



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

25.15.14

JUNE 3, 2021

EFFECTIVE DATE

(06-03-2021)

PURPOSE

- (1) This transmits revised IRM 25.15.14, Relief from Joint and Several Liability, Innocent Spouse Tracking System.

MATERIAL CHANGES

- (1) IRM 25.15.14.4.1.11(9) - Removed the activity codes "RJ", "OC" and "P" since these codes indicate reasons to non-qualify a relief request and not reasons for disallowance.
- (2) IRM 25.15.14.4.1.12(10) - Removed the activity codes "RJ", "OC" and "P" since these codes indicate reasons to non-qualify a relief request and not reasons for disallowance.
- (3) IRM 25.15.14.4.1.13 - Changed title and added information to more accurately describe what this stage was used for.
- (4) IRM 25.15.14.4.1.14 - Added information to describe what this stage was used for and that we are holding for future contingencies.
- (5) IRM 25.15.14.4.1.17 - Added information to describe what this stage was used for and that we are holding for future contingencies.
- (6) IRM 25.15.14.4.1.18 - Added information to describe what this stage was used for and that we are holding for future contingencies.
- (7) IRM 25.15.14.4.1.21 - Added information to describe what this stage was used for and that we are holding for future contingencies.
- (8) IRM 25.15.14.4.1.22 - Added information to describe what this stage was used for and that we are holding for future contingencies.
- (9) Editorial changes to clarify content and update references were made throughout.

EFFECT ON OTHER DOCUMENTS

IRM 25.15.14, Innocent Spouse Tracking System Inventory Validation Instructions, dated April 20, 2018 is superseded.

AUDIENCE

Employees accessing and updating the Innocent Spouse Tracking System.

Lori L. Caskey
Director, Examination - Field and Campus Policy
Small Business/Self-Employed Division

25.15.14

Innocent Spouse Tracking System

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25.15.14.1
(04-20-2018)
Program Scope and Objectives

- (1) Purpose: This IRM section provides guidance to both IRS employees charged with the responsibility of updating and ensuring the Innocent Spouse Tracking System (ISTS) is current and accurate, and those employees who need to interpret the data on ISTS.
- (2) Audience: Small Business/Self-Employed (SB/SE), Wage & Investment and Appeals employees who have the responsibility to update and validate data on the ISTS. Employees who need to interpret the information on ISTS.
- (3) Policy Owner: The policy owner is the SB/SE Director, Exam - Field and Campus Policy.
- (4) Program Owner: The program owner is SB/SE Campus Exam and Field Support.
- (5) Program Goals: The program goals are to accurately and timely track the movement of innocent spouse requests for relief (innocent spouse claims) from receipt (Stage 01) through closure (Stage 30), and to ensure inventory in various stages is properly accounted for and worked timely.

25.15.14.1.1
(04-20-2018)
Background

- (1) This IRM provides guidance for use of the ISTS to track requests for relief from joint and several liability and relief from application of community property laws, also known as innocent spouse relief, or innocent spouse claims.
- (2) ISTS was established as a means for Area Offices and Cincinnati Centralized Innocent Spouse Operations (CCISO) to provide claim status information to taxpayers, and for Headquarters to retrieve program management data. This data is used to generate inventory reports. These reports are used to plan, complete reviews, and brief management about program accomplishments.
- (3) The system was designed to track the request for relief from receipt to closing.
- (4) The system is accessed and updated through the Integrated Data Retrieval System (IDRS) using a series of command codes.
- (5) ISTS creates a unique record for each request for relief which identifies the taxpayer making the request for relief, tax year, and whether the taxpayer is the primary or secondary spouse.

25.15.14.1.2
(04-20-2018)
Authority

- (1) The information in this section is based upon the following authorities:
 - a. IRC 66(c), Treatment of Community Income relief provisions.
 - b. The Code of Federal Regulations (CFR) at CFR section 1.66, contains guidance on requests for relief from federal income tax liability resulting from the operation of community property law.
 - c. IRC 6015, Relief from joint and several liability on joint return.
 - d. CFR section 1.6015 code of Federal Regulations guidance on requests for relief from joint and several liability and related proposed regulations, 80 FR 72649-01 issued November 20, 2015.
 - e. Rev. Proc. 2003-19, administrative appeal rights for the non-requesting spouse.
 - f. Rev. Proc. 2013-34, guidelines for taxpayers seeking equitable relief from income tax liability under section 66(c) or section 6015(f).

25.15.14.1.3
(04-20-2018)
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 1.1.16.3.5.1, 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 1.1.16.3.5.1.5, Campus Exam and Field Support, for additional information.
- (3) Area office employees, such as SB/SE Planning and Special Programs Innocent Spouse Coordinators and SB/SE Technical Services Innocent Spouse Reviewers; Centralized Case Processing technicians responsible for examination case closing, Appeals processors, and CCISO employees are responsible for updating and maintaining the ISTS individual records for innocent spouse relief requests as they move from one stage to another, to ensure the database is current and accurate.
- (4) Management in the Area Offices and in CCISO oversee the employees updating the database, work the inventory reports generated to ensure accuracy, and periodically complete the validation processes described in this IRM.

25.15.14.1.4
(04-20-2018)
Terms

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

Term	Description
Area Offices	Geographical subdivisions of Field Examination.
Area Office Examiners	Revenue Agents or Tax Compliance Officers working in Field Examination.
Area Office Innocent Spouse Coordinator	The employee in Planning and Special Programs (PSP) assigned the innocent spouse program for the Area.
Audit Information Management System (AIMS)	The database used by Field Examination to track cases from inception to completion through various status codes and other data.
Command Code	A code input into IDRS to access or update taxpayer data.
Definer	Typically an alphabetic character added to the end of a Command Code to access or update different aspects of data.

Term	Description
Determinations	With regard to innocent spouse relief, the Service determines whether to allow relief in full, in part, or deny relief, based on the application of the facts to the law under IRC 6015, Relief from joint and several liability on joint return, or under IRC 66(c) for relief from Community Property laws.
Request for Innocent Spouse Relief, also known as an Innocent Spouse Claim	A Form 8857, Request for Innocent Spouse Relief, or similar statement submitted by the taxpayer under penalty of perjury, requesting relief from a joint liability.
MFT 31	Master file accounts created to hold separate spousal assessments and mirrored joint accounts.
PSP Innocent Spouse Coordinator	Employee in Planning and Special Programs (PSP) in each Area assigned the innocent spouse program.
Reason Code	The reason code input into ISTS to reflect the main reason for partial or full disallowance of a request for relief.
Stage	The stage of a claim in ISTS indicates the status of the request for relief. For instance, Stage 01 indicates the date the request was received by the Service. This IRM describes all the stages of ISTS.
Technical Services Innocent Spouse Reviewer	Reviewers located in SB/SE Technical Services assigned the innocent spouse program, who are responsible for mandatory review of all innocent spouse cases worked by Area Office examiners.

25.15.14.1.5
(04-20-2018)
Acronyms

- (1) The following table lists commonly used acronyms and their definitions used throughout this IRM:

Acronym	Definition
ACDS	Appeals Centralized Database System - the system used by Appeals to control and track cases throughout the appeal process.
AIMS	Audit Information Management System - the database used by Field Examination to track cases from inception to completion through various status codes and other data.
CC	Command Code - a code input into IDRS to access or update taxpayer data.
CCISO	Cincinnati Centralized Innocent Spouse Operation - campus operation that receives innocent spouse claims, makes innocent spouse relief determinations, and coordinates relief determinations with other areas of the Service.
ERCS	Examination Records Control System - the system exam uses to control all records established on AIMS.
IDRS	Integrated Data Retrieval System - the database containing taxpayer account and entity information.
ISTS	Innocent Spouse Tracking System - the database used to track requests for innocent spouse relief from inception to completion using various stages.
IVL	Inventory Validation Listing - a report generated that lists all records within given parameters.
NRS	Non-Requesting Spouse - the spouse not making a request for innocent spouse relief.
RS	Requesting Spouse - the spouse making the request for innocent spouse relief.

25.15.14.1.6
(04-20-2018)
Related Resources

- (1) IRM 25.15, Relief from Joint and Several Liability, all chapters.
- (2) IRM 4.8.5, Technical Services, Post Examination Case Processing Requirements.
- (3) IRM 4.8.9, Technical Services, Statutory Notices of Deficiency.
- (4) IRM 4.1.1, Planning and Special Programs, Planning, Monitoring, and Coordination.

25.15.14.2
(04-20-2018)
Introduction

- (1) As a request for innocent spouse relief is considered, the progress is tracked through various stages from receipt to closure.
- (2) The request is updated through IDRS command codes to reflect various activities as the case progresses. The ISTS database is updated promptly as the case moves from one stage to the other. See IRM 25.15.14.3, ISTS Command Codes, for more information.
 - Cases worked in CCISO are updated within three days of change in stage.
 - Cases worked in the Area Offices are updated as soon as possible, and are also tracked by the Audit Information Management System (AIMS). See IRM 25.15.6, Field Examination Procedures, for more information.
- (3) This IRM contains information regarding the various processing stages, and explains how to validate inventory listings using the various ISTS reports that are generated.
 - See IRM 25.15.14.4, Processing Stages, for an explanation of each processing stage.
 - See IRM 25.15.14.5, Validating the Inventory Validation Listing (IVL) - Area Offices, for Area office information.
 - See IRM 25.15.14.6, Validating the Inventory Validation Listing (IVL) - Appeals, for Appeals information.
 - See IRM 25.15.14.7, Validating the Inventory Validation Listing (IVL) - Cincinnati Centralized Innocent Spouse Operation, for CCISO information.
- (4) If the tracking system is not updated timely, the data retrieved will not reflect the true status of the claim, and work flow and processing issues will not be resolved timely. Therefore, the database must be updated timely and validated for accuracy.

25.15.14.3
(04-20-2018)
ISTS Command Codes

- (1) Here are the command codes for ISTS:
 - a. **ISTSR** - Used with or without a definer. See paragraph (2) below and IRM 2.4.56, Command Code ISTSR, for more information.
 - b. **ISTSD** - This command code is used to delete an entire record from ISTS. Command code ISTSR is not a prerequisite. This command code should be restricted to the PSP Innocent Spouse coordinator for use in the Area Offices and managers for use in CCISO for input. See IRM 2.3.76, Command Code ISTSD, for more information.

Caution: Do not use this if you only want to delete a stage entry. If you only want to delete a stage entry, use command code ISTSR, enter a "D" and the stage number you want to delete.

Reminder: Command Code ISTSDU can restore a deleted ISTS record. See IRM 2.3.76.3, Restoring Delete Cases Using ISTSD Definer U, for more information. This command code should be restricted to the Innocent Spouse coordinator use only in the Area Offices and to managers for CCISO.

- c. **ISTSEI**— This command code is intended to be used only by the Accounts Management Services (AMS) interface with the ISTS. No pre-requisite command code is required. See IRM 2.3.77.3, Using ISTSE With Definer I, for more information.
- (2) Use of the command code ISTSR can be used with various definers, depending on what information is needed. Case actions may be viewed one year at a time, or for a whole account to see all requests on that account. See Exhibit 2.4.56-1 for input formats:
- ISTSR with no definer - Generates the ISTSE command code screen used to update the status of the innocent spouse request. See IRM 2.3.77, Command Code ISTSE, for more information.
 - ISTSRA - Use of Definer A displays a request year with all the claim details - data fields, stages and comments. This includes all the current stage information, a historical record of all the stages that have changed or all the stages deleted, and the history entries. No prerequisite command code is required. See IRM 2.4.56.3, Using ISTSR Definer A, for more information.
 - ISTSRB - Use of Definer B displays a module with all its data fields, stages and history comments. The purpose is to give a quick snapshot of the current module data for easy review. No prerequisite command code is required. See IRM 2.4.56.4, Using ISTSR Definer B, for more information.
 - ISTSRS - Use of Definer S displays a summary of all the active and/or inactive modules for an account. It also allows the user to select a case to work with, and to identify the command code and definer to be used to do the work. From this screen you will be able to move to any of the other command codes. See IRM 2.4.56.5, Using ISTSR Definer S, for more information.
 - ISTSRT - Definer T is designed to be used by Customer Service Representatives in direct contact with taxpayers about their innocent spouse relief requests, and displays a list of all the modules for which a taxpayer has requested relief. This command code displays the current status only. See IRM 2.4.56.6, Using ISTSR Definer T, for more information.

25.15.14.4
(04-20-2018)

Processing Stages

- (1) There are 27 active stages in the tracking system. Below are the stage numbers and their description. See IRM 25.15.14.4.1, Stage Definitions and Activity, below for a detailed description of each stage.

STAGE	DESCRIPTION
01	Receipt of Form 8857
02	Transferred to office # / received from office #
03	Screen/First Read

STAGE	DESCRIPTION
04	Administrative file requested and initial contact letters issued
05	Case ready to be assigned or assigned
06	Suspense awaiting an action
07	Open case transferred to other function / received from other function #
08	Local Review
09	Quality Review
10	Rework
11	First/preliminary determination issued
12	Final determination issued
15	Appeals
16	Appeals determination issued
19	Tax Court petitioned
20	Tax Court decision issued
23	SB/SE post assessment transfer to CCISO
24	Reconsideration claim
25	Reconsideration or second preliminary determination letter required
26	Determination that cannot be processed
27	Case Processing
28	Master File Tax (MFT) 31 processing
29	Non-qualified claim
30	Closed claim
31	Letter to requesting spouse (RS) on closed case
32	Claim closed as untimely but letter sent to RS to invite him/her to file a new claim
99	Archived module

- (2) Stage 99 is for Archived modules. Modules are archived after they have been closed on the system for more than two years. Archived modules only show Stages 01, 12, 16, 20, 29, 30, and 99. The other stages are dropped before being archived. When reviewing the archived ISTS you will not see the date of the preliminary determination letter. However, if a Stage 12 is shown you will know a preliminary determination letter was issued (when required) prior to the final determination letter as reflected by Stage 12.
- (3) When cases progress from stage to stage or from office to office, the action must be recorded on ISTS using command code "ISTSR". This should be done within **3 business days** of the date the case reached that stage. These stages are required to track and monitor the progress and age of the inventory. **It is imperative the stages are input timely and accurately.**

- (4) ISTS should be set up under the primary taxpayer identification number (TIN) where the liability generated. For example, if there is an account on Non-Master File (NMF) 20 but the liability generated from MFT 30, the account should be set-up under MFT 30. This will eliminate inconsistencies in the set-up.

25.15.14.4.1
(04-20-2018)

Stage Definitions and Activity

- (1) This section defines each of the ISTS stages.

25.15.14.4.1.1
(04-20-2018)

Stage 01 — Receipt of Form 8857

- (1) Stage 01 means a processable Form 8857, Request for Innocent Spouse Relief, or equivalent statement signed under penalty of perjury, has been received. The received date should reflect the earliest IRS received date. The date should agree with the transaction code (TC) 971 action code (AC) 065 date. You must enter the RS's two-digit state abbreviation, the secondary TIN without hyphens, and the name control.
 - a. To determine the earliest IRS received date, inspect the document(s) received for:
 - (1) IRS earliest date stamp or handwritten date,
 - (2) Fax received date.
 - (3) If Form 8857 has been detached from the Form 1040, use the TC 150 Julian date minus 10 days of the Form 1040.
 - (4) If no IRS received date stamp, use the postmark date or private delivery service date on the envelope, if present.
 - (5) Service Center Automated Mail Processing System (SCAMPS) digital date.
 - (6) If no IRS received date stamp and the Form 8857 is faxed from another IRS function, use the fax date.
 - (7) Date the document/correspondence was prepared or signed.
 - (8) If no IRS received date, research to see if there was an IDRS control with an IRS received date that the claim was originally received.
 - (9) If still unable to determine the correct IRS received date, use current date minus 10 days.
- (2) If both taxpayers file a request for relief, the tracking system will keep separate records according to the primary/secondary (P/S) indicator.
- (3) See IRM 2.4.56.2, Using ISTSR With No Definer, for information on how to generate the ISTSE input screen, and what is required to create an ISTS record. See also Exhibit 2.4.56-1, ISTSR Input Format. In order to determine the proper information to input into the Area field, the first digit is the business operating division (BOD): 1 for W&I (Wage and Investment), 2 for SB/SE (Small Business/Self-Employed). The next two digits are the area number.

Note: The Area field for claims worked in CCISO is 296.

Example: You have a claim in Arkansas, the BOD is 2 and the area number is 05, so you enter 205 in the area field.

- (4) If this is a second claim filed after the original claim has been closed, enter as claim # 02. For instance, use claim #02 if the prior claim was for an underpayment, and the new claim is for an understatement. An activity description is

required to explain why the second claim was filed. Suspend the collection activity by inputting TC 971 AC 065 on a second claim except for those with activity "ARC." The acceptable activity codes for a second claim and explanations are:

ACTIVITY CODE	DESCRIPTION
MSC	Marital Status Change
CD	Court decision
ARC	Reopened claim previously archived or a reconsidered claim
PRNQ	Previously non-qualified or prior claim was for a different assessment <i>Example:</i> Prior claim was for an underpayment and new claim is for an understatement.
PRUN	Previously unprocessable
LANTZ	New claim received after a prior claim was denied for untimeliness

(5) Prerequisite stage: none

25.15.14.4.1.2
(04-20-2018)

Stage 02 — Transferred

- (1) Stage 02 means a Form 8857, Request for Innocent Spouse Relief, has been transferred or receipt acknowledged by another office.
 - If Form 8857 has some indication it was detached from Form 1040, research to determine if Form 8857 was received in CCISO or another office.
 - If unsure, research the document locator number (DLN) of the TC 150 to determine which campus processed the original return.
 - Document 6209, IRS Processing Codes and Information, chapter four, lists the file location codes (FLCs) for the (DLN).
 - If received from another office you must enter Stage 02 per the instructions below. This transfer stage is usually completed at screening; for example, if research shows an open TC 420.
- (2) The receiving office should acknowledge receipt within three business days by inputting another Stage 02 with the received date and then update to Stage 03.
- (3) Do not use when transferring the case from a group to Technical Services or Quality Review for review of the case.
- (4) Required entry of the office number under "TOAREA" or "FROMAREA".
- (5) The date for "TOAREA" is the date the case was transferred.

Exception: AMS is programmed for 7 days prior to CCISO's received date.

- (6) The date for "FROMAREA" is the date the case was received in that office.

- (7) A Stage 02 with a "TOAREA" entry changes the controlling Area for that case. The Area number in the "TOAREA" becomes the controlling Area. Activity code is optional, but when entered must be:

ACTIVITY CODE	DESCRIPTION
BKCY	Bankruptcy
COL	Collection
COMM	Community Property
FGY	Forgery
MISC	Miscellaneous
OIC	Offer in Compromise
SELT	Select
TAS	Taxpayer Advocate Service
TFRA	Tax Equity and Fiscal Responsibility Act (TEFRA)
420	Open Examination

- (8) Prerequisite stage: 01

25.15.14.4.1.3
(09-01-2003)

Stage 03 — Screen

- (1) Stage 03 means a Form 8857 needs to be screened. This is prior to requesting the administrative file and contacting the taxpayers for additional information and/or for acknowledgement of claim.
- (2) Activity description "SCREEN" will automatically generate.
- (3) Prerequisite stage: 01

25.15.14.4.1.4
(04-20-2018)

**Stage 04 — ESTAB -
Administrative File
Requested**

- (1) Stage 04 means the administrative file and returns have been requested from Files.
- (2) Activity description "ESTAB" will automatically generate.
- (3) Stage 04 also means initial contact letters have been issued, and any additional information needed is requested.
- (4) Prerequisite stage: 01

25.15.14.4.1.5
(04-20-2018)

Stage 05 — Assigned

- (1) Stage 05 means that a case is ready to be assigned or is assigned to a group or an employee.
- (2) The following activity codes can be used:

ACTIVITY CODE	DESCRIPTION
ASSIGN	Case assigned
AUDTEMAIL	Audit report has been ordered

ACTIVITY CODE	DESCRIPTION
CORRSUSP	In suspense waiting for a response to correspondence
DOCREQ	Suspended waiting for document request
PCRS	Phone call made to RS
PCNRS	Phone call made to non-requesting spouse (NRS)
RSPRELIM	Only one preliminary letter sent due to abuse (1 week grace period prior to sending NRS letter and placing in Stage 11).
SPCLSRCH	Special Search requested for documents
TECH	Case assigned to Technical

Example: For instance, the person or team assigned the case in CCISO can update Stage 05 if awaiting a reply from RS or NRS by using the activity code "CORRSUSP."

(3) Prerequisite stage: 01

25.15.14.4.1.6
(04-20-2018)

Stage 06 — Suspense

(1) Stage 06 means a case is being held in suspense for reasons beyond the examiner's control. Do not use if awaiting a reply from the RS or NRS.

Note: CCISO will use if a case is going to be sent to the field office and is awaiting the administrative file.

(2) Enter one of the acceptable activity codes as listed below.

ACTIVITY CODE	DESCRIPTION
AIMS	Claim is awaiting Audit Information System (AIMS) closure
AUR	Claim has an Automated Underreporter (AUR) issue
DISASTER	Claim processing is suspended due to federally declared disaster area procedures
FIELD	Building claim to send to field
IDT	Identity theft claimed, awaiting determination from other compliance function
LIT	Litigation case
MIRROR	Mirror problem
PANES	Abuse issue
OTHER	Other, add history item explaining reason for the suspense

ACTIVITY CODE	DESCRIPTION
RESEDLTR	Resent a letter
WTG1040	Waiting for Form 1040 or Form 1040X to post
WTGCRPOST	Waiting for credit to post
WTGSSNVAL	Waiting for social security number (SSN) to validate

Note: If the reason for suspense is not listed in the above table, use Activity Code OTHER, and enter a history comment indicating the reason for suspense.

(3) Prerequisite stage: 01 and 03 or 05

25.15.14.4.1.7
(04-20-2018)

Stage 07 — Transferred

(1) Stage 07 means the transfer or receipt of a case where the RS or NRS has protested the determination or another office has requested the case.

Note: Do not use when transferring a case to Technical Services (Stage 08) or Quality Review (Stage 09).

(2) Required entry of the office number under “TOAREA” or “FROMAREA”.

(3) The date for “TOAREA” is the date the case was transferred.

(4) The date for “FROMAREA” is the date the case was received in that office.

(5) If a case is going to Appeals, enter one of the activity descriptions listed in the table below in the “ACTIVITY” field.

- “APPLPXX” if the primary taxpayer appealed
- “APPLSXX” if the secondary taxpayer appealed
- “APPLBXX” if both taxpayers appealed

Note: XX is for the Appeals location number. See Document 6209, Section 13.2, or Exhibit 3.13.62-9 for Appeals Office Codes (AOCs).

(6) A Stage 07 with a “TOAREA” entry changes the controlling Area for that case. The area number in the “TOAREA” field becomes the controlling Area.

(7) Prerequisite stage: 01

25.15.14.4.1.8
(04-20-2018)

Stage 08 — Local Review

(1) Stage 08 has a dual tracking purpose and should only be used by SB/SE Technical Services. The first update is when the case is received by SB/SE Technical Services for mandatory local review, and the second update is after it has been reviewed by the designated Technical Services Innocent Spouse Reviewer. See IRM 4.8.5.2, Innocent Spouse Cases, and IRM 25.15.6.4, Examiner Responsibilities, for more information.

(2) When a case is sent to review, the Activity field must have the activity “TOREVU”. After the reviewer has reviewed the case, they will update Stage 08 with one of the following activity codes:

ACTIVITY CODE	DESCRIPTION
APPR	Approved
RNSF	Returned, determination not supported by facts
RNSL	Returned, determination not supported by law
ROTH	Returned for other reasons
RPRD	Returned for account problem resolution
MSRT	Mis-routed

- (3) Prerequisite stage: 01 and 03 or 05.

25.15.14.4.1.9
(04-20-2018)
Stage 09 — Quality Review

- (1) Stage 09 has a dual tracking purpose and should only be used by CCISO. The first update is when the case has been sent to Quality Review and the second update is after it has been reviewed by the reviewer.
- (2) When a case is sent to review, the Activity field must have the activity “TOREVU”. When the case review is complete, the reviewer will update Stage 09 using one of the following activity codes:

ACTIVITY CODE	DESCRIPTION
APPR	Approved
RNSF	Returned, determination not supported by facts
RNSL	Returned, determination not supported by law
ROTH	Returned for other reasons
RPRD	Returned for account problem resolution
MSRT	Mis-routed

- (3) Update ISTS to Stage 30 when case is corrected.

- (4) Prerequisite stage: 01, 03 or 05.

25.15.14.4.1.10
(04-20-2018)
Stage 10 — Rework

- (1) Stage 10 means a case is being reworked. For instance, Stage 10 would be used when additional information needs to be considered after a determination has been made, or when an examiner is reworking a case based on feedback received from Technical Services or Quality Review.
- (2) Activity description “REWORK” will automatically generate.
- (3) Prerequisite stage: 01, 03 or 05, 11, 12, 13 or 30. It will also be valid if stage 08 or 09 has Activity “RNSF”, “RNSL”, “ROTH”, or “RPRD”. This stage is required if stage 08 or 09 has one of these activities.

25.15.14.4.1.11
(06-03-2021)
Stage 11 — Preliminary Determination Issued

- (1) Stage 11 means a preliminary determination has been communicated to the taxpayers. This can mean a preliminary determination letter has been issued by CCISO, or a field examiner has issued a 30 day letter with their report indicating the preliminary determination on the request for innocent spouse relief.

- (2) Required entry in the Allowed/Partially Allowed/Disallowed (APD) field is one of the following:

REQUIRED ENTRY	DESCRIPTION
A	Allowed in Full
D	Disallowed in Full
P	Partially Allowed

- (3) Required entry in Code Section:

REQUIRED ENTRY	DESCRIPTION
6015b	IRC 6015(b)
6015c	IRC 6015(c)
6015fd	IRC 6015(f) understatement/deficiency
6015fo	IRC 6015(f) underpayment/original liability
66ceqr	IRC 66(c) equitable relief — community property
66cins	IRC 66(c) innocent spouse — community property
CDPA	For CCISO use only. Enter when allowing relief on a Collection Due Process case.
CDPP	For CCISO use only. Enter when partially allowing relief on a Collection Due Process case.
CDPD	For CCISO use only. Enter when disallowing relief on a Collection Due Process case.

Note: On disallowed deficiency cases, **Do Not** use “(f)” when entering the code section. Use “(b)” or “(c)” as appropriate.

Exception: If the case is an understatement that is untimely under IRC 6015(b) and (c) but timely under (f), use (fd).

Note: In any other combination of partial allowance/disallowance, the activity code input will be the one which **reflects the highest dollar amount allowed**. See example in paragraph (4) below.

- (4) **DO NOT** use “6015fd” when entering the code section unless the taxpayer only requested IRC 6015(f) and you did not consider IRC 6015(b) or IRC 6015(c). It is a given you considered IRC 6015(f) in addition to IRC 6015(b) and IRC 6015(c). Use “6015b” or “6015c” as appropriate.

Example: RS is seeking relief from a \$1,000 understatement, \$500 is allowed under IRC 6015(b), \$250 is allowed under IRC 6015(f) and \$250 is disallowed under IRC 6015(f). Enter activity code P6015B, with the appropriate reason code for the partial disallowance under IRC 6015(b).

- (5) If the request for relief is for an understatement with an underpayment and you allow full relief for the understatement but not the underpayment, the code section entered should be “6015fo” for the underpayment. This is true even if the understatement is the highest dollar amount. The relevant information is why you did not grant full relief.
- (6) If the request for relief is for an understatement and an underpayment and you allow only partial relief for the understatement and/or the underpayment, the code section will be determined by the highest dollar amount for the disallowed portion. The relevant information is why you did not grant relief.

Example:

RS seeking relief for \$300 understatement and \$800 underpayment; \$200 relief is allowed for the understatement and \$100 allowed for the underpayment.

Enter “P6015(fo)” with the reason code full relief was not granted under IRC 6015(f). This is because you have disallowed \$700 for the underpayment.

Another example is:

RS seeking relief for \$3,000 understatement and \$500 underpayment. \$2,800 relief is granted for the understatement and \$100 underpayment. Enter “P6015(fo)” because the disallowed \$400 for the underpayment is the larger disallowed portion.

- (7) If the request for relief is for an understatement and an underpayment and you disallow or allow both, the code section will be determined by the highest dollar amount for the disallowed or allowed portion.
- (8) If a claim is allowed but the refund is barred by IRC section 6015, you must use reason code “RB”.
- (9) Required entry under Reason Code if the “APD” code is “P” or “D”:

Note: The relevant information to determine the proper reason code is why you did not grant full relief.

REASON CODE	DESCRIPTION
A	Liability attributable to the RS
B	RS received significant benefit from the unpaid/unreported liability Note: Don't use with IRC 6015(c)
BT	At the time the return was filed, the RS had no reason to believe the tax would be paid
DA	Disqualified assets transferred to avoid paying tax
E	It is equitable to hold the RS liable Note: Don't use with IRC 6015(c)
FT	Fraud/fraudulent transfers of assets between the spouses
K	Knowledge of item giving rise to deficiency
MS	Marital status not met for IRC 6015(c)
O	Other (should only be used with managerial approval)
RB	Refund barred by IRC 6015
S	Statute barred for filing Form 8857
V	Verification missing

Note: If denying recaptured credits only under IRC 6015(b) or IRC 6015(c) use “K” if the RS knew about the unreported issue that caused the reversal of the credits. Use “A” if the RS did not know about the unreported issue that caused the reversal of the credits.

Note: If denying recaptured credits under IRC 6015(f) use “E”.

(10) Prerequisite stage: 01, 03 or 05.

25.15.14.4.1.12
(06-03-2021)

**Stage 12 — Final
Determination Issued**

- (1) Stage 12 means a final determination has been issued.
- (2) Required entry under “ADP:”

REQUIRED ENTRY	DESCRIPTION
A	Allowed
P	Partially allowed
D	Disallowed

- (3) Required entry under “Code Section:”

REQUIRED ENTRY	DESCRIPTION
6015b	IRC 6015(b)
6015c	IRC 6015(c)
6015fd	IRC 6015(f) understatement/deficiency
6015fo	IRC 6015(f) underpayment/original liability
66ceqr	IRC 66(c) equitable relief —community property
66cins	IRC 66(c) innocent spouse — community property

Note: On disallowed deficiency cases, **Do Not** use “(f)” when entering the code section. Use “(b)” or “(c)” as appropriate.

Exception: If the case is an understatement that is untimely under (b) and (c) but timely under (f), use (fd).

Note: In any other combination of partial allowance/disallowance, the activity code input will be the one which reflects the highest dollar amount disallowed. See example in paragraph (4) below.

- (4) On disallowed deficiency cases, **DO NOT** use “6015fd” when entering the code section. It is a given you considered IRC 6015(f) in addition to IRC 6015(b) and IRC 6015(c). Use “6015(b)” or “6015(c)” as appropriate.

Example: RS is seeking relief from a \$1,000 understatement;
\$500 is allowed under IRC 6015(b);
\$250 is allowed under IRC 6015(f) and
\$250 is disallowed under IRC 6015(f);
Enter activity code “P6015B,” with the appropriate reason code for the partial disallowance under IRC 6015(b).

Note: The relevant information to determine the proper reason code is why you did not grant full relief.

- (5) If the request for relief is for an understatement with an underpayment and you allow full relief for the understatement but not the underpayment, the code section entered should be “6015(f)” for the underpayment. This is true even if the understatement is the highest dollar amount. The relevant information is why you did not grant full relief.
- (6) If the request for relief is for an understatement and an underpayment and you allow only partial relief for the understatement and/or the underpayment, the code section will be determined by the highest dollar amount for the disallowed portion. The relevant information is why you did not grant relief.

Example: RS seeking relief for \$300 understatement and \$800 underpayment;
\$200 relief is allowed for the understatement and \$100 allowed for the underpayment.
Enter “P6015(fo)” with the reason code full relief was not granted under IRC 6015(f). This is because you have disallowed \$700 for the underpayment.

Another example is:

RS seeking relief for \$3,000 understatement and \$500 underpayment.
\$2,800 relief is granted for the understatement and \$100 underpayment.
Enter "P6015(fo)" because the disallowed \$400 for the underpayment is the larger disallowed portion.

- (7) If the request for relief is for an understatement and an underpayment and you disallow or allow both, the code section will be determined by the highest dollar amount for the disallowed or allowed portion.
- (8) If you work a RECON, issue the appropriate letter and enter a new Stage 12 with the applicable code section and reason code with the date the letter is issued. This stage should be later than the Stage 25 date.
- (9) If the claim is allowed but the refund is barred by IRC section 6015, you must enter reason code "RB".
- (10) Required entries under "Reason Code" if the "ADP" code is "P" or "D" are listed below:

REASON CODE	EXPLANATION
A	Liability attributable to the RS
B	RS received significant benefit from the unpaid/unreported liability Note: Don't use with IRC 6015(c).
BT	At the time the return was filed, the RS had no reason to believe the tax would be paid
DA	Disqualified assets transferred to avoid paying tax
E	It is equitable to hold the RS liable Note: Don't use with IRC 6015(c).
FT	Fraud/fraudulent transfers of assets between the spouses
K	Knowledge of item giving rise to deficiency
MS	Marital status not met for IRC 6015(c)
O	Other (should only be used with managerial approval)
RB	Refund barred by IRC 6015
S	Statute barred for filing Form 8857
V	Verification missing

Note: If denying recaptured credits only under IRC 6015(b) or IRC 6015(c) use "K" if the RS knew about the unreported issue that caused the reversal of the credits. Use "A" if the RS did not know about the unreported issue that caused the reversal of the credits.

Note: When denying recaptured credits under IRC 6015(f) use "E".

(11) Prerequisite Stage: 01, 03, or 05.

25.15.14.4.1.13

(06-03-2021)

Stage 13 — IRC 6015(f)

Timely

- (1) Effective July 2011 this stage was used for various activities related to cases involving the Lantz Tax Court decision. In that decision the courts determined a request for relief under IRC 6015(f) could be considered as long as the ASER or RSED is open. It has no effect on the statutory two year deadline to elect relief under IRC 6015(b) and IRC 6015(c). See Notice 2011-70 and REG-132251-11 for additional guidance. The following information may still be present on some older claim records:

ACTIVITY DESCRIPTION	DESCRIPTION
CORRSUSP	Waiting on reply
DOCREQ	Waiting on document
LANTZ	Special letter issued to RS
SPCLSRCH	Special search for document
TECH	Referred to the Technical Team

25.15.14.4.1.14

(06-03-2021)

Stage 14 — Relief Amount Disallowed

- (1) As of January 2010 stage 14 is no longer required. Though it is currently not active the stage could be used for future contingencies, and it could appear on old records.

25.15.14.4.1.15

(07-17-2009)

Stage 15 — Appeals

- (1) Stage 15 means a case has been received in the Appeals Office. This is input after Stage 07 "FROMAREA" has been entered. The activity date should equal the Appeals Centralized Database System (ACDS) received date and should not be earlier than the date in Stage 07.
- (2) Prerequisite stage: 01.

25.15.14.4.1.16

(04-20-2018)

Stage 16 — Appeals Determination

- (1) Stage 16 means Appeals has issued a determination letter or signed Form 870-IS, Waiver of Collection Restrictions in Innocent Spouse Cases, on behalf of the Commissioner.
- (2) Activity entries are the same requirements as Stage 12, see IRM 25.15.14.4.1.12, Final Determination Issued. The activity date should equal the date the determination letter was issued or the date the Form 870-IS was signed on behalf of the Commissioner.
- (3) Prerequisite stage: 01 and 15.

25.15.14.4.1.17

(06-03-2021)

Stage 17 — Relief Amount Allowed for Appealed Cases

- (1) As of January 2010 Stage 17 is no longer required. Though it is currently not active the stage could be used for future contingencies, and it could appear on some older records.

- 25.15.14.4.1.18
(06-03-2021)
Stage 18 — Relief Amount Disallowed for Appealed Cases
- (1) As of January 2010 Stage 18 is no longer required. Though it is currently not active the stage could be used for future contingencies, and it could appear on some older records.
- 25.15.14.4.1.19
(04-20-2018)
Stage 19 — Tax Court Petitioned
- (1) Stage 19 means the RS has petitioned Tax Court.
- (2) Activity description "TAXCOURT" will automatically generate.
- (3) Prerequisite stage: 01, 12, 15, and 16.
- Note:** For docketed deficiency cases where a final determination letter was not issued, the stage 12 date should be the date the Tax Court entered its decision, with a history comment to explain.
- 25.15.14.4.1.20
(04-20-2018)
Stage 20 — Tax Court Decision Entered
- (1) Stage 20 means Tax Court has entered a decision. The activity date should equal the date the decision was entered and the activity entry is the same requirements as Stage 12.
- (2) Prerequisite stage: 01, 12, 15, 16.
- Note:** For docketed deficiency cases where a final determination letter was not issued, the stage 12 date should be the date the Tax Court entered its decision, with a history comment to explain.
- 25.15.14.4.1.21
(06-03-2021)
Stage 21 — Relief Amount Allowed for Tax Court Cases
- (1) As of January 2010 Stage 21 is no longer required. Though it is currently not active the stage could be used for future contingencies, and it could appear on some older records.
- 25.15.14.4.1.22
(06-03-2021)
Stage 22 — Relief Amount Disallowed for Tax Court Cases
- (1) As of January 2010 Stage 22 is no longer required. Though it is currently not active the stage could be used for future contingencies, and it could appear on some older records.
- 25.15.14.4.1.23
(04-20-2018)
Stage 23 — SB/SE Post Assessment Transfer to CCISO
- (1) This stage will be used when Small Business/Self-Employed (SB/SE) Centralized Case Processing transfers a post assessment case to CCISO for account processing on allowed and partially allowed cases.
- (2) Prerequisite stage: 01, 03 or 05, 11, or 12.
- Note:** Do not input this stage until Form 3210, Document Transmittal, has been prepared and case ready to ship.
- 25.15.14.4.1.24
(07-30-2014)
Stage 24 — Reconsideration
- (1) This stage is for Reconsideration claims. The activity RECON will systemically generate to identify the case as a reconsideration claim.
- Note:** Activity code "LANTZ" is used when the reconsideration is based on the Lantz Tax Court decision.

25.15.14.4.1.25
(04-20-2018)

**Stage 25 —
Reconsideration of
Previously Issued
Determination**

- (1) This stage should be used only when it is necessary to re-issue a preliminary or final determination or issue a reconsideration letter. The activity must be one of the codes listed below:

ACTIVITY CODE	DESCRIPTION
APNC	All 6015 provisions not considered
IRSE	IRS Error
ORT	Original return not processed when claims received
ADDI	Additional information

Caution: If Stage 25 is entered due to the need for a second Stage 11 or 12, the Stage 25 date must be one day prior to the new Stage 11 or 12 date.

- (2) Prerequisite stage: 11, 12, or 29.

25.15.14.4.1.26
(07-30-2014)

**Stage 26 —
Determination Cannot be
Processed**

- (1) This stage should be used when situations occur that prevent the processing of an account from MFT 30 to MFT 31, e.g., when the NRS is in Chapter 13 bankruptcy making monthly payments or when the collection statute is too short for a transfer to MFT 31. See IRM 25.15.15.4.1, Exceptions to Mirroring Modules, for additional information. It should also be used for claims when either taxpayer is overseas preventing the claim to be completed (Combat Zone) or if either taxpayer is being investigated by Criminal Investigation.

- (2) Acceptable activity codes are:

ACTIVITY CODE	DESCRIPTION
BKCY	Bankruptcy
CSED	Collection Statute expires in less than 10 months
CINV	Criminal Investigation
COMB	Combat Zone
LEVY	Levy pending for NRS
LIT	Claim is a litigation case

- (3) Prerequisite stage: 01, 03, 12, 16, or 20.

25.15.14.4.1.27
(07-30-2014)

**Stage 27 — Case
Processing**

- (1) This stage will be used while the case is in the Processing unit inventory. Stage date may be entered. If it is, it must not be prior to the previous stage. If it is not entered, today's date will be assumed.

- (2) Prerequisite stage: 01, 12, 14, or 15.

25.15.14.4.1.28
(09-01-2006)
**Stage 28 — MFT 31
Processing**

- (1) This stage will be used when waiting for the transfer process to MFT 31. Stage date may be entered. If it is, it must not be prior to the previous stage. If it is not, today's date will be assumed. Only one Stage 28 is permitted.
- (2) Prerequisite stage: 01, 03 or 05, 12, 23, or 27.

25.15.14.4.1.29
(04-20-2018)
**Stage 29 —
Non-qualifying**

- (1) Stage 29 means Form 8857, Request for Innocent Spouse Relief, is non-qualifying. Stage 30 should be input immediately following Stage 29.
Exception: If case has account problems and the case needs to be updated to Stage 27.
- (2) Prerequisite stage: 01, 03 or 05.
- (3) The acceptable activities are:

ACTIVITY CODE	DESCRIPTION
ACTP	Account problems needs correction, no innocent spouse issue
BSOS	Barred Statute One Signature
CSED	Collection Statute Date Expired
FP	Full paid and the taxpayer did not request a refund
FS	Filing Status
INJS	Injured Spouse Claim
INVA	Invalid Joint Election
NORF	No return filed for the year taxpayer is requesting relief
OT	Other Tax
PAND	Pre-assessment no deficiency
SREQ	2nd request filed for a period and original request is in Stage 99
UNPR	Unprocessable Form 8857
WITH	Withdrawal

Note: If a request is non-qualifying due to res judicata or an accepted offer in compromise, add a history item to stage 29 to explain the reason for not considering the request.

- (4) Prerequisite stage: 01

25.15.14.4.1.30
(07-30-2014)
Stage 30 — Closed

- (1) Case is closed.
- (2) The acceptable activity codes are:

ACTIVITY CODE	EXPLANATION
ACCTCORR	Account Correction required and appropriate action or referral completed
NOACCTP	No Account Problem
NOREPLY	No reply from taxpayer for requested information

- (3) Prerequisite stage: 01, 03 or 05, 12, and the appropriate relief allowed or disallowed stage. Otherwise 01 and 29 if the case is non-qualifying.

25.15.14.4.1.31
(09-01-2006)

**Stage 31 — Letter to RS
on Closed Case**

- (1) This stage should only be used when letters are sent to the RS whose claim was closed. No activity code will generate.
- (2) Prerequisite stage: 01 and 30.

25.15.14.4.1.32
(03-21-2008)

**Stage 32 — Claims
Closed as Untimely
Allowed to Refile**

- (1) This stage was being used for claims that were closed with the activity “S” for statute because of *McGee v. Commissioner*, in 2004. Letters were sent to taxpayers whose claims were closed as being untimely. When the letter was issued, ISTS was updated to Stage 32 to indicate an invitation was sent to the taxpayer to file a second claim.
- (2) Prerequisite stage: 30

25.15.14.4.1.33
(03-21-2008)

Stage 99 — Archived

- (1) This stage is used for archived modules. Once a year, modules will be archived and those that have been in Stage 30 for over two years will be archived. Modules can be accessed in this stage but no changes can be made in this stage. Archived modules only show Stages 01, 12, 16, 20, 29, 30, and 99. The other stages are dropped before being archived. When reviewing the archived ISTS you will not see the date of the preliminary determination letter. However, if a Stage 12 is shown you will know a preliminary determination letter (when required) was issued prior to the final determination letter as reflected by Stage 12.

25.15.14.5
(04-20-2018)

**Validating the Inventory
Validation Listing (IVL) -
Area Offices**

- (1) When an IVL is received and you must validate, see IRM 25.15.14.5.1 through IRM 25.15.14.5.21 for procedures. The purpose of the IVL Validation is to ensure that ISTS accurately reflects the current stage of every claim listed.
- (2) In general, every case on the IVL will need a comment as to the reason for any delay/overage. Annotate any corrections in the comments on ISTS and update to the appropriate stage. Cases open on ISTS with no open exam controls on the IVL should be notated with the steps taken to correct the discrepancy. Watch for cases with open TC971/AC 065 on the joint account that has not been reversed.
- (3) One of the best tools available to area coordinators is the Examination Records Control System (ERCS). This system controls all records put on the AIMS. It tracks the case from start-to-finish and provides a history of processing of the case. It also gives the date changes of the AIMS statuses, assigned group, etc. Additional resources are:
- Report Generation Software (RGS) records.
 - Using IDRS to review taxpayer account transcripts.

- (4) The last resource tool is the ISTS. If a case is not on ERCS, check the tracking system to determine the case's location.
- (5) These resource tools should be all you need to validate the ISTS report.

25.15.14.5.1
(09-01-2006)
Stages 01 through 04

- (1) Claims in ISTS Stages 01 through 04 may not be on the AIMS but if they are, they should have an AIMS Status of 08.
- (2) If the AIMS status is higher than 08, ISTS will need to be updated to reflect the correct stage.
- (3) If the claim has not yet been established on AIMS, check the unit where the cases are built to ensure the claim is there and its current status is accurate before making any necessary corrections.
- (4) If the case building unit does not have the case and ISTS Stage is 02, check the date the module was input into Stage 02. If this date is recent, it is possible the case is still in transit.
 - a. If over two weeks have passed, check with your mail clerk to see if there is a signed Form 3210, Document Transmittal, for the case and if not, contact the sending office to see if they have an acknowledged Form 3210.
 - b. You may also need to check ISTS to determine if another office has acknowledged receipt of the case. Sometimes ISTS will get updated to one office but the case was mailed to another.
- (5) If the ISTS IVL shows a case in Stage 03 but as of the date of the report, the ESTAB has been ordered, correct ISTS to Stage 04.
- (6) It is also possible that AIMS will show a Status of 10 or 12 and the ISTS will show Stage 03 or 04. This means when the case was sent to the group, ISTS was not updated. AIMS/ERCS will give you the date of transfer in order to update ISTS.

25.15.14.5.2
(07-30-2014)
Stage 05

- (1) Claims in ISTS Stage 05 should have an Audit Information Management System (AIMS) status of 10 or 12.
- (2) If the status is not 10 or 12, determine why and update ISTS if necessary.
- (3) It is possible to have a case in AIMS Status 20 or 21 and the ISTS show Stage 05 until Technical Services updates ISTS to Stage 08 and the AIMS Status to 20.
- (4) The clerk in review or the Technical Services innocent spouse reviewer should ensure ISTS is updated when cases are received. If the innocent spouse reviewer does not have the case, check with the clerk to see when it was received and update ISTS if necessary.

25.15.14.5.3
(07-30-2014)
Stage 06

- (1) Claims in ISTS Stage 06 could have an AIMS status of 24, 30, 31, 32, 36, 38 or 39. These are suspense statuses. See IRM Exhibit 4.7.7-4, TS Reject Reasons, for further information. Status 30 is Form 1254, Examination Suspense Report, Status 32 is General Fraud, Status 36 is Grand Jury and Status 39 is Bankruptcy.

- (2) These suspended cases could be with the innocent spouse coordinator or the program coordinator for that AIMS status, depending on office policy.
- (3) If you have a case in ISTS Stage 06, determine the AIMS status and check with the coordinator of that program to see if the case has been resolved or it is still being suspended. If the case has been resolved, ISTS will need to be updated to reflect the correct stage.
- (4) Use the ERCS to validate. Based on the AIMS status, the appropriate coordinator should be contacted to verify the ERCS status and the ISTS stage agree.

25.15.14.5.4
(05-01-2005)
Stage 07

- (1) Claims in ISTS Stage 07 typically will have an AIMS status of 80. This stage is used to transfer the database to Appeals or another office that has requested the case.
- (2) This stage is also a clearing stage similar to Stage 02. The claim is sent to Appeals in Stage 07 and they acknowledge receipt with another Stage 07, then update ISTS to Stage 15.
- (3) If the case is in AIMS Status 81 or 90, contact Appeals and have them update ISTS to reflect the correct stage.
- (4) This stage is an Appeals stage and Appeals is responsible for validating. See IRM 25.15.14.6, Validating the IVL - Appeals, for Appeals information.

25.15.14.5.5
(04-20-2018)
Stage 08

- (1) Claims in ISTS Stage 08 will have an AIMS status of 20, 21 or 25 and should be in Technical Services. Most Technical Services groups can provide a report of their AIMS Status 20 and 21 inventory.
- (2) Cases should remain in ISTS Stage 08 until the review is complete. Once the review is complete, ISTS will be updated in Stage 08 to indicate the outcome of the review and then to Stage 11 or 12 if a determination letter is mailed or an agreement is secured.
- (3) It is possible to have a case in AIMS Status 20, 21 or 25 and ISTS Stage 05 until review updates ISTS to Stage 08.
- (4) If AIMS shows a higher status than 20, and ISTS stills shows Stage 08, determine where the case is located and update ISTS to reflect the status of the case.
- (5) If the AIMS status is 22 or 23, used by some offices to identify their 30 day, a preliminary letter should have been sent and the case should be in 30 day suspense in review and ISTS should be updated to reflect Stage 11.
- (6) If the AIMS status is higher than 51, it indicates a final determination letter should have been issued or an agreement was secured and the case was closed to Case Processing. In this instance, check with the Technical Services group clerk and/or Innocent Spouse reviewer to determine whether or not the case was closed prematurely. Check with the clerk for the Form 3210 to verify the case was sent to Case Processing. ERCS will have the date Case Processing received the case and identify the tax examiner (TE) assigned the case. ERCS will also have the notification date. These dates will allow you to update ISTS for Stage 12 then 27.

Note: If a case was closed prematurely, consider reopening procedures.

25.15.14.5.6
(05-01-2005)
Stage 09

- (1) The Area Offices should not use this stage. Centralized Innocent Spouse Case Review (CISCR) is responsible for validating this stage. See IRM 25.15.14.7, Validating the IVL - CCISO, for CCISO information.

25.15.14.5.7
(05-01-2005)
Stage 10

- (1) Claims in ISTS Stage 10 will have an AIMS Status of 12. This stage is used when a case has been reviewed by local review and determined to need additional work.
- (2) If AIMS shows Status 12 but ISTS shows Stage 08, check ERCS for the transfer date to the group and update ISTS accordingly.
- (3) If AIMS shows Status 20 but ISTS shows Stage 10, check with the clerk to see if there is a Form 3210, Document Transmittal, returning the case back to the group. If this has happened, the clerk should update ERCS to the group and AIMS to Status 12.

25.15.14.5.8
(04-20-2018)
Stage 11

- (1) Claims in ISTS Stage 11 could have an AIMS status of 20 or 22 depending on how the area handles their 30 day cases. This stage is input when a preliminary letter has been issued requiring the case to be in suspense for 30 days. Non-qualifying cases may be in suspense as well.
- (2) If a case is in AIMS Status 20 or 22 but still in ISTS Stage 08, locate the case in review to determine the date of the letter and then update ISTS accordingly.
- (3) If the case is in ISTS Stage 11 but in a status higher than 20, 22, or 23, check the ERCS for the notification date in order to update ISTS.
- (4) If the case is in AIMS Status 30, 32, 36, or 38, check with that program coordinator to see if they have the case and if so, ISTS will need to be updated to Stage 06 as of the date the Form 3210, *Document Transmittal*, was issued. This should be the date ERCS was updated to that status.
- (5) If the claim is an open examination case, it should be sent to Technical Services in AIMS Status 21 for mandatory review. Technical Services will update ISTS to Stage 11 and Stage 12 as appropriate depending on the facts of the case. Technical Services will complete mandatory innocent spouse claim review and send the case to Case Processing with instructions to update ISTS accordingly. See IRM 4.8.5.2, Innocent Spouse Cases, for more information.

25.15.14.5.9
(04-20-2018)
Stage 12

- (1) Claims in ISTS Stage 12 should be in 90 day suspense and AIMS Status 24. This stage is used when a final determination letter has been issued. If something is not matching, ERCS should be checked for the current AIMS status.
- (2) If AIMS shows a status of 51 through 57, check ERCS; if the prior status was 24, the case has now defaulted. Update ISTS to Stage 27 as of the date it was assigned to a TE.
- (3) If AIMS shows status 90, check ERCS for the date of the status change, call the tax examiner assigned to the case and get the dates to input 27 and 28, for partials and grants

- (4) If AIMS shows a status of 82 and ISTS still shows Stage 12, ISTS should be updated to Stage 19, Tax Court Petitioned.
- (5) If the case is an open examination case, ISTS Stage 12 should be input as of the date a signed agreement is received or the date the statutory notice and final determination letters are issued by Technical Services. See IRM 4.8.9.16.11, IRC 6015: Relief from Joint and Several Liability On Joint Return(s), for more information. All cases in open examination involving innocent spouse claims must be closed to Technical services for mandatory innocent spouse review per IRM 4.8.5.2, Innocent Spouse Cases. Therefore, the AIMS status corresponding to this stage could be status 21, 20 or 24.

25.15.14.5.10
(01-11-2010)
Stages 13 and 14

- (1) These stages are no longer required for the area offices.

25.15.14.5.11
(01-11-2010)
Stages 15 and 16

- (1) Claims in ISTS Stage 15 and 16 should have an AIMS status of 80 or 81. These are Appeals statuses and they should update ISTS to the next stage. See IRM 25.15.14.6, Validating the IVL - Appeals, for Appeals information.

Note: Stages 17 and 18 are no longer required.

25.15.14.5.12
(01-11-2010)
Stages 19 and 20

- (1) Claims in ISTS Stage 19 and 20 should have an AIMS Status of 82. This is a Counsel status and they are responsible for updating ISTS to the next appropriate stage. See IRM 25.15.14.6, Validating the IVL - Appeals, for Appeals information.

Note: Stages 21 and 22 are no longer required.

25.15.14.5.13
(09-01-2003)
Stage 23

- (1) Claims in ISTS Stage 23 should have an AIMS Status of 90. This stage indicates the claim was shipped to CCISO for processing and they are responsible for validating this stage.
- (2) If the AIMS Status is not 90, contact Case Processing to see if the input of the TC 300 went unpostable and correct it.

25.15.14.5.14
(07-30-2014)
Stage 24

- (1) Between July 2006 through February 16, 2009, this was a reserved stage. Effective February 17, 2009, the activity "RECON" will systemically generate to identify the case as a reconsideration claim. Claims in ISTS Stage 24 should have an AIMS Status of 10 or 12.

25.15.14.5.15
(04-20-2018)
Stage 25

- (1) Claims in ISTS Stage 25 should have an AIMS Status of 20 and be located in Technical Services. This stage should be used only when it is necessary to re-issue a preliminary or final determination letter.
- (2) This stage is a prerequisite for updating ISTS to a second Stage 11.

25.15.14.5.16
(07-30-2014)
Stage 26

- (1) Claims in ISTS Stage 26 should have an AIMS status of 90. This stage should be used when situations occur that prevent the processing of an account from MFT 30 to MFT 31. It should also be used for claims when either taxpayer is overseas preventing the claim from being completed (Combat Zone) or if either taxpayer is being investigated by Criminal Investigation.
- (2) Case Processing or Technical Services will monitor these claims until the situation changes to allow the continuation of the claim.
- (3) If AIMS is closed the TC 971 AC 065 should remain on the account to ensure no collection activity is taken against the RS.

25.15.14.5.17
(07-17-2009)
Stage 27

- (1) Claims in ISTS Stage 27 should have an AIMS status of 51 through 57. This stage is used while the case is in the closing unit, during the time period they are determining the amounts to assess MFT 30 and/or MFT 31.
- (2) If the status is 90, check the ERCS for the date the status changed, then call the tax examiner (TE) assigned the case to determine if the transfer process to MFT 31 has been completed. If this has been completed, update ISTS to Stage 28 as of the date the paperwork was sent. For an open examination, use the date the TC 300 was posted.
- (3) If the status is 51 through 57 and it has been in Stage 27 for over 30 days, check ERCS for the TE assigned the case. Call the TE to check the status of the case.

25.15.14.5.18
(07-17-2009)
Stage 28

- (1) Claims in ISTS Stage 28 should have an AIMS Status of 90. Stage 28 indicates the MFT 31 transfer process has been initiated for a partial or full grant. This should only be done on a closed case. You should not have any other AIMS statuses for this stage. If you do, you should check with Case Processing because it would mean their TC 290 or TC 300 went unpostable thus leaving AIMS in open status.
- (2) If a claim has been in this stage for more than 6 months, check the IDRS command code (CC) TXMOD to see if the account has been transferred. The tax examiner (TE) should be contacted to determine if there is a problem. If the IDRS CC TXMOD has a TC 400 and 402, ISTS should be updated to Stage 30.

25.15.14.5.19
(09-01-2006)
Stage 29

- (1) Claims in ISTS Stage 29 could have an AIMS status of 51 through 57 until the case is closed through Case Processing on AIMS. ISTS should be updated to Stage 30 once the AIMS controls are closed.
- (2) If you have several years on a claim and only one year is non-qualifying, you could have an AIMS status other than 51 through 57. ERCS will indicate the location of the case and whether there are other years involved that would prevent the case from closing.
- (3) If one year is a partial or denial, the case will be kept together for 30 days and be in Status 20, 22 or 23 until the final determination letter is issued. At this point, ISTS should be updated to Stage 12 for the other year and the case will reflect Status 24 for both years.

- (4) It will stay in Status 24 until default. Upon default, the case should be updated to Stage 27 and the Stage 29 will reflect the correct AIMS status of 51 or higher.
- (5) Claims should not be in this stage for more than 30 days unless other years are preventing closure of the claim. ERCS should be used to identify the TE and contact made to determine as to the reason for the delay.

25.15.14.5.20
(07-17-2009)
Stage 30

- (1) ISTS Stage 30 should always have an AIMS status of 90. This stage is input upon completion of the case.
- (2) If the claim was denied, it is input when the AIMS controls are closed in Centralized Case Processing.
- (3) If the claim was a partial or a full grant, it is input after the MFT 31 transfer process is complete or after the appropriate tax has been assessed to the MFT 30 and/or MFT 31 accounts.
- (4) This stage does not require validation.

25.15.14.5.21
(09-01-2006)
Stage 31

- (1) Claims in ISTS Stage 31 should always have an AIMS Status of 90. This stage is used when letters are sent to the RS on closed claims.
- (2) This stage does not require validation.

25.15.14.6
(04-20-2018)
**Validating the Inventory
Validation Listing (IVL) -
Appeals**

- (1) Appeals uses the ACDS AMATCH sub-system to match ACDS information against data received from ISTS to ensure cases are received and in the proper status on ISTS. See IRM 25.15.12.27, Validation Reports, for more information.

25.15.14.6.1
(05-01-2005)
Stage 07

- (1) This stage indicates a transfer of the ISTS control to Appeals or another office that requested the claim.
- (2) This stage is also a clearing stage similar to Stage 02. The claim is sent to APPEALS or other office and they acknowledge receipt by inputting another Stage 07 and update to Stage 15.
- (3) If a claim is in this stage and the Appeals Centralized Database (ACDS) shows the claim assigned to an appeals officer, then ISTS should be updated to Stage 15.

25.15.14.6.2
(04-20-2018)
Stage 15

- (1) Claims in this stage indicate the claim is open in Appeals and assigned to an appeals officer.

25.15.14.6.3
(04-20-2018)
Stage 16

- (1) Claims in this stage indicate Appeals has made a final administrative determination.

25.15.14.6.4
(02-25-2011)
Stages 17, 18, 21, and 22

- (1) These stages are no longer required.

25.15.14.6.5
(04-20-2018)
Stage 19

- (1) Claims in this stage indicate a petition has been filed.
- (2) Updates to earlier ISTS stages might occur for an innocent spouse issue first raised in the petition for the docketed deficiency case (if Form 8857, or equivalent statement, is also filed). If this occurs, ISTS might be updated to other stages to reflect the initial consideration of the claim, Appeals assignment, Appeals determination and/or eventually Stage 20.

25.15.14.6.6
(04-20-2018)
Stage 20

- (1) Claims in this stage indicate the innocent spouse issue was under the Tax Court's jurisdiction and a decision has been made.
- (2) The Appeals ACDS should indicate a date in the "DATECLSD" field and a closing code of 21 or less in the "CLOSINGCD" field.

25.15.14.7
(04-20-2018)
**Validating the Inventory
Validation Listing (IVL) -
Cincinnati Centralized
Innocent Spouse
Operation (CCISO)**

- (1) CCISO uses the IVL to ensure that ISTS is accurate and current. In general, every case on the IVL will need a comment as to the reason for any delay. Annotate any corrections on the ISTS listing. Cases not found should indicate on the IVL the steps taken to locate the case. Watch for cases closed but ISTS not updated and the TC 971 AC 065 not reversed. CCISO will not be responsible for validating any case in Stage 15 thru 22.
- (2) The IDRS command codes used for inventory validation are:
 - a. **ISTSRA** — identifies where a case is located. If the record was not transferred correctly, the record could be on the wrong Team IVL. IDRS CC ISTSE should be used to correct the record if this is the case. A freeze code of -L on the account indicates that the case is in the field. Verify the case was transferred using the Form 3210, Document Transmittal, database. The AIMS can be used to locate cases. The Project Code 0014 is the correct project code for innocent spouse cases, but may not be present if other, higher priority, project codes apply. See IRM 25.15.6, Field Examination Procedures, for more information.
 - b. **TXMOD** history and control items contain a wealth of information to help locate a case. Transaction codes (TC) can provide information about when and how a claim was closed. A TC 290 is used with reason code (RC) 097 for disallowed claims and RC 098 for allowed claims. Cases in Stage 05 should have a control on IDRS within 5 working days of the 05 update.
 - c. **INOLES** should be used to verify the RS's TIN. The TIN input with the TC 971 AC 065 should match the INOLE record. The name control should also match. Records that do not match are input errors and should be deleted. The ISTS database can be searched to obtain or ensure the correct record was input.
 - d. **ENMOD** identifies when and what letters were sent to the RS.
 - e. **SUMRY** identifies if there are additional years controlled and where the record is located.
 - f. **ISTSRT** also identifies other years opened.

Note: Many times cases are moved without all records being updated. IDRS CCs ISTSRT and SUMRY are important for determining this. AIMS can verify the Area a case was transferred to.

25.15.14.7.1
(02-25-2011)
Stage 01, 02, 03, 07, and 29

- (1) Because ISTS Stages 01, 02, 03, 07, and 29 are pass-through stages, input the IDRS CCs ISTSRT and SUMRY to determine if there are other years to be considered. Generally claims left in stages 01 and 03 over 15 days are often input errors. Verify the accuracy of the input by using IDRS CC INOLES to verify the TIN and name control. Use the ISTS database to determine the correct record. A search of the database can be done by the name control or the TIN. Incorrect records should be indicated on the IVL and deleted or corrected.

Note: Single years left in these stages are often due to failure to update all years. Corrections should be made and the appropriate information should be recorded on the IVL.

- (2) Claims in ISTS Stage 02 and 07 should be acknowledged within 3 business days of the receipt of the claim. Claims in Stage 02 are sometimes delayed while the documents are being secured. Check with management before validating so work is not duplicated. The Stage 02 listing is printed weekly and is worked in the First Read area.

25.15.14.7.2
(09-01-2003)
Stage 04 and 06

- (1) Claims in ISTS Stage 04 and 06 inventory are filed by TIN. The listing should be validated against inventory in 04/06 file. Any claim not located should be researched using the IDRS. The overage listing for these stages is printed weekly and worked in the First Read area. Check with management to prevent duplication of efforts.

25.15.14.7.3
(07-30-2014)
Stage 05 and 10

- (1) Claims in ISTS Stage 05 and 10 are assigned to individual employees or teams. Claims in Stage 05 for more than 45 days and Stage 10 for more than 30 days should be documented on the IVL as to the reason of the delay. Incorrect records should be updated to the correct stage.

25.15.14.7.4
(07-30-2014)
Stage 08 and 09

- (1) Stage 08 should only be used by SB/SE Technical Services. CCISO should use Stage 09 for their quality review. Claims in ISTS Stage 09 should not remain in this stage for more than 2 weeks.
 - If IDRS reflects a Full Scope unit control, the case was returned to that unit to be reconsidered. Correct ISTS to Stage 10.
 - If IDRS controls are closed but ISTS still shows Stage 09, check with the clerk to determine if the case was returned to Files.

25.15.14.7.5
(03-21-2008)
Stage 11

- (1) Claims in ISTS Stage 11 should not remain more than seven calendar days past the 45 days. Management should be consulted if claims remain over this time frame and annotated on the IVL as to the reason for the delay.

25.15.14.7.6
(01-08-2010)
Stage 12

- (1) Claims in ISTS Stage 12 should not remain for more than seven calendar days past the 106 days. Management should be consulted if claims remain over this time frame and annotated on the IVL as to the reason for the delay. The IDRS CC TXMOD should be researched for a TC 290 with RC 097 or RC 098 and closed controls. If this is the case, update ISTS history.

25.15.14.7.7
(07-30-2014)
Stage 24

- (1) Claims in ISTS Stage 24 should not remain in this stage for more than 60 days. Management should be consulted if claims remain in this stage over this time frame and annotated on the IVL as the reason for the delay.

- 25.15.14.7.8
(03-21-2008)
Stage 25
- (1) Claims in ISTS Stage 25 should not remain in this stage for more than seven calendar days. Management should be consulted if claims remain in this stage over this time frame and annotated on the IVL as the reason for the delay.
- 25.15.14.7.9
(04-20-2018)
Stage 26
- (1) Generally, claims in ISTS Stage 26 should not remain in this stage more than 180 days; however, cases that are suspended longer than that should be documented, at least every 180 days, that a follow up was made, and further suspense is warranted. See IRM 25.15.19.2, Freeze Codes, for more information. Management should be consulted if claims remain in this stage over this time frame. Annotate the IVL as to the reason for the delay.
- 25.15.14.7.10
(03-21-2008)
Stage 27
- (1) Claims in ISTS Stage 27 should not remain in this stage for more than 60 days. Management should be consulted if claims remain over this time frame. Annotate the IVL as to the reason for the delay.
- 25.15.14.7.11
(04-20-2018)
Stage 28
- (1) Claims in ISTS Stage 28 should not remain for more than 120 days. If account actions are complete, then update ISTS to Stage 30. Management should be consulted if claims remain over this time frame. Annotate the IVL as to the reason for the delay.
- 25.15.14.7.12
(03-21-2008)
Stage 29
- (1) Claims in ISTS Stage 29 should not remain for more than 7 days. Management should be consulted if claims remain over this time frame. Annotate the IVL as to the reason for the delay.
- 25.15.14.7.13
(03-21-2008)
Stage 30, 31, 32 and 99
- (1) There is no validation required.