

IRM PROCEDURAL UPDATE

DATE: 12/17/2024

NUMBER: ts-21-1224-1234

SUBJECT: Updates to Returned Refunds/Releases

AFFECTED IRM(s)/SUBSECTION(s): 21.4.3

CHANGE(s):

IRM 21.4.3.5.3(4) - Updated to add exception regarding POA not meeting OSA authority to change address on undelivered refund checks and advising to file Form 8822 or 8822-B. Change made for IRM consistency.

(4) An **S-** freeze occurs when:

- a. An undelivered refund check less than one year old is returned by the postal service (TC 740 Blocking Series 99999) and the address has not been updated since the refund was issued.

Exception: Undeliverable Economic Impact Payments will not set an **S-** freeze and will be systemically reversed after the following dates: first and second round after 12/31/2020, third round after 12/31/2021. Instead, the taxpayer may claim the Recovery Rebate Credit on their 2020/2021 tax return as appropriate, if eligible. See IRM 21.6.3.4.2.14, Recovery Rebate Credit, for more information.

Note: Refund checks not cashed within 12 months of issue date are considered expired checks and are identified by a TC 740 Blocking Series 66666. See IRM 21.4.3.5.6, Resolving Returned Expired Refunds Limited Payability.

Note: The IRS will update the taxpayer's address of record per the procedures in Rev. Proc. 2010-16 which includes clear and concise written notification. Taxpayers may notify the IRS of an address change using various methods (e.g., Form 8822, Change of Address; Form 8822-B, Change of Address or Responsible Party - Business; Form 3911, Taxpayer Statement Regarding Refund; correspondence described in section 5.04(1)(a) of the revenue procedure, etc.). Taxpayers can also request an address change via oral statement, see IRM 21.1.3.20.1, IMF and BMF Oral Statement Address Changes.

Exception: A request made by a POA does not fall under Revenue Procedure 2010-16 and does 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.

Caution: Refunds cannot be systemically issued to a temporary address. If the address provided is a temporary address, a manual refund is required.

- b. A return is filed without an address and a "Campus Address" is assigned. For campus address cases, see IRM 21.4.1.4.5, Return Processed but No Address on File.
- c. Responses to CP 231, Undelivered Refund Check Returned to Us, and Letter 533C, Refund Check Undelivered or Not Negotiated, received in Refund Inquiry must be assigned using category code "UDRF".

IRM 21.4.3.5.3(8) - Updated to add exception regarding POA not meeting OSA authority to change address on undelivered refund checks and advising to file Form 8822 or 8822-B. Change made for IRM consistency.

(8) Customer service representatives (CSRs), tax examiners (TEs) and RI Unit Examiners will input CC CHK64 (TC 018) to change the address.

Note: Perfections to the name line which do not significantly alter the basic character of the entity, such as correction of typographical errors or omissions in name can also be input to ensure the name line is correct.

Note: Taxpayer should receive a CP 564, Refund Check Not Delivered - New Check To Be Issued, when applicable. Therefore, do not use CC INCHG or CC BNCHG to update the address, use CC CHK64. For trustee changes, refer to IRM 21.7.1.4.9, Fiduciary Name/Address Change.

Caution: When using the 2nd name line on CC CHK64 for a foreign address, you must use the current year in the tax year field regardless of the tax year for which the refund is being issued. For example, if the claim is for tax year 2022, and it is made after January 1, 2023, you must use 2023 in the tax year field. If this same claim is received after January 1, 2024, you must use 2024 in the tax year field.

Note: Do not correspond for a current address on undeliverable refunds, unless specifically instructed to in the IRM.

- a. CC TXMOD must precede CC CHK64. (It cannot be input on a dummy module.)
- b. If there are multiple **S-** freezes, CC CHK64 input on any account with an **S-** freeze will release all **S-** freezes.
- c. Request must be from an authorized person. On a joint return, this would be either spouse (both signatures are required to negotiate the check). When updating our records through oral statement, advise taxpayer to change their address at their local post office.

Note: If the secondary taxpayer on a joint account requests an address change, determine if the change applies to the joint account or only the spouse. If the change applies only to the secondary taxpayer, make no change to the primary taxpayer's address. Advise the requestor the primary taxpayer must contact us or submit a Form 8822, Change of Address. IRM 21.4.2.4 (5), Refund Trace Actions, provides guidance for an acceptable oral statement.

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. The Entity Unit will review and determine if the address change is legitimate under their paper processing function.

- d. CC CHK64 can be input based on an oral statement or written correspondence from the taxpayer received via Correspondence Imaging Inventory (CII).
- e. Certain situations will require the CP 564 to be stopped (e.g., if the credit will not refund due to an offset). The CP 564 can be stopped by overlaying the notice indicator on the CC CHK64 screen with an "N". See IRM 25.25.12.9, Limited Direct Deposit Refund Procedures.

Note: If a CP 53 series notice was issued for the tax period in question, see IRM 21.4.1.4 (3), Refund Inquiry Response Procedures, for more information.

IRM 21.4.3.5.4.1(3) - Updated to add guidance regarding Policy Statement P-21-3. Change made for IRM consistency.

(3) Follow guidelines in IRM 21.3.3.1.8, Policy Statement P-21-3 to ensure issues raised by taxpayers in their inquiries have been addressed.