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## Internal Revenue Manual Section 20.1.1.3.1 (11-21-2017)

### Unsigned or Oral Requests for Penalty Relief

1. When considering requests for relief from the failure to file (FTF), failure to pay (FTP), and/or failure to deposit (FTD) penalties, determine if the taxpayer is eligible for the first time abate (FTA) administrative waiver using the Reasonable Cause Assistant (RCA), when applicable. See *IRM 20.1.1.3.6, Reasonable Cause Assistant (RCA)*, for RCA use and *IRM 20.1.1.3.3.2.1, First Time Abate (FTA)*, for all FTA policy and criteria.
2. If the taxpayer does not meet FTA criteria, unsigned or oral requests for relief from the FTF, FTP and/or FTD penalties may be considered if the following are true:
  - A. The request is received either orally or in writing, but is unsigned, AND
  - B. The request is received from the taxpayer, the taxpayer's authorized representative or a third party, AND
  - C. The penalties do not exceed ≡ (e.g., tax period), AND
  - D. **Reasonable cause criterion is met.**

#### **Exception:**

If RCA is used, the oral statement authority (OSA) threshold in paragraph (2)(c) is increased to ≡ ≡ ≡ ≡ ≡ ≡ ≡ ≡ ≡ and/or ≡ ≡ ≡ ≡ ≡ ≡ ≡ ≡ ≡ ≡ ≡ ≡ . RCA will be used, where available. If an employee cannot use RCA, he or she should seek managerial approval to consider oral and unsigned requests at the ≡ ≡ ≡ ≡ ≡ ≡ levels.

3. When an unsigned or oral request for relief is received, the IRS employee must document the case file or adjustment document **clearly restating** the information provided by the taxpayer.
  - A. If the relief criteria are clearly established, abate or request the abatement of the penalty or penalties following functional guidelines. See *IRM 20.1.1.3.5.2*.
  - B. If the relief criteria are not clearly established, do not abate the penalty or penalties. Follow functional guidelines for disallowing the request. See *IRM 20.1.1.3.5.3*.
4. When an unsigned or oral request for penalty relief is received for two or more penalties, ask the taxpayer to submit a signed written request for relief from all penalties if either of the following is true:
  - A. Any penalty exceeds the amount that can be considered, or
  - B. The penalty is a penalty other than the FTF, FTP, or FTD penalties.

**Example:** Suppose on the same module the taxpayer was assessed the following penalties:

- FTF and FTP penalties that totaled less than \$10,000, but more than \$5,000, and
- A FTD penalty greater than \$5,000, and
- RCA was not used and managerial approval for higher level OSA threshold was not obtained.

In such a case, **do not take action** to abate any of the penalties. Ask the taxpayer to submit a signed written statement requesting relief from all penalties.

5. The OSA thresholds in this subsection allow for **consideration** of the facts provided to establish penalty relief without a signed written statement for the FTF, FTP, and/or FTD penalties only.

6. The taxpayer **must** provide a written statement, signed under the penalty of perjury, requesting penalty relief for all other penalties. For example, requests for relief received either orally or without an authorized signature may **NOT** be considered for the following:

- TIN penalties,
- Information return penalties, or
- Penalties assessed by a compliance program.

**Note:**

Refer to IRM 21.5.2.4.9.2 if considering relief for the daily delinquency penalty (DDP) assessed on an employee plan (EP) return or Form 8955-SSA, *Annual Registration Statement Identifying Separated Participants With Deferred Vested Benefits*.