

Chapter 100  
**5480 Substitute for Return Program Handbook**

[Supplemented by MS 5G-362 National Disaster/Emergency Relief Program Expiration Date: July 31, 1992]

[Supplemented by MS CR 5G-376 Reconsideration of Deficiency Assessments Expiration Date: January 26, 1995]

[Supplemented by MS 5G-388 Multi-Functional TDI Refund Hold Program Expiration Date: August 1, 1995]

**110 (9-4-93)**  
**Purpose**

(1) The Substitute for Return (SFR) program was developed to deal with taxpayers who have not filed individual income tax returns and for whom income information is available to substantiate a significant income tax liability without costly field investigation.

(2) The purpose of this program is to determine and assess the correct tax liability by:

- (a) securing a valid voluntary income tax return from the taxpayer, or
- (b) computing tax, interest, and penalties based upon Information Returns Program (IRP) information submitted by payers, or other internally available information.

**120 (9-4-93)**  
**Background**

Effective October 1, 1986, following delegation of authority to issue Statutory Notice of Deficiency (see Delegation Order No. 77, as revised of IRM 1229, Handbook of Delegation Orders) Service Center Collection Branches (SCCB) assumed responsibility for the Substitute for Return program.

(2) SCCB prepares Forms 1040 under authority of Internal Revenue Code 6020(B) and issues Statutory Notices of Deficiency as authorized by Internal Revenue Code 6212.

(3) In this handbook, the words "CAUTION" and "NOTE" appear throughout the text as a reminder to be careful when following prescribed procedures. As with all major programs, there will be exceptions which must be considered during case resolution.

(4) All new cases are downloaded from Integrated Data Retrieval System (IDRS) to the Automated Substitute for Return (ASFR) System at the time of Taxpayer Delinquency Investigation (TDI) analysis. The ASFR weekly batch analysis program performs processing through the final assessment (TC 290) action.

(5) Report time spent on the ASFR program under the following Organization, function, and program codes:

- (a) ASFR processing 810-62150\*
- (b) ASFR correspondence 810-62158

(c) Note: \* volumes on this program code must be adjusted by the volume of correspondence in order to avoid duplicate counts.

**130 (9-4-93)**  
**Coordination With Other Programs**

(1) The ASFR function will follow the guidelines for the Problem Resolution Program found in IRM 541(15) and Processing Timeliness and Correspondence Guidelines in IRM 5413.1:(1).