



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

5.19.23

AUGUST 26, 2025

EFFECTIVE DATE

(08-26-2025)

PURPOSE

- (1) This transmits revised IRM 5.19.23, Liability Collection, Restitution-Based Assessments Processing

MATERIAL CHANGES

- (1) The following table lists the changes made to this edition of the IRM.

IRM Reference	Changes Made
5.19.23	Revised throughout to update organizational title Wage and Investment (W&I) to Taxpayer Services (TS). Revised throughout to update Exam Technical Services acronym from TS to ETS. Updated internal links throughout to remove URLs. Corrected broken links throughout. Editorial and formatting changes throughout.
5.19.23.1.4	Added information about reviews
5.19.23.2.1(11)	Table added to clarify BMF modules and reason codes
5.19.23.2.2	Added clarifying verbiage to TC 971 Action Code 18X Definitions table for linking 182 to 182
5.19.23.3.2(2)	Rewritten for clarification about paying tax before penalties and interest.
5.19.23.3.2(7)	Added example for same date payments
5.19.23.3.2(9)	Added exception to TC 680 instructions
5.19.23.5	Added verbiage to clarify exceptions to court ordered restricted interest
5.19.23.5(11)	Added Caution: to not create and overpayment

5.19.23.6	Reformatted and revised for clarity. Re-added information for RSED criteria and OIC issues
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EFFECT ON OTHER DOCUMENTS

This supersedes IRM 5.19.23 dated October 16, 2023.

AUDIENCE

Small Business Self Employed (SB/SE) Campus Collection Operations employees who process Collection work.

Thomas Kramer, Director
Collection Policy
Small Business/Self Employed

5.19.23

Restitution - Based Assessments Processing

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5.19.23.1
(08-26-2025)
Program Scope and Objectives

- (1) **Purpose:** The Internal Revenue Service (IRS) is mandated to assess and collect the amount of court ordered restitution in a criminal case in the same manner as tax. These assessments often create duplicate IRS debts for the same type of tax and tax periods as an existing original return or a civil exam assessment. IRS manually calculates and cross-references all applicable payments and credits to related duplicate assessments. Casework is complex due to the diversity of calculations that must be performed to determine specific tax, penalty and interest applications on the vast array of account types. The cross-referencing of payments must be performed timely and accurately to ensure the IRS collects the full amount of the liability only once.
- (2) **Audience:** This Internal Revenue Manual (IRM) section contains instructions for Restitution-Based Assessments (RBA) Program collection functions in Compliance Services Collection Operations (CSCO). Campus personnel includes tax examiners, clerks, and associated management staff.
- (3) **Policy Owner:** Director, Collection Policy, SB/SE.
- (4) **Program Owner:** Collection Policy, SB/SE, Employment Tax.
- (5) **Primary Stakeholders:** External stakeholders include, but are not limited to: the Department of Justice, Government Accountability Office (GAO), taxpayers, and taxpayer representatives. Internal stakeholders include, but are not limited to: Criminal Investigation, Examination, Collection, Accounting, Chief Financial Officer (CFO), and Counsel.
 - Criminal Investigation (CI) notifies Examination and the Collection Advisory Probation Liaison when they close a case with a judgment that may require Examination and/or Collection action(s).
 - All closed CI cases are routed to SB/SE Examination Technical Services (ETS) for appropriate civil disposition. When a case with restitution is ordered payable to the IRS by the court, it may include a possible civil examination. ETS is responsible for determining duplicate assessment amounts, creation of the MFT 31 accounts, initiating account linkages, and ensuring the assessments are posted to IDRS. See IRM 4.8.6, Criminal Restitution and Restitution-Based Assessments, if additional information is required.
 - Taxpayer Services (TS) Kansas City (KC) Restitution Unit is responsible for processing restitution payments that are received either directly from the defendants or the courts. KC posts the payments to IDRS or holds them in the Revenue Account Control System (RACS) 6400 account until ETS advises them that the RBA account is being established. See IRM 3.17.243.7 , Department of Justice, if additional information is required.
 - SB/SE Exam Centralized Case Processing (CCP) processes Forms 3177 and Forms 3870 from ETS to establish MFT 31 accounts, and input original RBA assessments.
 - SB/SE Field Collection is comprised of Collection Advisory and Collection Field Areas. Collection Advisory coordinates and monitors probation and restitution cases and ensures timely exchange of information. The Advisor, or Advisory Probation Liaison (APL) monitors the Conditions of Probation (COP) and reports noncompliance to the Department of Justice (DOJ), and coordinates Civil and criminal aspects of probation and restitution cases with Field Area ROs, other internal customers, U.S. Probation, and the Department of Justice Financial Litigation Units. Collection Field Areas consist of RO groups that investigate RBA

balance due cases received systemically or as requested by Advisory. They make collectibility determinations and take administrative actions to collect the assessed restitution and other amounts owed by the taxpayer. See IRM 5.1.5, Balancing Civil & Criminal Cases, if additional information is required.

- The Taxpayer Advocate Service (TAS) is an independent organization within the Internal Revenue Service (IRS), led by the National Taxpayer Advocate. Its job is to protect taxpayers' rights by striving to ensure that every taxpayer is treated fairly and knows and understands their rights under the Taxpayer Bill of Rights (TBOR). TAS offers free help to taxpayers, including when taxpayers face financial difficulties due to an IRS problem, when they are unable to resolve tax problems on their own, or when they need assistance to address an IRS system, process, or procedure that isn't functioning as it should. TAS has at least one taxpayer advocate office located in every state, the District of Columbia, and Puerto Rico. See IRM 13.1.7, Taxpayer Advocate Service, (TAS) Case Criteria, if additional information is required.

- (6) **Program Goals:** Duplicate assessments artificially inflate the dollar amount of total IRS balance due accounts. It is critical that RBA cross-referencing of payment and credit case actions adhere to a very high standard of account accuracy and timeliness requirements in order to provide quality customer service, maintain public trust in the Organization, and satisfy GAO & CFO requirements associated to the IRS Financial Statements that go to Congress.

5.19.23.1.1
(03-25-2020)
Background

- (1) In a criminal case, a court can require a defendant to pay the losses incurred by the government by ordering restitution be paid to the IRS. The amount of the tax loss is calculated from evidence admitted at trial or from information contained in the plea agreement and presented to the court at sentencing. This court ordered restitution is assessed and collected in the same manner as tax.
- (2) A RBA may be duplicate wholly or in part to original tax return or civil assessments. Because these debts stem from the same underlying tax liability, the full amount can only be collected once. Therefore, any payments that wholly or in part satisfy the RBA and any associated penalties and interest must also be applied against the underlying tax liability for the same type of tax and tax periods (e.g., duplicate civil and/or co-defendant assessments), provided the RBA and/or penalties and interest relate to the underlying tax liability. Conversely, any payments/credits that wholly or in part satisfy the underlying tax liability and any associated penalties and interest for the same type of tax and tax periods will be applied against the RBA and/or penalties and interest.

5.19.23.1.2
(10-27-2017)
Authority

- (1) Public Law No. 111-237 amended IRC 6201 to provide that the IRS shall assess and collect the amount of restitution ordered in a criminal case for failure to pay any tax imposed by the Internal Revenue Code in the same manner as if such amount were such tax. The law applies to restitution orders entered after August 16, 2010. Whether a criminal restitution order can be assessed as a tax under IRC 6201(a)(4) depends on whether the restitution ordered is traceable to a tax imposed by Title 26. The law also amended IRC 6213(b) to stipulate that a notice of assessment of restitution isn't a notice of deficiency and may not be petitioned to Tax Court, and IRC 6501(c) to address the unlimited assessment period for restitution-based assessments (RBAs).

5.19.23.1.3
(10-27-2017)

Roles and Responsibilities

- (1) Director, Collection Policy, is responsible for overseeing program coordination for Restitution-Based Assessments policies, strategies, objectives, and procedures. Directs evolving program issues and collaborates with stakeholders to ensure RBA financial reporting requirements meet GAO & CFO standards. Clarifies tax code issues within this IRM.
- (2) Director, Campus Collection, has administrative responsibility for all Campus managerial and RBA program responsibilities. Provides adequate funding and staffing of Campus personnel to ensure RBA financial reporting requirements meet GAO & CFO standards. Promotes adherence to RBA IRM program processes and procedures to ensure IRS meets the needs of the customers and the Organization.
- (3) Director, Campus Operations, has administrative responsibility for Campus management and RBA employees. Maintains adequate RBA staffing and ensures full and efficient utilization of RBA funding allocations. Promotes adherence to RBA IRM program processes and procedures. Certifies the accuracy and timeliness of RBA casework on a quarterly basis.
- (4) Campus operations manager oversees RBA department, team and employee actions. Ensures RBA employees are provided with appropriate tools and training to perform their jobs and casework meets RBA IRM accuracy and timeliness requirements. Facilitates efficient usage of RBA funding allocations and performs all necessary actions to maintain proper staffing levels.
- (5) Campus department manager oversees RBA team and employees actions. Ensures RBA employees are provided with appropriate tools and training to perform their jobs and casework meets RBA IRM accuracy and timeliness requirements. Reviews all local RBA program inventory and quality review reports to confirm accuracy. Initiates and monitors actions to identify and resolve case errors and error trends. Resolves internal campus RBA processing issues. Elevates complex RBA program questions to Collection Policy Headquarter (HQ) Analysts.
- (6) Campus team manager is responsible to manage employees and programs in their team. Oversees employee actions and assigns inventory. Ensures employees are provided with appropriate tools and training to perform their jobs and casework meets RBA IRM accuracy and timeliness requirements. Oversees the preparation of RBA team quality review and inventory reports and checks them for accuracy. Suggests actionable items to identify and resolve errors and error trends. Resolves routine internal campus RBA processing issues. Elevates complex RBA program issues to RBA Department Manager.
- (7) Campus tax examiners work their assigned cases in accordance with RBA IRM accuracy and timeliness requirements. Their responsibilities include, but are not limited to, the accurate cross-referencing of all payments and credits to related duplicate assessments, establishing account linkages on IDRS, adjusting existing RBA assessments, responding directly to taxpayers and/or their representatives on inquiries regarding these accounts, performing quality reviews, preparing inventory and quality review reports, and varied interactions with other RBA program functions within the organization.

5.19.23.1.4
(08-26-2025)
**Program Management
and Review**

- (1) **Program Reports:** Local campus reports are submitted via the Batch/Block Tracking System (BBTS) to the Work Planning & Control (WP&C) reports. The WP&C is used to monitor rates, receipts and closures to determine if cases are being received and subsequently closed. WP&C reports are located on the Business Objects platform. Accounts Management Services (AMS) reports also provide information on inventory and inventory age. Integrated Data Retrieval System (IDRS) Case Control Activity System (CCA) reports detail the cases assigned to an operation, department, team or employee; they are located on Control D.
- (2) **Program Effectiveness:** The program goals and results are housed on the Collection Program and Campus Reports SharePoint site in the Monthly Monitoring Report (MMR). The MMR captures monthly and cumulative data on inventory and rates, as well as periodic snapshots of aged case percentages. Operational and program reviews are conducted to ensure case actions are timely and in accordance with the procedures in this IRM.
 - Case Reviews are conducted by Group Managers and are recorded in the Embedded Quality Review System (EQRS).
 - Daily Transcript reviews are conducted on all RBA transcript closures through AMS.
 - Quality Assurance Internal Compliance Reviews (QAICR) are conducted by headquarters to validate the accuracy and timeliness of case actions and documentation. This review provides a constructive opportunity to correct account defects, identify root cause and prevention, and implement corrective actions.

5.19.23.1.5
(10-27-2017)
Program Controls

- (1) IRS Master File is programmed to generate transcripts when specified activity occurs on RBA and / or related duplicate tax modules. These transcripts are loaded into AMS and then distributed to tax examiners. Taxpayer correspondence and Form 4442 referrals are controlled and assigned to the tax examiners on IDRS. Additionally, *SBSE Ogden RBA is a designated and secured e-mail box that is utilized by other areas (largely ETS) to communicate case action requests to the RBA Team. These inventory mechanisms and employee actions are monitored by the Campus Operation, Department, and Team managers, along with Collection Policy HQ Analysts.

5.19.23.1.6
(10-27-2017)
Terms & Acronyms

- (1) The following is a list of commonly used terms in this IRM.

Term	Definition
generally	in most cases; usually
appropriate or applicable	suitable or proper in the circumstances

- (2) See Exhibit 5.19.23-1 for a list of acronyms commonly used in this IRM.

5.19.23.1.7
(08-26-2025)
Related Resources

- (1) This program may require research specific to the program including access and input to the Integrated Data Retrieval System (IDRS) with and without Integrated Automation Tools (IAT), the Accounts Management System (AMS), the Automated Insolvency System (AIS), the Automated Non-Master File (ANMF) system, and use of the Decision Modeling Inc.(DMI) / Automated Computational Tool (ACT) penalty and interest calculation tool.
- (2) The RBA program involves both paper and telephone contact with internal and external customers, and follows additional guidelines set forth in the Taxpayer Advocate Program and other relevant IRMs referenced in this document.
- (3) The Taxpayer Bill of Rights (TBOR) lists rights that already existed in the tax code, putting them in simple language and grouping them into 10 fundamental rights. Employees are responsible for being familiar with and acting in accord with taxpayer rights. See IRC 7803(a)(3), Execution of Duties in Accord with Taxpayer Rights. For additional information about the TBOR, see the *Taxpayer Bill of Rights*

5.19.23.2
(06-06-2014)
Transcripts

- (1) Restitution-Based Assessments are identified by a tax adjustment TC 290 or TC 298 containing an Adjustment Reason Code 141 through 150. See the chart below for code definitions.

Reason Code	Definition
141	Criminal restitution assessment with IMF client returns of the preparer the basis for the underlying tax liability, with duplicate or possible duplicate Civil assessments Note: Prior to January 2014, RC 141 represented restitution assessments with IMF underlying tax liability, no duplicate assessment.
142	Criminal restitution assessment with BMF client returns of the preparer the basis for the underlying tax liability, with duplicate or possible duplicate Civil assessments Note: Prior to January 2014, RC 142 represented restitution assessments with BMF underlying tax liability, no duplicate assessment.
143	Criminal restitution assessment with IMF underlying tax liability, with duplicate or possible duplicate Civil assessment
144	Criminal restitution assessment with BMF underlying tax liability, with duplicate or possible duplicate Civil assessment
145	Criminal restitution assessment with IMF underlying tax liability, with duplicate criminal restitution assessment
146	Criminal restitution assessment with BMF underlying tax liability, with duplicate criminal restitution assessment

Reason Code	Definition
147	There is reasonable cause to waive the FTP penalty, if known.
148	There is NO reasonable cause to waive the FTP penalty, if known.
149	RESERVED
150	Used with CRN 337 to cross-reference payments

- (2) The RBA is generally posted with a TC 340 restricting interest. The amount of the TC 340 will be equal to \$.00 or the amount of interest ordered in the judgment. See IRM 5.19.23.5, Computing and Cross-Referencing Interest, for more information.

Note: The court order may also include penalty amounts which will be assessed with the RBA and restricted from accruals.

5.19.23.2.1
(08-26-2025)

Restitution Case Processing Overview

- (1) A Restitution-Based Assessment (RBA) case is defined as all related accounts that are associated with specific MFT(s) and tax period(s) that have been ordered by the court to pay unpaid taxes and/or restitution resulting from criminal conduct. Payments and/or credits that have posted to the account(s) require manual cross-referencing to ensure the amount owed is collected only once.
- (2) The defendant ordered to pay restitution may be one or more of, but isn't limited to the following:
- Individual taxpayer
 - Spouse on a joint account
 - Officer or employee of a corporation
 - Partner or employee of a partnership
 - Employee of a sole proprietorship
 - Corporation
 - Corporate Director
 - Client of Return Preparers
 - Return Preparers
 - Tax Shelter Promoter
- (3) Duplicate assessments include the RBA which are generally made on MFT 31 accounts, and civil tax, penalties, and interest assessed and accrued on each respective party's underlying tax account. Two defendants may owe different duplicate assessment amounts for the same period. The duplicate assessment may or may not be equal to the RBA amount. Those accounts include, but are not limited to, the following forms:
- Form 1040, US Individual Income Tax Return (MFT 30)
 - Form 720, Quarterly Federal Excise Tax Return (MFT 03)
 - Form 941, Employer's Quarterly Federal Tax Return (MFT 01, 17 (NMF))
 - Form 940, Employer's Annual Federal Unemployment Tax Return (MFT 10)
 - Form 1120, US Corporation Income Tax Return (MFT 02)

- (4) RBA MFT 31 accounts are established to separate assessment modules to ensure that collection action is taken individually against joint taxpayers. Each defendant may be liable for different amounts, and each defendant may have different penalty and/or interest assessed. When duplicate assessments have been identified against an individual or defendant, those assessments can only be collected once.
- (5) Ogden CSCO Operation is responsible for the RBA program actions pertaining to the cross-referencing of payments and credits that are applied to those accounts on IDRS.
- (6) RBA transcript case processing consists of transcripts delivered either by paper, Control-D, or AMS. Any transactions(s) required to be input must be input directly to IDRS.
- (7) Initially, a TC 971 AC 102 was input on the underlying tax liability account in order to establish the MFT 31 accounts (for jointly filed accounts, this will be the primary taxpayer). IDRS programming has subsequently been updated so that a TC 971 AC 102 input directly on a dummy MFT 31 establishes the MFT 31 module. Examples in this IRM will reference either scenario.

Exception: The TC 971 AC 102 isn't input to an associated BMF tax module. TC 971 AC 18X is used to link accounts and identify duplicate assessment amounts, if any, in the Memo Money Amount (MMA) field.

Exception: When restitution is ordered on a preparer, the RBA is strictly based on client returns. A TC 971 AC 102 isn't input on the preparer's IMF module or the client modules. It is input on the MFT 31 account only to identify it as a RBA account.

- (8) Campus RBA inventory is initiated by the following computer generated transcripts:
 - **ORIGINALCR** - generated to notify CSCO that a RBA posted to an IMF account.
 - **BMFORGNLCR** - generated to notify CSCO that a RBA posted to a BMF account.
 - **RPPORGNLCR** - generated to notify CSCO that a RBA posted to an RPP account.
 - **CRPAYMTMIR** - generated to notify CSCO that a payment/debit or credit posted to an Individual Master File account with a RBA.
 - **RESTPAYT** - generated to notify CSCO that a payment/debit or credit posted to a Business Master File account with a RBA.
 - **REF766337** - generated to notify CSCO that a payment or credit has posted to a module containing a TC 766 CRN 337 and the module balance is credit.
 - **CROFLOW** - generated to notify CSCO when MFT 31 modules with a posted TC 971 AC 102 are nearing overflow status.
- (9) Transcripts will systemically generate when a RBA TC 29X RC 14X posts to an account, and when an unreversed TC 971 AC 18X and/or TC 29X RC 14X is posted to the module and:
 - a. A payment transaction, debit or credit posts to the module (TC 6XX through TC 8XX), excluding TC 76X CRN 337
 - b. Any TC 29X, 30X or 32X for an amount more than \$.00 posts to the module,

- c. A module goes Status 12 or becomes full paid including accruals
- (10) When a transcript is created due to the posting of the RBA assessment (ORIGINALCR, BMFORGNLCR, or RPPORGNLCR transcript), input a STAUP 22 for 9 Cycles. See SERP Job Aids for CC STAUP input information. Review the account and input a TC 472 if an unreversed TC 470 cc 90/93 is posted.
- (11) RBA transcripts are categorized by the adjustment reason code of the posted RBA on the MFT 31 account. When a transaction on a related civil module prompts a transcript, it is categorized by default as IMF on MFT 30 accounts or BMF on BMF accounts. When an MFT 30 is duplicate to an RPP or BMF RBA assessment, action needs to be taken to ensure accurate categorization of transcripts. Upon receipt of any RBA transcript, review the Adjustment Reason Code associated with the RBA to determine the case type, i.e., IMF, BMF or RPP. If MFT 31 has a posted TC 971 AC 184/185 with a cross-reference to MFT 30, input TC 290 on the MFT 30 as indicated below:

If RBA Adj RC contains	AND	Then input to the associated MFT 30
141 or 142 and the TC 290 posted after Jan. 31, 2014	A TC 290 \$.00 with same RC, 141 or 142 isn't posted to all linked, duplicate MFT 30 modules Note: A BMF module (MFT 01, 02, etc.) linked to a RPP case doesn't need a TC 290 \$.00 with RC 142.	TC 290 \$.00 with same RC, 141 or 142. Input with hold code (HC) 4 and priority code (PC) 5.
144 or 146	A TC 290 \$.00 with same RC, 144 or 146 isn't posted to the linked, duplicate MFT 30 module	TC 290 \$.00 with same RC, 144 or 146. Input with hold code (HC) 4 and priority code (PC) 5.

Note: If the original RBA posts with an incorrect Adj RC, input a TC 290 \$.00 on the MFT 31 with the correct reason code to ensure proper transcript case type generation when appropriate. Verify correct Adj RC with (ETS).

- (12) Payments and credits must be cross-referenced to all related accounts by the later of:
- 43 business days from the date of the transcript,
 - 9 cycles from the assessment posting cycle, or
 - 9 cycles from the posting cycle of the **pair** of TC 971 AC 18X linkage that is in accordance with IRM 5.19.23.2.6.

Note: If the related TC 971 AC 18X isn't posted to the account, or the MMA isn't in accordance with IRM 5.19.23.2.6, perform all case actions that can be

accomplished and close the transcript case. Request Form 3177 in accordance with IRM 5.19.23.2.6.

Reminder: All related cross-referencing resulting from a transfer or offset of the originating payment or credit must be completed within 14 days of the date of the initial case action.

- (13) When processing RBA payments and or credits, take all necessary actions to ensure that posted payments have been cross-referenced to all appropriate accounts. Input a detailed history item on AMS to document all actions taken including the payment allocation (e.g., tax, type of penalty, interest) and method and/or tool used to calculate the interest.

Example: A payment posted to the RBA module MFT 31 tax period 2006 in the amount of \$1,000.00 of which \$300.00 was applied to pay the remaining duplicate assessment balance for the 200612 tax period and was cross-referenced to related accounts. \$700.00 of the \$1,000.00 payment was transferred to tax period 200712 and cross-referenced to the duplicate assessment.

AMS History Example

History the RBA (MFT 31) AMS as follows:	History the civil module AMS as follows:
"Payment dated MMDDYYYY for \$1,000.00 was allocated as follows: \$300.00 dup tax cross-referenced to MFT 30 (SSN) and \$700.00 transferred to tax period 200712 MFT 31."	"Payment dated MMDDYYYY for \$300.00 cross-referenced from MFT 31(SSN) for dup tax."

Example: A payment for \$1,000.00 has posted to the RBA module. The duplicate RBA and Civil assessment balance for 2006 is paid in full. A duplicate Fraud penalty in the amount of \$775.00 and a court ordered Failure to Pay (FTP) penalty of \$225.00 remain on the 200612 RBA module. FTP computed on the Civil assessment is \$125.00. \$900.00 is cross-referenced to fully pay the duplicate Fraud penalty and the computed FTP on the Civil assessment. Since the amount cross-referenced for FTP is limited to the amount computed for the Civil assessment, only \$125.00 can be cross-referenced. The remaining \$100.00 of the \$1,000.00 payment is applied to FTP on the RBA.

AMS History Example

History the RBA (MFT 31) AMS as follows:	History the civil module AMS as follows:
“Payment dated MMDDYYYY for \$1,000.00 was allocated as follows: \$775.00 dup fraud penalty, \$125.00 dup FTP, and \$100.00 non-dup FTP. Duplicate amounts cross-referenced to MFT 30 (SSN) (\$900.00)”	“Payment dated MMDDYYYY for \$900.00 cross-referenced from MFT 31(SSN). \$775.00 dup fraud penalty, \$125.00 dup FTP.”

Example: Three payments posted to MFT 30 for tax period 2009. \$500.00 dated 2-10-2011, \$500.00 dated 3-10-2011 and \$700.00 dated 4-10-2011. All three payments were cross-referenced to MFT 31 and fully paid the duplicate tax and AMS was documented. Then a payment for \$500.00 dated 1-15-2011 posted to MFT 30. This payment was cross-referenced to MFT 31 for duplicate tax causing the previously cross-referenced payment for \$700.00 dated 4-10-2011 to be reallocated. \$200.00 full pays the duplicate tax, \$300.00 pays non duplicate interest and \$200.00 pays non duplicate FTP on the civil account.

AMS History Example

History the RBA (MFT 31) AMS as follows:	History the civil module AMS as follows:
“Payments cross-referenced from MFT 30 (SSN): 1-15-2011 \$500.00 dup tax, 2-10-2011 \$500.00 dup tax, 3-10-2011 \$500.00 dup tax, and 4-10-2011 \$200.00 dup tax.”	“Correction to payment allocation. Payments dated: 1-15-2011 \$500.00 dup tax, 2-10-2011 \$500.00 dup tax, 3-10-2011 \$500.00 dup tax, and 4-10-2011 \$700.00 (\$200.00 dup tax, \$300.00 non dup interest, and \$200.00 non dup FTP). Duplicate amounts cross-referenced to MFT 31 (SSN).”

- (14) The Integrated Automation Technologies (IAT) provides tools that simplify research, reduce keystrokes, eliminates repetitive typing, and increases the accuracy of regular work processes.
- (15) The use of IAT is mandatory and limited to the certain IAT Tools listed below. Additional IAT tools will be added to the list when one is deemed beneficial and seen as adding quality to Campus Collection work processes. For User Guides, see the IAT web site for *IAT Job Aids*.
- RBA
 - Manual Refund
 - Erroneous Refund
 - Credit Transfer

- Fill Forms

- (16) If an IAT tool isn't available, or an employee has a problem with the IAT Task Manager, the case should be processed through IDRS, following established procedures. See the *IAT Website* for how to report/fix problems with IAT tools.
- (17) IAT tool users can visit the IAT Website, to become a subscriber to the IAT newsletter. The iNews details all ongoing IAT activity with tool retirements and rollouts.

5.19.23.2.2
(08-26-2025)
Initial Case Creation

- (1) TC 971 AC 18X action codes are used to define and link Restitution-Based Assessments (RBA) and associated Fraud penalties to duplicate and non-duplicate RBA, Civil, and Fraud penalty assessments and/or to underlying tax liabilities for a specific TIN, MFT, and tax period. The linkages are applied to the accounts in pairs (i.e., TC 971 "points" to a TIN / MFT / tax period and the corresponding TIN / MFT / tax period "points" back). The Memo Money Amount (MMA) field is used to identify the duplicate dollar amount of the common tax issues. See IRM 5.19.23.2.6, Memo Money Amount (MMA), for rules on RBA MMAs.

TC 971 / Action Code 18X No Duplicate Assessment

Action Code	Definition
180	Input on RBA module (MFT 31) to cross-reference the module with the underlying tax liability (MFT 30, 01, 02, 10, etc.). No duplicate assessment (MMA = Zero). Taxes Receivable.
181	Input on module with underlying tax liability (MFT 30, 01, 02, 10, etc.) to cross-reference the RBA module (MFT 31) where the tax is assessed and collected as Restitution-Based Assessment. No duplicate assessment (MMA = Zero).
187	Input on RBA module (MFT 31) to cross-reference the module with the underlying tax liability (MFT 30, 01, 02 etc.) when NO associated tax module exists. No duplicate assessment (MMA = Zero). Taxes Receivable.

TC 971 / Action Code 18X Duplicate Penalty Assessment

Action Code	Definition
182	Input on module with duplicate Fraud Penalty with or without associated tax assessment (MMA = \$\$\$ amount of the duplicate) , or for other court ordered penalties without associated tax assessment (MMA = Zero) , where module assessment(s) is smaller, to cross-reference module(s) with duplicate assessment where module assessment(s) is larger. If assessments are the same, put the TC 971 AC 183 on either the primary SSN (TPH/TPW) or the Lead Co-Defendant account. On cases with multiple co-defendants where one or more parties are Civilly assessed, link civil to co-defendant with TC 971 AC 182 to TC 971 AC 182.
183	Input on module with duplicate Fraud Penalty with or without associated tax assessment, (MMA = \$\$\$ amount of the duplicate) or for other court ordered penalties without associated tax assessment (MMA = Zero) , where module assessment(s) is larger, to cross-reference module(s) with duplicate Civil assessment where module assessment(s) is smaller. If assessments are the same, put the TC 971 AC 183 on either the primary SSN (TPH/TPW) or the Lead Co-Defendant account and the TC 971 AC 182 on the remaining duplicates.

TC 971/ Action Code 18X Duplicate RBA/Civil Assessment

Action Code	Definition
184	Input on module with duplicate RBA/Civil assessment, where module assessment(s) is smaller, to cross-reference module(s) with duplicate RBA/Civil assessment where module assessment is larger. (MMA = \$\$\$ amount of the duplicate) EXCEPTION: On cases with multiple co-defendants where one or more parties are Civilly assessed, link Civil to co-defendant with TC 971 AC 184 to TC 971 AC 184.

Action Code	Definition
185	Input on module with the duplicate RBA/Civil assessment, where module assessment(s) is larger, to cross-reference module(s) with duplicate RBA/Civil assessment where module assessment(s) is smaller. (MMA = \$\$\$ amount of the duplicate) Taxes Receivable. When RBA and Civil assessment amounts are equal, normally the TC 971 AC 185 will be on the MFT 31 module - EXCEPTION: if the Fraud Penalty (TC 320) or Fraudulent Failure to File Penalty (TC 240 PRN 686) has been assessed on MFT 30 creating a larger assessed balance, then Action Code TC 971 AC 185 will be used on MFT 30 and TC 971 AC 184 will be on MFT 31.

TC 971 / Action Code 18X Duplicate RBA with Co-Defendant

Action Code	Definition
188	Input on Co-Defendant module with duplicate RBA, where module assessment(s) is the same or smaller, to cross-reference module(s) with duplicate RBA on the Lead (primary) co-defendant assessment is the same or larger. (MMA = \$\$\$ amount of the duplicate) EXCEPTION: On cases with multiple co-defendants, the Lead co-defendant will have the TC 971 AC 189 and linked to all co-defendants, and all co-defendants will have a TC 971 AC 188 linked to another TC 971 AC 188 on each other's co-defendant.
189	Input on RBA module(s) of Lead (primary) defendant to cross-reference duplicate RBA module to all other co-defendants, (MMA = \$\$\$ amount of the duplicate) Taxes Receivable.

5.19.23.2.3

(09-30-2014)

Linking IMF Restitution Accounts

- (1) IMF case types are the result of a tax loss to the government, where the basis for the RBA is an individual income tax return. IMF case types are identified by an Adjustment Reason Code 143 or 145 associated with the RBA TC 290. The following examples demonstrate how TC 971 action codes are applied for IMF RBA cases.

5.19.23.2.3.1
(08-26-2025)

**Single Defendant and/or
Married Taxpayers Filing
Separate Returns with
No Co-defendant**

(1) See Examples 1 through 4 below.

Example: 1, RBA with No Duplicate Civil Assessment.

MFT 30	MFT 31
TC 971 AC 102 to create MFT 31	TC 971 AC 102 generated from MFT 30
No assessment	TC 290 \$10,000.00
TC 971 AC 181 to point to MFT 31	TC 971 AC 180 to point to MFT 30

Example: 2, RBA with Duplicate Civil Assessment.

MFT 30	MFT 31
blank	TC 971 AC 102 to create the MFT 31
TC 300 \$10,000.00	TC 290 \$10,000.00
TC 971 AC 184 to point to MFT 31 (MMA \$10,000.00)	TC 971 AC 185 to point to MFT 30 (MMA \$10,000.00)

Example: 3, Duplicate RBA and Civil Assessments with Non-Duplicate Fraud Penalty.

MFT 30	MFT 31
blank	TC 971 AC 102 to create the MFT 31
TC 300 \$10,000.00 TC 320 \$3,000.00	TC 290 \$8,000.00
TC 971 AC 185 to point to MFT 31 (MMA \$10,000.00)	TC 971 AC 184 to point to MFT 30 (MMA \$10,000.00)

Example: 4, Duplicate RBA and Civil Assessments with Duplicate Fraud Penalty.

MFT 30	MFT 31
blank	TC 971 AC 102 to create the MFT 31
TC 300 \$9,000.00 TC 320 \$2,000.00	TC 290 \$10,000.00 TC 320 \$3,000.00

MFT 30	MFT 31
TC 971 AC 184 to point to MFT 31 (MMA \$9,000.00) TC 971 AC 182 to point to MFT 31 (MMA \$2,000.00)	TC 971 AC 185 to point to MFT 30 (MMA \$9,000.00) TC 971 AC 183 to point to MFT 30 (MMA 2,000.00)

5.19.23.2.3.2
(08-26-2025)

- (1) In cases where taxpayers file separate returns, the Civil assessment is a duplicate only to the same individual's RBA.

Single Defendant and/or Married Taxpayers Filing Separate Returns with Co-Defendant

Example: 5, Taxpayer Husband (TPH) and Taxpayer Wife (TPW) Liable. Non Duplicate Civil Assessment. Underlying tax liability on TPH civil side.

TPH MFT 31	TPW MFT 31	TPH MFT 30
TC 971 AC 102 to establish TPH MFT 31	TC 971 AC 102 to establish TPW MFT 31	blank
TC 290 \$15,000.00	TC 290 \$10,000.00	No Civil Assessment
TC 971 AC 189 to point to TPW MFT 31 (MMA \$10,000.00)	TC 971 AC 188 to point to TPH MFT 31 (MMA \$10,000.00)	TC 971 AC 181 to point to TPH MFT 31 (MMA .00)
TC 971 AC 180 to point to TPH MFT 30 (MMA .00)	TC 971 AC 180 to point to TPH MFT 30 (MMA .00)	TC 971 AC 181 to point to TPW MFT 31 (MMA .00)

Example: 6, Taxpayer Husband (TPH) and Taxpayer Wife (TPW) Liable, Duplicate Fraud Penalty, Non Duplicate Civil Assessment. Underlying tax liability on TPH civil side.

TPH MFT 31	TPW MFT 31	TPH MFT 30
TC 971 AC 102 to establish TPH MFT 31	TC 971 AC 102 to establish TPW MFT 31	blank
TC 290 \$15,000.00 TC 320 \$3,000.00	TC 290 \$10,000.00 TC 320 \$3,000.00	No Civil Assessments
TC 971 AC 188 to point to TPW MFT 31 (MMA \$10,000.00)	TC 971 AC 188 to point to TPH MFT 31 (MMA \$10,000.00)	blank
TC 971 AC 183 to point to TPW MFT 31 (MMA \$3,000.00)	TC 971 AC 182 to point to TPH MFT 31 (MMA \$3,000.00)	TC 971 AC 181 to point to TPH MFT 31 (MMA .00)
TC 971 AC 180 to point to TPH MFT 30 (MMA .00)	TC 971 AC 180 to point to TPH MFT 30 (MMA .00)	TC 971 AC 181 to point to TPW MFT 31 (MMA .00)

5.19.23.2.3.3
(08-26-2025)

Single Defendant and/or Married Taxpayers Filing Separate Returns with More Than One Co-Defendant

(1) In cases where taxpayers file separate returns, the Civil assessment is a duplicate only to the same individual's RBA.

Example: 7, Taxpayer Husband (TPH), Taxpayer Wife (TPW), & Taxpayer 3 (TP3) Liable. Non Duplicate Civil Assessment, Non Duplicate Fraud Penalty. Underlying tax liability on TPH civil side.

TPH MFT 31	TPW MFT 31	TP3 MFT 31	TPH MFT 30
TC 971 AC 102 to establish TPH MFT 31	TC 971 AC 102 to establish TPW MFT 31	TC 971 AC 102 to establish TP3 MFT 31	blank
TC 290 \$10,000.00 TC 320 \$3,000.00	TC 290 \$10,000.00	TC 290 \$10,000.00	No Civil Assessments
TC 971 AC 189 to point to TPW MFT 31 (MMA \$10,000.00)	TC 971 AC 188 to point to TPH MFT 31 (MMA \$10,000.00)	TC 971 AC 188 to point to TPW MFT 31 (MMA \$10,000.00)	TC 971 AC 181 to point to TPH MFT 31
TC 971 AC 189 to point to TP3 MFT 31 (MMA \$10,000.00)	TC 971 AC 188 to point to TP3 MFT 31 (MMA \$10,000.00)	TC 971 AC 188 to point to TPH MFT 31 (MMA \$10,000.00)	TC 971 AC 181 to point to TPW MFT 31
TC 971 AC 180 to point to TPH MFT 30	TC 971 AC 180 to point to TPH MFT 30	TC 971 AC 180 to point to TPH MFT 30	TC 971 AC 181 to point to TP3 MFT 31

5.19.23.2.3.4
(08-26-2025)

Married Taxpayers Filing Joint Returns with No Co-Defendant

(1) See Examples 8 and 9 below.

Example: 8, Taxpayer Husband (TPH) Liable, Duplicate RBA/Civil Assessment.

TPH (primary SSN on joint) MFT 30	TPH MFT 31
TC 971 AC 102 to create TPH MFT 31	TC 971 AC 102 generated from MFT 30
TC 300 \$10,000.00	TC 290 \$11,000.00
TC 971 AC 184 to point to TPH MFT 31 (MMA \$10,000.00)	TC 971 AC 185 to point to TPH MFT 30 (MMA \$10,000.00)

Example: 9, Taxpayer Wife (TPW) Liable, Duplicate RBA/Civil Assessment. TPH not Liable, no MFT 31 created.

TPW MFT 31 TC 971 AC 102 to establish TPH MFT 31	TPH (primary SSN on joint) MFT 30
TC 290 \$10,000.00	TC 300 \$10,000.00
TC 971 AC 185 to point to TPH MFT 30 (MMA \$10,000.00)	TC 971 AC 184 to point to TPW MFT 31 (MMA \$10,000.00)

5.19.23.2.3.5

(1) See Examples 10 through 13 below.

(08-26-2025)

Married Taxpayers Filing Joint Returns with Co-Defendant

Example: 10, Taxpayer Husband (TPH) and Taxpayer Wife (TPW) Liable, Duplicate RBA/Civil Assessment. Underlying tax liability on TPH civil side.

TPH MFT 31 TC 971 AC 102 to establish TPH MFT 31	TPW MFT 31 TC 971 AC 102 to establish TPW MFT 31	TPH (primary SSN on joint) MFT 30
TC 290 \$10,000.00	TC 290 \$10,000.00	TC 300 \$10,000.00
TC 971 AC 185 to point to TPH MFT 30 (MMA \$10,000.00)	TC 971 AC 184 to point to TPH MFT 30 (MMA \$10,000.00)	TC 971 AC 184 to point to TPH MFT 31 (MMA \$10,000.00)
TC 971 AC 189 to point to TPW MFT 31 (MMA \$10,000.00)	TC 971 AC 188 to point to TPH MFT 31 (MMA \$10,000.00)	TC 971 AC 184 to point to TPW MFT 31 (MMA \$10,000.00)

Example: 11, Taxpayer Husband (TPH) and Taxpayer Wife (TPW) Liable. Duplicate RBA/Civil Assessment, Non-Duplicate Fraud Penalty. Underlying tax liability on TPH civil side.

TPH MFT 31 TC 971 AC 102 to establish TPH MFT 31	TPW MFT 31 TC 971 AC 102 to establish TPW MFT 31	TPH (primary SSN on joint) MFT 30
TC 290 \$10,000.00 TC 320 \$3,000.00	TC 290 \$10,000.00	TC 300 \$10,000.00
TC 971 AC 185 to point to TPH MFT 30 (MMA \$10,000.00)	TC 971 AC 184 to point to TPH MFT 30 (MMA \$10,000.00)	TC 971 AC 184 to point to TPH MFT 31 (MMA \$10,000.00)
TC 971 AC 189 to point to TPW MFT 31 (MMA \$10,000.00)	TC 971 AC 188 to point to TPH MFT 31 (MMA \$10,000.00)	TC 971 AC 184 to point to TPW MFT 31 (MMA \$10,000.00)

Example: 12, Taxpayer Husband (TPH) and Taxpayer Wife (TPW) Liable. Duplicate RBA/Civil Assessment, Non-Duplicate Fraud Penalty. Underlying tax liability on TPW civil side.

TPH MFT 31 TC 971 AC 102 to establish TPH MFT 31	TPW MFT 31 TC 971 AC 102 to establish TPW MFT 31	TPW (primary SSN on joint) MFT 30
TC 290 \$10,000.00	TC 290 \$10,000.00 TC 320 \$3,000.00	TC 300 \$10,000.00
TC 971 AC 184 to point to TPW MFT 30 (MMA \$10,000.00)	TC 971 AC 185 to point to TPW MFT 30 (MMA \$10,000.00)	TC 971 AC 184 to point to TPH MFT 31 (MMA \$10,000.00)
TC 971 AC 188 to point to TPW MFT 31 (MMA \$10,000.00)	TC 971 AC 189 to point to TPH MFT 31 (MMA \$10,000.00)	TC 971 AC 184 to point to TPW MFT 31 (MMA \$10,000.00)

Example: 13, Taxpayer Husband (TPH) and Taxpayer Wife (TPW) Liable. Duplicate RBA/Civil Assessment, Duplicate Fraud Penalty. Underlying tax liability on TPH civil side.

TPH MFT 31 TC 971 AC 102 to establish TPH MFT 31	TPW MFT 31 TC 971 AC 102 to establish TPW MFT 31	TPH (primary SSN on joint) MFT 30
TC 290 \$10,000.00 TC 320 \$2,000.00	TC 290 \$10,000.00 TC 320 \$2,000.00	TC 300 \$8,000.00 TC 320 \$2,000.00
TC 971 AC 185 to point to TPH MFT 30 (MMA \$10,000.00)	TC 971 AC 184 to point to TPH MFT 30 (MMA \$10,000.00)	TC 971 AC 184 to point to TPH MFT 31 (MMA \$10,000.00)
TC 971 AC 189 to point to TPW MFT 31 (MMA \$10,000.00)	TC 971 AC 188 to point to TPH MFT 31 (MMA \$10,000.00)	TC 971 AC 184 to point to TPW MFT 31 (MMA \$10,000.00)
TC 971 AC 183 to point to TPH MFT 30 (MMA \$2,000.00)	TC 971 AC 182 to point to TPH MFT 30 (MMA \$2,000.00)	TC 971 AC 182 to point to TPH MFT 31 (MMA \$2,000.00)
TC 971 AC 182 to point to TPW MFT 31 (MMA \$2,000.00)	TC 971 AC 182 to point to TPH MFT 31 (MMA \$2,000.00)	TC 971 AC 182 to point to TPW MFT 31 (MMA \$2,000.00)

5.19.23.2.3.6
(08-26-2025)

(1) See Examples 14 through 16 below.

**Married Taxpayers Filing
Joint Returns with More
Than One Co-Defendant**

Example: 14, Taxpayer Husband (TPH), Taxpayer Wife (TPW), & Taxpayer 3 (TP3) co-defendants. No duplicate Civil assessments, TPH Lead Defendant

TPH MFT 31 TC 971 AC 102 to establish TPH MFT 31	TPW MFT 31 TC 971 AC 102 to establish TPW MFT 31	TP3 MFT 31 TC 971 AC 102 to establish TP3 MFT 31	TPH (Primary SSN on joint) MFT 30
TC 290 \$10,000.00	TC 290 \$10,000.00	TC 290 \$10,000.00	No Civil Assessments
TC 971 AC 189 to point to TPW MFT 31 (MMA \$10,000.00)	TC 971 AC 188 to point to TPH MFT 31 (MMA \$10,000.00)	TC 971 AC 188 to point to TPW MFT 31 (MMA \$10,000.00)	TC 971 AC 181 to point to TPH MFT 31
TC 971 AC 189 to point to TP3 MFT 31 (MMA \$10,000.00)	TC 971 AC 188 to point to TP3 MFT 31 (MMA \$10,000.00)	TC 971 AC 188 to point to TPH MFT 31 (MMA \$10,000.00)	TC 971 AC 181 to point to TPW MFT 31
TC 971 AC 180 to point to TPH MFT 30	TC 971 AC 180 to point to TPH MFT 30	TC 971 AC 180 to point to TPH MFT 30	TC 971 AC 181 to point to TP3 MFT 31

Example: 15, Taxpayer Husband (TPH), Taxpayer Wife (TPW), & Taxpayer 3 (TP3) Liable. Duplicate RBA/Civil Assessments, TPW Lead Defendant.

TPH MFT 31 TC 971 AC 102 to establish TPH MFT 31	TPW MFT 31 TC 971 AC 102 to establish TPW MFT 31	TP3 MFT 31 TC 971 AC 102 to establish TP3 MFT 31	TPH (Primary SSN on joint) MFT 30
TC 290 \$10,000.00	TC 290 \$10,000.00	TC 290 \$10,000.00	TC 300 \$10,000.00

TPH MFT 31 TC 971 AC 102 to establish TPH MFT 31	TPW MFT 31 TC 971 AC 102 to establish TPW MFT 31	TP3 MFT 31 TC 971 AC 102 to establish TP3 MFT 31	TPH (Primary SSN on joint) MFT 30
TC 971 AC 184 to point to TPH MFT 30 (MMA \$10,000.00)	TC 971 AC 185 to point to TPH MFT 30 (MMA \$10,000.00)	TC 971 AC 188 to point to TPW MFT 31 (MMA \$10,000.00)	TC 971 AC 184 to point to TPH MFT 31 (MMA \$10,000.00)
TC 971 AC 188 to point to TPW MFT 31 (MMA \$10,000.00)	TC 971 AC 189 to point to TPH MFT 31 (MMA \$10,000.00)	TC 971 AC 188 to point to TPH MFT 31 (MMA \$10,000.00)	TC 971 AC 184 to point to TPW MFT 31 (MMA \$10,000.00)
TC 971 AC 188 to point to TP3 MFT 31 (MMA \$10,000.00)	TC 971 AC 189 to point to TP3 MFT 31 (MMA \$10,000.00)	TC 971 AC 184 to point to TPH MFT 30 (MMA \$10,000.00)	TC 971 AC 184 to point to TP3 MFT 31 (MMA \$10,000.00)

Example: 16, Taxpayer Husband (TPH), Taxpayer Wife (TPW), & Taxpayer 3 (TP3) co-defendants. Duplicate Civil Assessments. TPH Duplicate Fraud Penalty with civil account, TPH Lead Defendant.

TPH MFT 31 TC 971 AC 102 to establish TPH MFT 31	TPW MFT 31 TC 971 AC 102 to establish TPW MFT 31	TP3 MFT 31 TC 971 AC 102 to establish TP3 MFT 31	TPH (Primary SSN on joint) MFT 30
TC 290 \$10,000.00 TC 320 \$7,500.00	TC 290 \$10,000.00	TC 290 \$10,000.00	TC 300 \$15,000.00 TC 320 \$11,250.00
TC 971 AC 185 to point to TPH MFT 30 (MMA \$10,000.00)	TC 971 AC 184 to point to TPH MFT 30 (MMA \$10,000.00)	TC 971 AC 184 to point to TPH MFT 30 (MMA \$10,000.00)	TC 971 AC 184 to point to TPH MFT 31 (MMA \$10,000.00)
TC 971 AC 189 to point to TPW MFT 31 (MMA \$10,000.00)	TC 971 AC 188 to point to TPH MFT 31 (MMA \$10,000.00)	TC 971 AC 188 to point to TPH MFT 31 (MMA \$10,000.00)	TC 971 AC 184 to point to TPW MFT 31 (MMA \$10,000.00)
TC 971 AC 189 to point to TP3 MFT 31 (MMA \$10,000.00)	TC 971 AC 188 to point to TP3 MFT 31 (MMA \$10,000.00)	TC 971 AC 188 to point to TP3 MFT 31 (MMA \$10,000.00)	blank
TC 971 AC 183 to point to TPH MFT 30 (MMA \$7,500.00)	blank	blank	TC 971 AC 182 to point to TPH MFT 31 (MMA \$7,500.00)

5.19.23.2.4
(09-30-2014)

Linking BMF Restitution Accounts

- (1) BMF case types are the result of a tax loss to the government, where the basis for the RBA is a business tax return. BMF case types are identified by an Adjustment Reason Code 144 or 146 associated with the RBA TC 29X. Generally, it is a TC 298, but a TC 290 may also be used. RBA modules containing assessments for BMF tax liabilities are classified as BMF case types even if other assessment types have posted. The following examples demonstrate how TC 971 action codes are applied for BMF RBA cases.

5.19.23.2.4.1 (1) See Examples 1 through 4 below.
(08-26-2025)

Employment Tax – Form 941 *Example: 1, Employment Tax – Form 941. Non-Duplicate RBA/Civil Assessment.*

MFT 31 XXX-XX-0987 / 201203	MFT 01 XX-XXX1234 / 201203
TC 298 \$10,000.00	No Civil Assessment
TC 971 AC 180 points to MFT 01 XX-XXX1234 / 201203	TC 971 AC 181 points to MFT 31 XXX-XX-0987 / 201203

Example: 2, Employment Tax - Form 941. Duplicate RBA/Civil Assessment.

MFT 31 XXX-XX-0987 / 201203	MFT 01 XX-XXX1234 / 201203
TC 971 AC 102 to establish the MFT 31	No TC 971 AC 102
TC 298 \$10,000.00	TC 300 \$10,000.00
TC 971 AC 185 points to MFT 01 XX-XXX1234 / 201203 (MMA \$10,000.00)	TC 971 AC 184 points to MFT 31 XXX-XX-0987 / 201203 (MMA \$10,000.00)

Example: 3, Employment Tax – Form 941, Non-Duplicate RBA/Civil Assessment.

MFT 31 XXX-XX-0987 / 201203	MFT 01 XX-XXX1234 / 201203
TC 971 AC 102 to establish the MFT 31	No TC 971 AC 102
TC 298 \$10,000.00	No Civil Assessment
TC 971 AC 180 points to MFT 01 XX-XXX1234 / 201203	TC 971 AC 181 points to MFT 31 XXX-XX-0987 / 201203

Example: 4, Employment Tax - Form 941, Duplicate RBA/Civil Assessment.

MFT 31 XXX-XX-0987 / 201203	MFT 01 XX-XXX1234 / 201203
TC 971 AC 102 to establish the MFT 31	No TC 971 AC 102
TC 298 \$10,000.00	TC 300 \$10,000.00
TC 971 AC 185 points to MFT 01 XX-XXX1234 / 201203 (MMA \$10,000.00)	TC 971 AC 184 points to MFT 31 XXX-XX-0987 / 201203 (MMA \$10,000.00)

5.19.23.2.4.2 (1) See Examples 5 through 7 below.
(08-26-2025)

Federal Unemployment Tax Act – Form 940

Example: 5, Federal Unemployment Tax Act Tax – Form 940. Non-Duplicate RBA/Civil Assessment.

MFT 31 XXX-XX-0987 / 201312	MFT 10 XX-XXX1234 / 201312
TC 971 AC 102 to establish the MFT 31	No TC 971 AC 102
TC 298 \$15,000.00	No Civil Assessment
TC 971 AC 180 points to MFT 10 XX-XXX1234 / 201312	TC 971 AC 181 points to MFT 31 XXX-XX-0987 / 201312

Example: 6, Federal Unemployment Tax Act Tax – Form 940. Duplicate RBA/ Civil Assessment.

MFT 31 XXX-XX-0987 / 201312	MFT 10 XX-XXX1234 / 201312
TC 971 AC 102 to establish the MFT 31	No TC 971 AC 102
TC 298 \$10,000.00	TC 300 \$15,000.00
TC 971 AC 184 points to MFT 10 XX-XXX1234 / 201312 (MMA \$10,000.00)	TC 971 AC 185 points to MFT 31 XXX-XX-0987 / 201312 (MMA \$10,000.00)

Example: 7, Federal Unemployment Tax Act Tax – Form 940, Duplicate RBA/ Civil Assessment Duplicate Fraud Penalty.

MFT 31 XXX-XX-0987 / 201312	MFT 10 XX-XXX1234 / 201312
TC 971 AC 102 to establish the MFT 31	No TC 971 AC 102
TC 298 \$10,000.00 TC 320 \$7,500.00	TC 300 \$15,000.00 TC 320 \$ 11,250.00
TC 971 AC 184 points to MFT 10 XX-XXX1234 / 201312 (MMA \$10,000.00)	TC 971 AC 185 points to MFT 31 XXX-XX-0987 / 201312 (MMA \$10,000.00)
TC 971 AC 182 points to MFT 10 XX-XXX1234 / 201312 (MMA \$7,500.00)	TC 971 AC 183 points to MFT 31 XXX-XX-0987 / 201312 (MMA \$7,500.00)

5.19.23.2.4.3
(08-26-2025)

(1) See Examples 8 and 9 below.

**Corporate Tax – Form
1120 Fiscal Year Filer****Example: 8, Corporate Tax - Form 1120 Fiscal Year Filer. Non-Duplicate RBA/ Civil Assessment.**

MFT 31 XXX-XX-0987 / 201310	MFT 02 XX-XXX1234 / 201310
TC 971 AC 102 to establish the MFT 31	No TC 971 AC 102
TC 298 \$10,000.00	No Civil Assessment
TC 971 AC 180 points to MFT 02 XX-XXX1234 / 201310	TC 971 AC 181 points to MFT 31 XXX-XX-0987 / 201310

Example: 9, Corporate Tax - Form 1120 Fiscal Year Filer. Duplicate RBA/Civil Assessment.

MFT 31 XXX-XX-0987 / 201310	MFT 02 XX-XXX1234 / 201310
TC 971 AC 102 to establish the MFT 31	No TC 971 AC 102
TC 298 \$10,000.00	TC 300 \$10,000.00
TC 971 AC 185 points to MFT 02 XX-XXX1234 / 201310 (MMA \$10,000.00)	TC 971 AC 184 points to MFT 31 XXX-XX-0987 / 201310 (MMA \$10,000.00)

5.19.23.2.4.4 (1) See Examples 10 and 11 below.
(08-26-2025)

Corporate Tax – Form 1120 Calendar Year Filer **Example: 10, Corporate Tax - Form 1120 Calendar Year Filer. Non-Duplicate RBA/Civil Assessment.**

MFT 31 XXX-XX-0987 / 201312	MFT 02 XX-XXX1234 / 201312
TC 971 AC 102 to establish the MFT 31	No TC 971 AC 102
TC 298 \$10,000.00	No Civil Assessment
TC 971 AC 180 points to MFT 02 XX-XXX1234 / 201312	TC 971 AC 181 points to MFT 31 XXX-XX-0987 / 201312

Example: 11, Corporate Tax - Form 1120 Calendar Year Filer. Duplicate RBA/Civil Assessment.

MFT 31 XXX-XX-0987 / 201312	MFT 02 XX-XXX1234 / 201312
TC 971 AC 102 to establish the MFT 31	No TC 971 AC 102
TC 298 \$10,000.00	TC 300 \$10,000.00
TC 971 AC 185 points to MFT 02 XX-XXX1234 / 201312 (MMA \$10,000.00)	TC 971 AC 184 points to MFT 31 XXX-XX-0987 / 201312 (MMA \$10,000.00)

5.19.23.2.4.5 (1) Example 12 illustrates TC 971 AC 18X linkage when restitution is asserted
(08-26-2025) against a foreign or domestic corporation where the defendant isn't a US
Corporate Tax - Corporation is Assessed Restitution citizen and does not have a Social Security Number.
Example: 12, Form 1120, No Duplicate Assessment, No Restitution Module Established.

MFT 02 XX-XXX1234 / 201312	blank
TC 971 AC 102 to identify Restitution-Based Assessment module (X-ref TIN/MFT/Tax Period is TIN/MFT/Tax period where assessment is posted. TC 300 \$10,000.00 TC 971 AC 187 points to MFT 02 XX-XXX1234 / 201312	NO MFT 31 Module is established.

5.19.23.2.4.6

(08-26-2025)

**Corporate Tax and
Individual Income Tax
Duplicate RBA/Civil
Assessments**

(1) Examples 13–14 illustrate TC 971 AC 18X linkage when there is a duplicate RBA and Civil assessment involving both Corporate tax and Individual Income tax (IMF) returns.

Example: 13, Form 1120 and Form 1040, Multiple Duplicate RBA/Civil Assessments.

MFT 31 XXX-XX-0987 / 201212 TC 971 AC 102 to x-ref MFT 30	MFT 30 XXX-XX-0987 / 201212 TC 971 AC 102 to x-ref MFT 31	MFT 02 XX-XXX1234 / 201212
TC 290 \$10,000.00 TC 298 \$15,000.00	TC 300 \$10,000.00	TC 300 \$15,000.00
TC 971 AC 185 points to MFT 30 XXX-XX-0987 / 201212 (MMA \$10,000.00)	TC 971 AC 184 points to MFT 31 XXX-XX-0987 / 201212 (MMA \$10,000.00)	blank
TC 971 AC 185 points to MFT 02 XX-XXX1234 / 201212 (MMA \$15,000.00)	blank	TC 971 AC 184 points to MFT 31 XXX-XX-0987 / 201212 (MMA \$15,000.00)

Note: TC 971 AC 102 is input to identify the RBA module. It isn't necessary to input more than one TC 971 AC 102 to any tax module.

Example: 14, Form 1120 (Fiscal Year) and Form 1040 (Calendar), Multiple Duplicate RBA/Civil Assessments.

MFT 31 XXX-XX-0897 / 201212 TC 971 AC 102 to establish the MFT 31	MFT 30 XXX-XX-0897 / 201212	MFT 02 XX-XXX1234 / 201210
TC 290 \$10,000.00 TC 298 \$15,000.00	TC 300 \$10,000.00	TC 300 \$15,000.00
TC 971 AC 185 points to MFT 30 XXX-XX-0897 / 201212 (MMA \$10,000.00)	TC 971 AC 184 points to MFT 31 XXX-XX-0897 / 201212 (MMA \$10,000.00)	blank
TC 971 AC 185 points to MFT 02 XX-XXX1234 / 201210 (MMA \$15,000.00)	blank	TC 971 AC 184 points to MFT 31 XXX-XX-0897 / 201210 (MMA \$15,000.00)

5.19.23.2.4.7
(08-26-2025)

**Employment Tax,
Corporate Tax and
Individual Income Tax
Duplicate RBA/Civil
Assessments**

- (1) Example 15 illustrates TC 971 AC 18X linkage when there is a duplicate RBA and Civil assessment involving Employment Tax, Corporate Tax and Individual Income Tax returns.

Example: 15, Form 941, Form 940, Form 1120 and Form 1040, Multiple Duplicate RBA/Civil Assessments.

MFT 31 XXX-XX-0987 / 201212 TC 971 AC 102 to x-ref MFT 30	MFT 30 XXX-XX-0987 / 201212	MFT 01 XX-XXX1234 / 201212	MFT 10 XX-XXX1234 / 201212	MFT 02 XX-XXX1234 / 201212
TC 290 \$5,000.00 TC 298 \$10,000.00 TC 298 \$10,000.00 TC 298 \$15,000.00	TC 300 \$5,000.00	TC 300 \$10,000.00	TC 300 \$10,000.00	TC 300 \$15,000.00
TC 971 AC 185 points to MFT 30 XXX-XX-0987 / 201212 (MMA \$5,000.00)	TC 971 AC 184 points to MFT 31 XXX-XX-0987 / 201212 (MMA \$5,000.00)	blank	blank	blank
TC 971 AC 185 points to MFT 01 XX-XXX1234 / 201212 (MMA \$10,000.00)	blank	TC 971 AC 184 points to MFT 31 XXX-XX-0987 / 201212 (MMA \$10,000.00)	blank	blank
TC 971 AC 185 points to MFT 10 XX-XXX1234 / 201212 (MMA \$10,000.00)	blank	blank	TC 971 AC 184 points to MFT 31 XXX-XX-0987 / 201212 (MMA \$10,000.00)	blank
TC 971 AC 185 points to MFT 02 XX-XXX1234 / 201212 (MMA \$15,000.00)	blank	blank	blank	TC 971 AC 184 points to MFT 31 XXX-XX-0987 / 201212 (MMA \$5,000.00)

5.19.23.2.4.8
(08-26-2025)

**BMF Tax Liability - No
BMF TIN established**

- (1) Example 16 illustrates TC 971 AC 18X linkage when there is no BMF TIN established and no return filed.

Example: 16, Form 730; Monthly filer, Non-Duplicate Assessment.

MFT 31 XXX-XX-0987 / 201301 TC 971 AC 102 to establish MFT 31. XREF TIN will be TP SSN and must be entered in BMF TIN format, i.e., XX-XXX0987	No MFT 64 Module is established.
TC 298 \$10,000.00	No returns ever filed (an EIN is required but was never obtained by defendant)
TC 971 AC 187 points to MFT 64 XX-XXX1234 / 201301	There will not be a TC 971 AC 18X

5.19.23.2.4.9
(08-26-2025)

**BMF Tax Liability -
Corporation Assessed
Restitution**

- (1) Example 17 illustrates TC 971 AC 18X linkage when restitution is asserted against a Corporation instead of an individual.

Example: 17, Form 941, No Duplicate Assessment.

MFT 01 XX-XXX1234 / 201312	NO MFT 31 Module is established.
TC 971 AC 102 to identify Restitution-Based Assessment module (X-ref TIN/MFT/Tax Period is TIN/MFT/Tax period where assessment is posted.	blank
TC 298 \$10,000.00 TC 971 AC 187 points to MFT 01 XX-XXX1234 / 201312	blank

Note: The RBA assessment may be assessed as a TC 290.

5.19.23.2.5
(01-13-2023)

**Linking RPP Restitution
Accounts**

- (1) RPP case types are the result of a tax loss to the government where the basis for the RBA is generally related to a Return Preparer tax scheme. RPP case types are identified by an Adjustment Reason Code 141 or 142 associated with the RBA TC 290.

- (2) Unlike IMF and BMF case types, RPP restitution assessments that are not duplicate to another RBA or Civil assessment are not coded with AC 180/181; only duplicate assessments are coded.

Exception: RPP cases that don't have any clients with duplicate assessments will have a TC 180/181 input to accurately identify RBA cases for reports, extracts, etc. A 180 will be input on the RPP module and a 181 will be input on the client module with the lowest SSN.

Note: On some return preparers' accounts, a TC 971 AC 180 pointing to itself was input (between 6/7/2018 and 7/18/2018) for the purpose of reports, extracts, etc.

- (3) Upon receipt of RPP linkages, immediately review, validate and input to IDRS. If the RBA assessment isn't present, open an IDRS control to monitor for posting and immediately work the account, do not wait for account transcript.
- (4) IDRS Master File isn't able to accept an unlimited number of transactions on any given account module and when the limit is reached, the account is systemically moved to Automated Non Master File (ANMF). Therefore, large RPP cases with 100 or more clients have specialized linkage procedures. See IRM 5.19.23.2.7, Form 3177 Processing, for instructions regarding the input of account linkages.

5.19.23.2.5.1
(08-26-2025)

**Return Preparer with
Duplicate Client Civil
Assessments**

- (1) Example 1 illustrates TC 971 AC 18X linkage when there is a duplicate assessment involving the clients of a Return Preparer.

Example: 1, RPP Defendant with Duplicate Client Civil Returns.

RPP MFT 31	Client 1 MFT 30 XXX-XX-XXX1 / 30 / 200712	Client 2 MFT 30 XXX-XX-XXX2 / 30 / 200712
TC 290 \$15,000.00	TC 767 \$7,500.00 TC 290 \$.00	TC 767 \$7,500.00 TC 290 \$.00
TC 971 AC 185 to point to Client 1 XXX-XX-XXX1 MFT 30 (MMA \$7,500.00)	TC 971 AC 184 to point to RPP MFT 31 (MMA \$7,500.00)	blank
TC 971 AC 185 to point Client 2 XXX-XX-XXX2 MFT 30 (MMA \$7,500.00)	blank	TC 971 AC 184 to point to RPP MFT 31 (MMA \$7,500.00)

5.19.23.2.5.2
(08-26-2025)

**Return Preparer with
Duplicate and
Non-Duplicate Client
Civil Assessments**

- (1) Example 2 illustrates TC 971 AC 18X linkage when the RBA includes duplicate Civil assessments of client returns and client returns with no duplicate Civil assessment. The defendant was ordered to pay \$30,000.00 of restitution for tax loss involving four client returns. Clients 1 and 2 were not audited; therefore, there is no TC 971 AC 18X to link their individual income tax account, MFT 30, to the preparer's restitution account, MFT 31. TC 971 AC 184/185 is input to Clients 3 and 4 to link the duplicate assessments.

Example: 2, RPP Defendant with Duplicate Client Civil Assessments and No Client Civil Assessment.

RPP MFT 31	Client 3 MFT 30 XXX-XX-XXX3 / 30 / 200712	Client 4 MFT 30 XXX-XX-XXX4 / 30 / 200712
TC 290 \$30,000.00	TC 767 \$7,500.00 TC 290 \$.00	TC 767 \$7,500.00 TC 290 \$.00
TC 971 AC 185 to point to Client 3 XXX-XX-XXX3 MFT 30 (MMA \$7,500.00)	TC 971 AC 184 to point to RPP MFT 31 (MMA \$7,500.00)	blank

RPP MFT 31	Client 3 MFT 30 XXX-XX-XXX3 / 30 / 200712	Client 4 MFT 30 XXX-XX-XXX4 / 30 / 200712
TC 971 AC 185 to point Client 4 XXX-XX-XXX4 MFT 30 (MMA \$7,500.00)	blank	TC 971 AC 184 to point to RPP MFT 31 (MMA \$7,500.00)

5.19.23.2.5.3
(08-26-2025)

**Return Preparer with
Duplicate Civil
Assessment and
Duplicate Client Civil
Assessments**

- (1) Example 3 illustrates TC 971 AC 18X linkage when the RBA includes duplicate Civil assessments of the preparer defendant and client returns.

Example: 3, RPP Defendant with Duplicate Defendant Civil Assessment and Duplicate Client Civil Assessments.

RPP MFT 31 XXX-XX-0987 / 201212	RPP MFT 30 XXX-XX-0987 / 201212	Client 1 MFT 30 XXX-XX-XXX1 / 201212	Client 2 MFT 30 XXX-XX-XXX2 / 201212
TC 290 \$22,500	TC 300 \$15,000.00	TC 767 \$7,500 TC 290 \$.00	TC 767 \$7,500 TC 290 \$.00
TC 971 AC 185 points to RPP MFT 30 XXX- XX-0987 / 201212 (MMA \$7,500)	TC 971 AC 184 points to MFT 31 XXX-XX- 0987 / 201212 (MMA \$7,500)	blank	blank
TC 971 AC 185 points to Client 1 MFT 30 XXX-XX-XXX1 / 201212 (MMA \$7,500)	blank	TC 971 AC 184 points to RPP MFT 31 XXX- XX-0987 / 201212 (MMA \$7,500)	blank
TC 971 AC 185 points to Client 2 MFT 30 XXX-XX-XXX2 / 201212 (MMA \$7,500)	blank	blank	TC 971 AC 184 points to RPP MFT 31 XXX- XX-0987 / 201212 (MMA \$7,500)

5.19.23.2.5.4
(08-26-2025)

**Return Preparer with
Co-Defendant / No
Duplicate Client Civil
Assessment**

- (1) Example 4 illustrates TC 971 AC 18X linkage when the RBA includes duplicate Civil assessments of the preparer defendant and client returns. The defendant was ordered to pay \$22,500.00 of restitution for tax loss involving their individual income tax return and the tax returns of Clients 1 and 2. Clients 1 and 2 are not duplicate assessments associated to the Civil assessment of the preparer defendant; therefore, there is no TC 971 AC 18X to link their individual income tax account, MFT 30, to the preparer's individual income tax account, MFT 30. TC 971 AC 184/185 is input to Clients 1 and 2 to link the accounts to the duplicate restitution assessments.

Example: 4, RPP Lead Defendant with Co-Defendant, Duplicate RBA

RPP Lead Defendant MFT 31 XXX-XX-0897 / 201412	RPP Co-Defendant MFT 31 XXX-XX-1234 / 201412
TC 290 \$22,500	TC 290 \$22,500
TC 971 AC 189 points to RPP Co-Defendant MFT 31 XXX-XX-1234 / 201412 (MMA \$15,000)	TC 971 AC 188 points to RPP Lead-Defendant MFT 31 XXX-XX-0897 / 201412 (MMA \$15,000)

5.19.23.2.5.5
(08-26-2025)

**Return Preparer with
Co-Defendant And
Duplicate Client Civil
Assessment**

- (1) Example 5 illustrates TC 971 AC 18X linkage when the RBA includes duplicate RBA of the preparer defendant and co-defendant, and duplicate Civil assessments of client returns. The defendants were ordered to pay restitution based on the tax loss of client returns. They conspired together in filing fraudulent information. Because their restitution assessments were based on the same tax scheme, they are duplicate to each other and the clients. TC 971 AC 188/189 are input to link the duplicate assessments. The client returns were audited and assessed additional tax; therefore, TC 971 AC 184/185 are input to their individual income tax account, MFT 30, to link the duplicate assessment to the Lead Defendant restitution module, MFT 31, and TC 971 AC 184/184 is input to link their individual income tax account to the Co-Defendant restitution module, MFT 31.

Example: 5, RPP Defendant and Co-Defendant with Duplicate RBA and Duplicate Client Civil Assessments.

RPP Lead Defendant MFT 31 XXX-XX-0897 / 201412	RPP Co- Defendant MFT 31 XXX-XX-1234 / 201412	Client 1 MFT 30 XXX-XX-XXX1 / 201412	Client 2 MFT 30 XXX-XX-XXX2 / 201412
TC 290 \$15,000	TC 290 \$15,000	TC 767 \$7,500 TC 290 \$.00	TC 767 \$7,500 TC 290 \$.00
TC 971 AC 189 points to RPP Co-Defendant MFT 31 XXX-XX-1234 / 201412 MMA = \$15,000	TC 971 AC 188 points to RPP Lead Defendant MFT 31 XXX-XX-0897 / 201412 MMA = \$15,000	blank	blank
TC 971 AC 185 points to Client 1 MFT 30 XXX-XX-XXX1 / 201412 (MMA \$7,500)	TC 971 AC 184 points to Client 1 MFT 30 XXX-XX-XXX1 /201412 (MMA \$7,500)	TC 971 AC 184 points to RPP Lead Defendant MFT 31 XXX-XX-0897 / 201412 (MMA \$7,500)	TC 971 AC 184 points to RPP Lead Defendant MFT 31 XXX-XX-0897 / 201412 (MMA \$7,500)
TC 971 AC 185 points to Client 2 MFT 30 XXX-XX-XXX2 / 201412 (MMA \$7,500)	TC 971 AC 184 points to Client 2 MFT 30 XXX-XX-XXX2 / 201412 (MMA \$7,500)	TC 971 AC 184 points to RPP Co Defendant MFT 31 XXX-XX-1234 / 201412 (MMA \$7,500)	TC 971 AC 184 points to RPP Co-Defendant MFT 31 XXX-XX-1234 / 201412 (MMA \$7,500)

5.19.23.2.5.6
(08-26-2025)

**Return Preparer with
Co-Defendant / Duplicate
and Non-Duplicate Client
Civil Assessment**

- (1) Example 6 illustrates TC 971 AC 18X linkage when the RBA includes duplicate RBA of the preparer defendant and co-defendant, and duplicate assessments of client returns and client returns with no duplicate Civil assessment. The defendants were ordered to pay restitution based on the tax loss of client returns. They conspired together in filing fraudulent tax returns. Because their restitution assessments were based on the same tax scheme, they are duplicate to each other and the clients. TC 971 AC 188/189 are input to link the duplicate assessments. Each defendant was responsible for the preparation of 15 clients. Tax returns for Clients 8 and 9 were audited and assessed tax based on the fraudulent returns. TC 971 AC 184/185 are input to their individual income tax account, MFT 30, to link the duplicate assessment to the Lead Defendant restitution module, MFT 31, and TC 971 AC 184/184 is input to link them to the Co-Defendant restitution module, MFT 31.

Example: 6, RPP Defendant and Co-Defendant with Duplicate RBA, Duplicate Client Civil Assessments, and No Client Civil Assessments.

RPP Lead Defendant MFT 31 XXX-XX-0897 / 201412	RPP Co- Defendant MFT 31 XXX-XX-1234 / 201412	Client 8 MFT 30 XXX-XX-XXX8 / 201412	Client 9 MFT 30 XXX-XX-XXX9 / 201412
TC 290 \$85,000	TC 290 \$85,000	TC 767 \$7,500 TC 290 \$.00	TC 767 \$7,500 TC 290 \$.00
TC 971 AC 189 points to RPP Co-Defendant MFT 31 XXX-XX-1234 / 201412 MMA = \$85,000	TC 971 AC 188 points to RPP Lead Defendant MFT 31 XXX-XX-0897 / 201412 MMA = \$85,000	blank	blank
TC 971 AC 185 points to Client 8 MFT 30 XXX-XX-XXX8 / 201412 (MMA \$7,500)	TC 971 AC 184 points to Client 8 MFT 30 XXX-XX-XXX8 / 201412 (MMA \$7,500)	TC 971 AC 184 points to RPP Lead Defendant MFT 31 XXX-XX-0897 / 201412 (MMA \$7,500)	TC 971 AC 184 points to RPP Lead Defendant MFT 31 XXX-XX-0897 / 201412 (MMA \$7,500)
TC 971 AC 185 points to Client 9 MFT 30 XXX-XX-XXX9 / 201412 (MMA \$7,500)	TC 971 AC 184 points to Client 9 MFT 30 XXX-XX-XXX9 / 201412 (MMA \$7,500)	TC 971 AC 184 points to RPP Co-Defendant MFT 31 XXX-XX-1234 / 201412 (MMA \$7,500)	TC 971 AC 184 points to RPP Co-Defendant MFT 31 XXX-XX-1234 / 201412 (MMA \$7,500)

Note: TC 971 AC 180/181 isn't input to link the accounts of the client returns that were not audited and/or assessed.

5.19.23.2.6
(08-26-2025)

**Memo Money Amount
(MMA)**

- (1) The Memo Money Amount (MMA) field of the TC 971 AC 18X is used to identify the amount of the Restitution-Based Assessment (RBA) and/or Fraud penalty ordered as part of the restitution that is duplicate. The dollar amount of the MMA is displayed on CC TXMOD, CC BMFOLT, or CC IMFOLT, only when an amount greater than \$.00 has been entered.
- (2) Review accounts to determine if:
- Missing and/or broken links (a broken link is where one link points to a TIN / MFT / tax period, but that corresponding TIN / MFT / tax period does not point back)

Exception: A TC 971 AC 18X will not be input to a module containing an unreversed TC 400 because the module has been moved to Non-Master File.

Exception: For large RPP cases with 100 or more clients, linkage is input on all client accounts with duplicate assessments; however, only one linkage for the client with the earliest dated assessment is put on the preparer's account. If there is more than one client with the earliest dated assessment, then the one with the lowest number SSN is put on the preparer's account.

Reminder: For RPP case types, TC 971 AC 180/181 isn't input to link the accounts of client returns where no duplicate RBA exists. Therefore, these case types may not have a TC 971 AC 18X posted to the RBA module(s).

- TC 971 AC 180/181 has Memo Money Amount (MMA) more than zero present in the MMA field
- TC 971 AC 182 -185 and 188-189 MMA is zero

Exception: TC 971 AC 182/183 MMA **may = zero** for court ordered penalties and/or interest without a tax assessment. See IRM 5.19.23.2.2, Initial Case Creation, for more information.

- TC 971 AC 182 -185 and 188-189 MMA of the pair of linkages is greater than the smallest duplicate assessment amount

Exception: Specific conditions exist when the MMA can appear to be larger than assessed tax or no assessment is posted.

Example: A preparer was ordered restitution based on a client's return. A client filed a return and was credited with Additional Child Tax Credit and Earned Income Credit. A refund was issued and was returned/repaid with a TC 720. The TC 150 was abated and the Child Tax credit and Earned income credits were reversed. The account does not show any other assessments. The preparer's account and the client's account are linked with TC 971 AC 185/184. Since a portion of the preparer's restitution is based on the client's return, as indicated by the TC 971 AC 185/184 linkage, the preparer is entitled to the TC 720 credit. The TC 720 is cross-referenced to prevent double collection of the restitution assessment.

Preparer's MFT 31 201612	Client's MFT 30 201612
TC 290 \$20,000.00 TC 971 AC 102	TC 150 02-13-2017 \$500.00 TC 766 04-15-2017 \$1,000.00 TC 768 04-15-2017 \$3,000.00 TC 846 02-13-2017 \$3,500.00 TC 767 04-15-2017 \$1,000.00 TC 765 04-15-2017 \$3,000.00 TC 291 04-15-2017 \$500.00 TC 720 02-13-2017 \$4,000.00

Preparer's MFT 31 201612	Client's MFT 30 201612
TC 971 AC 185 points to Client's MFT 30 MMA = \$4,000.00	TC 971 AC 184 points to preparer's MFT 31 MMA = \$4,000.00
TC 766 CRN 337 02-13-201712 \$4,000.00	blank

Example: A preparer was ordered restitution based on client's returns. A client filed a return for zero dollar amount and was credited with Additional Child Tax credit. A refund was issued and then the refund was cancelled/credited back to the client's account with TC 841. The client's account was assessed and the TC 767 was reversed. The preparer and the client's accounts are linked with TC 971 AC 185/184. Since a portion of the preparer's restitution is based on the client's return, as indicated by the TC 971 AC 185/184 linkage, the preparer is entitled to the TC 841 credit. The TC 841 is cross-referenced using the TC 841 date.

Preparer's MFT 31 201312	Client 1 MFT 30 201312
TC 290 \$ 65,000.00 TC 971 AC 102	TC 150 08-24-2014 \$0.00 TC 766 04-15-2014 \$5,400.00 TC 846 08-24-2014 \$5,400.00 TC 767 04-15-2014 \$5,400.00 TC 300 06-20-2016 \$0.00 TC 841 08-24-2014 \$5,400.00
TC 971 AC 185 points to Client's MFT 30 MMA = \$5,400.00	TC 971 AC 184 points to preparer's MFT 31 MMA = \$5,400.00
TC 766 CRN 337 08-24-2014 \$5,400.00	blank

Example: A preparer was ordered restitution based on client's returns. A client filed a return for zero dollar amount and was credited with Making Work Pay credit, Refundable Education credit, and Earned Income credit, resulting in a credit balance on the module. A refund was issued in the amount of the module balance. The refund was undelivered / re-deposited and posted back to the client's MFT 30 account with TC 740 putting the module back in credit status. The preparer and the client's accounts are linked with TC 971 AC 185/184. Since a portion of the preparer's restitution is based on the client's return, as indicated by the TC 971 AC 185/184 linkage, the preparer is entitled to the TC 740 credit. The TC 740 is cross-referenced using the TC 740 date.

Preparer's MFT 31 201512	Client 1 MFT 30 Module Balance 1,696.00-
TC 290 06-27-2019 \$1,000,000.00 TC 971 04-22-2019 AC 102	TC 150 02-06-2017 \$0.00 TC 766 04-15-2016 \$400.00 TC 766 04-15-2016 \$876.00 TC 768 04-15-2016 \$420.00 TC 846 02-13-2017 \$1,696.00 TC 740 02-13-2017 \$1,696.00
TC 971 05-13-2019 AC 185 points to Client's MFT 30 MMA = \$1,696.00	TC 971 AC 184 05-13-2019 MMA = \$1,696.00
TC 766 CRN 337 02-13-2017 \$1,696.00	blank

Reminder: The RBA for RPP case types may include amounts for multiple duplicate client Civil assessments; therefore, the MMA can't be validated. For these case types, confirm that the MMA amount of the linked pairs is the same and the amount does not exceed the tax assessed on the Civil module.

Note: The MMA for co-defendants linked with TC 971 AC 188/189 may equal the total amount of all restitution assessments that each is jointly responsible for.

Example: TP husband and wife are each assessed restitution on their MFT 31 tax modules for income related to their jointly filed Form 1040 (TC 290 for \$1,000.00). Each is also assessed restitution on their MFT 31 tax modules for income related to their corporate income tax liabilities (TC 298 for \$5,000.00). The MMA for the TC 971 AC 188/189 linking the MFT 31 modules is \$6,000.00 and includes the assessed amounts for both the TC 290 and TC 298.

- TC 971 AC 18X MMA dollar amounts of pair of linkages do not match

Note: The combination of a TC 767 posted with the TC 30X or TC 29X amounts may represent the duplicate assessment amount.

- (3) The transactions for the RBA, MMA amount, and associated TC 971 AC 18X's are initiated by Exam Technical Services (ETS) who prepares Form 3870 and /or Form 3177. These forms are input by either Exam Centralized Case Processing (CCP), located in the Memphis Campus or Ogden CSCO.

If	And	Then
Missing or broken linkage OR MMA is incorrect as described in IRM 5.19.23.2.6 above	blank	<ol style="list-style-type: none"> 1. Send a secure e-mail to *SBSE TECH Svs Criminal Restitution and request Form 3177 to update and/or correct account. 2. Close the transcript case. 3. Open a new control in monitor status on IDRS and monitor for 5 business days. 4. When Form 3177 is received, process in accordance with IRM 5.19.23.2.7, Form 3177 Processing. Perform necessary action(s) to cross-reference available payments and credits in accordance with IRM procedures, send Form 3177 to Files as the source document and close case. 5. If no response, send a follow up request, update case control and monitor for 10 business days. 6. If no response, elevate to local management.
TC 971 AC 181 is posted on Civil tax module, i.e., MFT 30, 01, 02, etc. (NOT MFT 31)	Subsequent TC 29X / 30X posts to the Civil tax module	<ol style="list-style-type: none"> 1. Send a secure e-mail to *SBSE TECH Svs Criminal Restitution 2. In the SUBJECT line, type: "Subsequent TC 29X/30X Posted To Module with AC 181." 3. In the body of the message type: "For review and possible action. Subsequent TC 29X/30X posted to TIN / MFT / Tax Period." 4. Take necessary action(s) to resolve transcript case in accordance with IRM procedures and close case.
TC 971 AC 188/189 is posted on the restitution module (MFT 31)	TC 971 AC 184/185 is posted on a Civil tax module, i.e., MFT 30, 01, 02, etc. (NOT MFT 31) of a defendant for the same restitution assessment liability AND there is no AC 184 linking the co-defendant MFT 31	<ol style="list-style-type: none"> 1. Send a secure e-mail to *SBSE TECH Svs Criminal Restitution. 2. In the SUBJECT line, type: "TC 29X/30X Posted To Module with AC 184/185." 3. In the body of the message type: "For review and possible action. TC 29X/30X posted to TIN / MFT / Tax Period with duplicate RBA on co-defendant account." 4. Take necessary action(s) to resolve transcript case in accordance with IRM procedures and close case.

If	And	Then
TC 971 AC 18X is pending or posted and there is no pending or posted TC 29X/30X for the associated RBA	A history item "3870/RECVD" IS recorded on CC TXMOD for 30 or more days from today's date	<ol style="list-style-type: none"> 1. Input TC 570 on module to hold credits. 2. Contact Memphis Centralized Case Processing (CCP), verify F3870 was received and request the Form 3870 for the missing assessment. CCP RBA contact names can be found at the <i>Exam Procedures Knowledge Base</i> 3. Control the case on IDRS and monitor for 10 business days. 4. When Form 3870 is received, process in accordance with IRM 5.19.23.9. 5. If no response is received within 10 business days, elevate to local management.
TC 971 AC 18X is pending or posted for more than 30 days from today's date and there is no pending or posted TC 29X/30X for the associated RBA	A history item "3870/RECVD" isn't recorded on CC TXMOD	<ol style="list-style-type: none"> 1. Input TC 570 on module to hold credits. 2. Send a secure e-mail to *SBSE TECH Svs Criminal Restitution and request Form 3870 for the missing assessment. 3. Control the case on IDRS and monitor for 10 business days. 4. When Form 3870 is received, process in accordance with IRM 5.19.23.9. 5. If no response is received within 10 business days, elevate to local management.
TC 971 AC 18X is pending or posted for less than 30 days from today's date and there is no pending or posted TC 29X/30X for the associated RBA	Payments or credits are posted on the account.	Input TC 570 on module to hold credits and close the transcript case.
TC 971 AC 18X is pending or posted for less than 30 days from today's date and there is no pending or posted TC 29X/30X for the associated RBA	No payments or credits are posted on the account.	Take no action and close the transcript case.

(4) Document all initial and follow-up actions on AMS **MFT 31** history.

5.19.23.2.7
(08-26-2025)
Form 3177 Processing

- (1) ETS will forward Form 3177 for TC 971 AC 18X linkage to CCO RBA for input to IDRS. Review the form to validate the following boxes are complete:
 - Initiator
 - Date
 - Taxpayer name. This is the name on the account the TC is input to.
 - EIN or SSN
 - Transaction Code (TC)
 - Other - must specify Action Code, cross-reference TIN, MFT and tax period, and MMA if AC indicates a duplicate assessment.
 - MFT code. This is the MFT the TC is input to.
 - Tax Period. This is the tax period where the TC is input.
- (2) Forms 3177 received for RPP case types must be reviewed and perfected in accordance with IRM 5.19.23.2.6, Memo Money Amount (MMA), prior to being input to IDRS. IDRS Master File isn't able to accept an unlimited number of transactions on any given account module. After perfecting the forms, if there is 150 or more associated clients or 100 or more associated clients and one or more of those clients has an existing installment agreement:
 - a. Input TC 971 AC 18X linkage to the Client accounts as indicated on Forms 3177.
 - b. Input one linkage for the Client with the earliest dated assessment on the Preparer's (MFT 31) account.
 - c. Populate and store a "RPP Client List" according to local procedures.
 - d. Document a history item on AMS for the MFT 31 account that includes all Client SSNs.
- (3) If there are 350 or more associated clients:
 - a. Input TC 971 AC 18X to the client accounts. Do not input the related TC 971 AC 18X on the Preparer account.
 - b. Create an EXCEL spreadsheet for each Preparer (MFT 31) with 350 or more clients. Record the client name, TIN, tax period, assessment date and amount for each duplicate assessment indicated by TC 971 AC 18X on Form 3177 and save it to the RPP shared folder according to local procedures. The shared file will be used for reference when processing current and future cases of that preparer.
 - c. Open an IDRS control and monitor the MFT 31 account until the TC 29X posts and follow procedures in, see IRM 5.19.23.3.6.2.1 , RBA Non Master File (NMF) Accounts, to transfer the account to ANMF.
 - d. Cross reference payments once the account has posted to the ANMF system. Refer to IRM 5.19.23.3.6.2, RBA Non Master File (NMF) Accounts, for NMF cross referencing procedures.
- (4) IDRS CC REQ 77 is used to input transaction codes notated on Form 3177. Forms 3177 must be processed within 5 business days of receipt. Incomplete forms and forms received where the tax module isn't present on IDRS must be returned to the initiator using the ***SBSE TECH Svs Criminal Restitution** mailbox with ****EXPEDITE**** in the subject line and must include a complete explanation of the reason for the rejection.
- (5) Forms 3177 may be received that update or change existing TC 971 action codes. See chart below.

If E-Mail Subject Line States:	And	Then
EXPEDITE F3177 to Change AC 180/181	a duplicate assessment posted on a Civil module after the TC 971 AC 180/181 posted	<ol style="list-style-type: none"> 1. Process F3177(s) in accordance with IRM 5.19.23.2.3, above. 2. review all related accounts for posted payments/credits and cross-reference in accordance with IRM 5.19.23.3.
EXPEDITE F3177 to Input AC 184/185.	a duplicate assessment is identified on a Client account for RPP case type subsequent to the posting of the RBA	<ol style="list-style-type: none"> 1. Process F3177(s) in accordance with IRM 5.19.23.2.3, above. 2. review all related accounts for posted payments/credits and cross-reference in accordance with IRM 5.19.23.3.
EXPEDITE F3177 to Correct (MMA or TC 971 AC XXX)	F3177 requests a change to the MMA only	<ol style="list-style-type: none"> 1. Process F3177(s) in accordance with IRM 5.19.23.2.3, above.
EXPEDITE F3177 to Correct (MMA or TC 971 AC XXX)	the RBA was incorrectly coded as a duplicate assessment with TC 971 AC 184/185	<ol style="list-style-type: none"> 1. Process F3177(s) in accordance with IRM 5.19.23.2.3, above. 2. Review all related accounts and reverse any previously cross-referenced payments/credits.

- (6) Whenever there is an abatement on an RBA account or related account that has established linkages posted, contact ETS via e-mail to ask if the linkages need to be updated.

5.19.23.3
(03-25-2020)

Payment Application

- (1) A duplicate assessment is created when there is a Civil tax assessment in addition to the amount assessed as RBA, or when co-defendants are assessed restitution that relates to the same or similar tax issues. The duplicate assessment amounts may or may not be equal dollar amounts. A duplicate Fraud penalty is created when the Fraud penalty is asserted for both the Civil and RBA accounts.
- (2) RBA payments or credits are applied in the following order:
1. Restitution-Based Assessment/Civil assessment
 2. Court ordered Penalty assessments
 3. Collection costs and fees
 4. Other assessed penalties
 5. Assessed interest
 6. Other accrued penalties to date of payment
 7. Accrued interest to date of payment

Note: Payments are applied first to fraud, then to failure-to-file (FTF), then to accuracy related penalty, and then to other penalties in ascending TC number order. The Failure-to-Pay (FTP) penalty is paid after all other penalties have been paid. See IRM 20.1.2.3.8.2, Application of Payments, for more information regarding additional assessments to tax.

- (3) Payments secured by the courts and sent to IRS to be applied to the RBA are identified with a designated payment code (DPC) 26. They must be applied to the taxpayer's restitution assessments.

- (4) If TC 91X and "Z" freeze is present on the account, contact Criminal

control on the account and continue to monitor every 30 days until the issue is resolved. Document AMS **MFT 31** history during initial contact with CI and for all follow-up actions.

Note: Payments applied prior to July 2013 were input to MFT 31 as TC 670 DPC 26 and could not be cross-referenced with TC 766 CRN 337 on MFT 30 due to systemic limitations. As a result, payments were transferred to MFT 30 with TC 670 DPC 08 and then cross-referenced to MFT 31 with TC 766 CRN 337. DPC 26 and DPC 08 payments must be applied to the RBA before paying any other liabilities.

5.19.23.3.1
(08-26-2025)
Points To Remember

- (1) When cross-referencing payments, always consider the following:
- Payments are cross-referenced to all related accounts with a duplicate assessment in earliest date order.
 - For payments on the civil module, consider the posting cycle of the payment when allocating payments according to IRM 5.19.23.3.3, Payment Application.
 - Payments applied to fees and collection costs are not cross-referenced.
- Exception:** Fees and collection costs are **only** cross-referenced when they are included in the court order and duplicate to the related module.
- If an offset to another period results from incorrect posting of payments, reverse the offset.
- (2) If a TC 971 AC 100/101/104 is present on MFT 31 account(s) contact the designated area to communicate that the posting of TC 971 AC 102 has prevented systemic mirroring of payments and accounts will need to be manually monitored. Contact information can be located on the *SERP Who/Where* tab.
- (3) Always use blocking series **79** when cross-referencing payments/credits with a TC 76X / CRN 337 to **MFT 05**.
- (4) CRN 337 isn't valid for MFT 13; therefore, when payments/credits on MFT 31 need to be cross-referenced to **MFT 13** take the following steps,
- Credit transfer the payment/credit to MFT 13 using designated payment code 08 (DPC 26 isn't valid for MFT 13).
 - Immediately cross reference the payment/credit back to MFT 31 using CRN 337.
 - Open a monitor control to ensure proper posting and account accuracy.
 - Document AMS history as appropriate.
- (5) When working cases with an un-reversed TC 780 and payments/credits are available to be cross-referenced to the account with the TC 780, notify the designated RBA OIC SME (located in the campus RBA team) of the case along with a current payment sorter. The SME will contact OIC for determination if any action should be taken (i.e. temporary removal of the TC 780). Once the determination is made that action should be taken (i.e. cross referencing, TC 290 .00 with appropriate reason code) the SME will notify the TE to complete the appropriate actions. The TE will hold the case 5 days and then notify the RBA SME the actions have been completed. The SME will notify OIC

to have the TC 780 placed back on the account. **Do not** attempt to release a freeze on an account with an un-reversed TC 780.

Note: The RBA SME will check the AOIC system for the SC Status. If the status is 5M, the transcript can be closed without contacting OIC.

Caution: Never try to update penalties and interest on accepted OIC accounts (includes all MFT's).

Note: Requests from the OIC area may be received through the *SBSE Ogden RBA e-mail box with the subject "**TC 780 Review**". These requests will be worked by the RBA liaison(s). The liaison will review the account and notify the sender of any possible account actions. The OIC employee will then advise the RBA liaison, via the RBA mailbox, whether or not to complete the action.

- (6) When working RPP Transcript cases, do not validate previous actions on the case unless the current transcript is generated because the Return Preparer or Client module(s) has full paid the duplicate tax; or the module(s) has reached full paid Status 12; or a TC 604 or TC 608 posts to the account. Perform case actions based on the transcript you are working and the AMS histories. **Upon Receipt of the RPP transcript:**

- Review the transcript account module to determine if the duplicate tax is fully paid or the module is full paid Status 12 or a TC 608/604 posted.
- If the duplicate tax **is fully paid**, or the module is full paid Status 12, or a TC 608/604 is posted, take all necessary actions(s) to validate all previous case actions, resolve the transcript case in accordance with IRM 5.19.23 procedures, and close case.
- If the duplicate tax or the module **isn't full paid** or does not have a TC 608/604 posted, review current transcript and AMS histories and take necessary actions to resolve the transcript issue. Do not validate previous actions on the case.
- If the volume of transactions creates a potential overflow to NMF condition follow procedures outlined in, see IRM 5.19.23.3.5.
- Document a detailed history item on AMS when the current transcript issue/actions are completed.

- (7) All actions taken must be documented on AMS with complete and concise information for all affected accounts. Documentation must include, **but isn't limited to:** payment application, payment dates, amounts and types, details of corrections/reversals, details of interest calculation, CSED expiration, etc.

5.19.23.3.2
(08-26-2025)

Cross-Referencing Payments

- (1) When payment(s) or credit(s) post to an account where a duplicate RBA/Civil or Fraud penalty assessment exists, cross-reference the available amount to the applicable TIN(s), MFT(s), and tax period(s) of the duplicate assessments including modules in Status 53, 72, and 71. A thorough review of the account where the payment or credit posted is necessary to determine the amount available for cross-referencing. Only payment(s) and credit(s) applied to the tax, penalties or interest of the duplicate assessment amount is cross-referenced.
- (2) Payments applied to MFT 31 accounts are immediately available as cross-references to pay duplicate tax, penalties, and / or interest. Payments applied to non-MFT 31 accounts must first pay non-duplicate portions of tax assessments (before they are applied to the duplicate portions of tax assessments

available for cross-referencing to the MFT 31. In certain scenarios (generally the original tax return transactions), non-duplicate tax and certain non-duplicate penalty and interest assessments are paid before the duplicate portions of tax. See IRM 5.19.23.3 for guidance on payment application.

Caution: Payments and credits posted to a civil tax account when a taxpayer is sentenced may be considered in the restitution order to reduce the amount assessed. When reviewing the account(s) caution must be taken to ensure payment(s) and credit(s) previously considered are not cross-referenced.

Example: Taxpayer was assessed restitution for a refund of overstated withholding in the amount of \$672,781.00. A withholding repayment, TC 720, in the amount of \$132,781.00 was submitted and posted to the MFT 30 module prior to the RBA. The repayment was considered when the restitution was ordered reducing the RBA to \$540,000.00. Therefore, the withholding repayment isn't available for cross-referencing to the MFT 31 module.

- (3) If the MMA can't be matched, subtract available payments/credits applied to the civil assessment that is the basis for the restitution until the MMA is reached. Payments and credits already considered that reduce the amount of restitution assessed are not cross-referenced. Cross-reference any amounts paid towards the duplicate tax, penalty and/or interest to all related accounts.

Example: A Return Preparer is assessed RBA of \$32,750.00. A civil audit of Client A results in the reversal of the First Time Homebuyer Credit of \$7,500.00. The reversal of the credit is the basis for the restitution. The MMA on the account is \$2,310.00. A TC 670 for \$2,300.00 and a TC 706 for \$3,503.00 are posted to the module. Subtracting the payments from the assessment does not validate the MMA. $\$7,500.00 - \$2,300.00$ (TC 670) = $\$5,200.00$ which is larger than the MMA. $\$5,200.00 - \$3,503.00$ (TC 706) = $\$1,697.00$, which is smaller than the MMA. Since the MMA can't be matched, the payments are subtracted from the civil assessment until the MMA is reached. The MMA of \$2,310.00 is reached using a portion of the \$3,503.00 payment ($\$5,200.00 - \$2,890.00 = \$2,310.00$) leaving the remaining \$613.00 available to cross-reference to the MFT 31. A payment or any part of a payment **that reduces the duplicate amount** is cross-referenced.

- (4) Payments and credits are cross-referenced using Transaction Code (TC) 290 \$.00 and Credit Reference Number (CRN) 337 that may also require a reason code and/or priority code: Hold code 3 is always used.

If Cross-Referencing payment to	Then
MFT 30	Input TC 290 CRN 337 RC 150 PC 9
MFT 31	Input TC 290 CRN 337 RC 150 PC 9
Other than MFT 30/31	Input TC 290 CRN 337 with no RC or PC

Note: Cross-referenced payments and credits will post to Master file as TC 766 RC 337.

- (5) The X-Ref TIN and dollar amount of the payment/credit being cross-referenced must be input during cross-referencing.
- (6) Payments are cross-referenced to related accounts until the duplicate RBA is full paid. Then apply payments to Fraud penalty assessments, fees and collection costs, other assessed penalties and assessed interest, then to accrued penalties and accrued interest. Continue to apply payments in this order until the account is full paid. Amounts applied to fees and collection costs are not cross-referenced.

Caution: Interest on the RBA assessment is limited to the amount of court ordered interest. **Interest does not accrue on the RBA assessment.** Caution must be taken when cross-referencing duplicate interest. Do not cross-reference more than the amount of court ordered interest. (See also, Klein v. Commissioner, 149 T.C. No. 15 (2017)).

Example: 1, Duplicate RBA/Civil Assessment with Non-Duplicate Fraud Penalty.

MFT 31	MFT 30
TC 290 \$5,000.00 TC 270 \$200.00	TC 300 \$8,000.00 TC 240 \$3,000.00 TC 276 \$900.00
TC 971 AC 184 MMA= \$5,000.00	TC 971 AC 185 MMA= \$5,000.00
TC 670 DPC 26 10-15-2017 \$2,500.00 TC 766 12-15-2017 \$2,500.00	TC 766 CRN 337 10-15-2017 \$2,500.00 TC 670 12-15-2017 \$8,000.00

- The payment dated 10-15-2017 for \$2,500.00 is cross-referenced to MFT 30 to reduce the duplicate civil assessment (TC 300).
- \$2,500.00 of the payment dated 12-15-2017 for \$8,000.00 is cross-referenced to MFT 31 to fully pay the amount of the RBA that is duplicate. \$3,000.00 of the remaining \$5,500.00 is applied to fully pay the balance of the civil assessment. Since the civil assessment amount exceeds the duplicate amount of \$5,000.00, it isn't cross-referenced. Because all other assessed penalties are paid before assessed Failure to Pay Penalty, the remaining \$2,500 is applied to the Civil Penalty and isn't cross-referenced.

Note: Failure to Pay penalty is only assessed on the RBA (MFT 31) when it is included in the restitution ordered; it does not accrue and is limited to the amount ordered with the restitution. (See also, Klein v. Commissioner, 149 T.C. No. 15 (2017)).

Example: 2, Duplicate RBA/Civil Assessment with Duplicate Fraud Penalty.

MFT 31	MFT 30
TC 290 \$8,000.00 TC 320 \$6,000.00 TC 270 \$200.00	TC 300 \$8,000.00 TC 276 \$900.00
TC 971 AC 185 MMA = \$8,000.00	TC 971 AC 184 MMA = \$8,000.00

MFT 31	MFT 30
TC 670 DPC 26 10-15-2017 \$7,000.00	TC 766 CRN 337 10-15-2017 \$7,000.00
TC 670 DPC 26 11-30-2017 \$7,200.00	TC 766 CRN 337 11-30-2017 \$1,200.00

- The payment dated 10-15-2017 for \$7,000.00 is cross-referenced to MFT 30 to reduce the duplicate civil assessment (TC 300).
- \$1,200.00 of the payment dated 11-30-2017 for \$7,200.00 is cross-referenced to MFT 30. \$1,000.00 is applied to the remaining RBA that is duplicate and \$200.00 is applied to the duplicate assessed (court ordered) Failure to Pay penalty. The remaining \$6,000.00 is applied to pay the Fraud penalty assessment. Since the Fraud penalty assessment isn't duplicate, the payment isn't cross-referenced.

- (7) When linked accounts with different TINs have payments with the same posting date, allocate the payments so each account is paying half of the remaining balance.

Example: 1, Duplicate Co-Defendants.

MFT 31 Lead Defendant	MFT 31 Co-Defendant
TC 290 \$5,000.00	TC 290 \$5,000.00
TC 971 AC 189 MMA = \$5,000.00	TC 971 AC 188 MMA = \$5,000.00
TC 670 DPC 26 10-15-2017 \$5,000.00 TC 766 CRN 337 10-15-2017 \$2,500.00	TC 670 DPC 26 10-15-2017 \$5,000.00 TC 766 CRN 337 10-15-2017 \$2,500.00

- The lead defendant and co-defendant each made a payment on 10/15/2017. The combined amount of the payments is \$10,000.00 while the duplicate RBA is only \$5,000.00
- To ensure fair and equitable treatment of each taxpayer, allocate the payments so that each defendant is paying half of the balance owed. In this example, \$2,500.00 of each payment is allocated for duplicate tax and will be cross referenced to the other party. The cross-references create an overpayment on each module that needs to be resolved.

Example: 2, Duplicate Co-defendants and BMF Civil Assessment.

MFT 31 Lead Defendant	MFT 31 Co-Defendant	MFT 01
TC 290 \$5,000.00	TC 290 \$5,000.00	TC 150 \$3,000.00
TC 971 AC 189 MMA = \$5,000.00 TC 971 AC 185 MMA = \$3,000.00	TC 971 AC 188 MMA = \$5,000.00 TC 971 AC 184 MMA = \$3,000.00	TC 971 AC 184 MMA = \$3,000.00
TC 766 CRN 337 10-15-2017 \$2,500.00 TC 670 DPC 26 06-13-2020 \$2,500.00 TC 766 CRN 337 06-13-2020 \$1,250.00	TC 766 CRN 337 10-15-2017 \$2,500.00 TC 670 DPC 26 06-13-2020 \$2,500.00 TC 766 CRN 337 06-13-2020 \$1,250.00	TC 670 DPC 26 10-15-2017 \$2,500.00 TC 766 CRN 337 06-13-2020 \$250.00 TC 766 CRN 337 06-13-2020 \$250.00

- The MFT 01 has a payment dated 10-15-2017 that was cross referenced to both defendants to pay duplicate tax.
 - Both defendants made a payment on 06-13-2020 for \$2,500.00.
 - Based on the MMAs there is still \$500.00 duplicate tax owed between the defendants and the MFT 01, and \$2,500.00 duplicate tax owed between the defendants.
 - Each defendant pays half of the duplicate amounts. Cross reference \$250.00 from each defendant to the duplicate MFT 01, full paying the duplicate tax. Cross reference \$1,250.00 of the 06-13-2020 payments to the other defendant to full pay the duplicate tax between them. The cross references create an overpayment on each module that needs to be resolved.
- (8) When a payment on the RBA module or duplicate account is reversed or refunded, debit the amount on the related account(s) using TC 767 CRN 337 with a corresponding amount and date. **DO NOT** use a Reason Code or Priority Code when reversing previously cross-referenced payments.
- (9) Payments must be posted to reflect the originating payment application; for example, payments applied to tax are cross-referenced to tax; payments applied to penalties are cross-referenced to the same type of penalties, etc. See chart and examples below.

If	And	Then
TC 670 or other credit transaction is present	The total credits are not greater than the RBA amount	Cross-reference the payment and/or credit amount(s) to the related accounts with a duplicate assessment. Apply the payment/credit up to the amount(s) owed for the duplicate assessment. Do not overpay the account.
TC 670 or other credit transaction	The credit was fully reversed prior to cross-referencing	Do not cross-reference.
TC 670 or other credit transaction	The credit was fully or partially reversed subsequent to cross-referencing	Input TC 767 for the reversed, refunded, or offset amount.
TC 670 or other credit transaction	The credit was partially reversed, refunded or offset prior to cross-referencing	Cross-reference only the remaining payment/credit amount(s) to the related account(s). Do not cross-reference amounts that were reversed/refunded or offset.
TC 670 or other credit transaction	Any part of the payment/credit is applied to Failure to File (FTF) penalty	Cross-reference the payment/credit amount to the related accounts with a duplicate FTF assessment. Do not cross-reference amounts credited to FTF to other penalty amounts. Do not overpay the account.
TC 670 or other credit transaction	Any part of the payment/credit is applied to pay Failure to Pay (FTP) penalty	Cross-reference the payment/credit amount to the related accounts with a duplicate FTP assessment. Do not cross-reference amounts credited to FTP to other penalty amounts. Do not overpay the account.

If	And	Then
TC 680 Designated Interest	Posted to IMF/BMF	Do not cross-reference until all tax is paid. Exception: Designated interest can be cross referenced to an MFT 31 where duplicate, court ordered interest is assessed and restricting accruals.
TC 690 Designated Penalty	Posted to IMF/BMF	Cross-reference using normal payment application based on earliest date and type of penalty, i.e., designated penalty payments applied to FTF are cross-referenced to FTF on related accounts and designated penalty payments applied to FTP are cross-referenced to FTP on related accounts.

- (10) If one or more Defendants makes a payment with the same date that does not fully pay the duplicate RBA, cross-reference each payment to all related accounts.

Example: 3, Multiple Duplicate Co-Defendants with Non-Duplicate Fraud Penalty

TP1 MFT 31 TC 290 \$4,000.00	TP2 MFT 31 TC 290 \$4,000.00	TP3 MFT 31 TC 290 \$4,000.00 TC 320 \$1,000.00
TC 971 AC 188 to x-ref TP2 MFT 31 MMA = \$4,000.00 TC 971 AC 188 to x-ref TP3 MFT 31 MMA = \$4,000.00	TC 971 AC 188 to x-ref TP1 MFT 31 MMA = \$4,000.00 TC 971 AC 188 to x-ref TP3 MFT 31 MMA = \$4,000.00	TC 971 AC 189 to x-ref TP1 MFT 31 MMA = \$4,000.00 TC 971 AC 189 to x-ref TP2 MFT 31 MMA = \$4,000.00
TC 706 04-15-2014 \$1,500.00 TC 766 CRN 337 04-15-2014 \$945.00 TC 766 CRN 337 04-15-2014 \$85.00	TC 706 04-15-2014 \$945.00 TC 766 CRN 337 04-15-2014 \$1,500.00 TC 766 CRN 337 04-15-2014 \$85.00	TC 706 04-15-2014 \$85.00 TC 766 CRN 337 04-15-2014 \$945.00 TC 766 CRN 337 04-15-2014 \$1,500.00

- The payment dated 04-15-2014 for \$1,500.00 is cross-referenced to TP2 and TP3 to reduce the duplicate RBA.
 - The payment dated 04-15-2014 for \$945.00 is cross-referenced to TP1 and TP3 to reduce the duplicate RBA.
 - The payment dated 04-15-2014 for \$85.00 is cross-referenced to TP1 and TP2 to reduce the duplicate RBA.
- (11) If one or more defendants makes a payment that exceeds the duplicate RBA balance, apply payments in accordance with IRM 5.19.23.6. Caution must be taken to ensure payments are cross-referenced for “like” assessments, i.e., Fraud penalty to Fraud penalty, FTP to FTP, interest to interest, etc.
- (12) Always input detailed history items into AMS to document all actions taken and the specifics of the payment application **on both the MFT 31 and the civil account**. Input the history for the MFT and tax period of the originating payment and the MFT and tax period where the credit is applied.

5.19.23.3.3
(09-30-2014)

Payment

**Cross-Referencing / IMF
Case Types**

- (1) The following examples describe payment cross-referencing for IMF based Restitution Assessments.

5.19.23.3.3.1
(08-26-2025)

**Single Defendant and/or
Married Taxpayers Filing
Separate Returns with
No Co-Defendant**

- (1) The following examples describe payment cross-referencing for single defendant and/or married taxpayers filing separate returns with no co-defendant.

Example: 1, Duplicate RBA/Civil Assessment.

MFT 31	MFT 30
TC 290 \$5,000.00	TC 300 \$5,000.00
TC 971 AC 185 MMA= \$5,000.00	TC 971 AC 184 MMA= \$5,000.00
TC 670 DPC 26 10-15-2017 \$2,500.00 TC 670 DPC 26 10-30-2017 \$2,500.00	TC 766 CRN 337 10-15-2017 \$2,500.00 TC 766 CRN 337 10-30-2017 \$2,500.00

- The payment dated 10-15-2017 for \$2,500.00 is cross-referenced to MFT 30 to reduce the duplicate Civil assessment (TC 300).
- The payment dated 10-30-2017 for \$2,500.00 is cross-referenced to MFT 30 to fully pay the duplicate Civil assessment (TC 300).

Example: 2, Duplicate RBA/Civil Assessment with Non-Duplicate Fraud Penalty.

MFT 31	MFT 30
TC 290 \$5,000.00	TC 300 \$8,000.00 TC 320 \$6,000.00
TC 971 AC 184 MMA= \$5,000.00	TC 971 AC 185 MMA= \$5,000.00
TC 670 DPC 26 10-15-2017 \$2,500.00 TC 670 DPC 26 10-30-2017 \$2,500.00	TC 766 CRN 337 10-15-2017 \$2,500.00 TC 766 CRN 337 10-30-2017 \$2,500.00 TC 670 12-15-2017 \$3,000.00

- The payment dated 10-15-2017 for \$2,500.00 is cross-referenced to MFT 30 to reduce the duplicate Civil assessment (TC 300).
- The payment dated 10-30-2017 for \$2,500.00 is cross-referenced to MFT 30 to fully pay the amount of the Civil assessment (TC 300) that is duplicate.
- The payment dated 12-15-2017 for \$3,000.00 is applied to fully pay the remaining Civil assessment, then to the Fraud penalty. The remaining Civil assessment exceeds the duplicate amount and the Fraud penalty isn't duplicate; therefore, the payment isn't cross-referenced.

Example: 3, Duplicate RBA/Civil Assessment with Duplicate Fraud Penalty.

MFT 31	MFT 30
TC 290 \$5,000.00 TC 320 \$3,000.00	TC 300 \$8,000.00 TC 320 \$6,000.00
TC 971 AC 184 MMA= \$5,000.00 TC 971 AC 182 MMA= \$3,000.00	TC 971 AC 185 MMA= \$5,000.00 TC 971 AC 183 MMA= \$3,000.00
TC 670 DPC 26 10-15-2017 \$5,000.00 TC 766 CRN 337 11-3-2017 \$2,000.00 TC 670 DPC 26 12-15-2017 \$1,000.00	TC 766 CRN 337 10-15-2017 \$5,000.00 TC 670 11-3-2017 \$5,000.00 TC 766 CRN 337 12-15-2017 \$1,000.00

- The payment dated 10-15-2017 for \$5,000.00 is cross-referenced to MFT 30 to fully pay the amount of the Civil assessment (TC 300) that is duplicate.
- The payment dated 11-3-2017 for \$5,000.00 fully pays the remaining \$3,000.00 of the MFT 30 Civil assessment and \$2,000.00 of the Fraud penalty. \$2,000.00 is cross-referenced to MFT 31 Fraud penalty (TC 320) that is a duplicate.
- The payment dated 12-15-2017 for \$1,000.00 is cross-referenced to MFT 30 to fully pay the amount of the Fraud penalty (TC 320) that is a duplicate.

Example: 4, Duplicate RBA/Civil Assessment with Duplicate Fraud Penalty and a Previous Balance on MFT 30 Account.

MFT 31	MFT 30
TC 290 \$7,000.00 TC 320 \$3,000.00	TC 150 \$5,000.00 TC 300 \$8,000.00 TC 320 \$3,000.00
TC 971 AC 184 MMA= \$7,000.00 TC 971 AC 182 MMA= \$3,000.00	TC 971 AC 185 MMA= \$7,000.00 TC 971 AC 183 MMA= \$3,000.00
TC 670 DPC 26 10-15-2017 \$2,500.00 TC 766 CRN 337 11-03-2017 \$3,000.00 TC 670 DPC 26 12-15-2017 \$1,000.00 TC 766 CRN 337 03-12-2018 \$3,500.00	TC 670 07-26-2016 \$3,000.00 TC 766 CRN 337 10-15-2017 \$2,500.00 TC 670 11-03-2017 \$5,000.00 TC 766 CRN 337 12-15-2017 \$1,000.00 TC 670 03-12-2018 \$4,500.00

- The payment dated 07-26-2016 for \$3,000.00 pays part of the TC 150 for \$5,000.00. It isn't cross-referenced.
- Designated Restitution payment dated 10-15-2017 for \$2,500.00 pays part of the TC 290 for the duplicate RBA of \$7,000.00, leaving a balance of \$4,500.00. It is cross-referenced to the MFT 30 to reduce the duplicate amount of the Civil assessment TC 300 for \$8,000.00, leaving a balance of \$5,500.00.
- Payment dated 11-3-2017 for \$5,000.00 pays the balance of the \$2,000.00 from the TC 150. The remaining \$3,000.00 reduces the TC 300 of \$8,000.00 to \$2,500.00, and is cross-referenced to the MFT 31 RBA of \$7,000.00, now leaving a balance of \$1,500.00.
- Designated Restitution payment dated 12-15-2017 for \$1,000.00 reduces the RBA balance to \$500.00 and is cross-referenced to the Civil assessment, now leaving a balance of \$1,500.00.

- Payment dated 03-12-2018 for \$4,500.00 fully pays the remaining \$1,500.00 of the Civil Assessment and the entire TC 320 for the \$3,000.00 Fraud penalty. \$3,500.00 is cross-referenced to the MFT 31 to pay the remaining \$500.00 of the RBA and fully pay the duplicate Fraud penalty of \$3,000.00.

5.19.23.3.3.2
(08-26-2025)

**Single Defendant and/or
Married Taxpayers Filing
Separate Returns with
Co-Defendants**

- (1) The following example describes payment cross-referencing for single defendants and/or married taxpayers filing separate returns with a co-defendant.

Example: 5, Married Co-Defendants. No Duplicate Civil Assessment.

TPH MFT 31	TPW MFT 31
TC 290 \$5,000.00	TC 290 \$5,000.00
TC 971 AC 189 MMA= \$5,000.00	TC 971 AC 188 MMA = \$5,000.00
TC 670 DPC 26 10-15-2017 \$3,000.00 TC 670 DPC 26 10-30-2017 \$2,000.00	TC 766 CRN 337 10-15-2017 \$3,000.00 TC 766 CRN 337 10-30-2017 \$2,000.00

- \$3,000.00 of the payment dated 10-15-2017 is cross-referenced to TPW MFT 31 to credit the duplicate RBA (TC 971 AC 188 MMA).
 - The payment dated 10-30-2017 for \$2,000.00 is cross-referenced to TPW MFT 31 to fully pay the remaining amount of the duplicate RBA.
- (2) When payment(s) or credit(s) post to a defendant or co-defendant account where the duplicate restitution assessment amounts are different, cross-reference the payment or credit to the associated TIN(s), MFT(s), and tax period(s) of the duplicate assessments up to the amount of the assessment. Do not overpay the account.

Example: 6, Married Co-Defendants with different RBA amounts, paid by Lead.

TPH MFT 31	TPW MFT 31
TC 290 \$10,000.00	TC 290 \$5,000.00
TC 971 AC 189 MMA= \$5,000.00	TC 971 AC 188 MMA = \$5,000.00
TC 670 DPC 26 10-15-2017 \$5,000.00 TC 670 DPC 26 10-30-2017 \$2,500.00	TC 766 CRN 337 10-15-2017 \$5,000.00

- The payment dated 10-15-2017 for \$5,000.00 is cross-referenced to TPW MFT 31 to fully pay the amount of the RBA that is duplicate.
- The payment dated 10-30-2017 for \$2,500.00 is applied to the remaining balance of the TPH RBA and isn't cross-referenced.

Caution: When defendants owe different duplicate assessment amounts for the same period, do not apply more than the duplicate assessment amount identified by the MMA.

Example: 7, Married Co-Defendants with different RBA amounts, both made payments.

TPH MFT 31	TPW MFT 31
TC 290 \$10,000.00	TC 290 \$5,000.00
TC 971 AC 189 MMA= \$5,000.00	TC 971 AC 188 MMA = \$5,000.00
TC 766 CRN 337 10-01-2017 \$3,000.00 TC 670 DPC 26 07-15-2018 \$5,000.00 TC 670 DPC 26 10-30-2018 \$2,000.00	TC 670 DPC 26 10-01-2017 \$3,000.00 TC 766 CRN 337 07-15-2018 \$2,000.00

- The payment dated 10-01-2017 for \$3,000.00 is cross-referenced to TPH MFT 31 account.
- \$2,000.00 of the payment dated 07-15-2018 for \$5,000.00 is cross-referenced to TPW MFT 31 to fully pay the duplicate RBA. The remaining \$3,000.00 reduces the remaining RBA on TPH MFT 31.
- The payment dated 10-30-2018 for \$2,000.00 fully pays the remaining RBA on TPH MFT 31.

Caution: When defendants owe different duplicate assessment amounts for the same period, do not apply more than the duplicate assessment amount identified by the MMA.

5.19.23.3.3.3
(08-26-2025)

(1) See Examples 8 and 9 below.

Married Taxpayers Filing Joint Returns with No Co-Defendant

Example: 8, Joint Return, only Taxpayer Husband (TPH) Liable. Duplicate Civil Assessment.

TPH MFT 31	TPH (primary SSN on joint) MFT 30
TC 290 \$10,000.00	TC 300 \$10,000.00 TC 320 \$3,000.00
TC 971 AC 184 MMA = \$10,000.00	TC 971 AC 185 MMA = \$10,000.00
TC 766 CRN 337 10-15-2016 \$7,500.00 TC 766 CRN 337 10-30-2017 \$2,500.00	TC 670 10-15-2016 \$7,500.00 TC 670 10-30-2017 \$2,500.00 TC 670 12-15-2017 \$3,000.00

- The payment dated 10-15-2016 for \$7,500.00 is cross-referenced to MFT 31 to reduce the duplicate RBA (TC 290).
- The payment dated 10-30-2017 for \$2,500.00 is cross-referenced to MFT 31 to fully pay the duplicate RBA (TC 290).
- The payment dated 12-15-2017 for \$3,000.00 is applied to fully pay the Fraud penalty. The Fraud penalty isn't duplicate; therefore, the payment isn't cross-referenced.

Example: 9, Joint Return, only Taxpayer Wife (TPW) Liable. Duplicate Civil Assessment and Fraud Penalty.

TPW MFT 31	TPH (primary SSN on joint) MFT 30
TC 290 \$15,000.00 TC 320 \$3,000.00	TC 300 \$8,000.00 TC 320 \$3,000.00

TPW MFT 31	TPH (primary SSN on joint) MFT 30
TC 971 AC 185 MMA= \$8,000.00 TC 971 AC 183 MMA= \$3,000.00	TC 971 AC 184 MMA= \$8,000.00 TC 971 AC 182 MMA= \$3,000.00
TC 670 DPC 26 10-15-2017 \$5,000.00 TC 766 CRN 337 11-03-2017 \$5,000.00 TC 670 DPC 26 12-15-2017 \$3,000.00	TC 766 CRN 337 10-15-2017 \$5,000.00 TC 670 11-3-2017 \$5,000.00

- The payment dated 10-15-2017 for \$5,000.00 is cross-referenced to MFT 30 to reduce the amount of the Civil assessment (TC 300) that is duplicate.
- The payment dated 11-3-2017 for \$5,000.00 fully pays the remaining amount of the Civil assessment that is duplicate and \$2,000.00 of the assessed Fraud penalty. \$5,000.00 is cross-referenced to MFT 31; \$3,000 fully pays the amount of the RBA that is duplicate, leaving a balance of \$7,000.00, and \$2,000.00 reduces the Fraud penalty (TC 320) that is duplicate.
- The payment dated 12-15-2017 for \$3,000.00 is applied to the outstanding RBA balance of \$7,000.00 and isn't cross-referenced to MFT 30.

5.19.23.3.3.4
(08-26-2025)

(1) See Examples 10 through 13 below.

Married Taxpayers Filing Joint with Co-Defendants *Example: 10, Married Co-defendants with Duplicate Civil Assessments.*

TPH MFT 31	TPW MFT 31	TPH MFT 30
TC 290 \$5,000.00	TC 290 \$5,000.00	TC 300 \$5,000.00
TC 971 AC 185 points to TPH MFT 30 MMA = \$5,000.00 TC 971 AC 189 points to TPW MFT 31 MMA = \$5,000.00	TC 971 AC 184 points to TPH MFT 30 MMA = \$5,000.00 TC 971 AC 188 points to TPH MFT 31 MMA = \$5,000.00	TC 971 AC 184 points to TPH MFT 31 MMA = \$5,000.00 TC 971 AC 184 points to TPW MFT 31 MMA = \$5,000.00
TC 670 DPC 26 10-15-2017 \$2,500.00 TC 670 DPC 26 10-30-2017 \$2,500.00	TC 766 CRN 337 10-15-2017 \$2,500.00 TC 766 CRN 337 10-30-2017 \$2,500.00	TC 766 CRN 337 10-15-2017 \$2,500.00 TC 766 CRN 337 10-30-2017 \$2,500.00

- The payment dated 10-15-2017 for \$2,500.00 is cross-referenced to TPH MFT 30 to reduce the duplicate Civil assessment (TC 300) and TPW MFT 31 to reduce the duplicate RBA (TC 290).
- The payment dated 10-30-2017 for \$2,500.00 is cross-referenced to TPH MFT 30 to fully pay the duplicate Civil assessment (TC 300) and TPW MFT 31 to fully pay the duplicate RBA (TC 290).

Example: 11, Married Co-defendants with Duplicate Civil Assessments and Non-Duplicate Fraud Penalty.

TPH MFT 31	TPW MFT 31	TPH MFT 30
TC 290 \$5,000.00	TC 290 \$5,000.00	TC 300 \$8,000.00 TC 320 \$3,000.00
TC 971 AC 189 points to TPW MFT 31 MMA = \$5,000.00	TC 971 AC 188 points to TPH MFT 31 MMA = \$5,000.00	TC 971 AC 184 points to TPW MFT 31 MMA = \$5,000.00
TC 971 AC 185 points to TPH MFT 30 MMA = \$5,000.00	TC 971 AC 184 points to TPH MFT 30 MMA = \$5,000.00	TC 971 AC 184 points to TPH MFT 31 MMA = \$5,000.00
TC 670 DPC 26 10-15-2017 \$2,500.00 TC 670 DPC 26 10-30-2017 \$1,000.00 TC 766 CRN 337 01-27-2018 \$1,500.00	TC 766 CRN 337 10-15-2017 \$2,500.00 TC 766 CRN 337 10-30-2017 \$1,000.00 TC 766 CRN 337 01-27-2018 \$1,500.00	TC 766 CRN 337 10-15-2017 \$2,500.00 TC 766 CRN 337 10-30-2017 \$1,000.00 TC 670 12-15-2017 \$3,000.00 TC 670 01-27-2018 \$2,000.00

- The payment dated 10-15-2017 for \$2,500.00 is cross-referenced to TPH MFT 30 to reduce the amount of the Civil assessment (TC 300) that is duplicate and to TPW MFT 31 to reduce the duplicate RBA (TC 290).
- The payment dated 10-30-2017 for \$1,000.00 is cross-referenced to TPH MFT 30 to reduce the amount of the Civil assessment (TC 300) that is duplicate and to TPW MFT 31 to reduce the duplicate RBA (TC 290).
- The payment dated 12-15-2017 for \$3,000.00 is applied to the TPH MFT 30 Civil assessment. This reduces the civil assessment (TC 300) to the MMA amount and is considered non duplicate. It isn't cross-referenced to pay the RBAs.
- The payment dated 1-27-2018 for \$2,000.00 fully pays the remaining \$1,500.00 of the TPH MFT 30 Civil assessment and \$500.00 is applied to reduce the TPH MFT 30 Fraud penalty. The Fraud penalty isn't duplicate; therefore, only \$1,500.00 of the payment is cross-referenced to TPH MFT 31 and TPW MFT 31 to fully pay the duplicate RBA.

Example: 12, Married Co-defendants with Duplicate Civil Assessments and Duplicate Fraud Penalty.

TPH MFT 31	TPW MFT 31	TPH MFT 30
TC 290 \$5,000.00 TC 320 \$3,000.00	TC 290 \$5,000.00 TC 320 \$3,000.00	TC 300 \$8,000.00
TC 971 AC 188 points to TPW MFT 31 MMA = \$5,000.00	TC 971 AC 189 points to TPH MFT 31 MMA = \$5,000.00	TC 971 AC 184 points to TPH MFT 31 MMA = \$5,000.00
TC 971 AC 184 points to TPH MFT 30 MMA = \$5,000.00	TC 971 AC 185 points to TPH MFT 30 MMA = \$5,000.00	TC 971 AC 184 points to TPW MFT 31 MMA = \$5,000.00
TC 971 AC 182 points to TPW MFT 31 MMA = \$3,000.00	TC 971 AC 183 points to TPH MFT 31 MMA = \$3,000.00	blank

TPH MFT 31	TPW MFT 31	TPH MFT 30
TC 670 DPC 26 10-15-2017 \$2,500.00 TC 670 DPC 26 10-30-2017 \$2,500.00 TC 670 12-15-2017 \$2,500.00	TC 766 CRN 337 10-15-2017 \$2,500.00 TC 766 CRN 337 10-30-2017 \$2,500.00 TC 766 CRN 337 12-15-2017 \$2,500.00	TC 766 CRN 337 10-15-2017 \$2,500.00 TC 766 CRN 337 10-30-2017 \$2,500.00

- The payment dated 10-15-2017 for \$2,500.00 is cross-referenced to TPH MFT 30 to reduce the amount of the Civil assessment (TC 300) that is duplicate and to TPW MFT 31 to reduce the duplicate RBA (TC 290).
- The payment dated 10-30-2017 for \$2,500.00 is cross-referenced to TPH MFT 30 to fully pay the amount of the Civil assessment (TC 300) that is duplicate and to TPW MFT 31 to fully pay the duplicate RBA (TC 290).
- The payment dated 12-15-2017 for \$2,500.00 is cross-referenced to TPW MFT 31 to reduce the duplicate Fraud penalty (TC 320). The payment isn't cross-referenced to TPH MFT 30 since there is no Fraud penalty assessment.

Example: 13, Married Co-Defendants with Duplicate Civil Assessment, Different Assessment Amounts.

TPH MFT 31	TPW MFT 31	TPH MFT 30
TC 290 \$15,000.00	TC 290 \$10,000.00	TC 300 \$10,000.00
TC 971 AC 189 points to TPW MFT 31 MMA= \$10,000.00	TC 971 AC 188 points to TPH MFT 31 MMA= \$10,000.00	TC 971 AC 184 points to TPW MFT 31 MMA= \$10,000.00
TC 971 AC 185 points to TPH MFT 30 MMA= \$10,000.00	TC 971 AC 184 points to TPH MFT 30 MMA= \$10,000.00	TC 971 AC 184 points to TPH MFT 31 MMA= \$10,000.00
TC 670 DPC 26 10-15-2017 \$5,000.00 TC 670 DPC 26 10-30-2017 \$5,000.00 TC 670 DPC 26 11-15-2017 \$5,000.00	TC 766 CRN 337 10-15-2017 \$5,000.00 TC 766 CRN 337 10-30-2017 \$5,000.00	TC 766 CRN 337 10-15-2017 \$5,000.00 TC 766 CRN 337 10-30-2017 \$5,000.00

- The payment dated 10-15-2017 for \$5,000.00 is cross-referenced to TPH MFT 30 to reduce amount of the Civil assessment (TC 300) that is duplicate and to TPW MFT 31 to reduce the duplicate RBA (TC 290).
- The payment dated 10-30-2017 for \$5,000.00 is cross-referenced to TPH MFT 30 to fully pay the amount of the Civil assessment (TC 300) that is duplicate and to TPW MFT 31 to fully pay the duplicate RBA (TC 290).
- The payment dated 11-15-2017 for \$5,000.00 is applied to TPH MFT 31 to full pay the RBA (TC 290). It not cross-referenced.

Caution: When defendants owe different duplicate assessment amounts for the same period, do not apply more than the duplicate assessment amount identified by the MMA.

5.19.23.3.3.5
(08-26-2025)

(1) See Example 14 & 15 below.

**Married Taxpayers Filing
Joint Returns with More
Than One Co-Defendant**

**Example: 14, Multiple Co-Defendants with Duplicate RBA/Civil Assessments
and Duplicate Fraud Penalty.**

TPH MFT 31	TPW MFT 31	TP3 MFT 31	TPH MFT 30
TC 290 \$5,000.00 TC 320 \$3,000.00	TC 290 \$5,000.00	TC 290 \$5,000.00	TC 300 \$10,000.00 TC 320 \$3,000.00
TC 971 AC 189 points to TPW MFT 31. MMA = \$5,000.00	TC 971 AC 188 points to TPH MFT 31. MMA = \$5,000.00	TC 971 AC 188 points to TPH MFT 31. MMA = \$5,000.00	TC 971 AC 185 points to TPH MFT 31 (MMA = \$5,000.00)
TC 971 AC 189 points to TP3 MFT 31. MMA = \$5,000.00	TC 971 AC 188 points to TP3 MFT 31. MMA = \$5,000.00	TC 971 AC 188 points to TPH MFT 31. MMA = \$5,000.00	TC 971 AC 185 points to TPW MFT 31 (MMA = \$5,000.00)
TC 971 AC 184 points to TPH MFT 30. MMA = \$5,000.00	TC 971 AC 184 points to TPH MFT 30. MMA = \$5,000.00	TC 971 AC 184 points to TPH MFT 30. MMA = \$5,000.00	TC 971 AC 185 points to TP3 MFT 31 (MMA = \$5,000.00)
TC 971 AC 182 points to TPH MFT 30. MMA = \$3,000.00	blank	blank	TC 971 AC 183 points to TPH MFT 31 (MMA = \$3,000.00)
TC 670 DPC 26 10-15- 2017 \$5,000.00 TC 670 DPC 26 12-15- 2017 \$3,000.00	TC 766 CRN 337 10- 15-2017 \$5,000.00	TC 766 CRN 337 10- 15-2017 \$5,000.00	TC 766 CRN 337 10- 15-2017 \$5,000.00 TC 670 10-30-2017 \$4,000.00 TC 766 CRN 337 12- 15-2017 \$3,000.00

- The payment dated 10-15-2017 for \$5,000.00 is cross-referenced to TPH MFT 30 to reduce the Civil assessment (TC 300) that is duplicate and to TPW MFT 31 and TP3 MFT 31 to fully pay the duplicate RBA (TC 290).
- The payment dated 10-30-2017 for \$4,000.00 is applied to the TPH civil assessment. This reduces the civil assessment (TC 300) to the MMA amount and is considered non duplicate. It isn't cross-referenced to pay the RBAs.
- The payment dated 12-15-2017 for \$3,000.00 fully pays the TPH MFT 31 Fraud penalty (TC 320), and is cross-referenced to TPH MFT 30 to fully pay the duplicate Fraud penalty (TC 320). A balance of \$1,000.00 remains on the non-duplicate TPH MFT 30 Civil Assessment.

Example: 15, Multiple Defendants with Duplicate RBA, No Duplicate Civil Assessments.

TPH MFT 31	TPW MFT 31	TP3 MFT 31
TC 290 \$20,000.00	TC 290 \$15,000.00	TC 290 \$8,000.00

TPH MFT 31	TPW MFT 31	TP3 MFT 31
TC 971 AC 189 points to TPW MFT 31 MMA= \$15,000.00 TC 971 AC 189 points to TP3 MFT 31 MMA= \$8,000.00	TC 971 AC 188 points to TPH MFT 31 MMA= \$15,000.00 TC 971 AC 188 points to TP3 MFT 31 MMA= \$8,000.00	TC 971 AC 188 points to TPH MFT 31 MMA= \$8,000.00 TC 971 AC 188 points to TPW MFT 31 MMA= \$8,000.00
TC 766 CRN 337 10-30-2016 \$8,000.00 TC 766 CRN 337 10-15-2017 \$5,000.00 TC 670 DPC 26 7-15-2019 \$5,000.00	TC 766 CRN 337 10-30-2016 \$8,000.00 TC 670 DPC 26 10-15-2017 \$5,000.00 TC 766 CRN 337 7-15-2019 \$2,000.00	TC 670 DPC 26 10-30-2016 \$8,000.00

- The payment dated 10-30-2016 for \$8,000.00 is cross-referenced to TPH and TPW MFT 31 accounts to fully satisfy the duplicate amount of RBA attributed to TP3.
- The payment dated 10-15-2017 for \$5,000.00 is cross-referenced to TPH to reduce the duplicate RBA. Because the duplicate amount has been fully satisfied for TP3, the payment isn't cross-referenced to that account.
- \$2,000.00 of the payment dated 7-15-2019 for \$5,000.00 is cross-referenced to TPW to fully satisfy the duplicate amount. The remaining \$3,000.00 is applied to remaining balance of RBA for TPH and isn't cross-referenced.

5.19.23.3.4
(06-30-2017)

**Payment
Cross-Referencing /
BMF Case Types**

- (1) The following examples describe payment cross-referencing for BMF based Restitution Assessments.
- (2) BMF case types may include duplicate RBA and/or Civil assessments related to the Defendant's individual income tax (MFT 30), in addition to multiple BMF tax types (MFT 01, 02, 10, etc.). These assessments will appear as multiple assessments on MFT 31 however, they are not duplicate assessments to each other.

- Apply payments/credits or debits from the restitution module MFT 31 to the assessments in the order they appear on the module.

Exception: On BMF accounts with multiple assessments where some have LCU, the payments must be applied to the account with the earliest effective date with the highest tax first. See IRM 20.2.5.8, Large Corporate Underpayments (LCU), and IRM 20.2.11.13, Restitution Based Assessments (RBA).

Note: When multiple assessments are posted for the same amount and LCU applies, request the assessment (TC 298) Document Locator Number (DLN) and review the source document(s) to identify which assessment(s) belong to those accounts where the LCU applies.

- Cross-reference the RBA payment to the corresponding civil tax module to reduce the duplicate assessment amount.
- Cross-reference payments/credits/debits from the civil tax module(s) only to the restitution module, MFT 31 to reduce the duplicate RBA.

5.19.23.3.4.1
(08-26-2025)

**Employment Tax - Form
941**

(1) The following example describes payment cross-referencing for duplicate RBA with a Civil assessment on Form 941.

Example: 1, Duplicate RBA and Civil Assessment.

MFT 31 201103 111-XX-XXXX	MFT 01 201103 XX-XXX0123
TC 298 12-31-2017 \$5,000.00	TC 300 06-18-2017 \$5,000.00
TC 971 AC 185 points to MFT 01 MMA = \$5,000.00	TC 971 AC 184 points to MFT 31 MMA = \$5,000.00
TC 670 01-15-2018 \$1,000.00 TC 670 03-05-2018 \$1,000.00 TC 766 CRN 337 05-15-2018 \$2,000.00	TC 766 CRN 337 01-15-2018 \$1,000.00 TC 766 CRN 337 03-05-2018 \$1,000.00 TC 670 05-15-2018 \$2,000.00

- The payments dated 01-15-2018 and 03-05-2018 are applied to MFT 31 to reduce the RBA assessment (TC 298) and are cross-referenced to MFT 01 to reduce the Civil Assessment (TC 300).
- The payment dated 05-15-2018 is applied to MFT 01 to reduce the Civil assessment (TC 300) and is cross-referenced to MFT 31 to reduce the RBA assessment (TC 298).

5.19.23.3.4.2
(08-26-2025)

**Federal Unemployment
Tax Act Tax – Form 940**

(1) The following example describes payment cross-referencing for duplicate RBA with a Civil assessment on Form 940.

Example: 2, Duplicate RBA and Civil Assessment

MFT 31 201312 111-XX-XXXX	MFT 10 201312 XX-XXX0123
TC 298 \$10,000.00	TC 300 \$15,000.00
TC 971 AC 184 points to MFT 10 XX-XXX0123 MMA = \$5,000.00	TC 971 AC 185 points to MFT 31 111-XX-XXXX MMA = \$5,000.00
TC 670 DPC 26 06-12-2017 \$10,000.00	TC 766 CRN 337 06-12-2017 \$5,000.00 TC 670 10-15-2017 \$2,500.00

- The payment dated 06-12-2017 for \$10,000.00 is applied to MFT 31 full paying the Restitution Assessment (TC 298). \$5,000.00 of the payment is cross-referenced to MFT 10 to full pay the duplicate amount of the Civil Assessment (TC 300).
- The payment dated 10-15-2017 for \$2,500.00 is applied to MFT 10 to reduce the Civil Assessment (TC 300). Since the Civil Assessment is more than the duplicate RBA amount, the payment isn't cross-referenced to MFT 31.

Caution: The MMA amount is the duplicate amount between linked accounts. The MMA does not always match the assessment amount. Do not cross-reference more than the duplicate amount for tax.

5.19.23.3.4.3
(08-26-2025)

**Corporate Tax – Form
1120 Fiscal Year Filer**

- (1) The following example describes payment cross-referencing for duplicate RBA with a Civil assessment for a fiscal year filer of Form 1120.

Example: 3, Duplicate RBA and Civil Assessment.

MFT 31 201310 222-XX-XXXX	MFT 02 201310 XX-XXX1234
TC 298 \$10,000.00	TC 300 \$10,000.00
TC 971 AC 185 points to MFT 02 XX-XXX1234 201310 MMA = \$10,000.00	TC 971 AC 184 points to MFT 31 222-XX-XXXX 201310 MMA = \$10,000.00
TC 670 DPC 26 06-15-2017 \$2,500.00 TC 670 DPC 26 07-15-2017 \$2,500.00 TC 670 DPC 26 08-15-2017 \$2,500.00	TC 766 CRN 337 06-15-2017 \$2,500.00 TC 766 CRN 337 07-15-2017 \$2,500.00 TC 766 CRN 337 08-15-2017 \$2,500.00

- The payment dated 06-15-2017 for \$2,500.00 is applied to MFT 31 to reduce the duplicate Restitution Based Assessment (TC 298) and is cross-referenced to MFT 02 to reduce the duplicate Civil Assessment (TC 300).
- The payment dated 07-15-2017 for \$2,500.00 is applied to MFT 31 to reduce the duplicate Restitution Based Assessment (TC 298) and is cross-referenced to MFT 02 to reduce the duplicate Civil Assessment (TC 300).
- The payment dated 08-15-2017 for \$2,500.00 is applied to MFT 31 to reduce the duplicate Restitution Based Assessment (TC 298) and is cross-referenced to MFT 02 to reduce the duplicate Civil Assessment (TC 300).

Note: A business may be assessed RBA for multiple tax periods and/or tax types for the same tax year; however, these are not considered duplicate assessments. Separate MFT 31 accounts are established for each tax period.

5.19.23.3.4.4
(08-26-2025)

**Corporate Tax Form
1120 and Form 1040**

- (1) The following example describes payment cross-referencing for duplicate RBA with a Civil assessment for Form 1120 and the defendants individual income tax Form 1040.

Example: 4, Duplicate RBA and BMF and IMF Assessments.

MFT 31 201212 222-XX-XXXX	MFT 30 201212 222-XX-XXXX	MFT 02 201212 XX-XXX3456
TC 290 \$10,000.00 TC 298 \$15,000.000	TC 300 \$10,000.00	TC 300 \$15,000.00
TC 971 AC 185 points to MFT 30 222-XX-XXXX 201212 MMA = \$10,000	TC 971 AC 184 points to MFT 31 222-XX-XXXX 201212 MMA = \$10,000.00	blank
TC 971 AC 185 points to MFT 02 XX-XXX3456 201212 MMA = \$15,000	blank	TC 971 AC 184 points to MFT 31 222-XX-XXXX 201212 MMA = \$15,000.00
TC 670 05-15-2017 \$10,000.00 TC 670 01-15-2018 \$2,000.00 TC 670 03-05-2018 \$3,000.0	TC 766 CRN 337 05-15-2017 \$10,000.00	TC 766 CRN 337 01-15-2018 \$2,000.00 TC 766 CRN 337 03-15-2018 \$3,000.00

- The payment dated 05-15-2017 for \$10,000.00 applied to MFT 31 is cross-referenced to MFT 30 to full pay the duplicate Civil Assessment (TC 300) since it is the first assessment on the module.
- The payment dated 01-15-2018 for \$2,000.00 applied to MFT 31 is cross-referenced to MFT 02 to reduce the duplicate Civil Assessment (TC 300) since it is the second assessment (TC 298) on the module.
- The payment dated 03-05-2018 for \$3,000.00 applied to MFT 31 is cross-referenced to MFT 02 to reduce the duplicate Civil Assessment (TC 300) since it is the second assessment (TC 298) on the module. Leaving a balance of \$10,000.00.

5.19.23.3.4.5
(08-26-2025)

Employment Tax - Form 941; Federal Unemployment Tax Act Tax – Form 940 and Individual Income Tax Form 1040

- (1) The following example describes payment cross-referencing for duplicate RBA with a Civil assessment for Forms 941, 940 and the defendants individual income tax Form 1040.

Example: 5. Duplicate RBA with IMF and Multiple BMF Civil Assessments.

MFT 31 333-XX-XXXX 201212	MFT 01 XX-XXX4567 201212	MFT 30 333-XX-XXXX	MFT 10 XX-XXX4567 201212
TC 298 \$5,000.00 TC 290 \$10,000.00 TC 298 \$5,000.00	TC 300 \$5,000.00	TC 300 \$10,000.00	TC 300 \$5,000.00
TC 971 AC 185 points to MFT 01 XX-XX4567 201212 MMA = \$5,000.00	TC 971 AC 184 points to MFT 31 333-XX-XXXX 201212 MMA = \$5,000.00	blank	blank
TC 971 AC 185 points to MFT 30 333-XX-XXXX 201212 MMA = \$10,000.00	blank	TC 971 AC 184 points to MFT 31 333-XX-XXXX 201212 MMA = \$10,000.00	blank
TC 971 AC 185 points to MFT 10 XX-XX4567 201212 MMA = \$5,000.00	blank	blank	TC 971 AC 184 points to MFT 31 333-XX-XXXX 201212 MMA = \$5,000.00
TC 670 DPC 26 03-15-2017 \$5,000.00 TC 766 CRN 337 04-01-2017 \$2,500.00 TC 670 DPC 26 04-15-2017 \$7,500.00 TC 670 DPC 26 06-15-2017 \$5,000.00	TC 766 CRN 337 03-15-2017 \$5,000.00	TC 670 04-01-2017 \$2,500.00 TC 766 CRN 337 04-15-2017 \$7,500.00	TC 766 CRN 337 06-15-2017 \$5,000.00

- The payment dated 03-15-2017 for \$5,000.00 is applied to MFT 31 to reduce the duplicate Restitution Based Assessment(s). The payment is cross-referenced to MFT 01 to full pay the duplicate Civil Assessment (TC 300) since it is the first assessment (TC 298) on the module.

- The payment dated 04-01-2017 for \$2,500.00 is applied to MFT 30 to reduce the duplicate Civil Assessment (TC 300) and is cross-referenced to MFT 31 to reduce the duplicate Restitution Based Assessment (TC 290). The payment isn't cross-referenced to MFT 10 because the assessment isn't duplicate to that Civil assessment.
- The payment dated 04-15-2017 for \$7,500.00 is applied to MFT 31 to reduce the duplicate Restitution Based Assessment(s). Since the duplicate assessment listed first (TC 298 \$5,000) was paid with a prior payment, the payment is cross-referenced to MFT 30 and full pays the duplicate Civil Assessment (TC 300) for that module. The TC 290 posted second on the module so it gets paid second. The payment isn't cross-referenced to MFT 10 because the assessment isn't duplicate to that Civil assessment.
- The payment dated 06-15-2017 for \$5,000.00 is applied to MFT 31 to full pay the duplicate Restitution Based assessment(s) and is cross-referenced to MFT 10 to full pay the duplicate Civil Assessment (TC 300).

5.19.23.3.4.6
(08-26-2025)

**Federal Unemployment
Tax Act Tax – Form 940
With Duplicate Fraud
Penalty**

- (1) The following example describes payment cross-referencing for duplicate RBA with a Civil assessment for Form 940 with a duplicate Fraud penalty.

Example: 6. Duplicate RBA and Civil Assessment with Duplicate Fraud Penalty.

MFT 31 201312 111-XX-XXXX	MFT 10 201312 XX-XXX5678
TC 298 \$15,000.00 TC 320 \$5,000.00	TC 300 \$10,000.00 TC 320 \$ 3,000.00
TC 971 AC 185 points to MFT 10 XX-XXX5678 MMA = \$10,000.00 TC 971 AC 183 points to MFT 10 XX-XXX5678 MMA = \$3,000.00	TC 971 AC 184 points to MFT 31 111-XX-XXXX MMA = \$10,000.00 TC 971 AC 182 points to MFT 31 111-XX-XXXX MMA = \$3,000.00
TC 670 DPC 26 03-10-2017 \$5,000.00 TC 670 DPC 26 04-10-2017 \$5,000.00 TC 670 DPC 26 05-10-2017 \$5,000.00 TC 670 06-10-2017 \$5,000.00	TC 766 CRN 337 03-10-2017 \$5,000.00 TC 766 CRN 337 04-10-2017 \$5,000.00 TC 766 CRN 337 06-10-2017 \$3,000.00

- The payment dated 03-10-2017 for \$5,000.00 is applied to MFT 31 to reduce the duplicate Restitution Based Assessment (TC 298) and is cross-referenced to MFT 10 to reduce the duplicate Civil Assessment (TC 300).
- The payment dated 04-10-2017 for \$5,000.00 is applied to MFT 31 to full pay the duplicate Restitution Based Assessment (TC 298) and is cross-referenced to MFT 10 to reduce the duplicate Civil Assessment (TC 300).
- The payment dated 05-10-2017 for \$5,000.00 is applied to MFT 31 to full pay the Restitution Based Assessment (TC 298) and isn't cross-referenced since it exceeds the MMA amount.
- The payment dated 06-10-2017 for \$5,000.00 is applied to MFT 31 to full pay the duplicate Fraud Penalty and \$3,000.00 of it is cross-referenced to MFT 10 to full pay the duplicate Fraud Penalty (TC 320).

5.19.23.3.4.7

(08-26-2025)

**FICA Tax – Form 941
with More Than One
Co-Defendant**

(1) See example 7 and 8 below.

Example: 7, Duplicate Co-Defendants with Non Duplicate Civil Assessment.

TP 1 MFT 31 111-XX-XXXX 201309	TP 2 MFT 31 222-XX-XXXX 201309	TP 3 MFT 31 333-XX-XXXX 201309	MFT 01 XX-XXX6789 201309
TC 298 \$10,000.00	TC 298 \$10,000.00	TC 298 \$10,000.00	TC 150 \$.00
TC 971 AC 189 points to TP2 MFT 31 222-XX-XXXX MMA = \$10,000.00	TC 971 AC 188 points to TP1 MFT 31 111-XX-XXXX MMA = \$10,000.00	TC 971 AC 188 points to TP1 MFT 31 111-XX-XXXX MMA = \$10,000.00	TC 971 AC 181 points to TP1 MFT 31 111-XX-XXXX MMA = \$.00
TC 971 AC 189 points to TP3 MFT 31 333-XX-XXXX MMA = \$10,000.00	TC 971 AC 188 points to TP3 MFT 31 333-XX-XXXX MMA = \$10,000.00	TC 971 AC 188 points to TP2 MFT 31 222-XX-XXXX MMA = \$10,000.00	TC 971 AC 181 points to TP2 MFT 31 222-XX-XXXX MMA = \$.00
TC 971 AC 180 points to MFT 01 XX-XXX6789 MMA = \$.00	TC 971 AC 180 points to MFT 01 XX-XXX6789 MMA = \$.00	TC 971 AC 180 points to MFT 01 XX-XXX6789 MMA = \$.00	TC 971 AC 181 points to TP3 MFT 31 333-XX-XXXX MMA = \$.00
TC 670 DPC 26 02-10-2017 \$2,500.00 TC 766 CRN 337 03-10-2017 \$2,500.00 TC 766 CRN 337 04-10-2017 \$2,500.00	TC 766 CRN 337 02-10-2017 \$2,500.00 TC 670 DPC 26 03-10-2017 \$2,500.00 TC 766 CRN 337 04-10-2017 \$2,500.00	TC 766 CRN 337 02-10-2017 \$2,500.00 TC 766 CRN 337 03-10-2017 \$2,500.00 TC 670 DPC 26 04-10-2017 \$2,500.00	blank

- The payment dated 02-10-2017 for \$2,500.00 is applied to TP1's MFT 31 to reduce the duplicate Restitution Based Assessment (TC 298) and is cross-referenced to TP2 and TP3's MFT 31 to reduce the duplicate Restitution Based Assessment (TC 298).
- The payment dated 03-10-2017 for \$2,500.00 is applied to TP2's MFT 31 to reduce the duplicate Restitution Based Assessment (TC 298) and is cross-referenced to TP1 and TP3's MFT 31 to reduce the duplicate Restitution Based Assessment (TC 298).
- The payment dated 04-10-2017 for \$2,500.00 is applied to TP3's MFT 31 to reduce the duplicate Restitution Based Assessment (TC 298) and is cross-referenced to TP1 and TP2's MFT 31 to reduce the duplicate Restitution Based Assessment (TC 298).

Example: 8 Multiple Defendants with Duplicate RBA/Civil Assessment and Court ordered Interest. Underlying tax liability is TC 150, Different Assessment Amounts.

TP 1 MFT 31 111-XX-XXXX 201309	TP 2 MFT 31 222-XX-XXXX 201309	TP 3 MFT 31 333-XX-XXXX 201309	MFT 01 XX-XXX6789 201309
TC 298 \$20,000.00 TC 340 \$1,000.00	TC 298 \$10,000.00 TC 340 \$500.00	TC 298 \$5,000.00 TC 340 \$250.00	TC 150 10-31-2014 \$60,000.00 TC 196 11-21-2014 \$4,700.00
TC 971 AC 184 points to MFT 01 XX-XXX6789 20130909 MMA = \$20,000.00	TC 971 AC 184 points to MFT 01 XX-XXX6789 20130909 MMA = \$10,000.00	TC 971 AC 184 points to MFT 01 XX-XXX6789 201309 MMA = \$5,000.00	TC 971 AC 185 points to TP1 MFT 31 111-XX- XXXX MMA = \$20,000.00
TC 971 AC 189 points to TP2 MFT 31 222-XX- XXXX MMA = \$10,000.00	TC 971 AC 188 points to TP1 MFT 31 111-XX- XXXX MMA = \$10,000.00	TC 971 AC 188 points to TP1 MFT 31 111-XX- XXXX MMA = \$5,000.00	TC 971 AC 185 points to TP2 MFT 31 222-XX- XXXX MMA = \$10,000.00
TC 971 AC 189 points to TP3 MFT 31 333-XX- XXXX MMA = \$5,000.00	TC 971 AC 188 points to TP3 MFT 31 333-XX- XXXX MMA = \$5,000.00	TC 971 AC 188 points to TP2 MFT 31 222-XX- XXXX MMA = \$5,000.00	TC 971 AC 185 points to TP3 MFT 31 333-XX- XXXX MMA = \$5,000.00
TC 670 DPC 26 02-10- 2017 \$2,500.00 TC 766 CRN 337 03- 10-2017 \$2,500.00 TC 766 CRN 337 04- 10-2017 \$250.00	TC 766 CRN 337 02- 10-2017 \$2,500.00 TC 670 DPC 26 03-10- 2017 \$2,500.00 TC 766 CRN 337 04- 10-2017 \$250.00	TC 766 CRN 337 02- 10-2017 \$2,500.00 TC 766 CRN 337 03- 10-2017 \$2,500.00 TC 670 DPC 26 04-10- 2017 \$2,500.00	TC 650 7-15-2014 \$15,000.00 TC 650 7-28-2014 \$15,000.00 TC 650 8-15-2014 \$10,000.00 TC 766 CRN 337 26 02-10-2017 \$2,500.00 TC 766 CRN 337 03- 10-2017 \$2,500.00 TC 766 CRN 337 04- 10-2017 \$250.00

- The payment dated 02-10-2017 for \$2,500.00 is applied to TP1's MFT 31 to reduce the duplicate Restitution Based Assessment (TC 298) and is cross-referenced to TP2 and TP3's MFT 31 to reduce the duplicate Restitution Based Assessment (TC 298). Because the basis for the restitution is the unpaid taxes on Form 941 of which the defendants are jointly liable for the payment is also cross-referenced to MFT 01.
- The payment dated 03-10-2017 for \$2,500.00 is applied to TP2's MFT 31 to reduce the duplicate Restitution Based Assessment (TC 298) and is cross-referenced to TP1 and TP3's MFT 31 and MFT 01 of the business account. The credit fully pays the duplicate amount of the assessment for TP3.
- \$250.00 of the payment dated 04-10-2017 for \$2,500.00 posted to TP3's MFT 31 is applied to assessed interest. The remaining \$2,250.00 is offset to pay other balances due or is refunded if there are no other balances due. Interest computed for the balances remaining on BMF MFT 01 and the posted interest on MFT 31 of TP1 and TP2 exceeds the \$250.00 assessed for TP3. The amount allowable to cross-referenced for interest is limited to the amount assessed on the paying account; therefore, \$250.00 is cross-referenced to TP1, TP2 and the BMF MFT 01.

Note: A DPC 26 or DPC 08 overpayment must be moved to a restitution balance due **before** it can be moved to pay other balances.

Reminder: Interest on the RBA assessment is limited to the amount of court ordered interest. Interest does not accrue on the RBA assessment. RBA modules must remain restricted unless a mirrored TC 150 or TC 300 is present.

Caution: When defendants owe different duplicate assessment amounts for the same period, do not apply more than the duplicate assessment amount identified by the MMA.

5.19.23.3.5
(05-08-2017)

Payment

Cross-Referencing / RPP Case Types

- (1) The following examples describe payment cross-referencing for Return Preparer based Restitution Assessments.
- (2) RPP case types may include duplicate RBA and/or Civil assessments related to the Defendant's individual income tax (MFT 30), clients of the return preparer in addition to co-defendants of the return preparer. These assessments will appear as one assessment on MFT 31; however, a TC 971 AC 18X will identify each duplicate assessment and will display the duplicate assessment amount in the associated MMA.
- (3) When RBA includes multiple duplicate client Civil assessments, payments and credits posted to the MFT 31 are cross-referenced to the duplicate client Civil assessment with the earliest assessment date. If more than one duplicate Civil assessments have the same date, payments are applied in ascending SSN order.

Note: For client accounts where a TC 604 or TC 608 is posted, skip that client and cross-reference payments to the next client account with a balance due.

Reminder: When the account has 100 or more associated clients, review the RPP worksheet saved in the RPP shared folder to determine the payment application for duplicate client Civil assessments. When there are less than 100 associated clients, use the RBA RPP Generalized IDRS Interface (GII) tool to determine payment application for duplicate client civil assessments.

- (4) If a client or clients have multiple credits / payments to cross-reference to the preparer, limit the input of the cross-references to one client per day to ensure only one TC 290 per client displays on IDRS TXMOD (i.e., client 1 payments on Thursday, client 2 payments on Friday, client payments on Saturday and so on). If a client or clients have only one payment / credit each to cross-reference to the preparer, all transactions can be input on the same day.
- (5) When cross-referencing available credits and payments on RPP cases that have a potential IDRS overflow condition (i.e., multiple clients, linkages, transactions, etc.):
 - Cross-reference available credits and / payments, monitor the IDRS module to identify when it reaches page 50.
 - Stop inputting cross-referencing transactions at page 50 and monitor weekly for the TC 400 to post.
 - Do not close the case.
 - Open an IDRS control in "A" Status.

- If the TC 400 does not post within two weeks, input 10 more transactions and monitor weekly for the TC 400. It may be necessary to repeat this action until the TC 400 posts and the account moves to ANMF.
- When a TC 400 posts to the account due to manual or systemic movement of the tax module, close your case and open up an IDRS control to monitor for movement to the Automated Non-Masterfile system (ANMF).
- Once the account has moved to ANMF, follow procedures for ANMF cases. See IRM 5.19.23.3.6.2, RBA Non Master File (NMF) Accounts.

5.19.23.3.5.1
(08-26-2025)

**Return Preparer with
Duplicate Client Civil
Assessments**

- (1) The following example describes payment cross-referencing for duplicate RBA with client Civil assessments.

Example: 1, Duplicate RBA and Client Civil Assessments.

RPP MFT 31 201312 XXX-XX-1234	Client 1 MFT 30 201312 XXX-XX-1111	Client 2 MFT 30 201312 XXX-XX-2222
TC 290 03-29-2019 \$10,000.00	TC 767 04-15-2013 \$2,500.00 CRD-ID-NUM>258 TC 300 05-07-2014 \$.00	TC 767 04-15-2013 \$2,500.00 CRD-ID-NUM>258 TC 300 05-07-2014 \$.00
TC 971 AC 185 points to Client 1 MFT 30 XXX-XX-1111 201312 MMA = \$2,500	TC 971 AC 184 points to RPP Defendant's MFT 31 XXX-XX- 1234 201312 MMA = \$2,500.00	blank
TC 971 AC 185 points to Client 2 MFT 30 XXX-XX-2222 201312 MMA = \$2,500	blank	TC 971 AC 184 points to RPP Defendant's MFT 31 XXX-XX- 1234 201312 MMA = \$2,500.00
TC 766 CRN 337 07-15-2014 \$2,500.00 TC 766 CRN 337 07-27-2014 \$2,000.00 TC 766 CRN 337 08-15-2014 \$500.00	TC 670 07-27-2014 \$2,000.00 TC 670 08-15-2014 \$500.00	TC 670 07-15-2014 \$2,500.00

- The payment dated 07-15-2014 for \$2,500.00 is posted on Client 2's MFT 30, fully paying the duplicate Civil assessment and is cross-referenced to the RPP MFT 31 to reduce the portion of the RBA associated with Client 2's Civil assessment.
- The payments dated 07-27-2014 for \$2,000.00 and 08-15-2014 for \$500.00 are posted on Client 1's MFT 30, fully paying the duplicate Civil assessment and are cross-referenced to the RPP MFT 31, reducing the portion of the RBA associated with Client 1's Civil assessment.

5.19.23.3.5.2
(08-26-2025)

**Return Preparer with
Duplicate Civil
Assessment and
Duplicate Client Civil
Assessments**

- (1) The following example describes payment cross-referencing for duplicate RBA and Civil assessment of the Preparer and client Civil assessments.

Example: 2, Duplicate RBA with RPP Civil Assessment and Duplicate Client Assessments.

RPP MFT 31 201512 XXX-XX-1234	RPP MFT 30 201512 XXX-XX-1234	Client 1 MFT 30 201512 XXX-XX-1111	Client 2 MFT 30 201512 XXX-XX-2222
TC 290 02-12-2019 \$20,000.00	TC 806 04-15-2015 \$705.00 TC 290 08-15-2015 \$6,955.00	TC 767 04-15-2015 \$5,000.00 CR-ID- NUM>258 TC 300 07-10-2016 \$.00	TC 767 04-15-2015 \$5,000.00 CR-ID- NUM>258 TC 300 09-15-2016 \$.00
TC 971 AC 185 points to RPP MFT 30 XXX- XX-1234 201512 MMA = \$6,250.00	TC 971 AC 184 points to RPP MFT 31 XXX- XX-1234 201512 MMA = \$6,250.00	blank	blank
TC 971 AC 185 points to Client 1 MFT 30 XXX-XX-1111 201512 MMA = \$5,000.00	blank	TC 971 AC 184 points to RPP MFT 31 XXX- XX-1234 201512 MMA = \$5,000.00	blank
TC 971 AC 185 points to Client 2 MFT 30 XXX-XX-2222 201512 MMA = \$5,000.00	blank	blank	TC 971 AC 184 points to RPP MFT 31 XXX- XX-1234 201512 MMA = \$5,000.00
TC 766 CRN 337 11-10- 2016 \$5,000.00 TC 766 CRN 337 01- 15-2017 \$2,500.00 TC 766 CRN 337 02- 15-2017 \$2,500.00 TC 766 CRN 337 11-10- 2017 \$5,000.00	TC 670 11-10-2017 \$5,000.00	TC 670 01-15-2017 \$2,500.00 TC 670 02-15-2017 \$2,500.00	TC 670 11-10-2016 \$5,000.00

- The payment dated 11-10-2016 for \$5,000.00 is posted on Client 2's MFT 30, fully paying the duplicate Civil assessment and is cross-referenced to the RPP MFT 31, paying the portion of the restitution assessment associated with Client 2's Civil assessment.
- The payments dated 01-15-2017 and 2-15-2017 totaling \$5,000.00 are posted on Client 1's MFT 30, fully paying the duplicate Civil assessment and are cross-referenced to the RPP MFT 31, fully paying the portion of the restitution assessment associated with Client 1's Civil assessment.
- The payment dated 11-10-2017 for \$5,000.00 is posted on the RPP MFT 30, reducing the duplicate Civil assessment and is cross-referenced to the MFT 31 to reduce the portion of the restitution assessment associated with the duplicate Civil assessment.

5.19.23.3.5.3
(08-26-2025)

**Return Preparer with
Multiple Duplicate Client
Civil Assessments**

- (1) The following example describes payment cross-referencing for duplicate RBA with multiple client Civil assessments.

Example: 3, Duplicate RBA and Multiple Client Assessments, RPP Restitution Payment Posted.

RPP MFT 31 201312 XXX-XX-1234	Client 1 MFT 30 201312 XXX-XX-1111	Client 2 MFT 30 201312 XXX-XX-2222	Client 3 MFT 30 201312 XXX-XX-3333
TC 290 01-31-2019 \$15,000.00	TC 767 04-15-2013 \$2,500.00 CRD-ID- NUM>258 TC 300 06-07-2014 \$.00	TC 767 04-15-2013 \$2,500.00 CRD-ID- NUM>258 TC 300 07-07-2014 \$.00	TC 767 04-15-2013 \$2,500.00 CRD-ID- NUM>258 TC 300 05-07-2014 \$.00
TC 971 AC 185 points to Client 1 MFT 30 XXX-XX-1111 201312 MMA = \$2,500	TC 971 AC 184 points to RPP Defendant's MFT 31 XXX-XX-1234 201312 MMA = \$2,500.00	blank	blank
TC 971 AC 185 points to Client 2 MFT 30 XXX-XX-2222 201312 MMA = \$2,500	blank	TC 971 AC 184 points to RPP Defendant's MFT 31 XXX-XX-1234 201312 MMA = \$2,500.00	blank
TC 971 AC 185 points to Client 3 MFT 30 XXX-XX-3333 201312 MMA = \$2,500	blank	blank	TC 971 AC 184 points to RPP Defendant's MFT 31 XXX-XX-1234 201312 MMA = \$2,500.00
TC 766 CRN 337 07- 15-2014 \$2,250.00 TC 766 CRN 337 07- 15-2014 \$2,300.00 TC 766 CRN 337 07- 27-2014 \$2,000.00 TC 670 DPC 26 02-20- 2019 \$500.00	TC 670 07-27-2014 \$2,000.00 TC 766 02-20-2019 \$250.00	TC 670 07-15-2014 \$2,300.00	TC 670 07-15-2014 \$2,250.00 TC 766 CRN 337 02- 20-2019 \$250.00

- The payment dated 07-15-2014 for \$2,300.00 is posted on Client 2's MFT 30, reducing the duplicate Civil assessment and is cross-referenced to the RPP MFT 31 to reduce the portion of the restitution assessment associated with Client 2's Civil assessment.
- The payment dated 07-15-2014 for \$2,250.00 is posted on Client 3's MFT 30, reducing the duplicate Civil assessment and is cross-referenced to the RPP MFT 31, reducing the portion of the restitution assessment associated with Client 3's Civil assessment.
- The payment dated 07-27-2014 for \$2,000.00 is posted on Client 1's MFT 30, reducing the duplicate Civil assessment and is cross-referenced to the RPP MFT 31 to reduce the portion of the restitution assessment associated with Client 1's Civil assessment.
- The payment dated 2-20-2019 for \$500.00 is posted on the RPP MFT 31, reducing the restitution assessment. \$250.00 of the \$500.00 is cross-referenced to Client 3 to fully pay the duplicate Civil assessment since the assessment has the earliest assessment date. The remaining \$250.00 is cross-referenced to Client 1 to reduce the duplicate Civil as-

assessment, leaving a balance of \$250.00 of the duplicate Civil assessment for Client 1. None of the payment is cross-referenced to client 2.

Note: Payments and credits posted to MFT 31 are cross-referenced to the duplicate client Civil assessment with the earliest assessment date. If assessments have the same date, payments are applied to client accounts in ascending SSN order.

5.19.23.3.5.4
(08-26-2025)

**Return Preparer with
Co-Defendant / No
Duplicate Client Civil
Assessment**

(1) The following examples describe payment cross-referencing for duplicate RBA with co-defendant.

Example: 4, Duplicate RBA with Co-Defendant.

RPP Lead Defendant MFT 31 201412 XXX-XX-5432	RPP Co-Defendant MFT 31 201412 XXX-XX-2345
TC 290 02-15-2019 \$50,000.00	TC 290 02-15-2019 \$50,000.00
TC 971 AC 189 points to RPP Co-Def. MFT 31 XXX-XX-2345 201412 MMA = \$30,000.00	TC 971 AC 188 points to RPP Lead Def. MFT 31 XXX-XX-5432 201412 MMA = \$30,000.00
TC 670 DPC 26 03-20-2019 \$10,000.00 TC 766 CRN 337 03-25-2019 \$10,000.00 TC 670 DPC 26 04-19-2019 \$15,000.00	TC 766 CRN 337 03-20-2019 \$10,000.00 TC 670 DPC 26 03-25-2019 \$10,000.00 TC 766 CRN 337 04-19-2019 \$10,000.00

- The payment dated 03-20-2019 for \$10,000.00 is posted on the Lead Defendant's MFT 31, reducing the restitution based assessment. It is cross-referenced to the Co-Defendant's MFT 31 to reduce the amount of the RBA that is duplicate.
- The payment dated 03-25-2019 for \$10,000.00 is posted on the Co-Defendant's MFT 31, reducing the RBA and is cross-referenced to the Lead Defendant's MFT 31, reducing the amount of the RBA that is duplicate.
- The payment dated 04-19-2019 for \$15,000.00 is posted on the Lead defendant's MFT 31 reducing the restitution based assessment. Only \$10,000.00 of this payment is cross-referenced to the Co-Defendant's MFT 31 to meet the MMA.

Caution: The MMA amount is the duplicate amount between linked accounts. The MMA does not always match the assessment amount. Do not cross-reference more than the duplicate amount for tax.

Example: 5, Duplicate RBA with Co-Defendant, Different Assessment Amounts.

RPP Lead Defendant MFT 31 201412 XXX-XX-5432	RPP Co-Defendant MFT 31 201412 XXX-XX-2345
TC 290 \$10,000.00 TC 971 AC 189 MMA= \$5,000.00	TC 290 \$5,000.00 TC 971 AC 188 MMA = \$5,000.00

RPP Lead Defendant MFT 31 201412 XXX-XX-5432	RPP Co-Defendant MFT 31 201412 XXX-XX-2345
TC 766 CRN 337 10-01-2017 \$3,000.00 TC 670 DPC 26 07-15-2018 \$5,000.00 TC 670 DPC 26 10-30-2018 \$2,000.00	TC 670 DPC 26 10-01-2017 \$3,000.00 TC 766 CRN 337 07-15-2018 \$2,000.00

- The payment dated 10-01-2017 for \$3,000.00 is cross-referenced to the Lead Defendant's MFT 31 account reducing the amount of the RBA that is duplicate.
- \$2,000.00 of the payment dated 07-15-2018 for \$5,000.00 is cross-referenced to the Co-Defendant MFT 31 to fully pay the duplicate amount of the RBA. The remaining \$3,000.00 reduces the remaining RBA on the Lead Defendant MFT 31 account.
- The payment dated 10-30-2018 for \$2,000.00 fully pays the remaining RBA on the Lead Defendant's MFT 31 and isn't cross-referenced since the MMA has been met.

Caution: When defendants owe different duplicate assessment amounts for the same period, do not apply more than the duplicate assessment amount identified by the MMA.

5.19.23.3.5.5
(08-26-2025)

- (1) The following examples describe payment cross-referencing for duplicate RBA with co-defendants with Duplicate Client Civil Assessments.

**Return Preparer with
Co-Defendant / Duplicate
Client Civil Assessment**

Example: 6, RPP Multiple Defendants with Duplicate and Non-duplicate Client Assessments. Different Assessment Amounts and Linked Clients.

Preparer Restitution Modules

RPP Lead Defendant's MFT 31 XXX-XX-5678 201312	RPP Co-Defendant's MFT 31 XXX-XX-1234 201312
TC 290 02-12-2019 \$25,000.00	TC 290 02-12-2019 \$9,000.00
TC 971 AC 189 points to RPP Co-Def. MFT 31 XXX-XX-1234 201312 MMA = \$9,000.00	TC 971 AC 188 points to RPP Lead Def. MFT 31 XXX-XX-5678 201312 MMA = \$9,000.00
TC 971 AC 185 points to Client 1 MFT 30 XXX- XX-1111 201312 MMA = \$3,000.00	TC 971 AC 184 points to Client 1 MFT 30 XXX- XX-1111 201312 MMA = \$3,000.00
TC 971 AC 185 points to Client 2 MFT 30 XXX- XX-2222 201312 MMA = \$3,000.00	TC 971 AC 184 points to Client 2 MFT 30 XXX- XX-2222 201312 MMA = \$3,000.00
TC 971 AC 185 points to Client 3 MFT 30 XXX- XX-3333 201312 MMA = \$3,000.00	TC 971 AC 184 points to Client 3 MFT 30 XXX- XX-3333 201312 MMA = \$3,000.00
TC 971 AC 185 points to Client 4 MFT 30 XXX- XX-4444 201312 MMA = \$3,000.00	blank
TC 971 AC 185 points to Client 5 MFT 30 XXX- XX-5555 201312 MMA = \$3,000.00	blank

RPP Lead Defendant's MFT 31 XXX-XX-5678 201312	RPP Co-Defendant's MFT 31 XXX-XX-1234 201312
TC 766 CRN 337 6-10-2014 \$1,000.00 TC 766 CRN 337 7- 10-2014 \$1,000.00 TC 766 CRN 337 8-10-2014 \$1,000.00 TC 766 CRN 337 9-20-2014 \$3,000.00 TC 766 CRN 337 9-20-2014 \$3,000.00 TC 766 CRN 337 10-10-2014 \$3,000.00 TC 766 CRN 337 10-15-2014 \$1,500.00 TC 766 CRN 337 11-15-2014 \$1,500.00	TC 766 CRN 337 6-10-2014 \$1,000.00 TC 766 CRN 337 7- 10-2014 \$1,000.00 TC 766 CRN 337 8-10-2014 \$1,000.00 TC 766 CRN 337 9-20-2014 \$3,000.00 TC 766 CRN 337 10-15-2014 \$1,500.00 TC 766 CRN 337 11-15-2014 \$1,500.00

Client's MFT 30s

Client 1 MFT 30 XXX-XX-1111 201312	Client 2 MFT 30 XXX-XX-2222 201312	Client 3 MFT 30 XXX-XX-3333 201312	Client 4 MFT 30 XXX-XX-4444 201312	Client 5 MFT 30 XXX-XX-5555 201312
TC 767 04-15-2014 \$3,000.00 CR-ID-NUM>258 TC 300 07-07-2014 \$.00	TC 767 04-15-2014 \$3,000.00 CR-ID-NUM>258 TC 300 07-07-2014 \$.00	TC 767 04-15-2014 \$3,000.00 CR-ID-NUM>258 TC 300 05-07-2014 \$.00	TC 767 04-15-2014 \$3,000.00 CR-ID-NUM>258 TC 300 07-07-2014 \$.00	TC 767 04-15-2014 \$3,000.00 CR-ID-NUM>258 TC 300 05-07-2014 \$.00
TC 971 AC 184 points to RPP Lead Defendant's MFT 31 XXX-XX-5678 201312 MMA = \$3,000.00	TC 971 AC 184 points to RPP Lead Defendant's MFT 31 XXX-XX-5678 201312 MMA = \$3,000.00	TC 971 AC 184 points to RPP Lead Defendant's MFT 31 XXX-XX-5678 201312 MMA = \$3,000.00	TC 971 AC 184 points to RPP Lead Defendant's MFT 31 XXX-XX-5678 201312 MMA = \$3,000.00	TC 971 AC 184 points to RPP Lead Defendant's MFT 31 XXX-XX-5678 201312 MMA = \$3,000.00
TC 971 AC 184 points to RPP Co-Defendant's MFT 31 XXX-XX-1234 201312 MMA = \$3,000.00	TC 971 AC 184 points to RPP Co-Defendant's MFT 31 XXX-XX-1234 201312 MMA = \$3,000.00	TC 971 AC 184 points to RPP Co-Defendant's MFT 31 XXX-XX-1234 201312 MMA = \$3,000.00	blank	blank
TC 670 10-15-2014 \$1,500.00 TC 670 11-15-2014 \$1,500.00	TC 670 09-20-2014 \$3,000.00	TC 670 06-10-2014 \$1,000.00 TC 670 07-10-2014 \$1,000.00 TC 670 08-10-2014 \$1,000.00	TC 670 09-20-2014 \$3,000.00	TC 670 10-10-2014 \$3,000.00

Note: The basis of the restitution order was 9 taxpayers with a total tax loss of \$25,000. Since only clients 1 through 5 were audited or adjusted they are the only clients linked to the Lead Defendant Joe. The Co-Defendant, Mary, is only responsible for clients 1, 2 and 3.

- The payments dated 10-15-2014 and 11-15-2014 for \$1,500.00 posted to Client 1's MFT 30 fully paid the duplicate civil assessment and are cross-referenced to the Lead Defendant, Joe, and Co-Defendant, Mary's, MFT 31 accounts.

- The payment dated 9-20-2014 for \$3,000.00 posted to Client 2's MFT 30 fully paid the duplicate civil assessment and is cross-referenced to the Lead Defendant, Joe and Co-Defendant, Mary's, MFT 31 accounts.
- The payments dated 6-10-2014, 7-10-2014 and 8-10-2014 for \$1,000.00 posted to Client 3's MFT 30 fully paid the duplicate civil assessment and are cross-referenced to the Lead Defendant, Joe, and Co-Defendant, Mary's, MFT 31 accounts.
- The payment dated 9-20-2014 for \$3,000.00 posted to Client 4's MFT 30 account fully paid the duplicate civil assessment. The payment dated 10-10-2014 for \$3,000.00 posted to Client 5's MFT 30 account fully paid the duplicate civil assessment. The payments are cross-referenced to the Lead Defendant, Joe's MFT 31 account. Because the Co-Defendant, Mary, isn't responsible for the duplicate Civil assessment for these clients, the payments are not cross-referenced to their MFT 31 account.

5.19.23.3.5.6
(08-26-2025)

- (1) The following example describes payment cross-referencing for duplicate RBA with co-defendant and duplicate client Civil assessments.

**Return Preparer with
More Than One
Co-Defendant / Duplicate
Client Civil Assessment**

Example: 7, RPP Multiple Defendants with Duplicate RBA Assessments and Duplicate Client Assessments.

Preparer Restitution Modules

RPP Lead Defendant MFT 31 201512 XXX-XX-1234	RPP Co-Defendant 1 MFT 31 201512 XXX-XX-5678	RPP Co-Defendant 2 MFT 31 201512 XXX-XX-6543
TC 290 02-12-2019 \$20,000.00	TC 290 02-12-2019 \$20,000.00	TC 290 02-12-2019 \$20,000.00
TC 971 AC 189 points to Co-Def 1 MFT 31 XXX-XX-5678 201512 MMA = \$20,000.00	TC 971 AC 188 points to RPP Lead Def MFT 31 XXX-XX-1234 201512 MMA = \$20,000.00	TC 971 AC 188 points to RPP Lead Def MFT 31 XXX-XX-1234 201512 MMA = \$20,000.00
TC 971 AC 189 points to Co-Def 2 MFT 31 XXX-XX-6543 201512 MMA = \$20,000.00	TC 971 AC 188 points to RPP Co-Def 2 MFT 31 XXX-XX-6543 201512 MMA = \$20,000.00	TC 971 AC 188 points to RPP Co-Def 1 MFT 31 XXX-XX-5678 201512 MMA = \$20,000.00
TC 971 AC 185 points to Client 1 MFT 30 XXX-XX-1111 201512 MMA = \$5,000.00	TC 971 AC 184 points to Client 1 MFT 30 XXX-XX-1111 201512 MMA = \$5,000.00	TC 971 AC 184 points to Client 1 MFT 30 XXX-XX-1111 201512 MMA = \$5,000.00
TC 971 AC 185 points to Client 2 MFT 30 XXX-XX-2222 201512 MMA = \$5,000.00	TC 971 AC 184 points to Client 2 MFT 30 XXX-XX-2222 201512 MMA = \$5,000.00	TC 971 AC 184 points to Client 2 MFT 30 XXX-XX-2222 201512 MMA = \$5,000.00
TC 766 CRN 337 11-10-2016 \$5,000.00 TC 766 CRN 337 01-15-2017 \$2,500.00 TC 766 CRN 337 02-15-2017 \$2,500.00 TC 766 CRN 337 11-15-2017 \$5,000.00	TC 766 CRN 337 11-10-2016 \$5,000.00 TC 766 CRN 337 01-15-2017 \$2,500.00 TC 766 CRN 337 02-15-2017 \$2,500.00 TC 670 11-15-2017 \$5,000.00	TC 766 CRN 337 11-10-2016 \$5,000.00 TC 766 CRN 337 01-15-2017 \$2,500.00 TC 766 CRN 337 02-15-2017 \$2,500.00 TC 766 CRN 337 11-15-2017 \$5,000.00

Client MFT 30s

Client 1 MFT 30 201512 XXX-XX-1111	Client 2 MFT 30 201512 XXX-XX-2222
TC 767 04-15-2015 \$5,000.00 CR-ID-NUM>258 TC 300 07-10-2016 \$.00	TC 767 04-15-2015 \$5,000.00 CR-ID-NUM>258 TC 300 09-15-2016 \$.00
TC 971 AC 184 points to RPP MFT 31 XXX-XX-1234 201512 MMA = \$5,000.00	TC 971 AC 184 points to RPP MFT 31 XXX-XX-1234 201512 MMA = \$5,000.00
TC 971 AC 184 points to Co-Def 1 MFT 31 XXX-XX-5678 201512 MMA = \$5,000.00	TC 971 AC 184 points to Co-Def 1 MFT 31 XXX-XX-5678 201512 MMA = \$5,000.00
TC 971 AC 184 points to Co-Def 2 MFT 31 XXX-XX-6543 201512 MMA = \$5,000.00	TC 971 AC 184 points to Co-Def 2 MFT 31 XXX-XX-6543 201512 MMA = \$5,000.00
TC 670 01-15-2017 \$2,500.00 TC 670 02-15-2017 \$2,500.00	TC 670 11-10-2016 \$5,000.00

- The payment dated 11-10-2016 fully pays the Civil assessment for Client 2 and is cross-referenced to the Lead Defendant and both co-defendant accounts, reducing the RBA. Although the payment is dated earlier than the payments posted to the MFT 30 account of Client 1, the Civil assessment for Client 2 isn't duplicate to the Civil assessment for Client 1; therefore, the payment isn't cross-referenced to that account.
- The payments dated 01-15-2017 and 02-15-2017 fully pay the Civil assessment for Client 1 and are cross-referenced to the Lead Defendant and both co-defendant accounts, reducing the RBA.
- The payment dated 11-15-2017 posted to the RBA for Co-Defendant 1 and is cross-referenced to the Lead Defendant and Co-Defendant 2 accounts to reduce the remaining RBA. The Civil assessments for both clients is fully paid; therefore, the payment isn't cross-referenced to either Client account.

Example: 8, RPP Single Defendant. Duplicate Client Assessments, Court Ordered Interest.

RPP MFT 31 XXX-XX-5678 201312	Client 1 MFT 30 201312 XXX-XX-1111	Client 2 MFT 30 201312 XXX-XX-2222	Client 3 MFT 30 201312 XXX-XX-3333	Client 4 MFT 30 201312 XXX-XX-4444	Client 5 MFT 30 201312 XXX-XX- 5555
TC 290 02-12-2019 \$30,000.00 TC 340 02-12-2019 \$2,000.00	TC 767 04-15-2015 \$3,000.00 CR-ID-NUM>258 TC 300 07-10-2015 \$.00	TC 767 04-15-2015 \$3,000.00 CR-ID-NUM>258 TC 300 07-10-2015 \$.00	TC 767 04-15-2015 \$3,000.00 CR-ID-NUM>258 TC 300 07-10-2015 \$.00	TC 767 04-15-2015 \$3,000.00 CR-ID-NUM>258 TC 300 07-10-2015 \$.00	TC 767 04-15-2015 \$3,000.00 CR-ID-NUM>258 TC 300 07-10-2015 \$.00

RPP MFT 31 XXX-XX-5678 201312	Client 1 MFT 30 201312 XXX-XX-1111	Client 2 MFT 30 201312 XXX-XX-2222	Client 3 MFT 30 201312 XXX-XX-3333	Client 4 MFT 30 201312 XXX-XX-4444	Client 5 MFT 30 201312 XXX-XX- 5555
TC 971 AC 185 points to Client 1 MFT 30 XXX- XX-1111 201312 MMA = \$3,000.00	TC 971 AC 184 points to RPP MFT 31 XXX- XX-5678 201312 MMA = \$3,000.00	blank	blank	blank	blank
TC 971 AC 185 points to Client 2 MFT 30 XXX- XX-2222 201312 MMA = \$3,000.00	blank	TC 971 AC 184 points to RPP MFT 31 XXX- XX-5678 201312 MMA = \$3,000.00	blank	blank	blank
TC 971 AC 185 points to Client 3 MFT 30 XXX- XX-3333 201312 MMA = \$3,000.00	blank	blank	TC 971 AC 184 points to RPP MFT 31 XXX- XX-5678 201312 MMA = \$3,000.00	blank	blank
TC 971 AC 185 points to Client 4 MFT 30 XXX- XX-4444 201312 MMA = \$3,000.00	blank	blank	blank	TC 971 AC 184 points to RPP MFT 31 XXX- XX-5678 201312 MMA = \$3,000.00	blank
TC 971 AC 185 points to Client 5 MFT 30 XXX- XX-5555 201312 MMA = \$3,000.00	blank	blank	blank	blank	TC 971 AC 184 points to RPP MFT 31 XXX-XX- 5678 201312 MMA = \$3,000.00

RPP MFT 31 XXX-XX-5678 201312	Client 1 MFT 30 201312 XXX-XX-1111	Client 2 MFT 30 201312 XXX-XX-2222	Client 3 MFT 30 201312 XXX-XX-3333	Client 4 MFT 30 201312 XXX-XX-4444	Client 5 MFT 30 201312 XXX-XX- 5555
TC 766 CRN 337 06-10-2014 \$1,000.00 TC 766 CRN 337 07-10-2014 \$1,000.00 TC 766 CRN 337 08-10-2014 \$1,000.00 TC 766 CRN 337 09-15-2014 \$3,000.00 TC 766 CRN 337 09-20-2014 \$3,000.00 TC 766 CRN 337 11-10-2014 \$3,000.00 TC 766 CRN 337 10-15-2014 \$1,500.00 TC 766 CRN 337 11-15-2014 \$1,500.00 TC 670 DPC 26 05-01-2019 \$17,000.00	TC 670 10/15/ 2014 \$1,500.00 TC 670 11/15/ 2014 \$1,500.00	TC 670 09-15- 2014 \$3,000.00	TC 670 06-10- 2014 \$1,000.00 TC 670 07-10- 2014 \$1,000.00 TC 670 08-10- 2014 \$1,000.00	TC 670 09-20- 2014 \$3,000.00	TC 670 11- 10-2014 \$3,000.00

Note: The basis of the restitution order was 15 taxpayers with a total tax loss of \$30,000. Since only clients 1 through 5 were audited or adjusted, they are the only clients linked to the RPP MFT 31.

- The payments dated 10-15-2014 and 11-15-2014 posted on client 1's MFT 30 fully pay the duplicate Civil assessment and are cross-referenced to the RPP MFT 31 account to partially pay the duplicate portion of the restitution based assessment associated with client 1's duplicate Civil assessment.
- The payment dated 09-15-2014 posted on client 2's MFT 30 fully pays the duplicate Civil assessment and is cross-referenced to the RPP MFT 31 account to pay the duplicate portion of the restitution based assessment associated with client 2's duplicate Civil assessment.
- The payments dated 06-10-2014, 07-10-2014 and 08-10-2014 posted on client 3's MFT 30 fully pay the duplicate Civil assessment and are cross-referenced to the RPP MFT 31 account to pay the duplicate portion of the restitution based assessment associated with client 3's duplicate Civil assessment.
- The payment dated 09-20-2014, posted on client 4's MFT 30, fully pays the duplicate Civil assessment and is cross-referenced to the RPP MFT

31 account to pay the duplicate portion of the restitution based assessment associated with client 4's duplicate Civil assessment.

- The payment dated 11-10-2014, posted on client 5's MFT 30, fully pays the duplicate Civil assessment and is cross-referenced to the RPP MFT 31 account to pay the duplicate portion of the restitution based assessment associated with client 5's duplicate Civil assessment.
- The payment dated 05-01-2019 for \$17,000 fully pays the RBA and court ordered interest on the RPP's MFT 31 account. \$15,000.00 is allocated for RBA but isn't cross-referenced since the MMAs have been met. The \$2,000.00 for interest can be split up and cross-referenced to the client/civil accounts after calculating the amount of interest owed on each account through CC INTST to the date of the payment.

Caution: When defendants owe different duplicate assessment amounts for the same period, do not apply more than the duplicate assessment amount identified by the MMA.

Reminder: Interest on the RBA assessment is limited to the amount of court ordered interest. Interest does not accrue on the RBA assessment. RBA modules must remain restricted unless a mirrored TC 150 or TC 300 is present.

5.19.23.3.6 (10-16-2023) Cross-Referencing Restrictions

- (1) For restitution cases where a TC 534 is present, refer to AMS History under **Internal Transcript** for the MFT and Tax Period for information concerning the TC 534 write off. For assistance contact the RBA CSED SME.
- (2) Do not cross-reference payments or credits to a module with a posted TC 604 or to accounts that have moved to retention. Payments/credits with dates prior to the CSED must be cross-referenced to related accounts with a duplicate RBA/Civil assessment. The amount of the cross-reference can't exceed the amount of the write-off. Payments / credits with dates the same as the CSED or after the CSED are not cross-referenced to those accounts. When two defendants owe different duplicate assessment amounts for the same period, cross-reference the payment but do not apply more than the duplicate assessment.

Note: Subsequent payments that would ordinarily be applied to a civil account beyond that CSED should instead be cross-referenced and credited to the related MFT 31 account's unexpired balance for the RBA (an overpayment for the tax period does not exist until the RBA is fully paid).

- (3) Do not post more credit than the balance of the RBA, Civil, or Fraud penalty assessment including accruals. If a credit balance is created, see IRM 5.19.23.6, Resolving Overpayment Cases, for steps to resolve the credit.

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Example: 1 Taxpayer A made a payment of \$50.00 that fully paid the interest of \$50.00 on their 200512 RBA account. Interest was computed on the related duplicate assessment account and \$45.35 was cross-referenced to the account. A subsequent TC 196 posted in the amount of \$45.90 and a TC 606 posted to clear the \$.55 underpayment.

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Example: 2 A payment of \$30.00 was cross-referenced resulting in a credit balance of \$.75 that was cleared from the account with a TC 386.

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to the balance remaining on the account; however, the amount of an underpayment that has been cleared isn't cross-referenced.

Example: 3 An incorrect cross-reference caused an underpayment of \$2.15 that was subsequently cleared from Taxpayer B's account with a TC 606. A review of the account and reversal of the incorrect cross-referenced payment resulted in a recalculation of interest and put the account in a balance due for \$13.75. Since \$2.15 was cleared from the account, only \$11.60 of any available credit can be cross-referenced to the account to avoid an overpayment.

- (4) TC 848 is used to credit a client's account when a portion of the refund has been issued to the preparer without the client's knowledge. When this occurs, the RBA includes the amount of the credit and because it relates to the preparer's misconduct, the amount is excluded from the MMA. The credit isn't cross-referenced to the MFT 31 account.

Example: The basis for the restitution assessment is the reversal of the First Time Homebuyer Credit (TC 766 REF 258) in the amount of \$7,500.00. A TC 848 for \$1,210.00 is posted to the MFT 30 module for the amount related to the preparer's misconduct. The MMA for the amount of the duplicate assessment is \$6,290.00.

5.19.23.3.6.1 (08-26-2025) TC 150 Assessment Considerations

- (1) Do not cross-reference payments/credits that are used to pay the original tax (TC 150), penalties and/or interest assessed on the original tax. Original tax, penalty and interest assessed must be paid before any payments/credits posted on the module can be cross-referenced to reduce the duplicate amount of the RBA depending on the posting cycle of the payment/credit (unless the TC 150 is designated by Examination as the duplicate assessment).

Example: 1, TC 150 Not Full Paid before Subsequent Assessment.

MFT 31	MFT 30
TC 290 12-31-2016 \$7,000.00	TC 150 04-15-2014 \$15,000.00 TC 806 04-15-2014 \$9,000.00 TC 670 07-31-2014 \$4,000.00 TC 300 06-30-2017 \$7,000.00
TC 971 AC 185 MMA = \$7,000.00	TC 971 AC 184 MMA = \$7,000.00
TC 766 CRN 337 07-31-2017 \$5,000.00 TC 670 DPC 26 10-15-2017 \$1,500.00 TC 670 DPC 26 10-30-2017 \$500.00	TC 670 07-31-2017 \$7,000.00 TC 766 CRN 337 10-15-2017 \$1,500.00 TC 766 CRN 337 10-30-2017 \$500.00

- The TC 150 posted in 2014 and was reduced by the TC 806 for \$9,000.00 and the TC 670 dated 07-31-2014 for \$4,000.00, leaving \$2,000.00 owing of the TC 150. The payment date 07-31-2017 for \$7,000.00 posted in 2017 shortly after the TC 300 (underlying tax liability). Since the payment isn't designated for restitution (DPC 08),

\$2,000.00 of it pays the rest of the TC 150 and \$5,000.00 is applied to the TC 300 civil assessment and cross-referenced to the MFT 31 to partially pay the duplicate RBA.

- The payments dated 10-15-2017 for \$1,500.00 and 10-30-2017 for \$500.00 are cross-referenced to MFT 30 to reduce the duplicate Civil assessment (TC 300).
- The next payment to post on the MFT 30 account will go towards penalty and/or interest on the TC 150 and TC 300. Since the MFT 31 assessment did not include court ordered interest, those payments won't be cross-referenced.

Example: 2, TC 150 Overpaid, RBA based on Reversed Credit and Withholding.

MFT 31	MFT 30
TC 290 12-31-2016 \$7,500.00	TC 150 04-15-2014 \$8,000.00 TC 806 04-15-2014 \$9,000.00 TC 766 04-15-2014 \$1,500.00 TC 846 04-27-2014 \$2,500.00 TC 300 06-30-2016 \$.00 TC 767 04-15-2014 \$1,500.00 TC 807 04-15-2014 \$6,000.00
TC 971 AC 185 MMA = \$7,500.00	TC 971 AC 184 MMA = \$7,500.00
TC 766 CRN 337 04-11-2016 \$7,000.00	TC 640 04-11-2016 \$7,000.00

- The payment dated 04-11-2016 for \$7,000.00 is applied to pay the TC 767 reversal of the tax credit and the \$6,000.00 reversal of overstated withholding from the original TC 150 tax. A reversal of tax credits subsequent to a refund is considered an additional assessment of tax; therefore, the payment is cross-referenced to reduce the RBA.

Example: 3, TC 150 Overpaid, RBA based on Reversed Credit and TC 300.

MFT 31	MFT 30
TC 290 12-31-2016 \$13,500.00	TC 150 04-15-2014 \$8,000.00 TC 806 04-15-2014 \$9,000.00 TC 766 04-15-2014 \$1,500.00 TC 846 04-27-2014 \$2,500.00 TC 300 06-30-2016 \$12,000.00 TC 767 04-15-2014 \$1,500.00
TC 971 AC 185 MMA = \$13,500.00	TC 971 AC 184 MMA = \$13,500.00
TC 766 CRN 337 06-30-2016 \$7,000.00	TC 670 06-30-2016 \$7,000.00

- The TC 150 was fully paid with the TC 806 for \$9,000.00 and the TC 766 for \$1,500.00 and the overpayment was refunded. Since the TC 150 isn't the basis for the RBA, those credits can't be cross-referenced.
- The TC 767 reversal of tax credit and the TC 300 amount are the basis for the MMA (the underlying tax liability). Therefore, the payment dated 06-30-2016 for \$7,000.00 is fully cross-referenced to MFT 31.

Example: 4, RBA based on TC 150.

MFT 31	MFT 01
TC 298 07-31-2017 \$10,000.00	TC 150 04-15-2014 \$20,000.00
TC 971 AC 185 MMA = \$10,000.00	TC 971 AC 184 MMA = \$10,000.00
TC 670 DPC 26 04-15-2017 \$2,500.00 TC 670 DPC 26 06-15-2017 \$2,500.00	TC 650 01-15-2014 \$2,500.00 TC 650 02-15-2014 \$2,500.00 TC 650 03-15-2014 \$5,000.00 TC 766 CRN 337 04-15-2017 \$2,500.00 TC 766 CRN 337 06-15-2017 \$2,500.00

- The payments dated 01-15-2014, 02-15-2014 and 03-15-2014 are applied to the original tax liability and are not cross-referenced. The remaining unpaid balance is the basis for the RBA.
- The payments dated 04-15-2017 and 06-15-2017 are cross-referenced to MFT 01 to reduce the duplicate amount of the RBA.

5.19.23.3.6.2
(10-16-2023)
**RBA Non Master File
(NMF) Accounts**

- (1) IDRS Master File isn't able to accept an unlimited number of transactions on any given account module. When a Master File account contains too many lines and the module has moved into overflow status, a TC 400 with BS 99 (9th and 10th digit of DLN) will systemically post to transfer the account module to Automated Non Master File (ANMF). It may take up to 45 days for the transferred account to post to ANMF. Once the TC 400 has posted to the module, no transactions can be input to IDRS.

Note: A TC 402 on the module after the TC 400 is posted indicates the account has been re-transferred-in. Research the account to verify the account's location when a TC 402 is present; it may have a MFT 31 module.

- (2) A "CROFLOW" transcript will generate when a RBA MFT 31 is close to overflow status and before the TC 400 posts. Upon receipt of a "CROFLOW" transcript:
 - Review the account to ensure all case actions are accurate and up-to-date.
 - Perform case corrections as needed including reversals and cross references. Do not exceed TXMODA page 50.
- (3) Payments and credits can't be cross-referenced to the NMF accounts. If the TC 400 has posted indicating the account has moved to the ANMF system, review all related accounts and current ANMF transcript to determine if there are any payments/credits that have not been applied and/or have been applied incorrectly.

If	Then
Available payments/credits have not been cross-referenced to the account	Complete Form 1331-B requesting a TC 291 to reduce the RBA, and forward it to *TS KCSPC Non-Master File Team. *A separate Form 1331-B isn't necessary for each payment, or to abate penalty or interest assessments. However, each payment/credit included must be listed separately on the form. A current ANMF account transcript must also be included.
An incorrect, unreversed cross references (TC 766 CRN 337) have posted to ANMF	Complete Form 1331-B requesting a TC 767 to reduce the incorrect cross reference. *A separate Form 1331-B is required for each TC 767 request. They can't be combined. Forward the form to *TS KCSPC Non-Master File Team.
A TC 766 CRN 337 posted to ANMF with the incorrect date	Complete Form 3809 to change the date of the cross reference. Forward the form to *TS KCSPC Non-Master File Team.
An incorrect TC 291 posted to ANMF (full or partial amount)	Prepare a 2-Way Memo and Form 3465 requesting a TC 860 to restore the erroneous abatement to the account balance. Forward the forms to *TS KCSPC Non-Master File Team. See IRM 3.17.243.3, Reversal of Erroneous Abatements, for additional information.
An incorrect TC 860 posted to ANMF (full or partial amount)	Complete Form 1331-B requesting a TC 862 to reduce the account balance. Forward the form to *TS KCSPC Non-Master File Team.

Reminder: Input a history to AMS to document all actions taken, including the payment origination and amount for all credits applied.

Caution: Individual NMF accounts contain only one tax assessment. If the total number of posted TC 291s reduce the assessment to zero and additional cross references are needed, a Form 1331-B should be submitted requesting a TC 862 to reduce the account balance. Take caution to verify the ANMF transactions to ensure accurate accounting.

- (4) When a restitution payment is posted to a NMF account with a RBA assessment, the KC Special Services Team will notify the CSCO RBA Unit in Ogden via e-mail at *SBSE Ogden RBA. If the payment is obtained by a Revenue Officer, they will send payment details to notify CSCO of the payment posting to NMF. Upon receipt of the notification:

- a. Assign a case on AMS for each TIN, MFT, and Tax Period notated in the e-mail and complete all case actions within 3 business days from the date of the e-mail.

Note: It may take up to 45 days for payment(s) to post to ANMF.

- b. Review all related accounts and **current** ANMF transcript for any payments/credits that may not have been applied and/or have been applied incorrectly.

- c. Cross-reference all available payments/credits to applicable Master File accounts in accordance with IRM 5.19.23.3.
 - d. Complete Form 1331-B for any payments or credits missing from the NMF account. See IRM 5.19.23.3.6.2(3), (4) and (5) above.
 - e. Input a history to AMS to document all actions taken, including the payment origination and amount for all credits applied.
- (5) Determine if a TC 130 Entity freeze (V- freeze) is on Master File account that is linked to the account that was moved to NMF. Reverse the TC 130 when the account is fully paid or the CSED has expired.
 - (6) Input a history to AMS to document accounts that have been moved to Non Master File.
 - (7) Monitor the ANMF account for the posting of the Form 1331-B request. If review of the ANMF account identifies inaccurate or incomplete action, follow up with NMF to correct the account.
 - (8) Requests for NMF transcripts may be received from RO's via the *SBSE Ogden RBA mailbox. Upon receipt of these requests, follow normal procedures to obtain the NMF transcript and send the transcript to the requesting RO.

5.19.23.3.6.2.1
(03-25-2020)
**RBA Master File
Account Transfer**

- (1) An Account Transfer is a means of transferring an account between Master File accounts or between Master File and Non-Master File. For RBA, an Account Transfer is required when there is risk that a module will reach its data limitation and will systemically transfer. For RPP cases with 350 or more clients, perform an immediate Account Transfer of the preparer's MFT 31 module.
- (2) Input TC 470 cc 93 to suspend Collection and monitor the account until all transactions post.
- (3) The following Freeze Codes must be resolved prior to requesting the Account Transfer: -Z, -V, -W, -L, -R, and -Y.
- (4) All pending transactions must post to IDRS before sending the case to Accounting. An exception is installment agreement payments. Expedite processing when the case involves an installment agreement. These cases will be marked on top of the transfer document. There are payments that will have to post soon after the transfer, so speed is of the essence.

Caution: Do not transfer an account unless the balance is debit or zero.

- (5) Transfer of the following transaction codes requires corresponding reversal codes before performing a TC 400.
 - TC 576 must have a corresponding TC 577
 - TC 608 must have a corresponding TC 609
 - TC 896 must have a corresponding TC 897

Note: Caution must be taken when processing a partial account transfer. Do not process a reversing transaction without the corresponding transaction which it is reversing.

- (6) Since the Automated Non-Master File (ANMF) system allows for only one tax assessment per account, it is extremely important to ensure that the correct tax assessment is identified for establishment on NMF if the account carries

multiple tax assessments with multiple 23C dates. See IRM 3.17.21.6.3(4), Transfers to Non Master File (NMF), for processing instructions.

- (7) A complete current tax module print (dummy module isn't acceptable) including the status history section is required for all transfers. This print should be no more than two weeks old.
- (8) Prepare Form 12810, Account Transfer Request Checklist, and forward to the Accounting Function with the tax module print. A separate form is required for each tax period transferred.

Note: "Return Preparer RBA Case" must be notated in the remarks section of the Form 12810 or it will be rejected back.

- (9) Input a detailed history item to AMS for the action taken.

5.19.23.4
(01-13-2023)
**Computing and
Cross-Referencing
Penalties**

- (1) The FTP penalty can't be imposed on a restitution based assessment unless it was ordered in the Judgment & Commitment Order. If that is the case, penalties ordered as restitution must initially be assessed as shown in the order and **can't be abated**. When assessed as restitution, the TC 270 or TC 160 will carry the same DLN as the TC 29X RBA.

Note: If FTP isn't part of the restitution order, a TC 270 for \$0 is input by Tech Services which prevents FTP from being assessed.

- (2) The court may order penalty or penalties without tax. These accounts will carry a TC 971 / AC 182 or 183 with an MMA = \$0.00. These penalties do not increase (accrue) from the dollar amount originally assessed and are considered duplicate if present on the linked civil module. Payments and cross-references applied to these accounts should not exceed the original assessment.
- (3) Court ordered penalties are cross-referenced to the duplicate civil module when the same penalty type is present.

Caution: Do not cross-reference more than the assessed penalty amount, including any accruals.

5.19.23.4.1
(08-26-2025)
**Cross-Referencing
Failure-to-Pay Penalty**

- (1) The FTP penalty can't be imposed on a restitution-based assessment unless it was ordered in the Judgment & Commitment Order. In the very rare circumstances that it was part of the order, it must be assessed as shown in the order and not included with the same transaction code as tax. See IRM 20.1.2.3.8.9, Failure to Pay Penalty for Restitution-Based Assessments, for additional penalty guidance. See also, Klein v. Commissioner, 149 T.C. No. 15 (2017).
- (2) When a FTP penalty is assessed as part of the court order it is cross-referenced to pay FTP penalty on the duplicate civil module. Compute FTP penalties for each module and/or account separately. See IRM 20.1.2, Failure to File/Failure to Pay Penalties for information on penalty computations.
- (3) In most cases, CC INTST can be used to determine the amount of FTP penalty that can be cross-referenced to the civil module. CC INTST can't be used when:

- There are pending payments on the account where FTP is being calculated.
- Making corrections to posted transactions on the account.
- Applying multiple payments with different dates or, the date of payments received within the grace period of a notice date hasn't updated on CC INTSTD.

Note: If CC INTST can't be used, CC COMPA with definer "F" is available to compute the penalty. See IRM 20.1.2.3.8.8, IDRS Command Code COMPA, for computations using CC COMPA.

- (4) The following examples illustrate payment cross-referencing when FTP is included in the restitution order.

Reminder: If FTP isn't part of the restitution order, a TC 270 for \$0 is input by Exam Tech Services (ETS) which prevents FTP from being assessed.

Example: 1, No Court Ordered FTP

TPH MFT 31 200812	MFT 30 200812
TC 290 12-31-2017 \$13,000.00 TC 270 12-31-2017 \$.00	TC 300 06-18-2014 \$13,000.00 TC 276 03-05-2018 \$95.00
TC 766 CRN 337 05-15-2017 \$12,000.00 TC 766 CRN 337 01-15-2018 \$1,000.00	TC 640 05-15-2017 \$12,000.00 TC 670 01-15-2018 \$1,095.00

- The payment dated 05-15-2017 for \$12,000.00 is cross-referenced to MFT 31 to reduce the RBA (TC 290). \$1,000.00 of the payment dated 01-15-2015 for \$1,095.00 is applied to fully pay the RBA (TC 290). The remaining \$95.00 is applied to the assessed FTP on MFT 30.
- Since there is no court ordered FTP, that portion of the payment isn't cross-referenced to the MFT 31.
- AMS history is documented on the MFT 30 showing payment application, ex. "Payments allocated as follows: TC 640 05-15-2017 \$12,000.00 = dup tax, TC 670 01-15-2018 - \$1,000.00 dup tax and \$95.00 non dup FTP. Duplicate portions cross-referenced to (SSN) MFT 31".
- AMS history is documented on the MFT 31 showing cross-referenced payments, ex. "Cross-referenced payments from (SSN) MFT 30 = 766 337 05-15-2017 \$12,000.00 dup tax, 766 337 01-15-2018 \$1,000.00 dup tax".

Example: 2, Court Ordered FTP

TPH MFT 31 200812	MFT 30 200812 (SFR)
TC 290 12-31-2017 \$52,000.00 TC 270 12-31-2017 \$3,000.00	TC 300 06-30-2017 \$42,000.00 TC 276 06-30-2017 \$2,300.00
TC 971 AC 185 points to MFT 30 (MMA = \$42,000.00)	TC 971 AC 184 points to MFT 31 (MMA = \$42,000.00)
TC 670 11-10-2017 \$55,000.00	TC 766 CRN 337 11-10-2017 \$45,000.00

- The payment dated 11-10-2017 for \$55,000.00 is cross-referenced in the amount of \$45,000.00 to the MFT 30 to fully pay the total amount of the duplicate tax and duplicate FTP.
- IDRS systemically computed and posted a \$2,300.00 FTP assessment on the MFT 30 at the time the Civil Tax assessment posted. The amount was computed on the amount of the Civil Tax assessment from the due date of the return, 04-15-2009, to the posting date of the assessment.
- CC INTST was used to determine the amount of FTP that could be cross-referenced to the MFT 30, to the date of the payment that full paid the tax assessment. Since more than the available \$3,000.00 would be owed, the full amount was cross-referenced.
- When the TC 766 CRN 337 posted to the MFT 30, IDRS systemically posted a TC 276 for \$785.00. This is the full amount of FTP owed on the account since the tax is full paid. The account will show a balance due of \$85.00.
- AMS history is documented on the MFT 30 showing cross-referenced payments, ex. "Cross-referenced payments from (SSN) MFT 31 = 766 337 11-10-2017 \$45,000.00 = \$42,000.00 dup tax, \$3,000.00 dup FTP.
- AMS history is documented on the MFT 31 showing payment application, ex. "Payments allocated as follows: TC 670 11-10-2017 \$55,000.00 = \$42,000.00 dup tax, \$10,000.00 non dup tax, \$3,000.00 dup FTP. Duplicate portions cross-referenced to (SSN) MFT 30".

5.19.23.5
(08-26-2025)
**Computing and
Cross-Referencing
Interest**

- (1) Only court ordered interest can be assessed on MFT 31 (U.S.C Title 18 section 3556). IRC 6201(a)(4)(A) provides the IRS authority to assess and collect restitution ordered tax, penalties and interest.
- (2) The IRS lacks the authority to assess and collect underpayment interest accruals pursuant to IRC section 6601(a) on an amount of restitution assessed pursuant to section 6201(a)(4)(A). See also, **Klein v. Commissioner, 149 T.C. No. 15 (2017)**. Only interest included with the restitution is deemed appropriate on RBA modules (MFT 31) and does not accrue.

Exception: If the Judgment & Commitment Order includes language that Title 26 U.S.C. section 6601 interest will accrue on the restitution based assessment, Exam Tech Services (ETS) will not restrict the module. When this condition exists, AMS must be documented to state Title 26 Interest and interest accruals apply. If AMS isn't documented send request to ETS for verification of account interest. This condition can be identified by the absence of a TC 340/341 restricting interest accruals on the RBA module or a TC 342 posted after the last posted TC 34X actions.

- (3) All RBA assessments with a 23C posting date of 2-12-2018 and forward will carry a restricting TC 340, unless ETS has determined Title 26 interest should accrue. The TC 340 represents the court ordered interest and will either be for zero or a money amount.
- (4) Modules with RBA assessments prior to the 23C posting date of 2-12-2018 are restricted and may have assessed interest or abated interest. These accounts must remain restricted and no adjustment made unless an adjustment request is received via Form 3870 from ETS.

- (5) For the civil account, normal interest rules apply. For information on computing interest, see IRM 20.2.5, Interest on Underpayments.
- (6) When interest is assessed as part of the court order or allowed to systemically accrue per the court order, payments towards interest are cross-referenced between the linked duplicate accounts. In most cases, CC INTST can be used to determine the amount of interest that can be cross-referenced to the civil module. CC INTST can't be used when:
 - There are pending payments on the account where interest is being calculated.
 - Making corrections to posted transactions on the account.
 - Applying multiple payments with different dates or the date of payments received within the grace period of a notice date hasn't updated on CC INTSTD.

Note: If CC INTST can't be used, use CC COMPA or DMI/ACT to compute interest from the due date of the return to the date of the payment or credit on the civil module only when applicable.

- (7) When calculating underpayment interest, the following grace period(s) must be considered:

If	And	Then
The amount shown on the notice and demand is less than \$100,000	Payment is received within 21	Payment is considered received as of the date of notice and demand when computing interest. If the taxpayer does not full pay tax, penalties, and interest, then additional interest will apply only on the amount still owed.
The amount shown on the notice and demand equals or exceeds \$100,000	Payment is received within 10	Payment is considered received as of the date of notice and demand when computing interest. If the taxpayer does not full pay tax, penalties, and interest, then additional interest will apply only on the amount still owed.
A TC 971 AC 069/169 is posted to the account	Payment is received within 30	Payment is considered received as of the date of notice and demand when computing interest. If the taxpayer does not full pay tax, penalties, and interest, then additional interest will apply only on the amount still owed.

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- (8) Issuance of notice and demand are identified on Master File or IDRS by Notice Status Codes 19, 20, 21, 54, 56, and 58.
- (9) On civil assessments, underpayment interest is generally computed from the return due date, while underpayment interest on any associated fraud, failure-to-file (FTF) or accuracy related penalties is computed from the later of the normal return due date or extended return due date. See IRM 20.2.5.3, Interest on Penalties and Additions to Tax, for a list of penalty due dates.
- (10) When manually computing interest through CC COMPA, or DMI/ACT, some interest suspension periods may apply to the civil module. An overview of these scenarios is found in the next section.
- (11) Once all RBA/Civil assessments and all duplicate penalties have been paid in full, use CC COMPA, DMI/ACT, or INTST to compute interest from the due date of the return to the date of the payment or credit on the civil module only when applicable.

Caution: To avoid creating an overpayment on the account, don't cross reference more interest than will accrue on the module.

Example: 1, Court Ordered interest, No court ordered FTP

TPH MFT 31 200812	MFT 30 200812
TC 290 12-31-2017 \$32,000.00 TC 340 12-31-2017 \$18,253.14	TC 300 06-15-2016 \$32,000.00 TC 276 06-29-2016 \$3,550.00 TC 336 06-15-2016 \$21,048.32
TC 766 CRN 337 11-10-2017 \$30,000.00 TC 766 CRN 337 01-15-2018 \$6,450.00 TC 766 CRN 337 02-28-2018 \$7,000.00	TC 670 11-10-2017 \$30,000.00 TC 670 01-15-2018 \$10,000.00 TC 670 02-28-2018 \$7,000.00

- The payment dated 11-10-2017 for \$30,000.00 is cross-referenced to MFT 31 to reduce the RBA (TC 290).
- The payment dated 01-15-2018 for \$10,000.00 pays the remaining \$2,000.00 of the civil assessment, \$3,550.00 of the FTP assessment, and \$4,450.00 of the interest assessment. \$6,450.00 was cross-referenced to the MFT 31 module with \$2,000.00 fully paying the RBA and \$4,450.00 applied to the interest (TC 340). Because there isn't FTP due on the RBA, only the amount applied to tax and interest is cross-referenced to MFT 31.
- The payment dated 02-28-2018 for \$7,000.00 is applied to pay interest on the civil account. Since \$13,803.14 of interest is still owed on the MFT 31, the full amount is cross-referenced.
- AMS history is documented on each account showing payment application and cross reference details."

Example: 2, Court Ordered Interest and FTP

TPH MFT 31 201212	MFT 30 201212
TC 290 12-31-2017 \$13,000.00 TC 270 01-14-2018 \$95.00 TC 340 12-31-2017 \$5,000.00	TC 300 06-18-2017 \$13,000.00 TC 336 06-18-2017 \$7,118.00 TC 276 03-05-2018 \$95.00

TPH MFT 31 201212	MFT 30 201212
TC 766 CRN 337 05-15-2017 \$10,000.00	TC 670 05-15-2017 \$10,000.00
TC 766 CRN 337 01-15-2018 \$2,500.00	TC 670 01-15-2018 \$2,500.00
TC 766 CRN 337 03-05-2018 \$5,000.00	TC 670 03-05-2018 \$5,000.00

- The payments dated 05-15-2017 and 01-15-2018 for a total amount of \$12,500.00 are cross-referenced to MFT 31 to reduce the RBA (TC 290). \$500.00 of the payment dated 03-05-2018 for \$5,000.00 is applied to fully pay the RBA (TC 290). \$95.00 of the payment is applied to the duplicate assessed FTP penalty (TC 270) and the remaining \$4,405.00 is applied to the duplicate interest.
- AMS history is documented on each account showing payment application and cross reference details.

Example: 3, RBA Assessment Based on the Unpaid Portion of the Taxpayer's Form 941.

MFT 31 201403	MFT 01 201403
TC 298 12-31-2017 \$10,000.00 TC 340 12-31-2014 \$1,409.44	TC 150 04-30-2014 \$15,000.00
TC 670 DPC 26 02-10-2018 \$5,000.00 TC 670 DPC 26 04-10-2018 \$2,500.00 TC 670 DPC 26 06-10-2018 \$2,500.00 TC 670 DPC 26 08-10-2018 \$1,409.44	TC 650 02-10-2014 \$2,500.00 TC 650 03-10-2014 \$2,500.00 TC 766 CRN 337 02-10-2018 \$5,000.00 TC 766 CRN 337 04-10-2018 \$2,500.00 TC 766 CRN 337 06-10-2018 \$2,500.00 TC 766 CRN 33708-10-2018 \$1,409.44

- The payments dated 02-10-2014 and 03-10-2014 posted on MFT 01 reduced the amount of the original tax TC 150. The payments were considered when the RBA was assessed, so they are not cross-referenced.
 - The payments dated 02-10-2018, 04-10-2018 and 06-10-2018 are applied to MFT 31 to fully pay the RBA (TC 298) and are cross-referenced to MFT 01 to pay the duplicate Civil assessment.
 - INTST is used to compute Interest on the Civil Assessment amount, MFT 01, from the due date of the return to the date of the payment that paid the interest. The interest due for the Civil assessment is \$1,506.84, however, only \$1,409.44 is available to be cross-referenced from the MFT 31 to the civil account for duplicate interest.
- (12) For all civil MFT modules, any assessment (TC 29X or TC 30X) that includes a hold code preventing a systemic notice to the taxpayer also prevents any accrued failure to pay penalty and accrued interest from posting to the account.
- (13) **Do not** calculate interest and input a TC 340 unless you are cross-referencing interest.

Exception: On civil accounts, you must calculate interest and input a TC 340 when cross-referencing a payment that pre-dates an existing TC 340 in order to prevent an -I Freeze.

- (14) Always input a history item into AMS to document all actions taken and the specifics of interest calculation and the payment application.

5.19.23.5.1
(08-26-2025)
**Interest Suspension
Periods**

- (1) On the rare occurrence that interest must be manually computed with DMI/ACT, the interest suspension periods in this section may need to be considered.
- (2) **Revenue Ruling 99-40 and Credit-Elects.** Under Revenue Ruling 99-40, underpayment interest is suspended for the amount of any refund on an overpayment from the due date of the return to the date the refund was issued without interest. Revenue Ruling 99-40 applies when an additional assessment posts to a module where an earlier overpayment was applied to a succeeding tax period as a credit elect (TC 830/836) and /or refunded without credit interest. The interest-free period for credit elects is decided by what quarter the overpayment is needed in the subsequent year. Master File is able to determine and compute the Revenue Ruling 99-40 suspension period for most tax modules, except the interest-free period attributable to credit elects (referred to as May/Sequa - Sequa Corp. v. United States, No. 95 CIV. 2086 (KMW), 1998 WL 307379 (S.D.N.Y. June 10, 1998)"). See IRM 20.2.5.7, Revenue Ruling 99-40, Use of Money, and IRM 20.2.11.13.1, Interest Computation on RBA's, for more information.
 - If **Revenue Ruling 99-40** has been considered, even if it is determined that Revenue Ruling 99-40 does not apply, Transaction Code (TC) 971 Action Code (AC) 653 is required to be input on IDRS. See IRM 20.2.5.7.2(5), Revenue Ruling 99-40 and Credit Elects (May/Sequa).

Example: Refund without interest. A Taxpayer filed an original 1040X for the 2013 tax year and was issued a refund on the overpayment in the amount of \$600.00 without overpayment interest. A subsequent TC 290 posts 2 years later. IDRS automatically calculates an interest suspension on \$600.00 of the subsequent assessment from 04/15/2013 to the date of the refund.

- (3) **Special Rules Applicable to Certain Employment Taxes-IRC 6205** Employment returns may be entitled to an interest-free period on a tax adjustment if the TC 308 indicates an additional tax assessment by Examination or Appeals with Interest Computation Date other than the return due date. See IRM 4.5.3.23.3, Special Rules Applicable to Certain Employment Taxes - IRC 6205 Interest Free Adjustments.

Note: This special rule only applies to the tax, not the penalties

- (4) **870 Waiver Interest Suspension Periods.** This interest suspension period applies if a waiver of appeal rights is signed by a taxpayer when the taxpayer agrees to an Examination assessment. Because this waiver is most often signed on Form 870, it is often referred to as an 870 waiver. Pursuant to IRC 6601(c), if an assessment isn't made and a bill (notice and demand for payment) isn't issued within 30 days after a Form 870 waiver is received, interest will not be computed on the deficiency (or on the interest on the deficiency) for the period beginning on the 31st day after the waiver date and ending on the assessment date (23C date). See IRM 20.2.7.9, IRC 6601(c), Suspension of Interest on Deficiencies.

Note: The 870 waiver date is generally displayed on TXMODA with the posted TC 300 Exam assessment.

- (5) IRC 7508 prescribes a period of time to be disregarded when computing interest for individuals who serve in a **Combat Zone (CZ)**. The period of time

disregarded because of service in a CZ starts when an individual enters the CZ and ends 180 days after release from the CZ. See IRM 20.2.7.11, IRC 7508, Combat Zone. A CZ account is identified by the following:

- The COMBAT-ZONE field with an indicator of 1 or 2 on the account entity (CC ENMOD / IMFOLE). A “1” indicates the taxpayer is currently serving in a combat zone, and a “2” means the taxpayer is no longer serving in a combat zone.
- TC 500 with any of these closing codes (Closing Codes 52/53, 54/55, 56/57) on the entity (CC ENMOD).
- If applicable, the literal COMBAT ZONE would show on the transcript (CC TXMODA); or
- A Master File (MF) Freeze Code -C on the transcript (CC TXMODA and CC IMFOLT).
- The transaction date of the TC 500 with a Closing Code of 52, 54, or 56 identifies the date the taxpayer enters a CZ, and the transaction date of the TC 500 with a Closing Code of 53, 55, or 57 identifies the date the taxpayer exits a CZ.
- Master File and IDRS programs can correctly compute and suspend interest (and penalties) on combat zone (CZ) accounts if there is one CZ period, or in the case of multiple CZ periods, if the second CZ entry date is more than 6 months from the previous CZ exit date. For example: Multiple CZ periods with more than 6 months between tours, TC 500 04-29-2011 CC 52, TC 500 12-10-2011 CC 53, TC 500 10-08-2012 CC 56, TC 500 06-08-2013 CC 57.
- However, where there are multiple in and out CZ periods and the previous CZ exit date is within 6 months of the next CZ entry date, Master File and IDRS can't correctly compute interest. Therefore, interest must be manually computed and restricted. For information on the use of TC 34X, refer to IRM 20.2.5.6, Restricted Interest. In this instance, where the in / out CZ tours are within 6 months, the CZ period is considered as one continuous period starting from the first CZ entry date up through the last CZ exit date. Multiple CZ periods within 6 months of each tour: TC 500 04-29-2011 CC 52, TC 500 12-10-2011 CC 53, TC 500 05-31-2012 CC 56, TC 500 06-08-2013 CC 57. Suspend interest in this example from 04-29-2011 up thru 06-08-2013 plus 180 days.

(6) IRC 7508A prescribes a period of time to be disregarded when computing interest for individuals who are affected by a presidentially declared disaster area.

- For disasters declared after 12-31-1997 and before 09-11-2001, where the IRS granted an extension of time to file (IRC 6081) and an extension of time to pay (IRC 6161) for a taxpayer located in a Presidentially declared disaster area, IRC 6404(h) authorizes the abatement of interest and penalties during the declared disaster period plus the time covered under the extension to file and the extension to pay.
- For disasters declared on or after 09-11-2001 , IRC 7508A authorizes the IRS to disregard (exclude) a period of up to one year when determining the interest liability for a taxpayer affected by a Presidentially declared disaster. After each Presidentially declared disaster, the IRS issues guidance detailing the type of relief given, the period of time relief is granted, and details of those individuals eligible for the disaster relief. Most individuals “affected” by a declared disaster are systemically

identified with a Transaction Code (TC) 971 and an Action Code (AC) 086, 087, or 688. A few may have to self-identify before the TC 971 AC 086, 087, or 688 can be entered onto their account.

Caution: When adjusting a module where the disaster indicator was manually input, verify the disaster number (FEMA number) and the effective dates of the particular disaster before adjusting the interest.

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See IRM 20.2.7.13, IRC 7508A, Authority to Postpone Certain Deadlines by Reason of Federally Declared Disaster, Significant Fire, or Terroristic or Military Actions, for more information.

- (7) **Rev. Proc. 94-60** provides rules on calculating underpayment interest when a taxpayer has previously received a refund (overpayment) with credit interest for the same tax year in which a deficiency is later determined. During the period interest was payable on an overpayment, interest will be charged at the same rate on the portion of the underpayment (including accrued interest) that does not exceed the refund or offset principal. Because interest rates were equalized for non-corporate taxpayers for interest periods beginning on or after January 1, 1999, no interest netting adjustment is required to achieve interest rate equalization for non-corporate taxpayers. Currently the back-off is 18 days. Prior to 01-01-2012, the back-off was 13 days.

Note: DMI/ACT must be used to compute interest when within module interest netting is required. See IRM 20.2.14.4, Within Module Interest Netting under Revenue Procedure 94-60.

Caution: For 2006 and some FYE 2007 tax periods, a TC 766 CRN 253 will be posted on the module for the Telephone Excise Tax Refund (TETR) credit. A TC 776 right below the TC 766 will show RDD. This is considered part of the credit and the "O" on DMI/ACT should be unchecked.

- (8) **Large Corporate Underpayment (LCU)** - Effective January 1, 1991, the IRC 6621(c) underpayment interest rate increased by two percentage points above the prevailing underpayment rate for "C" Corporations (includes corporate income, employment and excise tax returns). LCU interest is applicable when:
- A notice of underpayment or proposed deficiency (or the assessment of the proposed underpayment/deficiency) is greater than \$100,000 (determined without regard to interest, penalties, or additions to the tax), and either:
 - The amount shown on a proposed deficiency of tax by either a 30/90 Day Letter isn't paid within 30 days from the notice date OR
 - The amount shown in a notice and demand (if deficiency procedures do not apply) isn't paid within 30 days of the date of notice and demand (whichever is earlier).

In limited instances, if Master File has the correct applicable trigger date, it can systemically compute the LCU interest rate provided there are no other issues that require the module to be restricted. A literal "2%INT" will show on TXMODA if the LCU rate has been triggered. See IRM 20.2.5.8, Large Corporate Underpayment (LCU), for more information.

- (9) **NOL/Carrybacks** - when an underpayment in tax for a particular year is reduced or eliminated as a result of a carryback from a later year (e.g., TC 295, 299, 305, 309), the taxpayer remains liable for interest on its underpayment from the time the tax in question was due until the date the tax was satisfied by application of the carryback per IRC 6601 (a).

Note: Carryback claims are subject to a 45-day interest free processing period. When the 45-day period is met, no interest is paid on the refund. See IRM 21.5.9.2, What is a Carryback?, for more information.

5.19.23.5.2
(08-26-2025)
Interest Points to Remember

- (1) For additional information on interest calculations, see IRM 20.2.1.5, Interest Computation Tools and Reports: Manually and Systemically Calculated Interest, and IRM 20.2.5.2.3, Steps to Compute Interest.
- (2) Payments applied towards interest for the RBA amount on the originating account must be cross-referenced to pay duplicate interest on the related account(s).

Note: Only court ordered interest can be assessed. Interest on the RBA assessment (MFT 31) generally does not accrue, therefore, do not cross reference more interest than what is posted.

- (3) When cross referencing interest payments to related accounts, do not overpay the account(s) and cause a credit balance. If a credit balance is mistakenly created, refer to IRM 5.19.23.6, Resolving Overpayment Cases, for steps to resolve the credit.
- (4) Interest is assessed on the MFT 31 RBA only when included in the court order and is generally restricted from accruals. When the interest is restricted, computations of interest are only necessary when determining how much interest can be cross-referenced to the civil module.

Exception: When the court explicitly orders that 26 USC section 6601 (Title 26) underpayment interest shall accrue on the restitution, ETS will not restrict the MFT 31 account from accruing interest.

- (5) For more information on interest computations on RBA's see IRM 20.2.11.13.1, Interest Computations on RBA's.
- (6) Always input a history item into AMS to document all actions taken and the specifics of the payment application.

5.19.23.5.3
(08-26-2025)
Interest on Penalties

- (1) With certain exceptions, as shown below, penalties (including penalties referred to as "additions to tax") are due on the date of notice and demand [IRC 6601(e)(2)(A)], which is the assessment date or "23C" Date. Therefore, interest assessed on these penalties is computed from their assessment date. See IRM 20.2.5.3, Interest on Penalties and Additions to Tax, for more information on computing interest on penalties. For the penalties listed in the following table, interest starts on the assessment date or 23C date and continues until paid.

IRC Code Section	Transaction Code	Description of Penalty
6654 – Individuals, Estates, Trusts	17X	Failure to Pay Estimated Tax
6655 – Corps.	17X	Failure to Pay Estimated Tax
6656(a)	18X	Failure to Make Timely Deposit (MFT 31 will show TC 240 PRN 721)
6651(a)(2)	27X	Failure to Pay Tax on a Return
6651(a)(3)	27X	Failure to Pay Tax – Subsequent Assessment
6652(b)	31X	Failure to Report Tip Income
Various	24X	Miscellaneous Civil Penalties – (No PRN or other than those listed below)
6698	16X	Failure to File Partnership Return
6699	16X	Failure to File S-Corp. Return

- (2) For the following penalties, interest starts from the later of the return due date or the extended due date and continues until paid.

Note: Interest starts on civil penalties from the 23C date, while interest on return related penalties, such as accuracy-related and fraud penalties start on the return due date or extended due date. For more information see IRM 20.2.5.3, Interest on Penalties and Additions to Tax.

IRC Code Section	Transaction Code	Description of Penalty
6651(a)(1)	16X	Failure to File
6651(f)	24X	Fraudulent Failure to File (PRN 635 or 686)
6662	24X	Accuracy Related (PRN 680)
6662A	24X	Accuracy Related to Reportable Transactions (PRN 681)
6663	32X	Fraud

- (3) When computing Interest on Penalties on BMF assessments, refer to IRM 20.2.5.3, Interest on Penalties and Additions to Tax, for exceptions to the computation dates for specific returns.

5.19.23.6 (08-26-2025)

Resolving Overpayment Cases

- (1) Determine what created the credit balance on the RBA module or a module associated (generally linked) to a RBA module.
- (2) If the overpayment is the result of payments or credits posted to a module where TC 971 AC 18X is present, and the associated restitution assessment isn't pending or posted, refer to the table below to secure the Form 3870.

If	Then
A history item "3870/RECVD" was input on CC TXMODA 30 or more days from the present date	<ol style="list-style-type: none"> Input TC 570 to prevent payments from refunding. Contact Memphis Centralized Case Processing (CCP) to verify Form 3870 for the missing assessment has been received and request it be sent to CSCO RBA. CCP RBA contact names can be found at the CCP web site <i>Exam Procedures Knowledge Base</i>. Control the case on IDRS and monitor the account for 10 business days. When Form 3870 is received, process perIRM 5.19.23.9, Processing Adjustments to Restitution-Based Assessments. <p>Note: If no response is received within 10 business days, elevate to local management.</p>
There isn't a history item "3870/RECVD" on CC TXMODA	<ol style="list-style-type: none"> Input TC 570 to prevent payments from refunding. Send a secure email to *SBSE Tech SVS Criminal Restitution and request Form 3870 for the missing assessment. Control the case on IDRS and monitor the account for 10 business days. When Form 3870 is received, process per IRM 5.19.23.9, Processing Adjustments to Restitution-Based Assessments. <p>Note: If no response is received within 10 business days, elevate to local management.</p>

- (3) If the overpayment is the result of payments or credits posted to a module where TC 971 AC 102 is present but neither the TC 971 AC 18X linkages nor restitution assessment are pending or posted, follow procedures in IRM 5.19.23.2.6, to secure Form(s) 3177 and Form 3870.
- (4) Overpayments can be caused for a variety of reasons including, but not limited to:
 - A restitution payment posted to the account prior to the assessment and exceeded the assessed balance.
 - A cross-referenced credit posts with an earlier date than previously posted payments.
 - A cross-referenced credit for an incorrect amount posted.
- (5) To determine how to resolve the overpayment, first verify that all cross-referenced payments are accurate and reverse any incorrect TC 766 CRN 337 transactions with TC 767 CRN 337.
 - Identify the credit that's overpaying the account.
 - Verify that the Refund Statute Expiration Date (RSED) associated with the payment hasn't expired per IRM 21.4.4.4.1, Refund Statute Expiration Date.

Note: TC 766 CRN 337 isn't a refundable credit.

If	Then
The payment was made with or prior to the filing of the return (civil module only)	The payment is available for refund or offset if the current date is within 3 years of the filing of the return. See IRM 25.6.1.10.3.3.2.1, Three-year Rule for additional information.
The payment was made after the filing of the return (applies to all other payments on civil modules and all payments MFT 31)	The payment is available for refund or offset if the current date is within 2 years of the posted payment date. See IRM 25.6.1.10.3.3.2.2, Two-year Rule, for additional information.

- (6) If the RSED of the payment hasn't expired (refundable), determine if it can be offset to another balance due or needs to be refunded to the taxpayer.

Note: If the payment can be refunded, the taxpayer that made the payment should receive the refund. If it was offset from another module as a TC 706, the payment should be moved back to the original module before refunding.

- Research the tax module to identify the freeze condition that's preventing a systemic refund or offset of the overpayment. Possibilities include, but are not limited to: Freeze codes A-, -R, U-, -V, -W, -K, -L or -Y, or a posted TC 766 RC 337 with the same date as a posted payment.

Caution: Don't attempt to resolve an overpayment on a civil module with a freeze code other than -R or -K.

- Research the taxpayer's account to determine if there are other balances due. This includes researching for TC 130 indicating related accounts and related NMF accounts for the same TIN.
- If an open IDRS control exists, contact that area to determine if their issue prevents the immediate offset or refund of the credit. If so, document the AMS history.
- If no other balances remain, research the account for conditions that would prevent a systemic refund of the overpayment.

Example: An overpayment with the same date as a posted TC 766 RC 337 will prevent a systemic refund. A manual refund of the overpayment will need to be done.

- If the overpayment is a refundable DPC 26 or DPC 08 payment, it should be transferred to a restitution balance with the earliest CSED before being transferred to other balances due.

- (7) When cross-referencing a payment results in an overpayment:

- Verify the overpayment is refundable.

Note: TC 766 CRN 337 isn't a refundable credit.

- Research IDRS for other balances due including NMF on that TIN.
- Use IDRS CC ADD 24 to transfer the credit to the balance due with the earliest CSED.

Note: If the credit is due to a payment posted with a DPC 26 or DPC 08, transfer the credit to the balance due on a RBA assessment (generally a MFT 31) account with the earliest CSED. If all MFT 31 accounts are fully paid, transfer credit to any outstanding liability with the earliest CSED.

- d. If the credit is transferred to a tax period where a duplicate RBA exists:

If	Then
The transferred credit does not overpay the RBA, and/or interest	Cross-reference the credit to related account(s) with the duplicate Restitution-Based Assessment. See Example 1 below.
The transferred credit overpays the RBA and/or interest	Cross-reference the credit up to the amount owed, to the related accounts with the duplicate RBA. Follow the procedures in IRM 5.19.23.6(2), above and transfer the remaining credit. See Example 2 below.

Note: Do not wait for the credit transfer to post. Perform all cross-reference actions immediately.

Example: 1

- The taxpayer received a refund offset payment, TC 706 dated 04-15-2015.
- The offset payment fully paid the remaining module balance and resulted in a \$400.00 overpayment from a previously posted TC 670 payment dated 06-15-2016.
- The \$400.00 overpayment was transferred to another MFT 31 account with a RBA balance of \$14,500.00 and was cross-referenced to all related accounts.

Example: 2

- An earlier dated TC 706 refund offset caused an overpayment of \$3,000.00 on MFT 30 for tax period 201312.
- Research of IDRS identified a balance due amount of \$800.00 on 201412, \$4,300.00 on 201512 and \$15,000.00 on 201612 MFT 30 tax modules.
- After calculating the additional interest owed, \$950.00 is transferred to tax period 201412 and cross-referenced to the duplicate RBA.
- The remaining \$2,050.00 is transferred to 201512.
- There is no duplicate assessment for this period, so the payment isn't cross-referenced.

- (8) Send Letter 672C to notify the taxpayer whenever a payment is transferred.
- (9) If there are no balances due and the credit can be refunded, monitor the account until the payment or credit transaction posts and release any hold code or TC 570 with TC 571. Continue to monitor the account and if a

systemic refund does not generate within 14 days, initiate a manual refund. See IRM 21.4.4, Manual Refunds, for instructions on completing a manual refund.

- (10) If the RSED of the payment has expired, all balances are paid, and there are no hold codes or freeze codes on the account, transfer the credit(s) to the appropriate Excess Collection file following the procedures below. If a hold code or freeze code is present, don't release it.

Steps for Sending an Expired Credit to Excess Collections:

- Use Form 8758, Excess Collection File Addition. Follow IRM 3.17.220.2.2.1, Preparation of Form 8758.
- Attach the IDRS prints to the Form 8758, Excess Collection File Addition.
- Input a history item to AMS to indicate the actions taken. (Credit to XSF via Form 8758).

Note: RBA assessments are the result of court ordered restitution and IRS does not abate court ordered restitution. The only time it would be abated would be due to an IRS error. As a result, any RSED payments could be be available for transfer to other balances. Use caution before transferring payments in this scenario.

Note: Accounting applies court collected payments to the earliest RBA tax period with a balance due. Subsequent account reconciliation and payment cross-referencing may impact the tax period balances. If this occurs, any RSED payments on these accounts may be considered "misapplied" and can be moved to other balance due modules or refunded.

Exception: Overpaid credits received prior to the RBA assessment date will be considered expired if not refunded or offset within 2 years of the RBA assessment.

- (11) IRC Section 6603(c) provides that the IRS will return to the taxpayer any amount of deposit that the taxpayer requests in writing be returned unless the amount has previously been used to pay tax. When the IRC Section 6603 deposit is used to pay tax, it is converted into a payment of tax on the date the payment of tax is paid. The 2-year statute for deposit under IRC 6603 is the date it converts to a payment of tax. The portion of the 6603 deposit not converted to a payment of tax has no statute.

Example: When a TC 640 creates an overpayment and that overpayment from a subsequent year is applied to a civil assessment that has a duplicate assessment to a RBA that will result in an overpayment refund from the RBA account, the TC 640 is considered a payment of tax under IRC 6603.

See IRM 25.6.1.10.3.8.7, Deposit Made Under IRC Section 6603, for more information.

- (12) While tax assessments for the years related to a RBA assessment may be eligible for bankruptcy filing, RBA assessments are not. If an overpayment involves a case identified as a bankruptcy (freeze code -V, -W, and TC 520 with closing code 60 - 67, 81, 83 - 85), access the Automated Insolvency

System (AIS) to obtain the appropriate phone and/or address information of the Centralized Insolvency Operation (CIO) or Field Insolvency employee assigned to the case. Inquire about a possible update to the Proof of Claim, and if the credit can be moved to another balance due module or be refunded. Control and monitor the case. Review AIS history for current closing activity 90 days following the initial contact with CIO/Field Insolvency. Follow up with CIO/Field Insolvency every 90 days until the credit balance is resolved or until AIS history indicates current closing activity. If action is in process, document AMS with the AIS history information and close the case. Input a history item on AMS during all initial and follow-up actions to document that CIO/Field Insolvency was contacted and notate any instructions and/or information provided.

- (13) If the overpayment involves a case with a freeze code -V or -W that is other than TC 520 with closing code 60 - 67, 81, 83 - 85, control the case and monitor it every 90 days until the TC 520 is reversed. Once the TC 520 is reversed, resolve any remaining credit balance as instructed in, see IRM 5.19.23.6(2), above.
- (14) If the overpayment involves a case identified as an accepted OIC (TC 780), resolve the overpayment per IRM 5.19.23.6. If the overpayment can't be resolved, contact the appropriate MOIC Liaison located at *SERP Who/Where/OIC*. Use the first two digits of the DLN to determine the appropriate office. Once contact is made, notate actions on AMS and close the control.

Note: The IRS doesn't have the authority to compromise court-ordered restitution or Restitution-Based Assessments. RBA assessments should not be included in OIC agreements. Contact the MOIC Liaison as described above for MFT 31 restitution assessments that appear to be written off by an OIC.

- (15) Document all initial and follow-up actions for resolving overpayments on AMS history.

5.19.23.7
(08-26-2025)
**Trust Fund Recovery
Penalty (TFRP) Program**

- (1) Before transferring credits or adjusting a Civil penalty module (MFT 55) with a posted TC 240 RC 618 contact the TFRP Liaison found through the SERP Who/Where tab -*SERP Who/Where/TFRP*.
- (2) A TC 538 posting to a BMF module will generate a RESTPAYT Transcript. Upon receipt of a RESTPAYT transcript, review the BMF tax module to see if there is an associated TFRP assessment. Indicators of this would include:
 - Pending or posted TC 971 AC 093
 - Pending or posted TC 538 credit
- (3) If the conditions in paragraph (2) above are present and there is a pending or posted TC 538, then:
 - a. Review the AMS history information on the BMF account for documentation of payment application. Sample AMS history documentation may include: TC 538 dated 06/15/2017 \$100,000.00 from (SSN) 55/201209 for tax, TC 538 dated 07/30/2017 \$502.93 from (SSN) 55/201209 for interest.

Note: The procedures for RBA and TFRP are similar, in that payments must be posted to reflect the originating payment application; for example; tax to tax, interest to interest, etc. See IRM 5.19.23.3.2(8). Unlike RBA, when applying a single payment to

TFRP tax and interest, the payment is split and is cross-referenced as separate TC 538s.

- b. If payment application **is** documented, apply the payments/credits as shown in Example 1 below. The posted TC 971 AC 093 and TC 538 are indicators that there is a TFRP assessment. The duplicate amount of the RBA is equal to the TC 150. The TC 670 dated 01-24-2017 has been cross-referenced to the MFT 31. AMS history shows the TC 538 for \$100,000.00 is applied to tax, therefore, it is cross-referenced to the MFT 31 with a TC 766 CRN 337. AMS history shows the TC 538 for \$502.93 is applied to interest, and therefore, is cross-referenced to MFT 31 with a TC 766/337 for interest.

Caution: When a TC 538 is paying interest, and the related RBA assessment isn't full paid, do not cross-reference more interest than what is posted on the RBA module. See IRM 5.19.23.5, Computing and Cross Referencing Interest.

Example: 1, TFRP indicators present, TC 538s cross-referenced.

MFT 31 201209	MFT 01 201209
TC 290 11-25-2018 \$242,862.50 TC 340 11-25-2018 \$68,308.73	TC 150 03-03-2013 \$ 242,862.50
TC 971/185 linked to MFT 01 MMA \$242,862.50	TC 971/184 linked to MFT 31 MMA \$242,862.50 TC 971/093 linked to MFT 55 MMA \$0.00
TC 766/337 01-24-2017 \$142,862.50	TC 670 01-24-2017 \$142,862.50
TC 766/337 06-15-2017 \$100,000.00	TC 538 06-15-2017 \$100,000.00
TC 766/337 07-30-2017 \$502.93	TC 538 07-30-2017 \$502.93

- c. If payment application **isn't** documented, review CC ENMOD of the BMF account to determine the corporate entity state and then identify and contact the appropriate Campus TFRP Liaison using the CSCO TFRP Liaison table located on the *SERP - Who/Where* tab for payment application information.

Note: If TFRP indicator (TC 971 AC 093) is posted and the CSED is expired or the account balance is written-off, check AMS for TFRP documentation. If AMS isn't documented, you must contact TFRP. They will determine if a Related Responsible Party (RRP) payment dated after the TC 608 /TC 604 would have been cross-referenced to the business if the collection statute was still active. If so, that credit is available as a possible cross-reference to the RBA account.

- (4) If the conditions in paragraph (2) above are present and there is no pending or posted TC 538 work the case following normal IRM procedures. The posted TC 971 AC 093 is an indicator that there is a TFRP assessment. See Example 2 below. The duplicate amount of the RBA is \$37,619.20. The TC 650 payments posted to the MFT 01 had already been considered when the RBA was assessed, so they are not cross-referenced to MFT 31. The two TC 670 payments posted to MFT 31 fully pay the duplicate amount of the assessments. A TC 766/337 dated 01-24-2017 for \$28,346.20 and a TC 766/337 dated 01-30-2017 for \$9,273.00 will be cross-referenced to the MFT 01 account.

Example: 2. TFRP indicators present, no TC 538s on BMF module.

MFT 31 201209	MFT 01 201209
TC 290 11-25-2018 \$37,619.20 TC 340 11-25-2018 \$9,503.60	TC 150 11-19-2012 \$155,070.30
TC 971 AC 185 linked to MFT 01 MMA \$37,619.20	TC 971 AC 184 linked to MFT 31 MMA \$37,619.20 TC 971/093 linked to MFT 55 MMA \$37,619.20
TC 670 01-24-2017 \$28,346.20 TC 670 01-30-2017 \$9,273.00	TC 650 07-05-2012 \$36,279.49 TC 650 08-31-2012 \$45,524.86 TC 650 10-30-2012 \$35,646.75

- (5) Always record the AMS history **on MFT 31**. When the payment/credit is being cross-referenced from the civil account, the AMS history must be documented on both the civil MFT and MFT 31 with all cross-reference information, including;

- Transaction code(s)
- Payment date(s)
- Payment amount(s)
- Originating TIN, MFT and tax period
- Cross-referenced TIN, MFT and tax period
- Application of payment(s) (i.e., Tax, Penalty, Interest)

Example: "TC 670 (for IMF documentation); or TC 766/337 (for BMF documentation) dated 01-24-2017 \$28,346.20 and TC 670 (for IMF documentation); or TC 766/337 (for BMF documentation) dated 01-30-2017 \$9,273.00 from (SSN) 31/201209 for tax" .

5.19.23.8
(08-26-2025)
**Processing
Restitution-Based
Assessment
Correspondence and
Forms 4442**

- (1) When a Restitution-Based Assessment (RBA) or Civil Tax is assessed, a Notice and Demand Letter is issued. The Notice and Demand letter informs the taxpayer of the amount due for unpaid taxes and associated interest resulting from RBA and/or Civil Tax Assessments, for all tax periods assessed up to the date of the notice.
- (2) The Form 4442, Inquiry Referral is used when a taxpayer's inquiry can't be resolved during initial contact with the IRS. The initial contact may be received in person, or by telephone. Control Forms 4442 received in CSCO as taxpayer correspondence.
- (3) Taxpayer inquiries received in CSCO must be controlled within 14 days from the IRS received date or 3 business days from the Operation received date. When a final response can't be initiated within 30 days, an interim response will be initiated by the 30th calendar day from the IRS received date. If correspondence is received from a previous area after the 30 days expires and no interim letter was issued, an interim letter must be sent within five business days of receipt. Subsequent interim letters may be required if you are unable to respond as promised, see IRM 21.3.3.4.2.2, Interim Responses. Follow all other IDRS control procedures in IRM 21.3.3.4.2.2, Interim Responses.

Caution: The Potentially Dangerous Taxpayer (PDT) and Caution Upon Contact (CAU) system identifies taxpayers who may pose a threat to the safety of IRS employees whose official duties require personal contact with

taxpayers. Once a taxpayer is identified as potentially dangerous, a PDT indicator represented by symbol *PDT* is displayed on IDRS and *CAU* will be displayed to inform IRS employees to exercise caution when talking to a taxpayer. The Office of Employee Protection (OEP) is responsible for administration and maintenance of the PDT database. See IRM 25.4.1, Potentially Dangerous Taxpayer, and IRM 25.4.2, "Caution Upon Contact" Taxpayer, for appropriate action.

- (4) If the taxpayer states payments have not been applied or have been applied incorrectly, research IDRS and apply or correct any missing and/or misapplied payments. If payments are applied or corrected, send Letter 672C to inform the taxpayer.
- (5) Contact the Kansas City Campus RACS team via secure E-mail at *TS Criminal Restitution for any questions regarding receipt of restitution payments.
- (6) Route to Exam Technical Services (ETS) correspondence that states:
 - Taxpayer does not understand the Notice and Demand Letter.
 - Taxpayer isn't liable or is disputing the tax liability, Fraud penalty and/or Civil assessment.
 - Taxpayer disputes the computation of interest and/or penalties.

Use Form 3210 to route the case and Include a thorough explanation for the reason the case is being routed.

- (7) Route to Centralized Insolvency Operation correspondence that states:
 - Taxpayer is in bankruptcy.

Use Form 3210 to route the case and Include a thorough explanation for the reason the case is being routed.

- (8) If the correspondence states:
 - Taxpayer is unable to pay,
 - Taxpayer requests installment agreement,
 - Taxpayer is incarcerated, or entitled to military deferment
 - Taxpayer is deceased,
 - Restitution has been full paid and/or a copy of the Judgment Satisfaction is attached then:

Perform thorough research to locate any missing or misapplied payments.

If unable to locate missing or misapplied payments, and; the case is in Status 26 and assigned to a Revenue Officer (RO) with the last two digits of 01-99, or to an RO Group, use Form 3210 to route the case to the appropriate field group based on state mapping using the SERP "Who/Where" link to the *RO by TSIGN/ZIP/STATE* site. Include a thorough explanation for the reason the case is being routed.

If the case isn't assigned to an RO or RO Group, use Form 3210 to route the case to Advisory. The listing of Advisors can be found at the SBSE Collection web site, *Collection Advisory*

Perform thorough research to locate any missing or misapplied payments.

Include a thorough explanation for the reason the case is being routed.

Note: All RBA cases where the assessment posted after 6/2/2014 are monitored by the Dallas Advisory Group and correspondence cases meeting the above criteria should be forwarded to that office at:

Internal Revenue Service
Advisory Probation/Restitution Program
1100 Commerce St., Mail Code 5028 DAL
Dallas, TX 75242

Send Letter 86C advising the taxpayer that another office has jurisdiction over their account and they will be contacted by that office.

- (9) Correspondence received for all other issues are routed to the appropriate functional area. Use the Campus Mail Routing Guide located on *SERP* to determine the appropriate functional area.
- (10) Form 4442 is also used to notify CSCO that a credit balance exists on a module containing a TC 971 AC 102. Control these forms within 14 days from the IRS received date or 3 business days from the Operation received date and resolve the credit balance in accordance with IRM 5.19.23.6, Resolving Overpayment Cases.
- (11) If Form 2848, Power of Attorney (POA) and Declaration of Representative, or Form 8821, Tax Information Authorization (TIA), is attached to the notice or correspondence, use CC CFINK to research the Centralized Authorization File (CAF) to verify if the POA is authorized for the period(s) in question.
 - If the account isn't on CAF the Form 2848 must contain the following:

Taxpayer's full name, address, and TIN

Representative's full name and address

Type of tax

Tax year(s) or period(s)

Signature of/for taxpayer and date of signature

Representative must sign declaration

- A POA or TIA must contain the essential elements listed in IRM 21.3.7, Processing Third Party Authorizations onto the Centralized Authorization File (CAF), to be valid. Those essential elements include:

Clear intent.

Clear identification of the taxpayer, e.g., name, address, TIN (2 out of 3 are sufficient).

Clear intent.
Clear identification of the third party.
Specific tax matter(s) – type of tax and period(s).
Taxpayer's signature and date.
For a POA, the representatives signature and date.

- See If / Then chart below:

If	Then
POA does not contain all the items listed above	Return original to the taxpayer with the explanation that the form is incomplete. Use Letter 672C when responding to other issue(s). Return using Letter 861C if not responding to other issues.
POA contains all the items listed above.	Fax the original to the Consolidated CAF site for your Campus. Notate "original faxed to CAF" and the date on the form and retain with the case file.

- (12) Specific use Powers of Attorney (e.g., Civil penalties and Form 843) are entered onto the CAF. This eliminates the need for the taxpayer to resubmit authorization requests each time a third party corresponds on a specific issue. When a valid authorization is received in an office which does not process authorizations to the CAF, FAX the authorization to one of the centralized CAF campuses for processing.

- (13) If a valid POA or TIA is received, send responses to correspondence to the taxpayer and to the authorized representative. Replies from a valid POA are treated as if the taxpayer(s) was responding.

Note: Refunds are not sent to Appointees named on Form 8821.

- (14) If an unauthorized third party requests information concerning the penalty assessment, send Letter 135C , Power of Attorney Needed to Furnish Information. Do not send or discuss tax information with an unauthorized third party. Correspond directly with the taxpayer.
- (15) Refer taxpayers to the Taxpayer Advocate Service (TAS) (see IRM Part 13, Taxpayer Advocate Service) when the contact meets TAS criteria (see IRM 13.1.7, TAS Case Criteria) and you can't resolve the taxpayer's issue 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 13.1.7.4, Same-Day Resolution by Operations. When you refer cases to TAS, use Form 911, Request for Taxpayer Advocate Service Assistance (and Application for Taxpayer Assistance Order), forward to TAS.
- (16) Document all initial and follow-up case actions in AMS.

5.19.23.8.1
(01-13-2023)

RBA Undeliverable Mail

- (1) Undeliverable (UD) mail is any IRS outgoing mail piece that the USPS can't deliver to a specified, domestic address or to a valid forwarding address.
- (2) When RBA correspondence is returned from the USPS as undeliverable, the following steps should be taken by the tax examiner or other designee:
 - a. If the taxpayer's mailing address differs from the "Yellow Label" and the name printed on the "Yellow Label" is an **exact match** to the correspondence, update the taxpayer's mailing address to the "Yellow Label" address. Reissue the correspondence to the taxpayer's updated mailing address.
 - b. If no new address is indicated on the returned letter, research IDRS CC ENMOD or IMFOLE to see if there is a new address on file. If there is a new address then re-mail the undeliverable letter in a new envelope.
 - c. If a new address can't be located or no new address is indicated on the returned letter, attach a completed Form 9856, Attachment Alert, and forward the letter to be associated with the closed case. Complete the form as follows:
 - **Controlling Document Locator Number (DLN):** Enter the DLN to which the documents should be associated. The controlling DLN is displayed at the top of most IDRS command codes
 - **Employee IDRS Number:** Enter the Employee IDRS number
 - **Date Prepared:** Enter the date the form is prepared
 - **Stop Number and Alpha:** Enter the complete address with Stop Number and Alpha. This will ensure timely routing back to the originating office, if needed
- (3) Document Account Management Services (AMS) of actions taken.

5.19.23.9
(08-26-2025)

Processing Adjustments to Restitution-Based Assessments

- (1) Forms 3870 relating to original Restitution-Based Assessments (RBA) are initiated by Exam Technical Services (ETS) and are generally input by Exam Centralized Case Processing (CCP), located in the Memphis Campus.
- (2) Ogden CSCO may receive Forms 3870 from ETS when:
 - Ogden CSCO submitted request during transcript processing because a TC 971 AC 18X is posted to the restitution module but no associated assessment has posted. See IRM 5.19.23.2.6 or,
 - ETS requests a partial or full abatement of the RBA and/or RBA interest.
- (3) Only ETS is authorized to request adjustments to the RBA. Any Forms 3870 submitted by another area should be forwarded to ETS for validation of the requested adjustment.
- (4) Forms 3870 received in CSCO must be processed within 30 days of the Campus received date.
- (5) Forms 3870 received from ETS requesting assessment and/or abatement of RBA must include:
 - The specific reason for the abatement/assessment.
 - Managerial approval. If no managerial approval is present, return to originator via Form 3210.

Note: If Form 3870 can't be processed, i.e., unclear or incomplete, contact ETS for additional information. If unable to contact, reject Form 3870 and return it to the originator via Form 3210. Include a thorough explanation of the reason for the reject.

(6) When Form 3870 is received requesting assessment of an RBA, review the ASED on the MFT 31 account. If the ASED has expired or is within 45 days of expiration:

- Input a TC 560 to extend the date 12 months from the date of input.
- Monitor the account until the TC 560 posts.

(7) Use CC REQ54 to input TC 290/298 and TC 340. See IRM 5.19.23.

Reminder: Interest on the RBA assessment is limited to the amount of court ordered interest. Interest does not accrue on the RBA assessment. All RBA modules must remain restricted.

- Use the following references when inputting an RBA adjustment to CC REQ54.

Always use blocking series 00
Enter TC 290/298 AMT \$\$\$\$
Enter TC 340 AMT \$\$\$\$ (If applicable)
Hold code 0
Priority Code 5
Reason Code 14X – See IRM 5.19.23.2
Source Doc Attached = Y
Remarks = RBA F3870 Per ETS

- When inputting multiple assessments to the same tax module:

Cross-reference any applicable payments.
Control the case in monitor (M) status on IDRS and monitor the account until all transactions post.
Notate AMS history to reflect actions taken.

(8) When Form 3870 is received requesting full abatement of an RBA:

- Abate individual tax periods requested.
- Abate the lien fee (TC 360) if it has been assessed.
- Reverse any payments/credits that have been cross-referenced from other related accounts and any payments that have been cross-referenced from the adjusted account to any other related accounts.
- Control the case in monitor (M) status on IDRS and monitor the account until all transactions post.
- Notate AMS History to reflect actions taken.

- (9) When Form 3870 is received requesting partial abatement of an RBA and/or RBA interest:
 - Adjust individual tax periods requested.
 - When abating interest, use Hold code 4.
 - Reverse any payments/credits that have been cross-referenced from other related accounts that cause the account to be overpaid. Reverse any payments/credits that have been cross-referenced from the adjusted account to other linked accounts if they will be refunded or offset.
 - Control the case in monitor (M) status on IDRS and monitor the account until all transactions post.
 - Notate AMS History to reflect actions taken.
 - When abating interest per the Klein decision, notate AMS history referencing the Klein Decision.

- (10) Resolve any overpayment in accordance with IRM 5.19.23.6.

Note: Caution must be taken to ensure TC 766 CRN 337 credits are not refunded or offset to other balance due accounts.

- (11) Maintain Form 3870 as a source document in the employee adjustment folder.

5.19.23.10 (06-06-2014) Reports

- (1) The reports in this section are used to monitor and manage the Restitution-Based Assessment (RBA).

5.19.23.10.1 (06-30-2017) Manager Reports

- (1) Manager reports are used to monitor employee inventories. Restitution-Based Assessment (RBA) transcript inventory will be controlled on IDRS or AMS and will be monitored utilizing the Assigned Batch Status Report and the CCA 4243 Overage Report. Weekly review of AMS and CCA 4243 Overage reports are mandatory and should be performed by the Department Manager. It may be delegated no lower than the Team Leader level. Documentation of these reviews must be maintained for a period of 6 months.

Note: Employees must update the IDRS controls each time they perform a follow-up action on a case to document the timeliness of their actions.

- (2) The Daily Transcript Review (DTR) must be performed on all transcript cases closed during the prior business day. The DTR ensures all applicable cross-referencing of current payments and credits is complete, a practical check for accuracy is performed, and case errors are corrected prior to posting to Master File.
 - a. Review the Employee Cases by TIN Report to identify which tax period(s) to examine.
 - b. Follow local procedures to prepare report and run GII tool.
 - c. Copy and paste the potential errors from the GII report to the Daily Review spreadsheet. Mark the **Errors Identified** columns for specific error types.
 - d. Perform a review and validation of errors identified and record the amount of time spent on the review.

Note: This quick visual review is to be performed without calculators. Do not math verify, validate interest, or check for histories.

- e. After validating errors, reviewer will forward the spreadsheet to the Manager, who will return the case(s) to the originator(s) for immediate correction.
- f. A daily log of the weekly and cumulative results is to be maintained and reviewed by the Department Manager, who will send a digitally signed copy to HQ on a weekly basis by the Thursday of the following week.
- g. The Campus Analyst will perform a monthly review of error types and trends. Report findings to the Department Manager on a monthly basis and send cumulative findings to HQ on a quarterly basis with an analysis of the errors, root cause, and planned actions to prevent reoccurrence.

5.19.23.10.2
(05-08-2017)

Team Level Reports

- (1) Team Level reports are used to monitor employee inventories. RBA transcript inventory will be controlled on IDRS and AMS and will be monitored utilizing the Assigned Batch Status Report and the CCA 4243 Overage Report. Weekly review of AMS and CCA 4243 Overage reports are mandatory and should be performed by the Department Manager. It may be delegated no lower than the Team Leader level. Documentation of these reviews must be maintained for a period of 6 months.
- (2) Documentation must include review findings, case status, non-action or action needed, and confirmation from the tax examiner of action taken.

5.19.23.10.3
(06-06-2014)

System Level Reports

- (1) The AMS system reports will be utilized to monitor and manage all RBA transcripts Inventory.

5.19.23.10.4
(06-06-2014)

Employee Inventory Reports

- (1) AMS and CCA 4243 Overage reports are available for employees to monitor individual inventories. Weekly reviews must be performed by the employee to ensure timely case actions are taken. Employees are required to elevate issues that may prohibit these reviews to their manager.

Exhibit 5.19.23-1 (08-26-2025)
Table of Acronyms & Definitions

Acronym	Definition
AC	Action Code
ACT	Automated Computational Tool
ADJ	Adjustment
AIS	Automated Insolvency System
AMS	Accounts Management System
AMT	Amount
ANMF	Automated Non Master File
ASED	Assessment Statute Expiration Date
BMF	Business Master File
CC	Command Code
cc	Closing Code
CSCO	Compliance Services Collection Operations
CCP	Centralized Case Processing
CI	Criminal Investigation
CRN	Credit Reference Number
CSSED	Collection Statute Expiration Date
DLN	Document Locator Number
DMI	Decision Modeling Incorporated
DOJ	Department of Justice
DPC	Designated Payment Code
EIN	Employer Identification Number
ETS	Exam Technical Services
FLC	Filing Location Code
FLU	Financial Litigation Unit
FTP	Failure to Pay
GII	Generalized IDRS Interface
HQ	Headquarters
IAT	Integrated Automation Technologies
IDRS	Integrated Data Retrieval System
IDT	Identity Theft

Exhibit 5.19.23-1 (Cont. 1) (08-26-2025)**Table of Acronyms & Definitions**

Acronym	Definition
IMF	Individual Master File
IRC	Internal Revenue Code
IRM	Internal Revenue Manual
IRS	Internal Revenue Service
LCU	Large Corporate Underpayment
MFT	Master File Tax
MMA	Memo Money Amount
NMF	Non Master File
NOL	Net Operating Loss
OIC	Offer in Compromise
POA	Power of Attorney
POC	Point of Contact
PC	Priority Code
RA	Revenue Agent
RBA	Restitution-Based Assessment
RACS	Revenue Account Control System
RC	Reason Code
RO	Revenue Officer
RPP	Return Preparer
RSED	Refund Statute Expiration Date
SBSE	Small Business / Self-Employed
SERP	Servicewide Electronic Research Program
SSN	Social Security Number
TIN	Tax Identification Number
TC	Transaction Code
TP	Taxpayer
TS	Taxpayer Services (formerly W&I or Wage and Investment)
TFRP	Trust Fund Recovery Penalty
TXPD	Tax Period
TY	Tax Year

Exhibit 5.19.23-1 (Cont. 2) (08-26-2025)**Table of Acronyms & Definitions**

Acronym	Definition
UPC	Unpostable Code
WH	Withholding
XREF	Cross-Reference

