IRM PROCEDURAL UPDATE

DATE: 06/10/2025

NUMBER: ts-03-0625-3397

SUBJECT: Religious Exemption Procedures

AFFECTED IRM(s)/SUBSECTION(s): 3.11.16.2.5

CHANGE(s):

IRM 3.11.16.2.5 - Added procedures for working Religious Exemption returns per feedback from the Office of Servicewide Penalties.

(1) Counsel issued **Notice 2024-18** which established the procedures for taxpayers to notify the Service of their religious exemption from electronic filing of information returns by filing a Form 8508, Application for Waiver from Electronic Filing of Information Returns. Filers of business tax returns must notate “Religious Exemption” at the top of the paper filed returns. Follow procedures below if “Religious Exemption” is notated at the top of page 1 of the tax return.

If	Then
Religious Exemption is notated,	1. Notate "RE-TC016" in the upper left margin. 2. Pull the return for research/input of TC 016 by the Code and Edit Research Clerk.

(2) Follow procedures below for religious exemption research/input of TC 016 on IDRS.

If	Then
CC: ENMOD/BMFOLE/IMFOLE displays the religious exemption indicator "RLG-EX IND" as a value of "1",	Continue processing the return, No action is required.
"RLG-EX IND" has a value of blank,	Input a TC 016 to record a religious exemption on IDRS: CC: ENMOD, followed by CC: ENREQ, which becomes CC: BNCHG/INCHG Input a "1" in the "RLG-EX>" field. Continue processing the return.