



Tax Reduction Letter

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Internal Revenue Manual Section 13.1.7.2.2 (02-04-2015)

TAS Case Criteria 5 – 7, Systemic Burden

1. Criteria 5 -- The taxpayer has experienced a delay of more than 30 days to resolve a tax account problem.

1. Where there is an established time frame for a specific action based on an IRM, IRS form, or other official document, Criteria 5 is met when **the problem or inquiry is delayed more than 30 days beyond the normal response time for the particular action.** Refer to Exhibit 13.1.7-1, General Response Time Guidelines, for established normal response times on various (not inclusive) issues.

Example:

A taxpayer files a 2012 individual income tax return with a Schedule C claiming business expenses. The taxpayer received a notice ten months ago that the return was selected for examination and provided the requested documentation. The taxpayer has received no further contact from the IRS which is a delay of more than 30 days beyond normal response time.

2. Where there is no established time frame for a specific action based on an IRM, IRS form, or other official document, Criteria 5 is met when the problem or inquiry is delayed more than 30 days after the initial date the taxpayer made a request for IRS assistance.

Example:

A taxpayer received an examination determination from a revenue agent. On January 10, the taxpayer wrote to the IRS, requesting an interest calculation so she could pay her account in full. On March 1, the taxpayer contacts TAS for the interest calculation because she has not received a response to her letter. Since more than 30 days have passed from January 10, Criteria 5 is met.

3. Criteria 5 is met when the IRS sends multiple interim responses and no other actions by the IRS have been taken. Interim letters can extend prescribed time frames unless the delay is extensive or unreasonable. Judgment should be used to determine if the operating division or function's delay is justified or whether it is an unwarranted delay.

Example:

A taxpayer writes to the IRS for an abatement of his federal tax deposit penalty on June 12. The taxpayer receives a response from the IRS on July 1, acknowledging receipt of his letter and informing him that it will be another 30 days before his inquiry can be answered. On July 27, the taxpayer receives another IRS letter stating that it will take an additional eight weeks for a reply. The TAS employee checks IDRS information and no action has been taken by the IRS on the taxpayer's account other than sending the second interim correspondence. The taxpayer's circumstances meet Criteria 5.

4. Delays due to taxpayer unresponsiveness will not meet Criteria 5.

Example:

A taxpayer writes to the IRS for an abatement of his federal tax deposit penalty on June 12. The taxpayer receives a response from the IRS on July 1, acknowledging receipt of his letter and requesting additional information by July 12 to abate the penalty. On July 27, the taxpayer receives another IRS letter with a second request for information. The taxpayer has not submitted any information for consideration. The taxpayer contacts TAS for assistance on August 1, stating the penalty has not been abated. The TAS employee checks IDRS and determines from the history items that multiple requests for information were sent to the taxpayer. The TAS employee asks if the taxpayer has received any contact from the IRS. The taxpayer states he did receive a request for more information but has not mailed it in. This circumstance does not meet Criteria 5. However, TAS should still explain to the taxpayer what information the IRS, in general, needs to make a penalty abatement.

2. Criteria 6 --The taxpayer has not received a response or resolution to the problem or inquiry by the date promised.

Example:

The taxpayer has been in contact with the Correspondence Examination unit at an IRS campus because of alleged unreported income. The tax examiner requested substantiation of the taxpayer's basis of some stock transactions. The taxpayer sent the information five weeks ago. The taxpayer received IRS correspondence acknowledging receipt of the information. The IRS correspondence also indicated that a determination would be made and the taxpayer would be contacted by March 5. On March 7, the taxpayer contacts the NTA toll-free number for assistance. The inquiry is accepted into TAS as a Criteria 6 case because the taxpayer was not contacted by the promised date of March 5.

3. Criteria 7 -- A system or procedure has either failed to operate as intended or failed to resolve the taxpayer's problem or dispute within the IRS.

Example:

The IRS examined a taxpayer's return in a prior year for EITC and subsequently allowed the credit. The taxpayer filed her subsequent year return and the IRS failed to issue her refund. The taxpayer contacts TAS for assistance. TAS determines the refund was held because the IDRS transaction code 810 indicator was never reversed, as it should have been. The taxpayer's circumstances meet Criteria 7 because the IRS's procedures for releasing a refund freeze failed to operate as intended.

Example:

A taxpayer writes to the IRS for an abatement of his federal tax deposit penalty and requests a credit elect to the next quarter. IRS abates the penalty, but the overpayment has not been credited to the next quarter. The taxpayer's circumstances meet Criteria 7 because the IRS's procedures for crediting overpayments failed to operate as intended.