IRM PROCEDURAL UPDATE

DATE: 03/07/2017

NUMBER: sbse-05-0317-0446

SUBJECT: TC 130 Procedure Updates

AFFECTED IRM(s)/SUBSECTION(s): 5.19.1.4.5.1

IRM 5.19.1.4.5.1 *BMF TC 130 Procedures,* moved hyperlinks shown in paragraph (1)(a) into a bullet list and added two more references. Moved table into new paragraph (2).

1. When closing a BMF account as a hardship, input the appropriate TC 130. Two separate TC 130 inputs may be required.
    a. Input TC 130 on the BMF entity to offset IMF refunds to the BMF balance owed (if one was not previously input). This TC 130 must be input on all BMF accounts involving sole proprietors, general partners or sole members of an LLC (where the owner is identified as the liable taxpayer). For further information, see:
        - IRM 5.1.12.21.2, *Determine if TC 130 Input is Necessary*,
        - IRM 5.1.12.21.3, *Request Refund Offset with TC 130*,
        - IRM 5.1.12.21.3.2, *Offset an IMF Refund*, and/or
        - IRM 5.1.12.21.3.3, *Offset a BMF Refund*.

      NOTE: If the single member owner is the liable taxpayer for LLC tax periods on or after January 1, 2009, it is treated as a corporation per Treasury Regulation § 3301.7701-2. Therefore, a trust fund recovery penalty investigation must be conducted and assessed if applicable. A TC 130 is not required as it is systemically uploaded to the IMF SSN when the TFRP is being assessed. Any refunds will offset from the IMF 1040 to the IMF MFT 55.

    b. Input TC 130 on the IMF entity for all BMF accounts closed as hardship. The TC 130 on the IMF account will cause the BMF accounts to come out of CNC if the taxpayer files a personal return that shows the ability to pay the BMF obligation.
2. When a TC 130 is required, use the following chart for the input information:

CC FRM77 - Field Input	TC 130 on BMF Entity	TC 130 on IMF Entity
TC	130	130
TRANS-DT	Date of TC 530 input	Date of TC 530 input
cc	**Intentionally Left Blank**	cc used for the input of the TC 530

DLN	000	000
XREF-TIN	SSN	EIN
NM-CTRL	IMF NC	BMF NC