



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

2.3.43

DECEMBER 12, 2024

EFFECTIVE DATE

(12-12-2024)

PURPOSE

- (1) This transmits revised IRM 2.3.43, IDRS Terminal Responses, Command Code PIFTF.

MATERIAL CHANGES

- (1) Exhibit 2.3.43-3 update the 2nd graphic. And Update the output Explanation Display section to add new output field "Total FTP Penalty" to line 7. Move previous line 7 to Line 9
- (2) Change Wage & Investment (W&I) to Taxpayer Service (TS).

EFFECT ON OTHER DOCUMENTS

IRM 2.3.43, dated January 20, 2023 is superseded.

AUDIENCE

LMSB, SB/SE, TE/GE, TS.

Rajiv Uppal
Chief Information Officer

2.3.43

Command Code PIFTF

Table of Contents

2.3.43.1 Program Scope and Objectives

2.3.43.1.1 Background

2.3.43.1.2 Authority

2.3.43.1.3 Responsibilities

2.3.43.1.4 Program Management and Review

2.3.43.1.5 Program Controls

2.3.43.1.6 Terms/Definitions/Acronyms

2.3.43.1.7 Related Resources

2.3.43.2 General Information for Command Code PIFTF

2.3.43.3 Terminal Responses—CC PIFTF

Exhibits

2.3.43-1 Command Code PIFTF Input Request Format

2.3.43-2 Command Code PIFTF Output Error Display

2.3.43-3 Command Code PIFTF Output Explanation Display for Non-MFT 06 Tax Modules

2.3.43-4 Command Code PIFTF Output Explanation Display For MFT 06 Tax Modules

2.3.43.1
(12-12-2024)
Program Scope and Objectives

- (1) CC PIFTF is use to display Failure To File penalty explanation on a tax module residing on the Taxpayer Information File (ITIF and BTIF only).
- (2) **Purpose:** This transmits revised IRM 2.3.43, IDRS Terminal Input, Command Codes PIFTF.
- (3) **Audience:** All IRS business areas.
- (4) **Policy Owner:** The Chief Information Officer (CIO) is responsible for overseeing all aspects of our systems that operate the nation's tax infrastructure.
- (5) **Program Owner:** Account Services, which is under the Director, Internal Management.
- (6) **Primary Stakeholders:** Taxpayer Service (TS), Large Business and International (LB&I), Small Business Self-Employed (SB/SE), Tax Exempt and Government Entities (TE/GE), and Enterprise Operations (EOPS).
- (7) **Program Goals:** This IRM provides the fundamental knowledge and procedural guidance for employees who work penalty on IDRS. By following the processes and procedures provided by this IRM, employees will process taxpayer Failure To File penalty explanation in a manner that follows IRS policy and procedures while promoting the best interests of the Government.

2.3.43.1.1
(01-10-2023)
Background

- (1) Command Code PIFTF was developed to provide taxpayers a failure to file penalty explanation imposed by the Internal Revenue Code (IRC).

2.3.43.1.2
(01-10-2023)
Authority

- (1) **IRM 20.1**, Penalty Handbook, provides guidance to all areas of the IRS for all civil penalties imposed by the Internal Revenue Code (IRC). It sets forth general policy and procedural requirements for assessing and abating penalties, and it contains discussions on topics such as criteria for relief from certain penalties.

2.3.43.1.3
(01-10-2023)
Responsibilities

- (1) The Director, Business Support, is the director responsible for the servicewide civil penalty program.
- (2) The Director, Internal Management, is the director responsible for the IDRS Command Code.
- (3) Overall responsibility for civil penalty programs is assigned to OSP. OSP is a matrix organization residing in the Business Support (Small Business/Self Employed) Function. OSP is charged with coordinating policy and procedures concerning the civil penalty program administration, ensuring consistency with the penalty policy statement, reviewing and analyzing penalty information, researching penalty effectiveness on compliance trends, and determining appropriate action necessary to promote voluntary compliance.
- (4) Each and every taxpayer has a set of fundamental rights when dealing with IRS as provided in the Taxpayer Bill of Rights (TBOR). All employees handling penalty cases must do so in accordance with the TBOR as listed in **IRC 7803(a)(3)**. The TBOR can also be found at Taxpayer Bill of Rights on [irs.gov](https://www.irs.gov)

2.3.43.1.4
(01-10-2023)
**Program Management
and Review**

- (1) Every function in the IRS has a role in proper penalty administration. It is essential that each function conduct its operations with an emphasis on promoting voluntary compliance. Appropriate business reviews should be conducted to ensure consistency with the penalty policy statement (**Policy Statement 20-1**) and philosophy. Attention should be directed to penalty program coordination between offices and functions to make sure that approaches are consistent and penalty information is used for identifying and responding to compliance problems.

2.3.43.1.5
(01-10-2023)
Program Controls

- (1) SACS controls all the IDRS user accesses and permissions.

2.3.43.1.6
(01-10-2023)
**Terms/Definitions/
Acronyms**

- (1) Commonly used acronyms used within this IRM

Acronyms

Acronym	Definition
PIFTF	Penalty and Interest Failure To File Explanation
ITIF	Individual Taxpayer Information File
BTIF	Business Taxpayer Information File

2.3.43.1.7
(01-10-2023)
Related Resources

- (1) IRM 20.1.1, Penalty Handbook, Introduction and Penalty Relief
- (2) 2.3.29 - IDRS Terminal Responses - Command Codes INTST, ICOMP, and COMPA
- (3) 2.3.40 - IDRS Terminal Responses - Command Code PICRD
- (4) 2.3.41 - IDRS Terminal Response - Command Code PIEST
- (5) 2.3.44 - IDRS Terminal Responses - Command Code PIVAR

2.3.43.2
(01-01-2022)
**General Information for
Command Code PIFTF**

- (1) Command Code PIFTF displays explanations of the computation of Failure to File Penalty (TC 166s or TC246s PRN 722). The computation uses only information accessed from the ITIF or BTIF tax modules. Subsequent tax periods after 198212 will be considered only. Command code PIFTF will only attempt the computation of Failure to File (FTF) if master file has assessed the penalty (TC166 or TC246 PRN 722).
- (2) For MFT 06 (F1065) , Command Code PIFTF will display explanations of the computation of Failure to File on the Correct Media Penalty (ELF). The ELF penalty will be displayed for tax periods 200012 and subsequent. The computation uses only information accessed from the BTIF tax modules. Command code PIFTF will only attempt computation if module contains a valid TC240 or TC246 with Penalty Reference Code 688.

- (3) Command code PIFTF's computation is basically a recompute of master file's computation plus consideration of any qualified TIF pending transactions.
- (4) For a complete computation of FTF, the module must not contain any of the restrictive conditions specified in the list of messages in See IRM 2.3.43.2.
- (5) The command code will allow the TIN, MFT, tax period and name control to be passed from a preceding command code such as TXMOD and other PINEX command codes; thus eliminating the requirement to always input the data on the screen.
- (6) The various screens associated with command code PIFTF can be seen in See Exhibit 2.3.43-1 through See Exhibit 2.3.43-4.
- (7) Starting from 4/15/2020 and subsequence, CC PIFTF will display and calculate correctly if module contains a disaster due date.

2.3.43.3
(01-01-2022)
**Terminal
Responses—CC PIFTF**

- (1) **NOTE:** WHEN ANY ONE OF THE FOLLOWING MESSAGES IS DISPLAYED-THERE IS NO FURTHER PROCESSING.

- (1) *INVALID TIN* — The requested TIN does not meet the standard validity criteria or is not ITIF or BTIF.
- (2) *INVALID MFT* — The requested MFT code does not meet the standard validity criteria.
- (3) *MFT INVALID FOR CC PIFTF* — MFT is not explained or displayed by the PINEX System.
- (4) *INCONSISTENT MFT/TIN* — The MFT code input is inconsistent with the type of account input.
- (5) *INVALID TXPD* — The tax period input does not meet the standard validity criteria.
- (6) *INCONSISTENT TXPD/MFT* — The tax period input is inconsistent with the MFT input.
- (7) *TAX PERIOD 198212 AND PRIOR INVALID FOR CC PIFTF* — Any tax period 198212 and earlier is invalid for CC PIFTF.
- (8) *ACCOUNT NOT ON TIF* — The requested TIN does not match an account on File.
- (9) *REQUESTED TIN MATCHES DUMMY ACCOUNT ON TIF* — The requested TIN matches a dummy account.
- (10) *REQUESTED TIN MATCHES MEMO ACCOUNT ON TIF* — The requested TIN matches memo account.
- (11) *TAX MODULE NOT ON TIF* — The requested MFT and tax period does not have a matching module for that account.
- (12) *REQUESTED TXPD MATCHES DUMMY MODULE ON TIF* — The requested module is a dummy module.
- (13) *REQUESTED TXPD MATCHES MEMO MODULE ON TIF* — The requested module is a memo account.
- (14) *UNABLE TO COMPUTE — NO POSTED RETURN ON TAX MODULE* — There is no posted return associated with this specific module.
- (15) *UNABLE TO COMPUTE FTF — NO TC166 OR TC246 PRN722 ON MODULE* — Master File has not assessed a delinquency penalty on this tax module.
- (16) *UNABLE TO COMPUTE FTF — RESTRICTED TRANSACTION ON MODULE* — There was a posted or pending transaction with a TC 160 or a 161 on the module.
- (17) *UNABLE TO COMPUTE FTF — NET OF TC 16Xs OR TC24Xs PRN722 IS ZERO* — The transaction amount on all TC 166's/167's or 246's/247's PRN722 net to zero.
- (18) *NO DATE OF DEATH ON MODULE* — The MFT is 52 and there is no date of death on the tax module. Bad data on the TIF, notify the Service Center Control Staff.

- (19) *UNABLE TO COMPUTE FTF — MONTHS DELINQUENT ON POSTED RETURNS IS ZERO* — Self explanatory
- (20) *UNABLE TO COMPUTE FTF — DUE TO RESTRICTED COMPUTATION ON FTP PENALTY* — Self explanatory
- (21) *UNABLE TO COMPUTE FTF — LIABILITY IS ZERO OR LESS* — Balance due amount is zero or less.
- (22) *UNABLE TO COMPUTE FTF — PENDING TC 29X OR 30X ON MODULE* — There is a pending transaction with a TC of 29X or 30X on the module.
- (23) *UNABLE TO COMPUTE FTF — INVALID FOR MFT 15 TXPDS — 199011*. Failure to file penalty is invalid for MFT 15 with tax periods 199012 and subsequent.
- (24) *BMF ACCESS RESTRICTED* — Employee is not authorized to access BMF accounts.
- (25) *IMF ACCESS RESTRICTED* — Employee is not authorized to access IMF accounts.
- (26) *MAX PNLTY IS \$XXX,XXX IF AVG RECEIPTS FOR PREV 3 YEARS < 5,000,000* — The partnership may qualify for a lower penalty of \$XXX,XXX if the partnership had average gross receipts less than \$5,000,000 during the three years calendar years prior to year in which return is due. If they are then they may ask to have penalty reduced to the lower amount.

This Page Intentionally Left Blank

Exhibit 2.3.43-1 (01-01-2003)

Command Code PIFTF Input Request Format

	1-9	11-19	21-29	31-39	41-49	51-59	61-69	71-79	
	1234567890123456789012345678901234567890123456789012345678901234567890								
1	PIFTF nnn-nn-nnnnv								1
2	nn yyyymm								2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
	1234567890123456789012345678901234567890123456789012345678901234567890								
	1-9	11-19	21-29	31-39	41-49	51-59	61-69	71-79	

Element Number	Line	Pos.	Element Name	Format
1	1	1-5	COMMAND CODE-CD	PIFTF
2	1	7-18	Edited TIN and File Source	For BTIF: nnn-nn-nnnW nnn-nn-nnnnV nn-nnnnnnn For ITIF: nn-nn-nnnnn nn-nn-nnnn*
3	2	1-2	MFT	nn
4	2	4-9	TAX-PRD	yyyymm

Exhibit 2.3.43-2 (01-01-2003)

Command Code PIFTF Output Error Display

	1-9	11-19	21-29	31-39	41-49	51-59	61-69	71-79	
	1234567890123456789012345678901234567890123456789012345678901234567890								
1	PIFTF nnn-nn-nnnnv								1
2	nn yyyymm								2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
	1234567890123456789012345678901234567890123456789012345678901234567890								
	1-9	11-19	21-29	31-39	41-49	51-59	61-69	71-79	

Element Number	Line	Pos.	Element Name	Format
1	1	1-5	COMMAND CODE-CD	PIFTF
2	1	7-18	Edited TIN and File Source	For BTIF: nnn-nn-nnnW nnn-nn-nnnnV nn-nnnnnnnn For ITIF: nn-nn-nnnnn nn-nn-nnnn*
3	2	1-2	MFT	nn
4	2	4-9	TAX-PRD	yyyymm
5	24	1-80	Error Message	

Exhibit 2.3.43-3 (12-12-2024)**Command Code PIFTF Output Explanation Display for Non-MFT 06 Tax Modules**

	1-9	11-19	21-29	31-39	41-49	51-59	61-69	71-79	
	1234567890123456789012345678901234567890123456789012345678901234567890								
1	DELCOMP	MISMATCH		vv vvv		nnn-nn-nnnnv nn	yyyymm	yyvddd	1
2	TOTAL TAX	zz,zzz,zzz,zz9.99		TOTAL CREDITS	zzz,zzz,zz9.99-				2
3	RET DUE DT	mmddyyyy	RET RCVD	mmddyyyy					3
4	TAX UNPAID ON RETURN		zzz,zzz,zz9.99	PENALTY RATE	.nnn				4
5									5
6									6
7		TOTAL PENALTY	zzz,zzz,zz9.99						7
8									8
23									23
24									24
	1234567890123456789012345678901234567890123456789012345678901234567890								
	1-9	11-19	21-29	31-39	41-49	51-59	61-69	71-79	

	1-9	11-19	21-29	31-39	41-49	51-59	61-69	71-80	
	1234567890123456789012345678901234567890123456789012345678901234567890								
1	DELCOMP	MISMATCH		vv vvv		nnn-nn-nnnnv nn	yyyymm	yyvddd	1
2	TOTAL TAX	zz,zzz,zzz,zz9.99		TOTAL CREDITS	zzz,zzz,zz9.99-				2
3	RET DUE DT	mmddyyyy	RET RCVD	mmddyyyy					3
4	TAX UNPAID ON RETURN		zzz,zzz,zz9.99	PENALTY RATE	.nnn				4
5	TAX UNPAID ON ADJUSTMENT(S)		zzz,zzz,zz9.99	MONTHLY RATE	.05	MONTHS DELQ	n		5
6									6
7	TOTAL FTP PENALTY		zzz,zzz,zz9.99						7
8									8
9		TOTAL PENALTY	zzz,zzz,zz9.99						9
13									13
23									23
24									24
	1234567890123456789012345678901234567890123456789012345678901234567890								
	1-9	11-19	21-29	31-39	41-49	51-59	61-69	71-80	

Note: Amount fields are depicted in the above screen graph and following element specifications with z's and 9's. This represents suppression of leading zeros.

Exhibit 2.3.43-3 (Cont. 1) (12-12-2024)**Command Code PIFTF Output Explanation Display for Non-MFT 06 Tax Modules**

Element Number	Line	Pos.	Element Name	Format
1	1	1–7	Literal	DELCOMP
2	1	11–18	MF-MATCH-LITERAL	“MATCH” or “MISMATCH”
3	1	32–33	B.O.D. code	vv
4	1	35–37	B.O.D. client code	vvv
5	1	43–54	Edited TIN and File Source	For BTIF: nnn-nn-nnnW nn-nnnnnnn For ITIF: nnn-nn-nnnnn nn-nn-nnnn*
6	1	57–58	MFT	nn
7	1	60–65	TAX-PRD	yyyymm
8	1	71–77	SCREEN-JULIAN-DT	yyyddd
9	2	1–9	Literal	TOTAL TAX
10	2	12–28	sum of TC150-LIAB-AMT and TC29X-30X-LIAB-NET-AMT	
11	2	35–47	Literal	TOTAL CREDITS
12	2	50–64	Edited FLR-TO-FL-CREDITS-AMT	zzz,zzz,zz9.99-
13	3	1–10	Literal	RET DUE DT
14	3	13–20	FLR-TO-FL-LEGAL-DUE-DT	mmddyyyy
15	3	23–30	Literal	RET RCVD
16	3	33–40	RET-DT	mmddyyyy
17	4*	1–20	Literal	TAX UNPAID ON RETURN
18	4*	30–43	Edited TC150-BAL-DUE-AMT	zzz,zzz,zz9.99
19	4*	46–57	Literal	PENALTY RATE
20	4*	60–63	FLR-TO-FL-PNLTY-RATE	.nnn, suppressing trailing zeros unless it's all zeros
21	7**	1–17	Literal	TOTAL FTP PENALTY
22	7**	27–40	FTP-PNLTY-AMT	zzz,zzz,zz9.99
23	5*	1–27	Literal	TAX UNPAID ON ADJUST-MENT(S)

Exhibit 2.3.43-3 (Cont. 2) (12-12-2024)**Command Code PIFTF Output Explanation Display for Non-MFT 06 Tax Modules**

Element Number	Line	Pos.	Element Name	Format
24	5*	30-43	Edited TC29X-30X-BAL-DUE-AMT	zzz,zzz,zz9.99
25	5*	46-57	Literal	MONTHLY RATE
26	5*	60-63	Literal	.05
27	5*	65-75	Literal	MONTHS DELQ
28	5*	77	MONTHS DELQ	n
29	9	10-22	Literal	TOTAL PENALTY
30	9	26-39	FLR-TO-FL-PNLTY-AMT	zzz,zzz,zz9.99

Note: * If there was failure to file penalty charged on any additional assessments, the breakdown lines will be on 2 lines (4 and 5). Line 4 contains the original return balance due amount and computed penalty rate. Line 5 contains the adjustment(s) balance due, flat monthly rate of 5% and the number of months delinquent. If minimum delinquency penalty was determined, elements 23 and 24 or elements 27 and 28 are suppressed and the literal "MINIMUM DELINQUENCY PENALTY" is displayed on the screen. ** Effective from 1/1/2025 and beyond for Non-MFT 06, compute FTF at 5% per month on full unpaid amount up to 5 months, then subtract this amount with Total FTP amount, the result will be a new net FTF Total Penalty amount.

Command Code PIFTF Output Explanation Display For MFT 06 Tax Modules

Note: For MFT '06' (F1065), the Failure to File on the Correct Media Penalty (ELF) will be displayed for Tax Periods 200012 and subsequent.

Exhibit 2.3.43-4 (Cont. 1) (01-01-2021)

Command Code PIFTF Output Explanation Display For MFT 06 Tax Modules

Element Number	Line	Pos.	Element Name	Format
1	1	1–7	Literal	DELCOMP
2	1	11–18	FTF-MF-MATCH-LITERAL	“MATCH” or “MISMATCH”
3	1	31–32	B.O.D. code	vv
4	1	34–36	B.O.D. client code	vvv
5	1	47–58	Edited Tin and File Source	For BTIF: nnn-nn-nnnW nnn-nn-nnnnV nn-nnnnnnnn
6	1	61–62	MFT	nn
7	1	64–69	TAX-PRD	yyyymm
8	1	71–77	SCREEN-JULIAN-DT	yyyddd
9	2	1–10	Literal	RET DUE DT
10	2	13–20	FLR-TO-FL-LEGAL-DUE-DT	mmddyyyy
11	2	23–30	Literal	RET RCVD
12	2	33–40	RET-DT	mmddyyyy
13	4	5–16	Literal	NUM PARTNERS
14	4	23–33	Literal	MONTHS DELQ
15	4	58–68	Literal	PENALTY AMT
16	5	9–14	NUM-PARTNERS-FOR COMPUTATION	zzzzz9
17	5	19	Literal	X
18	5	29	NUM-MONTHS-DELQ	n
19	5	38	Literal	X
20	5	44–46	Literal	Depend on RET DUE DT, it can be one of these: \$50,\$85,\$89, \$90, \$195, \$200.. Or future various amount due to inflation adjustment of penalty rates.
21	5	50	Literal	=
22	5	55	Literal	\$
23	5	57–70	Edited FLR-TO-FL-PNLTY-AMT	zzz,zzz,zz9.99

Exhibit 2.3.43-4 (Cont. 2) (01-01-2021)**Command Code PIFTF Output Explanation Display For MFT 06 Tax Modules**

Element Number	Line	Pos.	Element Name	Format
24	11 *	1–80	ELF page break — dash line	“— — — —”
25	12 *	1–7	Literal	ELFCOMP
26	12 *	11–18	ELF-MF-MATCH-LITERAL	“MATCH” or “MISMATCH”
27	12 *	31–32	B.O.D. code	vv
28	12 *	34–36	B.O.D. client code	vvv
29	12 *	47–56	Edited Tin and File Source	For BTIF: nnn-nn-nnnW nnn-nn-nnnnV nn-nnnnnnnn
30	12 *	61–62	MFT	nn
31	12 *	64–69	TAX-PRD	yyyymm
32	12 *	71–77	SCREEN-JULIAN-DT	yyyddd
33	13 *	1–46	Literal	FAILURE TO FILE ON CORRECT MEDIA (ELF PENALTY)
34	15 *	5–16	Literal	NUM PARTNERS (OVER 100)
35	15 *	58–68	Literal	PENALTY AMT
36	16 *	9–14	NUM-PARTNERS-OVER-100	zzzzz9
37	16 *	38	Literal	X
38	16 *	44–46	Literal	See Note 1 (\$50, \$100 etc..)
39	16 *	50	Literal	=
40	16 *	55	Literal	\$
41	16 *	57–70	Edited ELF-PNLTY-AMT	zzz,zzz,zz9.99 (see Note 2)
42	24 * #	1–80	FTF Non-Compute Message	

Exhibit 2.3.43-4 (Cont. 3) (01-01-2021)
Command Code PIFTF Output Explanation Display For MFT 06 Tax Modules
Notes:

- * (Elements 24 to 41, Lines 11-16) For ELF Penalty display only. These lines will be generated by CC PIFTF if ELF penalty has been assessed on the module.
- * # (Element 42, Line 24)- If FTF penalty not assessed on module, CC PIFTF will display the Failure to File (FTF) Non-Compute Message on line 24. See text 43.2 of this IRM.
- 1
 - If RDD < 01/01/2011 then \$50.
 - If RDD >= 01/01/2011 and < 01/01/2016 then \$100.
 - If RDD is 2016 and beyond, the" Penalty per Partner over 100" amount is adjusted for inflation and will be various. For a list of amount for various years, refer to Notice 746.
- 2
 - if RDD < 01/01/11 then upper limit is \$250,000.
 - If RDD >= 01/01/11 & < 01/01/16 then upper limit is \$1,500,000.
 - If RDD is 2016 and beyond, the Upper and Lower limit max penalty amount is adjusted for inflation and will be various. For a list of amount for various years, refer to Notice 746. If ELF-PNLTY-AMT > Lower limit then display message "MAX PNLTY IS \$Z,ZZZ,ZZZ IF AVG RECEIPTS FOR PREV 3 YEARS < 5,000,000." (Where \$Z,ZZZ,ZZZ is the lower limit for that RDD year).

