**IRM PROCEDURAL UPDATE**

**DATE: 08/07/2025**

**NUMBER: ts-03-0825-3548**

**SUBJECT: Withholding**

**AFFECTED IRM(s)/SUBSECTION(s): 3.11.6**

**CHANGE(s):**

**IRM 3.11.6.15.3.1, Federal Income Tax Withholding (Line 12): Paragraph (6) - Added another processing procedure when certain account markers are present to include a hold code.**

(1) Taxpayers use line 12 to report their:

- Federal Income Tax Withholding - TC 806 or TC 807
- Excess Social Security/Railroad Retirement Tax Act (RRTA) Tier 1 - TC 766

(2) When using Command Code (CC) IRPTR to verify withholding, refer to IRM 3.11.6.2.6.1.1, CC IRPTR, before beginning the verification process.

(3) When a taxpayer with an ITIN files an amended return, some of the withholding might be reported under either a work assumed SSN or ITIN. When verifying the withholding, the name on the return must match the income document (IDOC).

(4) If withholding is being claimed per Schedule K-1 and the IDOC can't be verified on CC IRPTR, send the case to AM.

(5) When an amended return with Social Security Administration (SSA) benefits or other types of income where the withholding may be questionable, research CC IRPTR to verify the withholding. If IRPTR doesn't substantiate the withholding, "No Consider" the claim per IRM 3.11.6.11.8, Correspondence for No Consideration of a Claim (Letter 916C and Letter 916SP), using the fill-in: **Please provide documentation to substantiate your withholding claim such as Form 1099-SSA, or other appropriate documentation and we'll reconsider your claim.**

(6) When a TC 971 AC 123 or AC 199 is present, follow the table below.

| If ... | And ... | Then ... |
|---|---|---|
| There's an increase to withholding | One of the following markers is present on the account:<br><br>• TC 971 AC 123 "1040X INVALID IDOC" | Disallow the claim. Follow IRM 3.11.6.17.7, Inputting a Disallowance Adjustment. |

| | | |
|---|---|---|
| | • TC 971 AC 123 "1040-X INC MISMATCH"<br>• TC 971 AC 199 MISC "AMWEX60033JDDB73EFDS"<br>• TC 971 AC 199 "AMWEX60033 IRP EFDS" | |
| There's a decrease to withholding | One of the following markers is present on the account:<br><br>• TC 971 AC 123 "1040X INVALID IDOC"<br>• TC 971 AC 123 "1040-X INC MISMATCH"<br>• TC 971 AC 199 MISC "AMWEX60033JDDB73EFDS"<br>• TC 971 AC 199 "AMWEX60033 IRP EFDS" | Follow IRM 3.11.6.8.15 (2), Return Integrity and Verification Operation (RIVO) Case Screening. |
| There's no change to withholding and a -R freeze is present | One of the following markers is present on the account:<br><br>• TC 971 AC 123 "1040X INVALID IDOC"<br>• TC 971 AC 123 "1040-X INC MISMATCH"<br>• TC 971 AC 199 MISC "AMWEX60033JDDB73EFDS"<br>• TC 971 AC 199 "AMWEX60033 IRP EFDS" | Process as normal and use Hold Code 4 on the adjustment. |

(7) When there's an increase to withholding of # [redacted] # follow the table below to verify the change:

| If ... | And ... | Then ... |
|---|---|---|
| All IDOCs associated with the change are provided | You're unable to verify the withholding amount on IRPTR | Correspond per IRM 3.11.6.11.8, Correspondence for No Consideration of a Claim (Letter 916C and Letter 916SP). |
| All IDOCs associated with the change are provided | You're able to verify the withholding amount on IRPTR | Process as normal. |
| Form W-2, Form 1099 series or other income document(s) associated with the change are | You're unable to verify the withholding amount on IRPTR | Correspond per IRM 3.11.6.11.8, Correspondence for No Consideration of a Claim (Letter 916C and |

| | | |
|---|---|---|
| missing, handwritten, altered or is a substitute | | Letter 916SP). |
| Form W-2, Form 1099 series or other income document(s) associated with the change are missing, handwritten, altered or is a substitute | You're able to verify the withholding amount on IRPTR | Process as normal. |
| If the withholding amount associated with the change is based on Form W-2 whether provided or on IRPTR | The withholding amount is equal/similar to the FICA (Social Security and Medicare taxes) on the same amount of income | Allow the withholding amount from the Form W-2. |

(8) When adjusting line 12, use RC 051 for changes to withholding and RC 055 for Excess Social Security and Tier RRTA:

**Caution:** Never adjust line 12 below zero.

a. CRN 806 for increases to withholding.
b. CRN 807 for decreases to withholding.
c. CRN 252 for increases/decreases to Excess Social Security.

**Note:** Use Priority Code 8 when there's a TC 17X posted on the account to prevent an unpostable condition.