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[Third Party Communication:

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From: [REDACTED]

Sent: Monday, April 11, 2022 9:05:36 AM

To: [REDACTED]

Cc: [REDACTED]

Bcc:

Subject: RE: Forwarded assignment: Interest Abatement Project

Good morning ,

As we understand it, you have raised an issue of whether the time it takes the IRS to determine whether an abatement of interest is appropriate has a direct correlation on whether the overpayment is barred in whole or in part. In other words, how to determine the 2-year lookback limitation.

In the case of a taxpayer who has not filed a claim for refund, IRC 6511(b)(2)(C) provides the answer. If no claim is filed, the amount allowed is determined based on the date the credit or refund is allowed. Since there was no return filed, the lookback period is two years from the date the credit or refund is allowed. Therefore, the date you determine as the date the credit or refund is allowed will determine what the lookback period for the interest payments encompasses. The date on which the Secretary first authorizes the scheduling of an overassessment in respect of any internal revenue tax shall be considered as the date of allowance of refund or credit in respect of such tax. IRC 6407. Treas. Reg. 301.6407-1 clarifies that this is the date on which the district director or the director of the regional service center, or an authorized certifying officer designated by either of them, first certifies the allowance of an overassessment in respect of any internal revenue tax. This means, practically, the lookback period is two years from the date on the taxpayer's account showing the date the certifying officer scheduled the overassessment relating to the abatement of interest. See Rev. Rul. 2001-40.

In the case of a taxpayer who has filed a claim for refund, IRC 6511(b)(2)(B) provides the answer. The amount of credit or refund is limited by the portion of the payments made in the two years preceding the filing of the claim. The speed at which the IRS processes the claim does not determine whether an overpayment is barred.