IRM PROCEDURAL UPDATE

DATE: 01/06/2025

NUMBER: ts-03-0125-0026

SUBJECT: 2025 Start-Up Changes

AFFECTED IRM(s)/SUBSECTION(s): 3.12.213

CHANGE(s):

IRM 3.12.213.2.3(1) - Updated Taxpayer Advocate Service (TAS) with the TAS standard language from the TAS document that contains the most current approved standardized language.

(1) The Taxpayer Advocate Service is an independent organization within the Internal Revenue Service (IRS), led by the National Taxpayer Advocate, that helps taxpayers and protects taxpayer rights. TAS offers free help to taxpayers when a tax problem is causing a financial difficulty, when they've tried and been unable to resolve their issue with the IRS, or when they believe an IRS system, process, or procedure just isn't working as it should. TAS strives to ensure that every taxpayer is treated fairly and knows and understands their rights under the Taxpayer Bill of Rights. TAS has at least one taxpayer advocate office located in every state, the District of Columbia, and Puerto Rico.

IRM 3.12.213.2.3(3) - Added "See IRM 21.1.3.18, Taxpayer Advocate Service (TAS) Guidelines" per TAS IRM review and feedback.

(3) Refer taxpayers to TAS when the contact meets TAS criteria (see IRM 13.1.7, Taxpayer Advocate Service (TAS) Case Criteria), or when Form 911, Request for Taxpayer Advocate Service Assistance (and Application for Taxpayer Assistance Order), is attached and steps cannot be taken to resolve the taxpayer's issue the same day. See IRM 21.1.3.18, Taxpayer Advocate Service (TAS) Guidelines.

IRM 3.12.213.2.3(6) - Reworded and added "IRM 13.1.7.4, Exceptions to Taxpayer Advocate Service Criteria, for information on cases that TAS will no longer accept" per TAS IRM review and feedback.

(6) For more information, see IRM 13.1.7, Taxpayer Advocate Service (TAS) Case Criteria, and IRM 13.1.7.4, Exceptions to Taxpayer Advocate Service Criteria, for

information on cases that TAS will no longer accept.

IRM 3.12.213.5.3(1) - Updated the years in the Field 01TXP examples for Processing Year (PY) 2026.

(1) The Tax Period is printed in Year (YYYY), Month (MM) format (e.g., December 31, 2024 will be displayed as 202412). The tax period is found above the first name line, to the right on the return.

IRM 3.12.213.8.5(4) - Updated paragraph for BMF ERS consistency.

(4) If a return has been faxed to another area of the IRS and then sent to Submission Processing for processing, do not enter the Enterprise Electronic Fax (EEFax) Date as the IRS Received Date. Enter a Received Date according to normal procedures.

Caution: Do not use the EEFax Date as the IRS Received Date.

IRM 3.12.213.8.7(3) - Updated the Received Dates and Tax Periods Dates in Error Code 007, Received Date is Earlier Than Tax Year, for PY 2026.

(3) **Correction Procedures**:

1. Correct all misplaced entries, coding, and transcription errors.
2. Compare the displayed fields with the return. If incorrect, overlay the screen with the correct information.

If	And	Then
The Received Date is invalid and it appears that the incorrect year was used (i.e., 20240115 instead of 20250115), and other information (Julian date of the DLN, postmark date, and/or signature date) indicates that the Received Date should be the current year,		Change the Received Date year to the current year in Field 01RCD.
The return is an early filed "Final" return,		1. Change the Tax Period to agree with the month before the Received Date and enter in Field 01TXP.

		2. Enter "F" in Field 01CCC.
The return is not an early filed **Final** return,	The Tax Period ending date is passed,	1. Change the Received Date to one day after the Tax Period ending date. For example. the Tax Period is 202408, enter 20240801 in Field 01RCD. 2. See IRM 3.12.213.2.22, Working Trail, for more information.
The return is not an early filed "Final" return,	The Tax Period ending is less than four months after the Received Date,	1. SSPND 480. 2. Prepare Form 4227, Intra-SC Reject or Routing Slip, with the notation "EARLY FILED".
The return is not an early filed "Final" return,	The Tax Period ending is more than four months after the Received Date,	1. Initiate correspondence for clarification of the Tax Period. 2. SSPND 211.

IRM 3.12.213.8.24(3) - Updated the Correction Procedures to identify the Taxpayer Notice Code (TPNC) literal to issue correspondence.

(3) **Correction Procedures**:

1. Check for transcription or taxpayer errors. Compare Field 0705A (Total Tax) against the taxpayer's entry on the return, Line 1, Section II (Tax and Payments), Page one, Form 1066, U.S. Real Estate Mortgage Investment Conduit (REMIC) Income Tax Return.
2. The computer will compute Balance Due/Overpayment Computer field by subtracting Field 0706 (Tax Paid with Form 7004, Application for Automatic Extension of Time to File Certain Business Income Tax Information and other Returns) and Field 0707 (Telephone Excise Tax Credit) from Field 0705A (Total Tax).
3. If the return is blank, verify the "Total Tax" amount against the amount on Line 12, Part IV (Total Tax) Schedule J.

4. If Schedule J, Part IV, Line 12 is blank, but there are items on Schedule J under Part I (Tax on Net Income From Prohibited Transactions), Part II (Tax on Net Income From Foreclosure Property), and/or Part III (Tax on Contributions After the Startup Day), math verify each of the following items as described below:

If	Then
Tax on Net Income From Prohibited Transactions (Schedule J, Part I, Line 4) is being verified,	1. Line 2 (Total Income) must equal the sum of Lines 1a, 1b, 1c, and 1d. 2. Line 4 must equal Line 2 minus Line 3.
Tax on Net Income From Foreclosure Property (Schedule J, Part II, Line 10) is being verified,	Math verify the following: 1. Line 7 (Total Income from Foreclosure of Property) must equal the sum of Line 5 plus Line 6 2. Line 9 must equal Line 7 minus Line 8. 3. Line 10 must equal 21 percent of Line 9.
Total Tax (Schedule J Part IV, Line 12) is being verified,	1. Add Lines 4, 10 and 11, Schedule J. 2. Enter the sum on Schedule J, Part IV, Line 12, and on Page one, Section II, Line 1 (Form 1066). 3. If correct as transcribed, attach an adding machine tape verifying Schedule J. 4. Enter the total in Field 0705A. 5. Correct Schedule J, Part IV, Line 12, and Page 1, Section II, Line 1 (Form 1066) on the return, if different. 6. Compare Field 0706 (Tax Paid with Form 8736/8800) against the taxpayer's entry on the return (Line 2, Section II) (Tax and Payments), Page one, Form 1066. 7. Correct the screen display if different.
All corrections are made and there is a difference of $50.00 or more.	1. Identify the correct TPNC literal for this point of error. See IRM 3.12.213.8.24.1, Taxpayer Notice Codes. 2. Due to a programming issue, send Non-Suspense Letter 3833C, Tax Return Adjustment Explained (BMF). Use open paragraph "O" and the text for the TPNC literal to advise the taxpayer of the math error.
CCC "4" is present,	1. Enter the amount from the verified total (Balance Due/Overpayment Computer) in Field 07B/R **(the "ERS Input Only" field).**

	2. This will clear Error Code 812 from the screen display.
No corrections are needed to Fields 0705A, 0706, and/or 0707, **Caution:** Do not attempt to correct Field 0707. Correspond to verify taxpayer entry.	1. Identify the correct TPNC literal for this point of error. See IRM 3.12.213.8.24.1, Taxpayer Notice Codes. 2. Due to a programming issue, send Non-Suspense Letter 3833C, Tax Return Adjustment Explained (BMF). Use open paragraph "O" and the text for the TPNC literal to advise the taxpayer of the math error.

Note: Field 07TC> is the computer-generated total from Form 8913, Credit for Federal Telephone Excise Tax Refund. Field 07TRV is the Telephone Excise Tax Return Verified Field.

IRM 3.12.213.8.24.1(1) - Reworded the paragraph for Taxpayer Notice Code (TPNC) literals.

(1) Taxpayer Notice Codes (TPNCs) literals are as follows:

Taxpayer Notice Code (TPNC)	Definition
01	We found an error in the computation of your total income from prohibited transactions.
05	We found an error in the computation of tax on net income from prohibited transactions.
10	We found an error in the computation of tax due or overpayment amount.
20	We found an error in the computation of tax on net income from foreclosure property.
25	We found an error in the computation of tax on contributions after the startup day.
88	We changed your telephone excise tax refund amount based on the information you provided.
89	We changed your tax and/or credits because we did not receive the additional information we requested. The change includes the disallowance of all or part of your telephone excise tax refund you requested on your tax return. We previously sent you a separate letter explaining the disallowance.
90	Blank Notice - 10 blank lines are available on the notice for whatever statement is needed.

Caution: Due to a programming issue, send non-suspense Letter 3833C, Tax Return Adjustment Explained (BMF). Use open paragraph "O" and the text for the TPNC literal to advise the taxpayer of any math error(s).