



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

25.15.7

OCTOBER 10, 2024

## EFFECTIVE DATE

(10-10-2024)

## PURPOSE

- (1) This transmits revised IRM 25.15.7, Relief from Joint and Several Liability, Innocent Spouse Shared Processing Responsibilities.

## MATERIAL CHANGES

- (1) This IRM was revised to reflect the following changes:

Subsection	Change
IRM 25.15.7	Editorial changes made throughout: Corrections to wording and links, updated acronym CIS to CII, updates to sentence structure and placement with no change to content of paragraph.
IRM 25.15.7.1	Updated Cincinnati Centralized Innocent Spouse Operation (CCISO) to Cincinnati Innocent Spouse Operation (CISO) and added Primary Stakeholders.
IRM 25.15.7.1.1	Updated Cincinnati Centralized Innocent Spouse Operation (CCISO) to Cincinnati Innocent Spouse Operation (CISO) and corrected Accounts Maintenance (AM) to Accounts Management (AM).
IRM 25.15.7.1.3	Revised text for Taxpayer Bill of Rights (TBOR).
IRM 25.15.7.1.4	Revised text.
IRM 25.15.7.1.5	Added Program Controls.
IRM 25.15.7.1.6	Combined Terms and Acronyms, Updated Cincinnati Centralized Innocent Spouse Operation (CCISO) to Cincinnati Innocent Spouse Operation (CISO).
IRM 25.15.7.1.7	Deleted Acronyms.
IRM 25.15.7.1.8	Revised text.

<b>Subsection</b>	<b>Change</b>
IRM 25.15.7.2	Revised title from Accounts Maintenance to Accounts Management.
IRM 25.15.7.2.1	Updated Correspondence Imaging System (CIS) to Correspondence Imaging Inventory (CII) in paragraph (2) and added text in paragraph (4).
IRM 25.15.7.3	Deleted the entire section.
IRM 25.15.7.3.1	Deleted the entire section.
IRM 25.15.7.4.2	Added telephone number (internal use only) and link for Insolvency Liaison contacts.
IRM 25.15.7.4.3	Revised Appeals Stop Number.
IRM 25.15.7.4.3.1	Deleted bullets and added a table for (1)(d).
IRM 25.15.7.6.1	Revised the URL.
IRM 25.15.7.7.1	Revised Appeals IRM reference.
IRM 25.15.7.6.2	Added the URL for Innocent Spouse Handbook (sharepoint.com) for Litigation Referral Cases and revised Stop: 840F to Stop: 840A.

**EFFECT ON OTHER DOCUMENTS**

IRM 25.15.7 dated February 05, 2020 is superseded.

**AUDIENCE**

Employees within the Compliance Campus Functions and Cincinnati Innocent Spouse Operations (CISO) who work cases involving innocent spouse issues.

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Small Business/Self-Employed Division

25.15.7

Innocent Spouse Shared Processing Responsibilities

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25.15.7.1  
(10-10-2024)  
**Program Scope and Objectives**

- (1) Purpose: This IRM provides guidance for IRS employees considering innocent spouse relief requests where coordination with other functions is required.
- (2) Audience: Small Business/Self Employed (SB/SE) employees within the Compliance Campus Functions and Cincinnati Innocent Spouse Operations (CISO) who work cases involving innocent spouse issues.
- (3) Policy Owner: The policy owner is the SB/SE Director, Examination - Field and Campus Policy.
- (4) Program Owner: The program owner is SB/SE Campus Exam and Field Support.
- (5) Primary Stakeholders: The primary stakeholders are Cincinnati Innocent Spouse Operation (CISO).
- (6) Program Goals: The program goals are to properly coordinate processing of innocent spouse relief requests when other account conditions are present.

25.15.7.1.1  
(10-10-2024)  
**Background**

- (1) Requests for relief from joint and several liabilities are mainly processed at the Cincinnati IRS Campus known as the Cincinnati Innocent Spouse Operation (CISO). Requests can be received in other operations.
- (2) This IRM contains general information related to shared responsibilities with:
  - Accounts Management (AM).
  - Campus Correspondence Examination Operation/Automated Underreporter Operations (CCEO/AUR).
  - Collection (which is further broken down into): Bankruptcy, Collection Due Process (CDP), Offer In Compromise (OIC).
  - Small Business/Self Employed (SB/SE) Field Examination.
  - Taxpayer Advocate Service (TAS).
  - Tax Court/Appeals.

25.15.7.1.2  
(02-05-2020)  
**Authority**

- (1) IRC 66, Treatment of Community Income.
- (2) 26 CFR 1.66, code of Federal Regulations guidance on requests for relief from federal income tax liability resulting from the operation of community property law.
- (3) IRC 6015, Relief from joint and several liability on joint return.
- (4) 26 CFR 1.6015-1 through -9, which provide guidance on requests for relief from joint and several liability and related proposed regulations, including 78 F.R. 49242 (issued on August 13, 2013) and 80 F.R. 72649-01 (issued November 20, 2015).
- (5) Rev. Proc. 2003-19, administrative appeal rights for the non-requesting spouse.
- (6) Rev. Proc. 2013-34, guidelines for taxpayers seeking equitable relief from income tax liability under section 66(c) or section 6015(f).
- (7) IRC 6663(c), special rule for joint returns regarding imposition of fraud penalty.
- (8) 26 CFR 301.7122-1, Compromises.

- (9) IRC 6224(c) regarding settlement agreements related to TEFRA partnership proceedings.
- (10) 26 CFR 601.508 regarding disputes between recognized representatives of a taxpayer.
- (11) IRC 6103(e) regarding disclosure of joint return to either spouse or authorized representative.
- (12) IRC 6213(a) regarding the right to raise innocent spouse relief in a petition for redetermination of a deficiency.
- (13) IRC 6320 and IRC 6330 regarding rights to raise innocent spouse relief in a collection due process proceeding.

#### 25.15.7.1.3 (10-10-2024)

##### **Roles and Responsibilities**

- (1) The Director, Examination - Field and Campus Policy, reports to the Director, Headquarters Examination, and is responsible for the delivery of policy and guidance that impacts the field and campus examination process. See IRM 1.1.16.5.5.1, Examination Field and Campus Policy, for additional information.
- (2) Campus Exam and Field Support, which is under the Director, Examination - Field and Campus Policy, is the group responsible for providing Servicewide policy guidance on compliance processes that relate to campus examination operations and support Field Exam and Specialty Programs in SB/SE and Large Business & International (LB&I). See IRM 1.1.16.5.5.1.5, Campus Exam and Field Support, for additional information.
- (3) CISO falls under the responsibility of the Director, Examination - Campus, with the Director, Examination - Field and Campus Policy, providing oversight to the innocent spouse processing IRMs.
- (4) The Internal Revenue Code (IRC) provides taxpayers specific rights. The Taxpayer Bill of Rights groups these rights into ten fundamental rights. See IRC Section 7803(a)(3). IRS employees are responsible for being familiar with and following these rights. For additional information about your taxpayer rights, please see Publication 1, Your Rights as a Taxpayer or visit *Taxpayer Bill of Rights / Internal Revenue Service (irs.gov)*

#### 25.15.7.1.4 (10-10-2024)

##### **Program Management and Reviews**

- (1) Program Reports - The program reports provided in this IRM are for identification purposes for the Field and Campus managers and Tax Examiners. For reports concerning quality, inventory, and aged listings, refer to IRM 1.4.29, SB/SE Campus Exam/AUR, and Taxpayer Services Exam Operations. The overage report can be viewed by accessing Control Data Analysis, Project PCD, and are on the Control-D/Web Access server, which has a login program control.
  - National Quality Review System (NQRS)
  - Innocent Spouse Tracking System (ISTS) provides information regarding the current status of the case.
- (2) Operational Reviews are performed by:
  - Department Managers review Frontline Teams,
  - Operation Managers review Department Managers,
  - Directors/Planning & Analysis Staff review Operations.

- (3) Program Effectiveness - Program effectiveness is determined by Field and Campus employees successfully using IRM guidance to perform necessary account action and duties. The following are used to ensure program effectiveness.
- Case reviews are conducted by Managers and recorded into the Embedded Quality Review System (EQRS) to ensure compliance with the IRM.
  - Program reviews are conducted by headquarters analysts to evaluate program delivery and conformance to administrative and compliance requirements.

25.15.7.1.5  
(10-10-2024)  
**Program Controls**

- (1) The Cincinnati Innocent Spouse Operation (CISO) provides support to examiners and managers.

25.15.7.1.6  
(10-10-2024)  
**Terms and Acronyms**

- (1) The following is a list of common terms used in this IRM section:

Term	Description
Amended Returns	Amended returns generate an -A freeze on the account. The freeze condition must be resolved prior to non-qualifying or making a determination of innocent spouse relief.
Automated Underreporter (AUR)	The operation that proposes adjustments based on an automated process and generates transaction code (TC) 922 on the account transcript.
Centralized Case Processing (CCP)	The campus function that closes field examination cases.
Correspondence Imaging Inventory (CII)Users are reminded to only access CII from AMS.	A document imaging and workflow system used to scan and process incoming documents as digital images. <b>Note:</b> As a reminder, CIS was renamed to CII many years ago but it wasn't until AMS migrated from OL5081 to BEARS that the system name change started appearing for end users.

Term	Description
Docketed Cases Related to Open Examinations	Requests for innocent spouse relief related to Tax Court cases originating in Campus Compliance Examination Operations, Area Office Examinations or Automated Underreporter require special handling.
Open Litigation/Tax Court	Accounts that have open litigation/Tax Court case indicators in the form of specific transaction codes and/or freeze codes.
Request for Innocent Spouse Relief	A Form 8857, Request for Innocent Spouse Relief, or other written statement signed under penalty of perjury, requesting relief from joint and several liability or relief from community property laws.

(2) The following table lists commonly used acronyms in this IRM:

Acronym	Description
AM	Accounts Management
ACS	Automated Collection System
AUR	Automated Underreporter
ACDS	Appeals Centralized Database System
CC	Command Code
CCP	Centralized Case Processing
CDP	Collection Due Processing
CII	Correspondence Imaging Inventory
CCEO	Campus Compliance Examination Operation
CISO	Cincinnati Innocent Spouse Operation
DOJ	Department of Justice
DPC	Designated Payment Code
DIMS	Docketed Information Management System



Acronym	Description
EFT	Electronic Funds Transfer
GII	Generalized IDRS Interface
IPU	IRM Procedural Update
IDRS	Integrated Data Retrieval System
IORS	IDRS Online Report Services
ISTS	Innocent Spouse Tracking System
IUUD	IDRS Unit and USR Database
NPS	Non-Petitioning Spouse
NRS	Non-Requesting Spouse
OAR	Operations Assistance Request
OIC	Offer in Compromise
PC	Processing Code
PS	Petitioning Spouse
RS	Requesting Spouse
SLA	Service Level Agreement
SB/SE	Small Business/Self Employed
SNOD	Statutory Notice of Deficiency
TC	Transaction Code
TAS	Taxpayer Advocate Service
TBOR	Taxpayer Bill of Rights
USR	Unit Security Representative

25.15.7.1.7  
(10-10-2024)

#### Related Resources

- (1) The following references are useful when using this IRM section:

IRM	Purpose
IRM 4.8.9.27.8, Non-Petitioning Spouse	Describes actions to take when only one spouse petitions a statutory notice of deficiency on a joint account.
IRM 8.7.12, Technical and Procedural Guidelines - Appeals Innocent Spouse Case Procedures	Provides innocent spouse relief procedures for Appeals.

IRM	Purpose
IRM 13.1.7, Taxpayer Advocate Service (TAS) Case Criteria	Describes criteria used to designate cases accepted by TAS.
IRM 21.1.3.18, Taxpayer Advocate Service (TAS) Guidelines	Provides guidelines used to refer taxpayers to the Taxpayer Advocate Service.
IRM 21.5.6, Account Resolution, Freeze Codes	Describes freeze code conditions and how to resolve.
IRM 25.15.14, Relief from Joint and Several Liability, Innocent Spouse Tracking System	Provides information on the Innocent Spouse Tracking System.
IRM 25.15.18, Relief from Joint and Several Liability, Innocent Spouse Relief Processing Procedures	Provides procedures for processing requests for innocent spouse relief in CISO.

25.15.7.2  
(10-10-2024)  
**Accounts Management  
(AM) Overview**

- (1) When specific freezes or controls indicate that AM is working or resolving an account issue, then coordination between CISO and AM is needed. The issue on the account must be resolved before a request for relief can be considered. This is particularly important when AM is working with an amended tax return.

25.15.7.2.1  
(10-10-2024)  
**Amended Returns**

- (1) If there is a –A Freeze on the account, it needs to be resolved prior to determination. Amended returns may result in:
  - a. A lower liability,
  - b. An increase in liability,
  - c. A change in the account to full paid, or
  - d. A change to the filing status.
- (2) Retrieve a copy of the amended return through Correspondence Imaging Inventory (CII), if available. If there is a control on the account, contact the assigned employee to have the freeze resolved per paragraph (3) below.
- (3) If a copy of the amended return cannot be retrieved through CII, request a copy of the amended return from the employee who is assigned the case.
- (4) The request may be received in Full Scope with an –A freeze that posted after the Innocent Spouse request was received. The Full Scope Technician will research and contact the area responsible for resolving the freeze before working the request.

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- (5) Suspend the case until the -A freeze is resolved. See IRM 21.5.6.4.2, -A Freeze, for additional information.

25.15.7.3  
(12-09-2016)  
**Collection**

- (1) An account may have collection activity indicators. Coordination with the appropriate Collection Operation employee may be required while a request for relief is considered.

25.15.7.3.1  
(12-09-2016)  
**Automated Collection System (ACS) Tax Levy**

- (1) If the RS calls or corresponds regarding a levy, or there is an indication of a levy (TC 670 with Designated Payment Code (DPC) 04, 05, 16, 18, 19, 20, 21, 22, or 23 ), ask the RS for the following information:

- a. Levy source's name.
- b. Contact person.
- c. Telephone number.
- d. Fax number, if known.

**Note:** Continuous or recurring levies may be suspended while an innocent spouse request is pending (for example, a wage levy). Bank account, state income tax, Alaska Permanent Fund Dividend and electronic funds transfer (EFT) levies are typically a one-time levy action. Typically by the time a taxpayer is aware of a one-time levy, the action cannot be stopped. Any levy payment applied to an account after the received date of the request for innocent spouse relief, may be returned to the RS after a determination is made.

**Note:** If the RS indicates that the levy created an economic hardship, refer the case to TAS to make a hardship determination.

- (2) Send a secure email including the taxpayer information for the release of levy request to the Lead.
- (3) The Lead will forward the levy release request to the ACS contact.

25.15.7.3.2  
(10-10-2024)  
**Bankruptcy**

- (1) Coordination with Bankruptcy is required when either spouse is in bankruptcy.

**Note:** Look at the indicator associated with the TC 520 on TXMOD to determine who filed bankruptcy: **P** - Primary taxpayer or **S** - Secondary taxpayer, or **B** - Both taxpayers.

- (2) If a determination is made to grant full or partial relief, call (855) 740-9781 **(Internal number for IRS employees only)** or email the bankruptcy specialist assigned to the case. See *SERP - Field Insolvency Liaisons - Who/Where (irs.gov)*.
- (3) Contact the bankruptcy specialist and advise which taxpayer filed the innocent spouse request and the proposed determination.

**Note:** The bankruptcy outcome may determine if payments made by the RS can be considered for refund under IRC 6015.

- (4) Confer with the bankruptcy specialist to determine if CISO can mirror the account and adjust it.

**Note:** If the bankruptcy specialist will be mirroring the account, it may be necessary to suspend the case until the mirroring actions are complete, prior to completing the innocent spouse closure instructions

- (5) Notate the Activity Record with all information obtained during contact with the bankruptcy specialist, including their name and phone number.
- (6) Continue to complete the case process per normal procedures.

### 25.15.7.3.3 (10-10-2024)

#### **Request for Collection Due Process (CDP) or Equivalent Hearing (Form 12153)**

- (1) Cases with CDP indicators do not automatically go to Stage 12. When preliminary determinations are purged, Generalized IDRS Interface (GII) recognizes coded CDP cases and a listing is generated. The cases are given to a Lead to research the Appeals Centralized Database System (ACDS).

**Note:** If the CDP is closed, the case moves to the next appropriate stage.

- (2) Complete the following steps and transfer the case using the following procedures to the Appeals Office on open CDP cases where relief is allowed in full or in part:
  - a. **Do Not** issue the final determination letter.
  - b. Recharge documents to the Cincinnati Campus Appeals Office, using ESTAB to recharge the documents.
  - c. Complete Form 3210, Document Transmittal. Keep two copies with the case and retain one copy for the team. Always use the primary TIN on Form 3210.
  - d. Update ISTS and ISTSR Input Record accordingly.
  - e. Close IDRS control base.
  - f. Send the case to Appeals (Stop 460T) with a Form 1725, Routing Slip.

### 25.15.7.3.3.1 (10-10-2024)

#### **Identifying CDP Cases**

- (1) A taxpayer may request a CDP hearing or an equivalent hearing using Form 12153, Request for Collection Due Process or Equivalent Hearing.
  - a. See IRM 25.15.7.6, Open Litigation/Tax Court, on how to identify CDPs and related -W freeze with TC 520 posted.
  - b. If a TC 520 is present on TXMODA or IMFOLT, it will be paired with an indicator "P" if only the primary spouse requested a CDP hearing, "S" if only the secondary spouse requested a CDP hearing or "B" if both spouses requested a CDP hearing. The **CDP request or hearing must be for the RS**. Notate CDP on top of the ISTSR input record sheet and place in appropriate colored folder.
  - c. If the CDP hearing request was received by Automated Collection System (ACS), there will also be an open IDRS control on TXMODA with activity beginning with CDP or equivalent hearing. The final activity on that control should be to Appeals indicating ACS sent the CDP hearing request to Appeals.

**Note:** Research for TXMOD controls **TCPI status M**, which indicates a CDP hearing already in progress.

- d. A TC 520 will not be present if the taxpayer has requested an equivalent hearing. Look for the following unreversed TC 971 action codes:

Action Code	Definition
275	Used to indicate that a timely request for Collection Due Process (CDP) has been received. Will not exclude module from automated levy processing - also for TC 972 (reversal).
276	Used to indicate that a CDP issue was resolved by ACS or Field Collection, and the case was not sent to Appeals - also for TC 972 (reversal).
277	Used to indicate that Appeals has completed their investigation and issued a determination letter - also for TC 972 (reversal).
278	Used to indicate receipt of a request for an equivalent Collection Due Process (CDP) hearing. Will not exclude module from automated levy processing - also for TC 972 (reversal).
279	Used to indicate that a request for an equivalent hearing was resolved by ACS or Field Collection and the case was not sent to Appeals - also for TC 972 (reversal).
280	Used to indicate that Appeals has completed their review of the equivalent hearing investigation and issued a determination letter - also for TC 972 (reversal). <b>Note:</b> No open CDP case in Appeals.
630	Indicates a taxpayer has requested a CDP levy hearing or a CDP levy and lien hearing - also for TC 972 (reversal)
631	Indicates a taxpayer has requested an equivalent levy hearing or an equivalent levy and lien hearing - also for TC 972 (reversal)

25.15.7.3.4  
(04-06-2017)  
**Offer in Compromise  
(OIC)**

- (1) If an OIC was previously filed, look at the indicator on TXMOD to determine who filed the OIC: **P** - Primary taxpayer, **S** - Secondary taxpayer or **B** - Both taxpayers.

**Note:** If the OIC was for the NRS only, it has no bearing on the innocent spouse request. Evaluate request under normal procedures.

- (2) Listed below are OIC transaction codes and their explanation.

OIC Transaction Code (TC)	Explanation
TC 480	OIC filed (-Y freeze)
TC 481	OIC rejected
TC 482	OIC withdrawn
TC 483	TC 480 posted in error
TC 780	OIC accepted (-Y freeze)
TC 781	Defaulted OIC
TC 782	TC 780 processed in error
TC 788	Closing of accepted OIC, removes the Y freeze

- (3) If the RS's offer was rejected, denied, or withdrawn, continue normal procedures.
- (4) If there is a pending OIC (TC 480), contact the RS and advise them of the consequences if the OIC is accepted (i.e., the acceptance of an OIC precludes the taxpayer from subsequently being considered for relief from joint and several liability for the same tax period). If the RS wants to proceed with the OIC, contact the OIC area and request that they expedite the OIC. Research SERP under the "Who/Where" tab to determine OIC contact. Suspend the case in Stage 06 until a determination is made on the OIC.
- a. Do not consider the innocent spouse request if the OIC is going to be accepted. The taxpayer can't be considered for relief from joint and several liability for the same tax period. Issue Letter 3657-C, No Consideration Innocent Spouse. Update ISTS and ISTSR Input Record to Stage 29 with the activity description "UNPR "and history comment "OPEN OIC."
- b. If the OIC is going to be denied, document the case Activity Record and continue with the case, as per normal procedures.

**Note:** The taxpayer may submit another OIC if relief is not granted through the innocent spouse provisions.

25.15.7.4  
(12-09-2016)  
**Small Business/Self-  
Employed (SB/SE) Field**

- (1) In some situations an innocent spouse determination is made by the field after the audit has closed or Centralized Case Processing (CCP) cannot process the determination. CISO will most often receive the examination administrative file, with a Form 3870, Request for Adjustment, to adjust or correct the account, or sometimes CISO might only receive the Form 3870 prepared by a field employee.

- (2) Forms that are not correctly prepared or signed must be returned to the sender for perfection before the determination can be processed. Completed forms are sent to the Processing Team to correct or adjust the accounts.

25.15.7.5  
(12-09-2016)  
**Taxpayer Advocate  
Service (TAS)**

- (1) TAS is an independent organization within the IRS whose employees assist taxpayers who are experiencing economic harm, who are seeking help in resolving tax problems that have not been resolved through normal channels, or who believe that an IRS system or procedure is not working as it should. TAS protects taxpayers' rights by striving to ensure that all taxpayers are treated fairly, and that they know and understand their rights under the Taxpayer Bill of Rights. The goal is to work efficiently with TAS. See IRM 21.1.3.18, Taxpayer Advocate Service (TAS) Guidelines, for more information on TAS.

25.15.7.5.1  
(10-10-2024)  
**Form 12412, Operations  
Assistance Request  
(OAR)**

- (1) CISO receives Operations Assistance Requests (OAR) from TAS, either by mail, eFax, or secure email. Upon receipt of an OAR, hand deliver it to the CISO Taxpayer Advocate Liaison.
- (2) The CISO TAS liaison will be responsible for:
  - a. Accepting the OAR from TAS.
  - b. Acknowledging receipt of the OAR within 3 workdays (within 1 workday for expedited OARs).
  - c. Reviewing the case for appropriate assignment.
  - d. Inputting the OAR information on the TAS database.
  - e. Placing the innocent spouse/TAS cases in appropriate folder (which will remain around the case until it is closed to Appeals, Files or another area).
  - f. Assigning the case to the appropriate employee within the function using a Form 3210, Document Transmittal, if needed.
- (3) All cases will be worked based on the facts and circumstances of the case and in concurrence with the TAS employee per the Service Level Agreement with TAS. The Service Level Agreement can be found at *Taxpayer Advocate Service Level Agreements (SLAs) or Service Level Agreement Between The National Taxpayer Advocate and the Commissioner, SB/SE Division (sharepoint.com)...*

**Reminder:** TAS cases which are marked "Expedite" will be expedited through the innocent spouse process.

**Note:** Innocent spouse cases have processing time frames based on statutory requirements. The statutory time frames cannot be circumvented, even for economic burden cases.

- (4) See IRM 13.1.7, Taxpayer Advocate Service (TAS) Case Criteria, for additional information on criteria.

25.15.7.5.2  
(12-09-2016)  
**Assigning OARs**

- (1) OARs will be assigned to all functions of CISO depending upon the recommended actions requested by TAS.



25.15.7.5.3  
(12-09-2016)

**Actions Initiated on TAS  
Cases (OARs)**

- (1) Once a determination has been made or the requested actions have been taken on Full Scope innocent spouse/TAS cases, the technician will:
  - a. Complete Section V of Form 12412, Operations Assistance Request (OAR), with the employee's name, phone number, etc.
  - b. Notate Section VI with actions taken, initial and date.
  - c. Fax Form 12412 and a fax cover sheet to TAS Originating Office as indicated on the Form 12412.
  - d. Notate the activity sheet that Form 12412 was faxed to TAS.
  - e. File case as appropriate.
- (2) Once an action has been taken on innocent spouse/TAS cases assigned to First Read and the Processing Team, the technician will:
  - a. Notate Section VI of the Form 12412 with the action taken, initials, and date.
  - b. Fax the TAS cover-sheet and completed Form 12412 to TAS.
  - c. Notate activity sheet (when applicable) that Form 12412 was faxed to TAS. If activity record is not available, notate the Form 12412.
  - d. Keep original Form 12412, TAS/OAR Disposition Sheet and the ISTSR Input Record with the case going to other areas or Files.
  - e. Ensure the TAS folder includes a copy of the Form 12412, a print of ISTS showing Stage 30, if closing the case, and a copy of the TAS OAR Disposition Sheet. If there is not an Innocent Spouse issue because it has previously been closed, the originals will stay in the appropriate folder.
  - f. Return to CISO TAS Liaison.

25.15.7.5.4  
(12-09-2016)

**Closing and Transferring  
TAS Cases**

- (1) When closing or transferring a TAS case, update the case on ISTS and notate the ISTSR Input Record to Stage 30 or 07:
  - a. Complete all required closing processes.
  - b. Notate Section VI of Form 12412, Operations Assistance Request (OAR), of the actions taken to close the OAR such as closing to Appeals, Files, CDP, etc. Initial and date the Form 12412.
  - c. Fax Form 12412 with a TAS cover sheet to TAS.
  - d. Notate the activity sheet that the Form 12412 was faxed to TAS.
  - e. Make a copy of Pages 1 and 2 of the Form 12412.
  - f. Remove the innocent spouse case that is closing to Files or forwarding to another area from the TAS folder.
  - g. Place copies of the Form 12412 and ISTS print in the TAS folder and return to the CISO TAS Liaison.
  - h. Keep original Form 12412 and ISTS print with the case going to another area or Files. Place originals inside case file so they are on top.



25.15.7.6  
(12-09-2016)  
**Open Litigation/Tax  
Court**

- (1) Accounts that have an open litigation/Tax Court case are identified with the codes listed in the table below.

Freeze Code	Transaction Codes	Notation on ISTSR
-W Freeze.	TC 520 with Closing Code (CC): 70, 71, 73, 75, 78, 79, 80, 81, 82, 84.	Litigation. See IRM 21.5.6.4.46, -W Freeze for more information.
-W Freeze.	TC 520 with CC 72 or 74.	Tax Court.
-L Freeze.	Open TC 420. <b>Note:</b> AIMS is in Status 82.	Tax Court Examination.
-W Freeze.	TC 520 with CC 76 or 77.	Collection Due Process Hearing; see IRM 25.15.7.3.3, Request for a Collection Due Process (CDP) or Equivalent Hearing (Form 12153), for more information.

- (2) If the above indicators are present, research the DIMS list for the account.

**Note:** For Docketed Cases, see IRM 25.15.18.5.4.3, Docketed Information Management System (DIMS). If not on DIMS, contact Counsel to determine further action.

- (3) Coordinate with the DIMS contact and/or assigned Counsel Attorney to determine if CISO will send determination letters to the RS or NRS or forward the case to Appeals.

**Note:** If the docketed case has been or will be dismissed for lack of jurisdiction, Counsel may direct CISO to retain the case and proceed with sending determination letters to the RS or NRS.

25.15.7.6.1  
(10-10-2024)  
**Docketed Cases Related  
to Open Examinations**

- (1) Open Campus Compliance Examination Operation (CCEO) and Area Office Examination cases are identified by an AIMS status of 82 and open AUR cases by having a Processing Code (PC) of 80. Innocent Spouse requests related to Tax Court cases in CCEO, Area Office Exam or AUR require special handling and most often are requests for relief from proposed tax assessments.
- a. If the case is in CCEO or Area Office Exam as indicated by AIMS, refer the request to the appropriate Appeals Office to be associated with the case file. See IRM 25.15.18.5.1.5, Audit Information Management System (AIMS), for more information.

**Note:** Appeals refers the request to the Area Office Examiner or CISO for the innocent spouse determination, per IRM 8.7.12, Technical and Procedural Guidelines - Appeals Innocent Spouse Case Procedures. If CISO receives the request for consideration, it will be worked at Appeals/Counsel's direction with regard to taxpayer contact. See IRM 25.15.7.6.2, Litigation Referral Cases, for more information.

- (2) For cases open in CCEO/AUR; research to determine if the RS is a party to the Tax Court case. Obtain case information from the Tax Court website at <http://www.ustaxcourt.gov/>, United States Tax Court.
- (3) If the RS is a Non-Petitioning Spouse (NPS):
  - a. Work the case as normal.
  - b. Remove the colored folder.
  - c. Update ISTS and the ISTSR Input Record with "RS Non-Petitioning Spouse".
  - d. If the RS has not had their account assessed yet, contact AUR to determine the date that the RS will be assessed per IRM 4.8.9.27.8, Non-Petitioning Spouse.
  - e. On partial relief and disallowed cases, send a copy of the work papers and the allocation worksheets to the appeals office at the time of determination. This will assist the attorney if any subsequent adjustments need to be made to the account as a result of the Tax Court case.

**Note:** Attach a Form 1725, Routing Slip, noting "FYI - Please associate RS/NPS INNSP work papers and allocation with NRS/PS Docket No. NNNNN-NNX."

- (4) If the RS is a Petitioning Spouse (PS):
  - a. Notify Counsel and forward request for association with petitioned case. Request direction from Counsel on how to proceed with taxpayer contact. See IRM 25.15.7.6.2, Litigation Referral Cases, for more information.
  - b. Forward case to Appeals by using a Form 1725, Routing Slip, notate "pre-assessment" and that the case is docketed on the top in red.

**Note:** If the TC 922 has a PC of 80 or Status 82 for AIMS, there is no need to notify CCEO/AUR. The case is already in Appeals.

25.15.7.6.2  
(10-10-2024)

#### Litigation Referral Cases

- (1) Counsel attorneys, Appeals officers, Department of Justice (DOJ) attorneys, and settlement officers may refer innocent spouse requests received in docketed Tax Court or open litigation cases to CISO to make an innocent spouse relief determination. Obtain case information from *Innocent Spouse Handbook - Innocent Spouse Handbook - Admin Use Only - All Documents* ([sharepoint.com](http://sharepoint.com)).
  - a. A copy of the petition or request should be included with the referral.
  - b. The open litigation may be the result of a petition filed in response to a Statutory Notice of Deficiency, an open bankruptcy case, and other cases that are under a court's jurisdiction.
  - c. In general, a request for relief received during Collection Due Process

hearings is referred to CISO for determination. See IRM 25.15.7.3.3, for more information.

- (2) The case will typically include a memorandum addressed to CISO as follows:

IRS – CISO

Attn: Department One Manager

7940 Kentucky Drive, Stop: 840A

Florence, KY 41042

- (3) Upon receipt of a referral to make a determination, call or email the Counsel attorney or officer making the referral, and ask how they want CISO to process the referral, if it is not apparent from the referral itself.
- (4) If a request is filed during open litigation, work the request with Counsel's direction. For example:
- a. The Counsel attorney may want CISO to solicit a Form 8857, Request for Innocent Spouse Relief.
  - b. The Counsel attorney may request that CISO not make contact with the taxpayer and/or any third party witnesses. In these cases, the Counsel attorney will be responsible for corresponding with the taxpayer and/or any third party witnesses and for providing any missing information/documentation to the CISO employee.
  - c. The Counsel attorney may request that CISO work the request using normal procedures for taxpayer notifications and requests for information.
- (5) If copies of the petition and related documents, such as the Statutory Notice of Deficiency are not in the case file, ask Counsel or the settlement officer to provide copies.
- (6) Build the case on ISTS through Stage 06 and open TXMOD control with activity "LITIGATION", then:
- a. Send Letter 3284-C, Non-Requesting Spouse Initial Contact, to NRS with a Form 12508, Questionnaire For Non-Requesting Spouse, if appropriate.
  - b. Send Letter 3659-C, Requesting Spouse Initial Contact, to RS to request any additional information needed, including Form 8857, if appropriate
- Note:** Once a taxpayer files a petition in Tax Court or any court with jurisdiction, and alleges they are entitled to innocent spouse relief under IRC 6015, a "request" has been made. If a Form 8857 is not included with the referral, solicit one, if Counsel concurs with such a request. If the RS does not respond to requests for Form 8857 or other information necessary to make a determination, advise the Counsel attorney and request further instruction.
- (7) Work litigation cases in an expedited manner. Make determinations within 60 days of receipt, or by the date specified by Counsel.

- (8) Do not issue determination letters since the taxpayer is already in litigation, and counsel/appeals retains jurisdiction. Provide the determination (allowed, partially allowed, or not allowed) to the Counsel attorney or officer making the referral.
  - a. Document the case file with the determination. Do not send any letters, unless directed to do so by Counsel.
  - b. Update ISTS and the ISTSR Input Record with Stage 11, then Stage 19. Activity description "TAXCOURT" will automatically generate when Stage 19 is input.
  - c. Close TXMOD control.