IRM PROCEDURAL UPDATE

DATE: 06/20/2025

NUMBER: ts-03-0625-3419

SUBJECT: Religious Exemption

AFFECTED IRM(s)/SUBSECTION(s): 3.11.14.2.5

CHANGE(s):

IRM 3.11.14.2.5 - Added subsection for Religious Exemption procedures based on feedback from Office of Servicewide Penalties.

Religious Exemption

(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.
CC ENMOD/BMFOLE/IMFOLE displays the religious exemption indicator "RLG-EX IND" as 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.