is applied to an Excise tax account is not an Excise issue if the payment belongs on a Non-Excise tax account. The CSR can perform the actions to correctly transfer the payment to the Non-Excise tax account.	Transfer number 3021 Note: Advise the caller that you are going to try to transfer the call to the Excise toll- free number and provide the number, 866-699-4096, to the caller. If the call does not go through, the caller can dial that number directly (See hours of operation in paragraph (3) below).
Tax law issues relating to Afford- able Care Act (ACA) Excise Tax, Indoor Tanning Services, Medical Device, and Patient-Centered Outcomes Research (PCOR) Trust Fund Fee	Transfer number 1113

- (2) Before disclosing any tax information, ensure you are speaking with the taxpayer or authorized representative. See the Taxpayer Authentication guidelines in IRM 21.1.3.2, *General Disclosure Guidelines*. Also, before leaving any messages on a taxpayer's answering machine, review IRM 11.3.2.6, *Methods for Communication of Confidential Information*. Review fax procedures contained in IRM 10.5.1.6.9.4, **Faxing**, for detailed procedures on how to safely fax sensitive information prior to faxing confidential information to the taxpayer.
- (3) Use the caller's location to provide the correct telephone number for Excise Tax assistance:

If the taxpayer is calling from	Then provide this number
Within the United States	866-699-4096 (toll-free)
Outside the United States	859-320-3581 (not toll-free)

Note: The hours of operation are Monday through Friday, 8:00 a.m. to 6:00 p.m. ET. Do not transfer calls to Excise Tax telephone operations at any other time. **Customers cannot leave a message.**

- (4) When transferring calls from AM to the Excise Tax telephone operations, you may use the Transfer PIN Program. Refer to IRM 21.1.3.2.5, *Initial Authentication Transfer Procedures/Transfer PIN*, for more information.

21.7.1.4.5
(05-30-2017)

Federal Agencies

- (1) The following sections refer to information on claims filed by federal agencies and payments. FED TAX is no longer available and Federal Agencies are instructed to use Electronic Federal Tax Payment System (EFTPS). The Federal Agency Program is centralized in the Brookhaven Campus (BSC). Route all inquiries, either correspondence or telephone, related to Federal Agencies to the Brookhaven Campus - Compliance Operation (CSCO). Contact or route phone calls to 631-654-6398 (Team Manager Desk) or fax number: 855-284-9601 ATTN: Federal Agency Delinquency (FAD) or mail to:

Mailing Address	Private Delivery Services (PDS) Mailing
Brookhaven Campus PO BOX 480-Collection, Stop 662-A, Special Case/FAD Unit Holtsville, NY 11742	Brookhaven Campus 1040 Waverly Ave, Stop 662-A Holtsville NY 11742

21.7.1.4.5.1
(11-18-2016)

FEDTAX II Payments and Form 941

- (1) Effective September 24, 2009 FEDTAX II functionality is incorporated into the Electronic Federal Tax Payment System (EFTPS) Federal Agencies section of the www.eftps.gov website. See IRM 3.17.277, *Electronic Payments*, and IRM 21.7.1.4.8.1.3, *EFTPS Deposit Requirements*, for more information.
- (2) Encourage Federal Agencies to use EFTPS to make payments for Form 941, *Employer's QUARTERLY Federal Tax Return*, Form 945, *Annual Return of Withheld Federal Income Tax*, Form CT-1, *Employer's Annual Railroad Retirement Tax Return*, Form 720, *Quarterly Federal Excise Tax Return*, and Form 1042, *Annual Withholding Tax Return for U.S. Source Income of Foreign Persons*. Agencies can also create and archive Form 941, Form 945 and Form CT-1 returns. If more information is needed by the federal agency, refer the Agency to EFTPS for the Federal Agencies Quick Reference Guide or by calling the EFTPS for Federal Agencies Dedicated Customer Service line, 877-333-8292, available Monday to Friday, 8 a.m. to 9 p.m. Eastern Time (ET).
- (3) Compliance is not built into the EFTPS application for Federal agencies.

21.7.1.4.5.1.1
(10-01-2017)

Federal Agencies - Forms 941-X

- (1) If a federal agency needs a Form 941-X, *Adjusted Employer's QUARTERLY Federal Tax Return or Claim for Refund*, the federal agency must download the form at: <http://www.irs.gov>.
- (2) When processing is completed, Form 941-X is routed to Accounts Management for normal Form 941-X processing.

21.7.1.4.5.2
(10-01-2017)
**Abatement of Penalty
and Interest Involving
Federal Agencies**

- (1) Policy Statement 20 - 2 eliminated the assessment of penalty/interest against federal agencies. See IRM 3.13.2.6.3, *Employment Code (EC) "F"*, for more information.
- (2) Allow claims for refund involving penalty/interest incorrectly assessed on Federal agencies.

21.7.1.4.6
(10-01-2017)
BMF Offset Program

- (1) This section contains background information on the Business Master File (BMF) Offset Program, information on the various freeze conditions, and a synopsis of offsets of BMF overpayments to past due federal agency debts.
- (2) The BMF Offset Program allows application of an overpayment from one business type of tax or tax period to satisfy an unpaid balance on another type of tax or tax period for the same taxpayer. It also allows offset to past due federal agency debts in some situations.
- (3) An overpayment may be applied to a liability that has not yet been assessed, but for which a determination of the liability is made and a notice of deficiency issued. See IRM 20.2.4.6.1, *Interest on Offsets*, for information on when interest is allowable to the taxpayer on credit offsets. See IRM 21.7.1.4.6.4, *BMF Refund Offsets*, for information on BMF TOP offsets.
- (4) The goal is to identify and resolve potentially incorrect balance due or credit balance situations before offset is made.
 - a. No offsets involving Federal tax deposit (FTD) payment discrepancies should occur until the taxpayer is notified of a balance due or overpayment on the account.
 - b. This allows the taxpayer time to provide information to help in locating and transferring missing payments, or properly applying any excess credits.
- (5) CP 267, *No Math Error Credit Offset Notice*, or CP 268, *Math Error Credit Offset Notice*, is generated when there is a discrepancy in the FTD credits claimed by the taxpayer and those credited to the taxpayer's account. See IRM 21.7.11.4.9, *CP 267, No Math Error - Credit Offset Notice*, and CP 268, *Math Error Credit Offset Notice - Notices of Excess Credit*, for information on working responses to CP 267 or CP 268.
 - a. CP 267 is for returns which have no math error but a difference in FTD credits.
 - b. CP 268 is for returns with math errors in addition to a difference in FTD credits.
 - c. The notices list payment dates and amounts, math error explanation (CP 268), and a summary of the penalty and interest charges.
 - d. The taxpayer is requested to indicate any payments erroneously credited or missing from the account and respond within 30 days.
 - e. If the taxpayer does not respond within 15 weeks, any overpayment is applied to other balance due accounts, or refunded to taxpayer if they owe no other taxes.

21.7.1.4.6.1
(05-03-2016)
-E Freeze/Debit Offset

- (1) The "-E" freeze (which is released after 10-cycles) indicates a Federal Tax Deposit (FTD) discrepancy in the BMF debit module which generates a balance-due notice. The "-E" freeze module can contain debit balance modules resulting from posting of transactions subsequent to original return processing.

- (2) Subsequent transactions can include any combination or separate posting of tax, penalty, interest, or credit reversals which result in the module going from zero or a credit balance to a debit balance, or from a debit balance to a greater debit balance.

Note: Only move credit if it is claimed on the module, intended to be applied, or the taxpayer requested the credit transfer.

- a. The module balance **prior to posting** of the subsequent transaction can be zero, debit, or credit.
 - b. The module balance **after posting** of the subsequent transaction **must be a debit**.
 - c. The account cannot have a module currently in tax delinquency account (TDA) Status 22, 23, 24, or 26 or have had a module closed from TDA Status in the prior 12 months.
- (3) The “-E” freeze, under the subsequent transaction criteria, is released if:
- a. The 10-cycle freeze expires. (If all other criteria are met, the 10-cycle freeze is reset based on the most current subsequent transaction posting.)
 - b. The module reaches zero or credit status.
 - c. The account/module reaches TDA status.
- (4) The correct notice is issued based on posting of the subsequent transaction(s) if a notice otherwise would have been issued.

21.7.1.4.6.2
(11-18-2016)
Q- Freeze/Offset

- (1) A “Q-” freeze (which is released after 15 weeks) is initiated when there is an FTD overpayment discrepancy (more credits present than claimed on the return).
- a. If a discrepancy is not resolved within five workdays, CP 267 or CP 268 is released.
 - b. See IRM 21.7.11.4.9, *CP 267, No Math Error - Credit Offset Notice, and CP 268, Math Error Credit Offset Notice - Notices of Excess Credit*, for specific guidance to release a Q- freeze manually.

21.7.1.4.6.3
(01-01-2005)
D- Freeze, Transaction Code (TC) 470 Closing Code (cc) 97 Restricted to Examiners Working Large Corporate Accounts

- (1) Use of TC 470 closing code (cc) 97 is restricted to employees specifically designated to work Large Corporate Accounts, e.g., Technical Unit employees in Taxpayer Relations.
- (2) Coordinate all actions to these accounts with employees in the area designated to work Large Corporate Accounts.

21.7.1.4.6.4
(10-01-2019)
BMF Refund Offsets

- (1) See IRM 21.4.6, *Refund Offset*, for information on TOP offsets.

21.7.1.4.7
(03-16-2017)
Employer Identification Numbers (EINs)

- (1) All information on assignment of EINs is located in IRM 21.7.13, *Assigning Employer Identification Numbers (EINs)*.

21.7.1.4.7.1

(05-03-2024)

Employer Identification Number (EIN)

Verification and Requests for Letter 147C, EIN Previously Assigned

(1) Taxpayers or their authorized representative may contact the IRS to:

- Confirm an existing EIN, or
- Obtain EIN verification Letter 147C, *EIN Previously Assigned*.

(2) These requests could include, but are not limited to, an EIN that is lost, misplaced or forgotten.

Note: For inquiries on a recently submitted Form SS-4, or the caller is a **Third-Party Designee**, see IRM 21.7.13.3.9.1.

Reminder: If the caller requests a Letter 147C for a second “B” notice for Back-up Withholding (BWH), refer to the procedures in IRM 5.19.3.5.1.2(6), “*B” BWH Second Notification*,” and advise the caller their request for a Letter 147C must be in writing.

(3) For purposes of identification and to prevent unauthorized disclosures of tax information, establish the caller’s relationship with the entity to determine if they are authorized to receive the EIN. Use additional probing if necessary. To establish the relationship with the Entity, follow guidance in the table below.

If the caller states they are	Then
The taxpayer	Ask for their position with the entity. See IRM 11.3.2.4, <i>Persons Who May Have Access to Returns and Return Information Pursuant to IRC 6103(e)</i> .
A Reporting Agent with Form 8655, <i>Reporting Agent Authorization</i>	Entity item verification requests (including EIN verification) from Reporting Agents are handled per guidance in IRM 21.3.9.2.2(6), <i>Authorizations - Form 8655, reporting Agent Authorization</i> , rather than the procedures which follow.
An authorized third-party with Form 2848 or Form 8821 processed on the CAF	Research the CAF to determine the relationship with the entity.

If the caller states they are	Then
A third-party authorized to obtain an EIN for the taxpayer (authorization not on file)	Request a copy of: <ul style="list-style-type: none"> Form 2848, <i>Power of Attorney and Declaration of Representative</i>, Form 8821, <i>Tax Information Authorization</i>, with box 4 checked and the form notated SS-4, EIN Application, or 147C letter, or Valid Forms 2848, or 8821 Note: If these forms are not recorded on the CAF, send to the proper CAF Unit for processing as soon as possible, but no later than 24 hours.
An unauthorized third-party	Inform the caller of the following options: <ul style="list-style-type: none"> Conference the taxpayer into the call, or Have the taxpayer call personally.

- (4) Follow guidance in IRM 25.23.11.4 , *BMF IDT Theft Research*, if the taxpayer believes their identity is stolen. Each BMF site has a specific group handling BMF identity theft inquiries. Referral procedures are found in IRM 25.23.11.6.4 , *BMF Identity Theft Paper Inquiry*, and IRM 25.23.11.6.5 , *BMF Identity Theft Inquiry Made to a BMF AM CSR*. Additionally, see IRM 25.23.11.6.3, **BMF Returns Selected for RICS Review**, for accounts referred to RICS and sent the letter 6042C. See the table below for information regarding TC 971 AC 524 account locks.

If	And	Then
Research shows the account has a TC 971 AC 524 account lock	There is a literal "BMF IP INACT3" in the miscellaneous field and DLN 29977-nnn (Julian date) -88888-X (processing year),	Actions are currently being reversed on these accounts since they have been locked in error. Perform high risk disclosure before proceeding.

If	And	Then
Research shows the account has a TC 971 AC 524 account lock	There is any other literal in the miscellaneous field, these accounts have been locked because of a confirmed IDT, or the entity was determined to be fabricated.	Follow procedures in IRM 25.23.11.4, <i>BMF IDT Theft Research</i> , by sending a referral to the AM BMF liaison mailbox *W&I AM BMF IDT. Do not issue a Letter 147C.

- (5) Once the relationship with the entity is established, ask the caller for the EIN. If the caller cannot provide the EIN, you must authenticate the caller's personal identity before performing account verification in paragraph 6. See IRM 10.10.3.3.14, Identity Proofing for Employer Identification Number (EIN) Verification and Requests for Letter 147C, EIN Previously Assigned, to authenticate the caller's identity.
- (6) Authenticate the caller by following procedures in the table below:

If the caller states they are	And	Then
The taxpayer	Is authenticated following procedures in IRM 21.1.3.2.3 , <i>Required Taxpayer Authentication</i> , including additional taxpayer authentication. Reminder: See IRM 21.1.3.9, <i>Mailing and Faxing Tax Account Information</i> , for additional disclosure requirements if the taxpayer requests a faxed copy of Letter 147C.	Continue to paragraph 7, or 8.
An authorized third-party who can supply the taxpayer's EIN	Authorization is established with guidelines in IRM 21.1.3.3, <i>Third-Party (POA/TIA/F706) Authentication</i>	Continue to paragraph 7, or 8.
An authorized third-party who could not supply the taxpayer's EIN	And their personal identity is authenticated using the procedures in paragraph 5 above	Continue to paragraph 7, or 8.

Caution: If the caller cannot be authenticated following the above procedures, do not disclose the EIN.

- (7) If an EIN is **not located** based on the information provided in paragraph 2 of IRM 10.10.3.3.14 , Identity Proofing for Employer Identification Number (EIN) Verification and Requests for Letter 147C, EIN Previously Assigned, tell the

caller you cannot locate it, and advise the caller on how to apply for an EIN. See IRM 21.7.13.2.3, *Methods by Which Taxpayers Can Apply for an EIN*.

- (8) If an EIN is **located**, provide the EIN verification verbally and/or in writing via fax, or mail to the address of record. If mailed, advise the caller to expect the letter in 10 to 14 business days.

Exception: If there is a Large Corp Indicator (LCI) on the account, you must forward to the correct Large Corp Team, per IRM 21.7.1.4.11.3.

21.7.1.4.8
(05-30-2017)
**Federal Tax Deposits
(FTDs)**

- (1) Taxpayers who file Form 940, *Employer's Annual Federal Unemployment (FUTA) Tax Return*, Form 941, *Employer's QUARTERLY Federal Tax Return*, Form 943, *Employer's Annual Federal Tax Return for Agricultural Employees*, Form 944, *Employer's ANNUAL Federal Tax Return*, Form 945, *Annual Return of Withheld Federal Income Tax*, Form 720, *Quarterly Federal Excise tax Return*, Form 1042, *Annual Withholding Tax Return for U.S. Source Income of Foreign Persons*, and Form CT-1, *Employer's Annual Railroad Retirement Tax Return*, must deposit taxes using an authorized deposit method when the tax liability reaches certain dollar amounts. See IRM 20.1.4.6, *De Minimis Exception to Deposit Requirements*, IRM 20.1.4.10.5, *De Minimis Exception to Deposit Requirements for Form 720*, and IRM 20.1.4.11.1, *Deposit Requirements Form 1042*, for more information.

Reminder: Beginning January 1, 2011, Form 8109, *Federal Tax Deposit Coupon*, and Form 8109-B, *Federal Tax Deposit Coupon (Over the Counter Version)*, is no longer used as an authorized deposit method. See IRM 20.1.4.2.2, *Authorized Deposit Methods*, for more information.

21.7.1.4.8.1
(10-01-2020)
**Electronic Federal Tax
Payment System
(EFTPS)**

- (1) EFTPS is a tax payment system offered free by the U.S. Department of the Treasury. EFTPS enables taxpayers to pay their federal taxes electronically using the internet or telephone. Both business and individual taxpayers can use EFTPS.
- (2) EFTPS uses the Automated Clearing House, (ACH) financial network, which transfers funds and tracks tax payment information to IRS.
- (3) See IRM 21.5.7.4.7.14.1, *Electronic Funds Withdrawal (Direct Debit) and Credit Card Payment Tracer*, for payment tracer cases involving EFTPS payments.
- (4) See IRM 21.7.11.4.1, *CP 108 - Problem with your Federal Tax Deposit (FTD)*, for information on CP 108 inquiries involving EFTPS payments and for more information on how the Voice Response System (VRS) works.
- (5) See IRM 3.17.277, *Electronic Payments*, for more information on all electronic payments, including more information on EFTPS payments.
- (6) For more information, see Publication 966, *Electronic Choices to Pay All Your Federal Taxes*. It is for businesses and individuals and is found on the **Electronic Tax Administration** site located on Servicewide Electronic Research Program (SERP) <http://serp.enterprise.irs.gov/homepage.html>, under the Local/Sites/Others tab.

21.7.1.4.8.1.1
(11-20-2023)
EFTPS Enrollment

- (1) Taxpayers can enroll at <https://www.eftps.gov> or by completing Form 9783, *EFTPS Individual Enrollment Form*, or Form 9779, **EFTPS Business Enrollment Form** and mailing it to the EFTPS Enrollment Center listed on the form.

Note: Enrollment via the web is more convenient.

- (2) Taxpayers can call EFTPS Customer Service for an enrollment form or order the form online at <http://www.irs.gov>. For more enrollment information, taxpayers should call one of the customer service numbers listed for either BMF or Individual Master File (IMF) taxpayers as noted below.

Type of Caller	Toll-free Telephone Number
Voice	800-555-4477 (BMF EFTPS Customer Service call centers open 6 a.m.-2 a.m. ET Mon-Fri and 8 a.m.-8 p.m. ET Sat-Sun)
Federal Agencies	877-333-8292 (6 a.m.-2 a.m. ET Mon-Fri and 8 a.m.-8 p.m. ET Sat-Sun)
Spanish	800-244-4829 (6 a.m.-2 a.m. ET Mon-Fri and 8 a.m.-8 p.m. ET Sat-Sun)
Outside of the United States	303-967-5916 (6 a.m.-2 a.m. ET Mon-Fri and 8 a.m.-8 p.m. ET Sat-Sun) (Toll Call)
TDD (Telecommunications Deaf Device)	800-733-4829 (6 a.m.-2 a.m. ET Mon-Fri and 8 a.m.-8 p.m. ET Sat-Sun)
Financial Institutions	800-605-9876 (8 a.m. to 8 p.m. ET Mon-Fri)
Batch Providers	800-945-0966 (8 a.m. to 8 p.m. ET Mon-Fri)
Bulk Providers	866-684-6556 (8 a.m. to 8 p.m. ET Mon-Fri)

- (3) Enrollment information is validated by IRS. On average, enrollments take 5–7 business days to process.
- (4) Taxpayers who use a third-party payroll processor or service bureau can have them enroll the taxpayer. However, if the third-party does only payroll (e.g., employment taxes), and the taxpayer must make other deposits (e.g., Form 720, Form 1120, etc.), the taxpayer must also enroll to deposit non-payroll taxes.
- (5) Taxpayers must submit an enrollment form for each EIN or bank account.
- (6) Refer taxpayers with entity related questions, that the financial agent cannot resolve, to the IRS e-help Desk, at 866-255-0654 with option number 3.

21.7.1.4.8.1.2
(10-01-2017)
EFTPS - Website

- (1) EFTPS website (<https://www.eftps.gov>) offers the following features over a Secure Sockets Layer (SSL) connection:
 - General information about EFTPS
 - EFTPS enrollment
 - ACH debit payments
 - Payment cancellation
 - Payment history research
 - Payment history for a 16-month period of time
 - Search, print or download payment history by date, tax type, amount, form, etc.
 - Scheduling of all four estimated tax payments, Form 1040ES, in one session
 - Installment agreement payments. EFTPS now has the ability to schedule payments up to 365 days in advance for individual and business taxpayers. See IRM 5.19.1.6, *Methods of Payment*, for more information on EFTPS installment agreement payments and IRM 3.17.277, *Electronic Payments*, for more information on electronic payments.

21.7.1.4.8.1.3
(10-01-2021)
EFTPS Deposit Requirements

- (1) Effective January 1, 2011, EFTPS Regulation Change mandates electronically paid FTDs, such as payroll tax payments. Some businesses paying a minimal amount of tax may make payment with the related tax return instead of paying electronically. See IRM 20.1.4.6, *De Minimis Exception to Deposit Requirements*, IRM 20.1.4.10.5, *De Minimis Exception to Deposit Requirements Form 720*, and IRM 20.1.4.11.1, *Deposit Requirements Form 1042*, for more information.

21.7.1.4.8.1.4
(10-01-2017)
EFTPS Payment Methods

- (1) EFTPS uses Automated Clearing House (ACH) to transfer funds electronically from the taxpayer's account to the Treasury's account. ACH is a system used by the banking industry to transfer funds electronically. The Bureau of Fiscal Services (BFS), formerly FMS, contracts with a Treasury Financial Agent (TFA) to process ACH payments for IRS.
- (2) After the taxpayer enrolls, a personal identification number (PIN) is mailed to the IRS address of record. The PIN is used to make payments and to obtain information from EFTPS.
- (3) The two primary payment methods to transfer funds with EFTPS (regardless of the payment option selected, the tax due date remains the same):
 - EFTPS Direct (ACH Debit)
 - EFTPS - ACH Credit
- (4) Taxpayer may also select same-day wire method offered by some financial institutions. See IRM 21.7.1.4.8.1.8, *Federal Tax Application (FTA) - Same-day Wire - BMF Taxpayer*, or IRM 21.7.1.4.8.1.7, *Federal Tax Application (FTA) - Same-day Wire - IMF Taxpayer*, for more information
- (5) After the taxpayer has initiated payment, the financial agent assigns a 15-digit number to the transaction. The payment method is identified by the second position in the electronic funds transfer (EFT) number. See IRM 3.17.277.5.3, *EFT Number*, breakdown of EFT number.

21.7.1.4.8.1.5
(11-20-2023)
EFTPS Direct (ACH Debit)

- (1) Automated Clearing House (ACH) Debit, also known as EFTPS Direct, represents the majority of payments processed by EFTPS. The **taxpayer** instructs the TFA to originate a debit against the taxpayer's account and transfer the funds to the Treasury's account. If a taxpayer chooses EFTPS Direct, the taxpayer can also use the EFTPS - ACH Credit payment option without enrolling again.
- (2) The two reporting methods:
 - a. **Voice Response System (VRS)** - taxpayer uses a touch tone phone to enter payment information. The information is entered in response to prompts into the VRS. The EFTPS (VRS) phone can be accessed 24 hours a day, 7 days a week by calling **800-555-3453**.
 - b. **Online** - taxpayer uses the Internet to enter payment information. The website address is <https://www.eftps.gov>. See IRM 21.7.1.4.8.1, *Electronic Federal Tax Payment System (EFTPS)*, for more information. IRM 3.17.277.5, *EFTPS Transmission Files*, also has information on the EFT number.
- (3) To make an EFTPS Direct payment, at least one calendar day prior to the tax due date before 8:00 p.m. ET (Eastern Time), the taxpayer must access EFTPS by telephone or the Internet and input the necessary information when prompted. However, the payment does not move until the date specified by the taxpayer.
- (4) After a taxpayer enters the information, EFTPS generates an EFT Confirmation Number. Taxpayers should write down and keep this number for future reference. If there is any problem with the payment, this number allows the TFA and IRS to trace the payment quickly by reconstructing the EFT number. See IRM 21.5.7.4.7.14, *Electronic Federal Tax Payment System (EFTPS)*, for information on how to reconstruct the EFT number.
- (5) Identify ACH Debit payments by payment code 2 in the second position of the EFT number.

21.7.1.4.8.1.6
(10-01-2009)
EFTPS (ACH Credit)

- (1) Taxpayers initiate Automated Clearing House (ACH) Credit payments by contacting their **financial institutions** (banks) to send payments via EFTPS. Taxpayers instruct the financial institutions to electronically move funds from their accounts to the Treasury's account in accordance with its policies, on the date specified by the taxpayer. Taxpayers should check with the financial institutions to see if they offer this service, how much it costs, and if they are eligible to use it, because not all financial institutions offer this service.
- (2) ACH Credit payments are originated in the Cash Concentration or Disbursement (CCD) and Tax Payment Banking Convention (TXP) format. This is a standard ACH format. (Download specific information on this format from EFTPS website, <https://www.eftps.gov>.) Select Help and Information, downloads, then download the Financial Institution Record layouts. If a taxpayer's bank requires further help, financial institution employees can call the Financial Institution Helpline, 800-605-9876, the TFA has established and request the information.
- (3) Taxpayers initiate the credit transaction at least one banking day before the due date. When making an "EFTPS - ACH Credit" transaction, advise the taxpayer that since banks have different ACH deadlines, the taxpayer should check with their bank to determine their deadline. The taxpayer's bank assigns

a reference number which remains part of the record and becomes the reference number on EFTPS. The bank should provide this reference number to the taxpayer for audit trail purposes.

- (4) Identify ACH Credit payments by payment method 1 in the second position of the EFT number.

21.7.1.4.8.1.7
(01-03-2011)

**Federal Tax Application
(FTA) - Same-day Wire -
IMF Taxpayer**

- (1) Procedures for allowing an IMF taxpayer to use the same-day wire system differ from BMF. If the taxpayer is currently enrolled in EFTPS and makes recurring payments, their EFTPS Payment Instruction Booklet provides the instructions about making the payment.
- (2) If a non-enrolled individual taxpayer needs to make an emergency same-day wire for a unique situation, such as to settle a litigation/bankruptcy case, settle an estate, prevent a lien/levy from being placed on the account or any other unique situation, the taxpayer needs to first contact their financial institution to determine:
 - If their financial institution offers this service, and
 - What fees their financial institution charges for this service
- (3) Fees range from \$10 to \$60 for each same-day payment. Therefore, only consider this option for a large dollar payment.

21.7.1.4.8.1.8
(10-01-2021)

**Federal Tax Application
(FTA) - Same-day Wire -
BMF Taxpayer**

- (1) Business taxpayers who require same-day settlement may use the EFTPS system **even if** they are **not currently enrolled** in the system. The instructions are located in their EFTPS Payment Instruction Booklet. The business taxpayer's financial institution sends all same-day wires.
- (2) If a taxpayer **is not enrolled**, the taxpayer may require help in directing its financial institution to the proper format for making the payment. Financial institutions have two Fedwire options for making a same-day wire. It is very important that their bank use the proper format. The taxpayer's financial institution needs to follow the most current guidelines found in the Financial Institution Handbook at https://download.eftps.com/Financial_Institution_Handbook.pdf. To view this document the computer must have Adobe Acrobat Reader installed.
- (3) Federal Tax Collection Service (FTCS) Funds Transfer begins daily operations at 12:30 a.m. Eastern Time (ET). The current hours for FTCS are 8:30 a.m. to 5:00 p.m. ET. Same-day wire transactions sent after 12:30 a.m. and before 8:30 a.m. ET are queued for processing when FTA opens for the day. Same-day wires sent **AFTER the 5:00 p.m. ET cutoff time, are rejected and ARE NOT processed the next day**. It is recommended that financial institutions transmit the transaction well in advance of the cutoff time. Taxpayers should make arrangements to have their financial institution notify them immediately if a payment is rejected and returned, so that the transaction can be corrected and resubmitted before the 5:00 p.m. ET cutoff time.
- (4) Currently, it is only payment method 3 identifying the FTA payments. The taxpayer's bank may call the FTA toll-free Customer Service number at 800-382-0045 for help in making their payment, or in resolving problems with their FTA payments.

21.7.1.4.8.1.9
(08-25-2017)

**Federal Tax Deposit
(FTD) Penalties and
Penalty Relief on EFTPS
Payments**

- (1) EFTPS depositors are subject to FTD penalties if a deposit is not received with the correct amount, within the prescribed time, and/or in the required manner. See IRM 20.1.4.2.2.1, *Electronic Funds Transfer (EFT)*, and IRM 20.1.4.7.1, *Time Sensitive Four Tier Penalty System*.
- (2) Various forms of penalty relief, if established, are available to taxpayers. See IRM 20.1.1, *Introduction and Penalty Relief*, for information on penalty relief.
- (3) Penalty relief is made on a case-by-case basis. Taxpayers that fail to make deposits by EFT because they are unable to obtain banking services may be able to establish reasonable cause for failing to make a deposit during the time they are unable to obtain banking services. New start-up companies that operate on a cash-only basis for several reasons are often referred to as an unbanked taxpayer. See IRM 20.1.4.26.1.1, *Unbanked Taxpayers*, for penalty relief guidance.

21.7.1.4.8.2
(11-18-2016)

**Form 8109/Form 8109-B,
Federal Tax Deposit
(FTD) Coupons**

- (1) Treasury Decision (TD) 9507 (REG - 153340-09) ended the use of paper FTD coupons, beyond December 31, 2010. Archived information about FTD coupons is found in the October 1, 2010 revision of this IRM.

21.7.1.4.8.2.1
(10-01-2021)

**Resolving Inquiries
Involving Federal Tax
Deposit (FTD) Coupons**

- (1) If a taxpayer requests Form 8109, Federal Tax Deposit Coupon, and Form 8109-B, Federal Tax Deposit Coupon (Over the Counter Version), inform the taxpayer FTD coupons can no longer be used to make a deposit.

Note: Businesses that have a deposit requirement (such as employment tax, excise tax, and corporate income tax) are mandated to pay electronically through EFT. EFT payments are made using the EFTPS. If the taxpayer does not wish to use EFTPS, they may arrange for a tax professional, financial institution, payroll service, or other trusted third-party to make deposits on their behalf. See IRM 20.1.4.6, *De Minimis Exception to Deposit Requirements*, and IRM 20.1.4.11.1, *Deposit Requirements Form 1042*, for more information.

- (2) If a taxpayer needs to make a deposit today, explain to the taxpayer they can make a same-day deposit using a wire transfer from their financial institution. See IRM 21.7.1.4.8.1.8, *Federal Tax Application (FTA) - Same-day - BMF Taxpayer*, for more information.

Reminder: A taxpayer is subject to an assessment of a 10 percent avoidance penalty if payments are sent directly to the IRS or paid with the tax return.

21.7.1.4.8.3
(10-01-2020)

**Agent Prepared Federal
Tax Deposits (FTD)**

- (1) Designated reporting agents (payroll services, banks, etc.) make FTDs for their clients. (See *Rev. Proc. 2012-33* or Publication 1474, *Technical Specifications Guide For Reporting Agent Authorization and Federal Tax Depositors*, for requirements.) Reporting agents can make FTDs for Form 941, Form 943, Form 944, and Form 945 after Form 8655, *Reporting Agent Authorization*, is submitted and approved. See IRM 21.7.2.3.6, *Reporting Agents File (RAF)*, for more information on reporting agents.

- (2) Process payment-tracer requests or other inquiries about agent-prepared FTDs normally. Taxpayers sign reporting agent authorizations allowing the IRS to disclose deposit-related information to reporting agents. Use CC RFINK to verify.
- (3) Rev. Proc. 2012-33 provides procedures for agent prepared electronic deposit reporting.

21.7.1.4.9
(10-12-2021)

**Fiduciary Name/Address
Change**

- (1) Instances where fiduciary/address changes can be made.

If	Then
An amended fiduciary return (with a jurat signature) is received where the fiduciary name/address are different than Master File	Change fiduciary name/address, per the fiduciary form filed (e.g., Form 1041, <i>U.S. Income Tax Return for Estates and Trusts</i> , Form 3520-A, <i>Annual Return of a Foreign Trust With a U.S. Owner</i>).
A telephone contact is received where the caller can fax a copy of the court documentation or Form 56	<ol style="list-style-type: none"> 1. Change name/address per court documentation or Form 56, <i>Notice Concerning Fiduciary Relationship</i>. 2. Attach to the last paper filed Form 1041 or send Form 56 directly to Files for retention purposes.
A name/address change request is received in correspondence without Form 56	<ol style="list-style-type: none"> 1. Contact the fiduciary for Form 56 or court documentation by telephone. 2. Send letter if unable to reach by telephone.
A fiduciary name change is received with Form 56	<ol style="list-style-type: none"> 1. Make fiduciary name/address change. 2. Attach Form 56 to last paper filed Form 1041 or send Form 56 directly to Files for retention purposes.

Note: If the request is received in CII, follow procedures in IRM 21.5.1.5.3, *CII Source Documentation*.

- (2) Attach court documentation, if required, to a Form 56 and send to Files for electronically filed returns, per IRM 3.5.61.22.1, *Forms List*. For guidance on evaluating the Form 56, refer to IRM 3.13.5.32 , **Notice Concerning Fiduciary Relationship**.

21.7.1.4.10
(10-01-2017)
Technical Unit

- (1) The Technical Unit is a function set up in a campus that works cases identified as **“priority”** or **“special.”** See IRM 21.7.1.4.10.1, *Identification of Priority or Special Cases*, for criteria. The Technical Unit provides special emphasis for these cases to ensure timely, accurate responses to troublesome or complex situations that could adversely affect taxpayer service and damage public relations if not properly handled.
- (2) When criteria fit both special case and TAS criteria, TAS criteria prevails and employees follow procedures in IRM 13.1.7, *Taxpayer Advocate Service (TAS) Case Criteria*.

21.7.1.4.10.1
(10-01-2020)
Identification of Priority or Special Cases

- (1) Categorize cases based more on complexity of action required than on tone of inquiry. The following cases **are** designated as **“Priority”** or **“Special Cases”**:
 - a. Cases specifically designated as “Special” by Headquarters, area/territory office, or Field Directors.
 - b. Non Master-file Work.
 - c. E-Trak Cases.
 - d. Cases that you or your immediate manager believe you cannot resolve through normal channels.
 - e. Department of Justice/Civil Cases.
 - f. Cases previously handled by Technical Function, if it involves same tax type and same tax period.
 - g. Cases involving large, complex corporate accounts.
 - h. Form CT-1 (Cincinnati Campus only) including IMF Excess Tier II Credit Claims. See IRM 21.7.2.6, *CT-1, CT-2 Railroad Tax Returns*, for more information on Form CT-1 and how to transfer the forms to Cincinnati.
 - i. Potential Combined Annual Wage Reporting (CAWR) tax/penalty assessments over \$1 million.
 - j. Review of \$1 Million Refunds (Cincinnati Campus only).
 - k. Penalty Prevention and Resolution Group work.
- (2) Use Organization Function Program (OFP) Code 710-0101X and category TECT for technical issues not related to an account with the Large Corporation Indicator (LCI). See IRM 21.7.1.4.11 (3), *Large Corp. Unit*, if LCI present.

21.7.1.4.10.2
(10-01-2017)
Initial Case Review

- (1) Check the Weekly Adjustment Control Inventory List/Case Control Activity (CCA) Report 4242/4243 or Automated AGE Listing (AAL) or IDRS to determine if follow-up inquiries are needed. For specific criteria, see IRM 21.7.1.4.10.1, *Identification of Priority or Special Cases*, then:

If	Then
Open items are listed	Send inquiry to the correct unit to expedite action.
Items are not in open status	1. Review to determine if action requested by the taxpayer has taken place. 2. Initiate a reply or forward case file to designated function to initiate reply. 3. If no action is taken and inquiry meets criteria, see IRM 21.7.1.4.10.1, <i>Identification of Priority or Special Cases</i> , and route inquiry to Technical Function for "Special Case" processing.
Case is resolved by Technical Function	Technical Function holds in "other" status until results of actions are verified, then closes case.
Case does not meet special case criteria	Refer to the correct function for resolution.

- (2) See IRM 21.7.1.4.10.1, *Identification of Priority or Special Cases*. Do not apply criteria to original inquiries or to multiple inquiries if each is on a different subject. For these situations, use normal pipeline procedures.
- (3) Technical Function has the option of rejecting any case that does not meet criteria to the point of origin. See IRM 21.7.1.4.10.1, *Identification of Priority or Special Cases*.

21.7.1.4.10.3
(10-01-2017)
**Accounts Desk
Procedures (ADP)
Technical Section**

- (1) Clerical support in Technical Function should refer to IRM 2.3, *IDRS Terminal Responses*, IRM 2.8, *Audit Information Management System (AIMS) Handbook*, and IRM 2.4, *IDRS Terminal Input*, for terminal input sequence of IDRS research and IDRS control. Use Document 6209 for quick reference, but not as the authority:

If	Then
Special case criteria is not met (See IRM 21.7.1.4.10.1, <i>Identification of Priority or Special Cases</i>)	1. Reassign case to the correct function. 2. CC ACTON to record reassignment and change status, if necessary.
An inquiry is received directly from the taxpayer or area office	Establish controls on IDRS with assignment to an examiner in "A" (Assigned) status.
Case is not accepted	1. Establish control with assignment to the correct function. 2. Forward all available information to the assignee.
A case is received with a notation that another case for the same taxpayer is assigned to another functional area	1. Contact the original case assignee to determine proper disposition of first case. 2. When controlling a case, if IDRS already indicates the case is established, follow the same procedures.

(2) Process special cases using the following guidelines:

- a. See IRM 5.19.2, *Individual Master File (IMF) Return Delinquency*, to process cases related to installment agreements.
- b. Record significant actions with a history item via CC ACTON using the proper activity code.
- c. Process special case to completion.
- d. Use BS 79 for adjustments input on special cases.

Note: Only use this blocking series when the original documents are in Technical Function's possession. Continue to follow local procedures for adjustments where no refile Document Locator Number (DLN) is created.

- e. If input of a MF transaction resolves case, do not change status of case on IDRS to "C" (closed). Route case file to control clerk to suspense for follow-up action.
- f. Respond to all special cases within 14-days from the IRS received date. If unable to meet this date, prepare an interim reply within seven calendar days, explaining the reason for the delay, and the expected completion date. Maximum time for a final reply is 30 calendar days.

21.7.1.4.11
(10-01-2019)
Large Corp Unit

- (1) Each year various sources identify large complex corporate accounts or state agencies with potential for creating complex processing problems. To identify these cases quickly, a "Large Corp" Indicator (LCI) appears on IDRS, MF transcripts and CC BMFOL.
- (2) Identify all controlled cases worked in Large Corp by the following category codes:
 - **LGCP** Large Businesses and International (LB&I),

- **LGSB** Small Business and Self Employment (SB/SE), or
 - **LGGE** Tax Exempt and Government Entities (TE/GE)
- (3) Use OFP Code 710-0140X when processing large, complex corporate and Large Corp Compliance (LCC) cases, formerly Coordinated Industry Cases (CIC) cases. See <http://ofp.ds.irsnet.gov/5995a.asp> (5995a Search) for 5th digit-specific OFP code.
 - (4) All cases worked in these categories age in 45-days.
 - (5) Cincinnati and Ogden work all Large Corp cases.
 - (6) The state mapping for Large Corp cases is:

Cincinnati	Ogden
Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, Texas, West Virginia, Wisconsin	Alaska, Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Hawaii, Idaho, Maine, Maryland, Massachusetts, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, South Carolina, Utah, Vermont, Virginia, Washington, Wyoming

21.7.1.4.11.1

(10-01-2020)

Large Corporate Compliance Program (LCC) Replaces Coordinated Industry Cases (CIC) and Field Contact Guidance

- (1) On May 15, 2019, the IRS Large Business and International Division (LB&I) began data analytics for determining the population of its largest and most complex taxpayers. This new Large Corporate Compliance (LCC) program replaces the Coordinated Industry Case (CIC) program and covers compliance oversight for LB&I's largest corporate taxpayers.
- (2) Data analytics are applied to the LCC population to identify taxpayers with the highest compliance risk which are then referred to as a Large Corporate Compliance case (LCC). The LCC identification does not automatically generate a Large Corp Indicator (LCI). IRM 21.7.1.4.11.5, *Requesting Large Corp Participation*, provides detail about the LCI process.
- (3) The Large Corp team, also referred to as Large Corporation Technical Unit (LCTU), provides help on large complex business accounts. The team helps clarify and resolve account related issues. Account related issues include:
 - Balance Due Modules
 - Penalty Issues
 - Notice Reviews
 - Tax Adjustments (Not related to an examination)
 - Misapplied Payments
- (4) The Large Corp team often receives account maintenance requests from field agents (Large Business & International (LB&I), Examination, and Collections). If a request is out of scope for the Accounts Management Large Corp team, try to help the agent with a referral.

- (5) If contacted by a field agent for taxpayer help, ask the agent whether the request is related to a taxpayer identified as a legacy CIC or to an LCC return, or the Large Corporation Program (LCI on the account). The following table provides contact guidance:

If	Then
The taxpayer's account has an LCI	Process under normal Large Corp procedures and report the time under 710-0140X.
The agent identifies the taxpayer as a legacy CIC or a current LCC return	Provide help within scope and report the time under 710-01015.
The caller is a Collection Revenue Officer	Advise the caller to contact CCP General Case Processing (GCP) or the Field Office Research Team (FORT) for help.
The caller is an Exam/LB&I field agent with an open case (not legacy CIC or LCC or LC Program)	Advise the caller to contact their Examination Centralized Case Processing team, or Examination support staff.
The field agent received a cold call from the taxpayer and is advocating for the taxpayer	Advise the agent that the LC Program is unable to intake new case inventory from the field. Have the agent direct the taxpayer to IRS.gov or the proper toll-free phone application.

21.7.1.4.11.2
(10-01-2017)

**Working Large Corp
Cases (LCI Designated)**

- (1) Large Corp technicians must take actions or make adjustments/recommendations on accounts with an LCI by:
 - Determining whether to send notices to taxpayer,
 - Addressing all current account issues
 - Coordinating with other functions about certain adjustments (CAWR, Excise, etc.), see IRM 4.19.4.2.1.1, *Large Corporation/Large Dollar Screening*
- (2) Large Corp technicians follow instructions in various IRM references to resolve accounts with an LCI. Some of the most common references include:
 - IRM 5.19.1.5.2, *Insolvency Issues*
 - IRM 20.1.4.21, *Taxpayer Responses*
 - IRM 21.7.2.5.19, *Premium Assistance for COBRA Benefits*
 - IRM 21.7.4.4.4.4, *Consolidated Returns*
 - IRM 21.7.11.4.8, *CP 234 - Processing Potential ES Penalty Notices*
 - IRM 21.7.13.5.2.1, *Definition: Corporation*
- (3) Large Corp. technicians must communicate with the taxpayer, LB&I, SB/SE, TE/GE, and field personnel by:
 - Establishing and maintaining a professional relationship with the taxpayer through the most secure method of response which is through Enterprise e-Fax (EEFax) and not a return email. For more information, see IRM 11.3.2.6, *Methods for Communication of Confidential Information*
 - Coordinating with all relevant personnel about assigned cases
 - Outreach activities

21.7.1.4.11.3
(06-20-2024)
**Routing Large Corp
Cases and Inquiries**

- (1) Route or refer all cases with a Large Corp Indicator (LCI) to the correct Large Corp team. IRM 21.7.1.4.11.4, *Campus Contacts for Large Corp Cases*, provides team contact information. Referrals include Employer Identification Number (EIN) verifications and change of address requests (Form 8822, *Change of Address*, Form 8822-B, *Change of Address or Responsible Party - Business*, in person at a Taxpayer Assistance Center (TAC) office, via telephone call, or correspondence). If a request for address change is received during a telephone call or during a TAC visit, provide the taxpayer with the Large Corp campus contact.

Exception: Do not refer the following issues to Large Corp:

- Transcript Requests

Example: If a tax practitioner requests a client transcript **only** and the client's account has a LCI, provide the account transcript without a Large Corp referral.

- Combined Annual Wage Reporting (CAWR) assessments
- Federal Unemployment Tax Act (FUTA) assessments
- Centralized Excise Tax Program (IRM 4.24.22.2, *Excise Tax Forms and Publications*, provides a list of centralized forms.)
- Original Form CT-1 tax returns (processed at Kansas City Submission Processing Campus)

Note: Cincinnati LCTU works CT-1 claims and correspondence. See IRM 21.7.2.6.4.1, *Required Routing for Form CT-1 and Form CT-1X Inquiries and Claims*, for routing information.

- Net Rate Interest Netting Claims (IRM 21.5.3.4.15, *Net Rate Interest Netting Claims*, and IRM 20.2.14.6, *Net Rate Interest Netting*)
- Form 1042, *Annual Withholding Tax Return for U.S. Source Income of Foreign Persons*
- Form 1045, *Application for Tentative Refund*
- Carryback cases (If the claim for refund exceeds \$5,000, also call the proper Large Corp contact to ensure the 45-day processing is met. See IRM 21.7.1.4.11.4 (1), *Campus Contacts for Large Corp. Cases*).
- Form 6765, *Credit for Increasing Research Activities* claims. See IRM 21.7.4.4.8.3.5, Form 6765, *Credit for Increasing Research Activities*, for more information.

- (2) When a call is received from a taxpayer, the Customer Service Representative must take the following actions:

1. Offer the contact name and telephone number of the correct LC Unit. See IRM 21.7.1.4.11.4 (1), *Campus Contacts for Large Corp. Cases*, or
2. Prepare a Form 4442, *Inquiry Referral*, on all LCI inquiries and route them to the correct Large Corp campus, **if** the taxpayer chooses not to call the contact.

Note: Reassign CII cases following local procedures.

- (3) If the case is routed to the incorrect Large Corp Unit, the incorrect Large Corp Unit receiving the case must coordinate with the correct site for resolution.
- (4) Reassign CII cases to the site-specific number listed in the table below, based on the LCI code rather than rerouting.

LCI Code	IDRS Number
LCI 17	0236026366
LCI 29	0435242646

- (5) Submission Processing (SP) Entity routes any address changes for Large Corp clients with a LCI shown on various IDRS screens, for example, ENMOD, SUMRY, TXMODA, or BMFOLI, to the proper Large Corp Units using Form 8822, *Change of Address*, or Form 8822-B, *Change of Address or Responsible Party - Business*, with a routing slip and with the comment "Large Corp Address Change". The LC Unit researches/verifies if the address change is warranted and will input the requested change of address.

Note: An address change for a business with an LCI received at an IMF Entity location will Enterprise Electronic Fax (EEFax) the request to Cincinnati Large Corp at 855-307-3090, or Ogden Large Corp at 855-269-1645. The EEFax should also include the comment "Large Corp Address Change".

21.7.1.4.11.4
(01-16-2024)
**Campus Contacts for
Large Corp Cases**

- (1) The following campus contacts help field personnel and any taxpayer who has a LCI to help resolve account related problems. Research the account before giving out the telephone number. Only give the campus contact telephone number to a taxpayer whose account actually has the LCI set on it.

Note: A business operating division (BOD) code of LM (Large and Mid-Size) does not necessarily indicate an account is in the "Large Corporation Program".

Campus	Contact Name	Telephone number	Best Time to Call
Cincinnati	Large Corp. Team 402	859-320-3560 EEFax - 855-307-3090	Team 402 - 7:00 a.m. - 3:30 p.m. EST
Ogden	Large Corp.	801-620-5497 EEFax - 855-269-1645	7:30 a.m. - 4:00 p.m. MST

- (2) Large Corp Team addresses are:

Cincinnati

Express Mail
7940 Kentucky Dr., Stop 537G
Florence, KY 41042

Ogden Express Mail

1973 N. Rulon White Blvd.
Mail Stop 6061 (Attn: Large Corp. MS 6732)
Ogden, UT 84404

Ogden Regular Mail

1973 N. Rulon White Blvd
Ogden, UT 84201

- (3) To find the LCI indicator on IDRS screens, follow the chart below. Once the organization is assigned to one of the Large Corp Units, the indicator (which is one of the following numbers) shows which campus to contact:

- Cincinnati (17)
- Ogden (29)

ON IDRS SCREEN:	LARGE CORPORATION INDICATOR:
ENMOD	LARGE-CORP-CD> directly under ENMOD
SUMRY	LARGE CORPORATION> ON 3rd line of SUMRY
TXMODA	LRG-CORP> on 2nd line of TXMODA
BMFOLI	LGE CORP: on 4th line of BMFOLI

21.7.1.4.11.5
(01-16-2024)

Requesting Large Corp Participation

- (1) The “LCI” requests are made by the taxpayer or field personnel through the Large Corp Teams or Industry personnel for the BODs.
- (2) The taxpayer’s BOD determines where the LCI request is sent for review. The following table provides routing guidance:

If	Then
LB&I or affiliate	Complete the LCI Request Form found in paragraph 3 of <i>How to request participation in the LC Program</i> .
SB/SE	Refer to your Large Corp manager to contact the proper (<i>Collection or Examination</i>) SB/SE Area Director.
TE/GE entity	Refer to your Large Corp manager to contact the proper TE/GE liaison at the email addresses below: <ul style="list-style-type: none"> • Federal, State and Local Governments (FSLG) and Exempt Organizations (EO): <i>EO Classification</i> • Employment Plans (EP): <i>EP Classification</i>

- (3) All cases must have multiple/complex issues.
- (4) The individual or designee receiving the LCI request must complete the following sections of the LCI Request Form:
- Taxpayer Information
 - Taxpayer contact information
 - Requester Information
 - Reason(s) for LCI Request

- (5) For an LB&I taxpayer, determine the taxpayer's industry code. The industry is based on the location of the taxpayer.

If the case is	Then
On Audit Information Management System (AIMS)	The third number on the primary business code is the Industry code (30X with "X" being the Industry Code).
Not on AIMS	Research CC TXMODA (The second line down on the right side shows the field: BOD-CD>LM Client-CD.)

- (6) Forward the LCI Request Form electronically using secure messaging to your manager.
- (7) The Large Corp manager or designee forwards the completed LB&I LCI Request Form to the Practice Area Analysts found in paragraph 4, *How to request participation in the LC Program*, using secure messaging. The Practice Area Analysts are found under the **"L" Code Input Request Instructions** section. If two analysts are listed for the industry, send the secure email to both.
- (8) The Practice Area analyst completes the "Approval or Reject information" for LB&I requests. The "L" Code request form is e-mailed to the responsible Large Corp Technical Team (LCTT) based on the ENMOD address of the taxpayer and LB&I requester, if applicable.
- If the request is approved, the LCTT inputs the "L" Code on the taxpayer's account.
 - If the request is rejected, the Practice Area Analyst contacts the taxpayer and provides the reason why the request was rejected.

21.7.1.4.11.6
(11-20-2023)

Removing Large Corp Participants

- (1) Large Corp teams must review the quarterly listings provided by LB&I to eliminate taxpayers currently enrolled in their programs with the following characteristics:
- No activity for more than 16 months
 - Not currently under examination
 - No balance due or outstanding Taxpayer Delinquency Investigation (TDI), and
 - No recent TE activity, e.g., transcripts
- (2) Send a letter to any taxpayer that meets these criteria informing them of the intention to eliminate them from the program.

Note: If there is an indication the primary business entity is closed and/or they have no open filing requirements, it is not necessary to send a letter before removing them from the program.

- (3) If the taxpayer does not reply to the letter within 45 days, consider the taxpayer agreeing that Large Corp. service is no longer required.

21.7.1.4.11.7
(01-01-2005)

**Inputting/Removing the
LCI and CEP Indicator**

- (1) Designated employees in the Large Corp Team can add or delete LCI or CEP indicators using IDRS CC BNCHG as follows:

If	Then
Adding LCI	Input campus jurisdiction code in "Large Corp Code" field.
Removing LCI	Input "99" in "Large Corp Code" field.
Adding CEP indicator	Input "01" in CEP field.
Removing CEP indicator	Input "99" in CEP field.

21.7.1.4.11.8
(10-01-2024)

**Online Notice Review
(OLNR) Process for
Large Corp Notices**

- (1) The Online Notice Review Process (OLNR) is the process that allows Large Corp employees to analyze accounts and the notice to determine if the information on the notice to be mailed is complete and represents the most current and up to date account information. The OLNLR is a sampling of notices on accounts with a Large Corp Indicator (LCI) which require 100 percent review in order to minimize any negative impact to the taxpayer.
- (2) OLNLR notices are controlled using an IRS received date reflecting the date the notices are received in Large Corp. The OLNLR cycle loads on Friday and are received in Large Corp the following Monday (holiday's excluded). The Large Corp OLNLR inventory should be assigned using the date the notices are received on Monday.

Example: Large Corp OLNLR Notices generates on Friday, July 12, 2024 and are received in Large Corp Monday, July 15, 2024. The Notices are assigned using July 15, 2024 as the received date of the notice.

- (3) Review large corporation notices to determine if they are correct.
- (4) Research all accounts using available tools to determine:
- Misapplied payments (including other Taxpayer Identification Numbers (TINs) on file)
 - Posted, pending, or similar transactions (e.g., payments, subsequent assessments, tax, penalty, interest adjustments, etc.) on IDRS
 - Unresolved balance due accounts
 - Erroneous refunds being issued
- Note:** It is necessary to perform a review of the case that caused the generation of the notice to ensure correct actions were taken.
- (5) Take the necessary action to resolve any identified issue(s) if the notice is incorrect.
- (6) If necessary, contact taxpayer by telephone to determine validity of any notice prior to issuance.
- (7) Void any notice or release it for issuance per IRM 3.14.2, *Notice Review - Business Master File (BMF) Notice Review*.

21.7.1.4.11.9
(01-01-2005)

**Federal and State
Agencies Accounts
Receivables (Form 941)**

- (1) TE/GE works any Federal and State Agency Accounts Receivables.

Exception: The Large Corp Team in Ogden works all State agencies requesting **account related assistance**. For questions on these accounts, contact the Ogden Large Corp Team.

21.7.1.4.11.10
(10-01-2019)

**Failed Savings and
Loans**

- (1) Employees in Accounts Management, or Examination Branch can make assessments on accounts identified as failed savings and loan institutions. These accounts are coded with the "LCI". The following actions are taken by Output Review:

- a. Enter EINs of these accounts on local control file.
- b. Pull all adjustment notices generated because of an assessment.
- c. Void notices and input a history item **"VOIDEDEXAM"**.

- (2) Refer all notices identified under Notice Review Processing System (NRPS) key 06 (Large Complex Corporations) to Exam for proper notice disposition. If these notices are received in other functions that work large complex corporation and LCC accounts, forward to Exam for proper disposition.

- (3) See IRM 21.7.4.4.13, *Insolvent Financial Institutions/Failed Savings and Loans, and Failed Banks*, for information on these accounts.

21.7.1.4.11.11
(10-01-2020)

**D- Freeze/Large Corp
Offset**

- (1) TC 470 cc 97, puts a freeze on all offset-in operations within an account or on a specific module on accounts containing the Large Corporation Literal.

- (2) TC 470 cc 97 creates a "D-" freeze and a 52-cycle systemic hold.

- a. It involves accounts containing complex processing issues which require multiple adjustment actions outside the scope of normal processing.
- b. TC 470 cc 97 does not freeze designated overpayments from refunding.

Caution: Do not allow overpayments to refund when the overpayments are part of the case resolution.

21.7.1.4.11.11.1
(10-01-2009)

**Use and Posting of TC
470 cc 97 by Examiners
Working Large Corp
Accounts**

- (1) Use TC 470 cc 97 on erroneous debit balances, or when the legitimate collection of taxes due the government won't be placed in jeopardy.

- (2) TC 470 cc 97 posts under the following conditions. Otherwise, the input document is voided to the originator.

- Large Corp Account Indicator on the account
- Debit, credit, or zero balance module
- No bankruptcy or litigation freezes on the account

Note: The module of input cannot contain any unreversed TC 470 non-closing code 97 (nor can any TC 470 non-closing code 97 be input on a module containing an unreversed TC 470 cc 97).

- (3) Input of TC 472 cc 97 or expiration of the 52-cycle systemic hold releases the freeze.

- (4) Use a second TC 470 cc 97, if warranted, to properly resolve a taxpayer's account.

- (5) Use of TC 470 cc 97 generates Account Maintenance type transcripts as a validation check against any unreversed TC 470 cc 97. These transcripts generate the 28th cycle after input of the TC 470 cc 97.

21.7.1.4.11.12
(03-16-2017)

#

21.7.1.4.11.12.1
(11-10-2020)

- (1) Submission Processing forwards processible Forms 4466 via Enterprise e-Fax (EEFAX) and a Form 4466 Tracking List to the AM P&A Analysts. The AM P&A Analysts provides the list and EEFAX information to their Large Corp. team for filing verification.
- (2) Upon receipt of the Form 4466 cases, open an IDRS control base on each case included on the Form 4466 Tracking List utilizing category code "TECT" and activity code "Large Corp". The verification of filing of Form 4466 process is reported under time code 710-01015.
- (3) The following procedures are implemented to further prevent the processing of

#

[illegible]

##

- b. At the end of each day, return the updated Form 4466 Tracking List and the Form 4466 to the AM P&A Analyst with the verified information.
- c. The AM P&A Analyst compiles the verified information received from the Large Corp. team and returns the updated Form 4466 Tracking List to the SP P&A Analyst with-in 5-business days from receipt of the tracking list, for further actions.

#

Cat. No. 36841Z (08-28-2024)
Any line marked with a #
is for **Official Use Only**

##

[illegible]

[illegible]

[illegible]

21.7.1.4.11.13
(10-04-2017)
**Federal Contractor Tax
Check Process**

- (1) As of October 19, 2016, all IRS potential contract vendors and awards are subject to a tax check to determine eligibility for a contract award. Taxpayers identified with an unresolved tax delinquency are not eligible to receive a contract award. Contractors must be in filing and payment compliance with federal taxes as part of the eligibility requirements for a federal contract. They must stay in filing and payment compliance during the duration of the contract to remain eligible.
- (2) This process is implemented to help the Office of Procurement in their determination of the eligibility to receive a contract or award. If a taxpayer fails a compliance tax check, the responsible Contract Officer (CO) emails the account information to the SB/SE Federal Contractor Program for review.
- (3) The SB/SE Federal Contractor Program analyst reviews the request and determine the status of the account. Per Procurement guidelines, a potential contractor or vendor is considered compliant when the tax module is in the following account status (ST):
 - ST 60 – Installment Agreement
 - ST 71 – Offer in Compromise
 - ST 53 – Result of a TC 470 CC 90 which indicates a pending adjustment or other tax module activity resolving the delinquency. This transaction code removes the tax module from the Procurement delinquency listing.
- (4) If the taxpayer is not in compliance, the case is referred to the correct business operation to validate the failed tax check. The assignment is based on the following Business Operation Division (BOD) code on IDRS:
 - BOD Code SB - Brookhaven Collection FAD Team

- BOD Code LM – Ogden Accounts Management Campus (OAMC) Large Corporation (LC) Team

Note: In unusual circumstances, the SB/SE HQ analyst collaborates with other areas within the IRS to help with case resolution.

The Accounts Management HQ tax analyst emails tax check requests to the OAMC P&A staff for LC assignment.

21.7.1.4.11.13.1
(10-04-2017)

Tax Check Validation Process

- (1) Due to the Office of Procurement short time frames to approve contracts, Tax Check cases are a priority and require a response within 3-business days. The tax check request addresses any change to the general time frame.
- (2) The Contract Officer provides available taxpayer point of contact information in the tax check request. If POC is not available and the taxpayer is in the Large Corp Program, use existing taxpayer contact information.
- (3) Open an IDRS control with a LC category and update AMS history to indicate a Procurement tax check request was received for review. The AMS history must indicate actions taken, including all phone calls, to contact the taxpayer and resolve the balance due.
- (4) If account action is taken to resolve the balance due (pending tax adjustment, payment application, etc.), input a TC 470 CC 90 to update the account status and remove the tax module from the Procurement delinquency listing.

Note: Although action is taken to resolve the balance due, Procurement records do not indicate the taxpayer is in compliance unless the tax module is in status 12.

21.7.1.4.11.13.2
(10-01-2020)

Tax Check Taxpayer Contact

- (1) If taxpayer contact is necessary to resolve the balance due, try to contact the taxpayer by phone. If there is no response, try a second call the next business day. After the second call, close the case as no response, update the AMS history with all actions (including phone calls), and notify P&A of action taken.
- (2) If contact is successful, properly identify yourself per IRM 21.1.1.4, *Communication Skills*, paragraph (2), and inform the taxpayer the call is about a balance due on their business account. The outstanding balance due has placed their federal contract in jeopardy and we are calling to resolve the balance due and ensure their account remains in compliance for contract consideration.
 - Explain the balance due and discuss resolution options. As a courtesy, inform the taxpayer of any other compliance issues and stress the importance of remaining in compliance.
 - If the taxpayer agrees to full pay the balance due, encourage the taxpayer to make an electronic payment via Electronic Federal Tax Payment System (EFTPS) or online at *irs.gov*. If the electronic payment option is selected, review IRM 5.19.1.6.2, *Can Full Pay Balance Due Now (Payoff)*, for procedures with payoff computation and inform the taxpayer to fax the payment confirmation. The confirmation is used to input the TC 470 CC 90.

Note: It is not necessary to wait for the payment to show as pending on IDRS to input the TC 470 CC 90. The payment confirmation is sufficient supporting documentation.

- If the taxpayer submits documentation to eliminate the balance due, input the proper adjustment, input a TC 470 CC 90, update the AMS history with all actions taken, close control, and notify P&A of the action taken.
- If the taxpayer needs more time to review the issue or indicates the company needs more time to fax documentation to resolve the balance due, provide a 5-business day response date.

Reminder: Upload all supporting documentation to CII.

- (3) If the taxpayer does not respond within 5-business days, close the case no reply, update the AMS history, and notify P&A of the action taken.
- (4) Refer to the table below for specific case guidance:

If	And	Then
There is a pending adjustment on the tax module resolving the balance due	The tax module is not in status 12	<ul style="list-style-type: none"> • Input a TC 470 CC 90. • Update AMS history with actions taken, including TP has pending IRS contract and TC 470 CC 90 input. • Close control and notify P&A of the action taken.
There is a balance on the tax module	There is available credit (misapplied payment) to satisfy the tax module	<ul style="list-style-type: none"> • Transfer the credit to the balance due tax module. • Input the TC 470 CC 90. • Update AMS history with actions taken, including TP has pending IRS contract and TC 470 CC 90 input. • Close control and notify P&A of the action taken.
There is a balance due on the tax module	AMS and CII research indicates the taxpayer sent documentation, or correspondence related to the balance due	<ul style="list-style-type: none"> • Use the CII documentation to research and determine correct resolution for the issue. Take any necessary actions to resolve the balance due. • If the issue is not resolved, contact the taxpayer and follow the guidance under paragraphs (1) through (3) above.

If	And	Then
Research indicates the balance due is not accurate due to an IRS error		<ul style="list-style-type: none">• Take proper actions to correct the account.• Input TC 470 CC 90.• Update AMS history with actions taken, including TP has pending IRS contract and TC 470 CC 90 input.• Close control and notify P&A of the action taken.
The balance due is a result of an erroneous penalty assessment		<ul style="list-style-type: none">• Take proper actions to correct the account.• Input TC 470 cc 90.• Update AMS history with actions taken, including TP has pending IRS contract and TC 470 CC 90 input.• Close control and notify P&A of the action taken.

Exception: If one of the balance due tax modules is a Civil Penalty on MFT 13, use TC 470 CC 95.