

IRM PROCEDURAL UPDATE

DATE: 06/25/2024

NUMBER: ts-03-0624-0798

SUBJECT: Added Procedures to Send 3024C Non-Suspense Letter Along With a TPNC; Updated Special Gain Code Procedures Per UWR 980076

AFFECTED IRM(s)/SUBSECTION(s): 3.12.15

CHANGE(s):

IRM 3.12.15.4.23(4) b - Updated procedures for Field 01HSC for tax periods 2023 or later and 2016 to 2022.

(4) Correction Procedures:

- a. Correct coding and transcription errors.
- b. Determine the correct code from the return and attachments.

If	And	Then
The tax year is 2023 or later,	There is an amount on Form 3468, Part VII, Line 1h, i, or j,	Enter "3" in Field 01HSC.
The tax year is 2016 to 2022,	There is an amount on Form 3468, Part III, Line 11e, f, or g,	Enter "3" in Field 01HSC.
The tax year is 2010 to 2015,	There is an amount on Form 3468, Part III, Line 11e, f, g, h, i, or j,	Enter "3" in Field 01HSC.
The tax year is 2008 or 2009,	There is an amount on Form 3468, Part III, Line 10e, f, g, h, i, or j,	Enter "3" in Field 01HSC.
The tax year is 2006 or 2007,	There is an amount present on Form 3468, Line 1e, f, g, or h,	Enter "3" in Field 01HSC.
The tax year is 1996 to 2005,	There is an amount present on Form 3468, Part I, Line 1b or 1c,	Enter "3" in Field 01HSC.
The tax year is 2008 and before,	Form 3468 is not attached,	Leave Field 01HSC blank.

IRM 3.12.15.16.4(2) - Removed Field 263D (Special Gain Code) for Form 8997.

IRM 3.12.15.16.4(3) - Added Field 263D (Special Gain Code) for Form 8997.

IRM 3.12.15.16.4(4) - Added Invalid Condition criteria for Field 263D (Special Gain Code) for Form 8997 per (UWR) 980076.

(2) Invalid Condition - Fields 261D, 262D and 264D are invalid if:

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- The field is more than 1 character.
- The field is not blank, A, B, C, D, E or F.
- The tax period is before 201901.

(3) Field 263D - Form 8997 - Special gain code.

(4) **Invalid condition** - Field 263D is invalid if:

- The field is more than 1 character.
- The field is not blank, or "A through Z".
- The tax period is before 201901.

IRM 3.12.15.19.23(3) e, f & (4) - Added procedures to send non-suspense Letter 3024C to advise the taxpayer of a math error.

IRM 3.12.15.19.23(3) g - Added TPNC 90 as a valid taxpayer notice code for Error Code 729.

(3) **Correction Procedures:**

- Correct coding errors, transcription errors, and misplaced entries.
- Compare the displayed fields with the return and attachments. If incorrect overlay the screen with the correct information.
- The Taxpayer will attach Form 8936 Schedule A, Clean Vehicle Credit Amount and report their credit on Form 1065, Line 29.
- If Form 8936, Schedule A, Clean Vehicle Credit Amount, is not attached and the CVC credit claimed on Form 1065, Line 29 is # [REDACTED] [REDACTED] # correspond for the missing Form 8936, Schedule A.
- If the return was e-filed and Field 311IN or Field 312IN are "1", then send TPNC 74.

Caution: Due to a programming issue, send a non-suspense Letter 3024C to advise the taxpayer of the math error.

- If a math error is present and transcription is correct, then send TPNC 74.

Caution: Due to a programming issue, send a non-suspense Letter 3024C to advise the taxpayer of the math error.

- Valid TPNCs for Error Code 729 are TPNC 74 & 90.

(4) **Suspense Correction**

- If **No Reply** to correspondence, then enter CCC "3" and send TPNC 74.

Caution: Due to a programming issue, send a non-suspense Letter 3024C to advise the taxpayer of the math error.

IRM 3.12.15.19.24(3) c - Added procedures to send non-suspense Letter 3024C to advise the taxpayer of a math error.

(3) Correction Procedures

- a. Correct coding error, transcription errors, and misplaced entries.
- b. Compare the displayed fields with the return and attachments. If incorrect, overlay the screen with the correct information.
- c. If a discrepancy of # [REDACTED] # between the taxpayer's figures and the computer's figures still exists after all actions above for math verification have been taken and all the necessary corrections have been made send TPNC 75.

Caution: Due to a programming issue, send a non-suspense Letter 3024C to advise the taxpayer of the math error.

- d. Valid TPNCs for EC 730 are 75 and 90.

IRM 3.12.15.19.25(3) f & (4) - Added procedures to send non-suspense Letter 3024C to advise the taxpayer of a math error.

IRM 3.12.15.19.25(3) g - Added TPNC 90 as a valid taxpayer notice code for Error Code 731.

(3) Correction Procedures

- a. Correct coding errors, transcription errors, and misplaced entries.
- b. If Fields 231BI, 231GI, 241OI, or 241XI are blank enter the amount from 231BH, 231GH, 241OH or 241XH.
- c. Compare the displayed fields with the return and attachments. If incorrect overlay the screen with the correct information.
- d. The taxpayer will attach Form 3800 General Business Credit, and report their EPE credit on Form 1065, Line 29.
- e. If Form 3800, General Business Credit, is not attached and the EPE credit claimed on Form 1065, Line 29 is # [REDACTED] # then SSPND with Action Code 211 and correspond using Letter 1355C.
- f. If a discrepancy of # [REDACTED] # between the taxpayer's figures and the computer's figures still exists after all the actions for math verification have been taken and all the necessary corrections have been made send TPNC 73.

Caution: Due to a programming issue, send a non-suspense Letter 3024C to advise the taxpayer of the math error.

- g. Valid TPNCs For EC 731 are 73 and 90.

(4) Suspense Correction:

- If **No Reply** to correspondence, then disallow the EPE credit shown and remove the amount claimed from Field 07EPE. Enter CCC" 3" and send TPNC 73

Caution: Due to a programming issue, send a non-suspense Letter 3024C to advise the taxpayer of the math error.

IRM 3.12.15.19.30(3) e, f & (4) - Added procedures to send non-suspense Letter 3024C to advise the taxpayer of a math error.

IRM 3.12.15.19.30(3) g - Added TPNC 90 as a valid taxpayer notice code for Error Code 739.

(3) Correction Procedures

- Correct coding errors, transcription errors, and misplaced entries.
- Compare the displayed fields with the return and attachments. If incorrect overlay the screen with the correct information.
- If you are processing a 2022 Tax Year Form** and the taxpayer has indicated an "Elective Payment "or "Deemed Payment" by writing "IRA22DPE" on an attachment or on Form 1065, Line 29 dotted portion, refer to the instructions found at IRM 3.12.15.2.16, Elective Payment Election (EPE) and Credit Transfers.

Note: Do not continue processing return. Ensure that Action Code 450 is entered and the return with EPE is held for LB&I review.

- If there is an amount present on Form 1065, Line 29 and Form 3800, is not attached, SSPND using Action Code 211 and correspond using letter 1355C.
- Form 1065, Line 29 has an amount and Form 3800, is attached, and the Taxpayer has figured or transferred Part III Form 3800 incorrectly send TPNC 73.

Caution: Due to a programming issue, send a non-suspense Letter 3024C to advise the taxpayer of the math error.

- If a discrepancy of # [REDACTED] # between the taxpayer's figures and the computer's figures still exists after all actions above for math verification have been taken and all the necessary corrections have been made send TPNC 73.

Caution: Due to a programming issue, send a non-suspense Letter 3024C to advise the taxpayer of the math error.

- Valid TPNCs for EC 739 are 73, 76 and 90.

(4) Suspense Correction:

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- **No Reply** to correspondence, then disallow the amount claimed in Field 07EPE. Enter CCC "3" and send TPNC 76.

Caution: Due to a programming issue, send a non-suspense Letter 3024C to advise the taxpayer of the math error.