



Tax Reduction Letter

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Internal Revenue Manual 20.1.1.3.6

20.1.1.3.6 (11-25-2011)

Reasonable Cause Assistant (RCA)

1. The Reasonable Cause Assistant (RCA) will be used when considering penalty relief due to reasonable cause. RCA is to be used after normal case research has been performed, (i.e., applying missing deposits/payments, adjusting tax, researching for missing extensions of time to file, etc.) for the following penalties:
 - A. IMF-failure to file (FTF) and failure to pay (FTP)
 - B. BMF-failure to deposit (FTD) (currently limited to MFTs 01, 10, 11, 14, and 16)
2. RCA is a decision support interactive software program developed to reach a reasonable cause determination. RCA is accessed through the Account Management Services (AMS) *Tools* menu.
3. Use of RCA will ensure consistent and equitable administration of penalty relief consideration.
4. When an employee has determined that a taxpayer has requested penalty relief based on reasonable cause, whether the request was made by telephone or in writing, RCA will be accessed to determine if penalty relief will be granted.

Caution:

See *IRM 20.1.1.3.5* to determine if penalty relief can be considered, or if penalty relief can only be considered by another function.