IRM PROCEDURAL UPDATE

DATE: 08/13/2025

NUMBER: sbse-04-0825-3562

SUBJECT: Unagreed Employment Tax Case Procedures

AFFECTED IRM(s)/SUBSECTION(s): 4.23.22

CHANGE(s):

IRM 4.23.22.7.1 - Moved IRM 4.23.22.8.7 to this subsection.

(1) If the taxpayer responds to Letter 5153-F or Letter 5153-P but fails to sign a statute extension allowing for more than 365 days on the statute of limitations, examiners should follow the same procedures for a no response case in IRM 4.23.22.8.6.

IRM 4.23.22.7.2 - Added a new subsection titled "Case Processing When a Letter 5153-G is Issued." The subsection provides guidance when a taxpayer fails to respond or their response is incomplete to Letter 5153-G.

(1) If the taxpayer signs the agreement form (Form 2504 or Form 2504-S, as applies) but a signature is not secured on the Form 2297 in response to Letter 5153-G, process the report as a partial assessment. Afterwards, close the claim to Technical Services for the preparation and issuance of Letter 906, *Final Full Claim Disallowance* or Letter 905, *Final Partial Claim Disallowance*.

(2) If the taxpayer does not sign the agreement form and Form 2297 in response to the Letter 5153-G, process the report as a partial assessment. Afterwards, close the case to Technical Services for the preparation and issuance of Letter 906 or Letter 905

IRM 4.23.22.7.3 - Add a new subsection titled "Case Processing When a Letter 5153-Q is Issued." The subsection provides guidance when a taxpayer fails to respond or their response is incomplete to Letter 5153-Q.

(1) If the taxpayer signs the agreement form (Form 2504-T) but a signature is not secured on the Form 2297 in response to Letter 5153-Q, process the report as a partial assessment. Afterwards, close the case to Technical Services for the preparation and issuance of Letter 906 or Letter 905.

(2) If the taxpayer does not sign the agreement form and Form 2297 in response to Letter 5153-Q, close the case to Technical Services for the preparation and issuance of Letter 3523. In this situation, the examiner will:

a. Provide the tables for Technical Services described in IRM 4.23.22.11 (6) and
b. Prepare a Form 4666 for use by Technical Services that includes the supplemental statement: "In making this determination of your (tax period ending and year) tax liability, consideration has been given to your claim(s) for refund filed on (date stamped on 941-X). This is your notice of claim disallowance if you choose not to petition the Tax Court, but still want to contest the disallowance, you may do so by filing such a suit with the United States District Court having jurisdiction or the United States Court of Federal Claims. The law permits you to do this within 2 years from the date of the letter."

    Note: The supplemental statement is from IRM 4.8.9.17.2, *Disallowed Claims for Refund and Examination Results in Deficiency*, and is revised for employment tax.