

IRM PROCEDURAL UPDATE

DATE: 12/18/2024

NUMBER: ts-21-1224-1250

SUBJECT: Corrected Paragraphs to be Consistent with Topics of IRM Subsection

AFFECTED IRM(s)/SUBSECTION(s): 21.7.2

CHANGE(s):

IRM 21.7.2.7.8.1(5) Corrected paragraph 5 to be consistent with topic of this subsection.

(5) All other Form 94XX processing guidelines and requirements also apply to Forms 94XX reporting changes to ERC that have been identified to AM by RAAS as having been filed for accounts meeting the specified filtering criteria for missing Forms W-2. Forms 94XX so identified by RAAS have generally **not** been reviewed for completeness (e.g., presence of signature, certification block(s) marked, etc.) and processability (e.g., prior figures match, mathematically correct, etc.). As such, all preliminary reviews to ensure the Form 94XX is complete for processing **must** be conducted **before** taking action to disallow the Form 94XX on the basis of it having failed filtering analysis for no Forms W-2 filed. As usual:

- Review the Form 94XX for completeness and processability (e.g., for a Form 941-X claim, see (2) and (3) in IRM 21.7.2.4.5.6.2, *Form 941-X Tax Decrease — Claim*). Perfect or reject any unprocessable Forms 94XX as appropriate.

Exception: If there is no posted original return, **do not** follow guidance in IRM 21.7.2.4.4.6, *Adjusted Employer's Tax Return or Claim for Refund Return Filed — No TC 150 Posted* unless directed to do so per instructions in (7) below and **do not** follow procedures in IRM 21.7.2.7.8.4, *Form 94XX ERC Claims Meeting RAAS Filtering Criteria for Missing Original Returns (No TC 150)*. Continue processing as per guidance in this paragraph and then follow guidance in (7) below instead of (6).

Caution: The missing TC 150 condition will generally be identified by RAAS in the CII case notes. However, AM employees are responsible for reviewing the account for the presence of an original return when processing the released Form 941-X regardless of whether such a note is present and for applying (6) or (7) guidance below as appropriate.

- Review for account conditions that require special handling (i.e., open CAT-A or AIMS status, RICS/RIVO/IDT, etc.) which must be addressed prior to

taking further action on the Form 94XX. Suspend, route, or otherwise address the account condition encountered as appropriate.

- **In addition**, compare the EIN and tax period entered on the Form 941-X to the EIN and tax period specified in CII case notes releasing the case to be worked.

Caution: If the tax period or EIN shown on the form do not match CII case controls **or** the tax period or EIN specified in CII case notes releasing the case to be worked do not match CII case controls, the case **must** be returned to RAAS for additional analysis. Take the following actions to refer such a case for further RAAS consideration:

- 1) Correct case controls as necessary and appropriate.
- 2) Enter/update the case with **Priority Code 6**.
- 3) Enter the appropriate case note as follows: "EIN mismatch" or "Tax Period mismatch" or "EIN and Tax Period mismatch"
- 4) Reassign the case to IDRS number **0230281416**.

Note: Procedures found in (6) below do not apply to Form 94XX cases rejected or "no-considered" as the result of following guidance in (5) above and such cases **do not** require further RAAS consideration.

Note: If the Form 94XX does **not** report a new or increased ERC amount, enter "No W-2 filter does not apply" in CII case notes. Also, reassign the case and correct any case Priority Code as per guidance in (11) of IRM 21.7.2.7, *COVID-19 Related Employment Tax Relief*.

Caution: Form 94XX cases released to be worked by AM after RAAS analysis may include assessment cases in addition to claims, including net credit/refund or zero balance cases reporting tax increase items along with refundable credit changes. Although suspended inventory was reviewed for statute imminent 2020 account situations prior to normal ASSED expiration on April 15, 2024, there is heightened risk of encountering statute barred assessments in this work. Consider guidance in (2) of IRM 25.6.1.13.2.6, *Routing and Controlling Form 9355*, if such cases are identified.

IRM 21.7.2.7.8.2(5) Corrected paragraph 5 to be consistent with topic of this subsection.

(5) All other Form 94XX processing guidelines and requirements also apply to Forms 94XX reporting changes to ERC that have been identified to AM by RAAS as having been filed for accounts meeting the specified filtering criteria for entity establishment dates. Forms 94XX so identified by RAAS have generally **not** been reviewed for completeness (e.g., presence of signature, certification block(s) marked, etc.) and processability (e.g., prior figures match, mathematically correct, etc.). As such, all preliminary reviews to ensure the Form 94XX is complete for processing **must** be

conducted **before** taking action to disallow the Form 94XX on the basis of it having failed filtering analysis for entity establishment date. As usual:

- Review the Form 94XX for completeness and processability (e.g., for a Form 941-X claim, see (2) and (3) in IRM 21.7.2.4.5.6.2, *Form 941-X Tax Decrease — Claim*). Perfect or reject any unprocessable Forms 94XX as appropriate.

Exception: If there is no posted original return, **do not** follow guidance in IRM 21.7.2.4.4.6, *Adjusted Employer's Tax Return or Claim for Refund Return Filed — No TC 150 Posted* unless directed to do so per instructions in (7) below and **do not** follow procedures in IRM 21.7.2.7.8.4, *Form 94XX ERC Claims Meeting RAAS Filtering Criteria for Missing Original Returns (No TC 150)*. Continue processing as per guidance in this paragraph and then follow guidance in (7) below instead of (6).

Caution: The missing TC 150 condition will generally be identified by RAAS in the CII case notes. However, AM employees are responsible for reviewing the account for the presence of an original return when processing the released Form 941-X regardless of whether such a note is present and for applying (6) or (7) guidance below as appropriate.

- Review for account conditions that require special handling (i.e., open CAT-A or AIMS status, RICS/RIVO/IDT, etc.) which must be addressed prior to taking further action on the Form 94XX. Suspend, route, or otherwise address the account condition encountered as appropriate.
- **In addition**, compare the EIN and tax period entered on the Form 941-X to the EIN and tax period specified in CII case notes releasing the case to be worked.

Caution: If the tax period or EIN shown on the form do not match CII case controls **or** the tax period or EIN specified in CII case notes releasing the case to be worked do not match CII case controls, the case **must** be returned to RAAS for additional analysis. Take the following actions to refer such a case for further RAAS consideration:

- 1) Correct case controls as necessary and appropriate.
- 2) Enter/update the case with **Priority Code 6**.
- 3) Enter the appropriate case note as follows: "EIN mismatch" or "Tax Period mismatch" or "EIN and Tax Period mismatch"
- 4) Reassign the case to IDRS number **0230281416**.

Note: Procedures found in (6) below do not apply to Form 94XX cases rejected or "no-considered" as the result of following guidance in (5) above and such cases **do not** require further RAAS consideration.

Note: If the Form 94XX does **not** report a new or increased ERC amount, enter "Establishment date filter does not apply" in CII case notes. Also, reassign the case and correct any case Priority Code as per guidance in (11) of IRM 21.7.2.7, *COVID-*

19 Related Employment Tax Relief.

Caution: Form 94XX cases released to be worked by AM after RAAS analysis may include assessment cases in addition to claims, including net credit/refund or zero balance cases reporting tax increase items along with refundable credit changes. Although suspended inventory was reviewed for statute imminent 2020 account situations prior to normal ASED expiration on April 15, 2024, there is heightened risk of encountering statute barred assessments in this work. Consider guidance in (2) of IRM 25.6.1.13.2.6, *Routing and Controlling Form 9355*, if such cases are identified.