

IRM PROCEDURAL UPDATE

DATE: 11/05/2024

NUMBER: ts-21-1124-1101

SUBJECT: Oral Statement Authority Updates

AFFECTED IRM(S)/SUBSECTION(S): 21.1.3

CHANGE(S):

IRM 21.1.3.20 Updates made throughout to update Oral Statement Authority procedures.

(1) Oral statement authority is acceptance of a verbal request for account adjustment without written documentation or for account information without written request. Authenticate caller's identity before providing tax account information or taking account action. See IRM 10.10.3.3.6, Identity Proofing for Required Taxpayer Authentication.

(2) The authority to accept oral statement(s) was established to close account inquiries on-line. This authority also applies to accepting taxpayer/authorized third-party verbal statements while on-line and then inputting an adjustment later. If possible, complete on-line adjustments while taxpayer or designee is on the phone.

Reminder: Review **ALL** AMS notes for suspicious activity prior to providing any account information verbally or taking any account actions, including updating an address.

(3) Oral statements are accepted by all functions in the IRS for the following open account/adjustment issues:

- Address changes - See IRM 21.1.3.20.1, IMF and BMF Oral Statement Address Changes, including corrections for spelling or typographical errors.

Note: Only the taxpayer may change the address. An authorized POA must submit Form 8822, Change of Address, or Form 8822-B, Change of Address or Responsible Party - Business, to update the address.

- Other BMF Entity changes - See IRM 21.7.1.4, Business Master File (BMF) /Non-Master File (NMF) Adjustment Procedures. Corrections to the primary name line or name control can be made for spelling errors, incomplete names, and missing or incorrect suffixes.

Note: Do not update a second name line or in care of name line, or any part of the entity on a cross-reference TIN, on a phone call. Advise the caller to submit Form 8822-B, Change of Address of Responsible Party - Business. It does not meet the criteria for oral statement authority to update the entity.

- Other IMF Entity Changes - You can make name, TIN, and ITIN corrections after complete research. This includes invalid TIN problems such as name and TIN corrections and refund releases, as well as spelling or typographical errors in the entity. See IRM 21.5.2.4.2, Adjustments With Oral Statement, IRM 21.5.6.4.17, I- Freeze, IRM 21.6.2.4.1.2, Re-sequencing Action Required, IRM 3.21.263.8.5, Merges Involving ITIN and IRM 3.13.5.83.11, ITIN Merge Procedures (ITIN to SSN merges).

Note: Do not update a second name line or in care of name line, or any part of the entity on a cross-reference TIN, on a phone call. Advise the caller to submit Form 8822, Change of Address. It does not meet the criteria for oral statement authority to update the entity.

- Requests for changes in Language Preference to elect to receive certain types of written correspondence from the IRS in another language - See IRM 21.5.2.4.25, Request for Alternative Language Products by Taxpayers with Limited English Proficiency (LEP).
- Requests to receive certain types of written correspondence from the IRS in an accessible format such as large print, braille or audio. See IRM 21.5.2.4.26, Form 9000, Alternative Media Preference.
- Substantiated math error protests – See IRM 21.5.4.4.4, Math Error Substantiated Protest Processing. Increase or decrease tax or credit(s) to the amount reported on the original return.
- Unsubstantiated math error protests - See IRM 21.5.4.4.5, Math Error Unsubstantiated Protest Processing. Increase or decrease tax or credit(s) to the amount reported on the original return.
- Adjustments to the Recovery Rebate Credit - See IRM 21.6.3.4.2.14.1, Recovery Rebate Credit- Adjusting the Credit.
- Withholding Tax Credit - See IRM 21.6.3.4.2.2(9), Withholding (W/H) Tax Credit.
- Earned Income Tax Credit (EITC) – See IRM 21.6.3.4.2.7.13.1, EITC Math Error Reply. Correction of EITC to the amount claimed on the original return.
- Credit transfers – See IRM 21.5.8.2, Credit Transfers Overview. Transfers of any amount between related and non-related accounts must be confirmed by the taxpayer. For example, the taxpayer can confirm the payment (date, amount, etc.) or can verify audit trail (DLN) from back of check.
- Lost, Stolen, Destroyed or Not Received refund claims – See IRM 21.4.2.4, Refund Trace Actions.
- Undeliverable refund re-issuance – See IRM 21.4.3.5.3, Undeliverable Refund Checks. No dollar limitation.
- Freeze releases resulting in a refund – No dollar limitation.

Note: Not all accounts should be updated. Before releasing a refund or updating an address under Oral Statement Authority, review all freeze code conditions on the account to determine what actions can be taken. Refer to IRM 21.5.6.4, Freeze Code Procedures.

- Account actions taken as required to resolve TPP issues in IRM 25.25.6, *Taxpayer Protection Program*.
- Credit elect reversals – IMF only. See IRM 21.4.1.5.6, Credit Elect Problems.

Note: BMF credit elect cannot be revoked. See IRM 21.7.4.4.5(1), Estimated Tax Overpayment, Credit Elect - General.

- Penalty abatement - See IRM 21.5.2.4.9.2, Oral Statement and Penalty Relief Request. Customer requests that meet reasonable cause criteria and that do not exceed threshold/ceiling amounts.
- Federal Tax Deposit (FTD) penalties - See IRM 20.1.4.26, FTD Penalty Relief.
- Decimal point/transcription errors – obvious errors. This includes decimal point errors made by a customer when completing a tax form or by an IRS employee when transcribing a return or inputting an adjustment. Corrective actions can include increasing/decreasing assessments, and/or increasing/decreasing credits.
- Update the coverage checkbox for Affordable Care Act on Form 1040, Form 1040A and Form 1040EZ - See IRM 21.6.4.4.20.1, Coverage Check box for more information.

(4) Oral Statement Authority can also be accepted for claims for credit/refund after the Refund Statute Expiration Date (RSED) - See IRM 25.6.1.10.3.1.7, Offsetting the Amount of a Refund With a Timely Refund Claim with a Time-barred Adjustment, for specific instructions.

IRM 21.1.3.20.1 Updates made throughout to remove references to a third party.

(1) Oral statement authority is the acceptance of a verbal request for account adjustment without written documentation or for account information without written request. If the taxpayer requests an address change via oral statement, they must be able to authenticate their identity. See IRM 10.10.3.3.6, Identity Proofing for Required Taxpayer Authentication, or IRM 10.10.3.3.7, Identity Proofing for Additional Authentication, for procedures on authenticating the taxpayer.

Note: When making an oral request for change of address using Revenue Procedure 2010-16, the taxpayer's full name, previous address, and SSN, ITIN, or EIN must be provided. Additional authentication must be conducted if the information cannot be provided.

Exception: A request made by a POA does not fall under Revenue Procedure 2010-16 and will not qualify for an address change update under Oral Statement Authority. Advise the caller to file Form 8822, Change of Address, or Form 8822-B, Change of Address or Responsible Party - Business, as appropriate.

Note: When updating address records through oral statement, advise the taxpayer to change their address at their local post office. Taxpayers can also visit USPS.com for information on changing their address. Once a taxpayer indicates they have an address change, discuss with the taxpayer whether the address change is permanent or a temporary address change (e.g., student at college). If the taxpayer indicates a temporary address change, do not update the address on master file.

Note: Oral statement applies when the taxpayer makes a request to change their address, or, if during the contact, the taxpayer indicates their address has changed.

(2) If the taxpayer can't pass authentication, the address cannot be updated via oral statement. If the taxpayer cannot provide the required authentication information, direct them to the IRS website at irs.gov to fill out Form 8822, Change of Address, or Form 8822-B, Change of Address or Responsible Party - Business. If they do not have access to the website or cannot obtain the form electronically, address changes can be made on their tax form when a return is filed or requested through written correspondence.

(3) Due to the high level of identity theft, it is extremely important to ensure changing/correcting a taxpayer's address is warranted and necessary. Do not change the address based on oral statement authority if the account contains an open Taxpayer Protection Program (TPP) issue or account with an unreversed TC 971 AC 124, unless otherwise directed in IRM 25.25.6, Taxpayer Protection Program. See IRM 25.25.6.1.7, Taxpayer Protection Program Overview, for how to identify returns selected for the TPP program. Oral statement authority does not apply if the current address listed is a Service Center Address. Refer to procedures in IRM 25.23.2.3.7, When to Update the Victim's Address. If the account contains a freeze code, review IRM 21.5.6.4, Freeze Code Procedures, to determine if an address change can be made using Oral Statement Authority.

(4) If either taxpayer reports a new address for their married filing joint account, inquire if the address change is for both taxpayers. When the address change involves both taxpayers sharing the same address, update both addresses. If only one taxpayer is changing their address, update the appropriate account and leave the other taxpayer's address alone. If the command code INCHG/IRCHG requires the input of a filing status code, do not change the taxpayer's filing status code. Use the filing status currently on the account.

(5) To document who is requesting an address change, the TE/CSR must enter whether the address change was submitted by the primary, secondary, or both taxpayers. Information such as which taxpayer made the request and their phone

number must be entered in the remarks field when using the IAT address tool, AMS or IDRS. See IRM 21.1.3.20.2, Oral Statement Documentation Requirements.

(6) For BMF accounts, do not change the address or in care of name line if the account contains any of the following conditions listed below. Advise the caller to file Form 8822-B, as it does not meet the criteria for oral statement authority to update the entity.

- A Large Corporation Indicator (LCI) is on the account. See IRM 21.7.1.4.11.4, Campus Contacts for Large Corp Cases, for how to locate this indicator. Route to the appropriate Large Corp unit per IRM 21.7.1.4.11.3, Routing Large Corp Cases and Inquiries.
- An unresolved ID Theft Indicator (971 AC 522, MISC code IDTCLM/IDTDOC without a CLSIDT) or an open control with BID1, BID2, or BID3.
- TC 971 AC 524 MISC code EINFAB or EINFB2 on CC: ENMOD/BMFOLE.
- TC 810 with Responsibility Code 5 on an account impacted by identity theft.
- -Q freeze code on CC: TXMOD/BMFOL
- An open RICS control assigned to 1481055555 with category code TPPI and a history showing potential identity theft.
- The acronym FDIC (Federal Deposit Insurance Corporation) present in any of the name lines.

(7) When an EIN has employment tax filing requirement codes (FRC) and an address change occurs, CP 148A generates to the taxpayer's new address and CP 148B generates to the taxpayer's previous address.

(8) When changing the mailing address from a street address to a Post Office (PO) Box number, do not revise the location address unless the taxpayer provides a new location address.

(9) If an address change is necessary and the taxpayer requests an address change using oral statement, the IAT Address Tool is highly recommended for both research and inputting a change of address request. For more information, see IRM 21.5.2.4.2(2), Adjustments with Oral Statement, IRM 3.13.2.4, BMF Addresses, and IRM 3.13.5.29, Oral Statement/Telephone Contact Address Change Requirements.