IRM PROCEDURAL UPDATE

DATE: 01/03/2025

NUMBER: sbse-05-0125-0019

SUBJECT: Additional Guidance for the Hostage Program

AFFECTED IRM(s)/SUBSECTION(s): 5.19.1

CHANGE(s):

IRM 5.19.1.4.4.1, Full Compliance Check Converted alpha list under paragraph 7 to a table to improve readability.

(7) If the taxpayer is liable to file, instruct them to file using the table below:

If...	Then...
• There is a balance due and all modules are in Notice Status, or • All unfiled returns are in Status 02 (Return Delinquency),	Advise the taxpayer to mail the missing return to the appropriate CSCO mailing address.
• There is a balance due and at least one module is in ST 22, or • At least one unfiled return is in ST 03 (TDI),	Advise the taxpayer to mail the missing return to the appropriate ACSS Site based on BOD code and State mapping (W&I State Mapping or SB/SE State Mapping).
There are no balance due modules, including accounts where it is assigned 8000 but there is no Dummy TC 150 present on the module,	Advise the taxpayer to mail the missing return to the appropriate address using SERP, Who/Where, Where to File - Forms and Payments.
The unfiled return delinquency is in ASFR and the taxpayer has received an ASFR notice,	Advise the taxpayer to mail the return to ASFR site's address that appears on the notice. See IRM 5.18.1.6.1(1), ASFR TC 971 AC 143, for instructions on how to identify an ASFR started case.

IRM 5.19.1.5.12, Taxpayers Taken Hostage in Terrorist Action (HSTG) Revised content throughout to reflect changes to the hostage program and contact information.

(1) The U.S. Department of State (DOS) and Federal Bureau of Investigation (FBI) provide IRS with a list of persons who have been declared as hostages, or as wrongful detainees. They will provide the name, SSN, capture date and/or release date 30 days after the hostage incident or wrongful detainee declaration. Twice a year, they will provide a summary list of all names to ensure IRS has all of the needed names.

(2) The DOS and FBI lists are sent to the IRS by secured email and routed to Kansas City CSCO, who will analyze and research the taxpayers account to determine if there are any open collection (Bal Due or Del Ret) issues.

(3) Taxpayers on the lists who are declared as a hostage or wrongful detainee will be designated as a hostage for IRS collection purposes and will have the hostage indicator (**"HSTG"**) placed on their account.

Note: The hostage literal ("**HSTG**") displays on CC ENMOD, CC SUMRY, CC TXMODA or CC TDINQ. This causes an entity freeze preventing issuance of TDA, TDI, and enforcement-related notices. It will also prevent a TC 150, TC 290 or TC 300 from posting to the account.

(4) Take the following actions for accounts with a **HSTG** literal, or a TC 971 AC 199 with "**HSTGPND**" in the MISC field is present:

1. Take no further action on the case
2. Use Form 4442 to route any correspondence received to Kansas City CSCO:

   # ████████████ #
   # ████████ #
   # ██████████████ #

3. Direct Phone calls to the Hostage Program phone line 800-908-0368

(5) If you receive indication on an open case that a taxpayer is currently or was previously held as a hostage or wrongful detainee but there is no **HSTG** literal or a TC 971 AC 199, use the following table to notify KC CSCO:

If...	Then...
Correspondence,	Use Form 4442 to route the correspondence to Kansas City CSCO: # ████████████ ████████████ #
Call or face to face contact,	Advise to call the Hostage Program phone line 800-908-0368

IRM 5.19.1.5.12.1, CSCO Hostage Program Insert new subsection with procedural guidance for Kansas City CSCO employees working the hostage program.

(1) This subsection provides guidance to Kansas City CSCO employees only who process hostage program work.

(2) When working a case, you are required to document actions taken on AMS including the capture date and release date.

Example: When the indicator is placed on the account, input on AMS "Hostage Program- Indicator on IDRS- Capture date MM/DD/YYYY". When it is removed from the account, input on AMS "Hostage Program- Indicator removed from IDRS- Release date MM/DD/YYYY". See IRM 5.19.1.2.4, Documenting Account Actions.

(3) When a taxpayer is declared as a hostage, KC CSCO will CC MFREQ/CC ENMOD the account and use CC INCHG to update the Killed in Terrorist Action ("KITA") Indicator field with an indicator of **2**.

(4) When a taxpayer is released, CSCO will use CC INCHG to update the "KITA" indicator field with a **9** to remove the "HSTG" indicator. If there is a collection issue on the account, take the following actions:

- Input a TC 470 with no closing code
- Input a TC 971 AC 199 with the hostage release date and "HSTGPND" in the MISC field.

Note: The case will be controlled and suspended for 180 days. After the time has expired, the TC 470 will be reversed with a TC 471 to return the account to normal processing.

(5) After the suspension period, abate all penalties from the date the captivity started through the end of the suspension period. See IRM 5.1.15.16.2, Reasonable Cause Penalty Abatements.

(6) If information is received from the taxpayer, their authorized representative, or a family member stating the taxpayer is a hostage and the "HSTG" indicator is not on the account, refer the taxpayer or their family to the FBI with their hostage information. The FBI will verify the name and contact IRS.

(7) If information is received from the taxpayer, their authorized representative, or a family member stating the taxpayer is a wrongful detainee and the "HSTG" indicator is not on the account, refer the taxpayer or their family to the DOS to request a copy of the DOS letter stating that the taxpayer has been declared a wrongful detainee. Use the table below to address wrongful detainee cases:

If...	Then...
Correspondence and the taxpayer's account has an open collection issue,	1. Input the "HSTG" indicator 2. Suspend the account for 60 days pending receipt of the DOS letter 3. Remove the suspense if the letter is received within the suspense period **Note:** Remove the "HSTG" indicator if the letter is not received after 60 days in suspense.
Correspondence and the taxpayer's account does **not** have any open collection issues,	1. Suspend the account for 60 days pending receipt of the DOS letter 2. Input the "HSTG" indicator on the account if the letter is received within the suspense period **Note:** Remove the suspense if the letter is not received within 60 days.
Telephone call and the taxpayer's account has an open collection issue,	1. Input the "HSTG" indicator 2. Suspend the account for 60 days pending receipt of the DOS letter 3. Remove the suspense if the letter is received within the suspense period **Note:** Remove the "HSTG" indicator if the letter is not received after 60 days in suspense.
Telephone call and the taxpayer's account does **not** have any open collection issues,	1. Suspend the account for 60 days pending receipt of the DOS letter 2. Input the "HSTG" indicator on the account if the letter is received within the suspense period **Note:** Remove the suspense if the letter is not received within 60 days.

(8) If you receive information from the taxpayer, their authorized representative, or a family member on an open case stating that a taxpayer is a former hostage or wrongful detainee but there is no "HSTG" literal, verify the hostage status of the taxpayer. If there is no indicator in the system and the taxpayer was a hostage, refer the taxpayer to the FBI with their hostage information. The FBI will verify the name and contact IRS.

(9) If the taxpayer *was a former* wrongful detainee, contact the taxpayer and request a copy of the DOS letter stating that the taxpayer is no longer a wrongful detainee. Use the table below to address wrongful detainee actions:

If...	Then...
Correspondence and there is an open collection issue,	1. Input the "HSTG" indicator 2. Suspend the account for 60 days pending receipt of the DOS letter 3. Remove the "HSTG" indicator, input TC 470 no closing code and suspend the account for 180 days from release date **Exception:** If the letter is *NOT* received after 60 days in suspense, do **not** input TC 470 or suspend the account
Correspondence and there are no open collection issues,	1. Input the "HSTG" indicator 2. Suspend the account for 60 days pending receipt of the DOS letter 3. Remove the "HSTG" indicator, input TC 470 no closing code and suspend the account for 180 days from release date **Exception:** If the letter is *NOT* received after 60 days in suspense, do **not** input TC 470 or suspend the account
Telephone call and there is an open collection issue,	1. Input the "HSTG" indicator 2. Suspend the account for 60 days pending receipt of the DOS letter 3. Remove the "HSTG" indicator, input TC 470 no closing code and suspend the account for 180 days from release date **Exception:** If the letter is *NOT* received after 60 days in suspense, do **not** input TC 470 or suspend the account
Telephone call and there are no open collection issues,	1. Input the "HSTG" indicator 2. Suspend the account for 60 days pending receipt of the DOS letter 3. Remove the "HSTG" indicator, input TC 470 no closing code and suspend the account for 180 days from release date **Exception:** If the letter is *NOT* received after 60 days in suspense, do **not** input TC 470 or suspend the account

IRM 5.19.1.6.4.6, IA Payment Methods and User Fees (UF) Overview Revised paragraph (13) to update mailing address for Form 13844.

(13) If IDRS does not show the taxpayer qualifies for the Low-Income User Fee when the IA is granted, include a paragraph in the IA confirmation letter advising them of the Form 13844, Application for Reduced User Fee for Installment Agreements. Completed Form 13844, Application for Reduced User Fee for Installment Agreements, should be sent to:

Mailing Address	PDS Mailing Address
IRS ACS Correspondence PO Box 24017, Stop 76101 Fresno, CA 93779	IRS ACS Correspondence 3211 S. Northpointe Dr., Stop 76101 Fresno, CA 93725

Caution: Do not advise the taxpayer to submit Form 13844, Application for Reduced User Fee for Installment Agreements, to request a reduction or waiving of the user fee for any other reason, such as hardship or disagreement with the fee. Explain the legislative reason for the user fee. See paragraphs five (5) and seven (7), above.

IRM 5.19.1.6.4.6.5, Processing Form 13844, Application for Reduced User Fee for Installment Agreements (FSC ACSS Only) Revised subsection title and paragraph (2) to change processing center for Form 13844 from KCSC to FSC.

(2) FSC ACSS is responsible for manually determining whether taxpayers meet low-income status in response to information submitted on Form 13844, Application for Reduced User Fee for Installment Agreements.

Throughout Revised text for editorial changes throughout, correct IRM references and update or remove broken links for consistency.