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Write a consultant report format

Proposals are documents used by consultants to make their recommendations for the implementation of a project. The document may respond to a formal request for a proposal from a government agency or a large organization, or it may summarize the consultant's recommendations after a client briefing. It is also a marketing document that aims to distinguish the consultant and convince the client to choose proposals from the consultant, not the offers of competitors. About an author based in the UK, Ian Linton has been a professional writer since the 1990s. His articles on marketing, technology and distance running have appeared in magazines such as *Marketing* and *Runner's World*. Linton is also the author of more than 20 published books and a copywriter for global companies. He earned a bachelor's degree in history and economics from Bristol University. An example of writing a report is to take into account the correct introduction before the authority and to write a proposal at the end of the report. The writer should aim to forward messages as quickly as possible on the first few lines. Therefore, the author should use numbers and bullets to quickly direct the reader to the message. Additionally, the report should have large spacing, headers, and subheadings. Another example of writing a report is using tables, charts, diagrams, and charts to illustrate communication. This is to make it easier for the reader to quickly review the report. Reports and essays are similar in that both are written with careful correction, formal style and neat presentation. However, the report differs from the essay in that it presents information rather than arguments. Similarly, reports use concise paragraphs with precise formal language. The report should start with a title, table of contents, glossary, summary and introduction. His body should contain only relevant and relevant information. Finally, you should offer the reader a number of recommendations regarding the problem. If the writer deems it necessary, he may include a bibliography and a list of additions. September 13, 2019 Goal (1) Submits this version of IRM 4.10.8, Return Study, Writing Reports. Material changes (1) Significant changes in this IRM are listed in the table below. The impact on other IRM 4.10.8 documents of 5 April 2017 shall be replaced. This IRM contains relevant content from the Interim Protocol of Guidelines NHQ-01-1115-0001, Amendment of the Fax Policy in the Taxpayer's Message, of 19 November 2015, Audience Small Business/Self-Employed (SB/SE) Examination-Field, Specialty Examination, Large Business & International (LB&I) and Tax-Exempt/Government Entities (TEGE) Examiners. Effective Date (09-13-2019) Maha H. Williams Director, Examination-Field and Campus Policy Small Business/Self-Employed Division SE:S:E:HQ:EFCP Purpose. This IRM section provides guidance on how to prepare an audit of the In addition to the basic reporting procedures, this IRM provides detailed information on the preparation of revised reports and discusses issues requiring special reports and forms. It also provides instructions for some case closure requirements. Audience. These procedures apply to SB/SE examiners, specialty exams, LB&I and TE/GE. Policy owner. Director, Exam – Field and Campus Policy, which is under the Director's Exam Board. The owner of the program. Field Research General Processes (FEGP), which is under director, research - Field and Campus Policy. Contact. To recommend changes or other suggestions related to this IRM section, see IRM 1.11.6.6, provide feedback on irm- in addition to check-in. This IRM provides guidance on how to write reports that examiners should understand and apply in the performance of their duties. By law, the Service is entitled to conduct tests under Title 26, The Tax Code, Subtitle F – Procedure and Administration, Chapter 78, Declaration of Liability and Performance of title, Subsecond A, Examination and Inspection, which includes, inter alia, the following sections of the IRC: IRC 7602, Examination of Books and Witnesses IRC 7605, Time and Place of Examination Procedures for the Exercise of Examination Powers are contained in 26 CFR 601.105, Statement of Procedural Rules . The Director, Central Examination, is the contractor responsible for providing policies and guidelines for SB/SE Examination employees and ensuring consistent application of tax policy, procedures and law to conduct tax administration while protecting taxpayers' rights. Additional information can be found in the additional information on irm 1.1.16.3.5, Panel Study, Director, Exam – Field and Campus Policy, is subject to the Director's Exam Board, and is responsible for implementing policies and guidance that affect testing processes on the field and campus. Additional information can be found in 1.1.16.3.5.1, in field and campus policy. Field and Campus Policy (FEGP), which is under the director's field and campus policy exam, is a group responsible for providing policy and procedural guidelines for standard examination processes for field workers. Additional information can be found in the additional information on irm 1.1.16.3.5.1.1, Field Exam General Processes. Examiners are responsible for complying with the Taxpayer Rights Act, including the taxpayer's right to information about IRS decisions regarding their tax bills. Experts should provide taxpayers with a clear explanation of the results by issuing audit reports and letters which specify the amounts (if any) of the tax due, interest, additional amounts, tax supplements and the penalties to be assessed. Examiners and their managers should carefully familiar themselves with the procedures and contained in this IRM, as well as with other resources such as those listed in the 4.10.8.1.7, Related Resources, below. The reports come from a variety of sources, including aims databases (Centralized Information System (A-CIS) and test return control system (ERCS) databases. These reports provide headquarters and field work with timely and reliable information. There are many reports designed to meet the needs of a group or function. Additional information can be found in IRM 4.4.27, Reports; IRM 4.7.6, Reports; and IRM 1.4.40.5, Review of monitoring reports. Periodic reviews of programmes shall be carried out in order to: Assess the effectiveness of specific programmes within the study or throughout the organisation, determine whether procedures are followed, validate policies and procedures, and identify and share best/best practices. The following table lists the terms used including iRM and their definitions. The following table lists the acronyms used in this IRM and their definitions. Below are the basic sources of procedures and guidelines examiners will use to write the report: IRM 4.10.1, Irm 4.10.6 Examiner Duty Overview, IRM 4.10.7 Criminal Notes, IRM 4.10.9 Troubleshooting, Working system and IRM Case File Team 4.10.10, Standard paragraphs and explanation of IRM corrections 4.13.4, Area Office (AO) IRM study 4.23.10, Report writing guide for employment tax exams IRM 4.23.22, unlimited procedures for employment tax matters IRM 4.24.20, Excise Tax Report Writing Guide IRM 4.25.6, Report Writing Guide for Estate and Gift Tax Examinations IRM 4.27.2, Bankruptcy, Expert Responsibilities IRM 4.31.2, TEFRA Research - Field Office IR Procedures M 4.31.5, Investor Level Charter Inspection Exams (ILSC) - IRM Field Office Procedures 4.36, IRM Joint Committee Procedures 4.46.6, Workpapers and Reports Resources IRM 20.1 , Irm 20.2 Penalty Manual, Interest Helpful Information can be found on the following websites: Report Writing at S Corporations at TEFRA at RGS at CCP at Ex Parte Communications at Disclosure at Joint Committee at Claims, Abatements and Audit Reconsiderations at Penalties at . Examiners shall be responsible for ensuring that audit reports are properly prepared and issued. The following sections provide an overview of the audit, an overview of the preparation and issue of the report and guidance on how to should be taken into account after the reports have been issued. Audit reports serve several important purposes. Therefore, examiners should take all necessary steps to ensure the accuracy of the application. Audit reports: Protect the taxpayer's right to be informed. Audit reports should contain all the information necessary to ensure a clear understanding of the adjustments and the determination of the amounts (if any) of the tax due, interest, tax additions and be subject to penalty assessment. Serve as a basis for evaluating and collecting activities. Reports (as opposed to working documents) are legally binding documents. Notify the tax liability for the purpose of suspension of interest. IRC 6404(g) provides for the suspension of interest if the Service does not notify the tax liability in a timely and timely manner. For example, form 4549 is sufficient notice if it provides an explanation of each correction element. See Treas. Reg. 301.6404 to 4 (a) See IRM 4.10.8.15.13, which refers to the requirements for the note. The type of audit report that the examiner prepares depends on the outcome of the examination. For example, reports are prepared for the following types of cases: No changes and no liability (IRM 4.10.8.3) Regular agreed (IRM 4.10.8.4) Except agreed (IRM 4.10.8.8.4) Except agreed (IRM 1.8.4) 4.10.8.8 5) Partially agreed (IRM 4.10.8.6 Unagreed (IRM 4.10.8.12 and IRM 4.10.8.13) This section provides general guidance on the preparation of the income tax report. Other sections of this IRM provide detailed reporting guidelines for each type of case (e.g. unchanged, agreed, etc.). Form 4549 is the primary report form for most individual and corporate income tax cases. Form 4549 takes place for the taxable person(s) to sign and contains consent to the assessment and the language of collection. Instructions for preparing form 4549 can be found in the user manual irm 4.10.8.4.1. Form 4549-A, income tax control report amendment (unassid and except agreed), has no place for taxpayers to sign, and is suitable for any changes, not agreed, except for agreed, fully permitted refund requests and reduction cases. If form 4549-A is issued in an unas agreed or partially agreed case, examiners usually prepare and deliver form 870, waiver of restrictions on the assessment and collection of tax deficiencies and acceptance of the tax, to the taxpayer in order to obtain approval for the assessment. Report Generation Software (RGS) is required to generate all income tax test reports (except LB&I agents using BNA software) and to enter all data required for the Operational Automation Survey (EOAD) database. The EOAD aims to enable the tracking of exam corrections by problem the related cause. This data helps to identify specific areas of non-compliance on the basis of test reports. See IRM 4.10.16, Examination Operational Automation Database (EOAD). The procedures for using RGS in the form of a report can be found in the RGS user manuals, training materials and IRM 4.10.15, Report Generation Software (RGS). Additional information on the use of The examiner should discuss exam progress and potential problems with the taxpayer and/or representative at frequent intervals during the exam. See IRM 4.10.7.5, Proposing corrections to the taxpayer and/or representative for guidance on the time and manner of issuing reports both at the office and on the ground. As far as possible, examiners should discuss the audit report with the taxpayer and/or representative at a face-to-face meeting compared to the dispatch of the report. If the report is sent, the examiner must prepare and issue an appropriate letter to transmit the report and inform the taxpayer of the examination process and its rights (e.g. letter 4121, letter 915, letter 950, letter 5153, etc.). Additional guidance on preparing and issuing letters can be found in IRM 4.10.8.2.3.1 below. In general, in the case of shortcomings, TSOs issue a letter 915 with the first report (in person or by post). In the case of a joint return, follow the requirements for separate IRM notification 4.10.1.2.2.1 to determine whether the report must be issued separately. In general, a qualified representative is authorized to receive any notice or other written notification required or authorized to be given to the taxpayer in a case concerning the taxpayer, in accordance with the instructions on form 2848, the power of attorney and statement of the representative, or form 8821, authorization of tax information. Before issuing an audit report, the examiner should examine the Centralised Authorisation File (CAF) on IDRS to ensure that the taxpayer has not submitted a new form 2848 or form 8821 through channels other than the examiner. For more detailed information about how mail correspondence is involved, see IRM 4.11.55.2.9, Notifications and Messages. See IRM 4.10.1.3.3, Written communication to the Taxpayer's Representative for guidance, including the preparation and issuance of letter 937, of the transfer to the power of attorney. Letters are sent to taxpayers (and their authorised representatives) to report, explain the available rights of appeal and inform the taxpayer of the status of the survey. Examiners must follow the guidelines contained in IRM 4.10.1.3.2, Written Communication, when preparing letters. The contact details of employees must be included in any correspondence sent to taxpayers. Refer to IRM 4.10.1.2.2.2, Employee Contact Information for guidance. Examiners prepare most of the letters issued by the group or by the CCP; date and signature depends on the type of letter. For example, examiners prepare, but do not sign or sign, letters sent by the group manager and final letters sent by CCPs on behalf of the relevant director (based on their operations department). The type of letter (e.g. 30 days, closure, etc.) and the required signature (e.g. examiner, group manager, area director, etc.) specifies how the signature block is filled in. For example: Letter 692, a request for additional findings, is signed by an expert and therefore with the name, title and signature of the examiner. The 30-day letters discussed in IRM 4.10.8.12.1 must be signed by the group leader to order a delegation of SBSE 4.55, authorising the signing of 30-day letters. Therefore, the signature block on the 30-day letters must contain the name, title, and signature of the group manager. Office Examination Letter 1912, Follow-Up Letter Uploading Exam Reports, is not a 30-day letter. It is signed by the examiner and the signature block is supplemented by the examiner's name, title and signature. Final letters are sent by the CCP or TS and indicate that the study was closed after adoption by the Area Director (or a comparable level of management). For example, letter 590, final letter unchanged and letter 987, agreed income tax change, notifies the taxpayer that the report has been verified and accepted. Therefore, the signature block is supplemented by the name and title of the area director (or comparable level of management) and signed by the group leader on behalf of the area director (or comparable level of management). In general, letters issued at group level can be digitally signed provided that the procedures in IRM 4.10.1.4.4, Digital Signatures are followed. Digitally signed letters, forms and other documents issued to the taxable person and/or his representative should include a graphic image of the signature of the handwritten signature of the signature person. For information on how to list Form 3198, the Special Notice on the handling of matters relating to the investigation, please refer to the details of the examination case handling in order to provide the CCP with instructions on the correspondence of the closing letters. In the case of final letters, examiners must prepare an envelope to the taxpayer and, where appropriate, to the POA. The envelopes must contain the examiner's return address and should be included in the case file together with the relevant letters. If mail is returned as unseaworthy after the case is closed, follow the procedures in IRM 4.4.7.4, Unseaworthy Mail. Publications sent to the taxable person should always agree with the premises mentioned in the letter in order to avoid misunderstandings. Publications available on the IRS.gov should not be sent to the taxpayer's representative or designated person. Additional information can be found in irm 4.10.1.3.3, Written message to the Taxpayer's Representative. Section 3504 P.L. 106-206 (RRA '98) requires the Service to provide an explanation of the examination and collection process, as well as information on the assistance of the taxpayer's ombudsman with each first letter of the proposed deficiencies, which gives the taxpayer the opportunity to carry out an administrative check with the IRS Appellate Office. Pub 3498, the examination process, is used for this purpose. The following procedures must be followed: Pub 3498 must be provided with the first test report, which to the taxpayer, and with all 30-day letters. Pub 3498 does not need to be resubmitted to the same taxpayer for the same tax periods issued after the first report (i.e. adjusted and supplementary unless they are issued with a 30-day letter. Pub 3498 is not included without change reports, except unchanged in correction reports when adjustments affect other tax years. This section provides general guidance on how to collect payments, receive audit reports, and close cases within a set time limit based on taxpayers' responses to the reports issued. Examiners must comply with IRM 4.20.3, Soliciting Payment, which provides guidance on how to use a multi-level approach to interviews to obtain payments, secure information about the source of fees, coordinate with collection, and process payments received in cases of shortfall. When the taxpayer has filed for or is preparing to file for bankruptcy, examiners must apply to IRM 4.27.2, Bankruptcy, Examiner Obligations, in order to obtain guidance on how to obtain payments. Taxpayers may, upon receipt of the audit report, immediately repay the deficiencies. Staff examiners prepare form 3244-A, Annex to the payment posting - Examination and transmission of the form together with payment in accordance with the instructions in IRM 4.4.24.2, Form 3244-A. Attach a copy of the completed form 3244-A to the face of the tax return. Instead of paying tax, taxpayers can make a 6603 deposit. A detailed explanation of the adoption of IRC 6603 and its impact on interest can be found in IRM 20.2.4.8.2, IRC deposits 6603. Information and instructions on payments and transfers, including the preparation of form 3244-A, can be found in IRM section 4.4.24 on procedures and instructions for processing, payments and transfers. For payments of \$100,000 or more, follow irm 4.4.24.8, Payments of \$100,000 or more to ensure timely processing. Reports and exemptions shall be deemed to have been made after signature by the taxable person(s). The forms you make must reflect the date received by the IRS. A signed contract or exemption shall retain the interest rate 30 days from the date of receipt if the assessment and notification of payment are not made within a 30-day period. Additional information and examples can be found in IRM 20.2.7.9, IRC 6601(c), Suspend interest in deficiencies. Examiners must mark the date of receipt of the contract and exemptions, with the following exception: Contracts and exemptions received by the IRS EEFax (compared to a traditional fax) do not require an additional date stamp if the printed contract or waiver contains a generated date stamp that is legible and correct. The IRS may accept consent to estimate the additional tax (e.g. form 4549 or form 870) and the taxpayer's closure agreements covering any amount of tax by fax. In the case

made using the following forms: Return request and set-off application, Form 843, Amended refund (as specified in Revised U.S. Individual Tax Credit, Form 1040X, or Revised U.S. Corporate Income Tax Return Form 1120X. An informal claim is a claim that is made by a taxpayer on a non-standard form (written request) or otherwise if the required elements have been identified, i.e. the required elements have been identified. The application for set-off is not an informal claim. Examples of informal claims are signed Form 870 or form 4549 for over-evaluation, a letter sent by the taxpayer asking for reimbursement or oral statements made to an expert or other representative of the service. There are four possible results when the claim is investigated. Claim may be: Permitted in full, Not permitted in its entirety, Partially Permitted or Offset by other corrections. Before preparing a report on a claim, examiners must have an up-to-date record of the taxpayer's account. If the claim is the result of a prior audit or evaluation, the TC 300 or TC 290 with the dollar amount will be posted. If the claim is the result of a prior audit or evaluation, the TC 300 or TC 290 with the dollar amount will be posted. If the claim is allowed in its entirety, letter 570 will be prepared to notify the taxpayer of the arrangements. Since the receipt of letter 570 by the taxable person constitutes a closed matter (subject to the criteria for reopening the case), the letter should in principle not be delivered to the taxable person until the whole case is ready for closure. If the requested amount has already been reimbursed to the taxpayer by the campus, the examiner will close the case as a regular case unchanged. Even if the issues listed in the application are allowed in full, if compensatory adjustments are proposed that reduce the amount to be refunded, the claim will be treated as a partially or completely disallowed claim. Procedures for claims not permitted in whole or in part will be followed. If the application is not in whole or in part, the examiner shall prepare the following: letter 569, form 2297; Form 3363; and form 4549 if additional tax is due or there is partial non-release. If the application is not possible because the taxable person has not appeared for a hearing or has not provided a statement of reasons, the following explanation shall be provided at the end of letter 569: No basis has been made for the deduction of the application. Form 2297 applies in all cases where there is a total or partial deprivation of a formal claim. IRC 6532 (a)(3) provides that a taxable person may make a written waiver of the requirement that a notice of rejection of a claim be sent in whole or in part by registered letter or registered letter. The effect of such an exemption is to start the two-year period for lodging an application for the date of the rendering. Thus, form 2297 pursues the same purpose as the notice of non-allowance of the claim by registered or registered mail, without this affecting the six-month waiting period required by the 6532 (a) prior to the filing of the refund claim [Treas. Reg. 301.6532-1 point(c) – Limitation periods for applications by taxable persons]. Since Form 2297 is a waiver only of a statutory notice sent by registered or registered mail, an exemption form (form 870, form 4549 or form 3363) is required in addition to form 2297 if there is a partial over-assessment or if additional tax is charged. Form 2297 should be attached to the case folder in the same way as other forms of re-declaration and acceptance. Where claims are not permitted for many years, form 2297 covering all years should be linked to the claim or amended refund covering the last year. From form 1045, application for preliminary return and form 1139, the corporation's request for a preliminary refund, are not considered claims, it is not necessary to use form 2297, where the previously refunded tax is refunded. If it is found that the initial refund was unjustified or excessive, the Service has three options: Treat the excessive return as a mathematical error and promptly evaluate and receive it under the authority of IRC 6213(b)(3), Issue an error notice in accordance with IRC 6501(h) or File a lawsuit against the taxpayer to collect the wrong refund in accordance with IRC 7405(b). Form 2297 should not be secured in cases requiring review by the Joint Committee. See IRM 4.36.3.2.9, non-admemquivaly claim in agreed cases. Name and address - Enter or enter the taxpayer's name and address: include SSN or EIN. End of billing period - List of each year for which an application has been submitted and not allowed in whole or in part on separate lines as follows: Calendar year - Show end date (12/31/01) Fiscal year - Show end date (6/30/01) Short Period - Show Start and End Date (1.01.01 – 9/30/01) 52-53 Week Year - Show Last Day of Year (25.05.201) Tax Type - Show tax type of tax to be analyzed such as income, property, gift, employment tax. It is not necessary to show the number of the return examined or to identify the type of income, such as individual income or company income. Enter the amount of information about the claim as follows: If form 843, form 1040X, form 1120X, or informal claim specifies a specific amount in dollars, enter the amount in the claim amount space. Where the revised rate of refund shows the calculation of the adjusted tax, the difference between the adjusted amount calculated by the taxpayer and the tax as shown in the original return in the claim amount space shall be entered. If you apply for \$1 or more and you don't see any details about the amount of income reduction, enter \$1 as the claim amount. If the application presents detailed information on the concerning the amount of the reduction in income, but the calculation of the amount of the tax refund is not shown in the claim, calculate the amount of the claim on the basis of the reduction in income shown by the taxpayer and enter that amount as the amount of the claim. 1. The taxpayer is obliged to provide a realistic amount of the claim by Treas. Reg. 301.6402 to 3 (a) A return or amended declaration constitutes a claim for reimbursement or credit if it contains a statement setting out the amount determined as an overpayment and advising whether such amount will be reimbursed to taxpayers or whether it will be used as a credit to the estimated income tax of taxpayers for the tax year for which the tax year for which the return was made (or amended statement). 2. The amount of the claim of USD 1 may be admissible in the case of precautionary claims. The concept of a protective claim is well known, although the term is not used in statutes or regulations. Protective claims are often made in order to preserve the taxpayer's right to seek reimbursement when the taxpayer's right to reimbursement is dependent on future events and may be possible only after the expiry of the limitation period. See IRM 21.5.3.4.7.3, Protective claims which indicate that the protective claim is based on an expected change in tax law, other laws, regulations or case law. A general claim should not be seen as a valid security claim for the purpose of processing the Service simply because the taxpayer has marked it as such. See: Nucorp, Inc. V. U.S. 23 Cl. Ct. 234, 67 A.F.T.R.2d 91-1256, 91-1 USTC P 50 235. 3. In general, a valid security claim must (1) specify an unforeseen claim; (2) be sufficiently clear and defined to notify the Service of the essential nature of the claim; and (3) specify the specific year or years in respect of which a refund has been applied for. A claim can be a valid security claim, even if it does not contain all the facts necessary to establish that the taxpayer is entitled to a refund. The service is free to decide how to process claims. In general, it is in the interest of the Service and taxpayers to delay action on claims for indocumentation until pending legal proceedings or other unforeseen proceedings are resolved. After resolving an emergency, the Service may obtain any additional information necessary to process the claim and then reject or allow the claim. If you apply for the entire amount of tax paid, enter the entire amount of tax shown in your return. If you apply for an amount that may be due and no details are displayed and no calculation can be made, enter the amount of the claim indeterminate in the space and explain it in the Other Information section of Form 4549. When details are displayed and you can calculate the tax refund, enter a calculated number. The amount of unauthorised claims – see Annex 4.10.8.4 Signature - see the instructions at the bottom of the form. Form 3363 is to be used in agreed cases where form 843 or the revised rate of return is not allowed in whole or in part and no other tax liability. In the agreed case, where the claim is not allowed in whole or in part with additional adjustments to the tax liability, both form 3363 and the examination report should be secured. See IRM 4.10.8.10.6.1 for in the section on the comments contained in the report. Form 1045 and form 1139 are not considered claims. Form 3363 is not used to reflect the refund of previously returned tax. Name and address - Enter or enter the taxpayer's name or address; ssn and ein. Year or Period - List of each year, for which the application was submitted in separate years as follows: Calendar year - show end date (12/31/01), Fiscal year - show end date (6/30/01), Short Period – Show start and end dates (1/1/01 – 30.01), 52-53 Week Year – show last day of the year (25.05.201), Application date – Enter the date when form 843 or the changed return was submitted. Tax type – Enter the type of tax that is included in the declaration analysis, such as income, property, donation, or hire tax. It is not necessary to show the number of the return examined or to identify the type of income, such as individual income or company income. Claim Amount – Enter the amount of the refund requested in the claim (form 843, form 1040X, form 1120X, amended refund, or informal claim) submitted by the taxpayer. Claim amount not allowed – Enter the amount of the claim not allowed on the test report. Claim amount – Enter the amount of claim allowed in the test report. Signature - See the instructions on the form. If the claim is not allowed in whole or in part in an uneasy case and there are no other corrections, fill in the top of the report for unripped cases. See IRM 4.10.8.12. IRC 6402(f) requires clarification of the reason for non-reimbursement. In addition, the Other Information section should include the relevant claim rejection statement. See IRM 4.10.8.10.6.1. If the claim is permitted in whole or in part in a partially agreed case with other corrections, please fill out form 4549-A. Statement on the disposition of the claim should be found in the Other Information section. If the claim is allowed in its entirety in an unfinished case with the proposed deficiencies, please fill out form 4549-A. Statement on the copy of the claim should be found in the Other Information section. Claim allowed in full: On (date) you submitted form 843, form 1040X, form 1120X or informal claim for a refund of \$(amount) for the year. As a result of our investigation, we have authorised your claim in its entirety, as shown in this report. Claim allowed in full, but with compensation by other adjustments: On (date) you submitted form 843, form 1040X, form 1120X or informal claim for a refund of \$(amount) for the year. As a result of our investigation, we have allowed your claim in its entirety. However, the total amount of the refund shall be increased or reduced by the other adjustments made in this report. Claim allowed in part: On (date) you submitted form 843, form 1040X, form 1120X or informal claim for a refund of \$(amount) for the year. As a result of our investigation, your claim has been allowed in part, as shown in this report. Rejection of claim: On the date (date) you submitted 843, form 1040X, form 1120X or informal refund claim \$(amount) per year. Any declaration of rejection of the claim should have a concise statement on the matter, and the authority to reject the claim. For example: As a result of our investigation, we have not allowed your claim. Education expenditure is not needed in current employment and is therefore not deductible as a cost of economic activity. See Taxpayers will be asked to submit applications in the following types of cases if the proposed over-assessments are not yet covered by the claims: Cases to be referred to appeals in the 90-Day state when a period of less than 120 days remains to allow for re-election. Appeals may accept such a case without a claim if the Director of the Area of Appeal approves. Cases concerning proposed overcapacity in excess of \$100,000, regardless of the time remaining during the statute of limitations for overjudicial planning. Cases referred to headquarters, regardless of the amount of over-assessment, if 30 days or less remain within the statutory deadline for the planning of the application. The number of cases requiring a call for proposals will be limited because the Service considers the waiver in form 870 or series 890 to be a valid claim for reimbursement when the taxpayer agrees to the inflated Service, as explained in IRM 25.6.1.10.2.6.2.2.(3), prescribed forms to change the original tax return or waive the penalty already paid. When the taxable person is asked to submit an application, a separate letter 897, a letter with a call for proposals, must be sent for each tax year requiring protection. There are certain periods during which the government retains taxpayer's money without paying for its use as required. IRC 6611(e)(1) prohibits the payment of interest on the loan to the taxpayer if the overpayment is refunded within 45 days of receiving the original refund or transfer claim. See 45-day RULE IRM 20.2.4.7.5. With regard to outstanding refunds, IRC 6611 (3) provides that interest on the loan is not permitted or paid for each day before the date of the declaration. See IRM 20.2.4.3, Overpayment Availability Dates. Treas. Reg. 301.6402-3 (a) Examiners should insure the correct calculation of interest when the original refund was overpaid and the taxpayer has decided to apply all or part of the overpayment shown by his refund of the estimated tax for the following tax year instead of the refund. Ks. (1) the date on which the Service refunded the overpayment without interest; or (2) the date of application of the overpayment to the estimated taxes for the following year. The remainder of the deficiencies will be assessed from the original tax due date for the year of refund of the overpayment. Potential Rev. Rul. 99-40 cases are those with TC 830 or TC 836 per module. The CCP will in principle not apply the provisions of Fr. The examiner should mark form 3198 of the potential interest allowance on Fr. The expert should include form 2220, underpayment of estimated tax by corporations or form 2210, underpayment of estimated tax by individuals, estates and trusts (the following year) in the case file, which contains a schedule of required estimated tax payments for the following tax year and related transcripts. The Internal Tax Code defines how a personal holding company may in certain circumstances be exempted from payment of a tax liability imposed on personal holding companies. Whenever the absence of a personal tax on a holding company is disclosed, to which the taxpayer agrees, the advantages granted by IRC 547 will be explained to the taxpayer, if applicable. If the taxpayer decides to make a profit distribution in order to secure the loan from the obligation, the taxpayer will be informed that the obligation can be determined by the performance of an informal contract under IRC 547(c)(3) on form 2198, determination of liability for personal tax of the holding company, or by concluding a final closing agreement on form 866 , agreement on the final determination of the tax liability. The use of form 866 is usually limited to disputes. Form 2198 should not be accepted unless all items relating to the tax liability of the personal holding company and other income tax obligations are agreed and the taxpayer signs form 870. Unless there is sufficient time left to make an assessment in accordance with IRC 6501, form 2198 or form 866 should not be approved (in addition to the 120-day period for submitting form 976, claims for deduction of dividends for shortfall or credit or repayment by a personal holding company, a regulated investment company or a real estate investment fund). Form 2198 may be approved if the taxable person has obtained authorisation to extend the statutes under IRC 6501(c)(4). If the case is closed, there should be one year left for the technical services. See IRM 4.8.8.4.1, Scope of review. Form 866 – This form is not routinely used instead of form 2198 unless recommended by counsel for an exceptional situation. The examiner should consult the group leader and local advisor to determine whether the application of the closure agreement is appropriate and, if so, what kind to use. If form 866 is used as a contract document, the expert contract and secure the taxpayer's signature in accordance with the instructions in IRM 8.13.1, Closure All closure agreements require the approval of a local Advisor and a review of technical services before obtaining a taxpayer signature. Advisor Engagement – Coordination with a local advisor is required in the development of a closing agreement when a standard language or model contract is not used and there are modifications to the master agreement. Before obtaining the signature of the taxpayer, inspection by the technical services and approval of the local Advisor with regard to the language and form of the closure agreement is required. The taxpayer's administrative file must contain sufficient documentation to support counsel's consent. In order to request a review, formal or informal correspondence should be addressed to the local Advisor, stating the reasons and intention of the contract and requesting review and consent with the draft closure agreement. Correspondence can take the form of an e-mail message, fax, or memorandum. If necessary, the coordinator of the contract for the closure of the technical services will assist in preparing the application to the Advisor. Form 4549-A is prepared with the justification of the personal possession tax as Other taxes with an explanation attached. See Annex 4.10.8-5. Form 870, to be submitted on Form 2198, should contain the following statements: The waiver of the assessment and recovery restrictions contained in this document is subject to the approval of form 2198 concerning the taxpayer's liability for income tax and personal tax. This exemption will enter into force only after the expiry of the 120-day period to start with the effective date of form 2198. If the taxpayer meets IRC 547, relating to the payment of dividends from the shortfall, up to 1) the payment of dividends from the shortfall within 90 days from the effective date of form 2198, and (2) the submission of an appropriate claim on form 976 after the payment of the shortfall dividend and within 120 days from the effective date of form 2198, then the amount of deficiencies indicated in this waiver will be reduced by the amount necessary to give effect to the term dividends for the shortfall, and the remainder, if any, will be assessed. If, after a 120-day period coming from the date of entry into force of form 2198, form 976 has not been submitted or no timely dividend payments have been made, the entire amount of deficiencies shown in this waiver shall be assessed. See Annex 4.10.8-6. Upon receipt of form 2198: The original form 2198 should be initiated by the examiner and group leader to indicate their acceptance of the form. The original form 2198 should be attached to the declaration for the last tax year covered by the contract. Duplicate form 2198 will be sent to the taxpayer by letter 1152, transfer agreement for the signed personal holding company / determination of liability for tax on personal holding, using certified or registered mail within five calendar days. Treas. Reg. 1.547-2 (2) (a) is the date of signature of the contract (form 2198) is sent to the taxpayer, not the date of signing the contract by an authorized official of the Service. An example form 2198 can be found in Annex 4.10.8-7. Once form 2198 has been accepted, the case should be kept in suspense by the technical services until form 976 is submitted or the 120-day period expires, which is what comes first. The case should then be returned to the examiner. The date of submission of form 976 in accordance with the provisions in force will be the control date to determine whether the form was submitted in due time. The date of entry into force of the informal agreement on form 2198 shall be the date on which the signed contract was sent to the taxpayer. Form 976, Filed Timely – the expert will verify the information on Form 976 to the extent deemed necessary, and then prepare a test report showing the overall adjustments, personal enterprise ownership income, the reduction in the shortfall dividend deduction, and whether the amount of the claim (Form 976) was allowed in full, partially permitted or not in full. See Annex 4.10.8-8. Form 976, Not filed timely – the letter will be sent to the taxpayer as a notification that the claim was not filed in a timely manner. A certified notice of non-issue will be issued unless the taxpayer has signed form 2297. See IRM 4.10.8.10.4.1. When appeals accept form 2198, the appeal officer seeks the taxpayer's claim (form 976) and secures supporting evidence from the taxpayer. See IRM 8.7.1.2, Tax on holding companies mitigated by a shortfall dividend. The appellate officer can prepare a report and close the case if there are no unusual circumstances, and the verification of the payment of dividends from the shortfall can be easily carried out. The appellate officer may return the case to the review group. The case should be assigned to an expert to verify the payment of shortfall dividends and prepare a report. The report should include corrections made by appeals. The report should be returned for closing references. If the expert finds that the claim has not been made in good time, the case should be returned to the appeal without contacting the taxpayer. In cases where the liability for personal tax in the holding company has been established by a decision of the U.S. Tax Court, the Appeals will assess the gross absence. The appellate officer will explain to the taxpayer the measures to be taken to assess the tax and how to secure the benefits of IRC 547. Once the assessment has been carried out, the administrative file will be forwarded to the area compatibility check. See IRM 8.4.1.32.2, Docketed Personal Holding Company Tax Cases. The case will be organised in suspense (technical services) until form 976 is submitted or until the expiry of the 120-day period for submitting form 976, which Previously. If form 976 is not submitted in due time, the case will be referred to the recovery action, as decided by the Court. If form 976 is case will be assigned to the examiner. Upon receipt of the closing agreement from the taxpayer, form 866 will be prepared and forwarded to the technical services for processing. The date of conclusion of the closure agreement on Form 866 shall be the date of signature of the closure agreement by the Area Director. The closure agreement together with the case file will be forwarded to the area director for approval. Once approved, the technical services will identify the need for follow-up and provide the taxpayer with a copy of the closure agreement. In all cases where no dividend deduction is allowed, the expert will prepare Form 3189, No dividend deduction case transfer. See Annex 4.10.8-9. The form will calculate the tax liability before the shortfall dividend is reduced. This is necessary to calculate the amount of interest. The original form 3189 will be placed at the top (outside) of the case file. A duplicate of form 3189 will be attached to each return of the corporation for which a short dividend has been paid. If a shortfall dividend refund has not yet been submitted, the expert should prepare form 5346 and attach a duplicate form 3189 so that it can be associated after the application has been submitted. Form 5346 should be supplemented in order to report dividends paid to shareholders in the current year. Form 3198 should define the case as a limited interest and a claim for a shortfall dividend. Managerial involvement is required in all unripped cases. Examiners should be aware of the procedures in IRM 1.4.40.4.11.5, unripped closure procedures and inform the group manager when they believe that the case will have unripped problems. The activities of the group manager must be documented in the case file. Form 9984 may be used for this purpose. If a case qualifies for SB/SE Fast Track Settlement (FTS) and there are undetected issues remain after the group manager has contacted the taxpayer or representative to resolve all issues, the expert or group manager will explain and offer the FTS to the taxpayer. FTS should not be offered if the group manager has not spoken to the taxpayer or representative. See IRM 4.10.7.5.5, SB/SE Fast Track Settlement for additional information. Unless expressly excluded from the appeals (see section (4) below), all cases are eligible for an appeal conference, provided that the taxpayer submits an appropriate protest (when a formal written protest is required) or a small request for a case that contains the information required in Pub 5, your right of appeal and how to prepare a protest if you do not agree. See IRM 4.10.8.12.9.3 (2) below for additional guidance on the adequacy of a formal written protest or small request to report a case. In general, if the taxable person provides new information or evidence until further notice, the raises a new problem The study has not been considered, the case will be returned for examination. See IRM 8.2.1.5, Return of case for examination - ATE and IRM IRM Below is a list of cases that are excluded from the appeal. Less than 365 days remain on the statute of limitations when the case is received in appeals. For more information, see IRM 4.10.8.12.1(1), Application/application for deduction of unpaid tax (IRM 4.10.8.8(6)), which is not a reconsideration of the audit (the taxpayer has no judicial rights). The taxpayer does not agree solely on moral, religious, political, constitutional, conscientious or similar reasons (IRM 8.1.1.3.1, No Appeals Conference or Concession on Certain Arguments). See IRM Exhibit 25.25.10.1, Frivolous arguments, for example. Examiners must use a 1963 letter, the Frivolous Filer Examination Report Transmittal, to submit a report and explain why the administrative right of appeal does not apply. If additional information has subsequently been received, so the case is no longer excluded from the appeal, follow the procedures in IRM 4.10.8.12.9. Fraud cases concerning ongoing criminal proceedings (IRM 8.2.1.5(2), Return to investigation - ATE). The 30-day letters are used to transmit the audit report to the taxpayer and allow the taxpayer 30 days to request an appeal to hear their case or take other action, as indicated in the specific letter. If the case is initially received on appeals, the statutes must remain at least 365 days (270 days in the case of property tax cases or in case of excessive claims of IRC 6206). If the appeals previously gave jurisdiction in the case and returned it for examination in order to perform additional work, it must be at least 180 days on time when the case is received on appeals. The group must allow the case to be dispatched and processed through technical services for at least 30 days. Therefore, the case should have at least 395 days (or 210 if the case was returned) remaining in the statutes when it is closed from the group. See IRM 8.2.1.4, Receipt of a new order by a cancellation technical worker (ATE). 30-day letters are issued in cases with the following effects: unripped change (no or excessive evaluation), No changes with adjustments affecting other tax years and formal claim for non-performance. In general, taxpayers who have 240 or more days remaining on the statute of limitations will receive the appropriate 30-day letter. This allows the taxpayer 30 days to reply to the letter (and extend the statutes if necessary), and if the taxpayer does not respond, it also provides adequate time to close the group case (IRM 4.10.8.2.4.3) and provide technical services at least 180 days to issue a defect notice. See IRM 25.6.237.1, Minimum time remaining on ASED. If there are less than 240 days left in the statute of limitations, the examiner should prepare and issue an agreed test report with a letter by transmission of the examination report - Law less than 240 days (simple deficiency), letter 5153-A, transmission of the test report - Statutes less than 240 days (claim), letter 5153-B, test report - Statutes less than 240 days (unchanged with corrections), or letter 5153-D, examination report passed - Statute less than 240 days (bankruptcy) to pass the report and notify the taxpayer additional time is needed for the limitation period for appeals to consider their case, if not aware, and leave 10 days to respond. Office examiners will update the ERCS action code to 07. If the extension of the statutes has not yet been ordered, the expert should follow the procedures in IRM 25.6.22, extend the statute of limitations with consent, and at the same time apply for an extension (using a separate envelope), and then proceed as follows: If the case is agreed, close using normal agreed procedures. In cases of shortages and claims can be found in cases of shortages and claims, see IRM 4.10.8.3.3(1) in the absence of changes in correction cases. If the case is not dismissed and the taxable person signs an agreement to extend the limitation period, which will give sufficient time for the case to be dealt with by appeals, prepare and issue a 30-day letter. If the case is not arranged and the taxpayer does not sign the consent, close the case to the Technical Services for notification of deficiencies. The 30-day letter procedures apply to tax matters relating to income, assets, donations, excise duties and employment tax. See IRM 4.23.22, Unagreed Employment Tax Case Procedures, IRM 4.24.10, Excise Duty, Referral Referral Procedures, or IRM 4.25.6, Report Writing Guide for Estate and Gift Tax Examinations, for Work Tax Procedures, Excise and Property And Gift Exams. Examiners issue reports to transmitters other than TEFRA with letter 921, letter 921-L, etc., but these letters are not 30-day letters. For investor reports, 30-day letter procedures are followed to reflect their share of entity-level adjustments. Only investors will be able to request an appeals hearing because there are no shortcomings at the unit level. See IRM 4.31.5.11.3, Key Cases with Adjustments and Unrelated Investors on PCS. If the return test results in a deficiency or over-assessment which is compensated (absence of deficiencies or results of over-assessment) by the transfer of the net operating loss, a manual calculation of interest may be required. If the taxable person does not agree with the results of the examination, he will have the same opportunity to request an appeal hearing as if there were shortcomings/over-assessment. The following letters, specific to the type of case, are 30-day letters used to forward the audit report and allow the taxable person 30 days to request that the case be dealt with by appeal or other action specified in specific letters: letter 915 – in case of simple deficiencies, simple assessment or shortcomings and cases of over-assessment in the authority's examination; update the ERCS action code to 04 to follow up within 15 calendar days. If the taxpayer does not respond within 15 days, the expert will prepare and issue letter 1912 and update the ERCS action code by 07 07 within 15 calendar days. Letter 950 – for simple, simple over-assessment or mixed cases of deficiency and over-evaluation in a field study. Letter 950-F - For cases without changes for adjustments. Letter 569 – in the case of claims for non-admemmy. Letter 3391 for non-filtered cases. Letter 955 – in the case of take-over/transferee matters. Letter 1963 - for trivial filer/nonfiler cases. Limited interest cases – the examiner will have to prepare and the group leader will approve a letter modelled on the lists listed above. Lists are not available in cases with limited interest due to rare usage. The letter created by the expert should address the issue of limited interest and not the shortcomings or excessive assessment of the tax. The following items should be added to the 30-day letter: test report (including lead sheets or standard explanations required in IRM 4.10.8.12.4) and exemption (if necessary); and Pub 3498. Pub 3498 should always be attached to a 30-day letter, even if it was delivered with a previous report or the 30-day lists should be drawn up by the examiner and include the name of the examiner or group leader in the contact area, depending on the type of letter. The authority to sign and issue 30-day letters is transferred to group managers. See SBSE delegation order 4.55, authorisation to sign 30-day letters. IRC 6651(f), Fraudulent Non-Deposit Cases (FFTF) – Part of the FFTF penalty attributable to the amount of tax shown in the return is immediately assessed and is not subject to infringement procedures. See IRM 25.1.7.7.1, Procedure for assessing fraudulent non-application penalty (FFTF). In order to ensure that the facts of a particular case support fraud, and because the assessment of the FFTF penalty attributable to the amount shown in the statement will not be considered by the Tax Court, all 30-day letters proposing an FFTF penalty must be reviewed and approved by the Area Counsel prior to the issue. Furthermore, the period of restrictions on the assessment of such a part would not be suspended as a result of the second part notice. When proposing an FFTF penalty on an income tax substitute for a refund (SFR), counsel review and approval is not required before a 30-day letter is given. However, counsel will investigate the case before announcing the deficiencies. The countless report forms listed below are usually used to present audit findings in the case of non-incremental ones. They are similar to those used in agreed cases and usually follow instructions for completing agreed case reports. However, unripped reporting forms shall not contain a statement on the adoption of the report by the Area Director. They also do not contain signature lines for the taxpayer's consent to assessment and collection, so an exemption is required. Instructions IRM manual 4.10.8.5.2. The following report forms are used in cases of unripped income tax. The examination of the office may use the form if form 4549 is used, no exemption is required. In some cases, it may be necessary to create separate assessments for taxpayers who have submitted a joint statement. For example, when only one of the spouses signs a contract and the shortfall is not fully paid, it may be necessary to assess the arrangement or obliged spouse to protect the statute of limitations for that taxpayer, while unademed procedures are applied to the other spouse. Similarly, a separate assessment would have to be made if only one of the spouses did not petition the Tax Court after receiving the 90-day letter. In these situations, separate evaluations are made using MFT 31, provided that the SSN is correct (no stars). If they are incorrect, the procedures for the non-injury file found in IRM 21.7.12, non-wide file corrections (NMF) and IRM 31.7.46, automatic posting of non-master files apply. Although the assessment of the obliged spouse will be made, no recovery notices will be sent until the case is finally resolved (and the assessment will be corrected if necessary). During this time, an assessment of MFT 31 will be established for the other spouse. If only one of the spouses signs an appropriate protest requesting an appeal and does not receive a response from the other spouse, the case will normally be sent to the appeal, provided that there is sufficient time for the limitation period for both spouses. In other words, one signature on the protest may be appropriate. However, if one of the spouses agrees and one protest, a separate assessment may be necessary for the spouse liable, especially if the limitation period for that spouse is imminent. In any event, on form 3198, it should be borne in mind that one of the spouses has signed an exemption so that the CCP can calculate the interest accordingly. If one of the spouses agrees and the other does not respond to the 30-day letter, a separate assessment of the obliged spouse must be established before the case is sent to the technical services for a 90-day letter procedure. MFT Account Creation Procedure 31: Request the creation of an MFT 31 account for the obliged spouse by preparing form 3177, notice of initiation of proceedings on the main file. The top of form 3177 will be completed using the basic SSN. In the Other section, place TC 971 as the transaction code in an empty field and in the line the status Action Code 103. You must also include the spouse SSN as XREF SSN: XXX-XX-XXXX. In the Other column row, the MFT code reflects 30 and ensures that the tax period is listed in the corresponding column (a separate form 3177 is needed for each year). TC 971 and the corresponding action code in the MFT 30 account will create an MFT 31 account for the listed SSN XREF. EEFax form 3177 to the CCP and request a partial assessment of the obliged spouse: Form 3198, Form 5344 and the agreed report are in addition to form 3177. Note on form 3198Uch TC 971 on the attached form 3177. Enter your name and fax number so that the CCP can fax a copy of form 5344 after partial evaluation has been carried out. Form 5344 must be prepared manually and should reflect MFT 30 and basic SSN. In the upper left corner of form 5344 put the S in the empty following AMCLS. In paragraph 56 put P or S depending on whether the assessment is made on the original or secondary spouse. EEFax these forms to the CCP while they continue to hold cases. EEFax exam numbers can be found on the CCP website. Continue the normal unparallelled procedures for a contented/petitioned spouse. Associate the IMFOLT or a copy of form 5344 received from the CCP, from which it appears that the partial assessment of the other spouse was made on the basis of MFT 31. Close the case using normal RGS procedures and select the MFT 31 assessment check box on form 3198. Examiners should refer to IRM 21.6.8, Split Spouse Assessment (MFT 31/MFT 35) for additional information. For most office exam reports, examiners will benefit from standard explanations in IRM 4.10.10, standard paragraphs and correction explanations, and RGS. The explanations shall contain sufficient information to enable the taxable person to challenge the problem. As an option, lead sheets can be attached to the report to explain the problem(s), but examiners should follow the format in IRM 4.10.8.12.4(2). In the case of a field examination, a copy of the examiner's lead sheet on each issue shall be attached to the report in order to clarify these elements. Use a separate lead sheet for each problem. If the problem applies to more than one year, the problem should be shown on one combined lead sheet. A copy of each proactive edition sheet used as an annex to the test report must be modified to remove foreign information that does not relate to the application, facts, applicable law and position of the taxpayer (e.g. audit steps and references to working paper should be substantially deleted, depending on facts and circumstances). Use the following format: Title - Each leader sheet must be numbered and titled for correction in the audit report. See IRM 4.10.9.7.2, Workpapers: Indexing. Lead journals for issues with specific adjustment amounts must reflect the amount per refund, audit amount, and resulting adjustment. Request - Provide the conclusion of the Service's position. The facts relate, as previously mentioned, to the quoted body through a narrative discussion in support of the Service's position. Account should also be taken of the dismissal by the Service of the position of the taxable person as reflected in the lead sheet. For information on preparing support in response to a protest, see IRM section 4.10.8.12.9.3. Facts – Each lead sheet must contain a summary of the facts on which the adjustment is based. The statement should be in the form of a narrative. The facts must be relevant to the issue and accurately and objectively. Account should be taken of facts favourable to both the service's position and that of the taxable person. Applicable law – the competent authority must be properly quoted and clarified (if necessary). Judgments, opinions and clearly identified and identified in the explanation. Citations are not required when the correction is based solely on facts (e.g. identity theft). However, the reports should be in-person for the taxpayer. If the adjustment is handled by multiple sections of the tax code, they must all be reflected. For example, in order to support the absence of business expenditure, IRC 162 (a) should be included in the narrative. Taxpayer's position – The position of the taxpayer should be defined (in the form of a narrative), if known. It is also necessary to cite any legal authority which the taxable person uses as the basis for his argument. If the taxpayer has submitted a written statement of position, attach the entire statement in this section or summarize the statement and attach the entire document in the report as an exhibit. An alternative position is a secondary position that the Service can ultimately rely on if the primary position is not maintained. The main item should be a position resulting from greater responsibility when two items are considered. All alternative positions must be taken into account or appeals will not be taken up if they do not maintain their basic position. Therefore, the expert must carefully document the facts, the law, the position of the taxpayer and the conclusions for all alternative positions that may apply if the basic position is not maintained. Alternative positions must be discussed with the taxable person or his authorised representative before the test report is issued. An alternative position must be applied in the case of tax law, which supports two completely separate positions. For example: Where an adjustment is proposed to avoid loss under IRC 183, non-profit-making activities; any adjustment to the operating costs of IRC 162 should be included as an alternative to IRC 183. If the Employer has not issued form(s) 1099 and has not secured the PIN numbers from employees, the examiner may propose that the reimbursement be allowed as a basic position. A strong alternative to non-allowable cost is to pause the backup. The procedures for writing reports for this alternative position can be found in 4.10.8.12.5.1(4). If a penalty for fraud is found, negligence/a significant part of the penalty related to accuracy should be referred to as an alternative. If a fraudulent non-penalty (FFTF) is found, failure to file a penalty (FTF) should be considered an alternative. If the penalty for accuracy resulting from a significant understatement of income tax is not profitable due to a finding of negligence or disregard of rules or regulations, a significant penalty for under-notice should be taken into account as an alternative. If a significant penalty is found for underestimating part of the penalty for negligence, it should be considered as an alternative item in the as a result, a significant penalty no longer applies. References to alternative positions in unseated cases: IRM 4.10.6.4, Finalizing Penalty Determinations IRM 4.23.10.16.3, Alternative and Whipsaw Positions in Cases Not Related to IRM 20.1.5.3.2, Common Characteristics of Accuracy and Civil Fraud Penalties IRM 25.1.4.3.10, Preparation of pre-prosecution report Include in the section Other information in the basic test report This report contains alternative issues for which tax calculations have not been calculated. Refer to the annexes marked as An alternative problem with regard to facts, law, position of the taxpayer and proposals related to the alternative issue(s). If the taxable person requests a report reflecting the tax calculations resulting from the alternative issue, the expert may generate a report and provide it to the taxpayer. The report should be clearly identified as Alternative issues at the beginning of the report. The facts, the law, the position of the taxpayer and the proposal for an alternative position on the case will be presented on a separate main sheet from the basic item. The top of each lead journal for the alternate item will be marked as An Alternate Issue. Lead alternative journals will be placed behind an unripped report for the primary position. If you are backing up a hold on an alternative item, the expert must discuss the problem of withholding a backup with the taxpayer and attach a lead sheet or form 886-A, including facts, law, taxpayer position and request, as well as form 4668-B, report changes in the analysis of the labor tax, as attachments to the unasssembled report. Type Alternate Problem at the top of the attachments and post behind the unbelief report for the primary position. See IRM Annex 4.23.10-4, Form 886-A, Federal Income Tax Withheld Study Report. Instructions for Completing Form 4668-B. Do not create separate backups of case files at source or fix a case on the ERCS. Form 4665 can be used to submit case files for appeal, but experts must ensure that form 4665 or a similar document does not contain statements or comments affecting the decision-making process of the appeal. This includes recommendations on what appeals should be considered and how appeals should resolve the case. It is permissible to include a neutral list of unripped issues, without discussion, and to indicate which ones, if any, are coordinated issues. Information related to the management conference should be documented on form 9984 and not on form 4665. If form 4665 contains statements or comments that may be interpreted as prohibited ex parte messages or contains prohibited communications, whether or not such content is included as part of a document that is at the top of the case file as a message or inserted in the case file in connection with the preparation of the case to be transmission until further notice, the document must be made available by the examiner's examiner the taxable person and the representative at the time the file is sent until further notice. Ex parte communication is an oral or written communication that takes place between an Employee of the Revocation and employees of other IRS functions, without the possibility of the taxpayer/representative's participation in the communication. See Fr. Additional information and guidance can be found on IRM 4.2.7, Ex Parte Communication Procedures and the Ex Parte Communications website. Items requiring protection against unauthorised or inadvertent disclosure by means of TDF form 15-05.11, a confidential but unclassified (SBU) cover sheet, should not be included or referenced in form 4665. Examples include fraud referrals and the identification of informants. In general, 30-day letters should be issued to the taxpayer and the representative in person. However, if circumstances require a 30-day letter to be sent, the examiner should follow the procedures described in this section. 30-day letters will be sent by regular mail, unless it is necessary to document correspondence and service. In such cases, use registered or registered mail and request a return confirmation. In case of joint return, follow the procedures in IRM 4.10.1.2.2.1, Requirements for separate notification to send a 30-day letter. A copy of the 30-day letter should be sent to the taxpayer's representative. Additional guidance on sending correspondence to the taxpayer's representative can be found in 4.10.8.2.3. A copy of the 30-day letter and report must be kept in the file. See IRM 4.10.9.9, Case File Set to Close. Field test: After the release of the 30-day letter, the case must be updated to status code 13. Office exam: Examiners should update the case for 15 days using the ERCS action code 04. In general, the statement of procedural rules 601.105(d)(1) does not provide for an extension of the time limit for replying to the 30-day letter. However, in practice, an extension may be granted in reasonable circumstances. Reasonable circumstances include, but are not limited to, the following: The taxpayer retains a representative and shows the need for more time to prepare a significant protest. The taxpayer retains a new representative. Illness or injury to the taxpayer or representative. The problems are complex and require extensive research. Requests for renewal should have written information and should specify the reasons why additional time is needed. Since many applications are submitted by telephone, the extension may be granted orally and confirmed in writing upon receipt of the written request. An extension should not be granted if the limitation period expires within 240 days and the granting of the extension does not leave sufficient time for the case to be dealt with. In such circumstances, the extension of the time limit for granting 30-day letter will be subject to the provision of an extension of the limitation period. Extensions shall be granted by the group leader or appointed manager The taxable person should be informed in writing of the extension and of the specific extended date of the reply. For this purpose, letter 686, Extension of time for certain activities, signed by the group manager, will be used. Extensions are usually granted for no more than 30 days, unless the specified reason supports additional time. If the taxpayer lives outside the United States, the 30-day letter should be modified to allow a reasonable period of time to respond. The taxpayer can respond to the 30-day letter in different ways. This section contains instructions depending on the type of response. If the taxable person provides additional information after the 30-day letter has been issued, the expert should assess the information and then follow the procedures in force in the table below. If the test report changes as a result of additional information, follow the procedures for the revised report in IRM 4.10.8.14(4) to (6). If the taxable person agrees or provides a full or partial payment in response to a 30-day letter, examiners should follow the procedures in force in the following table: If the taxpayer responds to a 30-day letter asking for an appeal conference, examiners must follow the procedures in force in this subsection. Unless expressly excluded from the appeal, all cases are eligible for an appeal conference if the taxpayer submits an appropriate formal written protest (if necessary) or a small case request. In order to be considered appropriate, a formal written protest and a small case request must contain all the information required by Pub 5 (with the exceptions noted in the table below). The adequacy of a protest is generally not determined on the basis of its substantive content, such as whether the protest contains sufficient factual or legal support. The taxpayer lodges a formal written protest and cites the Internal Tax Code §162, but does not give reasons for their disagreement and any factual information in support of their position, as required by Pub 5. Therefore, the protest is insufficient; the examiner must return the protest to the taxpayer and give the taxpayer additional time to improve it. See 3(a) of the Annex. The taxable person makes a small application in the case and indicates that he does not agree solely to the inability to pay. The protest is insufficient; the examiner must return the protest to the taxpayer and give the taxpayer additional time to improve it. See 3(a) of the Annex. The taxpayer lodges a formal written protest with the information required by Pub 5, referring to the issues raised in the 30-day letter, the reasons for the disagreement and the actual information in support of their position on the matter. The expert disagrees with the facts of the taxpayer and/or does not consider the taxpayer's position to be sufficiently supported; however, the protest is appropriate because it contains all the information required by Pub 5. Examiner determine whether it is necessary to rebut the case before the case is referred to the court. See 3(a) of the Annex. When the taxpayer appeal conference, examiners must follow the procedures in force in the following table: When it is necessary to rebut, they must be prepared on form 886-A and address: Statements, facts and arguments that have not previously been taken into account in the test report New arguments or facts raised by the taxpayer factual differences between the

test report and the protest Copy of the rebutment must be provided to the taxpayer at the time of sending the case to appeal. Examiners use Letter 5072, examiner's Rebuttal, to pass the rebuttal to the taxpayer. Letter 5072, accompanied by a rewriting, must be attached to the taxpayer's protest in the file, as provided for in IRM 4.10.9.3.3(1)(e). In order to comply with the general time frame for closing an unassigned case from a group, all activities (e.g. obtaining consent, improving or rebutting a protest, organising a group managers' conference, etc.) should be completed within 20 days of receiving a formal written protest or a small request for a small matter, unless the matter requires additional development. See IRM 4.10.8.2.4.3. Field examination: When a taxpayer requests an appeal conference, the cases of tax agents remain in status code 13 (see IRM 4.10.8.12.7(6)), unless additional development is required (see IRM 4.10.8.12.9.3(3) (e) above). If additional elaboration is required, the case must be updated to status code 12. Examination of the Office: Upon receipt of a formal written protest or a small request for a case, the case must be updated to the ERCS 03 action code, the Revocation Request Conference and the laxative date set at 7 days. If additional development is required (see IRM 4.10.8.12.9.3(3) (e) above), the case must be updated to the appropriate ERCS activity code depending on the next required action. Once the examiner has completed all the activities and the case is ready to close, it must be updated to action code 11, Managerial Review and Protests, which by default marks the siphone date today and sent to the group manager. Group managers use the ERCS Code of Action report and the over-interference transparency report to monitor cases to ensure timely action, including moving cases to references. If the taxpayer does not submit a small application for a case or a formal written protest within the permitted time limit, but has indicated their intention to do so, examiners should issue: Letter 923, Letter extending the time to protest, or letter 923-C, Letter extending the time to protest (claim for reimbursement) or letter 923-D, Letter extending the time to protest with files (no-change with Adjustments). Letter 923 (or the applicable letter) is sent to the taxpayer as a reminder to protest. Letter 923 should be issued no later than seven calendar days after the expiry of the original 30-day letter. Office experts case file using action code ERCS 07. If the 30-day letter is returned as unsurpassed, attempt to obtain the correct address (see IRM 4.10.2.8.4, Unseaworthy initial contact lists). If the correct address of the taxable person, the taxable person, the letter will be sent to the new address. The period during which the taxable person may reply shall begin from the date on which the letter is sent to a new address. If the correct address of the taxable person cannot be established and the case leads to a failure to fulfil obligations, close the case to the technical services for notification of deficiencies. If the case causes over-evaluation, close to the CCP to be processed. If the taxpayer has not submitted a small application for a case or a formal written protest in response to a 30-day letter, and the expert has taken action at points (1) or (2), if applicable, close the case as follows: Cases must be closed from the group within 20 days after the expiry of the deadline (including extension) of admission to protest. If the taxpayer provides new information or evidence related to problems in a non-exclusive report, the appeal will issue a jurisdiction and return the case for examination, so the expert can evaluate the new information and make an audit determination. See IRM 8.6.1.6.5, Taxpayer provides new information. The examiner must document the sheet(s) and supporting working documents to reflect the assessment of new information or evidence. In addition, the examiner must follow the table below to determine the appropriate required actions. The procedures in this subsection are for underperformed cases. For docking cases, see IRM 4.2.1.8.4, Docketed Case Examination Assistance. If the taxpayer raises a new issue until further notice, the appeal will release the jurisdiction and return the case for examination, so the expert can assess the new issue and make an audit determination. See IRM 8.6.1.6.4, Taxpayer raises a new problem. The examiner must create a sheet(s) and supporting working documents to reflect the assessment of the new issue. In addition, the examiner must follow the table below to determine the required appropriate actions: If the appeals previously gave jurisdiction to the case and returned it for examination in order to perform additional work, there must be at least 180 days of limitation when the case is received on appeals a second time. The group must allow the case to be dispatched and processed through technical services for at least 30 days. Therefore, 210 days must remain in the statutes when the case is closed from the group. The time spent by examiners to prepare an unsustainable report and the accompanying explanatory sheets of the main or standard explanations shall be charged to the case within the framework of the Direct Examination Time (DET). The time spent by examiners on 30-day letter activities (including protest feedback and follow-up letter) will be reported using the 646 Untest activity code. The preparation of the report (including explanatory sheets of the main or standard explanations) is not reported in accordance with Activity Code 646. Preliminary (30-day) letters are used to provide taxpayers with a copy of the audit report and to inform them of their rights of appeal, do not match the results of the study. Read the statement 601.105(d) - Thirty-day letters and protests for legal authority and additional explanations. In general, the 30-day letters are: Tax Compliance Officers (TCO) - Letter 915 (issue with first report) Field Examination Domestic and International Business Compliance - Letter 950-Z Transfere/Transfer Cases - Letter 955. See IRM 4.10.13.3, Transfer liability. Preliminary (30-day) letter procedures apply to matters relating to income, property, donations, excise duties and employment tax. According to the appeals, 365 days must remain in the statutes when they receive the case. The Group should consider at least 30 days for processing in connection with statutory requirements. In unassigned cases, managerial involvement is required. An initial field group (30-day) letter should usually not be issued to the taxpayer unless the manager has contacted the taxpayer and/or representative to try to resolve the tax controversy and reach an agreement. If the case is a non-show-no-response case, the manager will check to see if an address confirmation has been made. These efforts will be documented in the case file. Form 9984 may be used for this purpose. Fast Track Settlement (FTS) is available in LB&I cases. FTS can be initiated at any time after the problem has fully developed. For more information, see 4.51.4, LB&I/Appeals Fast Track Settlement Program (FTS). Letters shall be issued in cases of amendment and without amendment of cases relating to the full deprivation of claims for reimbursement. Exceptions are cases of fraud concerning criminal prosecution and frivolous filers/nonfilers when appeals are not appropriate for these cases. For frivolous filers/nonfilers, examiners use the 1963 letter, frivolous filer report, to report and explain why administrative appeal laws do not apply. If the return test results in a shortfall or over-assessment that is compensated (absence of deficiencies or over-assessment results) by the transfer of the net operating loss, a calculation with a limited interest rate may be required. If the taxable person does not agree with the results of the examination, he will have the same opportunity to request an appeal hearing as if there were shortcomings/over-assessment. IRC 6651(f), Fraudulent Non-Deposit Cases (FFTF) - Part of the FFTF penalty attributable to the amount of tax shown in the return is immediately assessed and is not subject to infringement procedures. In order to ensure that the facts of the case support fraud, and because the assessment of the FFTF penalty attributable to the amount shown in the statement is not verified by the Tax Court, all 30-day letters proposing an FFTF penalty must be reviewed and approved by the Legal Counsel before the issue is made. Furthermore, the period of restrictions on the assessment of such a part would not be notification of the second part. The reporting forms used to present the findings of the checks in the case not agreed shall be similar to those used in the agreed agreed instructions for completing agreed case reports are usually applicable. However, these unripped report forms do not contain a signature line for the taxpayer's consent to evaluation and receipt. Unass agreed cases are excluded agreed cases. Instructions for preparing exemptions can be found in IRM manual 4.10.8.5.2 (form 870). Furthermore, there is no statement regarding the adoption of the report by the Area Director. The following report forms are used in unripped cases. Using form 4549-A is optional for an office exam instead of form 4549. In some cases, it may be necessary to create separate assessments for taxpayers who have submitted a joint statement. For example, when only one of the spouses signs a contract and the shortfall is not fully paid, it may be necessary to assess the arrangement or the obliged spouse in order to protect the limitation period of that taxpayer, while unadmitted procedures are applied to the other spouse. Similarly, a separate assessment would have to be made if only one of the spouses did not petition the Tax Court after receiving the 90-day letter. In these situations, separate evaluations are made using MFT 31, provided that the SSN is correct (no stars). If they are incorrect, the non-root file procedure found in IRM 21.7.12 and IRM 3.17.46 will apply. Although the assessment of the obliged spouse will be made, no recovery notices will be sent until the case is finally resolved (and the assessment will be corrected if necessary). During this time, an assessment of MFT 31 will be established for the other spouse. If only one of the spouses signs an appropriate protest requesting an appeal and does not receive a response from the other spouse, the case will normally be sent to the appeal, provided that there is sufficient time for the limitation period for both spouses. In other words, one signature on the protest may be appropriate. However, if one of the spouses agrees and one protest, a separate assessment may be necessary for the spouse liable, especially if the limitation period for that spouse is imminent. In any event, on form 3198, it should be borne in mind that one of the spouses has signed an exemption so that the CCP can calculate the interest accordingly. If one of the spouses agrees and the other does not respond to the 30-day letter, a separate assessment of the obliged spouse must be established before the case is sent to the technical services for a 90-day letter procedure. MFT 31 Account Creation Procedures: Request an MFT 31 account for the obligated spouse by preparing form 3177. The top of form 3177 will be completed using the basic SSN. In the Other section, place TC 971 in an empty field, and on the status line Action Code 102 (Action code 103 is used if both spouses are unincreased, but only one petition to the Tax Court after receiving the 90-day letter). Also on the Other line (agreeing) the spouse of the SSN is known as XREF SSN: XXX-XX-XXXX. Fill in the MFT (30) and tax period (a separate form 3177 is required for each year). TC 971 and the corresponding operating code on the An MFT 30 account will create an MFT 31 account for the listed XREF SSN. Please send or fax form 3177 to the CCP/FORT manager and request a partial assessment of the obliged spouse: forms 3198, 5344 and test report are needed in addition to form 3177. Note on form 3198indue TC 971 to the attached form 3177. Enter your name and fax number so that the CCP can fax a copy of form 5344 after a partial evaluation. Form 5344 will show MFT 30 and basic SSN. In the upper left corner of form 5344 put the S in the empty following AMCLS. In paragraph 56 put P or S depending on whether the assessment is made on the original or secondary spouse. This is a manual entry, so if RGS does not print form 5344 with this information, it can be manually written on the form. Send or fax these forms to the CCP/FORT manager while you continue to hold the case. Continue the normal unparallelled procedures for a contented/petitioned spouse. Associate the IMFOLT and/or a copy of form 5344 received from the case handling showing that a partial assessment on the other spouse was made on MFT 31. Close the case as usual (including RGS CEAS), but be aware on Form 3198 that manual closure is required due to MFT 31 evaluation. Examiners can refer to IRM 21.6.8, Split Spouse Assessment (MFT 31/MFT 65) for additional information. A copy of the examiner's lead sheet relating to each corrected matter shall be attached to the report form to clarify the corrected items. Use a separate lead sheet for each adjustment. Where the correction applies for more than one year, corrections shall be shown on a single combined lead sheet. For field work cases, use the following format: Title - Each lead sheet should be numbered and titled to correspond with the revision of the audit report. See IRM 4.10.9.7.2, Workpapers: Indexing. The lead journal should reflect the amount per refund, the audit amount, and the resulting adjustment. Facts - Each lead sheet will contain a summary of the facts on which the correction is based. The statement should be in the form of a narrative. The facts must be relevant to the issue and should be given in an accurate and objective manner. Account should be taken of facts favourable to both the service's position and that of the taxable person. Applicable law - the competent authority should be properly quoted and clarified (if necessary). The judgments, opinions and decisions on which it is based should be clearly defined and identified in the explanation. Citations are not required when the correction is based solely on facts or when they do not serve a useful purpose. However, the reports should be in-person for the taxpayer. Taxpayer's position - The position of the taxpayer should be defined (in the form of a narrative), if known. It is also important to cite the legal authority which the taxable person uses as the basis for his argument. If the taxable person has submitted a written statement of his position, the entire declaration must be attached to the summarize the statement and attach the entire document in the report as an exhibit. Argument - Refer to the facts, as previously mentioned, to the quoted body through a narrative discussion in support of the Service's position. Account should also be taken of the dismissal of the taxable person by the Service. The expert argument will be included in the new section of the applicable information sheet law. Conclusion - The termination of the Service's position should be briefly stated. A copy of each lead release sheet, which is used as an annex to the test report, may be amended to remove foreign information (e.g. returning working paper, audit steps that were not used during the audit, etc.) that would not be used by the taxpayer or representative. An alternative item to the problem in an unspecified case is the secondary position on which the Service may ultimately rely if the underlying position cannot be maintained. An alternative position is recommended as appeals will generally not raise new issues. Therefore, the examiner must specify all the alternative posts that may apply if the basic post is not maintained. Basic and subsidiary positions typically apply to a different set of rights and arguments. For this reason, the tax calculations for the alternative item may differ from the basic position. An alternative position should be applied to tax law, which supports two completely separate positions. For example, when it is proposed to adjust in order not to allow business expenses due to IRC 183, reserves for the loss of hobbies; adaptation of IRC 162 should be recorded as an alternative to IRC 183. The basic position should be greater of the liabilities when two positions are considered. An alternate position is not required for a correction that is handled by multiple sections of the tax code for a single position. For example, in order to promote the absence of business expenses, IRC 162 (a) and (b) of Regulation (EEC) No 2081/92 should be replaced by the following: The alternative position must be discussed with the taxable person or his authorised representative before the test report is issued. The alternative item report must be included in the report submitted to the taxpayer. The facts, the law, the position of the taxpayer and the conclusions on an alternative position on the case will be presented on a separate main sheet from the basic item. If tax calculations change due to an alternative position, a separate form 4549-A from the base position will be prepared in addition to a separate lead sheet. The top of each of these report forms for the alternate position will be marked as Alternate Issues. An alternative position report will be placed behind the report containing the primary position. In the case of unripped cases that contain a number of related issues, it will not be necessary to prepare tax calculations on form 4549-A for each combination of alternative alternatives Form 4549-A and the corresponding lead sheets will be prepared for basic topics. However, only lead sheets will be prepared for alternative issues. If, in connection with a correlated correction (i.e. whipsaw), a partial contract is requested and the taxable person wishes to agree with the non-correlative adjustment(s) of the secure form 870. Form 870 must clearly state that the correlation correction(s) is/are not shown in the calculation of deficiency or over-evaluation. Withholding a backup is a strong alternative position in the event that the employer has not issued form 1099 and has not received a TIN from employees. The backup hold procedures can be found in IRM 4.23.8.13, IRC 3406 - Backup Hold. Negligence/a significant part of the understatement of the accuracy penalty is a standard alternative when investigating fraud penalties. No Penalty (FTF) is a standard alternative to fraudulent non-penalty (FFTF). If the penalty related to accuracy resulting from a significant understatement of income tax is not penalized due to a finding of negligence or disregard of rules or regulations, the non-gully report will contain a significant understatement as an alternative position. References for alternative positions in unassigned cases: IRM 4.10.6.4 - Finalisation of criminal arrangements IRM 4.23.10.16.3 - Alternative and whipsaw positions in cases not related to IRM 20.1.1.5.3.2 - Common features regarding accuracy and civil fraud IRM penalties 25.1.4.3.10 - Preparation of the report before prosecution in general, preliminary (30-day) letters allow the taxpayer 30 days to request an appeal to hear their case. For this purpose, the following letters, specific to the type of case, shall be used: letter 950 in the case of simple deficiencies, simple or mixed overstatement of cases of lack and over-assessment on the ground; Letter 950-Z - in the case of simple deficiency, simple or mixed overstatement of deficiencies and over-assessment, field examination in cases of compliance with business rules; Letter 915 - in the case of simple deficiencies, reevaluation of simple or mixed cases of misconduct and over-assessment at the control office; Letter 569 - in the case of claims for non-admenny; Letter 3391 for non-affiliates; Letter 1125 - in criminal preparatory matters; and letter 1963 - for trivial filer/nonfiler cases. Limited interest cases - the examiner will have to prepare and the manager will approve the letter based on the lists listed above. The letter is not available due to rare usage. The letter should address the issue of limited interest and not the shortcomings or over-assessment of the tax. Current guidelines for the use of form 4665 can be found in IRM 4.10.8.12.6. The initial (30-day) lists will contain the following documents: The corresponding letter; The test report and the happened; Publication 3498, Examination process (or publications 1, 5 and 594). Publication 3498 must always be letter (30 days), even if it was delivered with a previous report or letter. (Pub 3498 is not required for 950-Z) Pre-letters will be sent by regular mail, unless it is necessary to document correspondence and service. In such cases, use registered or registered mail and request a return confirmation. Preliminary (30-day) lists should be prepared by the examiner and may include the name of the examiner or the name of the group leader, as the situation justifies, in the area of contact letter. The permissions to sign and issue letters are transferred to group managers. In the event of a joint return, a full original pre-letter will be sent to each of the spouses. A copy of the initial letter must be sent to the taxpayer's representative. A copy of the preliminary letter shall be retained in the file. After sending the initial letter, the case will be 200- 100% Managers will provide appropriate checks in cases in a 30-day state. In general, the statement of procedural rules 601.105(d)1 does not provide for an extension of the time taken to reply to preliminary (30-day) letters. However, in practice, an extension may be granted in reasonable circumstances. Reasonable circumstances include, but are not limited to the following: The taxpayer retains a representative and shows the need for more time to prepare a meaningful protest, the taxpayer retains a new representative, disease or harm to the taxpayer or representative, or the problems are complex and require extensive research. Requests for renewal should have written information and should specify the reasons why additional time is needed. Since many applications are submitted by telephone, the extension may be granted orally and confirmed in writing upon receipt of the written request. An extension should not be granted if the limitation period expires within 240 days and the granting of the extension does not leave sufficient time for the case to be dealt with. In such circumstances, the extension of the time limit for replying to the preliminary letter will be subject to the provision of an extension of the limitation period. The extension shall be granted by the head of the group or by a designated managing officer. The taxable person should be informed in writing of the extension and of the specific extended date of the reply. To do this, letter 686 will be used. Extensions are usually granted for no more than 30 days, unless the specified reason supports additional time. If the taxpayer lives outside the United States, the 30-day letter should be modified to allow a reasonable period of time to respond. If you change your test report after the release of the 30-day letter, follow the procedures for the revised report and report to the agreement. If the taxpayer does not agree to the corrected report, the following steps should be taken: If the revised previous study report and no new issues will be raised, the case may be closed the first 30 days. You don't need a new 30-day letter. If the revised report raised new issues or the proposed deficiency is increased, a new 30-day letter will be issued if sufficient time remains for the limitation period. If, in response to a preliminary letter, a signed contract form (or a full payment not specified as a deposit of 6603) is received, the case will be closed within 10 days of receipt of the notification using agreed closure procedures. If the taxpayer indicates consent to part of the report, apply for a partial contract. If you receive a partial contract, the process in accordance with IRM 4.10.8.6. The case will remain in 30-day suspense pending a protest or by default for other issues. If the exemption is not signed, but a partial transfer is received (not specifically specified as a deposit as a deposit of 6603) the payment will not be treated as a partial payment of tax, unless the taxpayer designates it as such. Contact your taxpayer by phone to ask if the payment was to be a tax payment or a 6603 deposit. Document conversations in case file. If the taxpayer cannot be reached, draw up a supplementary letter to inform the taxpayer that we have not received a protest or signed exemption or agreement on corrections; we have received the transfer and we need to know whether they intend to make a transfer as payment for a tax shortfall or a deposit of 6603; and we must receive a reply within 15 days of the date of the letter or the case will be closed due to a deficiency notice. If the taxpayer contacted and agrees with all the corrections, but could not pay the entire obligation at that time and intended the transfer to be a partial payment, submit the taxpayer to sign the exemption and determine whether the taxpayer qualifies for the installment contract. Process the payment as a partial payment. Do not keep the payment until you receive the release. If the payment was to be a 6603 deposit, inform the taxpayer that if we do not receive a protest or signed disavowal, a notice of deficiency will be issued. The taxable person may reply by appealing. The following appeal procedure concerns field aid as well as field work/office. Application for appeal - Field/office examinationS Whenever the total amount of the proposed additional tax, tax and penalty allowances, the proposed over-assessment or application for reimbursement, credit or set-off for any tax period does not exceed USD 25 000, the application for cancellation shall be submitted using small case procedures. These procedures require a written request for consideration of the appeal, indicating the changes with which the taxpayer disagrees and any reasons for disagreement. A case with a shortfall of more than \$25,000 requires formal written protest. If the taxable person submits a formal written it will be reviewed at group level, in accordance with the management's designated level, within seven days of the receipt to determine whether: The protest is appropriate, the case requires further development by the examiner, the examiner's report should be amended, the written taxpayer's protest contains the required documents. The formal written protest of the taxpayer must include: A statement that the taxpayer wants to appeal against the expert's findings to the Office of Appeal; the taxable person's name and address and telephone number during the day; a copy of the letter setting out the proposed amendments and arrangements which have been protested; or the date and symbols of the letter; Tax periods or years; A detailed timetable for adjustments with which the taxpayer does not agree; a statement of facts confirming the taxable person's position on each point of fact at issue; a statement setting out the law or other authority, if any, on which the taxable person relies; and a statement of truth for position above under the penalty of perjury. This can be done by adding the following signed statement to the document of protest: Under penalties for giving evidence, I declare that I have analysed the facts presented in this protest, including any supporting documents and, to the best of my knowledge and belief, are true, correct and complete. If the taxpayer's representative submits a protest to the taxpayer, the representative may order an alternate statement from the taxpayer described in paragraph 7) above. The statement will include: The representative has prepared a protest and supporting documents; and whether the representative knows personally that the facts contained in the protest and the supporting documents are true and correct. The protest should be returned to the taxpayer if it is incomplete and additional time is granted to improve the document. The signature of only one spouse at a protest for a joint return does not make the protest inadequate. The case should be returned to the expert for further development if the protest contains information justifying consideration. Cases returned for additional development should be considered as priority work and considered expeditiously. If the examiner or group leader believes that there is something in protest that does not change the determination but requires further comments or explanations and is not confidential, it can be prepared and included in the case file before it is sent for appeal. If a rebutment is prepared, a copy must also be provided to the taxpayer. Appeals will not return cases for further development. The group leader should attempt to discuss the issues at issue with the taxpayer (representative) in order to resolve the problems, reach an agreement and reduce the burden on taxpayers. If no agreement can be reached, the case will be referred to the appeal. If the taxpayer orally requests a transfer of jurisdiction until further notice and the written protest is completed, the case file will be sent immediately to the local appeal office serving the transmitting area. This applies even if the taxable person has applied for a hearing at an appeal office other than that which serves the transmitting area. The fact that a statutory notice of non-infringement has been issued to a taxable person does not preclude the transfer of the dismissed cases to appeals for: Other tax periods of the same taxable person, Other types of tax for the same tax periods for the same taxable person or a compromise offer covering the same type of fact and the same periods of taxation of the taxable person. Appeals may also apply for jurisdiction in cases related to the cases described in (13) above. The case may be transferred to the Appeal with a copy of the taxpayer's refund if: the transcript of the bill is attached to the duplicate refund; (a) the case does not include fraud, a threat assessment, a Joint Committee case or a statutory deficiency notice issued as a basis for closure. Requests for further information or further verification of the facts in the protested case will be terminated immediately. Field test - If a taxpayer has not filed a protest on time but has expressed an intention to do so, a 923 letter will be sent to the taxpayer to allow an additional 15 days to file a protest. Letter 923 should be issued no later than seven calendar days after the expiry of the original initial letter. If the pre-letter is returned as unmatched to the address in the file, an attempt is made to obtain the correct address. If a valid taxpayer address is specified, a pre-letter will be sent to the new address. The period during which the taxable person may reply shall begin from the date on which the letter is sent to a new address. If the correct address of the taxable person cannot be determined, the case will be dealt with as described in IRM 4.10.8.13.11. If the preliminary letter proposes to over-assess or reject the claim without changing the tax liability, no follow-up should be taken. The case should be closed as described in IRM 4.10.8.13.11. If no reply to the supplementary letter is received, the case will be dealt with as described in IRM 4.10.8.13.11. Cases will be closed from the group immediately within 20 days after the time (including extensions) allowed to protest has elapsed. Cases of deficiencies - The statutory notification of the defect will be prepared by the technical services and issued in the absence of a response to a preliminary (30-day) letter subject to the following conditions: It seems reasonable for the taxpayer or authorised representative to receive a preliminary (30-day) letter or, if not received, the Service is in a state of care in determining the last known address of the taxpayer. The taxable person is temporarily unavailable and is not expected to return within a reasonable period of time or not return after a reasonable extension. Follow-up was taken without success. The notification required by IRF 534 (a) shall be sent to the competent has been released. For instructions on the exam group, refer to the exam group instructions, see IRM 4.8.9.4, after release. Notwithstanding the conditions set out in paragraph (2) above, statutory notice of deficiencies shall be issued within the time limit set by law if the limitation period expires within 150 days and the taxpayer does not comply with the consent to the extension of the limitation period. See IRM 4.8.9.4. Proposed over-assessment - If the taxpayer does not respond to a preliminary letter informing about the proposed surplus (corrections to reduce the tax liability exceed the adjustments increasing the tax liability), the case will be closed from the group to deal with cases for further assessment. Claim for damages - If the taxpayer does not respond to the initial letter informing about the rejection of the claim, the technical service will issue a notice of non-claim. If there are no changes to the tax liability (neither lack nor over-assessment), please indicate on form 3198, Issue Letter 906, Final Full Claim Disallowance, included in the file. If the claim is partially not allowed due to the resulting over-assessment, please indicate on form 3198, Letter 905, Final Partial Claim Disallowance Letter, included in the file. Both letters contain several lines for the examiner to insert reasons for non-permission. Complete the letter except for the date, provide the reasons for not closing, and place the letter in the case file at the top. Employment tax matters - In employment tax matters, a preliminary (30-day) letter will be issued informing taxpayers of any proposed adjustments to their tax obligations and of the conclusions drawn unchanged in cases where there is no right to reimbursement. In general, if a valid protest is not received in the case of an employment tax, it is closed without issuing a statutory notice of deficiencies. However, examiners should ask IRM 4.23.22.8.6, No response to the 30-day letter for additional information when the proposed tax concerns the issue of IRC 7436. Limited interest rate cases - If the taxpayer does not respond to a special letter in time, the tax liability will be adjusted as proposed in the audit report. For more information on assessing limited interest, see aims processing procedures in IRM 4.4.1, Introduction. The time spent by examiners to prepare an unripped report and the accompanying explanatory main sheets shall be charged to the case within the direct examination time (DET). The time spent by examiners on 30-day letter activities (including the preparation of a 30-day cover letter, protest reviews and follow-up letters) will be reported using the Non-Negotiated Activity Code 646. The preparation of the report (including explanatory main sheets) is not in accordance with Code of Conduct 646. After the start of the 30-day activity, the case should be removed from the agent's inventory and stored in the manager's office. The case should be updated to State Code 13 on AIMS when the A preliminary letter is sent to the taxpayer of the group. If a preliminary letter is sent from the technical services, the case will be updated to State Code 22 AIMS Statutes Table 4.1, at the group level, will contain cases in status codes 9-18. Table 4.0 AIMS for technical service personnel will contain cases in Code of State 22. If further development is necessary after the start of the preliminary letter activities, the case will be returned to the examiner and reactivated in accordance with the time of the direct examination, status code 12. This section provides instructions for correcting reports that contain errors. Changes to reports shall be deemed to have been corrected after changes have been made to reports issued with 30-day lists or to reports which have been signed by the taxpayer. Reports which are amended in connection with additional information provided during the survey (before the 30-day letter or agreement) should be kept in working documents. If a closing letter (such as letter 590 or letter 987) has been sent to the taxable person, before proposing unfavourable amendments to the taxpayer. See IRM 4.10.8.9, Claims. Signed waiver and error is in favor of the taxpayer - If an error was made in calculating the deficiency, over-assessment or penalty shown on a previously executed report/waiver that is in the taxpayer's favor, a revised report will be prepared. A copy must be provided to the taxable person; however, no signature is required in the new report/waiver. Note to the revised report, read the taxpayer's signature in the date report (date). Signed exemption and error is not in favor of the taxpayer - If the error is against the taxpayer (more tax due or less refund), the expert has two alternatives. Prepare a revised report and apply for a new release. If the taxable person does not agree to the corrected report, partially agreed procedures should be followed; or, You must process the case for the amount shown in the original completed report/release if it falls within the error tolerance levels in the posting order SBSE 4.4.1, Error Tolerance Levels. The error detection group or function shall prepare a note to the CCP signed by the relevant delegated official. Place the note at the top of the report in the case file. The revised report should be prepared as follows: At the top of the revised report, write Revised Report. In the other information or notes section, write: This report replaces the date (date) report. The taxpayer's signature is required only in the revised report if the change is in the government's favour, i.e. more tax or less reimbursement. If the taxable person does not agree with the corrected report, the unsealed procedures shall apply. Consider each year separately without composing tax periods. New exemptions may require obtaining, even if the net effect of the adjustments may be in the taxpayer's favour, report will be noted at the top: This report is replaced by a report with a date (date). Both original and revised reports contained in the file. Note on form 3198Reped report. This section contains test issues that require calculations in a standard form. Where an adjustment is proposed in each of these areas, the relevant form should be completed and attached to the test report to explain how the adjustment is to be determined. Use form 1914, MacRS/ACRS/depreciation allowable deduction calculation, available through RGS (or equivalent schedule) to calculate acceptable depreciation costs. The sheets should be transferred to the taxable person in cases where the passive loss, the permitted loss and the unauthorised (suspended, transfer) losses must be distributed among the various passive activities in order for the activity to be properly reported in subsequent years. Any adjustment to the net operating loss write-down should be fully explained in the report. The correction on form 4549 should be identified as a transfer of the NOL with the source year identified or the transfer of the NOL with the identification of the source year. When making adjustments to net operating losses examiners should refer to IRM 4.11.11, Matters related to net operating losses. Examiners should be aware that deductions of net operating losses may result in the jurisdiction of the Joint Committee. See IRM 4.36.2, Identification of Joint Committee matters. Examiners should also note that deductions of net operating losses usually require limited interest calculations. For test procedures in these cases, see IRM 4.10.8.15.3.4. The report proposing an adjustment to the net operating loss deduction should include all calculations necessary to fully explain the source year and the amount of any net operating losses. The calculations will include the modifications required by IRF 172(d), Form 3621, Net operating loss calculations - individuals and corporations and real estate and trusts can be used for this calculation. Enterprise NOL sheets and individual NOL sheets can be found in the Special Applications section of the RGS website. The report shall include a calculation of the amount of net operating loss allowed in each year. The calculation will include loss modifications required by IRF 172(b)(2), Form 3621-A, Calculation of the deduction of net operating losses for changes in intervention years, may be used for calculations. IRC 6411 allows the taxpayer to apply for a refund or credit using form 1045 (for individuals) or form 1139 (for corporations); tax adjustment is not a claim. Examiners should be aware that initial allowances are specific cases with limited interest rates. Campus calculates and pays limited interest when the initial refund is processed. See IRM 4.10.8.15.3.4. The test report reflecting the initial refund or credit allowance is explained below. Adjustment of loss write-down (NOLD) - The report shall show the correct amount of the NOLD. If nold is allowed in its entirety, the entire NOLD will be displayed as a correction. If nold is not allowed, the correction in the report will be zero. Zero, income, as shown in the report, taxable income on the return (or as previously adjusted) is the amount before the initial allowance is processed. Taxpayer test report prepared according to the instructions in this section, and the test report with the following listed in the upper margin Only for processing cases - Prepare this test report using RGS (this will ensure that form 5344 is correct). Taxable income should reflect taxable income as previously adjusted by including an initial carry-over to the transcript. Pre-adjusted tax - The tax, as previously adjusted, should include any tax reductions allowed in the processing of the initial allowance. The report should include a schedule that shows tax calculations according to previous adjustments. Examples of the report after the initial addendix - Facts: Corporation X will submit its Form 1120 of 1992 in due course. Taxable income is \$888,888 and tax is \$302,222. In 1995, the net operating loss was \$30,000. On 30.04.96, form 1139 is filed and the corporation receives a refund of \$10,200. The reports for 1992 and 1995 are being examined. Example 1: The study results unchanged in 1995. There are no changes to the tax, because the corporation has already received a preliminary refund. See Annex 4.10.8.10, Example 2: The study results in an additional income in 1995 of \$17,000. This reduces the NOLD to \$13,000. There was a shortfall in 1992 of \$5,780 because the corporation received an initial refund under nold of \$30,000. See Annex 4.10.8-11. Example 3: 1995 revenue survey results of \$50,000. This eliminates NOLD. There is a shortfall of \$10,200 because the corporation received an initial refund of \$10,200. See Annex 4.10.8-12. Interest is charged on the tax shortfall in accordance with IRF 6601 for the period during which the taxpayer has used government money or is paid for over-assessment or overpayment under IRF 6611 for the time during which the government has taxpayer money. In most cases, the period for which interest is charged or is paid to the taxable person starts on the due date. Changes to the study that follow this rule are called General Adjustments. Examples include expenditure adjustments, changes in revenue, increase or decrease in current credit, and adjustments to losses/credits carried over from previous years. The interest accrual period is shorter or limited if there are certain deductions, credits, or income items. Changes to the exam in these elements are called limited adjustments. Examples include net operating loss, capital loss or transfer of loans from the following year. In such cases, interest is calculated from the due date of the year of the source transfer item. This is also known as the effective date of the limited See Annex IRM 20.2.1-1, Provisions limiting interest, which lists deductions, loans, income items and the provisions of the Code that limit interest. Cases with limited interest adjustments are complex and require special handling. Non-increased cases are sent to references through technical services. Agreed cases with certain refunds of more than \$2 million (\$5 million for Corporation C) are sent to the Joint Review Committee at LB&I. More information on the criteria of the Joint Committee can be found at 4.36 IRM, Joint Committee Procedures. Agreed cases which do not meet the criteria of the Joint Committee shall be sent to the technical services if they require the preparation of form 2285, while at the same time establishing deficiencies. After completing Section I of Form 2285 for an industry case coordinated by LB&I, the SB/SE technical services or the reviewer of the LB&I; Joint Committee should send a copy of the form to the team coordinator for inclusion in the case file. If reviewers or CCP staff have any calculation questions for any form 2285, they should contact the expert who prepared the report for clarification before sending it back to the group. Form 2285 is required if there is one or more of the following three criteria: both general and limited corrections; adjustments to the carry-over from more than one accounting period; or more than one calculation date with a limited interest rate. In such cases requiring form 2285, the examiner's report should clearly reflect adjustments to transfers or recovery of NOLs or points. The revision of the audit report should reflect the source year of the transfer, i.e. the CCP will use the completed form 2285 to calculate the interest for the tax year(s) in the audit report. For more instructions on suspended interest, see IRM 4.10.8.15.13. In complex cases with many limited adaptations, it is recommended that the examiner prepare a spreadsheet of the Joint Committee for an appropriate period(s). See IRM 4.36.3.6.5, Joint Committee spreadsheets. Agreed cases that do not meet the jurisdictional amount of the Joint Committee and do not require form 2285 should be sent to the CCP in status code 51. To assist CCPs in calculating the capped interest adjustment, examiners should reflect the source year of the transfer in the revisions section of the audit report and identify tax periods containing limited adjustments on Form 3198. In applying these rules, examiners should omit any limited corrections which constitute a preliminary allowance submitted on form 1045 or form 1139 which has been accepted as submitted. This is because when tax is paid, the campus function automatically generates limited interest calculations. In all cases of limited importance, form 4549 and other relevant form, with all corrections identified, must be in other information, the following or similar statement: There is limited interest in this report. In such cases, part or all of the interest shall be calculated from a date other than the date of repayment. Additional Additional should be added to clarify the calculation period, for example: Interest allocated to the 2014 NOL transfer is calculated from the due date of this refund, 4/15/2015. According to IRF 6404(g), interest is suspended from MM/DD/YYYY to MM/DD/YYYY. Your initial return on form (1045 or 1139) for YYYY was (in whole or in part) not allowed. Interest associated with this adjustment shall be limited to the due date of the reference year. In cases with limited interest that do not cause a change in tax liability, a statement should be added to the Other Report Information section: Even if there are no changes to the tax liability, interest due or receivable may occur as a result of this report. This is because at least one of the corrections is a limited correction. The tax associated with this adjustment has an interest calculation date other than a refund. See IRM 4.10.8.3.3. In such cases, the expert should seek the taxpayer's consent. Submit form 3198 with Limited Interest for year ___ by ticking the appropriate box and filling in the blank field for the year. If form 2285 is not required, check the box in the Special Features section. If form 2285 is required, select this check box in the Forward to Technical Services section. For a step-by-step decision-making model for handling limited interest cases, see the limited interest rate decision chart in Annex 4.10.8-13. Changes to the name or address of the taxpayer require the expert to fill out form 2363, change the main subject of the files as soon as a clear and concise notification is received. See IRM 4.10.2.11, Change taxpayer address for additional information on clear and concise notification and to fill out form 2363. Examiners must also complete form 2363 when there is an acceptable/expert field change in the status of the taxpayer's application. The examiner must submit form 2363 to the CCP as soon as possible. CCP exam EEFax numbers can be found on the CCP website. For additional information, see IRM 4.4.11, AIMS/Processing, Entity Changes. Treas. Reg. 1.6013-1(a)(1) does not allow the spouses to change from a joint refund to a separate refund, unless before the due date of payment of the refund (regardless of the extension of the deadline for submission) any of the spouses subsequently submits a separate refund. A separate return is the replacement return. Separate testimony submitted by the executor - In certain circumstances, a surviving spouse may submit a joint return for the year of death if the executor or administrator has not been appointed at certain times. IRF 6013(a)(3) and Treas. Reg. 1.6013-1(d)(3) & (4). The executor or administrator for the deceased person may disconnect the joint return made by the surviving spouse. See IRF 6013(f)(4) and Treas. Reg. 1.6013-1(d)(5). Invalid common elections - Sometimes, after processing a joint return, it has been established that joint elections are not valid, even if it is valid for IRC 6011 and IRC 6012. Some reasons why joint elections may not matter Taxpayers were not married, the refund is not signed by both parties, the refund was signed under duress (Treas. Reg. 1.6013-4(d)). The signature of one of the spouses was forged. A phrase that is not signed can be corrected by obtaining a valid signature using the letter 2348, declaration (2). In addition, the refund may be treated as signed by the establishment of both spouses' intention to give joint testimony. See Federbush v. Commissioner, 34 T.C. 740, 757 (1960), aff'd per curiam, 325 F.2d 1 (2d Cir. 1963). When closing a separate return of a person whose social security number is listed first (the principal taxpayer) for an invalid joint statement, the following actions should be taken: Prepare a report using the correct status of the application and only the income, deductions and credits of the main taxpayer. Seek taxpayer's consent. Follow normal agreed/unsatisfied procedures. Show only one name on form 5344. Prepare form 2363 to correct the name line to reflect only the primary taxpayer and correct the status of the application in your account. Check the following transaction code fields on forms 2363:013 and 016 and enter the appropriate application status code in the FSC field. For more information, see 4.10.8.15.4, form 2363. Select the check box for form 2363 in the Closed Forms section of form 3198. If the file does not yet contain a separate refund for the person removed from the joint return, you must request a refund (if a refund is required). This return should be closed with a joint return with instructions to the CCP function to process the return as the original return. If a refund is required and is not submitted, follow the return procedures to assess the person whose name has been removed from the joint return. Spouses who have originally given evidence on a separate basis may consider it beneficial for them to use common tax calculations. In order to change their separation to common return status, taxable persons may submit a joint refund or a revised form 1040X. IRF 6020 a) authorizes the Secretary to prepare a refund for the taxpayer who does not make and does not give evidence if the taxpayer discloses all the information necessary for the preparation of the declaration. If the taxpayer signs the statement prepared by the registrar, the refund may be received as a refund of the taxpayer. If the taxpayer does not make a refund or makes a false or fraudulent return, IRC 6020(b) authorizes the Registrar to return from his own knowledge and from such information as he may obtain by way of testimony or otherwise. IRC 6065 requires that the return be included or verified by declaration that it is being carried out under the penalty of perjury. The common status of the return application in accordance with IRC 6013(a) is concentrated with the spouses making the choices and intending to submit Returns. Therefore, the Service cannot choose the status of joint notification on behalf of taxpayers in a statement which prepares and signs under the authority of IRF 6020(b). See Millsap v. 91 T.C. 926 (1988), as a result, 1991-1991-1.C.B. 1 (the notification status used by the IRS when preparing declarations in accordance with IRC 6020(b) does not bind taxpayers in subsequent infringement proceedings). Form 870 signed by the spouses is not a refund in accordance with IRC 6020(a) and is not a choice to give joint

testimony under IRC 6013. This form also applies to form 1902, report on individual changes to income tax control (obsolete 1988), and form 4549, income tax control report changes, and any form of successor to these forms, because these documents are not to be refunded and do not contain jurat with penalty perjury clause. If married taxpayers do not perform a joint refund, the examiner will have to close the case without a contract using the status of the application other than the married joint application. In general, the filing status of these taxpayers will be married filing separately. On the basis of the facts and circumstances, the examiner will have to determine whether reimbursement is needed for one or both taxpayers. See IRC 6013(b)(2)(A) requires taxpayers to make a joint choice of refund within three years of the original payment date of the tax return (regardless of renewal). IRC 6013(b)(2)(B) requires taxpayers to make a joint choice of refund before sending a non-compliance notice this year to one of the spouses if the spouse submits a timely petition to the tax court in respect of that year. IRC 6013(b)(2)(C) requires taxable persons to make a joint choice of reimbursement before legal proceedings are commenced in any court in order to recover any part of the tax for such tax year. IRC 6013(b)(2)(D) requires taxable persons to make a joint choice of reimbursement before any spouse concludes a closure agreement in respect of such a tax year or before any civil or criminal case against the spouse in respect of such a tax year has been threatened. If you receive a revised exam statement, examiners will typically examine the revised testimony decision to determine whether the tax reported is correct. The examination shall be carried out as soon as possible after receipt of the refund and to the extent deemed necessary. The amended refund received from the taxable person during the examination, with or without transmission, will remain in the file. Separate files should be configured for each spouse, as each file will be closed under its own document locator number (DLN) In general, the primary file will be the first SSN shown on the joint return and the secondary file will be the second SSN shown on the joint return. The basic files will contain the original or joint amended testimony. The original separate base phrase and a copy of the separate supporting return should be included. The secondary file will contain the original separate secondary return. Copy of the first page of the page change the return. Two reports will be prepared when separate returns are converted to a common return. Primary file – Prepare a report starting with the primary account and include as corrections items that appear in the secondary separate statement. At the end of the exam, the examiner will seek agreement on the proposed changes. If the deficiency is not pulled, normal review procedures shall be used. Secondary file – Prepare a second report to adjust all taxes and penalties previously assessed in the secondary account to zero. The primary and secondary files should be closed to the CCP together as a single case file. Prepare form 5344 for each file and attach the name of the additional taxpayer on form 5344 for the base file. Prepare form 3198 to be submitted along with the case file and include the following comments: Separate returns converted to common, Add the other taxpayer to the primary account, indicate any estimated tax payments to be transferred from the secondary account to the primary account, and indicate whether the tax has been paid. The report covering adjustments to investment loans (including the recovery of an investment loan) should include calculations showing the correct investment credit. IRC 46 defines loans that are considered investment loans. Form 3468, Investment Credit, can be used to calculate the calculation of the adjusted investment loan. IRC 38 limits the amount of general business loans (including investment loans) that can be used in any year. Form 3800, General Business Credit, can be used to list investment credit restrictions when a taxpayer qualifies for more than one type of general business loan. The report should clearly show the amount and year of origin of any adjustments to transfers of investment loans or transfers. IRC 50 (a) Form 4255, Recapture of Investment Credit, can be used to demonstrate tax calculations due to the recovery of an investment loan. Where the audit results in an adjustment of the tax on self-employment, the information shall be transmitted electronically to the Social Security Administration via form 5344. See IRM 4.4.29.2. Adjustments to income from self-employment. The following information shall be provided on form 5344: (See IRM 4.4.29.2.1.1, Reference Code Changes to Self-employment Income/Tax): Reference number 878: increase or decrease in income from self-employment of the main taxpayer. Reference number 879: net increase or decrease to the income from self-employment of the secondary taxpayer. In 1990 and subsequent tax years, make adjustments to self-employment income multiplied by .9235. The net increase or decrease to the self-employment tax reference number is 889. Changes in both primary and secondary from self-employment in order to reference number 889. The employer must gross out the employee's specified salary, taking into account the tax rates of IRC 3101, for example, if the ZUS tax rate is 6.2% and the Medicare tax rate is 1.45% for a total of 7.65%, the calculation uses 0.9235 (i.e. 1 - 0765). Separate adjustments should be made to the social security portion and part of the Medicare self-employment tax. For the maximum amount of total salaries and self-employment earnings subject to social security tax for a certain period of time, see Pub 334, Small Business Tax Guide. There is no limit to salaries and self-employment earnings subject to Medicare tax. If, during the examination, it is found that the tip income has been understated by the employer's employee, the FICA tax may be adjusted. See IRM 4.4.29.3, Group procedures for income adjustments from advice and IRM 4.23.10.18, Employee tax adjustment procedures for income from advice that has not been notified to the employer. When the exam corrects the employee's participation in the FICA, examiners must comply with IRM 4.23.10.17, general procedures for adjusting the employee share of FICA/RRTA taxes, including additional Medicare tax (AdMT). A domestic worker shall report annual payments of labour tax in accordance with schedule H, the household employment tax which is attached to form 1040, form 1040-NR or form 1040-SS. If a person is not required to file a tax return (for example, because the income is lower than the amount that requires the person to file) Schedule H can be filed by himself. Using Schedule H to report and collect these taxes does not change the nature of the tax. Changes are changes to the labour tax. Changes cannot be included in the income tax report. Changes should be made to the labour tax report (see (4) below). Changes are not subject to deficiency procedures and should not be taken into account in the deficiency notice. No part of the employment tax reported in Annex H is ever available for reimbursement under changes in the taxpayer's income tax obligations. For the purposes of schedule H, the employer is: The taxpayer who applied for the EIN, which is required. In the case of joint declarations, the employer may be only one taxable person, and this is the spouse who obtained the EIN. Adjustments to schedule H require the preparation of form 4667, examination changes - federal unemployment tax; Form 4668 Change report in the labour tax analysis; and form 2504, agreement on the assessment and collection of additional tax and acceptance of the above. Corrections on form 4668 should be made by the fourth quarter. After adjustments to Schedule H, Form 3198 must be attached to the file. The Other Instructions section should include the following entry: Schedule H - Forms 4667, 4668 and 2504 closed to the primary or secondary taxpayer (which is the applicable). In the case of common forms, it is important that the primary/secondary marking is consistent with the exact completion of form 5344. As in the case of tax changes related to remuneration, adjusted or overdue W-2 should be secured if necessary. Additional information can be found in the additional information, including for additional information on IRM 4.23.10.10.5, Engineer Memorandum Report, Form 3213 - Used as a report message for an engineer's report on issues other than LB&I. Problem Management System (IMS) is used to submit reports on LB&I cases. For more information about the content of the engineer report, see IRM 4.48.1, Engineering Program Overview. Form 4665 will note that the engineer was involved in the case and whether the engineer's findings are accepted. Once accepted, the engineer's findings will be included in the examiner's report. The working documents relating to the engineering report on SB/SE cases should be included in the case file. International Examiner's Report, form 3963 - is used as a transmission report for the international expert report on SB/SE and LB&I. Form 3963 contains administrative information, information on conformity checks, issues considered but not amended and form 886-A, etc. For more information on preparing form 3963, see IRM 4.60.9, International Examiner's Report. Form 4665 will be noted that International was involved in the case and whether the international expert's findings are accepted. Once accepted, the international position examiner's explanation will be included in the examiner's report. The working documents relating to the Report of the International Examiner should be included in the file. IRC 6404(a) IRS has 36 months (or 18 months in some cases) from the date of return or the date of submission of the declaration (with respect to the extension), which is what happens next, to notify the taxpayer of additional liability without suspension of interest. Additional information on the notification period, the period of suspension of interest and the effects of the amended refunds can be found in IRM 20.2.7.8, IRC 6404(g) The notification provided within the prescribed period prevents the suspension of interest if the notification respectively states the amount of the commitment and the basis for the commitment. See IRM 20.2.7.8.5, IRC 6404(g) Notice for relevant notification requirements and the effects of multiple notifications. See IRM 4.31.6.3.6.3, IRC section 6404(a) The date of notification of IRC 6404(g) shall be recorded on the copy of the notice submitted in the file. In the event of suspension of interest in accordance with 6404 (a) of the First Subparagraph, the amount of the interest shall be determined in accordance with the procedure laid If there is more than one IRC notification date 6404(g), as defined in Multiple IRC 6404(g) notifications, each notification date and part of the liability for each notification date will be recorded in the Other Test Report Information section and should include the following language -IRC 6404(g) applicable and there are different notification dates XX. The first notification was given on (date) for \$(commitment amount); the second notification was given on (date), etc. In each individual case with a correction of liability, examiners must indicate on the other side form 3198, IRC 6404(g) does not apply or give the date of notification and the corresponding amount of the commitment. If there is more than one IRC notification date of 6404(g), it should be noted on Form 3198 that the capped interest applies due to IRC 6404(b). For more information, see IRM 20.2.7, Abatement and Suspension of Debit Interest. There are usually two types of changes that can be made as a result of transactions involving an individual retirement arrangement (IRA) or a qualified pension plan during the survey: income adjustments and taxes resulting from non-compliance with IRA rules. Income adjustments: income adjustments, such as the deduction by the taxpayer of an IRA contribution or the inclusion of early income payments, will be reflected in the income adjustment line on Form 4549. Taxes resulting from non-compliance with IRA rules: Taxes such as IRC 72(i), early payday tax and IRC 4973, IRC 4974 and IRC 4980A, taxes for excess contributions, accumulations and withdrawals, are reflected in row Plus Other taxes on Form 4549 in addition to the adjusted tax liability. The tax type will be specified in the Other Information section. To show the tax calculation, attach a lead journal. In common cases of reimbursement, the spouse to whom the tax relates must be identified on the lead sheets. If applicable to both spouses, the amount of tax applicable to each spouse will be determined. These taxes are usually reported on Form 5329, additional taxes on eligible plans (including IRAs) and other tax-privileged accounts. IRM 21.6.5.4.2, Individual Pension Reconciliation (IRA) Taxes, lists taxes that can be assessed on IRA and qualified pension plans if the taxpayer does not comply with the rules governing the IRA. Attention should be paid to whether the tax is income tax or excise duty, as this will affect the preparation of reports and the limitation period. If you are preparing an agreement to extend the limitation period and you can estimate the excise duty due to the IRA, fill out the tax type line in the consent form, by entering Income Tax and Chapter 43 (excise duty). The Excise Duty Act must also be extended in addition to the Income Tax Act if there is a possibility that excise duty may be charged. Separate 3244-A, Payment accounting annex, must be prepared for each type of tax, taxpayer and tax period. Billing, separate forms 3244-A must be completed if an advance on the shortfall has been received which: includes both income tax and excise duty, or can be attributed to both spouses in connection with a joint refund for the adjustment of the IRA/qualifying pension plan. The MFT block will be recorded at MFT 29, and the Notes block noted IRA-MFT 29 if the tax is excise duty. One check may be accepted for payments which relate to both income and excise duty. Separate forms 5344 are required for processing: adjustments to each person's IRA/qualifying pension plan and income tax adjustments. If a joint refund is analyzed and both IRA spouses/eligible retirement plans are adjusted in addition to other income tax adjustments, three 5344 forms will be required – one for income tax adjustment and one for each spouse's IRA adjustments. The entries on form 5344 for IRA/eligible pension plan adjustments are generally the same as for income tax adjustments, except any entries are required under headings 18 to 40. Instructions on completing entries can be found in IRM 4.4.14, Individual Retirement Account (IRA), education savings accounts and corrections from a medical savings account. The case file containing the IRA/eligible pension plan adjustments will be determined on form 3198, by checking the special function block Other instructions and then adjusting the IRA, the type of tax (i.e. 6%, 50%, etc.), the amount of tax attributable to each type of tax and determining the SSN of the account to be adjusted. Every taxable person is obliged by law and regulations to keep records with sufficient details to prepare an appropriate refund. This may require the keeping of such standing accounts and records sufficient to determine the amounts of gross income, deductions, credit or other matters to be shown in the taxpayer's return. See Treas. Reg. 1.6001-1. Taxpayers who keep automated records may enter into a record-keeping agreement with the area director. This Agreement limits the retained records to those explicitly identified as necessary for the conduct of audit procedures. Insufficient provisions Notices put taxpayers on notice that their record-keeping practices are insufficient and need to be corrected to meet the requirements of the law. The announcement of inappropriate records may result in a follow-up examination and is a tool for enforcing taxpayers' compliance with legal requirements in order to keep appropriate records and properly report tax liabilities. It is a matter of judgement to establish that the taxable person did not keep the relevant books and records or did not comply with the record-keeping agreement and should be based on the facts of the case. Factors to consider include, but are limited to: Alternative or indirect method was used to determine the amounts of gross income, deductions, loans or other matters shown in the taxpayer's testimony, because the taxpayer's records were not sufficient, previous history and current degree Indications of intentional intent or evidence of refusal to keep relevant books and records, the likelihood that irregularities in the documentation will result in a significant understatement of tax obligations, or other evidence of harm to the government. The following section is dedicated to testing procedures to handle problems with inappropriate writes. All the time for the development of inappropriate documentation of issues by examiners should be taken into account. Examiners should avoid criticising the work of the taxpayer's employees, accountants or lawyers in a manner that suggests misconduct or negligence. Examiners should focus on explaining how taxpayers' books and registers are insufficient and what steps need to be taken to bring them into line with existing laws. Examiners should document the nature of the imperfections in the taxpayer's documentation, the discussions of the expert/group leader and the basis for reaching an application. If the expert finds that the taxable person has not complied materially with the laws and regulations relating to the keeping of the relevant books and records or contracts for the detention of documents, the expert should discuss the irregularities with the head of the group in order to determine whether an inappropriate notification of the dossier should be issued. If your case contains a record retention agreement, contact your computer's audit specialist. In general, letter 979, inadequate record notice, requesting a statement of corrective action from the taxpayer within 6 months, will be used to notify the taxpayer. If the taxpayer is in the racketeer classification, engaged in illegal activity, or knowingly disregards the law, the examiner will prepare form 2807, the contract for keeping the relevant accounts and records, and letter 978, notice of inappropriate records, which contains a description of the exact records required and penalties for non-keeping records. The designated contact referred to in letter 978 or letter 979 should be the person in the PSP responsible for monitoring the future compliance of the taxable person. Form 2807 or letter 979 narration must include the following: The date the taxpayer was orally notified that the records were insufficient or not in accordance with the record keeping agreement, tax year(s) examined, a clear and concise statement specifying how the taxpayer's data was insufficient or not in accordance with the record keeping agreement. Form 2807 should specify the books and entries that will be stored. Form 2807 and letter 978 (or letter 979) are approved and signed by the group manager. Inappropriate records Notifications should be served in person by examiners or sent by certified mail. The examiner shall complete the record of service in lists 978 and 979 at the time of delivery or before sending the certified mail. The register of service should also be completed on all preserved copies. If sent by registered mail return receipt will be a record of service and will be attached to a copy of letter 978 978 Letter 979 retained in the file. If form 2807 is sent, letter 978 should take 15 days to give the taxpayer the opportunity to complete form 2807. Section 3201(1) of the Treaty provides that the Commission shall take into account Congress believed that sending separate notices would result in the mail being forwarded to the spouse who moved in. Detailed procedures can be found in the details with regard to the requirements for form 4.10.1.2.2.1, the requirements for a separate notification. When a notice is addressed to a corporation, it should be delivered to an official authorized to sign tax returns, and preferably to the official who signed the testimony during the investigation. In the case of a partnership, the notice will be addressed to all partners and will show the name in which the company operates. The original notification will be provided to the partner who signed the refund or, if this is not possible, to the partner who is actively involved in the company. A copy of the notification, including a record of personal service or postal receipt, will be sent by registered or certified letter to all other partners. Receipts from these correspondences will be linked to a copy of the notice kept in the case file. If possible, treasury agents should provide 979 or letter 978 and form 2807. Otherwise, send a receipt by mail. In cases where form 2807 is required, the taxable person will be able to perform the contract by specifying the books and records to be kept. Tax compliance inspectors/tax inspectors should provide the taxpayer with letter 979 or letter 978 and form 2807 on their next visit, if possible. Otherwise, send a receipt by mail. In cases where form 2807 is required, the taxable person will be able to perform the contract by specifying the books and records to be kept. In joint investigations, investigators will determine the appropriate time to inform the taxpayer about the shortcomings of the records and issue a notice letter. The investigator is also responsible for providing a notice of inappropriate records. Letter 978 and letter 979 serve as a notification to taxpayers that their records are insufficient and that the execution of form 2807 is not necessary to close the case. Whether the taxable person has signed form 2807 will be recorded in letter 978. If the taxable person does not complete form 2807 and the case is not witnessed, the taxable person will be informed of the further possibility of discussing the case at the appeal conference. The appeal conference is not granted to taxpayers who agree to the proposed adjustments but do not execute form 2807. Examiners will prepare a detailed form 5346 according to the instructions on the back of the form. Another section should state that the package is documentation for insufficient record notification. The package should include: copies of the relevant work, a copy of the a copy of the letter or letter 979, original form 2807, if applicable. A copy of the completed form 5346 should be included in the working documents together with other documentation of the issue. The original form 5346 and documentation should be submitted to the PSP for follow-up. If necessary, check-up tests will be carried out. These studies should be started with adequate time to complete within the established audit cycles. The case file should document the handling of the inadequate record-keeping problem and determine whether the taxpayer has corrected imperfections in evasion practices. If the expert finds that the taxable person generally complies with the requirements for keeping the relevant documentation, inappropriate information on the notification of the dossier should be included in the file after the examination has been closed. If the expert finds that the taxable person does not, in principle, comply with the requirements for keeping adequate documentation, it is justified to consider additional enforcement measures, such as the determination of sanctions. In addition to preparing all the necessary reports to document the results of the audit and to organise the content of the case file, examiners have other critical requirements for closing cases. Form 5344 is required before the case is closed. Form 5344 in RGS is required. Required entries for examiners are presented in IRM 4.4.12, Audited Closures, Surveyed Claims, and Partial Evaluations. Since case assessment is the responsibility of the group manager (but an alert in this area is required for the agent to refer the case), examiners should enter their own assessment unless instructed to enter a different assessment by the group manager. Group managers are also required to review this entry on Form 5344 before closing the case to ensure accuracy. EOAD is designed to provide data that would track exam adjustments by issue. This data will be used to enhance the ability to identify specific areas of non-compliance based on test results and to track the effectiveness of the examination classification process. EOAD data capture is mandatory for all individual, corporate, S Corporation and partner returns. EOAD data should be entered for all issues examined, both adjusted and unregulated items. Data capture for EOAD should take place just before the case is closed (after completing the test report and automatic 5344). Detailed instructions can be found in 4.10.16, Examination Operational Automation Database (EOAD). Since 1 March 2006, the CCP has established uniform guidelines for the color of the file folder. Exam groups must use the following file folder colors when closing cases for case processing: Red - Case with a statute date expiring within 180 days. Yellow - approved use only Headquarters. The purpose of the use will change from time to time as provisional guidelines are issued and placed on the Website Orange – IRS Employee audit Lavender – NRP Form 1040 Plum – KPR 1120S Light Blue – Claims (this applies to an innocent spouse, injured spouse, and any claim). The type of claim should be noted on form 3198. RGS is intended for use by research or other users who select, investigate, control, process or monitor tax matters. The system increases the efficiency of the work process by automating many activities such as tax calculations, penalty calculations, interest calculations, case file documentation, time reporting, IDRS interface, work paper preparation, date protection act (normal and TEFRA), letter preparation, inventory control, preparation of management report, case file search (both open and closed), problem tracking, as well as many other functions. For additional guidance, see IRM 4.10.15, Report Generation Software (RGS). The benefits of using the RGS are: accurate and consistent tax and interest calculations and recalculation, calculation of statutory adjustments that flow to the report, timely reports that can be provided to taxpayers immediately or after approval by the management, preparation and approval of form 5344, consistent formatting, identification and organization of work, passive flow of data to correspondence and forms, and passive collection of data with related conversion and collapsing programs such as EOAD. To close a case outside of RGS, enter the RGS group codes. The RGS group codes can be found in the Excel Employee Group contacts @ on the AIMS/ERCS website. RGS automatically provides standard explanations for statutory corrections. In addition, the RGS provides nationally approved standard explanations and the user has the option to adapt the standard paragraphs. The number of non-standard explanations should be limited as the National Standard Explanations have been approved by the general counsel. IRM 25.2.2, Whistleblower Awards and IRM 25.2.1, General Guidelines of the Operational Department for working whistleblower claims, provide guidance on receiving, evaluating and processing whistleblower claims for rewards. In order to properly consider the statements of informants, these irmas should be consulted. Confidential information, details at this address: IRM 4.11.57.4.3.6, Information on the rules of contact with third parties applicable to informants. Additional information on contacts with informants can be found in 4.11.57.5, contacts with informants and IRM 25.27.1.3.5 on retaliatory notification procedures. You may often need to contact informants to develop a case. It is recommended that examiners consult their group leader before contacting the informant again. Where the examination involves an informant's request, the AIMS Regulation should be applied Freeze to ensure that the results are communicated to the security expert. Testimonials for the informant's claim for the prize: IRC 7623- Expenses for the detection of underpayments and fraud, etc.; Treas. Reg. 301.7623-1 - Awards for information on infringements of internal revenue rules, IRM 1.2.1.5.15 - Political statement 4-36 - - Other government agency informants must be protected, IRM 1.2.1.5.12 - Political Statement 4-27 (formerly P-4-86) - Awards determined by the value of information provided and calculations and payment of prizes, IRM 1.2.2.10.10 - Delegation Order 9-10 (formerly DO-16). Rev. 16 - Authorisation to approve confidential expenditure, IRM 1.2.2.14.7 - Posting Order 25-7 (Rev. 3) - Authorisation to make arrangements under IRC 7623, IRM 1.2.2.14.12 - Order of delegation 25-12 (Rev. 1) - Contact with a third party or retaliate, IRM 25.2.1 - General guidelines of the operational department for working whistleblower claims, IRM 25.2.2 - Whistleblower Awards, IRM 4.11.57 - Third Party Contacts, IRM 25.27.1 - Third Party Contact Program, RRA'98 Section 3503 - Disclosure of exam selection criteria, information messages are confidential. The existence of information on the informant should not be disclosed to the taxable person. All statements, reports and information of informants shall be forwarded ex officio to the office in double-sealed confidential envelopes marked Open only by the addressees and stored in closed file cabinets. The name of the informant may not be used in the examiner's report, working documents or on form 4665. Every effort should be made to exclude from the work any reference to the fact that the case concerns the informant. Remove all information relating to the informant or information of the informant from the case file before deleting the case file ex officio for examination. The taxpayer may ask why his/her return has been selected for examination. Pub 1 has been amended and contains a statement describing the criteria and general procedures for selecting taxpayers for consideration. The service is not required to disclose the basis for selecting a particular taxable person for consideration. In general, it is the service's practice to respond if the source of the study is random, generated by the DIF (without explaining the evaluation process) or if it is generated from a public source (e.g. a public media report). However, if the source of the investigation is an informant, the Service is not obliged to disclose information about the informant. The examiner and his group leader should consult disclosure if they are asked to respond to the choice of returns in the case of informants. See the Office Contact Disclosure website. If the assigned return contains form 211, the application for original information and/or form 3949, the reference to the information report, determine whether the return should be accepted as submitted. The return may be tested. Normal measurement procedures must be followed using form 1900. Form 11369, confidential assessment report of the referral request, must be completed in all cases that contain a claim from form 211. This also applies to cases closed by the survey. See IRM 25.2.1.5.5.2, Form 11369 for claims investigated. Seal information regarding the informant's claim all forms referred to above in a confidential envelope. Remove all references to form 211 Claim from the case file. Note on Form 3198 Informator Claim for Reward, route to _____ Campus, Attn: Informants Claims Examiner (ICE). At the end of the examination, the examiner should prepare two files: a complete file for regular processing through a CCP and a partial file to be forwarded to the Campus/Compliance Centre for consideration of the application for remuneration by a security expert. The reward statement file should contain the following documentation: Form 11369; Copies of all declarations examined, substitutes for declarations made during the examination and/or secured statements prepared by the taxable person; A copy of the test report; the special agent assessment report (where applicable) annexed to form 3949; Copies of activity records; copies of form 4318; Any other information that may assist ICE in handling the prize claim. The memorandum on the claim for the prize, together with the entire case file, must be approved by the group manager. All of the above items will be attached to a confidential envelope marked ICE Copy and included in the case file when closing the case. Annotations on form 3198 with the following instructions: Case of the whistleblower's claim. The designated area reviewer (currently psp function) will review form 11369 to determine the reward and sign form 11369 in addition to the PSP manager. Then the reward claim file will be sent to Campus ICE, which will issue a N freeze. All informants claim that the cases have a N freeze on the case and cannot be closed outside the area until the N freeze is removed. This section contains procedures for deceased taxpayers. The procedures of the deceased taxpayer should be followed when the taxpayer has died, whether the death occurred before or after the testimony. References for deceased taxpayers: IRM 4.4.3.7, Refunds for other taxpayers, IRM 4.10.9.8, Special situations requiring documentary evidence, Pub 3920, Tax credits for victims of terrorist attacks. If there is a trustee, the case file must contain letters of will and form 56, a notice of the fiduciary relationship to be attached to the return. In the case of a fraudster, if there is a fiduciary relationship, reports and correspondence should include the name of the current administrator or other relevant representative. Correspondence and reports will also be sent to the trustee's address. Once legal evidence of death has been obtained, correspondence and research reports should be addressed, as indicated below. In the case of joint returns: In the case of individual/separate declarations: joint return agreements - They must be signed by the surviving spouse and the executor or administrator of the estate of the deceased taxpayer. If no contractor has been appointed, the surviving spouse shall sign for the and for the fraudster (e.g. If both taxpayers are dead, live, for each inheritance must sign a contract. If the surviving spouse does not receive all of the fraudster's assets or assets sufficient to cover the tax liability, he or she cannot sign off as a surviving spouse and correspondence should be sent to the fraudster's last known address and to the surviving spouse at his or her current address. If the surviving spouse has received all the decedent assets and the property is closed, Form 2045, the acquiring agreement, and form 870 with a special language will have to be required. See IRM 4.11.52, Take-over Liability Cases. Please refer to IRM 25.6.22.6.1.4, Decedents, preparing your approval for decimated. If a fraudster dies intestate and no executor or administrator is appointed, no one can sign a consent for a decedent or estate extending the period of income tax accrual. Similarly, consent cannot be performed after the executor or administrator has been fired. See heir responsible under IRC 6901 as takes over can sign consent under his own responsibility. The surviving spouse is generally not allowed to sign the consent on behalf of the deceased spouse. Assets are generally considered successors in the interest of the impostor under state law and as a decedent successor in the interest, the executor or administrator of the estate is the appropriate party to exercise consent. If necessary, a statutory deficiency notice should be issued. Where the refund is to be given to a person other than the taxable person on whose behalf the tax was paid, documentary evidence shall be provided enabling the refund to be submitted. This includes (but is not limited to) deceased taxpayers, trustees, estates, guardians, minors, disbanded corporations, reorganization and bankruptcy cases. See IRM 4.4.3.7, Refunds for Other Taxpayers and its subsequent sections for guidance on determining what evidence is necessary. In addition, form 1310, the statement of the person seeking a refund due to the deceased taxpayer, should be secured if it is recommended to over-evaluate on the joint declaration and one of the taxpayers died from the moment of the testimony. IRC 692(d) provides for relief for federal income tax liabilities for fraudsters who have died as a result of certain terrorist attacks. IRC 692(d) applies to victims: Oklahoma City Attack - For 1994 and later up to the year of death. September 11 Attack - For the year 2000 and beyond. Anthrax attacks - For the year 2000 and beyond. Any astronaut whose death occurs in the line of duty after 31.02.2019. See IRM 21.7.4.4.1.13, Victims of Terrorism Tax Relief Act of 2001 - Tax Forgiveness for additional information. The minimum amount of relief is \$10,000 per IRC 692(d)(2). The 2003 Law did not change the minimum benefit. If the total tax forgiven for all eligible years is less than the minimum, the difference is treated as the tax paid for the last tax year of the fraudster and refunded in the same way as if the amount had actually been IRC 692(d)(3) determines which income is not subject to terrorist aid rules. For example, deferred damages that would be payable if the death occurred due to an event other than the attacks. For more information, see 2004-26, 2004-2019 IR B. 890. Death certificate - death certificate or form 1300, victims report, issued by the Department of Defense. Form 1310, unless any of the following purposes apply: The surviving spouse submits the original or amended return with the fraudster, or the personal representative submitting the original form 1040 or form 1040NR for the fraudster and a court certificate indicating the appointment is attached to the refund. On form 3198, it should be noted that the case concerns decimation and a change of name or address. If you are writing reports other than TEFRA see IRM 4.31.5, Investor Level Statute Control (ILSC) Examinations - Field Office Procedures Non-TEFRA Procedures, Statutes and Penalties , post assistance For writing the TEFRA report, see IRM 4.31.2, TEFRA Examinations - Field Office Procedures The Field Office Website at Please click here for the text description of the image. Click here for a text description of the image. Click here for a text description of the image. Click here for a text description of the image. Click here for a text description of the image. Click here for a text description of the image. Click here for a text description of the image. Click here for a text description of the image. More internal revenue statement

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