

IRM PROCEDURAL UPDATE

DATE: 07/02/2024

NUMBER: ts-03-0724-0818

SUBJECT: Section 1341 Credit for Form 1120 and Form 1120-PC

AFFECTED IRM(s)/SUBSECTION(s): 3.11.16

CHANGE(s):

IRM 3.11.16.11.21.10 - Added Schedule J, Line 20i reference for tax year 2022 - 2018 per SERP Feedback #21079.

(1) The taxpayer may report the following credits on Schedule J, Part II, Line 20z (Line 20i for 2022 - 2018):

- a. Credit for tax Withheld Under Chapter 3 or 4 of the Internal Revenue Code shown on Form 1042-S, Form 8805, and/or Form 8288-A.
- b. Credit for Tax on ozone-depleting chemicals. The taxpayer may also notate "Section 4682(g)(2)".
- c. Credit under section 960(c) (section 960(b) for pre-2018 tax years of foreign corporations).
- d. Section 1341 Credit for Repayments of Amounts Included in Income from Earlier Years. Accept the taxpayers amount.

Note: The Section 1341 credit amount may be credit elect. If there is a credit elect amount present in the "Credited to estimated tax" line, then accept the credit elect amount for Section 1341.

IRM 3.11.16.38.17(7) - Added a new row to the If/And/Then chart for Section 1341 credits reported on Form 1120-PC, Line 15z per SERP Feedback #21103.

(7) Line 15z - Other Refundable Credits and Payments.
(Line 15i for 2022 - 2018) (Line 14i for 2017 and prior)

If	And	Then
The taxpayer has claimed backup withholding # [REDACTED] # on Line 15z,	Form 1099 is not attached,	Correspond using Letter 118C.
The taxpayer has claimed Section 1341 Credit for Repayments of Amounts Included from Earlier Years,		Accept the taxpayers amount. Note: The Section 1341 credit amount may be credit elect. If there is a credit elect amount present in the "Credited to

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		estimated tax" line, then accept the credit elect amount for Section 1341.
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