



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

25.23.4

SEPTEMBER 5, 2024

EFFECTIVE DATE

(10-01-2024)

PURPOSE

- (1) This manual transmits revised guidance for IRM 25.23.4, IDTVA Paper Process, and provides procedures for the treatment and resolution of Individual Master File (IMF) tax-related identity theft (IDT) cases.

MATERIAL CHANGES

- (1) IRM 25.23.4.1.2(2) Added a new paragraph to provide information on Taxpayer Advocate Service (TAS).
- (2) IRM 25.23.4.1.4 Revised the IRM to rename from Program Controls to Program Management and Review.
- (3) IRM 25.23.4.1.4(3) Removed paragraph (3) and moved the information to a new subsection IRM 25.23.4.1.5, Program Controls.
- (4) IRM 25.23.4.1.5 New section - Program Controls. Information on program controls was previously located in IRM 25.23.4.1.4(3).
- (5) IRM 25.23.4.3(9) Added a new paragraph for processes that require lead/manager approval. Subsequent paragraphs were renumbered. IPU 24U0377 issued 03-11-2024
- (6) IRM 25.23.4.3.1(1) Revised 2nd Note to update IAT tool REQ54. IPU 24U0377 issued 03-11-2024
- (7) IRM 25.23.4.3.1(2) Revised paragraph for clarification of the "IRS Received Date" used when creating CII case controls.
- (8) IRM 25.23.4.3.1(2) Revised paragraph to create bullet listing for clarification of the "IRS Received Date" used when opening controls on CII. IPU 24U0729 issued 06-07-2024
- (9) IRM 25.23.4.3.1(3) Updated existing information to clarify open control bases on IDRS CC TXMOD. IPU 24U0729 issued 06-07-2024
- (10) IRM 25.23.4.3.1(4) Revised information for monitoring accounts. IPU 24U0729 issued 06-07-2024
- (11) IRM 25.23.4.3.1(5) Removed instructions for monitoring open controls on IDRS for TOP offset over 6 years old and moved the instructions to IRM 25.23.4.10.10.2. Subsequent paragraphs were renumbered. IPU 24U0729 issued 06-07-2024
- (12) IRM 25.23.4.3.1.1(3) Revised the statement in the 2nd Note to provide clarification on using the Julian date.
- (13) IRM 25.23.4.3.1.1 New section - Monitoring Case Controls. IPU 24U0729 issued 06-07-2024
- (14) IRM 25.23.4.3.2(4) Updated existing information to clarify case assignment based on earliest IRS received date. Added a new Exception and Reminder for additional clarification.
- (15) IRM 25.23.4.3.5(1) Revised paragraph to include information on priority treatment of all identity theft cases. IPU 24U0377 issued 03-11-2024

- (16) IRM 25.23.4.3.5(2) Revised the Priority Code (PC) listing for IDTVA-A employees. IPU 24U0377 issued 03-11-2024
- (17) IRM 25.23.4.3.5(2) Added PC 6 for potential fraud-scheme scenarios. IPU 23U1007 issued 10-12-2023
- (18) IRM 25.23.4.3.5(3) Revised referrals from OIC "CSCO Specialty Only" to the Specialty Collection Offer in Compromise (SCOIC) directory.
- (19) IRM 25.23.4.3.5(3) Revised the Priority Code (PC) listing for IDTVA Specialty employees. IPU 24U0377 issued 03-11-2024
- (20) IRM 25.23.4.3.5(3) Added PC 6 for potential fraud-scheme scenarios. IPU 23U1007 issued 10-12-2023
- (21) IRM 25.23.4.4(4) Revised Example (d) to clarify cases involving income related IDT will be controlled on CC TXMOD. Added new Example (f) for cases involving dependent IDT will be controlled on CC TXMOD.
- (22) IRM 25.23.4.4(5) Revised existing information for clarification of procedures when there is no indication of tax-related IDT.
- (23) IRM 25.23.4.4(5) Revised to remove duplicate information. IPU 23U1007 issued 10-12-2023
- (24) IRM 25.23.4.4(7) Added instruction to change the doc type. IPU 23U1007 issued 10-12-2023
- (25) IRM 25.23.4.6(1) Revised to include scrambled SSN cases. IPU 23U1007 issued 10-12-2023
- (26) IRM 25.23.4.6(2) Removed instructions from bullet #2 and #6. Bullet #8 becomes a new paragraph. IPU 24U0377 issued 03-11-2024
- (27) IRM 25.23.4.6(2) 2nd Bullet revised to include references for addressing levies and liens, when necessary. IPU 24U0188 issued 02-02-2024
- (28) IRM 25.23.4.6(3) Added a new paragraph and table to include procedures for balance due issues. IPU 24U0377 issued 03-11-2024
- (29) IRM 25.23.4.6(3) Updated to 650-day timeframe for consistency with IRM 25.23.2.2.3. IPU 24U0188 issued 02-02-2024
- (30) IRM 25.23.4.6(3) Updated for consistency with IRM 25.23.2.2.3 and IRM 25.23.4.18.1. IPU 23U1007 issued 10-12-2023
- (31) IRM 25.23.4.6(4) Removed a link to the CII Performance Guide - CSR Guide. The link previously located in SERP is now obsolete.
- (32) IRM 25.23.4.6(4) Added a new paragraph for procedures previously listed in paragraph (2) bullet #8. No content changes. Subsequent paragraphs were renumbered. IPU 24U0377 issued 03-11-2024
- (33) IRM 25.23.4.6(5) Updated to 640-day timeframe for consistency with IRM 25.23.2.2.3 and IRM 25.23.4.18.1. IPU 24U0843 issued 07-16-2024
- (34) IRM 25.23.4.6.1 Reorganized existing information. (7) Previously paragraph (14). (8) Previously paragraph (15). (9) Previously paragraph (16). (10) Previously paragraph (17). (11) Previously paragraph (18). (12) Previously paragraph (19). (13) Previously paragraph (7). (14) Previously paragraph (8). (15) Previously paragraph (9). (16) Previously paragraph (10). (18) Previously paragraph (11). (19) Previously paragraph (12). (20) Previously paragraph (13). IPU 23U1007 issued 10-12-2023

- (35) IRM 25.23.4.6.1(4) Added a new list item to consider a change to the taxpayer's marital status when conducting a search using CC NAMEI or CC NAMES.
- (36) IRM 25.23.4.6.1(5) Added a new paragraph to include information when a taxpayer may use Form 14039 to report someone obtained an Employer Identification Number (EIN). Subsequent paragraphs were renumbered.
- (37) IRM 25.23.4.6.1(6) Added a new Table Scenario (4) to include procedures when an Employer Identification Number (EIN) cannot be located.
- (38) IRM 25.23.4.6.1(7) Revised to include information about researching Scrambled SSN Indicators (SCIs). IPU 23U1007 issued 10-12-2023
- (39) IRM 25.23.4.6.1(8) Removed statement advising IDTVA-A employees will retain and resolve Mixed Period (NOIDT) issues. IPU 24U0729 issued 06-07-2024
- (40) IRM 25.23.4.6.1(9) Removed statement advising IDTVA-A employees will retain and resolve Mixed Entity (NOIDT) issues. IPU 24U0729 issued 06-07-2024
- (41) IRM 25.23.4.6.1(9) Rearranged procedures for clarity. No change to content. IPU 24U0377 issued 03-11-2024
- (42) IRM 25.23.4.6.1(11) Revised to specify IDT issues. IPU 24U0377 issued 03-11-2024
- (43) IRM 25.23.4.6.1(17) Added a paragraph with direction to consider the taxpayer's statement. Subsequent paragraphs were renumbered. IPU 23U1007 issued 10-12-2023
- (44) IRM 25.23.4.6.2(6) Revised Table Scenario (9) to include a Reminder providing the definition of an Erroneous Refund.
- (45) IRM 25.23.4.6.2(6) Added a reference for statute considerations. IPU 23U1007 issued 10-12-2023
- (46) IRM 25.23.4.6.2(8) Revised the IAT tool to use when aMend will not perform necessary account adjustment actions. Added a new Note for preparing a case to reroute to another function using CII.
- (47) IRM 25.23.4.6.2.1 Added a new IRM for statutes research. IPU 23U1007 issued 10-12-2023
- (48) IRM 25.23.4.6.4(1) Restructured to list case types as bullet points. Some information was moved to a new paragraph (2). IPU 23U1007 issued 10-12-2023
- (49) IRM 25.23.4.6.4(2) Added a new paragraph for CCA research details previously included in paragraph (1) as bullet points placed in a table. IPU 23U1007 issued 10-12-2023
- (50) IRM 25.23.4.6.4(3) Added a new paragraph for information previously included in a note in paragraph (1). IPU 23U1007 issued 10-12-2023
- (51) IRM 25.23.4.6.4(4) Added a new paragraph for information previously included in a note in paragraph (1). IPU 23U1007 issued 10-12-2023
- (52) IRM 25.23.4.6.4(5) Renumbered due to addition of new paragraphs. Previously paragraph (2). IPU 23U1007 issued 10-12-2023
- (53) IRM 25.23.4.6.4(6) Renumbered due to addition of new paragraphs. Restructured into a table. Added information for TC 971 AC 528. Previously paragraph (3). IPU 23U1007 issued 10-12-2023

- (54) IRM 25.23.4.6.4(7) Removed previous information regarding creation of CII cases for impacted years to provide consistency with procedures in IRM 25.23.4.3.1(2). Revised paragraph to include procedures for working new cases created through complete case analysis (CCA). Revised the Example for consistency of revised procedures.
- (55) IRM 25.23.4.6.4(7) Added a new paragraph for information previously included in paragraph (3). IPU 23U1007 issued 10-12-2023
- (56) IRM 25.23.4.6.5.3(1) Revised existing information for procedural clarification. IPU 24U0377 issued 03-11-2024
- (57) IRM 25.23.4.6.5.3(2) Revised to reflect new table procedures for appropriate research on IDT cases with missing return information . IPU 24U0377 issued 03-11-2024
- (58) IRM 25.23.4.6.5.3(3) Revised to reflect IRM 25.23.4.18.2 procedures to request missing return information required. Note and Caution information moved to a new paragraph in IRM 25.23.4.10(2). IPU 24U0377 issued 03-11-2024
- (59) IRM 25.23.4.8(6) Revised to reflect new subsections and renumbering of existing subsections. IPU 23U1187 issued 12-19-2023
- (60) IRM 25.23.4.8.1 New section - Identity Theft (IDT) Determinations - Schemes. Subsequent sections renumbered. IPU 23U1187 issued 12-19-2023
- (61) IRM 25.23.4.8.1(3) Removed the bullet for non-filer returns as it is not included in a subsection of this reference. IPU 23U1007 issued 10-12-2023
- (62) IRM 25.23.4.8.1.1 New section - Known Fraud-Scheme Cases. IPU 23U1187 issued 12-19-2023
- (63) IRM 25.23.4.8.1.1(4) Added a new Table Scenario (5) for fraud-scheme return characteristics involving Form 7202. IPU 24U0729 issued 06-07-2024
- (64) IRM 25.23.4.8.1.1(5) Added a new paragraph to list return characteristics that exclude Form 7202 from known fraud-scheme consideration. Subsequent sections were renumbered. IPU 24U0729 issued 06-07-2024
- (65) IRM 25.23.4.8.1.2 New section - Refund Schemes. IPU 23U1187 issued 12-19-2023
- (66) IRM 25.23.4.8.1.3 New section - Previously IRM 25.23.4.8.1.4. IPU 23U1187 issued 12-19-2023
- (67) IRM 25.23.4.8.1.3.1 New section - Previously IRM 25.23.4.8.1.4.1. IPU 23U1187 issued 12-19-2023
- (68) IRM 25.23.4.8.1.4.1(11) Revised existing information for clarification. IPU 23U1007 issued 10-12-2023
- (69) IRM 25.23.4.8.2(2) Added a link for non-streamline IRS identified IDT determinations. IPU 23U1007 issued 10-12-2023
- (70) IRM 25.23.4.8.2.1(2) Added a scenario for multiple taxpayers reporting identity theft. IPU 23U1007 issued 10-12-2023
- (71) IRM 25.23.4.8.2.1(5) Revised existing procedures to include NOIDT procedures when research supports a different determination.
- (72) IRM 25.23.4.8.2.3 Updated title to remove refund scheme. IPU 23U1187 issued 12-19-2023

- (73) IRM 25.23.4.8.2.3(2) Updated procedures for returns with Schedule C income and consideration is needed when making Common Number (CN) decisions.. Revised Note to clarify lead/manager concurrence is not needed when invalid returns meet known fraud-scheme criteria.
- (74) IRM 25.23.4.8.2.3(1) Link to Refund Scheme Listing was moved to the new section IRM 25.23.4.8.1.2. IPU 23U1187 issued 12-19-2023
- (75) IRM 25.23.4.8.2.4(5) Revised procedures for Lead/Manager concurrence requirement and added new Table Scenario (4) for Common Number (CN) ownership determinations for external business/preparer data breach. IPU 24U0729 issued 06-07-2024
- (76) IRM 25.23.4.8.2.5(4) Revised procedures for Lead/Manager concurrence requirement and added new Table Scenario (5) for for Common Number (CN) ownership determinations for misuse of tax preparation software. IPU 24U0729 issued 06-07-2024
- (77) IRM 25.23.4.8.2.5(5) Updated existing open paragraph selections for Letter 4402C and added a new reminder for special paragraphs. IPU 24U0729 issued 06-07-2024
- (78) IRM 25.23.4.8.2.5(6) Removed paragraph reminder for requirement of lead/manager approval. IPU 24U0729 issued 06-07-2024
- (79) IRM 25.23.4.8.3(2) Revised to use invalid instead of fraudulent. IPU 23U1007 issued 10-12-2023
- (80) IRM 25.23.4.8.3(3) 4th bullet removed. Information included in IRM 25.23.4.8.3.1(2)-(3). IPU 23U1007 issued 10-12-2023
- (81) IRM 25.23.4.8.3.1(1) Removed paragraph Note for Common Number (CN) is an ITIN. IPU 24U0729 issued 06-07-2024
- (82) IRM 25.23.4.8.3.1(2) Removed paragraph Note for Common Number (CN) is an ITIN. IPU 24U0729 issued 06-07-2024
- (83) IRM 25.23.4.8.3.1(2) Revised to provide guidance previously found in IRM 25.23.4.8.3(3) 4th bullet. IPU 23U1007 issued 10-12-2023
- (84) IRM 25.23.4.8.3.1(3) Revised to provide guidance previously found in IRM 25.23.4.8.3(3) 4th bullet. Clarified acceptable documentation. IPU 23U1007 issued 10-12-2023
- (85) IRM 25.23.4.8.3.2(1) Revised to remove Common Number (CN) is an ITIN throughout the table scenarios. IPU 24U0729 issued 06-07-2024
- (86) IRM 25.23.4.8.4.1(3) Revised statement in 3rd bullet to clarify Dependent IDT claims submitted on behalf of an adult dependent that is age 18 or older.
- (87) IRM 25.23.4.8.4.1(3) Added a Note to include EUP/ITIN RTS research for ITINs. IPU 24U0729 issued 06-07-2024
- (88) IRM 25.23.4.8.4.1(4) Added an Exception for claimants over the age of 18 at the time of working a case. IPU 24U0729 issued 06-07-2024
- (89) IRM 25.23.4.8.4.1(8) Revised Table Scenario (3) to clarify Mixed Entity procedures. Revised Table Scenario (6) Exception for routing Form 3949-A to Exam for claims involving dependent IDT.
- (90) IRM 25.23.4.8.4.1(8) Revised Table Scenario (1) to clarify the open control base needed on IDRS CC TXMOD and Table Scenario (3) to remove procedure for Mixed Entity cases no longer retained by the IDTVA-A employee. IPU 24U0729 issued 06-07-2024

- (91) IRM 25.23.4.9.1.1.1(4) Revised paragraph to provide guidance on balance due status accounts with an expired CSED. IPU 24U0377 issued 03-11-2024
- (92) IRM 25.23.4.9.1.1.1(4) Revised to cover all offsets. Previously only addressed tax offsets. IPU 23U1007 issued 10-12-2023
- (93) IRM 25.23.4.9.1.3(1) Revised procedures to remove Lead/Manager concurrence requirement. Added instruction for documentation on CII and included an example of CII case note. IPU 24U0729 issued 06-07-2024
- (94) IRM 25.23.4.9.1.3(3) Added a paragraph to provide references for excess collections. IPU 23U1007 issued 10-12-2023
- (95) IRM 25.23.4.9.2(2) Revised Table Scenario (6) to include link for NOIDT determination on statute imminent cases. IPU 24U0729 issued 06-07-2024
- (96) IRM 25.23.4.9.2 Scenarios throughout updated to reflect action can be taken once the assessment is pending. IPU 24U0188 issued 02-02-2024
- (97) IRM 25.23.4.9.3.1(6) Revised alpha listing in paragraph to emphasize guidance on monitoring control bases. IPU 24U0377 issued 03-11-2024
- (98) IRM 25.23.4.10(2) Added a new paragraph to specify procedures previously found in IRM 25.23.4.6.5.3. IPU 24U0377 issued 03-11-2024
- (99) IRM 25.23.4.10.4(1) Revised first bullet to indicate streamline criteria and added a Note for requirement of lead/manager approval. IPU 24U0729 issued 06-07-2024
- (100) IRM 25.23.4.10.10.2(11) Added a new paragraph to specify procedures previously in IRM 25.23.4.3.1. Subsequent paragraphs were renumbered. IPU 24U0729 issued 06-07-2024
- (101) IRM 25.23.4.10.13(1) Table Scenario (6) revised to include instruction to update the activity on the IDRS control base. IPU 23U1007 issued 10-12-2023
- (102) IRM 25.23.4.10.14(1) Revised Bullet #4 and Note to change verbiage from “fraudulent” to “invalid”.
- (103) IRM 25.23.4.10.14(3) For each table scenario, added TC 971 AC 501/506 information that was previously removed. IPU 23U1007 issued 10-12-2023
- (104) IRM 25.23.4.10.14(5) Removed references to IRM 25.23.2.6.1. IPU 23U1007 issued 10-12-2023
- (105) IRM 25.23.4.10.15(2)(e) Added IDTVA Specialty Teams Only. IPU 24U0188 issued 02-02-2024
- (106) IRM 25.23.4.10.16(1) Revised paragraph to provide clarification on guidance for taxpayers not responding for more information (NORPLY) considerations.
- (107) IRM 25.23.4.10.16(2) Revised Table Scenario (2) procedures and enough information is available to determine the taxpayer is a victim of IDT. Added new Example for dependent identity theft claims and no response received for the request of additional information. Revised existing Example for clarification.
- (108) IRM 25.23.4.10.16(2) Table Scenario (2) Then Column 2nd bullet revised to say IDTVA Specialty Teams Only. IPU 24U0188 issued 02-02-2024
- (109) IRM 25.23.4.10.16(5) Information in this paragraph was updated to include instructions for IDT indicator reversals. IPU 24U0377 issued 03-11-2024

- (110) IRM 25.23.4.10.17(2) Revised Table Scenario (2) to add a Note to clarify systemic limitations for a normal computer-generated refund. IPU 24U0729 issued 06-07-2024
- (111) IRM 25.23.4.10.17(3) Added a new paragraph to specify systemic limitations for a normal computer-generated refund. Subsequent paragraphs were renumbered. IPU 24U0729 issued 06-07-2024
- (112) IRM 25.23.4.10.17(4) Revised paragraph to provide clarification for account issue considerations prior to inputting a manual refund.
- (113) IRM 25.23.4.10.17(4) Revised Table Scenario (3) to include additional information on post delay codes. Added new Table Scenario (7) to include Frivolous Return Program (FRP) involvement consideration for a manual refund. IPU 24U0729 issued 06-07-2024
- (114) IRM 25.23.4.10.17 Created a new section for manual refunds on identity theft cases. IPU 24U0188 issued 02-02-2024
- (115) IRM 25.23.4.10.18 Created a new section for setting math errors on identity theft cases. IPU 24U0377 issued 03-11-2024
- (116) IRM 25.23.4.10.19 Created a new section for cases with -E freeze conditions. IPU 24U0729 issued 06-07-2024
- (117) IRM 25.23.4.11(1) Added a new paragraph to provide information on Taxpayer Advocate Service (TAS). Subsequent paragraphs were renumbered.
- (118) IRM 25.23.4.11(2) Added a new paragraph to include information for taxpayers requesting assistance when TAS criteria is met. Subsequent paragraphs were renumbered.
- (119) IRM 25.23.4.13(2) Revised IRM title listed in Bullet #2 to Referrals to IRS Independent Office of Appeals (New Requests or Reconsideration for Appeals).
- (120) IRM 25.23.4.13.1(2) Updated Table Scenario (1) to clarify the information for incomplete or insufficient documentation.
- (121) IRM 25.23.4.13.1(2) Added a new Table Scenario (1) for incomplete documentation. All other Table Scenarios were renumbered. Table Scenario (2) revised to include instruction to attach Form 10467 to the CII case. Table Scenario (3) revised to remove instructions to review the taxpayer correspondence and perform all necessary account actions. Replaced with instructions to follow IRM 25.23.4.10.16. Removed instruction to inform the taxpayer of the outcome as it is covered in IRM 25.23.4.10.16. Added instruction to attach Form 10467 to the CII case and document CII with a case note. Table Scenario (4) revised to clarify procedures for situations where a determination cannot be made. Table Scenario (5) added for CDP cases. IPU 23U1007 issued 10-12-2023
- (122) IRM 25.23.4.13.1(3) Removed because it was added to paragraph (2) Table Scenario (5). IPU 23U1007 issued 10-12-2023
- (123) IRM 25.23.4.13.2 Title changed to Referrals to IRS Independent Office of Appeals (New Requests or Reconsideration for Appeals).
- (124) IRM 25.23.4.13.2(1) Revised office title to IRS Independent Office of Appeals.
- (125) IRM 25.23.4.13.2 Title changed to Referrals to Appeals Function (New Requests or Reconsideration for the Appeals Function). IPU 23U1007 issued 10-12-2023
- (126) IRM 25.23.4.13.2(1) Added a new paragraph to specify when cases will be referred to the Appeals Function. IPU 23U1007 issued 10-12-2023

- (127) IRM 25.23.4.13.2(2) Revised office title to IRS Independent Office of Appeals.
- (128) IRM 25.23.4.13.2(2) Existing information split into three paragraphs for clarification. Subsequent paragraphs were renumbered. IPU 23U1007 issued 10-12-2023
- (129) IRM 25.23.4.13.3 Title changed to Cases Received from Appeals With Previous Appeals Involvement. IPU 23U1007 issued 10-12-2023
- (130) IRM 25.23.4.13.3(4) Corrected email title. IPU 23U1007 issued 10-12-2023
- (131) IRM 25.23.4.18.1(2) Removed Note for using “Tax-Related IDT Letters Job Aid” no longer located on the IDTVA HUB. IPU 24U0729 issued 06-07-2024
- (132) IRM 25.23.4.18.1(2) Added a note to provide a reference to the IRS Style Guide, Plain Language. IPU 23U1007 issued 10-12-2023
- (133) IRM 25.23.4.18.1(4) Updated to 640-day timeframe for consistency with IRM 25.23.2.2.3 and IRM 23.23.4.6. IPU 24U0843 issued 07-16-2024
- (134) IRM 25.23.4.18.1(4) Updated to 650-day timeframe for consistency with IRM 25.23.2.2.3. IPU 24U0188 issued 02-02-2024
- (135) IRM 25.23.4.18.1(4) Updated to 480-day timeframe for consistency with IRM 25.23.2.2.3. IPU 23U1007 issued 10-12-2023
- (136) IRM 25.23.4.18.1(7) Revised the listing of dates to use to determine the taxpayer’s correspondence date when issuing a closing letter.
- (137) IRM 25.23.4.18.1(8) Updated the timeframe for issuing interim letters. Revised the timeframes listed in the Reminder and Example for consistency. IPU 24U0843 issued 07-16-2024
- (138) IRM 25.23.4.18.1(8) Updated to 650 days based on timeframe changes. IPU 24U0188 issued 02-02-2024
- (139) IRM 25.23.4.18.1(8) Updated to 475 days based on timeframe changes. IPU 23U1007 issued 10-12-2023
- (140) IRM 25.23.4.18.1(12) Added a Note to include information regarding taxpayer’s already enrolled in the IP PIN program. Added a new special paragraph to use on closing letters for taxpayer’s already enrolled in the IP PIN program.
- (141) IRM 25.23.4.18.2(1) Revised existing information and included bullet list items for procedural clarification. IPU 24U0377 issued 03-11-2024
- (142) IRM 25.23.4.18.2(1) Removed specification of by telephone and/or by mail. IPU 24U0188 issued 02-02-2024
- (143) IRM 25.23.4.18.2(2) Added a new paragraph with procedures with Lead or Manager concurrence requirement. Subsequent paragraphs were renumbered. IPU 24U0377 issued 03-11-2024
- (144) IRM 25.23.4.18.2(2) Removed requirement to attempt to contact by telephone and specification of two times. moved the information provided in notes into a bullet list. IPU 24U0188 issued 02-02-2024
- (145) IRM 25.23.4.18.2(3) Added a new paragraph and Table with procedures for missing signatures. Subsequent paragraphs were renumbered. IPU 24U0377 issued 03-11-2024
- (146) IRM 25.23.4.18.2(3) Information in this paragraph has been combined with information from previous paragraph (5). IPU 24U0188 issued 02-02-2024

- (147) IRM 25.23.4.18.2(4) Added a new paragraph for cases with a Form 14039 alleging Return Preparer Misconduct (RPM). Subsequent paragraphs were renumbered.
- (148) IRM 25.23.4.18.2(4) Information was incorporated in paragraph (2). Subsequent paragraphs were renumbered. IPU 24U0188 issued 02-02-2024
- (149) IRM 25.23.4.18.2(5) Added a new paragraph with procedures if the posted TC 976 return is necessary for case resolution. Subsequent paragraphs were renumbered.
- (150) IRM 25.23.4.18.2(6) Added paragraph to specify employees must contact the taxpayer(s) by mail. IPU 24U0188 issued 02-02-2024
- (151) IRM 25.23.4.18.2(8) Revised Note #1 to include information on the filing of fraudulent authorizations to gain access to taxpayer information.
- (152) IRM 25.23.4.18.2(9) Revised procedures for requesting additional information from the taxpayer.
- (153) IRM 25.23.4.18.2(9) Revised existing information for clarification. IPU 24U0377 issued 03-11-2024
- (154) IRM 25.23.4.18.2(9) Added a new paragraph to provide instructions for researching CII for the taxpayer's response. Subsequent paragraphs were renumbered. IPU 23U1007 issued 10-12-2023
- (155) IRM 25.23.4.18.2(11) Revised existing information for clarification in the table to include new math error procedures for IDT. IPU 24U0377 issued 03-11-2024
- (156) IRM 25.23.4.18.2(12) Removed paragraph instructions. Subsequent paragraphs were renumbered. IPU 24U0377 issued 03-11-2024
- (157) IRM 25.23.4.18.2(13) Added a new paragraph for procedures for a taxpayer's responses that includes Form 2848, Power of Attorney and Declaration of Representative or Form 8821, Tax Information Authorization. Subsequent paragraphs were renumbered.
- (158) IRM 25.23.4.18.2(14) Added a new paragraph with Table providing the appropriate actions required for scenarios that do not include the request of a copy of the TC 976. Subsequent paragraphs were renumbered.
- (159) IRM 25.23.4.18.2(15) Added a new paragraph with Table providing the appropriate actions required for scenarios when the requesting a copy of the TC 976 was completed for a non-statute year. Subsequent paragraphs were renumbered.
- (160) IRM 25.23.4.18.2(16) Added a new paragraph with Table providing the appropriate actions required for scenarios when requesting a copy of the TC 976 was completed for a statute year. Subsequent paragraphs were renumbered.
- (161) IRM 25.23.4.18.2.3(1) Added a note instructing employees to follow No IDT procedures prior to resolving or reassigning a scrambled SSN case. IPU 23U1007 issued 10-12-2023
- (162) IRM 25.23.4.19.1(2) Updated paragraph (2) to provide clear instructions for translation services. IPU 24U0377 issued 03-11-2024
- (163) IRM 25.23.4.20.5(1) Revised existing information for use of the Recovery Rebate Credit Worksheet currently located in AMS and removed the reference from the previous location in SERP Job Aids. IPU 24U0729 issued 06-07-2024
- (164) Exhibit 25.23.4-1(1) Revised existing information to clarify procedures on the criteria of data comparison. Removed first Example and moved to the new paragraph (7). Removed second Example and moved to the new paragraph (6). Removed Caution and moved to the new paragraph (2).

- (165) Exhibit 25.23.4-1(2) Added new paragraph (2) and revised Caution previously in paragraph (1) to provide additional clarification of the review and compare criteria process.
- (166) Exhibit 25.23.4-1(3) Added new paragraph (3) for procedures when confirming consistencies to determine a return is valid.
- (167) Exhibit 25.23.4-1(4) Added new paragraph (4) for procedures in identifying inconsistencies to determine a return is invalid.
- (168) Exhibit 25.23.4-1(5) Added new paragraph (5) with Table providing procedures when there are the same number of consistencies and inconsistencies.
- (169) Exhibit 25.23.4-1(6) Added new paragraph (6) for procedures when there are not enough returns filed for comparison of data. Revised second Example previously in paragraph (1) to provide clarification of an invalid determination.
- (170) Exhibit 25.23.4-1(7) Added new paragraph (7) for procedures when there is not enough IRP data available. Revised first Example previously in paragraph (1) to provide clarification of an invalid determination.
- (171) Exhibit 25.23.4-1(1) Revised the order of the consistencies listing when making Common Number (CN) determination. IPU 24U0729 issued 06-07-2024
- (172) Exhibit 25.23.4-4(4) Revised Table Scenario (4) and (5) to update the reassignment holding number for specific IDT case types. IPU 24U0729 issued 06-07-2024
- (173) Exhibit 25.23.4-4(4) Revised Table Scenario (2) for clarity of DUPF case type procedures. Revised Table Scenario (4) and (5) to update the reassignment holding number for specific IDT case type. IPU 24U0377 issued 03-11-2024
- (174) Exhibit 25.23.4-4(4) Table Scenario (2) revised for consistency with IRM 25.23.4.10.12.4. Table Scenario (3) revised to specify non-tax-related and full scope trained employees will resolve the case. IPU 23U1007 issued 10-12-2023
- (175) Exhibit 25.23.4-5(6) Revised procedures in Table Scenario (9) for Frivolous Return Program (FRP). IPU 24U0729 issued 06-07-2024
- (176) Exhibit 25.23.4-5(6) Added DOJ to the table. IPU 23U1007 issued 10-12-2023
- (177) Exhibit 25.23.4-5(7) Added a Reminder to clarify procedures for rerouting a case to another function using CII.
- (178) Exhibit 25.23.4-5(11) Revised Table Scenario (1) and (9) to update the Priority Code for Appeals/CDP cases.
- (179) Exhibit 25.23.4-5(11) Revised Table Scenario (19) to update the document type and CII category code for Refund Hold IDT cases and revised Table Scenarios (2), (4), (5), (8), (10), (14), (15), (16), (17), and (19) to update the reassignment holding number for specific IDT case type. IPU 24U0729 issued 06-07-2024
- (180) Exhibit 25.23.4-5(11) Revised Table Scenarios (2), (4), (5), (8), (10), (14), (15), (16), (17), and (19) to update the reassignment holding number for specific IDT case type. IPU 24U0377 issued 03-11-2024
- (181) Exhibit 25.23.4-6(2) Added Memphis campus location for IDTVA-A.
- (182) Exhibit 25.23.4-8(1) Added new paragraph (1) for clarification of case resolution of priority order. Subsequent paragraphs were renumbered.

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- (183) Exhibit 25.23.4-8(1) Updated the listing of priority case types for IDTVA-A employees. IPU 24U0377 issued 03-11-2024
 - (184) Exhibit 25.23.4-8(2) Updated the IDT work type to include IDTX inventory. IPU 24U0377 issued 03-11-2024
 - (185) Exhibit 25.23.4-8(3) Updated the listing of priority case types for IDTVA-Specialty employees. IPU 24U0377 issued 03-11-2024
 - (186) Exhibit 25.23.4-10(1) Revised information for the appropriate abbreviation of time zones when issuing Letter 4674C. IPU 24U0729 issued 06-07-2024
 - (187) Exhibit 25.23.4-11(1) Updated procedures to provide clarifying guidance for creating specific activity codes on IDRS. Added Notes previously in paragraph (2). IPU 24U0729 issued 06-07-2024
 - (188) Exhibit 25.23.4-11(2) Updated procedures for required case actions and monitoring on CII is needed. Removed Notes and moved to paragraph (1). IPU 24U0729 issued 06-07-2024
 - (189) Exhibit 25.23.4-11(3) Added new paragraph (3) for activity codes when monitoring cases. Used by IDTVA Specialty only. IPU 24U0729 issued 06-07-2024
 - (190) Exhibit 25.23.4-11(4) Added new paragraph (4) for activity codes when monitoring cases on IDRS only. IPU 24U0729 issued 06-07-2024
 - (191) Exhibit 25.23.4-11(5) Added new paragraph (5) for IDRS activity codes that do not require case monitoring. IPU 24U0729 issued 06-07-2024
 - (192) Exhibit 25.23.4-15(6) Added a new paragraph for AUR cases that require follow-up for use by IDTVA P&A and Designated Individuals Only. Procedures from the Table Scenario in paragraph (7) and (8) were moved to paragraph (6). Subsequent paragraphs were renumbered. IPU 24U0377 issued 03-11-2024
 - (193) Exhibit 25.23.4-15(7) Revised Table Scenario (4) procedures for cases 100 days old or greater. IPU 24U0729 issued 06-07-2024
 - (194) Exhibit 25.23.4-15(8) Revised information for procedural clarification. IPU 24U0729 issued 06-07-2024
 - (195) Exhibit 25.23.4-15(8) Updated Table Scenario (3) and Scenario (4) to include clarification of follow-up procedures for IDTVA P&A and Designated Individuals Only. IPU 24U0377 issued 03-11-2024
 - (196) Exhibit 25.23.4-21(6) Table Scenario (2) Revised to include clarification of instructions for scenarios where an IA, CNC, or OIC requires reinstatement to CSCO and input of TC 470 CC 94 for credit elect requests. Subsequent scenario(s) were renumbered. IPU 24U0377 issued 03-11-2024
 - (197) Exhibit 25.23.4-21(6) Table Scenario (2) Revised to provide instructions to refer scenarios where an IA, CNC, or OIC requires reinstatement to CSCO. IPU 24U0188 issued 02-02-2024
 - (198) Exhibit 25.23.4-21(8) Revised Table Scenario (11) to add a Note for clarification on IDT indicators with a secondary date older than 7 years. IPU 24U0729 issued 06-07-2024
 - (199) Exhibit 25.23.4-21(8) Revised Table Scenario (11) for clarification on reversing IDT indicators with a secondary date older than 7 years. IPU 24U0377 issued 03-11-2024
 - (200) Exhibit 25.23.4-21(8) Added a table scenario for reversing IDT indicators with a secondary date older than 7 years. IPU 23U1007 issued 10-12-2023
 - (201) IRM 25.23.4, Various editorial changes and IRM cross references updated throughout the entire IRM.

EFFECT ON OTHER DOCUMENTS

This IRM supersedes IRM 25.23.4 effective 10-01-2024 and incorporates Identity Theft Case Processing IRM Procedural Updates (IPUs):

- IPU 23U1007 (issued 10-12-2023)
- IPU 23U1187 (issued 12-19-2023)
- IPU 24U0188 (issued 02-02-2024)
- IPU 24U0377 (issued 03-11-2024)
- IPU 24U0729 (issued 06-07-2024)
- IPU 24U0843 (issued 07-16-2024)

AUDIENCE

The provisions in this manual apply to all divisions, functional units, employees, and contractors within the IRS working identity theft (IDT) cases.

LuCinda Comegys, Director
Accounts Management
Taxpayer Services

25.23.4
IDTVA Paper Process

Table of Contents

- 25.23.4.1 Program Scope and Objectives
 - 25.23.4.1.1 Background
 - 25.23.4.1.2 Authority
 - 25.23.4.1.3 Responsibilities
 - 25.23.4.1.4 Program Management and Review
 - 25.23.4.1.5 Program Controls
 - 25.23.4.1.6 Terms/Definitions/Acronyms
 - 25.23.4.1.7 Related Resources
- 25.23.4.2 Identity Theft (IDT) Paper Process Overview
- 25.23.4.3 Case Assignment and Inventory Management - General Guidance
 - 25.23.4.3.1 CII and IDRS Case Controls
 - 25.23.4.3.1.1 Monitoring Case Controls
 - 25.23.4.3.2 Case Transfer within IDTVA
 - 25.23.4.3.3 Cases Requiring Routing/Reassignment to Other Functions
 - 25.23.4.3.4 IDTVA Specialty Functions - Case Referrals from Compliance Functions
 - 25.23.4.3.5 Priority Codes for IDTVA CII Cases
- 25.23.4.4 Taxpayer Inquiries Involving Identity Theft (IDT)
- 25.23.4.5 IRS Identified Identity Theft (IDT)
- 25.23.4.6 Research, Actions and Complete Case Analysis - Overview
 - 25.23.4.6.1 Required Research
 - 25.23.4.6.2 IDTVA - Additional Research and Required Actions
 - 25.23.4.6.2.1 Statute Research
 - 25.23.4.6.3 IDTVA Research, Verification, and Requests
 - 25.23.4.6.4 Complete Case Analysis (CCA)
 - 25.23.4.6.5 Documentation Requests, Return Processing and Missing Information
 - 25.23.4.6.5.1 Ordering Documents
 - 25.23.4.6.5.2 Unprocessed Documents
 - 25.23.4.6.5.2.1 Unprocessed Statute Returns or Transcripts (IDTVA Screeners Only)
 - 25.23.4.6.5.2.2 Unprocessed Returns - 40 Day Suspense Time Frame Expired
 - 25.23.4.6.5.3 Missing Information
 - 25.23.4.6.6 Credit Transcripts - IDT6/IDS6
 - 25.23.4.6.6.1 Credit Transcripts - IDT6/IDS6 (IDTVA Screeners Only)
 - 25.23.4.6.6.2 Credit Transcripts Resolution
 - 25.23.4.6.7 Fraud Procedures
- 25.23.4.7 Non-Streamline Identity Theft (IDT) Case Processing

25.23.4.8 Identity Theft (IDT) Common Number (CN) Ownership and Case Processing Determinations

25.23.4.8.1 Identity Theft (IDT) Determinations - Schemes

25.23.4.8.1.1 Known Fraud-Scheme Cases

25.23.4.8.1.2 Refund Schemes

25.23.4.8.1.3 Married Filing Joint Scheme Involvement

25.23.4.8.1.3.1 Invalid Joint Election Consideration

25.23.4.8.2 Streamline Identity Theft (IDT) Case Identification and Processing

25.23.4.8.2.1 Identity Theft (IDT) with RIVO Involvement

25.23.4.8.2.2 Identity Theft (IDT) with Decedent Taxpayer Involvement

25.23.4.8.2.3 Identity Theft (IDT) with IRP Data or Schedule C Involvement

25.23.4.8.2.4 Identity Theft (IDT) with External Business/Preparer Data Breach Involvement

25.23.4.8.2.4.1 TIN Owners Receiving Fraudulent Refunds in Preparer Data Breach Scheme

25.23.4.8.2.4.2 External Business/Preparer Data Breach Streamline Identity Theft (IDT) - One Return Present

25.23.4.8.2.4.3 External Business/Preparer Data Breach Streamline Identity Theft (IDT) - More Than One Return Present

25.23.4.8.2.5 Identity Theft (IDT) with Tax Preparation Software Misuse

25.23.4.8.3 Non-Streamline Identity Theft (IDT) Determinations

25.23.4.8.3.1 Taxpayer Identified Identity Theft (IDT) Determinations

25.23.4.8.3.2 IRS Identified Identity Theft (IDT) Determinations

25.23.4.8.4 Dependent Related Identity Theft (IDT) - General

25.23.4.8.4.1 Dependent Related Identity Theft (IDT) - Determinations

25.23.4.8.5 Identity Theft with Non-Filer Returns

25.23.4.9 Statute Processing Considerations

25.23.4.9.1 Determining When Specific Year Account Information Must Be Moved

25.23.4.9.1.1 Collection Statute Expiration Date Expired or Imminent

25.23.4.9.1.1.1 Identity Theft Allegations on Tax Year 2012 and Prior

25.23.4.9.1.2 Tax Year Account Move Conditions - Applicable for IDT(X) and IDS(X) Cases

25.23.4.9.1.3 Action Required if Not Moving Specific Year Account Information

25.23.4.9.1.4 Moving Specific Year Account Information

25.23.4.9.2 Statute Imminent Assessments for IDT Cases

25.23.4.9.3 Addressing Barred Assessments on Identity Theft (IDT) Cases

25.23.4.9.3.1 Adjusting Accounts with Barred Assessments

25.23.4.9.3.2 Resolving a Barred Assessment with Compliance Issues (IDTVA Specialty Functions Only)

25.23.4.10 Resolving Identity Theft (IDT) Cases

25.23.4.10.1 Invalid Return/Valid Return - No Lost Refund

25.23.4.10.2 Invalid Return/Valid Return - Lost Refund

25.23.4.10.3 Valid Return/Invalid Return

25.23.4.10.4 Two or More Invalid Returns (No Valid Return) - No Lost Refund

-
- 25.23.4.10.5 Two or More Invalid Returns (No Valid Return) - Lost Refund
 - 25.23.4.10.6 One IDT Return - No Lost Refund
 - 25.23.4.10.7 One IDT Return - Lost Refund
 - 25.23.4.10.8 Identity Theft (IDT) Cases/Transcripts with RIVO and/or TPP Involvement - Resolution Tables
 - 25.23.4.10.9 IRSN Required for Identity Theft (IDT) Return
 - 25.23.4.10.10 Identity Theft with Offsets
 - 25.23.4.10.10.1 Identity Theft with Tax Offsets
 - 25.23.4.10.10.2 Identity Theft with TOP Offsets
 - 25.23.4.10.11 Identity Theft and Restitution
 - 25.23.4.10.12 Amended or Duplicate Returns and Identity Theft (IDT)
 - 25.23.4.10.12.1 Amended or Duplicate Returns and Identity Theft (IDT) - Valid/Invalid
 - 25.23.4.10.12.2 Amended or Duplicate Returns and Identity Theft (IDT) - Invalid/Valid
 - 25.23.4.10.12.3 Amended or Duplicate Returns and Identity Theft (IDT) - No Valid Return
 - 25.23.4.10.12.4 Amended or Duplicate Returns and Identity Theft (IDT) - NO IDT Determinations
 - 25.23.4.10.13 Identity Theft (IDT) - Previous Action
 - 25.23.4.10.14 Dependent Related Identity Theft (IDT)
 - 25.23.4.10.15 No Identity Theft (NOIDT) Determinations
 - 25.23.4.10.16 No Reply
 - 25.23.4.10.17 Identity Theft (IDT) - Manual Refunds
 - 25.23.4.10.18 Identity Theft (IDT) - Setting the Math Error
 - 25.23.4.10.19 Identity Theft (IDT) Cases with -E Freeze
 - 25.23.4.11 Identity Theft (IDT) Cases Requiring Special Treatment - Operations Assistance Requests (OARs)
 - 25.23.4.11.1 Identity Theft (IDT) Expedite Operations Assistance Requests (OARs) - (Cases that Meet Economic Burden Criteria 1-4 and Contain Unprocessed Original Returns; TC 976 Documents) - Austin IDTVA-A ONLY
 - 25.23.4.11.2 Normal Operations Assistance Request (OAR) Processing
 - 25.23.4.12 Collection Activity - Form 14394/13794
 - 25.23.4.12.1 Collection Activity - Form 14394
 - 25.23.4.12.2 Collection Activity - Form 13794 Additional Actions Required - Lien
 - 25.23.4.12.3 Collection Activity - Resume Collection Actions
 - 25.23.4.13 Requests for an Appeal
 - 25.23.4.13.1 Cases with -L or -W Freeze Codes
 - 25.23.4.13.2 Referrals to IRS Independent Office of Appeals (New Requests or Reconsideration for Appeals)
 - 25.23.4.13.3 Cases Received from Appeals With Previous Appeals Involvement
 - 25.23.4.13.3.1 Non-Docketed Cases Returned from Appeals
 - 25.23.4.13.3.2 Docketed Cases Received from Appeals
 - 25.23.4.13.3.3 Collection Due Process Cases Returned from Appeals
 - 25.23.4.14 Identity Theft (IDT) Cases Processed Incorrectly

- 25.23.4.14.1 Identity Theft (IDT) Adjustment Errors
- 25.23.4.15 MFT 32 Cases - Moved in Error
- 25.23.4.16 Form 3245/3809 Reversals
- 25.23.4.17 Determining Tax Liability/Form 2209 Instructions
- 25.23.4.18 Communicating with Taxpayers
 - 25.23.4.18.1 General IDTVA Letter Procedures
 - 25.23.4.18.2 Requests for Additional Information (Telephone and/or Written)
 - 25.23.4.18.2.1 Telephone Contact Guidelines (Associated with the Letter 5064C Common Number Questionnaire)
 - 25.23.4.18.2.2 Supplementary Questions (Associated with Letter 5064C Common Number Questionnaire)
 - 25.23.4.18.2.3 Actions Based on No Response or Taxpayer Responses to Letter 5064C and/or Supplementary Questions sent to determine Common Number Ownership
 - 25.23.4.18.2.4 Final Stage Review (Associated with Letter 5064C sent for Common Number Ownership)
 - 25.23.4.18.3 Processing Taxpayer Replies to Closing Identity Theft (IDT) Letters sent for Common Number Owner Determination
 - 25.23.4.18.4 Resolving Undeliverable Identity Theft (IDT) Mail
 - 25.23.4.18.5 Taxpayer Calls on Identity Theft (IDT) Cases (IDTVA Paper Employees Only)
- 25.23.4.19 Requesting Translations of Certain Languages
 - 25.23.4.19.1 Translation Requests for Certain Languages - Other Than Spanish
- 25.23.4.20 Economic Impact Payment (EIP) and Recovery Rebate Credit (RRC) - General
 - 25.23.4.20.1 Economic Impact Payment (EIP) - Account Research
 - 25.23.4.20.2 Economic Impact Payment (EIP) - Additional Research for Identity Theft (IDT) Cases
 - 25.23.4.20.2.1 Economic Impact Payment (EIP) Referrals - Coordinator Duties
 - 25.23.4.20.3 Economic Impact Payment (EIP) - Adjustments - General
 - 25.23.4.20.3.1 Economic Impact Payment (EIP) - Adjustments - EIP 1/EIP 2
 - 25.23.4.20.3.2 Economic Impact Payment (EIP) - Adjustments - EIP 3
 - 25.23.4.20.3.3 Economic Impact Payment (EIP) - Account Balancing Adjustments
 - 25.23.4.20.4 Recovery Rebate Credit (RRC) - Identity Theft (IDT) Case Research
 - 25.23.4.20.5 Recovery Rebate Credit (RRC) - Adjustments
- 25.23.4.21 American Rescue Plan Act (ARPA) - General
 - 25.23.4.21.1 ARPA - Unemployment Compensation Tax Relief
 - 25.23.4.21.2 ARPA - Advanced Child Tax Credit (AdvCTC) - General
 - 25.23.4.21.2.1 ARPA - Advanced Child Tax Credit (AdvCTC) - Identity Theft Research and Account Actions
 - 25.23.4.21.2.2 ARPA - Advanced Child Tax Credit (AdvCTC) - Adjustments
 - 25.23.4.21.2.3 ARPA - Advanced Child Tax Credit (AdvCTC) Math Errors
 - 25.23.4.21.3 ARPA – Excess Advance Premium Tax Credit (APTC) Repayment Relief

Exhibits

25.23.4-1	IRPTR/IDRS Data Decision Tree
25.23.4-2	Form 3245 Reversal
25.23.4-3	Form 3809 Reversal
25.23.4-4	Identity Theft (IDT) Functional Routing and Referral Chart
25.23.4-5	IDTVA Routing Matrix
25.23.4-6	IDTVA Site Locations
25.23.4-7	Identity Theft (IDT) Multiple Control Decision Document
25.23.4-8	Order of Priority Listing - IDTVA-A and IDTVA Specialty Functions
25.23.4-9	IDTVA-A Identity Theft (IDT) Work Types Listing
25.23.4-10	Identity Theft (IDT) Closing Letter Decision Chart
25.23.4-11	IDRS Activity Codes and Definitions
25.23.4-12	Tax-Related Identity Theft (IDT) Codes
25.23.4-13	Format for Emails to SB/SE Examination Technical Services
25.23.4-14	Format for Emails to Appeals
25.23.4-15	ITVA HQ AUR ADR Report - For Use by IDTVA P&A and Designated Individuals Only
25.23.4-16	ITVA HQ Balance Due Receipts Listing - For Use by IDTVA P&A Only
25.23.4-17	ITVA HQ Disaster -O Freeze Listing - For Use by IDTVA P&A Only
25.23.4-18	ITVA HQ Freeze Code -L Listing - For Use by IDTVA P&A Only
25.23.4-19	ITVA HQ Freeze Code Z Listing - For Use by IDTVA P&A Only
25.23.4-20	TC 971 AC 199 MISC Field Descriptions for Economic Impact Payments (EIPs)
25.23.4-21	Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing
25.23.4-22	Establishing or Updating Entities for Dependents
25.23.4-23	Complex Case Scenarios
25.23.4-24	IDTVA Statute Clearing

25.23.4.1
(10-21-2019)
Program Scope and Objectives

- (1) **Purpose** - This IRM section provides guidance for resolving identity theft (IDT) casework.
- (2) **Audience** - The provisions in this section apply primarily to employees assigned to the Identity Theft Victim Assistance (IDTVA) directorate, but may be used by all divisions, functional units, employees and contractors within the IRS working identity theft cases.
- (3) **Policy Owner** - The owner of the policies contained herein is the Director, Accounts Management.
- (4) **Program Owner** - The Director of Accounts Management is the program owner.
- (5) **Primary Stakeholders** - The primary stakeholders are organizations that Accounts Management collaborates with, such as Return Integrity and Compliance Services (RICS), Compliance and Submission Processing.
- (6) **Program Goals** - Program goals for this type of work are included in the Accounts Management Program Letter.

25.23.4.1.1
(10-01-2017)
Background

- (1) Employees in the Identity Theft Victim Assistance (IDTVA) organization process identity theft (IDT) claims and respond to IDT victims' phone inquiries.

25.23.4.1.2
(10-01-2024)
Authority

- (1) Refer to IRM 1.2.1.13, Policy Statements for Customer Account Services Activities, for information.
- (2) The Taxpayer Advocate Service is an **independent** organization within the Internal Revenue Service (IRS), led by the National Taxpayer Advocate, that helps taxpayers and protects taxpayer rights. TAS offers free help to taxpayers when a tax problem is causing a financial difficulty, when they've tried and been unable to resolve their issue with the IRS, or when they believe an IRS system, process, or procedure just isn't working as it should. TAS strives to ensure that every taxpayer is treated fairly and knows and understands their rights under the *Taxpayer Bill of Rights* TAS has at least one taxpayer advocate office located in every state, the District of Columbia, and Puerto Rico.

25.23.4.1.3
(10-21-2019)
Responsibilities

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

25.23.4.1.4
(10-01-2024)
Program Management and Review

- (1) **Program Reports** - For reports concerning quality, inventory, aged listing, refer to IRM 1.4.16, Accounts Management Guide for Managers. Aged listings can also be reviewed by accessing Control Data Analysis, Project PCD. They are located on the Control-D/Web Access server, which has a login program control.
- (2) **Program Effectiveness** - Program Effectiveness is determined by Accounts Management's employees successfully using IRM guidelines to perform necessary account actions and duties effectively and efficiently.

25.23.4.1.5
(10-01-2024)

Program Controls

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

25.23.4.1.6
(12-20-2022)

**Terms/Definitions/
Acronyms**

- (1) Refer to the table below for a list of acronyms used throughout IRM 25.23.4.

Note: This list may not be all inclusive.

Acronyms	Definitions
AC	Action Code
ACSS	Automated Collection System Support
AdvCTC	Advanced Child Tax Credit
AM	Accounts Management
AMS	Accounts Management System
APTC	Advance Premium Tax Credit
ARPA	American Rescue Plan Act
ASED	Assessment Statute Expiration Date
ASFR	Automated Substitute for Return
AUR	Automated Underreporter
BFS	Bureau of Fiscal Service
BMF	Business Master File
CARES	Coronavirus Aid, Relief, and Economic Security Act
CC	Command Code
CCA	Complete Case Analysis
CDS	Centralized Delivery Service
CEAS	Correspondence Examination Automation Support
CI	Criminal Investigation
CII	Correspondence Imaging Inventory
CN	Common Number
CSR	Customer Service Representative
DITA	Designated Identity Theft Adjustment
EGC	Employee Group Code
EIN	Employer Identification Number

Acronyms	Definitions
EIP	Economic Impact Payment
ES	Estimated Tax
EUP	Employee User Portal
FRP	Frivolous Return Program
FTC	Federal Trade Commission
FTF	Failure to File
FTP	Failure to Pay
HC	Hold Code
HQ	Headquarters
IAT	Integrated Automation Technologies
ICCE	Integrated Customer Communication Environment (System)
ICT	Image Control Team
IDRS	Integrated Data Retrieval System
IDT	Identity Theft
IDTVA	Identity Theft Victim Assistance
IDTVA-A	Identity Theft Victim Assistance Accounts Management
IJE	Invalid Joint Election
IMF	Individual Master File
IPSU	Identity Protection Specialized Unit (inventory programs)
IRM	Internal Revenue Manual
IRSN	Internal Revenue Service Number
ITAR	Identity Theft Assistance Request
ITIN	Individual Taxpayer Identification Number
MeF	Modernized e-File
MXEN	Mixed Entity
OAR	Operations Assistance Request
P&A	Planning & Analysis
PC	Priority Code
POC	Point of Contact
RGS	Report Generation Software
RICS	Return Integrity and Compliance Services

Acronyms	Definitions
RIVO	Return Integrity & Verification Operations
RO	Revenue Officer
RPD	Return Processable Date
RPM	Return Preparer Misconduct
RPO	Return Preparer Office
RRC	Recovery Rebate Credit
RSED	Refund Statute Expiration Date
RTF	Return Transaction File
SC	Source Code
SCRM	Scrambled SSN
SDC	Scheme Development Center
SLA	Service Level Agreement
SP	Submission Processing
SSA	Social Security Administration
SSN	Social Security Number
TAC	Taxpayer Assistance Center
TAS	Taxpayer Advocate Service
TC	Transaction Code
TCIS	Treasury Check Information System
TIF	Taxpayer Information File
TIN	Taxpayer Identification Number
TOP	Treasury Offset Program
TPP	Taxpayer Protection Program

25.23.4.1.7
(04-09-2021)

Related Resources

- (1) This section provides Individual Master File (IMF) CSRs/TEs with the resources and guidance to resolve taxpayer (TP) identified and IRS identified identity theft cases, including general procedures for cases with Compliance involvement.
- (2) The Taxpayer Bill of Rights (TBOR) lists rights that already existed in the tax code, putting them in simple language and grouping them into 10 fundamental rights. Employees are responsible for being familiar with and acting in accord with taxpayer rights. See IRC 7803(a)(3), Execution of Duties in Accord with Taxpayer Rights. For additional information about the TBOR, see <https://www.irs.gov/taxpayer-bill-of-rights>.

- (3) CSRs/TEs should utilize and become familiar with the IRMs below in conjunction with IRM 25.23.4 to aid them in accurately resolving their case and/or routing cases to other functions, when applicable.
- IRM 3, Submission Processing
 - IRM 4, Examination Process
 - IRM 5, Collecting Process
 - IRM 20.1, Penalty Handbook
 - IRM 21, Customer Account Services
 - IRM 25, Special Topics
 - IRM 25.23.1, Identity Protection and Victim Assistance – Policy Guidance
 - IRM 25.23.2, Identity Protection and Victim Assistance - General Case Processing
 - IRM 25.23.3, IMF Non-Tax-Related IDT and Specialized Programs
 - IRM 25.23.9, BMF Identity Theft Processing
 - IRM 25.23.10, Compliance Identity Theft Case Processing
 - IRM 25.23.11, Business Master File (BMF) Identity Theft Procedures for Accounts Management
 - IRM 25.23.12, IMF Identity Theft Toll-Free Guidance
 - IRM 25.24.1, Return Preparer Misconduct Victim Assistance - General Overview
 - IRM 25.24.2, Return Preparer Misconduct Victim Assistance Specialized Accounts Management Processing
- (4) Employees of Identity Theft Victim Assistance (IDTVA - Accounts Management and Specialty Functions) are responsible for keeping current with the following resources:
- Identity Theft Victim Assistance (IDTVA) Service Level Agreement (SLA)
 - Identity Theft Memorandums of Understanding (MOUs) and Interim Guidance Memoranda (IGMs)
 - Identity Theft Victim Assistance Hub (IDTVA Hub)
 - ID Theft Resource Page and Technical Communication Documents (TCDs)
 - SERP Alerts
- (5) Employees of IDTVA are also responsible for keeping current with IRM provisions specific to resolving Compliance identity theft account referrals from:
- Automated Collection System Support (ACSS)
 - Automated Substitute for Returns (ASFR)
 - Automated Underreporter (AUR)
 - Compliance Services Collection Operation (CSCO)
 - Monitoring Offer In Compromise (MOIC)
 - Centralized Offer in Compromise (COIC)
 - Doubt as to Liability (DATL)
 - Correspondence Examination (Exam)
 - Taxpayer Advocate Service (TAS)

25.23.4.2
(10-01-2023)
Identity Theft (IDT)
Paper Process Overview

- (1) This section of the IRM provides guidance primarily for use by IDTVA for the research and resolution of tax-related identity theft cases. Additional information in IRM 25.23.10, Compliance Identity Theft Case Processing, provides procedures specific to cases involving compliance issues.

- (2) Cases may initially be taxpayer identified identity theft claims or IRS identified.

Note: Per Exhibit 25.23.1-1, Glossary of Identity Protection Terms and Definitions, an identity theft claim refers to any combination of Form 14039, Identity Theft Affidavit, or a police report or, for other than Compliance functions, a written statement from the taxpayer that they are, or may be, a victim of identity theft. Cases that are referred to IDTVA from a Compliance function must include a Form 14039 or police report to be considered an identity theft claim.

- (3) Identity theft returns filed to generate a fraudulent refund may show the following characteristics:

- Refundable credits claimed, no Form W-2 income included
- Adoption credit
- First-time Homebuyer Credit
- Refundable Education Credit (Form 8863)
- Only Education Credits of \$1,000 claimed on return

- (4) Cases generally fall into one of two treatment streams:

- Streamline identity theft case processing - the identity theft return can be nullified
- Non-Streamline identity theft case processing - the identity theft return cannot be nullified and must be processed to an IRSN

- (5) When possible, cases will be resolved based on information provided and/or directly available. If a determination cannot be made based on the information provided and/or directly available, guidance will be followed for communicating with the taxpayer(s).

- (6) Steps for resolution of IDT cases are generally based on one of the following scenarios:

- Invalid return/valid return - no lost refund
- Invalid return/valid return - lost refund
- Valid return/invalid return - no lost refund
- Two or more invalid returns (no valid return) - no lost refund
- Two or more invalid returns (no valid return) - lost refund
- One invalid return only - no lost refund
- One invalid return only - lost refund

- (7) The subsections that follow provide details on the assignment of work, management of inventory, and applicable research and resolution processes, etc.

- (8) ITVA headquarters provides various reports to IDTVA P&A for inventory management purposes. Recommended uses for the reports are outlined individually.

- AUR Analytics Data Retrieval (ADR) Report - See Exhibit 25.23.4-15, ITVA HQ AUR ADR Report - For Use by IDTVA P&A and Designated Individuals Only.

- Balance Due Receipts Listing - See Exhibit 25.23.4-16, ITVA HQ Balance Due Receipts Listing - For Use by IDTVA P&A Only.
- Disaster -O Freeze Listing - See Exhibit 25.23.4-17, ITVA HQ Disaster -O Freeze Listing - For Use by IDTVA P&A Only.
- Freeze Code -L Listing - See Exhibit 25.23.4-18, ITVA HQ Freeze Code -L Listing - For Use by IDTVA P&A Only.
- Freeze Code Z Listing - See Exhibit 25.23.4-19, ITVA HQ Freeze Code Z Listing - For Use by IDTVA P&A Only.

- (9) On a weekly basis, IDTVA P&A ensures site adherence to inventory management requirements outlined in IRM 1.4.16.5.6, Monitoring the Automated Age Listing (AAL), in an effort to appropriately prioritize cases while addressing old age inventory and unnecessary multiple controls.

25.23.4.3

(03-11-2024)

Case Assignment and Inventory Management - General Guidance

- (1) IDTVA employees with IDT/RPM inventory are assigned a phone extension so taxpayers may contact them directly with questions about the status of their cases. Employees must be signed into their routing extension when they are not answering calls on a toll-free line. Refer to IRM 25.23.4.18.5, Taxpayer Calls on Identity Theft (IDT) Cases (IDTVA Paper Employees Only), for additional information.
- (2) In general, identity theft cases will be scanned into the Correspondence Imaging System (CII) and assigned to employees through the Centralized Work Distribution (CWD) process.
- (3) The Correspondence Imaging System (CII) has been updated with identity theft CII Logic to assign/associate newly scanned work to CSRs with existing controls. This is to be consistent with note/guidance under (2) of IRM 21.5.2.3, Adjustment Guidelines - Research.
- (4) The Automated Age Listing (AAL) and Multiple Control Listing (MCL) are used to monitor and manage assigned inventory.
- (5) On a quarterly basis, ITVA will provide a listing of statute imminent cases (based on the current ASER on the module). Statute year cases will be prioritized for statute clearing purposes. Refer to Exhibit 25.23.4-24 , IDTVA Statute Clearing.
- (6) Identity theft cases are priority work per IRM 25.23.2.2.2, Priority Handling of Identity Theft Cases.
- (7) When the CII case is controlled to an incorrect Category Code, update CII to reflect the correct case type and OFP.
- (8) If multiple controls are present on your case, link cases following guidance in IRM 21.5.1.5.1, CII General Guidelines. Use the table in Exhibit 25.23.4-7, Identity Theft (IDT) Multiple Control Decision Document, to determine the appropriate IDT Category Code.

Example: If an IDT4 was recently assigned to you because you have an open IDS3 or IDT3 for the same tax period, you would update the surviving Category Code to IDS1 or IDT1. If you have an IDI1, IDS1 or IDT1 for a different tax period, you must manually revise the IDT4 to the appropriate IDI/IDS/IDT category on CII.

- (9) Certain identity theft determinations and/or resolution processes require lead/manager approval prior to moving forward with account actions. Document your research and determination or action requiring approval in a CII case note prior to suspending the case to your work leader. Generally, the lead/manager will provide a response within 3 business days, documenting their concurrence or disagreement in a CII case note.
- (10) Identity theft cases will be closed with a TC 290 .00 with RC 139 when a corrective adjustment is not necessary.

Exception: For refund related IDT (i.e., invalid return filed), do not create a CII control or input a TC 290 .00 with a Reason Code 139 if the following conditions exist:

- There is no TC 150 present on the account.
- No tax module exists.
- The module is in retention (unless reversing a tax offset will create a balance due or it is necessary to resolve the taxpayer issue to make the taxpayer whole).
- When an impacted module is not active on IDRS CC: TXMOD and is not yet in retention. **Do not** input IDRS CC: MFREQ.

- (11) IDTVA Specialty Function teams utilize CII. If a case is open in one of the Compliance functions (AUR, Exam, ASFR, etc.) with an IDT allegation, do not refer the case to the Compliance function. Reassign the case to the appropriate IDTVA Specialty Function following Exhibit 25.23.4-5, IDTVA Routing Matrix.
- (12) In addition to guidance found in IRM 21.5.1.4.2.6, Adjustments Case Management by Customer Service Representative (CSR), or Tax Examiners (TE), IDTVA employees will review the identity theft inventory on their Automated Age Listing (AAL) to identify and take action, when appropriate, to refer cases to IDTVA Specialty Functions and/or interrupt collection activity. Failure to make timely referrals to IDTVA Specialty Functions can result in default assessments requiring reconsideration activities and failure to interrupt collection activity results in undue burden, further victimizing the taxpayer.

Reminder: If the taxpayer's account reflects a MF or SC collection status, refer to guidance in IRM 25.23.4.12, Collection Activity - Form 14394/13794, to interrupt collection activity while the case is worked.

25.23.4.3.1
(10-01-2024)
CII and IDRS Case Controls

- (1) All identity theft (IDT) cases are required to have a CII control. The Image Control Team (ICT) creates a CII case for the tax year identified via the taxpayer's correspondence. The creation of the CII case will open the initial IDRS control base. If multiple tax years are listed, ICT will create the CII case for the earliest year identified. Review the taxpayer's correspondence and perform Complete Case Analysis (CCA) to determine if there are any other IDT impacted tax years. A new CII case must be opened for all tax years identified by the taxpayer and all additional years discovered to be impacted by IDT. **Do not** update your existing CII case to reflect each year as they are worked. Refer to IRM 25.23.2-16, IDTVA IDRS Category Controls by Function, to determine the appropriate category code for additional impacted years. These controls should prevent other areas from adjusting an account without making contact. If there are multiple function controls on a case, use Exhibit 25.23.4-9,

IDTVA-A Identity Theft (IDT) Work Types Listing, to determine where to route the case.

Note: “IDT impacted tax years” includes dependent related identity theft and income related tax year(s) identified through Complete Case Analysis (CCA). When a dependent related or income related issue is identified through CCA, the case will be created even if no tax module exists. TC 290 .00 with Reason Code 139 will only be input if a TC 150 is present. **All** related CII cases must be linked, including XREF TINs, dependent related IDT siblings/parents, cases previously resolved, and new cases created as a result of CCA.

Exception: For refund related IDT (i.e., invalid return filed), do not create a CII control or input a TC 290 .00 with a Reason Code 139 if the following conditions exist:

- There is no TC 150 present on the account.
- No tax module exists.
- The module is in retention (unless reversing a tax offset will create a balance due or it is necessary to resolve the taxpayer issue to make the taxpayer whole).
- When an impacted module is not active on IDRS CC: TXMOD and is not yet in retention. **Do not** input IDRS CC: MFREQ.

Note: Use of the IAT REQ54 tool to input the TC 290 .00 with RC 139 will prevent unnecessary modules being made active with IDRS CC MFREQ.

Reminder: Whenever possible, multiple cases for the same taxpayer will be processed by the same employee. These cases may be located in unassigned inventory or as a case assigned to another employee. When assigned to another employee, coordination of these same taxpayer, multi-year cases is necessary to ensure consistent processing. Attach the email to the CII case and/or leave a CII case note documenting the contact and coordination. Refer to paragraph (7) if you are the employee taking ownership of the case.

- (2) When opening a CII case control, the “IRS Received Date” field will be the earliest IRS received date. Refer to the list below for more specific guidance:
- **IRS identified case:** The IRS Received Date field will be the date of identification. This date should not be changed unless through research an earlier received date is found. IDT3, IDS3, IDT6, and IDS6 cases that are created from the generation of a transcript will retain the IRS received date used at case creation. **Do not** update the IRS received date on CII to the date of a TC 976.

Reminder: To consider timeliness of filing and refund availability when inputting an adjustment, the IRS received date of the valid TC 976 should be reflected in the appropriate field on CC REQ54/ADJ54.
 - **Taxpayer identified case:** Impacted modules not listed on the claim that are identified through Complete Case Analysis (CCA) will have controls created using the received date of the claim.

Reminder: A case should rarely be opened from archive and should not be if the case cannot be closed the same day. If not closing the same day, create a new CII case. Use MISC as the category code, and the date of identification as the IRS received date. Link the new case to the archived case. Verify the appropriate IRS received date for any required adjustments. Allowing the IRS received date from the newly created case to be used may negatively impact the taxpayer.

Caution: The IRS received date of IDT3, IDS3, IDT6, and IDS6 CII cases may not be the appropriate date for necessary adjustments and/or determinations of credit availability for refund or offset. Thorough research must be conducted to ensure the correct date is used for these actions.

- (3) The control base will be in case status "A" while the IDT determination is in process.
 - Tax related identity theft is controlled on IDRS CC TXMOD.
 - Dependent related identity theft is controlled on IDRS CC TXMOD.
 - Income related identity theft is controlled on IDRS CC TXMOD.
 - Non-tax-related identity theft is controlled on IDRS CC ENMOD.
- (4) If all case actions have been completed and you are monitoring the account to ensure "**ALL**" account actions have posted, close the CII case. Establish a monitor base on IDRS. See IRM 25.23.4.3.1.1, Monitoring Case Controls, for more information.
- (5) If an IDRS control base is created to IDTVA in error, update the Activity Code to "**OPNDNERR**" and the Category Code to **MISC** prior to closing the case.
- (6) When multiple IDT cases for the same taxpayer and tax module include the same documentation and are being closed on the same day, close the second case as miscellaneous. Previous action procedures do not apply under these circumstances.

Example: A CII case with received date January 23, 2021 includes a Form 14039, Identity Theft Affidavit, filed through the FTC website. A second CII case with received date February 1, 2021 for the same taxpayer and tax module is created. Comparison of the documents shows the second case includes a Form 14039 that is a duplicate of the submission made through the FTC website. The case with the earliest received date is worked following normal IDT procedures. The case with the later received date is closed as miscellaneous.

- (7) Specific activity codes were created to easily determine the status of the IDT case. Use of these activity codes is encouraged for all functions. See Exhibit 25.23.4-11, IDRS Activity Codes and Definitions, for more information.

25.23.4.3.1.1
(10-01-2024)
Monitoring Case Controls

- (1) While working identity theft (IDT) cases, there may be instances when monitoring actions is necessary prior to moving forward with resolution. There are two types of case monitoring:
 - Open CII case
 - IDRS control base only (CII case has been closed)

- (2) Monitoring an open CII case may be necessary when account actions must post before moving forward with additional actions required for case resolution. Examples are listed below:

Note: This list is not all inclusive.

- Establishing a new account (TC 000) on CC ENMOD/IMFOLE (e.g., dependent's entity).
- Requesting additional information from the taxpayer (e.g., telephone and/or written).
- Suspending the case on CII to lead/manager (e.g., reassignment request, approvals, etc.).

- (3) If monitoring on IDRS only, **ALL** actions must be completed **prior** to closing the case. Establish a monitor base on IDRS using Category Code "MISC" with the current date as the received date.

Note: When establishing this monitored control base, use "*",*" to generate the current date and assign the case to you with Command Code (CC) ACTON.

Note: The Julian date input should be calculated in calendar days as the follow up date.

- (4) Refer to the table below for a list of account conditions that require monitoring after the CII case has been closed. Verifying applicable transactions related to these scenarios have posted ensures the taxpayer's issue is fully resolved.

Note: This list is not all inclusive.

Case Scenario	Monitor Actions
(1) Excess Collection File (XSF)	<ul style="list-style-type: none"> • Prepare Form 8758, Excess Collection File Addition, to transfer payments and/or credits TO the Excess Collection File (XSF) or Form 8765, IDRS Control File Credit Application, to transfer FROM the XSF. • Use an IDRS control base to monitor the taxpayer's account to verify posting of payments and/or credits moved TO and/or FROM the XSF. • See IRM 25.6.1.7.3, Excess Collection File (XSF) and Unidentified Remittance File (URF), for more information.
(2) Manual Refund	<ul style="list-style-type: none"> • When a manual refund is issued, and there are no other actions required to resolve the case, use an IDRS control base to monitor the account for the posting of TC 840. See below for an example. • See IRM 25.23.4.10.17, Identity Theft (IDT) - Manual Refunds, for more information.

Case Scenario	Monitor Actions
(3) Moving Specific Year Account	<ul style="list-style-type: none"> When Form 12810, Account Transfer Request Checklist, is prepared and sent to Accounting to request the transfer of a tax module from master file to non-master file (TC 370/400 procedures), use an IDRS control base to monitor the account for the posting. Reminder: If there is a valid return that must be addressed and an adjustment will be input after the TC 402 posts, the CII case will remain open. One IDRS control on the Common Number (CN) module may be used to monitor both sides of the move (From and To TINs). Below is a list of information to help with monitoring an account for TC 370/400: <ol style="list-style-type: none"> CN: A pending TC 971 AC 045 will be present and will post with TC 400. The module will be in a zero balance after posting. CN: The module will have a posted TC 400. IRSN: Once the TC 400 posts on the CN, a TC 370 will be input and pending on the invalid number (IRSN). IRSN: Once the TC 370 posts, all of the transactions you requested to be moved will post. CN: After the TC 370 posts on the IRSN, the CN will show a pending TC 370. CN: When the TC 370 on the CN posts, the REVERSAL transaction codes for all transactions requested to be moved will also post. See IRM 25.23.4.9.1.4, Moving Specific Year Account Information, for more information.
(4) Treasury Offset Program (TOP)	<ul style="list-style-type: none"> When the Treasury Offset Program (TOP) offset being reversed is more than 6 years old, a manual reversal is required. Use an IDRS control base to monitor the account for posting of the reversal when no other actions are required to resolve the case. See below for an example. See IRM 25.23.4.10.10.2, Identity Theft with TOP Offsets, for more information.

Case Scenario	Monitor Actions
(5) Reversal of Lost/Partially Lost Refund	<ul style="list-style-type: none"> When a refund was incorrectly moved to the General Ledger (GL) 1545, prepare Form 3245, Posting Voucher - Refund Cancellation or Repayment, and Form 3809, Miscellaneous Adjustment Voucher, to move the credit back to the originating module. Use an IDRS control base to monitor for posting of the TC 841 or TC 700 when no other actions are required to resolve the case. See IRM 25.23.4.16, Form 3245/3809 Reversals, for more information.

Example: Taxpayer Amy Jones contacted Taxpayer Advocate Service (TAS) for assistance because she has a financial hardship. As a result, TAS opens an Operation Assistance Request (OAR). The OAR lists resolving IDT and issuing a manual refund to the taxpayer as the necessary actions. The IDTVA employee assigned the OAR works the case to address all IDT issues and closes the case on CII. A monitor control base is opened to monitor for the posting of the TC 840.

Example: While conducting CCA, the IDTVA employee determines the return meets the Married Filing Joint Scheme criteria. The employee takes all necessary actions to resolve the IDT issue, inputs a TOP offset reversal, and closes the case on CII. To ensure the TOP offset reversal (TC 766) posts and the account is resolved with a zero balance (no credit balance on IDRS), a monitor control is opened on IDRS using Category Code "MISC".

- (5) For cases involving reversal of an IDT indicator with a secondary date for the tax year that is more than 7 years old, it is not necessary to keep the case open or monitor until the TC 972 AC 5XX posts on CC ENMOD/IMFOLE. See Exhibit 25.23.4-21, Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing, for additional information.

25.23.4.3.2
(10-01-2024)
**Case Transfer within
IDTVA**

- Generally, case transfers will occur when more than one IDTVA function has an open case control. To better assist the taxpayer and ensure end to end account resolution, one employee will take responsibility for the case. Refer to Exhibit 25.23.4-5, IDTVA Routing Matrix, to determine ownership of the case.
- Examiners will check IDRS for multiple IDTVA open controls on the same or other tax periods for one taxpayer.
- All issues should be worked by the same employee. This will prevent duplication of work, potential unpostables, and incorrect adjustments on a module.
- In most instances, the employee with the earliest IRS received date will work all tax years. However, if the identifying employee assigned a case with a later IRS received date for the same taxpayer, they may take ownership of all tax years to prevent unnecessary delays in resolution.

25.23 Identity Protection and Victim Assistance

Exception: Regardless of IRS received date, if an employee has started working the case, that employee will take ownership of all tax years.

Reminder: When there are compliance issues involved (i.e., AUR, Exam, etc.), the case may need to be reassigned to an IDTVA Specialty Team. The IRS received date will not be considered in these instances. Refer to Exhibit 25.23.4-5, IDTVA Routing Matrix.

- (5) If any control bases are in Status A, B, or M with IDT involvement, the assigned employee must be contacted to request reassignment or closure of the CII case before taking action on the account. Once contact is made with the assigned employee or their manager, allow 3 business days for a response before continuing with case actions.
- (6) All referrals within IDTVA will be made using the Correspondence Imaging System (CII).

25.23.4.3.3
(10-01-2017)

Cases Requiring Routing/Reassignment to Other Functions

- (1) Review documentation submitted by the taxpayer to determine if your case should be retained or routed/referred to another function. Refer to the following IRM sections for additional guidance:
 - Exhibit 25.23.4-4, Identity Theft (IDT) Functional Routing and Referral Chart
 - Exhibit 25.23.4-5, IDTVA Routing Matrix
 - Exhibit 25.23.4-9, IDTVA-A Identity Theft (IDT) Work Types Listing
 - IRM 25.23.2.4.3, Tracking Individual Taxpayers Reporting to be Victims of Business-Related Identity Theft.

Reminder: Before referring the case, review guidance in IRM 21.3.3.4.2.1, Use of 86C Letter - Referring Taxpayer Inquiry/Forms to Another Office, to determine if the 86C letter is required.

Note: Letter 86C is not required if the case is being transferred within IDTVA, through CII, or to another function in the same location.

25.23.4.3.4
(10-01-2023)

IDTVA Specialty Functions - Case Referrals from Compliance Functions

- (1) Identity theft (IDT) allegations received in campus Compliance functions will be referred to the appropriate IDTVA function when:
 - a. A Form 14039, Identity Theft Affidavit, or police report is included in response to a letter/notice.
 - b. IDRS CC ENMOD contains an unreversed TC 971 AC 522 with the literal UNWORK.
 - c. IDRS CC ENMOD contains an unreversed TC 971 AC 522 with the literal PNDCLM **and** there is a CII Image of Form 14039 or police report available on AMS.
 - d. There is an open control to an IDTVA employee (i.e., IDTX or IDIX) for the tax year in question.
- (2) If the account contains one of the following TC 971 Action Codes for the tax year in question, the IDT issue may have been previously resolved.

Action Code	Literals
501	INCOME, MULTFL, INCMUL, NOFR, OTHER, DECD, REFCCA, ICMCCA or PRISNR
504	ACCT, NKI, EMPL, or ICMCCA
506	INCOME, MULTFL, INCMUL, NOFR, OTHER, DECD, or PRISNR

- (3) Responses regarding functional Compliance issues should be kept and worked by the same function. If a referral is received and the account contains one of the TC 971 Action Codes in paragraph (2) above, a designated technical individual will review the referral and take the following action:

If the new information/referral	Then
(1) Addresses an outstanding Compliance issue and will not impact IDTVA's previous determination,	Reject the case back to the Compliance function that made the referral.
(2) States the remaining issues are attributable to the previous identity theft claim or provides new information that may allow us to revise our previous determination,	Accept the referral.

- (4) If the account contains a TC 972 with the literals NOIDT or NORPLY, follow the table in (3) above.
- (5) Ensure that all referrals received from another area meet the requirements to be worked by IDTVA. If requirements are not met, return any cases back to the referring function.

Note: Use the "Reassign" option to return a case that was referred through the CII system.

Exception: If a CII case was created for a case that met rejection criteria but was accepted in error, the case will not be rejected by the assigned employee. Use internal information and/or information already provided by the taxpayer to determine the CN owner. When a CN ownership determination cannot be made from available information, refer to IRM 25.23.2.3.6, When to Request Additional Information to Support an Allegation of Identity Theft.

- (6) Any IDTVA-A or AM referrals must meet requirements listed in paragraph (4) of IRM 21.3.1.6.52, Status Of Individual Master File (IMF) Underreporter Cases.
- (7) For any other referral, including referrals such as TAS, IPSU, etc., ensure the account includes a Compliance issue on at least one tax year.

25.23.4.3.5
(03-11-2024)

**Priority Codes for IDTVA
CII Cases**

- (1) All identity theft (IDT) cases should be treated as priority, however some cases require immediate attention. Certain case types and/or account conditions are identified by the priority code. This is not a designation of priority order. Refer to Exhibit 25.23.4-8 , Order of Priority Listing IDTVA-A and IDTVA Specialty Functions, for additional information.
- (2) IDTVA-A Priority Codes are listed below.

Priority Code	Definition
Priority Code 1	<ul style="list-style-type: none"> TAS case - Form 12412, Operations Assistance Request (OAR) <p>Exception: TAS cases involving a statute imminent issue will be assigned PC 7.</p>
Priority Code 2	<ul style="list-style-type: none"> All IDT and IPSU inventory not meeting another PC definition
Priority Code 6	<ul style="list-style-type: none"> Potential fraud-scheme scenarios
Priority Code 7	<ul style="list-style-type: none"> Statute imminent issue requiring protection of the account
Priority Code 8	<ul style="list-style-type: none"> Cases identified for statute clearing

- (3) IDTVA Specialty Functions Priority Codes are listed below. When sending a case to ICT for scanning to CII, certain cases will require a Priority Code to be noted on the batch sheet, as applicable.

Priority Code	Definition
Priority 1	<ul style="list-style-type: none"> TAS case - Form 12412, Operations Assistance Request (OAR) IDTVA-ACSS expired Oscar inventories <p>Exception: TAS cases involving a statute imminent issue will be assigned PC 7.</p>

Priority Code	Definition
Priority 2	<ul style="list-style-type: none"> For cases that have had a Statutory Notice of Deficiency issued and the taxpayer still has time to petition tax court Appeals/CDP IDT6/IDS6 transcript cases Referrals from OIC (Specialty Collection Offer in Compromise (SCOIC) only) Form 3870 Field referrals Form 14027-B, Global Review Referrals
Priority 3	<ul style="list-style-type: none"> For open AUR or open Exam cases not meeting the criteria for PC 1 or PC 2
Priority Code 6	<ul style="list-style-type: none"> Potential fraud-scheme scenarios
Priority Code 7	<ul style="list-style-type: none"> Statute imminent issue requiring protection of the account
Priority Code 8	<ul style="list-style-type: none"> Cases identified for statute clearing
Blank	<ul style="list-style-type: none"> All other inventory will be worked in IRS received date order

(4) It may be necessary to update the Priority Code of a case as it is processed.

Example: The case was originally built/scanned with no Priority Code. During the time the case is waiting to be worked, TAS issues an OAR for the account. Using the 'Update Data' button in the Case Data section of your CII case, the Priority Code would need to be updated to Priority Code "1".

Example: The case was originally built/scanned with no Priority Code. During the time the case is waiting to be worked, the account comes within 180 days of the ASERD expiring, the Priority Code would need to be updated to Priority Code "7". See IRM 25.23.4.9.2, Statute Imminent Assessments for IDT Cases

(5) Refer to specific functional IRMs for additional cases that may require immediate attention.

25.23.4.4
(10-01-2024)

**Taxpayer Inquiries
Involving Identity Theft
(IDT)**

- (1) Taxpayers indicate IDT by submitting Form 14039, Identity Theft Affidavit, a police report, or a similar statement.

Note: If the taxpayer inquiry requires translation into English, refer to guidance in IRM 25.23.4.19, Requesting Translations of Certain Languages.

- (2) After research is completed, the case will generally be identified as one of the following types:

- A mixed entity case
- A scrambled SSN case
- An IDT case that you can resolve
- An IDT case that should be routed or reassigned
- A non-IDT case (e.g., in some instances you may discover the case involves multiple returns filed by the SSN owner; a normal DUPF case)

- (3) Refer to guidance in IRM 21.6.2, Adjusting TIN-Related Problems, for processing mixed entity and scrambled SSN cases.

- (4) The following are examples of taxpayer inquiries involving IDT.

- a. Examples of tax-related IDT involving two or more returns include, but are not limited to, references to a Letter 673C, a notice of tax due, references to an attempt to e-file a return that was rejected due to a return already having been filed, a missing refund, or the amount of the refund is different than the amount claimed, etc., **and** the taxpayer claims they did not file more than one return.
- b. Examples of tax-related IDT involving only one posted return include, but are not limited to, references to impact to Social Security benefits, impact to low income housing benefits, no filing requirement or below filing requirement, **and** the taxpayer claims they did not file a return.
- c. Examples of tax-related IDT involving secondary TINs on returns include cases in which taxpayers' overpayments have been applied to accounts that show the taxpayers as secondary filers and the taxpayers claim they did not file as joint or secondary filers on the accounts. See IRM 25.23.4.8.1.3, Married Filing Joint Scheme Involvement, and IRM 25.23.4.8.1.3.1, Invalid Joint Election Consideration.
- d. Examples of income related IDT involve instances where income earned by someone other than the CN owner is present on CC IRPTRL. These cases may be tax related or non-tax related but are always controlled on CC TXMOD on the affected tax period.
- e. Examples of non-tax-related IDT involve Forms 14039 filed in response to Letter 12C when the return has not been processed due to being incomplete.
- f. Examples of dependent related IDT involve instances where misuse of a dependent's TIN is reported. These cases may be tax related or non-tax-related but are always controlled on TXMOD.

- (5) If you determine a case assigned to a tax related category code (i.e., IDT1) is a true non-tax related case:

Reminder: A No IDT determination will only result in a non-tax-related IDT determination if the taxpayer's statement indicates loss of personally identifying information.

- Update the existing CII case information to reflect Category Code IDT4 and all zeros for the MFT and Tax Period to open a control base on CC ENMOD.

Note: If you determine the case was updated on CII to Category Code IDT4 but remains open on CC TXMOD, update the MFT and Tax Period to all zeros (0), per IRM 3.13.6-14, Appendix N - Document Types, Category Codes, Priority Codes, IDT - IMF, to establish the control on ENMOD.

- Use CC ACTON to manually close the TXMOD control as "MISC".
- Follow the guidance in IRM 25.23.3.2.3, Self-Identified - Non-Tax-Related Identity Theft - IDT4 Overview, to resolve the case.

- (6) If the inquiry, Form 14039, Identity Theft Affidavit, or correspondence is received alleging return preparer misconduct (RPM) rather than ID theft, do not reassign or route Form 14039 alleging RPM to IDTVA. Unless the exception below applies, send an appropriate C letter advising the taxpayer the information they provided indicates there is an RPM issue and not an ID theft issue. Advise the taxpayer to complete and mail Form 14157, Return Preparer Complaint, and Form 14157-A, Tax Return Preparer Fraud or Misconduct Affidavit, along with the required documentation as outlined in the instructions for Form 14157-A. Please refer to IRM 25.23.1.1.2, Terms/Definitions/Acronyms, and IRM 25.24.1.3, Identifying Potential RPM Issues For Telephone Assistors/Taxpayer Assistance Center (TAC) Assistors, for assistance in determining if there is a possible return preparer misconduct issue.

Note: Enter CII Case Note, "NO ID theft - RPM issue." Input TC 972 AC 522 with Tax Administration Source Code "NOIDT" and the tax year associated with the alleged IDT incident, if appropriate. Refer to IRM 25.23.2.6.6, Reversing Unsupported Allegations of Identity Theft, for additional information.

Exception: If a -A freeze is present or an unprocessed valid return is scanned to the CII case, and there is indication of RPM, do not release the -A freeze or send the return for processing, reassign to RPM per IRM 25.24.1.4.1, Routing Information - Paper.

- (7) For cases where tax related identity theft is indicated by the taxpayer, change the doc type and update the Category Code to IDT1/IDS1 if it has not already been done.

Note: IDTVA Specialty Functions do not change Category Codes. All cases remain in the function's Category Code.

Exception: Change the category code when resolving an IDT4 case.

- (8) Perform complete and careful research on each case, per IRM 25.23.4.6, Research, Actions and Complete Case Analysis - Overview, and the related subsections to make a determination.
- (9) If a determination cannot be made based on the information directly available, refer to guidance in IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written), to initiate communications with the taxpayers.

25.23.4.5
(10-01-2020)

IRS Identified Identity Theft (IDT)

- (1) IRS identified cases of IDT are generally associated with IRS programming, filters, transaction codes and/or research of filing history.
- (2) The following items may be indicators of current or prior identity theft:
 - Previously posted TC 971 AC 501/506 or a TC 971 with AC 522.
 - Evidence of a prior “CP 36I” transcript or “SPC 8”, which are generated when a taxpayer sends in a Form 14039, a police report or a similar statement.
 - The presence of a CP 36U transcript that generates an IDT1 or CP 36V transcript that generates an IDT3. These transcripts are generated based on prior identity theft indicators on IDRS; TC 971 AC 501 for taxpayer identified IDT or TC 971 AC 506 for IRS identified IDT.
 - The presence of a CP 36N or CP 36P transcript. These generate when a CP 05A is present on the module, which indicates current or prior RIVO involvement. The CP 36 N generates when a CP 05A is present and the module has a credit balance. The CP 36 P generates when a CP 05A is present and the module has a zero or debit balance.
 - The presence of a CP 36 or CP 36F transcript where return content and/or filing is inconsistent with the taxpayer’s filing history.
- (3) For cases where tax related identity theft is IRS identified, update the Category Code to IDT3/IDS3 if it has not already been done.

Exception: Cases with RIVO involvement must be closed with the IDT8/IDS8 category code, unless the case meets criteria in IRM 25.23.4.8.2.1, Identity Theft (IDT) with RIVO Involvement, paragraph (5).

Note: IDTVA Specialty Functions do not change Category Codes. All cases remain in the function’s Category Code.

- (4) Complete and careful research must be performed on each case per IRM 25.23.4.6, Research, Actions and Complete Case Analysis - Overview, and the related subsections to determine the owner of the TIN.
- (5) If a determination cannot be made based on the information directly available, refer to guidance in IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written), to initiate communications with the taxpayer(s).

25.23.4.6
(10-01-2024)

Research, Actions and Complete Case Analysis - Overview

- (1) Complete and careful research must be performed on all cases. Employees outside of IDTVA are responsible for taking appropriate actions prior to reassigning a case to IDTVA or proceeding with scrambled SSN procedures.
- (2) Upon recognition of a case as a potential IDT case, also perform the following actions:
 - Determine if a TC 971 AC 522 is required and, if appropriate, whether the TC 971 AC 522 reflecting an appropriate Tax Administration Source Code has been input on CC ENMOD. See IRM 25.23.2.4.4, Initial Allegation or Suspicion of Tax-Related Identity Theft - IMF Identity Theft Indicators, for additional information.
 - Ensure Letter 5073C, CP 01S, or CP 701S was issued/is issued to acknowledge receipt of Form 14039, Form 14039 (SP), a police report, or a similar statement related to identity theft. See paragraph (5) of IRM 25.23.2.3, Identity Theft Claims - General Guidelines, and IRM

25.23.4.18.1, General IDTVA Letter Procedures, for additional information.

Note: The acknowledgement letter is not required for IRS identified IDT cases.

- Perform a complete statute search and leave a case note that indicates the case is related to an IDT issue. Statute expiration must be considered to prevent barred assessments.
 - Determine the correct Category Code, Doc Type, etc. Update CII and the Statute Clearance check box, when appropriate, when reassigning to a CII user. Leave a note on CII if one is not generated.
 - Ensure all relevant documents have been scanned to the case. Cases for tax years at or approaching 10 years (i.e., current year is 2023 and case is for tax year 2013), it is suggested IRPTR screen prints are attached to the case. Due to the nature of the work, access to the income history may be lost before an employee is able to work the case.
- (3) Review the case for potential balance due issues that must be addressed. Accounts with balance due issues must be protected, which includes prevention of balance due notices, tax offsets, and/or enforcement actions. Refer to the table below to determine the appropriate action(s):

If	And	Then
(1) The year(s) on a claim reflect a balance due in notice status (SC or MF):	The corrective adjustment will full pay the balance,	Input TC 470 CC 90.
(2) The year(s) on a claim reflect a balance due in notice status (SC or MF):	The identity theft claim is pending and/or there will still be a balance owed after the case is resolved,	Input TC 470 with no CC.
(3) The year(s) on a claim reflect a balance due in collection status 03, 22, 24, 26, or 58 (SC or MF):		Refer to IRM 25.23.4.12.1, Collection Activity Form 14394, for additional information about ensuring the taxpayer is not harmed from a levy.
(4) There is a TC 582 (Lien Indicator) or TC 360		Refer to IRM 25.23.4.12.2, Collection Activity - Form 13794 Additional Actions Required - Lien, for additional actions that may be required to protect the taxpayer.

If	And	Then
(5) The valid taxpayer's return is not the TC 150 and requests a credit elect:	The year the credit elect is to be applied to reflects a balance due that will be full paid once the credit elect is applied,	Input TC 470 CC 94 on the module with the balance due to prevent notices, offsets, and collection activity.
(6) The valid taxpayer's return is not the TC 150 and requests a credit elect:	The year the credit elect is to be applied to reflects a balance due that will not be fully resolved once the credit elect is applied,	Input TC 470 CC 94 on the module with the balance due to prevent notices, offsets, and collection activity. Once the case has been resolved, input TC 472 CC 94 to resume normal balance due activity.

- (4) If reassigning the case, after performing the actions above, reassign the case to the IDT holding number. International cases should be reassigned to the International holding number. Both IDRS numbers can be found on the *Accounts Management Site Specialization Temporary Holding Numbers Listing*, located on SERP. See paragraph (13) of IRM 21.5.1.5.2, Cases Currently Assigned in CII, for additional information.

Note: A case reassigned to the Centralized Distribution Site (CDS) in error may be returned to the originating site. Reassigning cases in error can result in an adverse impact to the taxpayer and delay the processing of their case.

Exception: IDTVA employees will continue to resolve the case or route/reassign the case, if applicable. Before proceeding, if the case should be assigned/routed to another area (e.g., AUR, Exam, etc.) or employee, refer to IRM 25.23.4.3.2, Case Transfer Within IDTVA, and IRM 25.23.4.3.3, Cases Requiring Routing/Reassignment To Other Functions, for additional guidance. If the case does not require reassignment/routing, proceed to the next IRM sections that apply to your case.

Note: IDTVA-A employees - do not reassign the following transcripts to IDTVA Specialty Functions **unless** there is an open/active claim or involvement: TRNS 36, 36D, 36I, 36N, 36P, 36S, 36U and 36V.

- (5) Policy Statement P-21-3 guidelines require timely and quality responses to taxpayer correspondence. The "IDT1/IDS1," "IDIX," or "TPRQ" cases described in this subsection are, according to Policy Statement P-21-3, are considered correspondence. Generally, the response provided to the taxpayer who has submitted this type of correspondence is the closing Letter 4674C, Letter 5064C, if closed within 30 days, or CP 01 notice informing the taxpayer that we have made an identity theft determination. A response, as described here, is considered timely if issued within 650 days of the received date of the "notification" "IDT1/IDS1," or "TPRQ" document.
- If a closing response cannot be issued by the 650th day, an interim letter must

be sent informing the taxpayer that we require additional time to complete the processing of their case. **The time frame given in this interim letter may not exceed 60 days.**

Note: The issuance of a closing letter may or may not coincide with the complete resolution of the case. The closing letter is sent when we can share with the taxpayer the results of our processing of the case, e.g., we have made an ownership determination. Do not wait until all resolving actions, e.g., TOP offset reversal transfer procedures, have been completed before sending a closing letter.

If additional interim letters are needed, the time frame given in the letter must not exceed 60 days. **Every effort, however, must be made to provide a closing response within the initial 640-day time frame.**

Caution: A reasonable effort must be made to respond or send an interim letter within the time frame previously given. Such an effort is considered reasonable if it does not hinder the primary objective of resolving the IDT condition and issuing a quality closing response.

Caution: Be sure you are sending any necessary letters to the correct address. The Correspondex letter system will default to the Address of Record which may or may not be the correct address for your correspondence. Override the Address of Record when appropriate.

- (6) Cases determined not to be identity theft may require additional actions to resolve outstanding issues (i.e., amended return, duplicate return, etc.). Refer to IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations, to appropriately close the identity theft issue and open a new case to fully resolve the account.

25.23.4.6.1
(10-01-2024)
Required Research

- (1) Make every effort to locate the correct TIN for each taxpayer *before* contacting the taxpayer(s) for additional information. Research the TIN (valid and invalid) to determine if there was an identity theft (IDT), mixed entity (MXEN), or scrambled SSN case (SCRM/SSA2) in prior and/or subsequent years. Complete research is essential to determining the necessary corrective actions. Attempt to locate any possible cross-reference TIN. You may identify a cross-reference TIN assigned to a taxpayer who filed a return under the common number (CN) that was determined to be due to identity theft. Internal Revenue Service Numbers (IRSNs) are temporary numbers issued by the IRS and are always on the invalid segment of Master File. The invalid segment is indicated by an asterisk (*) following the last digit of the TIN. Additionally, the tax return(s) in question must be reviewed to determine if the case is a mixed period instead of a TIN-related issue. For purposes of identifying the correct account issue, refer to the following definitions:

- **Identity Theft (IDT)** - the intentional misuse of a taxpayer's personal information/TIN to commit, or attempt to commit, tax-related fraud.
- **Mixed Entity (MXEN)** - the unintentional misuse of a taxpayer's TIN due to an inadvertent taxpayer error, tax return preparer error, Market-place error, or IRS processing error.

Note: A separate TIN can be identified for the taxpayer who has filed under the CN in error.

25.23 Identity Protection and Victim Assistance

- **Mixed Period** - a return for the valid taxpayer is processed to an incorrect year, usually due to editing the tax year on the tax return or an incorrect version of the tax return being used by the taxpayer (i.e., TY 2020 income reported on a TY 2021 form).
 - **Scrambled SSN (SCRM/SSA2)** - multiple individuals using the same SSN, and the true owner cannot be determined. The Social Security Administration (SSA) has issued the same SSN to more than one individual.
- (2) Search returns, schedules, and forms for a different TIN, if applicable. Research spouse and dependent information, whenever available.
- (3) Research the valid and invalid sides of any TINs identified for the case (i.e., primary, secondary, different TIN located on forms, etc.). A return posted to the invalid side of the CN is not sufficient evidence to identify an IDT issue. Further research must be conducted to verify the return was not processed to the invalid side of the TIN as a result of an error on the return or name changes that have not yet been provided to the IRS by the Social Security Administration (SSA):
- Generally, a return is posted to the invalid side of a TIN due to a Name Control mismatch issue. This may be seen more frequently with taxpayers who have multiple last names, taxpayers who are recently married, and typos on the return.
 - **CC INOLES:** Determine the appropriate Name Control(s) for the taxpayer.
 - **CC IMFOLI:** Determine if the taxpayer is filing jointly for the first time.
 - **CC TRDBV:** Determine if the Name Control based on the spelling of the last name entered on the tax return processed to the invalid side of the TIN matches an appropriate Name Control shown on CC INOLES.

When a Name Control mismatch has occurred as a result of taxpayer, preparer, or typographical error, and there is no indication the information included on the return is questionable (i.e., the income is verifiable, return information is consistent with filing history, etc.), refer to IRM 21.6.2.4.1, Resequencing Accounts, and its subsections.

- (4) When ICT is unable to determine the correct TIN, the CII case is assigned to all zeros. Additional research is required to locate a TIN for the taxpayer. Using IDRS CC NAMES or NAMEI, input the taxpayer's name and address information to search for a TIN. To do a broad search, input the taxpayer's name and only the first 3 digits of their zip code. The results will include taxpayer information from areas surrounding the current address. Consider the following possibilities when conducting research using CC NAMES and NAMEI:
- The taxpayer may share their name with a parent or child.
 - The taxpayer's current address may be different than the address reflected on their account.
 - The taxpayer's name may be different as a result of a change in their marital status.
 - The taxpayer's name may have included a hyphenated last name or variation in spelling of their name due to typographical errors by the taxpayer, a preparer, or the Service.

- (5) A taxpayer may use Form 14039 to report someone has obtained an Employer Identification Number (EIN) in their name. When the EIN is not provided, make every effort to locate it through internal research.
- (6) Once you have completed the necessary research, see the table below:

If	Then
(1) An individual's TIN cannot be located and there is sufficient mailing information on the complaint,	Issue Letter 5064C to the taxpayer requesting the taxpayer's TIN and any other required IDT documentation. See IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written).
(2) No response is received,	Issue a Letter 4674C to advise the taxpayer no action can be taken, since we have no record of a response being received.
(3) Correspondence cannot be issued,	Leave a CII case note stating there is insufficient information to issue correspondence and close the case no action.
(4) An EIN cannot be located,	Follow IRM 25.23.4.10.15, No Identity Theft (NOIT) Determinations. In your closing Letter 4674C, advise the taxpayer they may file Form 14039-B, Business Identity Theft Affidavit, if they have an identity theft issue related to an Employer Identification Number (EIN).

- (7) When working ITIN cases, you must research under the relevant SSN used for income reporting. Use EUP/ITIN RTS to research ITIN application and assignment information. It is not necessary to request original Form W-7, Application for IRS Individual Taxpayer Identification Number, documents to conduct required research. Using IDRS CC NAMES or NAMEI, input the taxpayer's name and address information to search for a TIN. To do a broad search, input the taxpayer's name and only the first 3 digits of their zip code. The results will include taxpayer information from areas surrounding the current address. Consider the following possibilities when conducting research using CC NAMES and NAMEI:
- The taxpayer may share their name with a parent or child.
 - The taxpayer's current address may be different than the address reflected on their account.
 - When the taxpayer files as married filing joint, research of the spouse's TIN may lead to identification of valid TIN information for the taxpayer you are researching.
 - The taxpayer's name may have included a hyphenated last name. When the taxpayer has a hyphenated last name, complete research

25.23 Identity Protection and Victim Assistance

under each last name separately in addition to the hyphenated name. Research the valid and invalid sides of the TIN. Returns may post to the invalid side of a TIN due to a name control mismatch.

Note: An ITIN may have been assigned using only one last name. Through review of the information on Form W-7, you may be able to determine the taxpayer's valid TIN by matching address and/or spouse information to the application for an ITIN.

Reminder: The Protecting Americans from Tax Hikes Act (PATH Act) was enacted December 18, 2015 and mandates ITIN renewal requirements. An expired ITIN is not a revoked ITIN. Once an ITIN is assigned, it belongs to that taxpayer unless revoked. Revoked ITINs are not recycled. An expired ITIN will be identified by "Inactive" displayed in the ITIN Status field on ITIN RTS, an ITIN Status of "I" on CC INOLES, and TC 971 AC 193 on CC ENMOD/IMFOLE. For additional information on TIN-related credits limited by the PATH Act, see IRM 3.11.6.4.4.1, Protecting Americans from Tax Hikes (PATH Act).

Note: For ITIN cases, if the Form W-7, Application for IRS Individual Taxpayer Identification Number, clearly indicates which taxpayer was assigned the ITIN, make a notation of this for the CSR/TE who will be working the case, after reassignment from the Centralized Delivery Service (CDS).

- (8) If you suspect the case is a scrambled SSN case, research IDRS CC ENMOD or IMFOLE for a Scrambled SSN Indicator (SCI) 01, 10, 12, 13, 20, or 23. Refer to IRM 21.6.2-1, Scrambled SSN Indicators. If the indicator is 01 or 20, the case can be reassigned as a scrambled SSN case without ordering the NUMIDENT or sending the questionnaire.

If an SCI is not present, order a NUMIDENT. If the NUMIDENT supports a scrambled SSN case, refer to IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written), and its subsections to initiate contact with the taxpayers using the TIN, determine if the case is a scrambled SSN case, and the appropriate actions to take based on the determination made.

For example, if it is necessary to initiate Letter 5064C, order NUMIDENT for use when asking supplementary questions per IRM 25.23.4.18.2.1, Telephone Contact Guidelines (Associated with the Letter 5064C Common Number Questionnaire).

Caution: NUMIDENT is for internal use only; **never** send NUMIDENT to the taxpayer.

Note: Only attach the NUMIDENT to the primary CII case when a determination has been made that the NUMIDENT is required and necessary to resolve the case.

Reminder: IDTVA Specialty Functions do not work scrambled SSN cases. These cases will be reassigned using the *IDTVA Specialty CII Reassignment Guide for Non-IDT Cases* after resolution of all IDT impacted years.

- (9) If you determine the case is a Mixed Period, the taxpayer is not a victim of identity theft. Refer to IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations. For additional information, see IRM 21.6.7.4.2.7.1, Mixed Periods.

Reminder: IDTVA Specialty Functions do not work mixed period cases. These cases will be reassigned using the *IDTVA Specialty CII Reassignment Guide for Non-IDT Cases* after resolution of all IDT impacted years.

- (10) If a valid TIN can be located for each taxpayer, the taxpayer is not a victim of identity theft. Refer to IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations. For additional guidance, see IRM 21.6.2.4.2, Mixed Entity Procedures.

Reminder: IDTVA Specialty Functions do not work mixed entity cases. These cases will be reassigned using the *IDTVA Specialty CII Reassignment Guide for Non-IDT Cases* after resolution of all IDT impacted years.

- (11) If a valid different TIN cannot be located for at least one of the taxpayers, continue processing as an IDT case.

The following items may be indicators of current or prior IDT:

Note: A TC 971 AC 129 identifies a return as questionable. This indicator alone does not meet IDT criteria. Other indications of identity theft must be present to refer a case to IDTVA.

- Previously posted TC 971 AC 501/506 or 522.
- The presence of a “CP 36I” transcript or “SPC 8”. These are generated when a taxpayer sends in a Form 14039, a police report, or a similar statement indicating identity theft. The SPC 8 also generates a TC 971 AC 522 on CC ENMOD and a CP 01S acknowledgement.

Note: When a Form 14039(SP), a police report, or a similar statement is received in Spanish, the return is coded with “SPC S”, which generates the TC 971 AC 522 and a CP 701S acknowledgement.

- The presence of a CP 36U transcript that generates an IDT1 or CP 36V that generates an IDT3. These transcripts are generated based on prior IDT indicators on IDRS.
- The posting of a CP 36N or CP 36P transcript. These generate when a CP 05A is present on the module. The CP 36 “N” generates when a CP 05A is present and the module has a credit balance. The CP 36 “P” generates when a CP 05A is present and the module has a zero or debit balance. The cases have previous RIVO involvement.

- (12) When a return is received from a taxpayer with a previous IDT indicator, a transcript (TRNS) 36V will generate. Any returns meeting this criterion must be processed. The return should be processed where received unless the account was not corrected properly. The case should only be reassigned if there are outstanding IDT issues or questions on the previous account adjustments.

Note: If the employee is not assigned to IDTVA, the case should be retained and worked where identified.

Note: Transcripts can be identified on TXMOD by the presence of TC 971 AC 805 and a MISC code of TRNS 36, 36D, 36F, 36I, 36N, 36P, 36S, 36U, or 36V.

Reminder: IDTVA-A employees - do not reassign the following transcripts to IDTVA Specialty Functions **unless** there is an open/active claim or involvement: TRNS 36, 36D, 36I, 36N, 36P, 36S, 36U and 36V.

Example: A taxpayer is selected by Exam. The return selected is deemed an IDT return and nullified. IDTVA Specialty Exam determines the SSN owner has a filing requirement. A return was requested but not received. The account was backed out and the appropriate IDT indicator was placed on the account. Six months later, the SSN owner files a return. The return is received in IDTVA-A. The return will remain in IDTVA-A to be processed.

- (13) For cases originally controlled with a non-IDT category code (e.g., DUPE, C36F, etc.), determine how the case should be categorized (e.g., IDT1/IDS1, or IDT3/IDS3, etc.) per Exhibit 25.23.4-9, IDTVA-A Identity Theft (IDT) Work Types Listing. Prior to reassigning a case to an IDT category code, document all research completed, results of the research, the request for reassignment, and lead or manager approval to reassign in a CII case note.
- (14) To correct tax-related IDT problems, you must be familiar with the following research elements and systems:
 - Entity module
 - Tax module
 - Transaction Codes
 - Reason Codes
 - Posting Delay Codes
 - Hold Codes
 - Unpostable Codes
 - Retention Register - Request a Retention Register transcript only if the account cannot be reactivated by using Command Code IMFOL with definer "B."
 - Command Codes, including NAMES, INOLE, DDBKD, DUPOL, MFTRA, IMFOL, RTVUE, FFINQ, REINF, TRDBV, IRPTR, ENMOD, TXMOD, TPIIP, DFAST and FINDS with various definers and systems, such as TCIS or ACCURINT.

Note: Some of the Command Codes and/or systems listed are applicable to the IDTVA Specialty Functions only (e.g., ACCURINT and DFAST).

 - NUMIDENT transcript showing specific taxpayer data provided by Social Security Administration (SSA) records (for SSN research only)
 - Collection status - If the taxpayer's account is in ACS status, refer to guidance in IRM 25.23.4.12, Collection Activity - Form 14394/13794, to interrupt collection activity while the case is worked.
- (15) The research and tools necessary for accurately processing an IDT case includes, where applicable, and is not limited to the following:
 - Utilizing the IAT aMend tool. The IAT aMend tool is mandated for use by all employees working all IDT cases, which includes streamline and non-streamline cases. See Exhibit 21.2.2-2, ACCOUNTS MANAGEMENT MANDATED IAT TOOLS, for a list of tools required for IDTVA.

- Utilizing the Correspondence Imaging System (CII) and all applicable and available internal research systems to review all related cases, whether open or closed.
- Utilizing the Correspondence Imaging System/Accounts Management System (CII/AMS) to review all related documents and/or attachments. Also refer to IRM 25.23.4.3, Case Assignment and Inventory Management - General Guidance, for additional guidance.
- Utilizing the ITIN Real Time System (RTS) to research and review data related to assigned, suspended and/or rejected Form W-7, Application for IRS Individual Taxpayer Identification Number. RTS is a tool located within the Employee User Portal (EUP). Online 5081 permission and access are required. See IRM 3.21.263.9.1.2, Accessing and Logging onto ITIN Real-Time System (RTS), and IRM 3.21.263.9, General Instructions for ITIN Navigation (ITIN RTS), for additional information.

Note: The Form W-7 application's Document Locator Number (DLN) is only available on RTS.

- Analyzing the account history for:
 - Number of years the TIN has been used for filing returns
 - Filing status changes
 - Method of filing, electronic or paper
 - Previous adjustments
 - Filing dates of original and duplicate returns
 - TC 971 Transaction Codes
- Utilizing NAMES to identify and locate all related TINs for all tax years
- Utilizing RTVUE to determine items of information such as:
 - Address for the first return(s) filed
 - Dependents
 - Type of income
 - Filing Status
 - Schedules and Forms filed
- Utilizing MeF to perform research of electronic filing activity (example of results could be an IDT return accepted by MeF, but subsequently deleted from processing by SP; data may not be present on TRDBV)
- Utilizing TRDBV to determine items of information such as:
 - Wage information details
 - Occupation
 - Tax Return Preparer
 - Requested method of disbursing overpayment, electronic or by mail
- Utilizing INOLE to determine items of information such as:
 - Date of birth
 - Previous names
 - Spouse's TIN
 - Other related TINs
- Utilizing IRPTR to perform research actions and determine items of information such as:
 - Comparative review of reported income and payor information
 - Previous and current employers
 - Previous addresses
 - State Reverse File Match Initiative (SRFMI) information

Note: This information may be available for taxpayers who have filed a state tax return but have not filed a federal tax return. Refer to IRM 5.1.11.2.3.1.3, State Reverse File Matching Initiative (SRFMI), for additional information. The presence of state tax

return information for a state other than the state the taxpayer lives in may be an indication of identity theft. Research must be conducted to determine if the taxpayer previously lived in that state or earned income in that state requiring them to file a state tax return for a state they do not currently live in. When the SRFMI information matches income information reported to the IRS (i.e., Form W-2, etc.), this may support the taxpayer's claim. See the example below.

Example: The taxpayer submits Form 14039 with a tax return for TY 2021. The Form 14039 states the taxpayer could not file electronically, and the tax return is posted as the TC 976. Research of CC IRPTR shows SRFMI information reporting wages of \$62,479.00 filed in the state the taxpayer lives in. There is a W-2 from ABC Company on CC IRPTR for the same amount, and the TC 976 return includes those wages. The TC 150 return is reporting wages of \$44,916 and has an address in a different state. A W-2 from XYZ Corp. for this amount is on CC IRPTR. The W-2 from XYZ Corp. includes the taxpayer's name but an address in a different state. Research of the account did not result in the identification of another valid TIN. This information supports making a determination of refund related IDT requiring non-streamline resolution and income related IDT for the income earned by the person who filed the TC 150 tax return.

- Signatures (except for e-filed returns when a signature is unavailable)

Note: For additional signature requirements refer to IRM 21.6.7.4.9, Signature Verification.

Note: A Form 14039 received from Federal Trade Commission (FTC) should be considered valid. A signature is no longer required for the IRS to accept the receipt of the Form 14039.

- (16) Do not determine the validity of a social security card based on the word "VOID" on the photocopy. Placing the word "VOID" on a photocopy of a recently issued social security card simply indicates that the document is a photocopy of the original card.
- (17) The receipt of a "notification" or an "incidental" Form 14039 or some similar type of information (e.g., a police report regarding IDT) requires you to change the category of the "DUPF" or MXEN case to "IDT1/IDS1" or to "IDT3/IDS3", if the IDT was discovered by the IRS.

Caution: When reviewing cases with similar or identical income, careful and thorough research must be performed to determine the correct TIN owner. With external data breaches on the rise, a valid return could easily be identified as a duplicate and/or amended return. Review the returns or IDRS for the following indications:

#

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Note: This list may not be all inclusive.

- (18) Consider the taxpayer's statement. The taxpayer may not provide the specific details for their identity theft issue. A generalized statement may be used to identify the appropriate research path. Refer to the table below for examples:

Note: This table is not all inclusive.

Statement	Research Path
(1) Unable to file electronically,	Refund related IDT
(2) My Social Security Benefits were reduced,	Income related IDT
(3) The IRS is taking my Social Security,	Collections activity

- (19) If you identify a TC 971 AC 123 with MISC "PREPARER CONTACT", or the taxpayer provides a statement indicating they were potentially involved in a data breach incident, refer to IRM 25.23.4.8.2.4, Identity Theft (IDT) with External Business/Preparer Data Breach Involvement, for additional information.
- (20) If you identify a TC 971 AC 123 with MISC "TTAX LIST", or the taxpayer provides a statement indicating they were advised by Intuit/TurboTax that an individual attempted to use their personal information to create a new account and/or file a tax return, refer to IRM 25.23.4.8.2.5, Identity Theft (IDT) with Tax Preparation Software Misuse, for additional information.
- (21) IDTVA cases that have been excluded from the systemic process for unemployment income relief provided in The American Rescue Plan Act of 2021 can be identified by a TC 971 AC 123 with MISC "IDTVACASE" (IDTVA case is open) posted on IDRS CC IMFOLE. When an IDT case that was excluded has been closed, IDRS CC IMFOLE will reflect a TC 971 AC 123 with MISC "IDTVACLS" (IDTVA case has been resolved). These transactions are systematically placed on the account.

25.23.4.6.2
(10-01-2024)

**IDTVA - Additional
Research and Required
Actions**

- (1) Identity theft cases will be either taxpayer identified or IRS identified. All taxpayer identified claims will be categorized as an IDT1 and all IRS identified cases as an IDT3, unless a pre-determination has been made.

Note: IDTVA Specialty Functions cases are identified or categorized by "IDIX" where X = a digit from 1 to 9 depending on the function. See Exhibit 25.23.2-16, IDTVA IDRS Category Controls by Function, for additional details.

- (2) For the majority of cases, you will be able to work them without obtaining additional information from the taxpayer. If additional information is needed to resolve the case, refer to guidance in IRM 25.23.2.3, Identity Theft Claims - General Guidelines, and IRM 25.23.2.3.6, When to Request Additional Information to Support an Allegation of Identity Theft.

Reminder: If you can work the case utilizing internal resources, do not request unnecessary information from the taxpayer.

- (3) If the case has already been assigned as an IDT8 case, this is a pre-determined streamline case. After reviewing the remainder of this IRM section, proceed to IRM 25.23.4.8.2, Streamline Identity Theft (IDT) Case Identification and Processing, for case resolution.
A CN determination has already been made on these cases. If you have more than one tax year to resolve, each case should be resolved separately.

Example: You may have one case where the pre-determination has already been made and another case that requires you to conduct additional research to make the CN determination. Use good judgement to determine when additional and/or extensive research is warranted.

- (4) If the case has not been pre-determined, refer to IRM 25.23.4.8, Identity Theft (IDT) Common Number Ownership and Case Processing Determinations, prior to taking any action on the account. Once a determination of CN ownership has been made, document the determination in a CII case note and follow the appropriate case resolution process to correct all affected modules.
- (5) When a taxpayer is a victim of income related IDT and refund related IDT (invalid return present) for the same tax year, follow applicable procedures to resolve the invalid return and address any income not belonging to the valid taxpayer. The closing IDT indicator input will be based on the invalid return determination.
- (6) The table below provides IRM references for various account circumstances that may need to be addressed.

Account Circumstances	IRM References and Resources
(1) Address Change	IRM 25.23.4.6.3, IDTVA Research, Verification, and Requests, Exhibit 25.23.4-21, Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing, IRM 25.23.2.3.7, When to Update the Victim's Address, and IRM 3.13.5.42, Determining National change of Address (NCOA) Address Changes.
(2) Adoption Credit	Form 8839, Qualified Adoption Expenses, and IRM 21.6.3.4.1.25, Form 8839, Qualified Adoption Expenses.
(3) Affordable Care Act	<p>For unprocessed returns or amended returns with Form 8962, Premium Tax Credit, or Form 8965, Health Coverage Exemptions, submitted by the valid SSN owner, follow procedures in IRM 21.6.3.4.2.12, Premium Tax Credit.</p> <p>When nullifying TC 150 returns for tax year 2014, or later years, the Shared Responsibility Payment (SRP) may be posted to the MFT 35. A separate adjustment on the MFT 35 account will be required to reverse the SRP. Use of the IAT Credit Transfer tool is required when reversing any credit applied from the MFT 30 account. This is identified by a TC 796 on the MFT 35 account and TC 896 on the MFT 30 account. Follow instructions in IRM 21.6.4.4.20.3.1, Shared Responsibility Payment Adjustments.</p>
(4) American Rescue Plan Act (ARPA)	IRM 25.23.4.21, American Rescue Plan Act (ARPA) - General

Account Circumstances	IRM References and Resources
(5) Combat Zone - C Freeze	IRM 21.6.2.4.2.3, Valid TIN Located - Taxpayer B - Posted First IDTVA Specialty Functions, also see IRM 5.19.10.6.2, Combat Zone Qualified Individuals and Areas, and IRM 5.19.10.6.3, Combat Zone Freeze Code.
(6) Decedent Returns	IRM 21.6.6.2.21.1 , Updating the Entity on Decedent Accounts.
(7) Earned Income Tax Credit Recertification Indicator (EITC) - Reversals	IRM 4.19.14.7(7), Recertification.
(8) Economic Impact Payment (EIP)	IRM 25.23.4.20, Economic Impact Payment (EIP) and Recovery Rebate Credit (RRC) - General.
(9) Erroneous Refunds Reminder: An erroneous refund is defined as “the receipt of any money from the Service to which the recipient is not entitled.” This definition includes all erroneous refunds regardless of taxpayer intent or whether the error that caused the erroneous refund was made by the IRS, the taxpayer, or a third party.	IRM 21.4.5.5, Erroneous Refunds Categories and Procedures.
(10) Excess Collections - Moving credits to or from the Excess Collection File (XSF)	IRM 25.6.1.7.3, Excess Collection File (XSF) and Unidentified Remittance File (URF). Note: If the debit/credit is not posted or pending after 8 weeks, follow local procedures to contact IDTVA P&A to follow up with the appropriate site’s P&A.
(11) First-time Homebuyer Credit (FTHBC)	IRM 21.6.3.4.2.10, First-Time Homebuyer Credit.

Account Circumstances	IRM References and Resources
(12) Form 3949-A turned Form 14039 in error	IRM 3.28.2.4, Initial Screening Criteria, for routing instructions.
(13) Fraudulent and/or Compromised POA	IRM 21.3.7.5.5.3, How to Report a Compromised or Potentially Compromised CAF Number.
(14) General POA	IRM 21.3.7.8.4, General Durable POA Authorizations.
(15) IDT Case Requiring Corrections	IRM 25.23.4.14, Identity Theft (IDT) Cases Processed Incorrectly.
(16) Letter Procedures Job Aids	Tools and Job Aids section of the <i>IDTVA HUB</i> .
(17) Manual Refunds	IRM 21.4.4.5, Preparation of Manual Refund Forms.
(18) Math Error Procedures	IRM 21.5.4, General Math Error Procedures.
(19) Moving Refunds	IRM 21.5.2.4.23.10, Moving Refunds.
(20) Prisoner Cases (Incarcerated Taxpayers)	Confirmation of incarceration, current facility, and updated mailing addresses may be found by researching government websites, such as the official Department of Corrections website for the state of the address provided by the taxpayer. (i.e., <i>PublicRecordCenter.com</i>)
(21) Restricted Interest	Accounts requiring manual restricted interest computations will be referred to the IDTVA restricted interest specialist. See "IDTVA Restricted Interest Desk Guide" in the <i>IDTVA HUB</i> Note: Cases that may require restricted interest calculations include disaster claims, carryback/carry forward and combat zone claims.
(22) Statute Considerations	IRM 25.23.4.6.2.1, Statute Research.
(23) TOP Offsets	IRM 25.23.4.10.10.2, Identity Theft with TOP Offsets.

Account Circumstances	IRM References and Resources
(24) Unfiled Returns	IRM 25.23.4.17, Determining Tax Liability/Form 2209 Instructions.
(25) Unpostables	IRM 21.5.5.4.2, Resolving Unpostables. The UPTIN Histories Tool on IAT can be used to research and resolve unpostables. The tool is designed to assist users with input of histories on CC UPTIN. Unpostables on OARs must be corrected within 3 days of identification.

Note: The list above may not include all actions required to resolve your case. Research and analyze each case to ensure complete and accurate resolution.

- (7) If a valid TIN is **not** located and the IDT return cannot be nullified, you may need to create an IRSN for the IDT (invalid) return(s).
- (8) **For all non-streamline case processing, the TIN-Related Problem Research Sheet is required.** This research sheet is found on SERP under the **IRM Supplements** tab. The research sheet can also be completed using the aMend tool. Per Exhibit 21.2.2-2, ACCOUNTS MANAGEMENT MANDATED IAT TOOLS, use of the aMend tool is **mandatory** when working IDT cases. Include a CII case note when a determination is made. Record all significant research actions and information. The information retained/recorded must be sufficient to support the actions taken on the case.

Note: In situations where the aMend tool will not perform the necessary account adjustment, the IAT REQ54 tool must be used.

For streamline cases, include a CII case note when a determination is made (e.g., CP 05A, DECD Taxpayer (TP), invalid/valid per IRP data etc.).

Note: If you are preparing the case for reassignment to another CSR/TE or to the IDT holding number, you may notate your research in the “Notes” section of the CII case in lieu of using the research sheets. The IDT holding number can be found on the *Accounts Management Site Specialization Temporary Holding Numbers Listing*, located on SERP.

Note: If you are preparing the case to reroute to another function using CII, any linked cases, IDRS screen captures, and attached files do not print. If any of these items must be attached to the case, print the items using your local printer and manually associate the printed documents. See IRM 21.5.1.5.2(7), Cases Currently Assigned in CII, for additional information.

- (9) **If the IDT claim cannot be supported based on the information received and your research,** refer to IRM 25.23.2.6.6.3, Identity Theft Claims Submitted by Individuals Who Do Not Appear to be the Victim, for additional guidance.

25.23.4.6.2.1
(10-12-2023)

Statute Research

- (1) A statute of limitation is a time period established by law to review, analyze, and resolve taxpayer and/or IRS tax related issues.
- (2) The Internal Revenue Code (IRC) requires that the Internal Revenue Service (IRS) will assess, refund, credit, and collect taxes within specific time limits. These limits are known as the Statutes of Limitations. When they expire, the IRS can no longer assess additional tax, allow a claim for refund by the taxpayer, or take collection action. The determination of statute expiration differs for assessment, refund, and collection.
- (3) **Assessment Statute Expiration Date (ASED):** The general rule is that an assessment of tax must be made within three years from the date a return is received. This includes increases to tax requested by the taxpayer and any additional tax increase identified by the IRS (i.e., AUR or Exam assessment). Additionally, the ASED must be considered when decreasing a posted credit. IDRS Command Codes (CCs) IMFOLT/IMFOBT and TXMODA will show ASED fields for IMF accounts.
- (4) A case is considered imminent when a tax increase is required and it is within 180 days of the valid TC 150, TC 976/TC 977 or unprocessed return. To prevent a barred statute assessment follow procedures in IRM 25.23.2.5, Statute Protection.

Note: Invalid returns meeting streamline processing criteria do not require statute protection; however, other returns on the account may. Each return must be considered separately.

- (5) When following non-streamline procedures or reprocessing a valid return, the ASED must be considered when determining the appropriate actions. Refer to IRM 25.23.4.9 , Statute Processing Considerations, and its subsections.
- (6) **Refund Statute Expiration Date (RSED):** The RSED is generally three years from the Return Due Date (RDD) for prepaid credits if a return was filed. Timely requesting an extension to file will extend the RSED. Payments are refundable after the RSED has expired when the claim was received within two years from the payment posted date. CCs IMFOLT/IMFOBT and TXMODA will show RSED fields for IMF accounts.

Care must be taken to ensure the RSED has not expired before refunding an overpayment. Generally, the amount refunded is limited to the tax paid during the three years immediately preceding the filing of a return, plus any extension of time to file. If payments are being considered, a two year look back from the claim (i.e., Form 14039) received date must be conducted to identify which payments are available for refund or offset. See IRM 25.6.1.10.2.7.2, Limitations on the Amount of a Claim, and its subsections for additional information.

See IRM 25.6.1.10.2.9, Claims for Credit or Refund – Taxpayers in Special Situations, and its subsections for procedures regarding claims for credit or refund from taxpayers that meet special situations such as financial disability, federally declared disaster area or significant fire, identity theft, etc.

Note: The period of RSED limitations is not suspended due to identity theft.

Reminder: Do not allow any overpayment of prepaid credits or subsequent payments to refund or offset if the RSED has expired. Review IRM 25.6.1, Statute of Limitations Processes and Procedures, for more information.

Note: Refunds allowed outside of the statute of limitations are erroneous and require correction. For additional guidance on erroneous refunds refer to paragraph (9) below.

- (7) **Collection Statute Expiration Date (CSED):** The CSED is a time period established by law to collect taxes. The CSED is normally ten years from the date of assessment. CCs SUMRY, IMFOLT/IMFOBT, and TXMODA will show CSED fields for IMF accounts.

Each tax assessment has its own CSED. The CSED dates will always reflect in chronological order. However, you must always look for additional Transaction Codes (TCs) or other conditions that may further extend the CSED. Listed below are examples of liability assessments and their transaction codes (TCs) that may further extend the CSED:

- Transaction Code (TC) 150, Tax Assessed
- TC 160, Manually Computed Delinquency Penalty
- TC 166, Delinquency Penalty
- TC 170, Computer Generated or Manually Assessed Estimated Tax Penalty
- TC 176, Estimated Tax Penalty
- TC 180, Deposit Penalty

Review IRM 25.6.1.12, Collection Statute Expiration Date (CSED), for a more detailed list of assessment Transaction Codes.

For a listing of conditions that may postpone or suspend the collection period see IRM 25.6.1.12.2.1, Conditions Postponing Collection or Suspending the 10 Year Collection Period.

- (8) You must consider all items in the statutes case processing charts below that apply to your case scenario. Utilizing the tables below will assist you in addressing all issues to make the taxpayer whole.

Reminder: Each return on the module (valid and invalid) must be considered separately.

Note: Stolen identity cases are exempt from normal statute processing. To that end, IDT cases do not truly have a CSED when it was established as the result of processing an invalid return on the module.

- (9) For **ASED** statute related issues and instructions, see the table below:

If	And	Then
(1) Tax increase for a TC 976/977 return is imminent,	More than 90 days remain before the valid return ASED expires,	A normal adjustment may be input on IDRS.

If	And	Then
(2) Tax increase for a TC 976/977 return is imminent,	The valid return ASED on the CN account will expire in 90 days or less,	Complete Form 2859, Request for Quick or Prompt Assessment. Refer to IRM 25.23.4.9.2 IRM 25.23.4.9.2, Statute Imminent Assessments for IDT Cases, for additional information.
(3) The invalid return will be moved to an IRSN,	The ASED on the IRSN return will expire in 180 days or less,	Complete Form 2859, Request for Quick or Prompt Assessment. Refer to IRM 25.23.4.9.2, Statute Imminent Assessments for IDT Cases, for additional information.
(4) The invalid return will be moved to an IRSN,	The ASED has expired,	Refer to IRM 25.23.4.9.1, Determining When Specific Year Account Information Must Be Moved, and its subsections for additional information
(5) The ASED has expired,	The assessment was not timely OR tax was erroneously abated,	The assessment is barred. See IRM 25.23.4.9.3, Addressing Barred Assessments on Identity Theft (IDT) Cases, for account correction and reporting procedures.
(6) Recovery of an erroneous refund before the ASED expires, Note: You may identify an erroneous refund created by someone else.	The refund was issued to the valid taxpayer,	See IRM 25.6.1.10.2.3, Remedies for Recovering an Erroneous Refund.

If	And	Then
(7) An erroneous abatement occurred after the ASERD expired,	The credit is still on the account for the valid taxpayer,	Send the credit to the Excess Collection File (XSF) per IRM 25.6.1.10.2.3.1, Recovery of Assessable Erroneous Refunds.
(8) Recovery of an erroneous refund,	The refund was issued to the invalid taxpayer,	Lost refunds on an IDT return should be moved to general ledger (GL) 1545 account. For additional guidance refer to IRM 25.25.4.7, Reversing Identity Theft Lost Refunds.

(10) For **RSED** statute related issues and instructions, see the table below:

If	And	Then
(1) Identity theft case includes tax offsets,		Follow procedures in IRM 25.23.4.10.10.1, Identity Theft with Tax Offsets.
(2) Identity theft case includes TOP offsets,		Follow procedures in IRM 25.23.4.10.10.2, Identity Theft with TOP Offsets.
(3) When following Category D erroneous refund procedures,	The Erroneous Refund Statute Expiration Date (ERSED) is considered,	Refer to IRM 21.4.5.15.1.1, Statute of Limitations Category D Erroneous Refunds IRC 6532 (b) ERSED.

(11) For **CSED** statute related issues and instructions, see the table below:

If	And	Then
(1) Offset reversal needed to address the taxpayer's liability,	Offset resulted from an overpayment of the invalid return,	Follow procedures IRM 25.23.4.10.10, Identity Theft with Offsets.

If	And	Then
(2) Balance due module is a Married Filing Joint (MFJ) account,	Offset was applied from a module that does not reflect both spouses' names, Example: One Return IDT - MFJ Scheme determination for TY 2019. The secondary taxpayer filed Form 14039, because their refund from their TY 2022 return was offset to the MFJ balance due.	Follow procedures IRM 25.23.4.10.10, Identity Theft with Offsets.
(3) TAS hardship case(s),	Requests for returning an offset to the originating module,	Follow procedures IRM 25.23.4.10.10.1, Identity Theft with Tax Offsets.

25.23.4.6.3
(10-01-2023)

**IDTVA Research,
Verification, and
Requests**

- (1) For instructions related to research, verification, and requests, see the table below:

If	And	Then
(1) The TC 976/977 was not processed,		Refer to IRM 25.23.4.6.5.2, Unprocessed Documents.
(2) The SSN owner's return posted as TC 976,	An election was made for the Presidential Election Campaign Fund (PECF),	Prepare a dummy Form 1040-X. Refer to procedures in IRM 21.6.7.4.12, Presidential Election Campaign Fund (PECF).

If	And	Then
(3) The SSN owner's return posted as TC 976/977 bypassed DIF scoring,		Research for DIF scoring criteria per IRM 21.5.2.4.23.6, Discriminant Index Function (DIF) SCORE or CLASSIFICATION "Send Return(s) to Examination for Review". DO NOT refer Form 1040-EZ, Income Tax Return for Single and Joint Filers With No Dependents. Caution: All adjustment actions must be input <i>prior</i> to referring to Exam.
(4) The return is a statute year,	Action is required to prevent a barred assessment/statute,	Refer to IRM 25.23.2.5, Statute Protection, IRM 25.6.1.13, Barred Assessments/Barred Statute Cases, and IRM 25.6.1.5, Basic Guide for Processing Cases with Statute of Limitations Issues, for additional guidance. Reminder: A return must be considered valid for the ASER to apply. Refer to IRM 25.6.1.6.14, Criteria for Establishing a Statute of Limitations Period.
(5) You discover any errors when you math verify the valid return,		See IRM 25.23.4.6.5.3, Missing Information, to determine the appropriate actions to take.
(6) The valid taxpayer may have a filing requirement for the impacted year,	The valid taxpayer has not filed a return,	See IRM 25.23.4.17, Determining Tax Liability/Form 2209 Instructions.
(7) If the impacted year is tax year 2018, 2019, or 2020,	Any Economic Impact Payment (EIP) was issued,	See IRM 25.23.4.20, Economic Impact Payment (EIP) and Recovery Rebate Credit (RRC) - General.

If	And	Then
(8) The CN entity reflects an incorrect (or invalid) address,		<ol style="list-style-type: none"> 1. Conduct research using information available on CII, AMS, and IDRS to determine an appropriate address for the CN owner. Note: The address included on the most recent return received may not be the most current even if determined to be a valid return. Thorough research is necessary to determine the appropriate address to prevent issuance of correspondence to an incorrect address. IDTVA employees are encouraged to use their best judgment in identifying the correct address and must clearly document their research and reasoning when it is determined the most appropriate address is not the address on the valid taxpayer's correspondence or most recent return. 2. If you are unable to identify the appropriate address through internal research, follow procedures in IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written), to attempt to contact the taxpayer by phone. If the taxpayer confirms the correct address, document the information in a CII case note. Do not send a letter requesting confirmation of the correct address if attempts to contact the taxpayer by phone are unsuccessful. Document attempts to contact the taxpayer and proceed to step (3). If a phone number is not available, proceed to step (3). 3. If you were unable to determine the appropriate address through internal research and were unsuccessful in your attempts to contact the taxpayer by telephone, update the CN entity using the address from the following (to be applied in the order listed): <ul style="list-style-type: none"> • Form 14039, Police Report, or Correspondence, unless a current year tax return determined to be valid has been received more recently. If a valid current year tax return has been received more recently, use the address on the valid return. • Address found on CC IRPTR for the current year associated with income determined to belong to the valid taxpayer. • Address found on the most recent prior year return determined to be valid.

25.23.4.6.4
(10-01-2024)

**Complete Case Analysis
(CCA)**

- (1) To ensure all identity theft issues have been identified, complete case analysis (CCA) is required on all identity theft cases potentially impacting tax administration, including:
- Refund related,
 - Income related, and
 - Dependent related
- (2) CCA includes but is not limited to the following:

Research	Description
Tax Years	<p>Conduct a cursory review for apparent evidence of unresolved IDT issues.</p> <ul style="list-style-type: none"> • Prior Years - A minimum of three prior years. Continue in one-year increments until no indications of identity theft are found. • Subsequent Years - All years after the year identified for the case. <p>Example: The SSN owner filed for the first time in 2020. A review of the account indicates returns were filed for tax years 2018 and 2019. While the taxpayer did not include the tax years 2018 and 2019 on the Form 14039, these years must be fully researched for potential IDT issues.</p> <p>Example: The SSN owner claimed identity theft for tax year 2019. A review of the account indicates there is also identity theft for tax year 2016. The look back rule applies again by reviewing tax year 2015. If tax year 2015 is not impacted, no further look back is required.</p>
Documents	<p>Do not assume the individual filing the identity theft claim is the true owner of the Common Number (CN). Consider:</p> <ul style="list-style-type: none"> • All information received, • Account research conducted, and • Additional information available <p>Note: An invalid return could include information that is consistent with the taxpayer's filing history. Refer to IRM 25.23.4.6, Research, Actions and Complete Case Analysis - Overview, for additional items to review to prevent the mishandling of an IDT case.</p>

Research	Description
Compliance	<p>If there is Compliance involvement and a determination of IDT for the same year:</p> <ul style="list-style-type: none"> • Reassign all years. • Do not issue a letter to request additional information. • Do not perform any account adjustments, credit transfers, etc. <p>See Exhibit 25.23.4-5, IDTVA Routing Matrix.</p>
Dependent	<p>Dependent related IDT issues may be IRS identified when:</p> <ul style="list-style-type: none"> • Misuse of a TIN occurs on a return determined to be invalid. • Refer to IRM 25.23.4.8.4, Dependent Related Identity Theft (IDT) - General, for additional information.

- (3) When resolving accounts identified through completion of required research for the look back period, work:

- Tax years where IRPTR data is still available, and the module is not in retention.
- Tax years where IRPTR data is not available, but the module is not in retention due to current account activity (i.e., balance due, etc.)
- Tax years impacted by income related IDT with or without a filed return, TDI, ASFR, or Exam SFR issue.

- (4) Do not adjust modules in retention, including tax years listed on Form 14039, unless:

- Reversing a tax offset will create a balance due, or
- It is necessary to resolve the taxpayer's issue.

Update the activity code of the active module to **RTTN###** when requesting a module from retention.

- (5) Include a CII case note indicating CCA was performed and the results of that research.

Example: Invalid/Valid per IRPTR Data, lost refund. CCA completed - No additional impacted years.

Example: Invalid/Valid per MFJ Refund Scheme. No lost refund. Completed required account research - Additional years impacted - refer to linked CII case(s).

Example: Invalid/Valid per IRP Data. Lost refund. Account research completed as required - No additional years impacted.

- (6) Any tax year identified through the CCA process must be addressed using the appropriate indicator for the case type. Refer to the table below:

Case Type	Indicator	Details
(1) Taxpayer Identified - Affecting tax administration	<ul style="list-style-type: none"> TC 971 AC 501 	<ul style="list-style-type: none"> Each impacted year identified by the taxpayer on the claim, police report, or correspondence will be marked with TC 971 AC 501 using an appropriate MISC field literal. Refund Related (invalid return): Additional impacted years identified through CCA will be marked with TC 971 AC 501 using MISC field: REFCCA. Income Related: Additional impacted years identified through CCA will be marked with TC 971 AC 501 using MISC field: ICMCCA. IRM 25.23.2-2, IMF Only TC 971 AC 501 — Taxpayer Initiated Identity Theft Case Closure (Tax-Related) - TC 971 AC 501.
(2) Taxpayer Identified - Not affecting tax administration	<ul style="list-style-type: none"> TC 971 AC 504 	<ul style="list-style-type: none"> Income Related: Each impacted year identified by the taxpayer on the claim, police report, or correspondence will be marked with TC 971 AC 504 using an appropriate MISC field literal. Income Related: Additional impacted years identified through CCA will be marked with TC 971 AC 504 using MISC field: ICMCCA. Non-Tax-Related: The account will be marked with TC 971 AC 504 using an appropriate MISC field literal. Only one indicator will be placed on the account. Refer to IRM 25.23.2.8.1.1, TC 971 AC 504 with Miscellaneous Field Codes ACCT, ACCT-M, BOTH, BOTH-M, EMPL, EMPL-M, ICMCCA, NKI or NKI-M. See IRM 25.23.2-4, IMF Only TC 971 AC 504.

Case Type	Indicator	Details
(3) IRS Identified	<ul style="list-style-type: none"> TC 971 AC 506 	<ul style="list-style-type: none"> Each impacted year will be marked with TC 971 AC 506 using an appropriate MISC field literal. See IRM 25.23.2-8, IMF Only TC 971 AC 506 — IRS Determined Tax-Related Identity Theft Case Closure.
(4) Dependent Related IDT	<ul style="list-style-type: none"> TC 971 AC 528 	<ul style="list-style-type: none"> The account (ENMOD) will be marked with TC 971 AC 528 using MISC Field: WI IP DEPND. Use January 1st of the current year for the Secondary Date to signify the processing year.

Example: Form 14039 is filed to report the taxpayer suspects someone may be using their name and SSN to work and file taxes. The taxpayer says they were unable to file their TY 2019 return, because a return is already on file. The taxpayer explains that they began working in 2019 and this is their first time filing. Completion of CCA results in the discovery of returns meeting streamline criteria filed for TY 2017 and 2018. Further research results in the identification of income earned under the taxpayer's SSN for TY 2014-2016. The taxpayer was not of age to work during those years. There are no returns on file or Compliance issues for TY 2014-2016. TY 2019 will be closed with TC 971 AC 501, because the taxpayer was determined to be a victim of identity theft affecting tax administration and listed this year on Form 14039. TY 2017 and 2018 will be closed with TC 971 AC 501 **REFCCA**, because the taxpayer filed Form 14039 and was determined to be a victim of identity theft impacting tax administration for these years through CCA. TY 2014-2016 will be closed with TC 971 AC 504 **ICMCCA** input for each year, because the income related identity theft issue does not affect tax administration, and the tax years were not provided by the taxpayer.

- (7) Cases created as a result of identification through CCA are to be worked, regardless of age, to ensure the taxpayer's identity theft issue is fully resolved without unnecessary delays.

Example: The taxpayer filed Form 14039 to report an identity theft issue for tax years 2021 and 2022 due to someone filing a tax return in their name. Through research, you determine tax year 2023 is also impacted. The IRS received date for the Form 14039 is 03/16/2023, and you identify the additional impacted tax year on 06/11/2024. All tax years are determined to be invalid/valid per IRPTR data. The CII case created for tax year 2023 will use 06/11/2024 as the IRS received date. This case is not aged but will be worked to fully resolved the taxpayer's identity theft issue.

25.23.4.6.5
(07-15-2021)

**Documentation
Requests, Return
Processing and Missing
Information**

- (1) Before you can proceed with resolving a case, there may be instances when you will need to take the following actions:
- Submit unprocessed returns to SP for processing
Note: Refer to guidance under IRM 25.23.4.11.1, Identity Theft (IDT) Expedite Operations Assistance Requests (OARs) - (Cases that Meet Economic Burden Criteria 1-4 and Contain Unprocessed Original Returns; TC 976 Documents) - Austin IDTVA-A ONLY, if cases meet TAS economic burden criteria 1-4.
 - Order returns/documents only when it is necessary for case resolution
Note: For IDT1 cases originally established as IDT3 cases, all internal research must be completed in an effort to make an IDT determination **prior** to ordering documents. To prevent delays in resolution, only order the document when it is necessary to make a determination of IDT.
 - Request missing schedules/forms and/or signatures from the TP
- Refer to the following IRM sections for additional guidance:
- IRM 25.23.4.6.5.1, Ordering Documents
 - IRM 25.23.4.6.5.2, Unprocessed Documents
 - IRM 25.23.4.6.5.3, Missing Information

25.23.4.6.5.1
(10-01-2022)

Ordering Documents

- (1) Requesting documents from files may result in significant delays in case resolution. To prevent unnecessary delays, verify the document you are requesting is needed to make a determination and/or correct the account. Complete all required account research **prior** to ordering the document. You may find the information available in CII images, AMS history items, and IDRS Command Codes (TRDBV, IRPTR, IMFOLR, NAMES, etc.) is sufficient to make a CN ownership determination, verify nullity criteria is met, or determine the case is a MXEN or IJE issue.
- (2) If the return and/or other documentation is not attached to your case **and** is not available in another CII case, order the document **only** if it is necessary to resolve the case. The CSR/TE resolving the IDT case will order the document. A document **may** be necessary, if any of the following conditions are met, unless an exception applies:
- No information exists on CC TRDBV for the duplicate return and/or schedules filed
 - No income information is available on CC IRPTR
 - The case requires routing to Automated Underreporter (AUR) or Exam
 - The case is a true "MXEN" case
- Exception:** Returns meeting No Move criteria or account move conditions requiring use of Form 12810, Account Transfer Request Checklist, do not need to be ordered to resolve the account. Refer to IRM 25.23.4.9.1.2, Tax Year Account Move Conditions - Applicable for IDT(X) and IDS(X) Cases, for additional information.
- The case is a Default True Scrambled SSN Case
 - A non-streamline case

Exception: Returns meeting No Move criteria or account move conditions requiring use of Form 12810, Account Transfer Request Checklist, do not need to be ordered to resolve the account. Refer to IRM 25.23.4.9.1.2, Tax Year Account Move Conditions - Applicable for IDT(X) and IDS(X) Cases, for additional information.

- A CP 361 was generated, but the Form 14039 was not scanned to the CII case

Exception: Some CP 361 cases may not have the documents scanned to the case by the time you are ready to work your case. If you have a CP 361 case that is less than 30 days old, hold the case in your inventory to allow adequate time for the return to appear on CII, unless your research determines the return and any additional information/documentation are not necessary. Also leave a case note on CII/AMS "Awaiting CP 361 scanned docs", or similar remarks. The decision to order the documents should be made on a case by case basis depending on other research and analysis conducted that assists you in making a correct CN determination. Having the return and Form 14039 available may provide additional information pertinent to your case.

Caution: Because an external data breach return could have identical or similar information, you may need to order missing documents to determine if the TP has indicated they were the victim of a breach. This information may have been included on the Form 14039. Also refer to IRM 25.23.4.6, Research, Actions and Complete Case Analysis - Overview and IRM 25.23.4.8.2.4, Identity Theft (IDT) with External Business/Preparer Data Breach Involvement.

- The Form W-2, Wage and Tax Statement, is missing and wages and withholding needs to be verified per paragraph (11) of IRM 21.6.3.4.2.2, Withholding (W/H) Tax Credit
- The return is missing schedules and/or required forms
- The return is filed under an ITIN and reports wages
- The taxpayer is deceased and you need Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer, or court documents to issue a refund
- You suspect that the return is for another taxpayer with a valid SSN, but cannot locate the other SSN on NAMEI/NAMES
- You suspect that the return is for another tax year based on your research, but cannot validate this without the return

Note: CSRs performing the resolving actions on a case should determine if additional information (which includes the Form 14039) is needed to make a determination of CN ownership. If enough information has been received or is available through internal research, work to resolve the case to completion. Requesting unnecessary information will delay the processing of the case.

Exception: If the case meets CAT A or Discriminant Index Function (DIF) scoring criteria, per IRM 21.5.2.4.23.6, Discriminant

Index Function (DIF) SCORE or CLASSIFICATION "Send Return(s) to Examination for Review", the return **must** be ordered.

Caution: When a refund is due, **do not** order the return only to verify the signature. If the information has been transcribed on TRDBV, the signature should have been validated during processing. Assume the return had a valid signature and continue processing. In addition, do not order the return if the entity information is not present on TRDBV. If it was not transcribed, the address and name matched the information on MF. If you determine through additional research the signature is needed for other purposes and/or the entity information is incorrect, order the return.

Note: This list is not all inclusive

If the return is required and is not already attached to the case, utilize CC ESTAB using "DQ" as the definer. In the remarks section of the ESTAB request, annotate the following: "AM-ID Theft" and **Scan to open CIIXXXXXX case**. These annotations will notify Files to pull the returns as priority and to send the request to the Image Control Team (ICT) team to scan. This should reduce multiple CII cases.

Caution: If reprocessing a return and research indicates prior filing by the spouse, see IRM 21.6.7.4.5, Multiple Uses of Taxpayer Identification Numbers - TRNS36F (DUPTIN Filing Condition), for additional information.

- (3) If you do not receive the return within 30 days of the first request, submit a second CC ESTAB request. Refer to IRM 21.6.7.4.4.1(5), CP 36 (DUPF) - Control, for information about charge outs and Special Search requests if you have not received the return within 30 days of your second request.
- (1) While working IDT cases, you may identify unprocessed returns that must be addressed. For purposes of IDT resolution, a return posted with a TC 977 that has been scanned as a CII image will be considered unprocessed. IDTVA screeners will receive unprocessed returns from Submission Processing (SP) and/or Statutes that have indications of IDT (i.e., Form 14039, similar statements or "Identity Theft" is notated on the return, etc.). See IRM 25.23.4.6.5.2.1, Unprocessed Statute Returns or Transcripts (IDTVA Screeners Only), for specific procedures. For Compliance IDT cases, an original return with no TC 976/977 posted may be received from the referring Compliance Function.
- (2) Research to determine if the return has been processed. See the chart below for additional guidance.

If	And	Then
(1) There is a TC 976 present on the account,	The TC 976 is for the return in the case,	The return does not need to be sent to SP for processing.

25.23.4.6.5.2
(10-01-2020)
Unprocessed Documents

If	And	Then
(2) There is a TC 976 present on the account,	The TC 976 is not for the return in the case,	<ul style="list-style-type: none"> Search CII for the return associated with the posted TC 976, and link any related cases. For any return that does not have a posted TC 976, follow the procedures throughout the remainder of this IRM, beginning with paragraph (3).
(3) There is no TC 976 present on the account,	The return is present on CII or is an original return from a referring Compliance Function,	<ul style="list-style-type: none"> Follow the procedures throughout the remainder of this IRM, beginning with paragraph (3).

- (3) Priority treatment must be given to Operations Assistance Requests (OARs) and statute imminent circumstances. Screen all statute year returns to determine if the ASED is expiring or imminent. See the chart below for additional guidance.

Note: A CN ownership determination must be made **before** statute protection procedures can be followed.

If	Then
(1) The current account ASED and the valid return ASED are both greater than 180 days,	<ul style="list-style-type: none"> The account does not require statute protection actions.

If	Then
(2) The current account ASED and the valid return ASED are both 180 days or less,	<ul style="list-style-type: none"> • Do not abate tax. • Input TC 560 before you send the case to SP for processing. <p>Note: The ASED must post before sending to SP.</p> <ul style="list-style-type: none"> • Refer to IRM 25.23.2.5, Statute Protection, for quick assessment procedures. <p>Reminder: Reference IRM 3.12.179.75.3, UPC 178 Reason Code 2 Assessment Statute Expiration Date (ASED), to prevent an unpostable 178-2.</p>
(3) The ASED for a valid return is expired,	<ul style="list-style-type: none"> • Do not abate tax. • See IRM 25.23.4.9.3, Addressing Barred Assessments on Identity Theft (IDT) Cases, to determine if there is a barred assessment and identify the applicable initial case actions required to correct the account.
(4) The ASED for an invalid return that will be moved to an IRSN is 180 days or less but has not expired,	<ul style="list-style-type: none"> • Do not abate tax. • Research to determine if an IRSN was previously assigned to the taxpayer. • Assign a new IRSN if one was not located through research. • For Compliance IDT cases, contact the DITA team lead to request assignment of a new IRSN if one was not located through research • Refer to IRM 25.23.2.5, Statute Protection, to complete a quick assessment on the IRSN account.

- (4) A return will be considered signed if the correspondence includes any form that contains a signed Jurat (e.g., Form 14039, Letter 3219C).

Reminder: Both taxpayers' signatures must be present on jointly filed returns. See IRM 21.5.3.4.4.1, Special Handling of Signature Requests, for exceptions.

- (5) Unprocessed returns deemed a nullity must **never** be sent to SP for processing as a TC 976. Follow procedures in IRM 25.23.4.8.2, Streamline Identity Theft (IDT) Case Identification and Processing, to make a nullity determination.

If	And	Then
(1) The TC 150 return has been determined to be a nullity through the Refund Scheme Listing, IRP Data or Schedule C Case Processing, or through verification of an RIVO determination,	The unprocessed return has been validated as filed by the CN owner,	<ul style="list-style-type: none"> Edit the unprocessed return per paragraph (9) below. <p>Note: If there is an open CII case related to the unprocessed return, leave a CII case note documenting all actions taken.</p>
(2) There is no TC 150 posted,	The unprocessed return has been validated as filed by the CN owner,	<ul style="list-style-type: none"> Edit the unprocessed return per paragraph (9) below. Do not post TC 976. <p>Note: If there is an open CII case related to the unprocessed return, leave a CII case note documenting all actions taken.</p>

If	And	Then
(3) If the unprocessed return has been deemed invalid but does not meet nullity criteria,	The TC 150 return has been validated as filed by the CN owner,	<ul style="list-style-type: none">• For Compliance IDT cases, see paragraph (6) below.• For all other cases, edit the unprocessed return per paragraph (9) below. <p>Note: If there is an open CII case related to the unprocessed return, leave a CII case note documenting all actions taken.</p>

If	And	Then
(4) If the unprocessed return has been deemed invalid but does not meet nullity criteria,	There is no TC 150 posted,	<ul style="list-style-type: none"> For Compliance IDT cases, see paragraph (6) below. For all other cases, follow the procedures detailed below: Research to determine if an IRSN was previously assigned to the taxpayer. Assign a new IRSN if one was not located through research Edit the unprocessed return per paragraph (9) below. Do not post TC 976. Replace the TIN on the return with the IRSN assigned to that taxpayer <p>Note: If there is an open CII case related to the unprocessed return, leave a CII case note documenting all actions taken.</p>

- (6) For Compliance IDT cases that are not currently assigned to DITA but require an IRSN, do not route the return to SP. Follow procedures in IRM 25.23.10.6, Post Function Referral Procedures, to refer the case to DITA.
- (7) Valid returns not processed as an original return have bypassed DIF scoring. Valid returns must be screened for DIF score criteria after the TC 976 has posted to the account. See Exhibit 25.23.4-21(2) , Input, Annotations and Action Requirements for Streamline/Non-streamline Case Processing, If/Then scenario (3) for additional information.
- (8) Prior to forwarding the return for processing, review the chart below. Take the appropriate action for each scenario the return to be processed matches.

If	And	Then
(1) IDRS CC TXMOD reflects a Master File (MF) status of 02 or 03,		<ul style="list-style-type: none"> Refer to IRM 25.23.2.6.5, Closing Identity Theft Cases with Tax Delinquency Inquiries (TDI), Note the appropriate TC 59X code in the left margin of the return.
(2) IDRS CC TXMOD reflects an unreversed TC 971 AC 121/124/129,		Input TC 972 AC 121/124/129 to reverse it.
(3) The return being processed is Married Filing Jointly (MFJ),	The current filing status is not MFJ,	<ul style="list-style-type: none"> Input TC 594 CC 084 on the secondary TIN to prevent separate TDI activity. Cross reference the primary TIN.
(4) The return being processed is Married Filing Jointly (MFJ),	The current filing status is MFJ with someone other than the spouse on the return,	<ul style="list-style-type: none"> Input TC 592 to reverse the TC 594 CC 084 for the invalid return previously processed. Input TC 594 CC 084 on the secondary TIN to prevent separate TDI activity. Cross reference the primary TIN. <p>Reminder: TC 592 will reverse all TCs 59X on the module. Input of a TC 594 CC 084 cannot be post delayed. If the valid taxpayer is the secondary on a valid MFJ return, monitor the account for one week. After one week, input TC 594 CC 084 to cross reference the correct spouse.</p>

If	And	Then
(5) There is a name line change from any filing status to MFJ,		<ul style="list-style-type: none"> Update ENMOD <i>prior</i> to sending the return to SP for processing to prevent UPC 166. See IRM 3.12.179.64, UPC 166 Reason Code 0 Filing Status Code (FSC) Mismatch, for additional information.
(6) There is a name line change from MFJ to any other filing status,	The module does not include Self-Employment income for the secondary taxpayer,	<ul style="list-style-type: none"> Update ENMOD <i>prior</i> to sending the return to SP for processing to prevent UPC 166. See IRM 3.12.179.64, UPC 166 Reason Code 0 Filing Status Code (FSC) Mismatch, for additional information.
(7) There is a name line change from MFJ to any other filing status,	The module does include Self-Employment income for the secondary taxpayer,	<ul style="list-style-type: none"> Address the invalid return. If the invalid return meets nullity criteria, input a full back out of the return figures, unless that action will cause a barred statute. If the return does not meet nullity criteria, follow procedures in, IRM 25.23.4.7, Non-Streamline Identity Theft (IDT) Case Processing, and move the return to an IRSN. For Compliance IDT cases, see paragraph (6) above. Update ENMOD to remove the secondary taxpayer information <i>after</i> the actions taken to nullify or remove the invalid return from the account have posted. The remaining actions to adjust the account to the valid return figures will be taken after the TC 976 has posted.

If	And	Then
(8) The return is part of a Compliance IDT case,	The case is being worked by a function that addresses unreported income,	<ul style="list-style-type: none"> Verify all income belonging to the taxpayer(s) is included on the return to be processed. Follow your functional IRM for specific guidelines to address incomplete returns, if necessary.

(9) Valid unprocessed returns must be edited **prior** to sending for processing:

- To prevent the valid return from unposting, edit the return with SPC 'B' in the right margin between the secondary TIN and the Presidential Election Campaign Fund (PECF) designation per the instructions in IRM 3.12.2-4 , Special Processing Codes. This allows the return to bypass UPC 126 and all UPC 147 Reason Codes, except RC 4.
- Notate 'ITVA' in the upper left-hand corner. Refer to IRM 21.5.2.4.23.7, Coding and Editing Procedures, for additional guidance that may be applicable.
- All edits must be made in 'Red'** pen/pencil only. It is also acceptable to notate all edits on CII images using the annotation tools then underline the changes in **'Red'**.

(10) Send unprocessed valid returns to Submission Processing. Monitor the account for the posting of TC 976. Use the table below to determine the appropriate Submission Processing Site:

If	Then
For campuses with Submission Processing (SP),	<ul style="list-style-type: none">• Route the return to your local SP using a Form 1725 or similar local routing slip.• Include, "Post TC 976 - Do not send to ICT to be imaged", or similar instructions in the remarks field. Exception: If a paper return is received in response to a Letter 5064C, only input, "Post TC 976", as the remarks. Exception: Unprocessed Forms 1040-NR, 1040-SS, and 1040-PR will be sent to Austin Service Center.• If 40 days have passed, and the TC 976 has not posted, see IRM 25.23.4.6.5.2.2, Unprocessed Returns - 40 Day Suspense Time Frame Expired.

If	Then
For campuses without Submission Processing (SP),	<ul style="list-style-type: none"> Using a Form 3210, route the return to Kansas City SP at: Internal Revenue Service Stop 6052 333 W Pershing Road Kansas City, MO 64108 Include, "Post TC 976 - Do not send to ICT to be imaged", or similar instructions in the remarks field. Exception: If a paper return is received in response to a Letter 5064C, only input, "Post TC 976", as the remarks. Exception: Unprocessed Forms 1040-NR, 1040-SS, and 1040-PR will be sent to Austin Service Center. If 40 days have passed, and the TC 976 has not posted, see IRM 25.23.4.6.5.2.2, Unprocessed Returns - 40 Day Suspense Time Frame Expired.

- (11) Ensure the account reflects the appropriate IDT indicator(s) (i.e., TC 971 AC 522).
- (12) If it is determined the IDT issue was previously resolved, follow the chart below.

If	Then
(1) A TC 150 is present and the ASED is greater than 90 days,	<ul style="list-style-type: none"> Send the return to ICT as an XRET using Form 13503. Refer to the Form 13503 ICT XRET Cover Sheet Sample located on the IDTVA Hub.

If	Then
(2) A TC 150 is present and the ASED is less than 90 days,	<ul style="list-style-type: none"> • Create a CII case. • Send the return for exception scanning. • Input a TC 971 AC 010 to generate TC 977. • Once scanned to the case, work following applicable procedures per IRM 21.5.3.4, General Claims Procedures.
(3). No TC 150 is present (i.e., IDT was on secondary TIN, IDT return was Voided/Deleted,	<ul style="list-style-type: none"> • Follow the procedures beginning at paragraph (2) above.

25.23.4.6.5.2.1
(12-16-2019)

**Unprocessed Statute
Returns or Transcripts
(IDTVA Screeners Only)**

- (1) IDTVA screeners receive unprocessed returns from Submission Processing (SP) and/or statutes that have indications of IDT (i.e., Form 14039, similar statements, “identity theft” is notated on the return, etc.). It is the responsibility of the IDTVA screeners to quickly determine if IDT has occurred, if the unprocessed return is “valid” or “invalid”, and the applicable actions to take.
- (2) When the Form 14039 included with a tax return **does not** indicate the taxpayer’s information was used to file taxes, consider the claim as reporting non-tax-related IDT, and take the following actions:
 - Detach Form 14039.
 - Notate in the left-hand margin of the Form 1040/A/EZ/SR what is being detached.
 - Notate on the Form 14039 the current date and what is being detached.
 - Route Form 14039 to ICT as an IDT4 using the IDTVA-A ICT Batch Sheet located on the IDT Hub.
 - Continue screening the tax return.

Example: Form 14039 is included with the taxpayer’s 2018 return filed on Form 1040. Section A Option 1, indicating the form is being submitted for the taxpayer, and Section B Option 2, indicating the taxpayer does not know if their information has been used for tax purposes, are both marked. The taxpayer provides an explanation indicating their Social Security Card and ID were in their wallet when it was lost. Detach Form 14039 from the return. Notate on the Form 1040 “detached Form 14039 sent to ICT”. Notate on Form 14039 the current date and “detached from Form 1040 TY 2018”.

- (3) Research the account and unprocessed return to determine if any of the returns may be considered a nullity.

Note: The screening process should be completed even if it appears the return was previously screened (SPC “B” and “ITVA” are present on the unprocessed return).

- (4) When the return being screened has a stamped Document Locator Number (DLN), refer to the table below to determine where the return originated and the appropriate actions to take:

If	And	Then
(1) The DLN matches the return posted to MF,	There is an open IDT(X) CII case or assigned RIVO/NCAT control (not a generic number),	Send the return to files per IRM 21.5.1.4.9, Re-Charging and Re-Filing Documents, or follow IRM 21.5.1.4.10, Classified Waste, as applicable. Note: Determine why the return was sent to process (i.e., AMS, CII, history, etc.) prior to taking any actions.

If	And	Then
(2) The DLN matches the return posted to MF,	There is no open IDT(X) CII case or assigned RIVO/NCAT control (not a generic number),	<p>If TC 976 posted within 2 cycles of the current date or is in PN status, a CII case should be systematically generated within 2 weeks of the TC 976 posting date. Hold the return until the CII case is generated. Take the following actions to monitor for the case creation:</p> <ul style="list-style-type: none"> • Open a MISC control base to your IDRS number using category "MISC", activity "WT4CIIDATE" (DATE = purge date), status "B", and the current date. • Once the case is created, update your control base activity to "CIIPOSTED" and close the "MISC" base. <p>If it has been more than 2 cycles since the TC 976 posted, follow procedures in paragraph (11).</p>
(3) The DLN matches a return NOT posted to MF (i.e., Voided/ Deleted or Identity Theft found on TRDBV),	Regardless of whether or not there is an open IDT(X) CII case or assigned RIVO/NCAT control (not a generic number),	Continue the screening process. See paragraph (5).

- (5) If during the screening process it is determined tax-related IDT did not occur, perform the following actions:

- Circle out any incorrect edits (SPC "B" and "ITVA").

25.23 Identity Protection and Victim Assistance

Exception: If any TC 971 AC 501/506 is present on CC ENMOD/IMFOLE that is not being reversed, edit the return per paragraph (7).

- Reverse any incorrect IDT indicators (i.e., TC 971 AC 501/506/522).
 - Forward the return to SP, ICT or your local statute unit, as applicable.
- (6) Use IRM 25.23.4.8.2.3, Identity Theft (IDT) with IRP Data, Refund Scheme or Schedule C Involvement, and IRM 25.23.4.8.2.1, Identity Theft (IDT) with RIVO Involvement, paragraph (4) along with the chart below:

If	And	Then
(1) The TC 150 return has been determined to be a nullity utilizing the <i>Fraud Refund Scheme Listing</i> .	The unprocessed return has been validated as filed by the CN owner utilizing IRP data for the year of the screened return.	Edit the unprocessed return per paragraph (8) below and continue to paragraph (9).
(2) RIVO has determined the TC 150 return to be a nullity and does not match IRP data, accept the RIVO determination .	The unprocessed return has been validated as filed by the CN owner utilizing IRP data for the year of the screened return.	Edit the unprocessed return per paragraph (8) below and continue to paragraph (9).
(3) The TC 150 return has been determined to be a nullity utilizing IRP data or Schedule C Case Processing .	The unprocessed return has been validated as filed by the CN owner utilizing (3) years of IRP data or Schedule C Case Processing.	Edit the unprocessed return per paragraph (8) below and continue to paragraph (9).
(4) Extended research is needed to make a determination of invalid and/or valid return (i.e., less than 3 years IRP data, more than one TC 976/977, TC 610 payment, MFT 32 issues, transcript non-streamline procedures or meets criteria in IRM 25.6.1.13, Barred Assessments/Barred Statute Cases, etc.).	The current account ASED has not expired and is not within 180 days.	Edit the unprocessed return per paragraph (8) and send the return to SP for processing.

If	And	Then
(5) Extended research is needed to make a determination of invalid and/or valid return (i.e., less than 3 years IRP data, more than one TC 976/ 977, TC 610 payment, MFT 32 issues, transcript non-streamline procedures or meets criteria in IRM 25.6.1.13, Barred Assessments/Barred Statute Cases, etc.).	Current account ASED has expired or within 180 days.	Refer to paragraph (9).
(6) The unprocessed return meets nullity criteria.		Send the return to ICT as an IDT 3 using the IDTVA-A ICT Batch Sheet located on the IDT Hub.

Note: If there is an open CII case related to the return you are screening, input a case note indicating the action being taken (i.e., valid return sent to SP to post TC 976, ASED updated and return being held by IDTVA screener until TC 976 posts, etc.).

- (7) If it is determined the IDT issue was previously resolved, follow the chart below.

If	And	Then
(1) A TC 150 is present.	The ASED is greater than 90 days.	Send the return to ICT as a XRET using Form 13503. Refer to the Form 13503 ICT XRET Cover Sheet Sample located on the IDTVA Hub.

If	And	Then
(2) A TC 150 is present.	The ASED is 90 days or less .	Set the return aside to create a CII case. Take the following actions, once the case has been created: <ul style="list-style-type: none">• Send return for exception scanning.• Input a TC 971 AC 010 to generate TC 977.• Once scanned to case, work following applicable procedures, per IRM 21.5.3.4, General Claims Procedures.
(3) No TC 150 is present (i.e., IDT was on secondary TIN, IDT return was Voided/Deleted, or moved to MFT 32).	The ASED is greater than 90 days.	Edit the return per paragraph (5) and forward to SP or your local statute as applicable.

If	And	Then
(4) No TC 150 is present (i.e., IDT was on secondary TIN, IDT return was Voided/Deleted, or moved to MFT 32).	The ASED is 90 days or less .	<p>Set the return aside to create a CII case. Take the following actions, once the case has been created:</p> <ul style="list-style-type: none"> • Send return for exception scanning. • Input a TC 971 AC 010 to generate TC 977. • Once scanned to case, route to local statute through CII for quick assessment. • Additional adjustments may need to be made after the quick assessment posts (AGI, TXI, exemptions, etc.).

- (8) An unprocessed return from the TIN owner must be edited before it is sent to SP for processing. Refer to IRM 21.5.2.4.23.7, Coding and Editing Procedures, and IRM 21.5.1.5.5, Processing/Reprocessing CII Tax Returns, for additional guidance that may be applicable when sending a return for processing. Perform the following actions:

- Notate "ITVA" in the upper left-hand corner of the return.
- Edit the return SPC "B" (in the right-hand margin between the secondary TIN and PECF designation). This will allow the return to bypass all the UPC 147 Reason Codes except RC 4. See IRM 3.11.3.3.7.6, Special Processing Code (SPC).
- If there is a name line change, update ENMOD prior to sending the return to SP for processing (e.g., single to joint). This will allow the return to bypass the UPC 166. See IRM 3.12.179.64, UPC 166 Reason Code 0 Filing Status Code (FSC) Mismatch.
- When the unprocessed return is Married Filing Jointly (MFJ), input TC 594 CC 084 to satisfy the secondary TIN's filing requirement, if one is not present. Make sure there is a name line for the secondary TP's TIN on the Master File (MF) for the same tax year or earlier. If not, update ENMOD with a name line for the secondary TP's TIN for the same year.
- If CC TXMODA reflects a MF status of "02" or "03", see IRM 25.23.2.6.5, Closing Identity Theft Cases with Tax Delinquency Inquiries (TDI), for additional information.

25.23 Identity Protection and Victim Assistance

- (9) To ensure the unprocessed return will post as a TC 976, consideration of the current and “valid return” ASED must be made prior to sending the return to SP for processing.

If	Then
(1) Current account ASED is greater than 180 days ,	Edit the return per (8). Then send the unprocessed return to SP or your local statute, as applicable.
<p>(2) Current account ASED is within 90 days or has expired and the valid return ASED will be greater than 180 days.</p> <p>Caution: Ensure the correct received date is being used prior to updating the ASED. Research CC TRDBV for a previously Voided/Deleted or Identity Theft return that matches the “valid return”, and/or CC TXMOD/IMFOL for a TC 610 payment.</p> <p>Note: Interest penalty date in TRDBV, access code IA, is equal to the received date of the return.</p>	<ul style="list-style-type: none"> Input a TC 560 on the account to update the ASED to 3 years from the received date of the valid return. <p>Caution: To prevent an un-postable (UPC 178-2), see IRM 3.12.179.75.3, UPC 178 Reason Code 2 Assessment Expiration Date (ASED).</p> <ul style="list-style-type: none"> Input TC 971 AC 522 following IRM 25.23.2.4.4, Initial Allegation or Suspicion of Tax-Related Identity Theft - IMF Identity Theft Indicators, as applicable. Open a MISC control base to your IDRS number using Category Code “MISC,” activity “PNA SEDDATE-”(DATE = purge date), status “B” and current date. Hold the return until the ASED has posted (2-3 weeks). Once the ASED has posted, complete “valid return” edits, as applicable, “MISC” update the activity to “SNT2PROCES” and close the MISC base. Send the return to designated SP area for processing. <p>Note: Per IRM 3.11.3.73.2, Statutory Protection Cases. A statute clearance stamp is not required when SPC “B” is present.</p>

If	Then
<p>(3) Valid return ASED will be within 180 days of expiration.</p> <p>Note: 180-day time frame allows for the ASED and TC 976 to post.</p>	<p>Set aside to create a CII case. Take the following actions, once the case has been created.</p> <ul style="list-style-type: none"> • If the ASED is within 90 days, prepare and submit Form 2859, for a quick assessment following IRM 25.23.2.5, Statute Protection, as applicable. • If the ASED is within 91-180 days, continue remaining actions. • Input a TC 560 on the account to update the ASED to 3 years from the received date of the “valid return” and suspend until posted. <p>Caution: To prevent an un-postable (UPC 178-2), see IRM 3.12.179.75.3, UPC 178 Reason Code 2 Assessment Expiration Date (ASED).</p> <ul style="list-style-type: none"> • Complete “valid return” edits, per paragraph (7). • Input TC 971 AC 522, per paragraph (9). • Send the return to designated SP area for processing. • Once the TC 976 has posted, refer to IRM 25.23.4, IDTVA Paper Process, for guidance on adjusting the account.

- (10) Input TC 971 AC 522 following IRM 25.23.2.4.4, Initial Allegation or Suspicion of Tax-Related Identity Theft - IMF Identity Theft Indicators, as applicable. This includes other years of unresolved IDT that may be found during the screening process, or have been identified by the taxpayer (via Form 14039 or similar statement).
- (11) When a quick determination cannot be made whether the unprocessed return and/or the TC 150 is “valid and/or invalid”, additional research is needed. Proceed with the following:
- Set the return aside until all paper inventory screening has been completed.
 - Once a determination has been made, send the unprocessed return to SP, ICT, Statute, or

25.23 Identity Protection and Victim Assistance

- Create a CII case to yourself with the appropriate category and program code, per Exhibit 25.23.4-9, IDTVA-A Identity Theft (IDT) Work Types Listing and Exhibit 25.23.4-12, Tax-Related Identity Theft (IDT) Codes.
- Work the case using applicable procedures in IRM 25.23.4.6, Research, Actions and Complete Case Analysis - Overview.

25.23.4.6.5.2.2
(10-21-2019)

Unprocessed Returns - 40 Day Suspense Time Frame Expired

- (1) If an unprocessed return is sent to SP and the TC 976 has not posted after the forty (40) day suspense time frame has expired, use the following table to determine how to continue processing the case.

Caution: The instructions in this table are only for the handling of a taxpayer's return as submitted. You must still review the account to determine if the submitted return resolves any outstanding Compliance issues.

If	Then
(1) TXMOD Reflects a rejected (RJ) TC 150 with an ERS status code,	ERS has corresponded with the taxpayer to obtain required information/documentation. Monitor the account until the rejected TC 150 has converted into a TC 976.
(2) The ASED for the new valid return was not updated, as required,	Update the ASED to the correct date based on the earliest IRS Received Date. After the new ASED has posted resubmit the valid return to SP.
(3) Unpostable Code 126-0,	See IRM 25.23.4.10.8, Identity Theft (IDT) Cases/Transcripts with RIVO and/or TPP Involvement Resolution Tables, for additional instructions.
(4). The TC 976 unposted (other than UPC 126-0,	<ul style="list-style-type: none"> • Suspend the case for an additional 40 days to allow the Unpostables unit time to resolve the unpostable. • If the additional 40-day suspense time frame elapses and the TC 976 still has not posted, take the necessary actions, to correct the account using the applicable procedures, outlined in IRM 25.23.4, IDTVA Paper Process.

If	Then
(5) There is no indication that a TC 976 will be input (such as a pending transaction, an un-postable, etc.),	<ul style="list-style-type: none"> Re-send the return to SP and suspend the case for additional 40 days. If the additional 40-day suspense time frame elapses and the TC 976 still has not posted, take the necessary actions to correct the account using the applicable procedures outlined in IRM 25.23.4, IDTVA Paper Process.

25.23.4.6.5.3
(03-11-2024)

Missing Information

- (1) If you have made a Common Number (CN) ownership determination and the valid taxpayer's return is missing information (e.g., signatures, schedules, forms) needed to adjust the account to the return figures, determine if it is necessary to request the missing information.
- (2) Use the table below to identify appropriate research for various sections of the tax return.

Section	Comments and References
(1) TIN requirements	<ul style="list-style-type: none"> TIN requirements vary depending on the deduction and/or credits claimed on the return. Refer to the instructions for the form (tax year specific) <i>Find a product</i>. See Table Scenarios (4) and (6) for credits.
(2) Income	<ul style="list-style-type: none"> Refer to the instructions for the form (tax year specific). <i>Find a product</i>.
(3) Deductions and Tax computation	<ul style="list-style-type: none"> See IRM 21.6.4.4, Working Tax Computation / Accounting Period Changes, and its subsections for deductions, other taxes (i.e., self-employment tax, etc.), and various methods of tax computation.

Section	Comments and References
(4) Non-refundable credits	<ul style="list-style-type: none"> These credits reduce tax liability and are generally not refundable. Certain credits may become refundable after the tax liability has been brought to zero. See IRM 21.6.3.4.1, Nonrefundable Credits Procedures, and its subsections to determine if a form or schedule is required to be provided with the return to claim a specific credit.
(5) Refundable credits	<ul style="list-style-type: none"> These credits are refundable. For CARES and ARPA credits, see IRM 25.23.4.20, Economic Impact Payment (EIP) and Recovery Rebate Credit (RRC) - General, IRM 25.23.4.21.2, ARPA - Advanced Child Tax Credit (AdvCTC) - General, and/or IRM 25.23.4.21.3, ARPA - Excess Advance Premium Tax Credit (APTC) Repayment Relief. For all other refundable credits, see IRM 21.6.3.4.2, Refundable Credits, and its subsections to determine if a form or schedule is required to be provided with the return to claim a specific credit.
(6) Signature	<ul style="list-style-type: none"> Proceed to paragraph (3) below.

- (3) If the return is missing a form or schedule required to be attached or is not signed, see IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written).

25.23.4.6.6
(02-04-2020)

**Credit Transcripts -
IDT6/IDS6**

- (1) Credit Transcripts generate under the following circumstances:

- A credit remains on the module after the RSED has expired.
- A credit is held due to RIVO involvement.

- (2) Credit transcripts are referred to IDTVA as IDT6/IDS6 cases. These cases may include a TC 976 return that has not been addressed (-A Freeze).
- (3) IDTVA screeners determine if the referral is appropriate. Any referral that was received in error will be returned to the originating employee/function.

25.23.4.6.6.1

(10-01-2022)

**Credit Transcripts -
IDT6/IDS6 (IDTVA
Screeners Only)**

- (1) Use the following table to identify the type of transcript received:

Transcript Type	Identifying Factors
(1) Unresolved Credit (IDTVA-A)	<ul style="list-style-type: none"> • The case was closed on IDRS with Category Code IDT1, IDS1, IDT3, IDS3, IDT4, IDT5, IDT6, IDS6, IDT8, or IDS8, but all actions were not taken to fully resolve the account. • IDTX is now used by IDTVA when a Form 15227, Application for an IP PIN, is received and is also used by other functions. IDT cases previously resolved under the Category Code IDTX will be received when all actions were not taken to fully resolve the account. <p>Note: If you cannot identify the original Category Code with which the case was closed, review CC IMFOLA to locate the identity theft adjustment. The first 5 digits of the employee's IDRS number can be used to determine if the referral was appropriate. Use the IDRS - Unit and USR Database found on SERP Who/Where to determine if the adjustment was input by an IDTVA employee.</p>

Transcript Type	Identifying Factors
(2) Unresolved Credit (Specialty Functions)	<ul style="list-style-type: none">• The case was closed on IDRS with Category Code IDI1, IDI2, IDI3, IDI4, IDI5, IDI6, IDI9, or IDI1, but all actions were not taken to fully resolve the account. Note: If you cannot identify the original Category Code with which the case was closed, review CC IMFOLA to locate the identity theft adjustment. The first 5 digits of the employee's IDRS number can be used to determine if the referral was appropriate. Use the IDRS - Unit and USR Database found on SERP Who/Where to determine if the adjustment was input by an IDTVA employee.

Transcript Type	Identifying Factors
(3) RIVO Involvement	<ul style="list-style-type: none"> • AM01 (-R Freeze) • AM17 (P- Freeze) • TC 971 with AC 052, AC 121, AC 122, AC 123, AC 124, AC 129, AC 134, AC 140, AC 199, AC 617 • A Computer Condition Code (CCC) "1" • A CCC "3" and another RIVO marker • A CC NOREF history with an IDRS control base (open or closed) containing an IDRS assignment number 148XXXXXXX • TC 971 AC 128 with MISC field "AQCPTC191" or "AQCPTC195" • Unreversed Taxpayer Protection Program (TPP) indicators; refer to IRM 25.25.6.1.7, Taxpayer Protection Program Overview, for a list of indicators • Letter 4464C and/or CP 05 notice • Letter 4415C, TC 971 with AC 044 MISC>CP05A, or Examination correspondence <p>Caution: The presence of TC 971 AC 199 does not automatically indicate RIVO involvement. See IRM 25.25.5-2, Transaction Code (TC) 971 Action Code (AC) 199 Miscellaneous (MISC) Field Literals for RIVO, for additional information.</p>

- (2) Only certain transcripts with RIVO involvement should be received in IDTVA. Refer to the table below for descriptions of Credit Transcripts with RIVO involvement IDTVA will resolve:

If the Account Reflects	And
<p>(1)</p> <ul style="list-style-type: none"> • No open RIVO IDRS control, or an IDRS control was opened by AMRH, with subsequent adjustment action to reverse the return information by RIVO, Memphis QRP, Brookhaven Pre-Refund Team, or Exam, <u>and</u> • An unresolved credit remains on the module from a TC 610 or TC 670 payment, and the taxpayer's valid return is not on MFT 32 or TRDBV does not show GUF Void/ Deleted, <u>and</u> • A Letter 112C requesting a return was sent. 	<ul style="list-style-type: none"> • The taxpayer submits a return in response to the Letter 112C.
<p>(2)</p> <ul style="list-style-type: none"> • There is an open IDRS control to RIVO 148NNNNNNN or 065NNNNNNN, <u>or</u> • There is an open IDRS control to Return Integrity & Compliance Services (RICS), Earned Income Tax Credit (EITC), Refund Tax Compliance (RTC), or Questionable Refund Program (QRPA) 1381NNNNNN. 	<ul style="list-style-type: none"> • An unresolved credit remains on the module with no subsequent adjustment action or activity by RIVO, Memphis QRP, Brookhaven Pre-Refund Team, or Exam, <u>and</u> • There is a freeze condition that involves a -A Freeze, or there is an IDT issue that was not fully resolved.
<p>(3)</p> <ul style="list-style-type: none"> • There is no open RIVO IDRS control and the freeze is due to an External/Bank Lead issue, identified by TC 720. Note: The TC 720 amount may be less than the TC 846 if bank fees were deducted. 	<ul style="list-style-type: none"> • An unresolved credit remains on the module, <u>and</u> • There is a freeze condition that involves a -A Freeze, or there is an IDT issue that was not fully resolved.

If the Account Reflects	And
<p>(4)</p> <ul style="list-style-type: none"> There is no open RIVO IDRS control and the module contains a TC 971 with AC 134, AC 199, or AC 617. <p>Exception: TC 971 with AC 199 with MISC>DPC is not RIVO related.</p> <p>Exception: If the module contains an unreversed TC 971 with AC 124, see (6) below in this table.</p>	<ul style="list-style-type: none"> An unresolved credit remains on the module with no subsequent adjustment action or activity by RIVO, Memphis QRP, Brookhaven Pre-Refund Team, or Exam, <u>and</u> There is a freeze condition that involves a -A Freeze, or there is an IDT issue that was not fully resolved.
<p>(5)</p> <ul style="list-style-type: none"> There is no open RIVO IDRS control with no subsequent adjustment action or activity by RIVO, Memphis QRP, Brookhaven Pre-Refund Team, or Exam, 	<ul style="list-style-type: none"> An unresolved credit remains on the module and CC ENMOD shows TC 971 with AC 506 with any MISC field that contains the literal RICS, RIVO, AMTAP, or PRP, <u>and</u> There is a freeze condition that involves a -A Freeze.
<p>(6)</p> <ul style="list-style-type: none"> There is no open RIVO IDRS control and the module contains TC 971 AC 121 or AC 124. 	<ul style="list-style-type: none"> An unresolved credit remains on the module, <u>and</u> There is a freeze condition that involves a -A Freeze.
<p>(7)</p> <ul style="list-style-type: none"> There is no open RIVO IDRS control, the module contains TC 972 AC 121, and AMS does not show that the taxpayer authenticated. 	<ul style="list-style-type: none"> An unresolved credit remains on the module, <u>and</u> The freeze condition does not involve a -A Freeze.
<p>(8)</p> <ul style="list-style-type: none"> There is no open RIVO IDRS control and the module contains TC 971 AC 123 or AC 129. 	<ul style="list-style-type: none"> An unresolved credit remains on the module.

If the Account Reflects	And
(9) <ul style="list-style-type: none"> There is no open RIVO IDRS control and Memphis QRP, or Brookhaven Pre-Refund has made an adjustment, <u>or</u> The module is in zero or debit balance. 	<ul style="list-style-type: none"> There is a freeze condition that involves a -A Freeze, or there is an IDT issue that was not fully resolved.
(10) There is no open RIVO IDRS control and the module contains TC 971 AC 152,	<ul style="list-style-type: none"> An unresolved credit remains on the module, the freeze condition does not involve a -A Freeze, and the return includes income/withholding that is not verifiable per IRPTR data. Note: Returns with only self-employment income and returns with minimal discrepancies in income and/or withholding should not be referred.

(3) Refer to the table below for Credit Transcript assignment procedures:

If	Then
(1) The Credit Transcript referral does not meet IDTVA criteria,	<ul style="list-style-type: none"> Return to the originating employee/function. Include the specific reason IDTVA criteria is not met.

If	Then
(2) The Credit Transcript referral is the result of an unresolved credit due to an IDT issue that was not fully resolved.	<ul style="list-style-type: none"> • Assign the case to the employee who worked the original case. Include a CII case note that indicates the case is being assigned due to an unresolved credit. • If the employee who worked the case is no longer in IDTVA, assign the case to the IDTVA employee assigned to work a case for the same taxpayer, when possible. • Assign the case to the general holding number when the employee who worked the original case is no longer in IDTVA and there is no other existing case. <p>Note: When assigning the case to an IDTVA Specialty Function, the Category Code will remain IDT6/IDS6. Update the CII case Priority Code to 2.</p>
(3) The Credit Transcript referral with RIVO involvement meets IDTVA criteria.	<ul style="list-style-type: none"> • If there is an open case for the same taxpayer, assign the Credit Transcript to the IDTVA employee assigned to work that case. <p>Note: When assigning the case to an IDTVA Specialty Function, the Category code will remain IDT6/IDS6. Update the CII case Priority Code to 2.</p> <ul style="list-style-type: none"> • Assign the case to the general holding number if there is no other existing case.

25.23.4.6.6.2
(03-09-2021)

**Credit Transcripts
Resolution**

- (1) Refer to Exhibit 25.23.4-8, Order of Priority Listing - IDTVA-A and IDTVA Specialty Functions, for prioritization of IDT6/IDS6 cases. When resolving IDT6/IDS6 cases, do not update the category code based on the original case category code (for unresolved credits) or to IDT8/IDS8 (for RIVO involvement).
- (2) Prior to taking action to resolve a credit transcript, ensure IDTVA criteria is met. If the case does not meet IDTVA criteria, return the transcript to the originating employee/function. Refer to IRM 25.23.4.6.6.1, Credit Transcripts - IDT6/IDS6 (IDTVA Screeners Only), for additional information.
- (3) For Statute Year Credit Transcripts that **do not** have a -A Freeze on the module:
 - a. Follow normal procedures to resolve an IDT issue, if necessary.
 - b. Determine if the credit(s) are available for refund or offset. Refer to IRM 25.6.1.5, Basic Guide for Processing Cases with Statute of Limitations Issues, and IRM 25.6.1.10.2.7.2, Limitations on the Amount of a Claim.
 - c. Apply credits available for refund or offset to outstanding liabilities, if applicable.
 - d. Manually refund any allowable amount remaining. Refer to IRM 21.4.4.3(3), Why Would a Manual Refund Be Needed?, and IRM 21.4.4.5, Preparation of Manual Refund Forms, for additional information.
 - e. Move any credits not available for refund or offset to the Excess Collection File. See IRM 25.6.1.7.3, Excess Collection File (XSF) and Unidentified Remittance File (URF).
- (4) For transcripts received that **do not** include a -A Freeze on the module and **are not** for a statute year, research the account to determine if there are any indications of IDT.

If	Then
(1) You determine the account is impacted by IDT,	<ul style="list-style-type: none"> Work the case following normal procedures.
(2) You determine the account is not impacted by IDT,	<ul style="list-style-type: none"> Follow normal freeze code procedures. Refer to IRM 21.5.6.4, Freeze Code Procedures.

- (5) For Credit Transcripts with a -A Freeze on the module, determine if the -A Freeze is the result of an unresolved IDT issue or if an additional return was received *after* the IDT case was closed.

If	Then
(1) The -A Freeze is the result of an unresolved IDT issue,	<ul style="list-style-type: none"> Work the case following normal procedures.

If	Then
(2) The module reflects a credit that was not addressed during the resolution of an IDT case, a -A Freeze from an additional return received after the IDT case was closed is present, and there is another CII case for that return.	<ul style="list-style-type: none"> • Link the cases, and contact the other control to determine ownership of the case. • If the additional return is an IDT return or the IDTVA employee is trained to work the other program (i.e., DUPE, XRET), the IDTVA employee will take ownership of both cases. • If the additional return is not an IDT return and the IDTVA employee is not trained to work the other program, the IDTVA employee will resolve the credit, close the IDT6/IDS6 case, and advise the other control of the actions taken.
(3) The -A Freeze is the result of an additional return received after the IDT case was closed, and there is not another CII case for that return,	<ul style="list-style-type: none"> • Determine if the additional return is an IDT return. • If the additional return is an IDT return, follow normal procedures to resolve the case. • If the additional return is not an IDT return, resolve the credit using the procedures outlined in (2) above. Do not address the additional return.
(4) If there is a -A Freeze on a module with RIVO involvement,	<ul style="list-style-type: none"> • Follow normal procedures to resolve. See IRM 25.23.4.8.2.1, Identity Theft with RIVO Involvement, for additional information.

25.23.4.6.7
(02-04-2022)
Fraud Procedures

- (1) This section provides details for processing IMF fraudulent claims that **do not** have an existing treatment stream.
- (2) A process has been created that enables potential tax fraud or non-compliance leads to be disseminated and subsequently acted upon. The process **does not** replace any existing referral methods.
- (3) Generally, cases meeting fraud referral criteria possess any of the following characteristics:

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- (4) When you discover a potential fraud case, complete a Form 4442 and provide the case to your lead or manager for review and approval. Document all research completed in a CII case note and/or on Form 4442. Attach the Form 4442 to your CII case. Maintain an open control base and suspend the case while waiting for a response. Update the IDRS activity to "REF2ITVA" after suspending the case to the manager or lead.
- (5) The lead or manager will review the case to ensure fraud referral criteria is met as shown in paragraph (3) above.
 - If the lead or manager determines criteria is not met, the case will be returned to the employee with a message advising why the case does not meet fraud referral criteria.
 - If criteria is met, the lead or manager will refer the case information to the *Fraud Coordinator* via email using the subject line: Fraud Referral (or similar).

Caution: The case will remain in suspense in the employee's inventory awaiting a response from ITVA HQ. Upon receipt, the account will be researched. A response on how to address the account will be received within 7 business days. Do not take action on the case until appropriate guidance has been provided.

- (6) The HQ analyst will review the case to ensure fraud referral criteria is met.
- If not met, the HQ analyst will send an email to the lead/manager advising why the criteria was not met.
 - If met, the HQ analyst will provide specific instructions to resolve the IDT issue on Form 4442 and will respond to the referring lead or manager. The HQ analyst will also address the suspected fraud.

25.23.4.7
(05-12-2020)
**Non-Streamline Identity
Theft (IDT) Case
Processing**

- (1) Non-streamline case processing applies when IDT has been determined and the IDT return cannot be nullified. Any lost refunds on the IDT return should be moved to the IRSN where the related IDT return will reside.

Reminder: For all non-streamline case processing, the TIN-Related Problem Research Sheet is required. See paragraph (8) of IRM 25.23.4.6.2, IDTVA - Additional Research and Required Actions, for additional information.

Reminder: Each return/case must be considered separately for each tax year. If one or more returns cannot be nullified, the case will be worked as a non-streamline case. If one or more of the IDT returns can be nullified, they should be worked as a streamline IDT case following guidance in IRM 25.23.4.8.2, Streamline Identity Theft (IDT) Case Identification and Processing.

Reminder: When the only income reported on an invalid return was earned by the valid taxpayer, nullify the return.

- (2) Every effort will be made to determine CN ownership based on the information provided and directly available prior to contacting the taxpayer(s).

Caution: The "Social Security Administration Social Security Number Verification" printout is NOT acceptable proof of ownership of the CN. CN ownership determinations previously made due to receipt of the printout are **not** affected by this change. If a printout is or has been received for an unresolved case, the printout will be retained with the case but it will not determine ownership.

- (3) See IRM 25.25.2.11, Identity Theft Scheme Criteria, for the characteristics of common IDT schemes.
- (4) If NUMIDENT or, for ITIN cases, EUP/ITIN RTS, clearly shows the owner of the SSN or ITIN, proceed to guidance in IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases, to determine the appropriate scenario to resolve the case.

25.23.4.8
(03-16-2023)
**Identity Theft (IDT)
Common Number (CN)
Ownership and Case
Processing
Determinations**

- (1) Thorough account research must be completed following procedures in IRM 25.23.4.6, Research, Actions and Complete Case Analysis - Overview, **prior** to taking any actions to resolve the identity theft case.
- (2) Careful consideration of **all** available information is necessary to ensure the correct taxpayer is identified as the CN owner and the correct case processing procedures are followed.

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- Cat. No. 67664U (09-05-2024)
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Includes	Then
<p>(1) Loss of personally identifying information (i.e., driver's license or Social Security Card), fraudulent activity on their credit report, etc., they are a victim of non-tax-related identity theft.</p>	<p>1. Resolve the case as an IDT4 following procedures in IRM 25.23.3.2.3, Self-Identified - Non-Tax-Related Identity Theft - IDT4 Overview. In these cases, a manual letter must be sent to address the taxpayer's concerns. Use Letter 4674C:</p> <ul style="list-style-type: none"> • Include the following suggested wording (or similar): "We reviewed your correspondence dated MM/DD/YYYY and found no indication that identity theft affected your tax account for the tax periods above." Use the date of the taxpayer's correspondence in place of MM/DD/YYYY. • Include the specific reason(s) for the determination and language regarding the taxpayer's right to dispute the decision (i.e., providing additional information). • Advise the taxpayer we have placed an identity theft indicator on their account to monitor activity. • Inform them they may be able to obtain an IP PIN through the opt in process to protect their identity in the future. <p>Caution: If the account reflects TC 971 AC 527, the taxpayer will not be able to use online self-help methods. Options available to the taxpayer should be provided in an open paragraph.</p> <ul style="list-style-type: none"> • If the taxpayer has a balance due after the IDT issue is determined not to affect tax administration, include language indicating collection activities will continue.
<p>(2) A request for an IP PIN and the account reflects a TC 971 AC 527 on CC ENMOD/IMFOLE.</p> <p>Note: For more information about this indicator, see IRM 25.23.2.8.6, Disabled Online Accounts TC 971 AC 527.</p>	<p>1. Resolve the case as an IDTX following procedures in ,IRM 25.23.3.2.7 Application for an Identity Protection Personal Identification Number (IP PIN) Overview - Form 15227.</p> <p>Exception: Do not update the category code for IDTVA Specialty cases.</p>

- (9) Due to the complexity of some cases, there may be instances where multiple treatment streams are required to fully resolve the account. Refer to Exhibit 25.23.4-23 , Complex Case Scenarios, for examples of cases that would require resolution with more than one treatment stream.

Note: For any complex case that does not have an existing treatment stream, prepare and email Form 4442 using the subject line: Complex Case (or similar) to *ITVA HQ*. Document all research completed in a CII case note and/or on Form 4442. Attach Form 4442 to your CII case. Suspend the case awaiting a response from ITVA HQ. Upon receipt, the account will be researched. A response on how to address the account will be received within 7 business days.

25.23.4.8.1
(12-19-2023)
**Identity Theft (IDT)
Determinations -
Schemes**

- (1) Generally, the identification of a scheme is the result of a number of returns filed with similar characteristics determined to be identity theft.
- (2) Cases meeting scheme criteria require completion of Complete Case Analysis (CCA) to determine if there are additional years impacted by identity theft.
- (3) An individual return may be determined invalid based on characteristics of a specific scheme. In most instances, this determination does not require identification of consistencies or inconsistencies in the filing history.
- (4) Returns determined to be invalid based on a scheme are resolved following applicable streamline procedures.

Reminder: Each return must be considered separately and may impact credits related to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and American Rescue Plan Act (ARPA). Refer to IRM 25.23.4.20, Economic Impact Payment (EIP) and Recovery Rebate Credit (RRC) - General, and IRM 25.23.4.21, American Rescue Plan Act (ARPA) - General, and their subsections for additional information.

- (5) The following subsections are intended to be considered in the order in which they are listed:
 - IRM 25.23.4.8.1.1, Known Fraud-Scheme Cases
 - IRM 25.23.4.8.1.2, Refund Schemes
 - IRM 25.23.4.8.1.3, Married Filing Joint Scheme Involvement

25.23.4.8.1.1
(06-07-2024)
**Known Fraud-Scheme
Cases**

- (1) Identity theft cases resulting from a known fraud-scheme may include one or more returns received for the tax year in question.
- (2) Cases for taxpayers previously identified as potentially being impacted by a known fraud-scheme will be updated to Priority Code (PC) 6. If, while working an unidentified case, it is determined the return in question meets known fraud-scheme criteria, update the Correspondence Imaging Inventory (CII) case information to PC 6.

Exception: Cases in PC 7 or PC 8 will not be updated to PC 6.

- (3) To be determined an invalid return per a known fraud-scheme, the return in question must meet **all** requirements for the specific known fraud-scheme. Refer to paragraph (4) below for a list of known fraud-schemes and characteristics of each.
- (4) **All** return characteristics plus the applicable number of additional commonalities for the fraud-scheme must be present. Each return must be considered

[illegible]

Fraud-Scheme Name	Return Characteristics	Additional Commonalities
		A minimum of <u>two</u> additional commonalities must be present.
		A minimum of <u>one</u> additional commonality must be present.

#####

[illegible]

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(5) When Form 7202, Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals, is present, the return in question is excluded from known fraud-scheme consideration if there is:

- For cases excluded from known fraud-scheme consideration, refer to the table below:

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Scenario	Actions
(2) -E freeze condition with an un-reversed TC 810 (may include -L freeze):	Refer to IRM 25.23.4.10.19, Identity Theft (IDT) Cases with -E Freeze, for additional information.

- (6) Document the determination in a CII case note. Include the name of the known fraud-scheme and the determination.

Example: Invalid/Valid per Form 1099-R Scheme, lost refund. Complete account research conducted - no additional impacted years.

- (7) For cases determined to meet known fraud-scheme criteria, follow applicable streamline procedures in IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases.

Reminder: Each return must be considered separately and may impact credits related to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and American Rescue Plan Act (ARPA). Refer to IRM 25.23.4.20, Economic Impact Payment (EIP) and Recovery Rebate Credit (RRC) - General, and IRM 25.23.4.21, American Rescue Plan Act (ARPA) - General, and their subsections for additional information.

- (8) For additional account conditions that may need to be addressed, refer to IRM 25.23.4.6.2, IDTVA - Additional Research and Required Actions, and Exhibit 25.23.4-21, Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing.

25.23.4.8.1.2
(12-19-2023)

Refund Schemes

- (1) RICS, Integrity & Verification Operation (IVO) identifies refund schemes related to identity theft.
- (2) Identity theft cases involving refund schemes may include one or more returns received for the tax year in question.
- (3) Refer to the *Fraud Refund Scheme Listing* to determine if the return in question meets refund scheme criteria.
- (4) Document the determination in a CII case note. Include the name of the refund scheme and the determination.

Example: Invalid/Valid per AOTC Scheme, lost refund. CCA - no additional impacted years.

- (5) For cases determined to meet refund scheme criteria, follow applicable streamline procedures in IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases.

Reminder: Each return must be considered separately and may impact credits related to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and American Rescue Plan Act (ARPA). Refer to IRM

25.23.4.20, Economic Impact Payment (EIP) and Recovery Rebate Credit (RRC) - General, and IRM 25.23.4.21, American Rescue Plan Act (ARPA) - General, and their subsections for additional information.

- (6) For additional account conditions that may need to be addressed, refer to IRM 25.23.4.6.2, IDTVA - Additional Research and Required Actions, and Exhibit 25.23.4-21, Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing.

25.23.4.8.1.3
(12-19-2023)

**Married Filing Joint
Scheme Involvement**

- (1) In the MFJ Scheme, the IDT return has a married filing joint filing status. The thief takes two victims who are not married to one another and files a joint return or files a joint return for a couple who are married to one another. Since there is more than one IDT victim, additional research and actions are necessary.

Note: The thief sometimes lists the same victim as a primary taxpayer on one return and a secondary taxpayer with a different spouse on another return. This can create a chain of SSNs that need to be researched. However, it does not have to be a multiple chain of SSNs used on a return to be considered a Married Filing Joint scheme. It can be one return with two unrelated victims.

- (2) Research the primary and secondary TINs on the assigned case to determine if the TINs have been used on any type of return (valid or invalid), or any type of correspondence (e.g., Form 14039) indicating IDT.

Example: The primary TIN may have been used as a secondary TIN on another IDT return.

Example: The secondary TIN may have been used more than once.

Example: John (primary) and Mary (secondary) file a joint return. Mary has another joint return under their TIN listed (as a primary) and Nancy (as a secondary). This return with Mary and Nancy meets Married Filing Joint Scheme Criteria. You must also research Nancy's SSN to see if they are listed as a primary or secondary taxpayer on another return.

Example: Mary (primary) and Lucy (secondary) are filed on the return that meets Married Filing Joint scheme criteria. Lucy has not filed yet so a TC 594 CC 084 is under their TIN but nothing else.

Example: Ex girlfriend/boyfriend (not married/living together) files without TP's knowledge/consent.

Example: Mary (primary) and Lucy (secondary) are filed on the return that meets Married Filing Joint scheme criteria. Lucy has filed as a secondary on a return with Matt (as a primary). Lucy has two TC 594 CC 084 transactions under their TIN and nothing else.

This list of examples is not inclusive of all the Married Filing Joint schemes that you may encounter.

- (3) During the course of research, if a TIN was used on any return that meets the Married Filing Joint Refund Scheme Criteria, as found on the *Refund Scheme Listing*, you must address the affected TINs following the procedures in the If/Then chart below.

If	Then
(1) The primary on the assigned case is a secondary on an invalid return OR the secondary is a primary on an invalid return.	<ul style="list-style-type: none"> • Create a new case on the XREF TIN using the received date of the assigned case, if a case does not already exist. • Assign the new or existing case to yourself. • Link the new or existing case to your assigned case, if not already linked. • Update the Category Code as needed. • Address the IDT impacted modules for both TINs utilizing the applicable streamline procedures. See IRM 25.23.4.10, Resolving Identity theft Cases for specific instructions.
(2) The primary on the assigned case is a secondary on a valid return AND the account under the XREF SSN does not reflect an indication of further IDT (e.g., 971-151, 594-084) OR The secondary is a primary on a valid return AND the account under the XREF SSN does not reflect an indication of further IDT.	Proceed to IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases, to correct the account.

If	Then
<p>(3) The primary on the assigned case is a secondary on a valid return AND the account under the XREF SSN does reflect an indication of further IDT (e.g., 971-151, 594-084) OR</p> <p>The secondary is a primary on a valid return AND the account under the XREF SSN does reflect an indication of further IDT.</p>	<ul style="list-style-type: none"> • Create a new case on the XREF TIN using the received date of the assigned case if a case does not already exist. • Assign the new or existing case to yourself • Link the new or existing case to your assigned case, if not already linked. • Update the Category Code as needed. • Address the IDT impacted modules for both TINs utilizing the applicable streamline procedures. See IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases, for specific instructions. • Resolve the new or existing case on the XREF TIN utilizing the applicable procedures in IRM 25.23.4, IDTVA Paper Process.
<p>(4) The secondary has not filed or informed the IRS of IDT (e.g., Form 14039) and there is NO indication of further IDT.</p>	<p>Proceed to IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases, to correct the account.</p>
<p>(5) The secondary has not filed or informed the IRS of IDT (e.g., Form 14039) and there is indication of further IDT.</p>	<ul style="list-style-type: none"> • Create a new case on the XREF TIN using the received date of the assigned case if a case does not already exist. • Assign the new or existing case to yourself • Link the new or existing case to your assigned case, if not already linked. • Update the Category Code as needed. • Address the IDT impacted modules for both TINs utilizing the applicable streamline procedures. See IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases, for specific instructions.

If	Then
(6) The secondary TIN is used on another return as a secondary taxpayer on a valid return and there is NO indication on the XREF TIN of further IDT.	Proceed to IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases, to correct the account.
(7) The secondary TIN is used on another return as a secondary taxpayer on a valid return and there is indication on the XREF TIN of further IDT.	<ul style="list-style-type: none"> • Create a new case for the further IDT Issue on the XREF TIN. • Assign the new or existing case to yourself • Link the new or existing case to your assigned case, if not already linked. • Address the IDT impacted modules for both TINs utilizing the applicable streamline procedures. See IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases, for specific instructions. • Resolve the new or existing case on the XREF TIN utilizing the applicable procedures in IRM 25.23.4, IDTVA Paper Process.

Reminder: TC 592 must be input to reverse TC 594 CC 084 cross referencing the unrelated secondary taxpayer. The TC 592 will reverse all TCs 59X on the module. Input of a TC 594 CC 084 cannot be post delayed. If the valid taxpayer is the secondary on a valid MFJ return, monitor the account for one week. After one week, input TC 594 CC 084 to cross reference the correct spouse.

- (4) When a MFJ tax return does not meet MFJ Scheme criteria, you must determine if the case is an Invalid Joint Election (IJE). Taxpayers must know each other for an IJE determination to be made. Refer to IRM 25.23.4.8.1.3.1, Invalid Joint Election Consideration, and the example below for additional information.

Example: The Form 14039 states the taxpayer's boyfriend filed a MFJ return without their knowledge or permission. They have never been married, and the reporting taxpayer could not file their return electronically. Invalid Joint Election (IJE) must be considered in this case.

25.23.4.8.1.3.1
(12-19-2023)
**Invalid Joint Election
Consideration**

- (1) There are three situations where a joint return is invalid:
- a. Unlawful - The taxpayers had no legal right to file jointly.
 - b. Forgery - One spouse did not sign the return.
 - c. Invalid election - One of the individuals on the joint return did not elect to file a joint return.

25.23 Identity Protection and Victim Assistance

Note: Tacit consent is a factor to consider for invalid elections and forgery allegations.

- (2) Do not confuse MFJ Schemes with invalid joint elections.
- (3) If an invalid joint election (IJE) is determined, the IDT claim would be invalid. See IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations, for additional instructions.
- (4) Filing a joint return is an election. A joint return must be signed under penalty of perjury by both taxpayers to be a valid election for joint filing status.

Note: Substitute for Return (SFR) and Automated Substitute for Return (ASFR) filed by the Service are never a joint return; however, a joint return can be filed after the assessment (associated with the SFR or ASFR) has posted.

- (5) Many returns will not have signatures since returns are now filed electronically. Tacit consent must be considered in determining the validity of the joint filing status shown on the return. See IRM 25.15.19.2.4.1, Tacit Consent Factors, for additional information.
- (6) A joint return may contain an invalid joint filing status election if:
 - a. An original or amended joint return was filed and processed with only one signature on a paper filed return.
 - b. The return was signed; however, it is established that the signature was forged and there is no tacit consent.
 - c. The return was signed under duress.
 - d. One of the individuals filed a timely original return using Single, Married Filing Separate (MFS), or Head of Household (HOH) and the joint return is not a valid amended return.

Reminder: Complete IDRS research on both taxpayers' TINs.

- (7) To determine if the taxpayers resided in a state that recognizes common law marriage, see IRM 5.19.11.7.1.2.2, Common Law Marriage.
- (8) The marriage may not be legal for Federal tax purposes (even if the claim is received after the due date) and the claim allowed if the following verification is present:
 - a. Court documents showing the marriage was not valid for the tax period involved: Copy of divorce decree or separate maintenance,
 - b. Documents verifying that the taxpayers did not live together during the last six months of the tax year, such as a lease agreement, utility bills, etc., or
 - c. An affidavit, signed and sworn under penalty of perjury, stating the marriage does not exist.
- (9) Follow IRM 21.6.1.5.7, Married Filing Joint or Married Filing Separate is Invalid or Filed with Incorrect Status. An allocation of all return income, credits, and payments is required. If the taxpayer does not provide an allocation, use internal research resources to complete the allocation. Refer to IRM 21.6.1.5.8, Allocating Married Filing Joint Cases, for additional information. Refer to IRM 25.23.4.20, Economic Impact Payment (EIP) and Recovery Rebate Credit (RRC) - General, IRM 25.23.4.21, American Rescue Plan Act (ARPA) -

General, and their subsections to determine if the IJE return affected issuance of Economic Impact Payments, advance payments of ACTC, or application of any other tax provision intended to provide taxpayers with relief during the COVID-19 pandemic.

- (10) If the taxpayers involved are considered legally married, determine if a case meets the invalid joint election criteria by considering all available information. Tacit consent factors will be considered and are found in IRM 25.15.19.2.4.1, Tacit Consent Factors.
- (11) Close the case as no consideration for both the IJE and IDT claim, after reviewing the account for tacit consent factors when:
- There is not enough information to either rule out or prove tacit consent was implied, and
 - The taxpayer has submitted no further documentation supporting their invalid joint election or identity theft claim.

Close the case as No IDT after reviewing the account for tacit consent factors when:

- Research supports determining the taxpayer who filed the return could logically believe they were filing an accurate return with the reporting person's consent based on the tacit consent factors considered.

Close the case as IJE after reviewing the account for tacit consent factors when:

- Research supports determining the joint election was not appropriate after consideration of the reporting person's statement and documentation **and** tacit consent is not implied.

- (12) Follow the instructions in IRM 21.6.1.5.7, Married Filing Joint or Married Filing Separately is Invalid or Filed with Incorrect Status. Do not remove any Compliance assessments or income associated with the taxpayer being removed from the joint return. If TC 470 CC 90 was input, TC 472 must also be input when the taxpayer will have a balance owed.
- (13) Determine if the taxpayer claiming fraud has a filing requirement. See IRM 25.23.4.17, Determining Tax Liability/Form 2209 Instructions, for more information. If the taxpayer has not filed or submitted a valid return with their claim, take the following action:
- Issue a Letter 5064C advising the taxpayer to submit a completed return including the required signatures or a statement indicating they did not have a filing requirement with a copy of our letter. Suspend the case for 40 days to allow the taxpayer time to respond.
- Exception:** Do not request a new return if the return is six years or more overdue.
- (14) If the taxpayer does not respond to the request for a return or the response does not include a valid return, follow the instructions below:
- a. Prepare Form 2209, Courtesy Investigation, as instructed by IRM 25.23.4.17, Determining Tax Liability/Form 2209 Instructions.
 - b. Issue a Letter 4674C as a closure letter. Include paragraph (a) reminding the taxpayer of their obligation to file a federal tax return.

25.23 Identity Protection and Victim Assistance

IDTVA-Exam Only - If AIMS is open, close the claim as "NOIDT" and notify Exam to work the case as an invalid joint election.

25.23.4.8.2 (10-12-2023) **Streamline Identity Theft (IDT) Case Identification and Processing**

- (1) Procedures in this section are for cases where IDT has been determined and the IDT return is a nullity. Modules may reflect RIVO involvement, but returns can also be determined to be nullities utilizing IRP data, the *Fraud Refund Scheme Listing*, decedent taxpayer involvement, or IRPTR/IDRS data decision tree criteria. When the only income reported on an invalid return was earned by the valid taxpayer, the return can be nullified. Any lost refunds on the IDT return should be moved to general ledger (GL) 1545 account. Refer to IRM 25.25.4.7, Reversing Identity Theft Lost Refunds, for additional guidance.
- (2) Each return must be considered separately for each tax year. If all IDT returns on an account can be nullified, the case should be worked as a streamline case. Any IDT returns that cannot be nullified must be worked following non-streamline procedures. See IRM 25.23.4.7, Non-Streamline Identity Theft (IDT) Case Processing.
- (3) You must determine the case type based on one or more of the following:
 - IDT with RIVO Involvement
 - IDT with Decedent Taxpayer Involvement
 - IDT with IRP Data, Refund Scheme or Schedule C Involvement
 - IDT with Married Filing Joint Scheme Involvement
 - IDT with Preparer Data Breach Involvement

Note: Bullets 1-5 above are listed in the order in which the streamline process criteria must be considered. In some instances, a case may have characteristics of more than one streamline process. Review the guidance for each process to determine which method will allow you to work your case effectively and efficiently.

25.23.4.8.2.1 (10-01-2024) **Identity Theft (IDT) with RIVO Involvement**

- (1) Return Integrity & Verification Operation (RIVO) is a pre-refund revenue protection program focused on identifying and stopping fraudulent refunds primarily generated from wage and withholding type of income. Accounts Management utilizes streamline processes to work these IDT cases. Much of this activity occurs very early in the tax year prior to normal processing time frames and involves only originally filed returns.
- (2) Accounts with RIVO involvement may show any of the following: a TC 971 with Action Codes 121, 124, 129, 134, 199 (see Exhibit 25.25.5-2, Transaction Code (TC) 971 Action Code (AC) 199 Miscellaneous (MISC) Field Literals for RIVO. If the TC 971 AC 121/124 has been reversed by a TC 972 AC 121/124, the RIVO Taxpayer Protection Program (TPP) process has been completed. If the TC 971 AC 134 has been reversed with a TC 972 AC 134 and the refund from the TC 150 has been issued, then RIVO has determined it is no longer interested in the return. If there is no -A freeze and the taxpayer indicates that the TC 150 was backed out in error by RIVO, refer the case for resolution:
 - Send an e4442 to RIVO stating that the return was backed out in error as identity theft needs to be reinstated. Employees that do not have e4442 capabilities should follow guidance in paragraph (2) of IRM 21.5.6.4.35.3.1.1, -R Freeze with RIVO Involvement and the Taxpayer is Claiming Identity Theft.

- Place the e4442 in the “RICS RIVO Complex Issue”, Not ID Theft Queue.
- (3) On cases with a P- freeze and either of the following is present on the account, **only** RIVO can release the overpayment with these account conditions. If the account also contains a -A Freeze, work the case using normal procedures, but also refer the case to RIVO to release the freeze. Send an e4442 to RIVO requesting release of the P- Freeze. Use Referral type IRM and select category RICS IVO – CP 53X (TC 841 DLN 77711/77712/77713/77714) from drop-down.
- TC 841 DLN Blocking Series 77711, 77712, 77713, or 77714 or
 - TC 971 AC 123 MISC>TPP RECOVERY and TC 971 AC 805 MISC>REFCANCL18
- (4) Close all cases with RIVO involvement with the IDT8/IDS8 category code, unless the case meets criteria described in (5) below. Cases where RIVO determined the return to be fraudulent show one of the following:
- The account may be completely reversed.
 - The account will be completely reversed except for a refundable credit.
 - The account won't be reversed but TXMOD shows that a CP 05A notice was issued.
 - The account won't be reversed but TXMOD shows a MISC field “AMWEX60033 NOCP05A”.
 - The account may show a TC 971 AC 199 with the MISC field “AMWEX60033 REFEFDS or other similar miscellaneous literals” per Exhibit 25.25.5-2, Transaction Code (TC) 971/Action Code (AC) 199 Miscellaneous (MISC) Field Literals for RIVO. For cases with other MISC literals, the CSR must verify the return is “invalid”.
- Caution: Schedule C cases with RIVO involvement cannot be nullified, unless it has been determined to be a case on the “Refund Scheme Listing”, or meets the criteria in IRM 25.23.4.8.2.3, Identity Theft (IDT) with IRP Data, Refund Scheme or Schedule C Involvement.**
- Reminder:** IDT6/IDS6 cases created due to the generation of a transcript for modules with RIVO involvement will not be updated to IDT8/IDS8.
- (5) The account may have been reversed by RIVO, before all the IRP data was made available. CP 36N and CP 36P transcripts generate when any RIVO indicator is on CC TXMOD/ENMOD. The CP 36N generates when the module is in a credit balance and the CP 36P generates when the module is in a zero or debit balance. If there is an -A freeze and your research supports a different determination (e.g., DUPF, IDT1, IDT3, 1040X, etc.), refer to IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations, for additional information.
- (6) Do not attempt to contact RIVO units or route cases to the following controls. Continue to follow established IRM procedures for your case type (examples: DUPF, XRET, IDT(X)/IDS(X), TPRQ, etc.).

Open Control	Explanation
14875XXXXX	Generic number for closed CI prior year Transcripts. Taxpayer Relations has forwarded the transcript to the generic number
14876XXXXX	Generic holding number used to input CC NOREF/NOREFE. RIVO is not actively working the case
148XX	Generic number, if the case is not assigned to a specific TE or under the NCAT control

(7) A return is eligible to be referred to RIVO for verification if it meets all of the following criteria:

- The taxpayer has an SSN, not an ITIN
- The return was filed by the SSN owner
- The case is not a CP 36F
- The return is a current year return
- IRPTR is not available or does not match the income reported on the “current” year return
- IRPTR is not “fully loaded” for the “current” tax year

If	And	Then
(1) The 2nd return does not match IRPTR, or IRPTR information is not available, and the 2nd return is eligible to be referred to RIVO,	RIVO determined the 1st return to be fraudulent per paragraph (4) above and meets all the requirements in paragraph (7),	Perform the following actions: <ul style="list-style-type: none"> • Accept the RIVO determination that the original return is fraudulent • Open a control base to RIVO 1487777777, C# AMTO-VERIFY, A using Category Code MXEN
(2) Unresolved credits remain on the module with no subsequent adjustment action or activity by RIVO, Memphis QRP, Brookhaven Pre-Refund Team or Exam,	Freeze condition involves an -A freeze,	Do not open a new control base. Close all previous erroneous open control bases for 1487500000, 1487599998, 0650199999, and 0654599998. Also update the activity to “CL-STOIDTVA” This way RIVO will know IDTVA is resolving the case.

- (8) Proceed to IRM 25.23.4.10.8, Identity Theft (IDT) Cases/Transcripts with RIVO and/or TPP Involvement - Resolution Tables, for additional processing guidance.

25.23.4.8.2.2

(10-01-2023)

Identity Theft (IDT) with Decedent Taxpayer Involvement

- (1) Cases with deceased indicators can be identified on CC INOLET or IMFOLE with the actual date of death (DOD) displayed on IDRS. Fraudulent activity on a deceased taxpayers' account usually occurs very early in the tax year, prior to normal processing time frames, and involves only originally filed returns.
- (2) Decedent cases usually require the filing of a Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer. Check for evidence that is required when processing a deceased taxpayer's return. See IRM 21.6.6.2.21.2, Processing Decedent Account Refunds, for additional information.

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- (4) Use category code IDT8/IDS8, see Exhibit 25.23.4-9, IDTVA-A Identity Theft (IDT) Work Types Listing.
- (5) Proceed to IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases, for additional processing guidance.

25.23.4.8.2.3

(10-01-2024)

Identity Theft (IDT) with IRP Data or Schedule C Involvement

- (1) When conducting research on cases, you should determine the type of case you are working, such as invalid/valid, valid/invalid, or invalid/invalid, etc. Before proceeding with case processing, complete and thorough research must be conducted. To aid you in resolving the case, you will use various IRM guidance throughout this section and other IRM sections, in addition to resources listed below.
- IRM 25.23.4.6, Research, Actions and Complete Case Analysis - Overview
 - IRP Data - Research CC IRPTR/TRDBV to review case for W-2's, 1099's etc.
 - IRPTR/IDRS Data Decision Tree - The decision tree in Exhibit 25.23.4-1 was created to assist employees in reviewing cases with specific characteristics of fraud
 - IRM 25.23.4.10.9, IRSN Required for Identity Theft (IDT) Return - For IRSN processing, an IRSN should be created as a last resort when employees are not able to make a CN determination on one or both returns
 - IRM 25.23.2.6.6.3, Identity Theft Claims Submitted by Individuals Who Do Not Appear to be the Victims

Caution: Because an external business data breach return can be identical or similar, also refer to IRM 25.23.4.6, Research, Actions and Complete Case Analysis - Overview, for additional items to review to prevent the mishandling of an actual IDT case.

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- (3) **For returns with Schedule C income**, complete research must be performed. A determination must be made whether the original return can be nullified or if it must be moved to an IRSN. This is regardless of whether the refund was lost, offset or falls under the no lost refund process.
- (4) To treat a return with Schedule C income as a nullity, there must be a high probability that the Schedule C return was not filed by the TIN owner.

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- (8) In situations where it cannot be easily determined whether a return with Schedule C income should be treated as a nullity, move the return to an IRSN. Also refer to IRM 25.23.4.7, Non-Streamline Identity Theft (IDT) Case Processing.
- (9) If the refund is “**not lost**” or only partially lost, the lead or manager must review the case and concur with the nullity determination to ensure the return is not nullified in error. Accurate and complete research must be performed, in order to avoid a potential missed assessment. CSR/TE should include a case message of Schedule C determination and suspend to the work leader/manager for approval. Prior to requesting approval, CSR/TE must input a case note with their determination. If a work leader/manager concurs with the findings and the return(s) are nullified, a CII case note will be placed on CII indicating “Manager or Lead concurs with determination”, or similar remarks.

Exception: Lead or manager concurrence is not required if research indicates the valid taxpayer does not have a filing requirement and/or the invalid return meets any scheme identified in IRM 25.23.4.8.1, Identity Theft (IDT) Determination - Schemes, and its applicable subsections.

- (10) In situations where a Schedule C return with a **“no lost refund”** was treated as a nullity and the taxpayer submits another claim or makes an inquiry about the refund, refer the case to ITVA HQ via secure email. Prepare and email Form 4442 using the subject line: “Schedule C nullity – refund inquiry” to *ITVA HQ* or similar remarks. Document all research completed in a CII case note and/or on Form 4442. Attach Form 4442 to your CII case. Suspend the case awaiting a response from ITVA HQ. Upon receipt, the account will be researched. A response on how to address the account will be received within 7 business days.
- (11) Proceed to IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases, for additional processing guidance.

25.23.4.8.2.4
(06-07-2024)

**Identity Theft (IDT) with
External
Business/Preparer Data
Breach Involvement**

- (1) You can identify taxpayers known to be impacted by a preparer data breach by a TC 971 AC 123 MISC "PREPARER CONTACT" with no secondary date on CC ENMOD/IMFOLE. The indicator is placed on the accounts of taxpayers whose tax return preparer has notified the Service of compromised PII due to a data breach.

Note: A taxpayer may submit a Form 14039, police report, or correspondence indicating their preparer advised them of their personal information potentially being compromised due to a data breach incident. A TC 971 AC 123 MISC "PREPARER CONTACT" may or may not be present in these instances. Conduct research as described below to determine if the taxpayer is impacted by identity theft.

- (2) Taxpayers are not always aware they are impacted by a data breach. Caution must be used when speaking with the taxpayer to avoid inadvertent disclosure of this account information even after verifying the taxpayer's identity. The external business/preparer is responsible for advising the taxpayer of the incident.
- (3) Identity theft returns resulting from an external business/preparer data breach may appear to be duplicate or amended returns. These fraudulent returns may include:
- Duplicate or similar information to previously filed returns.
 - Income information that is consistent with filing history and/or matches IRPTR data.
 - The same or similar tax return preparer information.
 - Different refund/direct deposit information.
- (4) If it appears the valid taxpayer received a refund related to a fraudulent return filed due to a data breach incident, refer to IRM 25.23.4.8.2.4.1, TIN Owners Receiving Fraudulent Refunds in Preparer Data Breach Scheme.
- (5) The presence of a TC 971 AC 123 MISC "PREPARER CONTACT" on a taxpayer's entity does not confirm identity theft. Complete research must be conducted to verify the taxpayer's claim. Returns determined to be invalid can be resolved following streamline procedures. Account research and the determination must be documented in a CII case note. Use the table below to assist in making Common Number (CN) ownership determinations when an external business/preparer data breach indicator is present.

Note: When the taxpayer is reporting income related IDT for any tax year, the presence of a TC 971 AC 123 will not be considered when conducting research. Normal procedures will be followed to make a determination and resolve the account.

If	And	Then
(1) Form 14039, police report, or correspondence indicating identity theft is received, there is a TC 971 AC 123 MISC "PREPARER CONTACT" present,	The only difference between the posted return and duplicate return is the refund/direct deposit information,	<ul style="list-style-type: none"> • Consider the taxpayer submitting the identity theft claim to be the valid taxpayer. Refer to paragraph (7) below.

If	And	Then
<p>(2) Form 14039, police report, or correspondence indicating identity theft is received, there is a TC 971 AC 123 MISC "PREPARER CONTACT" present,</p>	<p>There is no difference between the posted return and duplicate return; this is a true duplicate,</p>	<ul style="list-style-type: none"> • When the name/address, dependents, income/credits, tax preparer/3rd party contact authorization, and refund/direct deposit/balance due information are all consistent with the filing history of the valid taxpayer, or if after re-searching the account, you cannot find evidence of tax related identity theft, refer to paragraph (6) below. • When the name/address, dependents, income/credits, tax preparer/3rd party contact authorization, and/or refund/direct deposit/balance due information are not consistent with the filing history of the valid taxpayer, there is a high probability the valid taxpayer has not filed a return. Consider the taxpayer submitting the identity theft claim to be the valid taxpayer. Refer to paragraph (7) below.

If	And	Then
(3) Form 14039, police report, or correspondence indicating identity theft is received, there is a TC 971 AC 123 MISC "PREPARER CONTACT" present,	There is only one return present,	<ul style="list-style-type: none"> When the name/address, dependents, income/credits, tax preparer/3rd party contact authorization, and refund/direct deposit/balance due information are all consistent with the filing history of the valid taxpayer, refer to paragraph (6) below. When the name/address, dependents, income/credits, tax preparer/3rd party contact authorization, and/or refund/direct deposit/balance due information are not consistent with the filing history of the valid taxpayer, there is a high probability the valid taxpayer has not filed a return. Consider the taxpayer submitting the identity theft claim to be the valid taxpayer. Refer to paragraph (7) below.
(4) Form 14039, police report, or correspondence indicating identity theft due to an external business/preparer data breach is received,	TC 971 AC 123 MISC "PREPARER CONTACT" is not present,	<ul style="list-style-type: none"> Document your research and determination in a CII case note. Lead/Manager concurrence with the determination must be received and documented in a CII case note prior to taking action on the account. Once concurrence is received, follow procedures in the applicable table scenario (above).

- (6) Returns filed using information obtained from a preparer data breach have a higher likelihood of being processed as valid returns. When a taxpayer is known to have been affected by a preparer data breach incident but has not yet been impacted by tax related identity theft, the Service will take additional precautions to protect the taxpayer's account. Take the following actions to resolve accounts with the TC 971 AC 123 "PREPARER CONTACT" indicator when an invalid return has not been filed:

- Input TC 971 AC 506 with MISC "WI AM OTHER". For the secondary date, use the current filing year or the year of breach, if known. **Do Not** input a TC 971 AC 504.

25.23 Identity Protection and Victim Assistance

- Issue Letter 4674C . Include paragraphs l, 7, 8, w, y, and #. For international taxpayers, use / in place of #.

Caution: If the TC 971 AC 506 is not input prior to cycle 47 of the processing year, an IP PIN/CP01A will not generate for the upcoming filing season. Use the following special paragraphs in addition to the paragraphs above:

9: “Because we processed your claim late in the year, we are unable to mail an IP PIN in December or January for this upcoming filing season. File your return as normal for this tax season. We will mail you an IP PIN next December or January. If your address changes before December, you will need to complete Form 8822, Change of Address. Visit www.IRS.gov.”

And

!: "If you want an IP PIN to use for the upcoming tax year, visit our website at www.irs.gov/your-account. A new IP PIN generates each year in mid-January. You can retrieve it by logging into your account at www.irs.gov/your-account. If you chose to create an account to obtain an IP PIN, you will not receive a notice in December or January as stated above."

- (7) Follow procedures in IRM 25.23.4.8.2.4.2, External Business/Preparer Data Breach Streamline Identity Theft (IDT) - One Return Present, or IRM 25.23.4.8.2.4.3, External Business/Preparer Data Breach Streamline Identity Theft (IDT) - More Than One Return Present, to correct the account.

25.23.4.8.2.4.1

(10-01-2020)

TIN Owners Receiving Fraudulent Refunds in Preparer Data Breach Scheme

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[illegible][illegible]

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- (7) If the taxpayer says they transferred the refund amount to the criminal, mistakenly believing they were repaying the refund to the IRS, but does not provide the written documentation described in (4) above, the refund will be treated as if the taxpayer had full access and use of it. Take the following action:

If	Then
(1) The taxpayer did not file a return,	<ol style="list-style-type: none"> 1. Follow the “no lost” refund procedures in paragraph (2) of IRM 25.23.4.8.2, Streamline Identity Theft (IDT) Case Identification and Processing, to correct the taxpayer’s account. 2. Follow the procedures in IRM 21.4.5.6.1, Account Actions For Category D Erroneous Refunds, to request repayment of the refund.
(2) The taxpayer did file a return,	<ol style="list-style-type: none"> 1. Follow the procedures in IRM 25.23.4.10.1, Invalid Return/Valid Return - No Lost Refund, to correct the taxpayer’s account. 2. If the refund issued on the IDT return is greater than the refund on the taxpayer’s return, follow the procedures in IRM 21.4.5.6.1, Account Actions For Category D Erroneous Refunds, to request repayment of the difference.

25.23.4.8.2.4.2
(10-01-2020)

External

**Business/Preparer Data
Breach Streamline
Identity Theft (IDT) - One
Return Present**

- (1) Consider the case to meet One Return IDT when any of the following account conditions exist. Take the necessary actions to resolve the account as described.

Reminder: If TC 470 CC 90 was input, TC 472 must also be input when the valid taxpayer will have a balance owed.

If	And	Then
(1) Only one return meeting nullity criteria has posted (TC 150):	<p>For the year in question, the taxpayer:</p> <ul style="list-style-type: none"> • Was not of age to work, • Is deceased, • Does not have a filing requirement, or • Has not yet filed a return. 	<ul style="list-style-type: none"> • Ensure CII case notes include your research, determination, and lead/managerial approval to nullify the invalid return. • Update the taxpayer's entity information to reflect the CN owner's name, current address, and phone number, if provided. • Input an adjustment to fully back out the return. Use BS 05 and RC 139. Use HC 3 if the adjustment will not result in a credit remaining on the module. Use HC 4 to prevent a refund of any remaining credits, when necessary. • If resolving IDT for the current or two immediately preceding tax years, input TC 971 AC 850 when the invalid return includes direct deposit information. • If the valid taxpayer received the refund from the invalid return, see IRM 25.23.4.8.2.4.1, TIN Owners Receiving Fraudulent Refunds in Preparer Data Breach Scheme. • If any portion of the refund is lost, see IRM 25.25.4.7, Reversing Identity Theft Lost Refunds. • Input TC 971 AC 501/506, as appropriate. • Refer to IRM 25.23.4.17, Determining Tax Liability/Form 2209 Instructions, to determine if the taxpayer has a filing requirement, and take appropriate actions. • Refer to Exhibit 25.23.4-21, Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing, for additional account actions that may be required.

If	And	Then
(2) Only one return filed by the valid taxpayer has posted (TC 150):	A second, unprocessed return meeting nullity criteria has been received.	<ul style="list-style-type: none"> • Input TC 290 .00 with BS 05 and RC 139. Use HC 3 if the adjustment will not result in a credit remaining on the module. Use HC 4 to prevent a refund of any remaining credits, when necessary. • Input TC 971 AC 501/506, as appropriate. • Refer to Exhibit 25.23.4-21 , Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing, for additional account actions that may be required.

25.23.4.8.2.4.3
(10-01-2020)

**External
Business/Preparer Data
Breach Streamline
Identity Theft (IDT) -
More Than One Return
Present**

(1) Follow the procedures below when multiple returns are present.

Reminder: If TC 470 CC 90 was input, TC 472 must also be input when the valid taxpayer will have a balance owed.

Reminder: Statute year returns require additional research *prior* to taking action on an account. Review IRM 25.23.4.9, Statute Processing Considerations, to ensure all applicable statutes are protected.

If	And	Then
(1) Multiple invalid returns are present,	<p>For the year in question, the taxpayer:</p> <ul style="list-style-type: none"> • Was not of age to work, • Is deceased, • Does not have a filing requirement, or • Has not yet filed a return. 	<ul style="list-style-type: none"> • Ensure CII case notes include your research, determination, and lead/managerial approval to nullify the invalid returns. • Update the taxpayer's entity information to reflect the CN owner's name, current address, and phone number, if provided. • If resolving IDT for the current or two immediately preceding tax years, input TC 971 AC 850 when the invalid return includes direct deposit information. • Input an adjustment to fully back out the return(s). Use BS 05 and RC 139. Use HC 3 if the adjustment will not result in a credit remaining on the module. Use HC 4 to prevent a refund of any remaining credits, when necessary. • If the valid taxpayer received the refund from the invalid return, see IRM 25.23.4.8.2.4.1, TIN Owners Receiving Fraudulent Refunds in Preparer Data Breach Scheme. • If any portion of the refund is lost, see IRM 25.25.4.7, Reversing Identity Theft Lost Refunds. • Input TC 971 AC 501/506, as appropriate. • Refer to IRM 25.23.4.17, Determining Tax Liability/Form 2209 Instructions, to determine if the taxpayer has a filing requirement, and take appropriate actions. • Refer to Exhibit 25.23.4-21, Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing, for additional account actions that may be required.

If	And	Then
(2) The valid taxpayer's return has posted as the TC 150,	At least one invalid return meeting nullity criteria has been received.	<ul style="list-style-type: none">• Ensure CII case notes include your research, determination, and lead/managerial approval to nullify the invalid return(s).• Input TC 290 .00 with BS 05 and RC 139. Use HC 3 if the adjustment will not result in a credit remaining on the module. Use HC 4 to prevent a refund of any remaining credits, when necessary.• Input TC 971 AC 501/506, as appropriate.• Refer to Exhibit 25.23.4-21 , Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing, for additional account actions that may be required.

If	And	Then
(3) An invalid return has posted as the TC 150,	<p>The valid taxpayer's return has been received.</p> <p>Note: This scenario will be followed when more than one invalid return is received, the valid taxpayer has filed a return, and the TC 150 has been determined to be invalid.</p>	<ul style="list-style-type: none"> • Ensure CII case notes include your research, determination, and lead/managerial approval to nullify the invalid return(s). • Update the taxpayer's entity information to reflect the CN owner's name, current address, and phone number, if provided. • If the valid taxpayer's return does not have a posted TC 976, see IRM 25.23.4.6.5.2, Unprocessed Documents, for applicable procedures. • If resolving IDT for the current or two immediately preceding tax years, input TC 971 AC 850 when the invalid return includes direct deposit information. • Input an adjustment to the valid return figures, as allowable. Use BS 00 and RC 139. Use HC 3 or HC 4 when a credit remaining on the module must be held. • If the valid taxpayer received the refund from the invalid return, see IRM 25.23.4.8.2.4.1, TIN Owners Receiving Fraudulent Refunds in Preparer Data Breach Scheme. • If any portion of the refund is lost, see IRM 25.25.4.7, Reversing Identity Theft Lost Refunds. • Input TC 971 AC 501/506, as appropriate. • Refer to Exhibit 25.23.4-21, Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing, for additional account actions that may be required.

25.23.4.8.2.5
(06-07-2024)

**Identity Theft (IDT) with
Tax Preparation
Software Misuse**

- (1) You can identify taxpayers known to be impacted by tax preparation software misuse by a TC 971 AC 123 with specific MISC fields on CC ENMOD/IMFOLE. An indicator is placed on the accounts of taxpayers when the Service is notified of compromised PII due to tax preparation software misuse. Refer to the following list of the MISC fields for incidents that have been reported to the Service.

- “TTAX LIST” - Intuit/TurboTax has reported an attempt to misuse the taxpayer’s PII.

Caution: This indicator is only used to mark accounts that have the potential to be impacted by tax related identity theft. Thorough research must be conducted to make a determination prior to taking any actions on the account.

Note: A taxpayer may submit a Form 14039, police report, or correspondence indicating their tax preparation software company advised them of their personal information being compromised. A TC 971 AC 123 with a MISC field listed above may or may not be present in these instances. Conduct research as described below to determine if the taxpayer is impacted by identity theft.

- (2) Taxpayers are not always aware their PII was used to create a new account or attempt to file a tax return with the tax preparation software they have used in the past. Caution must be used when speaking with the taxpayer to avoid inadvertent disclosure of this account information even after verifying the taxpayer’s identity. The tax preparation software company is responsible for advising the taxpayer of the incident.
- (3) Identity theft returns resulting from tax preparation software misuse may appear to be duplicate or amended returns. These fraudulent returns may include:
- Duplicate or similar information to previously filed returns.
 - Income information that is consistent with filing history and/or matches IRPTR data.
 - The same or similar tax return preparer information.
 - Different refund/direct deposit information.
- (4) The presence of a TC 971 AC 123 with a MISC field listed in paragraph (1) above on a taxpayer’s entity does not confirm identity theft. Complete research must be conducted to verify the taxpayer’s claim. Returns determined to be invalid can be resolved following streamline procedures. Use the table below to assist in making Common Number (CN) ownership determinations when misuse of tax preparation software is suspected.

Note: When the taxpayer is reporting income related IDT for any tax year, the presence of a TC 971 AC 123 will not be considered when conducting research. Normal procedures will be followed to make a determination and resolve the account.

If	And	Then
(1) Form 14039, police report, or correspondence reporting identity theft is received, there is a TC 971 AC 123 MISC field indicating misuse of tax preparation software present,	The only difference between the posted return and duplicate return is the refund/direct deposit information,	<ul style="list-style-type: none">Consider the taxpayer submitting the identity theft claim to be the valid taxpayer. Refer to paragraph (6) below.

If	And	Then
<p>(2) Form 14039, police report, or correspondence reporting identity theft is received, there is a TC 971 AC 123 MISC field indicating misuse of tax preparation software present,</p>	<p>There is no difference between the posted return and duplicate return; this is a true duplicate,</p>	<ul style="list-style-type: none"> • When the name/address, dependents, income/credits, tax preparer/3rd party contact authorization, and refund/direct deposit/balance due information are all consistent with the filing history of the valid taxpayer, or if after re-searching the account, you cannot find evidence of tax related identity theft, refer to paragraph (5) below. • When the name/address, dependents, income/credits, tax preparer/3rd party contact authorization, and/or refund/direct deposit/balance due information are not consistent with the filing history of the valid taxpayer, there is a high probability the valid taxpayer has not filed a return. Consider the taxpayer submitting the identity theft claim to be the valid taxpayer. Refer to paragraph (6) below.

If	And	Then
(3) Form 14039, police report, or correspondence reporting identity theft is received, there is a TC 971 AC 123 MISC field indicating misuse of tax preparation software present,	There is only one return present,	<ul style="list-style-type: none"> When the name/address, dependents, income/credits, tax preparer/3rd party contact authorization, and refund/direct deposit/balance due information are all consistent with the filing history of the valid taxpayer, refer to paragraph (5) below. When the name/address, dependents, income/credits, tax preparer/3rd party contact authorization, and/or refund/direct deposit/balance due information are not consistent with the filing history of the valid taxpayer, there is a high probability the valid taxpayer has not filed a return. Consider the taxpayer submitting the identity theft claim to be the valid taxpayer. Refer to paragraph (6) below.

If	And	Then
(4) Form 14039, police report, or correspondence reporting identity theft is received, there is a TC 971 AC 123 MISC field indicating misuse of tax preparation software present,	The are multiple differences between the posted return and duplicate return,	<ul style="list-style-type: none"> Follow normal procedures to make an identity theft CN ownership determination without consideration of the TC 971 AC 123 present.
(5) Form 14039, police report, or correspondence indicating identity theft due to tax preparation software misuse is received,	TC 971 AC 123 MISC "PREPARER CONTACT" is not present,	<ul style="list-style-type: none"> Document your research and determination in a CII case note. Lead/Manager concurrence with the determination must be received and documented in a CII case note prior to taking action on the account.

- (5) When a taxpayer is known to have been affected by misuse of tax preparation software but has not yet been impacted by tax related identity theft (i.e., invalid return received), the Service will take additional precautions to protect the taxpayer's account. Take the following actions to resolve accounts identified by a TC 971 AC 123 with a MISC field listed in paragraph (1) above when an invalid return has not been filed:

- Input TC 971 AC 504 with MISC "NKI-M".
- Issue Letter 4402C. Include two selectable open paragraph selections. Use the following special paragraphs:

"We received your identity theft claim regarding the fraudulent account and possible fraudulent filing of a tax return by your private tax program. We have processed your claim and placed an indicator on your account. We don't need any additional information from you."

AND

"We highly recommend obtaining an Identity Protection Personal Identification Number (IP PIN) to protect your account. Additional information can be found below."

Reminder: Do not include the quotation marks when using the special paragraphs provided above.

- (6) When you have determined the taxpayer is a victim of tax related identity theft (i.e., invalid return received) as a result of tax preparation software misuse,

follow the applicable procedures in IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases, depending on the facts and circumstances of your case.

25.23.4.8.3
(10-12-2023)

Non-Streamline Identity Theft (IDT) Determinations

- (1) When refund related identity theft (IDT) is suspected, the return in question must first be reviewed to determine if it meets streamline criteria, per IRM 25.23.4.8.2, Streamline Identity Theft (IDT) Case Identification and Processing.
- (2) When the return in question does not meet streamline criteria, refer to the applicable scenario below:
 - Form 14039 or police report was received: IRM 25.23.4.8.3.1, Taxpayer Identified Identity Theft (IDT) Determinations
 - IRS Identified: IRS Identified Identity Theft (IDT) Determinations: IRM 25.23.4.8.3.2, IRS Identified Identity Theft (IDT) Determinations

25.23.4.8.3.1
(06-07-2024)

Taxpayer Identified Identity Theft (IDT) Determinations

- (1) Follow the procedures below when a Form 14039 or police report has been received, there is only one return on the module, and the reporting taxpayer is stating they did not file the return in question. Ensure all required research has been completed prior to making a determination of Common Number (CN) ownership. See IRM 25.23.4.6, Research, Actions and Complete Case Analysis - Overview, and its subsections for detailed instructions. Document your research and determination in a CII case note.

If	And	Then
(1) A Form 14039, police report, or correspondence has been received,	The claim and posted return contain different addresses,	<ul style="list-style-type: none">• If supported by your research, treat the identity theft inquiry as belonging to the valid taxpayer.• If your research does not support determining in favor of the taxpayer who submitted the inquiry, correspond with both taxpayers to secure necessary documentation to make a determination. Refer to IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written). Include the questionnaire. Refer to IRM 25.23.4.18.2.3, Actions Based on No Response or Taxpayer Responses to Letter 5064C and/or Supplementary Questions Sent to Determine Common Number Ownership, and IRM 25.23.4.18.2.4, Final Stage Review (Associated with Letter 5064C Sent for Common Number Ownership), when the suspense timeframe has passed.

If	And	Then
(2) A Form 14039, police report, or correspondence has been received and the return on file also includes an IDT claim,	The claim and posted return contain different addresses,	<ul style="list-style-type: none"> Correspond with both taxpayers to secure necessary documentation to make a determination. Refer to IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written). Include the questionnaire. Refer to IRM 25.23.4.18.2.3, Actions Based on No Response or Taxpayer Responses to Letter 5064C and/or Supplementary Questions Sent to Determine Common Number Ownership, and IRM 25.23.4.18.2.4, Final Stage Review (Associated with Letter 5064C Sent for Common Number Ownership), when the suspense timeframe has passed.
(3) A Form 14039, police report, or correspondence has been received,	The claim and posted return contain the same address,	<ul style="list-style-type: none"> If supported by your research, treat the identity theft inquiry as belonging to the valid taxpayer. If your research does not support a determination of identity theft, see IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations.

If	And	Then
(4) A Form 14039, police report, or correspondence has been received and the return on file also includes an IDT claim,	The claim and posted return contain the same address,	<ul style="list-style-type: none">Correspond to secure necessary documentation to make a determination. Refer to IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written). Include the questionnaire. Refer to IRM 25.23.4.18.2.3, Actions Based on No Response or Taxpayer Responses to Letter 5064C and/or Supplementary Questions Sent to Determine Common Number Ownership, and IRM 25.23.4.18.2.4, Final Stage Review (Associated with Letter 5064C Sent for Common Number Ownership), when the suspense timeframe has passed.

- (2) Follow the procedures below when a Form 14039 or police report has been received, there are multiple returns, and the reporting taxpayer is stating they did not file the return in question. Ensure all required research has been completed prior to making a determination of CN ownership. See IRM 25.23.4.6, Research, Actions and Complete Case Analysis - Overview, and its subsections for detailed instructions.

If	And	Then
(1) A Form 14039, police report, or correspondence is included with only one return,	The returns contain different addresses,	<ul style="list-style-type: none"> • If supported by your research, treat the identity theft inquiry as belonging to the valid taxpayer. • If your research does not support determining in favor of the taxpayer who submitted the inquiry, correspond with both taxpayers to secure necessary documentation to make a determination. Refer to IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written). Include the questionnaire. Refer to IRM 25.23.4.18.2.3, Actions Based on No Response or Taxpayer Responses to Letter 5064C and/or Supplementary Questions Sent to Determine Common Number Ownership, and IRM 25.23.4.18.2.4, Final Stage Review (Associated with Letter 5064C Sent for Common Number Ownership), when the suspense timeframe has passed.
(2) A Form 14039, police report, or correspondence is included with only one return,	The returns contain the same address,	<ul style="list-style-type: none"> • If supported by your research, treat the identity theft inquiry as belonging to the valid taxpayer. • If your research does not support a determination of identity theft, see IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations.

If	And	Then
(3) A Form 14039, police report, or correspondence is included with multiple returns,	The returns contain the same address,	<ul style="list-style-type: none">Correspond to secure necessary documentation to make a determination. Refer to IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written). Include the questionnaire. Refer to IRM 25.23.4.18.2.3, Actions Based on No Response or Taxpayer Responses to Letter 5064C and/or Supplementary Questions Sent to Determine Common Number Ownership, and IRM 25.23.4.18.2.4, Final Stage Review (Associated with Letter 5064C Sent for Common Number Ownership), when the suspense timeframe has passed.

If	And	Then
<p>(4) A Form 14039, police report, or correspondence is received separate from any return, and</p> <p>Multiple returns have been filed under the common number,</p>	<p>None of the returns contain the same address as the current or previous address provided on the identity theft inquiry,</p>	<ul style="list-style-type: none"> • If supported by your research, treat the identity theft inquiry as belonging to the valid taxpayer. • If your research does not support determining in favor of the taxpayer who submitted the inquiry, correspond with all taxpayers to secure necessary documentation to make a determination. Refer to IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written). Include the questionnaire. Refer to IRM 25.23.4.18.2.3, Actions Based on No Response or Taxpayer Responses to Letter 5064C and/or Supplementary Questions Sent to Determine Common Number Ownership, and IRM 25.23.4.18.2.4, Final Stage Review (Associated with Letter 5064C Sent for Common Number Ownership), when the suspense timeframe has passed.

If	And	Then
<p>(5) A Form 14039, police report, or correspondence is received separate from any return, and</p> <p>Multiple returns have been filed under the common number,</p>	<p>At least one (but not all) of the returns contains the same address as the current or previous address provided on the identity theft inquiry,</p> <p>Note: If all returns contain the same address as the current or previous address provided on the identity theft inquiry, continue to table scenario (6) below.</p>	<ul style="list-style-type: none"> • If supported by your research, treat the identity theft inquiry and return(s) containing the same address as belonging to the valid taxpayer. • If your research does not support determining in favor of the taxpayer who submitted the inquiry, correspond with all taxpayers to secure necessary documentation to make a determination. Refer to IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written). Include the questionnaire. Refer to IRM 25.23.4.18.2.3, Actions Based on No Response or Taxpayer Responses to Letter 5064C and/or Supplementary Questions Sent to Determine Common Number Ownership, and IRM 25.23.4.18.2.4, Final Stage Review (Associated with Letter 5064C Sent for Common Number Ownership), when the suspense timeframe has passed.

If	And	Then
(6) A Form 14039, police report, or correspondence is received separate from any return, and Multiple returns have been filed under the common number,	All of the returns contain the same address as the current or previous address provided on the identity theft inquiry,	<ul style="list-style-type: none">Correspond with all taxpayers to secure necessary documentation to make a determination. Refer to IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written). Include the questionnaire. Refer to IRM 25.23.4.18.2.3, Actions Based on No Response or Taxpayer Responses to Letter 5064C and/or Supplementary Questions Sent to Determine Common Number Ownership, and IRM 25.23.4.18.2.4, Final Stage Review (Associated with Letter 5064C Sent for Common Number Ownership), when the suspense timeframe has passed.

If	And	Then
(7) More than one Form 14039, police report, or correspondence indicating an identity theft issue under the same TIN have been received,	The reporting taxpayers have different addresses,	<ul style="list-style-type: none"> • Research the case as a possible Scrambled SSN. See IRM 25.23.4.6.1, Required Research, for additional information. • Correspond with all taxpayers to secure necessary documentation to make a determination. Refer to IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written). Include the questionnaire. Refer to IRM 25.23.4.18.2.3, Actions Based on No Response or Taxpayer Responses to Letter 5064C and/or Supplementary Questions Sent to Determine Common Number Ownership, and IRM 25.23.4.18.2.4, Final Stage Review (Associated with Letter 5064C Sent for Common Number Ownership), when the suspense timeframe has passed.

25.23.4.8.3.2
(06-07-2024)
IRS Identified Identity Theft (IDT) Determinations

- (1) Follow the procedures below when a Form 14039 or police report has not been received and identity theft is suspected. Ensure all required research has been completed prior to making a determination of Common Number (CN) ownership. See IRM 25.23.4.6, Research, Actions and Complete Case Analysis - Overview, and its subsections for detailed instructions.

If	And	Then
(1) Identity theft is suspected, and a claim has not been received (IRSID),	All of the following conditions are met: <ul style="list-style-type: none"> This is the first time one of the taxpayers has used the CN AND the other taxpayer has used the CN for more than one year. The filing history is appropriate for the DOB associated with the CN. 	<ul style="list-style-type: none"> Consider the taxpayer who has used the CN for more than one year to be the valid taxpayer. Add a CII case note documenting your research and stating “1st Year Rule” to identify the scenario used to make the determination.
(2) Identity theft is suspected, and a claim has not been received (IRSID),	All of the following conditions are met: <ul style="list-style-type: none"> One of the taxpayers has used the CN for 3 or more years AND the other taxpayer has used the CN for less than 3 years. The filing history is appropriate for the DOB associated with the CN. 	<ul style="list-style-type: none"> Consider the taxpayer who has used the CN for 3 or more years to be the valid taxpayer. Add a CII case note documenting your research and stating “3 Year Rule” to identify the scenario used to make the determination.

If	And	Then
(3) Identity theft is suspected, and a claim has not been received (IRSID),	All of the following conditions are met: <ul style="list-style-type: none"> • Complete and careful research provides reasonable evidence of CN ownership. • A CN ownership determination cannot be made using scenario (1) or (2). 	<ul style="list-style-type: none"> • Leave a CII case note documenting all research completed, including the evidence that supports your determinations. • Refer the case for managerial/lead concurrence with the determination made. A CII case note documenting concurrence with the determination must be input prior to taking action to resolve the account.
(4) Identity theft is suspected, and a claim has not been received (IRSID),	All of the following conditions are met: <ul style="list-style-type: none"> • Complete and careful research does not result in reasonable evidence of CN ownership. • A CN ownership determination cannot be made using scenarios (1), (2), or (3). 	<ul style="list-style-type: none"> • Your research does not support a determination of identity theft. Follow procedures in IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations

25.23.4.8.4
(10-12-2023)
**Dependent Related
Identity Theft (IDT) -
General**

(1) Dependent related identity theft (IDT) claims are received when misuse of a dependent's TIN is suspected. Refer to the list below for examples of tax related dependent IDT scenarios:

- A taxpayer's dependent is listed as a primary taxpayer, secondary taxpayer, or dependent on an invalid return.
- An individual is listed as a dependent on the return of a taxpayer who is not their parent/legal guardian (whose identity may or may not be known by the reporting person).

25.23 Identity Protection and Victim Assistance

- A taxpayer is not a dependent of anyone but is listed as a dependent on a return filed by an individual they do not know or an individual (who is not their parent/legal guardian) they do know who does so without their knowledge or consent.
- (2) Dependent related IDT may be IRS identified when misuse of a TIN occurs on a return determined to be invalid. Each dependent on the fraudulent return must be addressed. When establishing the entity of the dependent, use a Service Center address when a valid address cannot be identified. See IRM 3.13.5.66, Campus Address Used Only When Taxpayer Address is Unavailable.
- (3) See the list below for additional information regarding all dependent related IDT cases:

- Dependent related IDT cases will be assigned under the dependent's TIN. See IRM 25.23.4.3.1, CII and IDRS Case Controls, for additional information regarding case creation and assignment for additional impacted tax years identified through research.

Note: When multiple dependents are involved, they will receive separate treatment for purposes of making a determination and appropriate account resolution.

- Dependent related IDT cases will only be referred to IDTVA Specialty Functions when the claim is also related to a Compliance assessment made. Refer to Exhibit 25.23.4-5, IDTVA Routing Matrix, for additional information regarding roles and responsibilities within IDTVA.
- All required correspondence normally issued to an individual submitting an identity theft claim will be issued under the dependent's TIN. Correspondence will be addressed to the dependent and their representative if there is information in the Continuation of Primary Name (i.e., parent/guardian, POA, etc.). When a taxpayer and their dependent are both determined to be victims of identity theft, separate correspondence will be sent. Refer to IRM 25.23.4.18, Communicating with Taxpayers, for additional information.
- Research conducted may support making a determination for multiple individuals; however, all CII cases, case documentation, correspondence, and closing actions will be addressed on an individual basis.

Caution: The accounts of individuals determined to be victims of identity theft will be resolved. When the misuse of a dependent's TIN is included on the filing of a return that is not determined to be fraudulent (i.e., the return is verifiable and cannot be determined to be refund related IDT), the account will not be adjusted to remove the dependent and/or dependent-related credits claimed. This will not prevent resolution of the dependent's IDT issue.

Reminder: IDTVA employees are not making a determination regarding which parent/legal guardian is entitled to claim and/or represent the dependent.

- When a determination of No IDT is made, advise the individual they may be able to obtain an IP PIN through the opt in process to protect their identity in the future.

- (4) When a determination of dependent related IDT has been made, TC 971 AC 528 will be input using:
 - Use MISC Field Code: "WI IP DEPND"
 - Use Secondary Date: January 1st of the current year to signify the processing year.
- (5) Dependent related IDT affecting tax administration is a form of tax related IDT. Input TC 971 AC 501 upon resolution if the taxpayer identified the issue. When the issue was IRS identified, Input TC 971 AC 506 upon resolution.
 - See IRM 25.23.2.6.1, Closing Taxpayer Initiated Identity Theft Affecting Tax Administration - TC 971 AC 501, and
 - IRM 25.23.2.6.3, Closing IRS Determined Identity Theft Affecting Tax Administration - TC 971 AC 506, for more information.
- (6) Dependent related IDT that does not affect tax administration (i.e., dependent's TIN was used to obtain a credit card or identification) will be resolved following procedures in IRM 25.23.3.2.3, Self-Identified - Non-Tax-Related Identity Theft - IDT4. A TC 971 AC 504 will be input upon resolution of non-tax-related issues.
- (7) When working a case that is dependent related (i.e., Form 14039 states dependent issue, dependent issue is IRS identified, etc.), follow procedures in IRM 25.23.4.8.4.1, Dependent Related Identity Theft (IDT) - Determinations, to conduct the necessary research and make a determination related to suspected misuse of a dependent's TIN.

25.23.4.8.4.1
(10-01-2024)
**Dependent Related
Identity Theft (IDT) -
Determinations**

- (1) An individual may report dependent related IDT for themselves or on behalf of another individual. Use caution when providing information to ensure you do not inadvertently provide tax account information to an unauthorized individual.
- (2) Prior to completing the required research, determine if the entity needs to be established or updated for the dependent in question. **Do not** include the word **minor** unless the correspondence includes the word **minor** in the Form 14039 Section B explanation or correspondence from the taxpayer. The dependent's age will not be used to identify them as a minor due to extenuating circumstances that may exist. **Do not** include the reporting person's information in the **Continuation of Primary Name** field. See IRM 3.13.5.117, Establishing a New Account (TC 000), and Exhibit 25.23.4-22, Establishing or Updating Entities for Dependents, for more information.

If parent/legal guardianship is in question, do not establish or update the dependent's entity with the reporting person's address until acceptable documentation is provided. If acceptable documentation is not provided, refer to Exhibit 25.23.4-22, Establishing or Updating Entities for Dependents, to determine the correct address to use.

Note: Include the telephone number from the case documents when establishing or updating the entity when it has been determined the correspondence was submitted by or on behalf of the dependent (not an unauthorized third party). If it is determined the address on the documentation will not be used based on procedures within Exhibit 25.23.4-22, Establishing or Updating Entities for Dependents, do not include the telephone number provided in the correspondence.

25.23 Identity Protection and Victim Assistance

(3) A parent/legal guardian may file a Form 14039 on behalf of their dependent. Section F is designated to provide information in these instances.

- Do not reject incomplete Forms 14039.
- If the parent/legal guardian relationship cannot be confirmed using the information provided and internal research, request proof of the relationship (i.e., court order, adoption certificate, or other legal documentation). Refer to the table below for a list of acceptable documentation and IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written).

Note: IDRS CC DDBKD is used to confirm the parent/legal guardian relationship through internal research.

Note: If working an ITIN case, use EUP/ITIN RTS to research the ITIN application to confirm the parent/legal guardianship relationship.

- If the claim was submitted on behalf of an adult dependent (age 18 or older at the time of signature date), request proof of legal guardianship (i.e., court order, etc.). Proof of the relationship alone is not sufficient for these cases. Refer to the table below for a list of acceptable documentation and IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written).

Acceptable Documentation	Unacceptable Documentation
Court Order	Written statement from parent (even if notarized)
<ul style="list-style-type: none"> • Birth Certificate • Adoption Documentation 	Form 8332, Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent
Foster Care Placement Documentation Refer questionable foster care placement documentation to ITVA HQ as described in the note below.	<ul style="list-style-type: none"> • School records • Proof of medical insurance

Note: For any documentation provided that is not listed in the table above, prepare and email Form 4442 using the subject line: Dependent - Proof of Guardianship (or similar) to *ITVA HQ*. Document all research completed in a CII case note and/or on Form 4442. Attach Form 4442 to your CII case. Suspend the case awaiting a response from ITVA HQ. Upon receipt, the account will be researched. A response on how to address the account will be received within 7 business days.

When acceptable documentation has not been provided, issue a closing letter to the reporting person following procedures for corresponding with a person who is not an authorized third party. Do not include a paragraph requesting a Form **2848**, Power of Attorney and Declaration of Representative, or Form **8821**, Tax Information Authorization, for these cases. See IRM 25.23.4.18.1, General IDTVA Letter Procedures, for additional information. If a

valid separate address is available for the dependent, the dependent and reporting person will each receive a separate letter.

- (4) Claims filed by an individual reporting to be a victim of dependent related IDT will be considered if the individual is at least age 16 as of the signature date on the claim. If the claim is not signed, use the postmark date on the envelope, if available. If neither is present, use the IRS received date for purposes of considering the claimant's age at the time the claim is made.

Note: A determination of age is not necessary when the reporting person is not the individual identified as the victim. A Form 14039 signed by a parent on behalf of their dependent child never requires documentary evidence.

Exception: If the claimant is now over the age of 18 at the time of working the case, continue to paragraph (7) below.

- (5) If the claimant is at least age 16, continue to paragraph (7) below.
- (6) If the claimant is under age 16, the claim will not be considered. Send a closing Letter 916C to the address provided on the claim. Include paragraphs: F, T, and 1. In paragraph T, explain that a signed statement from their parent or legal guardian must be received before we can consider their identity theft claim.
- (7) Conduct a review of prior years (a minimum of three prior years, if available) and all subsequent years. The prior year review will continue in one-year increments until no indications of dependent TIN use are found. After completing the required research, continue to paragraph (8) to make a determination. Refer to the table below for research paths appropriate for the facts and circumstances of the case.

Note: Use of the TIN-Related Worksheet may be beneficial for identifying any consistencies and/or inconsistencies in the filing history.

Note: There are various IAT tools available to aid in completing the research described in the table below.

Caution: For purposes of research **only**, the asserted victim of identity theft will be referred to as the "victim" in the table below, and the asserted thief will be referred to as the "individual in question". The validity of the claim will be determined after completion of all necessary research.

If	Then
(1) The reporting person provides the TIN of the individual they believe committed identity theft,	<ol style="list-style-type: none"> <li data-bbox="932 289 1339 695">1. Research the TIN of the individual in question. Use any combination of the following systems and/or IDRS Command Codes (CC) to review the filing history: <ul style="list-style-type: none"> • MeFile • ITIN RTS • CII • AMS • TRDBV • RTVUE • DDBKD/DDBKDN <p>Note: Your research is not limited to use of the systems and Command Codes listed above and may extend to other resources available, as applicable.</p> <li data-bbox="932 989 1339 1808">2. While reviewing the filing history, consider the following: <ul style="list-style-type: none"> • Was the victim claimed as a dependent for the tax year in question? • How many years has the victim been claimed as a dependent of the individual in question? • What is the relationship between the victim and individual in question? • Has the victim filed tax returns as a primary or secondary taxpayer for any of the tax years included in the research period? • If the victim has filed returns, did they claim the self-exemption?

If	Then
<p>(2) The reporting person provides only the name and address of the individual they believe committed identity theft, or</p> <p>The reporting person provides the last name and last 4 digits of the TIN belonging to the individual they believe committed identity theft,</p>	<ol style="list-style-type: none"> 1. Use IDRS CC NAMES/ NAMEI to locate the TIN of the individual in question when the name and address are provided. 2. Use IDRS CC TPIIP to locate the TIN of the individual in question when the last name and last 4 digits of the TIN are provided. 3. If a TIN is located, follow procedures in table scenario (1) above to conduct the necessary research. 4. If a TIN is not located, follow procedures in table scenario (3) below.
<p>(3) The reporting person does not provide the name, address, or TIN of the individual they believe committed identity theft and the claim is for the current or two immediately preceding years,</p>	<ol style="list-style-type: none"> 1. Use IDRS CC DDBKD to determine if the victim has been listed as a dependent of anyone for the current or two immediately preceding years. 2. If a TIN is located, follow procedures in table scenario (1) above to conduct the necessary research. 3. If a TIN is not located, the dependent is not a victim of identity theft. Document your research and No IDT determination in a CII case note. Then follow procedures in IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations. <ul style="list-style-type: none"> • If the reporting person is not an authorized third party, refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures, for additional letter requirements.

If	Then
(4) After consideration of the information available, you are unable to identify a taxpayer claiming the victim as a dependent, and the claim is for a year that is not available on CC DDBKD,	1. Follow procedures in paragraph (8) Table Scenario (1).

- (8) After you have completed the necessary research, refer to the table below to make an identity theft determination:

Note: If the reporting person provides their TIN instead of the TIN of the dependent in question, update the TIN on the CII case. Add a CII case note documenting the reason for the change (i.e., dependent's TIN included in statement on Form 14039, dependent's TIN located through research of reporting person's filing history, etc.).

Reminder: Additional impacted years identified through research must be addressed. See IRM 25.23.4.6.4, Complete Case Analysis, for additional information.

Reminder: If the Form 14039 includes a statement regarding non-receipt of EIP or RRC, refer to IRM 25.23.4.20, Economic Impact Payment (EIP) and Recovery Rebate Credit (RRC) - General, and the related subsections after making a determination to respond to the inquiry.

Reminder: If the Form 14039 includes a statement regarding non-receipt of Advanced Child Tax Credit (AdvCTC), refer to IRM 25.23.4.21.2, ARPA - Advanced Child Tax Credit (AdvCTC) - General.

If	Then
(1) The issue is taxpayer identified and your research indicates tax administration is not affected,	<ol style="list-style-type: none"> 1. The CII case will remain controlled on IDRS CC TXMOD. 2. Refer to IRM 25.23.3.2.3, Self-Identified - Non-Tax-Related Identity Theft - IDT4 Overview, to resolve the case. <p>Note: If directed to this scenario from paragraph (7) Table Scenario (4), input the appropriate TC 971 AC 504 indicating a manual letter will be issued. Send Letter 4402C. Do not use paragraph A; instead, use an open paragraph for the opening statement. You may use the following special paragraph or similar verbiage: "We have reviewed your account and don't see that your federal income taxes were affected."</p>

If	Then
<p>(2) Your research indicates use of the dependent's TIN is the result of a typo or finger error,</p> <p>Note: This generally results in a math error related to a name control mismatch on the return the TIN was inadvertently included on.</p>	<ol style="list-style-type: none"> The dependent is not a victim of identity theft. Document your research and No IDT determination in a CII case note. Follow procedures in IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations. <ul style="list-style-type: none"> Issue a closing Letter 4674C to the dependent as described in IRM 25.23.2.6.6.2. Include paragraph K when the reporting person is not an authorized third party. If the reporting person is not an authorized third party, refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures, for additional letter requirements. In some instances, the dependent will be allowed during original processing, and the taxpayer who incorrectly used the TIN will not be made aware of the misuse through normal math error procedures. When a math error was not set and you can identify the correct address for the individual using the TIN incorrectly, send a Letter 3064C. Include Paragraphs L, M, and X. Use the following special paragraphs to inform the individual of the misuse of the TIN: <p>Paragraph L: "We reviewed your tax account for the tax periods listed above and found that your tax return includes incorrect information that did not affect the processing of your return."</p> <p>Paragraph M (TIN is an SSN): "Our records show you are using an incorrect Social Security Number (SSN) for your dependent(s). Please contact the Social Security Administration (SSA) to verify the correct SSN for your dependent(s)."</p> <p>Paragraph M (TIN is an ITIN): "Our records show you are using an incorrect Individual Taxpayer Identification Number (ITIN) for your dependent(s). Please refer to the notice you received informing you of the ITIN assigned to your dependent. If you do not have this notice, you may contact the IRS at 800-829-1040 to request a copy."</p>
<p>(3) Your research indicates the case is a Mixed Entity due to the filing of a return with the CN listed for the primary or secondary taxpayer,</p> <p>Note: When the Mixed Entity is identified as a TIN being used for a dependent, refer to table scenario (2) above. These situations will be treated as a typo or finger error.</p>	<ol style="list-style-type: none"> The dependent is not a victim of identity theft. Document your research and No IDT determination in a CII case note. Follow procedures in IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations.

If	Then
(4) Your research indicates the case is a Scrambled SSN issue,	<ol style="list-style-type: none"> 1. Add a CII case note documenting your research and determination. 2. Order the NUMIDENT and complete all necessary actions per IRM 25.23.4.6.1, Required Research. <ul style="list-style-type: none"> • IDTVA-A: Reassign the case using the <i>IDTVA-A CII Reassignment Guide</i>. • IDTVA-Specialty: Reassign the case using the <i>IDTVA Specialty CII Reassignment Guide for Non-IDT Cases</i>. Refer to your functional IRM for additional guidance.
(5) Your research indicates there may be an Invalid Joint Election (IJE) issue,	<ol style="list-style-type: none"> 1. Add a CII case note documenting your research and determination. 2. Refer to IRM 25.23.4.8.1.3.1, Invalid Joint Election Consideration.
(6) Your research indicates the individual in question is the dependent's parent/legal guardian,	<ol style="list-style-type: none"> 1. The dependent is not a victim of identity theft. Document your research and No IDT determination in a CII case note. 2. Follow procedures in IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations. <p>Exception: If submitted on a Form 3949-A, the case will be routed to Exam. Refer to IRM 25.23.4.6.2(6), IDTVA - Additional Research and Required Actions. Review the case for reroute criteria prior to resolving as dependent related IDT. If it is determined it will be routed to Exam, DO NOT open additional cases on CII.</p> <ul style="list-style-type: none"> • Issue a closing Letter 4674C to the dependent. Include paragraph I. When the dependent is the reporting person and they were claimed by their parent/legal guardian, include paragraph N. In paragraph N, use the following special paragraph: <p>Note: In place of (TIN) use Social Security Number or Individual Taxpayer Identification Number, as appropriate.</p> <p>"Your (TIN) has not been used in the fraudulent filing of a federal tax return." Include paragraph L when the reporting person is not an authorized third party. Refer to IRM 25.23.4.17, Determining Tax Liability/Form 2209 Instructions, to determine if the dependent has a filing requirement that must be addressed.</p> • If the reporting person is not an authorized third party, refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures, for additional letter requirements. <p>Reminder: Include information about the taxpayer's option to request an IP PIN to protect their identity in the future.</p>

If	Then
(7) Your research indicates the Service allowed a self-exemption in error while processing a return for the dependent,	<ol style="list-style-type: none"> 1. The dependent is not a victim of identity theft. Document your research and No IDT determination in a CII case note. 2. When telephone information is available, attempt to contact the reporting person no less than two times. Document each attempt in a CII case note. Note: There must be a reasonable amount of time between the two attempts. For example, another call on a subsequent day constitutes a valid second attempt. If you are able to leave a phone message, allow the reporting person 5 business days to return your call. The second attempt should not be made immediately after a first unsuccessful attempt. 3. If the reporting person is an authorized third party, verify their identity by completing outgoing disclosure. See paragraphs (25) through (27) in IRM 21.1.1.4, Communication Skills, for specific guidance. Take one of the following actions: <ul style="list-style-type: none"> • If disclosure is passed, explain that the Service allowed the dependent's self-exemption in error. Apologize for the mistake, and advise them the individual who is entitled to claim the dependent will need to file a paper return, including all income, exemptions, dependents, tax, and any credits they are entitled to. Document your conversation in a CII case note. • If disclosure is not passed, follow procedures in step (4) below. 4. If the reporting person is not an authorized third party and you are able to reach them by phone, advise them you are working the identity theft case. Explain that you are unable to provide information regarding the dependent in question. Inform them the dependent may authorize you to provide the information verbally after verification of their identity.

If	Then
	<p>5. If the dependent in question is available, verify their identity by completing outgoing disclosure. See paragraphs (25) through (27) in IRM 21.1.1.4, Communication Skills, for specific guidance. Refer to IRM 21.2.1.12, Third-Party Authorization, and IRM 21.3.10.3.5, Oral Disclosure Consent (ODC), for additional disclosure information.</p> <ul style="list-style-type: none"> • If Oral Disclosure Consent is received, when speaking to the reporting person, explain that the Service allowed the dependent's self-exemption in error. Apologize for the mistake, and advise them the individual who is entitled to claim the dependent will need to file a paper return, including all income, exemptions, dependents, tax, and any credits they are entitled to. Document your conversation in a CII case note. • If the dependent does not give consent, explain that the Service allowed the dependent's self-exemption in error. Apologize for the mistake, and advise them the individual who is entitled to claim them as a dependent will need to file a paper return, including all income, exemptions, dependents, tax, and any credits they are entitled to. Document your conversation in a CII case note. <p>6. If the dependent is not available, determine an appropriate time to call back. Attempt contact at the agreed upon date and time. If you are unable to reach the reporting taxpayer or dependent at that time, another contact is not required.</p> <p>7. After contacting the reporting person (or making the necessary attempts), follow procedures in IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations.</p> <ul style="list-style-type: none"> • Issue a closing Letter 4674C to the dependent. Select paragraphs L (if the reporting person is not an authorized third party), N, u, w, x, and # (/ for international taxpayers). Use paragraph M to include the suggested wording in IRM 25.23.2.6.6.2. For paragraph t, include the following special paragraph: "We made a mistake when processing your return. We included the self-exemption which you did not request. If someone is entitled to claim you as a dependent, they will need to file a paper return to do so." • If the reporting person is not an authorized third party, refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures, for additional letter requirements.

If	Then
<p>(8) Your research indicates any of the following:</p> <ul style="list-style-type: none"> • The victim is listed as the primary or secondary taxpayer on an invalid return. • The victim is a dependent of their parent/legal guardian and is listed as a dependent on the return of a taxpayer who <u>is not</u> their parent/legal guardian (even when there is a history of being listed as a dependent of that person, the parent/legal guardian has not filed with them for years, or the other person claiming the dependent is also a relative). • The victim is a dependent of their parent/legal guardian and is listed on an invalid return filed using their parent/legal guardian's personal information (parent/legal guardian is also a victim of IDT). (This may be a TP identified or IRS identified case.) • The victim is not a dependent of anyone but is listed as a dependent on a return filed by an individual who is not their parent/legal guardian (including taxpayers listed as dependents by their adult children). 	<ol style="list-style-type: none"> 1. Add a CII case note documenting your research and determination. 2. Follow procedures in IRM 25.23.4.10.14, Dependent Related Identity Theft (IDT).

Note: For any questionable dependent case received that does not meet one of the scenarios described above, prepare and email Form 4442 using the subject line: Questionable Dependent (or similar) to *ITVA HQ*. Document all research completed in a CII case note and/or on Form 4442. Attach Form 4442 to your CII case. Suspend the case awaiting a response from ITVA HQ. Upon receipt, the account will be researched. A response on how to address the account will be received within 7 business days.

25.23.4.8.5
(10-01-2022)

**Identity Theft with
Non-Filer Returns**

(1) The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), H.R. 133, Consolidated Appropriations Act, 2021, and the American Rescue Plan Act of 2021 (ARPA) provided eligible individuals with recovery rebate credits (RRC) for tax years 2020 and 2021 that the IRS paid to each eligible individual as an advance payment referred to as Economic Impact Payments (EIP). The IRS issued three EIPs: EIP 1 and EIP 2 (advance payments of the RRC for TY 2020) and EIP 3 (advance payment of the RRC for TY 2021). The IRS was authorized to use certain information included on the taxpayer's recently filed tax return to determine the taxpayer's eligibility for each EIP as follows:

- EIP 1 - eligibility determined from TY 2019 return (2018 when there is no 2019 return), if filed
- EIP 2 - eligibility determined from TY 2019 return, if filed
- EIP 3 - eligibility determined from TY 2020 return (2019 when there is no 2020 return), if filed

(2) The IRS created a Non-Filers Tool and made it available for use on irs.gov to allow individuals who had not previously filed returns (because they did not have a filing requirement) to file a tax return to show their eligibility for the RRC and to receive EIP payments.

Note: Returns filed using the Non-Filers Tool can be identified with \$1 of taxable interest income, \$1 total income, and \$1 AGI.

(3) Although the Non-Filers Tool required verification of the individual's identity, it was not always used as intended. Examples of misuse include but are not limited to:

- Tax returns filed by identity thieves using a taxpayer's information without their knowledge or consent
- Tax returns filed by someone the individual trusted to assist them that intentionally included incorrect direct deposit information

(4) Research must be completed to determine if there is a high probability the return was not filed by the common number (CN) owner. Research may include, but is not limited to:

- Comparing filing history for address, filing status, dependents, and direct deposit information
- Reviewing IDRS CC IRPTR to confirm the taxpayer does not have a filing requirement
- AMS history items

(5) Refer to the table below to determine if the taxpayer is a victim of identity theft related to use of the Non-Filers Tool:

If	And	Then
<p>(1) Form 14039, police report, or correspondence is received stating:</p> <ul style="list-style-type: none"> • They did not file the tax return, • Someone helped them but added direct deposit information that does not belong to them, or • They expected to receive the EIP in the mail and did not, 	<ul style="list-style-type: none"> • If supported by your research, accept the taxpayer's claim, 	<ul style="list-style-type: none"> • Case resolution will follow streamline processes. • Refer to IRM 25.23.4.20, Economic Impact Payment (EIP) and Recovery Rebate Credit (RRC) - General, and its subsections, and IRM 25.23.4.21, American Rescue Plan Act (ARPA) - General, and its subsections, to identify and address account issues resulting from use of the Non-Filers Tool.
<p>(2) Form 14039, police report, or correspondence is received stating:</p> <ul style="list-style-type: none"> • They did not file the tax return, • Someone helped them but added direct deposit information that does not belong to them, or • They expected to receive the EIP in the mail and did not, 	<ul style="list-style-type: none"> • Your research does not support accepting the taxpayer's claim. 	<ul style="list-style-type: none"> • Follow procedures in IRM 25.23.4.10.15 , No Identity Theft (NOIDT) Determinations.

If	And	Then
<p>(3) Form 14039, police report, or correspondence is received stating:</p> <ul style="list-style-type: none"> • They did not file the tax return, • Someone helped them but added direct deposit information that does not belong to them, or • They expected to receive the EIP in the mail and did not, 	<ul style="list-style-type: none"> • The claim does not provide enough information to make a determination. 	<ul style="list-style-type: none"> • Follow procedures in IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written), to request clarification of the identity theft issue.
<p>(4) The case is IRS identified,</p>	<ul style="list-style-type: none"> • If supported by your research, consider the CN owner a victim of identity theft, 	<ul style="list-style-type: none"> • Case resolution will follow streamline processes. • Refer to IRM 25.23.4.20, Economic Impact Payment (EIP) and Recovery Rebate Credit (RRC) - General, and its subsections, and IRM 25.23.4.21, American Rescue Plan Act (ARPA) - General, and its subsections, to identify and address account issues resulting from use of the Non-Filers Tool.

If	And	Then
(5) The case is IRS identified,	<ul style="list-style-type: none"> Your research does not support a determination of identity theft, 	<ul style="list-style-type: none"> Follow procedures in IRM 25.23.4.10.15 , No Identity Theft (NOIDT) Determinations.

25.23.4.9
(10-01-2019)
Statute Processing Considerations

- (1) The following subsections provide guidance to process identity theft cases when there are statute related issues to be considered.

25.23.4.9.1
(10-01-2019)
Determining When Specific Year Account Information Must Be Moved

- (1) Use the guidelines in the following subsections when determining whether posted tax account information for a particular year must be moved using Form 12810, Account Transfer Request Checklist.

Note: These guidelines are applicable **only** if you are having to consider whether you should move posted tax data, e.g., tax, credits, refunds. On the other hand, if, as an example, the **only** “incorrect” transaction posted is a TC 976 belonging to another taxpayer, you may need to follow the requirement to “move” the TC 976. Moving the TC 976 would involve inputting a TC 971 AC 002 and taking any necessary action to ensure the posting of the TC 976 tax information on the appropriate TIN.

25.23.4.9.1.1
(03-16-2023)
Collection Statute Expiration Date Expired or Imminent

- (1) The following guidance is applicable for all tax-related identity theft categories, i.e., IDT(X) and IDS(X).
- (2) Stolen identity cases are exempt from normal statute processing. To that end, IDT cases do not truly have a CSED when it was established as the result of processing an invalid return on the module. Any cases received with the statement “Exception IDT1/IDS1 - Identity Theft Account” or **Exception IDT3/IDS3 - Identity Theft Account**, etc., written in the remarks field of the Form 12810, Account Transfer Request Checklist, are to be processed.

25.23.4.9.1.1.1
(03-11-2024)
Identity Theft Allegations on Tax Year 2012 and Prior

- (1) Taxpayers may claim identity theft on tax years 2012 and prior in the following scenarios:
- First time filer and current year refund was offset to a prior year
 - Taxpayer was a minor in the tax year(s) in question
 - Current year refund was offset due to a prior year assessment
- (2) Research the account(s) to determine whether the taxpayer is a victim of IDT. Although IRPTR data may not be available, internal research must be completed to make a determination. Examples of additional information that may be considered include, but are not limited to, RGS/CEAS RTF data or AUR data (CP 2000). IRPTR data for more current years may be used to support a determination based on consistency of income information.

Example: The taxpayer claims they did not file a return for 2004; they were not required to file. In researching IRPTR for more current years, it is deter-

25.23 Identity Protection and Victim Assistance

mined multiple people are using the SSN for employment purposes. There are IRP documents for the taxpayer which confirms the taxpayer does not have a filing requirement for any of the years. There is a high likelihood the taxpayer did not have a filing requirement for the tax year in question.

- a. Research AMS for the CP 2000 or RGS for the RTF data to determine the information filed on the return in question. Research CC IRPTR for available years to determine if the taxpayer had a filing requirement in other years.

Note: If IRPTR information is unavailable and the income in question is wages, there is no requirement to completed Form 9409, IRS/SSA Wages Worksheet.

- b. Review AMS, CEAS, or the AUR system for taxpayer interaction with the Service, (i.e., telephone history).
- c. Research the age of the taxpayer and prior filing history.
- d. Ask for additional information that would assist with the determination, if necessary, following procedures in IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written).

Reminder: If additional information is needed to verify the IDT allegation, you must attempt to call the taxpayer if a contact number is available.

Example: The taxpayer claims they were incarcerated. If supporting documentation was not provided and no information can be obtained using CC FTBOL, a determination based on incarceration cannot be made. Request supporting documentation from the taxpayer.

- e. If you are unable to obtain additional information but the identity theft allegation can be verified, allow the claim.
- (3) Cases where a taxpayer is alleging IDT and the CSED has expired can be identified by the CSED expiration date and a TC 608 on the module. When the invalid return does not meet streamline criteria, refer to the scenarios below to determine if the invalid return needs to be moved to an IRSN.
 - When the module is not in retention, the invalid return will be moved to an IRSN after the CSED has expired when the valid taxpayer has filed a return that must be processed.
 - When the valid taxpayer has not filed a return, the invalid return will not be moved to an IRSN after the CSED has expired. Refer to IRM 25.23.4.9.1.3, Action Required if Not Moving Specific Year Account Information.
 - (4) When an account is in balance due status as of the CSED expiration, a TC 608 will systemically credit the account, bringing the balance to zero. In situations where there is an impact, (i.e., a current year refund was offset to a prior year, levy payments, etc.), and the IDT allegation has been confirmed, credits must be resolved following normal procedures. Addressing these credits will create a balance due. As a result, the TC 608 will reset systemically.

Note: If the taxpayer is entitled to a refund resulting from payments on the account, a manual refund may be necessary. Refer to IRM 25.23.4.10.17, Identity Theft (IDT) - Manual Refunds.

- (5) When Notices of Federal Lien (NFTL) are filed on liabilities, the Service does not notify the credit bureaus. The credit bureaus research public filings and, in certain cases, may place NFTL information on taxpayer credit reports.
- (6) When a CSED expires, liens are automatically released. The Service is not required to report to the credit bureaus when liens are released. A Form 1099-C, Cancellation of Debt, will not be issued to the taxpayer in this situation.

Note: If the taxpayer requests the NFTL be withdrawn, see paragraph (16) of IRM 25.23.10.7.2.3, Processing Identity Theft Correspondence.

- (7) In situations where a taxpayer may be a victim of IDT for a year where the CSED has expired, research the account to make the determination. If IDT is confirmed, do not adjust the account unless there are payments or offsets that need to be transferred or refunded to the valid taxpayer. Input the appropriate IDT indicator. Refer to IRM 25.23.2.6.1, Closing Taxpayer Initiated Identity Theft Affecting Tax Administration - TC 971 AC 501, and IRM 25.23.2.6.3, Closing IRS Determined Identity Theft Affecting Tax Administration - TC 971 AC 506. Document actions taken in a CII case note.
- (8) If the taxpayer's correspondence indicates they are impacted due to a Notice of Federal Tax Lien (NFTL), see IRM 25.23.4.12.2, Collection Activity - Form 13794 Additional Actions Required - Lien, for additional information.

25.23.4.9.1.2
(03-16-2023)

**Tax Year Account Move
Conditions - Applicable
for IDT(X) and IDS(X)
Cases**

- (1) Tax account information must be moved when the Assessment Statute Expiration Date (ASED) is imminent or expired **and** any of the following conditions are met:

Reminder: If the ASED is expired or imminent on a tax return to be reprocessed, **NEVER** abate tax on the "from" account until the reprocessing is complete and the tax has posted.

Caution: The ASED does not apply on a case that has been determined a nullity. The return must be considered valid in order for the ASED to apply. Refer to IRM 25.6.1.6.14, Criteria for Establishing a Statute of Limitations Period, paragraph (3)(b), for additional information.

- The TIN owner has also filed a return for the same tax year, and the tax return amounts have been combined/adjusted. In this case it is necessary to keep the correct taxpayer's information on the account and move the incorrect taxpayer's information to an IRSN.

Note: This bullet is referring to tax years in which the correct taxpayer's and the incorrect taxpayer's tax account information items have been "mixed." "Mixed" here means that the income amounts were combined, and the tax and any credits were adjusted, if necessary.

- There is a “-C” freeze on the account. A “-C” freeze indicates the taxpayer is/was in a combat zone and the time period for filing a return for that tax year may have been extended.

Caution: Combat Zone (CZ) accounts, identified by a -C freeze, indicate a taxpayer who is or was serving in a designated combat zone area. NOTE: The -C freeze stays on the account even after the taxpayer is no longer in the CZ. When working an account that contains a -C freeze, additional research is required to determine the taxpayer’s CZ status. Research CC IMFOLE for the Combat indicator on Line 11, to determine the correct action to take based on the following:

If Combat indicator is “1”, then the taxpayer is still serving in a combat zone. Any compliance activity such as assessing or collecting tax is prohibited. However, if the taxpayer has other issues or requests information, you may work these other issues and contact the taxpayer if needed. If Combat indicator is “2”, then the taxpayer is no longer a combat zone participant. Follow normal procedures to work the case.

- There is a balance owed on the tax year account.
- The tax year account has an overpayment that must be refunded.
- The valid taxpayer’s return was moved to MFT 32 in error.

Caution: If there is an indication another area is considering action on the tax year account, e.g., an open control by Exam, Automated Underreporter (AUR), Collections, etc., contact that area. The tax year may need to be moved based on the action they are taking on the account. Document your contact in the CII notes.

Exception: If the CSED is also expired, an overpayment that must be addressed will not require the invalid return to be moved, unless the valid taxpayer filed a return. See IRM 25.23.4.9.1.1.1, Identity Theft Allegations on Tax Year 2012 and Prior, for additional information.

If	Then
(1) None of the conditions in the bullet-list above are met.	Proceed to IRM 25.23.4.9.1.3, Action Required if Not Moving Specific Year Account Information.
(2) One or more of the conditions in the bullet-list above is/are met.	Proceed to IRM 25.23.4.9.1.4, Moving Specific Year Account Information.

25.23.4.9.1.3
(06-07-2024)

Action Required if Not Moving Specific Year Account Information

- (1) Take the following actions when you have determined it is not necessary to move posted tax account information. **Unless specifically noted, the actions listed in this paragraph apply to identity theft cases (i.e., IDT(X) and IDS(X) cases). The bullet items listed here are related to the actions required on the “IRSN”.**

- Input a CII case note detailing the no move determination.

Example: Invalid TC 150 meets no move criteria.

- Establish a name line on the “to” account for the tax year not being moved. Include the name(s), filing status, and spouse’s SSN (if applicable) as shown on the return.

- After the name line has posted on the “to” account, input a TC 971 AC 017 on the “to” account to cross-reference to the “from” account. Use the received date of the return not being moved.
- For MXEN, IDT(X), IDS(X), SCRM, and SSA2 cases, enter the following CII case note, filling in the applicable year: “Tax Year YYYY not filed by TP. See TC 971 AC 001 X-Ref”.

Note: If reactivation requires obtaining microfilm, a note on CII is sufficient indicating the location of the cross-reference tax year.

Caution: The ASED does not apply on a case that has been determined a nullity. The return must be considered valid (verifiable/non-streamline for IDT) in order for the ASED to apply. Refer to paragraph (3)(b) of IRM 25.6.1.6.14, Criteria for Establishing a Statute of Limitation Period, for additional information. If the return is determined to be valid (verifiable/non-streamline for IDT), an IRSN should be assigned for the invalid taxpayer (Taxpayer B).

(2) Take the following additional actions for the tax year(s) that will remain posted on the account. **These additional actions listed in this paragraph apply ONLY to MXEN, IDT(X), IDS(X), IDI(X), SCRM, SSA2 cases. The bullet items listed here are related to the actions required on the “SSN”.**

- For the “from” tax year(s) account(s), the tax year(s) account(s) not being moved, change the name line on the tax year(s) to: “NOT FILED] *NAMC*”. “*NAMC*” here represents the name control of the taxpayer who owns the SSN. You will type in the name control of the SSN owner instead of typing in “*NAMC*”. Update the address, if applicable.
- If the return that posted to the Common Number (CN), on the “from” account tax year has Self-Employment (SE) income, it must be addressed. Input CRN 878/CRN 895 and/or CRN 879/CRN 896 to zero out SE and Medicare income. Input CRN 892/CRN 899 to zero out tip income.
- If an overpayment on the tax year account not being moved is over one-year old and attributable to the invalid return or payments made by someone other than the valid taxpayer (including levy payments), move such overpayment to excess collections.

Note: If the non-owner of the CN has a different valid TIN, this is a mixed entity (MXEN). When a refund should be issued, the tax year account must be moved to the correct TIN.

- Any overpayment attributable to the non-owner of the CN that has been offset to a Bureau of Fiscal Services debt must be reversed using HC 4. If the overpayment is over one year old, move it to excess collections. A letter must also be sent to the taxpayer who has the FMS debt, notifying them of the reversal. If the BFS offset is over 6 years old, refer to IRM 21.4.6.4.2.12, TOP Offsets Involving ID Theft and ID Theft with Fraudulent Returns.
- Reverse any IRS offsets attributable to the non-owner of the CN. If the overpayment is over one-year old, move the overpayment to excess collections. A letter should be sent to the CN owner informing them of the overpayment reversal when returning the offset to the originating module will result in a balance owed for the valid taxpayer. If the year the offset is being moved from is also impacted by identity theft, a

closing letter for that tax year may be required to sufficiently describe actions taken to resolve the account. Reversal of the offset does not need to be addressed in more than one letter. Refer to IRM 25.23.4.18.1, General IDTV Letter Procedures, for additional information.

- If adjusting 2008 and FTHBC was claimed by the invalid taxpayer, see IRM 21.6.4.4.17.4, Manually Adjusting the Recapture Amount, to update the IMFOLF information.
- Input an appropriate cross reference transaction with the return received date on the “from” account to cross-reference the “to” account. For NMRG cases the “from” account is the tax year on the other side of the No Merge, usually the IRSN.

- TC 971 AC 001 - Used when moving the TC 150 return
- TC 971 AC 002 - Used when moving the TC 976 return

- (3) If moving credits to or from excess collections, see IRM 25.6.1.7.3, Excess Collection File (XSF) and Unidentified Remittance File (URF).

Note: If the debit/credit is not posted or pending after 8 weeks, follow local procedures to contact IDTV P&A to follow up with the appropriate site’s P&A.

25.23.4.9.1.4
(10-01-2023)

Moving Specific Year Account Information

- (1) When **all** information on the CN must be moved to an IRSN, and there is **no** information on the CN that belongs to the valid taxpayer, the account may be merged. See IRM 21.6.2.4.1, Resequencing Accounts, and its subsections for additional information.
- (2) If there are 180 or more days remaining before the ASED expires, reprocess the return.
- (3) If there are less than 180 days remaining before the ASED expires, refer to procedures in IRM 25.23.4.9.2, Statute Imminent Assessments for IDT Cases.

Caution: The ASED does not apply on a case that has been determined a nullity. The return must be considered valid (verifiable/non-streamline for IDT) in order for the ASED to apply. Refer to paragraph (3) (b) of IRM 25.6.1.6.14, Criteria for Establishing a Statute of Limitations Period, for additional information.

Reminder: If the tax year account is within 180 days of the ASED, **DO NOT** abate tax on the “from” account prior to the tax being posted on the “to” account. Once the return has been reprocessed and the tax information has posted, or a prompt assessment has been made on the “to” account, the “from” account may be backed out to the correct amount.

Reminder: If the ASED is expired, **NEVER** abate tax on an account or attempt to reprocess the return.

- (4) If moving posted tax account information is an issue, the ASED is expired for the tax year(s) at issue, and any of the conditions are met, as applicable, in IRM 25.23.4.9.1.2, Tax Year Account Move Conditions-Applicable for IDT(X) and IDS(X) Cases, or IRM 21.6.2.4.6, Tax Year Account Move Conditions-Applicable for MXEN, SCRM, SSA2 and NMRG Cases, take action to move the tax account information as appropriate. If applicable, initiate a manual

account transfer using Form 12810, Account Transfer Request Checklist, and route the form and attachments to Accounting. When the valid taxpayer has also filed a return that needs to be processed, also see paragraph (5) below. Form 12810 must include the following information:

- DLN
- TIN
- MFT
- Tax Period
- Complete Entity Information
- IDRS transcript of account
- Transaction Codes
- In the Remarks section, input "ID Theft Case" or similar verbiage .

Note: After the tax account information has posted, input the applicable item reference numbers (IRN) on the "to" account (e.g., IRN 888, 896).

Note: For general information when the tax year account must be transferred via Form 12810 per the guidelines above, see IRM 25.6.1.9.9.3, Correct Records on Expired Statute Periods. Also see bullet items below to expedite the processing and/or prevent delays of Form 12810.

Reminder: When the tax year account must be transferred via Form 12810, the tax year account must be in debit or zero balance. Accounting will reject any requests where the tax year account is showing or will show, once the Form 12810 transfer has been completed, a credit balance. Credit balances must be resolved prior to forwarding Form 12810, whether as a refund to the correct taxpayer, if allowable, or as a transfer to Excess Collections. Make sure the entity information for the IRSN account has posted and all freeze conditions are resolved prior to sending the Form 12810 to Accounting.

Reminder: If all other statute expiration dates have expired and there is no indication of activity or pending activity on the tax year account, do not move an incorrectly posted tax year if the Collection Statute Expiration Date (CSED) is expired or has less than 10 months remaining before it expires. No additional account moving action is required on these tax years.

(5) If the TC 150 return will be moved to an IRSN, has an expired ASED, and the valid taxpayer filed a return that needs to be processed, take the following actions:

- a. Move the TC 150 return to the IRSN using Form 12810.
- b. Monitor the accounts for posting of the moved return. Once posted, input a TC 560 on the Common Number account to update the ASED to 3 years from the received date of the valid taxpayer's original return.

Note: Input a TC 560 with a DLN-CD of 70 or 99 to prevent Unpostable Code 178-2. Use DLN-CD 70 when correcting the ASED to a later date than the posted ASED. Use DLN-CD 99 when correcting the ASED to an earlier date than the posted ASED.

Caution: If the valid taxpayer has filed two returns, and the second return is intended to be superseding, the ASED will be calculated

using the received date of the first return. The account will be adjusted to the correct figures on the second return, as allowable.

Example: For TY 2019, the timely filed TC 150 return is determined to be invalid and moved to an IRSN. The valid taxpayer files their original return (posted TC 976) on 6/1/2021 reporting income from 2 employers. The valid taxpayer files a second return (posted TC 976) on 7/15/2021 reporting income from 3 employers. This income is verifiable on CC IRPTR. The ASED will be set based on the valid taxpayer's original return on 06/01/2021. The account will be adjusted to the allowable figures on the TC 976 return dated 7/15/2021.

(6) See the following IRM sections for proper processing of Form 12810:

- Form 12810 must be processed within a six-day time frame per IRM 3.17.21.6(1), Master File Account Transfers-Out.

Reminder: Ensure you submit Form 12810 to the appropriate accounting function via EE-Fax or email.

- Any forms that need to be rejected by SP will be sent back to the originator using an electronic format, by email or EE-Fax. This will prevent unnecessary delays, per IRM 3.17.21.6.1(1), Processing Account Transfers to the Master File (IMF/BMF).
- The employee assigned to complete the transfer needs to open a control base, using category IRRQ, when it is determined that the transfer request will be processed, per IRM 3.17.21.6.1(8), Processing Account Transfers to the Master File (IMF/BMF).

(7) When Form 12810 has been submitted, open a monitor control with an activity that indicates the reason for follow up using category code "MISC", and close your case when the only remaining action for the common number ("from" side) is ensuring the account move posts.

Note: If the account move is not posted or pending after 12 weeks, follow local procedures to contact IDTVA P&A to follow up with the appropriate site's P&A.

25.23.4.9.2
(06-07-2024)

Statute Imminent Assessments for IDT Cases

- (1) This section provides instruction for protecting the account when the Assessment Statute Expiration Date (ASED) is imminent (within 180 days of expiration) for Common Number (CN) and Internal Revenue Service Number (IRSN) cases.
- (2) Refer to the table below for imminent assessments on the CN module:

Determination	ASED Expiration	Actions
(1) Invalid/Valid	91 - 180 days remain	1. The adjustment may be input following normal IDRS adjustment procedures.

Determination	ASED Expiration	Actions
(2) Invalid/Valid	90 days or less remain	<ol style="list-style-type: none"> 1. Refer to IRM 25.23.2.5, Statute Protection, and its subsections to protect the account. 2. Once the assessment is pending, complete all remaining actions to resolve the IDT issue.
(3) TC 150 SFR/Valid	91 - 180 days remain	<ol style="list-style-type: none"> 1. The adjustment may be input following normal IDRS adjustment procedures.
(4) TC 150 SFR/Valid	90 days or less remain	<ol style="list-style-type: none"> 1. Refer to IRM 25.23.2.5, Statute Protection, and its subsections to protect the account. 2. Once the assessment is pending, complete all remaining actions to resolve the IDT issue.
(5) MFT 32 in Error	Regardless of ASED	<ol style="list-style-type: none"> 1. Follow procedures in paragraph (3) of IRM 25.23.4.15, MFT 32 Cases - Moved in Error, to determine the appropriate actions to take.

Determination	ASED Expiration	Actions
(6) No IDT (with additional actions required)	Regardless of ASED	1. Follow applicable statute procedures for the program type (i.e., DUPF, XRET, MXEN, etc.). See IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations, for additional information.

(3) Refer to the table below for imminent assessments on the IRSN module:

Determination	ASED Expiration	Actions
(1) Invalid return must be moved to an IRSN	180 days or more	1. Reprocess the return.
(2) Invalid return must be moved to an IRSN	Less than 180 days	1. Refer to IRM 25.23.2.5, Statute Protection, and its subsections to protect the account. 2. Once the assessment is pending, complete all remaining actions to resolve the IDT issue.

25.23.4.9.3
(03-16-2023)

Addressing Barred Assessments on Identity Theft (IDT) Cases

- (1) This section provides information on the identification of a barred assessment and initial case actions to be taken **prior** to adjusting the account when there is IDT involvement.
- (2) A “barred assessment” occurs when a legal tax assessment is not made within the prescribed period for assessment. The prescribed period for assessment can be identified by calculating the Assessment Statute Expiration Date (ASED) as three years from the IRS received date of the return in question. The ASED of each return on the module must be considered separately. A barred assessment is **not** determined by a refund or balance due, but the inability to assess tax prior to the expiration of the ASED for the return being considered.

Complete thorough research to ensure there is no alternative means of assessing the tax (e.g., extension to file, extended ASED, Form 12810) before determining the assessment is barred. Refer to IRM 25.6.1.13.2.4, Identifying Barred Statute Cases, for examples of “barred assessments” and tolerance amounts.

- (3) Compare the total tax currently on the module to the amount of tax reported on the return being considered. If the total tax currently on the module is more than the tax reported on the return being considered, the assessment is not barred. Refer to the following options:
 - a. Invalid/Valid Nullity Case - When the ASED for the valid return has not expired, there is no barred assessment. Follow normal streamline procedures. See IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases.
 - b. Invalid/Valid Nullity Case - When the ASED for the valid return has expired, following normal streamline procedures will create a barred assessment if the valid return reports an amount of tax greater than zero. Continue with barred statute procedures.
 - c. Invalid/Valid IRSN Case - When the ASED for the valid return has not expired and the ASED for the invalid return reporting verifiable income has expired, there is no barred assessment. Follow procedures in IRM 25.23.4.9.1, Determining When Specific Year Account Information Must Be Moved, to address the invalid return.
 - d. Invalid/Valid IRSN Case - When the ASEDs for both returns have expired, the tax on the valid return cannot be assessed. Follow procedures in IRM 25.23.4.9.1, Determining When Specific Year Account Information Must Be Moved, to address the invalid return. Continue with barred statute procedures to process the valid return.
 - e. One Return IRSN Case - When the ASED has expired and the tax module has not been abated, follow procedures in IRM 25.23.4.9.1, Determining When Specific Year Account Information Must Be Moved, to address the invalid return. If the tax has been abated, this is a barred assessment due to the erroneous abatement. Continue with barred statute procedures.
- (4) The following procedures should only be used for cases identified as a barred assessment or erroneous abatement. For detailed case examples, see the IDTVA Barred Checklist Referral job aid on the *IDTVA Hub*. Before proceeding, perform the following actions:
 1. Scan or attach the valid return to the CII case if the return is not in the images of that case or a linked case. If in a linked case, input a CII case note identifying which case includes the valid return.
 2. Utilize the IDTVA Barred Checklist Referral located on the *IDTVA Hub* under “Statute” to assist in verifying all appropriate actions have been taken.
 3. Print and retain a copy of any forms and/or worksheets (e.g., Form 1040, Form 5792, Form 8765, Form 12356, penalty calculator, or COMPA) used in the account adjustment(s). The documents will be included with the packet routed to statute.

Reminder: Attach any forms and/or worksheets used to the CII case.

- (5) Use the chart below to identify applicable initial case actions:

If	And	Then
(1) The posted TC 150 return meets streamline criteria	The valid return has posted as TC 976.	<ul style="list-style-type: none"> • Update the ASED even though valid return ASED has expired. • Continue to paragraph (6).
(2) The posted TC 150 return meets streamline criteria	<p>The valid return has not posted as TC 976 (e.g., TC 977, TPRQ, paper return, transcript, TC 599 AC 089).</p> <p>Note: TC 599 CC 089 determines ASED.</p>	<ul style="list-style-type: none"> • Update the ASED even though valid return ASED has expired. • Follow procedures in IRM 25.23.4.6.5.2, Unprocessed Documents, to post the valid return as a TC 976. • Continue to paragraph (6).
(3) The posted TC 150 return meets streamline criteria and there is a good address for the valid taxpayer	<p>There is a TC 610 payment without an extension to file,</p> <p>OR</p> <p>Rejected returns on CC match the invalid return meeting streamline criteria,</p> <p>AND/OR</p> <p>A valid return has not been received.</p> <p>Note: The TC 610 payment determines the ASED. If multiple TC 610 payments are present, the last one determines the ASED.</p>	<ul style="list-style-type: none"> • Follow procedures in IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written), to request the valid taxpayer's return. • Once the return is received, follow procedures in IRM 25.23.4.6.5.2, Unprocessed Documents, to post the TC 976. Use the TC 610 payment date as return received date.

If	And	Then
<p>(4) The posted TC 150 return meets streamline criteria and there is no good address or response received from the valid TP</p> <p>AND</p> <p>The TC 610 payment is equal to the amount that is barred,</p>	<p>There is a TC 610 payment without an extension to file,</p> <p>OR</p> <p>Rejected returns on CC TRDBV match the invalid return meeting streamline criteria,</p> <p>AND/OR</p> <p>A valid return has not been received.</p> <p>Note: The TC 610 payment determines the ASED. If multiple TC 610 payments are present, the last one determines the ASED.</p>	<p>Continue to paragraph (6).</p>
<p>(5) The posted TC 150 return meets streamline criteria and there is a good address for the valid taxpayer</p>	<p>There is a TC 610 payment with an extension to file,</p> <p>OR</p> <p>Rejected returns on CC TRDBV do not match the invalid return meeting streamline criteria,</p> <p>A valid return has not been received.</p>	<ul style="list-style-type: none"> Follow procedures in IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written), to request the valid taxpayer's return.
<p>(6) The posted TC 150 return meets streamline criteria and the valid return is received without a statement the taxpayer had previously filed</p>	<p>There is a TC 610 payment with an extension to file,</p> <p>OR</p> <p>Rejected returns on CC TRDBV do not match the invalid return meeting streamline criteria</p> <p>AND/OR</p> <p>A valid return has not been received.</p>	<ul style="list-style-type: none"> Change the TC 610 payment to a TC 670 payment using the same transaction date and a TC 570. Follow IRM 25.23.4.6.5.2, Unprocessed Documents, if applicable. use the return received date to determine if the valid ASED is open or expired. If the ASED is open, there is no barred assessment. If the ASED is expired, continue to paragraph (6).

If	And	Then
(7) The posted TC 150 return meets streamline criteria and the valid return is received with a statement the taxpayer has previously filed	<p>There is a TC 610 payment with an extension to file,</p> <p>OR</p> <p>Rejected return(s) on CC TRDBV do not match the invalid return meeting streamline criteria</p> <p>AND/OR</p> <p>A valid return has not been received.</p>	<ul style="list-style-type: none"> Do not change the TC 610 payment to a TC 670 payment. Continue to paragraph (6).
(8) The posted TC 150 return meets streamline criteria and there is no good address for the valid taxpayer or response received	<p>There is a TC 610 payment with an extension to file,</p> <p>OR</p> <p>Rejected return(s) on CC TRDBV do not match the invalid return meeting streamline criteria</p> <p>AND/OR</p> <p>A valid return has not been received.</p>	<ul style="list-style-type: none"> Change the TC 610 payment to a TC 670 payment using the same transaction date and a TC 570. Follow applicable procedures in IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases, to resolve the identity theft issue. There is no barred assessment to consider.
(9) The posted TC 150 return meets streamline criteria, the TC 976 return was filed by the valid taxpayer, and the module does not reflect the valid return figures, as allowable	<p>The adjustment input went un-postable,</p> <p>OR</p> <p>The account was backed out in error,</p> <p>OR</p> <p>The adjustment input was incorrect (i.e., incorrect amount of tax, credits, etc.).</p>	<ul style="list-style-type: none"> Do not refer the case back to the person who previously worked the case. Update the ASSED even though valid return ASSED has expired. Continue to paragraph (6).

If	And	Then
<p>(10) There is no TC 150 posted,</p> <p>AND</p> <p>An MFT 32 module is present,</p> <p>AND/OR</p> <p>A GUF Voided/Deleted return meeting streamline criteria is present</p>	<p>MFT 32 or GUF Voided/Deleted return (different DLN) is valid</p> <p>OR</p> <p>The valid return reprocessed to a different TIN or tax period (e.g., invalid side of TIN, mixed entity, or mixed period).</p>	<p>If the valid return ASED <u>has</u> expired:</p> <ul style="list-style-type: none"> Prepare a dummy return with zero tax liability complete with entity and exemption information. Send to SP for processing. <p>Note: Form 1040 must be used when processing a dummy return. Forms 1040-A and 1040-EZ will unpost.</p> <ul style="list-style-type: none"> Edit the return in red: <ul style="list-style-type: none"> Across the top of Form 1040 write "Dummy return prepared by IDTVA to post TC 150 for \$.00" and "Use long entity" (or similar). Below the entity section write "Do NOT "G" Code" (or similar). Use original return received date. Suspend the case until the TC 150 has posted. Continue to paragraph (6). <p>If the valid return ASED <u>has not</u> expired:</p> <ul style="list-style-type: none"> There is no barred assessment. Follow procedures in , Moving Specific Year Account Information, to determine the appropriate actions to move the valid return to the correct TIN/module as a TC 150.
<p>(11) The posted TC 150 return is valid, and the module reflects RIVO indicators</p>	<p>RIVO backed out the valid return with or without IDT involvement,</p>	<ul style="list-style-type: none"> Refer to IRM 25.23.4.8.2.1, Identity Theft (IDT) with RIVO Involvement, for account actions.

- (6) When the valid taxpayer's return is reporting a balance due, determine the amount of penalty and/or interest that cannot be assessed. This applies whether the return was timely filed or late, regardless of whether the balance was paid in full, partially paid, or remains unpaid. The amount of the barred assessment includes penalties and interest when determining the total amount lost to the IRS. Applicable penalties including Estimated Tax (ES) penalty, Failure to File (FTF) penalty, and Failure to Pay (FTP) penalty as well as interest are calculated to the ASED of the return being considered when determining the total amount of the barred assessment.

25.23 Identity Protection and Victim Assistance

Caution: The (IRN) 871 procedures **will not** be followed when the ASED has expired.

- FTF assessed for a maximum of 5 months
- FTP calculated from the return due date to the ASED
- Interest calculated on the unpaid balance, plus applicable penalties, to the ASED

Refer to IRM 20.1.2, Failure To File/Failure To Pay Penalties, IRM 20.1.3, Estimated Tax Penalties, and IRM 20.2.5, Interest on Underpayments, for additional information.

Example: A 2012 valid return was received 09262013 with a balance due. No extension or history of an extension was present, and no payments were made on the account. Penalties should be calculated as follows:

- FTF assessed for 5 months (maximum)
- FTP calculated from 04152013 to 09262016
- Interest computed for the balance, plus applicable penalties to 09262016

- (7) After all initial case actions have been taken, continue to IRM 25.23.4.9.3.1, Adjusting Accounts with Barred Assessments, for adjustment and closing actions.

Note: Employees resolving a barred assessment with compliance involvement will refer to IRM 25.23.4.9.3.2, Resolving a Barred Assessment with Compliance Issues (IDTVA Specialty Functions Only).

25.23.4.9.3.1
(03-11-2024)

Adjusting Accounts with Barred Assessments

- (1) All required actions from previous IRM guidance must be taken before adjusting the account.

Reminder: Identity theft case actions and coding still apply when resolving a barred assessment account (e.g., RC 139, offsets, IDT indicators, secondary taxpayer, etc.).

- (2) When the valid taxpayer files a return, the account must be adjusted to reflect the return information, as allowable. Follow procedures below when inputting the adjustment to the valid return figures. **DO NOT** back out the account. The current tax amount must remain on the account to protect that portion of the otherwise barred tax and will be accounted for when figuring the adjustment.
- a. Math verify the valid return. Follow procedures in IRM 21.5.4, General Math Error Procedures, to identify math errors and determine if the adjustment will require initial math error actions.
 - b. If the return does not meet math error criteria but reflects information that is not allowable based on law or regulation, follow procedures in IRM 21.5.3.4.6, No Consideration and Disallowance of Claims and Amended Returns, to determine if the corrective action requires disallowance, partial disallowance, or no consideration actions.
 - c. Recompute tax and/or credits, if necessary.
 - d. Determine the amount of tax that cannot be assessed.
 - e. Input the adjustment to the return figures, as allowable. Include appropriate Item Reference Numbers (IRN) and Credit Reference Numbers (CRN) to reflect the correct amount of dependents/exemptions, adjusted

gross income (AGI), taxable income (TXI), self-employment tax (SE tax), Earned Income Tax Credit (EITC), Additional Child Tax Credit (ACTC), etc. Use HC 4. Include the appropriate Blocking Series (BS) if setting a math error or partially disallowing the claim. If fully disallowing the claim, input a separate TC 290.00 with the appropriate blocking series.

Caution: If the invalid return(s) and subsequent adjustments to the module result in a total tax of more than .00 on the module, refer to paragraphs (3)-(4) below before adjusting the account.

- f. If the valid return is reporting a balance due and was not fully paid by the Return Due Date (RDD), IRN 871, PC 2 procedures cannot be used. As the ASER is expired, in this case you cannot assess any penalties with any amounts other than .00 (e.g., TC 160 .00, TC 270 .00, TC 170 .00, etc.).
- g. If following math error procedures, no consideration procedures, or disallowing in full or part, issue the appropriate letter to provide an explanation of the changes made. Include appeal rights, when applicable.
- h. Follow normal statute procedures for determining if payments are refundable. See IRM 25.6.1.5, Basic Guide for Processing Cases with Statute of Limitations Issues, for more information.
- i. When the valid return is reporting a refund that is allowable and tax cannot be assessed due to the ASER expiration, the result of the adjustment input will be a credit on the module that is more than what the taxpayer is entitled to receive. Issue a manual refund for the amount of the allowable refund, plus applicable credit interest, when applicable.
- j. Use Form 8758 to apply the credit remaining on the account to the Excess Collection File. The amount of refundable credits applied should equal the amount of tax that was barred from assessment.

Note: Refer to IRM 25.6.1.7.3.1, Transferring Credit to XSF, for additional guidance. Refer to IRM 21.5.6.4.8, -D Freeze, for guidance on how to resolve -D freeze accounts.

- (3) Procedures have been established to allow for tax posted to a module from an invalid return to be used to prevent or reduce the amount of a barred assessment under IRC 6201(a)(1).
- (4) When the valid taxpayer's return is reporting tax in an amount that is more than zero and the ASER for the valid return has expired, follow the procedures below to protect the assessment, when possible.
 - a. When the total tax on the module is **less** than the amount of tax reported on the valid return, do not input an adjustment to back out the account. Adjust the account to the figures on the valid return, as allowable. This results in a barred assessment that is less than it would be if the account was fully backed out first. See Example 1: **Barred Assessment**.

Example: #1 The TC 150 return for TY 2012 is determined to meet streamline criteria. The valid taxpayer filed a refund return reporting tax of \$5,000 and withholding of \$7,500. The ASER for the valid return is expired. Based on the original return, the account shows TC 150 tax of \$3,000, and withholding of \$5,000. The valid taxpayer files their original return that posts as a TC 976. The return is not processed prior to the expiration of the ASER. The tax on the account is less than the amount of

25.23 Identity Protection and Victim Assistance

tax reported on the valid taxpayer's return. The result is a barred assessment for the amount that cannot be assessed "\$2,000".

- b. When the total tax on the module is **more** than the amount of tax reported on the valid return, do not input an adjustment to back out the account. Adjust the account to the figures on the valid return, as allowable. This will prevent a barred assessment. See Example 2: **Not a Barred Assessment**.

Example: #2 The TC 150 return for TY 2013 is determined to meet streamline criteria. The valid taxpayer filed a refund return reporting tax of \$1,000 and withholding of \$1,500. The ASED for the valid return is expired. Based on the original return, the account shows TC 150 tax of \$2,000, and withholding of \$3,500. The valid taxpayer files their original return that posts as a TC 976. The return is not processed prior to the expiration of the ASED.

The tax on the account is more than the amount of tax reported on the valid taxpayer's return. The account can be adjusted to the valid return figures to prevent a barred assessment.

- (5) Follow IRM 25.23.4.6.3, IDTVA Research, Verification, and Requests, for remaining identity theft actions.
- (6) After adjusting the account and resolving the identity theft issue, the barred assessment will be referred to your local statute unit per IRM 25.23.2.5.4, Barred Statutes, using the following guidelines.
 - a. Open a monitoring control base per IRM 25.23.4.3.1, CII and IDRS Case Controls, until all adjustments have posted to ensure the IDT issue has been fully resolved. **Do not** keep the CII case open if the **only** remaining action is monitoring adjustments.
 - b. Attach a completed copy of the IDTVA Barred Checklist Referral to Statute to the CII case.
 - c. Prepare the packet for referral to statutes and complete the following actions:
 - 1. Print the valid return, CII case with all notes, penalty and interest computations, TXMODA (including case status history), forms used in case actions (e.g., 5792, 12356), and IDTVA Barred Checklist Referral to Statute.
 - 2. Prepare Form 3210, Document Transmittal, to route the entire package to your local statute unit. Include in the remarks section "ID Theft Barred Assessment amount \$XX.XX" and "ID Theft issue reported" IRM 25.6.1.13.2.1, Barred Statute Report (Form 9355/3999).
 - 3. Leave a CII case note with the same remarks as the Form 3210, route package to your local statutes unit, and close the CII case if all issues have been addressed.

25.23.4.9.3.2

(03-16-2023)

Resolving a Barred Assessment with Compliance Issues (IDTVA Specialty Functions Only)

- (1) This section of the IRM is for employees resolving a barred assessment on an identity theft case with compliance involvement (**IDTVA Specialty Functions Only**). Refer to the instructions in IRM 25.23.4.9.3, Addressing Barred Assessments on Identity Theft (IDT) Cases, and IRM 25.23.4.9.3.1, Adjusting Accounts with Barred Assessments, in addition to the instructions within this IRM section.
- (2) Procedures have been established to allow for tax posted to a module from a tax return meeting streamline criteria and/or additional valid assessments to be used to prevent or reduce the amount of a barred assessment.
- (3) A statutory notice of deficiency may have been issued to assess and collect income tax, estate tax, gift tax, and certain excise and employment tax deficiencies, per IRM 25.6.1.9.6.2, Statutory Notice of Deficiency (90 Day Letter). The determination whether a Compliance assessment can be used to protect the account from containing a barred assessment depends upon the issuance of the notice of deficiency. Use the table below to determine if tax from a compliance assessment can be used to protect the account from being considered barred.

If	And	Then
(1) Notice of Deficiency was issued	<ul style="list-style-type: none"> Was sent to the valid taxpayer's address of record at the time of issuance, and Meets all required criteria for notice of deficiency (e.g., tax and penalty calculations, waiver, and taxpayer rights) 	<ul style="list-style-type: none"> The valid Compliance assessment can be used to protect the account from being considered barred. Continue to paragraph (4).
(2) Notice of Deficiency was issued	<ul style="list-style-type: none"> Was sent to an address other than the valid taxpayer's address of record at the time of issuance, or Does not meet all required criteria for notice of deficiency (e.g., tax and penalty calculations, waiver, and taxpayer rights) 	<ul style="list-style-type: none"> The invalid Compliance assessment cannot be used to protect the account from being considered barred and must be abated. Continue to paragraph (4).

- (4) Once you have determined if the Compliance assessment is valid or invalid, follow the table below to decide if there is a barred assessment and what actions to take.

Note: Total tax equals the tax assessed from the original TC 150 return plus any additional TC 290/300 assessments minus any additional TC 291/301 abatements.

Caution: To protect the account from being barred, **DO NOT** back out the account, if the taxpayer's valid return reports a tax amount and there is tax on the current account module. The current tax amount must remain on the

25.23 Identity Protection and Victim Assistance

account to protect that portion of the otherwise barred tax and will be accounted for when figuring the adjustment.

If	And	Then
(1) The Compliance assessment is valid and there is no barred assessment ,	The total tax on the module is greater than or equal to the tax on the taxpayer's valid return,	Adjust the account to the figures on the valid return, as allowable, following your functional IRM guidance for IDTVA cases involving Compliance issues. See IRM 25.23.10, Compliance Identity Theft Case Processing. See Example 2 below.
(2) The Compliance assessment is valid and there is a barred assessment ,	The total tax on the module is less than the tax on the taxpayer's valid return,	<ul style="list-style-type: none"> Adjust the account to the figures on the valid return, as allowable, following IRM 25.23.4.9.3.1, Adjusting Accounts with Barred Assessments. The barred tax is the total amount that cannot be assessed (difference between the tax on the taxpayer's valid return and the total tax on the account).
(3) The Compliance assessment is invalid and there is no barred assessment ,	The total tax on the module, not including the Compliance assessment, is greater than or equal to the tax on the taxpayer's valid return,	Adjust the account to the figures on the valid return, as allowable. See Example 1 below.
(4) The Compliance assessment is invalid and there is a barred assessment ,	The total tax on the module, not including the Compliance assessment, is less than the tax on the taxpayer's valid return,	<ul style="list-style-type: none"> Adjust the account to the figures on the valid return, as allowable, following IRM 25.23.4.9.3.1, Adjusting Accounts with Barred Assessments. The barred tax is the total amount that cannot be assessed (difference between the tax on the taxpayer's valid return and the total tax on the tax account). <p>See Example 3 below.</p>

(5) See the IDTVA Barred Checklist Referral job aid on the *IDTVA HUB*.

Example: # 1 - Not a Barred Assessment (Invalid Compliance Assessment)

The TC 150 return for TY 2016 is determined to be a nullity. The valid taxpayer filed a return reporting tax of \$2,000 and withholding of \$3,000. The ASER for the valid return is expired. Based on the original (invalid) return, the account shows TC 150 tax of \$5,000, withholding of \$7,000,

and AOTC of \$2,000. A refund of \$4,000 was issued to the invalid taxpayer by direct deposit. A CP 2000 was issued to an address other than the valid taxpayer's last known address proposing a tax increase of \$8,000, an increase to withholding of \$1,500, and removal of AOTC. No response was received, and a default assessment posted. The taxpayer files Form 14039 stating the refund from the current year return was applied to a balance owed for TY 2016. The taxpayer reports someone else is earning income under their SSN and states they mailed their return in January 2018. Research confirms the taxpayer is a victim of income and refund related identity theft.

The tax assessed based on the CP 2000 cannot be considered when determining if there is a barred assessment. Because of the TC 150 tax of \$5,000 is more than the tax of \$2,000 reported by the valid taxpayer, the account will be adjusted to the valid taxpayer's return figures, preventing a barred assessment.

Example: # 2 - Not a Barred Assessment (Valid Compliance Assessment)

The TC 150 return for TY 2018 is determined to be a nullity. The valid taxpayer filed a return reporting tax of \$8,000 and withholding of \$2,000 which posted as a TC 976. The ASER for the valid return is expired. Based on the original (invalid) return, the account shows TC 150 tax of \$1,000, ACTC of 3,000, and EIC of \$5,000. Exam is holding the refund pending verification of relationship and residence for the dependents listed. A statutory notice is issued to the valid taxpayer's address. No response was received, and the account is adjusted to remove the dependents and related credits. The result is an increase in tax of \$10,000. The case with the TC 976 return is routed to Exam as audit reconsideration. After contact with taxpayer, the taxpayer files Form 14039 to report someone else filed the first return received for TY 2018. The case is referred to IDTVA.

The tax assessed based on the Exam audit can be considered when determining if there is a barred assessment, because the notice of deficiency was issued to the valid taxpayer's last known address. The TC 150 amount plus the TC 300 amount totaling \$11,000 is more than the amount of tax reported on the valid taxpayer's return. The account will be adjusted to the valid taxpayer's return figures, preventing a barred assessment.

Example: # 3 - Partially Barred Assessment - (Invalid Compliance Assessment)

The TC 150 return for TY 2017 is determined to be a nullity. The valid taxpayer filed a return reporting self-employment income, total tax of \$6,000, estimated tax payments of \$4,000, and a balance due of \$2,000 which posted as a TC 976. The ASER for the valid return is expired. Based on the original return, the account shows TC 150 tax of \$3,000, and withholding of \$5,000. A CP 2000 proposing a tax increase of \$9,500 based on non-employee compensation is issued to an address other than the valid taxpayer's last known address. No response was received, and the assessment was made. The case with the TC 976 return is routed to AUR for audit reconsideration. After contact with the taxpayer, the taxpayer files Form 14039 to report someone else filed the first return received for TY 2017. The case is referred to IDTVA.

The tax assessed based on the CP 2000 cannot be considered when determining if there is a barred assessment, because the notice of defi-

ciency was issued to an address other than the valid taxpayer's last known address. The TC 150 amount is less than the amount reported on the valid taxpayer's return. The modules are adjusted to the taxpayer's return figures. This results in a barred assessment of \$3,000 plus applicable penalties and interest.

Example: # 4 - Erroneous Abatement

The timely filed TC 150 return for TY 2018 is determined to be a nullity. The valid taxpayer filed a return reporting tax of \$.00 and withholding of \$2,500 which posted as a TC 976. Form 14039 is included with the return. The ASED for the valid return is expired. Based on the original return, the account shows TC 150 tax of \$5,000, and withholding of \$6,000. A CP 2000 proposing a tax increase of \$2,000 based on unreported income is issued to the valid taxpayer's last known address. No response was received, and the assessment was made. An adjustment to the valid return figures is input. After being selected for quality review, it is determined the nullity procedures followed were incorrect. The case does not meet streamline criteria.

The ASED for the TC 150 return is expired, and the tax originally assessed was abated in error. The invalid return cannot be processed to an IRSN due to the expired ASED creating a barred assessment due to erroneous abatement.

25.23.4.10
(03-11-2024)

**Resolving Identity Theft
(IDT) Cases**

- (1) Review the following subsection titles to identify your case scenario. Follow the guidance to resolve your case.
 - Invalid Return/Valid Return - No Lost Refund
 - Invalid Return/Valid Return - Lost Refund
 - Valid Return/Invalid Return
 - Two or More Invalid Returns (No Valid Return) - No Lost Refund
 - Two or More Invalid Returns (No Valid Return) - Lost Refund
 - One Invalid Return - No Lost Refund
 - One Invalid Return - Lost Refund
 - Identity Theft (IDT) Cases/Transcripts with RIVO and/or TPP Involvement - Resolution Tables
 - IRSN Required for Identity Theft (IDT) Return
 - Income Related Identity Theft (IDT)
 - Identity Theft (IDT) with Offsets
 - Identity Theft (IDT) and Restitution
 - Amended Returns and Identity Theft (IDT)
 - Identity Theft (IDT) - Previous Action
- (2) When updating the ASED based on the valid taxpayer's return, consider the following:
 - Input a TC 560 with DLN CD of 70 or 99 to prevent Unpostable Code 178-2. Use DLN CD 70 when correcting the ASED to a later date than the posted ASED. Use DLN CD 99 when correcting the ASED to an earlier date than the posted ASED.
 - If the valid taxpayer has filed two returns, and the second return is intended to be superseding, the ASED will be calculated using the received date of the first return. The account will be adjusted to the correct figures on the second return, as allowable.

- (3) If the victim is a secondary filer on a joint return:
- Input TC 594 CC 084 on the secondary TIN to cross reference the primary TIN if one has not systemically generated already.
 - Reverse the TC 971 AC 522, if one is present, with MISC Code "OTHER" on the primary TIN/joint account only when the primary taxpayer wasn't a victim.
- (4) When all of the following conditions are met, the identity theft issue does not affect tax administration. The case will be closed with a TC 971 AC 504 upon completion of any actions necessary to resolve the case:
- The only invalid return(s) on the module are rejected attempts to file (no invalid returns accepted)
 - Form 14039 was received
- Exception:** If the account meets these criteria and the taxpayer is a victim of income related identity theft, see IRM 25.23.13, Income Related Identity Theft, for applicable procedures.
- (5) Determine whether the account will be in a balance due status after adjustment action posts. If TC 470 CC 90 was input, TC 472 must also be input when the valid taxpayer will have a balance owed. Take action to resume collection activity when appropriate. Refer to IRM 25.23.4.12.3, Collection Activity - Resume Collection Actions, for guidance.
- (6) If an invalid return includes dependents, you may IRS identify the IDT issue for each dependent a claim has not been received for. Refer to IRM 25.23.4.8.4, Dependent Related Identity Theft (IDT) - General, for additional information.

25.23.4.10.1
(10-01-2023)

**Invalid Return/Valid
Return - No Lost Refund**

- (1) The following procedures must be used when the IDT return posted first and the refund was NOT lost:
- Reminder:** If the invalid return includes dependents, dependent related identity theft must be considered. Refer to IRM 25.23.4.8.4, Dependent Related Identity Theft (IDT) - General, for additional information.

- When resolving cases for the current or two immediately preceding tax years, input TC 971 AC 850 when the IDT return requested a Direct Deposit.
- Adjust the account to reflect the valid return figures, as allowable. Input the adjustment as NSD using Blocking Series 00 (to indicate the adjustment is from the original return) and Reason Code 139 (to indicate the identity theft issue). Include PD 2 if inputting an address update or the invalid return requested a direct deposit and the refund was not issued. Notate in remarks "Identity Theft" or similar remarks.

Reminder: If setting a math error or disallowing a claim, use the appropriate Blocking Series. See IRM 21.5.2.4.22, Blocking Series (BS).

Note: It may be necessary to use a different post delay depending on the facts and circumstances of the case. For example, if transferring a credit into the module the adjustment will be input on, PD 3 should be used.

25.23 Identity Protection and Victim Assistance

- c. If the valid return was received after the return due date, refer to IRM 20.2.4.6 , Unprocessable Returns, and IRM 20.2.4.6.1 , Updating the RPD on Unprocessable Returns, for additional guidance. For the purpose of updating the RPD, this IRM section will be used for official guidance.
 - d. If the valid return has a balance due and FTP is required, refer IRM 20.1.2.2.6.3, Wrong Return Posted First, for additional guidance.
 - e. If an EITC recertification indicator was placed on account because of an IDT return, reverse the indicator. Refer to IRM 4.19.14.7 (6), Recertification, for additional guidance.
 - f. Use Priority Code 1 if the return requires DIF scoring.
 - g. Use the appropriate HC to prevent issuing erroneous notices and/or an erroneous refund. You must use HC 4 when a manual refund is required or for any other condition that requires the credit to be held (e.g., a missing signature on the valid return). See paragraph (4) of IRM 25.23.4.6.5.3, Missing Information, for additional guidance.
 - h. See (2) below for ACA consideration if adjusting the 2014 tax year or later.
 - i. Address any incorrect Combat Zone changes made to the account if the valid taxpayer was in a Combat Zone. Combat Zone (CZ) accounts are identified by a -C freeze and indicate a taxpayer who is or was serving in a designated combat zone area. The -C freeze stays on the account even after the taxpayer is no longer in the CZ. When working an account that contains a -C freeze, additional research is required to determine the taxpayer's CZ status.
1. Research CC IMFOLE for the Combat indicator on Line 11, to determine the correct action to take.
 2. If Combat indicator is "1," then the taxpayer is still serving in a combat zone. Any compliance activity such as assessing or collecting tax is prohibited. However, if the taxpayer has other issues or requests information, you may work these other issues and contact the taxpayer, if needed.
 3. If Combat indicator is "2," then the taxpayer is no longer a combat zone participant. Follow normal procedures to work the case.
- j. If the IDT year is 2008 and First Time Home Buyer Credit (FTHBC) was received from the TC 150, see IRM 21.6.4.4.17.4, Manually Adjusting the Recapture Amount.
 - k. Adjust the Assessment Statute Expiration Date (ASED), if necessary. Notate on CII "DUP (DLN) (last 6 digits of the DLN xxxxx-x) becomes the original" or similar remarks.
 - l. Correct the entity module to reflect the SSN owner's address using information available on CII, AMS, and IDRS to determine the most appropriate address.
 - m. See the IDT closing letter chart in Exhibit 25.23.4-10, IDT Closing Letter Decision Chart, to determine which closing letter to send.
 - n. Input the appropriate IDT Tracking Indicator Code, TC 971 AC 501 or TC 971 AC 506, on the entity module of the CN with the appropriate Posting Delay Code. The **TRANS-DT** will automatically populate with the input date. Enter the tax year at issue in the **SECONDARY-DT** field as MMDDYYYY where YYYY reflects the tax year in question. This date must not be later than the current date.

Caution: If ENMOD already reflects a TC 971 AC 501 with Tax Administration Source Code: INCOME, INCMUL, MULTFL, NOFR or

OTHER for the same tax year, indicating taxpayer documents were filed, do **NOT** input a second code.

- o. If the valid return indicates election was made for the Presidential Election Campaign Fund (PECF) and the IDT return did not, then prepare a dummy Form 1040X. Refer to procedures in IRM 21.6.7.4.12, Presidential Election Campaign Fund (PECF).
 - p. Forward the return to Examination for DIF scoring if it meets any of the criteria in IRM 21.5.2.4.23.6, Discriminant Index Function (DIF) SCORE or CLASSIFICATION "Send Return(s) to Examination for Review". **DO NOT refer Forms 1040EZ.**
 - q. If the IDT Return does not meet criteria for treatment as a nullity, see IRM 25.23.4.10.9, IRSN Required for Identity Theft (IDT) Return, for guidance on additional actions required.
 - r. If the IDT Return can be nullified, then refer to Exhibit 25.23.4-21, Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing, to ensure all actions have been taken, as applicable.
- (2) For 2014 and later returns, correct the account to reflect provisions of the Affordable Care Act (ACA).
- a. Compute the Premium Tax Credit (PTC) and all related data elements. See IRM 21.6.3.4.2.12.4, Tools for Accessing ACA-Related Taxpayer Data, and IRM 21.6.3.4.2.12.7, Adjusting the Account.
 - b. Determine the taxpayer's liability for the Shared Responsibility Payment (SRP). See IRM 21.6.4.4.20.3, Shared Responsibility Payment Overview.
 - c. Before finalizing your case, also refer to Exhibit 25.23.4-21, Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing, to ensure all actions have been taken, as applicable.
- (3) If the valid taxpayer is due a refund, the refund should be systemically released unless an exception applies. See IRM 21.4.4.3 (3), Why Would a Manual Refund Be Needed?, for situations that may still require a manual refund. When it is necessary to issue a manual refund, HC 4 must be used. Refer to IRM 21.4.4.2, What is a Manual Refund?, and IRM 21.4.4.5, Preparation of Manual Refund Forms, for additional guidance on issuing a manual refund.

Note: If a manual refund is required and the return meets criteria for DIF scoring, the manual refund should be issued before the return has been DIF Scored.

Exception: If the SSN owner (or the spouse of the SSN owner) filed a Form 8379, Injured Spouse Allocation, and your site does not work injured spouse cases do not attempt to issue a refund. Instead follow the instructions in (4) below.

- (4) If TC 470 CC 90 was input, TC 472 must also be input when the valid taxpayer will have a balance owed.
- (5) If the SSN owner (or the spouse of the SSN owner) filed an injured spouse claim, correct the account to reflect the valid return data and then refer the Debtor Master File Case (DMFC) to the specialty group to process the injured spouse claim:

25.23 Identity Protection and Victim Assistance

- a. Follow all instructions in (1), (2) and (3) above except use HC 4 on the adjustment and/or use TC 570 on credit transfers to hold the overpayment.
- b. After inputting all account actions, close the CII case.
- c. Open a new CII case with Category Code "DMFC". Assign the case to IDRS number located on the *Accounts Management Site Specialization Temporary Holding Numbers* listing located on SERP. For the required fields, input the Doc Type as "Injured Spouse Claim", use Program and Function Code "ADJ-710-97140," "Priority 2" and reason "Form 8379 attached".

Reminder: If your site works both IDT case work and injured spouse case work, do not reassign the case. The case should be retained and worked within your site.

- d. Link the new CII case to the closed CII case.

25.23.4.10.2
(03-09-2021)

Invalid Return/Valid Return - Lost Refund

- (1) Follow the guidance in IRM 25.23.4.10.1, Invalid Return/Valid Return - No Lost Refund, to adjust the account to reflect the valid return data.
- (2) If a refund was issued on the CN to the filer of the TC 150 return, it must be moved to the 150 taxpayer's IRSN if that return cannot be nullified. See IRM 21.5.2.4.23.10, Moving Refunds, for moving refund procedures.
- (3) If a refund was issued on the CN to the filer of the TC 150 return and that return can be nullified, offset the lost refund (associated with the IDT return) to GL 1545. Refer to IRM 25.25.4.7, Reversing Identity Theft Lost Refunds, for additional guidance.

25.23.4.10.3
(12-20-2022)

Valid Return/Invalid Return

- (1) The following procedures must be used when the valid return posted first and the account **has not** been adjusted to the invalid return figures:

Reminder: If the invalid return includes dependents, dependent related identity theft must be considered. Refer to IRM 25.23.4.8.4, Dependent Related Identity Theft (IDT) - General, for additional information.

- a. Input TC 290 .00 with Blocking Series 05 and Reason Code 139 to release the -A freeze. No source document is needed as the valid return has already been processed. Notate in remarks "Identity Theft" or similar remarks.
- b. If TC 470 CC 90 was input, TC 472 must also be input when the valid taxpayer will have a balance owed.
- c. Update the entity for the SSN owner if the original information has changed.
- d. See the IDT closing letter chart in Exhibit 25.23.4-10, IDT Closing Letter Decision Chart, to determine which closing letter to send.
- e. Input the appropriate IDT tracking indicator, TC 971 AC 501 or TC 971 AC 506, with the appropriate Posting Delay Code on the entity module. Use the SECONDARY-DT field to indicate the tax year in question. Use the TRANS-DT field to indicate the current (input) date. Input "WI ITVAA MULTFL" or other appropriate Tax Administration Source Code in the MISC field.
Other Tax Administration Source Codes available to be used when warranted are:

**NOFR
INCMUL
INCOME
OTHER**

- f. If the IDT Return does not meet criteria for treatment as a nullity, see IRM 25.23.4.10.9, IRSN Required for Identity Theft (IDT) Return, for guidance on additional actions required.
- g. If the IDT Return can be nullified, then refer to Exhibit 25.23.4-21 , Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing, to ensure all actions have been taken, as applicable.

- (2) When the valid return posted first and the account has been adjusted to the invalid return figures, refer to IRM 25.23.4.10.12.1, Amended Returns and Identity Theft (IDT) - Valid/Invalid.

25.23.4.10.4
(06-07-2024)

**Two or More Invalid
Returns (No Valid
Return) - No Lost
Refund**

- (1) The procedures below must be used when two or more IDT returns were filed (i.e., the TC 150 and TC 976 are both invalid) and all of the following are met:

Reminder: If the invalid return includes dependents, dependent related identity theft must be considered. Refer to IRM 25.23.4.8.4, Dependent Related Identity Theft (IDT) - General, for additional information.

- Returns meeting streamline criteria as described in IRM 25.23.4.8.2, Streamline Identity Theft (IDT) Case Identification and Processing, may be nullified.

Note: When an invalid/invalid determination is made, the case requires concurrence from a lead and/or manager unless all invalid returns meet scheme criteria as described in IRM 25.23.4.8.1, Identity Theft (IDT) Determinations - Schemes. Prior to requesting approval, the CSR/TE must input a CII case note of their determination.

- All other invalid returns must be resolved following non-streamline procedures.

Reminder: Caution must be used when resolving statute year accounts. Refer to IRM 25.23.4.9.1.2, Tax Year Account Move Conditions - Applicable for IDT(X) and IDS(X) Cases, for additional information.

- a. Zero out the account - input TC 29X, Blocking Series 05, SC 0, Reason Code 139, and "NSD" with appropriate remarks indicating the adjustment is related to identity theft.
- b. Use a HC to prevent issuance of erroneous notices to the taxpayer. For additional information on Hold Codes, see IRM 21.5.2.4.15, Rules on Hold Codes (HC).
- c. Correct the entity module to the appropriate address for the SSN owner. If you are unable to determine an appropriate address, update the address to the address of the service center.
- d. Input TC 971 with Action Code 001 if the TC 150 return cannot be nullified. Enter the IRSN that is associated with the TC 150 return as the cross-reference.
- e. Input TC 971 with Action Code 002 if the TC 976 document(s) cannot be nullified. Enter the IRSN that is associated with the TC 976 return(s) as the cross-reference.

25.23 Identity Protection and Victim Assistance

- f. Input TC 971 with Action Code 017 on IRSN accounts after the TC 000(s) post. Enter the CN TIN as the cross-reference.

Note: Close the CII base, monitor the TC 000 posting and then input the TC 971 AC 017.

- g. Transfer payments to the correct account, if necessary.
- h. Take the appropriate steps to reprocess/post tax returns that cannot be nullified to the IRSNs. See IRM 21.5.2.4.23, Reprocessing Returns/ Documents.
- i. See the IDT closing letter chart in Exhibit 25.23.4-10, Identity Theft (IDT) Closing Letter Decision Chart, to determine which closing letter to send.
- j. Input TC 971 AC 501 or AC 506, whichever is appropriate, with a posting delay of 2 cycles on the entity module of the CN. Use the SECONDARY-DT field to indicate the tax year in question. Use the TRANS-DT field to indicate the current (input) date. Input "WI ITVAA MULTFL" or other appropriate Tax Administration Source Code in the MISC field.
- Other Tax Administration Source Codes available to be used when warranted are:

NOFR
INCMUL
INCOME
OTHER

- k. Add a case note on CII and/or the TIN-Related Worksheet "CSR determined both returns invalid."

Note: For the purpose of this subsection, do not correspond with the non-owners of the CN. If you are able to determine an appropriate address for the CN owner, update the entity. Then send an appropriate letter.

Reminder: If all case actions have been completed and you are monitoring the account to ensure proper posting, close the case and establish a monitor base on IDRS using Category Code "MISC" with the current date as a received date.

Note: If a statute or statute imminent return is involved, refer to IRM 25.23.4.9.1, Determining When Specific Year Account Information Must Be Moved.

- (2) Follow procedures in IRM 25.23.4.17, Determining Tax Liability/Form 2209 Instructions, to determine if the valid taxpayer has a filing requirement and address unfiled returns.
- (3) Follow procedures in IRM 25.23.13.3.1, Form 9409 Procedures - IRS/SSA Wage Worksheet, when wage income reported under the CN was not earned by the valid taxpayer (i.e., CN owner did not work and the TC 150 return includes verifiable wages).

25.23.4.10.5
 (03-09-2020)

Two or More Invalid Returns (No Valid Return) - Lost Refund

- (1) Follow the guidance in IRM 25.23.4.10.4, Two or More Invalid Returns (No Valid Return) - No Lost Refund, to zero the account and address unfiled returns.
- (2) If a refund was issued on the CN to the filer of the TC 150 return, it must be moved to the TC 150 taxpayer's IRSN if that return cannot be nullified. See IRM 21.5.2.4.23.10, Moving Refunds, for moving refund procedures.

25.23.4.10.6
(12-20-2022)

**One IDT Return - No
Lost Refund**

- (3) If a refund was issued on the CN to the filer of the TC 150 return and that return can be nullified, offset the lost refund (associated with the IDT return) to GL 1545. Refer to IRM 25.25.4.7, Reversing Identity Theft Lost Refunds, for additional guidance.

- (1) The procedures below must be used when one return is present and has been determined to be an IDT return.

Reminder: If the invalid return includes dependents, dependent related identity theft must be considered. Refer to IRM 25.23.4.8.4, Dependent Related Identity Theft (IDT) - General, for additional information.

- (2) If the IDT return meets the criteria to be nullified per the listing in IRM 25.23.4.8.2, Streamline Identity Theft (IDT) Case Identification and Processing, nullify the IDT return.

- (3) If the IDT return does not meet the criteria to be nullified, move the IDT return to an IRSN per the instructions below.

- (4) Take the following actions to resolve the TIN owner's account:

Note: See IRM 25.23.4.6.3, IDTVA Research, Verification, and Requests, and Exhibit 25.23.4-21, Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing, to determine if there are specific account conditions that must be addressed in addition to the actions below.

- a. Zero out the account - input TC 29X, Blocking Series 05, Reason Code 139, and "NSD" with a notation in remarks "One Return - Identity Theft" or similar remarks.
- b. Use a HC 3 or HC 4, as appropriate, to prevent issuance of erroneous notices to the taxpayer. For additional information on Hold Codes, see IRM 21.5.2.4.15, Rules on Hold Codes (HC).
- c. Correct the entity module to the appropriate address for the TIN owner. If you are unable to determine an appropriate address, update the address to the address of the service center.
- d. Input TC 971 with Action Code 001 if the TC 150 return cannot be nullified. Enter the IRSN that is associated with the TC 150 as the cross-reference TIN.
- e. Input TC 971 with Action Code 017 on the IRSN account after the TC 000 posts. Enter the CN as the cross-reference TIN.

Note: Close the CII base, monitor the TC 000 posting and then input the TC 971 AC 017.

- f. Transfer payments to the correct account, if necessary.
- g. Take the appropriate steps to reprocess/post tax returns that cannot be nullified to the IRSN. See IRM 21.5.2.4.23, Reprocessing Returns/Documents.
- h. See the IDT closing letter chart in Exhibit 25.23.4-10, Identity Theft (IDT) Closing Letter Decision Chart, to determine which closing letter to send.
- i. Input TC 971 AC 501 or AC 506, whichever is appropriate, with a posting delay of 2 cycles on the entity module of the CN. Use the SECONDARY-DT field to indicate the tax year in question. Use the TRANS-DT field to indicate the current (input) date. Input an appropriate Tax Administration Source Code in the MISC field. Refer to IRM

25.23 Identity Protection and Victim Assistance

25.23.2.6.1, Closing Taxpayer Initiated Identity Theft Affecting Tax Administration - TC 971 AC 501, and IRM 25.23.2.6.3, Closing IRS Determined Identity Theft Affecting Tax Administration - TC 971 AC 506, for additional information.

- j. Add a case note on CII and/or the TIN-Related Worksheet *One Return - Identity Theft*, or similar remarks.

Note: For the purpose of this subsection, do not correspond with the non-owner of the CN. If you are able to determine an appropriate address for the CN owner, update the entity. Then send an appropriate letter.

Reminder: If all case actions have been completed and you are monitoring the account to ensure proper posting, close the case and establish a monitor base on IDRS using Category Code "MISC" with the current date as the received date.

Note: If a statute or statute imminent return is involved, refer to IRM 25.23.4.9.1, Determining When Specific Year Account Information Must Be Moved.

- (5) Follow procedures in IRM 25.23.4.17, Determining Tax Liability/Form 2209 Instructions, to determine if the valid taxpayer has a filing requirement and address unfiled returns.

25.23.4.10.7
(03-09-2020)

One IDT Return - Lost Refund

- (1) Follow the guidance in IRM 25.23.4.10.6, One IDT Return - No Lost Refund, to zero the account and address unfiled returns.
- (2) If a refund was issued on the CN to the filer of the TC 150 return, it must be moved to the TC 150 taxpayer's IRSN if that return cannot be nullified. See IRM 21.5.2.4.23.10, Moving Refunds, for moving refund procedures.
- (3) If a refund was issued on the CN to the filer of the TC 150 return and that return can be nullified, offset the lost refund (associated with the IDT return) to GL 1545. Refer to IRM 25.25.4.7, Reversing Identity Theft Lost Refunds, for additional guidance.

25.23.4.10.8
(12-20-2022)

Identity Theft (IDT) Cases/Transcripts with RIVO and/or TPP Involvement - Resolution Tables

- (1) There are instances when IDTVA receives cases with RIVO and/or TPP involvement that require additional guidance to resolve. The charts in paragraphs (2) and (3) below illustrate various case scenarios you may receive that can be resolved. Before proceeding to the resolution charts, refer to the bullet list below for instances when the current year **must** be resolved by RIVO/TPP.
- The income cannot be verified using IRM 25.23.4.8.2.1, IDT with RIVO Involvement.
 - A UPC 147 is present on the account with RC 6/7 or 8. (All UPC RC 0 or 1 will be worked by SPIDT criteria). See IRM 21.4.1.4.1.2, Return Found/Not Processed

Note: Each return for each tax year must be screened separately.

Reminder: When resolving an account with identity theft involvement, the IDTVA employee must address all issues per IRM 25.23.2.3.2.1, Addressing All Taxpayer Issues, and on all active tax years IRM 25.23.4.6.4, Complete Case Analysis.

Caution: IDTVA paper procedures for closing indicators and letters will continue to be followed even when directed to another IRM reference. Read the entire “Then” column for the applicable scenario **prior** to proceeding to the linked reference.

If	And	Then
(1) TPP issue is unresolved,	<p>The taxpayer has authenticated per AMS notes, you can validate the return per IRP data, <i>OR</i> the taxpayer is claiming IDT</p> <p>Caution: Before continuing, ensure this is not a data breach.</p>	<p>You can resolve UPC 126 0 or TC 971 AC 129 following IRM 25.25.6.5, Responding to the Taxpayer and Case Resolution for the Taxpayer Protection Program (TPP) Telephone Assistors and Taxpayer Assistance Center (TAC) Assistors, procedures. When following IRM 25.25.6.5, Responding to the Taxpayer and Case Resolution for the Taxpayer Protection Program (TPP) Telephone Assistors and Taxpayer Assistance Center (TAC) Assistors, for returns validated per IRP data or taxpayer claiming IDT disregard Authentication Passed references and phone specific procedures within this IRM section.</p>

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If	And	Then
(2) TPP issue is unresolved,	The taxpayer has not authenticated per AMS notes, the return cannot be validated per IRP data, OR There is no IDT involvement (i.e., TRUE DUP) and IDTVA cannot make a determination. Caution: Before continuing, ensure this is not a data breach.	Follow IRM 21.5.6.4.9, E-Freeze, or IRM 21.5.1.4.4.1, Unresolved Taxpayer Protection Program (TPP) Issues for Correspondence and Loose Forms, as applicable.
(3) TPP issue is unresolved,	TP filed a potential amended return or there is no IDT involvement (i.e., TRUE DUP) and IDTVA can make a determination. Caution: Before continuing, ensure this is not a data breach.	You can resolve UPC 126 0 or TC 971 AC 129 following IRM 25.25.6.5, Responding to the Taxpayer and Case Resolution for the Taxpayer Protection Program (TPP) Telephone Assistors and Taxpayer Assistance Center (TAC) Assistors, procedures. Disregard phone specific procedures. Note: Account freeze conditions (i.e., -A Freeze, E- Freeze, etc.) resulting from actions taken must be resolved following normal procedures.
(4) Valid return is a mixed entity,	TP A (CN owner) posted first,	You can resolve UPC 126 0 or TC 971 AC 129 following IRM 25.25.6.5, Responding to the Taxpayer and Case Resolution for the Taxpayer Protection Program (TPP) Telephone Assistors and Taxpayer Assistant Center (TAC) Assistors. Review the TPP IRM for your case scenario. Disregard phone specific procedures. Note: These returns have already been through the TPP process. After the TPP issue has been resolved, refer to IRM 21.6.2.4.2, Mixed Entity Procedures, for remaining actions to resolve the case.
(5) Valid return is a mixed entity,	TP B posted first and the return must be reprocessed to a different TIN,	The return must go through the normal TPP process on the correct TIN. Refer to IRM 21.6.2.4.2, Mixed Entity Procedures. Note: Previous authentication on an incorrect TIN does not apply.

If	And	Then
(6) Valid return is a mixed period,	The return posted as TC 150 or TC 976 and AMS reflects the TP has already authenticated,	You can resolve UPC 126 0 or TC 971 AC 129 following procedures in IRM 25.25.6.5, Responding to the Taxpayer and Case Resolution for the Taxpayer Protection Program (TPP) Telephone Assistors and Taxpayer Assistance Center (TAC) Assistors. These returns have already been through the normal TPP process. Disregard phone specific procedures.
(7) Valid return is a mixed period,	The return posted as TC 977 or the TP has not authenticated, and IDTVA can make a determination,	You can resolve UPC 126 0, or TC 971 AC 129 following IRM 25.25.6.5, Responding to the Taxpayer and Case Resolution for the Taxpayer Protection Program (TPP) Telephone Assistors and Taxpayer Assistance Center (TAC) Assistors, procedures. Disregard phone specific procedures.
(8) Valid return is a mixed period,	The return posted as TC 977 or the TP has not authenticated, and IDTVA cannot make a determination,	Follow IRM 21.5.6.4.9, E-Freeze, or IRM 21.5.1.4.4.1, Unresolved Taxpayer Protection Program (TPP) Issues for Correspondence and Loose Forms, as applicable.
(9) There is a TC 150 return posted, an un-postable TC 971 AC 111, and a TC 971 AC 506 with MISC "WI AM OTHER" or "WI PRP OTHER1",	<ul style="list-style-type: none"> • The TC 150 DLN and TC 971 AC 111 MISC DLN match, and • AMS notes indicate an ID Theft determination was made, and • There is no TC 976/ 977 return (-A Freeze). 	<ol style="list-style-type: none"> 1. Accept the determination made. 2. Input an adjustment to back out the invalid TC 150 return. Follow the applicable procedures in IRM 25.23.4.10.6, One IDT Return - No Lost Refund, or IRM 25.23.4.10.7, One IDT Return - Lost Refund. 3. Do not input another IDT indicator. Exception: If a Form 14039 was submitted by the taxpayer, input a TC 971 AC 501. 4. Issue a closing Letter 4674C, if necessary. See IRM 25.23.4.18.1, General IDTVA Letter Procedures, for additional information.

If	And	Then
(10) There is a TC 150 return posted, an un-postable TC 971 AC 111, and a TC 971 AC 506 with MISC "WI AM OTHER" or "WI PRP OTHER1",	<ul style="list-style-type: none"> The TC 150 DLN and TC 971 AC 111 DLN match, and AMS notes indicate an ID Theft determination was made, and There is a TC 976/977 return (-A Freeze). 	<ol style="list-style-type: none"> Accept the determination made for the TC 150 return. Determine if the TC 976/977 is a valid return. If the TC 976/977 is a valid return, follow the applicable procedures in IRM 25.23.4.10.1, Invalid Return/Valid Return - No Lost Refund, or IRM 25.23.4.10.2, Invalid Return/Valid Return - Lost Refund. If the TC 976/977 is not a valid return, follow the applicable procedures in IRM 25.23.4.10.4, Two or More Invalid Returns (No Valid Return) - No Lost Refund, or IRM 25.23.4.10.5, Two or More Invalid Returns (No Valid Return) - Lost Refund. Do not input another IDT indicator. Exception: If a Form 14039 was submitted by the taxpayer, input a TC 971 AC 501. Issue a closing Letter 4674C, if necessary. See IRM 25.23.4.18.1, General IDTVA Letter Procedures, for additional information.

(3) For cases/transcripts with RIVO Involvement, see the table below.

Reminder: If TC 470 CC 90 was input, TC 472 must also be input when the valid taxpayer will have a balance owed.

If	And	Then
(1) Return was erroneously abated by RIVO,	There is NO IDT and the ASER is within 90 days of expiration,	Obtain lead/manager approval per note below. Reverse all IDT indicators. Input remarks on CII and open control base using "PROMPT2IVO", category code "TPRQ", status code "A", and IDRS number "1487755555" to RIVO.

If	And	Then
(2) Return was erroneously abated by RIVO,	There is IDT involvement (e.g., MFT 32, Voided/ Deleted) and the ASED is within 90 days of expiration,	Obtain lead/manager approval per note below. Complete IDT procedures, as applicable. Input remarks on CII and open control base using "PROMPT2IVO", category code "TPRQ", status code "A", and IDRS number "1487755555" to RIVO.
(3) Return was erroneously abated by RIVO,	There is NO IDT involvement and the ASED has expired,	Obtain lead/manager approval per note below. Reverse all IDT indicators, Input remarks on CII, "Account backed out as IDT in error by RIVO. Barred assessment" and open control base using "BARRED2IVO" category code "TPRQ", status code "A", and IDRS number "1487766666" to RIVO.
(4) Return was erroneously abated by RIVO,	There is IDT Involvement (e.g., MFT 32, Voided/ Deleted) and the ASED has expired,	Complete IDT procedures, as applicable. Input remarks on CII and open control base using "PROMPT2IVO", category code "TPRQ", status code "A", and IDRS number "1487755555" to RIVO.
(5) The account was erroneously abated by RIVO after the account was adjusted as an Invalid/Valid,	There is IDT involvement and the ASED is within 90 days or has expired,	Do not refer the case to RIVO. Follow IRM 25.23.2.5, Statute Protection, procedures.
(6) The return was: <ul style="list-style-type: none"> • Archived, • Deleted, • or • Moved to MFT 32 in error, 		Follow procedures in IRM 25.23.4.15 , MFT 32 Cases - Moved in Error.

Note: Before opening a control base to RIVO and closing your CII case, you will need lead/manager approval. Prior to requesting approval, the CSR/TE must input a case note of their determination on CII. The lead/manager cannot concur with a determination that is not posted on the case.

Note: If the lead and/or manager concur with your determination they will need to send an encrypted email to the RIVO mailbox (*TS-RICS-IVO-AR) with the subject line "Expedite Statute Case." In the body of the email, you should include the social security number, tax period and the ASED of the case.

25.23.4.10.9
(10-01-2019)

**IRSN Required for
Identity Theft (IDT)
Return**

- (1) Take the following actions when an IRSN is required to reprocess the IDT return:

- a. Follow local procedures to obtain an IRSN.
- b. Establish the account TC 000.

Note: Use a Service Center address whenever appropriate (i.e., both returns reflect the same address).

- c. Edit the IDT return to show the name and address of the Service Center working the case, per IRM 3.13.5.66, Campus Address Used Only When Taxpayer Address is Unavailable, when the IDT return contains the same address as the CN. List the name(s) as shown in the chart.
- d. Edit the IDT return with Computer Condition Code (CCC) 3, if appropriate, to hold any refund. To prevent unnecessary AMRH transcripts, if the overpayment is a year old or older transfer the overpayment to Excess Collections. See IRM 21.2.4.3.10.1, Excess Collections File (XSF) and Unidentified Remittance File (URF) for AMRH.
- e. Close the CII base and monitor for the TC 000 to post.
- f. Input TC 971 with Action Code 017 on the IRSN (when posted) to cross reference the misused SSN. Refer to IRM 21.5.1.4.8, Transaction Code 971, for additional guidance.
- g. Input TC 971 with Action Code 001 or 002, whichever is appropriate, on the CN to cross reference the IRSN depending on whether the IDT return posted first or second. Refer to IRM 21.5.1.4.8, Transaction Code 971, for additional guidance.
- h. Send a Letter 4675C advising the non-owner of the CN to contact SSA and to use the IRSN for federal tax purposes until SSA determines their correct SSN. SSA will advise the taxpayer to file Form W-7, Application for IRS Individual Taxpayer Identification Number, to obtain an ITIN if the taxpayer cannot obtain a SSN.

Note: If the CN is an ITIN, send a Letter 4675C advising the non-owner of the CN to use the IRSN for federal tax purposes and to file a new Form W-7, Application for IRS Individual Taxpayer Identification Number.

Caution: When corresponding with the non-owner of the CN, send the letter from the non-owner's IRSN. Do not include the CN in your letter to the non-owner.

Caution: Do not attempt to correspond with the non owner of the CN if you are unable to locate a good address; Service Center address is present.

- i. Allow the math error and normal collection processes to address any balance due issues resulting from the reprocessing of the return under an IRSN.
- j. Refer to Exhibit 25.23.4-21 , Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing, to ensure all actions have been taken, as applicable.

25.23.4.10.10
(10-01-2020)
**Identity Theft with
Offsets**

- (1) A taxpayer's overpayment is required to be applied to any outstanding Federal tax debt, Federal non-tax debt, child support, Treasury Offset Program (TOP) debt, State income tax obligation, or Unemployment Compensation prior to being refunded per IRC 6402(a), (c), (d), (e), and (f).
- (2) A tax offset occurs when a refund is applied to an outstanding IMF, BMF, or NMF liability.
- (3) A refund will be applied as a TOP offset after verification of no Federal tax debt when a Federal non-tax debt has been identified.
- (4) When an identity theft case includes tax offsets and/or TOP offsets, refer to the following subsections for specific procedures to address the offsets while correcting the taxpayer's account:
 - IRM 25.23.4.10.10.1, Identity Theft with Tax Offsets
 - IRM 25.23.4.10.10.2, Identity Theft with TOP Offsets

25.23.4.10.10.1
(10-01-2023)
**Identity Theft with Tax
Offsets**

- (1) Internal Revenue Code IRC 6402(a), (c), (d), (e), and (f) require a taxpayer's overpayment to be applied to any outstanding Federal tax debt, child support, Treasury Offset Program (TOP), State income tax obligation, or Unemployment Compensation prior to crediting the overpayment to a future tax or issuing a refund. This application of a tax overpayment is called a refund offset. Refund offsets to Federal tax debts are called tax offsets.
- (2) Tax offsets may be the taxpayer's first indication they are a victim of Identity Theft (IDT).

Example: (Income or employment related IDT): The taxpayer files their 2018 return expecting a refund. The taxpayer later receives a notice advising them of their refund being applied to a Federal tax debt for tax year 2016. The taxpayer calls for additional information and learns that income earned by someone else was reported for tax year 2016 which resulted in an AUR assessment.

Example: (Refund related IDT): The taxpayer files their 2018 return expecting a refund. When the taxpayer calls to check on the status of their refund, they are informed it has been applied to a balance owed for the 2012 tax return filed. The taxpayer submits Form 14039, Identity Theft Affidavit explaining the first time they filed a return was for tax year 2017.

- (3) Tax offsets must be resolved as part of the corrective actions for Identity Theft and RPM cases and will be treated as payments in most cases. For more information on credit availability for refund or offset, see IRM 25.6.1.10.2.7.2, Limitations on the Amount of a Claim. See IRM 25.6.1.7.3, Excess Collection File (XSF) and Unidentified Remittance File (URF), for procedures related to credits that are not refundable and credits that are refundable but have been moved to XSF in error. **Do not** input a tax offset reversal unless criteria in (4), (5), or (6) is met.

Exception: When the tax offset is from a refund determined to be created by an invalid return, that credit must be returned to the originating module as part of the IDT resolution for that impacted year. For example, the TY 2019 return is determined to meet nullity criteria, and the refund from

25.23 Identity Protection and Victim Assistance

that return was offset to pay a balance owed for TY 2015. The offset must be transferred from TY 2015 to TY 2019 as part of correcting the TY 2019 IDT issue.

- (4) The Collection Statute Expiration Date (CSED) is the expiration of the time period established by law to collect taxes (generally 10 years from the 23C date). Once the CSED has expired, tax offsets cannot be applied to the balance owed. When a tax offset has been applied to a module **after** the CSED expired, follow the procedures in the table below:

Caution: Review the posting cycle of the tax offset to verify it was applied **after** the expiration of the CSED **before** transferring the credit to the original module. If the tax offset posted before the CSED expired, the credit must not be moved. Refunds applied before the CSED expired will be addressed on the module they offset to following paragraph (3) above.

Example: Form 14039 is received on May 2, 2019. Tax year 2008 is the impacted year. A determination of one return IDT was made. Through research you find the valid taxpayer's 2015 return was filed by April 18, 2016 and the refund offset to the balance owed for tax year 2008. The CSED for tax year 2008 is April 15, 2019, and the offset was applied to the balance in cycle 201617 (April 22 - April 28, 2016). Because the offset was applied to the balance before the CSED expired, it would not be returned to the tax year 2015 module. Credit availability will be determined following normal statute procedures for payments (i.e., 2 year rule).

If	And	Then
(1) The credit is available for refund or offset,	The RSED is open,	Transfer the credit back to the original module. On the credit side, include TC 570 followed by TC 572 with the appropriate post delay to prevent an offset back to the expired CSED module. Allow the system to refund the credit or offset it to another liability.

If	And	Then
(2) The credit is available for refund or offset,	The RSED is expired,	Transfer the credit back to the original module. On the credit side, include TC 570 to prevent offset to the expired CSED module. Issue a manual refund following procedures in IRM 21.4.4.5, Preparation of Manual Refund Forms.
(3) The credit is not available for refund or offset,		Transfer the credit back to the original module. On the credit side, include TC 570 to prevent offset back to the expired CSED module. Apply the credit to the Excess Collection File following procedures in IRM 25.6.1.7.3.1, Transferring Credit to XSF.

- (5) When the balance due module is a Married Filing Joint account and the tax offset applied to the balance is from a module that does not reflect both spouses' names, follow procedures in the table below:

If	And	Then
(1) The credit is available for refund or offset,	The RSED is open,	Transfer the credit back to the original module. On the credit side, include TC 570 followed by TC 572 with PDC 2 to prevent offset back to the expired balance due module, if necessary. Allow the system to refund the credit or offset it to another liability, when possible.

If	And	Then
(2) The credit is available for refund or offset,	The RSED is expired,	Transfer the credit back to the original module. Include TC 570 to prevent offset back to the balance due module. Issue a manual refund following procedures in IRM 21.4.4.5, Preparation of Manual Refund Forms.
(3) The credit is not available for refund or offset,		Transfer the credit back to the original module. Include TC 570 to prevent offset back to the balance due module. Apply the credit to the Excess Collection File following procedures in IRM 25.6.1.7.3.1, Transferring Credit to XSF.

- (6) TAS hardship requests for returning an offset to the originating module must be considered. The CSR/TE assigned the case is responsible for verifying offset reversal criteria is met. When an Operations Assistance Request (OAR) is received requesting reversal of a tax offset, return the offset to the originating module if the offset is the result of a TAS or IRS clerical error. A clerical error is an error resulting from a minor mistake or inadvertence, in writing or copying something on the record. A clerical error is not an error based on substance or judgment. Clerical errors include:

- Typing an incorrect number
- Transcribing a word incorrectly
- Misdirecting a form
- Sending a form to a nonworking fax machine

Example: The TY 2017 module reflects a balance owed, and the taxpayer has filed Form 14039. The taxpayer meets hardship criteria and contacts Taxpayer Advocate Service (TAS) for assistance. The Case Advocate receives documentation supporting the taxpayer's economic hardship and submits an Offset Bypass Refund (OBR) request prior to the TY 2018 refund being applied to the TY 2017 balance owed. The OBR request includes transposed numbers in the taxpayer's TIN. The Case Advocate is contacted for a corrected request which is received after the TY 2018 refund was applied to the TY 2017 balance. Because the error made is clerical in nature, the offset will be returned to the TY 2018 module to be refunded to the taxpayer.

25.23.4.10.10.2
(06-07-2024)

**Identity Theft with TOP
Offsets**

- (1) Service-wide guidance for addressing accounts with a TOP offset is located in IRM 21.4.6.4, Refund Offset Research.
- (2) There are two types of refund offsets:
 - a. Federal tax offset
 - b. Treasury Offset Program offset (effective 01/11/1999)
- (3) Bureau of the Fiscal Service initiates refund offsets to outstanding federal agency debts or child support, State Income tax obligations, and Unemployment Compensation debts. These offsets appear on the module as:
 - a. TC 898 or TC 971 AC 598 (manual input of TOP offset record) with an Offset Trace Number (OTN), an offset amount, and a debtor-TIN field, if the offset is secondary spouse
 - b. OTN - Starting with 1 indicates primary taxpayer debt
 - c. OTN - Starting with 2 indicates secondary taxpayer debt
- (4) Command Code (CC) INOLE contains debt liability indicators based on information received from the Bureau of the Fiscal Service. The indicators are used to identify a Federal tax debt TOP debt, or both. You must thoroughly research for any outstanding Federal tax or TOP debts. Always attach the INOLES for both spouses identifying the debt indicator at the time the case is worked. Include BMF screens when there is an X-REF EIN. The debt indicators are:
 - a. (I) IRS Debt

Note: The (I) indicator is not always set for all Federal tax debts. To determine if there is an outstanding Federal tax debt, you must also research Command Code (CC) IMFOL, CC BMFOL, and/or CC TXMOD as well as CC INOLES even on "N" indicator cases.

- b. (F) Bureau of the Fiscal Service TOP Debt
- c. (B) Both IRS and Bureau of the Fiscal Service TOP Debt
- d. (N) No Debt

Note: The IAT Results IS screen may respond with a debt indicator "N" when an invalid Social Security Number (SSN) indicator follows the Taxpayer Identification Number (TIN). The IAT Tool is designed to research CC INOLET when the invalid indicator is present. If CC INOLET does not display a debt indicator, then the IAT Results IS screen display the "N". Additional research is needed if the secondary TIN is invalid.

- (5) The Department of the Treasury (Treasury), Bureau of the Fiscal Service (BFS), amended its regulation governing the offset of tax refund payments to collect past-due child support obligations. This change limits the time in which Treasury may reverse a tax refund offset to collect a delinquent child support debt to **six months**.
- (6) To address this change, IRS must limit the time to reverse a child support offset to 5 months (150 days) from the refund payment date. To determine the date of offset, use the RFND-PYMT-DT associated with the TC 846/840. The 5-month limit allows for internal system processing of the offset reversal request (TC 766 with an Offset Trace Number - OTN). Before reversing any offset to Office of Child Support Enforcement (Agency Codes 1 and/or 2), see IRM 21.4.6.4.2.4, Child Support TOP Offsets.

- (7) Offsets that occur during processing year 2016 and beyond will post with the Agency and Sub-Agency code. If the Agency code is "1" or "2", the offset is for a delinquent child support debt and the 5 month limitation rule applies except for a Form 8379, Injured Spouse Allocation. See Document 6209 Section 5, Debtor Master File, for Office of Child Support Enforcement Agency and Sub-Agency codes.
- (8) Offsets due to delinquent child support occurring during processing years 2012-2015 will be identified by the posting of Transaction Code (TC) 971 Action Code (AC) 126. The Agency Code, OTN, and offset amount will be identified in the MISC field.
- (9) Offsets due to delinquent child support prior to 2012 will not have any indicators identifying which agency the refund offset to. Contact the TOP liaison to identify the agency code(s).
- (10) For all TOP Offsets involving Identity Theft, follow the guidance in IRM 21.4.6.4.2.12, TOP Offsets Involving ID Theft and ID Theft with Fraudulent Returns. Input TC 470, as needed, to prevent balance due notices from generating while the case is being worked. If TC 470 is input, TC 472 must also be input when the valid taxpayer will have a balance owed after the identity theft issue is resolved. Include a post delay code with the TC 472 if input at the same time as TC 470.
- (11) When resolution of the identity theft issue requires reversal of a TOP offset that is more than 6 years old, contact the TOP offset Liaison, per IRM 21.4.6.4.2.12(5), TOP Offsets Involving ID Theft and ID Theft with Fraudulent Returns, and input the adjustment to correct the account. Once all required IDT account actions have been completed, the IDT control can be closed on CII. It may take 180 days or longer for the TC 700 to post. A monitoring control on IDRS with the Activity "PNDMRR/###" and Category "MISC" will be opened by the assigned employee.
- (12) A manual reversal is required when you have an IMF/BMF offset which was sent to Bureau of the Fiscal Service in error and cannot be reversed with a TC 766 (IRS reversal) or TC 899 (Bureau of the Fiscal Service reversal). Once the TOP/DMF Manual Reversal Request Form has been submitted and all required ID theft account resolution actions are completed, close the CII case. It may take 180 days or longer for the TC 700 to post. A monitoring control with the Activity "PNDMRR/###" and category "MISC" will be opened by the assigned employee. Refer to IRM 21.4.6.5.12.2, Manual Reversal of TOP Offset, for additional guidance.
- (13) If the manual reversal is not posted or pending on IDRS after 180 days, follow up with the TOP liaison.

25.23.4.10.11
(10-01-2020)

Identity Theft and Restitution

- (1) When restitution is court ordered, the taxpayer's account will include references to related modules reflecting the amount of restitution ordered.
- (2) Modules with restitution references can be identified by:
 - a. TC 971 AC 18X
 - b. TC 766 with reference number 337

- (3) *Do not* assume the taxpayer is not a victim of identity theft when restitution references are present. An identity theft determination is made based on the facts and circumstances of the case without consideration of the restitution ordered.
- (4) If an identity theft determination has been made, contact SB/SE Examination Technical Services (TS) via email at **SBSE TECH Svs Criminal Restitution* to inform them of the identity theft claim and determination. Cc: *ITVA HQ* on the email. Suspend the case for 14 days to allow time for TS to provide a response. See Exhibit 25.23.4-13, Format for Emails to SB/SE Examination Technical Services, for an example of an email that includes the required information listed below:
- Subject: Identity Theft Claim with Restitution
 - Taxpayer's name
 - Taxpayer's SSN
 - Impacted year(s)
 - Identity theft determination
 - Relevant documentation attached (i.e., Form 14039, Police Report, correspondence, etc.)
- (5) Determinations of no identity theft (NOIDT) do not need to be provided to TS for review.
- (6) TS will use the information to evaluate the potential impact on the court ordered restitution and contact Criminal Investigation (CI). TS will provide a response and make any necessary linkage adjustments.
- (7) Upon receipt of a response or expiration of the 14 day suspense period, follow the procedures in the table below:

If	Then
(1) The response from TS supports the IDT determination made,	<ul style="list-style-type: none">Take all necessary actions to resolve the account based on your determination.Attach the initial email request and response from TS to your CII case.

If	Then
(2) The response from TS provides information that indicates the taxpayer is not a victim of identity theft,	<p>Consider the additional information:</p> <ul style="list-style-type: none"> • If you agree with the information, update your determination to reflect NOIDT, and take all necessary actions to resolve the account. • If you do not agree, lead or manager concurrence must be obtained and documented prior to adjusting the account based on your determination. • Attach the initial email request and response from TS to your CII case.
(3) If you do not receive a response from TS,	<ul style="list-style-type: none"> • Resubmit your request, including all required information listed in (4) above. • Leave a case note indicating a response was not received from TS and a second request is being submitted. • Suspend your case for 14 days.
(4) If you do not receive a response to your second request,	<ul style="list-style-type: none"> • Take all necessary actions to resolve the account based on your determination. • Leave a case note indicating a response was not received from TS. • Attach the initial email request and follow-up email request to your CII case.

25.23.4.10.12
(12-20-2022)

**Amended or Duplicate
Returns and Identity
Theft (IDT)**

- (1) Taxpayers may file a Form 14039, Identity Theft Affidavit submit a Police Report, or send other correspondence indicating they are a victim of identity theft in instances where amended or duplicate returns are involved, including the following scenarios:
- The taxpayer did not file the TC 150 return and is filing an amended or duplicate return to correct the account.
 - The taxpayer has received a notice and did not file an amended or duplicate return or authorize a preparer to file an amended or duplicate return on their behalf.

- The taxpayer has not filed a return for the year in question and the account reflects receipt of an original return and an amended or duplicate return.

- (2) Accounts may reflect a posted or pending TC 977 or TC 976 and/or TC 971 Action Codes indicating an amended return has been received. Refer to IRM 3.11.6.7.20.2 , Transaction Code (TC) 971 and Action Codes, for a list of the codes most frequently used by Code and Edit in conjunction with TC 971 to indicate the receipt of an amended return.
- (3) Refer to the following subsections for procedural guidance.

25.23.4.10.12.1
(12-20-2022)

**Amended or Duplicate
Returns and Identity**

Theft (IDT) - Valid/Invalid

- (1) There are situations when the taxpayer is claiming identity theft involving an amended or duplicate return filed on their account. Thorough research must be conducted to make an identity theft determination.

Reminder: A return filed by the invalid taxpayer that includes income earned by the valid taxpayer may appear to be filed by the valid taxpayer.

- (2) Return Preparer Misconduct (RPM) claims indicating the taxpayer authorized a preparer to file their original return but did not authorize a preparer to file an amended or duplicate return on their behalf (CAT 1) will be treated as taxpayer-initiated identity theft claims. Resolution of these cases will include nullification of the invalid amended or duplicate return and the input of TC 971 AC 501.
- (3) Once the amended or duplicate return is determined to be invalid, identify the appropriate process to resolve the account - streamline or non-streamline. See IRM 25.23.4.8.2, Streamline Identity Theft (IDT) Case Identification and Processing, and IRM 25.23.4.7, Non-Streamline Identity Theft (IDT) Case Processing, for additional information.
- (4) Follow the applicable procedures in the table below based on your determination.

Reminder: Do not include an Amended Claims Date (ACD) when inputting adjustments related to amended or duplicate returns for IDT cases.

If	Then
(1) The amended or duplicate return meets nullity criteria, and the account has not been adjusted to the amended or duplicate return figures,	<ul style="list-style-type: none"> • Input TC 290 .00 with BS 05, RC 139, and HC 3. Use HC 4 when there is a credit balance on the module that should not be refunded or when issuing a manual refund. • Ensure appropriate actions are taken to address all applicable account conditions as described in Exhibit 25.23.4-21, Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing. <p>Reminder: Returns meeting nullity criteria must not be forwarded to SP for the posting of TC 976.</p> <ul style="list-style-type: none"> • If TC 470 CC 90 was input, TC 472 must also be input when the valid taxpayer will have a balance owed.
(2) The amended or duplicate return meets nullity criteria, and the account has been adjusted to the amended or duplicate return figures.	<ul style="list-style-type: none"> • Adjust the account to the original return figures with BS 05, RC 139, and HC 3. Use HC 4 when there is a credit balance on the module that should not be refunded or when issuing a manual refund. Include a Return Processable Date (RPD) when the previous adjustment included an ACD. • Ensure appropriate actions are taken to address all applicable account conditions as described in Exhibit 25.23.4-21 , Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing. <p>Reminder: Returns meeting nullity criteria must not be forwarded to SP for the posting of TC 976.</p> <ul style="list-style-type: none"> • If TC 470 CC 90 was input, TC 472 must also be input when the valid taxpayer will have a balance owed.

If	Then
(3) If the amended or duplicate return does not meet nullity criteria,	<ul style="list-style-type: none"> • The account will need to be adjusted to reflect the information reported on the original return if the module was previously adjusted to the amended or duplicate return figures. Include a Return Processable Date (RPD) when the previous adjustment included an ACD. • If the amended return is filed on Form 1040-X, Amended U.S. Individual Income Tax Return create a dummy Form 1040 with the information reported. Note: Form 1040 must be used when processing a dummy return. Forms 1040-A, U.S. Individual Income Tax Return and 1040-EZ, Income Tax Return for Single and Joint Filers With No Dependents will unpost. • If there is no posted TC 977 or TC 976 for a Form 1040 identified as an amended or duplicate return, follow procedures in IRM 25.23.4.6.5.2, Unprocessed Documents, to forward the return to SP for the posting of TC 976. • If TC 470 CC 90 was input, TC 472 must also be input when the valid taxpayer will have a balance owed. • IDTVA-A employees: Follow procedures in IRM 25.23.4.7, Non-Streamline Identity Theft (IDT) Case Processing, and IRM 25.23.4.10.9, IRSN Required for Identity Theft (IDT) Return, to correct the account. • IDTVA Specialty Functions employees: Follow procedures in IRM 25.23.10.6, Post Function Referral Procedures, to refer the case to DITA. Note: If the Exam review was closed based on the invalid amended return filing, see IRM 25.23.10.7.4.2.2, Exam Specialty Technical - IDT Claim Consideration.

Reminder: Statute year returns require additional research **prior** to taking action on an account. Review IRM 25.23.4.9, Statute Processing Considerations, to ensure all applicable statutes are protected.

25.23.4.10.12.2
(10-01-2023)

**Amended or Duplicate
Returns and Identity
Theft (IDT) - Invalid/Valid**

- (1) Determine if the invalid return meets nullity criteria. See IRM 25.23.4.8.2, Streamline Identity Theft (IDT) Case Identification and Processing, for additional information. Follow the applicable procedures in the table below based on your determination.

If	Then
(1) The invalid return meets nullity criteria,	<ul style="list-style-type: none"> • If the valid amended return is filed on Form 1040-X, Amended U.S. Individual Income Tax Return create a dummy Form 1040, U.S. Individual Income Tax Return with the information reported. Note: Form 1040 must be used when processing a dummy return. Forms 1040-A, Individual Income Tax Return and 1040-EZ, Income Tax Return for Single and Joint Filers With No Dependents will unpost. • Follow procedures in IRM 25.23.4.6.5.2, Unprocessed Documents, to forward the valid return to SP for the posting of TC 976. • After the TC 976 posts, follow the instructions in IRM 25.23.4.10.1, Invalid Return/Valid Return - No Lost Refund, or IRM 25.23.4.10.2, Invalid Return/Valid Return - Lost Refund.

If	Then
(2) The invalid return does not meet nullity criteria,	<ul style="list-style-type: none"> <li data-bbox="1026 289 1435 443">• If the valid amended return is filed on Form 1040-X, create a dummy Form 1040 with the information reported. Note: Form 1040 must be used when processing a dummy return. Forms 1040-A and 1040-EZ will unpost. <li data-bbox="1026 625 1435 779">• Follow procedures in IRM 25.23.4.6.5.2, Unprocessed Documents, to forward the valid return to SP for the posting of TC 976. <li data-bbox="1026 779 1435 1381">• IDTVA-A employees: After the TC 976 posts, refer to IRM 25.23.4.7, Non-Streamline Identity Theft (IDT) Case Processing, and IRM 25.23.4.10.9, IRSN Required for Identity Theft (IDT) Return, for information related to non-streamline case processing. Follow the instructions in IRM 25.23.4.10.1, Invalid Return/Valid Return - No Lost Refund, or IRM 25.23.4.10.2, Invalid Return/Valid Return - Lost Refund, to resolve the valid taxpayer's account. <li data-bbox="1026 1381 1435 1564">• IDTVA Specialty Functions employees: Follow procedures in IRM 25.23.10.6, Post Function Referral Procedures, to refer the case to DITA.

Reminder: Statute year returns require additional research **prior** to taking action on an account. Review IRM 25.23.4.9, Statute Processing Considerations, to ensure all applicable statutes are protected.

(2) Determine if the valid taxpayer is due a refund.

- a. Refer to IRM 25.6.1.5, Basic Guide for Processing Cases with Statute of Limitations Issues, and IRM 25.6.1.10.2.7.2, Limitations on the Amount of a Claim.

- b. Apply credits available for refund or offset to outstanding liabilities, if applicable.
- c. If necessary, manually refund any allowable amount remaining. Refer to IRM 21.4.4.3(3), Why Would a Manual Refund Be Needed?, and IRM 21.4.4.5, Preparation of Manual Refund Forms, for additional information.
- d. Move any credits not available for refund or offset to the Excess Collection File. See IRM 25.6.1.7.3, Excess Collection File (XSF) and Unidentified Remittance File (URF).

25.23.4.10.12.3

(12-20-2022)

**Amended or Duplicate
Returns and Identity
Theft (IDT) - No Valid
Return**

- (1) Determine if the invalid return meets nullity criteria. See IRM 25.23.4.8.2, Streamline Identity Theft (IDT) Case Identification and Processing, for additional information. Follow the applicable procedures in the table below based on your determination.

Reminder: Each return on the account must be considered separately. It is possible to follow nullity procedures for one invalid return but assign an IRSN for another invalid return posted to the same module.

If	Then
(1) There is No Lost Refund,	<ul style="list-style-type: none"> • Follow the instructions in IRM 25.23.4.10.4, Two or More IDT Returns (No Valid Return) - No Lost Refund.
(2) There is a Lost Refund,	<ul style="list-style-type: none"> • Follow the instructions in IRM 25.23.4.10.5, Two or More IDT Returns (No Valid Return) - Lost Refund.

Reminder: Statute year returns require additional research *prior* to taking action on an account. Review IRM 25.23.4.9, Statute Processing Considerations, to ensure all applicable statutes are protected.

- (2) Determine if the valid taxpayer is due a refund.
- a. Refer to IRM 25.6.1.5, Basic Guide for Processing Cases with Statute of Limitations Issues, and IRM 25.6.1.10.2.7.2, Limitations on the Amount of a Claim.
 - b. Apply credits available for refund or offset to outstanding liabilities, if applicable.
 - c. If necessary, manually refund any allowable amount remaining. Refer to IRM 21.4.4.3(3), Why Would a Manual Refund Be Needed?, and IRM 21.4.4.5, Preparation of Manual Refund Forms, for additional information.
 - d. Move any credits not available for refund or offset to the Excess Collection File. See IRM 25.6.1.7.3, Excess Collection File (XSF) and Unidentified Remittance File (URF).

25.23.4.10.12.4
(10-01-2023)
**Amended or Duplicate
Returns and Identity
Theft (IDT) - NO IDT
Determinations**

- (1) When a determination of No IDT has been made for an IDT case and the account requires additional actions to fully resolve the module (i.e., DUPF, XRET, MXEN, etc.), take all necessary actions described in IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations.

Note: In the Letter 4674C, advise the taxpayer their return will be processed separately.

- (2) Create a new CII case for the additional required actions, use the IRS received date of the IDT case. Use the appropriate Category and Program Codes:

Case Type	Category Code	Program Code
Amended Return	XRET	40051
Duplicate Return	DUPF	40050
CP36F	MXEN	40054
Scrambles	SCRM	40052

- (3) Input a case note documenting the No IDT determination, and link the new case to your original case (i.e., No IDT. Case created to be worked as a duplicate return).
- (4) Reassign the case using the *IDTVA-A CII Reassignment Guide* or *IDTVA Specialty CII Reassignment for Non-IDT Cases* located on the *IDTVA Hub*.

25.23.4.10.13
(10-12-2023)
**Identity Theft (IDT) -
Previous Action**

- (1) When it appears the identity theft issue was previously worked and the Correspondence Imaging Inventory (CII) images **do not** include a tax return, refer to the table below to determine the appropriate actions:

Caution: Verify all required actions were taken **prior** to closing a case as previous action. Review CII case notes and/or IDRS to determine if an interim letter was issued to the taxpayer before the case was moved to IDT inventory. If an interim letter was issued and the case will be closed as previous action, refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures.

If	And	Then
(1) The CII image(s) of form 14039, Identity Theft Affidavit, police report, and/or correspondence are an exact copy of the documents in the CII case previously worked,	All dates (i.e., signature date, IRS received date stamp, fax date/time stamp, etc.) are the same as those on the original documents,	<ul style="list-style-type: none"> • Input a CII case note indicating the CII images are duplicates. • If a TC 971 AC 522 UNWORK is present, reverse it with a TC 972 AC 522 IRSERR. • If an acknowledgement letter was issued after the original CII case was closed, send an IRS apology Letter 0544C/SP. Include paragraph L and the IDT toll-free number 800-908-4490. Use the IDTVA International number for International taxpayers. • Update your IDRS control with the activity "PRVACTN". • Link the case to the original CII case and close.
(2) The CII image(s) of Form 14039, police report, and/or correspondence are an exact copy of the documents included in the CII case previously worked,	The documents include dates (i.e., signature date, IRS received date stamp, fax date/time stamp, etc.) that indicate the documents were signed or received before the date the previous case was closed,	<ul style="list-style-type: none"> • Input a CII case note indicating the CII images are duplicates. • If a TC 971 AC 522 UNWORK is present, reverse it with a TC 972 AC 522 IRSERR. • If an acknowledgement letter was issued after the original CII case was closed, send an IRS apology Letter 0544C/SP. Include paragraph L and the IDT toll-free number 800-908-4490. Use the IDTVA International number for International taxpayers. • Update your IDRS control with the activity "PRVACTN". • Link the case to the original CII case and close.

If	And	Then
(3) The CII image(s) of Form 14039, police report, and/or correspondence are an exact copy of the documents included in the CII case previously worked,	The documents include dates (i.e., signature date, IRS received date stamp, fax date/ time stamp, etc.) that indicate the documents were signed or received after the date the previous case was closed,	<ul style="list-style-type: none">• Input a CII case note indicating the CII images are duplicates.• If a TC 971 AC 522 UNWORK is present, reverse it with a TC 972 AC 522 IRSERR.• Issue a closing Letter 4674C/SP advising the taxpayer their identity theft issue was previously resolved. Include the IDT toll-free number 800-908-4490. Use the IDTVA International number for International taxpayers.• Update your IDRS control with the activity "PRVACTN".• Link the case to the original CII case and close.

If	And	Then
<p>(4) The CII image(s) of Form 14039, police report, and/or correspondence provide new/additional information that does not change the determination made,</p>	<p>The new/additional information includes dates (i.e., signature date, IRS received date stamp, fax date/time stamp, etc.) that indicate the documents were signed or received before the date the previous case was closed,</p>	<ul style="list-style-type: none"> • Input a CII case note indicating the CII images provide new information that does not change the previous determination made. • If the previous case was closed with a TC 971 AC 501 or 504 and a TC 971 AC 522 UNWORK is present, reverse it with a TC 972 AC 522 IRSERR. • If the previous case was closed with a TC 971 AC 506, input the appropriate TC 971 AC 501 or 504 to ensure the account reflects the receipt of the taxpayer's claim. • If an acknowledgement letter was issued after the original CII case was closed, send an IRS apology Letter 0544C/SP. Include paragraph L and the IDT toll-free number 800-908-4490. Use the IDTVA International number for International taxpayers. • Update your IDRS control with the activity "PRVACTN". • Link the case to the original CII case and close.

If	And	Then
(5) The CII image(s) of Form 14039, police report, and/or correspondence provide new/additional information that does not change the determination made,	The new/additional information includes dates (i.e., signature date, IRS received date stamp, fax date/time stamp, etc.) that indicate the documents were signed or received after the date the previous case was closed,	<ul style="list-style-type: none"> • Input a CII case note indicating the CII images provide new information that does not change the previous determination made. • If the previous case was closed with a TC 971 AC 501 or 504 and a TC 971 AC 522 UNWORK is present, reverse it with a TC 972 AC 522 IRSERR. • If the previous case was closed with a TC 971 AC 506, input the appropriate TC 971 AC 501 or 504 to ensure the account reflects the receipt of the taxpayer's claim. • Input TC 290 .00 with RC 139 and HC 3. Use HC 4 if the module reflects a credit balance that should not be refunded. • Issue a closing Letter 4674C/SP advising the taxpayer their identity theft issue was previously resolved. Include the IDT toll-free number 800-908-4490. • Update your IDRS control with the activity "PRVACTN". • Link the case to the original CII case and close.
(6) The CII image(s) include a Form 14039, police report, and/or correspondence reporting identity theft,	The impacted tax year only includes an invalid return moved to MFT 32 or The impacted tax year includes an invalid return moved to MFT 32 and the CN owner's valid return was previously processed,	<ul style="list-style-type: none"> • Input a CII case note indicating the invalid return was previously moved to MFT 32. • Input TC 971 AC 501 or 506, if appropriate. See IRM 25.23.2.6.1, Closing Taxpayer Initiated Identity Theft Affecting Tax Administration - TC 971 AC 501. • Update your IDRS control with the activity "PRVACTN".

If	And	Then
(7) The CII image(s) include a Form 14039, police report, and/or correspondence reporting identity theft,	CC TRDBV for the impacted tax year reflects only rejected attempts to file,	<ul style="list-style-type: none"> Follow procedures in paragraph (3) of IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases.
(8) The CII image(s) of Form 14039, police report, and/or correspondence provide new/additional information,	Consideration of the new/additional information supports changing the determination,	<ul style="list-style-type: none"> The case cannot be worked as previous action. Work the case following normal IDT procedures.

- (2) When it appears the identity theft issue was previously worked and the CII images include **one** tax return, refer to the table below to determine the appropriate actions:

Note: Multiple CII images may be present for correspondence, charge outs, etc., in addition to the tax return.

Caution: Verify all required actions were taken **prior** to closing a case as previous action. Review CII case notes and/or IDRS to determine if an interim letter was issued to the taxpayer before the case was moved to IDT inventory. If an interim letter was issued and the case will be closed as previous action, refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures.

If	And	Then
(1) The return in your case is an exact copy of the return in the original case,	The account was previously adjusted to the valid return figures,	<ul style="list-style-type: none"> • Input a CII case note indicating the account was previously adjusted. • Verify all IDT indicators have been addressed. Input any necessary closing indicators, as appropriate. • Verify credits remaining on the module have been addressed (i.e., will refund systemically, credit dump, offset to balance due, etc.). • Verify the taxpayer will receive an appropriate closing letter based on the case actions previously taken. If an appropriate closing letter was not issued, send a closing letter providing any information the taxpayer did not previously receive. • Update your IDRS control with the activity "PRVACTN". • Link the case to the original CII case and close.

If	And	Then
(2) The return in your case is the result of a document request,	The account was previously adjusted to the valid return figures using a different image of the same return or TRDBV information,	<ul style="list-style-type: none"> • Input a CII case note indicating the account was previously adjusted. • Verify all IDT indicators have been addressed. Input any necessary closing indicators, as appropriate. • Verify credits remaining on the module have been addressed (i.e., will refund systemically, credit dump, offset to balance due, etc.). • Verify the taxpayer will receive an appropriate closing letter based on the case actions previously taken. If an appropriate closing letter was not issued, send a closing letter providing any information the taxpayer did not previously receive. • Update your IDRS control with the activity "PRVACTN". • Link the case to the original CII case and close.

If	And	Then
(3) The return in your case is an additional return received from the valid taxpayer,	The returns are reporting the same figures and the account was previously adjusted to the valid return figures,	<ul style="list-style-type: none"> • Input a CII case note indicating the account was previously adjusted. • Verify all IDT indicators have been addressed. Input any necessary closing indicators, as appropriate. • If there is a -A Freeze, input TC 290 .00 with RC 139 and HC 3. Use HC 4 if the module reflects a credit balance that should not be refunded. • Verify credits remaining on the module have been addressed (i.e., will refund systemically, credit dump, offset to balance due, etc.). • Verify the taxpayer will receive an appropriate closing letter based on the case actions previously taken. If an appropriate closing letter was not issued, send a closing letter providing any information the taxpayer did not previously receive. • Update your IDRS control with the activity "PRVACTN". • Link the case to the original CII case and close.
(4) The return in your case is an additional return received from the valid taxpayer,	The returns are reporting different figures,	<ul style="list-style-type: none"> • The case cannot be closed as previous action. • Work the case following normal IDT procedures. • If the additional return was filed to amend the figures reported on the valid taxpayer's original return, see IRM 25.23.4.10.12, Amended or Duplicate Returns and Identity Theft (IDT).

- (3) When it appears the identity theft issue was previously worked and there are no CII images **OR** the CII images include **multiple** tax returns, the case cannot be closed as previous action. Work the case following normal IDT procedures.

Exception: When all returns included in the CII images are the result of document requests, follow procedures in paragraph (2) table scenario (2) above. If the account has not been adjusted to the valid return figures, the case must be worked following normal IDT procedures.

- (4) When it appears the identity theft issue was previously worked and the CII image is a **transcript**, refer to the table below to determine the appropriate actions:

Caution: Verify all required actions were taken **prior** to closing a case as previous action. Review CII case notes and/or IDRS to determine if an interim letter was issued to the taxpayer before the case was moved to IDT inventory. If an interim letter was issued and the case will be closed as previous action, refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures.

If	And	Then
(1) If the transcript is the result of an unresolved credit remaining on the module,	The credit is no longer on the module,	<ul style="list-style-type: none"> • Input a CII case note indicating the credit was previously resolved. • If a TC 971 AC 522 UNWORK is present, reverse it with a TC 972 AC 522 IRSERR. • Update your IDRS control with the activity "PRVACTN". • Link the case to the original CII case and close.
(2) If the transcript is the result of an unresolved credit remaining on the module,	The credit has not been addressed,	<ul style="list-style-type: none"> • The case cannot be closed as previous action. Follow procedures in IRM 25.23.4.6.6.2, Credit Transcripts Resolution, to correct the account.

If	And	Then
(3) If the transcript is related to prior RIVO involvement,		<ul style="list-style-type: none">• The case cannot be closed as previous action.• Follow procedures in IRM 25.23.4.6.6, Credit Transcripts - IDT6/IDS6, to determine the appropriate actions to take.

25.23.4.10.14

(10-12-2023)

Dependent Related Identity Theft (IDT)

(1) Dependent related identity theft (IDT) occurs when:

- The victim is listed as the primary or secondary taxpayer on an invalid return,
- The victim is a dependent of their parent/legal guardian and is listed as a dependent on the return of a taxpayer who is not their parent/legal guardian,
- The victim is not a dependent of anyone but is listed as a dependent on a return filed by an individual who is not their parent/legal guardian.
- The victim is listed as a dependent on a return determined to be invalid.

Note: This includes invalid returns filed under a taxpayer's TIN listing their dependents on the invalid return.

Reminder: Establish the entity, if necessary. Refer to IRM 25.23.4.8.4, Dependent Related Identity Theft (IDT) - General, and IRM 25.23.4.8.4.1, Dependent Related Identity Theft (IDT) - Determinations, for case and account actions that may be required to be taken prior to closing the identity theft issue.

(2) When the victim is listed as a primary/secondary taxpayer on an invalid return, follow the procedures in the table below:

If	Then
(1) Your research indicates the return in question may be the result of an attempt to obtain the Economic Impact Payment (EIP) through use of the Non-Filer Tool,	<ol style="list-style-type: none"> 1. Review the claim and AMS history items for a statement from the reporting person regarding use of the tool and/or rejected attempts to electronically file their return. 2. If you are unable to determine if the dependent in question used the Non-Filer Tool, attempt to contact the reporting person no less than two times when telephone information is available. Document each attempt in a CII case note. Note: There must be a reasonable amount of time between the two attempts. For example, another call on a subsequent day constitutes a valid second attempt. If you are able to leave a phone message, allow the reporting person 5 business days to return your call. The second attempt should not be made immediately after a first unsuccessful attempt. 3. If the reporting person is an authorized third party or the dependent in question, verify their identity by completing outgoing disclosure. See paragraphs (20) through (22) in IRM 21.1.1.4, Communication Skills, for specific guidance. Then take one of the following actions: <ul style="list-style-type: none"> • If disclosure is passed, advise them you are working the identity theft case and need additional information to complete your review. Ask the following question. Then take the appropriate action based on their response. “Did the dependent input their information in the Non-Filer Tool to receive the Economic Impact Payment (EIP)?” If the response indicates the Non-Filer Tool was used by the dependent or on behalf of the dependent, they are not a victim of identity theft. Explain that use of the tool creates a simple return that is filed electronically. The dependent must file a paper return to report their income, withholding, tax, credits, etc. They may submit a Form 1040-X or a Form 1040 with “EIP Amended” notated on the top. If the dependent does not have a filing requirement and will be listed as a dependent on another taxpayer’s return, the individual who is entitled to claim the dependent will need to file a paper return, including all income, exemptions, dependents, tax, and credits they are entitled to. Document your conversation in a CII case note. Continue to step (5). If the response indicates the Non-Filer Tool was not used by the dependent or on behalf of the dependent, they are a victim of tax related identity theft. Thank them for the information, and advise them they will receive a letter informing them of the determination upon completion of your review. Document your conversation in a CII case note. Continue to step (6). <ul style="list-style-type: none"> • If disclosure is not passed, follow procedures in step (4).

If	Then
	<p>4. If the reporting person is not an authorized third party or the dependent in question, advise them you are working the identity theft case and need additional information to complete your review. Ask the following question. Then thank them for the information, and advise them they will receive a letter upon completion of your review. Document your conversation in a CII case note. Then take the appropriate action based on their response.</p> <p>Reminder: You cannot provide any specific account details, but you can accept information provided by this individual. See IRM 25.23.10.3.3, Non-Authorized Third Parties, for additional information and references.</p> <p>“Did the dependent input their information in the Non-Filer Tool to receive the Economic Impact Payment (EIP)?”</p> <p>If the response indicates the Non-Filer Tool was used by the dependent or on behalf of the dependent, they are not a victim of identity theft. Continue to step (5).</p> <p>If the response indicates the Non-Filer Tool was not used by the dependent or on behalf of the dependent, they are a victim of tax related identity theft. Continue to step (6).</p> <p>5. If directed to this step after contacting the taxpayer, follow procedures in IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations.</p> <ul style="list-style-type: none"> • Issue a closing Letter 4674C to the dependent. Select paragraphs K (if the reporting person is not an authorized third party), M, t, u, w, and / (: for international taxpayers). Use paragraph M to include the suggested wording provided in IRM 25.23.4.8.3.1, Dependent Related Identity Theft(IDT) - Determinations. For paragraph t, include the following special paragraph: “When the Non-Filer tool was used to submit information to receive the Economic Impact Payment (EIP), a simple return was filed electronically. You may correct your tax return information by submitting a Form 1040-X or a Form 1040 with “EIP Amended” notated on the top. If you will be listed as a dependent of someone, they will need to file a paper return.” <p>6. If directed to this step after contacting the reporting taxpayer, follow normal procedures to conduct research and make a CN ownership determination. For specific instructions related to research and CN ownership determinations, refer to IRM 25.23.4.6, Research, Actions, and Complete Case Analysis - Overview, and IRM 25.23.4.8, Identity Theft (IDT) Common Number (CN) Ownership and Case Processing Determinations. Document your research and determination in a CII case note. After a CN ownership determination has been made, follow the appropriate case processing resolution (streamline/non-streamline) to correct the account.</p> <p>7. After you have taken the necessary actions to resolve the account, refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures, to determine if a closing letter must be issued.</p> <p>8. If you are unable to contact the reporting person by telephone, see IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written). If a response is received, follow the applicable procedures in step (4) above based on the information provided.</p>

If	Then
(2) The account reflects RIVO involvement,	<ol style="list-style-type: none"> 1. Refer to IRM 25.23.4.8.2.1, Identity Theft (IDT) with RIVO Involvement. Document your research and determination in a CII case note. 2. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures, to determine if a closing letter must be issued.
(3) The return in question does not appear to be the result of misuse of the Non-Filer Tool for EIP and there is no RIVO involvement,	<ol style="list-style-type: none"> 1. Follow normal procedures to conduct research and make a CN ownership determination. For specific instructions related to research and CN ownership determinations, refer to IRM 25.23.4.6, Research, Actions, and Complete Case Analysis - Overview, and IRM 25.23.4.8, Identity Theft (IDT) Common Number (CN) Ownership and Case Processing Determinations. Document your research and determination in a CII case note. 2. After a CN ownership determination has been made, follow the appropriate case processing resolution (streamline/non-streamline) to correct the account. 3. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures, to determine if a closing letter must be issued.

- (3) When the victim is a dependent of their parent/legal guardian and is listed as a dependent on the return of a taxpayer who is not their parent/legal guardian, follow the procedures in the table below:

If	Then
<p>(1)</p> <ul style="list-style-type: none"> The individual(s) entitled to claim the dependent filed a return, The return included the dependent and has been processed, 	<ol style="list-style-type: none"> Input TC 971 AC 501 or TC 971 AC 506 OTHER on the dependent's entity. Refer to IRM 25.23.2.6.1, Closing Taxpayer Initiated Identity Theft Affecting Tax Administration - TC 971 AC 501 and IRM 25.23.2.6.3, Closing IRS Determined Identity Theft Affecting Tax Administration - TC 971 AC 506, for additional information. Input a TC 971 AC 528 with the MISC Field Code "WI IP DEPND" on ENMOD using CC REQ77. Use January 1st of the current year for the Secondary Date to signify the processing year. If there is an active tax module for the year in question under the dependent's TIN and there is a valid TC 150 return posted, input TC 290 .00 with BS 05, SC 0, RC 139, and HC 3. If the reporting person is someone other than the dependent or the case is closed with TC 971 AC 506, refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures, to determine what closing letters must be issued and what information can be provided to the reporting person. Document all account actions in a CII case note.

If	Then
<p>(2)</p> <ul style="list-style-type: none"> The individual(s) entitled to claim the dependent filed a return, The return did not include the dependent and has been processed, An amended return has not been received, 	<ol style="list-style-type: none"> Input TC 971 AC 501 or TC 971 AC 506 OTHER on the dependent's entity. Refer to IRM 25.23.2.6.1, Closing Taxpayer Initiated Identity Theft Affecting Tax Administration - TC 971 AC 501 and IRM 25.23.2.6.3, Closing IRS Determined Identity Theft Affecting Tax Administration - TC 971 AC 506, for additional information. Input a TC 971 AC 528 with the MISC Field Code "WI IP DEPND" on ENMOD using CC REQ77. Use January 1st of the current year for the Secondary Date to signify the processing year. If there is an active tax module for the year in question under the dependent's TIN and there is a valid TC 150 return posted, input TC 290 .00 with BS 05, SC 0, RC 139, and HC 3. If the reporting person is someone other than the dependent or the case is closed with TC 971 AC 506, refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures, to determine what closing letters must be issued and what information can be provided to the reporting person. If appropriate, include an open paragraph advising an amended return may be filed by the person entitled to claim the dependent to correct the account for the tax year(s) in question. Document all account actions in a CII case note.

If	Then
<p>(3)</p> <ul style="list-style-type: none"> • The individual(s) entitled to claim the dependent filed a return, • The return did not include the dependent and has been processed, • An amended return has been received, 	<ol style="list-style-type: none"> 1. Input TC 971 AC 501 or TC 971 AC 506 OTHER on the dependent's entity. Refer to IRM 25.23.2.6.1, Closing Taxpayer Initiated Identity Theft Affecting Tax Administration - TC 971 AC 501 and IRM 25.23.2.6.3, Closing IRS Determined Identity Theft Affecting Tax Administration - TC 971 AC 506, for additional information. 2. Input a TC 971 AC 528 with the MISC Field Code "WI IP DEPND" on ENMOD using CC REQ77. Use January 1st of the current year for the Secondary Date to signify the processing year. 3. If there is an active tax module for the year in question under the dependent's TIN and there is a valid TC 150 return posted, input TC 290 .00 with BS 05, SC 0, RC 139, and HC 3. 4. If the reporting person is someone other than the dependent or the case is closed with TC 971 AC 506, refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures, to determine what closing letters must be issued and what information can be provided to the reporting person. 5. If there is a CII case for the amended return and you are trained on the program, contact the assigned employee to reassign the case to you for resolution. 6. If you are not trained on amended returns or there is not a CII case for the amended return, do not request reassignment of the case. 7. Document all account actions in a CII case note.

If	Then
<p>(4)</p> <ul style="list-style-type: none"> The individual(s) entitled to claim the dependent filed a return, The return included the dependent and has not been processed, 	<ol style="list-style-type: none"> Input TC 971 AC 501 or TC 971 AC 506 OTHER on the dependent's entity. Refer to IRM 25.23.2.6.1, Closing Taxpayer Initiated Identity Theft Affecting Tax Administration - TC 971 AC 501 and IRM 25.23.2.6.3, Closing IRS Determined Identity Theft Affecting Tax Administration - TC 971 AC 506, for additional information. Input a TC 971 AC 528 with the MISC Field Code "WI IP DEPND" on ENMOD using CC REQ77. Use January 1st of the current year for the Secondary Date to signify the processing year. If there is an active tax module for the year in question under the dependent's TIN and there is a valid TC 150 return posted, input TC 290 .00 with BS 05, SC 0, RC 139, and HC 3. If the reporting person is someone other than the dependent or the case is closed with TC 971 AC 506, refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures, to determine what closing letters must be issued and what information can be provided to the reporting person. If the return is included in the CII images, send the return to SP for processing. Refer to IRM 25.23.4.6.5.2, Unprocessed Documents, for additional information. Document all account actions in a CII case note.

If	Then
<p>(5)</p> <ul style="list-style-type: none"> • The individual(s) entitled to claim the dependent filed a return, • The return did not include the dependent and has not been processed, • An amended return has not been received, 	<ol style="list-style-type: none"> 1. Input TC 971 AC 501 or TC 971 AC 506 OTHER on the dependent's entity. Refer to IRM 25.23.2.6.1, Closing Taxpayer Initiated Identity Theft Affecting Tax Administration - TC 971 AC 501 and IRM 25.23.2.6.3, Closing IRS Determined Identity Theft Affecting Tax Administration - TC 971 AC 506, for additional information. 2. Input a TC 971 AC 528 with the MISC Field Code "WI IP DEPND" on ENMOD using CC REQ77. Use January 1st of the current year for the Secondary Date to signify the processing year. 3. If there is an active tax module for the year in question under the dependent's TIN and there is a valid TC 150 return posted, input TC 290 .00 with BS 05, SC 0, RC 139, and HC 3. 4. If the reporting person is someone other than the dependent or the case is closed with TC 971 AC 506, refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures, to determine what closing letters must be issued and what information can be provided to the reporting person. If appropriate, include an open paragraph advising an amended return may be filed by the person entitled to claim the dependent to correct the account for the tax year(s) in question. 5. Document all account actions in a CII case note.

If	Then
<p>(6)</p> <ul style="list-style-type: none"> The individual(s) entitled to claim the dependent filed a return, The return did not include the dependent and has not been processed, An amended return has been received, 	<ol style="list-style-type: none"> Input TC 971 AC 501 or TC 971 AC 506 OTHER on the dependent's entity. Refer to IRM 25.23.2.6.1, Closing Taxpayer Initiated Identity Theft Affecting Tax Administration - TC 971 AC 501 and IRM 25.23.2.6.3, Closing IRS Determined Identity Theft Affecting Tax Administration - TC 971 AC 506, for additional information. Input a TC 971 AC 528 with the MISC Field Code "WI IP DEPND" on ENMOD using CC REQ77. Use January 1st of the current year for the Secondary Date to signify the processing year. If there is an active tax module for the year in question under the dependent's TIN and there is a valid TC 150 return posted, input TC 290 .00 with BS 05, SC 0, RC 139, and HC 3. If the reporting person is someone other than the dependent or the case is closed with TC 971 AC 506, refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures, to determine what closing letters must be issued and what information can be provided to the reporting person. If there is a CII case for the amended return and you are trained on the program, contact the assigned employee to reassign the case to you for resolution. If you are not trained on amended returns or there is not a CII case for the amended return, do not request reassignment of the amended return. Document all account actions in a CII case note.

If	Then
<p>(7)</p> <ul style="list-style-type: none"> The individual(s) entitled to claim the dependent did not file a return, 	<ol style="list-style-type: none"> Input TC 971 AC 501 or TC 971 AC 506 OTHER on the dependent's entity. Refer to IRM 25.23.2.6.1, Closing Taxpayer Initiated Identity Theft Affecting Tax Administration - TC 971 AC 501 and IRM 25.23.2.6.3, Closing IRS Determined Identity Theft Affecting Tax Administration - TC 971 AC 506, for additional information. Input a TC 971 AC 528 with the MISC Field Code "WI IP DEPND" on ENMOD using CC REQ77. Use January 1st of the current year for the Secondary Date to signify the processing year. If there is an active tax module for the year in question under the dependent's TIN and there is a valid TC 150 return posted, input TC 290 .00 with BS 05, SC 0, RC 139, and HC 3. If the reporting person is someone other than the dependent or the case is closed with TC 971 AC 506, refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures, to determine what closing letters must be issued and what information can be provided to the reporting person. Document all account actions in a CII case note.

- (4) When the victim is a taxpayer who is not a dependent of anyone and has been listed as a dependent on a return filed by an individual who is not their parent/ legal guardian, follow procedures in the table below:

If	Then
(1) The victim filed a return that has been processed or states they filed a paper return that has not completed processing,	<ol style="list-style-type: none"> <li data-bbox="932 289 1339 667">1. Input TC 971 AC 501 or TC 971 AC 506 "OTHER" on the dependent's entity. Refer to IRM 25.23.2.6.1, Closing Taxpayer Initiated Identity Theft Affecting Tax Administration - TC 971 AC 501 and IRM 25.23.2.6.3, Closing IRS Determined Identity Theft Affecting Tax Administration - TC 971 AC 506, for additional information. <li data-bbox="932 667 1339 888">2. Input a TC 971 AC 528 with the MISC Field Code "WI IP DEPND" on ENMOD using CC REQ77. Use January 1st of the current year for the Secondary Date to signify the processing year. <li data-bbox="932 888 1339 1140">3. If there is an active tax module for the year in question under the dependent's TIN and there is a valid TC 150 return posted, input TC 290 .00 with BS 05, SC 0, RC 139, and HC 3. <li data-bbox="932 1140 1339 1497">4. If the reporting person is someone other than the dependent or the case is closed with TC 971 AC 506, refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures, to determine what closing letters must be issued and what information can be provided to the reporting person. <li data-bbox="932 1497 1339 1554">5. Document all account actions in a CII case note.

If	Then
(2) The victim has not filed a return or an attempt to e-file was rejected and a paper return has not been filed,	<ol style="list-style-type: none"> 1. Input TC 971 AC 501 or TC 971 AC 506 "OTHER" on the dependent's entity. Refer to IRM 25.23.2.6.1, Closing Taxpayer Initiated Identity Theft Affecting Tax Administration - TC 971 AC 501 and IRM 25.23.2.6.3, Closing IRS Determined Identity Theft Affecting Tax Administration - TC 971 AC 506, for additional information. 2. Input a TC 971 AC 528 with the MISC Field Code "WI IP DEPND" on ENMOD using CC REQ77. Use January 1st of the current year for the Secondary Date to signify the processing year. 3. Refer to IRM 25.23.4.17, Determining Tax Liability/ Form 2209 Instructions, to determine if the taxpayer has a filing requirement and the appropriate actions to take. 4. If the reporting person is someone other than the dependent or the case is closed with TC 971 AC 506, refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures, to determine what closing letters must be issued and what information can be provided to the reporting person. 5. Document all account actions in a CII case note.

- (5) When the victim is listed as a dependent on a return determined to be invalid and the case is IRS identified, follow the procedures in the table below:

If	Then
(1) You can identify the victim's valid address,	<ol style="list-style-type: none"> 1. Input TC 971 AC 506 "OTHER" on the dependent's entity. Refer to IRM 25.23.2.6.3, Closing IRS Determined Identity Theft Affecting Tax Administration - TC 971 AC 506, for additional information. 2. Input a TC 971 AC 528 with the MISC Field Code "WI IP DEPND" on ENMOD using CC REQ77. Use January 1st of the current year for the Secondary Date to signify the processing year. 3. Refer to IRM 25.23.4.17, Determining Tax Liability/ Form 2209 Instructions, to determine if the taxpayer has a filing requirement and the appropriate actions to take. 4. Issue a closing Letter 4674C. See IRM 25.23.4.18.1, General IDTVA Letter Procedures, for additional information. 5. Document all account actions in a CII case note.
(2) You cannot identify the victim's valid address,	<ol style="list-style-type: none"> 1. Input TC 971 AC 506 "OTHER" on the dependent's entity. Refer to and IRM 25.23.2.6.3, Closing IRS Determined Identity Theft Affecting Tax Administration - TC 971 AC 506, for additional information. 2. Input a TC 971 AC 528 with the MISC Field Code "WI IP DEPND" on ENMOD using CC REQ77. Use January 1st of the current year for the Secondary Date to signify the processing year. 3. Document all account actions in a CII case note.

25.23.4.10.15

(02-02-2024)

**No Identity Theft
(NOIDT) Determinations**

- (1) When the taxpayer is not a victim of identity theft, the TC 971 AC 522 must be reversed. Refer to IRM 25.23.2.6.6.2, No Identity Theft (NOIDT) Determinations – TC 972 AC 522 NOIDT, for general information regarding unsubstantiated identity theft claims, including a list of scenarios that should not be marked as NOIDT and exceptions for reversing TC 971 AC 522 with a NOIDT literal.

Note: If a TC 971 AC 501/506 is present and the taxpayer is **not** a victim of identity theft, the TC 971 AC 501/506 may need to be reversed. See IRM 25.23.2.6.2, Manually Reversing TC 971 AC 501, and IRM 25.23.2.6.4, Manually Reversing TC 971 AC 506.

Reminder: When a taxpayer's statement indicates they have lost personally identifying information, the taxpayer is a victim of non-tax-related identity theft. Refer to IRM 25.23.4.8, Identity Theft (IDT) Common Number (CN) Ownership and Case Processing Determinations, for additional information.

- (2) When you have determined the taxpayer is not a victim of identity theft and the case is **taxpayer initiated**, take the following actions:

Reminder: Do not close the case unless all account issues and years are addressed, including ALL TC 971 AC 522 indicators on the account. See IRM 25.23.2.3.2.1, Addressing All Taxpayer Issues, for more information.

- a. Send Letter 4674C to notify the taxpayer of the NOIDT decision. Include the following suggested wording (or similar) and the specific reason(s) for the determination: "We reviewed your correspondence dated MM/DD/YYYY. We found no indication that identity theft affected the tax periods above." Use the date of the taxpayer's correspondence in place of MM/DD/YYYY. The letter must also include language regarding the taxpayer's right to dispute the no IDT decision (i.e., providing additional information). If the taxpayer is not currently enrolled in the IP PIN program, advise the taxpayer they may be able to obtain an IP PIN through the opt in process to protect their identity in the future.

Note: If the taxpayer has a balance due after the IDT issue is determined to be invalid, include language indicating collection activities will continue.

Caution: If the account reflects a TC 971 AC 527 on CC ENMOD/IMFOLE, do not include paragraph u. The taxpayer is unable to use online self-help options. Instead, include an open paragraph providing information about their option to obtain an IP PIN by submitting Form 15227, IP PIN Application, or scheduling an appointment at their local Taxpayer Assistance Center. For more information about this indicator, see IRM 25.23.2.8.6, Disabled Online Accounts TC 971 AC 527.

- b. Use IDRS Command Code REQ77 initiated from Command Code ENMOD to input a TC 972 AC 522 reflecting a Tax Administration Source Code of NOIDT and the tax year of the identity theft incident. See IRM 25.23.2-11, IMF Only TC 972 AC 522 - Reversal of TC 971 AC 522, for additional information.

25.23 Identity Protection and Victim Assistance

Caution: If, at the time of case closure, you find the entity has not been flagged with a TC 971 AC 522 UNWORK/PNDCLM, you must enter a TC 971 AC 522 UNWORK to be reversed by TC 972 AC 522 NOIDT.

Reminder: When the TC 971 AC 522 UNWORK is input, the TC 972 AC 522 NOIDT must be post delayed one cycle to allow the TC 971 AC 522 to post first.

- c. If a TC 470 was input to freeze collection notices, input a TC 472 to reverse hold and resume the issuance of systemic balance due notices. If the module is in a collection status (03, 22, 24, 26, or 58), prepare Form 14394, Identity Theft Collection Alert, and route to IDTVA Specialty Functions (ACSS) for processing. Refer to IRM 25.23.4.12.3, Collection Activity - Resume Collection Actions.
- d. When the account requires additional actions to fully resolve the module (i.e., DUPF, XRET, MXEN, etc.), refer to IRM 25.23.4.10.12.4, Amended or Duplicate Returns and Identity Theft (IDT) - No IDT Determinations. Input TC 290 .00 with RC 139 to document the identity theft claim. Use HC 3. Use HC 4 to prevent a refund of any remaining credits, when necessary. For a list of exceptions to inputting the TC 290 .00 with RC 139, refer to IRM 25.23.4.3.1, CII and IDRS Case Controls, paragraph (1) exception.

Note: When the duplicate return is a CP 36F converted in error, refer to Exhibit 25.23.4-4, Identity Theft (IDT) Functional Routing and Referral Chart.

- e. **IDTVA Specialty Teams Only:** Cases including Compliance issues - Follow functional guidelines to determine if the case needs to be returned to the function that made the referral (i.e., Open AUR cases). Notify them of the No IDT determination.

Reminder: If you make a No IDT determination on a case that had Exam involvement, the documentation attached to the claim may be enough for a possible audit reconsideration for Exam. See IRM 25.23.10.7.4, IDTVA Specialties Exam Identity Theft Case Processing, for more information.

- (3) When you have determined the taxpayer is not a victim of identity theft and the case is **IRS initiated**, take the following actions:

- a. Use IDRS Command Code REQ77 initiated from Command Code ENMOD to input a TC 972 AC 522 reflecting a Tax Administration Source Code of IRSERR and the tax year of the identity theft incident. See IRM 25.23.2-11, IMF Only TC 972 AC 522 – Reversal of TC 971 AC 522, for additional information. Refer to “c” below.

Caution: If, at the time of case closure, you find the entity has not been flagged with a TC 971 AC 522 IRSID, you must enter a TC 971 AC 522 IRSID to be reversed by TC 972 AC 522 IRSERR.

Reminder: When the TC 971 AC 522 IRSID is input, the TC 972 AC 522 IRSERR must be post delayed one cycle to allow the TC 971 AC 522 to post first.

- b. If a TC 470 was input to freeze collection notices, input a TC 472 to reverse hold and resume the issuance of systemic balance due notices. If the module is in a collection status (03, 22, 24, 26, or 58), prepare Form 14394, Identity Theft Collection Alert, and route to IDTVA Specialty Functions (ACSS) for processing. Refer to IRM 25.23.4.12.3, Collection Activity - Resume Collection Actions.
- c. When the account requires additional actions to fully resolve the module (i.e., DUPF, XRET, MXEN, etc.), refer to IRM 25.23.4.10.12.4, Amended or Duplicate Returns and Identity Theft (IDT) - No IDT Determinations. Input TC 290 .00 with RC 139 to indicate the account was reviewed for an identity theft issue. Use HC 3. Use HC 4 to prevent a refund of any remaining credits, when necessary. For a list of exceptions to inputting the TC 290 .00 with RC 139, refer to IRM 25.23.4.3.1, CII and IDRS Case Controls, paragraph (1) exception.

Note: When the duplicate return is a CP 36F converted in error, refer to Exhibit 25.23.4-4, Identity Theft (IDT) Functional Routing and Referral Chart.

- (4) When a No IDT determination is made but there are allegations of return preparer misconduct, provide information on filing a claim (Form 14157, Return Preparer Complaint, or Form 14157-A, Tax Return Preparer Fraud or Misconduct Affidavit) and required documents when sending the IDT determination letter. Input TC 972 AC 522 with tax administration source NOIDT.
- (5) **Specialty Functions Only** – If the taxpayer provides falsified or altered documentation, when returning the case to the Compliance function, suggest the case be referred to the Campus Fraud Coordinator (CFC) as a potential fraud referral.

25.23.4.10.16
(10-01-2024)

No Reply

- (1) Before proceeding, refer to IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written), to determine the appropriate action to take..

Caution: When a taxpayer's statement indicates they have lost personally identifying information, the taxpayer is a victim of non-tax-related identity theft. Refer to IRM 25.23.4.8, Identity Theft (IDT) Common Number (CN) Ownership and Case Processing Determinations, for additional information.

- (2) When directed to follow No Reply procedures, use the following table to resolve the case:

Exception: See IRM 25.23.4.3.1, CII and IDRS Case Controls, paragraph (1) for a list of exceptions for inputting the TC 290 .00 with RC 139.

If	Then
<p>(1) There is not enough information in the taxpayer's previously submitted correspondence to make an IDT determination.</p>	<ul style="list-style-type: none"> Send a closure letter. Include the following special paragraph or similar verbiage: Note: If you copy and paste the following paragraph into the letter, do not include the quotation marks. "Since you did not respond to our request for additional information, we are unable to make an identity theft determination and have closed your case. For further consideration, please provide us with the previously requested information. Until then, no further action regarding your identity theft claim will be taken. Collection or Non-Filer actions will resume, if applicable." Use Command Code REQ77 initiated from ENMOD to input a TC 972 AC 522 reflecting a Tax Administration Source Code of NORPLY and the tax year of the identity theft incident. Exception: If, at the time of case closure you find the Entity module has not been flagged with a TC 971 AC 522 IRSID/UNWORK, you must enter a TC 971 AC 522 UNWORK so it can be reversed with a TC 972 AC 522 NORPLY. Reminder: The TC 972 must be post delayed one week to allow the TC 971 to post. See IRM 25.23.2-11, IMF Only TC 972 AC 522 - Reversal of TC 971 AC 522, for additional information. Input a TC 472 to reverse the hold and resume the collection process, if there is a TC 470 that was input to freeze collection notices. Prepare Form 14394, Identity Theft Collection Alert, and route to IDTVA ACSS to resume collection actions if there is a balance due on the alleged IDT tax year or any other year. Input TC 290 .00 with RC 139 to document the identity theft claim. Use HC 3. Use HC 4 to prevent a refund of any remaining credits, when necessary.

If	Then
(2) There is enough information to determine the taxpayer is a victim of identity theft AND the taxpayer did not respond to a request for a return or for information to make a return complete.	<ul style="list-style-type: none"> The identity theft issue must be resolved. Refer to the applicable table in IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written), to determine the next actions based on the facts and circumstances of the case. IDTVA Specialty Teams Only: IDTVA Specialty programs also require consideration of functional guidelines if the case contains compliance issues.

Example: A Form 14039 is received indicating their dependent was claimed by someone else. Research shows the individual the claim was submitted for is age 19. Letter 5064C is sent to request proof of legal guardianship. The suspense timeframe has expired, and a response was not received. After consideration of all information available, you are unable to confirm there is identity theft. This case will be resolved following No Reply procedures.

Example: A Taxpayer's account contains a TC 150 and a TC 976. The account also reflects a TC 922. An invalid/valid determination is made per IRPTR/IDRS data. The taxpayer's claim indicates a return was fraudulently filed for them but makes no mention of the issues proposed in the CP2000 notice. The TC 976 return doesn't include all of the underreported income. The underreported income appears to be valid, but it is unclear if the underreported income is included in the identity theft claim. A Letter 5064C is sent inquiring why the U/R income was not included on the taxpayer's return. The taxpayer never responds to the Letter 5064C. The case would not be closed as NORPLY even though the taxpayer did not respond to the Letter 5064C. There is still enough information to make determinations on the returns that were filed. The TC 150 would be nullified and the TC 976 processed. Due to the taxpayer not responding, no adjustment would be made to the AUR assessment except to abate any income that is included on the TC 976 return. A Letter 4674C would be sent informing them an AUR assessment remains on their account since they did not respond to our letter. The account would be marked with a TC 971 AC 501.

- (3) **Specialty Resolution only** - If the taxpayer provides falsified or altered documentation, when returning the case to the Compliance function, suggest the case be referred to the Campus Fraud Coordinator (CFC) as a potential fraud referral.
- (4) When reversing an existing IDT indicator and the secondary date is for a tax year that is more than 7 years old CC REQ77 will not accept the year. Prepare Form 4442 and email *ITVA HQ* using the subject line: Reverse IDT Indicator (or similar). Document all research completed in a CII case note and/or on Form 4442. Attach Form 4442 to your CII case. Do not suspend your case. For more information, see IRM 25.23.2.3.8.1, Command Code REQ77 Secondary Date and Old Case Year Issue.

25.23.4.10.17
(10-01-2024)
**Identity Theft (IDT) -
Manual Refunds**

- (1) When resolving an identity theft case and the refund cannot be released systemically, it may be necessary to issue a manual refund. Do not issue a manual refund if:
 - A generated refund will be released within two (2) cycles, except under conditions outlined in IRM 21.4.4.3, Why Would a Manual Refund Be Needed?
 - There is a TC 971 AC 664 on the account - either AP, PN or posted. This transaction code indicates that either a direct deposit or paper manual refund has been issued.
- (2) The most common reasons an identity theft case may require a manual refund are:

Reason	Scenarios
(1) Receipt of a hardship request from the Taxpayer Advocate Service (TAS) using an Operations Assistance Request (OAR)	<ul style="list-style-type: none"> • Request for the IDTVA employee to issue a manual refund. • Request approval to issue the manual refund.
(2) Systemic limitations prevent a normal computer-generated refund Note: The amount of time that will pass before a systemic refund generates is no longer considered a systemic limitation. See paragraph (3) below.	<ul style="list-style-type: none"> • Refund Statute Expiration Date (RSED) expired for the module. • Some payments and/or credits are refundable while others are not.

- (3) A systemic limitation is any account condition that will not allow a refund to generate at any time. Procedural actions which extend the period of time that will pass prior to issuance of a systemic refund will not prevent the refund from generating and should not be considered a limitation. A manual refund will not be issued as a result of extended timeframes due to normal processing and posting cycles.

Exception: There may be extenuating circumstances which would warrant issuance of a manual refund before a systemic refund generates. Examples of these instances include, but are not limited to, a Congressional request or direction received from headquarters.

- (4) The input of manual refunds without consideration of systemic account issues can result in erroneous refunds. In addition, improper IDRS controls and lack of required monitoring can result in erroneous refunds. Prior to inputting a manual refund, review the table below for additional considerations:

Considerations	Details
(1) Credit Availability	<ul style="list-style-type: none"> • Verify what credits and/or payments belong to the valid taxpayer. • Verify if any part of credits and/or payments the valid taxpayer is entitled to were previously refunded or will be refunded based on pending transactions on the module. • For more information about credit availability for refund or offset, see IRM 25.6.1.10.2.7.2, Limitations on the Amount of a Claim.
(2) Hold Codes	<ul style="list-style-type: none"> • When HC 3 is used, the adjustment notice will not generate, and any resulting credit balance will be available for refund or offset. Note: Other account conditions may prevent the refund from being systemically issued. • When HC 4 is used, the adjustment notice will not generate, and any resulting credit balance will be held from refunding or offsetting. HC 4 must be used when issuing a manual refund.
(3) Post Delay Codes	<ul style="list-style-type: none"> • Use of a Post Delay Code will delay the posting of the adjustment/transaction by the number of cycles input as the post delay. • Post Delay Codes are necessary to ensure transactions post in the correct order. • When an adjustment is post delayed, the credit will not be systemically refunded within two (2) cycles.

Considerations	Details
(4) Override Codes	<ul style="list-style-type: none"> • Override Code S may be used to allow a refund to be issued systemically when the module meets a specific set of conditions. Refer to paragraph (4) Table Scenario (1) for additional information. • A complete list of Override Codes can be found in IRM 2.4.16-4, Input Screen CC ADJ54.
(5) Excess Collections (XSF)	<ul style="list-style-type: none"> • Credits being moved from XSF to the module using Form 8765 , IDRS Control File Credit Application, must post prior to issuing a refund.\ • Credits being moved from the module to XSF using Form 8758, Excess Collection File Addition, do not need to post before issuing a refund. • When monitoring for a credit to be transferred to XSF any remaining credit will not be systemically refunded within two (2) cycles. This is considered a systemic limitation.

Considerations	Details
(6) Credit Transfers	<ul style="list-style-type: none">• When transferring a credit to a module that also requires an adjustment, the adjustment must be post delayed by one (1) cycle to ensure they post at the same time. Any remaining credit will not be systemically refunded within two (2) cycles. This is considered a systemic limitation.• When transferring a credit out of the module and issuing a manual refund, TC 570 must be input on the debit side to hold the credit and prevent an erroneous refund from being issued before the TC 840 posts.
(7) Frivolous Return Program (FRP) Involvement	<ul style="list-style-type: none">• When FRP is involved (-E freeze present), and a manual refund is necessary, include the following remarks: RICS-FRP Approval for manual refund - TC 810/4

- (5) Refer to the table below for scenarios you may see when resolving identity theft modules:

Scenario	Details
(1) Override Codes	<p>All of the following conditions must be met for an RSED Override Code to be used to allow a refund to systemically generate:</p> <ul style="list-style-type: none"> • There is no hardship request. • No payments on the module belong to the invalid taxpayer. • All credits on the module are available for refund, and there are no credits that must be moved to Excess Collections (XSF). • There are no credits being transferred into the module. • The adjustment is not being post delayed.
(2) Outstanding balance due	<ul style="list-style-type: none"> • Verify the taxpayer has no outstanding tax liabilities that must be satisfied prior to issuing a manual refund. Reminder: When the valid return is MFJ, the necessary research must be completed for both taxpayers. • When an outstanding tax debt is identified, a manual refund may only be issued for the amount of overpayment in excess of the balance due. Exception: An offset Bypass Refund (OBR) indicator may be used to bypass outstanding debts when economic hardship exists or based on certain TC 520 closing codes.

- (6) The availability date of an overpayment is determined by the payment(s) and or credits(s) of which it is comprised. Refer to the table below for additional considerations:

Consideration	Details
(1) Credit interest availability date(s)	<p>The refund due to the taxpayer may need to include credit interest. Computation of the availability date of an overpayment is determined by the payment(s) and or credits(s) of which it is comprised.</p> <ul style="list-style-type: none"> Prepayment credits (payments made before the due date of the return) are deemed paid as of the due date of the return (determined without regard to any extension of time to file) whether the return is timely or late filed. Interest on overpayments based on prepayment credits is generally allowed from the later of the return due date or delinquent return received date. See IRM 20.2.4.4.1, Availability Dates for Overpayments-Payment and Credit Types, for additional information.
(2) Multiple refundable payments	<p>An overpayment can be made up of multiple payments and or credits and may have more than one availability date.</p> <ul style="list-style-type: none"> See IRM 20.2.4.4.1, Availability Dates for Overpayments-Payment and Credit Types. Also see IRM 20.2.4.4.2, Availability Dates for Overpayments-Released Credits.

- (7) Form 5792 is prepared when requesting an IDRS refund. This form cannot be used to issue refunds of \$100 Million or more. Forward the manual refund form to the technical lead or designated individual for review, **according to the routing instructions for your site**. Attach necessary documentation. Refer to the checklist in IRM 21.4.4-2, Manual Refund Checklists.
- (8) The technical lead or designated individual will:

- Review the manual refund for accuracy, and
- Forward to the approver for the final review and signature.
- Once approved, Form 5792 and all required documentation will be sent to Accounting.

(9) Effective June 20, 2023, responsibility for all manual refund monitoring is now performed at the Headquarters level. IDTVA employees issuing manual refunds will also monitor for posting to ensure the taxpayer's identity theft issue is fully resolved.

- The CII case can be closed with an IDRS control created to monitor when no further account actions are needed.
- Update the activity for the IDRS control to "MNREF/###". (### represents the Julian Date).
- Monitor to ensure the TC 840 and TC 770 (if applicable) post correctly to IDRS.

25.23.4.10.18
(03-11-2024)

Identity Theft (IDT) - Setting the Math Error

(1) A math error may be identified during the process of math verifying the valid return. Refer to the following IRMs for detailed explanations of what is and is not a math error:

- IRM 21.5.4.3, What is a Math Error?
- IRM 21.5.4.3.1, What is Not Considered a Math Error?

(2) A math error will be set when the result of recomputation of figures on a tax return shows more tax and/or less credits than the taxpayer expected resulting in an increased balance due or decreased refund amount.

(3) Math verify the valid tax return. Confirm the figures on forms and/or schedules attached are calculated correctly and match the entries on the applicable line of the tax return.

Reminder: Various worksheets are available on AMS to assist with verification of tax return figures.

(4) When a math error is discovered, recompute the tax and/or credits on the valid return. Use the CII mark-up tools to edit the return with the correct amounts.

(5) Input an adjustment using the corrected amounts, include the following:

- **Blocking Series (BS):** Use BS 77 if the valid return was electronically filed or BS 78 when the valid return was filed as paper.
- **Source Code (SC):** Use SC 6.
- **Hold Code (HC):** Use HC 3 to hold the adjustment notice. Use HC 4 to hold the adjustment notice and resulting credit.
- **Reason Code (RC):** Use RC 139 and the RCs that best describe the adjustment.

(6) Issue an appropriate closing Letter 4674C and/or Letter 474C. Provide a detailed explanation of the changes made. In addition to the explanation, a return showing the correct figures may be included as an enclosure. See IRM 25.23.4.18.1, General IDTVA Letter Procedures, for additional information.

Note: Only issue both letters when there is not sufficient space to address all issues in one letter.

25.23.4.10.19
(06-07-2024)
Identity Theft (IDT)
Cases with -E Freeze

- (1) The presence of a TC 810 RESP 4 and a -E freeze on the module indicates Frivolous Return Program (FRP) involvement **ONLY** when one or more of the following are also present:
 - TC 971 AC 089 on the year in question
 - A Civil Penalty MFT 55 with a Penalty Reference Number (PRN) 543 or 666
 - A TC 420 with or without a TC 300 with Project Code 310 or 313
- (2) When the above FRP criteria is met, refer to Exhibit 25.23.4-5 , IDTVA Routing Matrix, for instructions to refer the case to FRP.
- (3) When FRP criteria is not met, follow normal procedures to make an IDT determination. Refer to the table below for actions to be taken on the module(s):

Reminder: Each module will be considered separately.

Determination	Action
(1) TC 810 Code 4 (NOT FRP Criteria): IDT determination	<ol style="list-style-type: none">1. Resolve the IDT issue following the applicable streamline/non-streamline procedures. Note: When a manual refund is required, the remarks must include: RICS-FRP Approval for manual refund - TC 810/4.2. Close your CII case.3. Using IDRS CC ACTON, create a control base for FRP to release the freeze: C#,REQ_FRZRLS,A,FRPI 1486907202,* * will populate the current date.

Determination	Action
(2) TC 810 Code 4 (NOT FRP Criteria): No IDT determination	<ol style="list-style-type: none"> 1. Follow NO IDT procedures. Refer to IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations. 2. Close your CII case. 3. The -E freeze will remain, and the account will continue moving through the FRP process. To advise FRP of the No IDT determination, use IDRS CC ACTON to create a control base for FRP: C#,NO-IDT,A,FRPI 1486907202,* * will populate the current date. <p>Exception: If there is an open Exam issue with project code 1336 or 1505 and tracking numbers 4136-4139, DO NOT create an IDRS control.</p>

25.23.4.11
(10-01-2024)
**Identity Theft (IDT)
Cases Requiring Special
Treatment - Operations
Assistance Requests
(OARs)**

- (1) The Taxpayer Advocate Service (TAS) is an **independent** organization within the Internal Revenue Service (IRS), led by the National Taxpayer Advocate, that helps taxpayers and protects taxpayer rights. TAS offers free help to taxpayers when a tax problem is causing a financial difficulty, when they've tried and been unable to resolve their issue with the IRS, or when they believe an IRS system, process, or procedure just isn't working as it should. TAS strives to ensure that every taxpayer is treated fairly and knows and understands their rights under the *Taxpayer Bill of Rights*. TAS has at least one taxpayer advocate office located in every state, the District of Columbia, and Puerto Rico.
- (2) Taxpayers have the right to receive assistance from TAS if they are experiencing financial hardship or if the IRS has not resolved their tax issues properly and timely through normal channels. TAS criteria include economic burden, systemic burden, best interest of the taxpayer, and public policy (as determined solely by the National Taxpayer Advocate (NTA)). TAS is responsible for assisting taxpayers who have unresolved problems with the IRS. TAS will issue an Operations Assistance Request (OAR) when a taxpayer's situation meets TAS criteria.
- (3) Refer to guidance in the following subsections to process OARs, including those OARs associated with unprocessed original returns.
- (4) OARs may be Economic Burden cases (Criteria 1-4) or Systemic Burden cases (Criteria 5-7).

- (5) For OARs in Criteria 5-7 that are not marked "Expedite", follow normal procedures for accepting and working the OAR.

Note: OARs in Criteria 5-7 not marked as "Expedite" **will not** be rejected.

25.23.4.11.1
(10-01-2020)
**Identity Theft (IDT)
Expedite Operations
Assistance Requests
(OARs) - (Cases that
Meet Economic Burden
Criteria 1-4 and Contain
Unprocessed Original
Returns; TC 976
Documents) - Austin
IDTVA-A ONLY**

- (1) TAS will route Expedite Economic Burden Criteria 1-4 OARs (including Spanish) to the Austin IDTVA-A Adjustments TAS Liaison if they meet one of these conditions:
- There is an unprocessed original return (no TC 976) that was sent directly to TAS.
 - There is a return on CII but **no TC 976 posted and the TC 150 was not filed by the SSN owner.**
 - There is no TC 976, but there is a TC 977 generated by a TC 971 AC 010, and the taxpayer's original return is on CII and has no valid return DLN on it.
- Caution:** If a TC 977 posted with a DLN and the information has posted to CC RTVUE and TRDBV instead of a TC 976, then the case can be worked by any IDT site. These returns have gone through processing.
- Caution:** These procedures are not intended for **valid returns** moved to MFT 32 in error.
- (2) This procedure is limited to cases requiring expedite processing due to economic burden. All other IDT cases will be routed using established procedures.
- (3) TAS will continue to complete the preliminary research on these cases before they are routed and will ensure **ALL** the following criteria are met:
- The issue is ID theft
 - The OAR is a Criteria 1-4 Economic Burden Case
 - The case contains an unprocessed original return with the case as described above. (The TC 150 return was not filed by the SSN owner and no TC 976 posted)
 - All other preliminary research is completed
 - The unprocessed return has an IRS received date stamp when submitting to IDTVA-A, or is received in IDTVA-A within one day of receipt in TAS. All required documentation must be attached. If there is no IRS received date stamp, the date the OAR is received by Austin IDTVA-A will become the IRS received date for the return.
 - If the return is already on CII, the received date will be the date the return was received in ICT
- (4) Before processing the case, employees will follow normal procedures to determine CN ownership.
- (5) If the case does not meet IDT criteria, per IRM 25.23.4, IDTVA Paper Process, or the OAR should have been sent to an area outside of the IDTVA Directorship, the employee will reject the OAR back to the assigned TAS caseworker per the *IDTVA SLA Addendum* and complete page 2 explaining why the OAR is being rejected.

- (6) If the case is complete and CN ownership has been validated, employees should adjust the account per procedures in IRM 25.23.4, IDTVA Paper Process. Please update the ASER as required.
- (7) The Austin IDTVA-A Directorate will work these cases and follow specific guidance provided by SP Accounting to process the manual refund, per guidance in IRM 21.4.4.3, Why Would A Manual Refund Be Needed, and the following:
 - If there is no IRS received date stamp, the date the OAR is received by Austin IDTVA-A will become the IRS received date for the return.
 - A copy of the unprocessed return, depending on your determination, will be submitted along with an IDRS print to show the credit.
 - IDTVA-A will send the original return to SP per local procedures, to expedite the processing of the TC 976 document.
 - IDTVA-A will monitor the case for additional closing actions needed (i.e., the posting of the TC 976 that will generate a -A freeze and the posting of the TC 841/TC 840).

25.23.4.11.2
(02-04-2020)

**Normal Operations
Assistance Request
(OAR) Processing**

- (1) IDTVA accepts OARs related to IDT Accounts, IDT Compliance, Fraudulent Return Requests (FRR), and Return Preparer Misconduct (RPM) per the *IDTVA SLA Addendum*. IDTVA also accepts OARs for other issues if there is an open or closed IDRS control for an IDTVA employee.
- (2) IDTVA employees will follow OAR guidance in IRM 21.1.3.18.1, Operations Assistance Requests (OARs) Accounts Management Guidelines, to reject or reroute an OAR that is sent to IDTVA in error. Complete Section VI of Form 12412, Operations Assistance Request, when rejecting or returning an OAR to TAS. The IDTVA SLA Addendum also provides guidance on communication with TAS, translation of documents, and other aspects of routing OARs.
- (3) TAS should submit OARs through group email boxes or fax numbers, not by sending emails to individual employees. If an OAR is emailed to an individual employee, accept the OAR, but provide feedback to the TAS employee and their manager about the proper routing of OARs.
- (4) TAS should also provide a translation or summary of any documents not in English. If untranslated documents are submitted with an OAR, accept the OAR, but contact the TAS employee for a translation or summary. If necessary, ask for an extended completion date.
- (5) If the OAR does not list the research completed, the findings of the research, or the action requested, return the OAR to the TAS employee for proper completion. If necessary, ask for an extended completion date.
- (6) If the OAR is complete and has not been scanned as a CII image, Form 12412 and all associated documents must be scanned into CII upon receipt. If a Form 14039 is attached, update with TC 971 AC 522 UNWORK and send an acknowledgement letter to the taxpayer if those actions have not already been taken.
- (7) When assigning IDTVA Specialty Function (Compliance) OARs on CII, follow the table below.

If	And	Then
(1) A paper OAR is received in IDTVA-A inadvertently,	There is no case open in CII that should be routed to IDTVA Specialty Function (Compliance),	Assign the OAR to the Functional TAS Coordinator on CII using Case Priority Code 1 and appropriate Category Code. Note: Be sure all supporting information is on CII before assignment.
(2) A paper OAR is received in IDTVA-A inadvertently,	There is a CII case previously assigned to IDTVA Specialty Function (Compliance),	Link the OAR to the open Compliance case and assign the OAR to the Functional TAS Coordinator, using Case Priority Code 1.

Functional TAS Coordinator IDRS numbers are posted in the IDTVA ATAO shared folder.

(8) The priority for working OARs is as follows:

1. Criteria 1-4 marked "Expedite"
2. Criteria 5-7 marked "Expedite"
3. Other Criteria 1-4
4. Other Criteria 5-7

(9) When completing actions required to resolve an Operations Assistance Request (OAR), IDTVA will complete any required adjustments and prepare required forms for Submission Processing functions, including Accounting, as appropriate. The forms will accompany the completed Form 12412, Operations Assistance Request, to TAS. TAS will open a new OAR to the SP function and forward the forms for processing.

(10) Accounts adjusted during the completion of an OAR will be monitored for unpostable transactions. Unpostables on OARs will be corrected within 3 days of identification.

(11) CII OAR cases must be closed with the appropriate functional category code. Paper OARs must be retained for 90 days after completion.

25.23.4.12
(03-09-2021)
**Collection Activity -
Form 14394/13794**

(1) Form 14394, Identity Theft/RPM Case Collection Alert, is used to suspend/resume collection activity. It is critical that taxpayers are not harmed while IDT claims are being considered.

Form 14394 has two purposes:

- To suspend collection activity while IDT claims or issues are being processed, or

25.23 Identity Protection and Victim Assistance

- To resume collection activity, reinstate an installment agreement, or place in Currently Not Collectible (CNC) status, if there is a balance due when all IDT claims or issues have been resolved.

Note: If a Form 14394 was not sent upon receipt of the IDT claim and you will be completing the case that same day, it is not necessary to complete Form 14394 to suspend collection activity. Send only one Form 14394 if a balance remains after the account is corrected to ensure collection activity continues. Form 14394 is **not** required if the account is not in Master File or Service Center collection status 03, 22, 24, 26, or 58.

Caution: A second Form 14394 is **not** required if there is no tax balance, only penalty and interest on the account.

- (2) Form 13794, Request for Release or Partial Release of Notice of Federal Tax Lien, is used to release a lien on property and rights to property of a potential IDT victim. The decision to complete a Form 13794 is completely separate from the Form 14394.

- Input as much information as possible regarding the abatement. You may include specific details such as the date the lien was satisfied or resolved, payment information, and/or a reminder to abate the associated TC 360 lien.

Note: The forms should be completed upon receipt, or at the earliest time possible.

- (3) When a Form 14394 or Form 13794 is completed for an open CII case, the form must be attached as a .pdf. Input a CII case note describing the action(s) taken to address collection activity.

25.23.4.12.1
(06-06-2022)

Collection Activity - Form 14394

- (1) To ensure the taxpayer is not being harmed from a levy, the following items require action:

- a. Either master file **or** service center collection status 03, 22, 24, 26, or 58

Note: Input a TC 470 CC 90 when the corrective adjustment will full pay the balance. Input TC 470 with no CC when the identity theft claim is pending and/or there will still be a balance owed.

- b. FPLP, AKPFD, MTLP, SITLP: The case has been in status 22, 24, or 26 AND there is a balance due AND has a TC 971 AC 060-FPLP (Federal Payment Levy Program) or TC 971 AC 601-AKPFD (Alaska Permanent Fund Dividend Levy Program) or TC 971 AC 602-MTLP (Municipal Tax Levy Program) or TC 971 AC 600-SITLP (State Income Tax Levy Program) or TC 670 (Subsequent Payment) DES-PYMT-CD>PC 05 (levy) or 20 (SITLP).
- c. Active Levy: Taxpayers indicate they have an active levy against them. Levy payments will have a TC 670 DPC 05 or 20.
- d. TC 971 with literals "FPLP" (Federal Payment Levy Program): Cases subject to the FPLP will have a TC 971 AC 062, and levy payments will have a TC 670 DPC 18 or DPC19.

- (2) If the case did not originate from IDTVA-ACSS, verify a Form 14394, Identity Theft/RPM Case Collection Alert, was sent to IDTVA-ACSS. If IDTVA-ACSS was not notified, follow instructions for issuing Form 14394 as indicated on the form.

Reminder: The Form 14394, Identity Theft/RPM Case Collection Alert, should be completed upon receipt, or at the earliest point possible.

Exception: Form 14394 is not required to be completed for cases currently being worked by IDTVA-ACSS. The employee working the case will address collection activity, as needed.

- (3) If the collection status is 26 and the case did not originate from the field, verify a Form 14394 was sent to the Revenue Officer (RO). If the RO was not notified, follow instructions for issuing Form 14394 as indicated on the form. The RO will stop collection activity for the years in question. Do NOT send the case. The determination should be made by the function. You can locate the RO by searching SERP, click the Who/Where tab, then click RO by TSIGN/ZIP/STATE. Enter the first six digits of the RO assignment number. Fax/EE-Fax to the number provided for the RO group.
- (4) The following transactions indicate a reversal or block from the Federal Payment Levy Program. TC 972 AC 060 (module reversed out of FPLP), TC 971 AC 061 (module blocked from FPLP). If these transactions are present and the only collection action identified is FPLP, no action is necessary and Form 14394 is not required.

Note: TC 971 AC 061 expires after 52 weeks. When a posted TC 971 AC 061 will expire and the case will not be resolved prior to expiration, input another TC 971 AC 061 to continue to prevent FPLP actions.

- (5) Routing of the Form 14394 is required to be documented in a CII or AMS case note. The case note should include the suggested verbiage as follows:
- "Form 14394 sent to suspend collection activity", or
 - "Form 14394 sent to continue collection activity, reinstate an installment agreement, or Currently Not Collectible (CNC)".
- (6) If the case is determined not to be IDT (NOIDT), notify ACSS, via Form 14394, to resume collection activity. Check the appropriate boxes indicating that the IDT issue has been resolved.

25.23.4.12.2
(07-15-2021)

**Collection Activity -
Form 13794 Additional
Actions Required - Lien**

- (1) If there is a TC 582 (Lien Indicator) or TC 360 (Lien Fee Assessment) posted and a full abatement will reverse the tax liability to zero, prepare Form 13794, Request for Release, Partial Release, of Notice of Federal Tax Lien. Form 13794 should be completed and forwarded to the Collection Advisory.

Note: Only Collection Advisory has the authority to reverse lien fees (TC 360) on accounts impacted by IDT.

- (2) Take the following actions when completing the Form 13794:
- Input as much information as possible regarding the abatement
 - Include the Serial Lien Identification (SLID) Number from the Notice of Federal Tax Lien, if available

25.23 Identity Protection and Victim Assistance

- c. Check box 9 indicating "Erroneous Lien"
- d. Include "ID Theft" in the "Reason" box
- e. Fax/EE-Fax or email Form 13794 to the Collection Advisory Unit for the state where the taxpayer currently resides

Note: If you do not have access to the Automated Lien System (ALS), include a note asking Advisory to complete the SLID and TSIGN.

- (3) Collection Advisory contacts can be found under the Who/Where tab on the SERP Home Page on the *Advisory Units Contact List*.

Reminder: When adjusting an IDT account where a NFTL was filed on the account (TC 582 posted) and a tax liability remains after the account has been adjusted the NFTL will remain in place. The NFTL will be systemically released when the account balance is satisfied (zero).

- (4) The Advisory Unit will review the Notices of Federal Tax Lien (NFTL) filed against the taxpayer using the Automated Lien System (ALS). If all modules on the NFTL are satisfied, Advisory will request the release of the NFTL as an erroneously filed NFTL per IRC 6326(b). The release of the NFTL will reverse the TC 582. Advisory will abate the TC 360 associated with the NFTL filing and issue Letter 544, Letter of Apology - Erroneous Filing of Federal Tax Lien, to the taxpayer.

Note: Routing of the Form 13794 is required to be documented in a CII or AMS case note.

- (5) If it has been more than 30 days since the lien release posted and the taxpayer has any issue with requests for the Notice of Federal Tax Lien (NFTL) to be released, refer the taxpayer to Publication 1450, Instructions for Requesting a Certificate of Release of Federal Tax Lien, to submit a written request for Certificate of release of erroneously filed Notice of Federal Tax Lien. The release date can be calculated based on the posting of the reversal of the TC 582 and TC 360.

25.23.4.12.3
(12-20-2022)

Collection Activity - Resume Collection Actions

- (1) If the case is in either master file or service center status 03, 22, 24, 26, or 58, resume collection activity upon completion of determination and/or case actions when:
 - A "NOIDT" determination is made. Notify ACSS via Form 14394 to resume collection activity. Check the appropriate box indicating that the "NOIDT" determination has been made and there is a remaining tax balance due. Input a TC 472 if a TC 470 was previously input.
 - The action taken will result in a tax balance due. Notify ACSS via Form 14394 to resume collection activity. Check the appropriate boxes indicating that the account has been resolved and there is a remaining balance due. Input a TC 472, if a TC 470 was previously input.

Caution: A second Form 14394 is **not** required if there is no tax balance, only penalty and interest on the account.

 - If Form 9409 was prepared to remove wages, check the boxes for "Levy Source(s) Deleted" and "Other". In the field for "Other", include a statement instructing them to see AMS history for deleted sources.

25.23.4.13
(10-01-2024)
Requests for an Appeal

- (1) There are no appeal rights associated with a No IDT determination. Taxpayers may provide additional information for consideration if they believe their claim is valid. New information received must be considered. If, after review, the new information does not support changing the original determination, see IRM 25.23.4.10.13, Identity Theft (IDT) - Previous Action. When the new information will result in a determination of IDT, work the case following normal procedures.
- (2) Taxpayers have various appeal rights that can be requested on cases that were worked within Compliance. The different appeal rights are as follows:
 - Non-docketed cases – A taxpayer can request a conference with Appeals on an examination that is pre-Notice of Deficiency when the taxpayer disagrees with Exam's determination.
 - Docketed cases – A taxpayer can petition the Tax Court based upon a Notice of Deficiency when a taxpayer disagrees with an ASFR, AUR, or Exam determination. The taxpayer is generally afforded an Appeals conference prior to the trial date before the Tax Court.
 - Collection Due Process (CDP) cases – A taxpayer is entitled to a CDP hearing when the taxpayer timely requests one, there is unpaid tax, and the taxpayer is disputing the enforced collection action (may be an ASFR, AUR, Exam assessment case).
 - Reconsideration Appeal – A Compliance assessment was made and the taxpayer submitted a request for reconsideration which was denied, except for Return Preparer Misconduct cases. See note under IRM 25.23.4.13.2, Referrals to IRS Independent Office of Appeals (New Requests or Reconsideration for Appeals). A taxpayer can request their case be reviewed by Appeals.
- (3) When taxpayers file an appeal, the case is normally routed to Appeals for consideration. Appeals will review the cases based upon the facts and circumstances of the case. Appeals gives full, fair, and impartial consideration to the merits of each new issue a taxpayer raises once the originating function has had an opportunity to examine the issue.
- (4) Cases with Appeals involvement may be identified as follows:
 - a. A -L or -W freeze code (a TC 520 with a closing code 72, 76 or 77) is present on the account.
 - b. Cases that are returned from Appeals.

25.23.4.13.1
(10-01-2024)
Cases with -L or -W Freeze Codes

- (1) Any IDT or RPM case that contains a -L or -W freeze should be reviewed on IDRS to determine if the case is in Appeals status. See Document 6209, *IRS Processing Codes and Information*, Section 13, Appeals and TE/GE, Status Codes for Appeals.

Reminder: A TC 520 with a closing code 72, 76 or 77 indicates the case is in Appeals status.

- (2) Once the Appeals Status Code is identified, follow the chart below for the proper handling of the case:

If the Case is AIMS Status:	And	Then
(1) Any AIMS Status	The documentation provided by the claimant is incomplete, or insufficient to make an IDT determination,	<ul style="list-style-type: none"> • Contact the Appeals Officer or <i>*AP Inquiries</i>, if the case is not assigned, to coordinate communication with the taxpayer. • Allow 10 business days for a response. If no response is received, follow IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written), to request the additional information.
(2) 80 – Non Docketed	The taxpayer has provided sufficient documentation to determine whether the taxpayer is a victim of Identity Theft,	<ul style="list-style-type: none"> • Review all taxpayer documentation and evaluate the claim following normal procedures. • Perform all necessary account actions, including adjustments. • Inform the taxpayer of the outcome. • Prepare Form 10467, Appeals Division Feedback Report and Transmittal Memorandum with the determination and all actions taken. Include a copy of the letter issued to the taxpayer that reflects the determination or a statement on Form 10467 when the CP 01 will serve as the closing letter. Attach Form 10467 to the CII case. <p>Note: Form 10467 must include an explanation when the CP 01 will not be issued and a closing letter is not being sent.</p> <ul style="list-style-type: none"> • Forward Form 10467 to Appeals via secured email to: <i>*AP Inquiries</i>. See Exhibit 25.23.4-14, Format for Emails to Appeals, for additional information. • Close your CII case.

If the Case is AIMS Status:	And	Then
(3) Status 80 – Non Docketed	The taxpayer has not provided sufficient documentation to determine whether the taxpayer is a victim of Identity Theft,	<ul style="list-style-type: none"> • Follow IRM 25.23.4.10.16, No Reply. • Input TC 290 .00 with a Reason Code 131 or 139, as applicable. Use a Hold Code 3 and Source Code 1 on the adjustment. • Prepare Form 10467 with the determination and all actions taken. If the taxpayer does not respond to a request for information or if their submitted information is incomplete, notate on the Form 10467 what documentation is still needed for a determination to be made. If the claim is denied, include the reason for the denial. Include a copy of the letter issued to the taxpayer reflecting the determination. Attach Form 10467 to the CII case. • Forward Form 10467 to Appeals via secured email to: <i>*AP Inquiries</i>. See Exhibit 25.23.4-14, Format for Emails to Appeals, for additional information. • Document CII with a case note. • Close your CII case.

If the Case is AIMS Status:	And	Then
(4) Status 82 Docketed Appeal (TC 520 with a closing code 72).	Regardless of whether the taxpayer has provided sufficient documentation to determine whether the taxpayer is a victim of Identity Theft,	<ul style="list-style-type: none"> Review all taxpayer documentation and evaluate the claim. Do not adjust the account. Do not issue a closing letter. Appeals will address the determination with the taxpayer. Prepare Form 10467 with the determination and all actions to be taken. If a determination cannot be made, notate on the Form 10467 what documentation is still needed. If the claim is denied, include the reason for the denial. Forward Form 10467 to Appeals via secured email to: *AP Inquiries. See Exhibit 25.23.4-14, Format for Emails to Appeals, for additional information. Close your CII case as MISC.
(5) Collection Due Process (CDP)	Identified by a TC 520 with a Closing Code of either 76 or 77,	<ul style="list-style-type: none"> Follow the directions for AIMS Status 80 Non-docketed in Table Scenario (3) above.

Note: Cases currently in AUR or ASFR inventory will be worked by AUR or ASFR, as applicable, following this guidance and not transferred to IDTVA Exam as outlined in Exhibit 25.23.4-5, IDTVA Routing Matrix.

Note: If a taxpayer is alleging IDT on multiple years, Appeals will only address the year under its jurisdiction. The tax years not under Appeals jurisdiction must be worked following normal procedures.

25.23.4.13.2
(10-01-2024)

**Referrals to IRS
Independent Office of
Appeals (New Requests
or Reconsideration for
Appeals)**

- (1) Cases will be referred to the IRS Independent Office of Appeals in the following scenarios:
 - Taxpayer specifically requests review by the IRS Independent Office of Appeals
 - Research indicates Appeals previously worked the case and the correspondence originated from the taxpayer.
- (2) If the taxpayer indicates they want their case to be reviewed by Appeals, the taxpayer must show:
 - They made an attempt to document their entitlement through the reconsideration process and

- Their request was denied.
- (3) All evidence provided by the taxpayer must be reviewed by the CSR/TE before the referral to Appeals. Refer to IRM 8.2.1.5, Returning a Case to Examination - ATE, and IRM 8.2.1.6, Preliminary Review of a Case - ATE.
- (4) For taxpayer requests and any case previously worked by Appeals, complete the steps below before sending the case to Appeals:
- a. Close the CII case as a route to Appeals. Input a TC 470 to ensure the taxpayer is not subjected to collection activity pending the appeal of the IRS determination.
 - b. Send Letter 86C, Referring Taxpayer Inquiry/Forms to Another Office to the taxpayer advising the case is being transferred to Appeals. Include the following special paragraph, "As you requested, we are transferring your case for a hearing with an independent appeals officer. During the time your case is in Appeals, we will not pursue any collection activity on your account. However, you should know that interest and applicable penalties will continue to accrue if there is still a balance due after the Appeals decision. Therefore, you might want to make voluntary payments during the time Appeals is considering your case to minimize any interest or penalties if you ultimately do owe."
 - c. Forward the case to the appropriate Appeals Office per the Appeals Routing guidelines in (7) below.

Note: Denied RPM reconsideration claims should not be referred to Appeals if the taxpayer disagrees with the determination. On denied RPM claims, the taxpayer's only right is to file suit to recover tax, penalties, or other amounts with the United States District Court that has jurisdiction or with the United States Court of Federal Claims.

- (5) Complete Form 3210, Document Transmittal, and include the following information:
- Sender's full name, Stop Number, Mailing Address and Phone Number.
 - A full description of items being sent.
 - The taxpayer's name and SSN.
 - Tax period(s) of cases being sent.
- (6) Appeals Case Building Guidelines - The documents below may have to be requested from files or printed from CEAS, the AUR system, or AMS. When building the case include the following:
- a. Taxpayer's original return
 - b. Original Compliance Adjustment
 - c. Report(s) (example - Form 4549 or CP 2000)
 - d. Reconsideration Adjustment (if reply to Recon disallowance)
 - e. Work papers
 - f. Taxpayer Correspondence
 - g. Letters; Initial contact, 30-Day, CP 2000, etc.
 - h. Statutory Notice of Deficiency
 - i. IDRS Research

Note: If requesting administrative files, make two attempts three weeks apart (the second request should be a special search). If the administrative file is not received from Files three weeks after the second request, forward without the requested documents. Attach

prints of ESTAB requests input and any Charge Outs from Files to verify the documents were requested.

- (7) Appeals Routing Guidelines - Ensure cases are routed to the correct Appeals office as identified by the Appeals Office code. Consult the Appeals website at *Appeals Case Routing* for case routing addresses.

Note: Communication between the referring function and Appeals that address the strengths and weaknesses of the issues and positions of the parties, accuracy of the facts, credibility or cooperation of the taxpayer, etc., are prohibited unless the information communicated has been shared with the taxpayer. However, communication between the referring function and Appeals relating to ministerial, administrative, or procedural matters are permissible. Refer to sections 2.02(6) and 2.03(3) of Rev. Proc. 2012-18, *Ex Parte Communications Between Appeals and Other Internal Revenue Service Employees*, for additional discussion regarding ex parte communication with Appeals

25.23.4.13.3
(10-12-2023)

Cases Received from Appeals With Previous Appeals Involvement

- (1) If a case originated in a campus, the taxpayer petitioned Tax Court or requested an Appeals hearing, and the IDT/RPM allegation is a new issue or new information was provided, Appeals may return cases to IDTVA to review and address the IDT or RPM allegation, provided that there is sufficient time remaining on the statute of limitations.
- (2) Appeals will review the case to determine whether the taxpayer has provided new information that was not previously shared or if the taxpayer is alleging an IDT/RPM claim for the first time. It is considered a new issue if the taxpayer did not raise the IDT/RPM allegation during the normal process.
- (3) Appeals will retain jurisdiction of docketed or CDP cases when forwarding to IDTVA. Appeals will release jurisdiction back to IDTVA on non-docketed cases.
- (4) Appeals will send via email cases where the taxpayer has submitted new information or raised a new issue in Appeals to the appropriate function, as outlined below
 - a. RPM cases will be routed to **TS IDT:KC:SPEC-EXAM*
 - b. IDT cases will be routed to **TS EEF IDTVA APPEALS*
- (5) All referrals from Appeals will contain Form 10467, Appeals Division Feedback Report and Transmittal Memorandum, and any information the taxpayer provided to Appeals. The Form 10467 will provide sufficient information as to whether jurisdiction was released or retained by Appeals.
- (6) All referrals must be scanned into CII, if the documentation was not previously scanned. The correct category code and OFP codes must be used when creating a case or sending the information to be scanned.
- (7) Once the case has been reviewed and a determination made, all docketed and CDP cases received from Appeals must be returned to the originating employee identified on the Form 10467.

25.23.4.13.3.1
(12-16-2019)

**Non-Docketed Cases
Returned from Appeals**

- (1) Appeals will return non-docketed cases to IDTVA when Appeals determines the IDT or RPM claim is a new issue or that the taxpayer provided new information that was not previously considered, if there are at least 210 days remaining on the statute of limitations.
- (2) All returned non-docketed cases should be scanned and assigned directly to a CSR/TE. The assigned CSR/TE will review the documentation provided by Appeals and determine if the IDT or RPM allegation is valid following normal procedures.
- (3) If the campus cannot work the case (referred in error) or the IDT or RPM was previously addressed by IDTVA:
 - a. Complete the explanation section of the Form 10467, Appeals Division Feedback Report and Transmittal Memorandum. Ensure to document the reason the case is being returned, (e.g., previously adjusted) and annotate the previous determination.
 - b. Return case and Form 10467 back to the originating Appeals employee.
 - c. Close the CII case.
- (4) Upon review of the case, if the taxpayer is determined to be a "Victim of IDT", complete all account actions, including adjustments. Do not return the case to Appeals. Close following normal procedures.
- (5) If the taxpayer is determined to be "Not a Victim of IDT", document the determination on the Form 10467; do not return the case to the originating Appeals employee. Route the Form 10467 using the following link, *Appeals Case Routing* and the steps below:
 1. In the "To Appeals from External Sources" section, select the "Case Routing Addresses and Instructions" link.
 2. Click on "Spreadsheet Tool" and the Case Routing Guide will open up.
 3. Using the drop down button, select the "Campus Location". Select the campus where the case originated and mail the case to the address provided.

Example: If the case is an AUR case that originated in Austin (TC 922 DLN starts with 18), select "Austin" from the drop down menu in the "Campus Location" field.

25.23.4.13.3.2
(12-16-2019)

**Docketed Cases
Received from Appeals**

- (1) On docketed cases where the IDT/RPM claim has not been considered, new information is received by Appeals not previously considered, or the IDT/RPM claim is considered a new issue, an Appeals Officer (AO) will forward the Form 10467 and information package to the appropriate IDTVA function via secured email.
- (2) Appeals will retain jurisdiction of the case. In docketed cases, time is of the essence. Any docketed cases received must be worked within 45 days of receipt, unless additional documentation is needed from the taxpayer. Review the documentation provided by Appeals and determine if the IDT/RPM allegation is valid following normal procedures.
- (3) If additional documentation is needed and the 45 day time frame cannot be met, contact the Appeals Officer (AO) to reach a new response date. If the

taxpayer does not reply to a request for additional information, **do not** deny the claim. Inform Appeals of the determination. The denial will be addressed by Appeals.

- (4) If the case is determined to be IDT/RPM, “no account adjustments” will be input. Complete Form 10467 with sufficient information to determine the necessary account adjustments. Appeals will input the account adjustments based upon the settlement agreement from the Tax Court.
- (5) Complete the explanation section of Form 10467, documenting the determination. The explanation should be explicit, outlining all documentation received, determination made, and any potential account adjustments.

Example: On an allowed RPM determination, the following information must be documented:

- List of documentation submitted by the taxpayer
- Applicable RPM category code (i.e., TC 504 AC RPM 3)
- Preparer Information
- Refund trace results, if applicable
- Items inflated by the preparer
- Relief to be provided to the taxpayer – (i.e., refund in the amount of X should be released to the taxpayer).
- Underreported income that remains underreported on the return as intended to be filed or items disallowed by Exam, if applicable.

Example: The taxpayer was audited for filing status, exemptions, and Earned Income Credit. The taxpayer has substantiated 2 of the 3 exemptions being disallowed by Exam. Annotate which exemption is still in question.

- (6) If the campus cannot work the referral package, (i.e., the IDT/RPM was previously worked by IDTVA or referred to IDTVA in error):
 - a. Complete the explanation section of the Form 10467. Document the reason the case is being returned, (i.e., previously adjusted) and annotate the previous determination.
 - b. Return Form 10467 to the originating Appeals employee via secured email.
 - c. Close the CII case.
- (7) If an RPM claim is denied and meets the criteria to be referred to Exam, do not send to Cat A. Clearly identify the RPM issues between the posted return and the return as intended to be filed on the Form 10467. Appeals will address the Cat A issues.
- (8) If an IDT claim contains a return from the SSN owner that requires processing and meets the DIF Bypass Criteria, do not refer to Exam. Inform Appeals that the return from the SSN owner must be assessed.
- (9) Docketed cases received from Appeals will be scanned into CII, if the documentation was not previously scanned. The correct category code and OFP codes must be used when creating a case or sending the information to be scanned.

25.23.4.13.3.3
(12-16-2019)

**Collection Due Process
Cases Returned from
Appeals**

- (1) The Appeals Officer (AO) will forward Collection Due Process (CDP) referral packages to IDTVA via secured email, when Appeals determines the IDT/RPM claim is a new issue or new information was received that was not previously addressed.
- (2) The package will include documentation received in Appeals and Form 10467, Appeals Division Feedback Report and Transmittal Memorandum.
- (3) Appeals will retain jurisdiction of the case. In CDP cases, time is of the essence. Any CDP cases received must be worked within 45 days of receipt, unless additional documentation is needed from the taxpayer.
- (4) Review the documentation provided by Appeals and determine if the IDT/RPM allegation is valid following normal procedures.
- (5) If additional documentation is needed, and the 45 day time frame cannot be met, contact the AO to reach a new response date. If no reply to requests for additional information, deny the claim and return to Appeals following normal procedures.
- (6) If the case is determined to be IDT/RPM, all account actions and adjustments must be input prior to replying to Appeals. The explanation section of Form 10467 must be completed with the determination, all actions taken, and a copy of the closing letter to the taxpayer explaining the determination. If a CP 01 will serve as the closing letter, document Form 10467 with that information. Return the case to the originating Appeals employee via secured email.
- (7) If the campus cannot work the case, (i.e., the IDT/RPM was previously addressed by IDTVA or referred to IDTVA in error):
 - a. Complete the explanation section of the Form 10467. Document the reason the case is being returned, (i.e., previously adjusted) and annotate the previous determination.
 - b. Return Form 14067 to the originating Appeals employee via secured email.
 - c. Close the CII case.
- (8) If the RPM claim is denied and must be referred to Exam, forward the case to Cat A following normal procedures. Include a statement that the case is CDP and request that the case be returned to Appeals upon completion of the audit. Include the Appeals employee's name so the case can be referred back correctly. Inform the Appeals employee of the referral to Exam and all actions taken.

25.23.4.14
(02-04-2020)

**Identity Theft (IDT)
Cases Processed
Incorrectly**

- (1) There may be instances when an employee incorrectly adjusted a case, or when the return was moved to MFT 32 in error. Actions should be taken immediately to resolve these issues. Follow procedures in IRM 25.23.4.15, MFT 32 Cases - Moved in Error, to correct the account.
- (2) If it is necessary to reverse a TC 971 AC 501, TC 971 AC 506 or a TC 971 AC 522, refer to the applicable guidance as follows:
 - IRM 25.23.2.6.2, Manually reversing TC 971 AC 501
 - IRM 25.23.2.6.4, Manually reversing TC 971 AC 506
 - IRM 25.23.2.6.6, Reversing Unsupported Allegations of Identity Theft

25.23.4.14.1
(11-21-2018)
**Identity Theft (IDT)
Adjustment Errors**

- (1) If you receive any type of correspondence that an SSN owner did not receive their refund, received an incorrect refund amount, or an incorrect balance due notice, because the case was worked incorrectly, (e.g., an employee failed to input a required TC 971 AC 850 causing a second direct deposit into the invalid taxpayer's account), treat the case as priority work. Telephone assistors will send a Form 4442, per IRM 25.23.12.4.1, Telephone Inquiries Regarding Identity Theft Victim Assistance (IDTVA) Tax-Related Cases, paragraph 4. Also see chart below for additional guidance.

Exception: If all IDT actions have been taken on the account but you discover through your research the refund was not released due to a -R freeze, you can release the refund.

If	Then
(1) The case meets TAS criteria. See IRM 13.1.7.2, Introduction to TAS Case Criteria,	Follow IRM 21.1.3.18, Taxpayer Advocate Service (TAS) Guidelines, to complete a referral. Prior to referring the case, review paragraph (1)(e) of IRM 13.1.7.4, Exceptions to Taxpayer Advocate Service Case Criteria.
(2) The case does not meet TAS criteria,	Reassign to the specific area based on the <i>Accounts Management Case Referral/Reassignment Listing</i> , located on SERP. Note: The listing may not be all inclusive due to functional and/or organizational unit changes etc., Conduct the necessary re-search to determine the correct employee to refer case.

25.23.4.15
(03-16-2023)
**MFT 32 Cases - Moved
in Error**

- (1) If an IDTVA employee or another function's employee made an incorrect determination to send a return to MFT 32, the employee who made the error should move the MFT 32 return to the MFT 30 if the following applies:

- The MFT 32 was caused by SP and no additional account adjustments are needed to resolve the case.
- The MFT 32 was caused by TPP/RIVO, but you do not have -A freeze on the account or an IDT claim from the TP that requires resolution.

Note: To prevent additional delays to our customers, IDTVA employees will move MFT 32 cases back to MFT 30 when they are able to determine the correct CN owner and have a case in inventory that requires immediate attention.

Caution: If the case was worked in an IDTVA Specialty Function, the case must be sent to the IDTVA Specialty Function employee for proper resolution.

- (2) **To refer the case**, send a Form 4442, Inquiry Referral, to the employee that made the error based on the Form 4442 Referral Chart. The listing may not be all inclusive due to functional and/or organizational unit changes, etc. Conduct the necessary research to determine the correct employee to refer the Form

4442. Refer to the *Accounts Management Case Referral/Reassignment Listing, located on SERP*. Monitor the account for posting of the return. Then refer to paragraph (4).

- (3) **To resolve the case**, refer to the table below and the additional instructions that follow.

If	And	Then
(1) The return posted to MFT 32 was filed by the valid taxpayer (current and immediately preceding year ONLY),	There is no return present on MFT 30,	<ul style="list-style-type: none">• Move the valid return to MFT 30. See IRM 25.25.6.7, MFT 32 Procedures - How to Move Identity Theft Returns to MFT 32, and IRM 25.25.6.7.1, Taxpayer Protection Program (TPP) Assistors, Taxpayer Assistance Center (TAC) Assistors, and Identity Theft Victims Assistance (IDTVA) Assistors MFT 32 Reversal Criteria & Procedures, for additional guidance.

If	And	Then
(2) The return posted to MFT 32 was filed by the valid taxpayer (current and immediately preceding year ONLY),	There is a TC 150 return posted to MFT 30 that is an exact copy of the return moved to MFT 32,	<ul style="list-style-type: none"> • Move the valid return to MFT 30. See IRM 25.25.6.7 , MFT 32 Procedures - How to Move Identity Theft Returns to MFT 32, and IRM 25.25.6.7.1 , Taxpayer Protection Program (TPP) Assistors, Taxpayer Assistance Center (TAC) Assistors, and Identity Theft Victims Assistance (IDTVA) Assistors MFT 32 Reversal Criteria & Procedures, for additional guidance. • Update the MFT 30 ASED to reflect the received date of the valid taxpayer's original return posted to MFT 32 if the received date is earlier than the received date of the return posted to MFT 30. • Input a CII case note indicating the return posted to MFT 30 is a true duplicate of the return posted to MFT 32. • If the ASED was updated, notate the action and the IRS received date of the valid taxpayer's original return.
(3) The return posted to MFT 32 was filed by the valid taxpayer (AFTER Cycle 47 or archived deleted),	There is no return present on MFT 30,	<ul style="list-style-type: none"> • Follow IRM 25.25.6.8, Valid Tax Returns That Were Archived - Deleted Returns or Failed Systemic MFT 32 Reversals That Must Be Processed Manually - RIVO and Non-RIVO Employees.

If	And	Then
(4) The return posted to MFT 32 was filed by the valid taxpayer (AFTER Cycle 47 or archived deleted),	There is a TC 150 return posted to MFT 30 that is an exact copy of the return moved to MFT 32,	<ul style="list-style-type: none"> • Do not take action to move the return posted on MFT 32 to MFT 30. • Update the MFT 30 ASED to reflect the received date of the valid taxpayer's original return posted to MFT 32 if the received date is earlier than the received date of the return posted to MFT 30. • Input a CII case note indicating the return posted to MFT 30 is a true duplicate of the return posted to MFT 32. • If the ASED was updated, notate the action and the IRS received date of the valid taxpayer's original return.
(5) The return posted to MFT 32 was filed by the valid taxpayer,	There is a TC 150 return posted to MFT 30 that is not an exact copy of the return moved to MFT 32, and through research it is determined the taxpayer is not a victim of identity theft.	<ul style="list-style-type: none"> • Consider the return posted to MFT 30 as an amended or superseding return. <ul style="list-style-type: none"> • Update the MFT 30 ASED to reflect the received date of the valid taxpayer's original return posted to MFT 32 if the received date is earlier than the received date of the return posted to MFT 30. • Input a CII case note indicating the return posted to MFT 30 is an amended or superseding return and the taxpayer's original return posted to MFT 32. • If the ASED was updated notate the action and the IRS received date of the valid taxpayer's original return.

If	And	Then
(6) The return posted to MFT 32 was filed by the valid taxpayer,	There is a TC 150 return posted to MFT 30 that is not an exact copy of the return moved to MFT 32, and through research it is determined the taxpayer <i>is</i> a victim of identity theft.	<ul style="list-style-type: none"> • Update the MFT 30 ASED to reflect the received date of the valid taxpayer's original return posted to MFT 32, if necessary. • Input a CII case note indicating the taxpayer is a victim of identity theft, and their original return posted to MFT 32. • If the ASED was updated, notate the action and the IRS received date of the valid taxpayer's original return in a CII case note. • Follow procedures in IRM 25.23.2.5.3, Statute protection - Multiple Returns and MFT 32. • Once the assessment has posted, follow procedures in paragraph (3) above to request the return to be moved from MFT 32 to MFT 30. • Monitor the account for posting of the TC 976. Then continue to paragraph (4).

(4) After the return has been moved back to MFT 32, take the following actions:

- When completing reversals, use the correct information provided in Exhibit 25.23.2-9, IMF Only TC 972 AC 506 Tax-Related, Reversal of Identity Theft Case Closure, IRS Identified, for your BOD/Function.
- Correct the account on MFT 30, and monitor for the release of the -A freeze if the return being transferred from MFT 32 posts as a TC 976.

Caution: Moving it back to the MFT 30 may cause the account to go unpostable 126-0 again. All unpostable conditions must be resolved before additional actions can be taken on the account. See IRM 25.23.4.10.8, Identity Theft (IDT) Cases/ Transcripts with RIVO and/or TPP Involvement Resolution Tables, for additional information.

- Correct the entity, as needed.
- Notify the SSN owner that they appear to be a victim of IDT, if the notification was sent to the wrong filer.

Note: If multiple returns were not received, the TP whose return moved in error may not be a victim of ID Theft. If this is the case, notification is not necessary.

25.23.4.16
(12-20-2022)
Form 3245/3809
Reversals

- (1) In certain circumstances, it may be necessary to reverse previous actions taken that debited the GL 1545 account with the posting of a TC 841 or TC 700 to the tax account. For example, a duplicate TC 841, actual credit has been returned to the module, etc.
- (2) When it is determined by the originator or employee resolving a case that a TC 841 was initiated in error, a Form 3245, Posting Voucher - Refund Cancellation or Repayment, and Form 3809, Miscellaneous Adjustment Voucher, must be completed. The Form 3245 should be sent to Accounting to reverse the TC 841 with a TC 843 and the Form 3809 will be used to credit the GL 1545 account. Form 3245 and/or Form 3809 must include a brief explanation of the error and the DLN of the TC being reversed must be annotated on the forms. See Exhibit 25.23.4-2, Form 3245 Reversal, and/or Exhibit 25.23.4-3, Form 3809 Reversal, for proper annotations required for Form 3245/3809. In addition to this, 3 copies of Form 3809 and Form 3245 should be submitted when requesting a reversal and the originator should open a control base indicating "843 or 702 request" to prevent duplicate submissions to Accounting. Make sure the TC 841 to be reversed has posted to the taxpayer account before initiating the reversal action. Form 3245 and or/ Form 3809 should be forwarded to the Accounting function for numbering and journaling. The process of reversing the credits may take up to 8 weeks. If the credit cannot be seen as pending or posted, contact IDTVA P&A regarding the delay in processing the request. See IRM 3.17.80.2.7, Duplicate Identity Theft (IDT) TC 841 or TC 700 Posting Identified by Originators, for additional guidance.

Note: Form 3245 and/or Form 3809 must be complete and legible for processing or the forms will be rejected back to the originating location. A current TXMOD print must be attached, or the Form 3245/3809 will be rejected back to the originating location.

- (3) If you identify multiple TC 700s that have posted to the account, input a TC 570 on the account to avoid erroneous refund(s).

Note: When multiple TC 700s result in a refund, complete research is needed to determine the recipient. If it's an ID theft account, follow ID theft procedures. If the owner of the EIN/SSN benefited from the refund then follow erroneous refund procedures in IRM 21.4.5.6.1, Account Actions for Category D Erroneous Refunds.

- (4) For proper routing, refer to *Accounts Management Case Referral/ Reassignment Listing located on SERP*.

Note: The Form 3245/3809 should be routed to the Service Center (SC) identified by the first 2 digits of the TC 841/700 DLN.

- (5) If the TC 843 or TC 702 is not posted or pending after 8 weeks, follow local procedures to contact IDTVA P&A to follow up with the appropriate site's P&A.

25.23.4.17
(03-09-2021)
Determining Tax
Liability/Form 2209
Instructions

- (1) This section provides guidance on determining if the taxpayer is required to file a federal tax return, if the taxpayer should file a federal tax return to receive a refund, and when a Form 2209, Courtesy Investigation, is necessary.

Note: Determining a taxpayer's filing requirement is not required for current tax year if the return due date (RDD) has not passed.

(2) The taxpayer's filing requirement will be determined by considering the following information:

- Gross income (Gross income includes all income received in the form of money, goods, property and services that is not exempt from tax.)
- Age
- Filing Status

Caution: When the valid taxpayer is a victim of income related IDT, exclude any income reported that was earned by someone other than the taxpayer when calculating the gross income amount.

Reminder: Complete Form 9409 for any wages reported that were not earned by the valid taxpayer. See IRM 25.23.13.3.1, Form 9409 Procedures - IRS/SSA Wage Worksheet, for additional information.

Example: CC IRPTR has wage income from ABC Company in the amount of \$41,250.00, MNO Enterprises in the amount of \$26,800.00, and XYZ Manufacturing in the amount of \$5,125.00. You determine the valid taxpayer was only employed by MNO Enterprises. The gross income used to determine if the taxpayer has a filing requirement is \$26,800.00. Form 9409 must be completed for the income reported by ABC Company and XYZ Manufacturing.

(3) Use the data from IDRS CC IRPTR to calculate the taxpayer's net tax liability. Unless filing information is provided by the taxpayer, tax liability is only determined for the identity theft victim. If both the primary and secondary are victims, tax liability is determined separately for each taxpayer. The IAT Compliance Suite tool is available to assist in determining tax liability. The use of the tool is not mandatory. See the Determination of a Filing Requirement job aid located in the Resources section on the *IDTVA Hub* for assistance with the IAT Compliance Suite tool for performing the calculation.

Note: When calculating tax liability, allow the taxpayer a filing status of single. Allow a self-exemption for tax years 2017 and prior.

Exception: Taxpayers who were over 65 at the time the return was due, are allowed the higher standard deduction amount.

(4) If it is determined that the taxpayer is due a refund, issue a closing letter instructing the taxpayer to file a return. Advise the taxpayer of the statute of limitations for receiving a refund. See IRM 25.6.1.8, Original Delinquent Returns, for additional guidance on refunds. If the Masterfile status is 02 or 03, input a TC 590 CC 078.

Exception: Do not request the return if the RSED has expired and input a TC 590 CC 076 instead.

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the Master file status is 02 or 03, input a TC 590 CC 077.

- (7) If the valid taxpayer is the secondary taxpayer on a return for the year being reviewed, their filing requirement has been met. If the MFJ return is located and has not completed processing, input TC 594 CC 084 and XREF the primary taxpayer's TIN when it is not present or has been reversed with a TC 592.

- (8) Do not request a return if the return is six years or more overdue.

Example: You are working a case on November 5, 2020. The taxpayer did not file a TY 2010 return. The TY 2010 return was due April 15, 2011. The return is more than 6 years overdue. You would not request a return from the taxpayer for this year.

- (9) In situations where a fraudulent return has posted to the account as the TC 150 and the SSN owner has not filed (but review of the IRPTR shows income for the SSN owner), complete Form 2209, Courtesy Investigation, per IRM 5.1.8.2, Originating Office Procedure, to alert compliance that the SSN owner has not filed a tax return. Follow normal case processing to ensure the account is flagged with the appropriate ID theft indicators. Refer to job aid on the *IDTVA Hub* for completing the Form 2209.

Exception: Do not send the Form 2209, under any of the following conditions:

- It is determined the TP does not have a filing requirement. See paragraphs 1 - 4 above.
- The taxpayer's current address is a service center address.
- The missing return is for the current filing tax year.

- (10) If the Revenue Officer rejects the Form 2209 referral, forward a copy of the rejection to: *ITVA HQ*. No other action is needed.

25.23.4.18
(10-01-2023)
**Communicating with
Taxpayers**

- (1) Communications with taxpayers may be associated with research of a case, the closing/resolution of a case or an interim contact to let taxpayers know that IRS needs more time and/or additional information to complete the processing of the request.
- (2) Communications may be written or verbal (by telephone). Refer to IRM 21.3.3, Incoming and Outgoing Correspondence/Letters, and IRM 21.1.1.4, Communication Skills, for supporting guidance.

Note: International taxpayers are those with an address that is not in the 50 states, District of Columbia, or an APO/DPO/FPO address. APO, DPO, and FPO addresses are considered domestic addresses.

- (3) In support of the commissioner's Multilingual Strategy and *Executive Order 13166*, Improving Access to Services for persons with Limited English Proficiency (LEP), review the taxpayer's account for a Mail Filing Requirement (MFR) code and Limited English Proficient (LEP) Indicator before issuing IMF Correspondence.

Exception: This does not apply to systemic generated or automated letters.

25.23 Identity Protection and Victim Assistance

- (4) The MFR code is found in position 34 on CC INOLES and displays a 2-digit format (nn). The LEP indicator is found in position 72 on CC ENMOD and displays a 3-character format (nnn).
- (5) The following table provides instruction on determining what language to use when sending letter:

IF	AND	Then
(1) The LEP indicator is blank or LEP indicator is "000"	The MFR code is not "07"	Send correspondence in English.
(2) The LEP indicator is blank	The MFR code is "07"	Send correspondence in Spanish if one is available. Otherwise, send the letter in English.
(3) The LEP indicator is 001		Send the correspondence in Spanish if one is available. Otherwise, send the letter in English.
(4) The LEP indicator is not blank and is something other than "000" or "001". See Form 1040 Schedule LEP, Request for Alternative Language Products by Taxpayers With Limited English Proficiency (LEP), for indicators.		Follow directions to get a translation of the letter from Linguistic Policy, Tools, and Services (LPTS). See IRM 25.23.4.19, Requesting Translation of Certain Languages.

Note: If Spanish language correspondence is received or the taxpayer marks the "Spanish" box in Section C of the Form 14039, a reply must be issued using the Spanish version of the appropriate C letter, if one is available, even if the LEP indicator and/or MFR Code do not indicate Spanish as the taxpayer's language. See IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written), if translation services are needed. If providing a response in Spanish that includes an open paragraph, translation of the open paragraph must be included as a CII note. When translation of a required special paragraph exceeds the number of characters allowed, a floating paragraph (*) may be used immediately following the open paragraph to separate the special paragraph into two parts to ensure the taxpayer received all relevant information.

Exception: Do not issue the Spanish version of the C letter, if the taxpayer specifically requests to receive the letter in English, or if both the English and Spanish boxes are checked and the comments are written in English. If Spanish is indicated as a language spoken by the taxpayer on a Police

Report, issue correspondence in English, *unless* the report clearly indicates the taxpayer does not speak English or would like to receive all communications in Spanish.

- (6) The following subsections contain program specific guidance for communicating with taxpayers.

25.23.4.18.1
(10-01-2024)
**General IDTVA Letter
Procedures**

- (1) All IDTVA will use the following letters when addressing IDT issues. This list is not all inclusive:
- Letter 5073C, Acknowledgement Letter for Identity Theft Claim (Form 14039 Police Report), to acknowledge receipt of the IDT claim when CP 01S/CP 01S (SP) is not systemically generated.
 - Letter 5064C, ID Theft-In Process Letter, as interim letter or to request additional information from the taxpayer.
 - Letter 4674C, IDTVA Closing Letter, as a closing letter when a CP 01, Identity Theft Acknowledgement, will not be systemically issued, when the CP 01 by itself may not be sufficient to explain actions taken on the account, or the CP 01 does not respond to all issues raised by the taxpayer.
 - Letter 4675C, Identity Theft - Temporary Number Assignment Letter (For use when an IRSN is assigned), to inform the invalid taxpayer they have been assigned an IRSN.
 - Letter 4402C, ID Theft (Self Identified) - AM AC 504 Notification Letter, as a closing letter when issuing a manual letter for a non-tax-related IDT determination.
 - Letter 474C, Math Error Explained (IMF), as a closing letter when setting a math error.
 - Letter 105C, Claim Disallowed, as a closing letter when fully disallowing a claim.
 - Letter 106C, Claim Partially Disallowed, as a closing letter when partially disallowing a claim.

Note: The CII capture function must be used when sending a letter as part of IDT case resolution. Refer to IRM 21.5.1.5.1, CII General Guidelines, for additional information.

- (2) The IAT Letters tool in the IAT Task Manager must be used to input the Letter 5073C, Letter 5064C Letter 4674C, Letter 474C, Letter 105C, or Letter 106C. The tool provides a simple format for selecting the required paragraphs, manually editing the address to the valid SSN owner's information and adding a history item or updating the control base on IDRS. See Exhibit 21.2.2-2, ACCOUNTS MANAGEMENT MANDATED IAT TOOLS, for more information.

Note: When sending letters that include open paragraphs, IDTVA employees are encouraged to utilize the IRS Style Guide, *Plain Language*, to ensure their correspondence is grammatically correct.

- (3) A determination of whether the case will remain in the function should be made prior to issuing any letters.
- (4) Unless an exception applies, all identity theft cases are required to have a Letter 5073C, Acknowledgement Letter for Identity Theft Claim (Form 14039 Police Report), issued within 30 days of IRS receipt.

Note: IDTVA Specialty Function employees are required to issue an acknowledgement letter within 30 days of receipt of a case referred by a Compliance function into the team. This does not include cases reassigned from IDTVA-AM inventories. Use the address on the Form 14039, unless a more recent valid address has been provided. Clerks issuing the acknowledgement letter will not update the taxpayer's entity prior to sending the letter but will override the address that populates in the IAT letters tool instead. Since the acknowledgement letter cannot be captured on CII, a copy of the letter must be included with the correspondence being sent to ICT for imaging.

Exception: Do not issue Letter 5073C as an acknowledgement letter if any of the following conditions exist:

- It is determined that the case needs to be returned to the referring function
- It is determined that the case needs to be routed/reassigned to another function and input of a Letter 86C is required; see IRM 25.23.4.3.3, Cases Requiring Routing/Reassignment to Other Functions
- A Letter 5316C, CP 01S, or CP 701S was previously issued to acknowledge the claim

Caution: When the systemic acknowledgement letter was issued to an address that does not belong to the valid taxpayer, an acknowledgement letter must be issued to the valid taxpayer *unless* another exception applies.

- A Letter 2645C was previously issued when the case originated as an RPM claim (IDRS Category Codes RPMC and IDII)
- Another IDTVA function has already issued an acknowledgement letter within the last 640 days
- The case can be closed within 30 days of receipt (the closing letter will also be considered the acknowledgement letter; a separate acknowledgement-

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name and six-digit extension of the employee assigned to the case and their tour of duty as the hours of operation or, for international taxpayers,

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the employee assigned to the case and their tour of duty as the hours of operation

- The correspondence has a Form 14157, Return Preparer Complaint, or Form 14157-A, Tax Return Preparer Fraud or Misconduct Affidavit, attached (IDTVA Specialty Functions see paragraph (6) of IRM 25.23.10.2, Case Batching, for additional information)

- (5) When a 5073C acknowledgment or other letter was issued for a tax year in error, a closing letter is required. Issue a Letter 544C, Apology for IRS Error, for the specific tax year only.
- (6) If the case needs to be referred to another function, the referring function should issue the Letter 5073C or Letter 86C, whichever is appropriate, as the acknowledgement letter prior to referral. The acknowledgement letter must

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Example: IDTVA ACS-Support receives a referral from ACS-Support. Through research IDTVA-ACS determines that the account has two impacted tax years. TY 2012 is an impacted tax year for ACS and the TY 2013 has an Exam assessment. Per Exhibit 25.23.4-5, IDTVA Routing Matrix, the case will be worked by IDTVA-Exam. IDTVA ACS-Support will send the acknowledgement letter to the taxpayer before preparing the case to be imaged by ICT. IDTVA-ACS-Support will input on the ICT Batch Cover Sheet as an IDI1, so that the cases will get assigned to IDTVA-Exam.

(7) When issuing a Letter 5064C or Letter 4674C, use the signature date or the date written on the correspondence from the taxpayer or their authorized representative for the correspondence date. If a date cannot be determined, use the dates listed below in the following order:

- Postmark or transmission date
- Service Center Automated Mail Processing System (SCAMPS) digital dates
- Three days prior to the IRS received date of the case

(8) If a case cannot be completed within the number of days specified in the acknowledgement letter, then an interim Letter 5064C, IDTVA In-Process Letter, must be sent. Interim letters will need to be issued no earlier than 635 days (minus 5 days from 640) after the IRS received date and should inform the taxpayer when a final response can be expected and provide a contact name and number for additional inquiries. See IRM 21.3.3.4.2.2, Interim Responses, for additional information.

Reminder: Issuing the interim letter prior to 465 days after the IRS received date will add the additional time from that date which could fall within the original timeframe provided in the acknowledgement letter. The time frame given in this interim letter **may not exceed 60 days**.

Example: Today's date is November 16, 2023. Your case is currently 531 days old. Issuing an interim Letter 5064C requesting an additional 60 days to process the case will result in a response being required by January 5, 2024 (when the case is 591 days old).

(9) When issuing a Letter 5064C, IDTVA In-Process Letter, as an interim letter or to request additional information/documents, the letter must include the following:

- The name and six-digit extension of the employee assigned to the case
- Hours of operation - the employee that is issuing the letter will input their TOD as the hours of operation

Exception: Employees who do not have a six-digit extension will use the extension of their work leader when issuing the letter.

(10) A closing letter must be sent to the taxpayer when all account actions have been completed on a case. Policy Statement P-21-3 guidelines require timely and quality responses to taxpayer correspondence.

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Exception: Do not issue a closing letter when the entity reflects a Service Center address.

Caution: When a No IDT determination is made on a Compliance case, do not provide guidance to the taxpayer to resolve the Compliance issue (i.e., what documentation is needed by the Compliance function, etc.). If appropriate, provide the toll free number for the taxpayer to contact the specific function directly.

Caution: When closing a case as previous action, review CII case notes and/or IDRS to determine if an interim letter was issued to the taxpayer before the case was moved to IDT inventory. If an interim letter was issued after the previous IDT case was closed and procedures in IRM 25.23.4.10.13, Identity Theft (IDT) - Previous Action, do not instruct you to issue a closing letter when resolving your case scenario, a closing Letter 4674C is required to explain the identity theft issue was previously resolved.

(11) A quality response is an accurate and professional communication which, based on information provided:

- Resolves the taxpayer issues,
- Requests additional time and/or information from the taxpayer, or
- Notifies the taxpayer we have requested information from outside the IRS.

To ensure the taxpayer receives a quality response, the employee may issue a manual closing letter when a systemic notice will generate. IDTVA employees are encouraged to provide the taxpayer with the best customer service possible by addressing relevant supplemental information the taxpayer may benefit from, including self-help options available on IRS.gov, to allow the taxpayer to make informed decisions.

Example: An IDTVA employee may determine the taxpayer would benefit from being provided information about obtaining an IP PIN on IRS.gov.

Example: An IDTVA employee may provide the taxpayer with information about locating the appropriate address for submitting a tax return when the taxpayer has a filing requirement and is unable to file electronically due to the presence of an invalid return.

(12) When providing the taxpayer with supplemental information regarding IP PINs, refer to the following information and special paragraphs that may need to be included in addition to the paragraphs selected for your closing Letter 4674C:

Exception: Accounts that reflect TC 971 AC 524 on CC ENMOD/IMFOLE do not require this information to be provided. See IRM 25.23.2.8.4, Locking Decedent Accounts - TC 971 AC 524, for more information about this indicator.

Note: Use only the special paragraphs under the header "Already Enrolled" if the taxpayer is already enrolled in the IP PIN program. See IRM 25.23.2.9.2, Identifying If a Taxpayer has an IP PIN Requirement, to determine if a taxpayer's account reflects an existing IP PIN indicator.

General Information:

Existing selectable paragraphs in Letter 4674C or the special paragraph below may be used.

"If you want to obtain an IP PIN for immediate protection, visit our website at www.irs.gov/your-account. A new IP PIN generates each year in mid-January. You can retrieve it by logging into your account at www.irs.gov/your-account. If you choose to create an account to obtain an IP PIN, you will not receive a notice in December or January as stated above."

Claims processed after cycle 46:

"Because we processed your claim late in the year, we are unable to mail an IP PIN in December or January for this upcoming filing season. File your return as normal for this tax season. We will mail you an IP PIN next December or January. If your address changes before December, you will need to complete Form 8822, Change of Address. Visit www.IRS.gov."

And

"If you want an IP PIN to use for the upcoming tax year, visit our website at www.irs.gov/your-account. A new IP PIN generates each year in mid-January. You can retrieve it by logging into your account at www.irs.gov/your-account. If you choose to create an account to obtain an IP PIN, you will not receive a notice in December or January as stated above."

Already Enrolled

Our records indicate you are currently enrolled in the IP PIN program, and you will continue to be assigned an IP PIN to use when filing tax returns in the future.

- (13) Accounts marked with an IDT indicator TC 971 AC 501 will generate a CP 01, Identity Theft Acknowledgement. Refer to IRM 25.23.2.6.1.1, Systemic Actions Taken TC 971 AC 501 Placed on Account, for additional information regarding a TC 971 AC 501 and the CP 01. Accounts marked with an IDT indicator TC 971 AC 504 will generate a CP 01C, Account Flagged for Identity Theft. Refer to IRM 25.23.2.8.1, IMF TC 971 AC 504, for additional information.

Exception: CP 01/CP 01C generates only once in a three-year period. If another year was marked with a TC 971 AC 501 within the last 3 years, a Letter 4674C is required to inform the taxpayer their account was corrected.

Note: Current programming for the CP 01/CP 01C will generate a copy of the notice to a POA that is **on file**. If sufficient documentation has been received to validate a POA, but is not yet on file, then issue the POA a closing letter. This ensures the taxpayer's right to retain representation and the POA's right to be informed.

Note: If the TC 971 AC 501 is not input prior to cycle 47 of the processing year, an IP PIN/CP01A will not generate for the upcoming filing season. Between cycle 47 and January 1 of the following year, IP PIN information must be provided in a closing letter. Barring any unforeseen circumstances, this additional information will not be required in closing letters issued between January 1 and cycle 47. SERP Alerts should be monitored for information

25.23 Identity Protection and Victim Assistance

related to IP PINs that may impact this timeframe. Use the special paragraphs in paragraph (12) above in addition to the paragraphs selected for your closing Letter 4674C.

Caution: For potential fraudulent and/or compromised POAs, refer to IRM 21.3.7.5.5.3, How to Report a Compromised or Potentially Compromised CAF Number.

- (14) When the individual listed on the identity theft inquiry is deceased, refer to IRM 21.3.3.4.16.5, Corresponding on a Deceased or Legally Disabled Taxpayer's Account, to determine the appropriate format for the taxpayer's name and address when sending a letter.
- (15) When the reporting person is not an authorized third party, a Letter 4674C must be sent to the taxpayer. Include paragraph L to inform them of the third-party contact.
- (16) When the account does not reflect a current Form 2848, Power of Attorney and Declaration of Representative, or Form 8821, Tax Information Authorization, listing the reporting party as a representative or third-party contact for the individual listed as the impacted taxpayer, and you can locate a valid address for the reporting person, issue a closing Letter 0135C to the reporting party. Issue the letter from the reporting person's account. Include paragraphs E, *, and P.
 - For paragraph *, include the following special paragraph: "We will reply directly to the taxpayer listed in your inquiry when we have completed our investigation into the identity theft claim. We won't send you any further correspondence regarding this matter, because our records show you are not authorized to receive confidential tax information for the taxpayer listed in your inquiry."
 - For paragraph P, include the following special paragraph: "We must have a valid Form 2848, Power of Attorney and Declaration of Representative, or a valid Form 8821, Tax Information Authorization, on file to provide you with confidential tax information for this taxpayer. For more information about these forms, visit our website at www.irs.gov/forms-instructions."
- (17) When issuing a letter, ensure the correct paragraphs are used to inform the taxpayer of the status of their account based upon the facts and circumstances of the case. Also see additional items below:
 - If appropriate, include multiple tax years by manually inputting the tax year in the empty boxes. Up to ten (10) tax years can be input in a Letter 4674C and eight (8) tax years can be input in a Letter 5064C.
 - If there is a valid Power of Attorney (POA) or third-party representative on file, verify the Centralized Authorization File (CAF) copy selection is input.
- (18) Multiple tax years can be combined in one letter unless unique issues or account resolution are present requiring individual tax year letters.
- (19) Review letters for misspelled words, errors in capitalization and punctuation, IRS jargon, and other fill-in errors.

- (20) Actions taken on the account will determine if a Letter 4674C needs to be issued as a closing letter. A letter 4674C must be sent if any of the following conditions exist. Include the indicated telephone number provided for the applicable condition.

Note: The IDT Toll-free number, 800-908-4490, does not include an employee's extension and is answered by the AM Toll-Free assistors. The hours of operation are 7:00 a.m. - 7:00 p.m.

extension and is answered by employees. The employee issuing the letter will input their TOD as the hours of operation.

include the employee's extension and is answered by employees. The employee issuing the letter will input their TOD as the hours of operation.

Exception: A closing letter may be a letter other than Letter 4674C when procedural guidance specifies the letter must be sent to the taxpayer (i.e., Letter 105C). The closing letter must include the appropriate phone number based on the criteria below. It is not necessary to issue a Letter 4674C in addition to the closing letter required by the procedural guidance, unless additional information needs to be provided that cannot be included. When appropriate, an open paragraph may be used to address the identity theft claim when sending a letter other than Letter 4674C. The following paragraph or similar verbiage may be used:

"We reviewed and accepted the identity theft claim dated (month day, year). We have verified you are a victim of identity theft for tax year(s) (YYYY, YYYY, and YYYY)." Input the claim date in place of (month day, year) and enter only the applicable tax year(s) in the format YYYY.

See chart below:

Criteria	Number to be used
(1) If the CP 01/CP 01C will not be issued, Reminder: The CP 01/CP 01C will not be issued if one has been issued in last three years.	IDT Toll-free number 800-908-4490
(2) If a Letter 5064C, Letter 5073C, CP 01S, or CP 701S was not issued previously providing the taxpayer with an IDT Toll-free number	digit extension and TOD
(3) If the taxpayer's correspondence contains questions that will not be addressed by the CP 01/CP 01C	Answer taxpayer's question and include IDT toll-free number 800-908-4490

Criteria	Number to be used
(4) The resolution was not what the taxpayer anticipated (i.e., NOIDT determination, disagreed with information TP provided)	digit extension and TOD
(5) There is an additional requirement in the corresponding functional IRM	Telephone number based on the functional guidance
(6) International taxpayers	When issuing Letter 4674C, include paragraph (:).
(7) You are closing the case as previous action and an interim letter was issued	IDT Toll-free number 800-908-4490

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Note: If two criteria fit a case, use the IDTVA toll-free number with the employee's name, six-digit extension, and TOD. For international taxpayers, also include

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- (21) If there is still a compliance issue after the IDT issue is resolved, (i.e., account will result in a balance due), provide the applicable Compliance toll-free number. See paragraph (13) of IRM 25.23.4.18.5, Taxpayer Calls on Identity Theft (IDT) Cases (IDTVA Paper Employees Only) for a list of numbers.

Caution: Do not provide a specific dollar amount unless the taxpayer or their authorized representative makes a request for one.

Example: The taxpayer's current year refund was applied to a balance owed for a prior year. The taxpayer submits Form 14039 stating they are a victim of identity theft, because they didn't file a return for the year the refund was applied to and should not have a balance due. Through research, you determine the taxpayer is not a victim of identity theft. The balance owed is the result of an ASFR assessment made for income earned by the taxpayer. The identity theft case is closed, but the compliance issue remains. The closing letter must include the phone number the taxpayer may call for more information about the ASFR assessment.

- (22) On cases filed as married filing jointly, the Letter 4674C should be addressed to both taxpayers under the primary SSN, regardless of which taxpayer (primary or secondary) is the IDT victim or if corresponding when closing a case as No IDT or No Reply. If the valid return was filed MFJ and only the secondary TP is the IDT victim, a disclosure issue does not exist in this instance.

Exception: If the MFJ status is related to an invalid return meeting MFJ scheme criteria, each taxpayer must receive a separate closing letter. These taxpayers are unrelated and must both be advised of the determination and actions taken to resolve their account.

Exception: If an invalid joint election (IJE) determination has been made, the closing letter will be issued to the reporting taxpayer only.

Note: If you are providing additional account information that was filed on a separate return for the victim, then the Letter 4674C should be addressed to the victim only. This includes instances of non-tax-related IDT affecting only one of the taxpayers on a MFJ entity.

- (23) Closing an account with a TC 971 AC 506 in most instances, will not generate a systemic closing letter. Use Letter 4674C, IDTVA Closing Letter, to inform the taxpayer of the outcome of their IDT return.

Note: If a closing letter was issued by RIVO/TPP already (e.g., Letter 4310C), do not issue a duplicate closing letter unless it has been more than 30 days and/or the RIVO/TPP Letter 4310C did not provide a response to all of the actions taken on the account.

Caution: If the TC 971 AC 506 is not input prior to cycle 47 of the processing year, an IP PIN/CP01A will not generate for the upcoming filing season. Between cycle 47 and January 1 of the following year, IP PIN information must be provided in a closing letter. Barring any unforeseen circumstances, this additional information will not be required in closing letters issued between January 1 and cycle 47. SERP Alerts should be monitored for information related to IP PINs that may impact this timeframe. Use the appropriate special paragraphs in paragraph (12) above in addition to the paragraphs selected for your closing Letter 4674C.

- (24) Be sure any necessary letters are being sent to the correct address. The Correspondence letter system will default to the address of record (CC ENMOD) which may or may not be the correct address. Override the address of record, when appropriate.
- (25) If the returns or return and inquiry on an account/case contain the same address and a telephone number was provided, attempt to obtain more information first by telephone contact. If a telephone number is not available, then send only one letter to the address. See IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written).

25.23.4.18.2
(10-01-2024)

**Requests for Additional
Information (Telephone
and/or Written)**

- (1) Employees are required to contact the taxpayer(s) by telephone and/or by mail to obtain the necessary information when:
- The information provided by the taxpayer is insufficient.
 - An IDT determination cannot be made through internal research.
 - The forms and schedules required to be included with the tax return (i.e., Sch. A, Form 8863, etc.) are not provided and cannot be located through internal research.
- Exception:** Refer to paragraph (3) for the tax return signature requirements.
- (2) To prevent unnecessary delays in case processing, the lead or manager must concur with the employee's decision to request information from the taxpayer. A CII case note documenting concurrence must be input **prior** to requesting the information.

25.23 Identity Protection and Victim Assistance

- (3) Refer to the table below to determine the appropriate action to take when a signature is missing:

If	Then
(1) Form 14039 is not signed,	<ul style="list-style-type: none"> • A signature is not required to make an IDT determination or resolve the case. • Process following normal procedures.
(2) The valid tax return is not signed,	<ul style="list-style-type: none"> • Do not request the signature. • Resolve the account based on the determination made using the applicable procedures outlined in IRM 25.23.4, IDTVA Paper Process, and the appropriate functional IRM for Compliance IDT cases. Use HC 3 to prevent the adjustment notice from being issued or HC 4 to prevent the adjustment notice and a refund from being issued. • Document on CII with a case note indicating a signed copy of the valid taxpayer's return must be received before the refund can be released. • Send a closing Letter 4674C. In an open paragraph, inform the taxpayer their refund cannot be issued until a signed copy of their return is received. Include the return address code for the appropriate campus.
(3) Form 1310 is not signed,	<ul style="list-style-type: none"> • Request a signed Form 1310. Proceed to paragraph (6).

- (4) If the Form 14039 alleges a Return Preparer Misconduct (RPM) issue, **do not** request additional information. Follow procedures in IRM 25.23.4.4, Taxpayer Inquiries Involving Identity Theft (IDT).

Exception: If the taxpayer's statement is not clear and additional information is needed to determine if the taxpayer is reporting an IDT issue or an RPM issue, contact the taxpayer for clarification.

(5) If a posted TC 976 return is necessary for resolution of your case:

- Follow procedures in IRM 25.23.4.6.5.1, Ordering Documents, to request the return.
- Issue Letter 5064C, requesting a copy of the return from the taxpayer.

Note: To prevent unnecessary delays, attempting to contact the taxpayer and the input of IDRS CC ESTAB may be completed on the same day.

Reminder: You may attempt to contact the taxpayer by telephone to obtain a copy of the return.

(6) When telephone information is available, employees may elect to attempt to contact the taxpayer(s) by telephone to obtain the additional information. When making an outgoing call, document the attempt in a CII case note. Include the phone number called, who you spoke with, the taxpayer's response, and/or if a message was left for the taxpayer.

- If you are able to leave a phone message, allow the taxpayer 5 business days to return your call.

Note: Employees may send Letter 5064C to request the information after the unsuccessful attempt by telephone.

- When leaving a message for a dependent related IDT case, advise the taxpayer the last four digits of the dependent's TIN should be provided when leaving you a voice mail if they are unable to reach you when they return your call.
- Letter 5064C must be sent no later than 7 business days after an unsuccessful attempt to reach the taxpayer by telephone is made.

(7) If contact is made with the taxpayer, advise the taxpayer you will begin by asking some questions to verify their identity. Refer to paragraphs (22) - (24) of IRM 21.1.1.4, Communication Skills, for guidance specific to outgoing calls.

(8) Because telephone contact for these cases involves undetermined ownership of the Common Number (CN), guidance in IRM 21.1.3.2.3, Required Taxpayer Authentication, must be followed to ensure you are speaking to the appropriate taxpayer and to prevent unauthorized disclosure of tax information. Do not ask questions that might inadvertently disclose information merely by asking the question. Do not provide any information to the taxpayer unless specifically authorized to do so.

Note: Follow guidance in IRM 21.1.3.3, Third Party (POA/TIA/F706) Authentication, and the related subsections when communicating with third parties. Centralized Authorization File (CAF) function has discovered that certain individuals have tried to gain access to taxpayer account information by filing fraudulent authorizations. See IRM 21.3.7.5.5, Suspicious Forms Log and the "Potential Fraud" Authorization Referral Process, for more information on identifying a potential fraudulent authorization..

Note: Guidance in IRM 21.1.3.4, Other Third-Party Inquiries, authorizes you to accept information from any third-party even if the provider of the information does not have a written or oral authorization from the taxpayer.

- (9) If you are able to authenticate the individual to whom you are speaking, advise them of the information needed to continue processing their case, and provide instructions for submitting the request. If a Letter 5064C was issued to make a CN ownership determination, proceed to paragraph (4) of IRM 25.23.4.18.2.1, Telephone Contact Guidelines (Associated with the Letter 5064C Common Number Questionnaire), for additional guidance.

Note: If there are required forms or schedules the taxpayer must submit, provide them with a fax/EE-fax number so they can submit the needed documentation. Allow the taxpayer five (5) business days to submit the document(s). If the document(s) are not received within five (5) days, continue to paragraph (8) for guidance to send a letter.

Note: IDTVA Specialty Functions - When applicable, be sure to explain to the taxpayer that if the requested information is not received within the allotted time, compliance issues or collection actions will resume, as appropriate.

- (10) Employees must contact the taxpayer(s) by mail using Letter 5064C.

Exception: If the employee is able to reach the taxpayer by telephone **and** obtains the information from the taxpayer during the call, a letter is not required.

- (11) If no contact information is available, telephone attempts are unsuccessful, or a telephone attempt is not made, correspond with the taxpayer via Letter 5064 to request the needed information.

- Use IAT to input Letter 5064C.
- Ensure the correct address is used when issuing any correspondence.
- Reference any missing information, if applicable.
- Provide information to allow the taxpayer to reply either by mail, fax/EEFax, or telephone.
- Inform the taxpayers they have 30 days (60 days for International) from the date of the letter to respond.
- Capture an image of the letter on CII.
- Suspend the case for 40 days (70 days for International cases). Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures, for additional letter requirements.
- See Exhibit 25.23.4-11, IDRS Activity Codes and Definitions, for documenting the follow-up date.

Caution: Do not advise the taxpayer to contact SSA for a "Social Security Administration Social Security Number Verification" printout.

- (12) After the suspense timeframe has passed, search the case for newly associated documents and CII for a related case that may include the response.

Note: Review of all indicators on CII is recommended **prior** to opening the case. CII will reflect a New Information Indicator **D** before the case is opened. This indicator will not show once the case is accessed.

- (13) If the taxpayer's response includes a Form 2848, Power of Attorney and Declaration of Representative or Form 8821, Tax Information Authorization:

- Perform research to determine if the Form 2848 or Form 8821 has been processed. Refer to IRM 21.3.7.5.1, Essential Elements for Form 2848 and Form 8821.
 - If unprocessed, accept the completed form. Forward the form to the appropriate CAF unit for processing. See SERP Who/Where *CAF Unit Addresses, Fax Numbers, and State Mapping* for routing information.
- (14) Use the table below to determine the appropriate action(s) to take for scenarios that **do not** include requesting a copy of the posted TC 976 return.

Caution: Return related instructions in this table are only for the handling of a taxpayer's return as submitted. You must still review the account to determine if the submitted return resolves any outstanding Compliance issues.

If	Then
(1) The taxpayer provides the requested information,	Resolve the account based on the determination made using the applicable procedures outlined in IRM 25.23.4, IDTVA Paper Process, and the appropriate functional IRM for Compliance IDT cases.

If	Then
<p>(2) The information provided is not the information requested,</p> <p>Note: This includes documentation that is not acceptable for proof of legal guardianship</p>	<p>Determine if the individual who submitted the claim is the taxpayer or an authorized representative.</p> <p>Caution: If the information requested was for the purpose of determining if the taxpayer was reporting an IDT issue or Return Preparer Misconduct (RPM) issue, do not take the actions below. Refer to Table Scenario (4).</p> <p>Caution: If the tax year in question is a statute year with a multiple return issue, do not take the actions below. Refer to paragraph (15) below.</p> <p>If there is enough information to determine the taxpayer is a victim of IDT:</p> <ul style="list-style-type: none"> • Math verify the tax return, if present. Follow procedures in IRM 25.23.4.10.18, Identity Theft (IDT) - Setting the Math Error, if appropriate. • Follow applicable procedures in IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases, based on the determination made. • If the claim was submitted by an individual who is not the taxpayer or an authorized representative, correspond with the individual who submitted the claim following unauthorized third party procedures. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures. <p>If, after consideration of all information available, you are unable to confirm the taxpayer is a victim of IDT:</p> <ul style="list-style-type: none"> • Make a determination of No IDT. Follow procedures in IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations. • If the claim was submitted by an individual who is not the taxpayer or an authorized representative, correspond with the individual who submitted the claim following unauthorized third-party procedures. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures.

If	Then
(3) The suspense timeframe has expired, and there is no new information,	<p>Determine if the individual who submitted the claim is the taxpayer or an authorized representative.</p> <p>Caution: If the information requested was for the purpose of determining if the taxpayer was reporting an IDT issue or Return Preparer Misconduct (RPM) issue, do not take the actions below. Refer to Table Scenario (4).</p> <p>Caution: If the tax year in question is a statute year with a multiple return issue, do not take the actions below. Refer to paragraph (15) below.</p> <p>If there is enough information to determine the taxpayer is a victim of IDT:</p> <ul style="list-style-type: none"> • Math verify the tax return, if present. Follow Procedures in IRM 25.23.4.10.18, Identity Theft (IDT) - Setting the Math Error, if appropriate. • Follow applicable procedures in IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases, based on the determination made. • If the claim was submitted by an individual who is not the taxpayer or an authorized representative, correspond with the individual who submitted the claim following unauthorized third-party procedures. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures. <p>If, after consideration of all information available, you are unable to confirm the taxpayer is a victim of IDT:</p> <ul style="list-style-type: none"> • Follow procedures in IRM 25.23.4.10.16, No Reply. • If the claim was submitted by an individual who is not the taxpayer or an authorized representative, correspond with the individual who submitted the claim following unauthorized third-party procedures. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures.

If	Then
(4) The suspense timeframe has expired and the information requested was for the purpose of determining if the taxpayer was reporting an IDT issue or an RPM issue,	<p>Determine if the individual who submitted the claim is the taxpayer or an authorized representative.</p> <p>If a response was received, and there is enough information to make an IDT determination:</p> <ul style="list-style-type: none"> • Refer to IRM 25.23.4.8, Identity Theft (IDT) Common Number (CN) Ownership and Case Processing Determinations, to make an IDT determination and identify the appropriate method of resolution. • Follow applicable procedures in IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases, based on the determination made. • If the claim was submitted by an individual who is not the taxpayer or an authorized representative, correspond with the individual who submitted the claim following unauthorized third-party procedures. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures. <p>If a response was received, and the taxpayer indicates it is an RPM issue:</p> <ul style="list-style-type: none"> • Follow procedures in IRM 25.23.4.4, Taxpayer Inquiries Involving Identity Theft (IDT). <p>If a response was received, and the consideration of all information available, you are unable to confirm the taxpayer is a victim of IDT</p> <p>OR</p> <p>No response was received:</p> <ul style="list-style-type: none"> • Make a determination of No IDT. Follow procedures in IRM 25.23.4.4 Taxpayer Inquiries Involving Identity Theft (IDT). • If the claim was submitted by an individual who is not the taxpayer or an authorized representative, correspond with the individual who submitted the claim following unauthorized third-party procedures. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures.

Example: Amanda Green submits Form 14039 on behalf of Robert Green. Form 14039 states they are Robert's aunt and was not able to file their return electronically because someone else used Robert's Social Security Number. You send a Letter 5064C requesting proof of legal guardianship. Amanda's response includes a written statement from Robert's mother indicating they have been placed in the care of Amanda Green. Because a parent's statement is unacceptable proof of legal guardianship, the case would be resolved by following Table Scenario 2.

Example: Steven Stone submits Form 14039 on behalf of Erica Stone. Form 14039 states they did not receive their Economic Impact Payment because someone else claimed their granddaughter. Research of the account shows Erica has been claimed as a dependent by another taxpayer for the last five years. The relationship indicated on the return lists Erica Stone as a niece of this taxpayer. You send a Letter 5064C requesting proof of legal guardianship. Steven's response includes a court order placing Erica Stone in their custody since 2012. This case would be resolved following Table Scenario 1.

Example: Lisa Rose files a Form 14039 reporting someone else working under their Social Security Number. Lisa explains they are working part time and their Social Security benefits were reduced because of the income earned by the other person. Research of CC IRPTR shows ten separate employers in the same city reporting income under Lisa's SSN. Lisa did not specify who their employers are or what income they are disputing. You send Lisa a Letter 5064C requesting additional information about the income they did not earn. Lisa's response does not provide enough information to determine what income they earned and did not earn. This case would be resolved following Table Scenario 2.

- (15) Use the table below to determine the appropriate action(s) to take when a copy of the posted TC 976 return was requested, and it **is not** a statute year.

If	Then
(1) The taxpayer provides a copy of the requested tax return,	<p>Determine if the individual who submitted the claim is the taxpayer or an authorized representative.</p> <p>If there is enough information to determine the taxpayer is a victim of IDT:</p> <ul style="list-style-type: none"> • Math verify the tax return, if present. Follow Procedures in IRM 25.23.4.10.18, Identity Theft (IDT) - Setting the Math Error, if appropriate. • Follow applicable procedures in IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases, based on the determination made. • If the claim was submitted by an individual who is not the taxpayer or an authorized representative, correspond with the individual who submitted the claim following unauthorized third party procedures. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures. <p>If, after consideration of all information available, you are unable to confirm the taxpayer is a victim of IDT:</p> <ul style="list-style-type: none"> • Create a new CII case with Category Code DUPF and Program Code 40050. • On both cases: Input a CII case note stating IDT could not be confirmed. Include details of the document requests, the letter issued to the taxpayer, the date Letter 5064C was issued to the taxpayer, and that no response was received. • Link the new case to your original case. • Reassign the new case using the <i>IDTVA-A CII Reassignment Guide</i> or <i>IDTVA Specialty CII Reassignment Guide for Non-IDT Cases</i> located on the <i>IDTVA HUB</i>. • Original Case: Make a determination of No IDT. Follow procedures in IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations. • Original Case: If the claim was submitted by an individual who is not the taxpayer or an authorized representative, correspond with the individual who submitted the claim following unauthorized third party procedures. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures.

If	Then
<p>(2) The taxpayer responds but does not provide the requested tax return,</p> <p>Caution: When the return requested posted as a TC 976, procedures to obtain the return internally must be completed prior to moving forward. Refer to IRM 25.23.4.6.5.1, Ordering Documents, for additional information.</p>	<p>Determine if the individual who submitted the claim is the taxpayer or an authorized representative.</p> <p>If the taxpayer's response indicates they did not file the tax return requested:</p> <ul style="list-style-type: none"> • Determine the TC 976 return to be invalid meeting streamline criteria. Refer to IRM 25.23.4.8, Identity Theft (IDT) Common Number (CN) Ownership and Case Processing Determinations, to make an IDT determination and identify the appropriate method of resolution. • Follow applicable procedures in IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases, based on the determination made. • If the claim was submitted by an individual who is not the taxpayer or an authorized representative, correspond with the individual who submitted the claim following unauthorized third party procedures. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures. <p>If the taxpayer's response does not include or address the tax return requested, and after consideration of all information available, you are unable to confirm the taxpayer is a victim of IDT:</p> <ul style="list-style-type: none"> • Create a new CII case with Category Code DUPF and Program Code 40050. • On both cases: Input a CII case note stating IDT could not be confirmed. Include details of the document requests, the letter issued to the taxpayer, the date Letter 5064C was issued to the taxpayer, and that no response was received. • Link the new case to your original case. • Reassign the new case using the <i>IDTVA-A CII Reassignment Guide</i> or <i>IDTVA Specialty CII Reassignment Guide for Non-IDT Cases</i> located on the <i>IDTVA HUB</i>. • Original Case: Make a determination of No IDT. Follow procedures in IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations. • Original Case: If the claim was submitted by an individual who is not the taxpayer or an authorized representative, correspond with the individual who submitted the claim following unauthorized third party procedures. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures.

If	Then
<p>(3) The suspense timeframe has expired and the taxpayer did not respond,</p> <p>Caution: When the return requested posted as a TC 976, procedures to obtain the return internally must be completed prior to moving forward. Refer to IRM 25.23.4.6.5.1, Ordering Documents, for additional information.</p>	<p>Determine if the individual who submitted the claim is the taxpayer or an authorized representative.</p> <p>If there is enough information to determine the taxpayer is a victim of IDT:</p> <ul style="list-style-type: none"> • Determine the TC 976 return to be invalid meeting streamline criteria. Refer to IRM 25.23.4.8, Identity Theft (IDT) Common Number (CN) Ownership and Case Processing Determinations, to make an IDT determination and identify the appropriate method of resolution. • Follow applicable procedures in IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases, based on the determination made. • Input a CII case note detailing the document requests, the letter issued to the taxpayer, and the IDT determination. Include the date Letter 5064C was issued to the taxpayer and that no response was received. • Issue a closing Letter 4674C. Include a statement indicating they did not respond to our request for a copy of the tax return on file and that it was not processed. You may use the special paragraph provided below or similar verbiage. <p>Note: If you copy and paste the following paragraph into the letter, do not include the quotation marks.</p> <p>“You didn’t respond to our request for a copy of the tax return received on XX/XX/XXXX. As a result, we were not able to process it.”</p> <p>Input the IRS received date of the posted TC 976 in place of the X’s.</p> <ul style="list-style-type: none"> • Refer to IRM 25.23.4.17, Determining Tax Liability/Form 2209 Instructions, regarding taxpayer filing requirements and additional information that may need to be included in the closing letter. • If the claim was submitted by an individual who is not the taxpayer or an authorized representative, correspond with the individual who submitted the claim following unauthorized third party procedures. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures. <p>If after consideration of all information available, you are unable to confirm the taxpayer is a victim of IDT:</p>

If	Then
	<ul style="list-style-type: none"> • Create a new CII case with Category Code DUPF and Program Code 40050. • On both cases: Input a CII case note stating IDT could not be confirmed. Include details of the document requests, the letter issued to the taxpayer, the date Letter 5064C was issued to the taxpayer, and that no response was received. • Link the new case to your original case. • Reassign the new case using the <i>IDTVA-A CII Reassignment Guide</i> or <i>IDTVA Specialty CII Reassignment Guide for Non-IDT Cases</i> located on the <i>IDTVA HUB</i>. • Original case: Follow procedures in IRM 25.23.4.10.16, No Reply. • Original case: If the claim was submitted by an individual who is not the taxpayer or an authorized representative, correspond with the individual who submitted the claim following unauthorized third party procedures. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures.

- (16) Use the table below to determine the appropriate action(s) to take when a copy of the posted TC 976 return was requested and it is a statute year.

If	Then
(1) The taxpayer provides a copy of the requested tax return,	<p>Determine if the individual who submitted the claim is the taxpayer or an authorized representative.</p> <p>If there is enough information to make an IDT determination:</p> <ul style="list-style-type: none"> • Refer to IRM 25.23.4.8, Identity Theft (IDT) Common Number (CN) Ownership and Case Processing Determinations, to make an IDT determination and the appropriate method of resolution. • If the valid tax return ASER is imminent, refer to IRM 25.23.4.9.2, Statute Imminent Assessment for IDT Cases, to ensure the account is protected. • If the claim was submitted by an individual who is not the taxpayer or an authorized representative, correspond with the individual who submitted the claim following unauthorized third party procedures. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures. <p>If, after consideration of all information available, you are unable to confirm the taxpayer is a victim of IDT:</p> <ul style="list-style-type: none"> • Create a new CII case with Category Code DUPF and Program Code 40050. • On both cases: Input a CII case note stating IDT could not be confirmed. Include details of the document requests, the letter issued to the taxpayer, the date Letter 5064C was issued to the taxpayer, and that no response was received. • Link the new case to your original case. • Reassign the new case using the <i>IDTVA-A CII Reassignment Guide</i> or <i>IDTVA Specialty CII Reassignment Guide for Non-IDT Cases</i> located on the <i>IDTVA HUB</i>. <p>Exception: If there is an imminent tax increase, advise your manager of the statute issue on the DUPF case. The case should be prioritized.</p> <ul style="list-style-type: none"> • Original Case: Make a determination of No IDT. Follow procedures in IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations.

If	Then
	<ul style="list-style-type: none">• If the claim was submitted by an individual who is not the taxpayer or an authorized representative, correspond with the individual who submitted the claim following unauthorized third party procedures. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures.

If	Then
<p>(2) The taxpayer responds but does not provide or address the requested tax return,</p> <p>Caution: When the return requested posted as a TC 976, procedures to obtain the return internally must be completed prior to moving forward. Refer to IRM 25.23.4.6.5.1, Ordering Documents, for additional information.</p>	<p>Determine if the individual who submitted the claim is the taxpayer or an authorized representative. If the taxpayer's response indicates they did not file the tax return requested:</p> <ul style="list-style-type: none"> • Determine the TC 976 return to be invalid meeting streamline criteria. Refer to IRM 25.23.4.8, Identity Theft (IDT) Common Number (CN) Ownership and Case Processing Determinations, to make an IDT determination and identify the appropriate method of resolution. • Follow applicable procedures in IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases, based on the determination made. • If the claim was submitted by an individual who is not the taxpayer or an authorized representative, correspond with the individual who submitted the claim following unauthorized third party procedures. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures. <p>If the taxpayer's response does not include or address the tax return requested, and after consideration of all information available, you are unable to confirm the taxpayer is a victim of IDT:</p> <ul style="list-style-type: none"> • Create a new CII case with Category Code DUPF and Program Code 40050. • On both cases: Input a CII case note stating IDT could not be confirmed. Include details of the document requests, the letter issued to the taxpayer, the date Letter 5064C was issued to the taxpayer, and that no response was received. • Link the new case to your original case. • Reassign the new case using the <i>IDTVA-A CII Reassignment Guide</i> or <i>IDTVA Specialty CII Reassignment Guide for Non-IDT Cases</i> located on the <i>IDTVA HUB</i> <p>Exception: If there is an imminent tax increase, advise your manager of the statute issue on the DUPF case. The case should be prioritized.</p> <ul style="list-style-type: none"> • Original Case: Make a determination of No IDT. Follow procedures in IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations.

If	Then
	<ul style="list-style-type: none">• If the claim was submitted by an individual who is not the taxpayer or an authorized representative, correspond with the individual who submitted the claim following unauthorized third party procedures. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures.
(3) The suspense timeframe has expired, there is no new information, and the tax year in question is a statute year with a multiple return issue,	Suspend the case for an additional 40 days (70 days for International cases).

If	Then
<p>(4) The extended suspense timeframe has expired, there is no new information, and the tax year in question is a statute year with a multiple return issue,</p> <p>Caution: When the return requested posted as a TC 976, procedures to obtain the return internally must be completed prior to moving forward. Refer to IRM 25.23.4.6.5.1, Ordering Documents, for additional information.</p>	<p>Determine if the individual who submitted the claim is the taxpayer or an authorized representative.</p> <p>If there is enough information to make an IDT determination:</p> <ul style="list-style-type: none"> • Refer to IRM 25.23.4.8, Identity Theft (IDT) Common Number (CN) Ownership and Case Processing Determinations, to make an IDT determination and the appropriate method of resolution. • If the valid tax return ASSED is imminent, refer to IRM 25.23.4.9.2 Statute Imminent Assessment for IDT Cases, to ensure the account is protected. • Follow applicable procedures in IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases, based on the determination made. • If the claim was submitted by an individual who is not the taxpayer or an authorized representative, correspond with the individual who submitted the claim following unauthorized third party procedures. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures. <p>If there is enough information to make an IDT determination and the valid return ASSED is expired:</p> <ul style="list-style-type: none"> • Follow procedures in IRM 25.23.4.9.3, Addressing Barred Assessments on Identity Theft (IDT) Cases, and its applicable subsections to determine if there is a barred statute and take the appropriate actions to resolve the case. • If the claim was submitted by an individual who is not the taxpayer or an authorized representative, correspond with the individual who submitted the claim following unauthorized third party procedures. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures. <p>If a response was not received and after consideration of all information available, you are unable to confirm the taxpayer is a victim of IDT:</p> <ul style="list-style-type: none"> • Create a new CII case with Category Code DUF and Program Code 40050.

If	Then
	<ul style="list-style-type: none"> • On both cases: Input a CII case note stating IDT could not be confirmed. Include details of the document requests, the letter issued to the taxpayer, the date Letter 5064C was issued to the taxpayer, and that no response was received. • Link the new case to your original case. • Reassign the new case using the <i>IDTVA-A CII Reassignment Guide</i> or <i>IDTVA Specialty CII Reassignment Guide for Non-IDT Cases</i> located on the <i>IDTVA HUB</i> <p>Exception: If there is an imminent tax increase, advise your manager of the statute issue on the DUPF case. The case should be prioritized.</p> <ul style="list-style-type: none"> • Original case: Follow procedures in IRM 25.23.4.10.16, No Reply. • Original case: If the claim was submitted by an individual who is not the taxpayer or an authorized representative, correspond with the individual who submitted the claim following unauthorized third party procedures. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures.

- (17) When corresponding with the taxpayer to make a common number ownership determination, select paragraphs S through W to include the questionnaire.
- (18) The questionnaire process moves in progressive stages that afford the taxpayer ample opportunity to provide the requested information. If at any stage the necessary information for a CN ownership determination is received AND any applicable suspense periods for that stage have expired, it is not necessary to proceed to the next stage.

25.23.4.18.2.1
(10-01-2019)

**Telephone Contact
Guidelines (Associated
with the Letter 5064C
Common Number
Questionnaire)**

- (1) Allow 21 days from the input date of the Letter 5064C before IRS-initiated telephone contact is attempted (to allow the taxpayer to receive the letter).
- (2) The following defines a valid attempt to contact the taxpayer by telephone:
- If a telephone number is available, then a call during the hours provided (if listed), followed by, if necessary, another call on a subsequent day constitutes a valid attempt. If you can leave a phone message allow the taxpayer 5 business days to return your call.
- Caution:** If you leave a message for the taxpayer, do not provide any account information. Be especially careful when leaving a message on a number not obtained by a Letter 5064C response.
- (3) Follow guidance in IRM 25.23.4.18.2, Requests for Additional Information

25.23 Identity Protection and Victim Assistance

(Telephone and/or Written), (Prior to Initiating Correspondence) to initiate the call.

Reminder: Do not ask any questions that might inadvertently disclose information merely by asking the question. Do not provide any information to the taxpayer unless specifically authorized to do so.

- (4) After authenticating the individual to whom you are speaking, ask the taxpayer if they recently received a letter from the IRS. If the taxpayer indicates they have not received a letter from the IRS, provide an explanation of the letter they will be receiving. Ask them if they would like to continue with the call or prefer to call back after they have received the letter. If the taxpayer would like to continue with the call, complete High-Risk disclosure to verify the identity of the person you are speaking with.
- (5) Preface the asking of the questions below with the following statements to the taxpayer:

Note: Modify your statements and questions appropriately to the taxpayer if you are working a True Scrambled SSN case. If you are working a True Scrambled SSN case, tell the taxpayer that it appears the Social Security Administration has assigned the SSN to more than one individual. Strongly recommend that the taxpayer contact SSA as soon as possible. Any information the taxpayer provides by answering these questions will assist SSA.

Our records indicate that the Social Security Number you used on your tax return for the tax year(s) of 'YYYY' (state the tax year(s) in question) was also used by another individual on their federal tax return. Disclosure laws prevent us from providing any information regarding the other individual. We would like to ask you a few questions in order to determine which individual should be using the Social Security Number for the filing of federal tax returns.

"The IRS does not issue Social Security Numbers, and the IRS does not determine who the true owner of the Social Security Number is for the purposes of Social Security benefits. The Social Security Administration is a separate government agency and is the final authority on determining the ownership of the Social Security Number. We recommend strongly that you contact your local Social Security Administration office to ensure that your Social Security records are correct. The questions we would like to ask you today, consequently, pertain only to the filing of your federal income tax return. "

"The questions are based on information received from the Social Security Administration. The answers you provide will assist us in resolving this issue as quickly as possible. An incorrect answer or a response of "I don't know" will not necessarily result in the Social Security Number not being assigned to you for federal income tax purposes."

"Are you willing to answer the questions?"

- If the taxpayer indicates they are not willing to answer the questions, simply thank the taxpayer for their time and inform the taxpayer that our determination will be made based on the information at hand. Inform the taxpayer that they will receive a letter regarding our determination within 6 to 8 weeks.

- If the taxpayer asks for the questions to be sent by mail, inform the taxpayer that the questions not already listed on the letter they received must be given and answered during direct telephone conversation. If necessary, you may inform the taxpayer that this method is intended to ensure that the person using the Social Security number in error does not have the opportunity to research and find the correct answers.
- If the taxpayer is willing to answer the questions, proceed with asking the questions in the questionnaire portion of the Letter 5064C and the questions in IRM 25.23.4.18.2.2, Supplementary Questions (Associated with Letter 5064C Common Number Questionnaire). **Have a copy of the Numident print available, related to the SSN, when asking the Supplementary Questions.**

Caution: Do not respond in any way that might be construed as a confirmation or a rejection of the validity of the taxpayer's response. The purpose of asking the questions is to obtain information for consideration, not to provide information to the taxpayer. Indications of confirmation or rejection would constitute providing information to the taxpayer.

- On the TIN-Related Problem Research Sheet record the answers you receive.
- We can make a determination without the questionnaire and documents in our file, but if an ownership determination is not made, the taxpayer will not receive their refund unless they have met all the conditions of IRM 21.6.2.4.3.3, Determining if the Refund Should be Released.
- A True Scrambled SSN Case requires the actual documents, completed by the taxpayer, for the file going to SSA. If you believe the number is a True Scrambled, tell the taxpayer to send the documents requested in the Letter 5064C and the questionnaire as soon as possible.
- **After all the questions have been asked** and the answers recorded, state the following to the taxpayer:
"Thank you for the information you have provided. When we have completed our gathering and reviewing of information, we will notify you by mail of our determination. The expected time frame for the process of review and notification is generally 6 to 8 weeks. If possible, we will issue our determination more quickly than the expected time frame."
"Please keep in mind the information we provided earlier in the conversation: The IRS does not issue Social Security Numbers, and the IRS does not determine who the true owner of the Social Security Number is for the purposes of Social Security benefits. The Social Security Administration is a separate government agency and is the final authority on determining the ownership of the Social Security Number. We recommend strongly that you contact your local Social Security Administration office to ensure that your Social Security records are correct. The questions we have asked today, consequently, pertain only to the filing of your federal income tax return."

Caution: Be reminded that because this case involves an SSN of undetermined ownership, we cannot disclose any further information. Also, be careful not to indicate any pre-determinations you may have arrived at based on the answers you received.

- (6) Ensure equal opportunity for each taxpayer to provide information. Refer to the If/And/Then Chart below:

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			# # # # # # # # # #
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25.23.4.18.2.2
(10-01-2020)
**Supplementary
Questions (Associated
with Letter 5064C
Common Number
Questionnaire)**

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[illegible]

25.23.4.18.2.3
(10-12-2023)

Actions Based on No Response or Taxpayer Responses to Letter 5064C and/or Supplementary Questions sent to determine Common Number Ownership

- (1) Follow the guidance below to determine the appropriate actions for your IDT case.

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Note: Please see IRM 25.23.2.2, Identity Theft Claim - Overview, for additional information.

Note: For identity theft claims determined to be a scrambled SSN issue, follow procedures in IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations, prior to resolving or reassigning the case.

a. **No Response**

If	Then
The follow-up date expires on a Letter 5064C sent for common number owner determination and a review of CII shows that neither taxpayer provided a response/documentation whether by mail, telephone, or fax/EEFax,	<p>See IRM 25.23.4.10.16, No Reply.</p> <ul style="list-style-type: none"> Change control category to "SCRM" If you are not trained to work SCRM cases, then reassign the case to the SCRM holding number located on the <i>Accounts Management Site Specialization Temporary Holding Numbers Listing</i>, located on SERP. <p>Note: If the required research has not been conducted and/or if the case does not contain all of the required documentation, the case will be rejected back to the site IDT POC.</p> <ul style="list-style-type: none"> If trained to work SCRM cases, then continue to work the case. Refer to IRM 21.6.2.4.3, Scrambled SSN Case Procedures, for related guidance.

b. **Processable Responses from One Taxpayer**

Reminder: The taxpayer is not a victim of identity theft when a

Scrambled SSN determination is made. Refer to IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations for additional information.

			#
		<ul style="list-style-type: none">Consider the taxpayer who responded with the accurate questionnaire information to be the owner of the CN.Add a CII note and a note to your TIN-Related Problem Research Sheet stating 5064 Response. Refer to IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases to identify your case scenario. Follow the guidance to resolve your case.	# # # # # # # # # #
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	Does NOT provide a different valid TIN		# # # # # # #
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	The information provided by both taxpayers is confirmed by comparison with Numident	

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#25.23.4.18.2.4
(10-01-2019)**Final Stage Review**
(Associated with Letter
5064C sent for Common
Number Ownership

- (1) If instructed to move to Final Stage Review by the If/Then scenarios in the preceding sections, follow the If/Then table below to determine the appropriate subsequent actions for the case.

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25.23 Identity Protection and Victim Assistance

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[illegible]

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#25.23.4.18.4
(10-21-2019)**Resolving Undeliverable
Identity Theft (IDT) Mail**

- (1) There may be instances when IDT correspondence and/or letters are returned as undeliverable because the taxpayer may have moved, an incorrect/incomplete address was input or the address provided was bogus. Refer to the chart below for additional guidance.

Letter	Action
(1) Letter 239C/ Letter 5064C Letter (Suspense)	Route to the employee with the open control.
(2) Letter 239C/ Letter 4674C Letter (Closing)	<ol style="list-style-type: none"> Compare the information on the letter with the documentation on the closed case file. Look for any potential errors or omissions in working the case that may have caused the letter to be undeliverable. If you are unable to determine the reason for the undeliverable, it may be necessary to order the CN owner's return (if one was filed) to verify the entity information on the original return. This also includes verifying other documents attached to the return (e.g., Form 14039 and/or additional correspondence). Possible errors or omissions may include: <ol style="list-style-type: none"> Sending the letter to the wrong address Omitting an address change or address perfection (i.e., missing apt #) Incorrectly determining a thief's return to be an SSN owner's return If the undeliverable was not caused by an error or omission, destroy the undeliverable as classified waste. If the undeliverable was caused by an error or omission, take any action needed to correct the tax account and entity information. Re-send the letter or another letter, if appropriate. If during your research you determine additional closing actions were omitted, make the appropriate changes to correct the TP's account. Send another letter to address all actions taken on the account, if appropriate. <p>Note: Remember to update the case Category Code and post time under the correct function and program code if taking additional actions. Link your case to previous IDT case.</p> <p>Reminder: Undelivered mail should not be scanned into CII per IRM 21.3.3.4.11.1.1, Undelivered Mail Procedures for Accounts Management.</p>

25.23.4.18.5
(10-01-2022)**Taxpayer Calls on
Identity Theft (IDT)
Cases (IDTVA Paper
Employees Only)**

RPM calls and should not be provided to taxpayers unless there is an IDT/RPM issue. A NO IDT determination is considered an IDT issue when providing the taxpayer with a toll-free number.

- (2) IDTVA employees have been assigned a six-digit extension code. That code must be included with toll-free number on all correspondence and/or closure letters generated on an IDT/RPM case or when leaving a phone message.

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Exception: Employees who do not have a six-digit extension will use the extension of their work leader when issuing the letter.

- (3) IDTVA employees must be available and answer incoming calls to their assigned extensions when they are not providing assistance on a toll-free line. IDTVA employees will sign on to their IDTVA (IDT/RPM) extensions using idle code **INVEN1** when they are working cases.

Exception: Employees taking complex case actions at the time the call is received may allow the call to go to voice mail. Complex case actions may include inputting an adjustment, sending a letter with an open paragraph, issuing a manual refund, etc. Complex case actions do not include research.

Note: Employees that are in a 0962 series position are required to use idle codes at all times. Other employees (0592 series) are not covered by the Customer Service Agreement Part II involving the operation of the Aspect telephones. Employees should sign off the system when they are not at their desk working. Idle code "INVEN1" (or "INVEN2" when working OT) should be used when a 592 employee is working at their desk.

- (4) It is critical all voice mail messages are retrieved immediately. Calls should be returned prior to working another case or at the time the taxpayer indicated when allowed to go to voice mail. All calls should be returned within five business days. If an employee is going to be unavailable for one or more days, the voice mail recording should be updated to reflect the unavailable time period and include a call back time frame. If the employee expects to be gone more than two business days, the message should reflect that someone else will return their call.

- (5) The following script or similar verbiage should be used on IDT/RPM extensions:

"You have reached (Title/Last Name/ID number). Thank you for calling regarding your identity theft case. I am not available at this time, but will return your call within five business days. Please leave your name, social security number, phone number, and the best time to call you. My shift is (start time) to (end time) based on an approximate time zone. Because your case is assigned to me, I will only be able to contact you during those times."

- (6) The following script or similar verbiage should be used on IDT extensions if the employee is unavailable for four days or more:

"You have reached (Title/Last Name/ID number). Thank you for calling regarding your identity theft case. I will not be available until (provide date of return), and I will return your call at that time. Please leave your name, phone number, social security number, and the best time to reach you. My shift is (start time) to (end time) based on an approximate time zone. Because your case is assigned to me, I will only be able to contact you during those times. If you need to be contacted prior to that time, call back and enter extension ##### and another member from the identity theft team will contact you as soon as possible"

Note: The manager should identify which employee or work leader extension should be used for the employee's message.

- (7) When receiving telephone inquiries or returning calls, IRM 21.1.3.2.3, Required Taxpayer Authentication, must be followed to ensure you are speaking to the appropriate taxpayer or their authorized representative and to prevent unauthorized disclosure of tax information. Do not ask any questions that might inadvertently disclose information merely by asking the question.
- (8) Calls are routed to an employee based on the six-digit code input by the taxpayer and will show on the ICCE System with "459 WI IDT EXT RTG" on the display. For IUP calls, your extension should appear in the "Call Key" box on your computer screen.

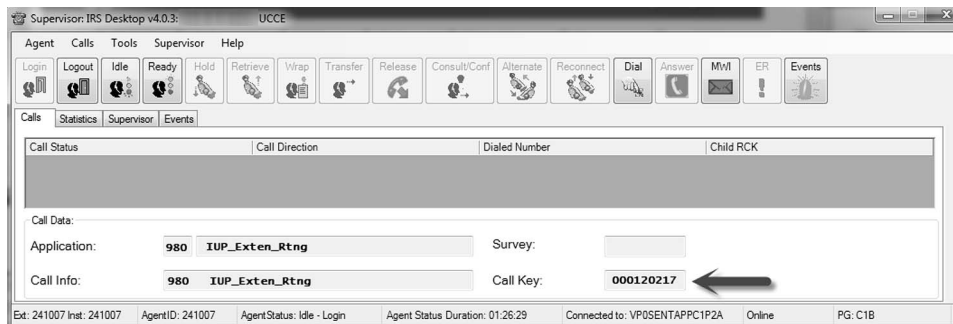


Figure 25.23.4-1

- (9) Upon receiving calls, the employee must attempt to answer the taxpayer's questions. If the taxpayer's case is not assigned to you and you are unable to answer all of their questions, determine if there is an open IDTVA IDRS control. If found, use the following link to locate the controlling employee's contact information via the *IDTVA Employee Lookup Tool*. Provide the taxpayer the toll-free number, employee's name, extension, and Tour of Duty (TOD), when available, based on an approximate time zone. Include the following information:

- "If you receive the employee's voice mail, the call will be returned within five business days."
- "If you do not receive a call back within five business days, you may call this number again. The five business days will begin the day after the message is left. When you call back, advise the IRS employee answering the call that you left a message and did not receive a call back within 5 business days. That employee will follow-up on the call back request."

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They will need to hang up and call back with the extension.

Document on AMS the caller was provided the extension number.

Note: Inform the TP the IRS phone number may be blocked or display as "unknown" when we make contact. Also advise the caller, if they have a voice messaging system that does not identify them by name (as the taxpayer), the IRS will not be able to leave a message.

- (10) After the information above has been provided to the taxpayer (or a secure email sent), use CII (if the case is assigned to you) or AMS (if the case is not assigned to you) to document the call and the information the taxpayer provided:

- The letter or notice (e.g., Letter 4674C, Letter 4675C, Letter 5064C or CP 01C, etc.) the taxpayer was inquiring about
 - A telephone number(s) where the taxpayer can be reached and the best time for the IDTVA employee to contact them.
 - The date the caller's tax return was filed and the amount of refund expected (when applicable)
 - Other pertinent information filed on the return that will assist the IDTVA employee in resolving the case
- (11) If the IDTVA controlling employee's IDRS Number is not available on the *IDTVA Employee Lookup Tool*, refer the taxpayer inquiry using a secure email to the employee and employee's manager using secure email link.
- (12) If an email is received with notification that a taxpayer is attempting to get in contact with the employee assigned to their case, the taxpayer must be contacted by the employee or another employee designated by the manager immediately, but no later than within two business days of receipt of the email.
- (13) If the call is determined not to be an IDT case, refer the taxpayer to the appropriate toll-free number based on their inquiry, using the table below.

Function	Telephone Number
(1) Accounts Management Toll-Free lines - any account issues not pertaining to compliance issues (Including missing payments; refunds; balances due (other than status 22))	IMF - 800-829-1040 BMF - 800-829-4933
(2) For AUR related issues (TC 922)	
(3) For Exam related issues (TC 300; - L Open TC 420; TC 140 SFR)	
(4) ACS (Balance Due)	Individual Income: 800-829-7650 Business Income - 800-829-3903
(5) For ASFR (TC 140 ASFR)	
(6) Refund Hold (TC 570 with Julian date 999)	

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- (14) Available resources should be utilized for callers who are non-English speaking or have Limited English Proficiency (LEP). If no resources are available and the taxpayer has no other alternative, then Over-the Phone Interpreter (OPI) can be utilized. Refer to IRM 21.1.1.5, Over the Phone Interpreter Service (OPI) Applications, and IRM 21.8.1.2.3.2, Over the Phone Interpreter Service (OPI) For International Non Toll-Free calls, for instructions on utilizing the OPI service.

25.23.4.19
(12-20-2022)

**Requesting Translations
of Certain Languages**

- (1) During the course of reviewing taxpayer correspondence, forms, documents, etc., the translation of non-English language may be required. Translations can be obtained from Linguistics Policy, Tools and Services (LPTS), on documents written in languages such as:

- Spanish
- French
- Haitian/Creole
- German
- Italian
- Portuguese
- Various African Languages
- Arabic
- Iranian Farsi

- (2) When translation of a non-English language is required:

- a. Employees **must not** use internet provider translation services, such as Google Translator, Microsoft Office, digital assistants like Siri, Google Assistant and Alexa, or Apps available on personal devices.
- b. Placing sensitive information on the internet for this purpose creates risks and vulnerabilities for the Service. The information is not subject to data protections or restrictions from re-disclosure by the end recipient and may not always meet the investigate disclosure requirements.
- c. Instead employees should contact Linguistic Policy, Tools and Services (LPTS) for assistance. For translations in Spanish, refer to (3) below and IRM 22.31.1.5.1.1, Requesting Translation of Non-Vital Documents from Certain Languages into English, for additional information. For translations in any other language, refer to IRM 25.23.4.19.1, Translation Requests for Certain Languages - Other Than Spanish.

- (3) If you have documents that are in a non-English language and want them translated into English or need to issue an open paragraph in Spanish, please follow the steps below to submit your request:

Note: When submitting a paragraph that will be sent to the taxpayer, please make sure that the source document you submit is the final version. This ensures the translated and reviewed document matches the original document. Additionally, it avoids confusion and reduces the cost of the translation from our vendors.

1. Fill out Form 14078, Request for Translation and/or Quality Review Services.
2. Send an email to *Linguistic Services, attaching the source document (i.e., taxpayer correspondence, etc.) and the filled-in Form 14078 to the email.

- (4) When a translation of correspondence into English is received back from LPTS, scan the translation and attach the image to your CII case. This will prevent the same correspondence being translated multiple times.

- (5) When a taxpayer provides information in a non-English language, it is recommended employees with bilingual skills input a CII case note to document the following:

- What the taxpayer is reporting on Form 14039

- Information provided in correspondence
- A translation of any open paragraph included in a letter issued to the taxpayer

25.23.4.19.1

(03-11-2024)

**Translation Requests for
Certain Languages -
Other Than Spanish**

- (1) If a taxpayer has requested written communication in a language other than English or Spanish, Linguistics Policy, Tools and Services (LPTS) will be contacted for translation.
- (2) Once you have identified the appropriate C letter and all paragraphs you will include, submit the source document as a single file that will consist of the composed letter, as it needs to be sent to the taxpayer. Determine the appropriate signature. Request translation of the title for that person. Ensure the source document you are providing is the final version to receive a complete and accurate translation.
 1. Fill out Form 14078, Request for Translation and/or Quality Review Services.
 2. Send an email to *Linguistic Services, attaching the source document (i.e., paragraph to be translated, etc.) and the filled-in Form 14078 to the email.
 3. Attach the completed Form 14078 and the source document sent for translation to your CII case.
- (3) When a completed translation request is returned from LPTS, scan the translation and attach the image to your CII case. When submitting multiple requests for the same case (i.e., each paragraph individually), each translation completed must be attached to your CII case. This will prevent the same correspondence being translated multiple times. Once all translations have been received, take the following actions to issue the correspondence to the taxpayer:
 1. Assemble your letter in a Word doc including all paragraphs in the format of the appropriate C letter. Type the appropriate name in place of the signature for this letter. Include the translated title below their name.
 2. Convert the completed letter to a .pdf file.
 3. Attach the .pdf file to CII.
 4. Print the letter (2 copies).

Note: If the taxpayer has a Power of Attorney (POA) on file or sufficient documentation has been received to validate the POA, but is not yet on file, print an additional copy of the letter.

 5. Mail both copies of the letter to the taxpayer in the same envelope. Mail the POA copy separately. Document the address(es) mailed to in a CII case note.

25.23.4.20

(01-31-2023)

**Economic Impact
Payment (EIP) and
Recovery Rebate Credit
(RRC) - General**

- (1) The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law on March 27, 2020. IRC 6428 provides eligible individuals with a recovery rebate credit (RRC) for tax year 2020 that taxpayers may receive as an advance payment. Advance payments of the RRC are referred to as Economic Impact Payments (EIPs).
- (2) The RRC for tax year 2020 was increased, and a second Economic Impact Payment (EIP) was included as part of H.R. 133, Consolidated Appropriations Act, 2021.

25.23 Identity Protection and Victim Assistance

- (3) The American Rescue Plan Act (ARPA) of 2021 was enacted on March 11, 2021. It provides eligible individuals with a recovery rebate credit for tax year 2021 that taxpayers may receive as an advance payment (EIP 3).
- (4) EIPs do not accrue credit interest.
- (5) Systemic issuance of EIP 1 began with payments made via direct deposit on April 10, 2020. Paper checks were issued beginning April 24, 2020. Pre-paid debit cards were issued beginning May 18, 2020, and are identified by a TC 971 AC 199 with MISC "BFS DEBIT". Advance payments of EIP 1 were not allowed after December 31, 2020. EIP 1 was subject to offset for child support obligations, only.
- (6) Systemic issuance of EIP 2 began with payments made via direct deposit on January 4, 2021 followed by paper checks and pre-paid debit cards issued later in the month. Refunds of these payments are issued from the tax year 2020 module (tax year 202101 - 202111 for fiscal year filers). EIP 2 was not subject to offset. If EIP 2 was not issued by January 15, 2021, the taxpayer must file a tax year 2020 return to claim the 2020 RRC, if eligible
- (7) Issuance of EIP 3 began in March 2021. Refunds of these payments are issued from the tax year 2021 module (tax year 202201 – 202211 for fiscal year filers). EIP 3 is not subject to offset. If EIP 3 has not been calculated by December 31, 2021, the taxpayer must file a tax year 2021 return to claim the 2021 RRC, if eligible.
- (8) The amount of the EIP 1 is based on the tax year 2019 return, if filed. If a tax year 2019 return has not been processed, tax year 2018 return information is used. EIP 2 is based on the tax year 2019 return, if filed. EIP 3 is based on the tax year 2020 return, if filed. If a tax year 2020 return has not been processed, tax year 2019 return information is used. Systemic computation of EIP 3 will take into consideration updated AGI (as adjusted) but does not consider changes to filing status or child tax credit. If the EIP 3 was based on a 2019 return, when a 2020 return is filed, an additional payment will be issued if the amount of EIP 3 is more when computed with the 2020 tax return information. The deadline for additional payments is 90 days after the return due date (September 1, 2021) for calendar year filers. Taxpayers who have not filed a tax return for either 2019 or 2018 will not receive an EIP 1, taxpayers who have not filed a tax return for 2019 will not receive an EIP 2, and taxpayers who have not filed a tax return for either 2020 or 2019 will not receive an EIP 3, unless an exception applies:
 - Of those who are not required to file returns for 2019 or 2018, individuals who received Social Security retirement benefits, Social Security disability income (SSDI), Social Security survivor benefits, Railroad Retirement benefits (RRB), Railroad Retirement survivor benefits, Veterans Administration (VA) Compensation and Pension (C&P) benefits in 2019 received their EIPs based on Federal benefit payment information for 2019.
 - Individuals who did not have a filing requirement for tax year 2018, 2019, and/or 2020 may have used the Non-Filers Tool available on IRS.gov to receive an EIP by providing their personal information and selecting a payment type of direct deposit or paper check. Taxpayers who have been issued an Identity Protection Personal Identification Number (IP PIN) must enter their IP PIN on the tool.

Note: Returns filed using the Non-Filers Tool can be identified with \$1 of taxable interest income, \$1 total income, and \$1 AGI.

(9) An **eligible individual** is any individual other than:

- A nonresident alien (including any filer of Form 1040-NR or Form 1040-NR-EZ)
- An individual who can be claimed as a dependent on another individual's tax return
- An estate or trust

Note: When calculating EIP 1 for joint filers, if one spouse meets eligibility requirements and the other does not, the eligible spouse is legally entitled to \$1,200. However, programming does not determine which spouse qualifies, so no payment is issued. Either, or both of the spouses, if eligible, can claim the recovery rebate credit on the tax year 2020 return.

(10) In addition to the eligible individual details in paragraph (5) above, the following groups **are not** eligible for EIPs:

- A filer of Form 1040-NR, Form 1040-NR-EZ, Form 1040-PR, or Form 1040-SS for 2019.
- An individual who is deceased as of the date of EIP 1 issuance.

Note: Individuals with a date of death of 1/1/2020 or later are eligible for EIP 2.

Individuals with a date of death of 1/1/2021 or later are eligible for EIP 3.

(11) Taxpayer Identification Number (TIN) requirements for EIPs are listed below. Refer to the table following for a list of Social Security Citizenship Codes and their meanings.

- a. To receive EIP 1 in 2020 or claim a recovery rebate credit for 2020, a taxpayer must provide a valid TIN for the taxpayer and a valid TIN for any qualifying child claimed. If the taxpayer files a joint return, both the primary and secondary taxpayers must have valid TINs to receive EIP 1.
- b. TIN requirements were revised to receive EIP 2 and/or EIP 3. If a joint return is filed and one of the spouses has an ITIN, the spouse with the ITIN will be excluded from computation of the EIP 2 and/or EIP 3.

Exception: For purposes of recovery rebate credits claimed on tax year 2020 and 2021 returns (including EIPs), if at least one spouse is a member of the United States Armed Forces, only one spouse needs to have a valid TIN. Members of the Armed Forces can be identified with a TC 971 AC 162 on the entity (IDRS CC ENMOD/IMFOLE).

- c. For this purpose, a valid TIN is a Social Security Number (SSN) valid for employment in the United States that is issued before the due date (including any extension) of the return. In the case of a qualifying child legally placed for adoption, an Adoption Taxpayer Identification Number (ATIN) constitutes a valid TIN.

25.23 Identity Protection and Victim Assistance

- d. Accordingly, to receive an EIP 1 based on the information from tax year 2019 or 2018, each taxpayer (and the spouse if filing a joint return) must have a proper SSN issued before July 15, 2020 (or before October 15, 2020, if an extension was filed). A taxpayer claiming the recovery rebate credit on the 2020 tax return must have a proper SSN issued before May 17, 2021 (or before October 15, 2021, if an extension will be filed for 2020).

Citizenship Code	Meaning
A	SSA confirms U.S. citizen (domestic born)
B	SSA does not confirm U.S. citizen (legal alien, eligible to work)
C	SSA does not confirm U.S. citizen (legal alien, not eligible to work)
D	SSA does not confirm U.S. citizen (other)
E	SSA does not confirm U.S. citizen (alien, student restricted, work authorized)
F	SSA does not confirm U.S. citizen (conditionally legalized alien)
N	Unable to verify citizenship due to failed match on name, date of birth, or SSN
*	SSA does not confirm U.S. citizen (foreign)

- (12) For purposes of EIP 1 and EIP 2, qualifying children are those that have a proper SSN (or ATIN) and meet all criteria to qualify for the Child Tax Credit (CTC). For purposes of the RRC claimed on the TY 2020 return, qualifying children must:
- Be listed as a dependent on the return,
 - Be under age 17 at the end of 2020, **and**
 - Qualify for the CTC with the box checked on the return **or** have an ATIN
- (13) For purposes of EIP 3, the amount of any credit for qualifying dependents will be determined using a formula for calculation (outlined in paragraph (14) below). The credit includes dependents of any age but is limited to a maximum of 15 dependents. For purposes of the RRC claimed on the TY 2021 return, qualifying dependents:
- Must be listed as a dependent on the return,
 - Must have a valid SSN or ATIN (for children legally placed for adoption), **and**
 - Must not have a date of death (DOD) prior to 1/1/2021.
- (14) To determine the number of allowable dependents when calculating EIP 3, take the following steps:
- Identify the total number of dependents.
 - Determine if any dependents have a DOD prior to 1/1/2021.
 - Determine if any dependents have an ITIN.
 - Add the number of dependents identified in steps b and c.
 - Subtract the number of dependents calculated in step 4 from the total number of dependents identified in step 1. If the result is greater than 15, limit to 15 dependents.

Example: The total number of dependents on the return is 5. None of the dependents has a DOD, and 2 of the dependents have an ITIN.

- a. 5
- b. 0
- c. 2
- d. 2
- e. $5 - 2 = 3$

Calculation of EIP 3 and the tax year 2021 recovery rebate credit will include 3 dependents.

- (15) The EIP 1 credit amount is up to \$1,200 (\$2,400 for MFJ), plus an additional \$500 for each qualifying child. The EIP 2 credit amount is up to \$600 (\$1,200 for MFJ), plus an additional \$600 for each qualifying child. The EIP 1, EIP 2, and tax year 2020 RRC credits are subject to phase out if the AGI on the return considered (2019 or 2018) exceeds the following income limitations:
- \$150,000 for joint filers (filing status 2)
 - \$150,000 for qualifying widow(er) (filing status 5) (EIP 2 only)
 - \$112,500 for head of household filers (filing status 4 or 7)
 - \$75,000 for all other filers
- (16) When EIP 1 or EIP 2 is subject to phase out, the credit is reduced by 5% of the taxpayer's AGI exceeding the income limitations. See below for examples of calculating EIP when phase out applies.

Example: A taxpayer has not filed a TY 2019 return. The TY 2018 return is filed single with no dependents and an AGI of \$90,000. This exceeds the \$75,000 limitation, and EIP phase out applies. $\$90,000 - \$75,000 = \$15,000$. $\$15,000 \times 5\% = \750 .

EIP 1: The taxpayer's EIP is reduced by \$750. The taxpayer will receive \$450 ($\$1,200 - \750).

EIP 2: The taxpayer will not receive a payment, because the \$750 reduction due to phase out is more than the \$600 individual base amount.

Example: A TY 2019 return is filed married filing jointly with 2 qualifying children and an AGI of \$160,000. The AGI exceeds the \$150,000 limitation, and EIP phase out applies. $\$160,000 - \$150,000 = \$10,000$. $\$10,000 \times 5\% = \500 .

EIP 1: The taxpayers will receive \$2,900 (\$2,400 MFJ base amount + \$1,000 for the qualifying children – \$500 due to phase out).

EIP 2: The taxpayers will receive \$1,900 (1,200 MFJ base amount + \$1,200 for the qualifying children – \$500 due to phase out).

Example: A TY 2019 return is filed head of household with 3 qualifying children and an AGI of \$115,000. The AGI exceeds the \$112,500 limitation, and EIP phase out applies. $\$115,000 - \$112,500 = \$2,500$. $\$2,500 \times 5\% = \125 .

25.23 Identity Protection and Victim Assistance

EIP 1: The taxpayer will receive \$2,575 (\$1,200 individual base amount + \$1,500 for the qualifying children – \$125 due to the phase out).

EIP 2: The taxpayer will receive \$2,275 (\$600 individual base amount + \$1,800 – \$125 due to the phase out).

- (17) Taxpayers will report the tax year 2020 recovery rebate credit on their tax year 2020 return. The credit will be calculated based on the 2020 tax return information using the EIP 2 criteria for phase out and will be reduced by the total amount of the advanced payment(s) (EIPs) received. Any remaining credit will be allowed on the tax year 2020 return. Taxpayers who do not have a filing requirement and those who would not normally need to file but may be eligible for RRC **MUST** file a 2020 tax return to receive the RRC.

Note: The tax year 2020 recovery rebate credit is not subject to offset for federal tax debts but is subject to offset for TOP debts.

- If the Non-Filers Tool **was** used to claim EIP 1, a simple return was filed for that taxpayer. When filing their 2020 tax return electronically, the taxpayer will need to enter \$1 for the prior year AGI verification.
 - If the Non-Filers Tool **was not** used to claim EIP 1 **and** the taxpayer did not file a tax year 2019 return, the taxpayer will need to enter \$0 for the prior year AGI verification.
- (18) The EIP 3 credit amount is up to \$1,400 (\$2,800 for MFJ), plus an additional \$1,400 for each allowable dependent. The EIP 3 and tax year 2021 RRC are subject to phase out if the AGI on the return considered (2019, 2020 or 2021) exceeds the following income limitations:
- \$150,000 for joint filers (filing status 2)
 - \$150,000 for qualifying widow(er) (filing status 5)
 - \$112,500 for head of household filers (filing status 4 or 7)
 - \$75,000 for all other filers
- (19) Total phase out of EIP 3 occurs when the taxpayer's AGI meets or exceeds the applicable amount for their filing status:
- \$160,000 for joint filers (filing status 2)
 - \$160,000 for qualifying widow(er) (filing status 5)
 - \$120,000 for head of household filers (filing status 4 or 7)
 - \$80,000 for all other filers
- (20) When EIP 3 is subject to phase out, the reduction percentage will be determined using the taxpayer's AGI and filing status. The standard amounts to be used in the formula for computation are listed below:
- \$10,000 for joint filers (filing status 2)
 - \$10,000 for qualifying widow(er) (filing status 5)
 - \$7,500 for head of household filers (filing status 4 or 7)
 - \$5,000 for all other filers
- (21) The reduction percentage will be calculated using the formula below and will be applied to the total amount of the credit.
- a. Enter the AGI.

- b. Enter the income limitation for the filing status.
- c. If the amount in step a is more than the amount in step b, subtract the amount in step b from the amount in step a. Otherwise, enter zero.
- d. Divide the amount in step c by the applicable standard amount in paragraph (20) for the filing status on the return. If more than 100% (1.0), enter only 100%. This is the amount of the reduction percentage.

See below for examples of calculating EIP 3 when phase out applies.

Example: A taxpayer has not filed a TY 2020 return. The TY 2019 return is filed single with no dependents and an AGI of \$77,000. This exceeds the \$75,000 limitation, and EIP phase out applies.

EIP 3:

$$\$77,000 - \$75,000 = \$2,000$$

Calculating the reduction percentage:

$$\$2,000 \div \$5,000 = .4 \text{ (40\%)}$$

Because the reduction percentage is less than 100%, an EIP 3 will be issued.

Calculating the amount of the credit:

$$\$1,400 \text{ (maximum credit)} \times 40\% \text{ (reduction percentage)} = \$560 \text{ (amount of reduction)}$$

$$\$1,400 \text{ (maximum credit)} - \$560 \text{ (amount of reduction)} = \$840 \text{ (amount of EIP 3)}$$

Example: A TY 2020 return is filed married filing jointly with 2 qualifying dependents and an AGI of \$155,000. The taxpayers and their dependents all have valid SSNs. The AGI exceeds the \$150,000 limitation, and EIP phase out applies.

EIP 3:

$$\$155,000 - \$150,000 = \$5,000$$

Calculating the reduction percentage:

$$\$5,000 \div \$10,000 = .5 \text{ (50\%)}$$

Because the reduction percentage is less than 100%, an EIP 3 will be issued.

Calculating the amount of the credit:

$$\$1,400 \times 4 = \$5,600$$

$$\$5,600 \text{ (maximum credit)} \times 50\% \text{ (reduction percentage)} = \$2,800 \text{ (amount of reduction)}$$

$$\begin{aligned} & \$5,600 \text{ (maximum credit)} - \$2,800 \text{ (amount of reduction)} = \\ & \$2,800 \text{ (amount of EIP 3)} \end{aligned}$$

Example: A TY 2020 return is filed head of household with 3 dependents and an AGI of \$117,000. The primary taxpayer and dependents all have a valid SSN. The AGI exceeds the \$112,500 limitation, and EIP phase out applies.

EIP 3:

$$\$117,000 - \$112,500 = \$4,500$$

Calculating the reduction percentage:

$$\$4,500 \div \$7,500 = .6 \text{ (60\%)}$$

Because the reduction percentage is less than 100%, an EIP 3 will be issued.

Calculating the amount of the credit:

$$\$1,400 \times 4 = \$5,600$$

$$\begin{aligned} & \$5,600 \text{ (maximum credit)} \times 60\% \text{ (reduction percentage)} = \\ & \$3,360 \text{ (amount of reduction)} \end{aligned}$$

$$\begin{aligned} & \$5,600 \text{ (maximum credit)} - \$3,360 \text{ (amount of reduction)} = \\ & \$2,240 \text{ (amount of EIP 3)} \end{aligned}$$

- (22) Taxpayers will report the tax year 2021 recovery rebate credit on their tax year 2021 return. The credit will be calculated based on the 2021 tax return information using the EIP 3 criteria for phase out and will be reduced by the total amount of the advanced payment(s) (EIPs) received. Any remaining credit will be allowed on the tax year 2021 return. Taxpayers who do not have a filing requirement and those who would not normally need to file but may be eligible for RRC **MUST** file a 2021 tax return to receive the RRC.

- If the Non-Filers Tool **was** used to claim EIP 3, a simple return was filed for that taxpayer. When filing their 2021 tax return electronically, the taxpayer will need to enter \$1 for the prior year AGI verification.
- If the Non-Filers Tool **was not** used to claim EIP 3 **and** the taxpayer did not file a tax year 2020 return, the taxpayer will need to enter \$0 for the prior year AGI verification.

- (23) Repayment is not required when a taxpayer received more **advanced** payment of the 2020 recovery rebate credit (EIP 1 + EIP 2) or more **advanced** payment of the 2021 recovery rebate credit (EIP 3) than they were entitled to.

Caution: When a taxpayer receives an excess amount of Recovery Rebate Credit (RRC), repayment of the amount that exceeds what they are entitled to is required. See below for a list of examples that may result in the erroneous overpayment:

- Taxpayer claimed an amount of RRC that was allowed and later amended their tax return

- An employee input an adjustment that resulted in the excess amount (may require erroneous refund procedures)
- The valid taxpayer received a refund issued based on an invalid tax return received

25.23.4.20.1
(06-06-2022)

**Economic Impact
Payment (EIP) - Account
Research**

- (1) EIPs are issued from the tax module for the tax year of the applicable recovery rebate credit. The associated adjustment will include:

- TC 290 .00
- Unique Reason Codes (RC) in positions 1, 2, 3, and/or 4 (defined below)
- TC 766 with Credit Reference Number (CRN) 338 for the amount attributable to the primary and secondary taxpayers, if applicable
- TC 766 with CRN 257 for the amount attributable to qualifying children (EIP 1 and EIP 2) or allowable dependents (EIP 3)
- HC 3

Note: Although the adjustment notice is suppressed, the taxpayer is issued a vendor notice approximately 15 days from the posting of the credit.

- (2) Married Filing Joint (MFJ) accounts will reflect the transactions on both the primary and secondary modules. The adjustment on the primary module will include the significant amounts, and the adjustment on the secondary module will post with .00 amounts.
- (3) MFJ accounts that included an Injured Spouse claim with the original return will reflect the transactions on both the primary and secondary tax year 2020 modules. Both taxpayers will be credited with half of the total EIP.
- (4) Taxpayers who are ineligible to receive an EIP can be identified by the adjustment posted to the module. The adjustment will include:
- TC 290 .00
 - TC 766 CRN 338 .00
 - RC 1 and 2 will be 000; RC 3 will be populated
- (5) Systemic adjustments include unique Reason Codes (RC). Refer to the following table for additional information:

RC Position	Description
First Position	<ul style="list-style-type: none"> • This RC identifies the number of children/allowable dependents for which the payment was computed. • RC 000-099
Second Position	<ul style="list-style-type: none"> • This RC is associated with the children/allowable dependents in the first position. • RC 206 and 213

RC Position	Description
Third Position	<ul style="list-style-type: none"> This RC is associated with the primary and secondary taxpayer(s). RC 200 - 203, 205, 206, and 209
Fourth Position	<ul style="list-style-type: none"> This RC indicates a deceased taxpayer. RC 207

(6) Refer to the table below to determine how the EIP was calculated:

Reason Code (RC)	Credit Reference Number (CRN)	Description
200	338	No payment due to AGI phase out.
201	338	No payment due to the taxpayer being claimed on another return.
202	338	No payment due to TIN issues (an invalid primary and/or secondary SSN, invalid due to assignment date, and TIN requirements not met). (For EIP 1 and EIP 2: A TC 971 AC 166 in the entity identifies SSNs used for non-work purposes.)
203	338	No payment due to the filing of Form 1040-NR, Form 1040-PR, or Form 1040-SS.

Reason Code (RC)	Credit Reference Number (CRN)	Description
205	338	<p>Systemic catch-all that identifies when a payment cannot be issued, such as a refund less than \$1 or SSA/RRB deceased individual.</p> <p>Note: RC 205 is also used when the payment was previously considered (including an amount for zero) and could be reduced or eliminated. For example, a single taxpayer received EIP 1 in the amount of \$1,200 based on a tax year 2018 return. That taxpayer then files a MFJ return for tax year 2019. The payment resulting from the tax year 2019 return is reduced by the amount previously paid based on the tax year 2018 return.</p>
206	338/257	Payment reduced due to AGI phase out.
207	338	Deceased taxpayer; payment issued to surviving spouse.
209	338	Taxpayer qualifies for the maximum amount.
211	257	<p>EIP 1/EIP 2</p> <ul style="list-style-type: none"> Dependent 17 or over as of January 1, 2020 Date of death prior to 2019 Non-qualifying relationship present Dependent has an ITIN <p>EIP 3</p> <ul style="list-style-type: none"> One or more dependents have an invalid SSN (Includes ITIN and invalid due to assignment date.)
213	257	All claimed children/allowable dependents qualify (for EIP 1 and EIP 2, children who qualified for CTC plus any children with an ATIN shown in the first four dependents positions on the return).
214	338/257	EIP split 50/50 between both spouses. (EIP 3)
215	338/257	EIP attributable to the primary taxpayer. (EIP 1 and EIP 3)

Reason Code (RC)	Credit Reference Number (CRN)	Description
216	338/257	EIP attributable to the secondary taxpayer. (EIP 1 and EIP 3)
217	338	EIP 2 attributable to both spouses (50/50 split).
218	338	EIP 2 attributable to the primary taxpayer.
219	338	EIP 2 attributable to the secondary taxpayer.

Note: The adjustment, including Reason Codes, can be viewed on CC IMFOLA.

- (7) To prevent duplicate EIPs, a TC 971 AC 199 with a MISC field including “REB” in positions 14-16 is placed on the entity (CC IMFOLE) of taxpayers who have been issued an EIP 1. The TC 971 AC 199 identifies the source used to determine the taxpayer’s eligibility (tax year 2019, tax year 2018, SSA, RRB, SSI, or VA). For a list of TC 971 AC 199 MISC descriptions related to EIP, see Exhibit 25.23.4-20, TC 971 AC 199 MISC Field Descriptions for Economic Impact Payments (EIPs). Taxpayers who do not have to file a return and will not receive an EIP based on income from SSA, RRB, SSI, or VA are able to update their direct deposit information using the *Get My Payment* tool. Direct deposit information entered in this tool can be identified by a TC 971 AC 199 with a MISC field reflecting the account number followed by the letters “EF”.

Note: Accounts with direct deposit information updated using the *Get My Payment* tool and the EIP issued will reflect a separate TC 971 AC 199 for both actions.

Note: The TC 971 AC 199 MISC field may also provide a reason why the EIP was not allowed.

- (8) A TC 971 AC 199 with a MISC field including “ADDREB” in positions 11-16 is placed on the entity (CC IMFOLE) of taxpayers who have been issued an EIP 2.
- (9) A TC 971 AC 199 with a MISC field including “2021AREBXXXX” with “REB” in positions 14-16 and “XXXX” representing the source used to determine eligibility is placed on the entity (CC IMFOLE) of taxpayers who have been issued an EIP 3. A TC 971 AC 199 with a MISC field including “2021AREBADJ” will identify adjustments to EIP 3 where the net adjustment is positive. A TC 971 AC 199 with MISC field including “2021ARVREB” will identify adjustments to EIP 3 where the net adjustment is negative.
- (10) Refunds of EIP 1 can be identified by the following characteristics on CC IMFOLT for tax year 2020:
- Refund date in 2020

- TC 846 with “99” in the 12th and 13th positions of the DLN (for most cases)
- (11) Refunds of EIP 2 can be identified by the following characteristics on CC IMFOLT for tax year 2020:
- Refund date in January 2021
 - TC 846 with DLN NN25499905055Y
- (12) Refunds of EIP 3 can be identified by the following characteristics on CC IMFOLT for tax year 2021:
- Refund date in 2021 (no earlier than March)
 - TC 846 with Julian date 999 and “11” in the 12th and 13th positions of the DLN (for most cases)
 - Pre-paid debit cards for EIP 3 can be identified by a TC 971 AC 199 with a MISC field “BFS DEBIT III” on the entity (CC IMFOLE).
- (13) EIPs that have been returned will credit the module with a TC 740 or TC 841. These transactions will result in the systemic reversal of the credits creating the payment (i.e., CRN 338, etc.). Paper checks returned as undeliverable due to the address will be reissued once a new address is available.
- Exception:** After cycle 202114, when IDRS CC IDT48 is used to credit the module with TC 841, the EIP related CRNs will not be systemically reversed.
- Reminder:** When repayment of EIP is received, it may post with a TC 720; however, this may not result in systemic reversal of the credit. The TC 720 must be considered when determining if any portion of EIP was credited to the module.
- (14) When a returned EIP is received while an adjustment to reverse EIP is pending, the adjustment input will unpost if the TC 740/841 posts first. If CC IDT48/IDT58 was input, the credit from the returned payment may result in an erroneous credit balance. Refer to IRM 25.23.4.20.3, Economic Impact Payment (EIP) - Adjustments, for additional information.
- (15) Eligibility for EIP 1/EIP 2 and account conditions that would postpone issuing the EIPs will be determined using tax year 2019 information when a return has posted. If a return for tax year 2019 has not been processed, only information for tax year 2018 will be considered (EIP 1 only). Determinations of eligibility and consideration of account conditions will not include information from both tax years. A postponed EIP will be systemically issued after all account conditions are resolved, when possible. When EIP 1/EIP 2 cannot be issued systemically, the taxpayer must claim the amount they are entitled to as part of the Recovery Rebate Credit (RRC) on their tax year 2020 return.
- (16) EIP 1/EIP 2 is postponed if the tax module being considered contains at least one of the following conditions:
- a. The module contains a duplicate return freeze (-A Freeze).
 - b. The module contains a TC 971 AC 199 with a miscellaneous field of AMWEX60033.
 - c. The module contains a TC 570 with DLN NN27788888888Y.
 - d. The module has a TC 971 AC 011.
 - e. The module contains an unreversed TC 971 AC 129.

25.23 Identity Protection and Victim Assistance

- f. The module contains a TC 841 with blocking series 77711, 77712, 77713, or 77714 with a posted TC 290 .00.
 - g. The module contains a TC 740 with blocking series 99999 or 66666. #
 - i. The module contains a duplicate TIN (an unreversed TC 971 AC 151) followed by an adjustment backing out the return (TC 291 = TC 150 amount).
- (17) EIP 1/EIP 2 is postponed if the taxpayer's entity contains at least one of the following conditions:
- a. The entity contains an unreversed TC 971 AC 522 with a miscellaneous field of "WI FA ALTRD". #
 - d. An account merge is in process. #
 - e. The entity contains an Undeliverable As Addressed (UAA), Undelivered Mail (UD), or bad address (BAD ADDR) indicator (for paper checks only). These indicators can be found on CC ENMOD to the right of the address, or on CC IMFOLE in the indicator field below the address. #
- (18) Eligibility for EIP 3 and account conditions that would postpone issuing this EIP will be determined using tax year 2020 information when a return has posted. If a return for tax year 2020 has not been processed, only information for tax year 2019 will be considered. Determinations of eligibility and consideration of account conditions will not include information from both tax years. A postponed EIP will be systemically issued after all account conditions are resolved, when possible. When EIP 3 cannot be issued systemically, the taxpayer must claim the amount they are entitled to as part of the Recovery Rebate Credit (RRC) on their tax year 2021 return.
- (19) EIP 3 is postponed if the tax module being considered contains at least one of the following conditions:
- The 2020 module contains a TC 971 AC 199 with a miscellaneous field of AMWEX60033 unless a subsequent refund (TC 846) posted or a TC 972 AC 199 with a miscellaneous field of AMWEX60033 is present.
 - The 2020 module contains a TC 570 with DLN NN2778888888Y and a -R Freeze.
 - The module contains a duplicate return freeze (-A Freeze).
 - The module contains an unreversed TC 971 AC 129 (ID Theft TPP) unless a subsequent refund (TC 846) posted.
 - The module contains a tax return and a returned refund TC 841 with blocking series 77711, 77712, 77713, or 77714 unless a subsequent refund (TC 846) posted and a later dated TC 971 AC 199 MISC EF is posted (CC IMFOLE).
 - The module contains a TC 740 with blocking series 99999 or 66666 (undeliverable address on paper check) unless a subsequent refund (TC 846) posted.
 - The module contains a duplicate TIN (an unreversed TC 971 AC 151) followed by an adjustment backing out the return (TC 291 = TC 150 amount). #

- (20) EIP 3 is postponed if the taxpayer's entity contains at least one of the following conditions:

- The entity contains an unreversed TC 971 AC 522 with a miscellaneous field of "WI FA ALTRD" (ID Theft).
- An account merge is in process.
- The entity contains an unreversed TC 971 AC 199 with a miscellaneous field of "XYZ TERRITORY".
- The entity contains an unreversed TC 971 AC 199 with a miscellaneous field of "XYZ ZERO".

#

25.23.4.20.2

(12-20-2022)

**Economic Impact
Payment (EIP) -
Additional Research for
Identity Theft (IDT)
Cases**

- (1) Taxpayers who are victims of identity theft (IDT) may experience delays in receiving their Economic Impact Payment (EIP) or may not have received an EIP due to the identity theft issue. TC 971 AC 522 with MISC "WI FA ALTRD" was created and systemically placed on accounts with IDT to prevent the issuance of an EIP.
- (2) **All** cases assigned to an IDT inventory **must** be reviewed to determine if an EIP was issued. If an EIP was issued, it is necessary to identify who received the payment.

Caution: Each EIP must be considered separately. **Do not** assume all payments went to the same person.

Caution: **Do not** assume EIP is not impacted, because the case is assigned for a tax year earlier than 2018, 2019, or 2020. Additional impacted modules may be identified through Complete Case Analysis (CCA).

- (3) Review the posted TC 971 AC 199 on CC IMFOLE to locate the source used to determine eligibility:
- a. Tax year 2020 return information
 - b. Tax year 2019 return information
 - c. Tax year 2018 return information
 - d. Social Security Administration (SSA)
 - e. Railroad Retirement Benefits (RRB)
 - f. Social Security Disability (SSDI)
 - g. Veterans Administration (VA)
- (4) When Form 14039 is filed due to non-receipt of an EIP based on a valid return, determine if the EIP was issued as direct deposit. If the EIP was issued as direct deposit, continue to paragraph (5) below. If the EIP was mailed, the case will be worked as non-tax-related IDT. Refer to IRM 25.23.3.2.3, Self-Identified - Non-Tax-Related Identity Theft - IDT4, for specific procedures.

Example: The taxpayer files Form 14039 reporting the Get My Payment Tool says their EIP was mailed on January 6, 2021. They believe someone else stole it from their mail. Your research indicates there is no invalid return and the EIP was mailed. This case will be resolved as an IDT4.

- (5) Use the table below to determine who received the EIP when the source used to determine eligibility was the return information for tax year 2020, 2019, or 2018, the refund was issued or offset to child support, and the case is

25.23 Identity Protection and Victim Assistance

impacted by identity theft. Refer to IRM 25.23.4.20.3, Economic Impact Payment (EIP) - Adjustments, for required case actions.

Caution: When direct deposit information has been updated using the Child Tax Credit Update Portal (CTCUP) or Get My Payment (GMP), subsequent refunds released from the tax year 2021 module will be issued via direct deposit to that account, unless the indicator has been reversed with a TC 972. A TC 971 AC 850 will not flip payments to paper after the CTCUP has been used to update direct deposit information. You can identify CTCUP direct deposit information updates by a TC 971 AC 199 with the MISC field providing the bank/routing information followed by "EF" (20 positions) posted on the taxpayer's entity. The Julian Date will be 999, and the Blocking Series will be 77777.

If	And	Then
(1) The CTCUP/GMP was used to update the direct deposit information, Note: If the taxpayer states they did not update the information using the CTCUP/GMP, see scenario (3) below.	EIP was issued by direct deposit after the update occurred,	The valid taxpayer did receive their EIP.
(2) The CTCUP/GMP was used to update the direct deposit information,	EIP was issued by direct deposit or paper check before the update occurred,	Use scenarios (5) - (16) below to determine who received the EIP.
(3) The taxpayer states they did not use the CTCUP/GMP to update their direct deposit information or the taxpayer indicates an individual assisting them with using the tool input bank account information that does not belong to them,	EIP was issued by direct deposit after the update occurred,	The valid taxpayer did not receive their EIP.
(4) The taxpayer states they did not use the CTCUP/GMP to update their direct deposit information,	EIP was issued by direct deposit or paper check before the update occurred,	Use scenarios (5) - (16) below to determine who received the EIP.

If	And	Then
(5) One return IDT determination,	EIP was issued by direct deposit,	The valid taxpayer did not receive their EIP.
(6) One return IDT determination,	EIP was issued by paper check or pre-paid debit card,	Review the address, including the cycle date of the last change, to determine who the payment was mailed to.
(7) Invalid/Valid determination,	EIP was issued by direct deposit,	The valid taxpayer did not receive their EIP.
(8) Invalid/Valid determination,	EIP was issued by paper check or pre-paid debit card,	Review the address, including the cycle date of the last change, to determine who the payment was mailed to.
(9) Valid/Invalid determination OR One valid return/no invalid return,	EIP was issued by direct deposit,	The valid taxpayer did receive their EIP. Note: Direct deposit information updated prior to the EIP being issued may be the result of IDT. Review the taxpayer's claim for any statement indicating the direct deposit information is not theirs.
(10) Valid/Invalid determination,	EIP was issued by paper check or pre-paid debit card,	Review the address, including the cycle date of the last change, to determine who the payment was mailed to.
(11) Invalid/Invalid determination,	EIP was issued by direct deposit,	The valid taxpayer did not receive their EIP.

If	And	Then
(12) Invalid/Invalid determination,	EIP was issued by paper check or pre-paid debit card,	Review the address, including the cycle date of the last change, to determine who the payment was mailed to.
(13) Income-related IDT determination (no invalid return),	EIP was issued by direct deposit,	The valid taxpayer received their EIP.
(14) Income-related IDT determination (no invalid return),	EIP was issued by paper check or pre-paid debit card,	Review the address, including the cycle date of the last change, to determine who the payment was mailed to.
(15) Dependent-related IDT determination,	EIP was issued by direct deposit or paper check,	The EIP amount attributable to the dependent was issued to the incorrect taxpayer, unless the payment was issued on the dependent's account after the valid taxpayer used the CTCUP to update the direct deposit information.
(16) Taxpayer is not impacted by IDT (i.e., MXEN, IJE, etc.)	EIP was issued.	Additional research is necessary. Continue to paragraph (7) below.

Note: You can determine if the EIP was issued via direct deposit or by mail by reviewing the DD indicator posted with the TC 846. The EIP was issued as direct deposit if the indicator is "9" and mailed if the indicator is "0".

Reminder: If the valid taxpayer has a child support obligation, some or all of the EIP 1 will offset to that debt.

Caution: Addresses on taxpayers' accounts may have been updated multiple times throughout the pandemic. In an effort to ensure determinations of receipt are correct, it is suggested IDRS CC FINDS is used to compare address updates with the cycle date of the TC 846 for the refund in question. This CC provides a long-term history of the taxpayer's address and cycle dates for each change.

- (6) If the source used to determine eligibility was SSA, RRB, SSDI, or VA, the EIP was issued as direct deposit or paper check to the valid taxpayer, depending on how the taxpayer normally receives their benefits.

- (7) Certain accounts not impacted by IDT are also required to be reviewed. Use the table below to determine who received the EIP when the source used to determine eligibility was the return information for tax year 2020, 2019, or 2018, the refund was issued or offset to child support, and the case is not impacted by identity theft. Refer to IRM 25.23.4.20.3, Economic Impact Payment (EIP) - Adjustments, for required case actions.

If	And	Then
(1) MXEN determination,	EIP was issued,	Refer to IRM 21.6.2.4.7, Economic Impact Payment (EIP) and Multiple Taxpayers Using the Same TIN.
(2) IJE determination,	EIP was issued by direct deposit,	The valid taxpayer did not receive their EIP, unless the payment was issued after the CTCUP was used by the reporting taxpayer to update the direct deposit information.
(3) IJE determination,	EIP was issued by paper check or pre-paid debit card,	Review the address, including the cycle date of the last change, to determine who the payment was mailed to.

- (8) EIPs issued on accounts with non-tax-related IDT and NO IDT determinations (excluding the scenarios in paragraph (7) above) may require specific actions to address the EIP. For additional information, refer to IRM 25.23.3.2.3, Self-Identified - Non-Tax-Related Identity Theft - IDT4, or IRM 25.23.4.10.15, No

Identity Theft (NOIDT) Determinations, as applicable. When the taxpayer erroneously used the Non-Filers Tool and filed an additional return to correct their account, refer to IRM 21.5.3.4.17, Amended Economic Impact Payment (EIP) Return.

- (9) Refer to IRM 25.23.4.20.1, Economic Impact Payment (EIP) - Account Research, paragraph (6) for the reason codes that will be used for manual adjustments to EIP. These adjustments may also include reason code (RC) 000.
- (10) Manual adjustments using the CRNs for EIP create a systemic TC 971 AC 199 posted to the entity. The MISC field will reflect the following literals:
 - **REBADJ** - Additional EIP allowed
 - **REVREB** - EIP reversed or reduced

25.23.4.20.2.1
(06-06-2022)

**Economic Impact
Payment (EIP) Referrals
- Coordinator Duties**

- (1) IDTVA receives referrals for EIP adjustments on accounts impacted by identity theft. These referrals are submitted with Form 4442, Inquiry Referral, and received for the following account conditions:
 - The EIP was issued to the invalid taxpayer after receipt of a fraudulent return.
 - The EIP was issued to the valid taxpayer in an amount that is incorrect and was computed using information from a fraudulent return. (Based on the valid taxpayer's return, the EIP the taxpayer is entitled to is more than the amount of EIP received.)

Note: Repayment of any amount of EIP the taxpayer received in excess of the amount they are entitled to will not be requested.

- (2) Form 4442 referrals for EIP adjustments include the following information in addition to the taxpayer's TIN, name, address, and phone number:
 - **Issue:** Refund Inquiry
 - **Referral Type:** IRM
 - **Category:** Other - Write-In; The write-in description will be "EIP Adj - Scenario 2"
 - **Reason:** Other or Complex Issue/Training Specialization
 - **Notes:** A detailed description of the adjustment that needs to be made on the account will be provided.
- (3) Accounts with referrals for identity theft EIP adjustments have an open IDRS control base on the 2020 module reflecting:
 - **Activity Code:** "EIP-SCEN2"
 - **Status:** B
 - **Category Code:** TPPI
 - **Assignment to IDRS Number:** 0130076221
- (4) All EIP adjustment referrals are sent to Brookhaven for tracking and distribution. **All** EIP adjustments related to identity theft must be made by an IDTVA employee. Brookhaven will forward EIP Adj – Scenario 2 referrals to IDTVA via EE-fax **and/or** provide account information in a listing.
- (5) EIP adjustment referrals must be reviewed for accuracy. Screening of EIP Adj – Scenario 2 referrals is required to verify appropriate assignment to IDTVA and will be completed the same day the referral is received.

(6) Complete the following research to screen the referrals:

- Review the Form 4442 for details about the taxpayer's specific IDT issue.
- Review AMS history items to confirm the referral is the result of a phone call from the taxpayer.
- Use AMS, CII, and/or IDRS to verify there is an identity theft issue.
- Search CII to determine if there is an open identity theft case.

Note: When working from a listing to screen referrals, review the completed referral in AMS. A link will be available under the Alerts heading.

(7) Erroneous referrals received in IDTVA must be returned to Brookhaven within one business day of identifying the referral does not meet Scenario 2 criteria. Take the following actions to reject erroneous referrals:

Exception: Referrals indicating an identity theft issue that did not result in the issuance of an EIP (i.e., no TC 846 on the module) **will not** be rejected. The valid taxpayer's identity theft issue must be resolved to ensure they receive any amount of EIP they are entitled to.

1. Update the IDRS control base on the 2020 module using:
 - **Activity Code:** "REJ-SCEN2"
 - **Status:** B
 - **Category Code:** TPPI
 - **IDRS Number:** 0130076221
2. Add an AMS history item documenting the research completed and the results of the research (i.e., no invalid return, etc.).
3. Under the notes section of Form 4442, leave a brief description of the results (i.e., Reject - No IDT issue, etc.).
4. After taking each of the previous actions, return the referral to Brookhaven via EE-fax to 877-817-5268.

(8) Upon completion of the necessary research, complete all applicable actions as described in the table below to prepare correct referrals for assignment:

If	Then
(1) There is an existing CII case,	<ul style="list-style-type: none"> Update the category code to IDT1/IDS1 (or appropriate category code) if the case is currently assigned as IDT3/IDS3. If the case is assigned to an IDTVA Specialty Function, do not update the category code. Attach the Form 4442 to the CII case as a .pdf. Note: When working from a listing, you must print the Form 4442 located in AMS as a .pdf to attach it to the CII case. Add a CII case note to document the date the referral was received. Close the TPPI IDRS control base as MISC.
(2) There is not an existing CII case,	<ul style="list-style-type: none"> Create a CII case in category code IDT1/IDS1. Use the received date of Form 4442 as the IRS received date for the case. Attach the Form 4442 to the CII case as a .pdf. Note: When working from a listing, you must print the Form 4442 located in AMS as a .pdf to attach it to the CII case. Add a CII case note to document the date the referral was received. Close the TPPI IDRS control base as MISC.

- (9) After preparing the referrals for assignment, distribute the EIP referrals inventory for resolution.

25.23.4.20.3
(06-06-2022)

**Economic Impact
Payment (EIP) -
Adjustments - General**

- (1) The credits and refunds of EIPs can be seen on the applicable tax module:
- EIP 1/EIP 2: Tax year 2020 module (tax year 202101 – 202111 for fiscal year filers).
 - EIP 3: Tax year 2021 module (tax year 202201 – 202211 for fiscal year filers).

- (2) When systemic consideration of EIP determines the taxpayer is ineligible, CC IMFOLT will reflect a TC 290 .00 only.
- (3) Credits post with a TC 766 if adding/increasing the credit or TC 767 if removing/decreasing the credit. When adjusting the amount of EIP, the following Credit Reference Numbers (CRNs) will be used:
- **338** - The amount is attributable to the primary and secondary taxpayer, if applicable.
 - **257** - The amount is attributable to qualifying children/allowable dependents.
- (4) The CRN(s) used to adjust EIP will be determined by the facts and circumstances of the case.
- When inputting an adjustment to EIP using only CRN 338, the Reason Codes (RCs) used in the first and second positions must both be 000. This leaves the third position open for the RC that best describes the reason for the adjustment.
 - When inputting an adjustment to EIP that includes CRN 257, the RC in the first position must indicate the number of dependents associated with the adjustment (i.e., RC 002 would be used when there are 2 dependents involved). The second and third positions may be used for additional RCs related to the adjustment. A separate adjustment will be input to mark the account with RC 139.
- Note:** Adjustments for EIPs on the same module must be input separately. Use posting delays, as necessary.
- Note:** On accounts where the taxpayer has different spouses for 2018 and 2019, the "XREF – TIN" field on CC ADJ54 can be used to ensure the adjustment is pointed to the appropriate spouse.

- (5) Use the following RCs when adjusting the amount of EIP:

Note: The following reason codes must be in the third position.

Reason Code (RC)	Credit Reference Number (CRN)	Description
214	338/257	EIP split 50/50 between both spouses (EIP 1 and EIP 3)
215	338/257	EIP 1 attributable to the primary taxpayer (EIP 1 and EIP 3) Note: This RC will also be used for taxpayers with a filing status other than MFJ.
216	338/257	EIP 1 attributable to the secondary taxpayer (EIP 1 and EIP 3)

Reason Code (RC)	Credit Reference Number (CRN)	Description
217	338	EIP 2 attributable to both spouses (50/50 split)
218	338	EIP 2 attributable to the primary taxpayer Note: This RC will also be used for taxpayers with a filing status other than MFJ.
219	338	EIP 2 attributable to the secondary taxpayer

- (6) When the IDT case is for TY 2019 or TY 2020 and may affect the calculation or issuance of Advanced Child Tax Credit (AdvCTC) payments, a determination of impact must be made **prior** to following the procedures below. Refer to the table below for exceptions to procedures based on the determination of impact:

Determination of Impact	Exceptions
(1) There are no AdvCTC payments on the module	None
(2) All AdvCTC payments were issued to the valid taxpayer	None

Determination of Impact	Exceptions
<p>(3) All AdvCTC payments were issued to the invalid taxpayer</p> <p>OR</p> <p>The valid and invalid taxpayers both received at least one AdvCTC payment</p>	<ul style="list-style-type: none"> • The appropriate IDT closing indicator must not be input until the AdvCTC payments are resolved. These indicators cannot be input until the taxpayer is no longer harmed by the IDT issues. Refer to IRM 25.23.2.6, Closing Identity Theft Issues, for additional information. • Required case closure correspondence must not be issued prior to the completion of all account actions. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures, for additional information. • The CII case must remain open until all necessary actions have been taken. Follow procedures in IRM 25.23.4.21.2.1, ARPA - Advanced Child Tax Credit (AdvCTC) - Identity Theft Research and Account Actions, to ensure AdvCTC payments are addressed appropriately. <p>Reminder: One closing letter may be issued to address all additional information the taxpayer needs (i.e., how to claim RRC and details about the AdvCTC).</p>

- (7) When it is determined IDT (or IJE) affected EIP 1 and/or EIP 2, the tax year 2020 Recovery Rebate Credit (RRC) must also be addressed when the 2020 module reflects tax return information. When it is determined IDT (or IJE) affected EIP 3, the tax year 2021 RRC must also be addressed when the 2021 module reflects tax return information. Refer to IRM 25.23.4.20.4, Recovery Rebate Credit (RRC) - Identity Theft (IDT) Case Research, and IRM 25.23.4.20.5, Recovery Rebate Credit (RRC) - Adjustments, for additional information. When the affected module does not reflect tax return information, continue with the procedures in the applicable reference(s):

- IRM 25.23.4.20.3.1, Economic Impact Payment (EIP) - Adjustments - EIP 1/EIP 2
- IRM 25.23.4.20.3.2, Economic Impact Payment (EIP) - Adjustments - EIP 3

25.23.4.20.3.1
(10-01-2022)

**Economic Impact
Payment (EIP) -
Adjustments - EIP 1/EIP
2**

- (1) EIP 1/EIP 2 will be adjusted on the tax year 2020 module (tax year 202101 – 202111 for fiscal year filers). Refer to IRM 25.23.4.20.3, Economic Impact Payment (EIP) - Adjustments - General, to determine appropriate Credit Reference Numbers (CRNs) and Reason Codes (RCs) to be used when adjusting EIP 1 and/or EIP 2. Refer to IRM 25.23.4.20.2, Economic Impact Payment (EIP) - Additional Research for Identity Theft (IDT) Cases, to determine who received each EIP issued.

Reminder: A secondary TC 290 .00 will not be input when a TC 150 return has not been received. Refer to IRM 25.23.4.3.1, CII and IDRS Case Controls, for additional information.

- (2) When EIP 1 and/or EIP 2 was computed based on a valid return (or benefits when an exception applies) but was issued to the invalid taxpayer due to direct deposit information being updated, take the following actions:

Reminder: Adjustments to EIP 1 and EIP 2 must be input separately.

Note: If any amount of the EIP was offset to a child support obligation, follow procedures in paragraph (3) below.

- Adjust the account to remove the EIP. Input TC 290 .00 with BS 05, SC 0, the appropriate CRN(s) and amount(s), RC(s), and HC 4. If adjusting both EIP 1 and EIP 2, post delay the second adjustment by one cycle.
 - Input a second TC 290 .00 with BS 05, SC 0, HC 3, and RC 139. Post delay the adjustment by one cycle. If adjusting both EIP 1 and EIP 2, post delay the third adjustment by two cycles.
 - Follow procedures in IRM 25.25.4.7, Reversing Identity Theft (IDT) Lost Refunds, to resolve EIPs issued to the invalid taxpayer.
- (3) When the EIP was computed based on an invalid (IDT) return or invalid joint election (IJE) and the payment (in whole or part) was offset to a child support debt, take the following actions:

Determination for the Tax Year used for EIP Eligibility	Valid Taxpayer	Tax Year 2020 Module and Entity Actions
<p>(1)</p> <ul style="list-style-type: none"> One return IDT Invalid/Valid Invalid/Invalid <p>OR</p> <ul style="list-style-type: none"> The reporting taxpayer was listed as the primary taxpayer on an IJE return. 	<ul style="list-style-type: none"> All of the original EIP was offset to a child support obligation, or Some of the original EIP was offset to a child support obligation and only the reporting taxpayer received the portion of the original EIP in excess of the amount offset to child support. 	<ol style="list-style-type: none"> Input TC 290 .00 with BS 05, SC 0, and HC 3. Use RC 139 for IDT cases. Use RC 099 for IJE cases. Refer to paragraph (7) below for letter requirements. <p>Reminder: Repayment of any amount of EIP the taxpayer received in excess of the amount they are entitled to will not be requested. This includes an offset to a child support debt.</p>

Determination for the Tax Year used for EIP Eligibility	Valid Taxpayer	Tax Year 2020 Module and Entity Actions
<p>(2)</p> <ul style="list-style-type: none"> One return IDT Invalid/Valid Invalid/Invalid <p>OR</p> <ul style="list-style-type: none"> The reporting taxpayer was listed as the primary or secondary taxpayer on an IJE return 	<ul style="list-style-type: none"> Some of the original EIP was offset to a child support obligation and only the non-owner of the CN received the portion of the original EIP in excess of the amount offset to child support. 	<ol style="list-style-type: none"> Reduce the amount of EIP on the module to reflect the exact amount of EIP applied to the child support obligation. Input TC 290 .00 with BS 05, SC 0, the appropriate CRN(s) and amount(s), RC(s), and HC 4. For IDT cases, input a second TC 290 .00 with BS 05, SC 0, HC 3, and RC 139. Post delay the adjustment by one cycle. For IDT cases meeting streamline criteria, follow procedures in IRM 25.25.4.7, Reversing Identity Theft (IDT) Lost Refunds, to resolve the partially lost EIP issued to the invalid taxpayer. For IDT cases meeting non-streamline criteria, create a Dummy tax year 2020 module for the IRSN. Follow procedures in IRM 21.5.2.4.23.10, Moving Refunds, to move the EIP to the 2020 module for the IRSN. Refer to IRM 25.23.4.20.3.3 , Economic Impact Payment (EIP) - Account Balancing Adjustments, to determine if additional actions are required to balance the accounts. For IJE cases, create a Dummy tax year 2020 module for the other TIN. Follow procedures in IRM 21.5.2.4.23.10, Moving Refunds, to move the EIP to the 2020 module for the other TIN. Refer to IRM 25.23.4.20.3.3 , Economic Impact Payment (EIP) - Account Balancing Adjustments, to determine if additional actions are required to balance the accounts. Refer to paragraph (7) below for letter requirements. <p>Reminder: Repayment of any amount of EIP the taxpayer received in excess of the amount they are entitled to will not be requested. This includes an offset to a child support debt.</p>

Determination for the Tax Year used for EIP Eligibility	Valid Taxpayer	Tax Year 2020 Module and Entity Actions
<p>(3) Valid/Invalid determination</p> <p>OR</p> <p>One valid return/no invalid return,</p>	<ul style="list-style-type: none"> • All of the original EIP was offset to a child support obligation, or • Some of the original EIP was offset to a child support obligation and only the reporting taxpayer received the portion of the original EIP in excess of the amount offset to child support. 	<ol style="list-style-type: none"> 1. Input TC 290 .00 with BS 05, SC 0, and HC 3. Use RC 139 for IDT cases. Use RC 099 for IJE cases. 2. Refer to paragraph (7) below for letter requirements. <p>Reminder: Repayment of any amount of EIP the taxpayer received in excess of the amount they are entitled to will not be requested. This includes an offset to a child support debt.</p>

Determination for the Tax Year used for EIP Eligibility	Valid Taxpayer	Tax Year 2020 Module and Entity Actions
<p>(4) Valid/Invalid determination</p> <p>OR</p> <p>One valid return/no invalid return,</p>	<ul style="list-style-type: none"> • Some of the original EIP was offset to a child support obligation and only the non-owner of the CN received the portion of the original EIP in excess of the amount offset to child support. 	<ol style="list-style-type: none"> 1. Reduce the amount of EIP on the module to reflect the exact amount of EIP applied to the child support obligation. Input TC 290 .00 with BS 05, SC 0, the appropriate CRN(s) and amount(s), RC(s), and HC 4. 2. For IDT cases, input a second TC 290 .00 with BS 05, SC 0, HC 3, and RC 139. Post delay the adjustment by one cycle. 3. For IDT cases meeting streamline criteria, follow procedures in IRM 25.25.4.7, Reversing Identity Theft (IDT) Lost Refunds, to resolve the partially lost EIP issued to the invalid taxpayer. 4. For IDT cases meeting non-streamline criteria, create a Dummy tax year 2020 module for the IRSN. Follow procedures in IRM 21.5.2.4.23.10, Moving Refunds, to move the EIP to the 2020 module for the IRSN. Refer to IRM 25.23.4.20.3.3 , Economic Impact Payment (EIP) - Account Balancing Adjustments, to determine if additional actions are required to balance the accounts. 5. For IJE cases, create a Dummy tax year 2020 module for the other TIN. Follow procedures in IRM 21.5.2.4.23.10, Moving Refunds, to move the EIP to the 2020 module for the other TIN. Refer to IRM 25.23.4.20.3.3 , Economic Impact Payment (EIP) - Account Balancing Adjustments, to determine if additional actions are required to balance the accounts. 6. Refer to paragraph (7) below for letter requirements. <p>Reminder: Repayment of any amount of EIP the taxpayer received in excess of the amount they are entitled to will not be requested. This includes an offset to a child support debt.</p>

Note: For any cases involving an EIP offset to a child support obligation (in whole or part) that do not meet the scenarios described above, prepare and email a Form 4442 using the subject line: "EIP - Child Support Offset" (or similar) to *ITVA HQ*. Document all research completed in a CII case note and/or on Form 4442. Attach Form 4442 to your CII case. Suspend the case awaiting a response from ITVA HQ. Upon receipt, the account will be researched. A response on how to address the account will be received within 7 business days.

- (4) When EIP 1 and/or EIP 2 was computed based on an invalid (IDT) return meeting **streamline** criteria and a child support offset is not involved, take the following actions:

Determination for the Tax Year used for EIP Eligibility	Valid Taxpayer	Tax Year 2020 Module and Entity Actions
(1) <ul style="list-style-type: none"> One return IDT Invalid/Valid Invalid/Invalid 	<ul style="list-style-type: none"> <u>Did</u> receive the EIP, 	1. Input TC 290 .00 with BS 05, SC 0, RC 139, and HC 3. 2. Refer to paragraph (7) below for letter requirements. Reminder: Repayment of any amount of EIP the taxpayer received in excess of the amount they are entitled to will not be requested.
(2) <ul style="list-style-type: none"> One return IDT Invalid/Valid Invalid/Invalid 	<ul style="list-style-type: none"> <u>Did not</u> receive the EIP, 	1. Adjust the account to remove the EIP. Input TC 290 .00 with BS 05, SC 0, the appropriate CRN(s) and amount(s), RC(s), and HC 4. 2. Input a second TC 290 .00 with BS 05, SC 0, HC 3, and RC 139. Post delay the adjustment by one cycle. 3. Follow procedures in IRM 25.25.4.7, Reversing Identity Theft (IDT) Lost Refunds, to resolve EIPs issued to the invalid taxpayer. 4. Refer to paragraph (7) below for letter requirements. Reminder: Repayment of any amount of EIP the taxpayer received in excess of the amount they are entitled to will not be requested.

Determination for the Tax Year used for EIP Eligibility	Valid Taxpayer	Tax Year 2020 Module and Entity Actions
(3) • Valid/Invalid	• <u>Did</u> receive the EIP,	1. Refer to paragraph (7) below for letter requirements. Reminder: Repayment of any amount of EIP the taxpayer received in excess of the amount they are entitled to will not be requested.

Note: For any streamline cases involving EIP 1 and/or EIP 2 that do not meet the scenarios described above, prepare and email a Form 4442 using the subject line: "EIP - Streamline" (or similar) to *ITVA HQ*. Document all research completed in a CII case note and/or on Form 4442. Attach Form 4442 to your CII case. Suspend the case awaiting a response from ITVA HQ. Upon receipt, the account will be researched. A response on how to address the account will be received within 7 business days.

- (5) When EIP 1 and/or EIP 2 was computed based on an invalid (IDT) return meeting **non-streamline** criteria and a child support offset is not involved, take the following actions:

Determination for the Tax Year used for EIP Eligibility	Valid Taxpayer	Tax Year 2020 Module and Entity Actions
(1) • One return IDT • Invalid/Valid • Invalid/Invalid AND	• <u>Did</u> receive the EIP,	1. Input TC 290 .00 with BS 05, SC 0, RC 139, and HC 3. 2. Refer to paragraph (7) below for letter requirements. Reminder: Repayment of any amount of EIP the taxpayer received in excess of the amount they are entitled to will not be requested.

Determination for the Tax Year used for EIP Eligibility	Valid Taxpayer	Tax Year 2020 Module and Entity Actions
(2) <ul style="list-style-type: none"> One return IDT Invalid/Valid Invalid/Invalid 	<ul style="list-style-type: none"> <u>Did not</u> receive the EIP, 	<ol style="list-style-type: none"> Adjust the account to remove the EIP. Input TC 290 .00 with BS 05, SC 0, the appropriate CRN(s) and amount(s), RC(s), and HC 4. Input a second TC 290 .00 with BS 05, SC 0, HC 3, and RC 139. Post delay the adjustment by one cycle. Create a Dummy tax year 2020 module for the assigned IRSN. Follow procedures in IRM 21.5.2.4.23.10, Moving Refunds, to move the EIP to the IRSN module. Refer to IRM 25.23.4.20.3.3 , Economic Impact Payment (EIP) - Account Balancing Adjustments, to determine if additional actions are required to balance the accounts. Refer to paragraph (7) below for letter requirements.
(3) <ul style="list-style-type: none"> Valid/Invalid 	<ul style="list-style-type: none"> <u>Did</u> receive the EIP, 	<ol style="list-style-type: none"> Refer to paragraph (7) below for letter requirements. Reminder: Repayment of any amount of EIP the taxpayer received in excess of the amount they are entitled to will not be requested.

Note: For any non-streamline cases involving EIP 1 and/or EIP 2 that do not meet the scenarios described above, prepare and email a Form 4442 using the subject line: "EIP - Non-Streamline" (or similar) to *ITVA HQ*. Document all research completed in a CII case note and/or on Form 4442. Attach Form 4442 to your CII case. Suspend the case awaiting a response from ITVA HQ. Upon receipt, the account will be researched. A response on how to address the account will be received within 7 business days.

- (6) When EIP 1 and/or EIP 2 was computed based on an invalid return meeting **invalid joint election (IJE)** criteria and a child support offset is not involved, take the following actions

Determination for the Tax Year used for EIP Eligibility	CN Owner	Tax Year 2020 Module and Entity Actions
(1) • IJE - Reporting person was listed as the primary taxpayer.	• <u>Did not</u> receive the EIP,	<ol style="list-style-type: none"> 1. Adjust the account to remove the EIP. Input TC 290 .00 with BS 05, SC 0, the appropriate CRN(s) and amount(s), RC(s), and HC 4. 2. Create a Dummy tax year 2020 module for the secondary TIN. Follow procedures in IRM 21.5.2.4.23.10, Moving Refunds, to move the EIP to the 2020 module for the secondary TIN. Input TC 470 CC 90 with post delay 2 on the 2020 module for the secondary taxpayer. Refer to IRM 25.23.4.20.3.3 , Economic Impact Payment (EIP) - Account Balancing Adjustments, to determine if additional actions are required to balance the accounts. 3. Refer to paragraph (7) below for letter requirements.
(2) • IJE - Reporting person was listed as the primary taxpayer.	• <u>Did</u> receive the EIP,	<ol style="list-style-type: none"> 1. Refer to paragraph (7) below for letter requirements. Reminder: Repayment of any amount of EIP the taxpayer received in excess of the amount they are entitled to will not be requested.
(3) • IJE - Reporting person was listed as the secondary taxpayer.		<ol style="list-style-type: none"> 1. Refer to paragraph (7) below for letter requirements.

Note: For any IJE cases involving EIP 1 and/or EIP 2 that do not meet the scenarios described above, prepare and email a Form 4442 using the subject line: "EIP - IJE" (or similar) to *ITVA HQ*. Document all research completed in a CII case note and/or on Form 4442. Attach Form 4442 to your CII case. Suspend the case awaiting a response from ITVA HQ. Upon receipt, the account will be researched. A response on how to address the account will be received within 7 business days.

(7) Refer to the table below for additional letter requirements specific to EIP 1 and/or EIP 2 issues:

If	Then
<p>(1)</p> <ul style="list-style-type: none"> Corresponding with a taxpayer who <u>did not</u> receive EIP 1 and/or EIP 2, 	<p>1. Issue a closing Letter 4674C. Include an open or floating paragraph to advise the taxpayer they will need to claim the RRC on their 2020 tax return. You may use the paragraph below or similar verbiage: “We are unable to issue your Economic Impact Payment (EIP) at this time. To receive any amount of the payment you may be entitled to, you will need to file a 2020 tax return to claim the Recovery Rebate Credit (RRC).”</p>
<p>(2)</p> <ul style="list-style-type: none"> Corresponding with a taxpayer who <u>did</u> receive EIP 1 and/or EIP 2, 	<p>1. Issue a closing Letter 4674C. Include an open or floating paragraph to advise the taxpayer they will need to claim the RRC on their 2020 tax return if they were eligible for more than the amount they received. You may use the paragraph below or similar verbiage: “Our records show you received a total of \$X,XXX.XX from the Economic Impact Payment(s) issued to you. You will need to file a 2020 tax return to claim the Recovery Rebate Credit (RRC) to claim any additional amount you may be entitled to.” Input the amount of the payment in place of the X’s.</p>

- (8) When an EIP 1 and/or EIP 2 has been returned (in whole or part) and the systemic reversal of the credits posted, follow the applicable procedures in paragraphs (3) - (7) above.

Caution: When an adjustment is unpostable due to the posting of a systemic reversal from a returned EIP, verify the systemic adjustment fully addresses the EIP issue before closing your unpostable control. Take any necessary actions when the systemic reversal does not fully resolve the EIP issue (i.e., addressing a partially lost refund, etc.).

25.23.4.20.3.2
(10-01-2022)

**Economic Impact
Payment (EIP) -
Adjustments - EIP 3**

- (1) EIP 3 will be adjusted on the tax year 2021 module (tax year 202201 – 202211 for fiscal year filers). Refer to IRM 25.23.4.20.3, Economic Impact Payment (EIP) - Adjustments - General, to determine appropriate Credit Reference Numbers (CRNs) and Reason Codes (RCs) to be used when adjusting EIP 1 and/or EIP 2. Refer to IRM 25.23.4.20.2, Economic Impact Payment (EIP) - Additional Research for Identity Theft (IDT) Cases, to determine who received the EIP 3.

Reminder: A secondary TC 290 .00 will not be input when a TC 150 return has not been received. Refer to IRM 25.23.4.3.1, CII and IDRS Case Controls, for additional information.

- (2) When the entity does not have a TC 971 AC 199 indicating the taxpayer's eligibility for systemic issuance of EIP 3 has been considered, an adjustment to EIP 3 is not required. Resolving the issue on the impacted tax year the EIP 3 will be based on (2020 or 2019 module) will allow the EIP 3 to be systemically calculated and issued. Input TC 971 AC 850 on the TY 2021 module, if not present, to flip the payment method to paper when the year EIP 3 will be based on includes an invalid return with direct deposit information. Refer to paragraph (12) below for letter requirements.

Exception: Do not input TC 971 AC 850 when direct deposit information has been updated using the Child Tax Credit Update Portal (CTCUP). Subsequent refunds released from the tax year 2021 module will be issued via direct deposit to that account, unless the indicator has been reversed with a TC 972. A TC 971 AC 850 will not flip payments to paper after the CTCUP has been used to update direct deposit information. You can identify CTCUP direct deposit information updates by a TC 971 AC 199 with the MISC field providing the bank/routing information followed by "EF" (20 positions) posted on the taxpayer's entity. The Julian Date will be 999, and the Blocking Series will be 77777.

- (3) When the entity does have a TC 971 AC 199 indicating the taxpayer's eligibility for systemic issuance of EIP 3 has been considered, an adjustment to EIP 3 may be required. IDRS CC IMFOLT may reflect an adjustment with CRN 338 and/or CRN 257 or a TC 290 .00 only indicating the taxpayer is ineligible based on the initial consideration.

Reminder: Consideration of the potential impact to AdvCTC payments must be made **prior** to addressing EIP 3. Refer to IRM 25.23.4.20.3, Economic Impact Payment (EIP) - Adjustments - General, paragraph (7) for additional information.

- (4) When inputting an adjustment to reduce the posted EIP 3, use CRN 338. If the amount exceeds the credit posted with the TC 766 CRN 338, use CRN 257 to adjust the remainder.

Example: The tax year 2021 module currently reflects an EIP 3 issued with the following credits posted:

- TC 766 CRN 338 for \$1,400.00
- TC 766 CRN 257 for \$2,800.00

The valid taxpayer's 2020 return filing status is head of household with two allowable dependents and an AGI of \$118,250. The taxpayer and

dependents all have valid SSNs. The following actions will be taken to correct the account based on the valid taxpayer's return information:

Calculate the reduction percentage:

$$\$118,250 - \$112,500 = \$5,750$$

$$\$5,750 \div \$7,500 = 0.767 \text{ (76.7\%)}$$

Calculate the amount of the credit:

$$\$1,400 \times 3 = \$4,200$$

$$\$4,200 \text{ (maximum credit)} \times 76.7\% \text{ (reduction percentage)} = \$3,221.40$$

The taxpayer is entitled to an EIP 3 in the amount of \$978.60 (\$4,200 – \$3,221.40)

The adjustment input to correct the EIP 3 will include:

- CRN 338 for \$1,400.00–
- CRN 257 for \$1,821.40–

- (5) When a TIN-related math error was set during the original processing of a valid TY 2020 return **and** the error will be corrected as part of the resolution of an IDT case, refer to the table below to determine if there is a potential impact to EIP 3.

Scenario	Impact
<p>(1) EIP 3 eligibility has not been considered:</p> <p>For this scenario, the account <u>will not</u> reflect a TC 971 AC 199 with a MISC field "2021AREBXXXX" where "XXXX" represents the source used to determine eligibility.</p>	<p>There is no impact. The taxpayer will need to claim any amount they are entitled to on their tax year 2021 return. See paragraph (12) below for letter requirements.</p>
<p>(2) EIP 3 eligibility has been considered and based only on the TY 2020 return.</p> <p>For this scenario, the account <u>will</u> reflect a TC 971 AC 199 with a MISC field "2021AREB2020" and <u>will not</u> be followed by another EIP 3 indicator.</p>	<p>EIP 3 may be impacted by changes made to the TY 2020 return during original processing. After correcting the TY 2020 module, EIP 3 must be reviewed to determine if the taxpayer is entitled to an additional amount using the correct TY 2020 return information. Refer to paragraph (8) below when you have determined EIP 3 is impacted.</p>

Scenario	Impact
<p>(2) EIP 3 eligibility was originally considered and based on the TY 2019 return. Eligibility and amount of credit have been re-considered due to the filing of the TY 2020 return.</p> <p>For this scenario, the account will reflect a TC 971 AC 199 with a MISC field "2021AREB2019" and will be followed by a TC 971 AC 199 with a MISC field "2021AREB2020".</p>	<p>EIP 3 may be impacted by changes made to the TY 2020 return during original processing. After correcting the TY 2020 module, EIP 3 must be reviewed to determine if the taxpayer is entitled to an additional amount using the correct TY 2020 return information. Refer to paragraph (8) below when you have determined EIP 3 is impacted.</p>

- (6) Refer to the table below to determine the appropriate account actions required to address invalid direct deposit information:

Reminder: When direct deposit information has been updated using the Child Tax Credit Update Portal (CTCUP), subsequent refunds released from the tax year 2021 module will be issued via direct deposit to that account, unless the indicator has been reversed with a TC 972. A TC 971 AC 850 will not flip payments to paper after the CTCUP has been used to update direct deposit information. You can identify CTCUP direct deposit information updates by a TC 971 AC 199 with the MISC field providing the bank/routing information followed by "EF" (20 positions) posted on the taxpayer's entity. The Julian Date will be 999, and the Blocking Series will be 77777.

Determination for the Tax Year used for EIP 3 Eligibility	CN Entity Reflects	Tax Year 2021 Module and Entity Actions
<p>(1)</p> <ul style="list-style-type: none"> One return IDT Invalid/Valid Invalid/Invalid 	<ul style="list-style-type: none"> TC 971 AC 199 with the MISC field including "EF" and a DLN with any Blocking Series other than 77777 	<ul style="list-style-type: none"> Update the account to reflect the valid taxpayer's correct address. Input TC 971 AC 850 to flip future payments to paper. Use a Posting Delay to ensure the address update posts first.

Determination for the Tax Year used for EIP 3 Eligibility	CN Entity Reflects	Tax Year 2021 Module and Entity Actions
<p>(2)</p> <ul style="list-style-type: none"> One return IDT Invalid/Valid Invalid/Invalid <p>AND</p> <ul style="list-style-type: none"> Correspondence and/or AMS history items do not indicate someone other than the taxpayer updated information using the CTCUP. 	<ul style="list-style-type: none"> TC 971 AC 199 with the MISC field including “EF” and a DLN with Julian Date 999 and Blocking Series 77777 	<ul style="list-style-type: none"> Update the account to reflect the valid taxpayer’s correct address. Consider the current direct deposit information as belonging to the valid taxpayer.
<p>(3)</p> <ul style="list-style-type: none"> One return IDT Invalid/Valid Invalid/Invalid <p>AND</p> <ul style="list-style-type: none"> Correspondence and/or AMS history items do indicate someone other than the taxpayer updated information using the CTCUP. 	<ul style="list-style-type: none"> TC 971 AC 199 with the MISC field including “EF” and a DLN with Julian Date 999 and Blocking Series 77777 	<ul style="list-style-type: none"> Update the account to reflect the valid taxpayer’s correct address. Consider the current direct deposit information as not belonging to the valid taxpayer.

Determination for the Tax Year used for EIP 3 Eligibility	CN Entity Reflects	Tax Year 2021 Module and Entity Actions
(4) <ul style="list-style-type: none"> Valid/Invalid Income related IDT (no invalid return) Dependent related IDT (no invalid return) 	<ul style="list-style-type: none"> TC 971 AC 199 with the MISC field including "EF" and a DLN with any Blocking Series other than 77777 <p>OR</p> <ul style="list-style-type: none"> There is no TC 971 AC 199 with the MISC field including "EF" (no direct deposit information). 	<ul style="list-style-type: none"> Update the account to reflect the valid taxpayer's correct address. Consider the current direct deposit information, if present, as belonging to the valid taxpayer.
(5) <ul style="list-style-type: none"> Valid/Invalid Income related IDT (no invalid return) Dependent related IDT (no invalid return) <p>AND</p> <ul style="list-style-type: none"> Correspondence and/or AMS history items do not indicate someone other than the taxpayer updated information using the CTCUP. 	<ul style="list-style-type: none"> TC 971 AC 199 with the MISC field including "EF" and a DLN with Julian Date 999 and Blocking Series 77777 	<ul style="list-style-type: none"> Update the account to reflect the valid taxpayer's correct address. Consider the current direct deposit information as belonging to the valid taxpayer.

Determination for the Tax Year used for EIP 3 Eligibility	CN Entity Reflects	Tax Year 2021 Module and Entity Actions
(6) <ul style="list-style-type: none"> Valid/Invalid Income related IDT (no invalid return) Dependent related IDT (no invalid return) AND <ul style="list-style-type: none"> Correspondence and/or AMS history items do indicate someone other than the taxpayer updated information using the CTCUP. 	<ul style="list-style-type: none"> TC 971 AC 199 with the MISC field including "EF" and a DLN with Julian Date 999 and Blocking Series 77777 	<ul style="list-style-type: none"> Update the account to reflect the valid taxpayer's correct address. Consider the current direct deposit information as not belonging to the valid taxpayer.

- (7) When EIP 3 was computed based on a valid return but was issued to the invalid taxpayer due to direct deposit information being updated, take the following actions:
- Adjust the account to remove the EIP. Input TC 290 .00 with BS 05, SC 0, the appropriate CRN(s) and amount(s), RC(s), and HC 4. Post delay this adjustment by one cycle.
 - Input a second TC 290 .00 with BS 05, SC 0, HC 3, and RC 139. Post delay this adjustment by two cycles.
 - Follow procedures in IRM 25.25.4.7, Reversing Identity Theft (IDT) Lost Refunds, to resolve EIPs issued to the invalid taxpayer.
- (8) For cases that meet **streamline** criteria for the tax year EIP 3 was based on, follow the procedures outlined in the table below according to the determination you have made:

Determination for the Tax Year used for EIP 3 Eligibility	Valid Taxpayer	Tax Year 2021 Module and Entity Actions
(1) <ul style="list-style-type: none"> One return IDT Invalid/Valid Invalid/Invalid 	<ul style="list-style-type: none"> Did receive EIP 3 (in whole or part) 	<ol style="list-style-type: none"> When the invalid return requested direct deposit, refer to paragraph (6) above to determine what account actions may be necessary. If the invalid taxpayer received a portion of EIP 3, reduce the amount of EIP 3 on the module to reflect the exact amount of EIP 3 received by the valid taxpayer. Input TC 290 .00 with BS 05, SC 0, the appropriate CRN(s) and amount(s), RC(s), and HC 4. If TC 971 AC 850 was input, post delay the adjustment by 2 cycles. Input TC 290 .00 with BS 05, SC 0, RC 139, and HC 3 (4 if issuing a manual refund). Post delay this adjustment by 1 cycle (3 cycles if TC 971 AC 850 was input). Follow procedures in IRM 25.25.4.7, Reversing Identity Theft (IDT) Lost Refunds, to resolve the EIP 3 payment issued to the invalid taxpayer. See paragraph (12) below for letter requirements.

Determination for the Tax Year used for EIP 3 Eligibility	Valid Taxpayer	Tax Year 2021 Module and Entity Actions
(2) <ul style="list-style-type: none"> One return IDT Invalid/Valid Invalid/Invalid 	<ul style="list-style-type: none"> Did not receive any portion of EIP 3 	<ol style="list-style-type: none"> When the invalid return requested direct deposit, refer to paragraph (6) above to determine what account actions may be necessary. Adjust the account to remove the EIP 3. Input TC 290 .00 with BS 05, SC 0, the appropriate CRN(s) and amount(s), RC(s), and HC 4. If TC 971 AC 850 was input, post delay the adjustment by 2 cycles. Input TC 290 .00 with BS 05, SC 0, RC 139, and HC 3. Post delay this adjustment by 1 cycle (3 cycles if TC 971 AC 850 was input). Follow procedures in IRM 25.25.4.7, Reversing Identity Theft (IDT) Lost Refunds, to resolve the EIP 3 payment issued to the invalid taxpayer. See paragraph (12) below for letter requirements.
(3) <ul style="list-style-type: none"> Valid/Invalid Income related IDT (no invalid return) Dependent related IDT (no invalid return) 		<ol style="list-style-type: none"> Refer to paragraph (6) above to determine if direct deposit information must be addressed. See paragraph (12) below for letter requirements.

Note: For any streamline cases involving EIP 3 that do not meet the scenarios described above, prepare and email a Form 4442 using the subject line: “EIP 3 - Streamline” (or similar) to *ITVA HQ*. Document all research completed in a CII case note and/or on Form 4442. Attach Form 4442 to your CII case. Suspend the case awaiting a response from ITVA HQ. Upon receipt, the account will be researched. A response on how to address the account will be received within 7 business days.

- (9) For cases that meet **non-streamline** criteria for the tax year EIP 3 was based on, follow the procedures outlined in the table below according to the determination you have made:

Determination for the Tax Year used for EIP 3 Eligibility	Valid Taxpayer	Tax Year 2021 Module and Entity Actions
<p>(1)</p> <ul style="list-style-type: none"> One return IDT Invalid/Valid Invalid/Invalid 	<ul style="list-style-type: none"> Did receive EIP 3 (in whole or part) 	<ol style="list-style-type: none"> When the invalid return requested direct deposit, refer to paragraph (6) above to determine what account actions may be necessary. If the invalid taxpayer received a portion of EIP 3, reduce the amount of EIP 3 on the module to reflect the exact amount of EIP 3 received by the valid taxpayer. Input TC 290 .00 with BS 05, SC 0, the appropriate CRN(s) and amount(s), RC(s), and HC 4. If TC 971 AC 850 was input, post delay the adjustment by 2 cycles. Input TC 290 .00 with BS 05, SC 0, RC 139, and HC 3 (4 if issuing a manual refund). Post delay this adjustment by 1 cycle (3 cycles if TC 971 AC 850 was input). Create a Dummy tax year 2021 module for the assigned IRSN. Follow procedures in IRM 21.5.2.4.23.10, Moving Refunds, to move the lost EIP 3 TC 846 to the IRSN module. Refer to IRM 25.23.4.20.3.3 , Economic Impact Payment (EIP) - Account Balancing Adjustments, to determine if additional actions are required to balance the accounts. See paragraph (12) below for letter requirements.

Determination for the Tax Year used for EIP 3 Eligibility	Valid Taxpayer	Tax Year 2021 Module and Entity Actions
(2) <ul style="list-style-type: none"> One return IDT Invalid/Valid Invalid/Invalid 	<ul style="list-style-type: none"> Did not receive any portion of EIP 3 	<ol style="list-style-type: none"> When the invalid return requested direct deposit, refer to paragraph (6) above to determine what account actions may be necessary. Adjust the account to remove the EIP 3. Input TC 290 .00 with BS 05, SC 0, the appropriate CRN(s) and amount(s), RC(s), and HC 4. If TC 971 AC 850 was input, post delay the adjustment by 2 cycles. Input TC 290 .00 with BS 05, SC 0, RC 139, and HC 3. Post delay this adjustment by 1 cycle (3 cycles if TC 971 AC 850 was input). Create a Dummy tax year 2021 module for the assigned IRSN. Follow procedures in IRM 21.5.2.4.23.10, Moving Refunds, to move the lost EIP 3 TC 846 to the IRSN module. Refer to IRM 25.23.4.20.3.3 , Economic Impact Payment (EIP) - Account Balancing Adjustments, to determine if additional actions are required to balance the accounts. See paragraph (12) below for letter requirements.
(3) <ul style="list-style-type: none"> Valid/Invalid Income Related IDT (no invalid return) Dependent related IDT (no invalid return) 		<ol style="list-style-type: none"> Refer to paragraph (6) above to determine if direct deposit information must be addressed. See paragraph (12) below for letter requirements.

Note: For any non-streamline cases involving EIP 3 that do not meet the scenarios described above, prepare and email a Form 4442 using the subject line: "EIP 3 - Non-Streamline" (or similar) to *ITVA HQ*. Document all research completed in a CII case note and/or on Form 4442. Attach Form 4442 to your CII case. Suspend the case awaiting a response from ITVA HQ. Upon receipt, the account will be researched. A response on how to address the account will be received within 7 business days.

- (10) For cases that meet **invalid joint election (IJE)** criteria for the tax year EIP 3 was based on, follow the procedures outlined in the table below according to the determination you have made:

Determination for the Tax Year used for EIP 3 Eligibility	Valid Taxpayer	Tax Year 2021 Module and Entity Actions
<p>(1)</p> <ul style="list-style-type: none"> IJE 	<ul style="list-style-type: none"> Did receive EIP 3 (in whole or part) 	<ol style="list-style-type: none"> When the IJE return requested direct deposit, refer to paragraph (6) above to determine what account actions may be necessary. If the reporting taxpayer received a portion of EIP 3, reduce the amount of EIP 3 on the module to reflect the exact amount of EIP 3 received by the reporting taxpayer. Input TC 290 .00 with BS 05, SC 0, the appropriate CRN(s) and amount(s), RC(s), and HC 4. If TC 971 AC 850 was input, post delay the adjustment by 2 cycles. Input TC 290 .00 with BS 05, SC 0, RC 139, and HC 3 (4 if issuing a manual refund). Post delay this adjustment by 1 cycle (3 cycles if TC 971 AC 850 was input). Refer to IRM 25.23.4.8.1.3.1, Invalid Joint Election Consideration, for additional information. If necessary, create a Dummy tax year 2021 module for the other taxpayer's TIN. Then follow procedures in IRM 21.5.2.4.23.10, Moving Refunds, to move the EIP 3 TC 846 to the 2021 module for the other taxpayer's TIN. Input TC 470 CC 90 with post delay 2 on the 2021 module for the other taxpayer. Refer to IRM 25.23.4.20.3.3, Economic Impact Payment (EIP) - Account Balancing Adjustments, to determine if additional actions are required to balance the accounts. See paragraph (12) below for letter requirements.

Determination for the Tax Year used for EIP 3 Eligibility	Valid Taxpayer	Tax Year 2021 Module and Entity Actions
(2) • IJE - Reporting person is listed as the primary taxpayer.	• Did not receive any portion of EIP 3	1. When the IJE return requested direct deposit, refer to paragraph (6) above to determine what account actions may be necessary. 2. Adjust the account to remove the EIP 3. Input TC 290 .00 with BS 05, SC 0, the appropriate CRN(s) and amount(s), RC(s), and HC 4. If TC 971 AC 850 was input, post delay the adjustment by 2 cycles. 3. Input TC 290 .00 with BS 05, SC 0, RC 139, and HC 3. Post delay this adjustment by 1 cycle (3 cycles if TC 971 AC 850 was input). Refer to IRM 25.23.4.8.1.3.1, Invalid Joint Election Consideration, for additional information. 4. If necessary, create a Dummy tax year 2021 module for the other taxpayer's TIN. Then follow procedures in IRM 21.5.2.4.23.10, Moving Refunds, to move the EIP 3 TC 846 to the 2021 module for the other taxpayer's TIN. Input TC 470 CC 90 with post delay 2 on the 2021 module for the other taxpayer. Refer to IRM 25.23.4.20.3.3, Economic Impact Payment (EIP) - Account Balancing Adjustments, to determine if additional actions are required to balance the accounts. 5. Refer to paragraph (12) below for letter requirements.
(3) • IJE - Reporting person is listed as the secondary taxpayer.	• Did not receive any portion of EIP 3	1. Refer to IRM 25.23.4.8.1.3.1, Invalid Joint Election Consideration, for additional information. Input TC 592 on the secondary account to separate the taxpayers. 2. Refer to paragraph (12) below for letter requirements.

Note: For any IJE cases involving EIP 3 that do not meet the scenarios described above, prepare and email a Form 4442 using the subject line: "EIP 3 - IJE" (or similar) to *ITVA HQ*. Document all research completed in a CII case note and/or on Form 4442. Attach Form 4442 to your CII case. Suspend the case awaiting a response from ITVA HQ. Upon receipt, the account will be researched. A response on how to address the account will be received within 7 business days.

- (11) For **all IDT and IJE cases**, when an EIP 3 has been returned (in whole or part) and the systemic reversal of the credits posted, follow the procedures outlined in the table below according to the determination you have made:

Caution: When an adjustment is unpostable due to the posting of a systemic reversal from a returned EIP, verify the systemic adjustment fully addresses the EIP issue before closing your unpostable control. Take any necessary actions when the systemic reversal does not fully resolve the EIP issue (i.e., addressing a partially lost refund, etc.).

If	And	Then
(1) The full amount of EIP 3 was returned and the posted EIP 3 adjustment has been fully reversed, (no lost refund)		<ol style="list-style-type: none"> When the invalid return requested direct deposit, refer to paragraph (6) above to determine what account actions may be necessary. Input TC 290 .00 with BS 05, SC 0, RC 139, and HC 3 (4 if issuing a manual refund). Post delay this adjustment by 2 cycles if TC 971 AC 850 was input. See paragraph (12) below for letter requirements.
(2) A portion of EIP 3 was returned	<ul style="list-style-type: none"> The valid taxpayer did not receive the remaining portion 	<ol style="list-style-type: none"> When the invalid return requested direct deposit, refer to paragraph (6) above to determine what account actions may be necessary. Adjust the account to remove the EIP 3. Input TC 290 .00 with BS 05, SC 0, the appropriate CRN(s) and amount(s), RC(s), and HC 4. If TC 971 AC 850 was input, post delay the adjustment by 2 cycles. Input TC 290 .00 with BS 05, SC 0, RC 139, and HC 3 (4 if issuing a manual refund). Post delay this adjustment by 1 cycle (3 cycles if TC 971 AC 850 was input). Follow the applicable lost refund procedures based on the determination made: <ul style="list-style-type: none"> Streamline IDT cases: Follow procedures in IRM 25.25.4.7, Reversing Identity Theft (IDT) Lost Refunds, to resolve an EIP issued to the invalid taxpayer. Non-Streamline IDT cases: Create a Dummy tax year 2021 module for the IRSN. Follow procedures in IRM 21.5.2.4.23.10, Moving Refunds, to move the EIP 3 to the tax year 2021 module for the IRSN. Invalid Joint Election (IJE): When the CN owner was listed as the primary taxpayer, create a Dummy tax year 2021 module for the other TIN. Follow procedures in IRM 21.5.2.4.23.10, Moving Refunds, to move the EIP to the 2021 module for the other TIN. See paragraph (12) below for letter requirements.

If	And	Then
(3) A portion of EIP 3 was returned	<ul style="list-style-type: none"> The valid taxpayer received any portion of the EIP 3 that was not returned 	<ol style="list-style-type: none"> When the invalid return requested direct deposit, refer to paragraph (6) above to determine what account actions may be necessary. Reduce the amount of EIP 3 on the module to reflect the exact amount of EIP 3 received by the valid taxpayer. Input TC 290 .00 with BS 05, SC 0, the appropriate CRN(s) and amount(s), RC(s), and HC 4. If TC 971 AC 850 was input, post delay the adjustment by 2 cycles. Input TC 290 .00 with BS 05, SC 0, RC 139, and HC 3 (4 if issuing a manual refund). Post delay this adjustment by 1 cycle (3 cycles if TC 971 AC 850 was input). Follow the applicable lost refund procedures based on the determination made: <ul style="list-style-type: none"> Streamline IDT cases: Follow procedures in IRM 25.25.4.7, Reversing Identity Theft (IDT) Lost Refunds, to resolve an EIP issued to the invalid taxpayer. Non-Streamline IDT cases: Create a Dummy tax year 2021 module for the IRSN. Follow procedures in IRM 21.5.2.4.23.10, Moving Refunds, to move the EIP 3 to the tax year 2021 module for the IRSN. Invalid Joint Election (IJE): When the CN owner was listed as the primary taxpayer, create a Dummy tax year 2021 module for the other TIN. Follow procedures in IRM 21.5.2.4.23.10, Moving Refunds, to move the EIP to the 2021 module for the other TIN. See paragraph (12) below for letter requirements.

Note: For any EIP 3 returned cases that do not meet the scenarios described above, prepare and email a Form 4442 using the subject line: "EIP 3 Returned" (or similar) to *ITVA HQ*. Document all research completed in a CII case note and/or on Form 4442. Attach Form 4442 to your CII case. Suspend the case awaiting a response from ITVA HQ. Upon receipt, the account will be researched. A response on how to address the account will be received within 7 business days.

- (12) Refer to the table below for additional letter requirements specific to EIP 3 issues:

If	Then
<p>(1)</p> <ul style="list-style-type: none"> Corresponding with a taxpayer who did not receive EIP 3, 	<ul style="list-style-type: none"> Issue a closing Letter 4674C. Include an open or floating paragraph to advise the taxpayer they will need to claim the RRC on their 2021 tax return. You may use the paragraph below or similar verbiage: “We are unable to issue your Economic Impact Payment (EIP) at this time. To receive any amount of the payment you may be entitled to, you will need to file a 2021 tax return to claim the Recovery Rebate Credit (RRC).”
<p>(2)</p> <ul style="list-style-type: none"> Corresponding with a taxpayer who did receive EIP 3, 	<ul style="list-style-type: none"> Issue a closing Letter 4674C. Include an open or floating paragraph to advise the taxpayer they will need to claim the RRC on their 2021 tax return if they were eligible for more than the amount they received. You may use the paragraph below or similar verbiage: “Our records show you received a total of \$X,XXX.XX from the Economic Impact Payment issued to you. You will need to file a 2021 tax return to claim the Recovery Rebate Credit (RRC) to receive any additional amount you may be entitled to.” Input the amount of the payment in place of the X's.

25.23.4.20.3.3
(10-01-2022)

**Economic Impact
Payment (EIP) - Account
Balancing Adjustments**

- (1) When manually adjusting EIP to resolve a non-streamline identity theft case or Invalid Joint Election (IJE) case, the account may need to be “balanced” by moving the EIP refund to the cross-reference account.
- (2) When a refund is moved to the cross-reference account:
- The credit must be adjusted on both accounts.

- A TC 971 AC 195 must be manually updated to ensure IDRS reflects the correct amount of EIP received when a TC 971 AC 199 will not be systemically placed on the account.
- (3) Manual adjustments may generate a systemic TC 971 AC 199 that can be found on IDRS CC IMFOLE. The MISC field will reflect:
- **REBADJ** - EIP allowed or increased (TY 2021 only)
 - **REVREB** - EIP reversed or reduced (TY 2020 and 2021)

Note: TC 971 AC 199 “REBADJ” does not generate systemically after cycle 202050. TC 971 AC 199 “REVREB” does generate systemically after cycle 202050.

Note: The combined dollar amount associated with the TC 971 AC 199/195 is used to compute the Recovery Rebate Credit (RRC) on the TY 2020/2021 return.

- (4) Input an adjustment to increase EIP on the “to” account. The total amount of the credit must equal the amount of EIP being moved. Include HC 4. Refer to IRM 25.23.4.20.3, Economic Impact Payment (EIP) - Adjustments - General.

Reminder: Adjustment to EIP 1 and EIP 2 must be input separately. When adjusting both EIP 1 and EIP 2, post delay the second adjustment by one cycle.

- (5) When making a positive adjustment to EIP with HC 4, the manual input of TC 971 AC 195 entity transaction is required:
- Input TC 971 AC 195 on the “to” account using the “from” account TC 971 AC 199 entity information for the transaction date and MISC fields of the EIP being moved.

25.23.4.20.4
(06-06-2022)

**Recovery Rebate Credit
(RRC) - Identity Theft
(IDT) Case Research**

- (1) The credits and refunds of the Recovery Rebate Credit (RRC) can be seen on the applicable tax module.
- EIP 1/EIP 2: Tax year 2020 module (tax year 202101 – 202111 for fiscal year filers).
 - EIP 3: Tax year 2021 module (tax year 202201 – 202211 for fiscal year filers).
- (2) Credits post with a TC 766 if adding/increasing the credit or TC 767 if removing/decreasing the credit. When adjusting the amount of RRC, the following will be used:
- CRN 256
 - RC 096

Note: Corrections to Tax Year 2021 RRC will be made by resolving EIP 3 until tax year 2021 returns are filed. Refer to IRM 25.23.4.20.3, Economic Impact Payment (EIP) – Adjustments, for procedures to address EIP 3.

- (3) Refer to IRM 21.6.3.4.2.14.2, RRC Taxpayer Notice Codes (TPNC), for information regarding letters issued to taxpayers as a result of an RRC related math error.

25.23 Identity Protection and Victim Assistance

- (4) After making a CN ownership determination, use the table below to determine who received the RRC based on the filing of a 2020/2021 tax return:

Note: If the RRC (in whole or part) was applied to a tax obligation owed by the valid taxpayer (or spouse if MFJ) or offset to a TOP debt, consider that portion as received by the valid taxpayer. Use the table below to determine who received the payment when the account reflects an offset and a refund.

If	And	Then
(1) One return IDT determination,	The refund was issued by direct deposit,	The valid taxpayer did not receive the RRC.
(2) One return IDT determination,	The refund was issued by paper check or pre-paid debit card,	Review the address, including the cycle date of the last change, to determine who the payment was mailed to.
(3) Invalid/Valid determination,	The refund was issued by direct deposit,	The valid taxpayer did not receive the RRC.
(4) Invalid/Valid determination,	The refund was issued by paper check or pre-paid debit card,	Review the address, including the cycle date of the last change, to determine who the payment was mailed to.
(5) Valid/Invalid determination,	The refund was issued by direct deposit,	The valid taxpayer did receive the RRC.
(6) Valid/Invalid determination,	The refund was issued by paper check or pre-paid debit card,	Review the address, including the cycle date of the last change, to determine who the payment was mailed to.
(7) Invalid/Invalid determination,	The refund was issued by direct deposit,	The valid taxpayer did not receive the RRC.
(8) Invalid/Invalid determination,	The refund was issued by paper check or pre-paid debit card,	Review the address, including the cycle date of the last change, to determine who the payment was mailed to.
(9) Income-related IDT determination (no invalid return),	The refund was issued by direct deposit,	The valid taxpayer did receive the RRC.

If	And	Then
(10) Income-related IDT determination (no invalid return),	The refund was issued by paper check or pre-paid debit card,	Review the address, including the cycle date of the last change, to determine who the payment was mailed to.
(11) Taxpayer is not impacted by IDT (i.e., MXEN, IJE, etc.)	The refund was issued,	Additional research is necessary. Continue to paragraph (6) below.

Note: You can determine if the refund was issued via direct deposit or by mail by reviewing the DD indicator posted with the TC 846. The refund was issued as direct deposit if the indicator is “9” and mailed if the indicator is “0”.

Caution: Addresses on taxpayers’ accounts may have been updated multiple times throughout the pandemic. In an effort to ensure determinations of receipt are correct, it is suggested IDRS CC FINDS is used to compare address updates with the cycle date of the TC 846 for the refund in question. This CC provides a long-term history of the taxpayer’s address and cycle dates for each change.

- (5) Certain accounts not impacted by IDT are also required to be reviewed. Use the table below to determine who received the refund when the case is not impacted by identity theft.

If	And	Then
(1) MXEN determination,	The refund was issued,	Refer to IRM 21.6.2.4, TIN-Related Problems Procedures.
(2) IJE determination,	The refund was issued by direct deposit,	The valid taxpayer did not receive the RRC.
(3) IJE determination,	The refund was issued by paper check or pre-paid debit card,	Review the address, including the cycle date of the last change, to determine who the payment was mailed to.

- (6) Refer to IRM 25.23.4.20.5, Recovery Rebate Credit (RRC) - Adjustments, to adjust the RRC when identity theft is involved or an IJE determination has been made.

25.23.4.20.5
(06-07-2024)

**Recovery Rebate Credit
(RRC) - Adjustments**

- (1) Prior to inputting an adjustment for tax year 2020/2021 RRC:
 - Determine if the valid taxpayer(s) received any amount from posted Economic Impact Payments (EIP 1 and EIP 2). Consider any undelivered or returned payments, the secondary TP's account, and offsets when making this determination.
 - Math verify the amount of RRC reported on the valid TY 2020/2021 return. Refer to IRM 25.23.4.20, Economic Impact Payment (EIP) and Recovery Rebate Credit (RRC) – General, for eligibility criteria and limitations. You may also use the Recovery Rebate Credit Worksheet in AMS for tax year 2020 or 2021 Worksheets for assistance in calculating or verifying the valid taxpayer's correct amount of RRC.

Reminder: The amount of the RRC is calculated using the FS, number of qualifying children, and AGI from the tax year 2020/2021 return and is reduced by the total amount received from EIP 1 and/or EIP 2 for tax year 2020 and EIP 3 only for tax year 2021. See the tax year *2020 Form 1040 Instructions* or tax year *2021 Form 1040 Instructions* for additional information.
- (2) Credit Reference Number (CRN) 256 and Reason Code (RC) 096 will be used when adjusting RRC.
- (3) When you have determined the TC 150 return is invalid, input TC 971 AC 850 when direct deposit information was included on the return. Update the entity to reflect the valid taxpayer's correct address. Use appropriate posting delay codes to ensure TC 971 AC 850 and address updates post before account actions that will result in a refund.
- (4) EIP and RRC refunds issued to the invalid taxpayer will be resolved following normal lost refund procedures applicable for the case type (i.e., streamline, non-streamline, or IJE).
- (5) Refer to the list below for determinations that will require RRC to be addressed:
 - One Valid Return - When EIP 1 and/or EIP 2 was based on TY 2018/2019 IDT (TY 2020 RRC)
 - One Valid Return - When EIP 3 was based on TY 2019/2020 IDT (TY 2021 RRC)
 - Valid/Invalid - When EIP 1 and/or EIP 2 was based on TY 2018/2019 IDT (TY 2020 RRC)
 - Valid/Invalid - When EIP 3 was based on TY 2019/2020 IDT (TY 2021 RRC)
 - One Invalid Return
 - Invalid/Valid
 - Invalid/Invalid
- (6) When it is determined the taxpayer does not qualify for RRC, has not received any amount (including advance payments), and did not claim RRC on their valid return, input the adjustment(s) to fully back out the credit(s) for EIP. Include BS 05, SC 0, the appropriate CRN(s) and amount(s), RC(s), and HC 4. Reduce any posted amount of RRC when adjusting the account to the valid return. If RC 139 is not included with the adjustment to the valid return figures, a separate TC 290 must be input to ensure the account reflects RC 139. Post delay the adjustments, as needed.

Reminder: Each EIP credit must be adjusted separately, and lost refunds will be addressed following normal procedures for the case type.

- (7) When it is determined the taxpayer has received the correct amount of RRC (including advance payments) and did not include any amount of RRC on their return, RRC must be addressed to remove any posted amount claimed on an invalid TC 150 return.
- (8) When it is determined the correct amount of RRC is included on the valid return and the valid taxpayer has received **less** RRC than they are entitled to, including any advance payment(s), the account will be adjusted to reflect the correct amount, as allowable. If the valid return posted as the TC 150 return and reflects math errors related to RRC, refer to paragraph (10) below.

Reminder: Lost refunds will be addressed following normal procedures for the case type.

If	Then
(1) The taxpayer qualifies for RRC and has not received any amount (including advance payments),	<ol style="list-style-type: none"> 1. Input adjustment(s) to fully back out the credits for EIP. Include BS 05, SC 0, the appropriate CRN(s) and amount(s), RC(s), and HC 4. Post delay the adjustment, if necessary. Reminder: TY 2020 - EIP 1 and EIP 2 must be adjusted separately if both are present. 2. Adjust the RRC, as appropriate, to ensure the module reflects the total amount the taxpayer is entitled to. Include BS 05, SC 0, and HC 3 (HC 4 if issuing a manual refund). Post delay the adjustment, if necessary. Note: If RC 139 is not included with this adjustment, a separate TC 290 must be input to ensure the account reflects RC 139.

If	Then
(2) The taxpayer qualifies for RRC and has received less than they are entitled to (including advance payments),	<ol style="list-style-type: none"> <li data-bbox="768 289 1336 478">1. Input adjustment(s) to reduce the credits to reflect the exact amount of EIP the taxpayer received, including offsets. Use BS 05, SC 0, the appropriate CRN(s) and amount(s), RC(s), and HC 4. Post delay the adjustment, if necessary. Reminder: TY 2020 - EIP 1 and EIP 2 must be adjusted separately if both are present. <li data-bbox="768 594 1336 751">2. When correcting the account to the valid return figures, adjust the RRC, as appropriate, to ensure the module reflects the total amount the taxpayer is entitled to. Post delay the adjustment, if necessary. Note: If RC 139 is not included with this adjustment, a separate TC 290 must be input to ensure the account reflects RC 139.

Example: TP Jane Smith files Form 14039 reporting they are a victim of IDT because someone filed a return under their SSN. Jane files the TY 2020 return as the primary taxpayer with their spouse Dave Smith. They file MFJ with an AGI of \$152,950 and do not have any dependents. This is the first year they are filing MFJ.

After researching the account, you determine Jane Smith is a victim of refund related IDT for TY 2019 and 2020 (Invalid/Valid). Dave Smith does not have an identity theft issue.

Jane Smith's TY 2020 module reflects the following:

EIP 1 (based on the TY 2019 TC 150 return) in the amount of \$1,200. \$250 offset to a child support obligation and the remainder issued via direct deposit.
EIP 2 (based on the TY 2019 TC 150 return) in the amount of \$600 issued via direct deposit.
RRC (based on the TY 2020 TC 150 return) in the amount of \$600 issued via direct deposit.

Dave Smith's TY 2020 module reflects the following:

EIP 1 (based on the TY 2019 TC 150 return) in the amount of \$1,200 issued via direct deposit.
EIP 2 (based on the TY 2019 TC 150 return) in the amount of \$600 issued via direct deposit.
No RRC.

Calculating the amount of tax year 2020 RRC for the valid taxpayer and spouse:

$$\$152,950 \text{ (AGI)} - \$150,000 \text{ (Limitation)} = \$2,950$$

$$\$2,950 \times 5\% = \$147.50 \text{ (Amount of reduction)}$$

$$\text{EIP 1 allowable amount: } \$2,400 - \$147.50 = \$2,252.50$$

$$\text{EIP 2 allowable amount: } \$1,200 - \$147.50 = \$1,052.50$$

$$\text{Total allowable amount: } \$2,252.50 + \$1,052.50 = \$3,305$$

The valid TY 2020 return includes RRC in the amount of \$1,255

The Primary account adjustments will include:

- CRN 256 for \$655.00 (RRC)
- CRN 338 for \$600.00- (EIP 2)
- CRN 338 for \$950.00- (EIP 1)

The direct deposit of EIP 1 in the amount of \$950 will be treated as a partially lost refund, and the direct deposit of EIP 2 in the amount of \$600 will be treated as a lost refund.

The result of the adjustment is:

$$\text{EIP 1} = \$250$$

$$\text{EIP 2} = \text{zero.}$$

$$\text{RRC} = \$1,255$$

Because the taxpayers are entitled to \$3,305 and received a combined total of \$2,050 (EIP 1 + EIP 2), they are entitled to RRC in the amount of \$1,255.

- (9) When it is determined the valid taxpayer has received **more** RRC than they are entitled to, including advance payments, the account must be adjusted to reflect the correct amount. If the amount of RRC posted to the module is based on an invalid return and is not included in the amount the taxpayer received erroneously, reduce the RRC to zero. See below for the order credits will be reduced in:
1. RRC (Using CRN 256)
 2. EIP 2 (Using CRN 338)
 3. EIP 2 (Using CRN 257)
 4. EIP 1 (Using CRN 338)
 5. EIP 1 (Using CRN 257)

Caution: Do not reduce EIP below the amount of the related refund received by the valid taxpayer. Taxpayers are not required to repay any portion of EIP received in excess of the amount they are entitled to.

Reminder: Lost refunds will be addressed following normal procedures for the case type.

25.23 Identity Protection and Victim Assistance

Example: The valid taxpayer files Form 14039 claiming they have not received their stimulus payments because someone has filed returns. They filed a TY 2020 return as HOH with wages of \$125,452. They have 1 qualifying dependent. The TY 2020 TC 150 return is invalid.

After researching the account, you determine the taxpayer is a victim of refund related IDT for TY 2019 and 2020 (Invalid/Valid).

The TY 2020 module reflects the following:

- EIP 1 (based on the TY 2019 TC 150 return) in the amount of \$1,700 was offset to a child support obligation.
- EIP 2 (based on the TY 2019 TC 150 return) in the amount of \$1,200 was issued via direct deposit.
- Tax year 2020 RRC (based on the TY 2020 TC 150 return) in the amount of \$600 was issued via direct deposit.

Calculating the amount of tax year 2020 RRC the valid taxpayer is entitled to:

$\$125,452 \text{ (AGI)} - \$112,500 \text{ (Limitation)} = \$12,952$

$\$12,952 \times 5\% = \$647.60 \text{ (Amount of reduction)}$

EIP 1 allowable amount: $\$1,700 - \$647.60 = \$1,052.40$

EIP 2 allowable amount: $\$1,200 - \$647.60 = \$552.40$

Total allowable amount: $\$1,052.40 + \$552.40 = \$1,604.80$

Account adjustments will include:

- CRN 256 for \$600.00-
- CRN 338 for \$600.00-
- CRN 257 for \$600.00-

The result of the adjustment is:

EIP 1 posted with CRN 338 for \$1,200 and CRN 257 for \$500 will remain.

EIP 2 and tax year 2020 RRC will both be zero.

Because the taxpayer received \$1,700 of EIP 1, they received an excess of \$95.20 they will not be required to repay.

- (10) When the TC 150 return is valid and a math error was set for claiming the RRC in an amount that is more than they are entitled to based on the amount of EIP reflected on the module, recalculate the RRC based on the valid taxpayer's information. Follow procedures in IRM 21.5.4.5.4, Math Error Substantiated Protest Processing, to correct the account.

Caution: When the account includes other (non-RRC) math errors, only correct those that can be substantiated. If the information (i.e., form, schedule, TIN, etc.) required to correct an additional math error was not provided, issue a closing Letter 4674C. Include an explanation of the adjustment(s) input. Do not suspend the case to request the missing information needed to correct the additional math error(s).

Reminder: Lost refunds will be addressed following normal procedures for the case type.

- (11) When the TC 150 return is valid, the taxpayer qualifies for more RRC than they received (including advance payments), and the taxpayer did not claim any amount of the RRC (blank or zero) **or** claimed less than they are entitled to, recalculate the RRC based on the valid taxpayer's information. Adjust the account to add/increase the credit, as allowable. Do not set a math error. Issue a closing Letter 4674C to explain the changes made to their tax return figures. You may use the suggested paragraph below or similar verbiage when explaining the changes made:

"We changed the amount you claimed as Recovery Rebate Credit (RRC) because we determined you are eligible for more of the credit than you reported. You included \$XX.XX of RRC on your return. We recalculated the credit and allowed \$XX.XX of RRC. The result of this action is (use appropriate fill in here)."

Use numerical figures in place of the X's in the dollar amounts provided.

Select an appropriate fill in from the list below:

- an increased refund
- a decreased balance due

- (12) When the valid taxpayer filed a return and claimed more RRC than they are entitled to, recalculate the RRC based on the valid taxpayer's information. Correct the account, as allowable. When the valid taxpayer's return posted as a TC 976, follow procedures in IRM 21.5.4.5.1, Setting the Initial Math Error Action, to set the math error and issue a closing Letter 474C to provide an explanation of the correction made. When the valid taxpayer's return posted as the TC 150, the account should already reflect the math error. Send a closing Letter 4674C to provide an explanation of the correction made.
- (13) Refer to the table below for additional account considerations:

Condition	Additional Considerations
(1) Valid Bal Due for another year:	<ul style="list-style-type: none"> • RRC cannot be applied toward that balance.
(2) Credit Elect:	<ul style="list-style-type: none"> • RRC can be applied as a credit elect. • Issue a closing Letter 4674C to provide an explanation when the amount of credit elect is not the amount the taxpayer(s) expected.
(3) Issuing a manual refund:	<ul style="list-style-type: none"> • Credit interest is allowed for RRC.

Condition	Additional Considerations
(4) Lost refund includes RRC:	<ul style="list-style-type: none"> Address the lost refund as instructed in the applicable streamline, non-streamline, or IJE procedures.
(5) RRC was offset:	<ul style="list-style-type: none"> EIP 1 is restricted to offset to child support obligations, only, and is not subject to repayment when the taxpayer received more than they were entitled to. EIP 2 is not subject to offset or repayment when the taxpayer received more than they were entitled to. EIP 3 is not subject to offset or repayment when the taxpayer received more than they were entitled to. RRC is not subject to offset for a federal tax debt and must be returned to the originating module when offset in error. RRC is subject to offset for a TOP debt.

25.23.4.21
(04-16-2021)

American Rescue Plan Act (ARPA) - General

- (1) The American Rescue Plan Act (ARPA) of 2021 was enacted on March 11, 2021. It includes various tax provisions to benefit qualifying taxpayers by reducing tax and increasing certain credits. Refer to the subsections listed below for additional information:

- IRM 25.23.4.21.1, ARPA - Unemployment Compensation Tax Relief
- IRM 25.23.4.21.2, ARPA - Advanced Child Tax Credit (AdvCTC) - General
- IRM 25.23.4.21.3, ARPA – Excess Advance Premium Tax Credit (APTC) Repayment Relief

25.23.4.21.1
(10-01-2022)

ARPA - Unemployment Compensation Tax Relief

- (1) Provision 9402 of the American Rescue Plan Act (ARPA) authorizes qualified individuals who received unemployment compensation during calendar year 2020 to exclude up to \$10,200 (\$20,400 if filing MFJ) from their Adjusted Gross Income (AGI).
- (2) To qualify for the exclusion of unemployment income, the taxpayer(s) must:
- Have a valid SSN or ITIN
 - Have received unemployment compensation during calendar year 2020
 - Meet the threshold of \$150,000, regardless of filing status
- (3) The Modified Adjusted Gross Income (MAGI) is calculated to determine if the \$150,000 threshold is met by subtracting the total amount of all unemployment

compensation from the Adjusted Gross Income (AGI). An Unemployment Compensation Exclusion Worksheet can be found in the *tax year 2020 Form 1040 instructions*.

- If the result is less than \$150,000, the threshold is met. The taxpayer(s) may exclude up to \$10,200 (\$20,400 if MFJ) from their unemployment income when filing

Note: Application of the exclusion for MFJ taxpayers will include consideration of community property rules.

- If the result is \$150,000 or more, the threshold is not met. The taxpayer(s) do not qualify to exclude any portion of their unemployment income.

Note: Taxpayers who file Form 1040-NR with their spouse claimed as a dependent cannot exclude any portion of unemployment compensation paid to their spouse. They are limited to excluding up to \$10,200 of their unemployment compensation, because their filing status is not MFJ.

Example: Tim and Tammy Thompson have the following income:

- Wages of \$130,000
- Gambling winnings of \$15,000
- Unemployment compensation of \$35,000 (\$20,000 for primary and \$15,000 for secondary)

$$\$130,000 + \$15,000 + \$35,000 = \$180,000 \text{ (AGI)}$$

$$\$180,000 - \$35,000 = \$145,000 \text{ (MAGI)}$$

Tim and Tammy Thompson qualify to exclude up to \$20,400 of their unemployment income. They will report the following:

- Wages of \$130,000
- Gambling winnings of \$15,000
- Unemployment compensation of \$14,600
- AGI of \$159,600

Example: Julie Henson has the following income:

- Wages of \$52,000
- Unemployment compensation of \$12,000

$$\$52,000 + \$12,000 = \$64,000 \text{ (AGI)}$$

$$\$64,000 - \$12,000 = \$52,000 \text{ (MAGI)}$$

Julie Henson qualifies to exclude up to \$10,200 of unemployment income. Julie will report the following:

- Wages of \$52,000
- Unemployment compensation of \$1,800
- AGI of \$53,800

- (4) A systemic relief process will be used to correct certain accounts for taxpayers who filed their tax year 2020 return prior to the enactment of ARPA. Open identity theft cases will be excluded from this process.

- Accounts excluded can be identified by a TC 971 AC 123 with MISC "IDTVACASE" (IDTVA case is open) systemically posted to IDRS CC IMFOLE.
- Upon resolution of an IDT case that was excluded, a TC 971 AC 123 with MISC "IDTVACLSD" (IDTVA case has been resolved) will be systemically posted to IDRS CC IMFOLE.

Note: Reversal of the TC 971 AC 123 with MISC "IDTVACASE" will not result in the case being included in a systemic recovery at a later date. All IDT cases bypassed must be adjusted as part of the resolution of the case.

- (5) For taxpayers who filed their tax year 2020 return prior to the enactment of ARPA, the IRS will determine if the taxpayer(s) qualified to exclude any portion of their unemployment income. Taxpayers are not required to file an amended return to receive this relief. The systemic process will be used to correct accounts that qualify. The following will be corrected and adjusted, as applicable:

Caution: Some taxpayers who filed their 2020 return prior to the enactment of ARPA excluded all or some of the unemployment income reported. Generally, a taxpayer reporting unemployment income in this manner has identified a fraudulent unemployment claim in their name. Refer to paragraph (7) below for additional information.

- Taxable amount of unemployment compensation
- Adjusted Gross Income (AGI) (TC 888)
- Taxable Income (TXI) (TC 886)
- Total tax (TC 290/291)
- Non-refundable credits
- Refundable credits

Note: If the application of the unemployment income exclusion results in the taxpayer qualifying for a credit not claimed on their original tax return, that credit will not be added. The taxpayer will need to file a Form 1040-X, Amended U.S. Individual Income Tax Return, to claim any additional credits.

Exception: When the application of the unemployment income exclusion results in the taxpayer qualifying for self-EIC, the credit will be calculated and included in the corrective adjustment. Taxpayers will not be required to file an amended return to receive self-EIC.

- (6) Accounts are identified by a TC 971 AC 123 with MISC "UCERECOV-ERY03112021" after being adjusted through the systemic recovery process. This indicator will be reversed with a TC 972 AC 123 when the systemic recovery process has been completed.

- (7) Taxpayers will be notified of any changes made when the account has been corrected. Any resulting overpayment of tax will be offset when a tax debt or TOP debt exists. If no debt exists, the overpayment will be refunded by direct deposit or paper check.
- (8) Taxpayers who file a return addressing fraudulent unemployment compensation reported under their TIN may include the full amount of unemployment income then reduce that amount by the amount they did not receive using Schedule 1, notating fraud, ID Theft, or similar verbiage. The systemic relief process is unable to determine the reason unemployment compensation is being reduced which may result in incorrect adjustments when systemically allowing the unemployment compensation exclusion. When the amount of unemployment income excluded on the original return is less than the amount allowable, the systemic process will input an adjustment based on unemployment income being reduced by the difference. As a result, identity theft claims filed to report unemployment fraud will need to be thoroughly researched.
- Use MeF to review the original return filed. Compare the amount of unemployment income claimed with the amount excluded on Schedule 1. Review the taxpayer's reason for excluding any amount of unemployment income.
 - When the taxpayer excluded the income because of fraud or ID theft, the unemployment compensation exclusion must be applied only to the portion of unemployment income the valid taxpayer received. This requires math verification, recomputation of tax return figures, and consideration of the systemic adjustment when posted to the module.

Example: Betty Fisher filed their tax year 2020 return as single. Betty reported \$30,000 of unemployment income and excluded \$10,000 notating someone else filed a fraudulent unemployment claim in their name. During the systemic relief process, an adjustment is input to further reduce the unemployment income by \$200 for a total of \$10,200. As a result, Betty has only benefitted from the exclusion of \$200 of the unemployment income received.

The amount of unemployment income used for the systemic computation of the exclusion is \$19,800 (\$30,000 – \$10,200).

The correct amount of unemployment income for Betty after application of the exclusion is \$9,800 (\$20,000 – \$10,200).

To correct the account, the unemployment income must be reduced by an additional \$10,000. This will require recomputation of AGI, TXI, tax, and any applicable credits.

After verification of the correct return figures, an adjustment must be input to fully resolve the case.

- (9) Prior to inputting an adjustment, the valid taxpayer's tax year 2020 return must be math verified to ensure the unemployment income exclusion has been applied appropriately. Verify income, tax, and credits were computed correctly.

Note: The following deductions will be computed using the full amount of the taxpayer's unemployment benefits prior to reduction by any exclusion amount:

- Taxable Social Security Benefits
- IRA Deduction
- Student Loan Interest Deduction
- Nontaxable Amount of Olympic or Paralympic Medals and USOC Prize Money
- The exclusion of Interest from Series EE and I U.S. Savings Bonds issued after 1989 (Form 8815)
- The exclusion of Employer-Provided Adoption Benefits (Form 8839)
- Tuition and Fees Deduction (Form 8917)
- The deduction of up to \$25,000 for active participation in a Passive Rental Real Estate Activity (Form 8582)

- (10) When it is determined the eligibility criteria has been met, the unemployment compensation will be reduced by the allowable amount for the filing status but not below zero. If the taxpayer has not applied this relief, the taxpayer's return figures must be recalculated. Recalculation will include total tax and may include non-refundable and/or refundable credits included on the return.

Reminder: Self-EIC will be added for taxpayers who qualify for this credit after the application of the unemployment income exclusion. The taxpayer's dependents will not be considered when determining if a taxpayer qualifies for self-EIC and the amount of the credit they are entitled to. The taxpayer will need to file a Form 1040-X, Amended U.S. Individual Income Tax Return, to claim any other credits not included on the original return (i.e., original return does not include ACTC, but the taxpayer now qualifies for ACTC after application of the unemployment income exclusion or now qualifies for EIC with dependents).

Example: Jane Hernandez files their tax year 2020 return which posts as the TC 976. You have made a determination of Invalid/Valid. Jane filed the return as single before ARPA was passed. Jane's return includes the following:

- Wages - \$34,000
- Unemployment Income - \$8,400
- AGI - \$42,400
- TXI - \$30,000
- Total Tax - \$3,406
- Withholding - \$2,720
- Balance Due - \$686

Recalculating the figures with unemployment income exclusion:

- Wages - \$34,000
- Unemployment Income - \$0
- AGI - \$34,000
- TXI - \$21,600
- Total Tax - \$2,398
- Withholding - \$2,720
- Refund - \$322

Example: Anna Welsh files their tax year 2020 return which posts as the TC 976. You have made a determination of Invalid/Valid. Anna filed the return as HOH before ARPA was passed. Anna's return includes the following:

- Wages - \$18,000
- Unemployment Income - \$7,500
- AGI - \$25,500
- TXI - \$6,850
- Total Tax - \$0
- Withholding - \$1,200
- ACTC - \$1,312
- EIC - \$2,594
- Refund - \$5,106

Recalculating the figures with unemployment income exclusion:

- Wages - \$18,000
- Unemployment Income - \$0
- AGI - \$18,000
- TXI - \$0
- Total Tax - \$0
- Withholding - \$1,200
- ACTC - \$1,400
- EIC - \$3,584
- Refund - \$6,184

- (11) When it is determined the taxpayer applied the unemployment income exclusion in an amount that is more than allowable, recalculate the tax year 2020 figures based on the valid taxpayer's information. Correct the account, as allowable. When the valid taxpayer's return posted as a TC 976, follow procedures in IRM 21.5.4.5.1, Setting the Initial Math Error Action, to set the math error and issue a closing Letter 474C to provide an explanation of the correction(s) made.

Reminder: Recalculation of the figures may impact AGI, TXI, total tax, non-refundable credits, and refundable credits (including RRC).

- (12) When an adjustment input includes figures using the unemployment income exclusion, Reason Code (RC) 020 must be used to indicate the exclusion has been applied. Use RC 020 when inputting adjustments for the following scenarios:

- Invalid/Valid Determinations
- Valid/Invalid Determinations
- ASFR/Exam SFR assessment with a valid return received (IDTVA Specialties only)

- (13) RC 020 **will not** be included when inputting adjustments for the following scenarios:

- No IDT Determinations
- No Reply Cases
- Income Related IDT Determinations (no invalid return)

- (14) For any scenarios not included in paragraphs (10) - (12) above, prepare and email a Form 4442 using the subject line: "UI Relief" (or similar) to *ITVA HQ*. Document all research completed in a CII case note and/or on Form 4442. Attach Form 4442 to your CII case. Suspend the case awaiting a response from

ITVA HQ. Upon receipt, the account will be researched. A response on how to address the account will be received within 7 business days.

25.23.4.21.2
(10-01-2022)

**ARPA - Advanced Child
Tax Credit (AdvCTC) -
General**

- (1) Section 9611 of the American Rescue Plan Act (ARPA) increases the Child Tax Credit (CTC) for tax year 2021 and authorizes qualified individuals to receive periodic advance payments (in equal amounts) of up to 50% of the refundable portion of the Additional Child Tax Credit (ACTC).

- (2) In addition, the CTC includes the following special rules for tax year 2021 only:

- The term “qualifying child” was broadened to include children under the age of 18 at the end of calendar year 2021.
- CTC was increased to \$3,000 for each qualifying child aged 6-17 and \$3,600 for each qualifying child under the age of 6.
- CTC was made fully refundable for taxpayers who resided in the United States for more than one half of the year (either spouse if MFJ) and taxpayers who are bona fide residents of Puerto Rico.

Note: Children with a date of death prior to the calendar year of the tax return used to determine eligibility for the credit will not be taken into account when computing the AdvCTC payment amount.

Note: Residents of Puerto Rico qualify for CTC but are not entitled to the advanced payments. They will receive any refundable amount when filing their tax year 2021 return.

- (3) The increased amount of the credit (\$1,000 for qualifying children aged 6-17; \$1,600 for qualifying children under the age of 6) is subject to limitation when the modified adjusted gross income (MAGI) exceeds the applicable threshold amount for the filing status:

- \$150,000 for married filing joint and surviving spouse
- \$112,500 for head of household
- \$75,000 for all other filing statuses

- (4) When the credit limitation applies, the credit will be reduced by \$50 for each \$1,000 (or portion of \$1,000) in excess of the threshold amount for the filing status. The amount of the reduction must not exceed the **lesser** of the increased amount of the credit (\$1,000 for qualifying children aged 6-17; \$1,600 for qualifying children under the age of 6) or 5% of the applicable phaseout threshold range (difference between AGI and threshold).

Caution: This limitation only applies to the additional amount of credit allowed by ARPA. Application of these special rules must not reduce the credit below the amount the taxpayer is entitled to under the Tax Cuts and Jobs Act (TCJA).

Example: The taxpayer filed HOH with an AGI of \$120,000 and 1 qualifying dependent (age 10).

$$\$120,000 - \$112,500 = \$7,500$$

$$\$7,500 \div \$1,000 = 7.5 \text{ (round up to 8 for computation of the reduction amount)}$$

$$\$50 \times 8 = \$400$$

$$\$7,500 \times 5\% = \$375$$

$$\$1,000 - \$375 = \$625 \text{ (amount of additional credit after limitation)}$$

$$\$2,000 \text{ (child tax credit amount)} + \$625 \text{ (additional credit for 2021)} = \$2,625 \text{ (total credit)}$$

- (5) Initially, the IRS will identify eligible taxpayers and calculate the Advanced Child Tax Credit (AdvCTC) using tax year 2020 return information (2019 if 2020 is not available). Each condition listed below must be met to potentially receive AdvCTC:

- The tax return must be an eligible return type to claim CTC (Forms 1040, 1040SR, 1040NR).
- The tax return must include an address that is U.S. domestic (non-territory), unless the account was subsequently updated to include a U.S. domestic address. APO, FPO, and DPO (military addresses) will be treated as U.S. domestic addresses.
- The tax year 2020 return (2019 if 2020 is not available) must contain CTC qualifying children.

Exception: A TC 971 AC 199 with MISC "NF1040 WCTC xx" is placed on the entity of taxpayers who do not have a tax year 2020 return and filed a tax year 2019 return using the non-filer tool that did not capture the number of qualifying children on the return (EIP QC recovery). These taxpayers are eligible when all other conditions are met.

- The Primary Taxpayer (and Secondary Taxpayer, if MFJ) must have a valid SSN/Name Control combination or a valid, active, ITIN/Name Control combination.
 - The Primary Taxpayer (and Secondary Taxpayer, if MFJ) must not have a date of death. (This is verified monthly for taxpayers receiving AdvCTC.)
 - Taxpayers included on another return that is eligible to receive AdvCTC will have eligibility determined based on the tax year 2020 return only.
- (6) Certain taxpayers will also be able to provide updated information using the Child Tax Credit Update Portal (CTCUP) on IRS.gov. Taxpayers who are unable to pass the online authentication will be able to call the IRS to make the changes. The following is a list of actions taxpayers may take related AdvCTC payments:

Note: The IRS is using a phased approach in developing the CTCUP to provide these self-help methods to taxpayers. Each phase will expand the taxpayers' ability to revise relevant information.

- Enroll to receive payments or unenroll to stop receiving payments
- Update the number of qualifying children (including birth of a child)
- Change the marital status
- Report a change in income
- Update direct deposit information (online portal only)
- Update mailing address

- (7) In addition to the online portal, taxpayers who do not have a filing requirement under normal circumstances may use a non-filer tool to submit a tax year 2020 return to report qualifying dependents for purposes of receiving AdvCTC payments.
- (8) The amount of AdvCTC payments will be made using the most current information available, including tax year 2020 returns filed and updated information provided by the taxpayer. In the event the taxpayer has received an AdvCTC payment, the new payment amount will be computed with consideration of the total amount of advanced payment(s) the taxpayer has received.
- (9) Taxpayers will receive the AdvCTC payments via direct deposit when valid direct deposit information is available. Payments will be issued as a paper check when there is no valid direct deposit information.

Note: A payment will not be issued when the amount of the credit is less than \$1.

Note: When the CTCUP has been used to update direct deposit information, the taxpayer's entity will be marked with a TC 971 AC 199 with the MISC field providing the bank/routing information followed by "EF" (20 positions). The Julian Date will be 999, and the Blocking Series will be 77777.

- (10) AdvCTC computation and payments will be postponed if the tax year 2020 module (2019 if 2020 is not available) contains at least one of the following conditions:
 - A refund freeze due to Exam (-L Freeze) and an unreversed TC 424. (TC 420 for open and TC 421 for closed may also be present.)
 - A TC 971 AC 199 MISC AMWEX60033 unless a subsequent refund (TC 846) posted or a TC 972 AC 199 MISC AMWEX60033 is present.
 - A TC 570 with DLN NN2778888888Y and a -R Freeze.
 - A duplicate return freeze (-A Freeze).
 - An unreversed TC 971 AC 129 (ID Theft TPP) unless a subsequent refund (TC 846) posted.
 - A tax return and returned tax refund (TC 841 with blocking series 77711, 77712, 77713, or 77714 unless a subsequent refund (TC 846) posted.
 - A TC 740 with 99999 or 66666 (undeliverable address on paper check) unless a subsequent refund (TC 846) posted.
- (11) AdvCTC computation and payments will be postponed if the taxpayer's entity contains at least one of the following conditions:
 - An unreversed TC 971 AC 151 (duplicate TIN) followed by an adjustment backing out the return.
 - A reversed refundable child tax credit transaction (CRN 336).
 - A refund freeze due to AQC (-R Freeze) with an unreversed TC 971 AC 122/140 unless a subsequent refund (TC 846) posted.
 - A posted TC 29X that completely reverses the posted TC 150 (full return reversal) and there is no subsequent TC 29X (excluding TC 290 .00 with no associated CRNs).
 - An unreversed TC 971 AC 134 with MISC field "BKLD COMINGLED" unless a subsequent refund (TC 846) posted.
 - A refund repayment (TC 720) unless a subsequent refund (TC 846) posted.

#

- A TC 971 AC 123 with MISC "IDTVACASE" that has not been reversed with a TC 971 AC 123 with MISC "IDTVACLS" (ID Theft). #
 - An account merge is in process.
 - The address is a territory address: Commonwealth of the Northern Mariana Islands (state code MP), Guam (state code GU), United States Virgin Islands (state code VI), Puerto Rico (state code PR), American Samoa (state code AS), Micronesia (state code FM), Marshall Islands (state code MH), or Palau (state code PW).
 - The 2-year or 10-year ban recertification indicator is present, and the eligible tax period is not zero.
 - The account reflects a Service Center address unless there is a TC 971 AC 199 EF other than Blocking Series 99999.
- (12) Other account conditions that will postpone AdvCTC computation and payments include:
- The primary taxpayer is incarcerated (filing status not MFJ).
 - The primary and secondary taxpayers are both incarcerated (filing status is MFJ).
 - The tax year 2021 module contains any EIP3 or AdvCTC TC 740 with Blocking Series 99999 or 66666 (undeliverable address on paper check) unless a subsequent address change has posted or the CTCUP has been used to provide direct deposit information.
- Note:** For MFJ taxpayers, only one taxpayer needs to provide the subsequent update for this condition to be satisfied.
- (13) Account conditions that will require separate treatment of MFJ taxpayers for purposes of computation and payment include (Split Payment):
- An innocent spouse issue has been identified (TC 971 AC 065/104).
 - There is a Victim of Domestic Violence (VODV) indicator (TC 971 AC 198).
 - When the primary or secondary taxpayer updates any feature within the CTCUP or through a CSR and the other spouse does not update their account with the exact same transaction (i.e., same bank account or address) within the same day.
- (14) AdvCTC payments will be issued on a monthly basis beginning in July 2021 and will continue through December 2021. When an account condition that postpones computation and payments has been identified, the postponement will continue until the condition has been resolved.
- (15) AdvCTC payments will not include credit interest (for original payments or reissued payments), are not subject to federal tax offsets or TOP offsets for non-tax debts, and will not be applied as a credit elect.
- (16) The IRS will issue a notice no later than January 31, 2022 to provide taxpayers with the total amount of AdvCTC payments issued to them.
- (17) Taxpayers will reconcile the amount of CTC and/or ACTC they are entitled to by reducing it by the total amount of AdvCTC payments issued to them (but not below zero). When the total amount of AdvCTC payments exceeds the amount of the credit the taxpayer is entitled to, the tax reported on the tax year 2021 return will be increased by the amount received in excess. Failure to

correctly reconcile the amount of CTC and/or ACTC will be treated as a math error when processing the return. Taxpayer Notice Code (TPNC) 276 will be used to identify AdvCTC math errors. Refer to IRM 25.23.4.21.2.3, ARPA - Advanced Child Tax Credit (AdvCTC) Math Errors, for additional information.

- (18) The amount of the tax increase may be limited by a repayment protection specific to receipt of AdvCTC in an amount that exceeds the credit the taxpayer is entitled to.
- The tax increase for taxpayers whose MAGI does not exceed the income threshold will be reduced by the full amount of the repayment protection (but not below zero). Refer to paragraphs (19) and (20) for additional information.
 - The tax increase for taxpayers whose MAGI exceeds the income threshold will be subject to phase out by a reduction percentage. Refer to paragraphs (19) and (21) for additional information.
- (19) The applicable income threshold amount for consideration of the repayment protection is based on the filing status:
- \$60,000 for married filing joint and surviving spouse
 - \$50,000 for head of household
 - \$40,000 for all other filing statuses
- (20) The repayment protection amount is determined by identifying the difference between the number of qualifying children the AdvCTC payments were based on and the number of qualifying children on the tax year 2021 return. That number is then multiplied by \$2,000.

Example: AdvCTC payments were based on a tax year 2020 return filed MFJ. The return includes 3 qualifying children under the age of 6. The taxpayers received a total of \$5,400 in AdvCTC payments. The tax year 2021 return was filed MFJ, has a MAGI of \$55,000, and 1 qualifying child (age 6).

The repayment protection is not subject to phase out, because their MAGI is below the applicable income threshold.

$$3 \text{ (children on TY 2020 return)} - 1 \text{ (child on TY 2021 return)} = 2$$

$$2 \times \$2,000 = \$4,000 \text{ (repayment protection amount)}$$

$$\$5,400 \text{ (AdvCTC payments)} - \$3,000 \text{ (TY 2021 credit)} = \$2,400 \text{ (excess AdvCTC payments received)}$$

The taxpayer will not increase their tax, because the repayment protection amount is more than the amount of excess AdvCTC payments received.

- (21) The repayment protection amount is fully phased out when the taxpayer's MAGI is 200% or more of the applicable income threshold.
- \$120,000 for married filing joint and surviving spouse
 - \$100,000 for head of household
 - \$80,000 for all other filing statuses

- (22) When the repayment protection amount is subject to phase out, calculate the correct repayment protection amount following the steps below:
- Subtract the applicable income threshold amount in paragraph (19) from the MAGI.
 - Divide the difference from step a) by the applicable income threshold amount in paragraph (19) to calculate the reduction percentage.
 - Determine the total potential repayment protection amount as described in paragraph (20) above.
 - Multiply the total potential repayment protection amount from step c) by the reduction percentage from step b) to determine the phase out amount.
 - Subtract the phase out amount calculated in step d) from the potential repayment protection amount calculated in step c) to determine the reduced repayment protection amount.

Example: AdvCTC payments were based on a tax year 2020 return filed MFJ. The return includes 2 qualifying children, both under the age of 6. The taxpayers received a total of \$3,600 in AdvCTC payments. The tax year 2021 return is filed MFJ, has a MAGI of \$118,500, and 1 qualifying child over the age of 6.

Determine if the MAGI exceeds the income threshold:

$$\$60,000 \times 200\% = \$120,000$$

$$\text{MAGI} = \$118,500$$

The repayment protection phase out applies.

a) Calculate the difference between the MAGI and the income threshold:

$$\$118,500 - \$60,000 = \$58,500$$

b) Calculate the reduction percentage:

$$\$58,500 \div \$60,000 = .975$$

$$.975 \times 100 = 97.5\%$$

c) Determine the potential repayment protection amount:

$$2 - 1 = 1$$

$$1 \times \$2,000 = \$2,000$$

d) Calculating the phase out amount:

$$\$2,000 \times 97.5\% = \$1,950$$

e) Calculating the reduced safe harbor amount:

$$\$2,000 - \$1,950 = \$50$$

Application of the repayment protection amount:

\$3,600 (AdvCTC payments) – \$3,000 (TY 2021 credit) = \$600 (excess AdvCTC payments received)

Result:

\$600 (excess AdvCTC payments received) – \$50 (reduced repayment protection amount) = \$550

The total tax will be increased by \$550.

25.23.4.21.2.1
(06-06-2022)

**ARPA - Advanced Child
Tax Credit (AdvCTC) -
Identity Theft Research
and Account Actions**

- (1) Advanced Child Tax Credit (AdvCTC) payments are issued from the tax year 2021 module. Each payment will post with an associated adjustment including the following information:

- TC 290 .00
- Unique Reason Codes (RCs) (defined below)
- TC 766 with Credit Reference Number (CRN) 272 for the amount of the payment

Note: This amount may be zero if the taxpayer is ineligible or the credit was completely phased out by the MAGI.

- Hold Code (HC) 3

- (2) Each adjustment will include a unique DLN to identify the month of the payment. Refer to the list below for the DLN sequence numbers:

- 31 - July
- 32 - August
- 33 - September
- 34 - October
- 35 - November
- 36 - December

- (3) Refer to the table below for adjustment information specific to MFJ taxpayers who are **eligible** to receive the credit:

Scenario	Module 1	Module 2
<p>(1)</p> <ul style="list-style-type: none"> Neither taxpayer is deceased, Not innocent spouse, Not a victim of domestic violence (VODV), and Neither unenrolled <p>Note: This scenario will also apply if one of the taxpayers is incarcerated.</p>	<p><u>Primary Taxpayer</u></p> <ul style="list-style-type: none"> The AdvCTC adjustment will post as described in paragraph (1) above. 	<p><u>Secondary Taxpayer</u></p> <ul style="list-style-type: none"> The AdvCTC adjustment will post with CRN 272 .00.
<p>(2)</p> <ul style="list-style-type: none"> One taxpayer is deceased 	<p><u>Surviving Spouse</u></p> <ul style="list-style-type: none"> The AdvCTC adjustment will post as described in paragraph (1) above. RC 207 will be in the fourth position. 	<p><u>Deceased Spouse</u></p> <ul style="list-style-type: none"> The AdvCTC adjustment will post with CRN 272 .00. RC 207 will be in the third position.
<p>(3)</p> <ul style="list-style-type: none"> Innocent spouse, or VODV indication 	<p><u>Primary Taxpayer</u></p> <ul style="list-style-type: none"> The AdvCTC adjustment will post as described in paragraph (1) above. <p>Note: The credit amount will be half of the total computed amount. (50/50 split)</p>	<p><u>Secondary Taxpayer</u></p> <ul style="list-style-type: none"> The AdvCTC adjustment will post as described in paragraph (1) above. <p>Note: The credit amount will be half of the total computed amount. (50/50 split)</p>

Scenario	Module 1	Module 2
(4) <ul style="list-style-type: none"> One spouse unenrolls, The other spouse is not deceased, and The computed amount for the monthly payment is greater than zero 	<u>Enrolled Spouse</u> <ul style="list-style-type: none"> The AdvCTC adjustment will post as described in paragraph (1) above. <p>Note: The credit amount will be half of the total computed amount. (50/50 split)</p>	<u>Unenrolled Spouse</u> <ul style="list-style-type: none"> An adjustment will not post to the module.
(5) <ul style="list-style-type: none"> One spouse unenrolls, and The other spouse is deceased 	<u>Deceased Spouse</u> <ul style="list-style-type: none"> The AdvCTC adjustment will post with CRN 272 .00. 	<u>Unenrolled Spouse</u> <ul style="list-style-type: none"> An adjustment will not post to the module.

- (4) When a taxpayer is **ineligible** for the credit (including MFJ returns), a TC 290 .00 will post to the module with CRN 272 .00. When the taxpayer is ineligible for multiple months, an additional TC 290 .00 with CRN 272 .00 will only post when the reason code in position 3 is different.
- (5) Refer to the table below for adjustment Reason Codes (RCs) specific to AdvCTC adjustments:

RC Position	Description
1	<p>If the taxpayer qualifies for AdvCTC, this field will contain the total number of CTC eligible children, regardless of age.</p> <p>If the taxpayer does not qualify for AdvCTC, this field will contain RC 000.</p>
2	<p>This field will contain a description of the month for the AdvCTC amount:</p> <ul style="list-style-type: none"> 007 - July 008 - August 009 - September 010 - October 011 - November 012 - December

RC Position	Description
3	<p>Systemic Adjustments: This field will contain a description of the larger computed AdvCTC amount.</p> <p><u>No Credit RCs:</u></p> <ul style="list-style-type: none"> • 200 - No AdvCTC due to MAGI phase out • 202 - Invalid Primary or Secondary SSN (Includes invalid due to assignment date, SSN not valid for work) • 205 - Catch all (For example, all CTC children deceased, AdvCTC under \$1, etc.) <p><u>Reduced Credit RC:</u></p> <ul style="list-style-type: none"> • 206 - AdvCTC reduced due to MAGI phase out <p><u>Maximum Amount RC:</u></p> <ul style="list-style-type: none"> • 209 - AdvCTC not reduced by MAGI <p>Manual Adjustments: This field will contain a description of the AdvCTC adjustment.</p> <ul style="list-style-type: none"> • 214 - AdvCTC split equally 50/50 between the primary and secondary taxpayers • 215 - AdvCTC attributable to only the primary taxpayer • 216 - AdvCTC attributable to only the secondary taxpayer
4	<p>Systemic Adjustments: This field will include RC 207 when:</p> <ul style="list-style-type: none"> • A non-joint taxpayer is deceased • A MFJ return and one or both taxpayers are deceased <p>Manual Adjustments: This RC position will not be used for manual AdvCTC adjustments.</p>

- (6) An AdvCTC TC 971 AC XXX (other than 199) is placed on the entity (CC IMFOLE) of taxpayers to indicate specific account conditions. Refer to the table below for a list of the action codes and their descriptions:

Action Code	Description
065	Innocent Spouse (Form 8857)
198	Victim of Domestic Violence (VODV)
856	Unenrolled taxpayer (will include MISC "OPT-OUT")

- (7) TC 971 AC 199 (systemic) is placed on the entity (CC IMFOLE) of taxpayers to document the amount of each AdvCTC payment issued (including zero amounts), the month of payment, number of dependents, and AdvCTC source (tax year of return). Refer to the table below for specific account scenarios:

25.23 Identity Protection and Victim Assistance

Note: See IRM 21.6.3-3, TC 971 AC 199 MISC Field Descriptions for Advance Child Tax Credit (Adv CTC) Payments, for a list of MISC fields and their descriptions.

Scenario	Posts With
(1) Eligible taxpayers with a filing status other than MFJ	<ul style="list-style-type: none"> The TC 971 AC 199 will post with the total monthly AdvCTC amount.
(2) MFJ return: <ul style="list-style-type: none"> Neither taxpayer is deceased, Not innocent spouse, Not VODV, Not unenrolled, and Not incarcerated 	<ul style="list-style-type: none"> The TC 971 AC 199 AdvCTC amount is split in half (50/50) between the primary and secondary taxpayers.
(3) MFJ return: <ul style="list-style-type: none"> Neither taxpayer is deceased, and Is innocent spouse <u>or</u> VODV 	<ul style="list-style-type: none"> The TC 971 AC 199 AdvCTC amount will match the amount of the credit in the adjustment posted to the tax module. (The credit was already split 50/50 between the Primary and Secondary taxpayers for the TC 290 adjustment.)
(4) MFJ return: <ul style="list-style-type: none"> One spouse has unenrolled 	<ul style="list-style-type: none"> The TC 971 AC 199 will post for the taxpayer who is enrolled with an AdvCTC amount that matches the credit in the adjustment posted to the tax module. (The credit was already split 50/50 between the Primary and Secondary taxpayers for the TC 290 adjustment.)
(5) MFJ return: <ul style="list-style-type: none"> One spouse is deceased 	<ul style="list-style-type: none"> The TC 971 AC 199 will post for the surviving spouse with the total monthly AdvCTC amount. The TC 971 AC 199 will post for the deceased taxpayer with an AdvCTC amount of zero.
(6) Ineligible taxpayers	<ul style="list-style-type: none"> The TC 971 AC 199 will post with an AdvCTC amount of zero.

- (8) When systemic or manual adjustments to AdvCTC are input, a TC 971 AC 199 (systemic) or TC 971 AC 195 (manual) will reflect details of the credit on the taxpayer's entity. Refer to the table below for MISC Field format and descriptions:

TC 971 AC 199/195 MISC Field	Field Description
<p>(1) TC 971 AC 199 (systemic) only:</p> <p>NNNNNNN kktyCT-CYYmm</p>	<p>AdvCTC was computed and issued</p> <ul style="list-style-type: none"> NNNNNNN - dollar amount, including cents kk - number of qualifying children ty - tax year of payment (00 or 21 = 2021) CTC - computed for AdvCTC YY - tax year used for computation (19 = 2019, 20 = 2020) mm - indicates month of the payment (07 = July, 08 = August, etc.)
<p>(2) TC 971 AC 199 (systemic) only:</p> <p>NNNNNNN kk-tyREVCTmm</p>	<p>AdvCTC was reversed systemically (e.g., returned payment)</p> <ul style="list-style-type: none"> NNNNNNN - dollar amount, including cents kk - number of qualifying children ty - tax year of payment (00 or 21 = 2021) REVCT- systemic reversal YY - tax year used for computation (19 = 2019, 20 = 2020) mm - indicates month of the payment (07 = July, 08 = August, etc.)
<p>(3) TC 971 AC 199 (systemic) or TC 971 AC 195 (manual):</p> <p>NNNNNNN kktyxxCTC-ADJ</p>	<p>Systemically generated when a manual adjustment for AdvCTC is input resulting in a refund (TC 971 AC 199)</p> <p>OR</p> <p>Manually input when AdvCTC is moved from one account to another (TC 971 AC 195)</p> <ul style="list-style-type: none"> NNNNNNN - dollar amount, including cents kk - number of qualifying children ty - tax year of payment (00 or 21 = 2021) xx - indicates month of the payment (07 = July, 08 = August, etc.) CTCADJ - indicates positive manual account adjustment

TC 971 AC 199/195 MISC Field	Field Description
(4) TC 971 AC 199 (systemic) only: NNNNNNNN kktyxxREVCTC	Systemically generated when a manual adjustment reversing AdvCTC is input (TC 971 AC 199) <ul style="list-style-type: none"> NNNNNNNN - dollar amount, including cents kk - number of qualifying children ty - tax year of payment (00 or 21 = 2021) xx - indicates month of the payment (07 = July, 08 = August, etc.) REVCTC - indicates negative manual account adjustment

(9) When a TC 971 AC 199 with MISC “EF” is posted on the entity (CC IMFOLE):

- Unreversed TC 971 AC 199 “EF” with Blocking Series other than 99999 is present: The payment will be issued as a direct deposit to the latest EFT account associated with the indicator.
- TC 971 AC 199 “EF” with Blocking Series other than 99999 is not present: The payment will be issued as a paper check.
- A posted reversal TC 972 AC 199 “EF” and no subsequent TC 971 AC 199 “EF” with Blocking Series other than 99999 is present: The payment will be issued as a paper check.
- Innocent Spouse or VODV issue: The payment will be issued as a paper check unless the entity contains a posted TC 971 AC 199 “EF” with Blocking Series 77777.

(10) When the entity **does not** contain a TC 971 AC 199 with MISC “EF” (Blocking Series other than 99999), the payment will be issued as a paper check when one or more of the following conditions exist:

- The tax year 2021 module contains an unreversed TC 971 AC 850 (refund flipped to paper), unless the last posted unreversed TC 971 AC 199 “EF” has Blocking Series 77777.
- The tax year 2021 module contains a systemically reversed AdvCTC direct deposit refund issued for a previous month.
- The tax year 2021 module contains a TC 841 with Blocking Series 77711/77712/77713/77714 unless there is a TC 971 AC 199 “EF” with Blocking Series 77777 posted after the cycle of the TC 846.
- The tax year 2021 module contains a cycle date for the latest TC 846 that is later than the date of the TC 971 AC 199 “EF” with Blocking Series other than 99999 and there is a subsequent TC 841.

(11) When an AdvCTC payment is returned/rejected by the bank, the AdvCTC account transactions (tax module and entity) will be systemically reversed **EXCEPT** when:

- The payment is a returned direct deposit (Blocking Series 77777) for a taxpayer who is not deceased (both primary and secondary for MFJ) and/or there has not been a name line change from 2019 to 2020. These will be reissued as a paper check.

- The payment is a returned direct deposit and there is a later posted TC 971 AC 199 EF with Blocking Series other than 99999. These will be reissued as direct deposit to the new bank account.

Note: Effective cycle 202150 and later, all returned/rejected AdvCTC payments will be systemically reversed.

- (12) When the taxpayer returns an AdvCTC payment, the account will be credited with a TC 670 (DPC 063) on the tax year 2021 module.
- The earliest unreversed matching amount and transactions (on the tax module and entity) will be systemically reversed.
 - When the returned AdvCTC repayment amount is more than the earliest unreversed matching amount, subsequent amounts and transactions (on the module and entity) will be systemically reversed until the repayment is exhausted.
- (13) Taxpayers who are victims of identity theft (IDT) may experience delays in receiving AdvCTC payments. When you have determined the taxpayer is a victim of IDT for tax year 2020 or 2019, or the claim is related to non-receipt of AdvCTC payments, a determination of impact to AdvCTC payments **must** be made.

Note: Each AdvCTC payment must be considered separately.

- (14) Refer to the table below to determine if the payment being considered was issued to the valid taxpayer:

If	And	Then
(1) The CTCUP was used to update the direct deposit information, Note: If the taxpayer states they did not update the information using the CTCUP, see scenarios (3) and (4) below.	The payment was issued by direct deposit after the update occurred,	The valid taxpayer did receive the payment.
(2) The CTCUP was used to update the direct deposit information,	The payment was issued by direct deposit or paper check before the update occurred,	Use scenarios (5) - (8) below to determine who received the payment.

If	And	Then
(3) The taxpayer states they did not use the CTCUP to update their direct deposit information or the taxpayer indicates an individual assisting them with using the tool input bank account information that does not belong to them,	The payment was issued by direct deposit after the update occurred,	The valid taxpayer did not receive the payment.
(4) The taxpayer states they did not use the CTCUP to update their direct deposit information or the taxpayer indicates an individual assisting them with using the tool input bank account information that does not belong to them,	The payment was issued by direct deposit or paper check before the update occurred,	Use scenarios (5) - (8) below to determine who received the payment.
(5) CTCUP was not used to update direct deposit information and one of the following determinations is made: <ul style="list-style-type: none"> • One return IDT • Invalid/Valid • Invalid/Invalid • IJE 	The payment was issued by direct deposit,	The valid taxpayer did not receive the payment.
(6) CTCUP was not used to update direct deposit information and one of the following determinations is made: <ul style="list-style-type: none"> • One return IDT • Invalid/Valid • Invalid/Invalid • IJE 	The payment was issued by paper check,	Review the address, including the cycle date of the last change, to determine who the payment was mailed to.

If	And	Then
(7) CTCUP was not used to update direct deposit information and one of the following determinations is made: <ul style="list-style-type: none"> • Valid/Invalid • One valid return/no invalid return • Income-related IDT (no invalid return) 	The payment was issued by direct deposit,	The valid taxpayer did receive the payment.
(8) CTCUP was not used to update direct deposit information and one of the following determinations is made: <ul style="list-style-type: none"> • Valid/Invalid • One valid return/no invalid return • Income-related IDT (no invalid return) 	The payment was issued by paper check,	Review the address, including the cycle date of the last change, to determine who the payment was mailed to.

Note: You can determine if the payment was issued via direct deposit or by mail by reviewing the DD indicator posted with the TC 846. The payment was issued as direct deposit if the indicator is "9" and mailed if the indicator is "0".

Reminder: Addresses on taxpayers' accounts may have been updated multiple times. In an effort to ensure determinations of receipt are correct, it is suggested IDRS CC FINDS is used to compare address updates with the cycle date of the TC 846 for the payment in question. This CC provides a long-term history of the taxpayer's address and cycle dates for each change.

25.23.4.21.2.2
(10-01-2023)

ARPA - Advanced Child Tax Credit (AdvCTC) - Adjustments

- (1) AdvCTC will be adjusted on the TY 2021 module using Credit Reference Number (CRN) 272. Refer to IRM 25.23.4.21.2.1, ARPA - Advanced Child Tax Credit (AdvCTC) - Identity Theft Research and Account Actions, to determine the appropriate Reason Codes to be used when adjusting.

Reminder: A secondary TC 290 .00 will not be input when a TC 150 return has not been received. Refer to IRM 25.23.4.3.1, CII and IDRS Case Controls, for additional information.

- (2) Adjustments to AdvCTC will only remove the credits on an account received by the invalid taxpayer. The valid taxpayer will receive the correct amount through

25.23 Identity Protection and Victim Assistance

systemic recalculation for future payments. When all advance payments for the year have been issued, the taxpayer will be able to claim any amount not received when filing their tax return.

- (3) Each advance payment must be considered separately to identify if any were issued to the invalid taxpayer.
- (4) All payments issued to the invalid taxpayer will be addressed separately.
 - **Streamline IDT Cases:** Follow procedures in IRM 25.25.4.7, Reversing Identity Theft (IDT) Lost Refunds.
 - **Non-Streamline IDT and Invalid Joint Election (IJE) Cases:** Follow procedures in IRM 21.5.2.4.23.10, Moving Refunds.
 - **CTCUP Updates:** Follow procedures in IRM 25.25.4.7, Reversing Identity Theft (IDT) Lost Refunds.
- (5) When adjusting the account to remove the credits associated with advance payments issued to an invalid taxpayer, a separate adjustment must be input for each. Attempting to adjust the account by using the total amount lost will result in an unpostable condition. Each must include the following fields required for adjustments to AdvCTC:
 - **DATA-REF-1>:** 272
 - **REF-CHG-1>** the number of dependents used to calculate the amount of the credit (can be found on CC IMFOLE)
 - **Credit Reference Number (CRN):** 272
 - **Reason Code (RC):** 000 (first position), the applicable RC for the month of the lost payment (second position), RC for the appropriate filing status scenario for manual adjustments (third position)
- (6) When AdvCTC payments were issued as a paper check, review the scenarios below **prior** to taking further action:

Note: Before issuing a closing letter when addressing either of the following scenarios, refer to paragraph (11) below for letter requirements.

- If CTCUP was updated by someone other than the valid taxpayer after all AdvCTC payments were issued or the taxpayer's payments were stolen from their mailbox, the case will be worked as non-tax-related identity theft. Refer to IRM 25.23.3.2.3, Self-Identified - Non-Tax-Related Identity Theft - IDT4, for specific procedures.
 - If CTCUP was not updated by someone other than the valid taxpayer, payments were not stolen from the taxpayer's mailbox, there is no invalid return for TY 2021, and/or all payments issued were returned, the taxpayer is not a victim of IDT for TY 2021. Follow procedures in IRM 25.23.4.10.15, No Identity Theft (NOIDT), to resolve the account.
- (7) When the amount of AdvCTC was calculated using an invalid return and a return (either valid or invalid) **has not** been received for TY 2021, take the following actions:
 - Address lost payments as described in paragraph (4) above.
 - Reverse AdvCTC for each payment issued to the invalid taxpayer. Include BS 05, SC 0, and HC 4. Post delay the first adjustment by 1 cycle and each adjustment following by an additional cycle (i.e., if

reversing 3 lost payments, the first adjustment will have PD 1, the second will have PD 2, and the third will have PD 3).

- Refer to paragraph (11) below for letter requirements.

(8) Refer to the table below for AdvCTC scenarios that do include an invalid return for TY 2021:

AdvCTC Payments	And	Then
(1) Were issued only to the valid taxpayer OR Were not allowed or issued to anyone	The determination made is valid/invalid	1. Follow procedures in IRM 25.23.4.10.3, Valid Return/Invalid Return. 2. Refer to paragraph (11) below for letter requirements.
(2) Were issued only to the valid taxpayer OR Were not allowed or issued to anyone	An invalid return posted as the TC 150	1. Follow the applicable procedures: <ul style="list-style-type: none"> • One Return IDT: IRM 25.23.4.10.6, One IDT Return - No Lost Refund • Invalid/Valid: IRM 25.23.4.10.1, Invalid Return/Valid Return - No Lost Refund • Invalid/Invalid: IRM 25.23.4.10.4, Two or More Invalid Returns (No Valid Return) - No Lost Refund 2. Refer to paragraph (11) below for letter requirements.

AdvCTC Payments	And	Then
(3) Were issued in whole or part to the invalid taxpayer	The determination made is valid/invalid and a math error <u>was not</u> set	<ol style="list-style-type: none"> 1. Address lost payments as described in paragraph (4) above. 2. Reverse AdvCTC for each payment issued to the invalid taxpayer. Include BS 05, SC 0, and HC 4. Post delay the first adjustment by 1 cycle and each adjustment following by an additional cycle (i.e., if reversing 3 lost payments, the first adjustment will have PD 1, the second will have PD 2, and the third will have PD 3). 3. For non-streamline cases, input a TC 971 AC 195 on the invalid taxpayer's entity using the from account TC 971 AC 199 entity information for the transaction date and MISC filed inputs. 4. Follow procedures in IRM 25.23.4.10.3, Valid Return/Invalid Return, to address the invalid return. 5. Refer to paragraph (11) below for letter requirements.
(4) Were issued in whole or part to the invalid taxpayer	The determination made is valid/invalid and a math error <u>was</u> set	<ol style="list-style-type: none"> 1. Refer to IRM 25.23.4.21.2.3, ARPA - Advanced Child Tax Credit (AdvCTC) Math Errors, to correct the account. 2. Refer to paragraph (11) below for letter requirements.

AdvCTC Payments	And	Then
(5) Were issued in whole or part to the invalid taxpayer	An invalid return posted as the TC 150	<ol style="list-style-type: none"> 1. Address lost payments as described in paragraph (4) above. 2. Reverse AdvCTC for each payment issued to the invalid taxpayer. Include BS 05, SC 0, and HC 4. Post delay the first adjustment by 1 cycle and each adjustment following by an additional cycle (i.e., if reversing 3 lost payments, the first adjustment will have PD 1, the second will have PD 2, and the third will have PD 3). 3. Follow the applicable procedures to address the invalid return and adjust to the valid return (if received): <ul style="list-style-type: none"> • One Return IDT: IRM 25.23.4.10.7, One IDT Return - Lost Refund • Invalid/Valid: IRM 25.23.4.10.2, Invalid Return/Valid Return - Lost Refund • Invalid/Invalid: IRM 25.23.4.10.5, Two or More Invalid Returns (No Valid Return) - Lost Refund 4. For non-streamline cases, input a TC 971 AC 195 on the invalid taxpayer's entity using the from account TC 971 AC 199 entity information for the transaction date and MISC filed inputs. 5. Refer to paragraph (11) below for letter requirements.

Note: For any cases (with an invalid return) involving AdvCTC payments that do not meet the scenarios described above, prepare and email a Form 4442 using the subject line: "AdvCTC" (or similar) to *ITVA HQ*. Document all research completed in a CII case note and/or on Form 4442. Attach Form 4442 to your CII case. Suspend the case awaiting a response from ITVA HQ. Upon receipt, the account will be researched. A response on how to address the account will be received within 7 business days.

- (9) Refer to the table below for scenarios that **do not** include an invalid return for TY 2021:

AdvCTC Payments	And	Then
(1) Were issued only to the valid taxpayer	The valid taxpayer has filed a TY 2021 return	<ol style="list-style-type: none"> 1. If CTCUP was updated by someone other than the valid taxpayer after all AdvCTC payments were issued, the case will be worked as non-tax-related identity theft. Refer to IRM 25.23.3.2.3, Self-Identified - Non-Tax-Related Identity Theft - IDT4, for specific procedures. 2. If there is no invalid return and CTCUP was not updated after all AdvCTC payments were issued, the taxpayer is not a victim of IDT. Follow procedures in IRM 25.23.4.10.15, No Identity Theft (NOIDT). 3. Refer to paragraph (11) below for letter requirements.
(2) Were issued in whole or part to the invalid taxpayer	The valid taxpayer has filed a 2021 tax return and a math error <u>was not</u> set	<ol style="list-style-type: none"> 1. Address lost payments as described in paragraph (4) above. 2. Reverse AdvCTC for each payment issued to the invalid taxpayer. Include BS 05, SC 0, and HC 4. Post delay the first adjustment by 1 cycle and each adjustment following by an additional cycle (i.e., if reversing 3 lost payments, the first adjustment will have PD 1, the second will have PD 2, and the third will have PD 3). 3. Input TC 290 .00 with BS 05, SC 0, RC 139, and HC 3. Post delay this adjustment to ensure it posts after all AdvCTC adjustments. 4. For non-streamline cases, input a TC 971 AC 195 on the invalid taxpayer's entity using the from account TC 971 AC 199 entity information for the transaction date and MISC filed inputs. 5. Refer to paragraph (11) below for letter requirements.
(3) Were issued in whole or part to the invalid taxpayer	The valid taxpayer has filed a TY 2021 return and a math error <u>was</u> set	<ol style="list-style-type: none"> 1. Refer to IRM 25.23.4.21.2.3, ARPA - Advanced Child Tax Credit (AdvCTC) Math Errors, to correct the account. 2. Refer to paragraph (11) below for letter requirements.

AdvCTC Payments	And	Then
(4) Were issued in whole or part to the invalid taxpayer	The valid taxpayer has not filed a TY 2021 return	<ol style="list-style-type: none"> 1. Address lost payments as described in paragraph (4) above. 2. Reverse AdvCTC for each payment issued to the invalid taxpayer. Include BS 05, SC 0, and HC 4. Post delay the first adjustment by 1 cycle and each adjustment by an additional cycle (i.e., if reversing 3 lost payments, the first adjustment will have PD 1, the second will have PD 2, and the third will have PD 3). 3. For non-streamline cases, input a TC 971 AC 195 on the invalid taxpayer's entity using the from account TC 971 AC 199 entity information for the transaction date and MISC filed inputs. 4. Refer to paragraph (11) below for letter requirements.

Note: For any cases (with no invalid return) involving AdvCTC payments that do not meet the scenarios described above, prepare and email a Form 4442 using the subject line: "AdvCTC" (or similar) to *ITVA HQ*. Document all research completed in a CII case note and/or on Form 4442. Attach Form 4442 to your CII case. Suspend the case awaiting a response from ITVA HQ. Upon receipt, the account will be researched. A response on how to address the account will be received within 7 business days.

- (10) Refer to the table below for cases determined to be invalid joint election (IJE) or mixed entity (MXEN).

If	Then
(1) Invalid Joint Election (IJE)	<ol style="list-style-type: none"> 1. Address lost payments as described in paragraph (4) above. 2. Reverse AdvCTC for each lost payment. Include BS 05, SC 0, and HC 4. Post delay the first adjustment by 1 cycle and each adjustment following by an additional cycle (i.e., if reversing 3 lost payments, the first adjustment will have PD 1, the second will have PD 2, and the third will have PD 3). 3. Input a TC 971 AC 195 on the other taxpayer's entity using the from account TC 971 AC 199 entity information for the transaction date and MISC filed inputs. 4. Input TC 290 .00 with BS 05, SC 0, RC 139, and HC 3. Post delay this adjustment to ensure it posts after all AdvCTC adjustments. Refer to IRM 25.23.4.8.1.3.1, Invalid Joint Election Consideration, for additional information. 5. Refer to paragraph (11) below for applicable procedures.
(2) Mixed Entity (MXEN)	<ol style="list-style-type: none"> 1. Refer to IRM 21.6.2.4.8, Advance Child Tax Credit (AdvCTC), for applicable procedures.

- (11) Refer to the table below for additional letter requirements specific to AdvCTC issues:

Note: Your closing letter must include the required information for all scenarios applicable to your case.

If	Then
(1) The taxpayer has not filed a TY 2021 return:	Issue a closing Letter 4674C. Include an open or floating paragraph to advise the taxpayer they will need to file a 2021 tax return to claim any additional amount of ACTC they may be entitled to or reconcile the advance amount they received.
(2) The taxpayer has filed a TY 2021 return that resulted in a math error set during original processing:	Issue a closing Letter 4674C. Include an open or floating paragraph to advise the taxpayer of any corrections made to their account.

If	Then
(3) The taxpayer requested to be unenrolled from AdvCTC payments but you are unable to take the action on their behalf:	Issue a closing Letter 4674C. Include an open or floating paragraph to advise the taxpayer we could not complete this action, as requested.
(4) The taxpayer requested to have their information updated for AdvCTC (i.e., AGI, dependents, etc.):	Issue a closing Letter 4674C. Include an open or floating paragraph to advise the taxpayer we could not complete this action, as requested.

Reminder: When the taxpayer's EIP 3 was also affected by IDT, specific information may be required to be included in the closing letter. Refer to IRM 25.23.4.20.3, Economic Impact Payments - Adjustments, for additional information.

25.23.4.21.2.3
(10-01-2023)

**ARPA - Advanced Child
Tax Credit (AdvCTC)
Math Errors**

- (1) Identity theft (IDT) affecting Advanced Child Tax Credit (AdvCTC) payments will result in a math error (to increase tax or decrease credits related to AdvCTC/ACTC) when the tax year 2021 return is not reconciled correctly according to IRS records.
- (2) Review the information provided by the taxpayer to identify each advance payment that must be addressed. Refer to the scenarios below:

If	Then
(1) The taxpayer specifies what AdvCTC payments they did/did not receive (i.e., I only received payments for July and August.),	<ul style="list-style-type: none"> Continue to paragraph (3) below.
(2) The taxpayer provides a general statement (i.e., Someone changed my bank account information.),	<ul style="list-style-type: none"> Research the account to determine impact to payments. If your research results in a clear determination, continue to paragraph (3) below. If your research does not support a clear determination, follow table scenario 3.

If	Then
(3) The taxpayer's statement is insufficient for determining impact to AdvCTC (i.e., Someone is using my SSN.),	<ul style="list-style-type: none"> Follow procedures in IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written), to request the taxpayer specify what AdvCTC payments they did/did not receive.
(4) There is no taxpayer statement (i.e., Form 14039 does not include an explanation, or the case is IRS identified.),	<ul style="list-style-type: none"> Research the account to determine impact to payments. If your research results in a clear determination, continue to paragraph (3) below. If your research does not support a clear determination, follow table scenario 3.

- (3) Prior to inputting adjustments to correct the tax year 2021 module:
- Determine the total amount of AdvCTC payments received by the valid taxpayer.
 - Math verify the amount of Child Tax Credit (CTC) and/or Additional Child Tax Credit (ACTC) claimed on the valid tax year 2021 return. Refer to IRM 21.6.3.4.1.24, Child Tax Credit (CTC), and IRM 21.6.3.4.2.8, Additional Child Tax Credit (ACTC), for credit qualifications and computation.
- (4) All payments issued to the invalid taxpayer will be addressed separately.
- Streamline IDT Cases:** Follow procedures in IRM 25.25.4.7, Reversing Identity Theft (IDT) Lost Refunds.
 - Non-Streamline IDT and Invalid Joint Election (IJE):** Follow procedures in IRM 21.5.2.4.23.10, Moving Refunds.
 - CTCUP Updates:** Follow procedures in IRM 25.25.4.7, Reversing Identity Theft (IDT) Lost Refunds.
- (5) After the payments issued to the invalid taxpayer have been addressed, refer to the steps below to correct the math error:
- Reverse AdvCTC for each lost payment. Include BS 05, SC 0, and HC 4. Post delay the first adjustment by 1 cycle and each adjustment following by an additional cycle (i.e., if reversing 3 lost payments, the first adjustment will have PD 1, the second will have PD 2, and the third will have PD 3).
 - If assigning as non-streamline or invalid joint election, input a TC 971 AC 195 on the invalid/other taxpayer's entity using the from account TC 971 AC 199 entity information for the transaction date and MISC field inputs.
 - Recalculate CTC/ACTC based on the valid taxpayer's information. Follow procedures in IRM 21.5.4.5.4, Math Error Substantiated Protest Processing, to correct the account.

Reminder: CTC/ACTC will only be allowed up to the amount claimed by the taxpayer on their original return. To receive any additional amount they are entitled to, the taxpayer will need to amend their return.

Caution: When the account includes other (non-AdvCTC) math errors, only correct those that can be substantiated. If the information (i.e., form, schedule, TIN, etc.) required to correct an additional math error was not provided, issue a closing Letter 4674C. Include an explanation of the adjustment(s) input. Do not suspend the case to request the missing information needed to correct the additional math error(s).

4. Input a TC 290 .00 with BS 05, SC 0, RC 139, and HC 3. Post delay this adjustment to ensure it posts after all other adjustments on the module.
5. Issue a closing Letter 4674C to advise the taxpayer of any corrections made to their account.

25.23.4.21.3
(10-01-2022)

**ARPA – Excess Advance
Premium Tax Credit
(APTC) Repayment
Relief**

- (1) Section 9662 of the American Rescue Plan Act (ARPA), enacted on March 11, 2021, provides economic relief to taxpayers who would otherwise be required to increase their tax liability by the amount of excess Advance Premium Tax Credit (APTC) received.
- (2) The rule requiring the repayment of excess APTC has been suspended for tax year 2020 only.
- (3) Form 8962, Premium Tax Credit, is used to determine the correct amount of credit and compute any excess APTC the taxpayer received. Taxpayers are being instructed not to file this form when filing the tax year 2020 return.
- (4) A systemic relief process will be used to correct certain accounts for taxpayers who filed their tax year 2020 return prior to the enactment of ARPA. Certain cases in IDTVA inventory were excluded from this process:
 - Accounts with a -A Freeze on the tax year 2020 module
 - Accounts excluded from the unemployment income tax systemic relief process
- (5) Taxpayers who filed their tax year 2020 return prior to the enactment of ARPA are not required to file an amended return to receive this relief.

Exception: If the reversal makes the taxpayer eligible for a credit not claimed on their original return, they must file an amended return to claim the credit.

- (6) Accounts that have been corrected will reflect an adjustment with the following characteristics:

Note: Excess APTC adjustments may include the recalculation of total tax and credits included on the original return. Taxpayers will receive a notice if the adjustment results in a tax or credit change.

- **IRN 867- (negative):** The amount will equal the amount of the APTC REPMT (IRN 868) located on IDRS CC IMFOLR.
- **SC: 3**

- **RC: 152**
- (7) When you have made a determination of identity theft or invalid joint election (IJE) for TY 2020, excess APTC must be addressed, if present.
- (8) When the TY 2020 valid return posted first, any excess APTC assessed must be reversed if the module was not included in the systemic relief process. Math verify the taxpayer's return. Recalculate tax and credits claimed, if necessary. Input an adjustment to reverse the excess APTC using the following:
- BS 05
 - SC 0
 - TC 290/291
 - IRN 867– (negative) for the amount posted with IRN 868 (located on IDRS CC IMFOLR)
 - RC 152 and RC 139
 - HC 3
- (9) When the TY 2020 valid return is a TC 976/977, math verify the taxpayer's return. Ensure the taxpayer has not included excess APTC in the calculation of their total tax. Recalculate tax and credits claimed, if necessary. Input the adjustment following normal procedures based on the determination made.
- (10) Issue a closing Letter 4674C to advise the taxpayer of any changes made related to excess APTC.

Exhibit 25.23.4-1 (10-01-2024)
IRPTR/IDRS Data Decision Tree

(1) Use a 3 year look back period for data available on CC IRPTRL and/or IDRS to compare criteria provided in paragraph (2) below. Additionally, a look forward period must be conducted for all subsequent years. Refer to IRM 25.23.4.6.4, Complete Case Analysis (CCA), for additional information.

Note: There may be instances where an IRP doc was fabricated, or may be suspicious. Review the IDOCs carefully when conducting CCA. See IRM 25.25.1.5, Business Masterfile (BMF) Entity Fabrication (EF) Procedures, for additional guidance.

(2) Review and compare the following criteria.

Exception: If the account history does not contain 3 years of returns to conduct the required comparison and:

- There are at least 3 years of IRPTR data, proceed to paragraph (6).
- There are less than 3 years of IRPTR data, proceed to paragraph (7).

Caution: When conducting research for consistency, you are determining if any of the items below have changed during the look back and/or look forward periods.

- If items have not changed, see paragraph (3).
- If items have changed, see paragraph (4).
- If you have the same number of consistencies and inconsistencies, see paragraph (5).

(3) You must be able to confirm **consistency** for at least 3 items to determine a return is valid.

(4) You must be able to identify ***inconsistency*** for at least 3 items to determine a return is invalid.

(5) If you have the **same number** of consistencies and inconsistencies, refer to the table below:

If	Then
(1) The case includes a taxpayer statement indicating they did not file the return (i.e., Form 14039 or police report).	Determine the return in question is invalid.

#####

Exhibit 25.23.4-1 (Cont. 1) (10-01-2024)**IRPTR/IDRS Data Decision Tree**

If	Then
(2) The case includes a taxpayer statement that does not address the return in question.	Follow procedures in IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written), to request the taxpayer provide a signed statement indicating which items or returns are a result of identity theft.
(3) The case does not include a taxpayer statement, and there are two returns for the tax year in question (i.e., IDT3).	Make a determination of No IDT. This is a duplicate or amended return scenario. See IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations.
(4) The case does not include a taxpayer statement and was reassigned as an IDT3 in error (i.e., one return present, duplicate return, etc.).	Make a determination of No IDT. An IRS employee incorrectly identified the case as an IDT issue. See IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations.
(5) The case includes a taxpayer statement that does not indicate identity theft and was reassigned as an IDT1 in error (i.e., taxpayer didn't receive EIP, etc.).	Make a determination of No IDT. The case is not identity theft and was reassigned in error. As a result, the case will be resolved as an IRS initiated case following procedures in IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations. Reminder: A case reassigned to the Centralized Distribution Site (CDS) in error may be returned to the originating site.

(6) There may be instances when you do not have 3 years of returns filed. If your research supports a determination of valid or invalid, refer the case to your lead/manager for concurrence. The CSR/TE must input a case note documenting their determination **prior** to requesting lead/manager concurrence. The lead and/or manager cannot concur with a determination that is not noted on the case. See the following example:

Example: A taxpayer states he was incarcerated during 2019 and 2020 and provides a printout indicating incarceration for the years in question. Research of IDRS results in the identification of a 2018 tax return reporting verifiable income per IDRS CC IRPTR and a 2019 tax return reporting unverified wages and withholding. You do not have 3 years of account history to compare. Based on the information available, the 2019 return can be determined invalid. Lead/manager concurrence must be obtained.

(7) If you do not have 3 years' worth of IRP data, but your research supports a determination of valid or invalid, refer the case to your lead/manager for concurrence. The CSR/TE must input a case note documenting their determination **prior** to requesting lead/manager concurrence. The lead and/or manager cannot concur with a determination that is not noted on the case. See the following example:

Example: A taxpayer files Form 14039 stating that he is not required to file. IRPTR data shows only Social Security benefits. The address on the IRP doc matches the address provided on the Form 14039. One tax return has been received for the current year, and there is no history of filing for the 3 immediately preceding years. The return in question can be determined invalid per IRPTR data.

Exhibit 25.23.4-2 (03-28-2017)
Form 3245 Reversal

(1) All highlighted areas of Form 3245 and any additional areas applicable to your case must be completed and legible for processing or it will be rejected back to the originating location. Also, a current TXMOD print must be attached or the Form 3245 will be rejected. Ensure the DLN of the TC being reversed is annotated in the remarks field. See IRM 25.23.4.16, Form 3245/3809 Reversals, for additional information.

Exhibit 25.23.4-2 (Cont. 1) (03-28-2017)

Form 3245 Reversal

Posting Voucher – Refund Cancellation or Repayment				Document Locator Number		
SSN/TIN REQUIRED	Tax Period REQUIRED	Plan Number	MFT REQUIRED	Cancellation	Repayment	
Name				Schedule Date REQUIRED	Date Received	
				TC	Amt. of Check REQUIRED	TC
Remarks (Include Preparer Name, SEID and Date) ID Theft reversal from 1545 Account DLN of original TC841 that is being reversed					TC	Interest
				Check Number	Date	REQUIRED
Trace ID Number		SPL REF REQUIRED <input type="checkbox"/> 0 <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Schedule Number	Requestor SEID REQUIRED	Approver SEID	
			This voucher relates to: <input type="checkbox"/> SF 1184 <input type="checkbox"/> SF 1098 <input checked="" type="checkbox"/> Other ID Theft reversal		REQUIRED	

Form 3245 (Rev. 2-2011)

Catalog Number 19414A

Copy - 1

Department of the Treasury–Internal Revenue Service

Posting Voucher – Refund Cancellation or Repayment				Document Locator Number		
SSN/TIN REQUIRED	Tax Period REQUIRED	Plan Number	MFT REQUIRED	Cancellation	Repayment	
Name				Schedule Date REQUIRED	Date Received	
				TC	Amt. of Check REQUIRED	TC
Remarks (Include Preparer Name, SEID and Date) ID Theft reversal from 1545 Account DLN of original TC841 that is being reversed					TC	Interest
				Check Number	Date	REQUIRED
Trace ID Number		SPL REF REQUIRED <input type="checkbox"/> 0 <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Schedule Number	Requestor SEID REQUIRED	Approver SEID	
			This voucher relates to: <input type="checkbox"/> SF 1184 <input type="checkbox"/> SF 1098 <input checked="" type="checkbox"/> Other ID Theft reversal		REQUIRED	

Form 3245 (Rev. 2-2011)

Catalog Number 19414A

Copy - 2

Department of the Treasury–Internal Revenue Service

Posting Voucher – Refund Cancellation or Repayment				Document Locator Number		
SSN/TIN REQUIRED	Tax Period REQUIRED	Plan Number	MFT REQUIRED	Cancellation	Repayment	
Name				Schedule Date REQUIRED	Date Received	
				TC	Amt. of Check REQUIRED	TC
Remarks (Include Preparer Name, SEID and Date) ID Theft reversal from 1545 Account DLN of original TC841 that is being reversed					TC	Interest
				Check Number	Date	REQUIRED
Trace ID Number		SPL REF REQUIRED <input type="checkbox"/> 0 <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Schedule Number	Requestor SEID REQUIRED	Approver SEID	
			This voucher relates to: <input type="checkbox"/> SF 1184 <input type="checkbox"/> SF 1098 <input checked="" type="checkbox"/> Other ID Theft reversal		REQUIRED	

Form 3245 (Rev. 2-2011)

Catalog Number 19414A

Copy - 3

Department of the Treasury–Internal Revenue Service

Exhibit 25.23.4-3 (03-28-2017)
Form 3809 Reversal

Miscellaneous Adjustment Voucher						DLN	
Debit	Name and address	X-ref. TIN	REQUIRED	X-ref. MFT	Route to <input type="checkbox"/> MF <input type="checkbox"/> NMF		
		Plan Report Number					
		X-ref. tax per.	Transaction date	REQUIRED	1st T.C.	Debit amount REQUIRED	
		2nd T.C.	Amount		3rd T.C.	Debit amount	
Credit	Name and address 1545 account	TIN		MFT	Route to <input type="checkbox"/> MF <input type="checkbox"/> NMF		
		Plan Report Number					
		Tax period	Transaction date		1st T.C.	Credit amount REQUIRED	
		2nd T.C.	Amount		3rd T.C.	Credit amount	
Explanation ID Theft reversal DLN of 700 being reversed				Split Refund Indicator <input type="checkbox"/>	Bypass Indicator <input type="checkbox"/>	Prepared by Date prepared	
Form 3809 (Rev. 8-2012) Catalog Number 22475R Part 1 - Credit Copy Department of the Treasury Internal Revenue Service							

Miscellaneous Adjustment Voucher						DLN	
Debit	Name and address	TIN	REQUIRED	MFT	Route to <input type="checkbox"/> MF <input type="checkbox"/> NMF		
		Plan Report Number					
		Tax Period	Transaction date	REQUIRED	1st T.C.	Debit amount REQUIRED	
		2nd T.C.	Amount		3rd T.C.	Debit amount	
Credit	Name and address 1545 account	X-ref. TIN		X-ref. MFT	Route to <input type="checkbox"/> MF <input type="checkbox"/> NMF		
		Plan Report Number					
		X-ref. tax per.	Transaction date		1st T.C.	Credit amount REQUIRED	
		2nd T.C.	Amount		3rd T.C.	Credit amount	
Explanation ID Theft reversal DLN of 700 being reversed				Split Refund Indicator <input type="checkbox"/>	Bypass Indicator <input type="checkbox"/>	Prepared by Date prepared	
Form 3809 (Rev. 8-2012) Catalog Number 22475R Part 2 - Debit Copy Department of the Treasury Internal Revenue Service							

Miscellaneous Adjustment Voucher						DLN	
Debit	Name and address	TIN	REQUIRED	MFT	Route to <input type="checkbox"/> MF <input type="checkbox"/> NMF		
		Plan Report Number					
		Tax Period	Transaction date	REQUIRED	1st T.C.	Debit amount REQUIRED	
		2nd T.C.	Amount		3rd T.C.	Debit amount	
Credit	Name and address 1545 account	X-ref. TIN		X-ref. MFT	Route to <input type="checkbox"/> MF <input type="checkbox"/> NMF		
		Plan Report Number					
		X-ref. tax per.	Transaction date		1st T.C.	Credit amount REQUIRED	
		2nd T.C.	Amount		3rd T.C.	Credit amount	
Explanation ID Theft Reversal DLN of 700 being reversed				Split Refund Indicator <input type="checkbox"/>	Bypass Indicator <input type="checkbox"/>	Prepared by Date prepared	
Form 3809 (Rev. 8-2012) Catalog Number 22475R Part 3 - File Copy Department of the Treasury Internal Revenue Service							

Exhibit 25.23.4-3 (Cont. 1) (03-28-2017)**Form 3809 Reversal**

(1) All highlighted areas of Form 3809 and any additional areas applicable to your case must be completed and legible for processing or it will be rejected back to the originating location. Also, a current TXMOD print must be attached or the Form 3809 will be rejected. Ensure the DLN of the TC being reversed is annotated in the explanation field. See IRM 25.23.4.16, Form 3245/3809 Reversals, for additional information.

Exhibit 25.23.4-4 (06-07-2024)**Identity Theft (IDT) Functional Routing and Referral Chart**

(1) The chart below should be used to expedite the routing or referring of cases that must be worked by another IDTVA function or an area outside AM. See IRM 21.5.1.5.1, CII General Guidelines, and Exhibit 3.13.6-1, Appendix A - Document Types, Category Codes, IMF.

Reminder: Prior to referring a case to another function, the documentation submitted by the taxpayer should be reviewed to determine whether the case should be retained or routed to another function. See paragraph (2) of IRM 25.23.2.3.2, Assessing the Scope of the Taxpayer's Issue.

(2) See below for Freeze Code conditions and applicable IRM references.

Freeze Code Conditions	IRM Reference
(1) -E Freeze	Refer to IRM 21.5.6.4.10, -E Freeze. There may be several conditions that require the case to be referred to Exam. Note: If TP is alleging IDT, refer to IDTVA Specialty Functions, per <i>IDTVA Routing Matrix</i> .
(2) F- Freeze (Frivolous Filer)	Refer to IRM 21.5.3.4.16.7, Identifying Frivolous Returns/Correspondence and Responding to Frivolous Arguments, for routing instructions.
(3) P- Freeze	Refer to IRM 21.5.6.4.31, P- Freeze Overview, with the following conditions; Modules with TC 841 DLN Blocking Series 77711, 77712 or 77713. Only RIVO employees can release the refund. Prepare a 4442/e4442 to RIVO using category RICS RIVO – Unresolved Module Freeze Only when the modules have a TC 841 with DLN Blocking Series 77711, 77712 or 77713. If there is no “-A” currently on the account, prepare a Form 4442/e4442 to RIVO using the appropriate referral category and close your case. If there is a -A freeze, prepare a 4442/e4442 to RIVO after resolving -A freeze. Refer to IRM 21.5.6.4.31.2, P- Freezes with Return Integrity Verification Operations (RIVO) Involvement, for cases with the following condition: Module with a TC 971 AC 123 with MISC field TPP Recovery . paragraph 4 in the chart, refer to box 5 or 6 depending on whether the review time frame has passed.

Exhibit 25.23.4-4 (Cont. 1) (06-07-2024)**Identity Theft (IDT) Functional Routing and Referral Chart**

Freeze Code Conditions	IRM Reference
(4) -R Freeze	Refer to IRM 21.5.6.4.35.3, -R Freeze Overview For Accounts With Return Integrity Verification Operations (RIVO) Involvement, (R Freeze with RIVO involvement and no -A Freeze). Prepare a 4442/ e4442 to RIVO using category RICS RIVO – Unresolved Module Freeze Only when the modules have a TC 841 with DLN Blocking Series 77711, 77712 or 77713. All other - R freeze conditions should be worked by AM IDT employees.
(5) Z- Freeze or -Z Freeze	Refer to IRM 21.5.6.4.51, Z- Freeze, and IRM 21.5.6.4.52, -Z Freeze, as appropriate. Take no action unless the Z-/Z freeze is released. Caution: Do not follow SDC instructions which deviate from established procedures. Established procedures do not permit SDC determinations of the CN owner.

(3) See below for Functional Referrals conditions and applicable IRM references.

Functional Referrals	IRM Reference
(1) Civil Penalty (MFT 55)	Refer to IRM 21.2.4.3.3.2, Civil Penalty Module Processing.
(2) Non-Tax Related Form 14039 with a TC 971 AC 505 with the following incident numbers: <ul style="list-style-type: none"> IR20160127510 IR20160127513 IR20160614508 AND No tax account issue	Route the Form 14039 to IDTVA-I, per IRM 25.23.2.11, Get an Electronic Filing PIN Incident.

Exhibit 25.23.4-4 (Cont. 2) (06-07-2024)

Identity Theft (IDT) Functional Routing and Referral Chart

Functional Referrals	IRM Reference
(3) Cases with International Issues	<p>Case should be reassigned to the IDTVA International holding number, unless the exception below applies.</p> <p>Exception: Form 1116 is not required unless the taxpayer's foreign source income is passive and total creditable foreign taxes are not more than \$300 (\$600 if married filing a joint return). You can accept the taxpayer's figures if under these thresholds.</p> <p>Refer to IRM 21.8.1.2.14, International Forms Processing, and IRM 21.6.3.4.1.6.(4), Form 1116, Foreign Tax Credit, for additional guidance.</p> <p>The International holding number can be located on the <i>Accounts Management Site Specialization Temporary Holding Numbers Listing</i> located on SERP.</p> <p>When the case involves both International and IDT Specialty Functions, the employee will document the request to reassign the case in a CII case note. Once the lead/manager approves the reassignment, update the case with the following:</p> <ul style="list-style-type: none"> • Work Type: IMF INTL • Doc Type: ID Theft IDT1 • Category: IDT1 • Program: 40011 • Function: ADJ-710 • Campus: PSC <p>Reassign the case using the <i>IDTVA Specialty CII Reassignment Guide for Non-IDT Cases</i> found on the IDTVA Hub. The International team will retain the case and may contact the appropriate <i>ID Theft Liaison</i> for assistance with case resolution.</p>
(4) Insolvency -W Freeze (TC 520 CC6X) -V Freeze (TC 520 CC81)	Refer to <i>Centralized Insolvency Operation (CIO) Team Assignment</i> .

Exhibit 25.23.4-4 (Cont. 3) (06-07-2024)**Identity Theft (IDT) Functional Routing and Referral Chart**

Functional Referrals	IRM Reference
(5) “Third-Party Checks/Returned Refund Checks”	<p>If AM receives a 3rd party bank check (physical check) refer to IRM 25.25.8.11, Centralized Check Procedures (CCP)</p> <p>If AM receives a photo copy of a 3rd party check or correspondence saying I received this check what should I do?</p> <p>Correspond with the taxpayer and tell them to return the check to the bank etc.</p> <p>There should be rare instances when an AM employee is in receipt of a 3rd party check.</p> <p>When following the above procedures, please disregard guidance intended for RIVO employees.</p> <p>Also see IRM 21.4.3.5.4, Returned Refund Check Procedures, for additional information.</p>
(6) Refund Inquiry: Form 3911, Taxpayer Statement Regarding Refund, Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer, or correspondence received and the module has RIVO involvement	<p>Forward the documentation to RIVO.</p> <ul style="list-style-type: none"> • Open an IDRS control to RIVO IDRS # 1485099999. • Forward the documentation to RIVO Stop # 6579 AUSC using the CII reroute feature. • Do not send a Letter 86C.

(4) See below for case types converted in error and applicable IRM references.

Converted in Error	IRM Reference
(1) CP 36F	<p>IRM 25.23.4.6, Research, Actions and Complete Case Analysis - Overview. Cases with Duplicate Filing Notice CP 36F present on CC TXMOD are worked in Accounts Management, Adjustments in Brookhaven. A CP 36F tool is used to convert cases to IDT1/3 or IDS1/3. If a CP 36F cases was converted in error, convert the case back to CP 36F and reassign the case to CP 36 holding number listed on the <i>Accounts Management Site Specialization Temporary Holding Numbers Listing</i>. A case note should be left on AMS explaining why the case is being returned.</p>

Exhibit 25.23.4-4 (Cont. 4) (06-07-2024)

Identity Theft (IDT) Functional Routing and Referral Chart

Converted in Error	IRM Reference
(2) DUPF	IRM 21.6.7.4.4 (1), Duplicate or Amended Returns - TRNS36. Cases with Duplicate Filing Notice CP 36I, 36N, 36P, 36U, 36V present on CC TXMOD are systemically converted to IDT. Before following the IDT process on these or on any case that started as DUPF, verify DUPF criteria. If the case should be DUPF, follow procedures in IRM 25.23.4.10.12.4, Amended or Duplicate Returns and Identity Theft (IDT) - NO IDT Determinations. Note: IDTVA Specialty Functions employees will not work these cases. Cases referred by an IDTVA employee to IDTVA Specialty Functions in error will be returned following procedures in Exhibit 25.23.4-5, IDTVA Routing Matrix. Cases referred by functions outside of IDTVA will be reassigned using the <i>IDTVA Specialty CII Reassignment Guide for Non-IDT Cases</i> available on the IDTVA Hub.
(3) IDT4	Non-tax-related and Full Scope trained employees will resolve the case. See IRM 25.23.4.4, Taxpayer Inquiries Involving Identity Theft (IDT).
(4) IDT7	Fraudulent Return Request (FRR) Program <ul style="list-style-type: none"> Reassign to holding number listed on the <i>Accounts Management Site Specialization Temporary Holding Numbers Listing</i>
(5) IDTX	Form 15227 Application for IP PIN (English) <ul style="list-style-type: none"> Reassign to holding number listed on the <i>Accounts Management Site Specialization Temporary Holding Numbers Listing</i> Form 15227 Application for IP PIN (Spanish) <ul style="list-style-type: none"> Reassign to holding number 1183001929
(6) NFR - Non-Filer Reject	IRM 21.5.3.4.10.1, Non-Filer Reject Returns, received in error should be sent back to the originating site.
(7) Preparer Misconduct	See IRM 25.23.4.6, Research, Actions and Complete Case Analysis - Overview, and IRM 25.24.1.4.1, Routing Information - Paper. Examples include cases where the TP did not sign or did not authorize the filing of a return, and cases where the TP did authorize the return. Cases received in error should be sent back to the originating site.

Exhibit 25.23.4-4 (Cont. 5) (06-07-2024)**Identity Theft (IDT) Functional Routing and Referral Chart**

(5) See below for transcript types received in error and applicable IRM references. Transcripts received in error should be returned to Accounts Maintenance at the originating site.

AMRH - Transcripts	IRM Reference
(1) AM01 and AM17	IRM 21.2.4.3.18, Return Integrity & Verification Operation (RIVO) and Criminal Investigation (CI) Transcript Issues. IRM 21.2.4.3.19, Transcripts with Identity Theft (IDT) Involvement, cases without prior IDT controls.
(2) AM05	IRM 21.2.4.3.36.1(3), AM05 Resolution. If the module is frozen due to a TOP offset reversal, identified by TC 290.00 HC 4 with TC 766 for the amount that was offset with IDRS activity FRAUDCASE and category DMFC, or a prisoner return identified by TC 290.00 HC 4 and TC 971 AC 140. This type case will be resolved by RIVO.
(3) Unresolved Credit Transcripts	IRM 21.2.4.3.10, Applying Unresolved Credits for AMRH.
(4) IRSN Transcripts	IRM 21.2.4.3.30, Transcripts with Internal Revenue Service Numbers (IRSN) and Individual Taxpayer Identification Numbers.
(5) AM04	IRM 21.2.4.3.35, Duplicate Return (04-A).
(6) AM16	IRM 21.2.4.3.50.1, AM16 Resolution.

Exhibit 25.23.4-5 (10-01-2024)**IDTVA Routing Matrix**

(1) With identity theft (IDT), in most cases, there should be one single point of contact for a taxpayer. To identify the correct point of contact a matrix was developed to identify the area that will take ownership of the case and be the single point of contact for the taxpayer.

(2) When multiple teams are involved within the same area, the employee with the oldest IRS received date will take ownership of all years.

Example: There are 2 tax years, 2014 and 2015, open for the same taxpayer within the IDTVA Specialty AUR function but assigned to 2 different employees, the employee that has the oldest IRS received date will take ownership and work all impacted years unless the case was started.

(3) When research indicates a taxpayer is impacted by identity theft that requires resolution by an IDTVA Specialty Function and a Mixed Entity or scrambled SSN issue exists for another year, the IDTVA Specialty Function will resolve all identity theft years following normal procedures. Upon completion of all necessary actions to address the identity theft, reassign the mixed entity or scrambled SSN issue using the *IDTVA Specialty CII Reassignment Guide for Non-IDT Cases* located on the *IDTVA HUB*.

(4) IDTVA Exam employees, refer to IRM 25.23.10.5, Identity Theft Cases with Multiple Specialty Function Involvement, for additional information when working cases with open AUR or ASFR issues.

(5) IDTVA AUR employees, refer to IRM 25.23.10.5.1, Identity Theft Cases with AUR Involvement, and IRM 25.23.10.5.2, Identity Theft Cases with ASFR Involvement, for additional information when working cases with open ASFR issues.

(6) Within IDTVA, there are different roles, responsibilities and authorities. To assist with routing cases to the correct area, the matrix below outlines the different authorities and types of cases that may be worked by an area.

Function	Authority
(1) Tax Court/ Appeals	Address assessments made by Appeals or cases currently in Appeals. For additional information, refer to IRM 25.23.4.13, Requests for an Appeal.
(2) Exam	Address assessments made by Exam, AUR, ASFR and any other non-assessment cases. (i.e., non-Compliance cases where the taxpayer is claiming IDT but has non- Compliance involvement.) Example: a taxpayer is claiming IDT for tax years 2014 and 2015. The 2014 year has Exam involvement and the 2015 has no Exam involvement, refer both years to the IDTVA Specialty Exam holding number.
(3) AUR	Address assessments made by AUR and any other non-assessment cases. (i.e., non-Compliance cases where the taxpayer is claiming IDT but has non-Compliance involvement.) AUR can address assessments made by ASFR as well. Example: a taxpayer is claiming IDT for tax years 2014 and 2015. The 2014 year has AUR involvement and the 2015 has no AUR involvement, refer both years to the IDTVA-Specialty AUR holding number. A taxpayer is claiming IDT for tax years 2006 – 2010. The 2006 year has an ASFR assessment and the 2009 has an AUR assessment, refer all years to the IDTVA Specialty AUR holding number.

Exhibit 25.23.4-5 (Cont. 1) (10-01-2024)

IDTVA Routing Matrix

Function	Authority
(4) ASFR	Address assessments made by ASFR and any other non-assessment cases. (i.e., non-Compliance cases where the taxpayer is claiming IDT but has non-Compliance involvement).
(5) CSCO	No assessments made; address cases with TDI status 02 issues and TDA.
(6) ACSS	Address cases in status 22/24 and any other non-assessment cases. (i.e., balance due situations and other years where there is non-Compliance involvement and TDI Status 03).
(7) AM	Compliance assessments not made
(8) BMF	<p>Use of individual PII to establish fictitious businesses (EIN). For additional information, see IRM 25.23.2.4.3, Tracking Individual Taxpayers Reporting to be Victims of Business-Related Identity Theft.</p> <p>Exception: When a taxpayer is reporting an identity theft incident related to a Small Business Administration (SBA) Loan applied for using their name and/or TIN, do not refer the case to BMF IDT. These cases will be treated as non-tax-related identity theft. Update the category code to IDT4, and refer to IRM 25.23.3.2.3, Self-Identified - Non-Tax-Related Identity Theft - IDT4 Overview.</p>

Exhibit 25.23.4-5 (Cont. 2) (10-01-2024)

IDTVA Routing Matrix

Function	Authority
(9) Frivolous Return Program (FRP)	<p>FRP is no longer part of Compliance. FRP was moved under the RICS Organization in October 2014. See IRM 25.25.10.19, Coordination with Program Stakeholders, for additional information.</p> <p>Cases with FRP Involvement should be referred to the FRP team under the RICS Organization. These cases can be identified with one or more of the following:</p> <ul style="list-style-type: none"> • A TC 971 AC 089 on the year in question • A Civil Penalty MFT 55 with a penalty reference number (PRN) 543 or 666 • A TC 420 with or without a TC 300 with the Project Code 310 or 313 <p>Refer cases to the FRP team as follows: Open an IDRS control with activity IDTVARrefer and category code FRPI assigned to 0586911111.</p> <p>Caution: The presence of a TC 810 with code “4” alone does not mean it automatically meets Frivolous Return criteria. The above criteria must be met to refer to FRP. If the account contains a TC 810 with code “4” but does not meet the criteria above, refer to IRM 25.23.4.10.19 , Identity Theft (IDT) Cases with -E Freeze, for procedures.</p> <p>Note: For additional information, see IRM 25.25.10.8.6, (5), Identity Theft Screening.</p> <ul style="list-style-type: none"> • If the IDT allegation covers multiple years and at least one year meets FRP criteria listed above, resolve all years that do not have FRP indicators. Upon completion of account actions for those years, refer any years with FRP indicators to FRP for resolution. If research has been completed and you have made a determination prior to identifying the FRP issue, you may input a CII case note to provide that information. <p>Note: When referring the MFT 55, include the MFT 30 module. <u>Do not</u> make adjustments to the MFT 30 module.</p> <p>Example: A taxpayer alleges IDT on tax year 2012, 2013 and 2014. The 2012 has a TC 810 with a code 4, the 2013 and 2014 do not contain any FRP indicators, the IDT determination and any necessary account adjustments for 2013 and 2014 must be done before routing to FRP.</p> <ul style="list-style-type: none"> • If all years included in the IDT allegation have FRP indicators, do not take action on the account. Instead, refer the case directly to FRP for resolution of all years. If research has been completed and you have made a determination prior to identifying the FRP issue, you may input a CII case note to provide that information. • IDTVA referrals to FRP that need to be addressed by multiple functions other than IDTVA will be coordinated with Return Integrity Operation (RIO) HQ to streamline case resolution and will be elevated to ITVA-HQ. • Document your research in a CII case note, and close the case.

Exhibit 25.23.4-5 (Cont. 3) (10-01-2024)**IDTVA Routing Matrix**

Function	Authority
(10) Department of Justice (DOJ)	Prepare and email Form 4442 using the subject line: Department of Justice (or similar) to <i>ITVA HQ</i> . Include all DOJ communications and documents received. Document all research completed in a CII case note and/or on Form 4442. Attach Form 4442 to your CII case. Suspend the case for 15 business days.

(7) Prior to referring a case to another function, the documentation submitted by the taxpayer must be reviewed to determine whether the case should be retained or routed to another function. CII case notes will be input to document the reason for routing or reassigning the case. See paragraph (2) of IRM 25.23.2.3.2, Assessing the Scope of the Taxpayer's Issue.

Reminder: If you are preparing the case to reroute to another function using CII, any linked cases, IDRS screen captures, and attached files **do not** print. If any of these items **must** be attached to the case, print the items using your local printer and **manually** associate the printed documents. See paragraph (7) in IRM 21.5.1.5.2, Cases Currently Assigned in CII, for additional information.

(8) The following charts outline case transfer guidelines; however, in some instances transfer of ownership is not necessary. If a case does not warrant transfer, the CII case notes should be documented why the case was not reassigned. Below are examples that illustrate when transferring ownership is not warranted.

Example: #1 - A case has an Exam and AUR assessment on the same tax year. The Exam assessment is based upon the disallowance of a dependent and the Earned Income Credit. The AUR assessment is based upon underreported income. The taxpayer submits Form 14039 which states that they have no knowledge of the income reported under their SSN. Since the Form 14039 clearly states it is in reference to the underreported income, the case should not be transferred to IDTVA Specialty Exam since AUR assessed underreported income.

Example: #2 - A taxpayer claims IDT on tax year 2013 and 2014 and was received in IDTVA-A. The 2013 tax year has an Exam assessment that was closed with a TC 300 and disposal code (DC) 13 with a technique code (TC) 6. The 2014 tax year has no Compliance involvement. Since the 2013 was closed with a DC13 and TC6, the case should not be transferred to IDTVA Specialty Exam. The DC13 indicates no response to the audit. There is a high likelihood the 2013 is IDT.

(9) When accounts have been adjusted and issues remain on the account or an account was adjusted incorrectly, the case will be referred back to the person that worked the case unless otherwise stated in your functional IRM. This includes cases with Compliance involvement that were worked by an IDTVA non-specialty team, or has TAS involvement.

Exception: If you discover an erroneous refund, refer to IRM 21.4.5.2, Erroneous Refunds Overview. The employee that identifies the erroneous refund is required to complete and forward the required documentation to SP. Attach a copy of the erroneous refund documentation to CII and return the case to the person who caused the erroneous refund. Also explain why the case is being referred.

Example: A taxpayer claims IDT and there is an open TC 420. The account is adjusted by an IDTVA-A employee. There is a K freeze on the account; which froze the refund on the account; the case will be referred back to the IDTVA-A employee that adjusted the account.

Example: An account was adjusted to an IDT claim. The case was identified that a credit transfer was not completed. The case was identified as part of the IPSU inventory global review process. In this situation, the case meets IRM 25.23.3.2.1, Simple Adjustments. The IPSU trained IDTVA employee would retain the case and make the necessary corrections.

Exhibit 25.23.4-5 (Cont. 4) (10-01-2024)**IDTVA Routing Matrix**

(10) The routing guidance below is for cases with IDT allegations only. If there are other, non IDT issues, do not use this routing chart. Follow normal procedures. See IRM 21.5.1.5.1, CII General Guidelines, and Exhibit 3.13.6-1, Appendix A - Document Types, Category Codes, IMF.

Note: When referring a case to the IDTVA Specialty teams (Compliance) with an imminent statute date (90 days or less) follow IRM 25.23.2.5, Statute Protection and update the CII priority code 2.

(11) When it is determined that another area must take ownership of a case, follow the chart below for the correct routing.

Note: Do not issue any correspondence requesting additional information from the taxpayer or input any account adjustments prior to re-assigning.

If	And	Then
(1) -LW freeze and AIMS status is 80 – 89	Open in Appeals PBC 6XX	<p>Update CII data to:</p> <ul style="list-style-type: none"> • Doc Type: Exam Open IDT • Category Code IDI1 • Program Code 710-40211 • Set Priority Code to 2 <p>Exception: If there is a CII case currently assigned to an IDTVA Specialty Functions employee, link cases. If multiple years, reassign case to that employee number.</p> <p>Note: For Exam: See IRM 25.23.4.13.1, Cases with -L or W Freeze Codes, if multiple tax years impacted by IDT but only 1 year is under Appeals jurisdiction.</p> <p>Exception: Cases in AUR with Appeals involvement will be retained in AUR and worked in accordance with IRM 25.23.2.5, Statute Protection.</p>

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Exhibit 25.23.4-5 (Cont. 5) (10-01-2024)
IDTVA Routing Matrix

If	And	Then
(2) -L freeze and AIMS status is 08 and below	Open in LB&I - PBC 3XX IMF	<p>Resolve case where received unless there are multiple years impacted by IDT with at least one year with any other Exam involvement, and the case is in AIMS status 09 or above or there is an Exam assessment.</p> <p>If impacted by IDT with Exam involvement, update CII data to:</p> <ul style="list-style-type: none"> • Doc Type: Exam Open IDT • Category Code: ID11 • Program Code: 710-40211 • Set Priority Code to 3 • Reassign to the holding number using the <i>IDTVA-A CII Reassignment Guide</i> located on the <i>IDTVA HUB</i> <p>Note: If Form 14039 or taxpayer correspondence is in Spanish or the taxpayer marks only the “Spanish” box for their preferred language in Section C of Form 14039, update the Doc Type to: “Exam Spanish IDT”.</p> <p>Exception: If there is a CII case currently assigned to an IDTVA Specialty Functions employee, link cases. If multiple years, route all cases to that employee number.</p> <p>Note: .If the case is retained and not reassigned to IDTVA-Exam, send a secured email to the LB&I IMF liaison to inform Exam the IDT issue was resolved. The liaison can be located on SERP under Who/Where, AM Identity Theft Functional Liaisons.</p> <p>Use Email Subject: Resolved IDT Open in Status XX. Within the body of the email, provide the TIN, tax year, and IDT determination (i.e., XXX-XX-1234 201412 - Taxpayer is a victim of IDT, no filing requirement, account backed out).</p> <p>IDTVA Specialty Exam: See IRM 25.23.10.7. 4.3, Returning Cases to Exam, for additional information.</p> <p>Exception: If an IDT allegation is received in IPSU and there are no open controls, update CII as stated above.</p>

Exhibit 25.23.4-5 (Cont. 6) (10-01-2024)

IDTVA Routing Matrix

If	And	Then
(3) -L freeze and AIMS status is greater than 09	Open in LB&I - PBC 3XX	Route to appropriate group using the LB&I (PBC 3XX) Contacts (Excel 202KB) listing on SERP under Who/Where tab. Then look under AIMS/ERCS Contact. Note: If multiple years are identified on the IDT claim, only the PBC 3XX tax years are referred to LB&I. All other years, including the CCA years, will be worked in IDTVA following normal procedures.

Exhibit 25.23.4-5 (Cont. 7) (10-01-2024)

IDTVA Routing Matrix

If	And	Then
(4) -L freeze and AIMS status is 09 and below	Open in Campus Exam - (EGC 5XXX)	<p>Resolve case where received unless there are multiple years impacted by IDT with at least one year with Exam involvement and the case is in AIMS status 10 or above or there is an Exam assessment. If impacted by IDT with Exam involvement, Update CII data to:</p> <ul style="list-style-type: none"> • Doc Type: Exam Open IDT • Category Code IDI1 • Program Code 710-40211 • Set Priority Code to 3 • Reassign to the holding number using the <i>IDTVA-A CII Reassignment Guide</i> located on the <i>IDTVA HUB</i> <p>Note: If Form 14039 or taxpayer correspondence is in Spanish, or the taxpayer marks only the “Spanish” box for their preferred language in Section C of Form 14039, update the Doc Type to: “Exam Spanish IDT”.</p> <p>Exception: If there is a CII case currently assigned to an IDTVA Specialty Functions employee, link cases. If multiple years, route all cases to that employee number.</p> <p>Note: If case is retained and not reassigned to IDTVA-Exam, send a secured email to the IDTVA-Exam liaison to inform Exam the IDT issue was resolved. The liaison can be located on SERP under Who/Where, AM Identity Theft Functional Liaisons.</p> <p>Use Email Subject: Resolved IDT Open in Status XX. Within the body of the email, provide the TIN, tax year and IDT determination, i.e., XXX-XX-1234 201412. Indicate “Taxpayer is victim of IDT no filing requirement, account backed out”.</p> <p>IDTVA Specialty Exam, see IRM 25.23.10.7.4.3, Returning Cases to Exam, for additional information.</p> <p>Exception: If IDT allegation is received in an IPSU case and no open controls, update CII as stated above.</p>

Exhibit 25.23.4-5 (Cont. 8) (10-01-2024)
IDTVA Routing Matrix

If	And	Then
(5) -L freeze and AIMS status is greater than 09	Open in Campus Exam - (PBC 19X or 29X and EGC 5XXX)	<p>Update CII data to:</p> <ul style="list-style-type: none"> • Doc Type: Exam Open IDT • Category Code IDI1 • Program Code 710-40211 • Set priority code to 3 • Reassign to the holding number using the <i>IDTVA-A CII Reassignment Guide</i> located on the <i>IDTVA HUB</i> <p>Note: If Form 14039 or taxpayer correspondence is in Spanish, or the taxpayer marks only the “Spanish” box for their preferred language in Section C of Form 14039, update the Doc Type to: “Exam Spanish IDT”.</p> <p>Exception: If there is a CII case currently assigned to an IDTVA Specialty Functions employee, link cases. If multiple years, re-assign case to that employee number.</p>
(6) -L freeze and AIMS status is 10 and below	Open in Field Exam - (PBC 20X and EGC 1XXX or 2XXX only)	<p>Do not route to Field Exam. All IDTVA functions will retain and resolve case.</p> <p>Once account is resolved, send a secured email to the Field IDT Coordinator to inform them the IDT issue was resolved.</p> <p>The Field IDT coordinators can be located on SERP under Who/Where, AM Identity Theft Functional Liaisons, Field Exam at: <i>AM IDT Functional Liaisons</i></p> <p>Note: Use Email Subject Line: Resolved IDT Open in Status XX. Within the body of the email, provide the TIN, tax year and IDT determination, i.e., XXX-XX-1234 201412. Indicate “Taxpayer is victim of IDT”, no filing requirement, account backed out.</p> <p>Exception: If IDT allegation is received in an IPSU case and no open controls exists, route to Field Exam.</p>
(7) -L freeze and AIMS status is greater than 10	Open in Field Exam - (PBC 20X and EGC 1XXX or 2XXX only)	<p>Route to appropriate area using the <i>Exam Employee Group Code (ECG) Contacts</i> listing on SERP under Who/Where tab.</p>

Exhibit 25.23.4-5 (Cont. 9) (10-01-2024)

IDTVA Routing Matrix

If	And	Then
(8) AIMS is 90 Closed with a disposal code (DC) 12 or 37	Campus Exam - (PBC 19X or 29X and EGC 5XXX)	<p>Update CII data to:</p> <ul style="list-style-type: none"> • Doc Type: Exam Open IDT • Category Code IDI1 • Program Code 710-40211 • Set Priority Code to 3 • Reassign to the holding number using the <i>IDTVA-A CII Reassignment Guide</i> located on the <i>IDTVA HUB</i> <p>Note: If Form 14039 or taxpayer correspondence is in Spanish, or the taxpayer marks only the “Spanish” box for their preferred language in Section C of Form 14039, update the Doc Type to: “Exam Spanish IDT”.</p> <p>Exception: If there is a CII case currently assigned to an IDTVA Specialty Functions employee, link cases. If multiple years, re-assign case to that employee number.</p>
(9) Appeals Posted TC 30X	TC 300 input by Appeals -(PBC 6XX)	<p>Update CII data to:</p> <ul style="list-style-type: none"> • Doc Type: Exam Closed IDT • Category Code IDI1 • Program Code 710-40211 • Set Priority Code to 2 <p>Exception: If there is a CII case currently assigned to an IDTVA Specialty Functions employee, link cases. If multiple years, re-assign case to that employee number.</p> <p>Note: For Exam: See paragraph (7) IRM 4.13.1.3.2, Function Responsible & Routing Instructions, for case disposition and whether to retain case or return to Appeals.</p>

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Exhibit 25.23.4-5 (Cont. 10) (10-01-2024)

IDTVA Routing Matrix

If	And	Then
(10) Posted TC 30X – Exam	<p>Assessment input by Campus Exam - (PBC 19X or 29X and EGC 5XXX)</p> <p>Exception: If EGC is 54XX or 58 TEFRA see (12) below.</p>	<p>Update CII data to:</p> <ul style="list-style-type: none"> • Doc Type: Exam Closed IDT • Category Code IDI1 • Program Code 710-40211 • Reassign to the holding number using the <i>IDTVA-A CII Reassignment Guide</i> located on the <i>IDTVA HUB</i> <p>Note: If Form 14039 or taxpayer correspondence is in Spanish, or the taxpayer marks only the “Spanish” box for their preferred language in Section C of Form 14039, update the Doc Type to: “Exam Spanish IDT”.</p> <p>Exception: If there is a CII case currently assigned to an IDTVA Specialty Functions employee, link cases. If multiple years, reassign case to that employee number.</p> <p>Note: If the case was closed with a TC 300, disposal code (DC) 13, technique code 6/7. Do not reassign to Exam unless there are open controls or other unresolved years. If no open controls, cases closed with a DC 13 TC 6/7, case can be worked by function within IDTVA.</p> <p>Exception: If IDT allegation is received in an IPSU case and no open controls exists, route to Exam.</p> <p>Exam audit issues can be determined by the project code assigned the case. The project code can be identified by the SPCL-PROJ code on TXMOD under the TC 424. The project code look up table can be found on SERP. <i>SERP/Exam Project Code Search</i></p>
(11) Posted TC 30X – Exam	<p>Assessment input by Field Exam - (PBC 20X and EGC 1XXX or 2XXX only)</p>	<p>Update CII data to:</p> <ul style="list-style-type: none"> • Doc Type: Exam Field Closed IDT • Category Code IDI1 • Program Code 710-40211 <p>Exception: If there is a CII case currently assigned to an IDTVA Specialty Functions employee, link cases. If multiple years, route all cases to that employee number. If multiple years, link case (s) and reassign all cases to IDTVA Specialty Exam as outlined above.</p>

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Exhibit 25.23.4-5 (Cont. 11) (10-01-2024)

IDTVA Routing Matrix

If	And	Then
(12) TC 420 and no TC 300 or TC 420 and TC 300 – TEFRA – Non TEFRA	PBC 295 or 398 with EGC codes 54XX or 58XX	Update CII data to: <ul style="list-style-type: none"> • Doc Type: Exam Closed • Category Code IDI1 • Program Code 710-40211
(13) TC 420 and/or TC 300 Closed - LB&I	PBC 3XX including PBC 315 Exception: Do not route PBC 398 with EGC 54XX or 58XX to LB&I, see (12) above	IDT claims for closed LB&I cases are referred directly to the SBSE Reconsideration team located at 2970 Market Street, Philadelphia, PA 19106, Mail Stop 4-E08.200 Note: If multiple years are identified on the IDT claim, only the PBC 3XX tax years are referred to LB&I. All other years, including the CCA years, will be worked in IDTVA following normal procedures.
(14) TC 922 - AUR involvement	No TC 290	Determination to reassign or retain the case depends on the last Process Code assigned. If you are not trained to work AUR Specialty cases, reassign the case. Update CII data to: <ul style="list-style-type: none"> • Doc Type: AUR Open IDT • Category Code IDI2 • Program Code 710-40222 • Set Priority Code to 3; if last PC is 75 or 95, set Priority Code to 2 • Reassign to the holding number using the <i>IDTVA-A CII Reassignment Guide</i> located on the <i>IDTVA HUB</i> Note: Do not route cases to AUR where there is a TC 971 AC 922. These are AUR soft notices. They should be retained and worked where received. Note: Process Codes 09, 30, 55, 57, 59, 75, 95, 97, 98, 99 indicate the case is an open AUR case. Note: If Form 14039 or taxpayer correspondence is in Spanish, or the taxpayer marks only the "Spanish" box for their preferred language in Section C of Form 14039, update the Doc Type to: AUR Spanish. Exception: If there is a CII case currently assigned to an IDTVA Specialty Functions employee, link cases. If multiple years, reassign to the Specialty employee.

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Exhibit 25.23.4-5 (Cont. 12) (10-01-2024)

IDTVA Routing Matrix

If	And	Then
(15) TC 922 - AUR involvement	TC 290 with assessment	<p>Determination to reassign or retain the case depends on the last Process Code assigned. If you are not trained to work AUR Specialty cases, reassign the case. Update CII data to:</p> <ul style="list-style-type: none"> • Doc Type: AUR IDT Recon • Category Code IDI2 • Program Code 710-40222 • Set Priority Code to N/A • Reassign to the holding number using the <i>IDTVA-A CII Reassignment Guide</i> located on the <i>IDTVA HUB</i> <p>Note: Do not route cases to AUR where there is a TC 971 AC 922. These are AUR soft notices. They should be retained and worked where received. These type cases do not have process codes and AUR does not have the case.</p> <p>Note: If Form 14039 or taxpayer correspondence is in Spanish, or the taxpayer marks only the "Spanish" box for their preferred language in Section C of Form 14039, update the Doc Type to: AUR Spanish.</p> <p>Exception: If there is a CII case currently assigned to an IDTVA Specialty Functions employee, link cases. If multiple years, reassign to the Specialty employee.</p>

Exhibit 25.23.4-5 (Cont. 13) (10-01-2024)
IDTVA Routing Matrix

If	And	Then
(16) ACSS - Status 22/24		<p>Do not route to ACSS, if case has current or past compliance activity. Complete Form 14394, Identity Theft/RPM Case Collection Alert Instructions.</p> <ul style="list-style-type: none"> • Include check boxes “IDT” and “Case currently in Status 22/24/26”. • FAX/email the form to the applicable liaison per the instructions on the Form 14394. • Complete Form 13794 as required and forward to the appropriate Collection Advisory contact • Leave CII case note that Form 14394/13794 was referred to stop collection actions. • Resolve case <p>If account is in status 22/24 and there is other compliance activity that created the balance due (such as an Exam or AUR assessment) on the account then reassign to the applicable IDTVA Specialty team (AUR, ASFR or Exam) function per the guidance in this chart.</p> <p>Exception: If there is a CII case currently assigned to an IDTVA Specialty Functions employee, link case, (s), and reassign to that employee number.</p> <p>For cases received in ACSS in status 22/24 that do not meet any of the above criteria; Update CII data to:</p> <ul style="list-style-type: none"> • Doc Type: ACSS Domestic IDT • Category Code IDI3 • Program Code 710-40231 • Set Priority Code to N/A • Reassign to the holding number using the <i>IDTVA-A CII Reassignment Guide</i> located on the <i>IDTVA HUB</i> <p>Note: If Form 14039 or taxpayer correspondence is in Spanish, or the taxpayer marks only the “Spanish” box for their preferred language in Section C of Form 14039, update the Doc Type to: ACSS Spanish.</p> <p>Exception: If IDT allegation is received in an IPSU case and no open controls, update CII as stated above.</p>

Exhibit 25.23.4-5 (Cont. 14) (10-01-2024)

IDTVA Routing Matrix

If	And	Then
(17) ASFR	TC 140 or TC 474 with TC 971 AC 143, TC 150 – SFR with a posted or pending TC 290	<p>For open ASFR cases (TC 140 or TC 474 with TC 971 AC 143) Update CII data to:</p> <ul style="list-style-type: none"> • Doc Type: ASFR Open IDT • Category Code IDI4 • Program Code 710-40243 • Set Priority Code to N/A • Reassign to the holding number using the <i>IDTVA-A CII Reassignment Guide</i> located on the <i>IDTVA HUB</i> <p>For ASFR RECON cases (TC 150 - SFR with a posted or pending TC 290 assessment) Update CII data to:</p> <ul style="list-style-type: none"> • Doc Type: ASFR Recon IDT • Category Code IDI4 • Program Code 710-40243 • Set Priority Code to N/A • Reassign to the holding number using the <i>IDTVA-A CII Reassignment Guide</i> located on the <i>IDTVA HUB</i> <p>Note: If Form 14039 or taxpayer correspondence is in Spanish, or the taxpayer marks only the “Spanish” box for their preferred language in Section C of Form 14039, update the Doc Type to: ASFR Spanish.</p> <p>Exception: If there is a CII case currently assigned to an IDTVA Specialty Functions employee, link case(s) and reassign to that employee number.</p>
(18) BMF	EIN account (i.e., taxpayer is reporting invalid returns, etc.)	<p>Follow guidance in IRM 25.23.2.4.3, Tracking Individual Taxpayers Reporting to Be Victims of Business-Related Identity Theft.</p> <p>Note: When the claim is for the taxpayer's SSN and EIN, a separate case will need to be created for the other TIN. IMF will be resolved following normal procedures, and BMF will resolve the EIN case. BMF IDT SMEs will create a CII case once it is accepted into the BMF IDT inventory.</p>

Exhibit 25.23.4-5 (Cont. 15) (10-01-2024)

IDTVA Routing Matrix

If	And	Then
(19) Refund Hold	TC 140 or TC 474 (may be present) <ul style="list-style-type: none"> • TC 570 with 999 in the Julian date field • RC "RF" displayed on IDRS for the module of the refund year • -R Freeze on IDRS for the module of the refund year 	<p>Do not reassign the case, all IDTVA functions will retain and resolve the case. If multiple years and there is other compliance activity (such as an Exam or AUR assessment) on the account, then reassign to the applicable AUR or Exam function per the function guidance in this chart.</p> <p>For cases received in CSCO and meet CSCO criteria: Update CII data to:</p> <ul style="list-style-type: none"> • Doc Type: Refund Hold IDT • Category Code IDI4 • Program Code 710-40243 • Set Priority Code to N/A • Reassign to the holding number using the <i>IDTVA-A CII Reassignment Guide</i> located on the <i>IDTVA HUB</i> <p>Note: If Form 14039 or taxpayer correspondence is in Spanish, or the taxpayer marks only the "Spanish" box for their preferred language in Section C of Form 14039, update the Doc Type to: Balance Due IDT Spanish.</p> <p>Exception: If there is a CII case currently assigned to an IDTVA Specialty Functions employee, link case(s) and reassign to that employee number.</p>

Exhibit 25.23.4-6 (10-01-2024)
IDTVA Site Locations

(1) IDTVA-I - Identity Protection Specialized Unit (IPSU) locations:

Function	Group	Campus Location
IDTVA	IPSU Specialized Programs	Andover Fresno

(2) IDTVA-A - Accounts Staff locations:

Function	Group	Campus Location
IDTVA-A (including IDT4)	Accounts Management	Andover Atlanta Austin Brookhaven Fresno Kansas City Memphis Philadelphia

(3) IDTVA Specialty Functions locations:

Function	Group	Campus Location
IDTVA Specialty Function	AUR	Andover Atlanta Austin Brookhaven Fresno Philadelphia
IDTVA Specialty Function	Exam	Andover Atlanta Austin Brookhaven Fresno Kansas City
IDTVA Specialty Function	ASFR	Fresno
IDTVA Specialty Function	ACSS	Fresno Kansas City Philadelphia
IDTVA Specialty Function	DITA	Philadelphia
IDTVA Specialty Function	TDI	Fresno

Exhibit 25.23.4-7 (10-01-2023)**Identity Theft (IDT) Multiple Control Decision Document**

(1) For additional information, see IRM 21.5.1.5.1, CII General Guidelines

IDTVA-A

If Multiple	With	Link/Close	Category Control is*
IDT9/IDS9	IDT1/IDS1, IDT3, 8	IDT1/IDS1, IDT3, 6, 8	IDT9/IDS9
IDT1/IDS1	IDT3	IDT3	IDT1/IDS1
IDT3/IDS3	IDT1/IDS1	IDT1/IDS1	IDT1/IDS1
IDT8	IDT1/IDS1, IDT3	IDT1/IDS1, IDT3	IDT8

IDTVA-I

If Multiple	With	Link/Close	Category Control is*
IDT4	IDT1/IDS1, IDT3	IDT4	IDT1/IDS1**
IDT4	IDT8	IDT4	IDT8
IDT4	IDT9/IDS9	IDT4	IDT9/IDS9

* When all consolidation actions have been taken, this is the IDRS Category Code of the open identity theft case.

**When the related case is an IDT3, the IDRS Category Code of the open case is updated to IDT1/IDS1. The information provided in the IDT4 case results in the case now being reclassified as IDT1/IDS1 – Taxpayer Identified.

Note: Scenarios listed above are not all inclusive. Raise any additional questions related to identity theft multiple controls to your manager/lead.

(2) IDTVA-I CSRs will have to coordinate to determine if the issue is actually tax related or non-tax related.

(3) When the multiple control is an IDTVA Specialty Function case, all other case types will be linked and closed to allow the IDTVA Specialty employee to resolve the account issue(s). The case(s) that will remain open will be the IDTVA Specialty Function case(s) (i.e., category codes including IDIx).

Exhibit 25.23.4-8 (10-01-2024)**Order of Priority Listing - IDTVA-A and IDTVA Specialty Functions**

(1) Identity theft cases will be resolved in a first in first out order unless a priority case or the exception below applies. For the lists below, case types are listed in the order of priority to be worked.

Exception: Cases created for impacted tax years identified through Complete Case Analysis (CCA) will be worked, regardless of age, to ensure the taxpayer's identity theft issue is fully resolved without unnecessary delays.

(2) The following inventory priorities have been established for IDTVA-A:

- Congressional cases
- Statute imminent
- TAS
- IDT1/IDS1

(3) IDTVA employees not trained on any of the priority programs listed above will work any IDT work (i.e., IDT4, IDT7, IDTX, etc.).

(4) The following inventory priorities have been established for IDTVA-Specialty Functions:

- Congressional cases
- Statute imminent
- TAS
- Priority Code 2 cases
- Priority Code 3 cases

Exhibit 25.23.4-9 (10-01-2023)**IDTVA-A Identity Theft (IDT) Work Types Listing**

(1) Refer to the table below for a list of IDTVA-A (non-Specialty Functions) Category Codes and characteristics:

Category Code	Defining Characteristic
IDT1	Taxpayer identified identity theft
IDS1	Spanish taxpayer identified identity theft
IDT3	IRS identified identity theft
IDS3	Spanish IRS identified identity theft
IDT4	Taxpayer identified non-tax related identity theft
IDT6	Credit Transcripts
IDS6	Credit Transcripts for Spanish cases
IDT8	Involves identity theft cases with prior RIVO involvement - CP 05A or deceased taxpayer cases ONLY
IDS8	Involves Spanish identity theft cases with prior RIVO involvement - CP 05A or deceased taxpayer Spanish cases ONLY

(2) For IDTVA Specialty Functions Category Codes, refer to the second chart in IRM 25.23.2-16, IDTVA IDRS Category Controls by Function.

Exhibit 25.23.4-10 (06-07-2024)**Identity Theft (IDT) Closing Letter Decision Chart**

(1) When issuing a closing letter, ensure the correct paragraphs are used to inform the taxpayer of all actions taken on their account based on your specific case scenario. When issuing your letter also consider the following:

- If appropriate, manually input multiple tax years by inputting the tax years in the empty boxes. Up to (10) years can be input in a Letter 4674C.

Reminder: If the letter includes multiple years, ensure all of the taxpayer's questions are addressed. No IDT determinations should be addressed in a separate letter when there is an IDT determination for some tax years but not all.

- If the language in any of the letters listed below are not appropriate for your specific case scenario, use another appropriate letter.
- Insert a time zone when issuing Letter 4674C. Select the appropriate paragraph to insert your time zone in the last available open field. For the appropriate abbreviation of time zones refer to *IRS Style Guide - Dates and Time*
- If there is a valid Power of Attorney (POA) or third-party representative on file, verify the Centralized Authorization File (CAF) copy selection is input.

Caution: For potential fraudulent and/or compromised POAs, refer to IRM 21.3.7.5.5.3, How To Report a Compromised or Potentially Compromised CAF Number.

Note: Current programming for the CP 01 will generate a copy of the notice to a POA that is **on file**. If sufficient documentation has been received to validate a POA, but it is not yet on file, then issue the POA a closing letter. This ensures the taxpayer's right to retain representation and the POA's right to be informed.

- On cases filed as married filing jointly, the Letter 4674C should be addressed to both taxpayers under the primary SSN, regardless of who the IDT victim is. If the return was filed MFJ, and only the secondary TP is the IDT victim, a disclosure issue does not exist in this instance.

Note: If you are providing additional account information that was filed on a separate return for the victim, then the letter 4674C should be addressed to the victim only.

Note: If Spanish language correspondence is received or the taxpayer marks the "Spanish" box in Section C of the Form 14039, a reply must be issued using the Spanish version of the appropriate C letter, if one is available. See IRM 25.23.4.19, Requesting Translations of Certain Languages, if a translation of correspondence is needed.

Exception: Do not issue the Spanish version of the C letter when the taxpayer specifically requests to receive the letter in English.

(2) Refer to the Closing Letter Chart below:

If	And	Then
(1) TP filed a Form 14039 or similar statement	There is a TC 971 AC 522 PPDS OPIP NODCRQ or EPSS DISABL (effective 1-1-17)	See IRM 25.23.2.3.10, Electronic Products Service and Support (EPSS) Disabled Accounts.

Exhibit 25.23.4-10 (Cont. 1) (06-07-2024)**Identity Theft (IDT) Closing Letter Decision Chart**

If	And	Then
(2) TP A filed a Form 14039 or similar statement	<p>There is a TC 971 AC 505 with the following incident numbers:</p> <ul style="list-style-type: none"> • IR20160127510 • IR20160127513 • IR20160614508 <p>AND</p> <p>There is an account issue</p> <ul style="list-style-type: none"> • IR20150521512 • IR20150521555 • IR20150521556 • CR20170421067 • LR20170421067 	<p>Issue a closing Letter 4674C. Include all applicable paragraphs.</p> <p>Note: If a closing letter was issued by RIVO already (e.g., Letter 4310C), do not issue a duplicate closing letter, unless it has been more than 30 days and/or the RIVO Letter 4310C did not provide a response to all of the actions taken on the account.</p>

Exhibit 25.23.4-10 (Cont. 2) (06-07-2024)

Identity Theft (IDT) Closing Letter Decision Chart

If	And	Then
(3) The case was closed with a TC 971 AC 501.	A systemic CP 01 has not been issued within the three- year period per IRM 25.23.2.6.1.1, Systemic Actions Taken After TC 971 AC 501 Placed on Account	<p>Do not send the TP a closing letter. The CP 01 will systemically generate between 2 and 12 cycles after the input of the TC 971 AC 501 depending on when the taxpayer's account adjustment is completed.</p> <p>Exception: If additional account information needs to be relayed to the taxpayer, issue the IDT closing Letter 4674C.</p> <p>Reminder: CP 01/CP 01C generates only once in a three-year period. If another year was marked with a TC 971 AC 501 within the last 3 years, a Letter 4674C is required to inform the taxpayer their account was corrected.</p> <p>Note: If a closing letter was issued by RIVO already (e.g., Letter 4310), do not issue a duplicate closing letter, unless it has been more than 30 days and/or the RIVO Letter 4310C did not provide a response to all of the actions taken on the account.</p>

Exhibit 25.23.4-10 (Cont. 3) (06-07-2024)**Identity Theft (IDT) Closing Letter Decision Chart**

If	And	Then
(4) Case closed with a TC 971 506		<p>Send a closing Letter 4674C</p> <p>Note: Systemic letters are not issued for cases closed with a TC 971 506. You must issue a closing letter for these type cases.</p> <p>Note: If a closing letter was issued by RIVO already (e.g., Letter 4310), do not issue a duplicate closing letter, unless it has been more than 30 days and/or the RIVO Letter 4310C did not provide a response to all of the actions taken on the account.</p>

Exhibit 25.23.4-11 (06-07-2024)**IDRS Activity Codes and Definitions**

(1) Specific activity codes were created to easily determine the status of the IDT case. Use of these activity codes is encouraged for all functions. The recommended activity codes listed below are not all inclusive. Use of activity codes is only required when specified by other IRM instructions.

Note: Multiple activity codes may need to be input on the identity theft control base as the case progresses through the IDT process.

Note: The Julian date input should be calculated in calendar days unless a specific case scenario below provides you with a specific date.

(2) When actions are required on a case and monitoring is needed while active on CII, the recommended activity code may be used to identify the reason. Refer to the table below:

Note: ### represents the Julian date for follow-up.

Activity Code	Definition
(1) 5064/###	Letter 5064C/SP to TP for additional information with the 40 day follow-up date. The Julian date input should be the purge date.
(2) F/###	When contacting a taxpayer by telephone, requesting information and the taxpayer will be submitting the information by fax/EEFax. Allow the taxpayer five days to submit the information. The Julian date input should be the purge date.
(3) 2CATA/###	When referring a case to CAT A due to meeting the by-pass DIF criteria. The Julian date input should be the purge date.
(4) 9762SP###	When sending a return to SP to have the TC 976 placed on the account. The Julian date input should be the purge date.
(5) RTTN###	When requesting a case from retention, the Julian date should be a date two cycles after the request was made using IDRS CC IMFOLB. If the two cycles have expired, monitor the case weekly until the requested modules are active. Caution: Multiple module requests could extend the time it takes for modules to come out of retention.
(6) ESTENT###	When establishing the entity for an account. The Julian date should be a date two cycles after input.
(7) PNDMRR/###	When monitoring the account for TOP Offset Reversal to post within 60 day increments, if needed.

Exhibit 25.23.4-11 (Cont. 1) (06-07-2024)**IDRS Activity Codes and Definitions**

Activity Code	Definition
(8) DOCREQ/###	When requesting a document using IDRS CC ESTAB. The Julian date should not exceed 30 days after input.
(9) PNASSED/###	When holding a paper return until the valid return updated ASSED has posted. The Julian date should be a date two cycles after input.

(3) **IDTVA Specialty Functions Only.** When actions are required on a case that must be monitored while the case is active on CII, update the activity code to reflect the reason. Refer to the table below:

Case Status	Activity Code	Definition
(1) Before the case is closed	IDTRSLVD	IDT has been determined and account has been resolved.
(2) Before the CII case is closed	REJ(Function)	When rejecting a case back to the originating function because it does not meet the criteria for IDTVA to accept the referral. (Function)-Input the function that made the referral. (e.g., AUR, Exam, CSCO or ACSS)
(3) When creating a new CII case	WT4CII/###	When holding a paper return while waiting for a CII case to generate.

(4) If monitoring on IDRS only. **ALL** actions must be completed prior to closing the CII case. The recommended activity codes listed below are not all inclusive.

Note: By clicking the close button on CII, the case status will automatically be updated to “C”.

Reminder: Establish a monitor base on IDRS using Category Code “MISC” with the current date as the received date.

Case Status	Activity Code	Definition
(1) Excess Collection File (XSF)	EXCSS/###	Form 8758, Excess Collection File Addition, or Form 8765, IDRS Control File Credit Application, used to transfer a payment or credit to post TO and/or FROM the XSF.
(2) Manual Refund	MNREF/###	When monitoring a manual refund to post within two cycles.

Exhibit 25.23.4-11 (Cont. 2) (06-07-2024)**IDRS Activity Codes and Definitions**

Case Status	Activity Code	Definition
(3) Moving Specific Year Account	F12810/###	Form 12810 used to initiate TC 370/400 procedures and monitor the posting of the moved return for the common number ("from" side) within 30 day increments.
(4) Lost Refund	841/### or 700/###	When crediting the account to resolve the lost refund using CC IDT48 or IDT58 and monitor the credit to post within three cycles.
(5) Refund Reversal	843REQ/### or 702REQ/###	When monitoring Form 3245/ Form 3809 reversals for the credit to post within three cycles.
(6) TOP Offset	PNDMRR/###	When monitoring the account for a manual TOP Offset Reversal sent to Bureau of the Fiscal Services (BFS) to post the credit within 60 day increments.

(5) Listed below are activity codes to be used for case scenarios that do not include monitoring actions.

Case Action	Activity Code	Definition
(1) Before CII case is closed	PRVACTN	When an account was previously corrected and there are no other actions necessary.
(2) Before CII case is closed	OPNDNERR	When a control base was created in error and will be closed.

Exhibit 25.23.4-12 (10-01-2020)**Tax-Related Identity Theft (IDT) Codes**

(1) Refer to the table below for a list of tax-related IDT codes.

Category Code	CII Document Type	CII Program Code	Function and Program for Time Reporting
IDT1/IDS1	ID Theft	40011	710–40011
IDT3/IDS3	ID Theft	40013	710–40013
IDT6/IDS6	ID Theft	40016	710-40016
IDT8/IDS8	ID Theft	40017	710-40017
IDT9/IDS9	ID Theft	40019	710-40019

Exhibit 25.23.4-13 (10-01-2023)**Format for Emails to SB/SE Examination Technical Services**

(1) Use this email format when contacting SB/SE Examination Technical Services about a case with restitution.

To: *SBSE TECH Svs Criminal Restitution

Cc: *TS IPSO ITVA 4442

Subject: Identity Theft Claim with Restitution

An identity theft case has been received from a taxpayer whose account reflects a restitution based assessment. Below are the pertinent case details.

- Taxpayer's Name:
- Taxpayer's SSN:
- Impacted year(s):
- Identity theft determination

Reminder: Relevant documentation must be attached.

Exhibit 25.23.4-14 (12-16-2019)**Format for Emails to Appeals**

(1) Use this email format when sending Form 10467 electronically to Appeals.

To: *AP Inquiries

Subject: ID Theft Case in Appeals

Attached is Form 10467, Appeals Division Feedback Report and Transmittal Memorandum, regarding an identity theft complaint filed by a taxpayer currently open in Appeals. Please forward this email to the Appeals employee assigned the case, or associate with the case file if unassigned.

Taxpayer's Name:

SSN:

Tax Year(s):

Exhibit 25.23.4-15 (06-07-2024)**ITVA HQ AUR ADR Report - For Use by IDTVA P&A and Designated Individuals Only**

(1) AUR Analytics Data Retrieval (ADR) Reports provide details of open AUR cases referred to IDTVA for resolution, including:

- a. Primary SSN
- b. Secondary SSN (if applicable)
- c. Tax Year
- d. Days in Status
- e. Assigned IDTVA Campus
- f. Assigned Date

(2) The report will include separate tabs for each of the sites, the managerial queue, the P&A queue, some specialty functions, RPM, and blanks. AUR cases assigned to IDTVA-A and IDTVA Exam will be provided on separate reports.

Caution: Due to the combining of some teams, inventory may not be found on the expected report/tab. For example, Fresno AUR and Exam are in one team. All cases belonging to that team are on the Fresno tab of the Exam report, not on the AUR report.

(3) These reports are intended to be used to ensure AUR Identity Theft cases are resolved and returned to AUR in a timely manner - generally, within 120 days of the date the PC "SI" was input. See IRM 25.23.10.7.3.2.1, AUR Specialty Technical Research and Initial Handling Procedures, for specific details.

(4) ITVA HQ is responsible for providing IDTVA P&A with the AUR ADR report regularly. The report will be emailed to the designated contact(s) identified by IDTVA P&A.

(5) IDTVA P&A designated contacts are responsible for reviewing AUR ADR reports provided by HQ to identify cases meeting the following criteria:

- Aged 120 days or more - require immediate resolution
- Aged 100-119 days - require follow-up
- Blanks - require follow-up

(6) Cases requiring follow-up must be addressed with sufficient time to allow the assigned employee to resolve the case timely, whenever possible. Take the following actions based on the status of the case:

Status	Action
(1) The case is aged 100-110 days.	Follow-up within 3 calendar days.
(2) The case is aged 111-117 days.	Follow-up within 2 calendar days.
(3) The case is aged 118-119 days.	Follow-up within 1 calendar day.

Reminder: If the case can't be closed within 120 days, contact the IDTVA Functional Liaison to request additional time from AUR.

(7) P&A designated contacts are expected to address cases requiring immediate resolution the same day the case is identified. Contact the frontline manager of the assigned employee and the appropriate IDTVA Functional Liaison to take the following actions based on the status of the case:

Exhibit 25.23.4-15 (Cont. 1) (06-07-2024)**ITVA HQ AUR ADR Report - For Use by IDTVA P&A and Designated Individuals Only**

Status	Action
(1) The case is assigned to a category code other than IDI1, IDI2, IDI5, IDI6, IDI1, or RPMC. (These cases will generally be found in the IDTVA-A ADR report identified as a queue belonging to P&A or IDTVA-CSCO/ACSS.	<ul style="list-style-type: none"> Update the Category Code to IDI2. Reassign the case following the instructions in Exhibit 25.23.4-5, IDTVA Routing Matrix, paragraph (11) Table Scenario (14).
(2) The case can be closed.	<ul style="list-style-type: none"> Instruct the employee what action is needed to resolve the case. Verify the case has been closed on the next AUR ADR Report.
(3) The case is 100 days old or greater and cannot be worked within 120 days.	<ul style="list-style-type: none"> Contact the IDTVA Functional Liaison to request additional time from AUR. Monitor the case for timely resolution.
(4) The case is 100 days old or greater and can be worked within 120 days.	<ul style="list-style-type: none"> Monitor the case for timely resolution.
(5) The case was closed with PC 26.	<ul style="list-style-type: none"> The case should be treated as an AUR Recon and should not be sent back to AUR once it is resolved.

(8) Cases listed on the Blanks tab must be researched to locate where the case is. Take the following actions based on the status of the case:

Status	Action
(1) The case was worked, and a case note was left in the AUR system.	No further action is needed.
(2) The case was worked, and a case note was not left in the AUR system.	<ul style="list-style-type: none"> Contact the frontline manager of the assigned employee to have a case note input in the AUR system.
(3) The case was not worked, and there is no indication the case was received.	<ul style="list-style-type: none"> Contact the appropriate IDTVA Functional Liaison to request a copy of the case referred. See paragraph (9).
(4) The case was received and forwarded to ICT, but a CII case was not created. This can be determined by the presence of Letter 5073C.	<ul style="list-style-type: none"> Contact the appropriate IDTVA Functional Liaison to request a copy of the case referred. See paragraph (10).

Note: If case cannot be obtained in time to work within 120 days, **do not** attempt to obtain the case from AUR. Work the case using internal research.

Reminder: If the case cannot be closed within 120 days, contact the IDTVA Functional Liaison to request additional time from AUR.

(9) If a copy of the case documents can be obtained, refer to the procedures in IRM 25.23.10.2, Case Batching. If a copy of the case documents cannot be obtained, take the following actions:

Exhibit 25.23.4-15 (Cont. 2) (06-07-2024)**ITVA HQ AUR ADR Report - For Use by IDTVA P&A and Designated Individuals Only**

- Create a new CII case:
 - Use the IRS received date of the Form 14039/Police Report (can be found in the Case History screen of the AUR system).
 - Leave a CII note indicating, **Case created from ADR report, work using internal research**, or similar verbiage.
 - Update the CII data, and assign the case following the instructions in Exhibit 25.23.4-5, IDTVA Routing Matrix, paragraph (11) Table Scenario (14).

(10) For instructions on how to process the cases:

- Specialty Exam teams - See IRM 25.23.10.5, Identity Theft Cases with Multiple Specialty Function Involvement
- Specialty AUR and RPM teams - See IRM 25.23.10.7.3.2.1, IDTVA Specialties AUR Technical Research and Initial Handling Procedures

Exhibit 25.23.4-16 (02-04-2020)**ITVA HQ Balance Due Receipts Listing - For Use by IDTVA P&A Only**

(1) The weekly Balance Due Receipts Listing provides accounts information from the CCA 4243 listing to identify receipts new to IDTVA categories and there is a debit module balance. The listings include the following CCA 4243 data columns:

- a. IDRS # - consisting of Location, Group, and Employee columns
- b. Campus
- c. Function
- d. MFMODBALAMOUNT
- e. TIN
- f. MODPER
- g. NAMECTRL
- h. IRSRCDDATE
- i. STATUS
- j. CATEGORY
- k. FREEZECODES
- l. ASSIGNDDATE
- m. ACTIVITYCODE
- n. ACTIONDATE
- o. AgeFromReceivedDate

(2) The report will include separate tabs for IMF and BMF accounts. The listings are in IDRS number order.

(3) These reports are intended to be used to ensure action is taken to suspend collection activity on accounts while the taxpayer's identity theft claim is considered.

(4) ITVA HQ is responsible for providing IDTVA P&A with the Balance Due Receipts Listing weekly. The report will be emailed to the designated contact(s) identified by IDTVA P&A.

(5) IDTVA P&A designated contacts are responsible for distributing the listing to the IDTVA teams.

(6) The assigned employees are required to review the accounts and complete the required action per IRM 25.23.4.12, Collection Activity - Form 13794/14394.

(7) The listings are to be completed by the Friday of the week received. There is no requirement to provide completed listings to ITVA HQ.

Exhibit 25.23.4-17 (02-04-2020)**ITVA HQ Disaster -O Freeze Listing - For Use by IDTVA P&A Only**

(1) The Disaster -O Freeze Listing provides accounts information from the CCA 4243 listing to identify accounts containing Freeze Code -O. The listings include the following CCA 4243 data columns:

- a. IDRS # - consisting of Location, Group, and Employee columns
- b. Campus
- c. Function
- d. TIN
- e. MFT
- f. MODPER
- g. NAMECTRL
- h. IRSRCDDATE
- i. STATUS
- j. CATEGORY
- k. FREEZECODES
- l. ASSIGNDATE
- m. ACTIVITYCODE
- n. ACTIONDATE
- o. AGE
- p. MFMODBALAMOUNT
- q. Weekending

(2) The report will include separate tabs for IMF and BMF accounts. The listings are in IDRS number order.

(3) In addition, during a federal disaster declaration period, a weekly Disaster New Listing will be provided with the Disaster -O Freeze Listing.

(4) These reports are intended to be used to identify taxpayer accounts impacted by federally declared disaster declarations.

(5) ITVA HQ is responsible for providing IDTVA P&A with the Disaster -O Freeze and Disaster New Listings weekly. The report will be emailed to the designated contact(s) identified by IDTVA P&A. If there are no Freeze Code -O accounts, no listing will be issued.

(6) IDTVA P&A designated contacts are responsible for distributing the listing to the IDTVA teams.

(7) The assigned employees are required to review the accounts and complete the required action per IRM 21.5.6.4.30, -O Freeze, and IRM 25.16, Disaster Assistance and Emergency Relief. The Freeze Code -O accounts will be reviewed for determinations and adjustments that will provide the taxpayer relief during the disaster suspense time frame. Adjustments that create or increase debt for the taxpayer will be suspended during the disaster declared time frame.

(8) The listings are to be completed by the Friday of the week received. There is no requirement to provide completed listings to ITVA HQ.

Exhibit 25.23.4-18 (10-01-2022)**ITVA HQ Freeze Code -L Listing - For Use by IDTVA P&A Only**

(1) The -L Freeze Listing provides accounts information from the CCA 4243 listing to identify accounts containing Freeze Code -L. The listings include the following CCA 4243 data columns:

- a. IDRS # - consisting of Location, Group, and Employee columns
- b. Campus
- c. Function
- d. TIN
- e. MFT
- f. MODPER
- g. IRSRCDDATE
- h. CATEGORY
- i. FREEZECODES
- j. ACTIVITYCODE
- k. ACTIONDATE
- l. MFMODBALAMOUNT
- m. ASSIGNDATE
- n. AgeFromAssignedDate

(2) The report includes IMF accounts only. The listings are in IDRS number order.

(3) These reports are intended to be used to identify taxpayer accounts containing Freeze -L indicating open AIMS accounts in Appeals, Campus Exam, Field Exam, or Large Business and International (LB&I) functions. Data from Command Codes (CC) AMDISA, INOLES, IMFOLA, and IMFOLT are populated to the listing. The data is filtered and the AIMS information is coded per the table at the bottom of this page. Other data in the spreadsheet is highlighted to identify accounts with AUR processing codes, prior adjustments with Reason Codes 131 and 139, IRS addresses, deceased taxpayers, and IRS/Federal employee indicators.

(4) ITVA HQ is responsible for providing IDTVA P&A with the -L Freeze Listing weekly. The report will be emailed to the designated contact(s) identified by IDTVA P&A.

(5) IDTVA P&A designated contacts are responsible for distributing the listing to the IDTVA teams.

(6) The assigned employees are required to review the accounts and complete the required action per Exhibit 25.23.4-4, Identity Theft (IDT) Functional Routing and Referral Chart, and Exhibit 25.23.4-5, IDTVA Routing Matrix.

(7) The listings are to be completed by the Friday of the week received. The AgeFromAssignedDate column will identify accounts aged greater than 14 days from the assigned date and still assigned to a non-Specialty Exam team. The IDTVA P&A contact is responsible for providing an update on cases aged greater than 14 days.

(8) Refer to the table below for appropriate actions and IRM references for addressing accounts on the -L Freeze Listing.

PBC	Status	Function	Action	IRM	IDTVA-Exam Action
6XX	8X	Appeals	Reassign to IDI1	Exhibit 25.23.4-5, IDTVA Routing Matrix	Centralized in BSC 11779

Exhibit 25.23.4-18 (Cont. 1) (10-01-2022)**ITVA HQ Freeze Code -L Listing - For Use by IDTVA P&A Only**

PBC	Status	Function	Action	IRM	IDTVA-Exam Action
6XX	90	Appeals	Reassign to IDI1	Exhibit 25.23.4-5, IDTVA Routing Matrix	Centralized in BSC 11779
3XX	Any	LB&I	Route per AIMS/ERCS Contacts	Exhibit 25.23.4-5, IDTVA Routing Matrix	
315	90/TC 30X	LB&I	Route per IRM 25.23.10.7.4.4(2)	IRM 25.23.10.7.4.4, Field Exam Recon- siderations	
295/398	Any	TEFRA/ NON-TEFRA	EGC 54XX/58XX - Reassign to IDI1	Exhibit 25.23.4-5, IDTVA Routing Matrix	
20X	00-09	Field Exam	Continue to work where assigned	Exhibit 25.23.4-5, IDTVA Routing Matrix	
20X	10-5X	Field Exam	Route per AIMS/ERCS Contacts	Exhibit 25.23.4-5, IDTVA Routing Matrix	
20X	60-9X/TC 30X	Field Exam	Reassign to IDI1	Exhibit 25.23.4-5, IDTVA Routing Matrix	
29X	00-08	Campus Exam	Continue to work where assigned	Exhibit 25.23.4-5, IDTVA Routing Matrix	
29X	09-90/TC 30X	Campus Exam	Reassign to IDI1	Exhibit 25.23.4-5, IDTVA Routing Matrix	
29X	24	Campus Exam	Reassign to IDI1	Exhibit 25.23.4-5, IDTVA Routing Matrix	<90 days in ST 24, update to Priority Code 2 and work
19X	00-09	Campus Exam	Continue to work where assigned	Exhibit 25.23.4-5, IDTVA Routing Matrix	
19X	09-90/TC 30X	Campus Exam	Reassign to IDI1	Exhibit 25.23.4-5, IDTVA Routing Matrix	
19X	24	Campus Exam	Reassign to IDI1	Exhibit 25.23.4-5, IDTVA Routing Matrix	<90 days in ST 24, update to Priority Code 2 and work

Exhibit 25.23.4-18 (Cont. 2) (10-01-2022)
ITVA HQ Freeze Code -L Listing - For Use by IDTVA P&A Only

PBC	Status	Function	Action	IRM	IDTVA-Exam Action
---	---		Reassign to IDI1	Exhibit 25.23.4-5, IDTVA Routing Matrix	Review TXMODA and/or IMFOLT for TC 420 information

Exhibit 25.23.4-19 (02-04-2020)**ITVA HQ Freeze Code Z Listing - For Use by IDTVA P&A Only**

(1) The Z Freeze Listing provides accounts information from the CCA 4243 listing to identify accounts containing Freeze Code Z. The listings include the following CCA 4243 data columns:

- a. IDRS # - consisting of Location, Group, and Employee columns
- b. Campus
- c. Function
- d. TIN
- e. MFT
- f. MODPER
- g. IRSRCDDATE
- h. CATEGORY
- i. FREEZE CODES
- j. ACTIVITYCODE
- k. MFMODBALAMOUNT

(2) The report will include separate tabs for IMF and BMF accounts. The listings are in IDRS number order.

(3) These reports are intended to be used to identify taxpayer accounts containing Z Freezes.

(4) ITVA HQ is responsible for providing IDTVA P&A with the Z Freeze listing weekly. The report will be emailed to the designated contact(s) identified by IDTVA P&A. If there are no Freeze Code Z accounts, no listing will be issued.

(5) IDTVA P&A designated contacts are responsible for distributing the listing to the IDTVA teams.

(6) The assigned employees are required to review the accounts and complete the required action per IRM 21.5.6.4.52, -Z Freeze, and Exhibit 25.23.4-4, Identity Theft (IDT) Functional Routing and Referral Chart. Return Preparer Misconduct accounts will be reviewed and action taken per IRM 25.24.2.5.2.2, Criminal Investigation (CI) Involvement.

(7) The listings are to be completed by the Friday of the week received. There is no requirement to provide completed listings to ITVA HQ.

Exhibit 25.23.4-20 (11-23-2021)**TC 971 AC 199 MISC Field Descriptions for Economic Impact Payments (EIPs)**

(1) Refer to the table below for a list of TC 971 AC 199 MISC field descriptions used to identify an EIP computed amount per individual:

Note: Additional miscellaneous fields and their descriptions can be found in IRM 21.6.3-2, TC 971 AC 199 MISC Field Descriptions for Economic Impact Payments (EIPs).

TC 971 AC 199 MISC Field	Description
(1) "nnnnnnnn REB2019"	EIP was computed and issued based on the tax year 2019 return. Note: Currently REB2019 is also present for EIPs that were issued to SSI/VA recipients. A ticket has been submitted to correct these accounts.
(2) "nnnnnnnn REB2018"	EIP was computed and issued based on the tax year 2018 return.
(3) "nnnnnnnn REB1099"	EIP was computed and issued based on a Form SSA-1099 or Form RRB-1099.
(4) "nnnnnnnn REBSSI"	EIP was computed and issued based on the taxpayer being an SSI recipient.
(5) "nnnnnnnn REBVA"	EIP was computed and issued based on the taxpayer being a VA benefit recipient.

(2) Refer to the table below for a list of TC 971 AC 199 MISC field descriptions used to identify SSA/RRB/SSI/VA benefit recipients that are potential candidates to receive an EIP as an auto-payment:

Note: This list may not include all MISC field indicators used for EIP purposes.

TC 971 AC 199 MISC Field	Description
(1) "SSA1099-DSI"	Taxpayer was present on a Form SSA-1099 but was claimed as a dependent on another individual's tax year 2019 return.
(2) "NONFILER-SSA1099"	Taxpayer was present on a Form SSA-1099.
(3) "RRB1099-DSI"	Taxpayer was present on a Form RRB-1099 but was claimed as a dependent on another individual's tax year 2019 return.
(4) "NONFILER-RRB1099"	Taxpayer was present on a Form RRB-1099.
(5) "SSI2019-DSI"	Taxpayer SSN was provided from SSA as an SSI recipient but was claimed as a dependent on another individual's tax year 2019 return.
(6) "NONFILER-SSI2019"	Taxpayer SSN was provided from SSA as an SSI recipient.

Exhibit 25.23.4-20 (Cont. 1) (11-23-2021)**TC 971 AC 199 MISC Field Descriptions for Economic Impact Payments (EIPs)**

TC 971 AC 199 MISC Field	Description
(7) "VA 2019-DSI"	Taxpayer SSN was provided from VA as a VA benefit recipient but was claimed as a dependent on another individual's tax year 2019 return.
(8) "NONFILER-VA 2019"	Taxpayer SSN was provided from VA as a VA benefit recipient.

(3) To prevent taxpayers from receiving duplicate payments, the account will be marked with a TC 971 AC 199 with MISC "XYZ TERRITORY" to identify the filing of a tax return in a territory. This indicator can be seen on the entity (IDRS CC IMFOLE).

Exhibit 25.23.4-21 (06-07-2024)**Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing**

(1) You must consider all items in the Identity Theft (IDT) case processing charts below that apply to your case scenario. Utilizing the tables will assist you in addressing all issues to make the taxpayer whole.

(2) For entity-related instructions, see the table below:

If	And	Then
(1) The TP is deceased,		Update the entity information as applicable. See IRM 21.6.6.2.21.1, Updating the Entity on Decedent Accounts.
(2) The TP's address is incorrect and/or requires updating,	Account information and case documents have been reviewed to identify the appropriate address,	Ensure the address on the CN is updated on CC ENMOD. For more information, refer to IRM 25.23.2.3.7, When to Update the Victim's Address, and IRM 3.13.5.42, Determining National Change of Address (NCOA) Address Changes. When changing an address to a Service Center address, refer to IRM 3.13.5.66, Campus Address Used Only when Taxpayer Address is Unavailable. Do Not use the Service Center's actual street address when you are unable to locate an address for the taxpayer.
(3) The TP's filing status or name line is incorrect,		Update the name line and/or filing status on CC ENMOD, as applicable. For the secondary spouse, if applicable, ensure the name line is updated on Masterfile for the same year or an earlier year.
(4) The secondary spouse,	Secondary spouse has filed married filing jointly,	Input TC 594 CC 084 to satisfy the secondary TIN's filing requirement for the secondary spouse on a MFJ return, as applicable. Refer to IRM 25.23.2.6.5, Closing Identity Theft with Tax Delinquency Inquiries (TDI), for additional guidance. Note: This will ensure a TDI notice is not issued to the secondary taxpayer.
(5) The MFJ IDT return(s) include two taxpayers who are not married,		Input TC 592 to reverse TC 594 CC 084 cross referencing the secondary taxpayer. Note: TC 592 will reverse all TCs 59X on the module. Input of a TC 594 CC 084 cannot be post delayed. If the valid taxpayer is the secondary on a valid MFJ return, monitor the account for one week. After one week, input TC 594 CC 084 to cross reference the correct spouse.

Exhibit 25.23.4-21 (Cont. 1) (06-07-2024)**Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing**

If	And	Then
(6) If the account is affected by refund related and income related IDT,	The IDT issues are for the same tax year,	Use the appropriate identity theft indicator and MISC field for the refund related IDT issue. Do not input multiple indicators for the same tax year. Exception: When an impacted tax year is more than 7 years old, it may be necessary to input multiple indicators for the same tax year. See IRM 25.23.2.6, Closing Identity Theft Issues, and IRM 25.23.2.8, Miscellaneous Identity Theft Indicators, for additional information.
(7) If the account is affected by refund related and income related IDT,	The IDT issues are for different tax years,	Use the appropriate identity theft indicator and MISC field for each impacted year. Do not input multiple indicators for the same tax year. Exception: When an impacted tax year is more than 7 years old, it may be necessary to input multiple indicators for the same tax year. See IRM 25.23.2.6, Closing Identity Theft Issues, and IRM 25.23.2.8, Miscellaneous Identity Theft Indicators, for additional information.

(3) For adjustment-related instructions, see the table below:

If	And	Then
(1) TP A's (CN owner) return is received after the return due date,		Refer to IRM 20.2.4.6, Unprocessable Returns, and IRM 20.2.4.6.1, Updating the RPD on Unprocessable Returns, for additional guidance. Note: This IRM will serve as official guidance for updating the RPD.
(2) The return is for the current or two immediately preceding tax years,		Input a TC 971 AC 850 on the account when the IDT return requested a direct deposit. Include a Post Delay (PD) Code 2 in your adjustment. Note: Input of a TC 971 AC 850 will prevent direct deposit and result in the issuance of a paper refund check to the address shown on the taxpayer's entity module.

Exhibit 25.23.4-21 (Cont. 2) (06-07-2024)**Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing**

If	And	Then
(3) The return is determined to be the result of IDT,		<ul style="list-style-type: none"> • Input the adjustment including RC 139 on the account, as applicable. • Input the appropriate Posting Delay and Hold Codes, as applicable. For additional guidance on Posting Delay Codes, see IRM 21.5.2.4.17, Posting Delay Code (PDC), and IRM 21.5.5.4.2.1, Cycling Transactions, to determine the appropriate number of cycles to delay your actions.
(4) Incorrect information is recorded on CC DUPED,	This is a current year return,	<p>Refer to IRM 21.6.1.7.1, Command Code (CC) DUPED, to correct the data to reflect the valid taxpayer's information, if applicable.</p> <p>Reminder: The incorrect taxpayer's information should be removed from CC DUPED.</p>
(5) Adjusting Premium Tax Credit (PTC) or Shared Responsibility Payment (SRP),		<p>Refer to the following IRMs:</p> <ul style="list-style-type: none"> • IRM 21.6.3.4.2.12.4, Tools for Accessing ACA-Related Taxpayer Data • IRM 21.6.3.4.2.12.7, <i>Adjusting the Account</i>, to ensure the PTC is computed correctly, if applicable. • IRM 21.6.4.4.20.3, Shared Responsibility Payment Overview • IRM 21.6.4.4.20.3.1, Shared Responsibility Payment Adjustments, to determine the taxpayer's liability for the SRP, as applicable. <p>Note: use the appropriate Post Delay and Hold Codes, as applicable.</p>

Exhibit 25.23.4-21 (Cont. 3) (06-07-2024)

Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing

If	And	Then
<p>(6) Recertification indicators are on the taxpayer's account (CCs ENMOD and IMFOLE):</p> <p>RECERT-IND - Displays the indicator used to identify what recertification is required for.</p> <p>CC ENMOD:</p> <ul style="list-style-type: none"> • TXPD> - Identifies the tax year the ban was set. • EL-TXPD> - Identifies the tax year the ban will be lifted. <p>CC IMFOLE:</p> <ul style="list-style-type: none"> • RECRT TXPD> - Identifies the tax year the ban was set. • ELG TXPD> - Identifies the tax year the ban will be lifted. 		<ul style="list-style-type: none"> • Identity theft returns that were audited by Exam can result in the placement of recertification indicators that will negatively impact the valid taxpayer if left unresolved. • Review the account to determine if the credit disallowed was included on a return determined to be invalid. • If the disallowance is related to an IDT return, the recertification indicator must be reversed. This includes cases where the valid taxpayer files a return claiming the same credits for different dependents. Refer to IRM 4.19.14.7, Recertification, for additional guidance. • Use the appropriate Action Code below to reverse the indicator(s): Earned Income Tax Credit (EITC) - Input TC 971 AC 056. Child Tax Credit/Additional Child Tax Credit (CTC/ACTC) - Input TC 971 AC 161. <p>Caution: If the recertification indicator on the account is related to credits disallowed on a return determined to be filed by the CN owner, do not reverse the indicator.</p> <p>Reminder: When there are recertification indicators present as a result of a return filed by the valid taxpayer, recertification requirements must be considered prior to inputting adjustments for tax years that fall within the covered period.</p>

(4) For miscellaneous actions and annotations, see the table below:

If	Then
(1) There are multiple CII cases,	Link all related cases, including cases under the spouse's TIN. After completing all actions, close all related cases except ITAR .
(2) More than one TC 976 return has posted to the module,	Notate on CII "DUP (DLN) (last 6 digits of the DLN xxxxx-x) becomes the original", or similar remarks.

Exhibit 25.23.4-21 (Cont. 4) (06-07-2024)**Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing**

If	Then
(3) Working a streamline case,	Input a CII case note indicating which streamline method was used for processing. There may be some instances when multiple streamline processes apply (i.e., a case that has RIVO involvement but is also a MFJ Scheme case). Consider all actions required for all applicable methods. Refer to IRM 25.23.2.3.4, Required Case and History Notes, and IRM 21.5.1.5.1, CII General Guidelines, for additional requirements.
(4) Both taxpayers on the valid return are affected by IDT,	Ensure all actions are taken to resolve all issues on both the Primary and Secondary TIN, as applicable. Note: If the IDT return filing status is Married Filing Joint (MFJ) or Married Filing Separate (MFS), and the spousal name on CC ENMOD is not the spouse of the Primary taxpayer, correct the filing status and name line on the Primary TIN to remove the incorrect spousal information. Reminder: When the return is filed MFJ, the closing letter must be issued in the names of both taxpayers.
(5) A fraudulent or compromised POA is involved,	Refer to IRM 21.3.7.5.5.3, How to Report a Compromised or Potentially Compromised CAF Number.
(6) The taxpayer's statement indicates someone else changed information using the Child Tax Credit Update Portal (CTCUP),	EIP and/or Advanced Child Tax Credit (AdvCTC) may be impacted. Refer to IRM 25.23.4.21, American Rescue Plan Act (ARPA), and its subsections to determine impact and appropriate account actions.

(5) For refund-related issues, see the table below:

If	Then
(1) An erroneous refund was issued to the SSN owner,	Refer to IRM 21.4.5.6.1, Account Actions for Category D Erroneous Refunds, for additional information.
(2) An erroneous levy payment posted,	Refer to IRM 25.23.10.7.2.6.5, Identity Theft and Disposition of Levy Proceeds, for additional guidance.
(3) An FMS TOP Offset occurred,	Refer to IRM 25.23.4.10.10.2, Identity Theft with TOP Offsets.

Exhibit 25.23.4-21 (Cont. 5) (06-07-2024)

Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing

If	Then
(4) A refund is due,	<p>Allow the refund to be released systemically, unless an exception applies. See IRM 25.23.4.10.17, Identity Theft (IDT) - Manual Refunds, for situations that require a manual refund. When it is necessary to issue a manual refund, include Hold Code (HC) 4 in the adjustment. When the valid return meets DIF score criteria, issue the manual refund <i>before</i> sending the return to be DIF scored.</p> <p>Reminder: Adhere to the following adjustment considerations, as appropriate:</p> <ul style="list-style-type: none"> • HC 4 is to be used for any account condition requiring the credit to be held (e.g., a missing signature on the valid return). • Include Priority Code (PC) 1 in the adjustment when sending the return for DIF scoring. • See IRM 21.4.4.5, Preparation of Manual Refund Forms, for additional guidance on issuing a manual refund. After closing your CII case, open a monitor control base with the Category Code MISC to monitor for the posting of TC 840, as required. • Additional general information can be found in IRM 21.5.2.4.19, Verifying Complete Adjustments.
(5) There is a lost refund,	<p>Input TC 470 when the CN owner will not have a balance owed as a result of the actions taken to resolve the IDT issue. For streamline cases, see IRM 25.25.4.7, Reversing Identity Theft Lost Refunds, for specific guidance.</p> <p>Note: Because of the ramp down of Fresno Submission Processing, effective October 1, 2020, Kansas City now handles refund reversals for refunds that originated at Andover or Fresno. Do not input CC IDT48/IDT58 for Fresno.</p>

(6) For balance due issues, see the table below:

Exhibit 25.23.4-21 (Cont. 6) (06-07-2024)

Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing

If	And	Then
(1) TP A (valid return) has a balance due,	The return was filed and/or balance due was paid late,	<p>Refer to the following IRMs:</p> <ul style="list-style-type: none"> IRM 20.1.2, Failure to File/Failure to Pay Penalties IRM 20.1.3.2.2, Manual Penalty Adjustments IRM 20.1.2.2.6.3, Wrong Return Posted First <p>If any portion of the balance owed was paid late, the Failure to Pay penalty (FTP) can be computed systemically. If the return was filed late, manual computation of the Failure to File penalty (FTF) is required. Before assessing the FTF penalty, see the exception below.</p> <p>Exception: Do not assess the FTF penalty if the taxpayer filed a valid Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return, and the return was filed by the extended due date. For 2015 and earlier years, a TC 460 was deleted during the normal weekly update (which can take up to 3 cycles). If the TC 150 was already posted to the account, the valid taxpayer may be incorrectly assessed a FTF penalty if they filed a balance due return. If TC 460 is not showing on IDRS, the following may be indicators an extension was filed:</p> <ul style="list-style-type: none"> There is a TC 670 payment with the April 15 date. Check Remittance Transaction Research (RTR) system to see if there is a Form 4868 that was filed with the payment. The valid taxpayer's return (generally the TC 976) is filed on or near October 15 (extension due date). The return information was transcribed on CC TRDBV. It may show the Form 4868 was filed. <p>Reminder: When the valid return is MFJ, the necessary research to determine if an extension was filed must be completed for both taxpayers.</p>

Exhibit 25.23.4-21 (Cont. 7) (06-07-2024)

Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing

If	And	Then
(2) The overpayment from an invalid return was applied to a valid balance due,	Reinstatement of an Installment Agreement (IA) is required,	<ul style="list-style-type: none"> Prepare Form 4442, Inquiry Referral, and transmit the information via EEFax to the CSCO Operation within 24 hours. Refer to <i>Service Center Addresses for Collection Operations</i> to locate the appropriate EEFax. See paragraph (8) of IRM 5.19.1.6. 4.13.1, DDIA - Form 433-D, Installment Agreement, and Form 9465, Installment Agreement Request, for additional information. When corresponding with the taxpayer, inform them the overpayment applied to their balance due was removed, and they will receive a separate notice explaining the changes and amount they owe.
(3) The overpayment from an invalid return was applied to a valid balance due,	Reinstatement of a Currently Not Collectable (CNC) is required,	<ul style="list-style-type: none"> If the previous CNC determination is no more than 12 months old, and the total assessed balance due plus total liabilities related to the unassessed return is less than \$25,000, the new account may be reported CNC without further investigation, see IRM 5.19.17.2.8, Cases Reported CNC Based on Prior CNC. Note: If the CNC module does not meet the criteria above, contact <i>ITVA CSCO Headquarters Analyst</i> for instructions on how to proceed with the case by emailing a completed Form 4442, Inquiry Referral. When corresponding with the taxpayer, inform them the overpayment applied to their balance due was removed, and they will receive a separate notice explaining the changes and amount they owe.
(4) The overpayment from an invalid return was applied to a valid balance due,	Reinstatement of an Offer In Compromise (OIC) is required,	<ul style="list-style-type: none"> Prepare Form 4442, Inquiry Referral, requesting the reinstatement, and transmit the information to <i>*SBSE Coll Policy OIC</i> via EEFax. When corresponding with the taxpayer, inform them the overpayment applied to their balance due was removed, and they will receive a separate notice explaining the changes and amount they owe.
(5) The tax module reflects a balance owed in notice status,	A CN ownership determination has not been made.	Input TC 470 CC 90 to prevent balance due notices from generating while the taxpayer's case is open.

Exhibit 25.23.4-21 (Cont. 8) (06-07-2024)**Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing**

If	And	Then
(6) TC 470 CC 90 was input,	The valid taxpayer will have a balance owed.	Input TC 472 to reverse the TC 470 CC 90.
(7) The tax module reflects a balance owed in collection status,		Refer to IRM 25.23.4.12, Collection Activity - Form 14394/13794.
(8) The valid taxpayer's return is not the TC 150 and requests a credit elect,	The year the credit elect is to be applied to reflects a balance due that will be full paid once the credit elect is applied,	Input TC 470 CC 94 to prevent balance due notices, offset to the module, and collection activity.
(9) The valid taxpayer's return is not the TC 150 and requests a credit elect,	The year the credit elect is to be applied to reflects a balance due that will not be fully resolved once the credit elect is applied,	Input TC 470 CC 94 to prevent balance due notices, offsets to the module, and collection activity. Once the case has been resolved, input TC 472 CC 94 to resume normal balance due activity.

(7) After completing the actions above, your case may need to be referred outside of your functional area. Refer to the chart below:

If	And	Then
(1) The TC 976/977 return bypassed Discriminant Index Function (DIF),		<p>Forward to Examination for DIF scoring. Also input a Priority Code 1 on the adjustment. Use local procedures to refer the case.</p> <p>Note: The return should only be sent if it meets any of the criteria in IRM 21.5.2.4.23.6, Discriminant Index Function (DIF) SCORE or CLASSIFICATION "Send Return(s) to Examination for Review". DO NOT refer Form 1040EZ.</p> <p>Caution: All adjustment actions must be input prior to referring the case to Exam.</p>

Exhibit 25.23.4-21 (Cont. 9) (06-07-2024)**Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing**

If	And	Then
(2) Form 8379, Injured Spouse Allocation, was attached to the case,	You do not have the skill set to resolve the case,	<p>Open a new CII case with Category Code "DMFC". Assign the case to the IDRS number located on the <i>Accounts Management Site Specialization Temporary Holding Numbers</i> listing located on SERP. For the required fields, input the Doc Type as "Injured Spouse Claim", use Program and Function Code "ADJ-710-97140," "Priority 2" and reason "Form 8379 attached".</p> <p>Reminder: If your site works both IDT case work and injured spouse case work, do not reassign the case. The case should be retained and worked within your site.</p>

(8) See the chart below to determine the final closing actions and letter requirements required for your case:

Note: The CII capture function must be used when sending a letter as part of IDT case resolution. Refer to IRM 21.5.1.5.1, CII General Guidelines, for additional information.

If	And	Then
<p>(1) Closing the case as IDT1/ IDT8,</p> <p>Note: This includes IDT1 cases originally established as IDT3 cases in error (identified by PC 3) even when the Form 14039 is not in the CII images.</p>	TP identified (Form 14039 or similar statement submitted with return),	<p>Input the correct tax administration code TC 971 AC 501. See IRM 25.23.2.6.1, Closing Taxpayer Initiated Identity Theft Affecting Tax Administration - TC 971 AC 501, and IRM 25.23.2.6.1.1, Systemic Actions Taken After TC 971 AC 501 Placed on Account.</p> <p>Note: The indicator should be placed on all affected IDT tax years identified by the taxpayer.</p>
(2) Closing the case as IDT3/ IDT8,	IRS identified,	<p>Input the correct tax administration code TC 971 AC 506. See IRM 25.23.2.6.3, Closing IRS Determined Identity Theft Affecting Tax Administration - TC 971 AC 506.</p> <p>Note: The indicator should be placed on all affected IDT tax years not identified by the taxpayer.</p>

Exhibit 25.23.4-21 (Cont. 10) (06-07-2024)**Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing**

If	And	Then
(3) Closing the case when TP B (invalid return not meeting nullity criteria) was assigned an IRSN,		<p>Adhere to the following:</p> <ul style="list-style-type: none">• Do not input a TC 971 AC 501/506 on an IRSN.• If you are resequencing an account, reestablish the SSN. Reinput the appropriate TC 971 AC 501/506 on the SSN.• If TC 971 AC 501/506 are placed on an IRSN entity, the transactions must be reversed with a TC 972 AC 501/506 using "IRSERR" as part of the MISC field. See IRM 25.23.2.6.2, Manually Reversing TC 971 AC 501, and IRM 25.23.2.6.4, Manually Reversing TC 971 AC 506, for additional information.

Exhibit 25.23.4-21 (Cont. 11) (06-07-2024)

Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing

If	And	Then
(4) Closing the case as IDT1/ IDT3/IDT8,	<p>The following incident numbers are present:</p> <ul style="list-style-type: none"> • IR20150521512 • IR20150521555 • IR20150521556 • IR20160127510 • IR20160127513 • IR20160614508 • CR20170421067 • LR20170421067 	<ul style="list-style-type: none"> • Determine if a tax administration code should be placed on the IDT victim's account. • If a TC 971 AC 505 is present on the account, source "WI AM OTHER" must be used when inputting TC 971 AC 506 in addition to other required actions. Refer to IRM 25.23.2.10, Get Transcript Breach, IRM 25.23.2.11, Get an Electronic Filing PIN Incident, and IRM 25.23.2.13, Breach Numbers CR20170421067 and LR20170421067, for additional guidance. • If a TC 971 AC 527 is present, refer to IRM 25.23.2.8.6, Disabled Online Accounts TC 971 AC 527, IRM 25.23.2.8.6.1, Treatment of Disabled Accounts for IP PIN, and IRM 25.23.2.8.6.1.1, Resolving Tax-Related Accounts with TC 971 AC 527, for additional guidance.

Exhibit 25.23.4-21 (Cont. 12) (06-07-2024)

Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing

If	And	Then
(5) Closing the case as IDT4,	<p>The following incident numbers are present:</p> <ul style="list-style-type: none"> • IR20150521512 • IR20150521555 • IR20150521556 • IR20160127510 • IR20160127513 • IR20160614508 • CR20170421067 • LR20170421067 	<ul style="list-style-type: none"> • Determine if a tax administration code should be placed on the IDT victim's account. • If a TC 971 AC 505 is present on the account, source "WI AM OTHER" must be used when inputting TC 971 AC 506 in addition to other required actions. Refer to IRM 25.23.2.10, Get Transcript Breach, IRM 25.23.2.11, Get an Electronic Filing PIN Incident, and IRM 25.23.2.13, Breach Numbers CR20170421067 and LR20170421067, for additional guidance. • If a TC 971 AC 527 is present, refer to IRM 25.23.2.8.6, Disabled Online Accounts TC 971 AC 527, IRM 25.23.2.8.6.1, Treatment of Disabled Accounts for IP PIN, and IRM 25.23.2.8.6.1.2, Resolving Non-Tax-Related Accounts with TC 971 AC 527, for additional guidance.
(6) If Form 14039 was received,	The account reflects at least one rejected invalid return <u>and</u> no invalid returns have been accepted,	See IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases.
(7) A determination of identity theft is made (tax related or non-tax-related),	The taxpayer has indicated they did not receive unemployment benefits,	A closing letter must be sent. See IRM 25.23.3.2.3, Self-Identified - Non-Tax-Related Identity Theft - IDT4, for additional information. When at least one of the issues is tax related, send Letter 4674C instead of Letter 4402C. Include an open paragraph for the required narrative.

Exhibit 25.23.4-21 (Cont. 13) (06-07-2024)

Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing

If	And	Then
(8) A No IDT determination was made,		<ul style="list-style-type: none"> Input TC 972 AC 522 with MISC "NOIDT" when the case is taxpayer identified. Refer to IRM 25.23.2.6.6, Reversing Unsupported Allegations of Identity Theft, for specific information. Input TC 972 AC 522 with MISC "IRSERR" when the case is IRS identified. Refer to IRM 25.23.2.4.5, IRS Initiated Suspicion of Identity Theft - TC 971 AC 522 IRSID, for specific information.
(9) All actions have been completed and closing codes input,		Send the TP an IDT closing letter. Refer to Exhibit 25.23.4-10, Identity Theft (IDT) Closing Letter Decision Chart.
(10) Closing the case as previous action,		Review CII case notes and/or IDRS to determine if an interim letter was issued to the taxpayer before the case was moved to IDT inventory. Then follow procedures in IRM 25.23.4.10.13 , Identity Theft (IDT) - Previous Action.
(11) Reversing an existing IDT indicator,	The secondary date is for a tax year that is more than 7 years old,	<p>Prepare and email Form 4442 using the subject line: Reverse IDT Indicator (or similar) to <i>ITVA HQ</i>. Document all research completed in a CII case note and/or on Form 4442. Attach Form 4442 to your CII case. Do not suspend your case.</p> <p>Note: Follow procedures in IRM 25.23.2.3.8.1, Command Code REQ77 Secondary Date and Old Case Year Issue, if placing a new IDT indicator for a year earlier than the oldest allowable year.</p>

Exhibit 25.23.4-22 (10-01-2023)**Establishing or Updating Entities for Dependents**

(1) Research IDRS Command Code (CC) DDBKD to identify the dependent's custodial parent. If custodial parent information is not available, determine if the name and TIN for at least one parent is present.

Note: When the dependent is assigned an Individual Taxpayer Identification Number (ITIN), ITIN RTS must be researched when CC DDBKD does not reflect parent information.

Note: If parent information is not available, refer to paragraph (2) Taxpayer Identified Table Scenario (9) or IRS Identified Table Scenario (7) below.

(2) Research the filing history for each parent identified. Refer to the tables below for necessary research and account actions:

Note: In the table below an address update refers to changes that have already been input and returns or requests that include an address update that have not yet been worked.

Taxpayer Identified

If	And	Then
(1) The case is taxpayer identified and information is available for the: Custodial parent OR Parent(s) (when custody is not specified)	<ul style="list-style-type: none"> The custodial parent (or verified parent when custody is not specified) filed the claim and has filed a tax return (or amended their original return) for the current processing year claiming the dependent in question, and The address on the Form 14039, police report, or correspondence matches the address on the return, 	<ul style="list-style-type: none"> Establish or update the dependent's entity with the address provided in the case documents. Exception: When the reporting parent has had an address update since submitting the claim, use the most current address of the reporting parent when establishing or updating the entity.

Exhibit 25.23.4-22 (Cont. 1) (10-01-2023)

Establishing or Updating Entities for Dependents

If	And	Then
<p>(2) The case is taxpayer identified and information is available for the:</p> <p>Custodial Parent</p> <p>OR</p> <p>Parent(s) (when custody is not specified)</p>	<ul style="list-style-type: none"> The case is being worked on October 31 or earlier, and a tax return for the current processing year has not been received, and The custodial parent (or verified parent when custody is not specified) has filed a tax return (or amended their original return) for the immediately preceding tax year claiming the dependent in question, and The address on the Form 14039, police report, or correspondence matches the address on the return, <p>Exception: When the reporting parent has had an address update since submitting the claim, the address on the Form 14039 may not match the address on the most recent return. If the address has been updated since the claim was received, compare the address on the claim to the reporting parent's filing history to determine if there is a historical match. If there is a historical match, follow procedures in the Then column. If there is not a historical match, this scenario is not met.</p>	<ul style="list-style-type: none"> Establish or update the dependent's entity with the address provided in the case documents. <p>Exception: When the reporting parent has had an address update since submitting the claim, use the most current address of the reporting parent when establishing or updating the entity.</p>

Exhibit 25.23.4-22 (Cont. 2) (10-01-2023)

Establishing or Updating Entities for Dependents

If	And	Then
<p>(3) The case is taxpayer identified and information is available for the:</p> <p>Custodial Parent</p> <p>OR</p> <p>Parent(s) (when custody is not specified)</p>	<ul style="list-style-type: none"> Table Scenarios (1) and (2) do not apply, and The custodial or verified parent's (when custody is not specified) most recent address matches the address on the Form 14039, police report, or correspondence, unless there has been an address update meeting the exception in table scenario (2) above, and An AMS history item indicates the parent has called and passed disclosure within the last year (from date the case is being worked), <p>Exception: An AMS history item indicating disclosure was passed is not required if the most recent address can be matched with other account information available through research (i.e., income document on IRPTR, etc.).</p>	<ul style="list-style-type: none"> Establish or update the dependent's entity with the address provided in the case documents. <p>Exception: When the reporting parent has had an address update since submitting the claim, use the most current address of the reporting parent when establishing or updating the entity.</p>
<p>(4) The case is taxpayer identified and information is available for the:</p> <p>Custodial parent</p> <p>OR</p> <p>Parent(s) (when custody is not specified)</p>	<ul style="list-style-type: none"> The dependent was claimed by both parents, and There is one reporting parent who meets requirements in Table Scenario (1), (2), or (3) above, 	<ul style="list-style-type: none"> Establish or update the dependent's entity with the address provided in the case documents. <p>Exception: When the reporting parent has had an address update since submitting the claim, use the most current address of the reporting parent when establishing or updating the entity.</p>

Exhibit 25.23.4-22 (Cont. 3) (10-01-2023)

Establishing or Updating Entities for Dependents

If	And	Then
<p>(5) The case is taxpayer identified and information is available for the:</p> <p>Custodial parent</p>	<ul style="list-style-type: none"> The dependent was claimed by both parents, and Both parents reported the IDT and meet requirements in Table Scenario (1), (2), or (3) above, 	<ul style="list-style-type: none"> Establish or update the dependent's entity with the address provided in the case documents submitted by the custodial parent. <p>Exception: When the other parent provided documentation showing they are now the current custodial parent, see Table Scenario (6) below.</p> <p>Exception: When the reporting parent has had an address update since submitting the claim, use the most current address of the reporting parent when establishing or updating the entity.</p>
<p>(6) The case is taxpayer identified and information is available for the:</p> <p>Parent(s) (when custody is not specified)</p>	<ul style="list-style-type: none"> The dependent was claimed by both parents, and Both parents reported the IDT and meet requirements in Table Scenario (1), (2), or (3) above, 	<ul style="list-style-type: none"> Establish or update the dependent's entity with the address provided in the case documents of the case with the earliest IRS received date. <p>Exception: When the other parent provided documentation showing they are now the current custodial parent, use the address for that case even if it does not have the earliest IRS received date.</p> <p>Exception: When the reporting parent has had an address update since submitting the claim, use the most current address of the reporting parent when establishing or updating the entity.</p>

Exhibit 25.23.4-22 (Cont. 4) (10-01-2023)**Establishing or Updating Entities for Dependents**

If	And	Then
<p>(7) The case is taxpayer identified and information is available for the:</p> <p>Custodial parent</p>	<ul style="list-style-type: none"> • The dependent was claimed by both parents, and • Neither parent meets requirements in Table Scenarios (1), (2), or (3) above, 	<ul style="list-style-type: none"> • Establish or update the dependent's entity with the address provided in the case documents submitted by the custodial parent if the address on the Form 14039, police report, or correspondence matches the parent's most recent address. <p>Exception: When the other parent provided documentation showing they are now the current custodial parent, see Table Scenario (8) below.</p> <p>Exception: When the reporting parent has had an address update since submitting the claim, use the most current address of the reporting parent when establishing or updating the entity.</p>

Exhibit 25.23.4-22 (Cont. 5) (10-01-2023)

Establishing or Updating Entities for Dependents

If	And	Then
<p>(8) The case is taxpayer identified and information is available for the:</p> <p>Parent(s) (when custody is not specified)</p>	<ul style="list-style-type: none"> The dependent was claimed by both parents, and Neither parent meets requirements in Table Scenarios (1), (2), or (3) above, 	<ul style="list-style-type: none"> Establish or update the dependent's entity with the address provided in the case documents of the case with the earliest IRS received date if the address on the Form 14039, police report, or correspondence matches the parent's most recent address. <p>Exception: When the other parent provided documentation showing they are now the current custodial parent, use the address for that case even if it does not have the earliest IRS received date.</p> <p>Exception: When the reporting parent has had an address update since submitting the claim, use the most current address of the reporting parent when establishing or updating the entity.</p>
(9) The case is taxpayer identified	<ul style="list-style-type: none"> Parent information is not available, 	<ul style="list-style-type: none"> Establish or update the dependent's entity with an IRS Service Center address.
(10) The case is taxpayer identified	<ul style="list-style-type: none"> The dependent is now 18 and has filed a tax return as the primary or secondary taxpayer, and Proof of legal guardianship was not provided by the reporting parent, 	<ul style="list-style-type: none"> Do not update the dependent's address.

IRS Identified

Exhibit 25.23.4-22 (Cont. 6) (10-01-2023)**Establishing or Updating Entities for Dependents**

If	And	Then
<p>(1) The case is IRS identified and information is available for the:</p> <p>Custodial parent</p> <p>OR</p> <p>Parent(s) (when custody is not specified)</p>	<ul style="list-style-type: none"> One parent has filed a tax return (or amended their original return) for the current processing year claiming the dependent in question, 	<ul style="list-style-type: none"> Establish or update the dependent's entity with the address on the parent's tax return. <p>Exception: When the parent has had an address update since filing or amending their return, use the most current address of the parent when establishing or updating the entity.</p>
<p>(2) The case is IRS identified and information is available for the:</p> <p>Custodial parent</p> <p>OR</p> <p>Parent(s) (when custody is not specified)</p>	<ul style="list-style-type: none"> The case is being worked on October 31 or earlier, and a tax return for the current processing year has not been received, and One parent has filed a tax return (or amended their original return) for the immediately preceding tax year claiming the dependent in question, 	<ul style="list-style-type: none"> Establish or update the dependent's entity with the address on the parent's tax return. <p>Exception: When the parent has had an address update since filing or amending their return, use the most current address of the parent when establishing or updating the entity.</p>

Exhibit 25.23.4-22 (Cont. 7) (10-01-2023)

Establishing or Updating Entities for Dependents

If	And	Then
<p>(3) The case is IRS identified and information is available for the:</p> <p>Custodial parent</p> <p>OR</p> <p>Parent(s) (when custody is not specified)</p>	<ul style="list-style-type: none"> Table Scenarios (1) and (2) do not apply, and An AMS history item indicates one parent has called and passed disclosure within the last year (from date the case is being worked), <p>Exception: An AMS history item indicating disclosure was passed is not required if the most recent address can be matched with other account information available through research (i.e., income document on IRPTR, etc.).</p>	<ul style="list-style-type: none"> Establish or update the dependent's entity with the address on the parent's entity. <p>Exception: When the parent has had an address update since filing or amending their return, use the most current address of the parent when establishing or updating the entity.</p>
<p>(4) The case is IRS identified and information is available for the:</p> <p>Custodial parent</p>	<ul style="list-style-type: none"> Both parents meet criteria in Table Scenarios (1), (2), or (3), 	<ul style="list-style-type: none"> Establish or update the dependent's entity with the address of the custodial parent. <p>Exception: If there is documentation showing the other parent is now the custodial parent, see Table Scenario (5) below.</p> <p>Exception: When the parent has had an address update since filing or amending their return, use the most current address of the parent when establishing or updating the entity.</p>

Exhibit 25.23.4-22 (Cont. 8) (10-01-2023)**Establishing or Updating Entities for Dependents**

If	And	Then
<p>(5) The case is IRS identified and information is available for the:</p> <p>Parent(s) (when custody is not specified)</p>	<ul style="list-style-type: none"> Both parents meet criteria in Table Scenarios (1), (2), or (3), 	<ul style="list-style-type: none"> When custody cannot be determined, establish or update the dependent's entity using the current address of parent who filed the earliest tax return received for the current processing year. If the case is being worked on October 31 or earlier, and a tax return for the current processing year has not been received, use the current address of the parent who filed the earliest tax return received for the immediately preceding tax year. <p>Exception: When the parent has had an address update since filing or amending their return, use the most current address of the parent when establishing or updating the entity.</p>
<p>(6) The case is IRS identified and information is available for the:</p> <p>Custodial parent</p> <p>OR</p> <p>Parent(s) (when custody is not specified)</p>	<ul style="list-style-type: none"> Neither parent meets criteria in Table Scenarios (1), (2), or (3), 	<ul style="list-style-type: none"> Establish or update the dependent's entity with an IRS Service Center address.
<p>(7) The case is IRS identified</p>	<ul style="list-style-type: none"> Parent information is not available, 	<ul style="list-style-type: none"> Establish or update the dependent's entity with an IRS Service Center address.

(3) For cases that do not meet any scenario in the tables above, prepare and email Form 4442 using the subject line: Dependent - Determining Address (or similar) to *ITVA HQ*. Document all research completed in a CII case note and/or on Form 4442. Attach Form 4442 to your CII case. Suspend the case awaiting a response from ITVA HQ. Upon receipt, the account will be researched. A response on how to address the account will be received within 7 business days.

Exhibit 25.23.4-23 (03-16-2023)
Complex Case Scenarios

(1) Refer to the scenarios below for examples of complex case scenarios requiring multiple treatment streams to fully resolve the account.

Example 1: MXEN with Income Related IDT**Scenario:**

Mary Greenwood files Form 14039 reporting they are a victim of identity theft. Mary states someone is working under their social security number at a company called A-Z Corp and that they are unable to file their 2021 tax return electronically. Mary includes a paper return which posted as the TC 976.

Research:

- The CN is XXX-XX-ABCD.
- TC 150 return was timely filed on 4/18/2022 with the name Martin Greer and an address in Dallas, TX.
- TC 976 return was received on 10/5/2022 with the name Mary Greenwood and an address in Dallas, TX.
- IDRS filing history shows this is the first year Martin Greer has used the CN.
- CC INOLES is researched, and it is determined the CN belongs to Mary Greenwood.
- CC NAMES is researched, and it is determined Martin Greer's correct SSN is XXX-XX-ABDC.
- CC IRPTR is researched, and 1099-NEC income from A-Z Corp is found. The name associated with the income is Terry Howard.
- CC TXMOD is researched, and there are no additional assessments on the module.

Determination:

MXEN and income related IDT not affecting tax administration.

Resolution:

The existing CII case will be worked as income related IDT. A separate case will be created to address the MXEN.

Example 2: No IDT and MXEN**Scenario:**

Miles Brown files Form 14039 stating they believe someone may be using their Social Security Number. Miles attempted to use the non-filer tool for 2019 but learned someone else already filed a tax return in their name.

Research:

- The CN is XXX-XX-TUVW.
- TC 150 return was timely filed on 7/15/2020 with the name Mike Brown and an address in San Francisco, CA.
- IDRS filing history shows Mike Brown has filed tax returns under the CN for tax years 2015-2019. Mike Brown's filing history is consistent with address, dependents, type of income, direct deposit information, and tax preparer. No one else has filed a tax return under the CN.
- CC INOLES is researched, and it is determined the CN belongs to Miles Brown.
- CC NAMES is researched, and it is determined Mike Brown's correct SSN is XXX-XX-TVVW.

Determination:

Exhibit 25.23.4-23 (Cont. 1) (03-16-2023)**Complex Case Scenarios**

MXEN. Miles Brown is not a victim of identity theft. Mike Brown has been using the CN in error. This is likely due to a typographical error when the tax preparer filed their 2015 return.

Resolution:

The existing CII case will be worked as No IDT. A separate case will be created to address the MXEN and merge Mike Brown's information to the correct SSN.

Example 3: IRSN and MXEN**Scenario:**

Austin Rivers, Jr. files Form 14039 stating they could not file their 2021 tax return electronically, because someone already filed a tax return in their name. This is the first time filing a tax return.

Research:

- The CN is XXX-XX-ABAB.
- TC 150 return was timely filed on 4/18/2022 with the name Austin Rivers, verifiable wages of \$32,461, and an address in Miami, FL.
- TC 976 return was filed on 5/16/2022 with the name Austin Rivers, self-employment income of \$86,427, and an address in Seattle, WA.
- TC 976 return was filed on 5/25/2022 with the name Austin Rivers, Jr., verifiable wages of \$5,683, and an address in Seattle, WA.
- Researching the account shows the address is the same for both TC 976 returns.
- IDRS filing history shows this is the first tax year with tax returns.
- CC INOLES is researched, and it is determined the CN belongs to Austin Rivers, Jr. who is now 20 years old.
- CC DDBKD is researched, and it is found Austin Rivers, Jr. has been claimed as a dependent by Austin Rivers, Sr. for the two previous years.
- Research of the TIN identified for Austin Rivers, Sr. shows this is the only tax year without a tax return. The TC 976 return reporting self-employment income is consistent with Austin's filing history.

Determination:

Invalid TC 150. MXEN for first TC 976. Valid taxpayer's return posted as second TC 976.

Resolution:

The existing CII case will be worked as IDT moving the invalid TC 150 return to an IRSN and adjusting the account to the valid TC 976 return. A separate case will be created to resolve the MXEN by moving the first TC 976 return to the father's correct SSN.

Example 4: IRSN and Dependent Related IDT**Scenario:**

Bethany Marsh files Form 14039 stating they could not file their 2021 tax return electronically, because someone already filed a tax return in their name. Bethany includes a paper return which posts as a TC 976.

Research:

- The CN is XXX-XX-JKLM.

Exhibit 25.23.4-23 (Cont. 2) (03-16-2023)**Complex Case Scenarios**

- TC 150 return was timely filed on 4/18/2022 and includes verifiable wages and withholding. The return also includes 3 dependents, dependent-related credits, RRC, and direct deposit information. A math error was set during original processing .
- TC 976 return was timely filed and includes self-employment income, the same 3 dependents, dependent-related credits, and direct deposit information.
- Researching the account shows the TC 976 return is consistent with the taxpayer's filing history, and the TC 150 return is not.

Determination:

Invalid TC 150. Valid TC 976. Dependent related IDT for all dependents claimed on the invalid return.

Resolution:

The existing CII case will be worked as IDT moving the invalid TC 150 return to an IRSN and adjusting the account to the valid TC 976 return figures. A separate case will be created for each dependent to resolve the dependent related IDT.

Exhibit 25.23.4-24 (03-16-2023)**IDTVA Statute Clearing**

(1) Due to the nature of identity theft cases, statutes must be prioritized throughout the year. To prevent barred assessments, IDTVA will ensure inventory is statute cleared on a quarterly basis.

(2) IDTVA employees are responsible for statute clearing and addressing statute imminent cases in their assigned inventory. Refer to IRM 25.23.4.9, Statute Processing Considerations, for additional information.

(3) IDTVA P&A is responsible for:

- Utilizing the quarterly statutes listing provided by ITVA to identify statute year cases in the unassigned inventory that must be statute cleared.
- Monitoring the holding number for cases previously statute cleared to identify cases that are statute imminent.

Note: A case is statute imminent if the ASED expires in 180 days or less.

(4) Update statute year cases to the appropriate priority code. See IRM 25.23.4.3.5, Priority Codes for IDTVA CII Cases, for additional information.

(5) Statute year cases from the unassigned inventory will be statute cleared using the following process:

Step	Action
1	Move statute year cases from the unassigned inventory to the designated holding number.
2	IDTVA P&A: Distribute statute year cases to designated individuals for statute clearing purposes.
3	IDTVA Statute Clearing Employee: Determine if there is an assessment that is imminent (must be made within 180 days). Yes - Go to Step 4. No - Go to Step 5.
4	IDTVA Statute Clearing Employee: Retain the case to work as a priority. Update the priority code, if necessary.
5	IDTVA Statute Clearing Employee: Reassign the case to the designated holding number for statute cleared cases. Go to Step 6.
6	Update the control base activity with the valid ASED in a MMDDYYYY format.

(6) IDTVA P&A: Distribute statute imminent cases in the holding number for cases previously statute cleared to be worked as a priority.