

IRM PROCEDURAL UPDATE

DATE: 10/03/2024

NUMBER: ts-03-1024-1005

SUBJECT: Control Group Code and Form 4626 Correspondence

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

CHANGE(s):

IRM 3.11.16.11.33 - Added new subsection and editing instructions for Form 1120, Schedule K Question 28 - Control Group Code. Renumbered remaining subsections accordingly.

Schedule K, Question 28 (Control Group Code)

(1) If Question 28 is marked "Yes" then edit a "1" in the right margin of the line.

Caution: Do not edit a code if the "No" box is marked.

IRM 3.11.16.32.26(1) - Added a Note to not correspond for Form 4626 is the return is non-taxable.

(1) If Question 20b is marked "Yes" or Question 20c is marked "No", Form 4626 must be attached. Correspond if Form 4626 is not attached.

Note: Do not correspond for Form 4626 if the entire return is non-taxable (e.g., the return is zeros, blank, shows no tax data etc.). Continue processing the return.

IRM 3.11.16.33.25(1) - Added a Note to not correspond for Form 4626 is the return is non-taxable per SERP feedback #23549.

(1) If Question JJ(2) is marked "Yes" or Question JJ(3) is marked "No", Form 4626 must be attached. Correspond if Form 4626 is not attached.

Note: Do not correspond for Form 4626 if the entire return is non-taxable (e.g., the return is zeros, blank, shows no tax data etc.). Continue processing the return.

IRM 3.11.16.36.22(1) - Added a Note to not correspond for Form 4626 is the return is non-taxable.

(1) If Question 19b is marked "Yes" or Question 19c is marked "No", Form 4626 must be attached. Correspond if Form 4626 is not attached.

Note: Do not correspond for Form 4626 if the entire return is non-taxable (e.g., the return is zeros, blank, shows no tax data etc.). Continue processing the return.

IRM 3.11.16.38.24(1) - Added a Note to not correspond for Form 4626 is the return is non-taxable.

(1) If Question 20b is marked "Yes" or Question 20c is marked "No", Form 4626 must be attached. Correspond if Form 4626 is not attached.

Note: Do not correspond for Form 4626 if the entire return is non-taxable (e.g., the return is zeros, blank, shows no tax data etc.). Continue processing the return.

IRM 3.11.16.39.18(7) c - Added a Note to not correspond for Form 4626 is the return is non-taxable.

(7) Line 2g - Alternative minimum tax (AMT) (Tax periods 201811 and prior only).

- a. If the tax period is 201811 and prior and Schedule J, Line 2g (prior year revision) has an amount for AMT, edit the amount to the right margin of Schedule J, Line 2g.
- b. If the tax period is 201811 and prior and Schedule J, Line 2g (prior year revision) is blank and Form 4626 is attached with an amount on Line 14, edit the amount from Line 14, Form 4626 to the right margin of Schedule J, Line 2g.
- c. If the tax period is 201811 and prior and Schedule J, Line 2g (prior year revision) has a significant entry and Form 4626 is not attached, correspond for Form 4626.

Note: Do not correspond for Form 4626 if the entire return is non-taxable (e.g., the return is zeros, blank, shows no tax data

IRM 3.11.16.40.18(4) c - Added a Note to not correspond for Form 4626 is the return is non-taxable.

(4) **Line 2d-** Alternative Minimum Tax (tax periods 201811 and prior only).

- a. If the tax period is 201811 and prior and Schedule J, Line 2d (prior year revision) has an amount for AMT, edit the amount to the right margin of Schedule J, Line 2d.
- b. If the tax period is 201811 and prior and Schedule J, Line 2d (prior year revision) is blank and Form 4626 is attached with an amount on Line 14, edit the amount to the right margin of Schedule J, Line 2d.
- c. If the tax period is 201811 and prior and Schedule J, Line 2d (prior year revision) has a significant entry and Form 4626 is not attached, correspond for Form 4626.

Note: Do not correspond for Form 4626 if the entire return is non-taxable (e.g., the return is zeros, blank, shows no tax data etc.). Continue processing the return.