



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

5.18.1

SEPTEMBER 11, 2025

EFFECTIVE DATE

(09-11-2025)

PURPOSE

- (1) This transmits a revision of IRM 5.18.1, *Liability Determination, Automated Substitute for Return (ASFR) Program*.

MATERIAL CHANGES

- (1) IRM 5.18.1.1, Program Scope - Update Accounts Management to Taxpayer Services.
- (2) IRM 5.18.1.1.3, Responsibilities - Update Para (3) to include directorship realignment.
- (3) IRM 5.18.1.1.4, Program Management and Review - Removed s on Services Para (1) Bullet 3.
- (4) IRM 5.18.1.4, CP 36Cs and CP 36Zs - Updated to include guidance for requesting taxpayer returns and when to use correspondex letter 112C.
- (5) IRM 5.18.1.6.6, Statutory Notice of Deficiency (ASFR 90-Day Letter) - Replace open a OS GetServices ticket with open IRWorks ticket. Updated Para (5) Bullets 1 and 2.
- (6) IRM 5.18.1.9, Taxpayer Responses - Updated to include information pertaining to the Document Upload Tool (DUT).
- (7) IRM 5.18.1.9.2.1.2, Clerical Procedures for Screening Reconsiderations and Unidentifiable Receipts - Updated If and Then chart under Para (2) 4th box from top.
- (8) IRM 5.18.1.9.2.3.1, Tax Examiner Procedures for Processing Taxpayer Responses when a TC 971 AC 143 is present on IDRS - Updated guidance.
- (9) IRM 5.18.1.9.2.3.12, Third Party Contact - Updated paragraph d to include Letter 1901C.
- (10) IRM 5.18.1.9.2.3.14.1, Income Previously Reported - Updated Para (3) with guidance for requesting certified copy of US Territory Return from the taxpayer.
- (11) IRM 5.18.1.9.2.3.14.3, Deceased Taxpayer - Updated link to 21 IRM reference.
- (12) IRM 5.18.1.9.2.3.14.5, Identity Theft - Updated email address and changed Accounts Management to Taxpayer Services.
- (13) IRM 5.18.1.9.2.3.15.1, Joint Returns Filed Under Another TIN - Updated Para (1) to include -V Freeze.
- (14) IRM 5.18.1.9.2.3.15.2, Net Operating Loss(NOL), Carryback, Carryforward - Updated Accounts Management to Taxpayer Services.
- (15) IRM 5.18.1.9.2.3.16.1, Refund Statute Expiration (RSED) - added Note under bullet 2, replaced with xMend and correct spelling of word in para (7) bullet 1.
- (16) IRM 5.18.1.9.2.3.26, First Time Homebuyer Credit (FTHBC) - Updated Para (8) link.
- (17) IRM 5.18.1.9.2.3.27.1, Shared Responsibility Payment (SRP) - Updated IRM reference in Para (2).
- (18) IRM 5.18.1.9.2.3.28, Unsigned Returns - Updated 1st if and then box guidance for unsigned returns.

- (19) IRM 5.18.1.9.2.3.29, IDRS Adjustment Fields - Updated to Xmend.
- (20) IRM 5.18.1.9.2.3.31, Examination Classification - Updated Para (5) and added Note.
- (21) Exhibit 5.18.1-1, Acronyms and Definitions - Removed AM and added Taxpayer Services.

EFFECT ON OTHER DOCUMENTS

This IRM supersedes IRM 5.18.1 dated 06-27-2023 and incorporates IRM Procedural Updates (IPUs) 25U0236 and 23U0831.

AUDIENCE

All employees who work, and management that administers, the Automated Substitute for Return program for SB/SE Operating Division.

Suad Jama
Director, Collection Inventory Delivery & Selection
Small Business/Self Employed

5.18.1

Automated Substitute for Return (ASFR) Program

Table of Contents

5.18.1.1 Program Scope and Objectives

5.18.1.1.1 Background

5.18.1.1.2 Authority

5.18.1.1.3 Roles and Responsibilities

5.18.1.1.4 Program Management and Review

5.18.1.1.5 Program Controls

5.18.1.1.6 Acronyms/Definitions

5.18.1.1.7 Related Resources

5.18.1.2 Automated Substitute for Return (ASFR) Program Overview

5.18.1.3 ASFR Processing

5.18.1.3.1 ASFR System Overview

5.18.1.3.2 ASFR Criteria

5.18.1.3.3 ASFR Prioritization

5.18.1.3.4 ASFR Selection Codes

5.18.1.3.5 ASFR Assignment from 8000

5.18.1.3.6 Taxpayer Delinquency Investigation (TDI) Supplement Information

5.18.1.3.7 Access to ASFR

5.18.1.3.8 Payer Agent/High Dollar Coordinator

5.18.1.3.9 ASFR System Security

5.18.1.3.10 Protection of Taxpayer Accounts

5.18.1.3.11 Federal/State Exchange Program

5.18.1.3.12 Identifying Tax Delinquency Accounts (TDAs) Assigned to ASFR (8000)

5.18.1.4 CP 36Cs and CP 36Zs

5.18.1.5 Account Maintenance (AM) Transcript

5.18.1.5.1 AM04 Transcripts

5.18.1.5.2 AM09 Transcripts

5.18.1.5.3 ASFR Recon Transcripts

5.18.1.6 ASFR Systemic Processing and Calculations

5.18.1.6.1 ASFR TC 971 AC 143

5.18.1.6.2 Computing Taxable Income

5.18.1.6.3 Computing Tax Due, Penalties and Interest

5.18.1.6.4 Preparing and Processing ASFR

5.18.1.6.5 Letter 2566 (30-Day Letter)

5.18.1.6.6 Statutory Notice of Deficiency (ASFR 90-Day Letter)

5.18.1.6.7 Case Minor Review

- 5.18.1.6.8 Deleting and Adding Case Minors
- 5.18.1.6.9 ASFR Address Verification
 - 5.18.1.6.9.1 Address Uploads
 - 5.18.1.6.9.2 Address Research through ADR
- 5.18.1.6.10 ASFR Archive
- 5.18.1.6.11 ASFR Statuses
 - 5.18.1.6.11.1 Statuses 000 and 001: Internal Use Only ASFR System Statuses
 - 5.18.1.6.11.2 Status 005: Internal Use Only ASFR System Status
 - 5.18.1.6.11.3 Status 007: Pre-30-Day Problem Payer Agent List
 - 5.18.1.6.11.4 Status 010: Pre-30-Day Problem (CI/Exam Review Needed)
 - 5.18.1.6.11.5 Status 011: Centralized Insolvency Office (CIO)
 - 5.18.1.6.11.6 Status 012: Advisory Group -W Freeze
 - 5.18.1.6.11.7 Status 015: Ineligible ASFR (Await Closure of Active ASFR Module)
 - 5.18.1.6.11.8 Status 016: Ineligible ASFR (Additional 60-Day Extension From Status 015)
 - 5.18.1.6.11.9 Status 030: 30-Day Letter Created (30-Day Mail out)
 - 5.18.1.6.11.9.1 ASFR 30-Day Letter
 - 5.18.1.6.11.10 Status 031: Pre-30-Day IDRS
 - 5.18.1.6.11.11 Status 032: PASSES IDRS CHECK, Issue 30-Day Letter
 - 5.18.1.6.11.12 Status 035: Cancel Previous 30-Day Letter, Reissue
 - 5.18.1.6.11.13 Status 037: Questionable IRP Income Over \$1,000,000
 - 5.18.1.6.11.14 Status 038: Tax Assessments over \$100,000
 - 5.18.1.6.11.15 Status 039: FAILED IDRS Analysis, Pre-30-Day Letter
 - 5.18.1.6.11.16 Status 040: ADR Research Requested
 - 5.18.1.6.11.17 Status 051: Post-30-Day Taxpayer Paper Correspondence
 - 5.18.1.6.11.18 Status 056: Presidentially Declared Disaster Area or Terroristic or Military Action Suspense Period
 - 5.18.1.6.11.19 Status 060: TERMINATE ASFR, Ref Hold-Rtn Filed Pre 30-Day Letter
 - 5.18.1.6.11.20 Status 061: TERMINATE ASFR, Return Filed Pre-30-Day Letter
 - 5.18.1.6.11.21 Status 062: TERMINATE ASFR, Failed ASFR Criteria and Must Be Reassigned
 - 5.18.1.6.11.22 Status 063: TERMINATE ASFR, TC 596 CC 088 Selected by CI
 - 5.18.1.6.11.23 Status 064: TERMINATE ASFR, TC 595 CC 088
 - 5.18.1.6.11.24 Status 065: TERMINATE ASFR, TDA/TDI- Reassign Account
 - 5.18.1.6.11.25 Status 066: TERMINATE ASFR, Satisfying TDI TC (59X)
 - 5.18.1.6.11.26 Status 068: TERMINATE SFR, FAILS SFR CRITERIA TC 015
 - 5.18.1.6.11.27 Status 069: TERMINATE ASFR, OLD TAX YEAR TC 590 CC 088
 - 5.18.1.6.11.28 Status 070: TERMINATE ASFR, Fails SFR Criteria TC 030 ACS
 - 5.18.1.6.11.29 Status 071: TERMINATE ASFR, TC 590 CC 088 Not Liable
 - 5.18.1.6.11.30 Status 072: TERMINATE ASFR, TC 591 CC 088 Not Required to File
 - 5.18.1.6.11.31 Status 073: TERMINATE ASFR, TC 594 CC 084 Joint File

5.18.1.6.11.32	Status 074: TERMINATE ASFR, Tax Court Appeal
5.18.1.6.11.33	Status 075: TERMINATE ASFR, Refund Calculated (LTR 915)
5.18.1.6.11.34	Status 076: Terminate ASFR, Identity Theft - Not Liable
5.18.1.6.11.35	Status 077: Terminate SFR T-sign No Longer 8000
5.18.1.6.11.36	Status 079: Unable to Locate
5.18.1.6.11.37	Status 080: Suspend for Research/Action
5.18.1.6.11.38	Status 081: Suspend SFR, Address Verification
5.18.1.6.11.39	Status 086: Suspend ASFR - Possible Identity Theft
5.18.1.6.11.40	Status 089: FAILED IDRS CHECK, TSIGN or TC 59X Failure
5.18.1.6.11.41	Status 090: 90-DAY STAT NOTICE ISSUED
5.18.1.6.11.42	Status 091: PASSED IDRS CHECK, Issue 90-Day Letter
5.18.1.6.11.43	Status 093: RETURN SECURED/Agreed Response (Signed Consent)30/90-DAY LETTER
5.18.1.6.11.44	Status 095: Pre-Stat Notice - Foreign Address Queue
5.18.1.6.11.45	Status 096: Pre-stat Notice..... Queue
5.18.1.6.11.46	Status 097: FAILED IDRS CHECK, Stat Notice Module
5.18.1.6.11.47	Status 099: FAILED IDRS CHECK, Pre-Stat Notice
5.18.1.6.11.48	Statuses 100-109
5.18.1.6.11.49	Status 100: CLOSED, Agreed Response Pre- 90-Day Letter
5.18.1.6.11.50	Status 101: CLOSED, No ASFR Assessment (TC 290 zero)
5.18.1.6.11.51	Status 102: Disagreed Responses
5.18.1.6.11.52	Status 103: CLOSED Post 30-Day Letter, return secured
5.18.1.6.11.53	Status 104: CLOSED, No Taxpayer Response (Default)
5.18.1.6.11.54	Status 105: CLOSED, Post 90 day letter, return secured
5.18.1.6.11.55	Status 106: Manual Closures
5.18.1.6.11.56	Status 107: Failed TIF Check
5.18.1.6.11.57	Status 108: Filed Jointly, Post 30 - Day Letter
5.18.1.6.11.58	Status 109: ASFR PROCESSING FINISHED, Purge From ASFR System
5.18.1.6.11.59	Status 113: CLOSED, Agreed Response Post 90 - Day Letter
5.18.1.6.11.60	Status 150: Recreate Dummy TC 150
5.18.1.6.11.61	Status 143: Recreate Status 971/143
5.18.1.6.11.62	Statuses 331 and 332: Setting and Removing the Spanish Letter Indicator
5.18.1.6.11.63	Status 335: Recreate 30 day Letter with New Address
5.18.1.6.11.64	Status 340: PRE-30-DAY PROBLEM, "U" Coded TDI Notice
5.18.1.6.11.65	Status 342: Undeliverable Mail Research
5.18.1.6.11.66	Statuses 343–348: Address Research Completed (History Statuses)
5.18.1.6.11.67	Status 380: PRE-30-DAY PROBLEM, Amended/Duplicate/Replaced Minors
5.18.1.6.11.68	Status 381: Late IRP data
5.18.1.6.11.69	Status 385: CHECK FOR POSSIBLE DOUBLING UP OF MINORS
5.18.1.6.11.70	Status 389: CURRENT TAX YEAR NOT YET PROGRAMMED

-
- 5.18.1.6.11.71 Status 714: Suspense Status - Combo Cases
 - 5.18.1.6.11.72 Status 715: Combo Cases
 - 5.18.1.6.11.73 Status 716: Combo Cases
 - 5.18.1.6.11.74 Status code 717: Terminate SFR
 - 5.18.1.6.11.75 Status 734: Hold Status
 - 5.18.1.6.11.76 Status 762: FAILED ASFR- REASSIGN FROM 8000
 - 5.18.1.6.11.77 Status 763: SYSTEM FOLLOW-UP REASSIGN FROM 8000
 - 5.18.1.6.11.78 Status 771: Temporary Hold Status, Needs IRP Data Added
 - 5.18.1.6.12 ASFR History Screens
 - 5.18.1.6.13 ASFR Tax Module Screen Menu Options
 - 5.18.1.6.14 Paper Indicators
 - 5.18.1.6.15 ASFR Follow-up or Action Dates
 - 5.18.1.7 Validation During ASFR Processing
 - 5.18.1.7.1 Module Validation - Systemic Validation During New Module Processing
 - 5.18.1.7.2 IDRS TIF Checks-System IDRS Research
 - 5.18.1.7.2.1 TIF Check 1- Pre-30-Day Letter Check
 - 5.18.1.7.2.2 TIF Check 2– Pre-90-Day Letter Check
 - 5.18.1.7.2.3 TIF Check 3– During 90–Day Period
 - 5.18.1.7.2.4 TIF Check 4– End of 90-Day Period
 - 5.18.1.7.2.5 TIF Check 5– Statuses 100, 102, 104, 106, and 113
 - 5.18.1.7.2.6 TIF Check 6– Statuses 064, 069, 071, and 075 Check
 - 5.18.1.7.2.7 TIF Check 7- Statuses 062, 068 and 070 Check
 - 5.18.1.7.2.8 TIF Check 77-Status 762 Pre-ACS TSIGN/TC 030 Check
 - 5.18.1.7.3 ASFR Lists
 - 5.18.1.7.3.1 ASFR 400 List
 - 5.18.1.7.3.1.1 Entity Not on IDRS- Failed Condition
 - 5.18.1.7.3.1.2 No Open TDIs for Taxpayer- Failed Condition
 - 5.18.1.7.3.1.3 Module Not on IDRS- Failed Condition
 - 5.18.1.7.3.1.4 TC 59X Posted but Still Open TDI- Failed Condition
 - 5.18.1.7.3.1.5 Assignment Number Still 8000- Failed Condition
 - 5.18.1.7.3.1.6 No TC 59X on Module- Failed Condition
 - 5.18.1.7.3.1.7 No TC 971 AC 143 on This Module- Failed Condition
 - 5.18.1.7.3.1.8 TC 150 Aready on Module - Failed Condition
 - 5.18.1.7.3.1.9 TC 610 or TC 640—Look for a Return- Failed Condition
 - 5.18.1.7.3.1.10 TSIGN Not 8000- Failed Condition
 - 5.18.1.7.3.1.11 Modules Not in Active TDI Status- Failed Condition
 - 5.18.1.7.3.1.12 TC 66X or TC 67X—Check for a Return- Failed Condition
 - 5.18.1.7.3.1.13 TC 150, but not a “Dummy” Return- Failed Condition
 - 5.18.1.7.3.1.14 No TC 494 Posted to Module- Failed Condition

-
- 5.18.1.7.3.1.15 No TC 495 Posted- Failed Condition
 - 5.18.1.7.3.1.16 No TC 290 Posted to Module- Failed Condition
 - 5.18.1.7.3.1.17 Open -V, -L, -Z or -A Freeze - Failed Condition
 - 5.18.1.7.3.1.18 Open -C, -T, -W Freezes- Failed Condition
 - 5.18.1.7.3.1.19 TC 290 Posted, but Not TC 59X - Failed Condition
 - 5.18.1.7.3.1.20 Open TDA - Failed Condition - Information Only
 - 5.18.1.7.3.1.21 No Analysis Performed On This Module- Failed Condition Information Only
 - 5.18.1.7.3.1.22 Pending Activity on Module
 - 5.18.1.7.3.1.23 Dummy Already Posted
 - 5.18.1.7.3.1.24 Could Not Access IDRS Account
 - 5.18.1.7.3.1.25 Status 039 Procedures
 - 5.18.1.7.3.1.26 Status 099 Procedures
 - 5.18.1.7.3.1.27 Status 097 Procedures
 - 5.18.1.7.3.1.28 Status 089 Procedures
 - 5.18.1.7.3.1.29 Status 107 Procedures
 - 5.18.1.7.3.2 ASFR 405 LIST: ASFR REFUND HOLD RESEARCH LIST
 - 5.18.1.7.3.3 ASFR 407 List: ASFR Refund Hold Money Transfer List
 - 5.18.1.7.3.4 ASFR 408 LIST: REFUND HOLD
 - 5.18.1.7.3.5 ASFR 410 LIST: 30 DAY LETTERS
 - 5.18.1.7.3.6 ASFR 421 LIST: TERMINATED CASE LIST
 - 5.18.1.7.3.7 ASFR 422 LIST: STAT NOTICE COULD NOT BE PRODUCED
 - 5.18.1.7.3.8 ASFR 423 LIST: TDAs ASSIGNED TO 8000
 - 5.18.1.7.3.9 ASFR 424 LIST: NO ACTIVITY LIST
 - 5.18.1.7.3.10 ASFR 426 List: ASFR Transaction Failed List
 - 5.18.1.7.3.11 ASFR 430 LIST: OVER \$100K ASSESSMENTS
 - 5.18.1.7.3.12 ASFR-433 LIST: Status XXX CHECKLIST
 - 5.18.1.7.3.13 ASFR 434 LIST: LISTING OF MODULES BY RECEIPT CYCLE
 - 5.18.1.7.3.14 ASFR 435 LIST: LISTING OF MODULES BY ASFR STATUS CODES
 - 5.18.1.7.4 ASFR Prints Statuses and Letter Requests
 - 5.18.1.7.4.1 Status 900: PRINT, TDI Account History
 - 5.18.1.7.4.2 Status 902: PRINT, All Case Minors
 - 5.18.1.7.4.3 Status 903: PRINT, Case Major
 - 5.18.1.7.4.4 Status 904: PRINT, 30-Day Cover Letter, Page 1
 - 5.18.1.7.4.5 Status 905: PRINT, Exam Report, Pages 1 and 2
 - 5.18.1.7.4.6 Status 906: PRINT, Audit Report, Consent Page
 - 5.18.1.7.4.7 Status 907: PRINT, Taxpayer Copy of Case Minors
 - 5.18.1.7.4.8 Status 908: PRINT, Copy of Stat Notice
 - 5.18.1.7.4.9 Status 911: LETTER, Taxpayer Reply Acknowledged
 - 5.18.1.7.4.10 Status 915: LETTER, Possible Refund Due if Return Filed

- 5.18.1.7.4.11 Status 950: STAT NOTICE, Taxpayer Unagreed/Not Accepted
- 5.18.1.7.4.12 Status 970:PRINT 6020(b) Certification
- 5.18.1.7.4.13 Status 990: Address Change
- 5.18.1.8 ASFR Reports
 - 5.18.1.8.1 ASFR 200 REPORT: WEEKLY MIS REPORT
 - 5.18.1.8.2 ASFR 201 REPORT: INVENTORY BY PRIORITY REPORT
 - 5.18.1.8.3 ASFR 203 REPORT: 30-DAY LETTER PROGRAM REPORT—COLLECTION
 - 5.18.1.8.4 ASFR 204 REPORT: IDRS RESEARCH SUMMARY REPORT
 - 5.18.1.8.5 ASFR 206 Report: Analyst Summary Report
 - 5.18.1.8.6 ASFR 211 REPORT: STATUS CODES IN USE
- 5.18.1.9 Taxpayer Responses
 - 5.18.1.9.1 Taxpayer Telephone Inquiries
 - 5.18.1.9.1.1 Typical Telephone Inquiries
 - 5.18.1.9.1.2 Third-Party Calls
 - 5.18.1.9.1.3 Potentially Dangerous Taxpayer (PDT) and Caution Upon Contact (CAU)
 - 5.18.1.9.2 Taxpayer Responses, Returns and Correspondence
 - 5.18.1.9.2.1 Clerical Screening of Taxpayer Responses (Incoming Mail)
 - 5.18.1.9.2.1.1 Clerical Screening of ASFR and Unidentifiable Mail
 - 5.18.1.9.2.1.1.1 Refund Hold Responses
 - 5.18.1.9.2.1.2 Clerical Procedures for Screening Reconsiderations and Unidentifiable Receipts
 - 5.18.1.9.2.1.3 Correspondence Attached to Returns
 - 5.18.1.9.2.1.4 Civil Appeal Rights Cases and Cases Docketed in U.S. Tax Court
 - 5.18.1.9.2.1.4.1 Appeals Case Building
 - 5.18.1.9.2.1.4.2 Appeals Request for Review
 - 5.18.1.9.2.1.4.3 Referrals from Appeals for Credit Issues
 - 5.18.1.9.2.2 Undeliverable Mail
 - 5.18.1.9.2.2.1 ASFR Address Research
 - 5.18.1.9.2.2.2 Undelivered 30-Day Letter
 - 5.18.1.9.2.2.3 Undelivered 90-Day Letter (Statutory Notice of Deficiency)
 - 5.18.1.9.2.2.4 Undeliverable Correspondence Letters
 - 5.18.1.9.2.3 Tax Examiner Procedures for Processing Taxpayer Responses
 - 5.18.1.9.2.3.1 Tax Examiner Procedures for Processing Taxpayer Responses when a TC 971 AC 143 is present on IDRS
 - 5.18.1.9.2.3.2 Taxpayer Advocate Criteria
 - 5.18.1.9.2.3.3 IDRS Control
 - 5.18.1.9.2.3.4 Suspended Cases
 - 5.18.1.9.2.3.4.1 Suspended ASFR Cases
 - 5.18.1.9.2.3.5 Case Files
 - 5.18.1.9.2.3.6 Capturing Telephone Number Information

- 5.18.1.9.2.3.7 Updating Entity
- 5.18.1.9.2.3.8 Power-Of-Attorney (POA) Form 2848
- 5.18.1.9.2.3.9 Tax Information Authority (TIA) Form 8821
- 5.18.1.9.2.3.10 Third Party Designees
- 5.18.1.9.2.3.11 Freedom of Information Request
- 5.18.1.9.2.3.12 Third Party Contact
- 5.18.1.9.2.3.13 Refund Hold
- 5.18.1.9.2.3.14 Taxpayer Correspondence
 - 5.18.1.9.2.3.14.1 Income Previously Reported
 - 5.18.1.9.2.3.14.2 Filed Jointly
 - 5.18.1.9.2.3.14.3 Deceased Taxpayer
 - 5.18.1.9.2.3.14.4 No Knowledge of Income
 - 5.18.1.9.2.3.14.5 Identity Theft
 - 5.18.1.9.2.3.14.6 Request to Rescind Statutory Notice of Deficiency
 - 5.18.1.9.2.3.14.7 Taxpayer Doesn't Understand Notices
 - 5.18.1.9.2.3.14.8 Taxpayer Agreed Response (30 or 90 Day)
 - 5.18.1.9.2.3.14.9 Income Information
 - 5.18.1.9.2.3.14.10 Frivolous Filers
 - 5.18.1.9.2.3.14.11 Requests for Penalty Abatement
 - 5.18.1.9.2.3.14.12 Recovery Rebate Credit
 - 5.18.1.9.2.3.14.13 Making Work Pay and Government Retiree Credits
 - 5.18.1.9.2.3.14.14 Education Credit
 - 5.18.1.9.2.3.14.15 Small Business Health Care Tax Credit
- 5.18.1.9.2.3.15 Returns
 - 5.18.1.9.2.3.15.1 Joint Returns Filed Under Another TIN
 - 5.18.1.9.2.3.15.2 Net Operating Loss (NOL), Carryback, Carryforward
 - 5.18.1.9.2.3.15.3 -L Freeze - AIMS Indicator
 - 5.18.1.9.2.3.15.4 - W Freeze - Litigation
 - 5.18.1.9.2.3.15.5 -Y Freeze - Offer in Compromise
- 5.18.1.9.2.3.16 Statute of Limitation
 - 5.18.1.9.2.3.16.1 Refund Statute Expiration Date (RSED)
 - 5.18.1.9.2.3.16.2 Assessment Statute Expiration Date (ASED)
 - 5.18.1.9.2.3.16.3 Collection Statute Expiration Date (CSED)
- 5.18.1.9.2.3.17 Penalties
 - 5.18.1.9.2.3.17.1 Failure to File
 - 5.18.1.9.2.3.17.2 Failure to Pay
 - 5.18.1.9.2.3.17.3 Estimated Tax Penalty
 - 5.18.1.9.2.3.17.4 Negligence Penalty
- 5.18.1.9.2.3.18 Underpayment Interest

-
- 5.18.1.9.2.3.19 SBSE Fraud Referrals
 - 5.18.1.9.2.3.19.1 Identifying Fraud
 - 5.18.1.9.2.3.19.2 Case Referral
 - 5.18.1.9.2.3.19.3 Potential ASFR Fraud Cases in Field Collection (FC)
 - 5.18.1.9.2.3.20 The Protecting Americans From Tax Hikes (PATH) Act of 2015
 - 5.18.1.9.2.3.21 Math Errors
 - 5.18.1.9.2.3.21.1 Math Errors Requiring No Taxpayer Contact Prior to Correction
 - 5.18.1.9.2.3.21.2 Math Errors Requiring Taxpayer Contact Prior to Correction
 - 5.18.1.9.2.3.21.3 Married Filing Separate
 - 5.18.1.9.2.3.22 Under/unreported Income
 - 5.18.1.9.2.3.22.1 Wages
 - 5.18.1.9.2.3.22.2 Other Income Types
 - 5.18.1.9.2.3.23 Withholding
 - 5.18.1.9.2.3.24 Excess Social Security
 - 5.18.1.9.2.3.25 Telephone Excise Tax Refund (TETR)
 - 5.18.1.9.2.3.26 First Time Homebuyer Credit (FTHBC)
 - 5.18.1.9.2.3.27 Affordable Care Act (ACA)
 - 5.18.1.9.2.3.27.1 Shared Responsibility Payment (SRP)
 - 5.18.1.9.2.3.27.2 Premium Tax Credit (PTC)
 - 5.18.1.9.2.3.28 Unsigned Returns
 - 5.18.1.9.2.3.29 IDRS Adjustment Fields
 - 5.18.1.9.2.3.29.1 Blocking Series
 - 5.18.1.9.2.3.29.2 Date Fields
 - 5.18.1.9.2.3.29.3 Source Code
 - 5.18.1.9.2.3.29.4 Reason Codes
 - 5.18.1.9.2.3.29.5 Priority Code
 - 5.18.1.9.2.3.29.6 TC Fields
 - 5.18.1.9.2.3.29.7 Reference Fields
 - 5.18.1.9.2.3.29.8 Source Documents
 - 5.18.1.9.2.3.29.9 Remarks on ADJ54
 - 5.18.1.9.2.3.29.10 Lien Fee
 - 5.18.1.9.2.3.29.11 Re-initiating Collection on Reconsiderations
 - 5.18.1.9.2.3.30 Entity Update
 - 5.18.1.9.2.3.31 Examination Classification
 - 5.18.1.9.2.3.32 Assembly of Source Documents
 - 5.18.1.9.2.3.33 Unpostables
 - 5.18.1.9.2.3.34 Updating ASFR When A Filed Return is Assessed on IDRS

Exhibits

5.18.1-1 Acronyms and Definitions

5.18.1.1
(09-11-2025)
Program Scope and Objectives

- (1) **Purpose:** The purpose of the ASFR program is to assess tax liabilities by:
 - a. Securing valid voluntary delinquent tax returns.
 - b. Computing tax, interest, and penalties based on income information submitted by payers when no return is filed.
- (2) **Audience:** Small Business/Self Employed (SBSE) Compliance employees in Collection who work the ASFR program and have access to the ASFR System. Employees are Tax Examining Assistants, Lead Tax Examining Assistants, and Clerical staff. Inventory includes:
 - Case perfection via ASFR failed lists.
 - Filed delinquent returns.
 - Correspondence.
 - Taxpayer responses via the ASFR toll-free line.
- (3) **Policy Owner:** Director, Collection Inventory, Delivery & Selection.
- (4) **Program Owner:** Collection Inventory Delivery & Selection, an organization within SB/SE Collection.
- (5) **Primary Stakeholders:** SB/SE Compliance Services Collection Operation, and Taxpayer Services.
- (6) **Program Goals:** ASFR is a Nonfiler enforcement tool used by Collection to address modules where returns were requested, but not filed by taxpayers. The goal of ASFR is to secure delinquent tax returns if possible, and create substitutes for return when filed returns are not received. ASFR secures delinquent tax returns while providing education to customers through use of letters and toll-free service.
- (7) This section contains procedures for working the Automated Substitute for Return (ASFR) Program in Compliance Services, Campus Collection.

5.18.1.1.1
(12-13-2017)
Background

- (1) This IRM section provides procedures for working delinquent return cases referred for treatment by the Automated Substitute for Return (ASFR) program. The ASFR program assesses tax by obtaining delinquent returns, or creating assessments based on reported income. It is worked in support of the Collection mission to “secure delinquent tax returns through the fair and equitable application of the tax laws”.
- (2) This update incorporates procedures for the Protecting Americans from Tax Hikes (PATH) Act of 2015, including procedures for expired Individual Tax Identification Numbers (ITINs).
- (3) In May, 2017 the Brookhaven ASFR Campus was moved under the management of Brookhaven Compliance Services Collection Operations (CSCO).

5.18.1.1.2
(03-11-2020)
Authority

- (1) The ASFR program assesses tax by authority of Internal Revenue Code (IRC) 6020(b). IRC 6020(b) provides the authority to assess tax based on reported income information when a person fails to submit a required return.
- (2) IRM 5.19.2.6.4.3, *Delinquent Returns-Enforcement of Filing Requirements*, provides Policy Statement 5-133, which is the Collection policy for working delinquent filer cases.

5.18.1.1.3 (09-11-2025)

Roles and Responsibilities

- (3) ASFR employees use math error authority outlined in IRC 6213(g)(2) when reviewing filed returns for accuracy and making changes.
- (1) The Director, Collection Inventory Delivery & Selection (CIDS), is responsible for overseeing program coordination for ASFR and Campus procedures related to the ASFR program. The Director, CIDS works closely with Campus Collection directorships and operations in each campus as primary contact and support for ASFR in CSCO. Responsibilities outlined in IRM 1.1.16.3.3.2, *Collection Inventory Delivery and Selection*, include:
 - Maintaining ongoing quantitative review to evaluate ASFR and provide assistance.
 - Planning, designing, and maintaining the ASFR system.
 - Coordinating with the office of Collection Technology Solutions and Information Technology (IT) to maintain ASFR.
 - Providing standard policy and program direction for selection and delivery of ASFR inventory.
 - Setting direct assignment criteria for priority and routing of ASFR inventory.
 - (2) The Director, Campus Collection, is responsible for managing and implementing strategies pertaining to the ASFR program, outlined in IRM 1.1.16.3.4, *Campus Collection*. Duties include:
 - Identifying trends and conducting analysis of data to determine risk-based strategies, develop best practices, and provide input to campus operations for action.
 - Performing as a partner with Headquarter Collection and Performance Planning & Analysis Collection in formulating short- and long-term program strategies, policy guidance, and work plan objectives.
 - (3) Campus Collection Directors in Andover, Fresno and Kansas City are responsible for managing day-to-day operations for the ASFR program in Campus Collection and report to the Director, Campus Collection. See IRM 1.1.16.3.4.1, *Campus Collection Operations*. Austin, Brookhaven, and Fresno CSCO operations manage the day-to-day ASFR operations. Operation managers are responsible for:
 - Managing ASFR activities including telephone calls, correspondence, filed returns, and case perfection.
 - Responding to taxpayer inquiries concerning ASFR accounts.
 - Completing returns and calculating taxes owed for taxpayers who do not file returns.
 - (4) The Department Manager is responsible for managing team and employee actions to complete ASFR inventory, including responses to taxpayer calls, correspondence, and filed returns. Actions include receiving inventory, batching it for delivery by the AMS system where appropriate, and timely closure of cases.
 - (5) The Team Manager is responsible for overseeing employee responses to taxpayer inquiries for the ASFR program, including review of inventory using reporting tools to ensure cases are worked within guidelines.

- (6) Employees working ASFR inventory respond to inquiries regarding ASFR notices issued to taxpayers. They resolve ASFR accounts by processing filed returns, correspondence, and failed condition lists including:
- Review and input of appropriate transactions to IDRS using the mandatory IAT tool.
 - Update to the stand-alone ASFR system.
 - Update to the AMS system to record actions taken.

5.18.1.1.4
(09-11-2025)
**Program Management
and Review**

- (1) Program Reports: Collection utilizes various treatment streams to report on ASFR inventory.
- The weekly ASFR Management Information Reports (MIR) provide information on existing inventory, letters issued, and inventory closure types (manual and systemic). ASFR MIR data is also housed on Business Objects and the Control-D system.
 - Work Planning & Control (WP&C) reports are used to monitor rates, receipts, and closures for manual inventory.
 - Account Management Services (AMS) reports provide information on assigned inventory and inventory age.
 - Case Control Activity System (CCA) reports detail cases assigned to an operation, department, team, and employee. They are located on the Control-D system.
 - Additional reporting is provided annually by the Office of the Chief Financial Officer (CFO) via the Office of Cost Accounting Cost-Based Performance Measures Automated Substitute for Return (ASFR) report. The IRS uses Enforcement Revenue Information System data to track direct enforcement revenue for programs such as ASFR.
- (2) Program Effectiveness: The program results are housed on the Collection Program and Campus Reports SharePoint site in the Monthly Monitoring Report (MMR).
- (3) Annual Review: Review of manual and systemic closures is ongoing in preparation for annual work planning. Collection uses prior history for started cases to determine rates of return, receipt and closure rates, and timeframes for taxpayer responses. Collection Inventory Delivery & Selection (CIDS) provides assumptions for annual work planning purposes based on reported prioritization of resources. CIDS participates in site reviews for procedural adherence, inventory management, and assistance.
- (4) Individual case reviews are conducted by frontline managers and Program Analysis System (PAS) employees. Operational reviews are conducted by Department Managers, Operation Managers, Planning & Analysis Staff, and Program Managers.

5.18.1.1.5
(12-13-2017)
Program Controls

- (1) ASFR receipts are maintained on AMS and distributed systemically to employees according to the date they were received by IRS. CCA and AMS provides reporting on inventory age. Operation, Department, and Team Managers, along with Collection HQ employees in CIDS use the reports to review employee actions. The ASFR system performs weekly checks ensuring transactions are posted to the IDRS system appropriately. When cases do not pass a validity check, they are moved to a failed condition list for review by CIDS analysts and campus.

5.18.1.1.6
(12-13-2017)
Acronyms/Definitions

- (1) A list of terms and acronyms is available in Exhibit 5.18.1-1, *Acronyms and Definitions*.

5.18.1.1.7
(06-27-2023)
Related Resources

- (1) ASFR follows guidelines for the Taxpayer Advocate Program and correspondence guidelines. See IRM 13.1, *Taxpayer Advocate Case Procedures*, IRM 3.30.123, *Processing Timeliness: Cycles, Criteria and Critical Dates*, and IRM 21.3.3.4, *Correspondence Procedures*.
- (2) The Internal Revenue Code (IRC) provides taxpayers specific rights. The Taxpayer Bill of Rights groups these rights into ten fundamental rights. See 26 USC 7803(a)(3), *Commissioner of the Internal Revenue*. IRS employees are responsible for being familiar with and following these rights. please see Pub 1, *Your Rights as a Taxpayer* or visit *Taxpayer Bill of Rights*.
- (3) The following additional IRMs and publications/documents are listed as a convenience when more in-depth research is required to resolve unusual technical issues not covered in ASFR instruction, Form 1040 instructions and various publications. When reference to one of the related IRMs is required for ASFR processing, the complete IRM reference will be stated in this IRM. The list below is not all inclusive.

ASFR Resources
IRM 2.3, IDRS Terminal Responses
IRM 2.4, IDRS Terminal Input
IRM 3.12, Error Resolution
IRM 3.17, Accounting and Data Control
IRM 11.3, Disclosure of Official Information
IRM 13.1, Taxpayer Advocate Case Procedures
IRM 20.1, Penalty Handbook
IRM 20.2, Interest
IRM 21, Customer Accounts Services
IRM 21.6.3.4.2.12, Premium Tax Credit (PTC)
IRM 25.6, Statute of Limitations
IRM 25.12.1, Delinquent Return Refund Hold Program
Pub 17, Your Federal Income Tax (For Individuals)
Document 6209, IRS Processing Codes and Information
<i>Integrated Automated Technologies (IAT)</i>

5.18.1.2

(03-11-2020)

Automated Substitute for Return (ASFR) Program Overview

- (1) ASFR is a key compliance program within the IRS, enforcing compliance for taxpayers who have not filed individual income tax returns, but owe a significant income tax liability. ASFR determines and assesses the correct tax liability by:
 - Securing valid income tax returns from taxpayers, or
 - Computing tax, penalties, and interest based on Information Reporting Program (IRP) information submitted by payers, combined with other internally available information.
- (2) ASFR is a Nonfiler or Return Delinquency (RD) program. The ASFR system is an assessment tool used to systemically perform some liability calculations, issue ASFR notices, and input transactions to the Integrated Data Retrieval System (IDRS) via Standardized IDRS Access (SIA). Taxpayer Delinquency Investigation (TDI) inventory is created by Case Creation Nonfiler Identification Process (CCNIP), or manually in some situations. ASFR inventory is received directly from TDI or as referrals from the Automated Collection System (ACS) and Collection Field function (CFf).
- (3) The ASFR program is consolidated in the Small Business/Self Employed (SBSE) Operating Division, Compliance Services Collection Operation (CSCO), at the Austin, Brookhaven, and Fresno campuses.
 - Employees work systemic error conditions identified by ASFR and taxpayer response to ASFR letters. Taxpayer responses include correspondence, returns, and calls to the toll-free ASFR call sites.
 - Closures include systemic and manual closures where the TDI has been closed. Reassignments of unresolved TDIs are not included in work plan closures.
 - The ASFR 200 MIS Report is systemically issued weekly and includes closure and reassignment volumes.
- (4) ASFR prepares Substitutes for Return under the authority of Internal Revenue Code (IRC) 6020(b). Statutory Notices of Deficiency are issued under authority of IRC 6212.

5.18.1.3

(04-06-2016)

ASFR Processing

- (1) Most processing for ASFR cases is performed systemically by the stand alone ASFR system.
- (2) ASFR sends notices to taxpayers, performs systemic calculations and comparisons, and sends transactions to be posted on the IDRS system.
- (3) Employees work taxpayer responses and any modules on the ASFR system identified as needing perfection or review.

5.18.1.3.1

(04-06-2016)

ASFR System Overview

- (1) ASFR is a stand-alone system residing on a SUN Microsystems platform at the Enterprise Computing Center (ECC). Systemic processing occurs weekly.
- (2) The Collection Assignment Code (TSIGN) or field assignment for ASFR accounts is 8000.
 - TDIs are directly assigned to 8000 and loaded to ASFR when the MF status of the TDI moves to Status 03, and the selection code is an ASFR selection code.

- Modules may also be referred from other functions if they meet ASFR criteria as defined in IRM 5.18.1.7.3.8, *ASFR 423 List-TDA Assigned to Assignment Number 8000*.
- If an account is already assigned to 8000, a new TDI module will join it on ASFR.

5.18.1.3.2
(04-06-2016)
ASFR Criteria

- (1) A module meets ASFR criteria if all the following conditions exist:

- It is not older than five years prior to the current processing year, and
- Delinquency Initiative (FERDI), and
- IRP exists on CC IRPTRJ for the module, and
- It has no associated balance due modules in a status greater than 12, including statuses 53 and 60, and
- The total IRP documents for the module are 60 or less, and
- There are no -V, -W, -L, -Z, or Z- freezes on the module or account, and
- The selection code is not a CI, International, or IRS employee selection code.

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Note: If accounts are assigned to 8000 and they do not meet ASFR criteria, they will be systemically reassigned.

5.18.1.3.3
(09-11-2025)
ASFR Prioritization

- (1) The ASFR ordering menu was developed to allow for flexibility. “**Buckets**” identify separate inventory types that can be prioritized based on business needs. Inventory is organized by **Refund Hold** (RH), High Income Nonfiler, FERDI, and Tax Year. RH Inventory is organized according to the number of weeks (1 - 6) since the RH indicator was set. Tax Year is organized by categories for Net Tax Due.
- (2) Ordering is on a weekly basis and is performed by Headquarters analysts based on a pre-approved schedule. Analysts will order Priority 0 first whenever possible to ensure Refund Hold Inventory is addressed timely. Other priorities and Buckets are ordered based on Collection business needs. ASFR works only 1 module per taxpayer for non-Refund Hold taxpayers. All related modules will be suspended pending resolution of the one started year. The “Hold” status for multiple modules where 1 module is started will be Status 734. See IRM 5.18.1.6.11.75, *Status 734: Hold Status*, for explanation of Status 734. All modules are started for Refund Hold taxpayers because the held refund cannot be released unless all required delinquent tax modules are resolved.

Note: Toll free assistors must ensure full compliance is performed to let the taxpayers know there are other unfiled years that may be enforced at a later date.

- (3) The ASFR screen “Priority” field will be displayed as Priority/Bucket. i.e.: 0/1 for RH/>24 weeks since RH indicator; 1/2 for TY 2011 for single module with Net Tax due over \$100K.

5.18.1.3.4
(04-06-2016)
ASFR Selection Codes

- (1) Direct assignment of TDIs occurs systemically on certain selection codes. See Document 6209 for a list of all select codes.
- (2) Selection Codes are not part of new module validation. See IRM 5.18.1.7.1, *Module Validation-Systemic Validation During New Module Processing*.

- 5.18.1.3.5
(04-06-2016)
ASFR Assignment from 8000
- (1) The Collection assignment code is changed from 8000 when all open TDIs are closed.
- 5.18.1.3.6
(04-06-2016)
Taxpayer Delinquency Investigation (TDI) Supplement Information
- (1) When a module is sent to ASFR, Master File TDI supplements (IRP information) are also sent. TDI supplements include the Information Returns Program (IRP) data, taxpayer entity data, and, when available, information from the last return filed (LRF).
- 5.18.1.3.7
(06-27-2023)
Access to ASFR
- (1) Only employees and managers assigned to the ASFR function, PAS or Quality Review Analysts, System Administrators, ASFR programmers and Headquarter analysts have access to the ASFR system. If access is requested by other employees, contact must be made with Headquarters.
- (2) Employees must request access through BEARS "PROD USER ASFR (ASFR)".
- (3) To access ASFR users will only need to input their SEID as their log on.
- (4) Currently ASFR has the following types of users:
- PROD ANALYST ASFR - this access is for users that should have access to the ASFR Analysts menu.
 - PROD COORD ASFR (ASFR) - this access is for the ASFR Data Base Coordinators.
 - PROD MGR ASFR (ASFR) - this access is for users that should have access to the Manager Menu
 - PROD USER ASFR (ASFR) - this access is for the users that should have access to the ASFR User Menu.
- (5) For more specific information on how to obtain access to ASFR, refer to the ASFR Help Desk Handbook. The Handbook is available electronically and is distributed to all ASFR functions.
- 5.18.1.3.8
(06-27-2023)
Payer Agent/High Dollar Coordinator
- (1) Each campus must designate a Payer Agent/High Dollar coordinator(s). The coordinator(s) is responsible for ensuring that modules in Status 007, and 038 are worked expeditiously. See IRM 5.18.1.6.11.3, *Status 007: Pre-30-Day Problem Payer Agent List*, and IRM 5.18.1.6.11.14, *Status 038: Tax Assessments Over \$100,000*. The coordinator is also responsible for referring EINs to the National Payer Agent Coordinator for inclusion on the National Payer Agent File. See IRM 4.19.3, *IMF Automated Underreporter Program*.
- (2) The Service Center Recognition/Image Processing System (SCRIPS) stores and retrieves digitized images of IRP documents and interfaces with the IDRS system. SCRIPS system errors have been identified where non-monetary information (social security number, or state identification number) was included in dollar amount fields. Users should use extreme care when reviewing income on Form 1099-MISC. Amounts shown for Attorney Fees paid, Fishing Boat proceeds or Crop Insurance proceeds that exceed \$10,000,000 may be incorrect.

- 5.18.1.3.9
(04-06-2016)
ASFR System Security
- (1) The ASFR system is designed to protect taxpayer data from unauthorized disclosure. All users are responsible for protecting taxpayer data and taxpayer privacy. Users should only access data needed to perform their duties. Any infraction should be reported to management. See IRM 11.3, *Disclosure of Official Information*, for disclosure guidelines. See IRM 10.5.1, *Privacy and Information Protection, Privacy Policy* for a foundation of IRS Privacy Policy. Additionally, users must safeguard their password.
- 5.18.1.3.10
(06-27-2023)
Protection of Taxpayer Accounts
- (1) Prevent unauthorized disclosure of taxpayer information by following the guidelines in IRM 11.3, *Disclosure of Official Information*.
- (2) Prevent unauthorized access (inspection) following guidelines in IRM 10.5.5. For additional information regarding unauthorized access (UNAX), refer to the Supplemental Guide for IRS' Awareness Briefing on Unauthorized Access-UNAX or contact the Office of the Privacy Advocate's, UNAX Program Office. The UNAX Program Office is located in Privacy, Governmental Liaison and Disclosure (PGLD) in the Office of Information Protection Projects.
- 5.18.1.3.11
(12-13-2017)
Federal/State Exchange Program
- (1) The Federal/State exchange program for ASFR is systemically performed. All disclosure related questions should be referred to the Disclosure Help Desk by calling 1-866-591-0860, or by email at *Disclosure.
- 5.18.1.3.12
(04-06-2016)
Identifying Tax Delinquency Accounts (TDAs) Assigned to ASFR (8000)
- (1) Only stand alone TDI accounts can be systemically assigned to 8000. However, while in 8000, an associated module may move into balance due status (status greater than 12). Combo accounts are modules in balance due status with an associated TDI module. ASFR will reassign any unstarted Combo accounts. If a module becomes a Combo after it was started on ASFR, the ASFR module will continue until it is completed, and then be reassigned out of 8000. Any associated, unstarted module(s) will be placed into the appropriate status (714, 715, or 716). The following lists identify ASFR combo cases:
- ASFR 423 List - IRM 5.18.1.7.3.8, *ASFR 423 List: TDAs Assigned to 8000*
 - ASFR 400 List - IRM 5.18.1.7.3.1, *ASFR 400 List*
- 5.18.1.4
(09-11-2025)
CP 36Cs and CP 36Zs
- (1) A CP 36Z is generated and sent to files when a TC 976 posts on a module where an ASFR **Dummy** return has posted. Files will pull the return, attach the CP 36Z to the front of the return and route to the ASFR Operation.
- (2) A CP 36C is generated when a TC 976 posts on a module where an ASFR **Dummy** return has posted. Each campus must use Control D to retrieve the CP 36C listing.
- (3) Review each transcript for Statute issues, if ASER is within 90 days of expiring please follow IRM 25.6.1.5 Basic Guide for Processing Cases with Statute of Limitations Issues. If a prompt assessment is needed use TRDBV transcript.
- (4) When CP 36Cs are received, but the accompanying CP 36Z with the return has not been received:
- Research AMS for CII image of scanned return.
 - If no CII image is available then use CC ESTAB to request the TC 976/977.

- Suspend case for 30 business days, update ASFR to status 080 if applicable.
 - If return is not received after 30 days, tax examiner will follow with special search Form 2275.
 - Suspend case for 30 business days.
- (5) If return is not received after 30 days, tax examiner will send taxpayer 112C letter. Select paragraphs SU*X1. copy and paste the open paragraphs below in your letter.
- **Paragraph S (open paragraph)** - *Thank you for your response, dated MMDDYYYY, to the proposed assessment of taxes, penalties and interest for tax year(s) listed above. To help us process your Tax Return(s) correctly please send a signed copy of your original tax return including all required schedules, documents and W-2 forms. If you are filing a joint return both you and your spouse must sign.*
 - **Paragraph U** - *Provide the information by MMDDYYYY (give the taxpayer 10 days to respond but suspend the case for 45 days). We enclosed an envelope for your convenience. If you do not reply, we'll prepare a return for you using the information available to us.*
 - **Paragraph * (open paragraph)** - *Please mail your signed return to the address at the top of the first page of this letter.*
 - **Paragraph X-** *If you have questions, you can call Customer Service at 866-681-4271 between 9:00 a.m. and 7:00 p.m. CST.*
 - **Paragraph 1-** Enclosure
- (6) If return is not received after 45 days update ASFR to the applicable status to continue the ASFR process, if Reconsideration allow module to continue to the collection process.
- (7) All cases requested must be controlled to the clerical unit on IDRS in "M" status with the following activity indicating last action taken and follow up date:
- ESTABMMDD
 - 2275MMDD
 - 112CMMDD

Note: Age list must be monitored for expired follow up dates and for next actions needed.

5.18.1.5
(06-01-2015)
**Account Maintenance
(AM) Transcript**

- (1) AM transcripts generate when a module exists on IDRS and there is an unresolved condition on the module. ASFR will receive AM04 and AM09 transcripts on modules assigned to 8000.
- (2) ASFR Recon transcripts will generate when there is a possible unresolved ASFR Reconsideration issue, when a taxpayer files jointly under the spouse's SSN.

5.18.1.5.1
(11-03-2010)
AM04 Transcripts

- (1) AM04 transcripts are generated when a -A freeze (TC 976) has not been released within 36 weeks. If received without the return, research AMS for possible CIS image, if the CIS is not available secure the return by both requesting the return from Files and/or contacting the taxpayer.

5.18.1.5.2
(03-11-2020)
AM09 Transcripts

- (1) For ASFR cases, AM09 transcripts are generated when a credit exists on a module, and there is a TC 570 holding the credit. Either continue ASFR processing, release the credit or transfer the credit to the Excess Collection Account. See IRM 5.18.1.9.2.3.16.1, *Refund Statute Expiration Date (RSED)*, for instructions on transferring credits to Excess Collection Account (XSF). In addition, if the credit cannot be offset or refunded and remains on the module, a TC 971 AC 296 must be input on IDRS using CC REQ77. However, if the credit/payment is offset, refunded, or moved to XSF, do not input a TC 971 AC 296.

Note: This provides an audit trail indicating all credit(s) on the account module up to the input date of the TC 971 AC 296 have been researched and do not need to be researched again. It is not necessary to input a second TC 971 AC 296 if one is present and no additional actions should be taken.

5.18.1.5.3
(03-11-2020)
ASFR Recon Transcripts

- (1) ASFR Recon transcripts generate when TC 594 cc 084 with DLN blocking series and serial numbers 88888 or 99999 posts to a module with a prior ASFR default assessment. The transcript generates one time, in the cycle the TC 594 cc 084 posts.
 - a. Verify a valid joint return was filed.
 - b. Ensure the ASFR default assessment was reversed. If the default assessment is not reversed, follow procedures in paragraph 2) below.
 - c. If the ASFR default assessment is reversed, verify all transaction codes below are present and close the transcript "previous action".

Exception: Do Not input a second TC 594 cc 084.

- (2) If the default assessment is not reversed take the following actions:
 - a. Zero out tax, penalties, credits, income, and SE amounts.
 - b. Use credit reference 887 to reduce the exemption to zero.
 - c. Input Hold Code 4 and credit reference 999 with .00 amount to indicate a secondary account return associated with a joint return.
 - d. Notify taxpayer the case is resolved.
 - e. Resolve any existing credits on the module per IRM 5.19.2.6.7, *Credit Balance Overview*, including input of TC 971 with AC 296 if appropriate. See IRM 5.19.2.6.7.4, *Input of TC 971 AC 296 - Credit Research Completed*.

5.18.1.6
(03-11-2020)
ASFR Systemic Processing and Calculations

- (1) When ASFR processing is initiated on a module, the ASFR system will calculate the proposed tax assessment, and generate both the 30-Day and 90-Day Letters. The system will also systemically request a default assessment when the taxpayer doesn't provide a sufficient response or valid tax return.

Note: A return may be unprocessable for purposes of starting any period for payment of overpayment interest, but may still be valid.

5.18.1.6.1
(03-11-2020)
ASFR TC 971 AC 143

- (1) The ASFR process has been streamlined for cases selected and started after June 1, 2018, when the ASFR 30-Day Letter package is generated ASFR will systemically request a TC 971 AC 143.
- (2) The TC 971 AC 143 and the collection assignment 8000 signify the account belongs to ASFR and ASFR processing has begun.

- (3) When ASFR returns (not reconsiderations) are received and the TC 971 AC 143 is present on IDRS, the ASFR system will be updated to the appropriate status and the returns will be shipped to the nearest submission processing site.
- 5.18.1.6.2
(10-01-2005)
Computing Taxable Income
- (1) ASFR systemically computes taxable income on all modules.
- (2) For questions about a particular income type, use Publication 17 or other IRS publications for research. Treatment of income can change from year to year.
- 5.18.1.6.3
(03-11-2020)
Computing Tax Due, Penalties and Interest
- (1) ASFR systemically calculates tax, penalties and interest due on all proposed assessments. ASFR systemically calculates tax, penalties and interest to 28 days from the issuance date of the 30-day letter.
- (2) If any changes are made to a module (e.g., deleting a case minor) carry change forward to case major so the correct tax is computed. See IRM 5.18.1.6.8, *Deleting and Adding Case Minors*, for information on updating case minors.
- Note:** If changes are made after the 30-Day Letter has been issued, the module must be updated to reissue a new 30-Day Letter, or the proposed assessment will not be recalculated.
- 5.18.1.6.4
(06-27-2023)
Preparing and Processing ASFR
- (1) ASFR generates a TC 971 AC 143 which triggers the start of the ASFR process. No paper return exists.
- (2) If a 30-Day Letter has been issued and no TC 971 AC 143 is posted, request one using Option 32 on ASFR. See IRM 5.18.1.6.1, *ASFR TC 971 AC 143*.
- 5.18.1.6.5
(04-06-2016)
Letter 2566 (30-Day Letter)
- (1) If a module passes TIF check 1 (See IRM 5.18.1.7.2.1, *TIF Check 1 - Pre-30-Day Letter Check*), the 30-Day Letter is systemically generated.
- (2) The 30-Day Letter is mailed in address correction envelopes. When the 30 day letter is undeliverable the post office will return the letter with new address information when available.
- Note:** If the taxpayer has a POA updated to ASFR, a duplicate 30-Day Letter is systemically addressed and mailed to the POA.
- (3) The letter gives the taxpayer 30 days to respond. The system suspends the
- Note:** Letter 2566R is sent when ASFR shows a Delinquent Return Refund Hold (RH) indicator. The letter includes verbiage for the RH program.
- 5.18.1.6.6
(09-11-2025)
Statutory Notice of Deficiency (ASFR 90-Day Letter)
- (1) At the conclusion of 30-Day Letter suspense period, if there is no/insufficient response, ASFR requests TIF check 2 (See IRM 5.18.1.7.2.2, *TIF Check 2 - Pre-90-Day Letter Check*) to ensure that ASFR processing should proceed. If a module passes the TIF check 2, ASFR generates a Statutory Notice of Deficiency (90-Day Letter).

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- (2) The 90-Day Letter is fully automated. The letter gives the taxpayer 90 days to 90-Day Letter to allow taxpayer time to respond.
- (3) The letter is sent by certified mail.
- (4) A Post Office stamped original Certified Mail List should be received from the National Print Site and maintained by the Campus for each weekly 90-day mail out. If the Certified List is not received, open IRWorks ticket.
- (5) Retire Certified Listings to the Federal Record Center after three years.

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5.18.1.6.7
(04-06-2016)

Case Minor Review

- (1) Review of case minors occurs when a module is in certain statuses (380 or 385), or when the taxpayer responds that the case minor is not valid or when a Payer Agent issue is discovered. See IRM 5.18.1.6.11.3, *Status 007: Pre-30-Day Problem...Payer Agent List*.

Caution: Be aware of Payer/Agent information.

- (2) Delete the case minor when the payee name line(s) is obviously not the taxpayer. For example, the name line(s) contains any of the following groups:
 - Government agencies — federal, state, or local
 - School — private, public, colleges, universities, etc.
 - Charitable and tax-exempt organizations — hospitals, churches, medical centers, etc.
 - Pension Profit Sharing Plan name line(s) with the words “trustee”, “trustee for”, etc.
- (3) Delete case minors when:
 - a. The payee entity contains the words “Estate of”.
 - b. The taxpayer’s name is preceded by the word “by”.
 - c. The payee(s) name is obviously different from the tax account name(s) and does not contain obvious business words, even though the SSN matches.
 - d. EIN 99-9999999, foreign income, is present and another EIN is present for the same payer. Case minor dollar amounts may vary due to currency exchange rates.

Note: Delete the 99-9999999 case minors ONLY when both are present. Foreign Source case minors are treated the same as domestic source case minors.

- (4) Consider the case minor valid (as belonging to the taxpayer) when ANY of the following conditions are present:
 - a. The taxpayer’s name is the only payee name on the case minor.
 - b. The taxpayer’s name appears in the first or the second name lines on the case minor.
 - c. The payee name on the case minor implies a sole proprietorship type business, or the taxpayer’s occupation as shown on Form 1040, Form 1040A, Form 1040EZ, or Schedule C or F is typically operated as a sole proprietorship or small business.
 - d. The payee EIN on the case minor matches the EIN on the Schedule C or F.

- (5) Consider case minors with the following conditions valid:
 - a. The payer's name is garbled, missing, or incomplete.
 - b. The payee's first and last name are in a different order on the case minor.
 - c. The payee name line includes the taxpayer's title (MD, DDS, CPA, etc.).
 - d. Only a name control is showing as the payee name and it matches the taxpayer's name.
 - e. The payee second name line includes "c/o" (or a variation) followed by the taxpayer's name.
 - f. The payee name line contains obvious business words and it is determined that the payee is the taxpayer.
 - g. The income was reported under the payee's EIN. Use CC INOLE to identify any EIN associated with the taxpayer. Use CC IRPTR with validity indicator 3 to research EIN income. See IRM 2.3.47, *Command Codes INOLE, EOGEN, and SPARQ*, and IRM 2.3.35.6.1, *Validated Fields of Payee Request Screen*, for additional command code instructions.
 - h. The literal is "AMEND" and the document does not match the original documents.
 - i. The payee name is followed by "and" or "or" without other names.
 - j. The case minor payee name is a maiden name. If the payee's first name or initial on the case minor are the same as the tax account name, consider case minor valid.
 - k. The word "rollover" is present on either the payee or payer side.
- (6) Amended case minors are identified by the literal "AMEND". ASFR will systematically use the amended minor. However, if ASFR cannot determine which to use, manual correction of the minor and major is needed.
- (7) A blank in the amount field of an amended case minor represents \$0 (zero).
- (8) Delete original case minors if amended case minors match an original. The amended and original case minor must have:
 - The same payer name and/or EIN.
 - The same account number (if present).
 - The same type of income.
- (9) Amended case minors may reflect incomplete information; neither amount literals nor \$0 (zero dollar amounts) are displayed. If such a case minor is present, assume the payer/employer attempted to zero out an incorrect income amount previously reported.
- (10) Add all case minors if the amended case minor(s) does not match an original, or if the amended case minor matches more than one of the other case minors.
- (11) If all elements (SSN/EIN, name, amount, account number, income type, etc.) on any two case minors are identical: Delete one of the case minors.
- (12) If all elements on any two case minors are identical except that one does not
- (13) If the income amount of any two case minors is the same and the same sequence of numbers or characters can be identified in both account numbers,

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- (14) Do not consider case minors as duplicates when the account numbers are obviously different, even though all other elements are identical.
- (15) Do not consider duplicate any two Form 1099–B or Form 1099–S case minors unless the sales date is the same.
- (16) If the case minor indicates that the income is non-taxable, delete the minor.
- (17) If Forms 1099–INT or DIV identifies in the payee or payer area on the minor as being income from the following sources, delete the minor.
 - Keogh (HR-10) or 403(b) accounts
 - SEP or IRA accounts
 - Municipal Bond funds
 - A Pension Plan or Profit Sharing Plan (including a 401(k) plan).
 - Capital Construction Fund (CCF) account

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5.18.1.6.8
(06-27-2023)
**Deleting and Adding
Case Minors**

- (1) Whenever a case minor is amended, deleted or added, the case major **must** also be updated to reflect the change to income and the number of case minors.
 - a. To delete or amend, access the Tax Module screen. Request Option 3. Scroll through the minors until the one to amend is found. Make necessary changes. Exit Option 3, and make the necessary changes to the case major. See IRM 5.18.1.6.13, *ASFR Tax Module Screen Menu Options*.
 - b. To add a minor, go to the ASFR Main Menu, and access Option 12. Fill in the screen, exit, and update the case major for the module. The Integrated Automation Technologies (IAT) **ASFR IRP Loading** tool can also be used to add case major and minor data.
- (2) See IF and Then Charts Below:

If the adding or deleting of a case minor(s) results in net tax	Then
No 30-day letter has been sent,	Update to Status 071. See IRM 5.18.1.6.11.29, <i>Status 071: Terminate ASFR, TC 590 CC 088 Not Liable</i>
A 30-day letter has been sent,	<ul style="list-style-type: none"> Update to Status 071 if there is a TC 971 AC 143 posted on the module. IRM 5.18.1.6.11.29, <i>Status 071: Terminate ASFR, TC 590 CC 088 Not Liable</i> <p>Note: Do not input a TC 590 CC 088, it will systemically generate when the module is updated to 071.</p> <ul style="list-style-type: none"> Send taxpayer correspondex letter to let them know the case has been resolved. <p>IRM 5.18.1.9.2</p>
A 90-day letter has been sent,	<ul style="list-style-type: none"> Update to Status 071 if there is a TC 971 AC 143 posted on the module. IRM 5.18.1.6.11.29, <i>Status 071: Terminate ASFR, TC 590 CC 088 Not Liable</i> <p>Note: Do not input a TC 590 CC 088, it will systemically generate when the module is updated to 071.</p> <ul style="list-style-type: none"> Input TC 495. Send taxpayer correspondex letter to let them know the case has been resolved.

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If the adding or deleting of the case minor(s) results in net tax	Then
No 30–day letter has been sent,	Update to Status 031.
A 30–day letter has been sent,	<ul style="list-style-type: none"> • Re-issue 30-Day Letter. Update to Status 032. • Advise TP that if they do not file by the 90-Day Letter date that they will be charged at the higher rate. <p>Note: Update to Status 032 requires manual review of all other failed conditions. If other failed conditions are found, correct the condition or close the module by updating to the appropriate closure status.</p> <p>Notify the taxpayer that a revised 30–day letter is being issued.</p>
A 90–day letter has been sent,	Advise the TP to file a correct return and advise the TP that the period for petitioning cannot and has not been extended. Do not update Status out of Status 090.

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5.18.1.6.9
(05-05-2014)
**ASFR Address
Verification**

- (1) Addresses on ASFR are systemically uploaded and refreshed from IDRS weekly.

5.18.1.6.9.1
(03-11-2020)
Address Uploads

- (1) The IDRS and Master File address is updated when address information becomes available from a tax return processed, a notification of change of address from the taxpayer or by the National Change of Address (NCOA).

Note: The National Change of Address (NCOA) is a United States Postal Service (USPS) database. The IRS accesses the NCOA database to update taxpayer records maintained in the automated Masterfile for the purpose of updating the IRS's mailing list. The IRS receives a copy of the entire database.

- (2) If the MF and IDRS addresses are updated, ASFR will receive the new entity information and update the entity on ASFR. The literal "Address Update per SIA refresh" and a Status reference code 990 will appear on the ASFR module screen. ASFR receives updated address via the following:
- TIF check for 30-Day and 90-Day Letters
 - Cases sent out for Standardized IDRS Access (SIA) research
 - Returned Address Research (ADR) research

5.18.1.6.9.2
(03-11-2020)
**Address Research
through ADR**

- (1) If an ASFR 30-day letter is returned undeliverable, research is performed through ADR. There is no manual undeliverable research performed.

Caution: Only update modules in Status 030 to Status 040. Do not update modules to Status 040 that are in a response Status or Status 090.

Note: Do not update modules with a Refund Hold indicator to status 040. Continue the ASFR.

- (2) During weekly processing, ADR processes modules from ASFR undeliverable Statuses 340, and 040, for address research. The modules are systemically moved from Status 340 and 040 to Status 342 to indicate ADR research started. See IRM 5.18.1.6.11.64, *Status 340: PRE-30-DAY PROBLEM, U Coded TDI Notice*.

Caution: Do not move modules out of Status 342 unless a return is received.

- (3) When the modules come back from ADR, ASFR updates the status to indicate what took place.

If	Then
ADR secures a new address or a new address is updated through SIA refresh, see IRM 5.18.1.6.9, <i>ASFR Address Verification</i>	<ul style="list-style-type: none"> The module is moved to Status 031. The ASFR address in the entity record is updated. <p>Note: ADR updates the MF address.</p>
No new address is found and no 30-Day Letter has been sent,	The module is moved to Status 031.
No new address is found and a 30-Day Letter has been sent,	The module is moved to Status 030 with an expired follow-up date.

Note: Do not request ADR research again when less than 150 days have passed since the prior ADR research or if the module is in 90-day Status.

5.18.1.6.10
(03-11-2020)
ASFR Archive

- (1) Effective June 21, 2005, an ASFR Archive database was established. The database stores all ASFR generated documentation on ASFR closed modules where a 30-Day Letter has been generated, and modules where the taxpayer has petitioned the Tax Court, Status 074 modules.
- (2) Subsequent to June 21, 2005, paper files on ASFR systemic assessments (defaults) are not available, and all ASFR generated documentation is stored on the ASFR archive database. Additionally, all ASFR generated documentation on manual assessments subsequent to June 21, 2005, is stored on the ASFR archive database, and is not associated with the manual assessments.
- (3) The Archive database is accessed through ASFR MENU. Choose the Archive database option. Documentation can then be queried and printed by TIN or TIN/TAX YEAR.

- (4) All requests for ASFR documentation on assessments subsequent to June 21, 2005 are worked by the ASFR functions as access to ASFR is required to retrieve the information. ASFR letter copies must be obtained using the Control-D system by employees with specialized access to that system. ASFR was mandated to use the Control-D system to archive letters beginning in April, 2009.

5.18.1.6.11
(10-01-2005)
ASFR Statuses

- (1) All ASFR inventory exists in statuses. Statuses define where the module is in the ASFR process, and if the module is workable, or non-workable.
- (2) ASFR uses status codes as an audit trail to document that each legal requirement is met before assessment. Statuses are also used to identify failed conditions on modules so that the appropriate actions can be taken to resolve any issues.
- (3) Statuses also indicate that a specific letter was sent to the taxpayer and that a return or correspondence was received.
- (4) HQ analysts will create new Status codes to meet new situations, and delete previously used Status codes when program enhancements and/or IRM changes occur.

5.18.1.6.11.1
(10-01-2005)
**Statuses 000 and 001:
Internal Use Only ASFR
System Statuses**

- (1) ASFR uses these internal Statuses during weekly new module processing, when new modules are downloaded onto the system. Status 000 and Status 001 should never appear on ASFR screen and is not shown on ASFR-211 REPORT—Status CODES in USE. See IRM 5.18.1.8.6, *ASFR 211 Report: Status Codes In Use*.
- (2) If Status 000 or Status 001 appears on any ASFR module, notify the team leader and system administrator to immediately shut down the system to research and correct the problem.

5.18.1.6.11.2
(10-01-2005)
**Status 005: Internal Use
Only ASFR System
Status**

- (1) ASFR uses Status 005 to systemically correct joint name line modules. ASFR retains the first name to the left of the ampersand (&) and deletes the secondary name to the right of the ampersand on the TDI record screen.
- (2) ASFR only uses filing statuses of single or married filing separately when preparing a proposed assessment for the 30-Day Letter. Status 005 is not shown on ASFR-211 REPORT—Status CODES IN USE. See IRM 5.18.1.8.6, *ASFR 211 Report: Status Codes In Use*.

5.18.1.6.11.3
(06-27-2023)
**Status 007: Pre-30-Day
Problem Payer Agent
List**

- (1) The AUR function maintains the Payer Agent List. The Payer Agent List is a list of businesses by EIN who reported income and for which there are discrepancies in what was reported. ASFR runs a file of all the EINs on the Payer Agent List weekly against all the case minors on the ASFR database. If the EIN and the document code on the Payer Agent list matches the EIN and the document code on a case minor on a module and the module is in a pre 30-Day Letter Status, ASFR systemically updates the module to Status 007.
- (2) Modules in Status 007 must be reviewed and updated weekly. Access the module on ASFR and review the Comments. Comments contains information on which case minors were filed by businesses on the Payer Agent List.

If	Then
Four or less matches are found	All the case minor sequence number will appear in Comments.
More than four are found	The comments will state "MULTI PAYER AGENT-MANUAL SEARCH, and manual review of all case minors is required."

- (3) Access the ASFR Payer Agent file by accessing Option 10 on the ASFR menu or by accessing Option 15 on the Tax Module screen. See IRM 5.18.1.6.13, *ASFR Tax Module Screen Menu Options*.
- (4) Determine if the case minor should be amended, eliminated entirely, or left untouched based on the Payer Agent List information.

Caution: SCRIPS system errors have been identified where non-monetary information (social security number, or state identification number) was included in dollar amount fields. Users should use extreme care when reviewing income on Form 1099-MISC. Amounts shown for Attorney Fees paid, Fishing Boat proceeds, or Crop Insurance proceeds that exceed \$10,000,000 may be incorrect.

- (5) If eliminating the case minor, code the non-add field on the case minor with a "B".
- (6) Correct the case major based on all changes made to the case minor. For example, if interest income is being deleted based on Payer Agent information, then that amount of interest income must be deleted from the interest field on the major record. See IRM 5.18.1.6.8, *Deleting and Adding Case Minors*.

If	Then
The change results in net tax	<ol style="list-style-type: none"> a. Update module to Status 031. b. Add a note in the remarks field on the bottom of the case minor record to indicate the action taken and why. c. On the ASFR module screen, clear the COMMENTS field.
The change results in net tax	Update module to Status 071.

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Caution: The case major record does NOT systemically update when a change is made to a minor record. Always correct the case major manually.

- (7) To add the case minor to the ASFR Payer Agent file, use the ADD option listed on the ASFR Payer Agent menu.
- (8) Modules placed into Status 007 have a 7 day follow-up and will appear on the ASFR-424 LIST NO ACTIVITY. Work modules in Status 007 weekly.

5.18.1.6.11.4
(04-06-2016)

Status 010: Pre-30-Day Problem (CI/Exam Review Needed)

- (1) Status 010 indicates that CI/Exam review is required.
- (2) Modules are placed in Status 010 during weekly new module validation. See IRM 5.18.1.7.1, *Module Validation - Systemic Validation During New Module Processing*, when at least one of following conditions is met:
 - Primary TDI code of “T” for Examination
 - Primary TDI code of “U” for Criminal Investigation
 - TDI Case Code of 3949 from Criminal Investigation request
 - TDI Case Code of 914 intelligence freeze
 - TDI Case Code of 5346 from Examination request
- (3) ASFR processing is not terminated on the Criminal Investigation and Examination modules. Research modules on IDRS for freeze conditions, fact of filing, or significant TSIGN(s). If necessary, forward ASFR transcripts on Form 3210, *Document Transmittal*, to Examination or Criminal Investigation for review.

If	Then
Module selected by Criminal Investigation	Update to Status 063. See IRM 5.18.1.6.11.22, <i>Status 063: Terminate ASFR, TC 596 CC 088 Selected by CI</i> .
Module is selected by Examination	Update to Status 064. See IRM 5.18.1.6.11.23, <i>Status 064: Terminate ASFR, TC 595 CC 088</i> .
Criminal Investigation or Examination advises to continue normal processing	<p>Update the module to Status 032, if the module was previously in Status 039 and when no 30-Day Letter was issued.</p> <p>Note: Update to Status 032 requires manual review of all other failed conditions. If other failed conditions are found, correct the condition or close the module by updating to the appropriate closure status.</p> <p>Update the module to 091, if the module was previously in Status 099 and when a 30-Day Letter was issued, but a 90-day has not been issued. Update the module to Status 104, if the module was in Status 097 and a default should be input. Input Comments that CI or Examination advises to continue ASFR processing.</p>

- (4) These modules appear on the ASFR-424 LIST-NO ACTIVITY if no action takes place within 45 days. See IRM 5.18.1.7.3.9, *ASFR 424 List: No Activity List*.

5.18.1.6.11.5
(06-27-2023)

Status 011: Centralized Insolvency Office (CIO)

- (1) Status 011 indicates that Centralized Insolvency (-V Freeze) or Advisory Group (-W Freeze) is working the bankruptcy issue.

(2) Status 011 modules meet at least one of the following:

- Bankruptcy indicator is 1 on TDI record(s)
- Primary TDI code is "Q" bankruptcy

Note: Bankruptcy conditions may also be identified during the TIF checks. Reversal of the TC 520 does not always indicate the module is released from protection of the Bankruptcy Court which prohibits further assessment for the tax years of the bankruptcy.

(3) Update modules with -V Freeze to Status 717 to close the module. DO NOT UPDATE -V FREEZE TO STATUS 011. Insolvency modules are identified by an unreversed TC 520 on the module. An entity freeze code is created at MF by the TC 520 and shows on IDRS as a -V or -W freeze. See Document 6209, Chapter 8 for more information on Freeze codes. See IRM 21.5.6.4.44, *-V Freeze*, for additional instruction on -V Freeze and IRM 21.5.6.4.46, *-W Freeze*, for -W Freeze.

(4) Research IDRS.

If	Then
There is no indication of bankruptcy on IDRS (no TC 520 or TC 521 on TXMOD)	<p>Update the module to Status 032, if the module was previously in Status 039 and when no 30-Day Letter was issued.</p> <p>Note: Update to Status 032 requires manual review of all other failed conditions. If other failed conditions are found, correct the condition or close the module by updating to the appropriate closure status.</p> <p>Update the module to 091, if the module was previously in Status 099 and when a 30-Day Letter was issued, but a 90-day has not been issued. Update the module to Status 104, if the module was in Status 097 and a default should be input.</p>
There is a TC 520 or TC 521	Contact the appropriate SB/SE Area Office CIO or Advisory Group (formerly Technical Support Function) for disposition of the case. Verify the Document Locator Number (DLN) of the TC 520 before contacting either CIO or Advisory.
CIO or Advisory advises termination of the ASFR module	<ul style="list-style-type: none"> • Transfer the case to CIO or Advisory. • Update ASFR module to Status 063. • Prepare Form 3210 and forward ASFR case to the appropriate Technical Support Function office.

If	Then
TC 520 has posted and ASFR has issued a 90-Day Letter,	<ul style="list-style-type: none"> • Contact Centralized Insolvency modules. • No default assessment can be made until 60 days after a TC 521 has posted. • Modules that were in Status 090 and a TC 520 posts to IDRS, will fail to Status 097. Do not update modules from Status 097 to Status 104, until 60 days after a TC 521 posts. • Update module to Status 080, when the assessment cannot be input. Update the tax Module screen with comments that there is an open TC 520, and the default cannot be input.
No response is received from CIO or Advisory request for advice within 30 days	<ul style="list-style-type: none"> • Refer the case to campus revenue officer or designee for Territory Office contact regarding module disposition. • If CIO or Advisory are still not responsive, ASFR management should contact the respective area.
Insolvency identifies a case that has been assessed by ASFR in violation of the automatic stay they will contact ASFR to make an adjustment.	<p>The ASFR Bankruptcy Coordinator will reverse the assessment and establish an IDRS control base for continued monitoring</p> <ol style="list-style-type: none"> 1. When the campus is contacted to abate the default, then the coordinator will abate the default and monitor the case until the TC 521 posts. 2. The ASFR Bankruptcy Coordinator will address the TC 521 using the below guidelines.

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(5) **Guidelines for TC 521:**

- An assessment by default cannot be input without Insolvency approval. If Insolvency approves of the assessment by default then the ASFR Bankruptcy Coordinator will document the approval on the case history sheet and on AMS.

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- (6) Request to rescind a 90-Day Letter by CIO or Advisory must be in writing and must be signed by delegated Campus authority.

5.18.1.6.11.6
(06-01-2015)

**Status 012: Advisory
Group -W Freeze**

- (1) Status 012 indicates that contact has been made with Centralized Insolvency Office (CIO) or Advisory and they require additional time to review the module – W Freeze Advisory, -V Freeze CIO.
- (2) Manually update modules to Status 012 only after initial contact is made with CIO or the Advisory Group in the Territory Office. This is a suspense Status indicating that additional CIO or Advisory Group field research is needed. See IRM 21.5.6.4.46, *-W Freeze*, for additional instruction on –W Freeze.
- (3) Modules in this Status are suspended for 60 days before they appear on ASFR-424 LIST-NO ACTIVITY. See IRM 5.18.1.7.3.9, *ASFR 424 LIST: NO ACTIVITY LIST*.
- (4) Status 012 cases appearing on the ASFR 424 LIST-NO ACTIVITY with –V freeze are to be removed from ASFR without further contact with CIO by moving the case to Status 717.

5.18.1.6.11.7
(10-01-2005)

**Status 015: Ineligible
ASFR (Await Closure of
Active ASFR Module)**

- (1) Status 015 indicates that the module does not meet ASFR criteria.
- (2) Modules are placed in Status 015 systemically during new module processing (weekly) when they have failed the module validation and there is another module(s) on the same taxpayer that is progressing through the ASFR system. Status 015 has a 120 day follow-up.
- (3) At the conclusion of the 120 day suspense period, the system will examine the entity again to determine if the related module is still present or not. If the other module is still OPEN on ASFR, the system will move the Status 015 module into Status 016.
- (4) When the valid module(s) is no longer present or is in a satisfied (closed) ASFR Status, the Status 015 module will systemically move to Status 762 for reassignment of the account from 8000.

5.18.1.6.11.8
(10-01-2005)

**Status 016: Ineligible
ASFR (Additional 60-Day
Extension From Status
015)**

- (1) Status 016 is an extension of Status 015.
- (2) Status 016 gives an additional 60-day extension for modules in Status 015. These modules are systemically monitored for closure of the valid module.
- (3) When the valid module(s) is no longer present or is in a satisfied (closed) ASFR Status, the Status 016 module will systemically move to Status 762 for reassignment of the account from 8000.

5.18.1.6.11.9
(04-06-2016)
**Status 030: 30-Day
Letter Created (30-Day
Mail out)**

- (1) Status 030 indicates that a 30-Day Letter has been generated.
- (2) Modules are systemically moved into Status 030 (from Status 032 and Status 035) after passing TIF check 1. See IRM 5.18.1.7.1, *Module Validation - Systemic Validation During New Module Processing*.

Note: The Status 030 date is not the date of the 30-Day Letter. Access the Audit screen, Option 04 on ASFR to determine the mail out date. See IRM 5.18.1.6.15, *ASFR Follow-up or Action Dates*.

5.18.1.6.11.9.1
(04-06-2016)
ASFR 30-Day Letter

- (1) The ASFR 30-Day Letter is automated. The 30-Day Letter consists of:

- 30-Day Letter 2566
- Tax Calculation Summary
- Summary of the Income Sources
- Explanation of Penalties and Interest
- Taxpayer Response Form
- Publication 1
- Publications 5 and 594
- Notice 609
- Cover Sheet
- Return envelope

Note: If there is allocated tips income, Form 2504, *Agreement to Assessment and Collection of Additional Tax and Acceptance of Over-assessment*, is added to the Letter.

5.18.1.6.11.10
(04-06-2016)
**Status 031: Pre-30-Day
IDRS**

- (1) Status 031 indicates that the module is workable and unstarted. All unstarted Status 031 inventory is assigned to a campus because it is associated with another module or in Corporate **CORP** Inventory on ASFR. When a site requests starts, the corporate modules become assigned to that site. If an employee manually starts a case, it will be assigned to the employee's campus.
- (2) The ASFR system systemically places modules in Status 031 when new modules have passed new module validation. See IRM 5.18.1.7.1, *Module Validation - Systemic Validation During New Module Processing*.
- (3) Modules are manually moved into this status when an employee corrects/perfects a module or completes needed research on the new module (e.g., UD research, Exam review etc.) and they have determined that the module is now ready for TIF check 1. See IRM 5.18.1.7.2.1, *TIF Check 1 - Pre-30-Day Letter Check*.
- (4) Modules remain in Status 031, in priority order, until requested for IDRS research, TIF check 1, prior to issuing the 30-Day Letter.
- (5) Headquarters uses the Setup menu to indicate the volume of modules selected for research TIF check 1 (preparing the modules for the 30-Day Letter action). See IRM 5.18.1.7.2.1, *TIF Check 1 - Pre-30-Day Letter Check*. Modules will be selected based on ASFR prioritization.
- (6) ASFR Prioritization is systemic. See IRM 5.18.1.3.3, *ASFR Prioritization*.
- (7) During the next week's processing, the modules move from Status 031 into:

- Status 035, Status 030, passed TIF check 1, 30-Day Letter created
- Status 032, Status 030, passed TIF check 1, 30-Day Letter created
- Status 039 - failed TIF check 1, research and resolve manually

Note: ASFR will start all years for Refund Hold accounts. When accounts are not Refund Hold, ASFR will start the most current year available and suspend all associated modules.

5.18.1.6.11.11
(10-01-2005)
**Status 032: PASSES
IDRS CHECK, Issue
30-Day Letter**

- (1) Status 032 indicates that the module passed TIF check 1. See IRM 5.18.1.7.2.1, *TIF Check 1 - Pre-30-Day Letter Check*.
- (2) Modules are systemically moved to Status 032 when they pass TIF check 1. The modules will move to Status 030 the same week it moves to Status 032.

Note: Status 032 should not appear on the ASFR 201 Report.

- (3) The volume of 30-Day Letters requested will be systemically determined based on the number of modules that passed TIF check 1.

5.18.1.6.11.12
(03-11-2020)
**Status 035: Cancel
Previous 30-Day Letter,
Reissue**

- (1) Status 035 indicates that a 30-Day Letter has been requested.
- (2) This Status is generated by an ASFR program, when an entire batch of 30-Day Letters needs to be re-created. This happens when:
 - a. An erroneous mail out date was entered on the reports, or
 - b. The file was not received or processed timely by the National Print Site.
- (3) This status is also used by employees to bypass TIF check 1 and generate a 30-Day Letter.

Note: CAUTION must be used when updating to 035, as all validation performed by the TIF check 1 must be manually performed.

- (4) If modules were in Status 030, the follow-up date will be **RESET**.

5.18.1.6.11.13
(04-06-2016)
**Status 037:
Questionable IRP
Income Over \$1,000,000**

- (1) Unstarted modules with potential \$1 million or more tax assessments are systemically moved into Status 037 weekly. Large income amounts may result when payers place incorrect information, such as state identification numbers, in the wrong fields for Form 1099-MISC.
- (2) Follow instructions in IRM 5.18.1.6.11.14, *Status 038: Tax Assessments over \$100,000*, to resolve these issues.

5.18.1.6.11.14
(06-27-2023)
**Status 038: Tax
Assessments over
\$100,000**

- (1) Unstarted modules with potential \$100K or more tax assessments, exclusive of tax based on stock and bonds gross sales, are systemically moved into Status 038 weekly. ASFR also generates the 430 List of all modules moved to Status 038. The 430 List must be worked weekly by each site. See IRM 5.18.1.7.3.11, *ASFR 430 List: Over \$100K Assessments*.
- (2) Review of potential over \$100K assessments will be made to ensure accurate default assessments for the ASFR program.

Note: After review of modules, print an Administrative File for potential assessments of over \$1 Million and forward to your local coordinator.

- (3) Determine if Payer contact is required: Review the case minors on ASFR and the information on IRPTR to ensure accuracy. If there is a case minor that is apparently erroneous, i.e. obvious decimal point error, or obvious Payer Agent transmission error i.e.: Payer EIN transmitted as amount of income, research the Payer Agent List. If the EIN is on the Payer Agent List, follow the Status 007 procedures in IRM 5.18.1.6.11.3, *Status 007: Pre-30-Day Problem...Payer Agent List*. If the EIN is not on the Payer Agent List, contact payer for verification of income. If the payer verifies the income or there is no response from the payer within 30 days from the date the request was sent, update module to Status 031. If the payer states that there is an error on the case minor, follow Status 007 procedures to correct the module. Input comments on ASFR that Status 038 research was completed. You may also compare prior year information, if available, and look for inconsistency between tax years. If prior year income was significantly lower and there appears no justification for the spike, contact employer to ensure documents are correct. Follow the chart below for examples of possible incorrect payer data.

Caution: SCRIPS system errors have been identified where non-monetary information (social security number, or state identification number) was included in dollar amount fields. Users should use extreme care when reviewing income on Form 1099-MISC. Amounts shown for Attorney Fees paid, Fishing Boat proceeds, or Crop Insurance proceeds that exceed \$10,000,000 may be incorrect.

If	Then
Last filed year had income less than \$100,000	Contact employer to determine if delinquency year wages are correct
Delinquency year wages were received from a restaurant and are less than \$10,000, Allocated tips are over \$1 million,	Contact employer
Taxpayer is over 65 and prior year income was less than \$100,000	Contact employer if wages are now over \$1 million
No prior return filing information is available	Contact employer to verify data on delinquent year

Note: The above chart depicts examples only; dollar amounts may vary.

Note: Prior to contacting payers to verify information reported for a specific taxpayer - IRC 7602 requires Third Party Contact notification requirements have been met, see IRM 5.19.2.6.6.2, *Third Party Contact, Responses and Unauthorized Disclosure*. Issuance of CP 518 includes advance notification of possible Third Party Contact, meeting requirements for contact in addition to generating a TC 971 AC 611.

Note: Input a comment on ASFR indicating the action taken. i.e.: Notate if the employer was contacted. Annotations should indicate case minor information.

- (4) Verifying/Conducting Third Party Contact:

If	Then
CP 518 was issued on TY in question within the past 12 months	a. Contact payer to verify reported income. b. Prepare and submit Form 12175 per IRM 5.19.2.6.6.2, <i>Third Party Contact, Responses and Unauthorized Disclosure</i> .
CP 518 was not issued on TY in question within the past 12 months	a. Issue letter 3232C Third Party Contact notification, input TC 971 AC 611 b. Ten days after letter mail-out date, contact payer to verify reported income. c. Prepare and submit Form 12175 per IRM 5.18.1.9.2.3.12, <i>Third Party Contact</i> .

- (5) If it is determined the potential \$100K assessment is due to Payer Agent data follow IRM 5.18.1.6.11.3, *Status 007: Pre-30-Day Problem Payer Agent List*.

Note: Appropriate movement out of 038 is restricted to “manager” and “key tech” access.

- (6) If it is determined the proposed assessment is accurate move case to Status 032 if appropriate to continue ASFR processing.
- (7) If there are no apparent issues with the ASFR case minors, then do the following:

If	Then
There is a Form W-2, or a Form 1099 of any kind with income over \$1,000,000 and it is apparent that the income is accurate, i.e. gambling winnings from a casino, NEC paid to a doctor from an insurance company, etc.,	Update module to Status 031. Input comments on ASFR that Status 038 research was completed.

If	Then
<p>There is a W-2, or a 1099 of any kind with income over \$1,000,000 and it is not apparent that the income is accurate, i.e. gambling winnings from a casino, NEC paid to a doctor from an insurance company, etc.,</p>	<p>Research prior year IRP.</p> <ol style="list-style-type: none"> If prior year IRP shows income within 50% of the income shown as ASFR total income (Multiply the prior year income by 1.50. If the ASFR income is less than the result, consider income reported accurately.), update module to Status 031. Input comments on ASFR that Status 038 research was completed. If prior year IRP shows income less than 50% of the income shown as ASFR total income, (Multiple the prior year income by 1.50. If the ASFR income is greater than the result, payer contact is required.), contact payer who reported income over \$1,000,000 to verify income. If the payer verifies the income or there is no response from the payer within 30 days from the date the request was sent, update module to Status 031. Input comments on ASFR that Status 038 research was completed. If the payer states that there is an error on the case minor, follow Status 007 procedures to correct the module. See IRM 5.18.1.6.11.3, <i>Status 007: Pre 30-Day Problem...Payer Agent List</i>. If there is no prior year IRP available, contact payer who reported income over \$1,000,000. If the payer verifies the income or there is no response from the payer within 30 days from the date the request was sent, update module to Status 031. Input comments on ASFR that Status 038 research was completed. If the payer states that there is an error on the case minor, follow Status 007 procedures in IRM 5.18.1.6.11.3, <i>Status 007: Pre 30-Day Problem...Payer Agent List</i>, to correct the module.

If	Then
There is not a W-2, or a 1099 of any kind with income over \$1,000,000	<p>Research prior year IRP.</p> <p>a. If prior year IRP shows income from the same payer within 50% of the income shown in ASFR year (Multiply the prior year case minor income by 1.50. If the ASFR same payer case minor income is less than the result, consider income reported accurately.), update module to Status 031. Input comments on ASFR that Status 038 research was completed.</p> <p>b. If prior year IRP shows income from the same payer less than 50% of the income shown on the ASFR case minor, (Multiply the prior year case minor by 1.50. If the ASFR case minor income is greater than the result, payer contact is required.), contact payer who reported the largest amount of the total income to verify income. If the payer verifies the income or there is no response from the payer within 30 days from the date the request was sent, update module to Status 031. Input comments on ASFR that Status 038 research was completed. If the payer states that there is an error on the case minor, follow Status 007 procedures in IRM 5.18.1.6.11.3, <i>Status 007: Pre 30-Day Problem...Payer Agent List</i>, to correct the module.</p> <p>c. If there is no prior year IRP available, update to Status 031. Input comments on ASFR that Status 038 research was completed.</p>

Note: Third party contact procedures must be followed prior to contacting the payer. See IRM 5.18.1.9.2.3.12, *Third Party Contact*.

5.18.1.6.11.15
(04-06-2016)

Status 039: FAILED IDRS Analysis, Pre-30-Day Letter

- (1) Status 039 indicates that the module has failed TIF check 1. See IRM 5.18.1.7.2.1, *TIF Check 1 - Pre-30-Day Letter Check*. These modules were previously in Status 031.
- (2) Modules in Status 039 will appear on the ASFR 400 List for resolution. See IRM 5.18.1.7.3.1, *ASFR-400 LIST*.
- (3) Modules in Status 039 have a 45-day suspension. If the modules remain in Status 039 beyond 45 days, they will appear on the ASFR 424 List. See IRM 5.18.1.7.3.9, *ASFR-424 LIST—NO ACTIVITY LIST*.

Caution: Never manually update a module to Status 039.

5.18.1.6.11.16
(03-11-2020)

Status 040: ADR Research Requested

- (1) Status 040 indicates that Undeliverable, ADR, research has been requested. See IRM 5.18.1.6.9, *ASFR Address Verification*.
- (2) When a module in Status 030 is returned from the Post Office as Undeliverable, update the status to Status 040.

Exception: Do not update modules with a Refund Hold indicator to status 040. ASFR does not forward Refund Hold to ADR for research. Research for a newer address on CC ENMOD and update ASFR if a new one is found. Continue ASFR even if a new address is not found.

Note: Consider **Refused, Deceased** returned 30-Day Letters, or any other statements written on a returned 30-Day Letter, correspondence. See IRM 5.18.1.9.2.1.1, *Clerical Screening of ASFR and Unidentifiable Mail*.

Note: Do not update to Status 040 if the current status is 051, 080 or 093, follow IRM 5.18.1.9.2, *Taxpayer Responses, Returns and Correspondence*. Status 040 is only used when a 30-Day Letter is returned as undeliverable. If the module is not in Status 030, see Lead or Team Leader.

- (3) During weekly processing the status will be updated systemically to Status 342. A file of all modules updated to Status 342 will be sent to the Address Research System (ADR) to initiate Undeliverable Research. If another address is found, the ADR automatically sends a contact letter requesting that the taxpayer reply with their current address.
- (4) The processing time frame for processing cases through ADR is approximately 60 days, but may be greater.

5.18.1.6.11.17
(10-01-2005)

**Status 051: Post-30-Day
Taxpayer Paper
Correspondence**

- (1) Status 051 indicates that taxpayer correspondence was received prior to issuance of the 90-Day Letter.

Note: This status is for taxpayer paper correspondence without returns attached only. **Do not update to Status 051 for telephone contact.**

- (2) Status 051 is the suspense status used when taxpayer correspondence is received and a 90-Day Letter has not been issued. Status 051 has a 60 day suspension, and will appear on the ASFR-424 LIST-NO ACTIVITY when the suspension period has expired.
- (3) If the correspondence is not updated to Status 051, when the Status 030 follow-up date expires, a 90-day letter will be issued.

5.18.1.6.11.18
(04-06-2016)

**Status 056:
Presidentially Declared
Disaster Area or
Terroristic or Military
Action Suspense Period**

- (1) Status 056 indicates that the taxpayer is in a federally declared disaster area or was affected by a terroristic or military action.

Note: The deadlines for certain acts performed by taxpayers (e.g. filing and paying) and the IRS may be postponed for a period of up to a year. The length of the postponement period is prescribed in the Notice (or other guidance including an IRS News Release) issued by the IRS regarding a particular disaster or action. See IRM 25.16.1, *Disaster Assistance and Emergency Relief, Program Guidelines*.

- (2) Status 056 suspension is 60 days. If no action is taken during the 60 days, the modules will appear on the ASFR 424-NO ACTIVITY LIST. However, the suspense period is systemically extended if the suspension period is extended beyond 60 days.
- (3) A utility program will identify, by ZIP codes, the impacted ASFR modules. Once identified, the utility will move the modules to Status 056. Do not manually move modules.

- (4) After suspense period expires, modules systemically move back to the status they were in prior to Status 056.

Note: See IRM 25.16.1, *Disaster Assistance and Emergency Relief, Program Guidelines*, for additional instructions if the taxpayer states they are impacted by the disaster, but are located outside the covered disaster area.

5.18.1.6.11.19
(06-27-2023)

Status 060: TERMINATE ASFR, Ref Hold-Rtn Filed Pre 30-Day Letter

- (1) Status 060 indicates that the taxpayer filed a return prior to the issuance of a 30-Day Letter and the module is a Refund Hold module.
- (2) Update to Status 060 when a Refund Hold return has posted to the module, ASFR will systemically update the module to Status 109. Do not let module appear on the ASFR 421 List. See IRM 5.18.1.7.3.6, *ASFR 421 List: Terminated Case List*.

5.18.1.6.11.20
(03-11-2020)

Status 061: TERMINATE ASFR, Return Filed Pre-30-Day Letter

- (1) Status 061 indicates that the taxpayer filed a return prior to issuance of the 30-Day Letter.
- (2) Update to Status 061 when a return has posted to the module, ASFR will systemically update the module to Status 109. Do not let module appear on the ASFR 421 List. See IRM 5.18.1.7.3.6, *ASFR 421 List: Terminated Case List*.

5.18.1.6.11.21
(10-01-2005)

Status 062: TERMINATE ASFR, Failed ASFR Criteria and Must Be Reassigned

- (1) Status 062 indicates that the account requires reassignment out of 8000.
- (2) Modules are systemically moved to Status 062 when the module fails validation, and there are no other modules being worked on ASFR. Then ASFR will move module to Status 762.
- (3) When a module terminates into Status 062, the ASFR TDI COMMENT field contains one of the following literals:
- “NO IRP DATA AVAILABLE”
 - “MISSING CASE MINORS”
 - “TERMINATE SFR- EXCESSIVE MINORS”
 - “MISSING SUPPS- TERMINATE AUDIT REPORT”
- (4) Modules will be reassigned from 8000.

5.18.1.6.11.22
(04-06-2016)

Status 063: TERMINATE ASFR, TC 596 CC 088 Selected by CI

- (1) Status 063 indicates that the modules were selected by Criminal Investigation.
- (2) Manually update Status to indicate that a module has been selected by Criminal Investigation. Take the following actions:
1. Input TC 596 CC 088 on IDRS.
 2. If open, close the control base on IDRS.
 3. Update to Status 109. Do not let module appear on the ASFR 421 List.

Caution: Ensure that prior to updating to Status 109, the module is in an ASFR closures status. If it is not in a closure status, proper closure credit will not be reported on the ASFR 200 Report.

- (3) If there is an existing 59X on IDRS, follow instructions in IRM 5.18.1.6.11.25, *Status 066: TERMINATE ASFR, Satisfying TDI TC (59X)*.

5.18.1.6.11.23
(06-16-2015)

**Status 064: TERMINATE
ASFR, TC 595 CC 088**

- (1) Status 064 indicates the module was selected by the Examination function.
- (2) Update to Status 064 when an ASFR module has been selected by Examination. ASFR will generate a TC 595 CC 088 to the MF, closing the collection TDI and transferring account ownership.
- (3) ASFR will systemically move modules into Status 109.
- (4) If there is an existing TC 59X other than TC 595, cc 088 on IDRS, close with ASFR Status 066 then immediately update to Status 109.
- (5) If TC 595, cc 088 is present:

If	Then
TC 595 with cc 088 is present and posted less than 12 months ago, or if it posted more than 12 months ago with associated TC 420 or TC 424	Update ASFR to status 066
TC 595 with cc 088 is present and posted more than 12 months ago with no associated TC 420 or TC 424	Input TC 592 and continue processing on ASFR

5.18.1.6.11.24
(04-06-2016)

**Status 065: TERMINATE
ASFR, TDA/TDI-
Reassign Account**

- (1) Status 065 indicates that the account was a combo account and manual reassignment was required. See IRM 5.18.1.3.12, *Identifying Tax Delinquency Accounts (TDAs) Assigned to ASFR (8000)*.
- (2) Status 065 is a manual update used when the account has been manually re-assigned because of associated TDAs. Update module to Status 065 and then immediately to Status 109. Do not allow module to appear on the 421 List. See IRM 5.18.1.7.3.6, *ASFR 421 List: Terminated Case List*.

5.18.1.6.11.25
(04-06-2016)

**Status 066: TERMINATE
ASFR, Satisfying TDI TC
(59X)**

- (1) Status 066 is a manual update to indicate that a TDI has been closed on IDRS with a satisfying TC 59X transaction code.
- (2) Take the following closing actions in the order below:
 - a. Close any open control base on IDRS.
 - b. Update module to 066 and then immediately to Status 109. Do not allow module to appear on the 421 List. See IRM 5.18.1.7.3.6, *ASFR 421 List: Terminated Case List*.

Note: If TC 595 with cc 088 is present, see IRM 5.18.1.6.11.23, *Status 064: TERMINATE ASFR, TC 595 CC 088*, and follow instructions in paragraph 5).

- 5.18.1.6.11.26
(10-01-2005)
**Status 068: TERMINATE
SFR, FAILS SFR
CRITERIA TC 015**
- (1) The ASFR system moves a module to this status when modules are designated to be reassigned and they need a collection location change also.
 - (2) Manual update to Status 068 is prohibited.
- 5.18.1.6.11.27
(04-06-2016)
**Status 069: TERMINATE
ASFR, OLD TAX YEAR
TC 590 CC 088**
- (1) Status 069 means a module for any tax year that is delinquent by more than five years prior to the current processing year (Policy Statement P-5-133) attempts to establish itself on ASFR.
 - (2) ASFR systemically inputs a TC 590 CC 088.
 - (3) After TDI closes on IDRS, the system updates the ASFR module to Status 109 to receive credit for closure.
 - (4) If there is an existing 59X on IDRS, follow instructions in IRM 5.18.1.6.11.25, *Status 066: TERMINATE ASFR, Satisfying TDI TC (59X)*.
- 5.18.1.6.11.28
(04-06-2016)
**Status 070: TERMINATE
ASFR, Fails SFR Criteria
TC 030 ACS**
- (1) This is a systemic status that is used for modules that will be reassigned.
 - (2) Update to Status 762 causes ASFR to reassign the module and systemically update to Status 070.
 - (3) Manual update to Status 070 is prohibited.
- 5.18.1.6.11.29
(06-27-2023)
**Status 071: TERMINATE
ASFR, TC 590 CC 088
Not Liable**
- (1) Status 071 identifies a module below tolerance for ASFR processing. Update to status only when a 30-Day Letter has not been issued or when a 30 or 90 Day Letter has been issued and there is no TC 150 on the module.
 - (2) ASFR systemically generates a TC 590 CC 088 when the module is updated to Status 071.
 - (3) ASFR systemically updates module to Status 109 for system closure credit.
 - (4) If there is an existing 59X on IDRS, follow instructions in IRM 5.18.1.6.11.25, *Status 066: TERMINATE ASFR, Satisfying TDI TC (59X)*.
- 5.18.1.6.11.30
(04-06-2016)
**Status 072: TERMINATE
ASFR, TC 591 CC 088
Not Required to File**
- (1) Status 072 indicates that the taxpayer is no longer liable for filing income tax returns, and a 30-Day Letter has not been issued.
 - (2) Manually update module to Status 072.
 - (3) ASFR will systemically update the module with a TC 591 CC 088.
 - (4) ASFR will systemically update the module to Status 109.
 - (5) If there is an existing 59X on IDRS, follow instructions in IRM 5.18.1.6.11.25, *Status 066: TERMINATE ASFR, Satisfying TDI TC (59X)*.
- 5.18.1.6.11.31
(04-06-2016)
**Status 073: TERMINATE
ASFR, TC 594 CC 084
Joint File**
- (1) Status 073 indicates that the taxpayer has filed jointly.

- (2) Manually update modules to Status 073 when taxpayer has filed a joint return with his/her spouse and a 30-Day Letter has not been issued.
- (3) ASFR will systemically update the module with a TC 594 CC 084.
- (4) ASFR will systemically update the module to Status 109.
- (5) If there is an existing 59X on IDRS, follow instructions in IRM 5.18.1.6.11.25, *Status 066: TERMINATE ASFR, Satisfying TDI TC (59X)*.

5.18.1.6.11.32
(04-06-2016)

**Status 074: TERMINATE
ASFR, Tax Court Appeal**

- (1) Status 074 indicates that the taxpayer has petitioned the Tax Court.
- (2) Manually place modules in Status 074 when taxpayer petitions U.S. Tax Court.
- (3) See IRM 5.18.1.9.2.1.4, *Civil Appeal Rights Cases and Cases Docketed in U.S. Tax Court*, for complete instructions on petitioned cases.

5.18.1.6.11.33
(04-06-2016)

**Status 075: TERMINATE
ASFR, Refund
Calculated (LTR 915)**

- (1) Status 075 indicates that the taxpayer is due a refund.
- (2) ASFR places modules into Status 075 to terminate modules if the calculated tax less known credits results in a refund.
- (3) Only manually move a module into Status 075 when a minor(s) is deleted by an employee bringing the tax due balance below the tolerance level, and no 30-Day Letter has been issued.
- (4) When a module moves into Status 075, ASFR generates a TC 590 CC 088. ASFR systemically updates the module into 109. Modules still within the three-year refund statute period systemically receives Letter 2469C, informing the taxpayer of the potential for a refund and the need to voluntarily file an income tax return. See IRM 5.18.1.7.4.10, *Status 915: Letter, Possible Refund Due if Return Filed*.

Note: Do not issue a withholding credit/payment refund unless the taxpayer voluntarily files a U.S. Individual Tax Return—Form 1040 or files a claim. See IRM 5.19.2.6.8.2, *Resolving TDI Research (TC 594/599) Transcripts*.

5.18.1.6.11.34
(03-11-2020)

**Status 076: Terminate
ASFR, Identity Theft -
Not Liable**

- (1) Status 076 is input when an AM employee has determined the case is not liable due to identity theft.
- (2) ASFR Identity Theft cases are now worked by the AM Identity Theft Teams.
- (3) Follow instructions in IRM 5.18.1.9.2.3.14.5, *Identity Theft*, and refer if/when appropriate.

Note: If the valid taxpayer is the secondary taxpayer on a return for the year being reviewed, their filing requirement has been met. If the MFJ return is located and has not completed processing, input TC 594 CC 084 and XREF the primary taxpayer's TIN when it is not present or has been reversed with a TC 592, see IRM 25.23.4.17, *Determining Tax Liability/Form 2209 Instructions*.

- 5.18.1.6.11.35
(01-01-2007)
Status 077: Terminate SFR T-sign No Longer 8000
- (1) Status 077 indicates that the assignment of the account has changed.
 - (2) ASFR systemically places pre-start modules in Status 077. ASFR will also move the module into Status 109.
- 5.18.1.6.11.36
(02-24-2015)
Status 079: Unable to Locate
- (1) ASFR systemically updates to Status 079 when an IRS campus zip code is detected in the taxpayer address.
 - (2) Taxpayer addresses may be updated with an IRS campus address as the result of an Identity Theft, or fraud issue.
 - The ASFR system will not continue to work these modules.
 - The system will update them to Status 079, and will input TC 593 with closing code 088 on IDRS.
 - ASFR Employees should not attempt address research for these modules.
 - No closing actions are needed.
 - Advise ASFR Headquarters staff if a module is detected with a local IRS address, or if TC 593 with closing code 088 does not post to IDRS systemically.
- 5.18.1.6.11.37
(06-27-2023)
Status 080: Suspend for Research/Action
- (1) Status 080 is a suspense status when resolution or the next action cannot be taken. The suspense period is 45 days. Only Key Techs can update to Status 080. See IRM 5.18.1.3.7, *Access to ASFR*.
 - (2) The following are examples of when update to Status 080 is warranted:
 - TC 976 or TC 599 has posted to IDRS, but the return has not yet been received by the ASFR function. Prior to updating to Status 080 verify that the ASERD is not imminent. See IRM 5.18.1.9.2.3.16.2, *Assessment Statute Expiration Date (ASERD)*.
 - Critical transaction code is pending on IDRS example: TC 29X
 - (3) In these and similar situations, update module to Status 080, and input Comments/History by accessing Option 7 or Option 9 on the Tax Module screen. See IRM 5.18.1.6.13, *ASFR Tax Module Screen Menu Options*.
 - (4) When the follow-up date for Status 080 has expired, the module will systemically appear on the ASFR 424 List. See IRM 5.18.1.7.3.9, *ASFR-424 LIST—NO ACTIVITY LISTING*.
 - (5) If the Status 080 follow up has expired and all attempts to secure the tax return have been made move the module back into notice status.
- 5.18.1.6.11.38
(04-06-2016)
Status 081: Suspend SFR, Address Verification
- (1) Status 081 is used to suspend action for a module while campus employees attempt to perfect the taxpayer's address.
Note: All address updates must be made to CC ENMOD and will be updated to ASFR systemically.
 - (2) Update the module to status 081 and input Comments/History by accessing Option 7 or Option 9 on the Tax Module screen.

- (3) Modules should not be left in status 081 for longer than 60 days. Move status 081 modules to the next appropriate status when the suspense time has expired.

5.18.1.6.11.39

(03-11-2020)

**Status 086: Suspend
ASFR - Possible Identity
Theft**

- (1) This status is used to suspend a case when a taxpayer claims his/her identity was stolen.
- (2) Manually update ASFR to Status 086

Note: Do not update to Status 086 if 90 day letter has been issued.

- (3) Inform taxpayers they have 30 days in which to provide the substantiation documentation. Suspend the case for 45 days. Required substantiation documentation can be found in IRM 5.18.1.9.2.3.14.5, *Identity Theft*.
- (4) Warn taxpayers of Enforcement Action (WOEA) and explain ASFR processing will continue if the required documentation is not received timely.
- (5) Input the applicable TC 971 AC 522 with the Administrative Source code descriptor in the ENMOD. i.e.: PNDCLM
- (6) The suspense period for this status is 90 days.
- (7) ASFR will generate a listing after 90 days as a reminder to reverse TC 971 if the documentation was not received.
- (8) If substantiation documentation is received, follow instructions in IRM 5.18.1.9.2.3.14.5, *Identity Theft* and IRM 25.23.4.17, *Determining Tax Liability/ Form 2209 Instructions*.

5.18.1.6.11.40

(04-06-2016)

**Status 089: FAILED IDRS
CHECK, TSIGN or TC
59X Failure**

- (1) Status 089 indicates that the module failed TIF check 6 or TIF check 7. See IRM 5.18.1.7.2.6, *TIF Check 6 - Statuses 064, 069, 071, and 075 Check*, and IRM 5.18.1.7.2.7, *TIF Check 7 - Statuses 062, 068, 070, Check*.
- (2) ASFR updates modules to Status 089 when the module originally terminated into Status 062, 063, 064, 068, 069, 070, 071, 072, 073, or 075, but failed TIF check 6 or TIF check 7.
- (3) When modules are in one of these Statuses, ASFR sends either a TSIGN change or a TC 59X closing record to IDRS.
- (4) Three weeks after issuing the TSIGN/TC 59X to IDRS, ASFR checks IDRS to ensure posting action occurred. If so, module moves to Status 109 for removal from ASFR. If action has not posted (e.g., TSIGN is still 8000 or TC 59X has not posted and closed TDI), ASFR fails modules to Status 089 and creates the ASFR 400 List. See IRM 5.18.1.7.3.1, *ASFR-400 List*.
- (5) When resolved, move module out of this Status to proper working or to the appropriate closing Status.

5.18.1.6.11.41

(06-27-2023)

**Status 090: 90-DAY STAT
NOTICE ISSUED**

- (1) Status 090 indicates that a 90-Day Letter has been issued.
- (2) All modules that the employees manually move to Status 091, or those that are systemically moved into 091, will be sent for TIF Check 2. See IRM 5.18.1.7.2.2, *TIF Check 2 - Pre-90-Day Letter Check*. If the modules pass the check, the system moves the modules to Status 096. They are then analyzed

by the program that produces the ASFR 90-Day Letter. The following criteria must be met:

- a. The module must still be in Status 096.
 - b. There must be an audit report record for the module.
 - c. The audit report record must be filled in completely.
- (3) If the module fails, the system moves the modules to Status 099. See IRM 5.18.1.6.11.47, *Status 099: FAILED IDRS CHECK, Pre-Stat Notice*.
- (4) If the above criteria are satisfied, ASFR will move the module into Status 090 and prepare the 90-Day Letter.

If	Then
The account is no longer in Status 096	The account is left in its current Status and no other action is taken.
There is no audit report record for the module	The account is moved to Status 031.
The audit report record exists, but is improperly completed,	The system cannot prepare a correct 90-Day Letter or eventual assessment, and again it moves the account back to Status 031 to have the 30-Day Letter regenerated.

- (5) The system will determine the mail out date of the 90-Day Letter.
- (6) The Status 090 follow-up date is calculated using the exact mail out date that will appear on the printed 90-Day Letter (120 days are added to mail out date for follow-up purposes).
- (7) To get the exact 90-Day Letter mail out date and the certified mail number, access the ASFR TDI module and use screen menu Option 6.
- (8) ASFR generates a file of 90-Day Letters which is printed at the National Print Site. The 90-Day Letter consists of:
- a. Letter 3219, Notice of Deficiency (2 copies).
 - b. Taxpayer Response Form
 - c. Courtesy copy of 30-Day Letter tax/penalty/interest calculations and explanation sheet.
 - d. Copy of case minors used for 30-Day Letter. (A second letter may also be sent if new address found for taxpayer but MF cannot be updated.)

Caution: Do not update ASFR entity if the MF entity cannot be updated.

- (9) ASFR produces a copy of the certified mail listing. The Post Office stamps the certified mail listing to signify that the 90-Day Letters were mailed certified. The original stamped copy is retained by the Print Site and routed to the ASFR function.
- (10) When ASFR creates a 90-Day Letter, it also requests a TC 494 post to IDRS.

- (11) When the Status 090 waiting periods ends (120 days from mail out date), ASFR requests TIF check 4. See IRM 5.18.1.7.2.4, *TIF Check 4 - End of 90-Day Period*.

Note: The Status 090 waiting period is 150 days for international cases.

- (12) If manually updating to Status 090, ASFR will prompt input of the 90-Day Letter date. See IRM 5.18.1.6.13, *ASFR Tax Module Screen Menu Options*.

5.18.1.6.11.42
(11-25-2008)

**Status 091: PASSED
IDRS CHECK, Issue
90-Day Letter**

- (1) Status 091 indicates that the suspense period of the 30-Day Letter has expired. ASFR systemically updates from Status 030 to Status 091.
- (2) Modules can be manually updated to Status 091 by an ASFR employee only when the module has failed due to an error condition and appears on the error list. i.e.: 099.

5.18.1.6.11.43
(06-27-2023)

**Status 093: RETURN
SECURED/Agreed
Response (Signed
Consent)30/90-DAY
LETTER**

- (1) Status 093 indicates that a return or an agreed response (signed consent) has been filed subsequent to the issuance of a 30/90-Day Letter.
- (2) Manually update modules to Status 093, if taxpayer files a return/agreed response and the module is any status greater than 030, but less than 10X. If it is a 10X status, see your manager or lead to determine if update out of 10X is possible. To determine if update out of Status 10X is possible, look at the date the module was updated to Status 10X. If weekly processing has occurred since update to Status 10X, you cannot update out of 10X. If the module was updated to Status 102, 104, or 106 and weekly processing has occurred, response is considered a Reconsideration.
- (3) Transshipped returns/agreed responses should also be updated with Status 093 prior to being mailed to the campus responsible for processing. If the current status of the case is Status 093, do not update to Status 093 again.
- (4) Status 093 prevents modules from systemically moving to next ASFR Status while tax examiners review the return/agreed response.
- (5) If no activity takes place in 60 days, these modules appear on the See ASFR 424 List. IRM 5.18.1.7.3.9, *ASFR-424 NO ACTIVITY LIST*.

5.18.1.6.11.44
(06-27-2023)

**Status 095: Pre-Stat
Notice - Foreign
Address Queue**

- (1) ASFR will identify foreign address accounts by a "." in the state field.
- (2) Foreign address accounts on the ASFR system will be moved to status 094 for address research.
- (3) Each week, an ASFR manager should print a list of status 094 cases using the Manager's Utility Menu and selecting 4 to print a list of accounts by status. The list should be worked with other weekly ASFR error lists.
- (4) Status 094 accounts that are not resolved will appear on the "no activity" 424 list after 45 days and must be worked at that time.
- (5) Research and perfect foreign addresses in Status 094 on the ASFR and IDRS systems. Per the Postal Addressing Standards (Postal Service Publication 28), "the bottom line of the address should show only the COUNTRY name, written in full (no abbreviations). Do not place the postal codes (ZIP codes) of foreign country designations on the last line of the address."

- (6) Update ASFR to status 095 for notice issuance after ASFR and IDRS have been corrected/changed.

5.18.1.6.11.45
(04-06-2016)

**Status 096: Pre-stat
Notice..... Queue**

- (1) Status 096 indicates that the module passed TIF check 2.
- (2) Modules are systemically moved from Status 091 to 096 when they pass TIF check 2. See IRM 5.18.1.7.2.2, *TIF Check 2-Pre-90-Day Letter Check*. ASFR then prepares the mail out of the 90-day letter, and moves these modules to Status 090. See IRM 5.18.1.6.11.41, *Status 090: 90-Day Stat Notice Issued*.

5.18.1.6.11.46
(04-06-2016)

**Status 097: FAILED IDRS
CHECK, Stat Notice
Module**

- (1) Status 097 indicates that the module failed TIF check 4. See IRM 5.18.1.7.2.4, *TIF Check 4-End of 90-Day Period*.
- (2) Status 097 modules were in Status 090 and reached their follow-up date for assessment. Prior to assessing the tax, TIF check 4 is performed to ensure the module contains no subsequent IDRS posting to the module, since the prior TIF check.
- (3) Modules in Status 097 appear on the ASFR 400 List for resolution. See IRM 5.18.1.7.3.1, *ASFR 400 List*.
- (4) The follow-up date is 15 days from the date the module went into Status 097. When the follow-up date expires after 15 days, modules still in Status 097 will appear on the ASFR 424 List. See IRM 5.18.1.7.3.9, *ASFR-424 No Activity List*.

5.18.1.6.11.47
(04-06-2016)

**Status 099: FAILED IDRS
CHECK, Pre-Stat Notice**

- (1) Status 099 indicates that the module failed TIF check 2. See IRM 5.18.1.7.2.2, *TIF Check 2-Pre-90-Day Check*.
- (2) Status 099 modules are expired Status 030 modules that failed TIF check 2. Status 099 modules require manual resolution.
- (3) Status 099 modules appears on the **ASFR-400 IDRS ERROR RESEARCH LIST** for resolution.
- (4) The follow-up date is 15 days from the date the module went into Status 099. When the follow-up date expires 15 days, modules still in Status 099 will appear on the ASFR 424 List. See IRM 5.18.1.7.3.9, *ASFR-424: No Activity List*.

5.18.1.6.11.48
(05-19-2009)

Statuses 100-109

- (1) These are closing statuses. If any incoming taxpayer responses received by the clerical unit are in these statuses, see manager or lead for resolution. To determine if update out of Status 10X is possible, look at the date the module was updated to Status 10X. If weekly processing has occurred since update to Status 10X, you cannot update out of 10X. If the module was updated to Status 102 or 104 and weekly processing has occurred, response is considered a Reconsideration.

Note: Do not update statuses directly from 100-104 to Status 109 or closing credit will not be received.

5.18.1.6.11.49
(06-27-2023)
**Status 100: CLOSED,
Agreed Response Pre-
90-Day Letter**

- (1) Update a module to Status 100 when the taxpayer responds to a 30 day letter with a signed Response Form/Consent to assessment, agreeing to the proposed assessment.
- (2) ASFR will systemically request a TC 290 tax assessment and TC 599 CC 013.
- (3) Input TC 290 for \$.00 with a posting delay of 4 and the appropriate hold code and blocking series to associate the source documents.
- (4) Close AMS and release to PAS for review when appropriate.
- (5) If there is a Combat Zone indicator (-C freeze), you must request the TC 150 using option 26 on the ASFR system. Penalty and interest must be manually computed, considering the combat zone period, and the 180 day stay of enforcement. See IRM 5.18.1.6.11.55, *Status 106: Manual Closures*, for more information about manual closures.
 - Manually input the assessment and all appropriate reference codes
 - Manually input TC 599 with cc 013
 - Update ASFR with status 106
- (6) Do not update modules in Status 100 to Status 109. Modules in Status 100 are sent for TIF check 5, to verify all transactions posted to IDRS. See IRM 5.18.1.7.2.5, *TIF Check 5-Statuses 100, 101, 102, 103, 104, 105, 106, 108, 113*. ASFR systemically updates modules that passed the TIF check 5 to Status 109 to indicate that all required IDRS actions are complete, and to receive proper closing credit on ASFR-200 REPORT—WEEKLY MIS REPORT.

Note: Post 90 - Day agreed responses may also be received and those procedures can be found in IRM 5.18.1.6.11.59, *Status 113: Closed, Agreed Response Post 90-Day Letter*.

5.18.1.6.11.50
(06-27-2023)
**Status 101: CLOSED, No
ASFR Assessment (TC
290 zero)**

- (1) Status 101 indicates that a TC 290 for \$.00 was input on IDRS or Submission Processing posted a return showing \$.00 Tax.
- (2) Status 101 is a manual update status. Update a module to Status 101 when a 30-Day Letter or 90-Day Letter was issued, and a TC 290 for \$.00 has been input to IDRS. A TC 290 for .00 is input when it is determined that no tax is due on the module. If a TC 494 is present on the module, a TC 495 must be input.
- (3) Do not update modules in Status 101 to Status 109. Modules in Status 101 are sent for TIF check 5 to verify all transactions posted to IDRS. See IRM 5.18.1.7.2.5, *TIF Check 5-Statuses 100, 101, 102, 103, 104, 105, 106, 108, 113*. ASFR systemically updates modules that passed the TIF check 5 to Status 109 to indicate that all required IDRS actions are complete, and to receive proper closing credit on ASFR-200 REPORT—WEEKLY MIS REPORT.

Note: Because a dummy TC 150 is established on MF, input a TC 290 for \$.00. DO NOT skip ASFR Status 100-104 series of ASFR closing statuses even if it appears unnecessary. If a module moves directly from Status 090 into Status 109 without going through statuses 100-104 series, the system cannot credit the proper closure count on the **ASFR-200 REPORT - WEEKLY MIS REPORT**.

5.18.1.6.11.51
(03-11-2020)

Status 102: Disagreed Responses

- (1) Status 102 indicates that ASFR has requested a default assessment to post to the module.
- (2) ASFR systemically updates a module to Status 102 if it passes TIF check 4 and there is a 950 history. Status 102 will systemically request a default assessment. See IRM 5.18.1.7.2.4, *TIF Check 4 - End of 90-Day Period*.
- (3) ASFR systemically requests a TC 290 tax assessment, TC 495, and TC 599 CC 088.
- (4) Status 102 modules are sent for TIF check 5. See IRM 5.18.1.7.2.5, *TIF Check 5 - Statuses 100, 102, 104, 106, 113*. ASFR systemically updates modules that pass the check to Status 109 to indicate that all required IDRS actions are complete, and to receive proper closing credit on ASFR-200 REPORT—WEEKLY MIS REPORT.
- (5) Do not update Status 102 to Status 109 or closing credit will not be received.

5.18.1.6.11.52
(03-11-2020)

Status 103: CLOSED Post 30-Day Letter, return secured

- (1) Status 103 indicates that an assessment was input on IDRS per a return secured after a 30 day letter.
- (2) Status 103 is a manual update status. Update modules to Status 103 when the taxpayer files a tax return after a 30 day letter was issued and an assessment has been input to IDRS based on the return. When the update to Status 103 is input, ASFR prompts the input of the tax assessed. See IRM 5.18.1.6.13, *ASFR Tax Module Screen Menu Options*.
- (3) Do not update modules in Status 103 to Status 109. Modules in Status 103 are sent for TIF check 5 to verify all transactions posted to IDRS. See IRM 5.18.1.7.2.5, *TIF Check 5 - Statuses 100, 102, 104, 106, 113*. ASFR systemically updates modules that passed the TIF check to Status 109 to indicate that all required IDRS actions are complete, and to receive proper closing credit on ASFR-200 REPORT—WEEKLY MIS REPORT.

5.18.1.6.11.53
(03-11-2020)

Status 104: CLOSED, No Taxpayer Response (Default)

- (1) Status 104 indicates that a default assessment was requested.
- (2) ASFR systemically places modules in Status 104 when the Status 090 follow-up date expires, and the module passed TIF check 4. See IRM 5.18.1.6.15, *ASFR Follow-up or Action Dates*.
- (3) ASFR systemically requests a TC 290 tax assessment, TC 495, and TC 599 CC 088.
- (4) Status 104 modules are sent for TIF check 5, when the Status 104 follow-up date expires. See IRM 5.18.1.7.2.5, *TIF Check 5 - Statuses 100, 102, 104, 106, 113*. ASFR systemically updates modules that pass the check to Status 109 to indicate that all required IDRS actions are complete, and to receive proper closing credit on ASFR-200 REPORT—WEEKLY MIS REPORT.
- (5) Do not update Status 104 to Status 109 or closing credit will not be received

5.18.1.6.11.54
(03-11-2020)

**Status 105: CLOSED,
Post 90 day letter, return
secured**

- (1) Status 105 indicates that an assessment was input on IDRS per a return secured after a 90 day letter.
- (2) Status 105 is a manual update status. Update modules to Status 105 when the taxpayer files a tax return after a 90 day letter was issued and an assessment has been input to IDRS based on the return. When the update to Status 105 is input, ASFR prompts the input of the tax assessed. See IRM 5.18.1.6.13, *ASFR Tax Module Screen Menu Options*. A TC 495 must be input to reverse the TC 494.
- (3) Do not update modules in Status 105 to Status 109. Modules in Status 105 are sent for TIF check 5 to verify all transactions posted to IDRS. See IRM 5.18.1.7.2.5, *TIF Check 5 - Statuses 100, 102, 104, 106, 113*. ASFR systemically updates modules that passed the TIF check to Status 109 to indicate that all required IDRS actions are complete, and to receive proper closing credit on ASFR-200 REPORT—WEEKLY MIS REPORT.

5.18.1.6.11.55
(06-27-2023)

**Status 106: Manual
Closures**

- (1) Status 106 indicates an employee manually input a default assessment, **combat zone or agreed assessment**.
 - (2) Employees manually update to Status 106 after they have input the CC REQ54 adjustment on IDRS.
- Note:** Prior to manually updating to Status 106, request the TC 150 using option 26 on the ASFR system IRM 5.18.1.6.11.60 *Status 150: Recreate Dummy TC 150*, wait for the TC 150 to post prior to inputting CC REQ54 adjustment.
- Note:** Manual input of TC 495 is required if there is a TC 494 on the account, Manual input of TC 599 with appropriate CC will be required for the closure of the Notice of Deficiency. i.e.: TC 599 CC 088 for Default assessment, TC 599 CC 013 for Agreed Responses.
- (3) Status 106 modules are sent for TIF check 5 when the Status 106 follow-up date expires. See IRM 5.18.1.7.2.5, *TIF Check 5 - Statuses 100, 102, 103, 104, 105, 106, 108, 113*. ASFR systemically updates modules that pass the check to Status 109 to indicate that all required IDRS actions are complete, and to receive proper closing credit on the ASFR 200 Report-Weekly MIS Report.
 - (4) Do not update Status 106 to Status 109 or closing credit will not be received.

5.18.1.6.11.56
(03-11-2020)

**Status 107: Failed TIF
Check**

- (1) Status 107 indicates that the module failed TIF check 5. See IRM 5.18.1.7.2.5, *TIF Check 5 - 100, 102, 104, 105, 113*.
- (2) ASFR moves modules from expired Statuses 100–106 to Status 107 if they fail TIF check 5. TIF check 5 checks for the posting of TCs 290, TCs 495, and TCs 59X, and other failed conditions. See IRM 5.18.1.7.2.5, *TIF Check 5 - 100, 102, 103, 104, 105, 106, 108, 113*.
- (3) Status 107 modules appear on **ASFR-400 IDRS RESEARCH ERROR LIST**. This literal on the ASFR 400 indicates if TC 290, TC 495, or TC 59X (or all) did not post to IDRS. Manually resolve these problems. See IRM 5.18.1.7.3.1, *ASFR 400 List*.

- (4) Move resolved Status 107 modules to Status 109 for closing credit. Move unresolved problems to Status 080 (or other processing Statuses as appropriate). See IRM 5.18.1.6.11, *ASFR Statuses*.

5.18.1.6.11.57

(06-27-2023)

**Status 108: Filed Jointly,
Post 30 - Day Letter**

- (1) Update to Status 108 when a taxpayer files jointly after the 30-Day Letter and prior to the default, but files under the spouses TIN.
- (2) When updating the module to Status 108, enter the amount of tax from the joint return when prompted.
- (3) This status will capture the number of returns and amount of tax filed as a result of our 30-Day and 90-Day Letters but were filed under another SSN.
- (4) First use Option 09 to update the module to include the spouse's TIN or an error message will be received. Then update to Status 108.

Note: If the Joint return has posted to the primarys account you will need to input a TC 594 CC 084 to the secondary account to close the TDI if it still remains open.

- (5) This status code will be useful to determine the volume of taxpayers that file under another SSN.

5.18.1.6.11.58

(10-01-2005)

**Status 109: ASFR
PROCESSING FINISHED,
Purge From ASFR
System**

- (1) Status 109 indicates that the module has finished ASFR processing and will be purged from ASFR.
- (2) After passing the final TIF check for the module ASFR systemically moves modules to Status 109.
- (3) Modules can be manually moved into Status 109 when working the 400, 424, or the 421 lists. However, to ensure that credit is received for the closure, the module must be in an ASFR closure status prior to updating the module to 109. If the module is not in a closure status, the closure will be reported on the ASFR 200 Report as "Unknown".
- (4) Modules moved to Status 109 appear as closed on the **ASFR-200 REPORT-WEEKLY MIS**. Approximately one week after moving into Status 109, ASFR will move the module out of the ASFR database.

5.18.1.6.11.59

(06-27-2023)

**Status 113: CLOSED,
Agreed Response Post
90 - Day Letter**

- (1) Update a module to Status 113 when a taxpayer responds to a 90 day letter with a signed Response Form/Consent agreeing to the proposed assessment.
- (2) ASFR will systemically request a TC 290 tax assessment, TC 495, and TC 599 CC 013.
- (3) Input TC 290 for \$.00 with a posting delay of 4 and the appropriate blocking series and hold code to associate the source documents.
- (4) Close AMS and release to PAS for review.
- (5) If there is a Combat Zone indicator (-C freeze), status 113 cannot be used to close the case on ASFR. Request the TC 150 using option 26 on the ASFR system. Penalty and interest must be manually computed, considering the combat zone period, and the 180 day stay of enforcement. See IRM 5.18.1.6.11.55, *Status 106: Manual Closures*, for more information about manual closures.

- Manually input the assessment and all appropriate reference codes
- Manually input TC 599 with cc 013
- Manually input TC 495 if TC 494 is present
- Update ASFR with status 106

(6) Do not update modules in Status 113 to Status 109. Modules in Status 113 are sent for TIF check 5 to verify all transactions posted to IDRS see IRM 5.18.1.7.2.5, *TIF Check 5 - 100, 102, 103, 104, 105, 106, 108, 113*. ASFR systematically updates modules that passed the TIF check 5 to Status 109 to indicate all required IDRS actions are complete, and to receive proper closing credit on ASFR - 200 REPORT - WEEKLY MIS REPORT.

5.18.1.6.11.60
(03-11-2020)
**Status 150: Recreate
Dummy TC 150**

- (1) Status 150 indicates that a TC **Dummy** 150 has been requested manually.
- (2) Verify name control prior to taking action.
- (3) Select Option 26 on module screen to post a TC 150. The system will generate a TC **Dummy** 150.
- (4) Allow 3-4 cycles for the Dummy TC 150 to post.

5.18.1.6.11.61
(06-27-2023)
**Status 143: Recreate
Status 971/143**

- (1) Status 143 indicates that a **TC 971 AC 143** has been manually requested.
- (2) Verify name control prior to taking action.
- (3) Select option 32 on the module screen to recreate TC 971 AC 143.

5.18.1.6.11.62
(06-27-2023)
**Statuses 331 and 332:
Setting and Removing
the Spanish Letter
Indicator**

- (1) All ASFR modules are set to generate English letters to taxpayers. If a taxpayer writes, or calls in requesting Spanish letters take the following actions:
 - Update the module on ASFR using menu 29 on the tax account menu.
 - Input **E** for English or **S** for Spanish language on future letters.
 - After the language indicator has been changed, reissue the last ASFR notice sent to the taxpayer.
- (2) ASFR will update the ASFR status to 332 when Spanish is chosen for future letters.
- (3) ASFR will update the ASFR status to 331 when language is reset to English.

5.18.1.6.11.63
(09-04-2014)
**Status 335: Recreate 30
day Letter with New
Address**

- (1) Use this status to recreate a 30 day letter when a new address is present on IDRS and the original 30 day letter was not issued to the address. This usually happens when the timing of letter issuance and update to IDRS differs.
- (2) An Update to Status 335 will force the account to go through TIF check 1.
- (3) Once the account goes through TIF check 1 a new 30 day letter will generate to the address of record that is on IDRS.

Note: Update to Status 335 will update the ASFR address to the CC ENMOD address of record. The module may fail to an error list if there are other, unresolved issues.

- 5.18.1.6.11.64
(04-06-2016)
Status 340: PRE-30-DAY PROBLEM, “U” Coded TDI Notice
- (1) Status 340 indicates that the module address is Undeliverable.
 - (2) ASFR systemically places modules in Status 340 when the TDI is “U” coded to indicate that the notice mailed to the taxpayer was returned to the IRS as undeliverable.
 - (3) During weekly processing, the system sends Status 340 modules for address research by Address Research (ADR). See IRM 5.18.1.6.9.2, *Address Research through ADR*.
- 5.18.1.6.11.65
(04-06-2016)
Status 342: Undeliverable Mail Research
- (1) ASFR systemically places modules in Status 342 while the Address Research is being performed.
 - (2) Status 342 is a systemic status. Do not update to Status 342. ADR research is manually requested by updating the module to Status 040. See IRM 5.18.1.6.11.16, *Status 040: ADR Research Requested*.
- 5.18.1.6.11.66
(04-06-2016)
Statuses 343–348: Address Research Completed (History Statuses)
- (1) These statuses are designed to document research result in the module history.
 - (2) Status 343 indicates that ADR research is complete, and the Master File address is updated. The module is systemically moved to Status 031 or 030 with an expired follow-up date to reissue the 30-Day Letter.
 - (3) Status 345 indicates that the completed ADR research resulted in the same address on the IRMF and no new address was provided. The module is systemically moved to Status 091 for TIF check 2. See IRM 5.18.1.7.2.2, *TIF Check 2 - Pre-90-Day Check*.
 - (4) Status 346 indicates that the completed ADR research resulted in no record found on TIF. Module is moved to Status 091 for TIF check 2. See IRM 5.18.1.7.2.2, *TIF Check 2 - Pre-90-Day Check*.
 - (5) Status 347 indicates that the completed ADR research resulted in no taxpayer confirmation or an undeliverable “Are You There” letter. The module is moved to Status 091 for TIF check 2. See IRM 5.18.1.7.2.2, *TIF Check 2 - Pre-90-Day Check*.
 - (6) Status 348 indicates that the ADR research found no results. The module is moved to Status 091 for TIF check 2. See IRM 5.18.1.7.2.2, *TIF Check 2 - Pre-90-Day Check*.
- 5.18.1.6.11.67
(04-06-2016)
Status 380: PRE-30-DAY PROBLEM, Amended/Duplicate/ Replaced Minors
- (1) Status 380 indicates that ASFR cannot systemically calculate the proper tax due to amended or duplicate case minors.
 - (2) The system places modules with amended, duplicate or replaced case minors in Status 380. Currently, these minors are deleted from income.
 - (3) Print a Status 380 Listing using the Manager’s Menu. Manually verify all case minors and correct major and minor records on ASFR. Update module to Status 031 for processing. See IRM 5.18.1.6.8, *Deleting and Adding Case Minors*.

5.18.1.6.11.68
(06-27-2023)

Status 381: Late IRP data

- (1) Status 381 indicates that late IRP has been filed on documents issued to this taxpayer.
- (2) ASFR systemically places modules in Status 381 for manual review of the case minors on the ASFR system and the IRP on IRPTR.
- (3) Late documents for the State Reverse File Match Initiative (SRFMI) should not be added to ASFR since they may duplicate income already reported. They can be identified by document code 30 on Line 2 of the individual IRPTR document.
- (4) Do the following for late documents that are not SRFMI:

If	Then
There is new IRP on IDRS, and when the change is input to ASFR, the net tax due is greater <i>Deleting and Adding Case Minors.</i> on instructions on how to perfect case minors and the case major on ASFR.	Update module to Status 031. #
There is new IRP on IDRS, and when the change is input to ASFR, the net tax due is less <i>Deleting and Adding Case Minors.</i> on instructions on how to perfect case minors and the case major on ASFR.	Update module to Status 071. #
There is no change in the IRP on IDRS and ASFR,	Update module is Status 031.

Caution: SCRIPS system errors have been identified where non-monetary information (social security number, or state identification number) was included in dollar amount fields. Users should use extreme care when reviewing income on Form 1099-MISC. Amounts shown for Attorney Fees paid, Fishing Boat proceeds or Crop Insurance proceeds that exceed \$10,000,000 may be incorrect.

5.18.1.6.11.69
(04-06-2016)

Status 385: CHECK FOR POSSIBLE DOUBLING UP OF MINORS

- (1) Status 385 identifies a discrepancy between the number of minors actually existing for a module, and the number of minors the case major says there should be.

If	Then
There is a small discrepancy (e.g., major states there are 18 case minors, but there are actually only 17 minors on ASFR.)	<p>a. Use CC IRPTR to review the IRP documents to locate the missing case minor(s) and manually add it to ASFR. Be sure to add this new minor's income into the correct field on the case major (e.g., Interest income must be added into the case major interest field).</p> <p>b. If no other problems detected with the module, move the module to Status 031.</p>
The case major has double the number of case minors that actually exist	<p>a. Correct the income total on the case major (e.g., major shows 22 minors, but there are only 11 minors; major income fields are double their correct amounts).</p> <p>b. Update module to Status 031.</p>

Note: Print the Status 385 Listing using the Manager's Menu.

5.18.1.6.11.70
(10-01-2005)

**Status 389: CURRENT
TAX YEAR NOT YET
PROGRAMMED**

- (1) Status 389 indicates that the module is an early receipt of a tax year that is currently not processed on ASFR.
- (2) ASFR places modules in Status 389 when it detects the receipt of a module for a tax year of which the system is not currently programmed for. The module and any related IRP information will be retained until ASFR begins processing the tax year.
- (3) When the new tax year programming is added to ASFR, it will systemically move the workable inventory to Status 031.

5.18.1.6.11.71
(03-11-2020)

**Status 714: Suspense
Status - Combo Cases**

- (1) Account has one or more open TDAs (associated balance due modules). Cases in status 714 have not been started (no TC 971 AC 143 generated), but there are related modules on ASFR for this account which have been started. Cases will remain suspended in status 714 until all started modules are closed off ASFR. Then, the case will systemically move to status 715. Each week, cases in status 714 will be reviewed to determine if the TDA condition is still present. If it is, the case will remain in status 714. If it is not, the case will return to the previous status code.

5.18.1.6.11.72
(03-11-2020)

**Status 715: Combo
Cases**

- (1) Account has one or more open TDAs, but no started cases on ASFR (no TC 971 AC 143 generated). During weekly processing, all cases in status 715 will have generated an A2 transaction for SIA/IDS to change the TSIGN and remove the ASFR assignment on IDRS. After the A2 transaction is generated, the case is moved systemically to status 716.

5.18.1.6.11.73
(06-28-2010)
Status 716: Combo Cases

- (1) ASFR has generated the A2 transaction for SIA/IDS. Once the record has generated, IDS will determine the appropriate non ASFR assignment for the case and be responsible for taking all the necessary actions for reassigning that account. Because of the timing of IDRS programs, most actions will take place a week and a half after ASFR has generated the A2 transaction. Because of the delay, ASFR will also review these cases to determine if the TDA condition is still present. If it is, the case will remain in status 716. If it is not, the case will return to the pre-714/715 status code.

5.18.1.6.11.74
(06-28-2010)
Status code 717: Terminate SFR

- (1) Status 717 is reserved for special circumstances when modules need deletion. These cases will not be counted as a closure, and transactions will not be posted to the module.
- (2) For Combo Cases, ASFR has received a closing record for this module from the A2 transaction. During weekend processing, this case will be removed from ASFR. No closing counts will be given for this module.

Caution: Do not move modules in any 71X status to status 031 to start it on ASFR.

5.18.1.6.11.75
(06-20-2012)
Status 734: Hold Status

- (1) Status 734 is a hold status for all associated modules when an account has a started module.
- (2) Once the started module is resolved the associated module(s) in Status 734 will move to Status 717 and be closed from ASFR, there will be no closure count for the module that was in Status 734.

5.18.1.6.11.76
(10-01-2005)
Status 762: FAILED ASFR- REASSIGN FROM 8000

- (1) ASFR systemically updates modules to Status 762 prior to reassigning the account from 8000.

5.18.1.6.11.77
(10-01-2005)
Status 763: SYSTEM FOLLOW-UP REASSIGN FROM 8000

- (1) Modules systemically move to Status 763 once the reassignment from 8000 has taken place.

5.18.1.6.11.78
(04-06-2016)
Status 771: Temporary Hold Status, Needs IRP Data Added

- (1) Some TDI modules may be created manually and referred to ASFR for processing. Determine whether the module meets ASFR criteria, per IRM 5.18.1.3.2, *ASFR Criteria*.
 - Reassign combo modules (modules with an associated balance due) or modules with excess IRP documents by updating to Status 762.
 - Close modules where the balance would not meet the necessary dollar criteria by updating to Status 071.
- (2) If the module(s) meet ASFR criteria, the case major and minors must be added to ASFR.
 - Use Options 11, **View/Create Majors**, and 12, **View/Create Minors** on the ASFR Main Menu to add IRP information for single modules.

- Use the “ASFR IRP Loading” IAT tool to load IRP information for multiple modules.

5.18.1.6.12
(06-27-2023)
ASFR History Screens

- (1) The figures below show module progressions through the ASFR system. They are examples of **History Screens**. The History Screen can be accessed through Option 5. See IRM 5.18.1.6.13, *ASFR Tax module Screen Menu Options*. The information on the History screen also appears on the ASFR Tax Module screen, but on the History Screen there are literals, the date the module moved into the Status and employee numbers. Use the History to help determine how the module progressed.

Note: Employee history items are identified by employee numbers and systemic movements are 099Xs.

- (2) Below is what the ASFR history screen:

Example of ASFR Default History Screen where no manual updates have occurred

Status	Employee Number Begins With	Seq	Date	Literal
031	9999	00	05/04/2014	Pre-30 Day IDRS check needed
032	9997	00	07/27/2014	Passed IDRS check Issue 30 Day Letter
030	0999	00	07/27/2014	30-Day Letter Package Created
096	9995	00	11/02/2014	Pre-stat notice queue
090	0999	00	11/02/2014	90-Day Stat Notice issued
104	9996	00	03/23/2015	Closed No TP response(default)
109	9999	00	04/12/2015	ASFR finished purge from ASFR

Example of ASFR Return History Screen where a return was filed and processed

Status	Employee Number Begins With	Seq	Date	Literal
031	9999	00	05/04/2014	Pre-30 Day IDRS check needed
032	9997	00	07/27/2014	Passed IDRS check Issue 30 Day Letter

Status	Employee Number Begins With	Seq	Date	Literal
030	9999	00	07/27/2014	30-Day Letter Package Created
093	1234	00	09/10/2014	Return Secured/Agreed
901	1234	00	11/02/2014	Print Transcript
103	1234	00	11/05/2014	Closed Post 30 Day Return Secured
109	9999	00	11/26/2014	ASFR finished purge from ASFR

Example of ASFR Failed Condition History Screen module is in status 099 and ASFR processing was continued

Status	Employee Number Begins With	Seq	Date	Literal
031	9999	00	05/04/2014	Pre-30 Day IDRS check needed
032	9997	00	07/27/2014	Passed IDRS check Issue 30 Day Letter
030	9999	00	07/27/2014	30-Day Letter Package Created
099	9999	00	09/10/2014	Failed IDRS check Pre-Stat Notice
091	1234	00	09/12/2014	Pre-Stat Notice Post-Postal Tracer
096	9999	00	09/22/2014	Pre-Stat Notice Queue
090	9999	00	09/22/2014	90-day Stat Notice issued

5.18.1.6.13
(06-27-2023)

**ASFR Tax Module
Screen Menu Options**

- (1) ASFR Tax Module Menu Options are on the top of the ASFR Tax Module Screen. All updates, letter and print requests, entity changes and other changes are made by choosing an option and entering data.
- (2) The table below shows the ASFR menu options, and what action or function they perform.

ASFR Menu Option	Action/Function
Option 01 - Status Change	Used to update the current ASFR status to another status.
Option 02 - Major Screen	Used to view or update the ASFR case major
Option 03 - Minor Screen	Used to view, delete, or change the ASFR case minor
Option 04 - Audit Screen	Used to view or update the ASFR audit Screen
Option 05 - History	Used to view the ASFR history
Option 06 - 90 Day Screen	Used to view the 90-Day Letter information
Option 07 - Comments	Used to input comments on the ASFR tax module screen
Option 08 - Pilot Case	Used at the direction of head-quarters staff to notate when a module has been selected for any ongoing pilots or studies. ASFR will place the word PILOT on the module for identification purposes
Option 09 - Screen Change	Used to input data on the tax module screen, such as the telephone number or paper indicator
Option 10 - Letter/Prints	Used to request letters and prints
Option 11 - More Options	Used to request more options
Option 12 - Exit	Used to exit the tax module screen
Option 13 - Entity Change	Used to make entity changes
Option 14 - Power of Attorney	Used to add or delete Power of Attorney information
Option 15 - Payer Agent	Used to view, add, or delete Payer Agent Information
Option 16 - Trans Paper	Used to update the number of paper indicators on the tax module screen
Option 17 - Show Old Address	Used to view the prior address on the module
Option 18 - TDI/Maj/Min	Used to print ASFR case major and ASFR case minor
Option 19 - Reserved	Headquarter use only

ASFR Menu Option	Action/Function
Option 20 - Recreate TC 494	Used to request the TC 494
Option 21 - Create TC 495	Used to request the TC 495
Option 22 - Refund Hold Ind	Used to set or clear the ASFR refund hold indicator
Option 23 - More Options	Used to request more options
Option 24 - Previous Menu	Used to access previous menu options
Option 25 - Print Ext Comments	Used to print extended comments
Option 26 - Recreate TC 150	Used to request the TC 150
Option 27 - Set Pap Ind = U	Used to set paper indicator U on the ASFR tax module
Option 28 - ID Theft - Deltd	Used to delete ID theft indicator on the ASFR tax module
Option 29 - Language Ind	Used to change the language indicator for letters to taxpayers
Option 30 _ - Analyst Archive	Used to access analyst archive
Option 31 - Do SIA Refres	Used to do SIA refresh
Option 32 - Create TC 971/143	Used to create TC 971/143
Option 33 - Reserved	Headquarter use only
Option 34 - Create TC 570	Used to create TC 570
Option 35 - Create TC 571	Used to create TC 571
Option 36 - Previous	Access previous menu

5.18.1.6.14
(04-06-2016)
Paper Indicators

- (1) Paper Indicators (PI) are used to signify a paper file exists for the module. Paper files include undeliverable letters, refiled taxpayer correspondence or returns that are unsigned or otherwise deficient so that it does not constitute a valid return.

Reminder: If a response is received and there is an existing paper indicator that the taxpayer previously responded, contact the site that received the prior response to determine if the backup is needed to properly respond to the taxpayer.

- (2) Request Option 9 on the Tax Module screen, and tab to the Paper Indicator field.
- (3) The following is a list of Paper Indicators and their meaning.

Note: Do not use any other indicator except those on the list.

- 3 - PI "3" is used to indicate that a 30-day letter was returned undeliverable.

- 9 - PI "9" is used to indicate that a 90-day letter was returned undeliverable.
- A - PI "A" is no longer used.
- C - PI "C" is no longer used.
- P - PI "P" is no longer used.
- R - PI "R" is no longer used.
- U - PI "U" is used when a 90-day letter is returned "Unclaimed"
- X - PI "X" is a miscellaneous PI that indicates that there is a paper file on the module.

5.18.1.6.15
(03-11-2020)
**ASFR Follow-up or
Action Dates**

- (1) Certain ASFR Statuses have follow-up dates. Expired follow-up dates will cause modules in certain statuses to be sent for a TIF check, or appear on the ASFR 424- NO ACTIVITY List. Below is a list of the follow-up dates for certain statuses. See IRM 5.18.1.6.11, *ASFR Statuses*, for explanations of each status.

STATUS	FOLLOW-UP TIME FRAME
Status 006	There is no extended follow-up date for this status
Status 007	7 days from the Status 007 date
Status 010	45 days from the Status 010 date
Status 012	The follow-up date is 60 days from the Status 012 date
Status 015	120 days from the date the module was updated to this status
Status 016	The follow-up date is 60 days from the Status 016 date
Status 030	74 days from the date of the 30-Day Letter
Status 031	There is no extended follow-up date for this status
Status 032	There is no extended follow-up date for this status
Status 039	There is no extended follow-up date for this status
Status 051	The follow-up date is 60 days from the Status 051 date
Status 060, 061, 062	21 days from the date the module was updated to this status
Status 063, 064	28 days from the date the module was updated to this status
Status 065, 066	21 days from the date the module was updated to this status

STATUS	FOLLOW-UP TIME FRAME
Status 068, 069	14 days from the date the module was updated to this status
Status 070	21 days from the date the module was updated to this status
Status 071, 072, 073	28 days from the Status 071 date
Status 074	365 days from the 074 date
Status 075, 076	28 days from the date the module was updated to this status
Status 077	21 days from the date the module was updated to this status
Status 079	28 days from the date the module was updated to this status
Status 080	45 days from the status 080 date
Status 081	60 days from the status 081 date
Status 086	90 days from the status 086 date
Status 089	21 days from the date the module was updated to this status
Status 090	120 days from the Status 090 date
Status 093	60 days from the Status 093 date
Status 097, 099	There is no extended follow-up date for this status
Status 100,101,102,103,104, 105,106, 108, 113	14 days from the Status 10X date
Status 107	There is no extended follow-up date for this status
Status 109	14 days from the status 109 date
Status 342	200 days from the date the module was updated to this status
Status 380	30 days from the status 380 date
Status 381	120 days from the status 381 date
Status 389	365 days from the status 389 date
Status 771	21 days from the status 771 date

5.18.1.7

(10-01-2005)

Validation During ASFR Processing

- (1) To ensure that a module is a valid Tax Delinquency Investigation (TDI) which should be processed within the program, ASFR systematically validates the data upon:

- Receipt of a new module- This is called module validation.
- Critical phases of processing-This is called TIF check.

5.18.1.7.1

(03-11-2020)

Module Validation - Systemic Validation During New Module Processing

- (1) ASFR will systemically fail the loading of a new module if the module
- Is older than five years prior to the current tax year processing, or
 - cases) or
 - The total IRP documents are greater than 60, or
 - Has no IRP, or
 - Missing IRP or case minors.

#

If	Then
A module is 6 years older than the most current processing year, or the proposed liability is FERDI modules)	The module is systemically updated to a closure status such as 069, 071, or 075. ASFR systemically posts TC 590 CC 088. See IRM 5.18.1.6.11, <i>ASFR Statuses</i> .
A module fails due to any other condition defined above and there is an associated valid ASFR module	The module is systemically updated to Status 015 for suspension until the valid module has been processed by ASFR. See IRM 5.18.1.6.11.7, <i>Status 015: Ineligible ASFR (Await Closure of Active ASFR Module)</i> .
A module fails because there is no IRP	ASFR will update the module to Status 771. Follow instructions in IRM 5.18.1.6.11.78, <i>Status 771: Temporary Hold Status, Needs IRP Data Added</i> , to resolve these issues.
A module fails due to any other condition defined above and there are no associated processable ASFR module(s)	The module is systematically moved to ASFR Status 762 to reassign the account out of 8000. See IRM 5.18.1.6.11.76, <i>Status 762: FAILED ASFR-REASSIGN FROM 8000</i> .

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5.18.1.7.2

(04-06-2016)

IDRS TIF Checks-System IDRS Research

- (1) A TIF check is a request by ASFR to IDRS to check for module and account for information or activity on IDRS. See IRM 5.18.1.7.3.1, *ASFR 400 List* for a description of the items that are requested by a TIF check.
- (2) When a module fails a TIF check, it will appear on the ASFR 400 Lists for manual correction or resolution. See IRM 5.18.1.7.3.1, *ASFR 400 List*.

- (3) If a module is accessed on ASFR while the module is going through a TIF check, a flashing message appears on the ASFR screen. If processing should NOT continue, immediately move module to another Status.

5.18.1.7.2.1
(04-06-2016)

**TIF Check 1- Pre-30-Day
Letter Check**

- (1) Before issuing a 30-Day Letter, ASFR requests TIF check 1 on modules in Status 031. The volume of modules that are sent for TIF check 1 is input on the Set Up menu by designated managers or analysts. Modules are selected by priority. See IRM 5.18.1.3.3, *ASFR Prioritization*.
- (2) When TIF check 1 is completed, ASFR does the following:

If	Then
<p>The following failed conditions are returned from TIF check 1:</p> <ul style="list-style-type: none"> • Entity not on IDRS • No open TDIs for taxpayer • Assignment number not 8000 • Module not on IDRS • TC 150 already in module • TC 610 or 640 • Module not in active TDI status • Open C, W, T, A freezes 	<p>ASFR moves the module to Status 039. Modules in Status 039 will appear on the ASFR-400 LIST. See IRM 5.18.1.7.3.1, <i>ASFR 400 List</i>, and IRM 5.18.1.6.11.15, <i>Status 039: FAILED IDRS Analysis, Pre-30-Day Letter</i>.</p>
<p>The following information only conditions are returned from TIF check 1,</p> <ul style="list-style-type: none"> • Pending Activity on Module • Could not access IDRS account 	<p>ASFR will move the module into Status 032 or 035, and Status 030. Modules with Information Only conditions will appear on the ASFR 400 List. See IRM 5.18.1.7.3.1, <i>ASFR 400 List</i>.</p>
<p>No failed conditions and no information only conditions, are returned from TIF check 1,</p>	<p>a. ASFR moves the module to Status 032 or 035, and then to 030 during weekly processing. See IRM 5.18.1.6.11.9, <i>Status 030: 30-Day Letter Created (30-Day Mail out)</i>.</p> <p>b. ASFR will generate a 30-Day Letter for the module.</p>

5.18.1.7.2.2
(03-11-2020)

**TIF Check 2– Pre-90-Day
Letter Check**

- (1) Before issuing a 90-Day Letter, ASFR requests TIF check 2 on modules in Status 030 with expired follow-up dates.
- (2) When TIF check 2 is completed, ASFR does the following:

If	Then
Following conditions are returned from TIF check 2: <ul style="list-style-type: none"> • Entity not on IDRS • No open TDIs for taxpayer • Assignment number not 8000 • Module not on IDRS • TC 610 or TC 640 • No TC 150 on this module • No TC 971 AC 143 • TC 150, but not a dummy return • Open W, C, T, or A freeze 	ASFR moves the module to Status 099. Modules in Status 099 will appear on the ASFR 400 List. See IRM 5.18.1.7.3.1, <i>ASFR 400 List</i> .
The following information only conditions are returned from TIF check 2, <ul style="list-style-type: none"> • Pending Activity on Module • Could not access IDRS account 	ASFR will move the module into Status 090. Modules with Information Only conditions will appear on the ASFR 400 List. See IRM 5.18.1.7.3.1, <i>ASFR 400 List</i> .
No failed conditions and no information only conditions, are returned from TIF check 2,	ASFR moves the module to Status 096. See IRM 5.18.1.6.11.45, <i>Status 096: Pre-stat Notice...Queue</i> .

- (3) During TIF-check 2 (pre-90-Day Letter), ASFR receives the IDRS address for each ASFR module checked. The address is written into the 90-day address file. When a 90-Day Letter generates, the ASFR program uses the address from the 90-day file.

5.18.1.7.2.3
(03-11-2020)
**TIF Check 3– During
90–Day Period**

- (1) Three weeks after modules are updated to Status 090, ASFR requests TIF check 3 on the modules.
- (2) TIF Check 3 is requested to verify posting of a TC 494.
- (3) When TIF check 3 is completed, ASFR does the following:

If	Then
Following conditions are returned from TIF check 3: <ul style="list-style-type: none"> • Entity not on IDRS • No open TDIs for taxpayer • Module not on IDRS • TC 150, but not a dummy return • No TC 494 • Open W, C, T, V, L, Z, or A freeze 	ASFR moves the module to Status 099. Modules in Status 099 will appear on the ASFR 400 List. See IRM 5.18.1.7.3.1, <i>ASFR 400 List</i> .
The following information only conditions are returned from TIF check 3, <ul style="list-style-type: none"> • Could not access IDRS account • Pending Activity on Module 	ASFR will move the module into Status 096. Modules with Information Only conditions will appear on the ASFR 400 List. See IRM 5.18.1.7.3.1, <i>ASFR 400 List</i> .
No failed conditions and no information only conditions, are returned from TIF check 3,	ASFR moves the module to Status 096. See IRM 5.18.1.6.11.45, <i>Status 096: Pre-stat Notice...Queue</i> .

5.18.1.7.2.4
(03-11-2020)

**TIF Check 4– End of
90-Day Period**

- (1) ASFR requests TIF check 4 on modules in Status 90 with expired follow-up dates.
- (2) TIF check 4 is requested to ensure that a default assessment should be input.
- (3) When TIF check 4 is completed, ASFR does the following:

If	Then
Following conditions are returned from TIF check 4: <ul style="list-style-type: none"> • Entity not on IDRS • No open TDIs for taxpayer • Module not on IDRS • TC 150, but not a dummy return • No TC 494 • Open W, C, T, V, L, Z, or A freeze 	ASFR moves the module to Status 097. Modules in Status 097 will appear on the ASFR 400 List. See IRM 5.18.1.7.3.1, <i>ASFR 400 List</i> .
The following information only conditions are returned from TIF check 4, <ul style="list-style-type: none"> • Could not access IDRS account • Pending Activity on Module 	ASFR will move the module into Status 102 or 104. Modules with Information Only conditions will appear on the ASFR 400 List. See IRM 5.18.1.7.3.1, <i>ASFR 400 List</i> .
No failed conditions and no information only conditions, are returned from TIF check 4,	ASFR will move the module to Statuses 102 or 104. See IRM 5.18.1.6.11.51, <i>Status 102: Disagreed Responses</i> , and IRM 5.18.1.6.11.53, <i>Status 104: Closed, No Taxpayer Response (Default)</i> .

5.18.1.7.2.5
(03-11-2020)

TIF Check 5– Statuses 100, 102, 104, 106, and 113

- (1) ASFR requests TIF check 5 on modules in Statuses 100, 102, 104, 106, and 113 with expired follow-up dates.
- (2) TIF check 5 is requested to ensure that all IDRS transactions have posted to IDRS.
- (3) When TIF check 5 is completed, ASFR does the following:

If	Then
Following conditions are returned from TIF check 5: <ul style="list-style-type: none"> • Module not on IDRS • Entity not on IDRS • No TC 494 • No TC 290 • No TC 495 • TC 290 posted, but not TC 59X 	ASFR moves module to Status 107. Modules in Status 107 will appear on the ASFR 400 List. See IRM 5.18.1.7.3.1, <i>ASFR 400 List</i> .
The following information only conditions are returned from TIF check 5: <ul style="list-style-type: none"> • Could not access IDRS account • Pending Activity on Module • Open TDA • No critical errors 	ASFR will move the module into Status 109. Modules with Information Only conditions will appear on the ASFR 400 List. See IRM 5.18.1.7.3.1, <i>ASFR 400 List</i> .
No failed conditions and no information only conditions, are returned from TIF check 5	ASFR will move the module to Status 109. See IRM 5.18.1.6.11.58, <i>Status 109: ASFR PROCESSING FINISHED, Purge From ASFR System</i> .

5.18.1.7.2.6
(04-06-2016)

TIF Check 6– Statuses 064, 069, 071, and 075 Check

- (1) ASFR requests TIF check 6 on modules in Statuses 064, 069, 071 and 075 with expired follow-up dates.
- (2) TIF check 6 is performed to ensure that the TC 59X that ASFR requested on the module posted to IDRS.
- (3) When TIF check 6 is completed, ASFR does the following:

If	Then
Following conditions are returned from TIF check 6: <ul style="list-style-type: none"> • Entity not on IDRS • No TC 59X on this module • Module not on IDRS • Assignment number still 8000 	ASFR moves the module to Status 089. Modules in Status 089 will appear on the ASFR 400 List. See IRM 5.18.1.7.3.1, <i>ASFR 400 List</i> .
The following information only conditions are returned from TIF check 6, <ul style="list-style-type: none"> • Could not access IDRS account • Pending activity on module • No critical errors found 	ASFR will move the module into Status 109. Modules with Information Only conditions will appear on the ASFR 400 List. See IRM 5.18.1.7.3.1, <i>ASFR 400 List</i> .
No failed conditions and no information only conditions, are returned from TIF check 6,	ASFR moves the module to Status 109. See IRM 5.18.1.6.11.58, <i>Status 109: ASFR PROCESSING FINISHED, Purge From ASFR System</i> .

5.18.1.7.2.7
(04-06-2016)

**TIF Check 7- Statuses
062, 068 and 070 Check**

- (1) ASFR requests TIF check 7 on modules in status 062, 068, and 070 with expired follow-up dates.
- (2) TIF check 7 is performed to ensure that the assignment has been changed from 8000.
- (3) When TIF check 7 is completed, ASFR does the following:

If	Then
Following conditions are returned from TIF check 7: <ul style="list-style-type: none"> • Entity not on IDRS • TC 59X posted but TDI still open • Module not on IDRS 	ASFR moves the module to Status 089. Modules in Status 089 will appear on the ASFR 400 List. See IRM 5.18.1.7.3.1, <i>ASFR 400 List</i> .
The following information only conditions are returned from TIF check 7, <ul style="list-style-type: none"> • Could not access IDRS account • Pending activity on module • No critical errors found 	ASFR will move the module into Status 109. Modules with Information Only conditions will appear on the ASFR 400 List. See IRM 5.18.1.7.3.1, <i>ASFR 400 List</i> .
No failed conditions and no information only conditions, are returned from TIF check 7,	ASFR moves the module to Status 109. See IRM 5.18.1.6.11.58, <i>Status 109: ASFR PROCESSING FINISHED, Purge From ASFR System</i> .

5.18.1.7.2.8
(04-06-2016)

**TIF Check 77-Status 762
Pre-ACS TSIGN/TC 030
Check**

- (1) ASFR requests TIF check 77 on modules in status 762 with expired follow-up dates.
- (2) TIF check 77 is performed to ensure that the module is still on IDRS before module is updated to Status 062.
- (3) When TIF check 77 is completed, ASFR does the following:

If	Then
The following conditions are returned from TIF check 77: Entity not on IDRS	ASFR moves the module to Status 089. Modules will appear on the ASFR 400 List. See IRM 5.18.1.7.3.1, <i>ASFR 400 List</i> .
The following information only conditions are returned from TIF check 77, <ul style="list-style-type: none"> • Could not access IDRS account • No critical errors found 	The module is moved systemically to status to Status 062 (for SB/SE reassignment) or Status 070 (for (TS reassignment). See IRM 5.18.1.6.11.21, <i>Status 062: TERMINATE ASFR, Failed ASFR Criteria and Must Be Re-assigned</i> , and IRM 5.18.1.6.11.28, <i>Status 070: TERMINATE ASFR, Fails SFR Criteria TC 030 ACS</i> .
No failed conditions and no information only conditions, are returned from TIF check 77,	The module is moved systemically to Status 062 (for SB/SE reassignment) or Status 070 (for (TS reassignment). See IRM 5.18.1.6.11.21, <i>Status 062: TERMINATE ASFR, Failed ASFR Criteria and Must Be Re-assigned</i> , and IRM 5.18.1.6.11.28, <i>Status 070: TERMINATE ASFR, Fails SFR Criteria TC 030 ACS</i> .

5.18.1.7.3
(03-11-2020)
ASFR Lists

- (1) ASFR lists provide ASFR employees information on “in progress” modules. ASFR lists should be received when ASFR weekly processing is completed. If lists are not received, open a ticket. All ASFR lists are to be worked the week they are received or according to Headquarters (HQ) Instruction.

5.18.1.7.3.1
(06-27-2023)
ASFR 400 List

- (1) The ASFR 400 list is generated weekly for each campus, and lists modules with error conditions that must be resolved manually by employees.
- (2) The list is generated during weekly processing, and printed locally.
- (3) ASFR weekly processing normally occurs on Tuesday morning. The 400 List should be received on Tuesday, post ASFR weekly processing. The 400 List should be worked before next week’s processing or according to Operational guidelines. Managers should print the 400 List pages they need using the Control-D system.
- (4) The conditions that occur are defined below.
 - a. Failed conditions prevent systemic processing. They require manual analysis and resolution. Failed conditions systemically update modules to a failed status.

- b. Information Only conditions occur when manual update occurs when a module has been sent for TIF check and ASFR determines there is an associated TDA, a TC **Dummy** 150 has already posted to the module, manual update occurred on module, there is pending activity, unusual module progression or a systemic problem with ASFR or IDRS processing. Information Only conditions allow movement of the module into a processable status.
- (5) A literal will appear next to each TIN indicating the failed or Information Only condition. However, only the first condition is listed. Therefore, when working the list, if there are apparent other conditions, resolve those conditions also. If all failed conditions are not resolved, the module will continue to fail TIF check, and processing time will be extended.
- (6) Failed and Information Only conditions shown on this listing, and corrective actions, are itemized below.
- (7) Failed and Information Only conditions appear on the ASFR 400-List as the following literals:

Literals
Entity Not on IDRS-Failed Condition , see IRM 5.18.1.7.3.1.1
No Open TDI for Taxpayers-Failed Condition , see IRM 5.18.1.7.3.1.2
Module Not on IDRS-Failed Condition , see IRM 5.18.1.7.3.1.3
TC 59X Posted but Still Open TDI-Failed Condition , see IRM 5.18.1.7.3.1.4
Assignment Number Still 8000-Failed Condition , see IRM 5.18.1.7.3.1.5
No TC 59X on Module-Failed Condition , see IRM 5.18.1.7.3.1.6
No TC 971 AC 143 on This Module-Failed Condition , see IRM 5.18.1.7.3.1.7
TC 150 Already on Module-Failed Condition , see IRM 5.18.1.7.3.1.8
TC 610 or TC 640- Look for a Return-Failed Condition , see IRM 5.18.1.7.3.1.9
TSIGN Not 8000-Failed Condition , see IRM 5.18.1.7.3.1.10
Modules Not in Active TDI Status-Failed Condition , see IRM 5.18.1.7.3.1.11
TC 66X or TC 67X - Check for a Return-Failed Condition , see IRM 5.18.1.7.3.1.12
TC 150 but Not a Dummy Return-Failed Condition , see IRM 5.18.1.7.3.1.13
No TC 494 Posted to Module-Failed Condition , see IRM 5.18.1.7.3.1.14

Literals
No TC 495 Posted-Failed Condition , see IRM 5.18.1.7.3.1.15
No TC 290 Posted to Module-Failed Condition , see IRM 5.18.1.7.3.1.16
Open -V, -L, -Z, -A Freeze-Failed Condition , see IRM 5.18.1.7.3.1.17
Open -C, -T, or -W Freezes , see IRM 5.18.1.7.3.1.18
TC 290 Posted, but Not TC 59X-Failed Condition , see IRM 5.18.1.7.3.1.19
Open TDA-Failed Condition-Information Only , see IRM 5.18.1.7.3.1.20

5.18.1.7.3.1.1
(04-06-2016)
**Entity Not on IDRS-
Failed Condition**

- (1) This literal indicates that ASFR requested a TIF check on a module, but IDRS was unable to process the request because the **account** was not on IDRS. This condition is returned from all TIF checks. Modules on the ASFR 400 list will be in Statuses 039, 099, 097, 089 and 107. See IRM 5.18.1.7.2, *IDRS TIF Checks - System IDRS Research*.
- (2) Research CFOL command codes to resolve problem. Also consider invalid segment; account could be on IDRS under the invalid TIN.
- (3) To continue ASFR processing, the account and related module(s) must be re-established on IDRS. If the related module should be closed and is not in an ASFR closure status, update to a closure status. This condition usually occurs when the module(s) was closed either manually or systemically and has fallen off IDRS, but ASFR was not updated to the proper status.

5.18.1.7.3.1.2
(04-06-2016)
**No Open TDIs for
Taxpayer- Failed
Condition**

- (1) This literal indicates that there is no open TDI(s). This condition is returned from TIF checks 1 through 4. Modules on the ASFR 400 list will be in Statuses 039, 099, and 097. See IRM 5.18.1.7.2, *IDRS TIF Checks-System IDRS Research*.
- (2) Research for activity that closed the TDI. If valid, update to the proper ASFR closure status. If not valid, re-open the TDI, and update ASFR to the next processing status.

5.18.1.7.3.1.3
(03-11-2020)
**Module Not on IDRS-
Failed Condition**

- (1) This literal indicates that ASFR requested a TIF check on a particular module, but IDRS was unable to process the request because the **module** was not on IDRS. This condition is returned from all TIF checks, except TIF check 77. Modules on the ASFR 400 list will be in Statuses 039, 099, 097, 089 and 107. See IRM 5.18.1.7.2.8, *TIF Check 77-Status 762 Pre-ACS TSIGN/TC 030 Check*.
- (2) To continue ASFR processing, the related module(s) must be re-established on IDRS. If the related module should be closed and is not in an ASFR closure status, update to a closure status. This condition usually occurs when the module was closed either manually or systemically and have fallen off IDRS, but ASFR was not updated to the proper status.

- 5.18.1.7.3.1.4
(04-06-2016)
TC 59X Posted but Still Open TDI- Failed Condition
- (1) This literal indicates that ASFR requested a TIF check, discovered a TC 59X, but the TDI is open due to a posted TC 592. Research IDRS to determine if ASFR processing should continue. This condition is only returned from TIF check 6. Modules with this literal on the ASFR 400 list will be in Status 089. See IRM 5.18.1.7.2.6, *TIF Check 6-Statuses 064, 069, 071, and 075 Check*.
 - (2) To continue ASFR processing, update to the appropriate next processing status. If the module should be closed, close the TDI by updating to the proper closure status.
- 5.18.1.7.3.1.5
(04-06-2016)
Assignment Number Still 8000- Failed Condition
- (1) This literal appears when ASFR requested a reassignment out of 8000, and the assignment did not change. This failed condition is only returned from TIF check 6. Modules with this literal on the ASFR 400 list will be in Status 089. See IRM 5.18.1.7.2.6, *TIF Check 6-Statuses 064, 069, 071, and 075 Check*.
 - (2) Review the account to determine if the assignment should be changed. If it should be changed, change using CC ASGNI to change the assignment. Evaluate the account to determine if the assignment should be changed. If it should be changed and there is one or more tax modules in Status 26 use CC Staup 24 00 7000. If TDI modules only, use CC ASIGN. Update the module to Status 065, and immediately to Status 109. If the assignment should remain 8000, move module to next appropriate status.
- Note:** If the reassignment failed because the account is a combo see IRM 5.18.1.3.12, *Identifying Tax Delinquency Accounts (TDAs) Assigned to ASFR (8000)*.
- 5.18.1.7.3.1.6
(04-06-2016)
No TC 59X on Module- Failed Condition
- (1) This literal indicates that no TC 59X posted. This failed condition is only returned from TIF check 6. Modules with this literal on the ASFR 400 list will be in Status 089. See IRM 5.18.1.7.2.6, *TIF Check 6-Statuses 064, 069, 071, and 075 Check*.
 - (2) Research IDRS and update to proper ASFR closure status, if the TC 59X has still not posted. If the TC59X has posted, update ASFR to the appropriate closure status and immediately to Status 109.
- 5.18.1.7.3.1.7
(03-11-2020)
No TC 971 AC 143 on This Module- Failed Condition
- (1) This literal appears when there is a problem with processing of the TC 971 AC 143 posting. This condition is returned from TIF checks 2. Modules with this literal on the ASFR 400 list will be in Statuses 099 and 097. See IRM 5.18.1.7.3.1, *ASFR 400 List*, IRM 5.18.1.6.11.47, *Status 099: FAILED IDRS CHECK, Pre-Stat Notice*, and IRM 5.18.1.6.11.46, *Status 097: FAILED IDRS CHECK, Stat Notice Module*.

If	Then
The 30-Day Letter was not mailed,	Move module into Status 032 to generate a new 30-Day Letter and TC 971 AC 143 posting. Note: Update to Status 032 requires manual review of all other failed conditions. If other failed conditions are found, correct the condition or close the module by updating to the appropriate closure status.
The 30-day was mailed,	Use the menu Option “32” to Recreate the TC. See IRM 5.18.1.6.11.61, <i>Status 143: Recreate TC 971/143</i> .

5.18.1.7.3.1.8
(03-11-2020)
**TC 150 Aready on
Module - Failed
Condition**

- (1) This failed condition is returned from TIF Check 1 to detect a TC 150 on the module. Modules with this literal on the ASFR 400 list will be in Status 039 IRM 5.18.1.6.11.15, *Status 039: FAILED IDRS Analysis, Pre-30 Day Letter*.
- (2) Research IDRS to confirm whether TC 150 is a filed return by the taxpayer. If it is move ASFR to Status 061, and then immediately to Status 109. If not update to Status 032 IRM 5.18.1.6.11.20, *Status 061: Terminate ASFR, Return filed Pre-30-Day Letter*.

5.18.1.7.3.1.9
(03-11-2020)
**TC 610 or TC 640—Look
for a Return- Failed
Condition**

- (1) This literal appears when a TC 610 or 640 posts to the module. This condition is returned from TIF checks 1 and 2. Modules with this literal on the ASFR 400 list will be in Statuses 039 and 099. See IRM 5.18.1.6.11.15, *Status 039: FAILED IDRS Analysis, Pre-30-Day Letter*, and IRM 5.18.1.6.11.47, *Status 099: FAILED IDRS CHECK, Pre-Stat Notice*.
- (2) TCs 610 and 640 are payments. A TC 610 is a payment submitted with a filed tax return. The DLN of the TC 610 is the DLN of the return. A TC 640 indicates that a payment has posted as a payment of proposed determined deficiency.
- (3) If TC 610 posted, research IDRS to determine if return was filed. If filed and ASFR processing has not started, the module should be in Status 039. Update ASFR to Status 061, and then immediately to Status 109. See IRM 5.18.1.6.11.20, *Status 061: TERMINATE ASFR, Return Filed Pre-30-Day Letter*. If it cannot be determined whether the return has posted, update to Status 080. See IRM 5.18.1.6.11.37, *Status 080: Suspend for Research/Action*. If filed and ASFR processing has started, the module should be Status 099. Secure the return. Update to Status 080 until return is received.
- (4) If TC 640 posted, and no waiver was received, correspond with taxpayer for a signed waiver. Follow correspondence procedures. See IRM 5.18.1.9.2.3.14, *Taxpayer Correspondence*. If not received, continue ASFR processing.

Note: DO NOT assess as an agreed unless the taxpayer has submitted a signed Waiver of Consent to Assessment and Collection.

5.18.1.7.3.1.10
(04-06-2016)

TSIGN Not 8000- Failed Condition

- (1) This condition occurs when the TSIGN is not 8000. This condition is returned from TIF checks 1 and 2. Modules with this literal on the ASFR 400 list will be in Statuses 039 and 099. See IRM 5.18.1.6.11.15, *Status 039: FAILED IDRS Analysis, Pre-30-Day Letter*, and IRM 5.18.1.6.11.47, *Status 099: FAILED IDRS CHECK, Pre-Stat Notice*.
- (2) Accounts with associated balance due modules in Masterfile status 22, 24, 26 should not be started. Do not update modules with associated balance due accounts to send a 30-Day letter.
- (3) Research IDRS to determine if ASFR processing should initiate or continue.

If	Then
The module is assigned to a Revenue Officer, i.e. assignment 1XXX to 6XXX,	Contact the ASFR FC contact. See SERP for updated contact information.
After research, it is determined that there are started modules regardless of whether the account can be reassigned to 8000,	Continue ASFR processing, move modules into the next appropriate status. Started modules should be in Status 099. Update modules to Status 091.
After research, it is determined that the assignment should be 8000,	Reassign account to 8000, and move the module(s) into appropriate status. For modules in Status 039, update to Status 032. For modules in Status 099, update to Status 091.
The module is unstarted and there are associated balance due modules,	the modules should not be started. Update to status 717. The delinquency will be worked by the function it is assigned to in Balance Due.

5.18.1.7.3.1.11
(04-06-2016)

Modules Not in Active TDI Status- Failed Condition

- (1) This literal appears when ASFR requested a TIF check and the IDRS status is not in IDRS Status 03. See Document 6209, Chapter 8, Section 3 for more information on MF and IDRS status codes. This condition is returned from TIF check 1 only. Modules with this literal on the ASFR 400 list will be in Status 039. See IRM 5.18.1.6.11.15, *Status 039: FAILED IDRS Analysis, Pre-30-Day Letter*, and IRM 5.18.1.7.3.1, *ASFR 400 List*.
- (2) Research module to determine why the status is not 03 on IDRS. Update to the appropriate ASFR closure status.

5.18.1.7.3.1.12
(04-06-2016)
TC 66X or TC 67X—Check for a Return- Failed Condition

(1) This literal appears when there is a TC 66X or 67X posted to the module. This condition is returned from TIF checks 1 and 2. Modules with this literal on the ASFR 400 list will be in Statuses 039 and 099. See IRM 5.18.1.6.11.15, *Status 039: FAILED IDRS Analysis, Pre-30-Day Letter*, and IRM 5.18.1.6.11.47, *Status 099: FAILED IDRS CHECK, Pre-Stat Notice*.

- (2) These are payment transactions and may indicate that a return or signed waiver was filed with the payment.
- (3) Research IDRS to see if a return has been received. If a return has been filed, secure return and update to Status 080. See IRM 5.18.1.6.11.37, *Status 080: Suspend for Research/Action*. If not, continue ASFR processing by updating modules in Status 039 to Status 032 (Update to Status 032 requires that the module is manually screened for all other failed conditions), and by updating modules in Status 099 to Status 091.

Note: DO NOT assess as an agreed unless the taxpayer has submitted a signed Waiver of Assessment and Collection.

5.18.1.7.3.1.13
(04-06-2016)
TC 150, but not a “Dummy” Return- Failed Condition

(1) This literal appears when ASFR attempts to verify the posting of a “dummy” TC 150 and finds a filed return, TC 150 posted on IDRS. This condition is returned from TIF checks 2, 3, and 4. Modules with this literal on the ASFR 400 List will be in Statuses 099 and 097. See IRM 5.18.1.6.11.47, *Status 099: FAILED IDRS CHECK, Pre-Stat Notice*, and IRM 5.18.1.6.11.46, *Status 097: FAILED IDRS CHECK, Pre-Stat Notice*.

- (2) If return is a taxpayer filed return for that module, update the module to Status 061, and immediately into Status 109. See IRM 5.18.1.6.11.20, *Status 061: TERMINATE ASFR, Return Filed Pre-30-Day Letter*.

5.18.1.7.3.1.14
(04-06-2016)
No TC 494 Posted to Module- Failed Condition

(1) This literal appears on modules in Status 090, 100, 101, 102, and 104 to ensure that a TC 494 posted. This condition is returned from TIF checks 3, 4 and 5. Modules with this literal on the ASFR 400 List will be in Statuses 099, 097 and 107. See IRM 5.18.1.6.11.47, *Status 099: FAILED IDRS CHECK, Pre-Stat Notice*, IRM 5.18.1.6.11.46, *Status 097: FAILED IDRS CHECK, Pre-Stat Notice*, and IRM 5.18.1.6.11.56, *Status 107, Failed TIF Check*.

- (2) Do the following on ASFR:

If	Then
The TC 494 is pending or posted	<p>Update Modules in</p> <ul style="list-style-type: none"> • Status 099 to Status 091, see IRM 5.18.1.6.11.42, <i>Status 091: PASSED IDRS CHECK, Issue 90-Day Letter.</i> • Status 097 to Status 104, see IRM 5.18.1.6.11.53, <i>Status 104: CLOSED, No Taxpayer Response (Default).</i> • Status 107 to Status 109, see IRM 5.18.1.6.11.58, <i>Status 109: ASFR PROCESSING FINISHED, Purge From ASFR System.</i> <p>Note: Proper closure credit will be given for update from Status 107 to 109.</p>
There is no TC 494 pending or posted on IDRS,	<p>a. Use the menu Option 20 to re-input a TC 494 request. See IRM 5.18.1.6.13, <i>ASFR Tax Module Screen Menu Options.</i></p> <p>Note: Option 20 will not re-input a TC 494 unless the ASFR status is 090 or 097.</p> <p>b. Update Module as stated in the box above.</p> <p>Note: Verify name control to ensure IDRS and ASFR match.</p> <p>c. Update module to status 090 with a follow-up date that is the current date plus 2 weeks.</p>

5.18.1.7.3.1.15
(04-06-2016)
**No TC 495 Posted-
Failed Condition**

- (1) This literal appears on modules that were in Statuses 10X, but a TC 495 did not post to IDRS, but a TC 494 posted. This condition is returned from TIF check 5. Modules with this literal on the ASFR 400 List will be in Status 107. See IRM 5.18.1.6.11.56, *Status 107: Failed TIF Check.*
- (2) Research IDRS. If a TC 495 is not posted, input a TC 495 using Tax Module Option 21. See IRM 5.18.1.6.13, *ASFR Tax Module Screen Menu Options.*

Note: A TC 495 may also be input on IDRS using CC STN90.

- (3) Update module to Status 109. See IRM 5.18.1.6.11.58, *Status 109: ASFR PROCESSING FINISHED, Purge From ASFR System*.

5.18.1.7.3.1.16
(03-11-2020)

**No TC 290 Posted to
Module- Failed
Condition**

- (1) This literal appears on modules in Statuses 10X, but the TC 290 did not post to IDRS. This condition is returned from TIF check 5. Modules with this literal on the ASFR 400 List will be in Status 107. See IRM 5.18.1.6.11.56, *Status 107: Failed TIF Check*.

If the module was in 100, 101 or 103, and	Then
TC 290 is pending on IDRS	Wait for the TC 290 to post and then update to Status 109.
There is no pending or posted TC 290 on IDRS,	<ul style="list-style-type: none"> a. Input the TC 290 on IDRS. b. Move the module back into the previous Status 10X so an additional TIF check is performed.

If the module was in 104, and	Then
TC 290 is pending on IDRS	Update to Status 109.
There is no pending or posted TC 290 on IDRS,	<ul style="list-style-type: none"> • Verify that the adjustment did not post on the invalid TIN, merge in process accounts, and contact AM Adjustment HQ IRM owner of IRM 21.6.2, <i>Adjusting TIN-Related Problems</i>. • Re-update the module into Status 104.

If the module was in 106, and	Then
TC 290 is pending on IDRS	Update to Status 109

If the module was in 106, and	Then
There is no pending or posted TC 290 on IDRS,	<ul style="list-style-type: none"> • Verify that the adjustment did not post on the invalid TIN, merge in process accounts, and contact AM Adjustments HQ IRM owner of IRM 21.6.2, <i>Adjusting TIN-Related Problems</i>. • Input TC 290 if it was not previously input. Status 106 requires manual input of the Combat Zone default assessment. See IRM 5.18.1.7.3.1.18, <i>Open -C, -T, -W, Freezes-Failed Condition</i>.

5.18.1.7.3.1.17
(03-11-2020)

**Open -V, -L, -Z or -A
Freeze - Failed
Condition**

- (1) This literal indicates that certain freezes have posted to the module or account. This condition is returned from TIF checks 1, 2, 3, and 4. Modules with this condition on the ASFR 400 List will be in Statuses 039, 099 and 097.

Note: Modules in Status 039 with -V, or -L, freezes do not meet ASFR criteria. Close these modules by updating to Status 717.

- (2) For Statuses 097 and 099 - Prior to continuing ASFR processing, the module must be researched to determine if ASFR processing should be continued.

If	Then
IDRS research indicates a -V freeze	<ol style="list-style-type: none"> Move the ASFR account to Status 011 See instruction for handling Status 011 modules. See IRM 5.18.1.6.11.5, <i>Status 011: Centralized Insolvency Office (CIO)</i>.
IDRS research indicates a -L Freeze	Contact Examination to determine if they are working the TDI. If there are any modules in a pre 90 day status, 90 day status or post 90-day status, move modules with -L freezes to Status 010 until the 90 day status or any post 90-day status modules are resolved. If all related modules are in pre-90-day statuses, move them to Status 064. If all related modules are in post 90-day status, continue ASFR processing.
IDRS research indicates a -Z Freeze	<ol style="list-style-type: none"> Coordinate with the appropriate CI function. Move the ASFR account to Status 010. See IRM 5.18.1.6.11.4, <i>Status 010: Pre-30-Day Problem (CI/Exam Review Needed)</i>. Place the following in COMMENT-1: "Z FRZ COORD WITH CI."
IDRS research indicates a -A Freeze,	<ol style="list-style-type: none"> Request the 976/977 document. Input history item on IDRS, "H,DOCREQ" Move the ASFR module to Status 080. Only key techs can update to Status 080. <p>Caution: Do not update modules to Status 080 when the ASER is imminent or expired. Bring return to manager or Statute Coordinator immediately.</p>

5.18.1.7.3.1.18
(04-06-2016)

**Open -C, -T, -W Freezes-
Failed Condition**

- (1) This failed condition appears when one of these freeze codes is on the module or account. This condition is returned from TIF checks 1, 2, 3 and 4. Modules with this condition on the ASFR 400 List will be in Statuses 039, 099 and 097.

Note: Modules in Status 039 with W freeze do not meet ASFR criteria. Close these modules by updating to Status 717.

- (2) Resolve each freeze condition as follows: C Freeze: Research to determine if exit date exists. If exit date exists and 180 days has passed since the exit date, ASFR processing should continue.

If the module is in	Then update the module to
Status 039	Status 032. Note: Update to Status 032 requires manual review of all other failed conditions. If other failed conditions are found, correct the condition or close the module by updating to the appropriate closure status.
Status 099	Status 091.

If the module is in	Then update the module to
Status 097	<p>Manually assess on IDRS. All Combat Zone cases (-C Freeze) require that the assessment be manually input to IDRS using CC REQ54. Employees will update ASFR to Status 106 once CC REQ54 has been input. ASFR will systemically input TC 495 and TC 599 CC 088 after ASFR has been updated to Status 106. Combat Zone modules will require manual calculation of penalty and interest if the Combat Zone suspension period is concurrent or subsequent to the earliest filing period for the return. See IRM 25.6.1.10.3.5.6, <i>Combat Zone</i>, for complete instructions on calculating penalties and interest on Combat Zone modules. If exit date is not known, update module to Status 080 to suspend, then send 2761 Ltr to TP. For complete instructions on calculating penalties and interest see IRM 20.2.7.11, <i>IRC 7508, Combat Zone</i>. If the taxpayer is no longer in the Combat Zone with no overlapping entry and exit dates, then Master File can compute the penalties and interest and it does NOT need to be manually computed.</p> <ul style="list-style-type: none"> • If response is received update per TP correspondence and follow IRM 5.19.1.5.9, <i>Military Deferment</i>. • If no response, follow procedures in IRM 5.19.1.4.9. • If TP is still in the Combat Zone update to Status 717.

- a. T Freeze: See Status 010 procedures. See IRM 5.18.1.6.11.4, *Status 010: Pre-30-Day Problem (CI/Exam Review Needed)*.
- b. W Freeze: See Status 011 procedures. See IRM 5.18.1.6.11.5, *Status 011: Centralized Insolvency Office (CIO)*.

5.18.1.7.3.1.19
(10-01-2005)
**TC 290 Posted, but Not
TC 59X - Failed
Condition**

- (1) This literal appears when there is a TC 290 posted to IDRS, but there is no TC 59X posted. This condition is returned from TIF check 5. Modules with this literal on the ASFR 400 List will be in Status 107.

If	Then
TC 59X in pending on IDRS	Move the module back into the previous Status 10X.
TC 59X not in a pending Status on IDRS	a. Re-input TC 59X. b. Move the module back into the previous Status 10X.

5.18.1.7.3.1.20
(04-06-2016)
**Open TDA - Failed
Condition - Information
Only**

- (1) This literal is an Informational Only condition. ASFR updated the module to next processing Status, however, there is an open TDA on the account. This condition is returned from TIF checks 1 through 5. Modules will appear on the ASFR 400 List, but the Status will not be a failed condition Status.
- (2) See instructions for processing on combination TDA/TDI accounts. See IRM 5.18.1.7.3.8, *ASFR 423 List: TDAs ASSIGNED TO 8000*.

5.18.1.7.3.1.21
(10-01-2005)
**No Analysis Performed
On This Module- Failed
Condition Information
Only**

- (1) This literal appears when the status of an ASFR module is changed while that module is undergoing a TIF check (e.g., modules with IDRS RESEARCH showing on ASFR TDI screen). ASFR does not systemically move the module based on the results of the TIF check, i.e. the module will remain in the status that it was manually updated to. This condition is returned from all TIF checks. Modules with this literal on the ASFR 400 List will not be in a failed condition status.
- (2) Do the following:

If	Then
Module movement appears correct	No action needed.
Module movement appears questionable	a. Perform full analysis on ASFR module to determine validity of status update. b. Update to correct status as needed.

Example: Module in Status 030 that is undergoing a TIF check is updated manually Status 040. This does not appear questionable; it indicates that a 30-Day Letter returned as undeliverable.

Example: Module in Status 090 that is undergoing a TIF check, is manually updated to Status 031. This appears questionable. Research ASFR and IDRS to determine if update to Status 031 is appropriate.

5.18.1.7.3.1.22
(10-01-2005)
**Pending Activity on
Module**

- (1) This literal appears when activity identified is pending on IDRS. This condition is returned from all TIF checks, except TIF check 77. This condition will not cause the module to move to a failed Status.
- (2) Research IDRS to ensure that the IDRS activity has no impact to ASFR processing. Take appropriate action on ASFR if warranted.

5.18.1.7.3.1.23
(10-01-2005)
Dummy Already Posted

- (1) This literal appears when a **dummy** TC 150 has already posted. This condition is returned from TIF check 1.
- (2) Take no action.

5.18.1.7.3.1.24
(01-25-2008)
**Could Not Access IDRS
Account**

- (1) This literal appears when the account exists on IDRS, but a TIF check was not performed. This condition is returned from all TIF checks. This condition will not cause the module to move to a failed Status.
- (2) No action is necessary.

5.18.1.7.3.1.25
(03-11-2020)
Status 039 Procedures

- (1) Modules that fail the TIF check 1 are systemically updated to Status 039. See IRM 5.18.1.7.2.1, *TIF Check 1-Pre-30-Day Letter Check*. These are modules where a 30-day letter was requested, but could not be generated. When resolving modules in Status 039 that appear on the ASFR 400 list, look at the literal to determine why the module failed. Description of literals and actions needed to resolve can be found in IRM 5.18.1.7.3.1, *ASFR 400 List*. Research the account and module on both IDRS and ASFR.

If	Then
The failed condition can be resolved,	Update the module to Status 032.
The failed condition can not be resolved,	Update to the appropriate ASFR closure status. For modules in Status 039 where no dummy TC 150 or a TC 971 AC 143 has posted, use closure statuses 061 to 077. See IRM 5.18.1.6.11, <i>ASFR Statuses</i> . If a dummy TC 150 has posted, a TC 290 for .00 is required. In these instances, use ASFR closure Status 101. See IRM 5.18.1.6.11.50, <i>Status 101: CLOSED, No ASFR Assessment (TC 290 Zero)</i> .

- (2) See list below for most common failed conditions and actions required. **This is not an inclusive list of every action required to resolve modules in Status 039. Refer to the ASFR statuses and Failed Conditions to determine actions. If unusual module progression has occurred or the next correct step cannot be determined, bring to lead or manager. Often manual intervention has occurred and disrupted systemic progression. In these instances, bring to lead or manager.**

- TC 150 posted to module- (not a dummy) - update to Status 061, and immediately to 109. See IRM 5.18.1.6.11.20, *Status 061: TERMINATE ASFR, Return Filed Pre-30-Day Letter*.
- If a Joint Return is filed and TC 594 CC 084 is present update to status 066.
- If a Joint Return is filed and TC 594 CC 084 is **NOT** present update to status 073.
- TC 59X posted closing the TDI - update to Status 066, and immediately to Status 109. See IRM 5.18.1.6.11.25, *Status 066: TERMINATE ASFR, Satisfying TDI TC (59X)*.

5.18.1.7.3.1.26
(06-27-2023)

Status 099 Procedures

- (1) Modules that fail TIF check 2 are systemically updated to Status 099. See IRM 5.18.1.7.2.2, *TIF Check 2-Pre-90-Day Letter Check*. These are modules where a 90-day letter was requested, but could not be generated. When resolving modules in Status 099 that appear on the ASFR 400 or 424 list, look at the literal to determine why the module failed. Description of literals and actions needed to be resolved can be found in IRM 5.18.1.7.3.1, *ASFR 400 List*. Research the account and module on both IDRS and ASFR.

If	Then
The failed condition can be resolved,	Update the module to Status 091.
The failed condition can not be resolved, and stat should not be issued,	Update to Status 101. Input a TC 290 for .00, and if applicable TC 59X, on IDRS. See IRM 5.18.1.6.11.50, <i>Status 101: CLOSED, No ASFR Assessment (TC 290 zero)</i> .
The failed condition can not be resolved, and a stat should be issued, Note: This generally occurs when a TC 976 has posted, and the return is not signed, and attempts to obtain the signature have failed.	Give to manager for update to Status 091. Note: Only managers have the authority to override a failed condition and issue a stat.

- (2) See list below for most common failed conditions and actions required. **This is not an inclusive list of every action required to resolve modules in Status 099. Refer to the ASFR statuses and Failed Conditions to determine actions. If unusual module progression has occurred or the next correct step cannot be determined, bring to lead or manager. Often manual intervention has occurred and disrupted systemic progression. In these instances, bring to lead or manager.**

- TC 976 posted to module, no return received by ASFR - Update ASFR to Status 080. See IRM 5.18.1.6.11.37, *Status 080: Suspend for Research/Action*.

- Joint Return Filed - Input a TC 290 for .00 on IDRS. Update ASFR to Status 108. See IRM 5.18.1.6.11.57, *Status 108: Filed Jointly, Post 30-Day Letter*.
- TC 59X posted closing the TDI - Input a TC 290 for .00 on IDRS. Update ASFR to Status 101. See IRM 5.18.1.6.11.50, *Status 101: CLOSED, No ASFR Assessment (TC 290 Zero)*.

5.18.1.7.3.1.27

(03-11-2020)

Status 097 Procedures

- (1) Modules that fail TIF check 4 are systemically updated to Status 097. See IRM 5.18.1.7.2.4, *TIF Check 4 - End of 90-Day Period*. These are modules where a default assessment was requested, but could not be generated. When resolving modules in Status 097 that appear on the ASFR 400 or 424 list, look at the literal to determine why the module failed. Description of literals and actions needed to be resolved can be found in IRM 5.18.1.7.3.1, *ASFR 400 List*. Research the account and module on both IDRS and ASFR.

Note: Do not update combat Zone modules to Status 106. Follow instructions in IRM 5.18.1.7.3.1.18, *Open -C, -T, -W Freezes-Failed Condition*.

If	Then
The failed condition can be resolved	Update the module to Status 104.
The failed condition can not be resolved	See (2) below.

Note: ASFR modules started after June 1, 2018 and a TC 971 AC 143 is present on IDRS update module to 101 input if applicable TC 59X and TC 495 if 494 is present, TC 290 for .00 is not needed.

- (2) See list below for most common failed conditions and actions required. **This is not an inclusive list of every action required to resolve modules in Status 097. Refer to the ASFR statuses and Failed Conditions to determine actions. If unusual module progression has occurred or the next correct step cannot be determined, bring to lead or manager. Often manual intervention has occurred and disrupted systemic progression. In these instances, bring to lead or manager.**

- No Open TDI - An assessment, TC 290, and TC 59X have been input on IDRS, but the ASFR status was not updated. If a assessment was based on a filed return, update to Status 103 or Status 105 depending on the letter that is being responded to. See IRM 5.18.1.6.11.52, *Status 103: CLOSED Post 30-Day Letter, return secured*, or IRM 5.18.1.6.11.54, *Status 105: CLOSED, Post 90 day letter, return secured*. If the assessment was a TC 290 for .00, update to Status 101. See IRM 5.18.1.6.11.50, *Status 101: CLOSED, No ASFR Assessment (TC 290 zero)*. If a TC 494 is present on the module, a TC 495 must be input. If the TC 290 for .00 was input in relation to something other than return liability, the account should be moved to Status 104. See IRM 5.18.1.6.11.53, *Status 104: CLOSED, No Taxpayer Response (Default)*.
- If no TC 494 present, re-create TC 494. Update ASFR to Status 090. See IRM 5.18.1.6.11.41, *Status 090: 90-DAY STAT NOTICE ISSUED*.

5.18.1.7.3.1.28
(04-06-2016)

Status 089 Procedures

- (1) Modules that fail TIF check 6, 7 and 77 are systemically updated to Status 089. These are modules where either a TC 59X or a reassignment out of 8000 was requested, but the requested action did not post to IDRS. When resolving modules in Status 089 that appear on the ASFR 400 or 424 list, look at the literal to determine why the module failed. Description of literals and action needed to resolve can be found in IRM 5.18.1.7.3.1, *ASFR 400 List*. Research the account and module on both IDRS and ASFR.

If	Then
Reassignment is still necessary Note: If the account is a combo account, follow IRM 5.18.1.7.3.8, <i>ASFR 423 List: TDAs ASSIGNED TO 8000</i> .	Update the module to Status 762.
The TC 59X has not posted	Input the TC 59X on IDRS. Update ASFR to appropriate 06X or 07X closure status, and immediately update ASFR to Status 109. Note: To receive a closure, a module must be in a closure status prior to updating to Status 109.

5.18.1.7.3.1.29
(04-06-2016)

Status 107 Procedures

- (1) Modules that fail TIF check 5 are systemically updated to Status 107. See IRM 5.18.1.7.2.5, *TIF Check 5 - Statuses 100, 101, 102, 103, 104, 105, 106, 108, and 113*. These are modules that failed the last TIF check before Status 109 or system purge. When resolving modules in Status 107 that appear on the ASFR 400 or 424 list, look at the literal to determine why the module failed. Description of literals and action needed to resolve can be found in IRM 5.18.1.7.3.1, *ASFR 400 List*. Research the account and module on both IDRS and ASFR.

If	Then
The failed condition can be resolved	Update the module to Status 109.
The failed condition can not be resolved	See (2) below.

- (2) See below for most common failed conditions and actions required. **This is not an inclusive list of every action required to resolve modules in Status 107. Refer to the ASFR statuses and Failed Conditions to determine actions. If unusual module progression has occurred or the next correct step cannot be determined, bring to lead or manager. Often manual intervention has occurred and disrupted systemic progression. In these**

instances, bring to lead or manager. Account or Module not on IDRS- The TIF check could not be performed. Research IMFOL, if all transactions have posted to IMFOL, update ASFR to Status 109. If not all transactions have posted on module assessed per a taxpayer's response, manually update IDRS. Update ASFR to appropriate 10X status. If transactions have not posted on a default assessment, update to 104 when the TC 290 hasn't posted regardless of whether the other transactions have posted. If the TC 599 CC 088 or TC 495 didn't post, manually update IDRS and update ASFR to 109.

Note: Do not re-update a module to Status 104 when a TC 290 has posted. This will cause ASFR to re-request the assessment.

5.18.1.7.3.2
(10-01-2005)
**ASFR 405 LIST: ASFR
REFUND HOLD
RESEARCH LIST**

- (1) This is a listing of refund hold modules where ASFR could not locate all modules IDRS identified as open or there is at least one associated module in the following statuses 015, 016, 089, 762, 107, 109, 062, 010, 011 OR 057.
- (2) Work this list within three days of receipt. Procedures are in IRM 25.12.1, *Processing Refund Hold Program Inventory*.

5.18.1.7.3.3
(05-19-2009)
**ASFR 407 List: ASFR
Refund Hold Money
Transfer List**

- (1) This list is produced by the ASFR refund hold program. It contains TINs of taxpayers with a refund hold indicator where the account has moved to Status 090.
- (2) This list should be worked upon receipt to resolve refund hold (freeze) issues.

5.18.1.7.3.4
(10-01-2005)
**ASFR 408 LIST: REFUND
HOLD**

- (1) This list identifies all refund hold modules currently on the system by TIN, tax year, and ASFR Status.

5.18.1.7.3.5
(10-01-2005)
**ASFR 410 LIST: 30 DAY
LETTERS**

- (1) This is a listing of the 30-Day Letters generated during that week's processing.

5.18.1.7.3.6
(05-19-2009)
**ASFR 421 LIST:
TERMINATED CASE
LIST**

- (1) This closed module processing listing is produced weekly.
- (2) Research IDRS, and update module to Status 109, if all transactions are posted. If all transactions are not posted input the TC 59X, and update the module to Status 109.

5.18.1.7.3.7
(04-06-2016)
**ASFR 422 LIST: STAT
NOTICE COULD NOT BE
PRODUCED**

- (1) This list is produced when ASFR attempts to update a module to Status 090 to produce a 90-day letter, but it cannot because of a missing element (e.g., case minor).
- (2) Research and identify the missing/erroneous data, make necessary correction or addition. See IRM 5.18.1.6.8, *Deleting and Adding Case Minors*. Update the module to Status 091 if stat notice should be issued.

5.18.1.7.3.8
(06-27-2023)
**ASFR 423 LIST: TDAs
ASSIGNED TO 8000**

- (1) The ASFR 423 lists certain accounts assigned to 8000 where the assignment should be changed work the list upon receipt, it is generated weekly. The list contains two types of accounts:
 - a. Stand-alone TDAs.
 - b. Combo Cases, or modules with combined TDI and balance due modules. While Combo cases cannot be assigned to 8000, there will be accounts that become combo after the assignment to 8000 has occurred. Cases in ASFR non workable statuses: 007, 010, 011, 012, 056, 080, 093, 097, 099, 107, 355, 380 and 385 should be processed based upon those status instructions as the list is received to ensure continued ASFR processing. Follow IRM 5.18.1.6.11, *ASFR Statuses*, references to process the statuses listed.
- (2) Once assessed on ASFR and the entire account is TDA these cases will be systemically reassigned to the appropriate function.

5.18.1.7.3.9
(03-11-2020)
**ASFR 424 LIST: NO
ACTIVITY LIST**

- (1) This list is produced on modules with expired follow-up date in the following statuses:
 - 010
 - 011
 - 012
 - 039
 - 051
 - 056
 - 06X
 - 07X
 - 080
 - 089
 - 093
 - 097
 - 099
 - 107
- (2) If the following statuses, 039, 099, 097, 089, and 107 appear on the 424 List, then the 400 List is not being worked timely. Management should take action to ensure that these statuses do not appear on the 424 List.
- (3) Do the following:

If the module is in status:	Then
010, 011 or 012	Follow-up and determine if contact has been made with Technical Support, CI or Exam. Follow procedures for Statuses 010, 011 and 012. See IRM 5.18.1.6.11.4, <i>Status 010: Pre-30-Day Problem (CI/Exam Review Needed)</i> , IRM 5.18.1.6.11.5, <i>Status 011: Centralized Insolvency Office (CIO)</i> , and IRM 5.18.1.6.11.6, <i>Status 012: Advisory Group -W Freeze</i> .

If the module is in status:	Then
039	Resolve per ASFR 400 procedures, and Status 039 procedures. See IRM 5.18.1.7.3.1, <i>ASFR 400 List</i> , IRM 5.18.1.6.11.15, <i>Status 039: FAILED IDRS Analysis, Pre-30-Day Letter</i> , and IRM 5.18.1.7.3.1.25, <i>Status 039 Procedures</i> .
051	If controlled to TE, no action is necessary. If closed on IDRS, or re-filed by a TE, update to the appropriate ASFR status.
056	See Status 056 procedures. Normally, modules are systemically updated to Status 056, and systemically updated out of Status 056. See IRM 5.18.1.6.11.18, <i>Status 056: Presidentially Declared Disaster Area or Terroristic or Military Action Suspense Period</i> . Note: If a module was manually updated to Status 056, review the module. If processing should continue, move to the next appropriate Status. If processing should not continue, leave in Status 056.
06X/07X	Verify that all closing transactions have posted to IDRS. If posted, move to ASFR Status 109. If not posted, re-update to the proper ASFR closure status, and follow instructions for the status. See IRM 5.18.1.6.11, <i>ASFR Statuses</i> .
080	Check ASFR comments to determine if the module was updated to Status 080. If update was due to unreceived return, and all efforts to secure the return, including taxpayer contact, have failed, continue ASFR processing. If update was due to any other reason, determine if ASFR processing should continue, or if the module should remain in Status 080. Caution: Do not update a module to Status 080 if the ASER is imminent. Notify Statute Coordinator and/or manager. See IRM 5.18.1.6.11.37, <i>Status 080: Suspend for Research/Action</i> .
089	Resolve per ASFR 400 procedures, and Status 097 procedures. See IRM 5.18.1.7.3.1, <i>ASFR 400 List</i> , IRM 5.18.1.6.11.40, <i>Status 089: FAILED IDRS CHECK, TSIGN or TC 59X Failure</i> , and IRM 5.18.1.7.3.1.28, <i>Status 089 Procedures</i> .

If the module is in status:	Then
093	If controlled to TE review the actions taken and if over 45 days refer to manager per note below. If closed on IDRS, or re-filed by a TE, update to the appropriate ASFR status.
097	Resolve per ASFR 400 procedures, and Status 097 procedures. See IRM 5.18.1.7.3.1, <i>ASFR 400 List</i> , IRM 5.18.1.6.11.46, <i>Status 097: FAILED IDRS CHECK</i> , <i>Stat Notice Module</i> , and IRM 5.18.1.7.3.1.27, <i>Status 097 Procedures</i> .
099	Resolve per ASFR 400 procedures, and Status 099 procedures. See IRM 5.18.1.7.3.1, <i>ASFR 400 List</i> , IRM 5.18.1.6.11.47, <i>Status 099: FAILED IDRS CHECK</i> , <i>Pre-Stat Notice</i> , and IRM 5.18.1.7.3.1.26, <i>Status 099 Procedures</i> .
107	Resolve per ASFR 400 procedures, and Status 107 procedures. See IRM 5.18.1.7.3.1, <i>ASFR 400 List</i> , IRM 5.18.1.6.11.56, <i>Status 107: Failed TIF Check</i> , and IRM 5.18.1.7.3.1.29, <i>Status 107 Procedures</i> .

Note: Management should review modules in Status 093 and 051 to determine if employee actions are timely.

5.18.1.7.3.10
(06-27-2023)

**ASFR 426 List: ASFR
Transaction Failed List**

- (1) This listing is generated when a transaction attempts to post to IDRS and the account is closed.
- (2) There are 4 different error conditions that will fail and be printed on the listing. Research each module and take appropriate action to post transactions that failed.
- (3) Below are the error conditions and the actions required for correction:
 - a. **Invalid Sequence number** - This literal identifies a TC 290 transaction that has not posted to the master file because there are too many digits in the sequence code produced out of ASFR for IDRS to post the transaction. Report the generation of this error condition to your manager who in turn should have a POC advise your BOD Headquarters Analyst. HQs Analysts will communicate with ASFR Programmers advising them of an adjustment sequencing issue.
 - b. Research the account on IDRS to ensure the TC 290 did not post. If the TC 290 has not posted, then reinput the transaction.
 - c. **Dummy/on-line created account**- Research the account and input the appropriate transactions to post the account.
 - d. **Memo Account Module** - This account is currently only on IDRS as a Memo Account. If the account was merged with another account then close. Do not input the transaction.
 - e. **Account /Module Not on IDRS** - This account is currently not on IDRS and must be brought down from master file with CC MFREQ. Re-input the transaction codes on the ASFR 426 List.

- 5.18.1.7.3.11
(04-06-2016)
ASFR 430 LIST: OVER \$100K ASSESSMENTS
- (1) The ASFR 430 is produced weekly. It lists all unstarted modules with ASFR calculated tax greater than \$100,000 (tax on stocks and bonds is not included.) This list must be completed weekly. See IRM 5.18.1.6.11.14, *Status 038: Tax Assessments Over \$100,000*.
- 5.18.1.7.3.12
(04-06-2016)
ASFR-433 LIST: Status XXX CHECKLIST
- (1) This list is printed only at management's request. The option for printing this list is available on the manger's menu.
 - (2) The program for producing this list asks for the input of the status code that is desired and the number of entities desired.
 - (3) The program runs in real-time, meaning the program will work for a few minutes to find the modules and format them for printing, then will immediately print the results on the local printer.
 - (4) The printed list will include only the first 1,000 TIN/Entities, according to priority. i.e. When status 031 is requested, the printed list will show the requested modules from Status 031, along with all other modules for this taxpayer (including current Status and follow-up date for each module).
- 5.18.1.7.3.13
(10-01-2005)
ASFR 434 LIST: LISTING OF MODULES BY RECEIPT CYCLE
- (1) This is a real-time list produced by management request from the manager's menu.
 - (2) The program that produces this list will ask for the desired "Establish" cycle-the cycle that the module was created on ASFR. When the cycle is entered, the program will find all modules that arrived on ASFR in the stated cycle and will print them on the list.
 - (3) The list may be useful for diagnosing problems or gathering statistical information.
- 5.18.1.7.3.14
(10-01-2005)
ASFR 435 LIST: LISTING OF MODULES BY ASFR STATUS CODES
- (1) This is a real-time request from the manager's menu.
 - (2) When requested, ASFR will print a listing of all modules in that campus' inventory.
- 5.18.1.7.4
(03-11-2020)
ASFR Prints Statuses and Letter Requests
- (1) The ASFR 9XX status codes represent the issuance of miscellaneous letters, ASFR print requests, an ASFR account address update, and correspondence received subsequent to the issuance of a 90-Day Letter. 9XX statuses do not change the follow-up date of the prior status of a module; they act as history codes on the Tax Module screen. Statuses 9XX will not interrupt normal ASFR module progression.
 - (2) The ASFR letters may be substituted with the appropriate "C" letter.
 - (3) Use Option 10 to input all Status 9XX request, except Status 950 and 990. Use Option 01 to update a module to Status 950. Address changes must be made via CC ENMOD, and will be transmitted to ASFR. See IRM 5.18.1.6.13, *ASFR Tax Module Screen Menu Options*.

Note: If letter is not found on ASFR or the ASFR Archive, the letter may be stored on check Control D.

- 5.18.1.7.4.1
(04-06-2016)
Status 900: PRINT, TDI Account History
- (1) Status 900 prints the information shown on the History screen of a module, including the literal translations on the statuses. See IRM 5.18.1.6.12, *ASFR History Screens*. The print also provides additional module information.
- 5.18.1.7.4.2
(10-01-2005)
Status 902: PRINT, All Case Minors
- (1) Status 902 prints a copy of all case minors, including minors NOT included when calculating the tax on the tax calculation summary.
- 5.18.1.7.4.3
(10-01-2005)
Status 903: PRINT, Case Major
- (1) Status 903 prints the case major.
- 5.18.1.7.4.4
(02-24-2015)
Status 904: PRINT, 30-Day Cover Letter, Page 1
- (1) Status 904 prints Letter 2566, the cover letter sent to taxpayer as part of 30-Day Letter.
- 5.18.1.7.4.5
(10-01-2005)
Status 905: PRINT, Exam Report, Pages 1 and 2
- (1) Status 905 reproduces pages 2 and 3 of the 30-day letter.
- (2) Page 2 is the proposed Tax Calculation Summary.
- (3) Page 3 is the explanation of penalties and interest of the proposed Tax Calculation Summary.
- 5.18.1.7.4.6
(10-01-2005)
Status 906: PRINT, Audit Report, Consent Page
- (1) Status 906 produces page 4 of the taxpayer consent form of the proposed Tax Calculation Summary.
- 5.18.1.7.4.7
(10-01-2005)
Status 907: PRINT, Taxpayer Copy of Case Minors
- (1) Status 907 recreates the set of case minors issued to taxpayer in the 30-Day Letter.
- (2) Status 907 does NOT show case minors coded for non-use in the assessment process.
- 5.18.1.7.4.8
(04-06-2016)
Status 908: PRINT, Copy of Stat Notice
- (1) Status 908 reproduces pages 1 and 2 of the 90-day letter (Letter 3219 and Form 5564).
- (2) Use other print commands (904, 905, 907) to reproduce other parts of 90-day letter.
- Note:** The Control-D system is the official archive for ASFR letters. Control-D copies are the only official letter copies that should be shared.
- 5.18.1.7.4.9
(04-06-2016)
Status 911: LETTER, Taxpayer Reply Acknowledged
- (1) Status 911 requests a 2320C generate from the Correspondex system. Letter 2320C is an interim acknowledgement letter systemically generated when a module is updated to Status 051. The letter can be manually issued by updating the Status on ASFR to 911, or through IDRS using CC LETER. See *CCJA - IDRS Command Code Job Aid*.

5.18.1.7.4.10
(10-01-2005)

**Status 915: LETTER,
Possible Refund Due if
Return Filed**

- (1) Status 915 requests a 2469C generate from the Correspondex system. Letter 2469C informs taxpayer a refund may be due if the return is filed within three years of original due date. Generally, this letter is issued systemically during new module analysis, although it can be manually issued at any point in module processing. The letter can be manually issued by updating the Status on ASFR to 915, or through IDRS using CC LETER.

5.18.1.7.4.11
(10-01-2005)

**Status 950: STAT
NOTICE, Taxpayer
Unagreed/Not Accepted**

- (1) Status 950 is used when correspondence is received and the module is in 90-Day Letter Status 090. Update to Status 950 using Option 2.
- (2) 950 does not change the 090 follow-up date, i.e. the module will move into 104 when the Status 090 follow-up date expires.

5.18.1.7.4.12
(06-27-2023)

**Status 970:PRINT
6020(b) Certification**

- (1) Status 970 generates the 6020(b) Certification, Form 13496. The 6020(b) Certification is required to be included with all administrative files on petitioned cases sent to Appeals and Counsel. The 6020(b) Certification is also included in every default assessment source document. See IRM 5.18.1.9.2.1.4, *Civil Appeal Rights Cases and Cases Docketed in U.S. Tax Court*.

Note: 6020(b) Certification are also available to print from Control D.

5.18.1.7.4.13
(10-01-2005)

**Status 990: Address
Change**

- (1) Status 990 generates whenever the entity section of a Tax Module screen on ASFR is updated. Status 990 serves as a permanent record of the change, the date of change, and the number of the employee inputting the change. Access Option 13 on ASFR to change entity information that is not an address. Address changes must be made to CC ENMOD, and will be transmitted systemically to ASFR.

5.18.1.8
(10-01-2005)

ASFR Reports

- (1) ASFR reports provide data on modules in inventory. ASFR 20X Reports are used to report on ASFR nationally. They should also be used by management to ensure goals will be realized and to determine if there are any processing issues. These are management reports, and should only be used by management, analysts and functional coordinators.

5.18.1.8.1
(12-09-2014)

**ASFR 200 REPORT:
WEEKLY MIS REPORT**

- (1) ASFR generates the ASFR 200 Report when weekly processing is completed. The list shows ASFR's receipts, closings and ending inventory. Includes only TDI closures. Does not count transfers to ACS or the field as closures.
- (2) Parts I and II provide quick overviews of ASFR's Status and points out key areas of achievement or potential problems.
- (3) Part III, CLOSURE DETAILS, is a count of modules moved into Status 109 during the past week, and their prior Status. It is the source of ASFR closures.
- (4) Part IV, Status 109 Reassigned Closure Details - Reassigned to another function.
- (5) Part V, Workable Module Inventory- Unstarted and Started cases by status.
- (6) Part VI, NON-WORKABLE INVENTORY, is a count of modules in statuses that the system cannot process.

- (7) Part VII, PRE-CLOSURE INVENTORY, provides details about modules in Statuses which, when worked, provide closures from ASFR. Modules in these categories eventually move to Status 109 and to PART III where ASFR provides actual closing credit.
- (8) Part VIII, Other Module INVENTORY, provides details about modules in statuses that have dropped off the data base during that week's processing.

5.18.1.8.2
(06-27-2023)

**ASFR 201 REPORT:
INVENTORY BY
PRIORITY REPORT**

- (1) ASFR generates the ASFR 201 Report when weekly processing is completed. This report shows the volumes of modules in the priority 0 through 4 and 5-8 in all status codes.

ASFR Priority Chart

Priority	Literal
0	All tax years that are refund hold
-	High Income Non Filer (HINF)
2	Federal Employee/Retiree Delinquency Initiative (FERDI)
3	Current Tax Year (2021)
4	Current Tax Year -1
5	Current Tax Year -2
6	Current Tax Year -3
7	Current Tax Year -4
8	All other tax years

- (2) Management should review the ASFR 201 Report weekly to ensure that certain statuses that require manual intervention are being worked, and to ensure that only current viable statuses are being used.

5.18.1.8.3
(10-01-2005)

**ASFR 203 REPORT:
30-DAY LETTER
PROGRAM
REPORT—COLLECTION**

- (1) ASFR generates the ASFR 203 Report when weekly processing is completed. This list shows the volume of modules that were sent for TIF check 1 during that week's processing, the volume of audit reports generated, and the volume of modules that moved into certain statuses.

5.18.1.8.4
(10-01-2005)

**ASFR 204 REPORT:
IDRS RESEARCH
SUMMARY REPORT**

- (1) ASFR generates the ASFR 204 Report when weekly processing is completed. This list shows the results of the TIF checks on modules sent the prior week and the volume of modules sent for TIF checks the current week.
- (2) The count from page 3 of this report should match the "Total records sent for research" from prior week's report.

If	Then
Page 2 report "TOTAL records sent for research" for week 1 equals 15,544	Next week the number of "Total records processed" on page 2 should show 15,544.

- (3) Management should analyze this report for unusual data. It is possible to discover processing problems. Notify HQ if any processing problems are discovered.

Example: An example below.

If	Then
A great volume of modules failed TIF check or no analysis was performed	Management should try to determine the reason, and contact HQ for resolution.

5.18.1.8.5
(05-19-2009)
**ASFR 206 Report:
Analyst Summary
Report**

- (1) This report is generated when ASFR weekly processing is completed. The list indicates the number of overage modules by status, the number of overage modules in closing statuses, and the total number of cases in ASFR listings.
- (2) This list is used as a monitoring tool for both management and HQ Analysts.

5.18.1.8.6
(10-01-2005)
**ASFR 211 REPORT:
STATUS CODES IN USE**

- (1) This report is generated by the ASFR system at the request of a manager. It lists all status codes currently in use, along with the literal meaning of the status code and the follow-up date value that the system uses each time that Status code is entered on a module.

5.18.1.9
(09-11-2025)
Taxpayer Responses

- (1) Taxpayer responses include telephone inquiries, filed returns and written correspondence. The response may be in response to a 30-Day Letter, 90-Day Letter, or a default assessment.
- (2) The Document Upload Tool (DUT) is an application on IRS.gov where taxpayers can upload documentation they are requested or required to provide; by using a onetime use only Unique Access Code (10-digit alphanumeric code provided by and IRS employee). The DUT provides with an option to receive documentation from taxpayers in real time while on the phone. It also provides taxpayers with an alternative method to provide documentation securely to the requesting employee. Wherever e-fax is referenced as an acceptable means of securing documents throughout IRM 5.18.1 the DUT will also be acceptable, when available.
- (3) If taxpayers have the necessary documents available while on the telephone, inform them they may submit the documents to you using DUT by following the steps below:
1. Generate a Unique Access Code.
 2. Provide the taxpayer the Unique Access Code and URL to the *DUT site*.

Note: Only documents with the following file extensions can be uploaded; .pdf, .jpg, .jpeg and .png. Multiple files can be uploaded, up to a maximum size of 15 mb per file/document.

3. Advise the taxpayer they should read and follow the screen prompts.
4. The files are available immediately by the requesting employee and will be date and time stamped.

5.18.1.9.1
(06-27-2023)
**Taxpayer Telephone
Inquiries**

- (1) When responding to telephone inquiries, disclose no tax return information until reasonably certain the person making the inquiry is the taxpayer or his/her authorized representative. For complete disclosure information, see IRM 21.1.3.2, *General Disclosure Guidelines*, and IRM 21.1.3.3.2, *Oral Disclosure Consent/ Oral TIA (Paperless F8821)*. See example below of dialog that includes appropriate authentication procedures:

- “Internal Revenue Service. Mrs./Mr./Ms. speaking. My identification number is XX-XXXX. How may I help you?”

Note: Smart ID wearers - use all 10 digits of the Personal Identification (PID) Number.

- For verification purposes “May I have your name, Social Security Number and the tax year in question?”
- “In order to protect your privacy, I must ask you the following questions”:
- “May I have your complete mailing address including city, state and zip code?”
- “May I have your date of birth?”
- “How may I assist your today?”

- (2) While you have the taxpayer on the phone, advise them to file a return(s) for any year with an open TDI. (TDI indicator on the module is “1”).

Note: You may refer to See IRM 5.18.1.3.2, *ASFR Criteria*, for TDI modules that have met ASFR criteria.

- (3) During conversation, request if necessary, based on module or account information posted to IDRS:
 - Type and Date of Notice Received
 - Amount of adjustments, refund, payment, or return
- (4) Always verify the telephone number(s) posted to ENMOD with the taxpayer. Update, and/or delete telephone number(s) as appropriate using CCs: TELEC, or TELED. If no telephone number is posted to ENMOD, request the telephone number from the taxpayer. Add secured telephone number(s) using CC: TELEA.
- (5) During the telephone contact:

If	Then
The caller cannot verify that he or she is the taxpayer,	Tell the caller to call back with the necessary information.
The caller says he or she cannot obtain the information,	Tell the caller an IRS written reply will be mailed to taxpayer's address of record.
<p>The taxpayer gives oral authorization for a Tax Examiner to speak to a third party, and the requirements for oral authorization are met,</p> <p>Note: Follow guidelines in IRM 11.3.3.3.2, <i>Requirements for Oral Authorization</i>.</p>	<p>Disclose return information limited to the information covered in the verbal consent, where the disclosure will help resolve the tax issue.</p> <p>Record "Oral Disclosure Consent" on AMS; include the first and last name, and the telephone number of the party who the taxpayer gave oral authority to.</p> <p>Note: Oral authorization is not considered a third party contact per IRM 5.18.1.9.2.3.12, <i>Third Party Contact</i>.</p> <p>Note: Do not confuse Oral Authority with Power of Attorney. Parties with Oral Authority cannot represent the taxpayer or enter into agreements on behalf of the taxpayer.</p>
The taxpayer states they would like the 30 day letter sent to them in Spanish.	Select Option 29 from the ASFR menu and update as indicated with "S" for Spanish. Then update status to Status 032 which will issue a new 30 day letter.

Note: Information may always be accepted from third parties. However, no information may be disclosed without the proper authority.

5.18.1.9.1.1
(03-11-2020)
**Typical Telephone
Inquiries**

- (1) The following is a list of routine telephone inquiries, and guidelines on how to respond. Refer to IRM 21.1.3.3.2, *Oral Disclosure Consent/Oral TIA*, for Oral Disclosure Consent instructions.

Inquiry	Response
Need Income information	Send IRP including spousal information if authority is granted by spouse

Inquiry	Response
Need More Time to File	If 90-Day Letter has not been issued, explain the taxpayer has additional time up to the current ASFR 30-day follow up date. If a 90-Day Letter has been issued, explain an extension cannot be granted once the 90-Day Letter has been issued and encourage the taxpayer to file as soon as possible. Remind the taxpayer a petition may be filed with the Tax Court if he/she disagrees with the 90-Day Letter, but it is limited by the dates listed on the letter.
Filed jointly with spouse	Research IDRS for fact of filing. If a joint return was filed, close the case per IRM 5.18.1.9.2.3.14.2, <i>Filed Jointly</i> . If a return was not filed, request a signed copy mailed to the appropriate ASFR address.
Doesn't understand the 90-Day Letter	Explain that the 90-Day Letter is the legal requirement for assessment of tax when a taxpayer fails to file a return. Tell the taxpayer that if they are planning on filing a return and/or if they have no issues they want heard by the Court, they should file a return or submit an explanation as to why they are not required to file to the ASFR address on the letter they received. However, also explain that filing with the IRS does not extend the period for petitioning. They may ask if they should petition to protect their rights. Do not advise the taxpayer on whether to petition or not. Educate them on the choices available. Tell them that if they petition, the ASFR function will no longer handle the case and we will not be able to answer any of their questions. If the taxpayer has petitioned and calls, research the Appeals Customer Service and Outreach Officers posted on SERP for the correct Appeals contact and number.

Inquiry	Response
Taxpayer alleges identity has been stolen or they may be a victim of identity theft	<p>Explain that substantiation documentation is required in cases of identity theft; required documentation can be found in IRM 5.18.1.9.2.3.14.5, <i>Identity Theft</i>.</p> <p>Explain he/she has 30 days in which to provide the substantiation documentation (case will be suspended for 45 days).</p> <p>Explain Warning of Enforcement Action (WOEA), ASFR process will continue if no documentation is received.</p> <ol style="list-style-type: none"> 1. Update to Status 086 "Suspend ASFR- possible Identity Theft" 2. Input TC 971 AC 522 SBSE ASFR PNDCLM in the ENMOD, as applicable. <p>Note: Do not update to ST 086 if a 90-Day Letter has been issued.</p>

Note: Regardless of filing status, answer the TP inquiry and advise the TP of the appropriate campus address for return filing.

- (2) Make every attempt to input information given by the taxpayer to IDRS, and AMS, while you have the taxpayer on the phone. When asking the TP to file a return, remind them to use their "Current "mailing address. This will ensure that all required information is secured and updated. Explain to the taxpayer that you are updating their account and it may take a few moments. Inquire if they mind holding on while you input. If the taxpayer does not want to stay on the line, do not put them on hold. If you place the taxpayer on hold, thank the caller for holding when you return to the call.

5.18.1.9.1.2
(04-06-2016)
Third-Party Calls

- (1) IRM 11.3.3.3.2, *Requirements for Oral Authorization*, lists the requirements for oral authorization. A taxpayer may give verbal consent to disclose return information to parties assisting the taxpayer in a federal tax matter.

5.18.1.9.1.3
(03-11-2020)
Potentially Dangerous Taxpayer (PDT) and Caution Upon Contact (CAU)

- (1) A Potentially Dangerous Taxpayer (PDT) and Caution Upon Contact (CAU) system identifies taxpayers who may pose a threat to the safety of IRS employees. The Office of Employee Protection (OEP) is responsible for maintaining the Employee Protection System (EPS) Database, which identifies Potentially Dangerous Taxpayers (PDT) and Caution Upon Contact (CAU) taxpayers, who may pose a threat to the safety of IRS employees, whose official duties require personal contact with taxpayers. See IRM 21.1.3.11, *Potentially Dangerous (PDT) or Caution Upon Contact (CAU) Indicators*, for more information on each designation and current procedures for working PDT or CAU cases.
- (2) There are specific directives on reporting PDT or CAU cases to the OEP. See IRM 25.4.1.3, *Reporting to TIGTA*, or IRM 25.4.2.1.3.2, *IRS Employee's Role*.

5.18.1.9.2
(06-27-2023)
**Taxpayer Responses,
Returns and
Correspondence**

- (3) You can ascertain that a taxpayer has been designated as potentially dangerous by an indicator. The PDT or CAU indicator will appear in the upper right-hand section of the IDRS system display.
- (4) Additional guidance can be found in IRM 25.4.1, *Potentially Dangerous Taxpayer*, and IRM 25.4.2, *Caution Upon Contact Taxpayer*.

- (1) When forwarding returns and correspondence to ASFR functions, review the following to ensure returns are routed to the correct campus:
 - TC 971 AC 143 Posted on IDRS or
 - TC 150 showing \$.00 tax and the TC 150 DLN shows tax class 2, document code 10, and Julian date 887
 - File Location Code (FLC) for the TC 150 DLN or the TC 971 AC 143 is 18 (Austin), 19 (Brookhaven), or 89 (Fresno)

Note: If the TC 150 DLN has a Julian date of 888, the module is an Examination SFR, and not an ASFR. Do not route to ASFR.

- (2) Route ASFR taxpayer responses according to the FLC of the TC 150 DLN, to the following addresses.

Campus	Mailing Address	Private Delivery Service (POS) Mailing
FLC = 18 (Austin)	Internal Revenue Service ASFR Unit P.O. Box 149338 Austin, TX 78714-9338	Internal Revenue Service ASFR Unit Stop 5501 Austin, TX 78714
FLC = 19 (Brookhaven)	Internal Revenue Service ASFR Unit P.O. Box 9013 Holtsville, NY 11742-9013	Internal Revenue Service ASFR Unit Stop 654 Holtsville, NY 11742
FLC = 89 (Fresno)	Internal Revenue Service ASFR Unit P.O. Box 24015 Fresno, CA 93779-4015	Internal Revenue Service ASFR Unit Stop 81105 Fresno, CA 93779

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- (4) ASFR employees will process all taxpayer responses according to the following instructions.

5.18.1.9.2.1
(06-27-2023)
**Clerical Screening of
Taxpayer Responses
(Incoming Mail)**

- (1) Before assigning a response to a tax examiner, the response must be re-searched and properly updated. Follow the guidelines below upon receipt of a response.
- (2) Upon receipt, all incoming mail must be counted and date stamped.
- (3) Sort mail into ASFR, unidentifiable and ASFR Reconsiderations. Sorting does not include any screening of IDRS or ASFR.
 - ASFR Mail is mail that can be visually identified as a response to an open ASFR module. Look for attached ASFR correspondence or any other indication that the module is still open on ASFR.
 - Unidentifiable Mail is mail that by visually scanning, cannot be identified as either an ASFR or ASFR Reconsideration response.
 - ASFR Reconsideration Mail is mail that can be visually identified as an ASFR Reconsideration. Look for attached ASFR correspondence with old dates, an attached CP36Z, a Form 3870, the year of the return or any other indication to help determine if the response is a Reconsideration.
- (4) Follow IRM 5.18.1.9.2.1.1, **Clerical Screening of ASFR and Unidentifiable Mail**, for ASFR and unidentifiable mail. And follow IRM 5.18.1.9.2.1.2, **Clerical Procedures for Screening Reconsiderations and Unidentifiable Receipts**, for ASFR Reconsiderations.
- (5) Each Campus is required to establish clerical procedures that ensure that all ASFR taxpayer responses are updated on ASFR and/or IDRS as soon as identified. All ASFR responses must be controlled to IDRS with the earliest IRS received date.

Note: Take care to research both social security numbers on a joint return for ASFR issues.

Caution: Never control a return to a tax examiner when an imminent or expired ASER has been identified. Immediately give returns with an imminent or expired ASER to the Statute Coordinator. See IRM 5.18.1.9.2.3.16.2, *Assessment Statute Expiration Date (ASER)*.

- (6) All ASFR and ASFR Reconsideration receipts must be batched on AMS using the earliest IRS received date. AMS batching is currently used to control ASFR cases to IDRS.
- (7) When ASFR secures a Form 14039 these responses should be sorted and
- (8) Each Campus must use AMS as an inventory control system to ensure the oldest responses are worked first, and that IRM 3.30.123, *Processing Timeliness: Cycles, Criteria and Critical Dates*, Guidelines are met.

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5.18.1.9.2.1.1
(03-11-2020)
**Clerical Screening of
ASFR and Unidentifiable
Mail**

- (1) Research all TINs on ASFR, both primary and secondary, found on any submitted return or correspondence and on any IRS correspondence attached.
- (2) If any TIN is on ASFR, follow If and Then chart below if not, follow IRM 5.18.1.9.2.1.2, *Clerical Procedures for Screening Reconsiderations and Unidentifiable Receipts*.

- (3) Research ASFR for Paper indicators. If found, retrieve any backup associated with the module.
- (4) The following table provides guidance for screening taxpayer responses:

If	Then
Correspondence is received during the 30 Day letter process	Update ASFR to Status 051. Note: If the module is already in response status, research IDRS for the employee and route response to the employee working the module per local guidelines.
Correspondence is received during the 90 Day letter process	Update ASFR to Status 950. Note: If the module is already in response status, research IDRS for the employee and route response to the employee working the module per local guidelines.
A return is received and the 30 - Day letter has not been issued	Update ASFR to Status 061.
A return is received and a 30 - Day letter has not been issued and the account is for the secondary taxpayer	Update ASFR to 073. Note: Do not update to Status 109 after updating to 073.

If	Then
A return is received during the 30 - Day letter process	Update ASFR to Status 093, even if the return is to be transhipped. Post a history item on IDRS and ASFR indicating where the return has been transhipped. When updating ASFR, if the entry is made to line 3 of the comments, the literal will appear on the ASFR 424 - No Activity list which will assist in the working of Status 093 cases. Note: If the module is already in response status, research IDRS for the employee and route response to the employee working the module per local guidelines.
A return is received during the 90 - Day letter process	Update ASFR to Status 093, even if the return is to be transhipped. Post a history item on IDRS on IDRS indicating where the return has been transhipped. Note: If the module is already in response status, research IDRS for the employee and route response to the employee working the module per local guidelines.

Note: Do not update any module to status 093, 051 or 950 when the current status is a closure status, i.e. 10X; bring the case to a lead or a manager.

5.18.1.9.2.1.1.1
(02-24-2015)

Refund Hold Responses

- (1) If a response is received on a module with "REFUND HOLD" flashing on the Tax Module Screen, batch separately from other ASFR returns.
- (2) ASFR Refund Hold returns should be worked within 45 days of the IRS received date.

5.18.1.9.2.1.1.2
(09-11-2025)

Clerical Procedures for Screening Reconsiderations and Unidentifiable Receipts

- (1) All ASFR Reconsiderations, and Unidentifiable receipts that are not on the ASFR system, must be researched on IDRS.
- (2) To determine if the return or correspondence received is an ASFR Reconsideration, research IDRS for the following transaction codes. All must be present if the response is an ASFR Reconsideration.

- TC Dummy 150

- TC 494
- TC 495
- TC 290 (tax assessment)
- TC 599 CC 088

IF	Then
<p>The return is an amended return, there is a previously posted TC 29X and/or a TC 599, cc 089, and the tax on the return does not match the tax posted to IDRS,</p> <p>Caution: Verify that the ASER is not expired or imminent. If expired or imminent, bring return immediately to manager or Statute Coordinator.</p>	<p>Route the return to the Adjustment Operation</p>
<p>There is a -L freeze and a TC 290 on the module</p>	<p>Batch to AMS per normal reconsideration clerical procedures. Do Not input TC 470 on these accounts.</p>
<p>The module has not been assessed with a TC 300 and a TC 420 is present with a subsequent TC 421 (module no longer has a -L freeze)</p>	<p>Check ASFR, if open on ASFR update to Status 064 and route to the IMF AM site where the TC 976 posted; if there is not a TC 976, route to IMF AM in your SC for processing. Per IRM 21.5.3.4.10.1, <i>Non-Filer Reject Returns</i>.</p> <p>Note: The tax class and document type of the DLN will be 210 with a Julian date of 887, the Julian date for Exam SFR is 888.</p>
<p>The return received is a true duplicate (the TXI, AGI, TAX and all other reference numbers posted to IDRS match the return)</p>	<p>If tax return contains a DLN, give to manager or lead for input of a TC 290 for .00. If tax return does not contain a DLN place in classified waste bin.</p> <p>Note: Ensure there is no correspondence attached to the return that needs to be addressed.</p>

IF	Then
The TC 150 is not an ASFR dummy return, (Note: If a joint return is received, this must apply to both TINs.)	Route case to the Adjustment Operation.
The TC 150 is not an ASFR dummy return and a TC 922 is posted to the module,	Route return to the AUR Operation

- (3) Collection and Enforcement must be suspended upon receipt of an ASFR Reconsideration. Input a TC 470 closing code 93 on all ASFR Reconsideration returns, including transshipped returns.

Exception: Collection Status codes 12, 60, 71,72 should not have a TC 470 input.

Exception: For Field Collection (FC) electronic mailbox and Form 3870 Field referrals take appropriate action to suspend enforcement.

- (4) If the ASFR Reconsideration is a joint return and the ASFR taxpayer is the secondary taxpayer on the return, do not batch it or assign it to be worked by ASFR. Forward the return to Submission Processing. An ASFR Recon transcript will generate when the return posts under the primary SSN, and the ASFR Reconsideration will be worked at that time.
- (5) Anytime a case or correspondence is routed out of the unit, input a history item on AMS and prepare a Form 3210 with acknowledgement copy filed.
- (6) Below is a list of Commonly Used Transaction codes (see Document 6209 for a comprehensive list):

Commonly Used Transaction Codes
TC 140 - TDI Notice
TC 150 - Tax Return- An ASFR dummy can be identified by a XX210-887 DLN with the literal SFR to the right of the DLN on TXMODA. All other TC 150s posted to IDRS are actual returns
TC 166 - Delinquent Penalty
TC 170 - Estimated Tax Penalty
TC 171 - Abatement of Estimated Tax Penalty
TC 196 - Assessed Interest
TC 276 -Assessed Failure to Pay Tax Penalty
TC 290 - Additional tax assessment
TC 291 - Abatement of tax
TC 300 - Additional tax assessed by Exam
TC 301 - Abatement of exam assessed tax

Commonly Used Transaction Codes
TC 420 - Exam Indicator
TC 421 - Reversal of TC 420
TC 460 - Extension to File
TC 474 - Manual TDI Notice
TC 494 - 90-Day Letter issued
TC 495 - Reversal of TC 494
TC 570 - Freezes credit on a tax module
TC 582 - Tax Lien Indicator
TC 590 - Taxpayer not liable to file a return for the tax period
TC 591 - Taxpayer is not liable to file return for the tax period and subsequent periods
TC 592 - reverses any TC 59X on the module
TC 593 - Unable to locate taxpayer
TC 599 - Return secured
TC 610 - Payment received with return
TC 670 - Payments
TC 710 - Credit Elect
TC 806 - Withholding tax and/or Excess FICA
TC 960 - Power-of-attorney
TC 971 - Posted miscellaneous transaction
TC 976 - Posted duplicate return
TC 977 - Amended return posted

- (7) If the response is not an ASFR Reconsideration, IDRS research must be performed to determine where to route the response:

If	Then
Correspondence requests abatement or waiver of penalties,	Route to the Adjustment Operation.
If taxpayer can't pay, won't pay, wants to pay or is requesting an installment agreement,	Route to CSCO Balance Due. Per state mapping which can be found on SERP Who/Where tab for Collection Payment/Addresses/Issues.

If	Then
If the correspondence is in reference to Backup Withholding - C (BWH-C) program (meaning- underreported interest/dividends or non-filing of return with interest/dividend income) or CP 531, 538, 539, 540, 541 or 542	Route per IRM 5.19.2.6.4.4, <i>Backup Withholding - C (BWH-C) Inquiries</i> .
If correspondence is in reference to a bankruptcy, TC 520, or -V freeze,	Route to CSCO Balance Due.
If correspondence is in reference to a Z freeze,	Route to Criminal Investigation Branch using Form 3210.
If correspondence indicates that the taxpayer is a frivolous filer, see IRM 5.18.1.9.2.3.14.10, <i>Frivolous Filers</i> .	Route to FRP, 1973 N. Rulon White Road, Ogden, Utah 84201, ATTN: Mail Stop 4450. WI route to FRP
If the TP responds to a 105C letter, requesting an Appeal	Route the case to Appeals after following procedures in IRM 5.18.1.9.2.1.4, <i>Appeals Case Building</i> .
If the TP responds to a 105C letter with any other information	Route the case to Adjustments

5.18.1.9.2.1.3
(04-06-2016)
**Correspondence
Attached to Returns**

- (1) If correspondence attached to the return is not related to the return, nor any other ASFR issue, route the correspondence to the appropriate area.
- (2) If the taxpayer is requesting an installment agreement, route the request to CSCO per local procedures.
- (3) If there is a Form 2848 attached, route the original to the appropriate CAF team as soon as possible, but no later than 24 hours after discovering the form. Keep a photocopy of Form 2848 with the case and notate copy on the top of the form.

5.18.1.9.2.1.4
(03-11-2020)
**Civil Appeal Rights
Cases and Cases
Docketed in U.S. Tax
Court**

- (1) If in response to a 90-Day Letter, a taxpayer petitions the Tax Court, the case must be adjudicated by the Court. ASFR processing must not continue. In order to identify taxpayers who have petitioned the Court, the Office of Chief Counsel generates Docket Lists.
- (2) Campuses receive Docket Lists electronically via E-mail. Any transmission of these listings must be sent secured. The docket lists contain the following:
 - Docket Number
 - Name and address of petitioner (taxpayer)
 - TIN (Taxpayer Identification Number)
 - Tax year
 - Name of office issuing notice of deficiency

- Date of notice of deficiency
- (3) Each docketed case must be reviewed to determine if the 90-Day Letter was issued by ASFR. Each Campus is responsible for all petitioned cases that reside in their inventory. Actions must be taken within 5 days of receipt of the docket list. If the 90-Day Letter was issued by ASFR, follow the steps below:
1. Manually update the module to Status 074 on ASFR.
- Note:** When the module is updated to Status 074 ASFR will systemically request the TC 150, TC 595 CC 088 and a TC 495 if the module contains a TC 494.
2. Prepare an Administrative File. This file must include the following ASFR prints, 902, 903, 904, 905, 906, 908 and 970, all associated backup, i.e. taxpayer responses or returns, and a current TXMODA print. Ensure that all prints are legible.
- Note:** Print 970 is the ASFR version of Form 13496. Form 13496 ensures that FTP penalties on SFRs are sustained on petitioned cases. See IRM 20.1.2.3.10.2, *Processing When Deficiency Procedures Do Not Apply*, for additional information on Form 13496.
3. Prepare Form 3210 Document Transmittal and route Administrative File to the appropriate Appeals Office. Use SERP Who/where Tab "Link to Appeals Case Routing" for current Appeal Office addresses and routing instructions.
 4. Input a history item on IDRS.
- (4) Maintain suspense file of Administrative Files and Forms 3210 forwarded to Appeals for one year. If a receipt copy (Part 3) has not been received from the Appeals Office to which the file was forwarded, within 10 days from mailing date, contact Appeals to verify receipt of the file. Appeals employees have been instructed to acknowledge and return Form 3210 within five (5) days of receipt.
- Note:** For docketed cases, contact the assigned Area Counsel immediately for instructions if an ASFR assessment has already been made. Notate on Form 3210 instructions from Counsel regarding the assessment and any action taken.

5.18.1.9.2.1.4.1
(06-27-2023)

Appeals Case Building

- (1) If the taxpayer sends correspondence or replies to a 105C letter requesting an Appeal an administrative file must be created and routed to Appeals, this is known as Case Building. There are several documents which make up the administrative file, some of which may need to be requested from files. When building the case file include the following:
- a. Taxpayer original return (Request from files via ESTAB, if an original return was filed)
 - b. Original audit adjustment
 - c. Audit Report(s)
 - d. Audit Reconsideration Adjustment (if reply to audit recon disallowance)
 - e. Taxpayer Correspondence
 - f. Letters; Initial contact, 30-Day
 - g. Statutory Notice of Deficiency, 90-Day
 - h. IDRS research
- (2) Close your control on IDRS. Open a control to the Appeals generic control (6610000000) by IDRS CC ESTABDT indicating case was routed to Appeals.

- (3) Administrative files must be routed to the proper Appeals office. Consult the Appeals website for case routing addresses and instructions using the link provided, *Case Routing*.
- (4) Prepare Form 3210 for routing Administrative Files to Appeals.

5.18.1.9.2.1.4.2
(12-13-2017)

Appeals Request for Review

- (1) Appeals may forward a request for assistance to the ASFR Appeals Coordinator via Form 14361, *Docketed Examination Assistance Request - Jurisdiction Not Released*, or Form 14362, *Docketed Examination Assistance Issues and Results*.
- (2) Form 14361 requests ASFR agreement to review an issue. ASFR will receive the form and perform research to ensure the issue is an ASFR issue and not an Examination SFR issue. Research should be performed on IDRS and the ASFR system for transactions indicating the issue belongs to ASFR. See IRM 5.18.1.9.2.1.4.3, *Referrals from Appeals for Credit Issues*, for ASFR and SFR transactions. If research verifies the issue is ASFR, agreement to review the case should be returned to the Appeals contact identified on Form 14361. Appeals will forward the appropriate form for review.

Note: Do not process a tax return if it is included with Form 14361.

- (3) Form 14362 is submitted with a tax return for ASFR review. ASFR will assign an employee to review the return and provide comment for any processing issues ASFR would address during case perfection for a filed tax return. Do not process the return. Issues may include, but are not limited to:
 - Math Errors
 - Unreported Income
 - Inappropriate credits claimed
 - Expired ASER when a joint return is filed and the spouse previously filed a return

5.18.1.9.2.1.4.3
(06-27-2023)

Referrals from Appeals for Credit Issues

- (1) ASFR makes determinations on whether a refund can be allowed according to the RSED, Refund Statute Expiration Date. Appeals may receive new information from a taxpayer showing the return was filed timely to receive the refund.
- (2) Appeals will return the case to ASFR when a “timely” determination has been made.
- (3) ASFR will:
 - Review the Appeals determination for any additional comments.
 - Make the adjustment to release the appropriate refund amount, treating the Appeals documentation as a source document.
 - Notify the Appeals function the action has been completed.
- (4) Appeals may refer unresolved -D freeze issues to ASFR if they have not been resolved by ASFR within 45 days. Appeals will identify an ASFR using TC 150 with the following DLN characteristics:
 - Tax class and document code of “210”
 - Julian date of “887”
 - “SFR” literal at the right of the DLN

Note: A Julian date of “888” is an Exam SFR module, and is not ASFR.

- (5) Appeals will route the request to the ASFR campus where the adjustment was input:
- Use TC 29X Campus File Location Code (first two digits of TC 29X DLN) to identify the correct ASFR campus
 - Notate “-D freeze Resolution Request” on the Form 4442 or Form 3210 referral document

TC 29X DLN begins with:	Mailing Address	Private Delivery Service Point of Service (POS) Mailing
18 (Austin)	Internal Revenue Service, ASFR Unit P.O. Box 149338 Austin, TX 78714-9338	Internal Revenue Service ASFR Unit, Stop 5501 Austin, TX 78714
19 (Brookhaven)	Internal Revenue Service, ASFR Unit PO Box 9013 Holtsville, NY 11742-9013	Internal Revenue Service ASFR Unit, Stop 654 Holtsville, NY 11742
89 (Fresno)	Internal Revenue Service, ASFR Unit P.O. Box 24015 Fresno, CA 93779	Internal Revenue Service ASFR Unit, Stop 81105 Fresno, CA 93779

5.18.1.9.2.2
(03-11-2020)
Undeliverable Mail

- (1) Taxpayers have a right to receive information concerning any federal taxes assessed against them. The IRS is required to exercise due diligence to find and use taxpayer’s correct address.

Note: A taxpayer could challenge an assessment in the appeals process or in the courts if the IRS did not attempt to locate taxpayer’s correct address.

- (2) ASFR undeliverables are processed through the Address Research (ADR) system. See IRM 5.18.1.6.9.2, *Address Research through ASFR*. ASFR documents research using appropriate Statuses. This ensures the assessment documents contain a complete audit trail. See IRM 5.18.1.6.11.65, *Status 342: Undeliverable Mail Research*.
- (3) On the ASFR system two files contain taxpayer address information to ensure the 90-Day Letter is always sent to the Master File address. Flexibility exists to also send the letter to alternate addresses found during address research. The two files are:
- The 90-day file – can only be updated/changed through a change on Master File.
 - The identity file – can be updated by anyone using the ASFR system.

(4) There are four types of undeliverables:

- “U” coded TDIs (delinquency notice returned undelivered)
- Undelivered 30-Day Letters
- Undelivered 90-Day Letters
- Undeliverable correspondex letters

5.18.1.9.2.2.1
(04-06-2016)

ASFR Address Research

- (1) During weekly ASFR processing, data on modules in Status 342 is sent to the ADR system for address research.
- (2) Module moves to ASFR Status 342 to indicate that ADR research is requested.
- (3) When ADR returns a new address:
 - a. ASFR Address is updated.
 - b. History record is updated with appropriate Status code.
 - c. Module is moved to Status 030 with an expired follow-up date or to Status 031.

Note: If mail is returned indicating that the TP is deceased, or any other information is written on the envelope, consider the returned mail correspondence. Follow correspondence procedures. See IRM 5.18.1.9.2.1.1, *Clerical Screening of ASFR and Undeliverable Mail*.

5.18.1.9.2.2.2
(06-27-2023)

Undelivered 30-Day Letter

- (1) If a 30-Day Letter address correction requested envelope is returned:

If	Then
Undeliverable has yellow label which shows a forwarding address from the U.S. Postal Service (USPS),	<ol style="list-style-type: none"> 1. Update address on IDRS. 2. Input paper indicator 3 on ASFR. See IRM 5.18.1.6.14, <i>Paper Indicators</i>. 3. Update all tax years with the same mail out date to status 031 (date of status 030).
The yellow label from USPS shows a new address and a name change	Perform research using CC ENMOD or IMFOLE to verify the information is the same taxpayer.
Verification shows it is the same taxpayer,	<ol style="list-style-type: none"> 1. Update address on IDRS. Note: Only update name change if it is a typo, otherwise, leave name as is. 2. Input paper indicator 3 on ASFR. See IRM 5.18.1.6.14, <i>Paper Indicators</i>. 3. Update Status to 031.

If	Then
Verification shows it is NOT the same taxpayer or you are unsure,	<ol style="list-style-type: none"> 1. Move module to Status 040 for ADR research. During weekly ASFR processing, Status 040 cases will be moved to Status 342 to indicate that ADR research is underway. Note: Do not update modules with Refund Hold indicator to Status 040. Continue the ASFR. 2. Input paper indicator 3 on ASFR. See IRM 5.18.1.6.14, <i>Paper Indicators</i>.
Response from the Post Office does not show a new address and ADR has not been done,	<p>Update module to Status 040 to initiate ADR research, cases will be moved systemically to Status 342 to indicate that ADR research is underway.</p> <p>Note: Do not update modules with a Refund Hold indicator to status 040. Continue the ASFR.</p> <p>Input paper indicator 3 on ASFR. See IRM 5.18.1.6.14, <i>Paper Indicators</i>.</p>

- (2) Destroy the undelivered 30-Day Letter after taking the appropriate actions outlined in item (1) above.

5.18.1.9.2.2.3

(03-11-2020)

Undelivered 90-Day Letter (Statutory Notice of Deficiency)

- (1) Statutory notices of deficiency, 90-Day Letters, are sent by certified or registered mail. Modules are updated to Status 090 on ASFR once the letter is sent.

Note: Do not initiate ADR once a 90- Day Letter has been sent.

- (2) 90-Day Letters returned to the clerical unit marked unclaimed or refused indicates that the taxpayer lives at that address but did not pick up or accept our letter. Use menu Option 27 on the individual taxpayer screen to input a paper indicator U and systemically post TC 971 with AC 520 (Unclaimed ASFR 90-Day Letter) on IDRS. Option 27 is only to be used on Unclaimed ASFR 90-Day Letters that have not defaulted. After the module is updated with option 27, place the unclaimed letter in Classified Waste (CW).
- (3) If the statutory notice is undelivered at the Master File address and the Post Office does not provide a new address, allow ASFR to assess tax at the end of
- (4) If the statutory notice is undelivered and the USPS yellow label provides a new address, update the address on IDRS. Input a paper indicator 9 for the undelivered 90-Day Letter. Indicate the undelivered address in the ASFR and AMS

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comments screen. Key Techs can update the account to Status 030 with an expired follow-up date, this will systemically generate a 90-Day Letter for issuance.

Note: If you are unsure the USPS yellow label is for the same taxpayer, perform research using (CC) ENMOD or IMFOLE. If still uncertain, follow procedures in item (3) above.

(5) Retain all 90-Day Letters that are undelivered due to an address issue. Monitor for a TC 290 assessment to post to the module.

- If the taxpayer files a return, associate the undelivered 90-Day Letter with the source document.
- If the TC 290 is a default assessment, indicated by TC 599 with closing code 088, input TC 290 for \$.00 using blocking series 05 to file the undelivered 90-Day Letter.

Note: Do not retain refused or unclaimed 90-Day Letters once all actions above in (2) are taken.

(6) For Power of Attorney (POA) UD Mail- If there is a USPS yellow label, check CC CFINK to validate the POA's name and address. If CFINK address is older or not updated from the address shown on the yellow label, route POA UD mail on Form 3210, Document Transmittal, to the appropriate centralized CAF site. Indicate on the Form 3210, "Update POA address based on USPS yellow label per Rev. Proc. 2001-18 Section 4.06." Update AMS comments as appropriate. Destroy all other POA UD Mail that has no USPS yellow label.

Note: Refer to SERP under Who/Where tab and click on CAF contacts to find the appropriate CAF site to route the Form 3210 and UD Mail.

5.18.1.9.2.2.4
(10-01-2005)
**Undeliverable
Correspondex Letters**

(1) Route to the tax examiner who issued the correspondex letter.

5.18.1.9.2.3
(03-11-2020)
**Tax Examiner
Procedures for
Processing Taxpayer
Responses**

- (1) Process taxpayer responses according to the following guidelines. Always update AMS with a case history. If a history sheet is utilized, the case history must also be recorded on the history sheet. The IAT history sheet may be used. See Exception below for further instruction.
- (2) If additional information is needed to resolve the case, and the information can be given orally, and there is a telephone number available, you must attempt telephone contact. Notate telephone actions on history sheet and/or AMS.

Exception: It is not necessary to list the transactions that were input, as they will be posted to the module on IDRS.

Note: All written correspondence must be submitted to PAS for review even if the correspondence does not affect the overall processing of the ASFR case. i.e.: taxpayer states they will file within 2 weeks, is one example of correspondence that can be discarded.

(3) If correspondence is to be discarded/classified waste after review, it should be segregated and labeled as such for easy removal from the case file.

- (4) Resolve all credits in a timely manner, prior to closing the case.
- (5) Multiple tax years: Tax Examiners should check IDRS CC SUMRY for account information and submission of multiple years. All tax years, submitted in bulk, by one taxpayer, should be worked by one tax examiner. When joint returns are filed, Tax Examiners should check both social security numbers and address all ASFR issues as appropriate. See additional instruction for joint filers in IRM 5.18.1.9.2.3.14.2, *Filed Jointly*.

If there are multiple years	Then
And “another” tax examiner has control of those years	Determine who has the earliest control date. The tax examiner with the earliest control date will work all years. Forward or request multiple years
And the control base is to the AMS unassigned queue	Request the returns from the unassigned queue through the AMS gatekeeper.

5.18.1.9.2.3.1
(09-11-2025)
**Tax Examiner
Procedures for
Processing Taxpayer
Responses when a TC
971 AC 143 is present
on IDRS**

- (1) If a return is received and there is a TC 971 AC 143 on IDRS do the following:
 - Update ASFR to Status 093 to prevent case from defaulting while Submission Processing processes the tax return.
 - **Note:** If married filing joint return you must review both SSNs.
 - If ASFR Letter is attached to the tax return detach and place in Classified Waste.
 - Write across the top of the return **Process As Original**.
 - If 90-Day Letter was sent **Input TC 495 if TC 494 is present on IDRS.**
 - **Input a TC 599 CC 094** for a taxable return secured.
 - **Input a TC 599 CC 096** for a non taxable return secured (\$.00 tax liability).
 - If taxpayer is deceased or requesting a penalty abatement due to reasonable cause, leave correspondence attached to the return also place a note on the front of the return to inform “Code and Edit” this type of request from the taxpayer is attached to the return.
 - Leave History on AMS.
 - Route tax return to appropriate processing site.

5.18.1.9.2.3.2
(06-27-2023)
**Taxpayer Advocate
Criteria**

- (1) Within the Collection Function, coordination points are established to handle TAS cases to ensure these requests receive priority handling.
- (2) Refer to IRM 13.1.7, *Taxpayer Advocate Service (TAS) Case Criteria*.
- (3) If able to resolve and close the Taxpayer Advocate issue on the same day as the taxpayer contact, input history item on IDRS (1 day/CL) and do not refer the inquiry to the Taxpayer Advocate. If not able to resolve in the same day, contact Taxpayer Advocate Coordinator.

Note: The definition of “same day” is within 24 hours. There will be times you can completely resolve the issue within 24 hours. There will also be times that although you cannot completely resolve the issue within 24 hours, **if you have taken steps within 24 hours** to resolve the taxpayers issue, these

cases also meet the definition of “same day.” Refer to the Same-Day Resolution subsection in IRM 13.1.7, *Taxpayer Advocate Service (TAS) Case Criteria*.

- (4) Refer all other contacts to Taxpayer Advocate Services on Form 911, request for Taxpayer Advocate assistance (and application for Taxpayer Assistance Order), and forward to TAS. In addition provide the taxpayer with the number for the National Taxpayer Advocate (NTA) toll-free line, 877-777-4778 or TDY/TDD 800-829-4059 and advise the taxpayer TAS is available if they are not satisfied with the service he or she received.

5.18.1.9.2.3.3

(04-06-2016)

IDRS Control

- (1) All taxpayer responses must be batched on AMS using the earliest IRS received date. AMS will systemically assign responses.

Caution: Never control a return with an imminent or expired ASER to a tax examiner. Immediately give return with an imminent or expired ASER to the Statute Coordinator. See IRM 5.18.1.9.2.3.16.2, *Assessment Statute Expiration Date (ASER)*.

- (2) A follow-up date on a suspended case should be included in the **Activity** section on the IDRS control base.
- (3) In AMS history, type a brief description of actions taken on the account. Documentation should contain enough information so that any person subsequently reading it can easily determine what decisions were made, why those decisions were made, what actions were taken and what further actions are required to resolve the case. A follow-up date must be entered on suspended inventory. Do not close suspended cases on AMS.

5.18.1.9.2.3.4

(04-06-2016)

Suspended Cases

- (1) Taxpayer response cases will remain open and suspended when taxpayer contact is required to resolve the case. Request that the taxpayer respond

taxpayers.

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5.18.1.9.2.3.4.1

(03-11-2020)

Suspended ASFR Cases

- (1) If the taxpayer does not respond with the information necessary to close or resolve the case, and ASFR processing should continue, the module must be updated to the proper ASFR status. Per AMS procedures, update or close the case and input the applicable AMS history. The case file must be maintained and purged when the case is closed. Local management determines where and how re-filed ASFR cases are stored and filed. However, taxpayer data must be properly stored and secured.

If	Then
The module was in Status 030 before the response was received and the 30-day follow-up has not expired,	<ul style="list-style-type: none"> Update ASFR to Status 030 with the correct 30-day follow-up date. Input Paper Indicator if appropriate per IRM 5.18.1.6.14, <i>Paper Indicators</i>.

If	Then
The module was in Status 030 before the response was received and the 30-day follow-up has expired,	<ul style="list-style-type: none"> • Update ASFR to Status 030 using the expired follow-up date. • Input Paper Indicator if appropriate per IRM 5.18.1.6.14, <i>Paper Indicators</i>.
The module was in Status 090 before the response was received and the 90-day follow-up date has not expired,	<ul style="list-style-type: none"> • Update ASFR to Status 090 with the correct 90-Day Letter date. • Input Paper Indicator if appropriate per IRM 5.18.1.6.14, <i>Paper Indicators</i>.
The module was in Status 090 before the response was received and the 90-day follow-up has expired,	<ul style="list-style-type: none"> • Update ASFR to Status 104. • Input Paper Indicator if appropriate per IRM 5.18.1.6.14, <i>Paper Indicators</i>.

5.18.1.9.2.3.5 (09-11-2025)

Case Files

- (1) Local management can determine how cases should be kept and filed, but a filing system must be established to ensure cases are worked in first-in, first-out order, according to IRS received date. Management must also ensure that case files are purged when the module is closed on ASFR, and all security and disclosure procedures must be adhered to.
- (2) Since IAT tools simplify research, reduce keystrokes, eliminate repetitive typing, and increase the accuracy of regular processes the IAT xMend tool is mandated for ASFR and ASFR Reconsideration return processing.
- (3) The xMend adjustment sheet (Form 12249) must be contained in each case file and history must be input to AMS.

Note: Correspondence does not require an automated history sheet to be associated as part of the case file, however an AMS history entry should be made to identify actions taken on the case.

5.18.1.9.2.3.6 (04-18-2011)

Capturing Telephone Number Information

- (1) If the taxpayer provides a telephone number when he/she corresponds, or the telephone number is present on the return, update ENMOD with the telephone number using CC TELEA, TELEC, or TELED as needed.
- (2) When a call is received from a taxpayer, attempt to secure, or verify the telephone number. Update ENMOD with the taxpayer's telephone number using CC TELEA, TELEC, or TELED as needed.

5.18.1.9.2.3.7 (01-24-2012)

Updating Entity

- (1) If the taxpayer supplies a new address orally, or through written correspondence, update IDRS with the new address.
- (2) If a return is secured and it is an original return (not a signed copy) and the address on the return does not match what is on the Master File, update the Master File using CC ENREQ, if it is determined that the return has the most current address.

- (3) Many times a taxpayer will use their address at the time of the return period, which might not be their current address, especially when sending copies of a return that you are processing as an original. Research the Master File to see if the address matches. If the Master File shows a different address, determine which address is more current by checking for a return address on the envelope or correspondence, or if the address is shown as a previous address on entity. If the address on the return is the most current, then update the entity on IDRS if appropriate. If unable to determine if the tax return address is the most current address then document on history sheet/AMS.
- (4) The taxpayer's filing status must be input when completing the adjustment from the taxpayer's original return if the filing status is different than the filing status posted to TXMOD.

5.18.1.9.2.3.8
(06-27-2023)
**Power-Of-Attorney
(POA) Form 2848**

- (1) Power of Attorney and Declaration of Representative, authorizes the designated party to represent the taxpayer before the IRS. In general, the designated party must be an attorney, an enrolled agent, CPA, or must be specially authorized to practice before the IRS. Notification to the IRS that a taxpayer has authorized a party as a POA is usually submitted on Form 2848.
- (2) An individual who is not a practitioner may represent a member of his or her immediate family even if the taxpayer is not present, provided the individual presents satisfactory identification and proof of his or her authority to represent the taxpayer.
- (3) A student/law graduate who works in a Low Income Taxpayer Clinic (LITC) or Student Tax Clinic Program (STCP) must receive permission to represent taxpayers before the IRS by virtue of their status as a law, business, or accounting student, or law graduate. Authorization requests must be sent to the Taxpayer Advocate Service, if granted a letter authorizing the students/law graduates special appearance and detailing any conditions related to the appearance will be issued. The instructions to Form 2848, *Power of Attorney and Declaration of Representative*, require that such students/law graduates attach a copy of the letter from the Taxpayer Advocate Service. Students/law graduates who have been authorized to practice by special order may, subject to any limitations set forth in the letter from Taxpayer Advocate Service. Students/law graduates represent taxpayers before any IRS office and should be viewed the same as any other taxpayer's representative for which a Form 2848 has been submitted.

Note: Students/law graduates remain on the CAF for 130 days. If this time has elapsed and they need additional time, they must have Taxpayer Advocate Service issue a new authorization extending the time. The student(s)/law graduate(s) must submit a new Form 2848 with the new authorization letter to continue representing the taxpayer.

- (4) Form 2848, or any other POA form submitted by the taxpayer must contain:
 - Taxpayer's full name, address, and TIN
 - Representative's full name and address
 - Type of Tax
 - Tax year(s) or period(s)
 - Signature of/for taxpayer and date of signature
 - Representative must sign declaration

- (5) Use CC CFINK on IDRS to research the CAF for a valid POA for the period in question and whether that POA is authorized to receive notices.
- (6) If a Form 2848 or other POA form is submitted, do the following:

If	Then
POA does not contain all the items listed above,	<p>a. Photocopy the form/letter to keep with case file.</p> <p>b. Return original to the taxpayer explaining that it is incomplete.</p> <p>Note: Form 2848 was revised January, 2021 should be executed using the January, 2021 revision. Ensure the taxpayer has completed the revised form. If the incorrect form has been used explain to the taxpayer they must complete the January, 2021 revised form.</p>
POA does contain all the items listed above,	<p>a. Photocopy the form/letter and notate on the copy "original forwarded to CAF" and date.</p> <p>b. Keep copy with case file.</p> <p>c. Forward the original to the appropriate CAF team as soon as possible, but not more than 24 hours after it is discovered.</p>

- (7) If correspondence is received from a third party indicating that they have POA, but they are not designated as a POA on the CAF, and a completed Form 2848 is not attached, do not contact or correspond with the unauthorized third party. Respond directly to the taxpayer and send the appropriate "C" letter (for example, Letter 135C) to the third party.
- (8) If a third party calls and the third party identifies themselves as a POA, research the CAF. If on the CAF, and the POA can verify: Taxpayer's Name, Taxpayer's TIN, Third Party's Name, Third Party's Number (a.k.a., RepNumber, CAFNumber), Tax Period(s) in Question, and Tax Form(s) in Question, consider the third party a POA. If the third party is not designated as a POA on the CAF, advise the third party that no tax information may be disclosed. Information may be taken from the third party. Advise the third party that a Form 2848 should be submitted to designate a POA. If the third party requests to fax a copy of Form 2848, advise the third party to fax the Form 2848. Review the faxed Form 2848 for all required information. If complete, consider the third party a POA. Route faxed Form 2848 to the appropriate CAF team as soon as possible, but not more than 24 hours after it is received.

5.18.1.9.2.3.9

(06-27-2023)

**Tax Information
Authority (TIA) Form
8821**

- (1) A Form 8821, Tax Information Authorization, only allows the holder to receive the taxpayer's tax information. Form 8821 is limited in the scope of authorization it allows. Form 8821 only permits the disclosure of information to the party; it does not allow the party to represent the organization.
- (2) If a third party calls and the third party identifies themselves as a TIA, research the CAF. If on the CAF, and the TIA can verify: Taxpayer's Name, Taxpayer's TIN, Third Party's Name, Third Party's Number (a.k.a., RepNumber, CAFNumber), Tax Period(s) in Question, and Tax Form(s) in Question, consider the third party a TIA. If the third party is not designated as a TIA on the CAF, advise the third party that no tax information may be disclosed. Information may be taken from the third party. Advise the third party that a Form 8821 should be submitted to designate a TIA. If the third party requests to fax a copy of Form 8821, advise the third party to fax the Form 8821. Review the faxed Form 8821 for all required information. If complete, consider the third party a TIA. Route faxed Form 8821 to the appropriate CAF team.
- (3) A request to grant Form 8821 authority can be made orally. However, the taxpayer must call the appropriate CAF unit. Advise the taxpayer that they must have the assigned CAF number of the third party to request Form 8821 authority orally. If not, the Form 8821 must be submitted in writing. See IRM 21.5.1, *General Adjustments*, for signature requirements and claim processing.

5.18.1.9.2.3.10

(10-01-2005)

Third Party Designees

- (1) The Third Party Designation on a filed return expires one year after the due date of the return, without regard to extensions. Although Third Party Designees can be designated on ASFR Returns and ASFR Reconsiderations, the designation will not be valid. If an ASFR Return or Reconsideration is received and the Third Party Designee box is checked, do not consider authority granted. Do not disclose any tax information if the Designee indicated on the return calls or corresponds. If the Designee calls, advise the Designee that the taxpayer must submit a Form 8821 to grant the same authority as a Third Party Designee. If the Designee corresponds, respond to the taxpayer and advise that a Form 8821 must be filed to grant the same authority as a Third Party Designee. A request to grant Form 8821 authority can be made orally. However, the taxpayer must call the appropriate CAF unit. Advise the taxpayer that they must have the assigned CAF number of the third party to request Form 8821 authority orally. If not, the Form 8821 must be submitted in writing.
- (2) Information may always be taken from a third party to resolve the case. However, do not update the MF address based on an unauthorized third party. An unauthorized third party (without a valid POA or TIA) may request an adjustment or account correction for the taxpayer. This may be done orally or in writing. While information may be accepted, taxpayer account information may not be provided to an unauthorized third party. An unauthorized third party cannot under any circumstances bind the taxpayer, such as requesting an adjustment that requires the taxpayer's signature.

5.18.1.9.2.3.11

(06-27-2023)

**Freedom of Information
Request**

- (1) All FOIA requests should be directed to the Disclosure Scanning Operation at the following addresses:
 - If IRS employee forwarding via overnight mail:

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- Taxpayers send to:

IRS
Centralized Processing Unit
Stop 93A
P.O. Box 621506
Atlanta, Georgia 30362

5.18.1.9.2.3.12
(09-11-2025)
Third Party Contact

- (1) Internal Revenue Code (IRC) 7602(c)(1) provides that the IRS may not contact any person other than the taxpayer with respect to the determination or collection of the tax liability of such taxpayer without first providing reasonable notice in advance to the taxpayer that contacts with persons other than the taxpayer may be made.
- (2) The requirement to contact third parties during ASFR processing will be rare. However, if a third party contact is needed to reconcile a discrepancy between information reported on the tax return and information reported by the payer on Forms 1099 or Forms W-2, the following procedures apply:
- a. Issue Letter 3238-C to taxpayer and Power of Attorney (POA), if appropriate OR
 - b. Secure an oral authorization from the taxpayer to contact the third party. Oral authorizations expedite the resolution of the discrepancy. Document the oral authorization.
 - c. If Letter 3238C is used, wait 45 days from the date of mailing to contact the third party. If the taxpayer authorizes the third party contact, there is no 45 day wait.
- (3) When a third party contact letter is mailed to an individual, take the following steps:

1) Use Letter 1901-C, you must include paragraph selection E which states the following: By law, I am required to include your name on a list of parties we have contacted. The law allows the taxpayer to request a list of persons that the IRS contacted during the audit/collection case. If you believe that including your name on the list may result in reprisal against any person, we can exclude you from the list. If you have any reason to believe that reprisal against any person may occur, you should call me at the telephone number listed above by [insert a date that is 45 calendar days from the date the letter is mailed].
2) Complete Form 12175, but do not forward it to the third party contact coordinator until after the 45 calendar days have passed.
3) If after the forty fifth day, the third party has not claimed a fear of reprisal, forward the Form 12175 to the third party contact coordinator.

4) If the third party does claim a fear of reprisal, document the case file. **Any concern raised by the third party with respect to reprisal will be taken at face value.** Do not question any third party claims to reprisal. Replace the Form 12175 that was previously completed with a new Form 12175 to reflect the reprisal determination. Forward the new Form 12175 to the third party contact coordinator.

5) In situations where a form letter is mailed to a business entity, it is not necessary to include the reprisal script.

- (4) Complete the Form 12175 for those third parties who are contacted and submit to the third party contact coordinator for input to the database.
- (5) If oral authorization is given by the taxpayer, a Form 12175, Third Party Contact Authorization Form, is not required. If the taxpayer signed a Form 12180, retain this form with the file.

Note: If this was a joint return, both parties must sign the Form 12180 or orally authorize the contact.

- (6) If you have additional questions, contact your Campus Third Party Contact Coordinator.

5.18.1.9.2.3.13
(04-06-2016)
Refund Hold

- (1) The IRS holds individual income tax refunds, debtor master file offsets and credit elects when a return is filed with a refund IRM 25.12.1.2, *How to Identify Delinquent Return Refund Hold*, and the account has at least one module within the five years prior to the Refund Hold where IRP information exists and no return is posted or a TC 590, 591 or 593 has not posted.
- (2) Refunds held by this program contain all of the following codes on IDRS:
 - a. TC 570 with 999 in the Julian date field of the document locator number (DLN) (digits 6, 7 and 8).
 - b. Reason code (RC) **RF** displayed on the Integrated Data Retrieval System (IDRS) through Command Code (CC) TXMOD on the refund hold year.
 - c. Freeze Code “-R” on IDRS CC SUMRY, TXMOD of year refund is being held and IMFOL. Document 6209, Chapter 8, for additional information on freeze codes.
- (3) The -R freeze will prevent refunds, but will allow offsets. If a refund held by the Refund Hold program is offset to a liability, the case is no longer considered a Refund Hold case.
- (4) Refunds held on accounts where the taxpayer is deceased, even if they meet the Refund Hold criteria, should be released. See IRM 25.12.1.14.1, *Releasing the Refund Hold Freeze*.
- (5) Refund Hold returns should be worked within 45 days of the IRS received date, and should not be batched with other ASFR inventory. **Release refund hold on any years showing Refund Hold indicators if all delinquencies are resolved, ASFR return discrepancies have been addressed and no balance due will be due for the taxpayer, use TC 290 for \$.00 with priority code 8, and RC 085.**

Exception: If -Z, Z-, or TC 971 with action code 134 is present on the Refund Hold year, do not release or transfer the refund. See IRM 21.5.6.4.52, -Z Freeze, for more information.

5.18.1.9.2.3.14
(03-11-2020)

**Taxpayer
Correspondence**

- (1) If a telephone number is available, and telephone contact will resolve or expedite processing the case, you must attempt to contact the taxpayer via the telephone. Notate telephone actions on history sheet/and or AMS.
- (2) Use appropriate Correspondex letter to respond to the taxpayer inquiries.

Note: "Correspondex letter 2358C (IMF/BMF TDI Closing Letter) was implemented on October 5, 2009 and may be used when a closing letter is required instead of other Correspondex letters".

- (3) Give the taxpayer a date to respond by when writing requesting additional information or return.
- (4) Provide the WOEa by advising the taxpayer of the consequences of not responding by the due date.
- (5) If no reply is received use the address on ENMOD and continue ASFR processing.
- (6) Correspondence must be worked within 30 days of the original received date. An interim letter sent within the 30 day time frame satisfies this Action 61, Policy Statement P-21-3 requirement.
- (7) If ASFR-related correspondence is attached to the return, all issues must be addressed.
- (8) If non-ASFR-related correspondence is attached to the return, detach the correspondence and forward to the appropriate area. Input a history item on AMS.
- (9) Send 86C letter when routing out of the service center. In house routing does not require sending the 86C letter to the taxpayer. Attach a copy of the letter to the case if one was sent.
- (10) If remittance is discovered, follow **Local Discovered Remittance Procedures**. Payments received must be processed by Receipt and Control.
- (11) Credits must be resolved for all modules where the ASFR case is being closed.
- (12) There are various types of correspondence received in ASFR:

Correspondence Received in ASFR
Taxpayer states he or she previously filed-Filed Jointly
Taxpayer is deceased
Freedom of Information request
Identity Theft
Request to Rescind Statutory Notice of Deficiency
Taxpayer agrees, partially agrees, or disagrees to the assessment

Correspondence Received in ASFR
Taxpayer states he/she is not liable to file
Installment agreement requested or taxpayer states can't pay or won't pay
Extension to file requested
Taxpayer believes tax laws are unconstitutional
Request for abatement of penalty
Taxpayer states he or she filed in Guam, Puerto Rico, or the US Virgin Islands
Taxpayer requests abatement of Lien Fee, see IRM 5.18.1.9.2.3.29.10, <i>Lien Fee</i>

5.18.1.9.2.3.14.1
(09-11-2025)
**Income Previously
Reported**

- (1) Taxpayers may indicate they previously filed a return, and research indicates the return was processed by an Identify Theft or RICS team.
 - MFT 30 with TC 971, AC 111: Input TC 594, cc 083, send taxpayer 86C letter and route all return responses to the address below.
 - If correspondence is received with no return, instruct the taxpayer to follow the instructions they received on the letter sent by RICS to authenticate their tax return information. Close the ASFR module using Status 066.
 - MFT 30, TC 976, and MFT 32 present: Input TC 594, cc 083, send taxpayer 86C letter and route all return responses to:
- If correspondence is received with no return, instruct the taxpayer to follow the instructions they received on the letter sent by RICS to authenticate their tax return information. Close the ASFR module using Status 066.
- If research indicates no IDT or RICS involvement, then request the return.
- (2) If the taxpayer corresponds they previously reported income on a return under a different name or SSN, verify the filing on IDRS. If the taxpayer filed with a spouse see IRM 5.18.1.9.2.3.14.2, *Filed Jointly*.
- (3) If the taxpayer claims he/she filed in Puerto Rico, U.S. Virgin Islands, Guam, American Samoa, or Commonwealth of the Northern Mariana Islands, request a stamped copy of the return from the territory.
 - Send Form 8796, *Request for Return/Information (Federal/State Tax Exchange Program)* to the appropriate territory. Mailing addresses are available in IRM 21.8.1.5.1, *Double Taxation*.

Note: Request a certified copy of the US Territory return from the taxpayer at the same time you send the form 8796 to the US Territory. Proceed with case

closure actions when certified copy of return is received from either the taxpayer or Federal/State Exchange Program.

- Suspend the case for 45 days.
 - Update ASFR to Status 051 if it is not in Status 051.
- (4) If there is no indication of filing, continue the ASFR and advise the taxpayer there is not record of a return. Request a complete, signed return be forwarded to the appropriate area.
- (5) If the filing is verified, do the following:

If Verified	Then
And a 30-Day Letter was issued	<p>ASFR cases started after June 1, 2018 and a TC 971 AC 143 is present on IDRS follow guidance below:</p> <ul style="list-style-type: none">• Update the module on ASFR to 101• Follow instruction in b) and d) below to complete the case. <p>a. On IDRS, input a TC 594 CC 083, TC 290 for \$.00 and TC 887 for -.01.</p> <p>b. Resolve any existing credits on the module per IRM 5.19.2.6.7, <i>Credit Balance Overview</i>, including input of TC 971 with AC 296 if appropriate. See IRM 5.19.2.6.7.4, <i>Input of TC 971 AC 296 - Credit Research Completed</i>.</p> <p>c. Update ASFR to Status 101.</p> <p>d. Use the appropriate Correspondence letter to notify the taxpayer the case is resolved.</p>

If Verified	Then
And a 90-Day Letter was issued	<p>ASFR cases started after June 1, 2018 and a TC 971 AC 143 is present on IDRS follow guidance below:</p> <ul style="list-style-type: none"> • Update the module on ASFR to 101 • Input TC 495 if TC 494 is present on IDRS • Follow instruction in b and d below to complete the case. <p>a. On IDRS, input a TC 594 CC 083, TC 290 for \$.00 and TC 887 for -.01- and TC 495.</p> <p>b. Resolve any existing credits on the module per IRM 5.19.2.6.7, <i>Credit Balance Overview</i>, including input of TC 971 with AC 296 if appropriate. See IRM 5.19.2.6.7.4, <i>Input of TC 971 AC 296 - Credit Research Completed</i>.</p> <p>c. Update ASFR to Status 101.</p> <p>d. Use the appropriate Correspondence letter to notify the taxpayer the case is resolved.</p>

If Verified	Then
And there is a default assessment posted to IDRS,	<ul style="list-style-type: none">a. On IDRS input TC 594 CC 083 zero out tax, penalties, credits, income, and SE amounts, and all posted reference amounts.b. Use credit reference 887 to reduce exemption to zero.c. Input Hold Code 4.d. Resolve any existing credits on the module per IRM 5.19.2.6.7, <i>Credit Balance Overview</i>, including input of TC 971 with AC 296 if appropriate. See IRM 5.19.2.6.7.4, <i>Input of TC 971 AC 296 - Credit Research Completed</i>. Do not release credits to the taxpayer, unless the credits can be applied to the module where the return was filed. If the income was reported by a different taxpayer, do not move or release the money. Taxpayers must claim refund by submitting a return or claim for refund.e. Input TC 971 AC 001 with cross reference TIN.f. Notify taxpayer that case is resolved

If Not Verified	Then
And a 30-Day Letter was issued	<ul style="list-style-type: none"> Continue ASFR processing. Update ASFR to Status 030 if the follow-up date has not expired. If the follow-up date has expired, update ASFR to Status 030 using the expired follow-up date. See IRM 5.18.1.6.15, <i>ASFR Follow-up or Action Dates</i>. Per AMS procedures, close the case and input AMS history that ASFR processing will continue. Use the appropriate Correspondence letter to notify the taxpayer that ASFR processing will continue.
And a 90-Day Letter was issued	<ul style="list-style-type: none"> Continue ASFR processing. Update on ASFR is not necessary unless the module is in a failed condition status or any other status that suspends the case. Per AMS procedures, close the case and input AMS history that ASFR processing will continue. Use the appropriate Correspondence letter to notify the taxpayer that ASFR processing will continue.
And there is a default assessment posted to IDRS	<ul style="list-style-type: none"> On IDRS, input a TC 290 for .00, and close IDRS control. Input AMS history that taxpayer's response was insufficient. Use the appropriate Correspondence letter to notify the taxpayer that ASFR processing will continue and that collection activity will resume.

5.18.1.9.2.3.14.2
(03-11-2020)
Filed Jointly

(1) The taxpayer may correspond they filed a joint return.

If Verified	Then
And a 30-Day or 90-Day Letter was issued, but the default assessment has not yet occurred,	<ul style="list-style-type: none"> • Use Option 09 to update the module to include the spouse's TIN. • Update ASFR to status 108. Enter the amount of tax from the joint return when prompted. See IRM 5.18.1.6.11.57, <i>Status 108: Filed Jointly, Post 30-Day Letter</i>. Note: ASFR will systemically post the necessary transactions. • Use the appropriate Correspondex letter to notify the taxpayer the case is resolved. • Resolve any existing credits on the module per IRM 5.19.2.6.7, <i>Credit Balance Overview</i>, including input of TC 971 with AC 296 if appropriate. See IRM 5.19.2.6.7.4, <i>Input of TC 971 AC 296 - Credit Research Completed</i>. • Per AMS procedures, close the case and input applicable AMS history.
And there is a default assessment posted to IDRS,	<ul style="list-style-type: none"> • Follow procedures in paragraph 2 of IRM 5.18.1.5.3, <i>ASFR Recon Transcripts</i>. • Input TC 594 with cc 084 if it is not present.

Note: If an ASFR Reconsideration return is received and the ASFR Reconsideration is listed as the secondary taxpayer on the joint return, forward to Submission Processing. The ASFR module will be worked when the joint returns posts and an ASFR Recon Transcript is generated.

If Not Verified	Then
And a 30-Day Letter was issued	<ul style="list-style-type: none"> • Continue ASFR processing. Update ASFR to Status 030 if the follow-up date has not expired. If the follow-up date has expired, update ASFR to Status 030 using the expired follow-up date. • Per AMS procedures, close the case and input AMS history that ASFR processing will continue. • Use the appropriate Correspondex letter to notify the taxpayer that ASFR processing will continue.

If Not Verified	Then
And a 90-Day Letter was issued	<ul style="list-style-type: none"> Continue ASFR processing. Update on ASFR is not necessary unless the module is in a failed condition status or any other status that suspends the case. Per AMS procedures, close the case and input AMS history that ASFR processing will continue. Use the appropriate Correspondex letter to notify the taxpayer that ASFR processing will continue.
And there is a default assessment posted to IDRS	<ul style="list-style-type: none"> On IDRS, input a TC 290 for \$.00, and close your control. Input AMS history that the taxpayer's response was insufficient. Use the appropriate Correspondex letter to notify the taxpayer the response was insufficient and that collection activity will resume.

5.18.1.9.2.3.14.3
(09-11-2025)

Deceased Taxpayer

- (1) If correspondence states that the taxpayer is deceased and date of death is not present, research IDRS. If after research, date of death is not found, contact spouse, or legal representative for date of death.

If	Then
Taxpayer died during or after ASFR tax year	Contact legal representative and advise them that a return should be filed.
Date of death is present and the taxpayer died prior to the ASFR delinquent tax year	Do not pursue, process as not liable.

Note: Resolve any existing credits on the module if the ASFR will be closed as not liable.

- (2) If correspondence states that income was reported on a Form 1041, follow instructions in IRM 5.18.1.9.2.3.14.1, *Income Previously Reported*. Also, input a TC 540 on the year during which the death occurred.
- (3) On deceased cases, check IDRS and ASFR for all open ASFR modules. Work all modules open on ASFR.
- (4) Additional information related to updating decedent accounts can be found in IRM 21.6.6.2.21, *Decedent Accounts*.

5.18.1.9.2.3.14.4
(06-27-2023)
**No Knowledge of
Income**

- (1) If the response from the taxpayer is that the income isn't theirs, do the following: Follow Third party Contact procedures. See IRM 5.18.1.9.2.3.12, *Third Party Contact*. Contact payer to verify income. Send appropriate correspondence letter (1901C).

<p>If the payer verifies that the income does not belong to the taxpayer, or if there is no response from the payer, and when income is deleted the tax</p>	<p>Then</p>
<p>And a 30 -Day Letter was issued</p>	<p>ASFR Cases started after June 1, 2018 and a TC 971 AC 143 is present on IDRS follow guidance below:</p> <ul style="list-style-type: none"> • Update the module on ASFR to Status 101 • Input a TC 590 CC 088 • Follow instruction below b, d, e to complete the case <p>a. On IDRS, input a TC 590 CC 088, TC 290 for \$.00 and TC 887 for .01-.</p> <p>b. Resolve any existing credits on the module per IRM 5.19.2.6.7, <i>Credit Balance Overview</i>, including input of TC 971 with AC 296 if appropriate. See IRM 5.19.2.6.7.4, <i>Input of TC 971 AC 296 - Credit Research Completed</i>.</p> <p>c. Update ASFR to Status 101.</p> <p>d. Use the appropriate Correspondence letter to notify the taxpayer the case is resolved.</p> <p>e. Close the case per AMS procedures and input the applicable AMS history.</p>

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If the payer verifies that the income does not belong to the taxpayer, or if there is no response from the payer, and when income is deleted the tax	Then
Aand a 90-Day Letter was issued	<p>ASFR Cases started after June 1, 2018 and a TC 971 AC 143 is present on IDRS follow guidance below:</p> <ul style="list-style-type: none"> • Update the module on ASFR to Status 101 • Input a TC 590 CC 088 • Input TC 495 if TC 494 is present on IDRS • Follow instruction below b, d, e to complete the case <p>a. On IDRS, input a TC 590 CC 088, TC 290 for \$.00 and TC 887 for .01- ,TC 495.</p> <p>b. Resolve any existing credits on the module per IRM 5.19.2.6.7, <i>Credit Balance Overview</i>, including input of TC 971 with AC 296 if appropriate. See IRM 5.19.2.6.7.4, <i>Input of TC 971 AC 296 - Credit Research Completed</i>.</p> <p>c. Update ASFR to Status 101.</p> <p>d. Use the appropriate Correspondence letter to notify the taxpayer the case is resolved, and include a statement that the Tax Court would still have jurisdiction if a timely petition is filed.</p> <p>e. Close the case per AMS procedures and input the applicable AMS history.</p>

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<p>If the payer verifies that the income does not belong to the taxpayer, or if there is no response from the payer, and when income is deleted the tax</p>	<p>Then</p>
<p>And there is a default assessment posted to IDRS,</p>	<ol style="list-style-type: none"> Zero out tax, penalties, credits, income, and SE amounts. Use credit reference 887 to reduce exemption to zero. Input Hold Code 4. Resolve any existing credits on the module per IRM 5.19.2.6.7, <i>Credit Balance Overview</i>, including input of TC 971 with AC 296 if appropriate. See IRM 5.19.2.6.7.4, <i>Input of TC 971 AC 296 - Credit Research Completed</i>. Do not release credits to the taxpayer. Taxpayers must claim refund by submitting a return or a claim for refund. Notify taxpayer that case is resolved Close the case per AMS procedures and input the applicable AMS history.

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If the payer states that the income does belong to the taxpayer	Then
And a 30-Day Letter was issued	<ul style="list-style-type: none"> • Contact the taxpayer to notify them that the payer confirmed they are the recipient of the income. Update ASFR to Status 030 if the follow-up date has not expired. If the follow-up date has expired, update ASFR to Status 030 using the expired follow-up date. • Per AMS procedures, close the case and input AMS history that ASFR processing will continue. • Use the appropriate Correspondex letter to notify the taxpayer that ASFR processing will continue. • If the taxpayer responds again that the income is not theirs, refer case to Examination Classification.
And a 90-Day Letter was issued	<ul style="list-style-type: none"> • Contact the taxpayer to notify them that the payer confirmed they are the recipient of the income. Continue ASFR processing. Update on ASFR is not necessary unless the module is in a failed condition status or any other status that suspends the module. • Per AMS procedures, close the case and input AMS history that ASFR processing will continue. • Use the appropriate Correspondex letter to notify the taxpayer that ASFR processing will continue. • If the taxpayer responds again that the income is not theirs, refer to Examination Classification.

If the payer states that the income does belong to the taxpayer	Then
And there is a default assessment posted to IDRS	<ul style="list-style-type: none"> • Contact the taxpayer to notify them that the payer confirmed they are the recipient of the income, and that collection activity will resume on any unpaid balance. • On IDRS, input a TC 290 for .00; per AMS procedures, close the case and input history that taxpayer's response was insufficient. • If the taxpayer responds again that the income is not theirs, refer to Examination Classification.

If the payer responds that the income is not the taxpayer's, but when deleted the tax on the	Then
And a 30-Day Letter was issued	<ul style="list-style-type: none"> • Delete the income (case minor), update the major record and update ASFR to status 032 to re-issue the 30-Day Letter. • Per AMS procedures, close the case and input AMS history that ASFR processing will continue. • Use the appropriate Correspondence letter to notify the taxpayer we have corrected our records, but they are still liable to file a return.

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If the payer responds that the income is not the taxpayer's, but when deleted the tax on the	Then
And a 90-Day Letter was issued	<ul style="list-style-type: none"> • Update ASFR to Status 031 • Per AMS procedures, close the case and input AMS history that ASFR processing will continue. • Notify Taxpayer that ASFR processing will continue. Send taxpayer a revised report, and explain that the statutory period for petitioning the Tax Court has not been extended.
And there is a default assessment posted to IDRS	<ul style="list-style-type: none"> • Recalculate tax and on IDRS, input a TC 291 for the appropriate amount. Resolve any credits. See IRM 5.19.2.6.7, <i>Credit Balance Overview</i>. • Notify taxpayer that the tax was recalculated, and that taxpayer will receive a notice of adjustment. • Per AMS procedures, close the case and input applicable AMS history.

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- (2) When deleting wages, correct the taxpayer's SSA wage records by preparing Form 9409, *IRS/SSA Wage Worksheet*. Mail Form 9409 to the Social Security Administration (SSA) at the address below. Notate AMS to indicate that Form 9409 was sent.

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5.18.1.9.2.3.14.5
(09-11-2025)
Identity Theft

- (1) Identity theft occurs when someone uses an individual's personal information, such as name, Social Security Number (SSN), or other identifying information without permission, to commit fraud or other crimes. Taxpayers may notify the IRS when they believe they may have experienced an identity theft incident. In these instances, taxpayers must provide documentation to establish that they are identity theft victims.

- (2) In 2015, Identity Theft case processing was consolidated under Taxpayer Services. IRM 25.23.10, *Compliance Identity Theft Case Processing*, includes procedures for ASFR Case Processing in IRM 25.23.10.7.1.2, *Automated Substitute for Return (ASFR) Case Processing*. ASFR cases will be forwarded to the IDT team in TS once identity theft documentation has been received. Additional Identity Theft information can be reviewed in the following IRM sections:
- IRM 25.23.1, *Identity Protection and Victim Assistance - Policy Guidance*
 - IRM 25.23.10, *Identity Protection and Victim Assistance - General Case Processing*
 - IRM 25.23.3, *IMF Non-Tax-Related IDT and Specialized Programs*
 - IRM 25.23.10.7.1.1, *IDTVA Specialties CSCO Identity Theft Case Processing*
- (3) Form 14039 no longer requires the submission of additional information/documentation per IRM 25.23.2.3, *Identity Theft Claims - General Guidelines*.
- (4) Prior to corresponding for Form 14039, research CC ENMOD or CC IMFOLE to ensure the account has not already been marked for the same tax year/incident. IRM 25.23.2.4.1, *Tracking and Reporting Identity Theft Cases - Identity Theft Indicators*, provides a list of TC 971 action codes used to track identity theft cases. TC 971 with action code 522 and literal **“UNWORK”** indicates a valid claim was received or another function has contacted the taxpayer.
- (5) If the coding already exists, do not input a second code for the same tax year/incident. Advise the taxpayer the case or inquiry is being referred to the appropriate IDT function. Fax the issue with Form 4442 per paragraph 8 below.
- (6) If an Identity Theft Indicator is not present on CC ENMOD and the taxpayer states he/she may be a victim of identity theft:
- Send Correspondence Letter 5064C, or other appropriate correspondence letter to request Form 14039.
 - Update the module to Status 086 if no 90-Day Letter has been issued, to suspend ASFR case action.
 - Update CC ENMOD with TC 971, action code 522 and literal **“PNDCLM”**. See IRM 25.23.2.4.4.1, *IMF Identity Theft - Taxpayer Initiated Allegations of Identity Theft - TC 971 AC 522*, for more information.
 - Suspend the case for 45 days, pending a reply.
- (7) If the taxpayer submits Form 14039 within 45 days, acknowledge within 30 days of the IRS received date.
- If the address on Form 14039 differs from the address on CC ENMOD, correspond to the address on Form 14039.
 - Acknowledge receipt via Letter 86C, and inform the taxpayer the issue is being referred to the appropriate AM IDT function.
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- Update the history on AMS that substantiation documentation was received and forwarded to AM.
- (8) If the taxpayer does not respond to a request for Form 14039, continue ASFR processing.

- Mark the taxpayer's account with TC 972, AC 522 including the literal NORPLY. Include the appropriate tax year.
- Advise the taxpayer the issue has been closed and processing will continue due to incomplete, or no receipt of IDT documentation.
- Update AMS history to show IDT documentation was not received, or was incomplete.

(9) If the taxpayer calls the toll free line with an allegation of identity theft:

- Request the taxpayer file Form 14039 within 30 days.
- Warn of Enforcement Action (WOEA) and that ASFR processing will continue if the documentation is not received timely.
- Update ASFR to Status 086.

Note: Do Not update to ST 086 if 90 day letter has been issued.

- Input required TC 971 AC 522 PNDCLM on CC ENMOD.
- If the taxpayer can fax Form 14039, forward the issue to the appropriate Taxpayer Services IDT team.

5.18.1.9.2.3.14.6
(06-01-2015)

**Request to Rescind
Statutory Notice of
Deficiency**

(1) A request to rescind a 90-Day Letter pursuant to IRC 6212(d) may be made by taxpayer or internally on behalf of taxpayer. Request must:

- Be made before the 90-day or 150-day period expires
- Cover same period as notice
- Reflect same deficiency and penalties as notice of deficiency
- Be made to issuer of notice of deficiency

If	Then
Service agrees that notice should be rescinded	<ol style="list-style-type: none"> Form 8626 "Agreement to Rescind Notice of Deficiency" sent to the taxpayer requesting taxpayer's written consent to rescission. Signed Form 8626 (and Form 872, if appropriate) must be returned to originator prior to expiration of 90-day or 150-day restriction. After Form 8626 returned by the taxpayer and signed on behalf of the Commissioner, a copy will be furnished to the taxpayer, or his representative by mail. Effective date of rescission agreement is date Commissioner's delegate signs the Form 8626.

Note: Revenue procedure 98-54, Section 5.08 requires taxpayers be provided written notification when the IRS denies their request for rescission of a Statutory Notice of Deficiency.

(2) The decision to rescind must always ensure protection of the IRS's legal ability

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- (3) A statutory notice of deficiency may only be rescinded by issuer of notice. Therefore, the party with delegated authority to issue and sign the statutory notice of deficiency, must sign Form 8626 on behalf of the Commissioner.
- (4) Statutory notices of deficiency do not have to be rescinded when the taxpayer files an acceptable return during 90-day period.

5.18.1.9.2.3.14.7
(03-11-2020)

**Taxpayer Doesn't
Understand Notices**

- (1) When response indicates taxpayer does not understand letter or notice, or is requesting more information on proposed liability, if the taxpayer cannot be contacted by telephone, correspond to answer any questions. Retain a copy of any handwritten correspondence in case file. All correspondex letters with open paragraphs must be reviewed by unit manager or technical lead before mailing.

Advise the taxpayer to file a return. If	Then
A 30-Day Letter was issued,	<ul style="list-style-type: none"> Continue ASFR processing. Update ASFR to Status 030 if the follow-up date has not expired. If the follow-up date has expired update ASFR to Status 030 using the expired follow-up date. Per AMS procedures, close the case and input an AMS history that ASFR processing will continue. Notify Taxpayer that ASFR processing will continue.
A 90-Day Letter was issued,	<ul style="list-style-type: none"> Continue ASFR processing. Update on ASFR is not necessary unless the module is in a failed condition status or any other status that suspends the case. Per AMS procedures, close the case and input an AMS history that ASFR processing will continue. Notify Taxpayer that ASFR processing will continue.

Advise the taxpayer to file a return. If	Then
There is a default assessment posted to IDRS,	<ul style="list-style-type: none"> On IDRS, input a TC 290 for .00, and close your control. Close the case and input history that the taxpayer's response was insufficient, per AMS procedures. Notify taxpayer that response was insufficient and that collection activity will resume.

5.18.1.9.2.3.14.8
(06-27-2023)

**Taxpayer Agreed
Response (30 or 90 Day)**

- (1) When the taxpayer submits a signed waiver of collection and assessment, the response is considered an "Agreed." An agreed response indicates that taxpayer agrees to proposed assessment on either the 30-Day Letter or the statutory notice of deficiency. (This includes agreement to the tax and all penalties.) A taxpayer may contest interest under limited circumstances. (See IRC 6404(e))

If	Then
Taxpayer claims we have incorrectly calculated interest	Taxpayer must pay interest and file Form 843. See IRM 20.2.7, <i>Abatement and Suspension of Debit Interest</i> .
Taxpayer claims interest is overstated due to an error or delay by Service in performing a ministerial or managerial act	Taxpayer must file a Form 843. (Prepayment not required.)

- (2) To be considered an agreed response the taxpayer must:

- Have a signature on an unaltered waiver or consent
- Contain signature of a third party if there is a POA filed authorizing POA to sign. Check CFINK for the authorization, which should be an S "Modified to allow third party to sign for taxpayer."
- Check the box agreeing to the proposed amount due and consent to assessment of income tax.

If	Then
Taxpayer does not sign and check the box agreeing to the proposed amount due and consent to assessment of income tax	<ul style="list-style-type: none"> Send consent form back to taxpayer requesting they sign and check the box and return it Update ASFR to continue the process

If	Then
Taxpayer does not check the box agreeing to the proposed amount due and consent to assessment of income tax	<ul style="list-style-type: none"> • Send consent form back to taxpayer requesting they check the box • Update ASFR to continue the process

Note: Signed agreements received when the TC 150 is an ASFR are now entitled to an underpayment interest suspension period per IRC 6601(c) if **NOT** assessed within 30 days. See IRM 20.2.7.9.2, *Types of Deficiencies that do not Receive an IRC 6601(c) Suspension of Interest*, and IRM 20.2.7.9, *IRC 6601(c), Suspension of Interest on Deficiencies*.

If Verified	Then
And a 30-Day Letter was issued,	<ul style="list-style-type: none"> • Update ASFR to the appropriate Status IRM 5.18.1.6.11.49, <i>Status 100: CLOSED, Agreed Response Pre-90-Day Letter</i> IRM 5.18.1.6.11.55 <i>Status 106: Manual Closures</i>. • Pay close attention to instructions for dealing with Combat Zone cases
And a 90-Day Letter was issued,	<ul style="list-style-type: none"> • Update ASFR to the appropriate Status IRM 5.18.1.6.11.59, <i>Status 113: CLOSED, Agreed Response Post 90-Day Letter</i> and IRM 5.18.1.6.11.55, <i>Status 106: Manual Closures</i>. • Pay close attention to instructions for dealing with Combat Zone cases
And there is a default assessment posted to IDRS,	<ul style="list-style-type: none"> • Input a TC 290 for .00 with the appropriate blocking series and hold code. • Input a TC 599 CC 013 • Contact taxpayer and advise taxpayer that assessment was already made. Advise taxpayer that collection enforcement will begin if payment is not received.

- (3) The taxpayer may no longer make changes to filing status, add spouse or dependents on a signed waiver, they must file a return. If they are divorced or

separated and attempting to claim a dependent that “did not live with them” a Form 8332 must be attached to a valid tax return. See Exemptions in IRM 3.12.3.35, *No Reply to Correspondence*, and correspond for the form, if after

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- (4) On an agreed response the Rate Reduction Credit should be applied if the taxpayer is eligible. All other credits; EIC, Child Tax Credit, Dependent Care Credit, must be claimed on Form 1040 return.

5.18.1.9.2.3.14.9
(06-27-2023)

Income Information

- (1) If the taxpayer or their representative requests income information, send the taxpayer sanitized IRPTRW prints or wage and income transcripts from the Transcript Delivery System (TDS) then do the following:

If	Then
A 30-Day Letter was issued,	<ol style="list-style-type: none"> 1. Update ASFR to Status 030. If the follow-up date has expired on the 30-Day Letter update ASFR to Status 030 using the expired follow-up date. See IRM 5.18.1.6.15, <i>ASFR Follow-up or Actions Dates</i>. 2. Close IDRS control. Per AMS procedures, close the case and input AMS history that ASFR processing will continue. 3. Notify Taxpayer that ASFR processing will continue.
A 90-Day Letter was issued,	<ol style="list-style-type: none"> 1. Update on ASFR is not necessary unless the module is in a failed condition status or any other status that suspends the case. 2. Close IDRS control. Per AMS procedures, close the case and input AMS history that ASFR processing will continue. 3. Notify Taxpayer that ASFR processing will continue.

If	Then
There is a default assessment posted to IDRS,	<ol style="list-style-type: none"> 1. On IDRS, input a TC 290 for .00, and close your control. Per AMS procedures, close the case and input a history that taxpayer's response was insufficient. 2. Notify taxpayer that response was insufficient and that collection activity will resume.

5.18.1.9.2.3.14.10
(06-27-2023)

Frivolous Filers

- (1) Original returns and correspondence indicating Frivolous Filer should be sent to the Campus Frivolous Filer (FF) Coordinator. The Frivolous Filer Coordinator in turn will forward the return/correspondence to the Ogden Frivolous Filer Team if it meets Frivolous Filer criteria. **Normal processing should continue.** Photocopies of returns or correspondence should be associated with the case file.

Note: ASFR will not receive a response back from either the Frivolous Fraud Coordinator or Ogden Frivolous Fraud Team if the case is accepted.

- (2) If the case should be returned from either the Frivolous Fraud Campus Coordinator or the Ogden Frivolous Fraud Team as not accepted, the return or correspondence will be returned to the Tax Examiner that worked the case. Associate the return/correspondence.
- (3) The following types of responses should be forwarded to the Campus Frivolous Fraud Coordinator:

Response Type:	Explanation:
Wages/Receipts Net Income	<p>The individual argues that salaries and wages are not income within the meaning of the Sixteenth Amendment, which grants Congress the power to lay and collect taxes on income, from whatever source derived...</p> <p>The individual could also argue that the labor worth a certain amount is exchanged for money worth the same amount and therefore there is no income to tax.</p>

Response Type:	Explanation:
Eisner v. McComber	The individual reports wages but deducts them as non-taxable compensation/remuneration referencing <i>Eisner v. McComber</i> . The individual may alter line items showing non-taxable compensation or nontaxable receipts to back out some or all of their income, generally resulting in a zero tax liability.
Zero Returns	The individual submits a return with zero money amounts. A statement is attached claiming there is no section of the Internal Revenue Code that establishes an income tax liability. The statement may also contain arguments regarding the definition of income.
U.S. v. Long	The individual submits a return with zero money amounts much the same as the Zero Return category. To explain the zeros inserted on the form, the individual refers to <i>U.S. v. Long</i> .
Not a citizen/Free Citation/Not a resident of Federal Zone	The individual argues they are not a citizen of the United States and receives no income or benefits from sources within the United States. May file a Form 1040 NR to receive a refund of withheld income tax or claim citizenship of a State Republic . Alternatively, the individual may claim that he or she does not live in a federal district or zone (District of Columbia, Guam, Puerto Rico, the Virgin Islands, the Northern Marianna Islands, and certain other possessions, enclaves, and trust territories .)
Reparation Tax	The individual submits a return, an amended return, or correspondence referring to a reparation settlement based on the impact of slavery; or may refer to black taxes, reparations for African-Americans, or 40 acres and a mule.

Response Type:	Explanation:
Form 2555 Deduction	The individual submits a return showing income, then deducts that same amount (or a large portion of that amount) by adding Form 2555 to line 21. Form 2555, Foreign Earned Income, is usually attached showing the individual's foreign address in the United States. The individual also shows his income on Form 2555 as foreign earned income even though the employer's address is also in the United States. Correspondence may be attached arguing the term income and stating that each of the several states are foreign countries.
Not a Person or Individual	The individual argues he/she is not a person or individual within the meaning of Internal Revenue Code and are therefore not subject to income taxes.
Sixteenth Amendment Argument	The individual argues the Sixteenth Amendment was not properly ratified and therefore the federal government does not have the legal authority to collect an income tax without apportionment. Generally, the argument focuses on matters such as inconsistencies in versions ratified by the various states.
Fifth Amendment	The individual makes an improper blanket assertion of the Fifth Amendment right against self-incrimination as a basis for not providing any financial information.
Altered Jurat/UCC 1-207	The individual submits a return that contains income and deductions but the jurat has been altered or stricken. May include reference to UCC 1-207 or a statement that the return was not signed under penalties of perjury. The alternation may be located elsewhere on the return and arrowed into the jurat.

Response Type:	Explanation:
Unsigned returns	The individual completes a return altering any or all line items with the intent of facilitating non-compliance with the tax laws.
Wages Deducted in Cost of Goods Sold	The individual submits a return with a Schedule C attached claiming a deduction which is equal, or nearly equal, to the amount reported as wage income. The deduction is usually included in the cost of goods sold but could appear under a different deduction category.
Valuation	The individual argues that income is not taxable because of the declining fair market value of the dollar, because the dollar is not backed by gold/silver because the value of services is offset by the value of the labor (barter income), etc.
In Lieu Of	The individual submits a document captioned Statement in lieu of U.S. Income Tax Form 1040 . Various other arguments may be used in the document.
Disclaimer	The taxpayer submits documentation, which contains a disclaimer. The disclaimer states the taxpayer disclaims the liability for the tax due , making the liability on the return zero. This disclaimer may be a part of a return, on a return attachment, or in other documents.
Protest Against Government Action/Inaction	The individual argues that their refusal to file or pay is justified because they disagree with government policies or spending plans. The individual may claim deductions or credits because of an objection to having his/her taxes used to support various government activities.
Taxes Are Voluntary/Law Does Not Require	The individual submits a return, amended return, or correspondence that argues income taxes are voluntary.

Response Type:	Explanation:
Challenges to Authority/Title 26 or Law in Other Documents	The individual may argue that Title 26 of the United States Code is not law because it was never enacted as named. As a separate position, the individual may argue that other laws or documents prevent the IRS from assessing and collecting tax. This argument may reference the Bible, Bill of Rights, Declaration of Independence, Magna Carta, Northwest Ordinance, Declaration of Resolves, Federalist Papers, Mayflower Compact, Articles of Confederation of 1788, Declaration of Rights and 1765 and 1774, and possibly others.
IRS is a Private Organization/Collects Tribute, Not Taxes	The individual argues that the IRS is an entity named the Internal Revenue and Tax Service, Inc., which was incorporated in Delaware in 1933. The individual further argues that since the IRS deposits its revenues in the Federal Reserve Bank, it is a collection agency for the bank, which is in the business of making loans and conducting proprietary business, thereby removing the cloak of governmental immunity. Additionally, they argue the Department of Treasury is a part of the United Nations and is clandestinely leading the tax-paying public into a new world order .
Alleged Churches/First Amendment	The individual receives income from non-religious sources, and may claim a vow of poverty. The individual submits a return where all, or substantially all, of the gross income is claimed as a contribution deduction on Schedule A of the return.
Amended Returns/Form 843 Claim	The individual files an amended return or a Form 843 to obtain a total refund on all taxes paid in prior years, based on a tax avoidance argument not supported by law.

Response Type:	Explanation:
Untaxed	The individual argues that he/she should be untaxed and attempts to drop out of the Social Security system. He/she will withdraw or rescind his/her SSN, claiming he or she is a sovereign citizen.
Federal Reserve Notes Are Not Legal Tender	The individual argues that their wages are not taxable because they were paid in federal reserve notes. He or she argues that notes are not valid currency or legal tender and thus, those who possess them cannot be subject to tax on them.
Service Not Taxable/Thirteenth Amendment/Form of Servitude	The individual argues that income results only from the sale of goods, and therefore the value of services is not taxable. This includes indentured servitude arguments and barter offsets. The individual may also argue that the Thirteenth Amendment outlawed slavery. He or she may claim to be natural unfranchised and freemen who are residents of states, and therefore nonresident aliens for the purposes of the Internal Revenue Code.
Obscene, Vulgar, Harassing	The individual submits documents or other materials indicating that non-filing is due to dissatisfaction with tax policies or taxation in general. Often, this argument is expressed with obscene, vulgar, or crude language and characters in an extremely demeaning manner. This includes individuals who, through repetitive correspondence, indicate a refusal to comply with their tax obligations.

5.18.1.9.2.3.14.11
(03-11-2020)

Requests for Penalty Abatement

- (1) Taxpayers may submit requests for waiver or abatement of penalties. Requests may be made orally, See IRM 20.1.1.3.1, *Unsigned or Oral Requests for Penalty Relief*, for complete instructions on penalty abatement.
- (2) If the taxpayer requests penalty abatement based on reasonable cause, but a determination on reasonable cause cannot be made because the taxpayer did not supply sufficient information, **do not** deny the abatement. Correspond with

the taxpayer using the appropriate correspondex letter (ie: 1382C) and request that they resubmit the request with the missing information.

- (3) You may use the Reasonable Cause Assistant (RCA) in AMS tools to help you determine when Reasonable Cause has been met.

Note: Taxes do not have to be paid before penalties can be abated. However, if the FTP has not maxed, and the tax is unpaid, the penalty will continue to accrue, even if the FTP posted to IDRS was abated due to reasonable cause. See IRM 20.1.2.2.4.1, *Penalty Abatements and Re-assessments*, for complete information on abating the FTP when not maxed.

5.18.1.9.2.3.14.12
(06-27-2023)

Recovery Rebate Credit

- (1) The Recovery Rebate Credit (RRC) was part of the Economic Stimulus Act of 2008. Eligible individuals were sent an Economic Stimulus Payment (ESP) in 2007, giving them an advance payment of the 2008 Recovery Rebate Credit (RRC). The RRC is calculated in the same manner as the ESP except that the amounts are based on the Tax Year 2008 instead of Tax Year 2007. The RRC will need to be calculated on all 2008 Form 1040's providing the taxpayer meets the qualifications.
- (2) The Economic Stimulus Payment (ESP) amount depended on the information on the taxpayer's 2007 Federal return. Eligible individuals received between \$300 and \$600. Those who were eligible and filed a joint return received a total of between \$600 and \$1,200. Those taxpayers with qualifying children received an additional \$300 per qualifying child. The stimulus payment phased out based on the Adjusted Gross Income (AGI). The phase out was 5% of the AGI above \$75,000 for individuals and \$150,000 for those filing jointly. There were three components of the ESP:
- Part One applied to taxpayers who had a net tax liability greater than zero. Taxpayers received the lesser of \$600 (\$1,200 if filing jointly) or their net income tax liability. TC 766 with Credit Reference Number (CRN) 338 indicates the Part One amount.
 - Part Two applied to taxpayers who received less than \$300 (\$600 if filing jointly) from Part One and reported qualifying income of \$3,000 or more, or received less than \$300 (\$600 if filing jointly) from Part One and reported qualifying income less than \$3,000, but had gross income exceeding \$8,750 (Single or MFS), \$17,500 (MFJ), \$11,250 (HOH), or \$14,100 (qualifying widow(er)). TC 766 with CRN 256 indicates the Part Two amount.
 - Part Three applied to taxpayers who reported a qualifying child(ren) on their 2007 tax returns, and reported qualifying income of at least \$3,000, OR reported qualifying income less than \$3,000 but had a net tax liability greater than zero with gross income exceeding \$8,750 (Single or MFS), \$17,500 (MFJ), \$11,250 (HOH), or \$14,100 (qualifying widow(er)). If eligible, taxpayers received an additional amount of \$300 for each qualifying child. TC 766 with CRN 257 indicates the Part Three amount.

Note: The phase out rule for the ESP, due to high income, eliminated CRN 338 first, then CRN 256, and lastly, CRN 257.

- (3) An Individual may be able to claim the RRC on his/her 2008 returns only if:
- He/she did not receive an ESP in 2008, OR

- His/her ESP was less than \$600 (\$1,200 MFJ) in 2007, plus \$300 for each qualifying child they have for 2008.
- (4) A Recovery Rebate Credit Job Aid is provided to assist in determining whether a taxpayer is eligible for the credit. The job aid is accessible on the "IRM Supplements" tab on SERP. Use of the job aid is not mandatory. Taxpayers whose ESP is larger than the RRC amount figured on the 2008 tax return will not have to pay back the difference. An individual who did not qualify for the ESP can claim the RRC on his/her 2008 tax return, provided he/she is otherwise eligible.
- (5) Taxpayers must meet the following qualifications to claim the RRC:
- A Tax Year 2008 Federal income tax return must be filed.
 - The maximum credit, based on 2008 filing was not realized on the 2007 tax account.
 - The taxpayer(s) must include a valid social security number (including spouse, if married filing joint) and all qualifying children. ITIN, ATIN, IRSN, or invalid SSN cannot be accepted.
- Exception:** The Heroes Earnings Assistance and Relief Tax Act of 2008 provides that Social Security Number requirement for both spouses and children does not apply in the case of a joint return where at least one spouse is a member of the Armed Forces of the United States at any time during the taxable year.
- All qualifying children must have a valid social security number.
- Exception:** If the child was born and died in Tax Year 2008, an SSN was not issued and the child can be claimed as an exemption on the tax return, that child is a qualifying child for RRC purposes.
- A net income tax liability greater than zero OR qualifying income of \$3,000 or more.
 - Cannot file to claim the credit on Form 1040NR, Form 1040PR, and Form 1040SS.
 - Cannot be claimed as a dependent of another taxpayer.
- (6) The RRC is claimed on Line 70 of the 2008 Form 1040, Line 42 on the 2008 Form 1040A, and Line 9 on the 2008 Form 1040EZ. To verify the amount of the credit claimed by the taxpayer you will need to review the taxpayer's 2007 account to see if they received any advance credit (ESP). The credit will be posted on the 2007 account with the same CRN's as shown below. Once you know the amount of the advance credit you can use the RRC Calculator on the IRS Website to compute the credit.
- (7) Input CC REQ54 with the CRN for the Recovery Rebate Credit in the reference codes section. Reason Code 096 is required, but can be in any of the first three RC positions. The Credit Reference Numbers (CRNs) to be used on adjustments are as follows:
- CRN 338 - RRC computed based on tax liability.
 - CRN 256 – RRC computed based on qualifying income.
 - CRN 257 – RRC computed based on number of qualifying children.

5.18.1.9.2.3.14.13
(12-13-2017)
**Making Work Pay and
Government Retiree
Credits**

- (1) The American Recovery and Reinvestment Act of 2009 provided a new refundable credit for working families and certain government retirees. The withholding tables were adjusted to allow additional **take home** pay for most taxpayers. Schedule M, Making Work Pay and Government Retiree Credit, was developed to offset potential reduction in refunds and provide taxpayers with an additional refundable credit. Effective for 2010, the Schedule was changed to only the Making Work Pay Credit. The Government Retiree Credit section was eliminated. Taxpayers complete Schedule M to claim the Making Work Pay Credit/and or Government Retiree Credit. If the taxpayer does not file Schedule M then the credit should not be given.

Note: Taxpayers filing Form 1040EZ complete the worksheet on the back of Form 1040EZ to determine the amount of allowable Making Work Pay Credit.

- (2) The Making Work Pay (MWP) Credit is calculated at a rate of 6.2% of earned income with a credit amount up to \$400 (\$800 for filing status 2). This credit expired in 2011 and cannot be taken on TY 2011 returns. The credit cannot be claimed if:

- The taxpayer is a non-resident alien (usually files a Form 1040NR), or
- The taxpayer can be claimed on another taxpayer's return, or
- The MAGI (Modified Adjusted Gross Income) is in excess of \$95,000 (\$190,000 for married filing joint)
- The taxpayer does not have a valid social security number

Note: Receipt of the one-time Economic Recovery Payment and/or Government Retiree Credit reduces the allowable Making Work Pay Credit.

- (3) Earned income includes:

- Wages listed on line 7
- Non taxable combat pay received
- Schedule C, F gain or loss
- Statutory employee income reported on Schedule C, but do not include income from any statutory employee who is exempt from SE tax

- (4) The Government Retiree Credit allows eligible taxpayers to claim up to \$250 (\$500 for FS2)

- (5) The MWP credit is based on earned income. If the earned income per return is less than \$6,451 (\$12,903 for Filing Status 2) and there is additional U/R earned income, the taxpayer may be entitled to additional MWP.

- (6) The MWP credit begins to decrease (phase out) when the adjusted gross income (AGI) is:

- a. Between \$75,000 and \$95,000 for filing status 1, 3 and 4.
- b. Between \$150,000 and \$190,000 for filing status 2.

Note: If the AGI exceeds \$95,000 (\$190,000 for filing status 2) the MWP is reduced to zero.

- (7) Taxpayers who are non-resident aliens or can be claimed as a dependant on someone else's tax return do not qualify for the Making Work Pay Credit.

- (8) For 2010, the MWP will be reduced if the taxpayer (or spouse if married filing jointly) received a \$250 Economic Recovery Payment (ERP) from SSA/VA/RRB during 2010.
- (9) For 2009, the MWP will be reduced if either of the following situations occur:
 - The taxpayer (or spouse if married filing jointly) received a \$250 ERP from SSA/VA/RRB during 2009
 - The taxpayer claims the Government Retiree Credit on Schedule M, Line 11
- (10) Taxpayers must have earned income in order to claim the MWP credit. This includes wages, nontaxable combat pay, or profits or losses from Schedule C or F. Pensions are not considered earned income unless indicated as disability income received under the retirement age.

5.18.1.9.2.3.14.14
(03-11-2020)
Education Credit

- (1) Taxpayer may claim an education credit for qualified tuition and related expenses paid to an eligible educational institution, including accredited colleges, universities, and vocational schools. Form 8863, Education Credits (American Opportunity, Hope and Lifetime Learning Credits) is used to claim this credit.
- (2) A taxpayer can elect, for any year, only one of the credits for each student (American Opportunity, Hope and Lifetime Learning Credits).
- (3) Taxpayers **CANNOT** claim Education Credits when:
 - They are claimed as a dependent on someone else's tax return.
 - The Filing Status is Married Filing Separately (FS 3 or FS 6).
 - A deduction for Tuition and Fees is claimed on Form 1040, line 34 for the same student.
 - They are a non-resident alien.
- (4) See IRM 4.19.3.15.5, *Education Credits*, and IRM 21.6.3.4.1.5, *Form 8863, Education Credits*, for additional instructions in regard to claiming and adjusting the non-refundable credit.
- (5) See IRM 21.6.3.4.2.11, *American Opportunity Tax Credit*, for additional instructions in regard to adjusting the refundable portion of the credit.

5.18.1.9.2.3.14.15
(06-27-2023)
**Small Business Health
Care Tax Credit**

- (1) As a result of the Patient Protection and Affordable Care Act, many small businesses and tax-exempt organizations that provide health insurance coverage to their employees now qualify for a special tax credit.
- (2) Eligible small businesses can claim the credit as part of the general business credit starting in TY 2010.
- (3) For tax years 2010 through 2013, the maximum credit is:
 - 35 percent of the health care premiums paid by the small business employer
 - 25 percent of the health care premiums paid by the small tax-exempt employer, such as charities.
- (4) An enhanced version of the credit will be effective beginning January 1, 2014. To be eligible, the small business must:

- Cover **at least** 50 percent of the cost of single (not family) health care coverage for each of their employees.
 - Have **fewer** than 25 full-time equivalent employees (FTEs). Those employees must have average wages **less** than \$50,000 a year.
 - Use Form 8941, Credit for Small Employer Health Insurance Premiums, to calculate the credit.
- (5) The maximum credit goes to smaller employers- those with 10 or fewer FTEs - paying annual average wages of \$25,000 or less. The credit may be reduced depending on the number of employees an organization has and the amount of wages it paid. The credit is completely phased out for employers that have 25 FTEs or more or that pay average wages of \$50,000 per year or more.
- (6) The credit is non-refundable for the small business employer. A small business employer who did not owe tax during the year can carry the credit back for 1 year or forward for 20 years to other tax years. However, the credit cannot be carried back to a year before the effective date of the credit, which is TY 2010. Therefore, any unused credit amounts for taxable years beginning in 2010, can only be carried forward.
- (7) For small **tax-exempt** employers the credit is refundable, so even if they have no taxable income, they may be eligible to receive the credit as a refund as long as it does not exceed their income tax withholding and Medicare tax liability.
- (8) The amount of the credit is included as part of the general business credit on their income tax return.
- (9) The small business employer and small tax-exempt employers must file F 8941 as the credit is calculated on Form 8941, **Credit for Small Employer Health Insurance Premiums**, and is claimed on Form 1040. Impacted IMF taxpayers could be Schedule C or F sole proprietors with employees.
- The following action are required:
 - Math verify Form 8941
 - Input TC 290 to decrease the credit, or TC 291 to increase the credit. In addition, input item reference number 870 along with the TC 290/291 when adjusting the Credit for small Employer Health Insurance Premiums.
- (10) See *Notice 2010-44*, IRB 2010-22, for specific information on figuring the phase-out credit.

5.18.1.9.2.3.15
(06-27-2023)
Returns

- (1) There are two types of returns processed in ASFR:

- ASFR Returns -Returns filed before default assessment

Note: ASFR Returns (not Reconsiderations) received and started on ASFR after June 1, 2018 with a TC 971 AC 143 present on IDRS are shipped to the closest Submission Processing site for Delinquent Return Processing. ASFR Returns received that were started prior to June 1, 2018 will continue to be processed following the guidelines below.

- ASFR Reconsideration returns - Returns filed after an ASFR default assessment

- (2) All ASFR returns and ASFR Reconsiderations must be manually screened and manually input as TC 29Xs to IDRS. Additionally, ASFR returns must be manually updated to ASFR. Input TC 599 with closing code 089 when processing all ASFR returns to close taxpayer delinquencies and set the ASERD. Input TC 599 with closing code 089 on ASFR Reconsideration returns to set the ASERD. All ASFR returns must be processed within 45 days of the IRS received date to minimize taxpayer impact and refund interest paid. If a TC 494 is present on the module, a TC 495 must be input. All ASFR Reconsideration returns must be worked within 60 days of the IRS received date.

Note: Age criteria for receipt of return is calculated from the IRS received date.

- (3) All ASFR and ASFR Reconsideration returns must be processed using the mandated IAT xMend tool.
- (4) All credits must be resolved when an ASFR module is closed for a filed return.

5.18.1.9.2.3.15.1
(09-11-2025)

**Joint Returns Filed
Under Another TIN**

- (1) Joint returns may be received showing the ASFR taxpayer as the secondary taxpayer on the return. Processing by ASFR will depend on whether both taxpayers have ASFR issues, and whether the Assessment Statute Expiration Date (ASERD) or Refund Statute Expiration Date (RSED) has expired. If the account for either joint filer on a return shows a freeze condition indicating the module is assigned to another area, contact the appropriate area for advice on processing, or transfer the case as appropriate. Examples are -L Freeze, Examination, -Z Freeze, Criminal Investigation, and -V or -W Freeze, Bankruptcy/Litigation.

Note: The Statute function will not clear a joint return for processing unless the ASFR assessment has been reversed.

- (2) Follow the IF/THEN table below for further processing guidelines. See IRM 5.18.1.5.3, *ASFR Recon Transcripts*, and IRM 5.18.1.9.2.3.14.2, *Filed Jointly*, for additional information:

If	Then
Both taxpayers have been started by ASFR, TC 150 (ASFR) and or a TC 290 for ASFR Reconsideration).	<p>ASFR cases started after June 1, 2018, and a TC 971 AC 143 is present on IDRS follow the guidance below:</p> <ul style="list-style-type: none"> • ASFR TP account should be updated to Status 093 • Joint Filer module will be updated to Status 108 only when the return is posted on IDRS <p>ASFR cases started prior to June 1, 2018 and a dummy TC 150 is present on IDRS follow guidance below:</p> <ol style="list-style-type: none"> a. Review and address any math errors and reporting inconsistencies per return procedures. b. Close the ASFR on the secondary taxpayer, including input of TC 594 with cc 084 and reverse any existing ASFR assessment. c. Update the primary taxpayer assessment to reflect the filed return per appropriate procedures.

If	Then
The secondary taxpayer is ASFR'd and the ASER on the primary taxpayer account has expired for a joint return.	<p>ASFR cases started after June 1, 2018, a TC 971 AC 143 is present on IDRS follow the guidance below:</p> <ul style="list-style-type: none">• Update ASFR to the appropriate Status continue the ASFR Process.• Follow the instruction below b and d to complete the case <p>ASFR cases started prior to June 1, 2018 and a dummy TC 150 is present on IDRS follow guidance below:</p> <ol style="list-style-type: none">a. Do not reverse the ASFR assessment.b. Inform both taxpayers a joint return cannot be accepted for the tax year filed. Send a 105C letter to the taxpayer who has the expired ASER, and send a 916C letter to the ASFR taxpayer telling them to file a return other than Married Filing Joint.c. Input TC 290 for \$.00 to the primary TIN to associate the document in files.d. Update AMS to indicate a joint return was filed and could not be accepted due to the expired ASER for the return under the primary taxpayer's TIN.

If	Then
<p>The secondary taxpayer is ASFR'd and the RSED on the module has expired for the tax year filed.</p>	<p>ASFR cases started after June 1, 2018, a TC 971 AC 143 is present on IDRS follow the guidance below:</p> <ul style="list-style-type: none"> • ASFR TP account should be updated to Status 093 • Ship return to the nearest Submission Processing site • The Joint Filer module will be updated to Status 108 only when the return is posted on IDRS. <p>ASFR cases started prior to June 1, 2018 and a dummy TC 150 is present on IDRS follow guidance below:</p> <ol style="list-style-type: none"> a. ASFR TP account should be updated to Status 093 b. Ship return to the nearest Submission Processing site. c. TC 594 with cc 084 will be input by MF when the return posts under the primary TIN. d. The ASFR issue will be addressed when the ASFR Reconsideration Transcript is generated.
<p>The secondary taxpayer is ASFR'd and there are no ASER or RSED issues for the primary or secondary taxpayer on the return.</p>	<p>ASFR cases started after June 1, 2018, a TC 971 AC 143 is present on IDRS follow the guidance below:</p> <ul style="list-style-type: none"> • ASFR TP account should be updated to Status 093 • Ship return to the nearest Submission Processing site • Joint Filer module will be updated to Status 108 only when the return is posted on IDRS. <p>ASFR cases started prior to June 1, 2018 and a dummy TC 150 is present on IDRS follow guidance below: Forward the return to Submission Processing. The ASFR issue will be addressed when the original return is processed and TC 594 with cc 084 posts to the module. Do not suspend the ASFR.</p>

5.18.1.9.2.3.15.2
(09-11-2025)

**Net Operating Loss
(NOL), Carryback,
Carryforward**

- (1) The taxpayer may have a Net Operating Loss (NOL), Net Capital Loss (NCL), Unused Credits, or a Claim -of-Right adjustment for a specific year if their losses from trade or business, work as an employee, casualty or theft losses, moving expenses or rental property are more than their income. An NOL year is the year in which a net operating loss occurs. Taxpayers may use this loss to reduce or eliminate their income in other years.
- (2) Taxpayers may choose to claim a NOL year as a Carryback for a period of 2 tax years and/or a Carryforward for a period of 20 tax years.
- (3) Taxpayers use Form 1045 and/or Form 1040X to Carryback the NOL. Taxpayers may also submit an Election Statement with a Carryback application or claim.
 - IRC 6411(a) requires that the tax return generating the net operating loss, net capital loss, or unused business credit must be filed on or before the date a tentative carryback application, Form 1045, is filed.
 - Three legislative acts increased the potential carryback period from 2 years to up to 5 years. The American Recovery and Reinvestment Act of 2009 – Section 1211 (ARRA) allows for a 5-year NOL for TY 2008, The Worker, Homeownership, and Business Assistance Act of 2009 – Section 13 (WHBAA) allows a 5-year Net Operating Loss (NOL) Carryback for tax periods beginning or ending in TY 2008 or TY 2009 and the Small Business Jobs Act of 2010 – Section 2012 and 2013 (SBJA) allows for a 5-year carryback of eligible small business credits for tax periods beginning in TY 2010.
 - A Form 1040X that has been filed as a carryback can be identified by the checked box on page 2 of the amended return, indicating that the return has been filed as a carryback election and/or verbiage in the remarks section that indicates the taxpayer is filing an amended return as a carryback.
 - The Election Statement may include one of the following: May specify the number of years of the Carryback election or state the taxpayer is revoking a NOL carryback waiver.
 - The taxpayer will Carryforward the NOL year by showing the deduction as a negative figure on the “Other Income” line (for most tax years that will be Form 1040/Form 1040-NR, line 21). Taxpayers may provide an original return and an amended return as a response to the ASFR notice.
- (4) Carrybacks will not be processed in the ASFR Program. When applicable, attachments in regard to NOLs, Carryback or Carryforward are to be forwarded to Taxpayer Services. See table below. There are specific timeframes in which these claims/applications should be processed and it is imperative that these claims/applications be identified and forwarded to Taxpayer Services in an expedited manner.
- (5) Clerical should screen returns for a Negative AGI or a Negative amount on the “Other Income” line on Form 1040 /1040NR.
 - Segregate these returns upon identification and prior to batching to AMS
 - Forward to designated coordinator
- (6) Coordinators will:
 - Screen to determine what actions need to be taken on each case.

- Separate applicable documents and forward to AM in the following categories: Carryback (Form 1045), Carryforward, NOL (separate Form 3210 for each applicable category) i.e.: If TP claims Carryback and Carryforward then do not separate the documents, place in the Carryback category.
- Leave a history on AMS, as applicable, to document the following: TP has stated or indicated a NOL, Carryback, or Carryforward, State what documents were forwarded to AM. i.e.: Election Statement, Form 1040-X, Form 1045.
- Ensure case is processed expeditiously if applicable.

(7) Follow the IF/THEN table below for further processing guidelines:

If	Then
Taxpayer submits an original return for a specific ASFR year, and also includes an Amended return/1040X showing a carryback or carryforward	<ol style="list-style-type: none"> 1. Process the original return expeditiously following normal IRM 5.18.1 procedures 2. Forward a copy of page 1 and 2 of the original return and all other carryback related documents to Taxpayer Services. 3. Prepare Form 3210 for routing and indicate Net Operating Loss-Carryback- clearly notate Expedite on Form 3210 4. Send taxpayer Correspondence to advise that the documents were forwarded to the appropriate area for consideration and processing.
Taxpayer submits an original return for a specific ASFR year, and also includes a Form 1045 showing a Carryback or Carryforward	<ol style="list-style-type: none"> 1. Process the original return expeditiously following normal IRM 5.18.1 procedures 2. Immediately forward a copy of pages 1 and 2 of the loss year return and all other carryback related documents to AM 3. Prepare Form 3210 for routing and indicate Net Operating Loss-Carryback- clearly notate Expedite on Form 3210 4. Send taxpayer Correspondence to advise that the documents were forwarded to the appropriate area for consideration and processing.
Taxpayer submits an original return for a specific ASFR year, and also includes an Election Statement	<ol style="list-style-type: none"> 1. Process the original return expeditiously following normal IRM 5.18.1 procedures 2. Forward a copy of pages 1 and 2 of the loss year return and all carryback related documents to AM. 3. Prepare Form 3210 for routing and indicate Net Operating Loss-Carryback- clearly notate Expedite on Form 3210. 4. Send taxpayer Correspondence letter to advise that the documents were forwarded to the appropriate area for consideration and processing.

If	Then
<p>Taxpayer submits an original return for specific SFR year, indicating that their business related losses are more than their income and the result is their AGI is reported as a negative amount. Generally this indicates a NOL year has occurred. And the taxpayer does not make an election statement to Carryback/Carryforward.</p>	<p>Process the tax return expeditiously following normal IRM 5.18.1 procedures.</p>
<p>Taxpayer submits an original return for specific SFR year, indicating that their business related losses are more than their income and the result is their AGI is reported as a negative amount. Generally this indicates a NOL year has occurred.</p> <ul style="list-style-type: none"> And the taxpayer does make an election statement to Carryback/Carryforward "Claim" for NOL has ended (3 years after the time for filing a return <p>Note: Claim for NOL ends 3 years after the time for filing of the return. If 2007 return (due date 4/15/2008) was filed in 2012, net operating loss may NOT be claimed. The 3-year period ended 4/15/2011.</p>	<ol style="list-style-type: none"> Process the tax return expeditiously following normal IRM 5.18.1 procedures Forward the Election Statement, copy of pages 1 and 2 of the loss year return and all other carryback related documents to Taxpayer Services. Prepare Form 3210 for routing and indicate Net Operating Loss –Carryback – clearly notate Expedite on Form 3210. Send taxpayer Correspondence letter to advise that the documents were forwarded to the appropriate area for consideration and processing.
<p>Taxpayer submits an original return for specific SFR year, indicating that their business related losses are more than their income and the result is their AGI is reported as a negative amount. Generally this indicates a NOL year has occurred.</p> <ul style="list-style-type: none"> And the taxpayer does make an election statement to Carryback/Carryforward "Claim" for NOL has not ended (3 years after the time for filing a return. 	<ol style="list-style-type: none"> Process the tax return expeditiously following normal IRM 5.18.1 procedures. Forward the Election Statement, a copy of pages 1 and 2 of the loss year return and all other carryback related documents to Accounts Management Prepare Form 3210 for routing and indicate Net Operating Loss –Carryback – clearly notate Expedite on Form 3210. Send taxpayer Correspondence letter to advise that the documents were forwarded to the appropriate area for consideration and processing.

#

If	Then	
Taxpayer submits an original return to a specific SFR year and the taxpayer adjusts the Adjusted Gross Income (AGI) with a Carryback (Other Income line), And attaches a Form 1040X and/or Form 1045 and/or Election Statement.	<ul style="list-style-type: none"> Do not consider the Carryback claim Process the return expeditiously following normal IRM 5.18.1 procedures Expedite the appropriate attachments including pages 1 and 2 of the loss year return to AM. 	#
Taxpayer submits an original return to a specific SFR year and the taxpayer adjusts the Adjusted Gross Income (AGI) with a Carryback (Other Income line), And does NOT attach a Form 1040X, Form 1045 or amended return	<ul style="list-style-type: none"> Do not consider the Carryback claim Process the return following normal IRM 5.18.1 procedures Send letter 916C advising the taxpayer to file Form 1040X with Form 1045. 	# #
Taxpayer submits an original return to a specific SFR year and the taxpayer adjusts the Adjusted Gross Income (AGI) with a Carryforward (Other Income line), <ul style="list-style-type: none"> Taxpayer states loss year And Taxpayer's loss year return was not filed by the due date (including extensions) 	<ul style="list-style-type: none"> Do not consider the Carryforward claim Process the return following normal IRM 5.18.1 procedures •Send Letter 105C informing the taxpayer that the election to waive the carryback period was not timely filed; therefore, the NOL must be carried back to any applicable gain year before it can be carried forward. 	# #
Taxpayer submits an original return to a specific SFR year and the taxpayer adjusts the Adjusted Gross Income (AGI) with a Carryforward (Other Income line), <ul style="list-style-type: none"> Taxpayer states loss year And Taxpayer's loss year return was filed by the due date (including extensions) 	<ul style="list-style-type: none"> Process the return following normal IRM 5.18.1 procedures 	# # # #
Taxpayer submits an original return to a specific SFR year and the taxpayer adjusts the Adjusted Gross Income (AGI) with a Carryforward (Other Income line), Taxpayer does NOT state loss year	Process the return following normal IRM 5.18.1 procedures.	# # # #

5.18.1.9.2.3.15.3
(08-09-2012)

**-L Freeze - AIMS
Indicator**

- (1) This master file freeze code is on an account that has been selected for audit.
The freeze is set by the posting of a TC 420/424 to the account.

- (2) If the -L Freeze posted to the account after ASFR started the case then adjust the account to the figures on the taxpayer's return (AGI, TXI, tax, credits, etc)
 - a. Use hold code 4 when inputting adjustments
 - b. Input Priority Code 1
 - c. Process the tax return and route the tax return per AMDISA

5.18.1.9.2.3.15.4
(04-06-2016)

- W Freeze - Litigation

- (1) This literal is on an account identified as being in Litigation. The TC 520 and appropriate closing codes define the type of Litigation. Definitions can be found in Document 6209, *IRS Processing Codes and Information*, Section 11.8, H, TC 520 Closing Code Chart.
- (2) Complete thorough research of the account and modules to identify a -W (Litigations) Freeze status.

Caution: Do not take any action on the module or account without contacting the litigation identified function (refer to the IF/THEN chart in IRM 21.5.6.4.46, -W Freeze.

- a. Refer to IRM 21.5.6.4.46, -W Freeze, to identify actions for specific closing codes.
- b. Suspend the case (including the tax return) or route the tax return per the instructions from the person contacted.

5.18.1.9.2.3.15.5
(04-06-2016)

-Y Freeze - Offer in Compromise

- (1) This -Y master file freeze code is on an account that has been identified as being in Offer Status. The Transaction Code 480 defines the pending offer. The ASFR case can continue as long as the Offer is pending.

Caution: IF there is a TC 780 on the module, the amount of the assessment cannot be changed and we cannot work the case.

- a. Refer to IRM 21.5.6.4.50, -Y Freeze, for additional information.
- b. If the reconsideration cannot be worked, send correspondence to the taxpayer explaining we cannot change the amount of assessment on a tax period where an Offer-In-Compromise has been accepted.
- c. Send the return to files.

5.18.1.9.2.3.16
(04-06-2016)

Statute of Limitation

- (1) All returns must be reviewed to ensure protection of all statutes of limitation. See IRM 25.6, *Statute of Limitations*, for specific instructions on statute protection. See IRM 25.6.1.6.15, *When a Document is Treated As Filed Under the IRC*, to determine the return received date, and to determine the date the return is considered filed under the IRC.

Note: Per IRM 3.11.154.3.6, *Statute Returns*, no review for statute clearance is necessary for original returns secured by Compliance employees because Compliance employees perform the statute review. Do not route to the Statute Control Unit any original return secured or any returns prepared under the authority of IRC 6020(b). Forward returns to files after input of adjustment.

5.18.1.9.2.3.16.1
(09-11-2025)

Refund Statute Expiration Date (RSED)

- (1) The RSED is generally three years from the Return Due Date (RDD) for prepaid credits if a return was filed, or two years from the payment date for other payments whichever is later. See IRM 25.6.1, *Statute of Limitations Processes and Procedures*, for further explanations.

- (2) ASFR Returns and Reconsiderations are original returns. Generally, prepaid credits must be claimed within 3 years of the due date of the return with regard to extension. Therefore, if an ASFR return or Reconsideration is received more than three years from the due date with regard to extensions, a refund of prepaid credits should not be made. There are conditions that extend the RSED, see IRM 25.6.1.
- (3) Generally, the amount to be credited or refunded is limited to the tax paid during the three years immediately preceding the filing of a claim, plus the period of any extension of time to file. Therefore, even if prepaid credits are barred, available credits paid within three years of the received date of ASFR returns and ASFR Reconsiderations, are not barred.
- (4) Do not allow any overpayment of prepaid credits or subsequent payments to refund or offset if the RSED has expired.

Note: Do not solely rely on the RSED posted to CC TXMODA to determine if credits should be offset or refunded.

Note: Follow disallowance procedures in IRM 25.6.1.

- (5) When barring a refund, take the following actions:
 - You must use Hold Code 4 when inputting the original adjustment to prevent the credit(s) from being released erroneously and suppress the adjustment notice.
 - A second adjustment is needed input a TC 290 for \$.00 with a blocking series of 98/99 per IRM 25.6.1.5, *Basic Guide for Processing Cases with Statute of Limitations Issues*. Use appropriate posting delay code on the adjustment to avoid an unpostable and Hold Code 4 to prevent the release of the credit(s) on the module.
 - Use CC REQ77 to input TC 971 AC 296, indicating all necessary research was completed. See IRM 25.6.1.7.3.1, *Transferring Credit To XSF*, for additional instructions on transferring credits to XSF.
 - Send 105C letter with Appeal Rights- The 105C explains the refund cannot be released.
 - Prepare Form 8758, Excess Collection File Addition with as much information **as possible** at the time the adjustment is input per IRM 3.17.220.2.2.1, *Preparation of Form 8758*. Form 8758 is used to transfer the barred credit from the module to Excess Collections.

Note: The xMend tool will auto-populate the form and create the mandatory monitoring control base on IDRS. Use the following xMend fill-ins: Activity = RFNDBARRED; Status = B; Category code = SFRR for ASFR and SFAR for Reconsideration. See IRM 1.4.16.5.6.1, *CCA 4243 - IDRS Overage Report*, for information on control base statuses.

- A copy of the prepared Form 8758 must be included in the closed case released for PAS review.
- Form 8758 must be submitted for processing within seven (7) business days of the -K Freeze appearing on the CCA 4243 Aged List.

Note: In the instance of a balance due return, where subsequent payments are barred, it will not be possible to complete box 7 until the adjustment has posted.

- Form 3210 must be prepared when routing Form 8758 to the Accounting function.

- If the final amount of credit is unavailable due to interest and penalties needing to be computed, delay sending the 105C letter until the return has posted with the final credit amount. Notate the reason for the delay on your history sheet.
- (6) Resolve any remaining, refundable credit on the module once the RSED credit has moved to XSF: Input a TC 290 for .00 with a priority Code 4 to release remaining credits on the module.
 - (7) There will be limited circumstances when a Manual Refund will be needed to release remaining credit on the module. Follow guidance below to resolve the refundable credit on the module, once the RSED credit has been moved to XSF:
 - Initiate a Manual Refund per IRM 21.4.4.5, *Preparation of Manual Refund Forms*, with the Integrated Automation Technologies (IAT) tool.

Note: Research must be done to identify any outstanding balance (OBL) prior to initiating a manual refund. Following instructions in IRM 21.4.4.4 and input a credit transfer if an OBL exists.

- Report hours and volume under OFP 62427 for an ASFR return.
- Report hours and volume under OFP 62467 for a Reconsideration return.

5.18.1.9.2.3.16.2

(04-06-2016)

**Assessment Statute
Expiration Date (ASED)**

- (1) The general rule is that an assessment of tax must be made within three years from the date a return is filed. Generally, this means that tax must be posted or journalized to Master File within 3 years of the date the return was filed. Additionally, the IRS has three years to assess additional tax due. See IRM 25.6.1, *Statute of Limitations Processes and Procedures*, for exceptions to assessing additional tax within three years from the received date or due date of a return whichever is later. See IRM 25.6.1 for a more thorough explanation of the ASED, and the conditions that extend the ASED.
- (2) ASFR default assessments and the ASFR **dummy** TC 150 do not start the running of the ASED. Therefore, the ASED must be set when processing ASFR returns and ASFR Reconsiderations.
- (3) Additional review is necessary when a joint return is filed, and at least one spouse previously filed a return. See IRM 25.6.1.9.4.4, *Joint Return After Separate Return*, for limitations to processing separate to joint returns and if it meets the criteria, resolve ASFR issues and route to adjustments.
- (4) ASFR Reconsiderations that are tax increases and ASFR Returns must be posted to Master File within three years of the received date.
- (5) If a return is received with an imminent ASED, see paragraph 2) of IRM 25.6.1.9.9.2, *After Hours and Imminent Assessments*. Imminent ASEDS are when the ASED is within 90 calendar days.
- (6) When processing ASFR returns and reconsiderations, determine the ASED. If the ASED is not posted on IDRS or the ASED is not correct on IDRS, input the ASED on IDRS. Generally, the ASED is set three years from the received date of the return. See IRM 25.6.1 to determine the date the return is considered filed under IRC when the return received is not valid.

Note: No review for statute clearance is necessary for original returns secured by Compliance employees, because Compliance employees perform the review. Do not route to the Statute Control Unit any original return secured or any returns prepared under the authority of IRC 6020(b). Forward returns to files after input of adjustment.

(7) To set the ASED input a TC 599 CC 089 using CC FRM49 with the received date of the return.

(8) To correct an ASED posted to IDRS, input a TC 560 using CC REQ77. The required fields for input are:

- TC 560
- The ASED (the correct received date plus 3 years)

Note: When TC 976 is posted, the ASED is systemically set on IDRS. It is not necessary to input TC 560 in these cases unless the generated ASED is incorrect on IDRS.

5.18.1.9.2.3.16.3
(03-11-2020)

**Collection Statute
Expiration Date (CSED)**

(1) The CSED is a time period established by law to collect taxes. The CSED is normally ten years from the date of assessment.

(2) All ASFR assessments, including default assessments, start the CSED.

Note: Do not extend or re-compute the CSED on ASFR Reconsiderations. See IRM 25.6.1.12, *Collection Statute Expiration Date (CSED)*, for further guidance involving CSED issues.

(3) ASFR Reconsiderations should be processed even if the CSED which is based on the default has expired.

5.18.1.9.2.3.17
(06-27-2023)

Penalties

(1) The Failure to File (FTF) and Failure to Pay (FTP) penalties are assessed on all balance due ASFR and Reconsideration returns, unless the penalties are waived or abated due to establishment of Reasonable Cause, First Time Abatement, Statutory Exceptions, Administrative Waivers or Correction of Service Error. See IRM 20.1.1, *Introduction and Penalty Relief*, for complete instructions on Penalty Relief. See IRM 20.1.2, *Failure to File/Failure To Pay Penalties*, for complete explanations of the FTF and the FTP.

(2) The Estimated Tax Penalty (ES Penalty) is assessed where there is an underpayment of prepaid credits or required installment(s) of estimated income tax liabilities. IRM 20.1.3, *Estimated Tax Penalties*, for complete explanations of the Estimated Tax Penalty.

(3) Manual computation of the FTF and FTP is required on ASFR Reconsideration returns when a tax account contains restricted modules.

Note: Restricted modules are modules where the FTF and/or FTP have been manually assessed, or restricted by a -C or G- freeze.

(4) For ASFR returns:

If	Then
The module does not contain a -C freeze,	Use a Priority Code 2 on ADJ54. Do not manually calculate the FTF or the FTP penalties. The Priority Code 2 will direct IDRS to systemically calculate the penalties.
The module contains a -C freeze,	The FTF and the FTP penalties must be manually calculated. IRM 20.1.2.2.8, <i>Restrictions on Assertions</i> , for FTP information.

- (5) For ASFR Reconsiderations:

If	Then
The module is restricted	Manually calculate the FTF and the FTP penalties.
The module is not restricted	No manual calculation of FTF and FTP penalties is needed, unless the account is restricted. Use PC 2 to systemically calculate FTF and FTP penalties.

Note: Input Priority Code (PC) 2 on any reconsideration if it wasn't present on the default assessment.

- (6) The ES Penalty is always manually verified or calculated on ASFR, Reconsideration returns, and signed consents. The Estimated Tax penalty must be input with the assessment. IDRS will not calculate the Estimated Tax penalty on ASFR, ASFR Reconsiderations or signed consents.

5.18.1.9.2.3.17.1 (04-06-2016)

Failure to File

- (1) The Failure to File (FTF) penalty applies on the amount due from the return due date (or extended due date) until paid or until the 25% maximum penalty is applied. The FTF penalty rate is 5% a month. When the FTF penalty under IRC 6651(a)(1) and the Failure to Pay (FTP) penalty for failure to pay tax shown on the return under IRC section 6651(a)(2) both apply for the same months, the FTF penalty under IRC 6651(a)(1) is reduced by the amount of the FTP penalty under IRC 6651(a)(2). See IRM 20.1.1, *Introduction and Penalty Relief*, and IRM 20.1.2, *Failure to File/Failure to Pay Penalties*.

- (2) When systemically assessed, the Failure to File posts as a TC 166. When manually assessed, the FTF posts as a TC 160.

Note: Whenever there is a TC 160 posted to a module, see IRM 5.18.1.9.2.3.17, *Penalties*, instructions regarding a TC 160 that requires manual calculation. Failure to address the Failure to File when a TC 160 has posted will cause the adjustment to unpost.

- (3) IDRS will systemically calculate the FTF when the assessment is input with a priority Code 2.

- (4) To manually calculate the FTF on ASFR returns when the FTF and FTP apply to the same months, multiply the tax due per return by 22.5%. The tax due per return is the tax minus all pre-paid credits and payments received on or before April 15th in the year the return was due.

Note: Never manually input the (FTF) unless necessary. Manual input of the (FTF) will restrict the module, and cause manual review until the module is paid in full, including all interest accruals.

5.18.1.9.2.3.17.2
(03-11-2020)

Failure to Pay

- (1) The Failure to Pay penalty (FTP) is assessed for failure to pay amounts shown on the return. It is calculated on the amount due from the return due date to the date paid at one-half of one percent (.005), not to exceed 25%. The FTP penalty on an ASFR increases from one-half of one percent (.005) to 1% after notice of intent to levy (CP 504) is issued. TC 971 with AC 069 or 035 also indicates that the 1% rate has been triggered. If the taxpayer files his own return after the 1% FTP penalty rate has taken effect on the assessment, the FTP penalty is recalculated on the amount showing due on the taxpayer's return by using the .5% rate for the same period.

- (2) When systemically assessed, the FTP posts as a TC 276. When manually assessed, the FTP posts as a TC 270.

Note: Whenever there is a TC 270 posted to a module, see IRM 5.18.1.9.2.3.17, *Penalties*, for instructions regarding when the TC 270 requires manual calculation. Failure to address the FTP when a manual TC 270 has posted will cause the adjustment to unpost.

- (3) To manually calculate the FTP on ASFR and Reconsideration returns:
- Determine the amount due for each month the tax remains unpaid from the due date of the return. IRM 20.1.2.2.5, *Manual Penalty Adjustments*, and IRM 20.1.2.3.8.1, *Computing the Penalty* for further explanations.
 - On IDRS, use CC COMPAF to calculate the FTP.
 - Input the trigger date for assertion of the FTP to 1% on the CC COMPAF screen when applicable. When inputting an assessment via ADJ54, input the FTP as a TC 270.

Note: Never manually input the FTP unless necessary. Manual input of the FTP will restrict the module, and cause manual review until the module is paid in full, including all interest accruals.

5.18.1.9.2.3.17.3
(06-27-2023)

Estimated Tax Penalty

- (1) The Estimated Tax (ES) Penalty must be manually calculated/verified if the taxpayer files a Form 2210 to ensure the taxpayer's calculations are correct. If the taxpayer does not file a Form 2210, the penalty must be manually calculated. See IRM 20.1.3, *Estimated Tax Penalties*, for complete instructions on calculating the ES penalty.
- (2) Determine the amount underpaid for each quarter. On IDRS, use COMPAE to calculate the ES penalty. Input TC 170 to assess any ES penalty. See IRM 20.1.3.3.1, *Assertion Criteria*, for assertion of the ES penalty tolerances.
- (3) When processing reconsiderations:

If	Then
A TC 170 was posted with a default assessment,	Manually adjust the penalty based on correct tax amount. Increase the penalty by inputting a TC 170. Decrease or eliminate penalty by inputting TC 171. See IRM 20.1.3.3.2.1, <i>Evaluating Claims for Abatement or Waiver of Estimated Tax Penalties</i> , for further explanations.

- (4) The ES Penalty is always manually verified or calculated on ASFR returns and Reconsideration returns. The Estimated Tax penalty must be input with the assessment. IDRS will not calculate the Estimated Tax penalty on ASFR, ASFR Reconsiderations.

Note: ES Penalty is systemically calculated on agreed responses/signed consents.

5.18.1.9.2.3.17.4
(04-06-2016)

Negligence Penalty

- (1) The Negligence Penalty for Non-filers was repealed in 1990. It still applies to returns with due dates between July 18, 1984 and December 31, 1989. If some of the tax is abated, then only the penalty that applies to the tax should be abated (NOT ALL). See IRM 20.2.5.3, *Interest on Penalties and Additions to Tax*.

5.18.1.9.2.3.18
(12-13-2017)

Underpayment Interest

- (1) See IRM 20.2, *Interest*, for how interest is computed, and the start dates for interest assertion.
- (2) Computer-generated interest posts as a TC 196/197 on CFOL and IDRS.
- (3) In processing ASFR returns and reconsiderations, the presence of certain freeze codes and conditions prevents IRS computer systems from calculating underpayment interest. See IRM 20.2.1.4.2, *Manual Calculation of Interest*, and IRM 20.2.5.6.1, *Reasons to Manually Compute Interest*. When it is necessary to manually calculate underpayment interest, the interest is input using TC 340/341 on CC ADJ54. Whenever interest is manually calculated, a source document with COMPA or DMI/ACT prints delineating how the interest was calculated is required. See IRM 5.18.1.9.2.3.32, *Assembly of Source Documents*, and IRM 20.2.1.4.2, *Manual Calculation of Interest - Documentation*. Additionally, any time underpayment interest is manually computed, it is necessary to re-compute the entire tax module, using running module balance methodology, to ensure an accurate computation is made. When the tax module is recomputed, all prior credit and debit interest transactions, whether systemically or manually computed (TC 19X, TC 34X, TC 77X), must be verified.

Note: Do not input a TC 342 for .00 to un-restrict interest, unless the restriction was input in error.

- (4) Generally, interest is not abated. See IRM 20.2, *Interest*, for complete explanations and procedures on interest abatement.

5.18.1.9.2.3.19
(10-01-2005)
SBSE Fraud Referrals

- (1) The primary objective of the National Fraud Program is to foster voluntary compliance through the recommendation of a criminal investigation and/or civil penalties against taxpayers who evade the payment of taxes known to be due and owing.
- (2) The objective of the Campus Fraud Referral Program is to:
 - a. Identify cases with potential fraud.
 - b. Develop fraud guidance from the Campus Fraud Referral Specialist (FRS).
 - c. Refer potential fraud cases to Field Exam and/or Collection for further development.

Note: These procedures are for SBSE ASFR only.

5.18.1.9.2.3.19.1
(10-01-2005)
Identifying Fraud

- (1) Fraud identification begins with the compliance employees and their ability to recognize the affirmative indications and acts of fraud by taxpayers. It is essential to detect and report any potential fraudulent activities.
- (2) Generally, compliance must show tax due and underpayment of tax due to deliberate intent to evade tax or willful and material submission of false statement or false documents in connection with an application and/or return.
- (3) Avoidance of tax is not a criminal offense. Taxpayers have the right to reduce or avoid their taxes by legitimate methods. It does not involve concealment or misrepresentation, but works within the legal parameters to shape events to reduce tax. Fraud may exist where a taxpayer willfully attempts to illegally underreport taxes, not pay taxes or both.
- (4) When a potential fraud indicator is found, fraud development must be considered, even though further consideration may find that a referral may not be warranted or may not be accepted by the Fraud Coordinator. The Fraud Coordinators can assess the fraud development potential and determine an appropriate action plan.
- (5) Below are examples of fraud indicators. The lists are not all-inclusive and are only indicative of the types of actions taxpayers may take to deceive or defraud. See IRM 25.1.11, *Campus Collection Fraud Procedures*, for additional information.
- (6) When processing ASFR TP responses, be alert for the following:

Possible Fraud Issue	Possible Indicators
Expense/Deductions Related	<p>Substantial excess of personal expenditures over available resources or deducted as business expenses.</p> <p>Example: No apparent explanation is available for how the taxpayer is living each month with a high negative income.</p>

Possible Fraud Issue	Possible Indicators
Income Related	<p>Bank deposits from unexplained sources substantially exceeding reported income or concealment of bank accounts, brokerage accounts, and other property.</p> <p>Example: The income reported by payers to the IRS and other revenue on the returns do not account for amount of bank deposits, or no bank account or investments reported, but the payers reported interest paid to the taxpayer to the IRS.</p>
Conduct of the Taxpayer	<p>Patterns of consistent failure over several years to file or to report income fully exist, although substantial amounts of taxable income were received.</p> <p>Example: Payers reported substantial income to the IRS for the taxpayer, however, no returns were filed those tax years.</p>
Methods of Concealment	<p>Assets placed in other's names or close relationship between parties to the transfer. Example:</p> <p>Example: No real property reported, but lenders report mortgage interest paid by the taxpayer to the IRS, or taxpayer maintains control of assets or income but claims not to be the owner.</p>

Possible Fraud Issue	Possible Indicators
Suspicious or Unusual Patterns on Tax Returns	<ul style="list-style-type: none"> • Identical names on different returns • Numerous or similar Post Office Box addresses • Suspicious looking or similar handwritten documents • Similarities on multiple returns, e.g. refund amount, withholding amount, credits, losses, dependents, etc. <p>Note: Taxpayers or practitioners who allegedly commit fraud often mail several taxpayer returns in the same envelope.</p>
False Forms W-2	<ul style="list-style-type: none"> • Excessive withholding in comparison to wages • Typewritten • Inconsistent typing format • "Applied For" annotated in lieu of EIN • EIN/Company name mismatch • Computerized W-2s in different format • Erasures or white-outs • Substitute W-2 • Sloppy typing • Upper and lower case typing • Missing information such as EIN, SSN, FICA, address, State EIN, etc.

Possible Fraud Issue	Possible Indicators
Form 1040	<ul style="list-style-type: none"> • Questionable dependent information, e.g., relationship, dates of birth, dates of death • Occupation in relation to income • Refund amounts • Age and income inconsistencies • Excessive itemized deductions (50% or more) in comparison to AGI • Unusual deductions in relation to the taxpayer's occupation • Multiple returns with similar deductions
Schedule C	<ul style="list-style-type: none"> • Business income with little or no expenses • Unreported self-employment tax • No paid preparer • EITC claimed • Multiple returns with similar characteristics • Unrealistic occupation
Unscrupulous Return/Preparer Patterns	<ul style="list-style-type: none"> • Same/similar deductions, credits, expenses, etc., on multiple returns causing refunds • Same filing status (IMF) • Same occupation (IMF) • Same child care provider (IMF) • Excessive deductions/losses • Different businesses at the same address

5.18.1.9.2.3.19.2
(06-27-2023)

Case Referral

- (1) Once a TE identifies possible fraud, they must elevate the case to the team leader.
- (2) Ensure that the case is complete and properly documented. The history sheet should include:
 - All case actions
 - All documents received
 - All contacts written and oral, including all third party contacts

Note: Returns and/or correspondence may be referred.

- (3) The team leader reviews the case for possible fraud.

If	Then
The Team Leader concurs that possible Fraud exists,	<ol style="list-style-type: none"> Continue processing the return and hold refunds. (See NOTE below) Prepare Form 13549, Campus Fraud Lead Sheet Annotate Team Leader's initials on Form 13549. Forward the Form 13549 and the case to the Operational Functional Fraud Coordinator.
The Team Leader does not concur that possible Fraud exists,	Continue normal processing.

- (4) The Functional Fraud Coordinator (FFC) reviews the case for possible Fraud.

If	Then
The FFC concurs that possible Fraud exists,	<ol style="list-style-type: none"> Load case onto the Fraud Tracking Report Annotate Initials, and any additional research performed on Form 13549. Forward the Form 13549 and the case to the Campus Collection Fraud Coordinator.
The FFC does not concur that possible Fraud exists,	<ol style="list-style-type: none"> Load case onto the Fraud Tracking Report Annotate on Form 13549 the reasons for declination. Return case to team leader for normal processing.

- (5) The Campus Collection Fraud Coordinator (CFC) reviews the case to determine if the case will be accepted by Fraud or not. Review must be completed within 21 days of receipt.

If	Then
The CCFC concurs that possible Fraud exists,	The case is accepted into the Field FTA review and not returned to ASFR.

If	Then
The CCFC does not concur that possible Fraud exists,	a. Annotate on Form 13549 the reasons for declination. b. Return case to FFC for normal processing.

- (6) Field FTA reviews the case.

If	Then
The Field FTA concurs that possible Fraud exists,	The case is accepted, assigned to the proper Field Office and not returned to ASFR.
The Field FTA does not concur that possible Fraud exists,	a. Annotate on Form 13549 the reasons for declination. b. Return case to CCFC for normal processing.

Note: All questionable refunds will be held. The employee who completed the case will be responsible for resolving the refund once Fraud review is complete. For example: Cases returned to ASFR by the Fraud Department will have the refund hold released in ASFR versus cases moving forward to the Fraud Department or the Field where resolution of the case will include the refund hold.

5.18.1.9.2.3.19.3
(06-21-2013)

**Potential ASFR Fraud
Cases in Field Collection
(FC)**

- (1) Modules in 8000 may be potential Fraud cases in FC. Revenue Officers will contact the ASFR FC Fraud Coordinator, when they have a potential Fraud case assigned to ASFR.
- (2) The ASFR Collection Fraud coordinator will research ASFR and do the following:

If	Then
The module is unstarted,	Close the module off ASFR. Input a TC 596 088 and update to Status 063.
The module is started,	<ul style="list-style-type: none"> Control module on IDRS to coordinator. Input comments on IDRS and ASFR that the module is a potential Fraud module. Secure RO contact information.

If	Then
A response is received,	<ul style="list-style-type: none"> • Ensure that the response is assigned to the coordinator. • The coordinator must contact RO and fax copies of the response to the RO. • The coordinator should not process the response until contact is made with the RO and the RO advises that the response should be processed. • The coordinator must notify the Operation Fraud Coordinator that a potential Fraud case for CFf has been identified.
No response is received,	<ul style="list-style-type: none"> • Take no action. • Continue ASFR processing.

5.18.1.9.2.3.20
(03-11-2020)
**The Protecting
Americans From Tax
Hikes (PATH) Act of 2015**

- (1) The PATH Act was enacted on December 18, 2015. It contains changes to the tax law affecting individuals and families who use Individual Tax Identification Numbers (ITINs). Sections included in the PATH act include instructions for ITINs that will be considered expired, and exemptions and credits that cannot be claimed, or cannot be claimed retroactively. *Notice 2016-48* outlines new procedures for ITINs.
- (2) Section 203 of the PATH Act mandated that all ITINs must be renewed. Taxpayers using an expired ITIN will be ineligible for certain tax credits. Effective January 1, 2017, the following ITINs will expire:
 - ITINs with a middle digit of 78 or 79 (i.e. 9NN-78-NNNN).
 - ITINs that were not used at least once in the last three consecutive tax years (either as the ITIN of the individual who filed the return or as the ITIN of a dependent included on the return) will expire on December 31st of the third consecutive tax year of non-use, regardless of when the ITIN was issued.

Note: As of December 31, 2016, ITINs not used at least once on TY 2013, TY 2014, or TY 2015 tax returns will expire.

 - ITINs with middle digits other than 78 or 79 that have been in use within the last three consecutive tax years should not be renewed and require no immediate action. Other ITINs will expire in the future.
- (3) The IRS will continue to accept tax returns that include expired ITINs. Some individuals may not be aware their ITIN has expired or that they must renew. Returns filed by these individuals will be accepted by the IRS, however, credits claimed for the individual with the ITIN will not be allowed. Exemptions, Child

Tax/Additional Child Tax (CTC/ACTC) Credit, Education Credit, and Child and Dependent Care credit will not be allowed on a return when claimed for an expired ITIN.

- (4) ITINs that have expired must be renewed by submitting Form W-7 before associated credits and deductions can be allowed. Expired ITINs can be identified using CC INOLES or CC IMFOLE. IRM 3.21.263.2.1, *How to Identify Expired/Deactivated ITINs*, provides additional information.
- INOLES ITIN Status “I” means Inactive (expired)
 - INOLES ITIN Status “A” means Active (not expired)
 - INOLES ITIN Status “U” means Unvalidated
 - INOLES ITIN Status “Blank” means the TIN input is NOT an ITIN (it is an SSN, IRSN, or ATIN)
 - IMFOLE showing a posted TC 971 with AC 193 means the ITIN has expired
 - IMFOLE showing a posted TC 972 with AC 193 means the ITIN has been renewed and is now active

Note: Active means exemptions and credits can be claimed for the ITIN. Exemptions and credits cannot be allowed for Inactive ITINs.

- (5) Math Error procedures may be used for expired ITIN issues, because the expired ITINs are not considered valid. If a return is filed that includes expired ITIN(s):
- Follow procedures in IRM 5.18.1.9.2.3.21.1, *Math Errors Requiring No Taxpayer Contact Prior to Correction*.
 - Notate the return to remove exemptions and credits associated with the expired ITIN.
 - Notify the taxpayer using Correspondex Letter 474C, explaining the expired ITIN issue. IRM 21.6.1.6.6.2, *ITIN Renewal Math Error Adjustments*, includes paragraphs that may be used to notify taxpayers of expired ITIN issues.
- (6) Sections 204, 205, and 206 of The Path Act also prohibit an individual from retroactively claiming EITC, CTC/ACTC, or The American Opportunity Tax Credit (AOTC) by filing an original return for any year in which the taxpayer, spouse, or qualifying child did not have an SSN issued on or before the due date or extended due date of the return. The provisions apply to any return or claim filed after December 18, 2015. Correspondex Letters 105C and 106C have added a paragraph to explain these credits cannot be claimed retroactively per the PATH Act.

If	Then
The “TIN ASGNMT” field on CC INOLES contains a date on or before the due date of the return,	Allow the credit.
The “TIN ASGNMT” field on CC INOLES is all zeroes,	Allow the credit.

If	Then
The "TIN ASGNMT" field on CC INOLES contains a date after the due date of the return,	<ul style="list-style-type: none"> Disallow the credit Send Letter 105C or 106C, as appropriate, and include the "PATH" paragraph in the letter Input TC 971 with AC 112 to show the disallowance for the retroactive claim <p>Note: Accept the credit as filed if it meets the tolerance outlined in IRM 5.18.1.9.2.3.21, <i>Math Errors</i></p>

5.18.1.9.2.3.21
(03-11-2020)
Math Errors

- (1) All ASFR returns and ASFR reconsiderations must be reviewed for math errors.
- (2) Math errors are:
 - An addition, subtraction, multiplication or division error on a return
 - An apparent incorrect use or selection of information for the return from tax tables and schedules
 - An entry on the return of an item inconsistent with an entry on a schedule, form, statement, or list filed with the return
 - Missing schedule, when schedule is needed to verify 1040 amount
 - Missing or invalid TINs to substantiate exemptions, child care credit, and EIC, including expired ITINs
 - IRC 6213(g)(2) describes the term "mathematical or clerical error"

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prior to processing the return. Use Package X and/or Pub 17, *Your Federal Income Tax (For Individuals)*, instructions in reviewing line items of the return to ensure that all changes for the tax year return are considered.

Note: When processing a tax return involving math errors and computation of the Estimated Tax Penalty, the penalty must be computed on the **lesser** of the tax per the taxpayer's return **or** the corrected tax. See the Note in paragraph 7 of IRM 20.1.3.3.1.7, *Determining the Penalty Amount*.

5.18.1.9.2.3.21.1
(06-27-2023)
Math Errors Requiring No Taxpayer Contact Prior to Correction

- (1) Certain math errors require no taxpayer contact prior to making the correction to the return and processing the return.
- (2) Math errors that require no taxpayer contact are:
 - An addition, subtraction, multiplication or division error on a return
 - An expired ITIN (see IRM 5.18.1.9.2.3.20, *The Protecting Americans From Tax Hikes (PATH) Act of 2015*)
 - An apparent incorrect use or selection of information for the return from tax tables and schedules

- An entry on the return of an item inconsistent with an entry on a schedule, form, statement, or list filed with the return
- An entry on a return of a deduction or credit in an amount which exceeds a statutory limit, if such a limit is expressed as a specific monetary limitation, percent ratio, or fraction
- Missing or invalid TINs to substantiate exemptions, child care credit, child tax credit, and EIC

Note: Research IDRS for missing or invalid TIN prior to correction.

Exception: If an entry on the return shows payments were made which are not on the tax period, annotate on the return the amount of tax due and that a CP Notice was sent to the taxpayer. The change is not considered a math error which requires additional correspondence to the taxpayer.

- (3) Review the return, schedules and attached forms for no contact math errors.

If	Then
There is a no contact math error and it results in a tax	a. Correct the math error b. Annotate the return without deleting the taxpayer's figures. c. Send a 474C letter with the applicable paragraphs. If the math error results in a tax increase, include Pub 1, Pub 5 (Appeal Rights), and Notice 746 (Explanation of Penalties and Interest).
There is a no contact math error and it results in a tax	Process the return as filed

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Note: Refundable credits do not change tax. However these credits are considered Math Errors if not substantiated. Disallow per Math Error procedures.

5.18.1.9.2.3.21.2
(06-27-2023)

**Math Errors Requiring
Taxpayer Contact Prior
to Correction**

- (1) Certain math errors require taxpayer contact to secure information to process the return.
- (2) Math errors that require taxpayer contact are missing schedule or form, when schedule or form is needed to verify 1040 amount which reduces the tax.
- (3) Review the return, schedules and attached forms for contact math errors.

If	Then
There is a contact math error and it results in a tax change of	a. Contact the taxpayer for the missing schedule or form. b. Suspend case for 45 days. c. If taxpayer responds with the form or schedule, process the return. d. If there is no response, or if the response is not sufficient, correct the math error. Annotate the return with the correction. Send a 474C letter with the applicable paragraphs. If the math error results in a tax increase, include Pub 1, Pub 5 (Appeal Rights), and Notice 746 (Explanation of Penalties and Interest).
There is a contact math error and it results in a tax change of	Process the return as filed

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Note: Refundable credits do not change tax. However these credits are considered Math Errors if not substantiated. Disallow per Math Error procedures.

5.18.1.9.2.3.21.3
(06-27-2023)

Married Filing Separate

- (1) Taxpayers filing Married Filing Separate have special rules that apply. Per Pub 17, Married Filing Separate individuals must use the same method of claiming deductions. If one taxpayer itemizes deductions, the other should itemize because he or she will not qualify for the standard deduction. It does not matter which return was filed first. Refer to the table below to assist with determining how deductions are allowed.

If: the ASFR taxpayer filed	Spouse Filed	Then give ASFR taxpayer:
Standard deduction	Standard deduction	Standard deduction
Itemized deduction	Itemized deduction	Itemized deduction
Itemized deduction	Standard deduction	Process return
Standard deduction	Itemized deduction	Process return

5.18.1.9.2.3.22
(06-27-2023)

Under/unreported Income

- (1) Verify that all income reported to the IRS is reported on the return.
- Use the ASFR case minors to verify income reported on the return. Review case minors for comments, which may contain information on which case minors were filed by businesses on the Payer Agent List. Update modules as appropriate. See IRM 5.18.1.6.11, *ASFR Statuses*.

- If a joint return is filed, use CC IRPTR to verify that all spousal income has been reported.

(2) Do the following:

If	Then
Addition of under/unreported income results in a net tax Note: Always include any unreported withholding when determining whether the change in tax due meets the threshold listed above. Note: Multiple issues may be used to comprise the tax increase.	Process the return as filed 5.18.1.9.2.3.31 Examination Classification
Addition of under/unreported income results in a net tax	Process return as filed.

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- (3) The following sections contain information on how to determine if income is under/unreported. ASFR processes returns from a number of tax years, therefore, numbered lines cannot be included, due to specific tax year changes. *Employees must use Package X and Pub 17 for specific year tax instructions. Prior year forms and instructions are also available on the internet through electronic publishing.*
- (4) Always look through all attachments to determine if income is not reported.
- (5) Always verify that income reported on all Forms, Schedules and attachments is properly carried over to the Form 1040/1040A.

5.18.1.9.2.3.22.1
(06-27-2023)

Wages

- (1) Verify that all W-2 case minors are reported on the return.
- (2) Compare W-2 income with entries on:
- Form 1040, 1040A, 1040 EZ, Wages, salaries, tips, etc. line,
Note: If the taxpayer enters "SNE" on the dotted line portion of Form 1040/1040A, line Wages, salaries, tips, etc., reduce the under/unreported wages by the amount reported on Form 8839, "Taxable Benefits" line.
 - Schedule C or Schedule F - If wages are reported here, see IRM 4.19.3.8, *Analysis of Each Income Type for additional information on Statutory Employees.*
 - Form 2106, Employee Business Expenses, Part 1, Other than Meals and Entertainment column, Reimbursements line- Give credit for these amounts if the payer name on the case minor is related to the occupation box on Form 2106. If the occupation box on Form 2106 is blank, consider the case minor(s) fully unreported unless amounts match within \$1. If

- Other than Meals and Entertainment column, Reimbursements are greater than Total Expenses, in Column A of Form 2106, the excess reimbursements must be included as income on page 1 of Form 1040,
- d. Form 1040, 1040A, Taxable Pensions line,
 - e. Form 1040, 1040A, Other Income line,
 - f. Attachments to the return,
 - g. If the amount matches within \$1.00 consider the wages reported
- (3) Consider any two W-2 case minors, **for the same taxpayer**, that contain identical income information, as duplicates even if the payer names and EIN's are different.
 - (4) Allow taxpayers (i.e., police officers, firefighters, etc.) who have sustained injuries in the line of duty to reduce Form W-2, box 1 Wages, by amounts indicated as line of duty injury payments when **ALL** of the following conditions are present:
 - a. The taxpayer is under age 65.
 - b. The payer statement is attached indicating the taxpayer was injured while on duty and provides a specific amount of excludable income. If the attached payer letter does not provide a specific amount, allow the exclusion if the taxpayer includes a worksheet providing a breakdown of excludable income.
 - c. The amount has not been excluded from Box 1 Wages as shown on the attached Form W-2.
 - (5) Retired/non-active status members of the military employed as Junior ROTC instructors receive allowances for uniforms, housing, subsistence, etc. However, unlike active duty military personnel, these taxpayers **CANNOT** exclude these allowances.
- Note:** Reserve component members can claim the deduction for overnight travel expenses.
- (6) Taxpayers must include Form W-2, Box 1, Wages, on their return and cannot reduce their wages by amounts shown on Stock Option statements. Consider the reduction underreported income.
 - (7) Whenever wages are under/unreported, compute withholding (W/H) or consider W/H to determine if the under/unreported income meets the
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- (8) The taxpayer may exclude certain types of income. Wages reported on Form W-2, box 1 are generally reduced by the amount of excluded income. Some of these exclusions are:
 - Tax sheltered amounts
 - Elective deferrals to a 401(K) or 403(B). This is generally tax-deferred annuities for teachers and employees of 501(c)(3) organizations and/or plans. See Form W-2 — Box 12 Codes, for a complete list of the elective deferral codes found in box 12 of Form W-2.
 - Dependent Care Assistance Benefits (DCB) for limitation of excludable income
 - "IOD" (Injury on Duty) or "LODI" (Line of Duty Injury) payments.
 - Survivor annuity received by the spouse, former spouse, or child of a public safety officer killed in the line of duty or a chaplain killed in the line of duty after September 10, 2001 while responding to a fire, rescue,

or emergency as a member or employee of a fire or police department will generally be excluded from the recipient's income regardless of the date of the officer's death.

- Cost of living allowances paid to federal employees working abroad
- Minister's Housing Allowances (This amount may be the difference between net Schedule C income and income subject to self-employment tax on Schedule SE.)
- Since the amount reported on Form W-2, box 1 should reflect these exclusions from income, the taxpayer should not subtract the above items from the amount reported as wages.

- (9) If wages are underreported, check the attached Form W-2 and/or any attachments to determine if the taxpayer excluded the amount as sick pay. Accept the exclusion if there is an indication that the taxpayer paid the premiums (an amount present on Form W-2, box 12, with code **J** that matches the excluded amount) and per attached pay-stubs or other documentation, the payer incorrectly included employee paid sick pay on Form W-2, box 1. Form W-2, box 1 matches box 3, SSWAGE, or attached payer documentation. If there is no justification, consider the sick pay underreported.

Note: Payers are instructed to indicate the amount of sick pay not included in income (and not shown in boxes 1, 3, and 5) in box 12 of Form W-2 with Code "J" when the employee contributed to the sick pay plan.

- (10) If the taxpayer attaches a substitute Form W-2 and reports a lesser amount than shown on the case minor from the same payer, consider the difference underreported.
- (11) If there are two Form W-2 case minors for the same taxpayer, from the same payer (payer name and EIN match) take the following action:

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- b. If the taxpayer does not fully report one of the Form W-2 case minors, add the wages together and consider the difference what is underreported.

- (12) If wages are under/unreported, determine if the taxpayer makes any reference to repayment of supplemental unemployment benefits. If the taxpayer correctly reported net wages after repayment of supplemental unemployment benefits, consider the wages reported.

- (13) If the taxpayer is a minister and has reported Form W-2 wages on a Schedule C:

- a. If the Form W-2 shows that SST has NOT been deducted, allow the expenses. The net income will be subject to self-employment tax UNLESS the taxpayer has a Form 4361 or Form 4029 exemption annotated on the SE tax line of Form 1040.
- b. If the Form W-2 shows SST has been deducted, consider the expenses under/unreported income.
- c. Excluded minister housing allowance is subjected to SE Tax, **unless:** the TP notates "Exempt Form 4361" or "Form 4029" on Form 1040, SE tax

line or the housing allowance is for a retired minister. A Minister SE Tax Exempt Code of 1 or 4 on CC ENMOD indicates Form 4361 or Form 4029 were approved. See IRM 2.3.15, *Command Code ENMOD*, for CC ENMOD information. If not excluded, considered the SE tax unreported.

5.18.1.9.2.3.22.2
(03-11-2020)

Other Income Types

- (1) IRM 4.19.3.8, *Analysis of Each Income Type*, provides additional information on the review of various income types.
- (2) The following IRM sections include some income types commonly found on ASFR returns:
 - IRM 4.19.3.8.3, *Interest - General*
 - IRM 4.19.3.8.4, *Dividends and Capital Gain Distributions*
 - IRM 4.19.3.8.5, *State and Local Income Tax Refunds (SITR) - General*
 - IRM 4.19.3.8.6, *Nonemployee Compensation (NEC) - General*
 - IRM 4.19.3.8.7, *Merchant Card and Third Party Network Payments MERCH - General*, includes instructions for Form 1099-K income that will be included in ASFR proposed tax calculations for Tax Year 2014 and subsequent
 - IRM 4.19.3.8.10, *Retirement Plans*
 - IRM 4.19.3.8.16, *Unemployment Compensation - General*
 - IRM 4.19.3.8.23, *Securities Sales - General*

5.18.1.9.2.3.23
(06-27-2023)

Withholding

- (1) If Withholding is claimed, but not supported by IRP or the taxpayer does not attach any supporting income documents, do the following:

If	Then
Unsupported withholding is equal the taxpayer does not attach any supporting documentation	Disallow the unsupported withholding. Correct return. Send 474C letter with Pub 1, Pub 5
If unsupported withholding is less	Process the return as filed.

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5.18.1.9.2.3.24
(04-06-2016)

Excess Social Security

- (1) Social Security Tax/Tier 1 Railroad Retirement Taxes (SST/RRT) are reported by payers on Form W-2.
- (2) Refer to paragraphs 1 and 2 of IRM 21.6.3.4.2.4, *Excess Social Security and RRTA Tier I Tax Credits*, for information on wage limitations.
- (3) Refer to paragraphs 3-5 of IRM 21.6.3.4.2.4 if excess social security is claimed on the back of Form 1040.
- (4) If the taxpayer is claiming additional Excess Social Security and attaching a Stock Option Transaction statement to support the additional amount(s) claimed, take the following action:
 - a. The W/H and/or FICA shown on these documents are already included in the Form W-2 and cannot be claimed again.
 - b. **DO NOT** accept any Stock Option Transaction Statements as documentation to account for the Excess Social Security.

- (5) Refer to paragraph 6 of IRM 21.6.3.4.2.4 if an adjustment to Excess Social Security is required.

5.18.1.9.2.3.25
(04-06-2016)

**Telephone Excise Tax
Refund (TETR)**

- (1) TETR refers to the Telephone Excise Tax Refund. This is a refundable credit for Tax Year 2006. Taxpayers may request a standard amount, actual amount, or estimation.

Note: Math error procedures do not apply to the TETR credit claimed on the income tax return.

- (2) Do not allow a claim for TETR credit. The statute for requesting TETR Credit expired on July 27, 2012 and cannot be accepted after that date.

Note: Use 105C Letter to disallow claim.

5.18.1.9.2.3.26
(09-11-2025)

**First Time Homebuyer
Credit (FTHBC)**

- (1) Eligibility requirements for FTHBC claims will be determined by the purchase date on Form 5405 and whether claim requirements are under HERA, *The Housing and Economic Recovery Act of 2008*, ARRA, *The American Recovery and Reinvestment Act of 2009*, or WHBAA, *The Worker, Homeownership and Business Assistance Act of 2009*.

- (2) Carefully review any claims received to ensure credits are claimed properly. Ensure future returns properly include any appropriate repayments.

- (3) HERA (PL 110-289), enacted on July 30, 2008, allows a taxpayer who is a first time home buyer a refundable tax credit of the lesser of \$7,500 (\$3,750 for Married Filing Separate) or 10% of the purchase price. The law is effective for qualifying homes purchased on or after April 9, 2008, and on or before December 31, 2008.

Note: See IRM 21.6.3.4.2.10.1, *The Housing and Economic Recovery Act of 2008 (HERA) and the American Recovery and Reinvestment Act of 2009 (ARRA)*, for additional HERA information.

- (4) ARRA (PL 111-5), enacted on February 17, 2009, allows a refundable tax credit of the lesser of 10% of the purchase price of the residence or \$8,000. The credit is available for first time home buyers who purchased a home after December 31, 2008 and before December 1, 2009.

Note: See IRM 21.6.3.4.2.10.1, *The Housing and Economic Recovery Act of 2008 (HERA) and the American Recovery and Reinvestment Act of 2009 (ARRA)*, for additional HERA information.

- (5) WHBAA (PL 111-92), enacted on November 6, 2009, extends the eligibility period for the first time homebuyer credit to purchases made before May 1, 2010. Taxpayers who have entered into a written binding contract before May 1, 2010, must close on the home before July 1, 2010 to qualify. This bill also establishes special rules for long-time residents and members of the Armed Services, Foreign Service officers and the intelligence community.

Note: See IRM 21.6.3.4.2.10.2, *Worker, Homeownership and Business Assistance Act of 2009 (WHBAA)*, for additional WHBAA information.

- (6) Review and include recapture amounts appropriately. The following IRM sections include additional information on FTHBC and updating modules with FTHBC recapture amounts:

- IRM 21.6.4.4.17, *First-Time Homebuyer Credit*
- IRM 21.6.4.4.17.1, *Recapture of First-Time Homebuyer Credit*
- IRM 21.6.4.4.17.4, *Manually Adjusting the Recapture Amount*

(7) Follow instructions in IRM 21.6.3.4.2.10.7, *First-Time Homebuyer Adjusting Accounts*, when adjusting all types of FTHBC. Use Credit Reference Number (CRN) 258 to allow/increase the credit and CRN 258 with a minus sign (-) to decrease the credit when adjusting an account for the FTHBC. The CRN converts to TC 766/767 Reference Number 258 at Master File. Enter only one of the following reason codes:

- Use RC 109 (First Time Homebuyer Credit) when the home was purchased in 2008.
- Use RC 110 (First Time Homebuyer Credit) when the home was purchased in 2009 or 2010.
- Use RC 125 (First Time Homebuyer Credit) when the home was purchased by a long time resident (up to \$6,500).
- Use RC 126 (First Time Homebuyer Credit) only for homes purchased by first time home buyers that are military using their one year extension.
- Use RC 127 (Requirement to repay the First Time Homebuyer Credit Waived) only for military forgiveness.
- Use RC 128 (First Time Homebuyer Credit) - for homes purchased by first time homebuyer WITHOUT binding contract documentation attached.
- Use RC 129 (First Time Homebuyer Credit) - for long time residents WITHOUT binding contract or 5 out of 8 year documentation attached.

Caution: It is imperative to use the correct reason code when adjusting the 2008 accounts. This code will be used to identify homes purchased in 2008 that require repayment.

Note: If the required documentation is missing treat the case as a **Contact Math Error** and request the missing documents from the taxpayer. See IRM 5.18.1.9.2.3.21.2, *Math Errors Requiring Taxpayer Contact Prior to Correction*.

- If no response is received, the credit can be disallowed. Send a letter to the taxpayer explaining the reason the credit was disallowed. All Homebuyer credits of \$5,000 or more where documentation is included will be referred per IRM 5.18.1.9.2.3.31, *Examination Classification*.

(8) Follow procedures in IRM 21.6.4.4.17.1, *Recapture of First-Time Homebuyer Credit*, to ensure appropriate repayments are made for FTHBC.

5.18.1.9.2.3.27
(12-13-2017)
**Affordable Care Act
(ACA)**

- (1) The Patient Protection and Affordable Care Act (ACA) includes the individual shared responsibility provision and the premium tax credit that may impact a filed return. ASFR employees play a role in administering the law by reviewing filed returns.
- (2) The Shared Responsibility Payment (SRP) and Premium Tax Credit (PTC) are effective for tax years 2014 and subsequent.

5.18.1.9.2.3.27.1
(09-11-2025)

**Shared Responsibility
Payment (SRP)**

- (1) The SRP is the penalty imposed if an applicable individual in a tax household lacks minimum essential coverage. Individuals must have minimum essential coverage, have a coverage exemption, or make an SRP for tax year 2014 and subsequent years.

#

Responsibility Payment Adjustments, for additional information.

5.18.1.9.2.3.27.2
(12-13-2017)

**Premium Tax Credit
(PTC)**

- (1) The ACA provides a refundable tax credit to help individuals and families afford health insurance purchased through the Health Insurance Marketplace. The amount of a taxpayer's PTC is based on the taxpayer's household income, family size, and the cost of health insurance available to the taxpayer's coverage family.
- (2) The amount of PTC or Advanced PTC (APTC) must be reconciled for each return filed for tax year 2014 and subsequent. Guidance in IRM 21.6.3.4.2.12, *Premium Tax Credit*, should be followed when reviewing and adjusting PTC and APTC issues. Additional instructions are available in:
 - IRM 21.6.3.4.2.12.4, *Tools for Accessing ACA-Related Taxpayer Data*
 - IRM 21.6.3.4.2.12.7, *Premium Tax Credit (PTC) - Adjusting Accounts*
 - IRM 21.6.3.4.2.12.6, *Premium Tax Credit (PTC) - Amended Returns*

5.18.1.9.2.3.28
(09-11-2025)

Unsigned Returns

- (1) A return is not valid without valid signatures. If the filing status is joint, both signatures must be present. The received date of the return is the date the complete return (including signatures) is received at IRS.

Exception: Decedent Joint Returns

- (2) Consider signatures on faxed and/or photocopied returns valid.
- (3) The taxpayer signature is required below the jurat (perjury statement) in the "Sign Here" area of the return.

Note: Accept the taxpayer's signature if the taxpayer has arrowed their signature to the appropriate area.

- (4) If any signature appears to be altered or there is reason to believe that the signature is not the taxpayer's or a party authorized to sign on behalf of the taxpayer, follow Fraud Referral procedures. See IRM 5.18.1.9.2.3.19, *SBSE Fraud Referrals*.

If	Then
There is no signature	<p>Tax return cannot be processed and will not be accepted by the IRS. The tax return should be mailed back to the taxpayer.</p> <p>Note: The procedures below should be followed for all ASFR and Recon tax returns.</p> <ul style="list-style-type: none"> Do not date stamp the return with an operation received date. Clerical will prepare Form 3531 "Request for Missing Information or Papers to Complete Return" Clerical will update AMS history with USR (unsigned return) - and the site abbreviation (F, AU or BSC) to indicate that an unsigned return was received. For example USR-BSC. <p>Note: The Form 3531 that ASFR will use is a pink version of the form.</p> <ol style="list-style-type: none"> The form is to be attached to the unsigned return and mailed back to the taxpayer after technical screening for all issues. Once screened the Form 3531 can be used to identify all issues by checking the applicable box (es). Mail the Form 3531 and the return to the taxpayer's address shown on the return envelope, the return may reflect a prior address. If there is no envelope then use the address of record from IDRS CC ENMOD. <p>Exception: If the return was received from a tax preparer use the taxpayer's address not the tax preparer address when mailing the return back to the taxpayer. Use local clerical procedures for processing returns to be mailed back to the taxpayer.</p>
IF There is an electronic filing PIN in the taxpayer signature box under the jurat	<p>Then Check IDRS CC TRDBV for an electronically filed return for that specific TY.</p> <ul style="list-style-type: none"> If there is a TRDBV for that TY a signature is not required, the return can be processed. If there is NO TRDBV for the TY - a signature is required on the return and the Form 3531 and return must be sent to the taxpayer for signature. Ensure all outstanding issues are addressed on the Form 3531 to limit the number of times taxpayer contact is required. Box 27 has been added to the Form 3531 addressing this issue.

- (5) If the Form 3531 is returned without a signature on the return continue the ASFR process.

If The return is received back and it is still unsigned	Then
And there is a default assessment	Input TC 290 for .00; update history on AMS.
And there is no default assessment	Continue ASFR processing, wait for default; update history on AMS.
The Form 3531 and the return come back undeliverable	Follow undeliverable mail procedures; continue ASFR processing; update history on AMS.

Note: A new Policy for Use of Fax and Signature Stamps (fax policy) has been revised to increase the threshold amount for acceptance of consents to assess additional tax and taxpayer closing agreements by fax. Consents to

taxpayer contact has been made and case history documents the date of contact and the desire of the taxpayer to submit consent by fax.

#

5.18.1.9.2.3.29
(09-11-2025)
IDRS Adjustment Fields

- (1) All ASFR adjustments are input on IDRS using CC REQ54 through the input on IAT xMend. The terminal response to REQ54 is the ADJ54 screen. See *xMend Job Aid*.
- (2) Before transmitting your adjustment, verify the data input on the ADJ54 screen. Verify entries against figures transcribed on the case history sheet.

5.18.1.9.2.3.29.1
(04-06-2016)
Blocking Series

- (1) The Blocking Series appears as the 9th and 10th digit of the DLN. When adjustments post, the blocking series identifies the type of adjustment. Additionally, certain blocking series direct association of related documents. See Document 6209 for a complete list of Blocking Series.
- (2) When inputting an adjustment on an ASFR module, do the following:

Use blocking series:	When:
54	Inputting an ASFR assessment on modules when a 30-Day Letter was issued.
32	Inputting an ASFR assessment on modules when a 90-Day Letter was issued.

Note: Mid year 2007 change to IDRS command code ADJ54 prompts the requestor to remember to use Block 32 for MFT 30 (tax class 0 and 2).

- (3) When inputting an adjustment on an ASFR Reconsideration do the following:

Use blocking series:	When:
00	Inputting a Reconsideration assessment and the source document is an original return.

Use blocking series:	When:
05	Inputting a Reconsideration assessment without an original document as the assessment source document.
18	Inputting a Reconsideration assessment without an original return as a source document and the default assessment posted prior to June 2005.
80	Inputting a Reconsideration assessment when there is a -Y freeze on the module indicating an Offer-In-Compromise.

- (4) When inputting an adjustment and part or all of the refund is barred by statute (RSED expired), use the appropriate blocking series for the secondary TC 290 transaction:

Use Blocking Series:	When:
98	Completing a claim disallowance without the original return.
99	Completing a claim disallowance with the original return.

5.18.1.9.2.3.29.2 (03-11-2020)

Date Fields

- (1) Certain Date fields are required on ASFR adjustments. See the chart below to determine when a date should be input.
- (2) Identifying Date Fields - The table below lists the required date fields in the ADJ54 format and explains the purpose of each field.

Date Field	Purpose
CORRESP-DT	Used when the adjustment is in response to taxpayer correspondence. The date used is the date of the correspondence. If the taxpayer did not date the correspondence, use the postmark date. If the postmark date is unknown, use the date which is three days prior to the IRS received date. This date is shown in the generated response to the taxpayer.

Date Field	Purpose
IRS-RECD-DT	Used on all ASFR adjustments. The date used is the earliest IRS received stamped date on the case, or the date the return became processable when an invalid return is received. Refer to IRM 25.6.1.6.15, <i>When a Document is Treated As Filed Under the IRC</i> , and IRM 25.6.1.6.16, <i>Processable - Unprocessable Returns</i> , to determine the date the return is considered filed under IRC. This date is shown in the generated response to the taxpayer.
RET-PROC-DT	Used for all ASFR adjustments where a refund will be issued to the taxpayer. Note: Take all payments on the module into consideration. A balance due return may result in a refund if there are prepaid credits on the module. Normally, the date is the IRS received date. However, IRM 25.6.1.6.16, <i>Processable - Unprocessable Returns</i> , (when a return is processable for payment of overpayment interest to the taxpayer) and IRM 25.6.1.8.5, <i>Processing Original Delinquent Returns Claiming An Overpayment</i> , (when a delinquent original return claiming a refund is treated as filed using the postmark rule) to determine the date used.
RFSCDT	Used on ASFR adjustments when the RSED has expired. The date used is normally the earliest received date. RFSCDT and override indicator must be input for the adjustment to post. However, IRM 25.6.1.8.5, <i>Processing Original Delinquent Returns Claiming An Overpayment</i> , (when a delinquent original return claiming a refund is treated as filed using the postmark rule) and IRM 25.6.1.6.15, <i>When a Document is Treated as Filed Under the IRC</i> , (effect of submission of additional information) to determine the date to use.
DB-INT-TO-DT	Used on restricted Interest adjustments.

Date Field	Purpose
AMD-CLMS-DT	Used on ASFR and Reconsideration adjustments. An amended claims date is now required on every adjustment regardless of the 45 day period (See IRM 3.11.6.5.5.3, <i>Amended Claims Date</i>). The date used is normally the earliest IRS received date. See IRM 20.2.4.8.3.2.1, <i>Amended Claims Date Processing</i> , to determine the date to use.
TCB-DT	Effective January 1, 2017, accepted delinquent returns submitted when there is an ASFR dummy TC 150 requires input using TC 290 with no TCB date entered. Due to programming changes, if a TCB-DT is entered, there may be an erroneous suspension of interest on the module. See IRM 20.2.7.9.2, <i>Types of Deficiencies Ineligible for an IRC 6601(c) Interest Suspension</i> .

Note: All dates are input in month, day, year (MMDDYYYY) format.

5.18.1.9.2.3.29.3
(04-06-2016)

Source Code

- (1) Source Codes generate a literal that appears on the “Notice of Adjustment to Your Account”, CP 21/22, that the taxpayer receives after an adjustment is posted on IDRS. See Document 6209 Chapter 8 for more information on Source Code, including the actual literals that appear on the Notice.
- (2) Source Codes (SC) must be entered when processing ASFR returns and Reconsiderations. The following SCs are normally used for ASFR returns and Reconsiderations:

Source Code:	Literal	Used When
0	Does not generate a literal.	<ul style="list-style-type: none"> • Inputting a TC 290 for \$.00 amount with no reference number • Releasing a freeze, or • Associating documents with a filed source document. • No literal should appear on the Notice.

Source Code:	Literal	Used When
1	As you requested, we changed your account for (YYYYXX) to correct your (RC). See IRM 5.18.1.9.2.3.29.4, <i>Reason Codes</i> .	Use when inputting an ASFR or ASFR Reconsideration adjustment based on a filed return
2	We changed your tax year account to reflect your	Use when processing a return with a math error
4	We changed your tax account for (YYYYXX) to correct an error we made. We apologize for any inconvenience we caused. The change will correct your (RC). See IRM 5.18.1.9.2.3.29.4, <i>Reason Codes</i> .	Correcting an error made by an IRS employee

Note: See Document 6209, Chapter 8 for a complete list of Source Codes.

5.18.1.9.2.3.29.4 (03-11-2020)

Reason Codes

- (1) Reason Codes should be input on all adjustments based on a filed return. The reason code appears in the source code literal on the Notice. There are four reason code positions on the ADJ54 screen.

Note: See Document 6209 Chapter 8 for more information on Reason Codes, including the actual literals that appear on the Notice.

- (2) For ASFR returns and ASFR Reconsiderations use at least one reason code and up to three reason codes on the ADJ54 screen.
- (3) The fourth position is reserved for penalty reason codes. See Document 6209 Chapter 10 for a complete list of penalty reason codes. See IRM 5.18.1.9.2.3.14.11, *Requests for Penalty Abatement*, and IRM 20.1.1.3, *Criteria for Relief From Penalties*, for complete instructions on penalty abatement.

5.18.1.9.2.3.29.5 (03-11-2020)

Priority Code

- (1) Use Priority Code 2 per IRM 5.18.1.9.2.3.17, *Penalties*.
- (2) When a J- freeze is present, due to an excess estimated tax credit freeze (taxpayer claimed less credit than what is available on IMF), the freeze is released with input of TC 290 for \$.00 and a Priority Code 8.
- (3) For additional instructions on priority codes Document 6209, Section 8C Master file codes.

5.18.1.9.2.3.29.6
(04-06-2016)
TC Fields

- (1) Transactions are input in the TC fields with the applicable money amounts. Unless penalties and interest are manually calculated, the only TCs input are TC 290 and TC 170. Common transaction codes are listed below:

Transaction Code	Definition
TC 290	Additional Tax Assessment - May include: <ul style="list-style-type: none"> • Self Employment Tax - Schedule SE • Social Security/Medicare Tax - Form 4137 • Tax on Qualified Plans - Form 5329 • Advanced Earned Income Credit • Household Employment Tax - Schedule H • Alternative Minimum Tax - Form 6251
TC 160	Manually computed Failure to File penalty. Use only when manual computation is required.
TC 170	Estimated Tax Penalty.
TC 270	Manually computed Failure to Pay penalty. Use only when manual computation is required.
TC 190	Manually computed interest. Use only when manual computation is required.

5.18.1.9.2.3.29.7
(06-27-2023)
Reference Fields

- (1) Input the following credit reference numbers and money amounts, when applicable:

Credit Reference Numbers
Ref 764 to post earned income credit
For adjusting accounts where the original return posted December 31, 2006 and prior, input credit reference number (CRN) 806 to allow the excess Social Security or RRTA Tier I tax withheld. Input CRN 807 with a minus (-) to reduce the previously allowed excess Social Security or RRTA Tier I tax. Use Reason Code 055, and the appropriate SC and blocking series

Credit Reference Numbers
For adjusting accounts where the original return posted January 1, 2007 and subsequent, input Credit Reference Number (CRN) 252 to allow the excess Social Security or RRTA Tier I tax withheld. Input CRN 252 with a minus (-) to reduce the previously allowed excess Social Security or RRTA Tier I tax. The CRN 252 will generate a transaction code (TC) 766 or TC 767. Use appropriate Reason Code, source code, and SC blocking series
Ref 878 to post self-employment income, assess only if the income results in SE tax, Schedule SE on a taxpayer return, or from the total self-employment income from the Proposed Individual Income Tax Assessment, Letter 2566.
Ref 879 to post self-employment income on a secondary TIN. Assess if the income results in SE tax only. (Ensure secondary TIN posted to entity for specific year 879 will post.) Take this amount from Schedule SE on taxpayer's return
Ref 885 to post an advanced earned income credit allowed
Ref 886 to post amount of taxable income. This amount is total income less adjustments, exemptions and deductions as shown on taxpayer return. On the Proposed Individual Income Tax Assessment, Letter 2566, this is income less exemptions
Ref 887 to post correct number of exemptions. Input reference number with number of additional exemptions indicated
Ref 888 to post adjusted gross income when TC 150 posted after 1/1/86. This amount is income less adjustments before any exemptions are subtracted
Ref 889 to post any self-employment tax adjustments
Ref 891 to post allocated tip income (primary)
Ref 892 to post allocated tip income (secondary)
Ref 895 to post primary TIN medicare income
Ref 896 to post secondary TIN medicare income
Ref 898 to post primary medicare TIP income
Ref 899 to post secondary medicare TIP income
Ref 999 - The secondary account based on a primary Account filing

5.18.1.9.2.3.29.8
(06-27-2023)

Source Documents

- (1) Source Documents are the case files that are sent to Submission Processing Files for association with Forms 5147. A Form 5147 generates for all adjustments input on IDRS. Form 5147 contains the DLN, and all data input on the ADJ54 screen. Files staples the Form 5147 to the source document and files the source document per the DLN. The ADJ54 contains a required field that notifies Files if a source document is associated with the Form 5147. Valid values for the source document field on the ADJ54 screen are:

- “Y” - indicates there is a source document, and it will be sent to Files in an “A” folder.
- “N” - indicates there is no source document.
- “R” - indicates that there is a source document, but it has been retained by the employee.

(2) See IRM 5.18.1.9.2.3.32, **Assembly of Source Documents**.

5.18.1.9.2.3.29.9
(10-01-2005)
Remarks on ADJ54

(1) The remarks field is a required entry on the ADJ54 screen. Input a remark that indicates why the assessment was input. When used, the IAT tool will populate the remarks field. See examples of other possible remarks below:

- ASFR Refund Return
- ASFR Statute Barred Return
- ASFR Bal Due Return
- Request for Penalty Abatement denied.

5.18.1.9.2.3.29.10
(06-21-2013)
Lien Fee

(1) A lien fee (TC 360) is assessed by the IRS for costs associated with filing a notice of lien. TC 360 is also used to assess other collection costs such as those incurred while conducting a seizure. Regardless of the tax liability, do not reverse the TC 360 unless directed by the Field or Advisory.

Note: If TC 360 has **not** been addressed when an abatement in full is received from the Field, contact the Field RO to determine if the fee should also be abated.

Exception: If it is determined that an ASFR assessment was processed on an ID Theft case, and if when reversed the tax liability is zero, and there is a TC 360 (lien fee assessment) posted, abate the fee.

- (2) If a return is received that results in an abatement of all tax liability then review the account for a TC 360. If a fee is present send the TP correspondence advising them they are responsible for the fee. If the taxpayer wishes to pursue abatement of the fee they must contact Advisory to request having the fee removed.
- (3) If telephone contact or written correspondence is received from the TP or third party requesting abatement of the fee the TP should be advised that they are responsible for the fee. If the taxpayer wishes to pursue abatement of the fee they must contact Advisory to request having the fee removed.

Note: The Advisory office where the taxpayer currently resides would handle the request.

5.18.1.9.2.3.29.11
(10-03-2012)
Re-initiating Collection on Reconsiderations

(1) ASFR Reconsiderations in TDA status should have a TC 470 input to halt collection enforcement. Take the following actions:

If	Then
The action taken results in a zero or credit balance	Input a TC 472.
The action taken results in a remaining balance due	Input a TC 472.

If	Then
The action taken results in the case being closed on the 1st day it is worked, there is NO requirement to input TC 470/TC 472.	Document history/AMS to indicate the case was worked and closed on the same day.

Note: See Document 6209 conditions.

5.18.1.9.2.3.30
(01-25-2008)
Entity Update

- (1) Update MF entity information per any return being processed manually.
- (2) Use CC ENREQ to update the address, name line and filing status when the MF entity information differs from the return.

5.18.1.9.2.3.31
(09-11-2025)
**Examination
Classification**

- (1) All ASFR Returns and ASFR Reconsiderations meeting local SFR Screening Matrix Criteria must be referred to Classification after the return has been processed and the adjustment posted to IDRS.
- (2) When Examination Classification referral is needed:
 1. Input assessment.
 2. Use Form 5101 or locally approved referral form to route cases to Exam.
 3. Close any open ASFR control base on IDRS.
 4. Attach IRPTR print for both primary and secondary taxpayers when under and unreported income is an issue
 5. Use Form 3210, Document Transmittal and E-fax the closed case file

3210, Document Transmittal and mail the original case to the following address:

BIRSC, EFS Classification
1040 Waverly Avenue Stop 634
Holtsville, NY 11742

Note: Once case is efaxed follow normal procedures to send case to files.

- (3) Returns that appear to be international, such as returns with international addresses, or returns that contain Form 2555, Foreign Earned Income, or Form 2555-EZ, Foreign Earned Income Exclusion, will be treated the same as any other Non-Filer case. They will no longer be transferred to Philadelphia Exam Classification.

5.18.1.9.2.3.32
(12-13-2017)
**Assembly of Source
Documents**

- (1) When adjustment is completed, assemble source documents in the order below:
- (2) ASFR cases must have the following documents:
 - Taxpayer return if present, with envelope attached
 - Any taxpayer correspondence and envelope attached
 - Any returned statutory notice, with envelope attached. Do not include unclaimed or refused statutory notice when TC 971 with AC 520 is present on IDRS.

- A copy of LPAGE for all correspondex letters generated to the TP by the TE.
- Attach a copy of the IAT xMend Form 12249

Note: All other ASFR documentation will be stored on the ASFR Archive database.

(3) Reconsiderations must have the following documents:

- Taxpayer return if present, with envelope attached
- Any taxpayer correspondence and envelope attached
- A copy of LPAGE for all correspondex letters generated to the TP by the TE.
- Attach a copy of the IAT History Sheet.

(4) Based on the value input on the ADJ54 screen source document field, do the following: (See IRM 5.18.1.9.2.3.29.8, *Source Documents*).

If on the ADJ54 screen	Then
A "Y" was input in the Source Document field.	Place source documents in an "A" folder and route to Files per local procedures.
An "R" was input in the Source Document field.	The source document has been retained and is considered charged out to the employee who input the adjustment. The source document should either be filed or re-charged.

5.18.1.9.2.3.33
(03-11-2020)
Unpostables

- (1) Unpostables are transactions that cannot post to the Master File on the Integrated Data Retrieval System (IDRS). We should exercise caution to ensure every action is taken to prevent unpostables from occurring, it is critical that all unpostable cases are worked within seven business days of receipt. There are two types of unpostables received in ASFR. They are Manually created by and assigned to tax examiners and Systemic unpostables assigned to the ASFR unit at each campus.
- (2) Each IDRS transaction is subjected to a series of validity checks prior to posting to the Master File. A transaction becomes unpostable when it fails to pass any of the validity checks and is then returned to either the employee or campus for follow up action(s).
- (3) Some causes of unpostable transactions include the following:
 - Dates or money amounts do not match on credit transfers
 - Adjustments input to an account with no TC 150
 - Incorrect or missing Priority Code
 - Dollar amounts are reduced below zero, except Adjusted Gross Income
 - Errors are made in data entry
 - Payments are input on settled accounts
 - Freeze Codes are not considered
 - Pending transactions are not considered

- Presence of certain identity theft indicators

(4) For further guidance on identifying, researching and resolving unpostables refer to IRM 21.5.5, *Unpostables* and Document 6209, *Section 8B - Master File Codes*.

5.18.1.9.2.3.34
(03-11-2020)

**Updating ASFR When A
Filed Return is
Assessed on IDRS**

(1) When the taxpayer files a return and an assessment is input to IDRS based on the return, update ASFR as follows:

- Update ASFR to Status 101 if there is \$.00 tax per the return or a TC 290 for \$.00 was input on IDRS. See IRM 5.18.1.6.11.50, *Status 101: CLOSED, No ASFR Assessment (TC 290 zero)*.
- Update ASFR to Status 103 or Status 105 if the tax per the return or TC 290 was input to IDRS for amount greater than \$.00. See IRM 5.18.1.6.11.52, *Status 103: Closed Post 30-Day Letter, return secured*, or IRM 5.18.1.6.11.54, *Status 105: Closed Post 90-Day Letter, return secured*.
- If a TC 494 is present on the module, a TC 495 must be input.

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Exhibit 5.18.1-1 (09-11-2025)**Acronyms and Definitions**

Acronym or Term:	Definition:
ACS	Automated Collection System
ADR	Address Research
AMS	Account Management Services
APO/FPO	Army Post Office/Fleet Post Office
ASED	Assessment Statute Expiration Date
ASFR	Automated Substitute for Return
CAU	Caution Upon Contact
CC	Command Code
CCNIP	Case Creation Nonfiler Identification Process
CI	Criminal Investigation
CIO	Centralized Insolvency Operation
CII	Correspondence Imaging Inventory
CSCO	Compliance Services Collection Operation
DLN	Document Locator Number
EIN	Employer Identification Number
EPS	Employee Protection System
FC	Field Collection
FERDI	Federal Employee/Retiree Delinquency Initiative
HQ	Headquarters
IAT	Integrated Automation Technologies
IDRS	Integrated Data Retrieval System
IDS	Inventory Delivery System
IDT	Identity Theft
IMF	Individual Master File
IRC	Internal Revenue Code
IRM	Internal Revenue Manual
IRP	Information Reporting Program
ITIN	Individual Taxpayer Identification Number
MF	Master File
MIS	Management Information System

Exhibit 5.18.1-1 (Cont. 1) (09-11-2025)**Acronyms and Definitions**

Acronym or Term:	Definition:
NEC	Non-Employee Compensation
NCOA	National Change of Address
NPS	National Print Site
OEP	Office of Employee Protection
OUO	Official Use Only
PAS	Program Analysis System
PDT	Potentially Dangerous Taxpayer
PGLD	Privacy, Governmental Liaison & Disclosure
PI	Paper Indicator
POA	Power of Attorney
RD	Return Delinquency
RH	Refund Hold - Describes the Delinquent Return Refund Hold program
RSED	Refund Statute Expiration Date
SB/SE	Small Business/Self Employed
SCRIPS	Service Center Recognition/Image Processing System
SIA	Standardized IDRS Access
SRFMI	State Reverse File Match Initiative
SSN	Social Security Number
TAS	Taxpayer Advocate Service
TC	Transaction Code
TDA	Taxpayer Delinquent Account
TDI	Taxpayer Delinquency Investigation
TIF	Taxpayer Information File
TIN	Taxpayer Identification Number
TS	Taxpayer Services
UD	Undeliverable
UNAX	Unauthorized Access
USPS	United States Postal Service
WOEA	Warning of Enforcement Action

Exhibit 5.18.1-1 (Cont. 2) (09-11-2025)**Acronyms and Definitions**

Acronym or Term:	Definition:
XSF	Excess Collection File

