



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

SMALL BUSINESS / SELF-EMPLOYED DIVISION

November 25, 2024

Control Number: SBSE-04-1124-0063
Expiration Date: November 25, 2026
Impacted IRM(s): 4.24.16

MEMORANDUM FOR: DIRECTOR, SPECIALTY EXAMINATION, CHIEF, ESTATE & GIFT/EXCISE TAX EXAM, EXCISE TAX FUEL COMPLIANCE PROGRAM MANAGERS

FROM: Daniel R. Lauer, Director, HQ Examination Daniel R. Lauer
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Date: 2024.11.25
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SUBJECT: Temporary Interim Guidance for Closing and Shipping Agreed Penalty Cases to Centralized Case Processing

This memorandum issues temporary guidance to the Fuel Compliance Program on closing and shipping agreed penalty cases to Centralized Case Processing (CCP) and supersedes guidance found in IGM SBSE-04-1122-0082, Temporary Deviation of SB/SE Case Closing and Shipping Procedures for Excise Tax Exam, dated November 17, 2022.

Purpose: To issue temporary guidance for closing and shipping penalty cases processed with Form 8278, Assessment and Abatement of Miscellaneous Civil Penalties (excluding penalties processed through tech services).

Background/Source(s) of Authority: Currently IRM 4.24.16, Excise Fuel Compliance Report Writing, Case Processing and Appeals Procedures, has procedures for closing penalty cases via paper case file which is printed, assembled, and shipped to the group manager and then forwarded to CCP. On April 16, 2024, IGM SBSE-04-0424-0013, Electronic Case Closing Procedures in the Issue Management System, issued interim guidance for standard electronic case closing procedures in the Issue Management System (IMS). It did not include IRM 4.24.16 and as a result the Fuel Compliance Program is currently following IGM SBSE-04-1122-0082 which will expire November 15, 2024.

Procedural Change: The Fuel Compliance Program should continue to virtually close penalty cases via email to the CCP mailbox at sbse.ccp.cincinnati@irs.gov while holding the physical case file in IMS. Paper cases cannot be mailed to CCP until further notice.

Fuel Compliance Program Cases Closed Virtually to CCP

- Inspections Resulting in a Potential IRC 6715 Violation
- Inspections Resulting in a Potential IRC 6715A Violation

- Inspections Resulting in a Potential IRC 6717 Violation
- Inspections Resulting in a Potential IRC 6720A Violation

Required Virtual Case Closing Documents

When a case is closed virtually to CCP it must be updated to Status 51 in ERCS.

Note: Once a case is updated to Status 51, time cannot be charged to the case. A Form 3210, Document Transmittal, will be generated in ERCS and acknowledged by CCP in ERCS after the virtual case closing documents are received in CCP.

The Group Manager will email the following documents to the CCP mailbox at sbse.ccp.cincinnati@irs.gov:

- Form 3198, Special Handling Notice for Examination Case Processing
- Form 8278, Assessment and Abatement of Miscellaneous Civil Penalties
- Appropriate agreement form, for example:
 - Form 12012, Report of Proposed Penalty - IRC 6715A
 - Form 12011, Report of Proposed Penalty - IRC 6717
 - Form 12013, Report of Proposed Penalty - IRC 6720A
- Form 3244-A, Payment Posting Voucher – Examination, if applicable
- Form 9440, Taxpayer Levy Source and Contact Information, if applicable
- Any other documents that support the specific type of closure

Monitoring Virtual Case and Actions Needed after CCP Closure

Until cases are acknowledged as received by CCP and the cases are updated to another 5X status, Fuel Compliance Program groups must monitor:

- Form 3210 in ERCS to ensure the virtual case closing documents are received by CCP
- Statutes/cases

If CCP is unable to process the case, they will email the Fuel Compliance Program Group Manager to resolve processing issues and may return the case to the applicable ERCS status. If CCP requests the physical file for closure, the group will need to close the case following normal case closing procedures. The Group Manager will need to coordinate with CCP to mail the physical case file.

Fuel Compliance Program groups must monitor IDRS for closed cases to see when the transaction code (TC) 290/240 posts which provides the DLN to complete the Form 9856, Attachment Alert. Once the TC 290/240 posts, the fuel compliance officer will complete, and upload into IMS, a Form 9856 for each closed case.

Effect on Other Documents: Guidance in this memorandum will expire two years from the date of this memo.

Effective Date: This guidance is effective immediately.

Contact: If you have any questions concerning this guidance please contact Jeff Buchholz, Excise Tax Policy Analyst, or Kellie McCann, Program Manager, Excise Tax Policy.

Distribution:

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