

IRM PROCEDURAL UPDATE

DATE: 11/15/2024

NUMBER: ts-03-1124-1132

SUBJECT: Corrected Section 06 Field Designators for Form 1120-H; Corrected Fields Displayed; Added a Note to the Correction Procedures for Form 1120-H Error Code 188; Updated Exhibit for Form 1120-H

AFFECTED IRM(s)/SUBSECTION(s): 3.12.251

CHANGE(s):

IRM 3.12.251.37.13.24 - Corrected Section 06 Field Designators for Form 1120-H.

(1) **Fields Displayed**

Field Designator	Field Title
NC	Taxpayer Notice Code
0622	Total Gross Tax
>>>>	Total Gross Tax Underprint
0623C	Estimated Tax Credit (Form revision 2022 and prior)
0623D	Form 7004 Credit
0623E	Credit for tax paid on undistributed capital gains
06ARC	Accelerated Research Credit
06EPE	Elective Payment Election Amount
>>>>>	Elective Payment Verified Amount
06B/R	Balance Due/Overpayment
>>>>	Balance Due/Overpayment Computer (underprint)
06CRE	Credit Elect Amount
06RC>	Refundable Credits (Generated)
15TG>	Total Fuel Credits Generated
15A01-15A12	First-twelfth credit amounts reported on Form 4136.
15C01-15C12	First-twelfth CRN(s) reported on Form 4136
S16DP	Section 16 Data Present
S17DP	Section 17 Data Present
S18DP	Section 18 Data Present

(2) **Invalid Condition** - Error Code 188 generates if Balance Due/Overpayment (Field 06B/R) is not within # [REDACTED] # (+ or -) of the Balance Due/Overpayment Computer (underprint).

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(3) For tax periods 202201 - 202212, if a significant amount is present in Field 0623E and "IRA22DPE" is written on the line, on Form 3800 or on an attachment, accept the taxpayers amount.

If Code and Edit has not done so,

1. Edit RPC "J."
2. Place a flag at the top of the return and attach the "IRA22 DPE/TRE Reminder" sheet to the return.

Note: P&A will provide the pre-printed half-sheets for ERS to use.

3. Suspend with Action Code "450".
4. Sign the DLN out of the block using Form 1332, Block and Selection Record.
5. Give the return to the lead. The lead will place the return in the designated area for LB&I review.

(4) Correction Procedures:

- a. Correct coding and transcription errors and misplaced entries.

Note: Field 0623c is valid for tax periods prior to 202301, and is the subtotal of Line 23a and Line 23b.

- b. Reminder: ERS MUST enter Action Code "341" and route to ERS/Rejects for the issuance of a manual refund when either of the following conditions are present:
 - The refund amount is # [REDACTED] # or more, OR
 - The processing date is more than 20 days after the Received Date or, the Return Due Date (whichever is later) and the 45-day interest free period is in jeopardy and the refund amount is # [REDACTED] # or more.
- c. Check all attachments and Form 4136 entries to ensure that all amounts were brought forward correctly.
- d. Add any back-up withholding found on the return to the Field 0623E if not already included.
- e. Remove any penalties and interest that have been included in Field 06B/R.
- f. If Error Code 188 still displays and Field 06B/R is blank enter the underprinted amount into Field 06B/R. If the taxpayer's computation is incorrect, enter the correct TPNC in Field NC.
- g. Valid TPNCs for Error Code 188 are any previously assigned codes and the following:

TPNC	Explanation
05	We found an error in the computation of your total income tax.
10	We found an error in the computation of the tax due or overpayment amount.
90	Fill-in narrative. Used when a return has an error and none of the TPNCs above apply or when more than three TPNCs are

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necessary.

IRM 3.12.251.37.6.1(1) - Corrected the Fields Displayed for Form 1120-H Error Code 188.

(1) Correctable Form 1120-H Section 06 are listed below:

Field	Field Length	Valid Entry	Field Title	Location
06TSC	11	Dollars and cents Positive	Statutory Credits	Line 21
0622	13	Dollars and cents Positive	Total Gross Tax	Line 22
06MCT	13	Dollars and cents Positive	Manually Corrected Tax	ERS Input Only (next to line 22)
0623A	15	Dollars and cents Positive	Preceding Year Overpayment	Line 23a
0623B	15	Dollars and cents Positive	Current Year estimated tax payment	Line 23b
0623C	12	Dollars and cents Positive	Overpayment and Estimated Tax Payments	Line 23c (Form revision 2022 and prior)
0623D	12	Dollars and cents Positive	Form 7004 Credit	Line 23c
0623E	11	Dollars and cents Positive	Credit for tax paid on undistributed capital gains	Line 23d
06EPE	15	Dollars only Positive	Elective Payment Election	Line 23f
06EPV	15	Dollars only Positive	ERS input only - verified field for 06EPE.	Line 23f
06ARC	15	Dollars and cents Positive	Accelerated Research Credit Form 3800 or Form 8827	ERS input only if shown on Line 23g
06B/R	12	Dollars and cents Positive or Negative	Balance Due/Overpayment	Lines 24 and 25

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06CRE11	Dollars and cents Positive	Credit Elect Amount	Line 26
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IRM 3.12.251.37.13.24(4)a - Added a Note to the Correction Procedures for Form 1120-H Error Code 188.

(4) Correction Procedures:

- a. Correct coding and transcription errors and misplaced entries.

Note: Field 0623c is valid for tax periods prior to 202301, and is the subtotal of Line 23a and Line 23b.

- b. Reminder: ERS MUST enter Action Code "341" and route to ERS/Rejects for the issuance of a manual refund when either of the following conditions are present:
- The refund amount is # [REDACTED] # or more, OR
 - The processing date is more than 20 days after the Received Date or, the Return Due Date (whichever is later) and the 45-day interest free period is in jeopardy and the refund amount is # [REDACTED] # or more.
- c. Check all attachments and Form 4136 entries to ensure that all amounts were brought forward correctly.
- d. Add any back-up withholding found on the return to the Field 0623E if not already included.
- e. Remove any penalties and interest that have been included in Field 06B/R.
- f. If Error Code 188 still displays and Field 06B/R is blank enter the underprinted amount into Field 06B/R. If the taxpayer's computation is incorrect, enter the correct TPNC in Field NC.
- g. Valid TPNCs for Error Code 188 are any previously assigned codes and the following:

TPNC	Explanation
05	We found an error in the computation of your total income tax.
10	We found an error in the computation of the tax due or overpayment amount.
90	Fill-in narrative. Used when a return has an error and none of the TPNCs above apply or when more than three TPNCs are necessary.

Exhibit 3.12.251-21 - Updated Field Descriptor paragraphs and replaced published exhibit for Form 1120-H for 2023.

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Form 1120-H, U.S. Income Tax Return for Homeowners Association (Field Designators)

This is an example of a Form 1120-H with field designators.

- Field 01NC is shown in the Entity section of the return under "Name."
- Field 01EIN is shown in EIN box.
- Field 01TXP is shown above and to the right of the title of Form 1120-H.
- Field 01RCD is shown in the middle of the "deduction" section of Page 1.
- Field 01CCC is shown in the middle of the "gross income" section of Page 1.
- Field 01CBI is shown to the right of the signature line.
- Field 01PSN is shown in the "Paid Preparer Use only" Box.
- Field 01PEN is shown in the "Paid Preparer Use only" Box.
- Field 01PTN is shown in the "Paid Preparer Use only" Box.
- Field 01RPC is shown to the right of Line 1.
- Field 02CON is shown on Form 1120-H, Page 1 in the Entity section of the return under "Number, street etc. "
- Field 02FAD is shown on Form 1120-H, Page 1 in the Entity section of the return under "Number, street etc."
- Field 02ADD is shown on Form 1120-H, Page 1 in the Entity section of the return under "Number, street etc."
- Field 02CTY is shown on Form 1120-H, Page 1 in the Entity section of the return under "City or town etc."
- Field 02ST is shown on Form 1120-H, Page 1 in the Entity section of the return under "City or town etc."
- Field 02ZIP is shown on Form 1120-H, Page 1 in the Entity section of the return under "City or town etc."
- Field 03TSI is in the right margin of Box A.
- Field 03MIC is shown in the left margin next to the Gross Income section.
- Field 03PIC is shown in the left margin next to the Gross Income section.
- Field 03RVC is shown in the left margin next to the Gross Income section.
- Field 0401 is shown in Line 1.
- Field 0402 is shown in Line 2.
- Field 0403 is shown in Line 3.
- Field 0404 is shown in Line 4.
- Field 0405 is shown in Line 5.
- Field 0406 is shown in Line 6.
- Field 0407 is shown in Line 7.
- Field 0408 is shown in Line 8.
- Field 0509 is shown in Line 9.
- Field 0510 is shown in Line 10.
- Field 0511 is shown in Line 11.
- Field 0512 is shown in Line 12.
- Field 0513 is shown in Line 13.
- Field 0514 is shown in Line 14.
- Field 0515 is shown in Line 15.
- Field 0516 is shown in Line 16.
- Field 0518 is shown in Line 18.

- Field 0519> is shown in Line 19.
- Field 0620> is shown in Line 20.
- Field 06TSC is shown on Line 21.
- Field 0622 is shown on Line 22.
- Field 06MCT is shown to the right of Line 22.
- Field 0623A is shown on Line 23a.
- Field 0623B is shown on Line 23b.
- Field 0623D is shown on Line 23c.
- Field 0623E is shown on Line 23d.
- Field 06EPE is shown on Line 23f.
- Field 06ARC is shown in the right margin of Line 23g.
- Field 06B/R is shown on Lines 24 and 25.
- Field 06CRE is shown on Line 26.

Text Only Link

DRAFT **01TXB** **01TXP**

Form **1120-H** **U.S. Income Tax Return for Homeowners Associations** OMB No. 1545-0123

Department of the Treasury Internal Revenue Service **2023**

Go to www.irs.gov/Form1120H for instructions and the latest information.

For calendar year 2023 or tax year beginning _____, 2023, and ending _____, 20

TYPE OR PRINT	Name	01NC			Employer identification number	01EIN
	Number, street, and room or suite no. If a P.O. box, see instructions.				Date association formed	
	02CON 02FAD 02ADD					
	City or town, state or province, country, and ZIP or foreign postal code	02CTY	02ST	02ZIP		

Check if: (1) Final return (2) Name change (3) Address change (4) Amended return

A Check type of homeowners association: Condominium management association Residential real estate association Timeshare association **03TSI**

B Total exempt function income. Must meet 60% gross income test. See instructions **B**

C Total expenditures made for purposes described in 90% expenditure test. See instructions **C**

D Association's total expenditures for the tax year. See instructions **D**

E Tax-exempt interest received or accrued during the tax year **E**

Gross Income (excluding exempt function income)

1	Dividends	0401	01RPC
2	Taxable interest	0402	
3	Gross rents	0403	
4	Gross royalties	0404	
5	Capital gain net income (attach Schedule D (Form 1120))	0405	
6	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	0406	
7	Other income (excluding exempt function income) (attach statement)	0407	
8	Gross income (excluding exempt function income). Add lines 1 through 7	0408	

Deductions (directly connected to the production of gross income, excluding exempt function income)

9	Salaries and wages	0509	
10	Repairs and maintenance	0510	
11	Rents	0511	
12	Taxes and licenses	0512	
13	Interest	0513	
14	Depreciation (attach Form 4562)	0514	
15	Other deductions (attach statement)	0515	
16	Total deductions. Add lines 9 through 15	0516	
17	Taxable income before specific deduction of \$100. Subtract line 16 from line 8		
18	Specific deduction of \$100	0518	\$100

Tax and Payments

19	Taxable income. Subtract line 18 from line 17	0519>	
20	Enter 30% (0.30) of line 19. (Timeshare associations, enter 32% (0.32) of line 19.)	0620>	
21	Tax credits (see instructions)	06TSC	
22	Total tax. Subtract line 21 from line 20. See instructions for recapture of certain credits	0622	06MCT
23a	Preceding year's overpayment credited to the current year	0623A	
b	Current year's estimated tax payments	0623B	
c	Tax deposited with Form 7004	0623C	
d	Credit for tax paid on undistributed capital gains (attach Form 2439)	0623D	
e	Credit for federal tax paid on fuels (attach Form 4136)	0623E	
f	Elective payment election amount from Form 3800	06EPE	
g	Total payments and credits. Combine lines 23a through 23f	0623g	06ARC
24	Amount owed. Subtract line 23g from line 22. See instructions	06B/R+	
25	Overpayment. Subtract line 22 from line 23g	06B/R-	
26	Enter amount of line 25 you want: Credited to 2024 estimated tax 06CRE Refunded		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here Signature of officer _____ Date _____ Title _____ **01CBI**

May the IRS discuss this return with the preparer shown below? See instructions Yes No

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name				01PSN
	Firm's address			Firm's EIN	01PEN
				Phone no.	01PTN

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11477H Form **1120-H** (2023)

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