IRM PROCEDURAL UPDATE

DATE: 01/27/2025

NUMBER: ts-03-0125-0111

SUBJECT: New Return Code Instructions; California FEMA Due Date Extension

AFFECTED IRM(s)/SUBSECTION(s): 3.11.212

CHANGE(s):

IRM 3.11.212.8.1 Added Forms 1041-N and Form 1041-QFT under Return Code 5.

(1) Section 2006(a) of the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015, P. L. 114-41, (the Act) changed the due dates for filing tax returns or extension requests of partnerships and most corporations for tax years beginning January 1, 2016 and after (Tax Period 201612 and subsequent).

(2) Partnership returns and extension requests are due $2^{1}/_{2}$ months after the tax period ends.

(3) Form 1120 series returns for C Corporations (other than Form 1120-C and Corporations that end the tax year on June 30) are due $3^{1}/_{2}$ months after the tax period ends. In addition, the Act changed the duration of the automatic extension of time to file some C Corporation returns. C Corporations that end the tax year on December 31 receive a 6-month extension. C Corporations that end the tax year on June 30 are due $2^{1}/_{2}$ months after the tax period ends and receive a 7-month extension.

Exception: Form 1120-POL tax year ending June 30 is due $3^{1}/_{2}$ months after the tax period ends and receives a 6-month extension.

(4) Form 1041 extension lengths are split.

a. The 5 1/2 months from the return due date are: Form 1041 estate (other than bankruptcy estates) and Form 1041 Trust.
b. The 6 months from the return due date are: Form 1041 (bankruptcy estates only), Form 1041-N and Form 1041-QFT.

(5) Return Code 5 will be edited when the taxpayer indicates the extension is for:

a. Form 1041 bankruptcy estate only
b. Form 1041-N
c. Form 1041-QFT
d. Return Code 5 will generate an automatic 6-month extension.

(6) Do not convert a Form 7004 to a Form 4868. Form 7004 can never be used to request an extension for an individual income tax return.

(7) If Form 7004 has an SSN and no indication of what type of tax return the taxpayer wants the extension for, research for BMF filing requirements.

a. If no BMF account is found and there is no indication the taxpayer is requesting an extension for a BMF tax return, return Form 7004 to the taxpayer using Form 6401.
b. Check the box “Please complete items:” and enter the text “Your Employer Identification Number, and the Form Code of the return the extension is for. If you need an extension for your individual income tax return, please use Form 4868.”

   Note: Form 7004 can be filed using an SSN if the taxpayer is requesting an extension for Form 706-GS (D) and the distributee is an individual. See IRM 3.11.212.8.4 (3).

(8) The taxpayer indicates the type of return being extended by entering the form code in the boxes on line 1 of the form.

a. The form codes are listed in Part I of Form 7004.
b. The form code is used by Code and Edit to determine which MFT to edit. See IRM 3.11.212.8.4.2.

Note: If the form code is blank or illegible, Form 7004 will be batched as a Form 1120 series by the Batching Function.

(9) Extension requests for Form 1120-C, Form Code 34, and Form 1120-F (Form Code 15) have different due dates and different processing instructions from other extensions for 1120 series returns. If one of these extensions is batched with other types of extensions, separate and re-batch. See IRM 3.11.212.8.3.1 and IRM 3.11.212.8.3.3.

(10) Extensions for Form 1120-F (Form Code 15) must be processed at OSPC using an international File Location Code (FLC) for the first two digits of the DLN. If the extension request is for Form 1120-F, take the following action:

If	Then
Unnumbered,	Withdraw from the batch and send to OSPC.
Numbered,	Edit Action Code 650 on the bottom left margin of the form, prepare Form 4227, and leave in the batch.

(11) If duplicate Forms 7004 are received (forms with the same EIN, name, form type, and tax period), destroy the duplicate as classified waste or, if attached to the original form, delete by "X"ing or slashing the duplicate and leave attached to the back of Form 7004. See IRM 21.5.1, General Adjustments.

Exception: If the taxpayer has included a copy because the taxpayer wants a notification the request was approved, see IRM 3.11.212.3.4.

(12) Special procedures apply to corporations filing Form 1120, Form 1120-C, Form 1120-L, and Form 1120-PC. See IRM 3.11.212.8.3.4.

(13) If Form 1138 is attached to Form 7004, take the following action:

a. Ensure the taxpayer's name and EIN are present on Form 1138. If missing or incomplete, edit from Form 7004.
b. Edit the received date from Form 7004 on Form 1138.
c. Detach and route Form 1138 to Accounts Management BMF Carryback Team.
d. Continue normal processing of Form 7004.

(14) If obsolete Form 2758, Form 8736, or Form 8800 is received, convert to current year Form 7004.

a. Edit the taxpayer’s name, address, and EIN.
b. Edit the received date.
c. Enter the two-digit form code for the return listed on the extension in Part I.
d. Edit taxpayer information in Part II.
e. Attach Form 7004 to the front of the extension.

(15) A separate Form 7004 must be filed for each return for which an extension of time to file is requested. If a list of businesses is attached to a single Form 7004, take the following actions:

a. If the application is for an extension of any combination of these types of returns - Form 1120, Form 1120-C, Form 1120-L, and Form 1120-PC - see IRM 3.11.212.8.3.4.
b. If the extension application is for any other type of return covered by Form 7004, but not listed above in (a), return it to the entity or taxpayer with Form 6513. If the request is timely filed, check the seventh box that talks about a blanket request. If the request is not timely filed, check the third box.

(16) If multiple Forms 7004 have been sent in together and are for different entities (Forms have different names and EINs), separate each Form 7004 for processing.

IRM 3.11.212.8.3 Added Forms 1041-N and Form 1041-QFT.

(1) Certain extension requests require specific processing instructions:

- Extensions for Form 1120-C (Form Code 34) have later due dates than other Form 1120 series extensions. See IRM 3.11.212.8.3.1.
- Extensions for NMF Form 8612, Form 8613, Form 8725, Form 8831, Form 8876, Form 8924, and Form 8928. See IRM 3.11.212.8.3.2.

- Extensions for Form 1120-F (Form Code 15), Form 1041 (bankruptcy estate only) (Form Code 03), Form 1041-N (Form Code 06), and Form 1041-QFT (form Code 07) must always have an edited return code. See IRM 3.11.212.8.3.3 and IRM 3.11.212.8.4.
- Extensions for consolidated returns. See IRM 3.11.212.8.3.4.

(2) The following subsections include the specific instructions for processing extensions for these forms.

IRM 3.11.212.8.4 Added new instructions for editing Return Code 5 for Forms 1041-N and Form 1041-QFT.

(1) Underline the Name Control. See IRM 3.11.212.8.4.1.

(2) Review for a valid EIN.

a. If the EIN is illegible, other than 9 digits, or missing, check attachments.
b. If a valid EIN is not found or there is more than one EIN and the extension is unnumbered, research for a valid EIN. If not found, suspend to Entity Control for assignment of an EIN.

   Note: If there is no EIN and there is a Form SS-4 attached, detach and route Form SS-4 and related documents to the Entity Control function for immediate assignment of an EIN.

c. If a valid EIN is not found or there are multiple EINs and the extension is numbered, take no action.
d. If there is an SSN and there is no indication on Form 7004 what type of form the extension is for, do not convert to Form 4868. Follow instructions in IRM 3.11.212.8.1 (7).

   Exception: Extension requests for Form 706-GS (D) (Form Code 01) may be filed using an SSN if the distributee is an individual. See (3) below.

(3) Extensions for Form 706-GS (D) may be filed using an EIN (if the distributee is a trust) or an SSN (if the distributee is an individual). If the taxpayer is using an SSN, edit a 0 (zero) after the SSN.

> **Example:** Taxpayer identification number is 000-00-1234, name is Mary Smith, and Form Code entered on line 1 is 01. Assume the TIN is an SSN and edit 0 after the SSN.

(4) Edit the tax period in YYMM format to the left of the OMB number based on the tax year the taxpayer has entered on line 5a. See IRM 3.11.212.7.2.

a. It's not necessary to edit the tax period if it is for the current calendar year (202412).

b. If the extension is for Form Code 01, 02, or 08, (Form 706-GS (D), Form 706-GS (T), or Form 1042) no tax period editing is necessary as they are always calendar year.
c. If the extension is for a short tax year (Part II, line 5a shows a period of less than 12 months), see the change in accounting period instructions. See IRM 3.11.212.8.4.3.

(5) Edit the received date if one is not present. See IRM 3.11.212.7.3.

(6) Edit the MFT code. See IRM 3.11.212.8.4.2.

(7) Edit the Return Code on extensions for Form 1041 (bankruptcy estate only), 1041-N, 1041-QFT and Form 1120-F. Edit the Return Code to the right of the boxes on line 1:

If Form Code is	And	Then edit Return Code
03		5
06		5
07		5
15	Box on line 2 is checked (foreign corporation which does not maintain an office in U.S.)	6
15	Box on line 2 is not checked (foreign corporation which maintains an office in U.S.)	7

(8) When required, edit the CCC in the middle of the top margin of Form 7004.

a. Edit CCC L when the extension is denied. See IRM 3.11.212.8.6.
b. Edit CCC W for a short tax year when the taxpayer has checked one of the boxes on Part II line 5b. See IRM 3.11.212.8.4.3.
c. Only one CCC may be edited. If both CCC L and CCC W apply, edit CCC L.

(9) It is not necessary to edit line 6, line 7, or line 8.

(10) If the extension request is filed late, follow disapproval actions. See IRM 3.11.212.8.6.

(11) See Exhibit 3.11.212-2.

IRM 3.11.212.8.5 Added Forms 1041-N and Form 1041-QFT.

(1) Form 7004 will be approved if filed timely based on the return due date of the form being extended. See IRM 3.11.212.8.2.1.

(2) Edit the form as instructed in IRM 3.11.212.8.4.

(3) If the taxpayer requests an extended due date of more than the 5 1/2 or 6 months (depending on form and type of form) from the original return due date, continue processing Form 7004 as approved, but correspond to notify the taxpayer the extended due date can not be granted for more than $5^1/_2$ or 6 months. See IRM 3.11.212.3.1.

Exception: For Form 1120 series with tax year ending June 30, the extension is for 7 months. Form 1120-POL is only allowed 6 months.

Exception: If the extension request is greater than the maximum by one or two days because the 15th falls on a Saturday, Sunday, or legal holiday, approve the extension, but do not correspond.

(4) If the extension request is for Form Code 03, Form 1041 (bankruptcy estate only), Form Code 06, Form 1041-N, or Form Code 07, Form 1041-QFT, edit Return Code 5 in the margin to the right of line 1.

IRM 3.11.212.8.6 Corrected wording to make instructions more clear.

(1) If the Form 7004 extension request is not approved, edit CCC L in the middle of the top margin of the form.

(2) Correspond to notify the taxpayer the extension was denied and the reason for denial. See IRM 3.11.212.3.1. The application will remain in the process flow.

(3) If the taxpayer is requesting an additional extension beyond the original $5^1/_2$ or 6 -month period (submitting a second extension request), research using BMFOL for a posted TC 460:

If	Then
TC 460 is posted and the extension is unnumbered,	a. Return the extension request to the taxpayer using Form 6513. b. Notate Denied and select the appropriate paragraphs on Form 6513 to show the maximum extension allowed by law has already been granted.
TC 460 is posted and the extension is numbered,	a. Edit Action Code 640 on the bottom left margin of the form. b. Correspond with the taxpayer to explain the maximum extension allowed by law for most taxpayers within the United States is 6 months or $5^1/_2$ months (depending on form and type of form). Use Letter 0297C or Form 6513. See IRM 3.11.212.3.1. c. Prepare Form 4227 and notate, "Return Form 7004 to the taxpayer". d. Leave the application in the batch.

No TC 460 is posted,	Follow normal denial procedures.

Exception: If the request is for a foreign corporation or taxpayer abroad does not have an office or place of business in the United States (box is checked on line 2 or there is a notation on the request or attachment), these will be worked in OSPC. See IRM 3.11.212.8.3.3.

Exhibit 3.11.212-5 Added California FEMA 4856-DR.

If the extension request is due on or after the disaster period begin date, and by the disaster end date, consider the request timely filed if postmarked on or before the end date if the address on the extension is from the state listed, or the applicable FEMA number or disaster designation is notated on the extension or an attachment. Follow normal timely extension procedures for processing.

State	Begin Date	End Date	FEMA #	Designation
Alabama	09/22/2024	05/01/2025	3618-EM	Hurricane Helene
Alaska	08/05/2024	05/01/2025	4836-DR	Flooding
* Arizona	07/10/2024	02/03/2025	4833-DR	Watch Fire
* Arizona	08/22/2024	02/03/2025	4840-DR	Flooding
California	01/07/2025	10/15/2025	4856-DR	Wildfires & Straight-line Winds
Connecticut	08/18/2024	02/03/2025	3612-EM	Severe Storms, Flooding, Landslides, and Mudslides
Crow Tribe of Montana	08/06/2024	02/03/2025	4847-DR	Severe Storm and Straight-Line Winds
* Florida	08/01/2024	02/03/2025	3605-EM	Tropical Storm Debby
* Florida	08/01/2024	02/03/2025	4806-DR	Hurricane Debby
* Florida	09/23/2024	05/01/2025	3615-EM	Tropical Storm Helene
*Florida	10/05/2024	05/01/2025	3622-EM	Hurricane Milton
* Florida	10/05/2024	05/01/2025	3623-EM	Hurricane Milton
* Florida	09/23/2024	05/01/2025	4828-DR	Hurricane Helene
* Georgia	08/04/2024	02/03/2025	3607-EM	Hurricane Debby
* Georgia	09/24/2024	05/01/2025	3616-EM	Hurricane Helene
* Georgia	09/24/2024	05/01/2025	4830-DR	Hurricane Helene
Illinois	07/13/2024	02/03/2025	4819-DR	Severe Storms, Tornadoes, Straight-line Winds, and Flooding
Kentucky	05/21/2024	02/03/2025	4804-DR	Severe Storms, Straight-line Winds, Tornadoes, landslides, and Mudslides
Louisiana	09/10/2024	02/03/2025	3614-EM	Tropical Storm Francine
Minnesota	06/16/2024	02/03/2025	4797-DR	Severe Storms and Flooding

Missouri	05/19/2024	02/03/2025	4803-DR	Severe Storms, Straight-line Winds, Tornadoes, and Flooding
Montana - Crow Tribe of Montana	08/06/2024	02/03/2025	4847-DR	Severe Storm and Straight-Line Winds
New Mexico	10/19/2024	05/01/2025	4843-DR	Severe Storms and Flooding
New York	08/18/2024	02/03/2025	3613-EM	Severe Storm and Flooding
* North Carolina	08/05/2024	02/03/2025	3608-EM	Tropical Storm Debby
* North Carolina	09/25/2024	05/01/2025	3617-EM	Hurricane Helene
* North Carolina	09/25/2024	05/01/2025	4827-DR	Hurricane Helene
Pennsylvania	08/09/2024	02/03/2025	4815-DR	Tropical Storm Debby
Puerto Rico	08/13/2024	02/03/2025	3610-EM	Tropical Storm Ernesto
Saint Regis Mohawk Tribe	08/08/2024	02/03/2025	4818-DR	Severe Storms and Flooding
* South Carolina	08/04/2024	02/03/2025	3606-EM	Hurricane Debby
* South Carolina	09/25/2024	05/01/2025	3619-EM	Hurricane Helene
* South Carolina	09/25/2024	05/01/2025	4829-DR	Hurricane Helene
* South Dakota	06/16/2024	02/03/2025	4807-DR	Severe Storms, Straight-line Winds, and Flooding
* South Dakota	07/13/2024	02/03/2025	4842-DR	Severe Storms, Straight-line Winds, and Flooding
* Tennessee	09/26/2024	05/01/2025	3620-EM	Tropical Storm Helene
* Tennessee	09/26/2024	05/01/2025	4832-DR	Tropical Storm Helene
* Tennessee	09/26/2024	05/01/2025	4832-DR	Hurricane Helene
Texas	07/05/2024	02/03/2025	4798-DR	Hurricane Beryl
U.S. Virgin Islands	08/13/2024	02/03/2025	3611-EM	Tropical Storm Ernesto
* Vermont	08/08/2024	02/03/2025	3609-EM	Tropical Depression Debby
* Vermont	07/09/2024	02/03/2025	4810-DR	Severe Storms, Flooding, Landslides, and Mudslides
* Virginia	09/25/2024	05/01/2025	3621-EM	Post-Tropical Cyclone Helene
* Virginia	09/25/2024	05/01/2025	4831-DR	Hurricane Helene
Washington	06/22/2024	02/03/2025	4823-DR	Wildfires
West Virginia	09/25/2024	05/01/2025	4851-DR	Post-Tropical Storm Helene

Disaster periods may sometimes overlap if there are multiple disasters that occur in a state. The extension request would be considered timely if postmarked on or before the last end date for that state. Overlapping dates will be indicated with an asterisk (*) by the state's name. For more information see http://www.tris.irs.gov/fema/.