

(c) If the "primary key" entered does not match a primary key of an account on either the open or closed files of the data base, you will receive the message "Account not on data base—correct invalid entry".

(d) When all requests are entered, press "E" for EXIT to terminate the request session.

(3) All requested NMF Transcripts will include the related History file for that account. These history items will be printed at the end of each transcript. **NOTE:** History items will only be printed on requested transcripts and not on system generated transcripts (i.e., Accounts Maintenance, 99999-99999, etc.).

```

.....
*Employee No. 0000000000
* OFFICIAL INTERNAL REVENUE SERVICE NON-MASTER FILE TRANSCRIPT
* TRANSCRIPT DATE: 09/01/95
*
.....

Department of the Treasury - Internal Revenue Service
Document Locator Number 32647-059-23200-94 Taxpayer ID Number: 000-00-3005N
Notice Date ..... : 03/29/94
Type of Tax ..... : INCOME
TERENCE R BOSTON BOST Master file Tax . : 20
401 MADISON AVE Form Number ..... : 1040
TAFT UT 84403 Period ending ... : 12/31/86

8612 1300 Abstract Number . : 004
3201-000 89 Civil Number .... :
POA on File? .... No

Second Notice ..... 05/10/94
Third Notice ..... 06/21/94
Fourth Notice .....
TDA ..... 23C Date...03/29/94
53 Status ..... LYNN P BOSTON 000-00-7883
Claim/Adj Pending . 06/29/94 NORM INT APL 032 LINCOLN
OIC Status ..... 870 1-8-94
Collection Expir .. 03/28/04
Penalty/Interest ..

Transfer Sch. Number..
.....

TRANS DATE DESCRIPTION CC DOCUMENT LOCATOR POSTING DATE TRANS AMOUNT
.....
03/29/94 300 TAX DEF ASMN 32647-059-23200-94 03/16/94 3,239.00
03/29/94 340 RES INT ASMN 32647-059-23200-94 03/16/94 2,582.44
06/29/94 470 CLAIM PEND 90 32677-177-00101-94 07/02/94 0.00
10/30/89 700 CREDIT APPL 32658-222-50001-94 08/18/94 -1,934.35
11/14/89 700 CREDIT APPL 32658-222-50000-94 08/18/94 -2,310.21

08/18/94 Account Balance: 1,576.88

06/21/94 Accrued Penalty : 48.58
06/21/94 Accrued Interest: 94.53
.....

HISTORY
.....

3177/470 per billie s Taft Tech. OSC
999 999-9999 06/29/94 cc

2424's prepared to send to full pay this assessment
06/29/94 zz
    
```

Figure 3

(44) TXMOD

Reference IRM 3(25)(77)(11)

This CC is used to request a display of all tax module information for a specific tax period on the TIF.

CC TXMOD has more detailed information than any other single command code. Therefore, the examples and identification of the elements will be broken into five sections:

- Heading Section
- Transaction Section (IMF and BMF)
- Notice Section
- Case Control and History Section
- Status History Section

If there is no data for a specific section, the succeeding sections will move up.

Every element within the CC TXMOD capability is identified in the following exhibits of the five sections of TXMOD. A definer must always be used when addressing CC TXMOD.

Heading Section 3(25) (77) (1)

1	2	3	4	5	6					
TXMOD	888-88-8888	30	9212	BLUE	"PDT"					
7	8		9		10					
DLN	FOREIGN TRANS		LARGE CORPORATION		OOB CAWR					
11		12		13		14		15		
IRS-EMP-CD	REVERSE VALIDITY ON TIF		DUMMY MODULE		ENTITY CONTROL SADA					
16		17	18	19	20		21			
INVLD SSN REL	SCSSN	MOP/UN	COMBAT ZONE	MF-XTRCT-CYC	SC-REASON-CD					
22	23	24	25	26		27				
SC-ST#	MOD-BAL	CYC	NXT	MAX-NUM-CYC-DLY	+					
28	29	30	31	32						
MF-ST#	MOD-BAL	CYC	TODAY'S DT	ICS						
33		34	35	36		37				
PENDING TRANS		LAST NOTICE	ARDI-CD	PRIMARY-LOC		ACS				
	38	39	40	41						
	AICS-CD	FIDO-CD=	TDA/TDI LOC	SRC						
42	43	44	45	46						
ASED	FRZ	AIMS-CD		COLLECTION-ASSGMT=						
47	48	49	50	51	52					
CSED		CAF		LIEN	MOD-YLD-SCOR					
53		54	55	56	57					
RSED		NAICS-CD	TDI	TDI-CYC	OIC					
	58		59	60						
	ELCTRNC-DEPOSIT		EFT	DEFER-ACT-IND	GATT					
61	62	63	64	65						
FR	C-COPR	2%-INT	EMPLMNT-CD	DLQ-MOD-FR						
		66	67	68						
		IRA-CD	BWI	BWNC						
69		70		71		72				
CASE-CTRL-INFO	OPEN-CTRL-BASE		CLSD-CTRL-CYC	LST-CD-CTRL-ACTY						
73	74	75	76	77	78	79	80	81	82	83
C#	STATUS	ACT-DT	ACTION-EMP	ACTIVITY	RCVD-DT	ASSGN-TO	CAT	ORG	F	S

Any line marked with # is for official use only

Transaction Section

POSTED RETURN INFORMATION IMF
 RCC= 1 MATH-STS-CD = 2
 RET-RCVD-DT = 3 MO-DELQ= 4 CRD=5 TX/TPR= 6
 MTH-ERR=7 MULT MATH ERRORS=8 NON-CMPT-CD=9 EST TX DISCREPANCE=10 HIGH-
 INCOME=11
 FS=12 NUM-EXEMPT=13 XREF-TIN=14 MF-P=15 F8615=16 EST-PNLTY-IND=17
 AGI= 18 AEIC = 19 EST-TX-BASE = 20
 TXI= 21 PRIM-SE-INCM = 22 EST-CR-CLMD = 23
 SET = 24 SECND-SE-INCM = 25 UNAPPLD-CR-ELECT 26
 PRIM-UNREPRPTD-TIP-INC = 27 DIR-DEP-RES-RSN-CD = 28
 SECND-UNREPRPTD-TIP-INC = 29 EST-TX-FRGVNS-% = 30
 PRIM-MEDICARE-INC = 31 PRIM-MEDICARE-TIP-INC = 32
 SECND-MEDICARE-INC = 33 SCND-MEDICARE-TIP-INC = 34
 *****RETURN TRANSACTION*****
 T/C POSTED TRANS-AMT CYC T DLN 6020B
 SUB 35 36 37 38 39 40 41 42
 610 43 44 45 PYMNT PSTD WTH RTRN
 806 46 47 48 WITHLDING TAX CRED POSTED WITH RETURN

Item	Description
1	RETURN CONDITION CODE
2	MATH STATUS CODE 2 = math error within tolerance 3 = math error exceeds tolerance
3	RETURN RECEIVED DATE
4	MONTH DELINQUENT CODE-number of months delinquent (0-5)
5	CORRESPONDENCE RECEIVED DATE
6	TAX PER TAXPAYER-displayed if significant for any MFT.
7	MATH ERROR CODE-the first of any Math Error Codes posted on return is displayed.
8	MULT-MATH-ERRORS-indicates multiple math errors posted on return.
9	NON COMPUTE CODE-values are 1 = Non-Compute Code 2 return filed non-timely. 2 = OIO return. 4 = IRS prepared or reviewed return with type A math error code that was timely filed and resulted in an increase in tax and interest less than \$5. 6 = Combination of 2 and 4 above.
10	EST-TX-DISCREPANCY-indicates posted ES payments/credits disagreed with amount claimed on return.
11	HIGH INCOME INDICATOR
12	FILING STATUS
13	NUMBER OF EXEMPTIONS
14	CROSS-REFERENCE TIN-from a Schedule C or D
15	MASTER FILE "P" CODE
16	MINOR INDICATOR-"F8615" displays if this schedule filed on return.

Any line marked with # is for official use only

EXHIBIT "A"

4.4.9.8 (02-08-1999) Group Closing Actions

1. When the examination is completed and the delinquent return/SFR administrative file is closed from the group, the following items must be present:
 - A. The original delinquent return or copy of the SFR.
 - B. Form 5344 with special attention to the completion of Items 37 and 414 for secured delinquent returns sent to the service center to be processed. The statute of limitations begins with the received date of a secured delinquent return. Enter the correct statute date in Item 14 of Form 5344.

NOTE:
Write in the top margin of the Form 5344, Original Return--SFR (on SFR cases) or Copy Processed as Original (on secured delinquent returns.)
 - C. An Examination Report, Form 4549, Form 1902B, or Form 4666. (A report is not required if a delinquent return is accepted as filed.) See e below.

NOTE:
The delinquency penalty, if assessed on the original return, must be adjusted and included in the examination report. If the estimated tax penalty is applicable, it is also asserted by the examiner on the examination report.
 - D. Form 895, if required. (Make note of TC 150 date per transcript, on all SFR.)
 - E. Form 3198 instructions. If a delinquent return is secured after the SFR (dummy 150) has posted, notate on Form 3198 that the return is incorporated into the examination report.
 - F. A current transcript (not more than 60 days old) is mandatory.
 - G. An AMDISA print must be attached to Form 5344 if a Form 5546 and labels are not available.

Document 1

Document 2

Document 3

EXHIBIT "B"

35.4.27.2 (11-16-1999)**What constitutes a return prepared for or executed by the Secretary under section 6020(b)?**

As discussed more fully below, a return prepared pursuant to the Automated Substitute for Return [hereinafter "ASFR"] procedures and accompanied by a signed thirty day letter or revenue agent's report generally constitutes a valid section 6020(b) return. Section 6020(b) (1) authorizes the Secretary to make a return upon either a taxpayer's failure to file a return or upon a taxpayer's filing of a fraudulent return. Section 6020(b)(2) provides that this return, which is also known as a substitute for return, will be considered as prima facie valid for all legal purposes. Currently, the majority of substitutes for return are prepared pursuant to the Service's ASFR procedures, which allow the Service to generate substitutes for return via computer for non-filers. An ASFR, which is prepared by the Service through information gathered from past filings and/or third parties, generally contains the taxpayer's name, address, social security number, filing status and categories and amounts of taxable income. As part of the ASFR procedure, the Service simultaneously prepares and mails a thirty day letter to the taxpayer, and attaches an explanation of proposed adjustments (which contains the same information as is contained in the ASFR), as well as a tax calculation summary report. If the taxpayer fails to respond to the thirty day letter, the Service sends a statutory notice of deficiency to the taxpayer by certified mail with the same attachment.

A substitute for return prepared for a taxpayer pursuant to section 6020(b) must meet three requirements. First, the return must contain taxpayer identifying information, including the taxpayer's name, address and social security number. Second, the return must contain sufficient data to compute the taxpayer's liability. Third, the Secretary or his delegate must sign the return. I.R.C. § 6020(b)(2). See Millsap v. Commissioner , 91 T.C. 926, 930 (1988). See also Hartman v. Commissioner , 65 T.C. 542, 545, 546 (1975), holding that section 6020(b)(2) requires that the return be subscribed, but need not be signed under oath. Section 7701(a)(11) defines the Secretary as the Secretary of the Treasury or his delegate. A delegate includes any officer, employee or agency of the Department of the Treasury authorized by the Secretary of the Treasury to perform functions described in the context. I.R.C. § 7701(a)(12)(A)(i). The Regulations under section 6020(b) provide that such a return may be executed by the district director or other authorized internal revenue officer or employee. Treas. Reg. § 301.6020-1(b)(1). The Internal Revenue Manual provides that Service employees, such as revenue agents and tax auditors, as well as revenue officers and collection office function managers who are at least at the GS-9 level, may execute a section 6020(b) return. I.R.M., Handbook No. 1229, Handbook of Delegation Orders, Order No. 182. See also I.R.M. 5290-5293.3. A section 6020(b) return is not necessarily contained in a single document, but may consist of several documents which, together, satisfy these requirements. Thus, for example, an ASFR and a thirty day letter or revenue agent's report will suffice to constitute a valid section 6020(b) return. A statutory notice of deficiency does not constitute a valid section 6020(b) return.

A return merely containing taxpayer identifying information, but no data which could be used to establish tax liability, commonly referred to as a "dummy return," does not *per se* constitute a valid section 6020(b) return. See Phillips v. Commissioner , 86 T.C. 433, 437, 438 (1986), *aff'd in part and rev'd in part* , 851 F.2d 1492 (D.C. Cir. 1988). See also Britt v. Commissioner , T.C. Memo. 1988-419 (front page of Form 1040 listing taxpayer's name, address, identification number, dependency exemptions and filing status is not a valid 6020(b) return, as it was unsigned and contained insufficient data to compute tax liability). A dummy return is generated to open up an account for the taxpayer on the master file, and normally consists of a first page of a Form 1040 which contains a taxpayer's name, address and social security number. If, however, a dummy return is accompanied by other documents which satisfy the three requirements listed above, then the dummy return and those documents will, together, constitute a valid section 6020(b) return.

The Tax Court has held that various combinations of documents meeting the above requirements constituted valid returns under section 6020(b). In Millsap v. Commissioner , the court held that a dummy return consisting of taxpayer's name, address and social security number, and a signed revenue agent's report containing an explanation of taxpayer's income, exemptions, deductions, and filing status represented a valid section 6020(b) return. Millsap v. Commissioner , 91 T.C. 926, 928 (1988). The Tax Court similarly found that a Form 1902E, Explanation of Adjustments, containing information on taxpayer's income, deductions, and exemptions, as well as a dummy return, consisting of taxpayer's name, address and social security number, satisfied the requirements of section 6020(b). Conovitz v. Commissioner , T.C. Memo. 1980-022, 39 T.C.M. 929, 930. See also Smallbridge v. Commissioner , 804 F.2d 125, 128, n.3 (10th Cir. 1986) (document signed by examiner containing taxpayer's name, address, social security number, wage and exemption information and filing status was valid under section 6020(b)). Although the Tax Court indicated in Millsap v. Commissioner that it would not follow the Smallbridge case outside of the 10th Circuit in reference to its analysis of section 6103, the court did not reject the portion of the opinion addressing the validity of the section 6020(b) return.

Document 4

EXHIBIT "C" pg 1 of 2

Exhibit [1.15.2] 21-3 (09/30/98)
Numerical Cross-Index

Description of Item	RCS Part and Item No.
Administrative and Organization Records	I/1,2 II/13 III/20
Business Review Reports	I/3
Forms and Form Letter Files	I/4
Internal Management Issuances and Clearance Documents	I/5
Case Files	I/6
Miscellaneous Internal Memoranda	I/7
Public Use Files of Offers in Compromise	I/8
ADP System Change Requests	I/9
Symbolled Reports	I/10
Magnetic Media Statistical Files	I/11
Recurring Reports	I/12
General Correspondence Files	II/14 III/21
Consolidation and Reorganization Reference Files	II/15
Routine Correspondence Files	II/16; III/22
Narrative and Statistical Reports	II/17
Office Evaluation and Management Review Reports	II/18
Internal Control Files	II/19; III/25
Routine Information Request Files	III/23
Routine Reference Files	III/24
Transmittal Control Files	III/26
Assault or Threat of Assault Reports	III/27
Minutes or Summaries of Conferences and Meetings	III/28
Evaluation, Assistance and Internal Audit Reports	III/29
Work Planning and Control Records and Reports	III/30
Recurring Reports	III/31
Inventory, Production and Time Reports	III/32
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Document 5

EXHIBIT D

4. If collection of the tax on a delinquent return appears to be in jeopardy, follow the procedures for prompt and jeopardy (IRM 5.1, section 4) assessments.
5. If the taxpayer is in a receivership or probate proceeding, follow the procedures for quick assessments in IRM 5.1, Section 4.
6. A summons is not required before using IRC 6020(b) authority. In some cases a summons may be necessary to establish the amount of the liability, see IRM 109.1 Summons for guidelines.
7. A field call is required before using IRC 6020(b) authority.
8. If the taxpayer fails to file employment, excise and partnership tax returns by the specified date, prepare the returns under the authority of IRC 6020(b).

5.1.11.9.2 (05-27-1999)**Preparation and Approval of Returns**

1. Use Form 5604, Section IRC 6020(b) Action Sheet to prepare returns under the authority of IRC 6020(b).
2. Include a complete explanation of the basis for the assessment in Section 1 of Form 5604. Use information from the taxpayer such as wages paid, income tax withheld and FTDs to establish the correct liability.
3. Use the taxpayer's records or other reliable sources to determine the amount of wages paid, the amount of income tax and FICA tax withheld, and other necessary information. Use the following to prepare Forms 940, 941, 942 and 943:
 - A. Compute daily wage information times 91 days.
 - B. Compute weekly wage information times 13 weeks.
 - C. Compute monthly wage information times 3 months.
 - D. Compute annual wage information by multiplying appropriate days, weeks and months times amount(s) provided.
4. Use the following method of tax computation for preparing returns when actual wage amounts are not available.
 - A. Withholding is 20% of the wage amount, when the actual amount is not provided by the taxpayer.
 - B. FICA should reflect the correct rate for the applicable period.
 - C. Use the wage amount from the last period satisfied (LPS) adjusted by the inflation factor to compute wages for IRC 6020(b) returns. The inflation factor is a percentage (2.5%) applied against the wage amount from the LPS. To compute the inflation factor for a delinquent period, multiply 2.5% times the number of quarters between the Del Ret period and the last period satisfied (LPS). Then, add the inflation factor to the wage amount from the LPS. This total is the wages to be used on the IRC 6020(b) return.
 - D. The inflation factor is not applicable if the Del Ret module is BEFORE the LPS module data.

Document 6

EXAMPLE:

Do not calculate the inflation factor if the LPS is 9203 and the delinquent period is 9112.

5. Prepare a return for the current tax period if that period becomes delinquent during the IRC 6020(b) process.
6. Prepare the tax returns in sets. A completed set includes an original and one copy of each return for each tax period.
7. Field Support Units, may at the option of local management, perform all phases of the IRC 6020(b) clerical and review process. This includes signing returns and submitting them for routine processing. If the taxpayer files a self-prepared return, forward it to the initiator with Form 5604.
8. The Collection employee's manager will review Form 5604 and related documentation, including returns, for accuracy of computation and appropriateness of assessment.
9. If the recommendation is approved the manager will sign Letters 1085(DO) or 1616(DO).
10. Mail to the taxpayer Letters 1085 (DO) or 1616(DO) with an original returns. Retain the copy of the tax return in the case file to use if the taxpayer does not sign or file self-prepared returns.

Document 7

5.1.11.9.3 (05-27-1999)**Appeals of Unagreed IRC 6020(b) Cases**

1. If the taxpayer requests an appeals conference:
 - A. Forward the case to Appeals on Form 2973, Transmittal of Case to Appeals or Form 3210, Document Transmittal.
 - B. Establish a control at either the group level or in the Field Support Unit while the case is pending in Appeals.
2. If a Field Support Unit is notified of an appeal on a proposed IRC 6020(b) assessment, it will return its file to the initiator if a narrative is required to support the recommendation.
3. Input Transaction Code (TC) 597, closing code 63 to place the Del Ret in suspense while the taxpayer exercises the right of appeal.

EXHIBIT E

However, the circumstances of each individual case must be taken into consideration. (Refusal to file cases referred to Examination or TE/GE after contact has been made by examiners are required to be fully documented prior to such referral.)

4. If it is determined that enforcement should extend beyond a six-year period, the examiner will document the case file by outlining the facts of the case and the reasons why enforcement for the longer period is recommended. Such recommendations must receive group manager approval, prior to enforcement.
5. If it is determined that delinquency procedures need not be enforced for the full period of the delinquency if less than six years, the case file must fully document justification for the shorter period. Such determination must receive group manager approval prior to enforcement, except in cases where the examiner is satisfied, as a result of information that is available or received from the taxpayer, that there would be no net tax due for the years for which delinquency procedures are not to be enforced.

4.23.11.10 (04-21-1999)**Substitute for Employment Tax Returns**

1. If a taxpayer fails to file delinquent employment tax returns when requested by the examiner, a "Substitute for Return" will be prepared. It will be prepared on the return form prescribed for use in making such a return and will be processed with Document 8469, Expedite Processing Cycle, attached. The substitute for return will contain the following entries:
 - o "Substitute for Return Prepared by (Collection, Examination or TE/GE)" entered in red ink on face of return.
 - o Taxable period.
 - o Name and address of the taxpayer.
 - o Employer Identification Number.
2. For returns where the taxpayer does not have a TIN, the examiner should contact the entity section of the service center to secure a TIN. Do not delay the processing of the delinquent/substitute package. Prepare the package in the normal manner, annotating Form 3198, "Taxpayer does not have a TIN."
3. Submit return package and Form 5345 to Case Processing Support.
4. Line item amounts (tax base data) should not be shown on the "Substitute for Return" since the total tax liability for the period will be taken into account in the examiner's report. The "Substitute for Return" will become a permanent part of the record in the case even though the taxpayer may subsequently file a return.
5. The examiner will recommend assertion or nonassertion of the delinquency penalty in the examination report, report transmittal, workpapers and Form 3198, as appropriate. Further, the examiner will compute any delinquency penalty recommended on the total tax due for the period involved.
6. If a "Substitute for Return" is prepared and the taxpayer executes a waiver on Form 2504, the Form 2504 constitutes a return under IRC 6020(a) and the failure to pay penalty under IRC 6651(a)(2) applies to the amount not paid by the due date of the return. The failure to pay penalty under IRC 6651(a)(2) does not apply in cases where the taxpayer does not execute a waiver and to returns prepared under IRC 6020(b). See 8.7 and 8.8 of Section 8 for procedures on failure to pay and failure to deposit penalties.
7. The appropriate standard preliminary letters, identified in 9.10 of Section 9, will be used in all cases in which there has been a failure to file returns. Normal Appeal procedures apply to substitute returns.

Document 8

Document 9

Document 10

4.23.11.11 (04-21-1999)**Referral to the Criminal Investigation**

1. Cases are referred to Criminal Investigation by using Form 2797 (Referral Report for Potential Fraud Cases) or Form 3212 (Referral Report for Potential Fraud Cases). If a case involving a collateral examination results in a fraud referral, the effected examination areas will coordinate the referral. The general guidelines for fraud procedure are outlined in 8.5 of Section 8.

4.23.11.12 (04-21-1999)**Referral to Tax Exempt and Government Entities**

1. If Collection or Examination personnel encounter a responsible officer of an exempt organization who refuses to file a required exempt organization return, he/she should prepare Form 5666 (TE/GE Information Report) or Form 5346 (Examination Information Report). The group manager, after approving the information return, will forward it to TE/GE for consideration.

4.23.11.13 (04-21-1999)**Referral to Examination**

1. Prior to making a referral to Examination, Collection and TE/GE personnel should refer to the procedures outlined in the manual for refusal to file procedures.

Just additional INFO on SFR

- [5.18.2.4.30 Research Table for Late Responses](#)
- [5.18.2.4.31 Manual 6020\(b\) Procedures](#)
- [5.18.2.4.32 Basis of Tax for 6020\(b\) Modules](#)
- [5.18.2.4.33 6020\(b\) Packages](#)
- [5.18.2.4.34 Review Before Mailing](#)
- [5.18.2.4.35 Cases With Power of Attorney \(POA\) Indicators](#)
- [5.18.2.4.36 6020\(b\) Follow-Up](#)
- [5.18.2.4.37 6020\(b\) Return Processing](#)
- [5.18.2.4.38 Manual Processing: Return Pending File](#)
- [Exhibit 5.18.2-1 Internal Revenue Code 6020\(B\) Processing Flowchart](#)
- [Exhibit 5.18.2-2 Contents of the Generic Status Research Listing](#)
- [Exhibit 5.18.2-3 A6020\(B\) Status Codes](#)
- [Exhibit 5.18.2-4 View and Update Screen](#)
- [Exhibit 5.18.2-5 View Option](#)
- [Exhibit 5.18.2-6 Modules Option](#)
- [Exhibit 5.18.2-7 Next Module Option](#)
- [Exhibit 5.18.2-8 CAF Option](#)
- [Exhibit 5.18.2-9 Wage Option](#)
- [Exhibit 5.18.2-10 Review, Input, or Update Wage Option](#)
- [Exhibit 5.18.2-11 Using the Update Option](#)
- [Exhibit 5.18.2-12 Status Option](#)
- [Exhibit 5.18.2-13 Screens for Tax Returns 943 and 1065](#)
- [Exhibit 5.18.2-14 Screen for Changing the Status of All Modules](#)
- [Exhibit 5.18.2-15 Screen for Changing the Status of One Module](#)
- [Exhibit 5.18.2-16 Status Screen](#)
- [Exhibit 5.18.2-17 Comments Option](#)
- [Exhibit 5.18.2-18 6020\(B\) Inventory Management Menu](#)
- [Exhibit 5.18.2-19 Queue Cases for Printing Menu](#)
- [Exhibit 5.18.2-20 Number of 1085 Packages Ready to be Printed](#)
- [Exhibit 5.18.2-21 Revise Header Menu](#)
- [Exhibit 5.18.2-22 IDS 6020\(B\) Report Menu](#)
- [Exhibit 5.18.2-23 IDS Print Menu](#)
- [Exhibit 5.18.2-24 DBA Menu](#)

5.18.2.1 (08-01-2001)
IRC 6020(b)

1. IRC 6020(b) provides a way to prepare returns and secure assessments from non-filing business taxpayers who:
 - Have an open filing requirement
 - Are required to file a return
 - Do not file a return as required
2. Exhibit 5.18.2-1 provides an overview of this section in flowchart format.

5.18.2.2 (08-01-2001)

What Is Business Returns IRC 6020(b) Processing?

1. Internal Revenue Code Section 6020(b) is the authority given to the Commissioner of the Internal Revenue Service to prepare and process returns for non-filing taxpayers.
2. Delegation Order No. 182 (Rev. 7), extends 6020(b) authority to Internal Revenue Agents; Tax Auditors; Revenue Officers; GS-9 and above; Collection Support function managers, GS-9 and above; Service Center Collection Branch Managers GS-9 and above; Automated Collection Branch Unit Managers, GS-11 and above; Customer Service Collection Branch Managers, GS-10 and above; and Tax Resolution Representatives, GS-9 and above.

5.18.2.3 (08-01-2001)

Research Criteria for BMF Return--IRC 6020(b) Processing Research

1. Process a return under the provisions of IRC 6020(b) for Business Master File (BMF) returns if:
 - The entity appears to be liable for the return
 - The person required to file the returns does not file it
 - Attempts to secure the returns fail
2. The following BMF returns with corresponding Master File Tax (MFT) codes are the returns usually prepared under the provisions of IRC 6020(b):

TAX RETURN	RETURN TITLE	RETURN MFT
Form 720	Quarterly Federal Excise Tax Return	03
Form 940	Employer's Annual Federal Unemployment Tax Return	10
Form 941	Employer's Quarterly Federal Tax Return	01

Just additional INFO on SFR

6. On unagreed cases, the proposed tax return prepared by the originating office, or a revised tax return prepared by the Appeals Officer is processed for assessment. The Appeals Officer will sign, date and print his or her title on the "Date, Signature and Title" line of the return. The following statement will be typed or printed below the signature: "This return was prepared and signed under the authority of Section 6020(b) of the Internal Revenue Code". The authority to sign IRC 6020(b) returns is granted to appeals officers in Delegation Order 66 (as revised).
7. Forward a copy of the Appeals report providing information about the disposition of the case to the area Technical Advisory Unit.
8. See IRM 8.1.1, Appeals Returns Processing and Control Handbook, for IRC 6020(b) case processing procedures on AIMS.
9. See Exhibit 8.11.1-5 for information on application of the Failure to File and Failure to Pay penalties.

8.7.1.2.7 (11-30-2001)

Substitute for Return Case Processing Procedures

1. Most "Substitute for return" cases originate in area office Examination function.
2. For agreed cases, request that the taxpayer sign Form 2504, Agreement to Assessment and Collection of Additional Tax and Acceptance of Overassessment-Excise or Employment, or Form 2504-AD, Excise or Employment Tax- Offer of Agreement of Acceptance or Overassessment. Use Form 5403, Appeals Closing Record, to process the liability for assessment.
3. For unagreed cases, process the determined tax on Form 5403.
4. See Exhibit 8.11.1-5 for information on application of the Failure to File and Failure to Pay penalties.

8.7.1.3 (11-30-2001)

Civil Cases Involving Department of Justice

1. This section provides instructions for cases involving Department of Justice.

8.7.1.3.1 (11-30-2001)

Department of Justice Authority in Refund Suits

1. The Department of Justice has exclusive jurisdiction over any action in which a taxpayer has filed a suit in the United States District Court or in the United States Court of Federal Claims for recovery of taxes paid. When a suit for refund of taxes has been filed in a pending case, further consideration is postponed on the case, including all years under consideration (suit and nonsuit) and on any related cases. However, it is not necessary to postpone consideration for years not in litigation if the issues in the nonsuit years are unrelated to the issues in the years under litigation. In such situations, contact the Department of Justice through local Associate Area Counsel. Either the service center or Associate Area Counsel notifies the appropriate Appeals Office when a suit for refund is filed in a case pending before Appeals. See IRM 5.8 for cases in suit involving offers in compromise.

8.7.1.3.2 (11-30-2001)

Appeals Procedure on Refund Suits

1. This section is about procedure on Refund Suits.

8.7.1.3.2.1 (11-30-2001)

Refund Suits--No Deficiency in Appeals Cases

1. After notice that a suit has been filed in an Appeals case involving no deficiency, issue the notice of claim disallowance (if required) and prepare Form 5403, Appeals Closing Record (which identifies the case as a court case). Forward the return to Compliance Support Case Processing or Appeals Processing Section (APS) for processing. When Support Case Processing or APS completes action and assigns a new DLN, promptly send the administrative file, including the return, to Counsel. However, if the service center maintains a follow-up control on the Refund Litigation file, forward the administrative file to the service center, referring in the transmittal to the service center's Refund Litigation control number.

8.7.1.3.2.2 (11-30-2001)

Refund Suits--Disposition of Pending Claims

1. If a claim has not previously been disallowed or a Form 2297, Waiver of Statutory Notification of Claim Disallowance, has not been signed by the taxpayer, issue a statutory notice of claim disallowance. If the case involves an application for reconsideration of a claim which had been previously acted upon, enter the date the notice of claim disallowance was issued or the date of filing of Form 2297 on Form 5403, transmitting the return to Compliance Support Case Processing or APS. Finally, advise the taxpayer that, because of filing suit, the case is under jurisdiction of the Department of Justice and Appeals will give no further consideration to the case.

8.7.1.3.2.3 (11-30-2001)