DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

INDEPENDENT OFFICE
OF APPEALS

November 24, 2025

Control No. AP-08-1125-0034
Expiration Date: 11/24/2027
Affected IRM: 8.22.8

MEMORANDUM FOR ALL IRS INDEPENDENT OFFICE OF APPEALS EMPLOYEES

FROM: Steven M. Martin /s/ *Steven M. Martin*
                    Director, Operations Support

SUBJECT: Appeals Case Management System (ACMS) procedure updates
                    for IRM 8.22.8, Liability Issues and Relief from Liability

This guidance provides procedures for integrating ACMS to the Collection Due Process (CDP) workstream, specifically liability issues and relief from liability issues in CDP hearings, detailed in IRM 8.22.8, Liability Issues and Relief from Liability. Please distribute this information to all impacted employees within your organization.

Purpose: This guidance is issued to update IRM procedures reflecting the functionality and process changes for the IRS Independent Office of Appeals (Appeals) new case management system, ACMS.

Background/Source(s) of Authority: Appeals Centralized Database System (ACDS), Appeals' aging legacy system, is being replaced by ACMS, a more modernized system. Appeals contracted Salesforce to create ACMS, which will provide Appeals with a new level of automation and analytics. These updates will allow for more effective collaboration within Appeals and, in the future, with other IRS business units.

Procedural Change: Release 1 of ACMS will focus on Collection-sourced case work, while additional ACMS releases will incorporate the remaining workstreams. Future releases will incorporate concepts introduced in this guidance and will be reinforced via training and applicable user guides. Procedural changes pertaining to this guidance are included in the attachment.

Additional Information: Additional information on ACMS can be found on the Appeals Intranet page – Appeals Case Management System (ACMS). This site will contain links for helpful information with ACMS, training documents, etc.

Effect on Other Documents: This guidance may be incorporated into the affected IRMs within two years from the date of this memorandum.

Effective Date: This guidance is effective as of the date of this memorandum.

Contact: Appeals employees should follow existing procedures to elevate questions through their management chain and follow established procedures on How to Contact an Analyst.

Attachment

cc: www.irs.gov

Attachment AP-08-1125-0034, Appeals Case Management System (ACMS) procedure updates for IRM 8.22.8, Collection Due Process Liability Issues and Relief from Liability

Notes:
- Any references to WUNO will be replaced with Appeal Number
- References to ACDS will be replaced with ACMS

8.22.8.3 (MM-DD-YYYY)
When Liability is Raised
(3) If the SNOD for the subject tax period(s) is not in the CDP file, request a copy of the notice using the Integrated Data Retrieval System (IDRS) Command Code ESTAB. If the file is not received in 21 days, request a special search by inputting a "Support Request" in ACMS by completing the following:
- Click 'New 'Support Request''
- Request type 'Administrative'
- Category 'Special Search'
- Subcategory 'File Copy'
- In the description field, include the information contained as outlined in the STARS Quick Look Request Type Guide

8.22.8.5 (MM-DD-YYYY)
At Issue, Precluded, or Precluded but Considered Outside of CDP
(2) **At issue:** When liability is at issue in CDP, a 'Support Request' is created when the issue is to be considered by an Examination Appeals Officer (AO). See the table below to determine when a liability is considered.
To create the support request:
- Click 'New Support Request'
- Request Type 'Technical'
- Category "Domestic or International"
- Subcategory 'Liability Referral'

Note: When the liability issue is to be considered within Collection Appeals, create a new 'Support Request':
- Click 'New Support Request'
- Request Type 'Technical'
- Category 'Collection Due Process (CDP) Liability Referral-In House'
- Subcategory - Choose applicable Area

8.22.8.6.1 (MM-DD-YYYY)
Self-Filed Return
(4) If the amended return is not accepted in full, create a 'Support Request' for an Examination AO to consider the liability. (See instructions above to create the support request)

8.22.8.6.1.1 (MM-DD-YYYY)
Audit of the Taxpayer's Self-filed Return
(6) If the taxpayer does not agree to Form 4549, Exam will issue a 30-day letter. See the table below:
Exam issues a 30-day Letter:

And	Then
The taxpayer requests an appeal in response.	Coordinate the liability issue with an Examination AO by creating a 'Support Request.' If the taxpayer and Examination AO **agree** on liability, or if the taxpayer disagrees but the Examination AO finds the liability to be less than reported on the self-filed return: • The Collection AO adopts the Examination AO's liability determination in the CDP hearing. • If there is unpaid assessed tax, the Collection AO contacts the taxpayer to address collection of the unpaid assessed tax and any other issues in the CDP hearing. • The determination letter must state Appeals' determination of liability. If applicable, the letter should state whether Appeals abated any portion of the original assessment. If the taxpayer agreed that the liability was greater than reported on the self-filed return, the determination letter should state although Appeals found an increase in liability in excess of the amount shown on the self-filed return, the CDP hearing is only about collection of the original assessment based on the return. The determination letter must also comment on collection of the unpaid tax from the original assessment and any other issues raised. If the taxpayer and the Examination AO **disagree** on the liability, and the liability is greater than shown on the self-filed return: • Examination AO issues a SNOD. • The Collection AO adopts in the CDP hearing the Examination AO's liability determination but advises the taxpayer to dispute the deficiency amount by petitioning from the SNOD. • If the taxpayer does not file a timely petition from the SNOD, proceed with CDP hearing. • If the taxpayer timely petitions from the SNOD, keep the CDP cases suspended until the decision of the Tax Court is final. • If there is unpaid tax based on the original assessment (regardless of whether the taxpayer files a timely

	petition from the SNOD), the Collection AO contacts the taxpayer to address collection of the unpaid assessed tax, and any other issues raised in the CDP hearing. • If the liability determination is by Appeals, the determination letter must state Appeals' determination of liability, and although Appeals found an increase in liability in excess of the amount shown on the self-filed return, the CDP hearing is only about collection of the original assessment based on the return. The determination letter must also comment on collection of the unpaid tax from the original assessment and on any other issues raised. • If the liability determination is based on the final Tax Court decision, the determination letter will state that the issue was raised in CDP but that the Tax Court made a final determination of the liability prior to the CDP determination. If the Tax Court found the deficiency to be an amount greater than original assessment, the determination letter will state that although the Tax Court found an increase in liability in excess of the amount shown on the self-filed return, the CDP hearing is only about collection of the original assessment based on the return. The determination letter will also address collection of the unpaid tax based on the original assessment and any other issues raised in the CDP hearing.
The taxpayer does not agree to the 30-day letter and does not request an Appeals hearing	Exam issues a SNOD offering the taxpayer the right to petition Tax Court. • If the taxpayer does not receive the SNOD, or does not file a timely petition from the SNOD, refer the liability issue for an Examination AO determination using procedures in IRM 8.22.8.5.1 to determine whether the taxpayer's return should be fully accepted to reduce the CDP liability. • If the taxpayer files a timely petition, keep the CDP case suspended until the decision of the Tax Court is final. The determination letter will state that the issue was raised in CDP but that the Tax Court made a final determination of the liability prior to the CDP determination. • If there is unpaid tax based on the original assessment (regardless of whether the taxpayer files a timely petition from the SNOD), the Collection AO contacts the taxpayer to address collection of the unpaid assessed tax, and any other issues raised in the CDP hearing.

	• If the liability determination is by Appeals, the determination letter must state Appeals' determination of liability, and although Appeals found an increase in liability in excess of the amount shown on the self-filed return, the CDP hearing is only about collection of the original assessment based on the return. The determination letter must also comment on collection of the unpaid tax from the original assessment and on any other issues raised. • If the liability determination is based on the final Tax Court decision, the determination letter will state that the issue was raised in CDP but that the Tax Court made a final determination of the liability prior to the CDP determination. If the Tax Court found the deficiency to be an amount greater than original assessment, the determination letter will state that although the Tax Court found an increase in liability in excess of the amount shown on the self-filed return, the CDP hearing is only about collection of the original assessment based on the return. The determination letter will also address collection of the unpaid tax based on the original assessment and any other issues raised in the CDP hearing.

Note: Neither the 30-day letter nor the SNOD constitutes a prior opportunity to dispute liability because the proposed deficiency amount is not subject to the CDP hearing.

8.22.8.6.2 (MM-DD-YYYY)
ASFR/SFR
(3) On receipt of a valid return from the taxpayer:
   a. Date stamp it with the Appeals "received date."
   b. Complete the ASFR/SFR Cover Sheet. (Form 14111)
   c. Prepare Form 3210 with your phone number and a statement in the "Remarks" section that Appeals is sending the return(s) for expedite processing.
   d. Mail the return, ASFR/SFR Cover Sheet, and Form 3210 to the ASFR Recon Team:
      Internal Revenue Service
      ASFR Operation Stop 654
      1040 Waverly Avenue
      Holtsville, NY 11742-9013
   e. Uploaded completed documents to ACMS

8.22.8.6.3 (MM-DD-YYYY)
BMF 6020(b) Assessments

Attachment AP-08-1125-0034, Appeals Case Management System (ACMS) procedure updates for IRM 8.22.8, Collection Due Process Liability Issues and Relief from Liability

(1) Taxpayers may raise 6020(b) liability in a CDP hearing if they did not receive Letter 1085, 30 Day Letter Proposed IRC 6020(B) Assessment, or otherwise have an opportunity to contest the tax liability. This letter is not sent by certified mail.
- Ask the taxpayer if they received Letter 1085. The taxpayer's assertions regarding receipt may determine whether liability may be raised.
- Check ACDS and ACMS to see if the taxpayer requested an Appeals hearing in response to either letter.
- Check Integrated Collection System (ICS) to see if the taxpayer acknowledged receipt of the letter to the revenue officer.

8.22.8.8.1 (MM-DD-YYYY)
Processing IS Claim Form 8857
(1) Collection transmits the original Form 8857 accompanying a CDP request to CCISO within 10-business days of receipt and provides a copy to Appeals with the CDP referral. If you receive a Form 8857, which Collection did not send to CCISO, or which was filed with Appeals after a CDP hearing request:
a. Date stamp it or ensure it was date stamped by Collection.
b. Input feature code 'Spousal Defense' (SD) to the appeals case if the CDP is filed by the requesting spouse (RS) only or if the CDP request is jointly filed. Do not enter SD on the non-requesting spouse (NRS) account.
c. Send the Form 8857, within 10-business days of receipt, on Form 3210 marked "EXPEDITE - CDP CASE" for a preliminary CCISO determination, to:
Note: Do not create a 'Support Request' at this time.
    IRS-Cincinnati Centralized Innocent Spouse Operation
    Attn: CDP Coordinator, Stop 840 F
    7940 Kentucky Dr
    Florence, KY 41042
Note: You may fax or EEFax Form 8857 to CCISO at 855-233-8558 if there are no supporting documents (e.g., no return file). The request must be marked "Expedite-CDP case."
(3) CCISO inputs TC 971 AC 65 on receipt of the request. Verify CCISO input TC 971 AC 65 and then:
a. Suspend the CDP appeals case in ACMS using suspense reason 'Other' providing the date Form 8857 was sent to CCISO in the history.
b. Monitor the case via command code ISTSR. The status of the case is reflected in ISTSR with the Stage Tracking Indicators found in IRM Exhibit 2.3.77-3, Stage Data.

8.22.8.8.2 (MM-DD-YYYY)
CCISO Processing of IS Claim Related to CDP Case
(4) If CCISO inadvertently issued a final determination letter, suspend the CDP hearing until after the expiration of the period for the taxpayer to petition for a judicial review of the IS determination. If the taxpayer:
a. **Petitions:** the CDP remains in suspense until the Tax Court decision becomes final.

    b. **Does not petition:** Create a 'Support Request' for the Innocent Spouse issue ensuring the Spousal Defense (SD) feature code is included on the CDP appeals case.
      1. Create 'New Support Request'
      2. Request Type 'Technical'
      3. Category 'Innocent Spouse'
      4. Subcategory 'Liability Referral'

8.22.8.8.3 (MM-DD-YYYY)
Appeals Processing of IS Claim Related to CDP Case

(1) The Examination AO works the IS claim following IRM 8.7.12, Appeals Innocent Spouse Case Procedures. When finished, the Examination AO will:

- Close the 'Support Request' with instructions to APS regarding all required account adjustments and Innocent Spouse Tracking System (ISTS) updates. Include instructions for APS to request that CCISO mirror the accounts if the Examination AO fully allows a claim that was previously denied in full.
- Prepare an ACM as a file in their assigned 'Support Request' so the decision can be incorporated into the CDP closing letter and attachment by the Collection AO
- Attempt to secure the RS agreement on Form 870-IS, Waiver of Collection Restrictions in Innocent Spouse Cases, on all agreed cases for which partial or full relief is granted
- Prepare the technical 'Support Request' for closure

(2) The Collection AO will, upon receipt of closed Innocent Spouse 'Support Request' issue a substantive contact letter to the taxpayer(s) within 30 days of receipt of the INNSP case

8.22.8.8.4 (MM-DD-YYYY)
Mirrored Modules

(3) When an account needs mirroring, Examination Appeals/SEPR will request APS update ACMS to ensure it reflects the same information as IDRS. The following updates are needed if the mirroring occurs after the date Collection or Appeals received Form 8857:

If...	ACMS	IDRS
Both spouses jointly requested the CDP hearing	**and all modules were mirrored, request APS:** • Update the CDP appeals case to Master File Tax (MFT) 31 for the primary spouse • Create a separate appeals case using MFT 31, under the social security number (SSN) for the secondary spouse **and all CDP modules were not mirrored, request APS:** • establish two new CDP appeals cases, one under each spouse's SSN, using MFT 31, for the periods that were mirrored • delete the mirrored periods from the original CDP appeals case	• request input of TC 522 cc 76/77 to MFT 30 mirrored modules **Note:** verify the mirroring process resulted in a TC 520 cc 76/77 to the MFT 31 module for each spouse
Only the primary spouse requested CDP	request APS: • Update the CDP appeals case from MFT 30 to MFT 31	• request input of TC 522 cc 76/77 to MFT 30 module(s) that have been mirrored • request input of TC 522 cc 76/77 to the MFT 31 module(s) for the secondary SSN if the TC 520 was mirrored to the secondary spouse's account
Only the secondary spouse requested CDP	request APS: • Update the CDP appeals case from MFT 30 to MFT 31	• input TC 522 cc 76/77 on MFT 30 module(s) that have been mirrored • input TC 522 cc 76/77 to MFT 31 for the primary SSN, if TC 520 cc 76/77 was mirrored to the primary spouse's account

8.22.8.8.5 (MM-DD-YYYY)
Withdrawal of CDP While IS Claim is Pending

- **CCISO has the claim:** Deliver or fax a copy of Form 12256, Withdrawal of Request for Collection Due Process or Equivalent Hearing, to CCISO within two business days. Remind CCISO to make the final determination on the claim. CCISO will not return the IS file to Appeals and no IS 'Support Request' is established.
- **The Examination AO has the claim and has not made a decision:** Deliver or fax a copy of Form 12256 to the Examination AO within two business days. Advise the Examination AO to close the 'Support Request' and create a new case using their normal IS procedures. Take the CDP appeals case out of suspense and close the CDP using closing code 16.
- **The Examination AO returned a recommendation on the claim:** Close the CDP appeals case as a withdrawal and close the IS case by issuing the letters below:

If...	Issue to RS	Issue to NRS
The IS claim is agreed	Letter 913, Agreed Cases - Closing, with a copy of the Form 870-IS	Letter 3289, Final Appeals Notice to Non-Requesting Spouse
The IS claim is unagreed	Letter 3288, Final Appeals Determination to Requesting Spouse	Letter 3289

8.22.8.9 (MM-DD-YYYY)
Earned Income Tax Credit (EITC)
(2) When EITC is considered in CDP, add feature code "Earned Income Credit (EI)".
(3) When a taxpayer is precluded from raising EITC in CDP, the issue may be considered outside of CDP. To do so:
   a. Obtain ATM approval
   b. Create a new 'Support Request'
      1. Request Type 'Technical'
      2. Category 'Collection Due Process (CDP) - Liability Referral In-House'
      3. Subcategory (Select the applicable Area)
   c. Send the appropriate EITC closing letter **before** issuing the CDP Notice of Determination
   d. In the CDP attachment, explain that while the taxpayer raised EITC, the issue was precluded and EITC liability was considered in a separate hearing
(4) A project code is used to track information regarding the source of EITC cases. Identify the 4-digit project code from the following list and input the code into the 'Request Description' field in the 'Support Request.' The project codes are:

Project Code	Project Definition
0600	EITC Math Error
0601	EITC Informant Claim

Project Code	Project Definition
0603	EITC Prisoners
0607	EITC Ineligible Other (1040X)
0608	Schedule C and EITC
0611	EITC Questionable Refund Program (QRP)
0642	EITC Miscellaneous Criminal Investigation (CI) Referrals
0652	Duplicate Use of TIN
0691	EITC Fraud
0694	EITC Recertification

(8) Upon closing, retain a copy of Form 8862 in the administrative file and verify Recertification Indicator 1, 2, 4, or 9 appears on IMFOLE or ENMOD (if not there, recertification is not an issue) and notate one of the following in the 'Submit for Approval' remarks:

- "Reverse Recertification Indicator, Input TC 971, AC 56"
- "Do Not Reverse Recertification Indicator"
- "Recertification Ban Was Not Imposed"

8.22.8.10.1 (MM-DD-YYYY)
Trust Fund Recovery Penalty (TFRP)
(3) If the taxpayer states a hearing was requested in response to Letter 1153, research ACDS and ACMS to find the related case. If there is no record of a prior TFRP hearing for the subject periods, ask for proof of the timely request. If the taxpayer provides evidence of a timely filed protest that was not considered by Appeals, then the taxpayer must be allowed to raise TFRP liability in CDP.
>   **Note:** The IRS must abate an assessed TFRP where the taxpayer timely protested the proposed TFRP assessment, but the IRS mistakenly failed to provide the taxpayer with a pre-assessment Appeals hearing, as described in Rev. Proc. 2005-34, 2005-1 C.B. 1233, 2005-24 I.R.B. 1233 (June 13, 2005).

8.22.8.10.5 (MM-DD-YYYY)
IRC 6707 or 6707A Disclosure Penalties
(5) IRC 6707 and IRC 6707A penalties are Appeals Coordinated Issues. When the taxpayer is able to raise liability during the CDP hearing, a technical 'Support Request' is created for this liability issue as per IRM 8.22.8.5.1, Referring a Liability Issue. The Examination AO obtains the concurrence of Technical Specialist for 6707/6707A penalties before returning the case to the Collection AO. Technical Specialists are found at TG locator.

8.22.8.10.6 (MM-DD-YYYY)
Reasonable Cause Penalty Abatement
(5) When PENAP is a part of a CDP appeals case, consider creating an appeal issue under the 'Details' tab of "Penalty Appeal." The PENAP is addressed in the determination or decision letter attachment.
(6) When PENAP is precluded from CDP, it may be considered outside of CDP. To do so:
    a. Obtain ATM approval
    b. Create a new 'Support Request.' See the table at 8.22.8.5.1 for routing and instructions at 8.22.8.5
    c. May be assigned to another Appeals employee at ATM discretion
    d. Send the appropriate penalty appeal closing letter **before** issuing the CDP Notice of Determination
    e. In the CDP determination or decision attachment, explain that while the taxpayer raised penalty appeal, the issue was precluded, and penalty liability was considered in a separate Penalty hearing
(7) Prepare one of the forms below for APS to input your decision regarding each of the disputed penalties and tax period(s):
- In the remarks section of the 'Submit for Approval' field, provide APS instructions when the penalty was considered outside of CDP as noted below
- Form 3870 when penalty was considered in CDP

8.22.8.11 (MM-DD-YYYY)
Interest Abatement
(6) When the taxpayer submits a properly perfected request for interest abatement, consider creating an appeals issue "Interest Abatement" in the 'Details' tab in the CDP appeals case. Identify the date you determined interest abatement was at issue in the history and in the appeals issue created. If a referral to Exam is needed, obtain ATM approval and create a new 'Support Request.' See table at 8.22.8.5.
(9) APS has a Complex Interest Team that can assist with complex or restricted interest computations. You may request interest computation assistance by preparing a 'Support Request' in ACMS:
- Create a new 'Support Request'
- Request Type 'Account Processing'
- Category 'Complex Interest Team'
- Subcategory 'Interest Review Assistance'

8.22.8.14.2 (MM-DD-YYYY)
SOB Liability Challenge
(2) Once you've confirmed the SOB liability may be challenged, follow the Step Table below:

Step	Action
1	Secure documentation from the taxpayer to support the liability dispute.
2	Obtain ATM approval and create a 'Support Request' for the liability.
3	Input Feature Code 'Son of Boss'
4	Enter in the history and/or the 'Support Request' • the date Appeals determined the SOB liability is eligible for consideration in the CDP hearing.

8.22.8.14.3 (MM-DD-YYYY)
Conduct of the Hearing
(1) The Collection AO's ATM arranges for the assignment of the technical 'Support Request' to an Examination AO.
(3) Once the SOB issue is concluded, the Examination AO submits the following to their ATM for approval and subsequently closes the 'Support Request'.
   • Any adjustment documents, if applicable
   • Closing instructions to APS in the remarks section
   • An ACM as an attachment to the case history so the decision can be incorporated into the CDP decision and attachment

8.22.8.14.4 (MM-DD-YYYY)
Approval of Case Decisions
(2) If there is a significant issue not addressed in the ACM which requires explanation, the ATM prepares a briefing paper to explain the basis for Appeals' recommended settlement. The ATM sends the following documents to the Area Director to coordinate with the Senior Operations Advisor for the Director, Specialized Examination Programs & Referrals, to obtain the approval of Chief, Appeals:
   • ACM and Closing Letter
   • Case history
   • Briefing Paper, if applicable
   • Original case file or a complete copy of the case file
(4) The 'Support Request' is returned to the originating Collection AO ATM and the Collection AO closes the CDP on receipt of the closing letter, signed by Chief, Appeals, using general CDP closing procedures.
(6) After approval, the ATM provides a copy of 'Printable View' and the ACM to the Area Director.

Exhibit 8.22.8-1 (MM-DD-YYYY)
Liability in CDP Action Table

C	If the taxpayer denies, or cannot recall receipt, the taxpayer has alleged an irregularity. Review: • Copies of the SNOD. • Proof of mailing, such as Postal Form 3849, 3877, and Certified Mailing list. • Go to USPS and use the track and confirm to see whether the SNOD was received by the taxpayer. Print tracking and verify confirmation for the file and document the results in the history.
E	If TXMOD indicates the taxpayer signed a consent, and the taxpayer admits to it, document the history. If TXMOD indicates the taxpayer signed a consent, but the taxpayer denies it, the taxpayer has alleged an irregularity. See (F) below.
I	Check ACDS and ACMS to see if the taxpayer was in Appeals for the tax year in question.