



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

5.14.9

AUGUST 21, 2025

EFFECTIVE DATE

(08-21-2025)

PURPOSE

- (1) This transmits a revision for IRM 5.14.9, Independent Review and Appeals.

MATERIAL CHANGES

- (1) The following is a description of the material changes in this IRM:

IRM Section	Description of Change
5.14.9	Changed the IRM to Independent Review and Appeals
5.14.9.4, 5.14.9.5, 5.14.9.6, and 5.14.9.10	Removed sections 5.14.9.4, 5.14.9.5, 5.14.9.6 and 5.14.9.10 from this IRM. These sections have been incorporated into new IRM 5.14.13 named Installment Agreements, Routine and Manually Monitored Dispositions.
5.14.9.7	Updated to IRM 5.14.9.4 renamed the title and separated into two sections IRM 5.14.9.4.1 for RO duties and IRM 5.14.9.4.2 IAR duties.
Throughout	Updated citations, IRM references and links throughout.

EFFECT ON OTHER DOCUMENTS

This material supersedes IRM 5.14.9, dated October 7, 2019.

AUDIENCE

SB/SE Compliance Employees

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Small Business/Self Employed

5.14.9

Independent Review and Appeals

Table of Contents

5.14.9.1 Program Scope and Objectives

5.14.9.1.1 Background

5.14.9.1.2 Authority

5.14.9.1.3 Roles and Responsibilities

5.14.9.1.4 Program Management and Review

5.14.9.1.5 Program Controls

5.14.9.1.6 Terms/Acronyms

5.14.9.1.7 Related Resources

5.14.9.2 Proposal to Reject Installment Agreement(IA) to Independent Administrative Review

5.14.9.2.1 Revenue Officer Responsibility

5.14.9.2.2 Independent Administrative Reviewer Responsibility

5.14.9.2.3 Cases Returned From Independent Administrative Review

5.14.9.3 Collection Appeals Program

5.14.9.4 Referrals to the Taxpayer Advocate Service (TAS)

5.14.9.1
(08-21-2025)
Program Scope and Objectives

- (1) Purpose - This chapter provides policy and procedures for taxpayer's appeal rights when rejecting a request for an installment agreement (IA), defaulting an IA, and terminating an IA. This IRM also describes the steps in proposing rejection of a pending IA and appeal. Specifically, IRM 5.14.9:
 - a. Identifies and defines the next steps in the IA rejection process, Independent Administrative Review (IAR) and Collection Appeal Program.
 - b. Provides policy for taxpayer's appeal rights on rejected pending requests for IAs, defaulted IAs and terminated IAs.
 - c. Defines the Taxpayer Advocate Service (TAS) referral process.
- (2) Audience - These procedures and guidance apply to IRS Field Collection revenue officers and group managers.
- (3) Policy Owner - Director, Collection Policy, is the policy owner of this IRM.
- (4) Program Owner - Collection Policy, Case Resolution Alternatives, is the program owner of this IRM.
- (5) Primary Stakeholders - The primary stakeholders affected or impacted by this IRM are:
 - Field Collection
 - Civil Enforcement Advice & Support Operations (CEASO)
 - Insolvency
 - IRS Independent Office of Appeals (Appeals)
 - Taxpayer Advocate Service
- (6) Program Goals - Taxpayers will be granted the right to an independent review when the employee plans to reject an installment agreement. Employees also ensure that taxpayers receive appeal rights on all rejected requests for installment agreements.

5.14.9.1.1
(08-21-2025)
Background

- (1) This chapter provides procedures for taxpayers with an independent administrative review when a revenue officer plans to reject a request for installment agreement. This chapter provides policy and procedures for appeal rights on rejected requests for installment agreements.

5.14.9.1.2
(10-07-2019)
Authority

- (1) IRC 6159, Agreements for Payment of Tax Liability in Installments.
- (2) IRC 7122(e), Compromises.

5.14.9.1.3
(12-18-2017)
Roles and Responsibilities

- (1) The Director, Collection Policy is the executive responsible for the policies and procedures to be employed by collection personnel.
- (2) Field Collection group managers and field compliance managers are responsible for ensuring compliance with the guidance and procedures described in this IRM.

5.14.9.1.4
(12-18-2017)
Program Management and Review

- (1) Program Reports: Monthly Installment Agreement Trend Report. Sourced from the Collection Activity Report (CAR), Case Resolution Alternatives (CRA) generates and reviews a monthly Installment Agreement trend report that captures data on the various types of installment agreements and compares year over year data on installment agreement inventory levels, the number of installment agreements initiated, default rates, full pay rates and dollars

collected. Any anomalies are identified and researched for potential causes. Negative trends are identified and causes are addressed.

(2) Program Reviews:

- a. Case reviews are conducted by group managers and National Quality Review System (NQRS) to ensure compliance with this IRM.
- b. Operational reviews are conducted by field compliance managers and area directors annually to evaluate program delivery and conformance to administrative and compliance requirements.

5.14.9.1.5
(12-18-2017)

Program Controls

- (1) Independent Administrative Review, with few exceptions, is required of all rejected installment agreement proposals. In addition, all rejection, modification, and termination decisions are subject to appeal procedures.
- (2) The Integrated Collection System (ICS) ensures that taxpayer conditions meet requirements for Streamlined or In-Business Express Installment agreements, that all required returns are filed, and group manager approval is secured on all non-streamlined installment agreements.
- (3) The Integrated Data Retrieval System (IDRS) programming requires that all open modules be included in an installment agreement for input to be successful.

5.14.9.1.6
(10-07-2019)

Terms/Acronyms

- (1) Frequently used terms in this IRM along with their definition:
 - a. **Delinquent taxes:** balance due, ACS balance due accounts, and/or notice status accounts
 - b. **Accrued taxes:** unassessed amounts due on returns, missed estimated tax payments or under-deposited federal tax deposits (FTDs) as of the date of contact
 - c. **Current taxes:** federal tax deposits (FTDs) and Estimated tax payments (ES) that become due after the date of contact
- (2) Frequently used acronyms include:

Acronym	Definitions
AC	Action Code
ACS	Automated Collection System
ATAT	Abusive Tax Avoidance Transaction
BMF	Business Master File
CRA	Case Resolution Alternatives
CAR	Collection Activity Report
CAP	Collection Appeal Program
CCP	Centralized Case Processing
CDP	Collection Due Process
CSED	Collection Statute Expiration Date

Acronym	Definitions
DDIA	Direct Debit Installment Agreement
DPC	Designated Payment Code
IA	Installment Agreement
IAR	Independent Administrative Review
IBTF	In-Business Trust Fund
ICS	Integrated Collection System
IDRS	Integrated Data Retrieval System
IMF	Individual Master File
MMIA	Manually Monitored Installment Agreement
NMF	Non-Master File
NQRS	National Quality Review System
OI	Other Investigation
PPIA	Partial Payment Installment Agreement
RUFI	Reduced User Fee Indicator
SB/SE	Small Business/Self-Employed
TAS	Taxpayer Advocate Service
TC	Transaction Code

5.14.9.1.7
(08-21-2025)

Related Resources

(1) IRM resources include:

- IRM 5.19.1.6.4, Installment Agreements (IAs)
- IRM 5.4.11, CCP Installment Agreements
- IRM 8.20.7.41, Installment Agreements (IA)
- IRM 13.1.7, Taxpayer Advocate Service (TAS) Case Criteria
- IRM 8.24.1, Collection Appeals Program (CAP)

(2) Web resources include:

- *Collection CCP Electronic Mail Routing Links*
- *ICS User guide*
- *Knowledge Management Installment Agreement Knowledge Base Homepage*
- The Internal Revenue Code (IRC) provides taxpayers specific rights. The Taxpayer Bill of Rights groups these rights into ten fundamental rights. See IRC § 7803(a)(3). IRS employees are responsible for being familiar with and following these rights. For additional information about your taxpayer rights, please visit *TBOR* for additional information regarding taxpayer rights.

5.14.9.2
(08-21-2025)
**Proposal to Reject
Installment
Agreement(IA) to
Independent
Administrative Review**

- (1) IRC 6159(g) and IRC 7122(e) require an independent administrative review of all proposed rejections of taxpayer requests for IAs prior to communicating the rejection to the taxpayer and giving the taxpayer the opportunity to appeal.

Note: Only requests meeting all pending IA criteria are required to have an independent review prior to rejecting the request to make payments and be given appeal rights. For criteria see IRM 5.14.1.3, Identifying Pending, Approved and Rejected Installment Agreement Proposals on IDRS.
- (2) The only instances in which taxpayers are not afforded independent administrative review or given appeal rights after requesting an installment agreement are:
 - a. Taxpayers who withdraw the request for an installment agreement. See IRM 5.14.4.5, Withdrawal of Installment Agreement Requests; or
 - b. Taxpayers who fully pay the liability; or
 - c. Installment agreements request are made to delay collection. See IRM 5.14.3.3, Installment Agreement Requests Made to Delay Collection Action.; or
 - d. The pending installment agreement indicator was input in error. See IRM 5.14.1.3, Identifying Pending, Approved and Rejected Installment Agreement Proposals on IDRS for procedures to determine correctly identifying a pending IA.

5.14.9.2.1
(08-21-2025)
**Revenue Officer
Responsibility**

- (1) Take the following actions to prepare the case for review before informing the taxpayer of the recommended rejection:
 - a. Ensure the account meets pending IA criteria and the TC 971 AC 043 has been input correctly;
 - b. Enter the proposed payment amount, due date and the date the case is sent to the independent administrative reviewer (IAR);
 - c. Prepare Form 12233, Request for Installment Agreement - Independent Review Prior to Rejection;
 - d. Managers must review and concur with plans to recommend IA requests for rejection prior to IAR; and
 - e. If managers request additional information or action, these should be requested of the taxpayer or secured from the appropriate source, without commenting to the taxpayer regarding approval status of the agreement other than that the request is being considered. Also, set deadlines in accordance with the procedures provided in IRM 5.14.3.2, Setting Deadlines and Receiving Payments, if appropriate.
Note: Review the following IRMs when the case does not require an independent review, IRM 5.14.3.3, Installment Agreement Requests Made to Delay Collection Action, and IRM 5.14.1.3.1, Cases Received From ACS or Campuses.
- (2) If it is determined the taxpayer's request for an IA will be recommended for rejection, advise the taxpayer:
 - a. The IA is subject to review prior to rejection. See IRM 5.14.1.4, Installment Agreement Acceptance and Rejection Determinations;
 - b. Collection actions remain suspended until the taxpayer is given a decision regarding the proposed rejection and appeal rights are issued. Collection actions remain suspended during the appeal period, and if a Collection Appeal is filed for the duration of the appeal hearing; and

- c. A telephone contact will be attempted and let them know they will receive a letter with our determination. See IRM 5.14.9.2.3 , Cases Returned From Independent Review.
- (3) Upload the completed Form 12233, Request for Installment Agreement - Independent Review Prior to Rejection, to eApproval and include the following items:
- a. A statement regarding the reason(s) for the recommended rejection. Bear in mind that the basis for the rejection of an installment agreement request could be the subject of an immediate appeal or a future Collection Due Process hearing;
 - b. Any documentation submitted by the taxpayer in connection with the installment agreement request that supports the recommended rejection;
 - c. Form 12233, Request for Installment Agreement - Independent Review Prior to Rejection, must be signed by the employee responsible for the rejection determination and the employee's manager; and
 - d. Record on Form 12233, Request for Installment Agreement - Independent Review Prior to Rejection, the date it was forwarded for independent administrative review.

Note: If there are modules in CDP appeals, see IRM 5.1.9.3.5, Collection Action during the Period of the CDP or EH.

5.14.9.2.2
(08-21-2025)
**Independent
Administrative Reviewer
Responsibility**

- (1) The independent administrative reviewer (IAR) is only responsible for making a determination on the proposed rejection. Upon receipt, the IAR will add the case to ICS no later than five business days after receipt. This is accomplished by accessing the case on ICS:
- a. Choose Collection Activities from the drop down menu.
 - b. Choose create modules-Other Investigation(OI) In.
 - c. Input the ICS IAR's assignment number in the assignment number box under initiating NF information, click TAB. It will automatically auto populate the IARs information.
 - d. Choose Auto Pop Action Info.
 - e. Choose Action Requested 412-IAR-I/A Review.
 - f. Center the following: The IAR's name, phone number, fax number, email address in the REMARKS.
 - g. Choose Save,
 - h. There will be a pop-up message to confirm the information is correct, make a final review of the information and choose YES. If changes need to be done, you would choose NO.
- (2) The first step is to determine if the case can be processed. The following list are examples when the case would be sent back to the RO via eApproval on the initial review:
- a. The RO and GM did not sign the Form 12233, Request for Installment Agreement - Independent Review Prior to Rejection;
 - b. The RO did not notify the taxpayer of the proposed rejection, see IRM 5.14.1.4, Installment Agreement Acceptance and Rejection Determinations;
 - c. The TC 971 AC 043 is not input correctly, see IRM 5.14.1.3, Identifying Pending, Approved and Rejected Installment Agreement Proposals on IDRS;

- d. The IA proposal is not a valid request, see IRM 5.14.1.3, Identifying Pending, Approved and Rejected Installment Agreement Proposals on IDRS; or
 - e. The proposal was made to delay collection action, see IRM 5.14.3.3, Installment Agreement Requests Made to Delay Collection Action.
- (3) In deciding to concur or not concur with a proposed rejection, the IAR should review the ICS case history, consider and document the following:
- a. The TC 971 - 043 has been input correctly, see IRM 5.14.1.3, Identifying Pending, Approved and Rejected Installment Agreement Proposals on IDRS;
 - b. Document when the taxpayer requested an IA, the proposed monthly or other periodic payment of a specific amount, and be in compliance with filing requirements, see IRM 5.14.1.4.2, Compliance and Installment Agreements; and
 - c. Focus on the reasons for the recommended rejection and document on the Form 12233 and ICS;
 - d. Determine whether the proposed installment agreement would full pay the liability before the CSED (see IRM 5.14.2, Partial Payment Installment Agreements and the Collection Statute Expiration Date (CSED) for exceptions). Use IDRS CC ICOMP or other source to support the decision to reject an installment agreement request for this reason;
 - e. Review the analysis of the taxpayer's financial condition to determine whether the payment amount proposed by the taxpayer is adequate given the taxpayer's ability to pay; and
 - f. Determine whether positions expressed by the taxpayer were considered in the interview or review process by the RO.

Note: A case is reviewed and a determination is made even when the RO did not follow the IRM procedures. In such a case, the IAR may concur, but also complete the additional remarks in Section IV to provide feedback to the RO on how to work similar cases according to IRM procedures.

- (4) The IAR may:
- a. Recommend that the taxpayers be granted the IA (of the same amount proposed by the taxpayers, or a different amount), or
 - b. Concur with the recommendation to reject the IA request, or
 - c. Suggest modifications or conditions to the IA, or
 - d. Contact the RO or other contact employees directly to request additional information.
- (5) The IAR will provide all reasons for concurring or not concurring with the recommendation to reject installment agreement requests in Section II of Form 12233, Request for Installment Agreement - Independent Review Prior to Rejection Request for Installment Agreement - Independent Review Prior to Rejection.

Reminder: Documenting the basis for the rejection of an installment agreement is important because this could result in an appeal or a future Collection Due Process hearing.

- (6) The IAR must sign and date Form 12233, Request for Installment Agreement - Independent Review Prior to Rejection, with a determination made no later than 15 business days from opening the ICS OI.

- (7) The IAR is required to use the Form 12233, Request for Installment Agreement - Independent Review Prior to Rejection, in response to the recommended rejection. If a longer narrative is required with an attachment is allowed.
- (8) Upload the completed Form 12233, Request for Installment Agreement - Independent Review Prior to Rejection, to eApproval and include the following items:
 - a. If rejection is inappropriate, then the case file will be returned to the manager of the revenue officer (or other contact employee), recommending acceptance of the IA;
 - b. If rejection is appropriate, then the case file will be returned to the revenue officer (or other contact employee), concurring with the rejection decision, so that an answer regarding the installment agreement request can be conveyed to the taxpayer; or
 - c. If additional information is necessary to make a determination, then the case file will be returned to the manager of the revenue officer (or other contact employee) with a request for specific information and/or action. The IAR will allow 10 days for a response. If the field (or other contact employee) cannot complete the actions within 10 days, an interim response must be provided to the IAR, with reasons why the 10-day time-frame could not be met.
- (9) The ICS History Entry should include all of the following for each case:

Take the following steps:
Date the case was received by the IAR will be found in eApproval;
Date OI created;
IDRS research was conducted and results;
Prior ICS case history and the results;
IRM research and the results;
IRC research and the results;
Other research and results;
TP proposed payment amount;
IRS amount determined;
Analysis of ability to pay and the results;
Rejection appropriate;
Date OI closed;
Document why the conclusion was reached.

Note: A template may be created for the above ICS history.

- (10) Close the OI –
 - a. Enter the module and choose “Close Mod ”
 - b. Choose “Requested Action Taken” if concurring with the RO,
 - c. Choose “Requested Action Not Taken” if not concurring with the RO,

- d. Choose “Erroneously Created” if the module was created accidentally

Example: The case was opened twice.

- e. Choose “Close Module”

5.14.9.2.3 (08-21-2025)

Cases Returned From Independent Administrative Review

- (1) If the IAR concurs with your recommendation to reject the IA, communicate the rejection to the taxpayer by issuing Letter 4052, Rejection of Proposed Installment Agreement, found on the ICS Installment Agreement Template menu. Inform the taxpayer of the following:
 - a. Reason for rejection of the IA request.
 - b. Action the taxpayer needs to take for acceptance of the agreement.
 - c. Set a firm date for taking the appropriate action.
 - d. Advise the taxpayer of their CAP appeal rights and send Pub 594 , The IRS Collection Process, Pub 1660, **Collection Appeal Rights**, see IRM 5.1.9, Collection Appeal Rights for appeal procedures.
 - e. Input ICS history reflecting the reason for the rejection.
 - f. Update eApproval.
 - g. For rejected proposals, request reversal of TC 971 AC 043 45 days after the rejection is communicated to the taxpayer, unless a timely appeal is received. The date of the reversing transaction, TC 972 AC 043, should be 30 days from the date the rejection was communicated to the taxpayer.
 - h. During appeals, the TC 971 AC 043 remains on all appealed modules. If Appeals sustains a rejection, input TC 972 AC 043 30 days after a rejection is communicated to the taxpayer. If Appeals grants an IA, follow the procedures for approved agreements.
- (2) If levy is the next intended action, then Letter 1058, Notice of Intent to Levy and Notice of Your Right to a Hearing, or Letter 3174, New Warning of Enforcement, may be issued to taxpayers at the same time that the rejection of the pending installment agreement is communicated to the taxpayer using the Letter 4052, Rejection of Proposed Installment Agreement. See IRM 5.11.1.3.2, Required Notices, regarding the appropriate letter to use. See IRM 5.7.8.5, for exceptions to levy being the next intended action.

Note: No levy may be issued until after 45 days have passed since the communication of rejection of the request for installment agreement to the taxpayer. See exceptions in IRM 5.14.1.5 , Levy Restrictions and Installment Agreements.

- (3) If the IAR disagrees with your decision to reject, take the following actions:

If...	Then...
The RO agrees with the IAR decision,	Input the IA. See IRM 5.14.13, Routine and Manually Monitored Installment Agreement Dispositions.
The RO disagrees with the IAR decision,	Resubmit for review with additional information to support the rejection.

If...	Then...
No resolution is reached after the second review,	Submit for second level management review.

- (4) If the TP provides documentation:

If...	Then...
completes actions requested for acceptance of the IA,	Input the IA. See IRM 5.14.13 Routine and Manually Monitored Installment Agreement Dispositions.
requests an appeal,	<p>Note all applicable information on Form 12233, Request for Installment Agreement - Independent Review Prior to Rejection, including:</p> <ul style="list-style-type: none"> • The date of issuance of Form 9423, Collection Appeal Request, to the taxpayer, • The date of receipt of completed Form 9423, Collection Appeal Request, from the taxpayer, • And the date the file was forwarded to Appeals. <p>See IRM 5.14.9.8, Collection Appeals Program.</p>

5.14.9.3
(12-18-2017)
**Collection Appeals
Program**

- (1) Along with a rejection of an installment agreement request, and in accordance with the taxpayer's right to challenge an IRS decision in an independent forum, taxpayers must be immediately notified of their appeal rights. Taxpayers whose requests for installment agreements are rejected, as well as those whose installment agreements are in default or have been terminated, will follow the procedures in IRM 5.1.9.4, Collection Appeals Program (CAP). Taxpayers may appeal rejections, proposed terminations, and terminations within 30 days. The time frame to request these types of appeals cannot be extended. See IRM 5.1.9.4.2, Request for a CAP Appeal and IRM 5.14.11.7, Appeals of Defaulted and Terminated Agreements.

Note: See IRM 5.14.9.7 regarding independent administrative review on appeals cases and situations that do not require independent administrative review nor appeals.

- (2) Allow at least 15 additional days after the 30 day period in case the taxpayer mails a request for hearing regarding rejections, defaults, proposed terminations or terminations on the 30th day after any of these actions. However, if the taxpayer confirms that no hearing has been requested, there is no need to wait the additional fifteen days before issuing a levy, as long as all other require-

ments for levy have been met. See IRM 5.11.1, Background, Pre-Levy Actions, Restrictions on Levy & Post-Levy Actions.

- (3) If taxpayers' appeals are rejected, taxpayers must be informed of this. Other collection action may then be taken, provided 30 days have passed since the date of rejection or termination.

Note: See IRM 8.24.1, Collection Appeals Program (CAP), and IRM 5.1.9, Collection Appeal Rights, for general information regarding the Collection Appeals Program.

- (4) Input, or request input of, appropriate TC 971 reversals if Appeals rejects (i.e., does not sustain) the taxpayer's appeal.
 - For rejected requests of installment agreements, use TC 972 AC 043.
 - For appeals of defaulted (proposed terminations) of installment agreements, or appeals of terminated installment agreements, use TC 971 AC 163.

Note: See IRM 5.14.1, Securing Installment Agreements, Exhibit IRM 5.14.1-1.

5.14.9.4
(12-18-2017)
**Referrals to the
Taxpayer Advocate
Service (TAS)**

- (1) Taxpayers have the right to receive assistance from the Taxpayer Advocate Service (TAS) if they experience difficulty in resolving their problems with the IRS. Refer taxpayers to TAS when contact meets TAS criteria, see IRM 13.1.7, Taxpayer Advocate Service (TAS) Case Criteria, or when you are unable to resolve the taxpayer's issues the same day. The definition of "same day" is within 24 hours. "Same day" cases include cases you can completely resolve in 24 hours, as well as cases in which you have taken steps within 24 hours to begin resolving the taxpayer's issue. Do not refer same day cases to TAS unless the taxpayer asks to be transferred to TAS and the case meets TAS criteria. Refer to IRM 13.1.7.5, Same-Day Resolution by Operations.
- (2) When making a TAS referral, use Form 911, Request for Taxpayer Advocate Service Assistance (and Application for Taxpayer Assistance Order), and forward to TAS in accordance with your local procedures.