119TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPORT
119–42

INTERNAL REVENUE SERVICE MATH AND TAXPAYER HELP ACT

MARCH 27, 2025.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. SMITH of Missouri, from the Committee on Ways and Means, submitted the following

R E P O R T

[To accompany H.R. 998]

The Committee on Ways and Means, to whom was referred the bill (H.R. 998) to amend the Internal Revenue Code of 1986 to require additional information on math and clerical error notices, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

CONTENTS

The amendment is as follows:

59–006

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Internal Revenue Service Math and Taxpayer Help Act".

SEC. 2. IMPROVEMENT OF NOTICES OF MATH OR CLERICAL ERROR.

(a) IN GENERAL.—Section 6213(b)(1) of the Internal Revenue Code of 1986 is amended—

(1) by striking "ERRORS.—If the taxpayer" and inserting "ERRORS.—

"(A) IN GENERAL.—If the taxpayer",

(2) by striking "Each notice" in the second sentence and inserting "Subject to subparagraph (B), each notice", and

(3) by adding at the end the following new subparagraph:

"(B) SPECIFICITY OF MATH OR CLERICAL ERROR NOTICE.—

"(i) IN GENERAL.—The notice provided under subparagraph (A) shall—

"(I) be sent to the taxpayer's last known address,

"(II) describe the mathematical or clerical error in comprehensive, plain language, including—

"(aa) the type of error,

"(bb) the section of this title to which the error relates,

"(cc) a description of the nature of the error, and

"(dd) the specific line of the return on which the error was made,

"(III) an itemized computation of any direct or incidental adjustments to be made to the return in correction of the error, including any adjustment to the amount of—

"(aa) adjusted gross income,

"(bb) taxable income,

"(cc) itemized or standard deductions,

"(dd) nonrefundable credits,

"(ee) credits under section 24, 25A, 32, 35, or 36B, credits claimed with respect to undistributed long-term capital gains on Form 2439, credits for Federal taxes paid on fuels claimed on Form 4136, and any other refundable credits,

"(ff) income tax,

"(gg) other taxes,

"(hh) total tax,

"(ii) Federal income tax withheld or excess tax withheld under section 3101 or 3201(a),

"(jj) estimated tax payments, including amount applied from prior year's return,

"(kk) refund or amount owed,

"(ll) net operating loss carryforwards, or

"(mm) credit carryforwards,

"(IV) include the telephone number for the automated phone transcript service, and

"(V) display the date by which the taxpayer may request to abate any assessment specified in such notice pursuant to paragraph (2)(A), in bold, font size 14, and immediately next to the taxpayer's address on page 1 of the notice.

"(ii) NO LISTS OF POTENTIAL ERRORS.—A notice which provides multiple potential or alternative errors which may be applicable to the return shall not be sufficiently specific for purposes of clause (i)(II); however, if multiple specific errors apply to the return all such errors should be listed.".

(b) NOTICE OF ABATEMENT.—Paragraph (2) of section 6213(b) is amended by adding at the end the following new subparagraph:

"(C) NOTICE.—Upon determination of an abatement pursuant to subparagraph (A), the Secretary shall send notice to the taxpayer of such abatement which—

"(i) is sent to the taxpayer's last known address,

"(ii) describes the abatement in comprehensive, plain language, and

"(iii) provides an itemized computation of any adjustments to be made to the items described in the notice of mathematical or clerical error, including any changes to any item described in paragraph (1)(B)(i)(III).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to notices sent after the date which is 12 months after the date of the enactment of this Act.

(d) PROCEDURES.—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury (or such Secretary's delegate) shall provide for procedures by which a taxpayer may request an abatement referred to in section 6213(b)(1)(B)(i)(V) of the Internal Revenue Code of 1986 in writing, electronically, by telephone, or in person.

(e) PILOT PROGRAM.—Not later than 18 months after the date of the enactment of this Act, the Secretary of the Treasury (or such Secretary's delegate), in consultation with the National Taxpayer Advocate, shall—

(1) implement a pilot program to send a trial number of notices, in an amount which is a statistically significant portion of all such notices, of mathematical or clerical error pursuant to section 6213(b) of the Internal Revenue Code of 1986 by certified or registered mail with e-signature confirmation of receipt, and

(2) report to Congress, aggregated by the type of error under section 6213(g) of such Code to which the notices relate, on—

(A) the number of mathematical or clerical errors noticed under the program and the dollar amounts involved,

(B) the number of abatements of tax and the dollar amounts of such abatements, and

(C) the effect of such pilot program on taxpayer response and adjustments or abatements to tax,

with conclusions drawn about the effectiveness of certified or registered mail, with and without return receipt, and any other recommendations for improving taxpayer response rates.

I. SUMMARY AND BACKGROUND

A. PURPOSE AND SUMMARY

The bill, H.R. 998, the "Internal Revenue Service Math and Taxpayer Help Act," as amended, was ordered reported by the Committee on Ways and Means on February 12, 2025.

The provision establishes rules for the content required in a notice of math or clerical error, to ensure that the recipient will understand the nature of the error identified by the IRS and how to seek an abatement of the additional tax if the taxpayer believes the IRS is in error. In addition, it requires that the IRS issue notices of abatements when it reverses the math error assessment on taxpayer request and prescribes specific rules for such notices. Within 180 days of enactment, the Secretary is required to establish new rules and guidance on how to seek abatement of a tax assessment made under math error authority. Finally, the provision requires that the IRS conduct a pilot program to evaluate the effectiveness of issuing such notices of math error by certified or registered mail, with or without confirmation of receipt, to report to Congress on the results of that program, and to make recommendations on how to further improve taxpayer response to notices.

B. BACKGROUND AND NEED FOR LEGISLATION

Each year, the IRS sends millions of "math error" notices to taxpayers that propose to adjust their tax liabilities.[1] These math error notices often do not explain the reasons for the adjustments, and some are never received by the taxpayer due to lost mail.[2] The IRS is not currently required to inform taxpayers that they must dispute the adjustments within 60 days if they disagree or gen-

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[1] Legislative Recommendation #37—Clarify That the National Taxpayer Advocate May Hire Legal Counsel to Enable Her to Advocate More Effectively for Taxpayers, National Taxpayer Advocate 2025 Purple Book (Dec. 31, 2024), https://www.taxpayeradvocate.irs.gov/reports/2024-annual-report-to-congress/national-taxpayer-advocate-2025-purple-book/.

[2] *Id.*

erally forfeit their right to do so.[3] Many taxpayers do not understand that the failure to respond to an IRS math error notice within 60 days means they have conceded the adjustment and have forfeited their right to challenge the IRS's position in Tax Court.[4]

The Committee on Ways and Means is committed to leveling the playing field for taxpayers by ensuring that they are notified of any adjustments to their tax return and giving them enough time to challenge the adjustment, if necessary. Taxpayers deserve full transparency and an ability to challenge the IRS when they exercise their math error authority.

C. Legislative History

Background

H.R. 998 was introduced on February 10, 2025, and was referred to the Committee on Ways and Means.

Committee Hearings

On February 11, 2025, the Committee on Ways and Means held a hearing titled, "IRS Return on Investment and the Need for Modernization".

Committee Action

The Committee on Ways and Means marked up H.R. 998, on February 12, 2025, and order the bill, as amended, favorably reported (with a quorum being present).

D. Designated Hearing

Pursuant to clause 3(c)(6) of rule XIII, the following hearing was used to develop and consider H.R. 998:

"IRS Return on Investment and the Need for Modernization" on February 11, 2025.

II. EXPLANATION OF THE BILL

A. The Internal Revenue Service Math Error and Taxpayer Help Act (Sec. 2 of the Bill and Sec. 6213(b)[5] of the Code)

PRESENT LAW

In general

The Federal income tax system relies upon self-reporting and assessment. A taxpayer is expected to prepare a report of his or her liability[6] and submit it to the Internal Revenue Service ("IRS") with any payment due. The Code provides general authority for the IRS to assess all taxes shown on returns, including assessment of tax computed by the taxpayer,[7] other than certain Federal unemployment tax and estimated income taxes.[8] The assessment is required to be made by recording the liability in the "office of the

[3] *Id.*
[4] *Id.*
[5] All section references in the document are to the Internal Revenue Code of 1986, as amended (the "Code"), unless otherwise stated.
[6] Secs. 6011 and 6012.
[7] Sec. 6201.
[8] Sec. 6201(b).

Secretary" in a manner determined under regulations.[9] In addition, the IRS may make supplemental assessments within the limitations period whenever it determines that an assessment was imperfect or incomplete.[10]

The authority of the IRS to assess additional tax is generally subject to certain restrictions on assessment known as deficiency procedures.[11] These deficiency procedures generally ensure a taxpayer access to administrative review and a pre-payment judicial forum (*i.e.*, the United States Tax Court) for reviewing disputed adjustments proposed by the IRS. A deficiency of tax is the amount by which the liability determined under the Code exceeds the sum of certain taxes[12] assessed for a period (including amounts shown on a return), after reduction for any rebates of tax.

Math error exception to restrictions on assessments

There are several exceptions to the restrictions on assessment of tax.[13] One of the principal exceptions is the IRS's authority to make a summary assessment of tax without issuance of a notice of deficiency if the error is a result of a mathematical or clerical error, generally referred to as math error authority. Purely mathematical or clerical issues are often identified early in the processing of a return, prior to issuance of any refund rather than as a result of an examination of a return. Other grounds for math error authority may be identified after initial processing, including in the course of an examination of other issues subject to the general restrictions on assessment.

Definition of math error

The definition of mathematical or clerical errors is not limited to math, clerical, or transcription errors. It addresses over 20 categories of errors,[14] many of which relate to rules regarding refundable credits.[15] Since 2015, the math error authority covers situations for which a taxpayer claiming certain refundable credits either is subject to a multi-year ban against claiming such credits as a consequence of having made a prior fraudulent or reckless claim or, in the case of taxpayer who has made prior improper claims, omits information required by the Secretary to demonstrate eligibility for the credit.[16] In 2020 and 2021, math error authority was expanded to cover certain errors related to valid taxpayer identification numbers and reconciliation of advance payments with respect to the 2020 recovery rebate credit, 2020 additional recovery

[9] Sec. 6203.
[10] Sec. 6204.
[11] Secs. 6211 through 6215.
[12] The taxes to which deficiency procedures apply are income, estate and gift and excise taxes arising under chapters 41, 42, or 44. Secs. 6211 and 6213.
[13] Section 6213 provides that a taxpayer may waive the restrictions on assessment, permits immediate assessment to reflect payments of tax remitted to the IRS and to correct amounts credited or applied as a result of claims for carrybacks under section 1341(b), and requires assessment of amounts ordered as criminal restitution. Assessment is also permitted in certain circumstances in which collection of the tax would be in jeopardy. Secs. 6851, 6852, and 6861.
[14] Secs. 6213(g)(2)(A) through (V).
[15] Math error authority currently applies to certain errors related to the earned income tax credit, the child tax credit, the American opportunity tax credit, recovery rebate credits, and various energy-related credits.
[16] Secs. 6213(g)(2)(K), (P), and (Q). Pub. L. No. 114–113, Div. Q, sec. 208.

rebate credit, and 2021 recovery rebate credit.[17] In 2022, math error authority was again expanded to apply to errors in documenting energy related credits, including omission of product or vehicle identification numbers.[18]

Notice of math error assessment and request for abatement

If a mistake on the return is of a type that is within the meaning of mathematical or clerical error, the IRS immediately assesses the additional tax due as a result of correcting the mistake and sends notice to the taxpayer informing the taxpayer of the assessment. The statute is silent as to the level of detail required in the notice. Math error authority may be used to deny an improperly claimed credit, either during initial processing of a return on which the credit is claimed or in an examination of the return after the refund has been issued, and to assess immediately any additional tax due as a result without issuing a notice of deficiency. The issuance of a notice of math error begins a 60-day period within which the taxpayer may submit a request for abatement of the math error adjustment. If a taxpayer timely submits a request, the statute directs the IRS to abate the assessment. The IRS may then refer the unresolved issue for examination under the deficiency procedures.[19]

REASONS FOR CHANGE

Under present law, the IRS is not required to send notices of its exercise of math error authority by certified or registered mail, unlike the requirements applicable to notices of deficiency following an examination, which must be sent to the last known address of the taxpayer, by certified mail (registered mail if the address is outside the United States). As a result, the IRS has developed form letters intended to inform the taxpayer of the nature of the problem, which sometimes include preprinted lists of potential bases on which an assessment is made. Furthermore, many taxpayers are not aware of their right to right to question the assessment by seeking an abatement. Even for those who are aware of the right to do so, the lack of clarity in some form letters used by the IRS have prevented taxpayers from understanding the nature of the error they may have made on a return and how to refute it.

EXPLANATION OF PROVISION

The provision amends the statute authorizing use of math error assessment authority. It prescribes specific procedures and content for notices of math or clerical error, requires the IRS to update procedures on how to request abatement and, upon determination of an abatement, to issue a notice of abatement to the taxpayer. In addition, the provision requires implementation of a pilot program to explore use of certified or registered mail for issuance of math error notices.

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[17] Pub. L. No. 116–136, sec. 2201; Pub. L. No. 116–260, Div. N, sec. 272; Pub. L. No. 117–2, title IX, sec. 9601. See also secs. 6213(g)(2)(L); 6428(e)(1), (g)(4); 6428A(e)(1), (g)(7); 6428B(e)(2)(G), (f)(1).

[18] Secs. 6213(g)(2)(R), (S), (T), (U), and (V). Pub. L. No. 117–169, secs. 13301(g)(2), 13401(i)(4), 13402(c), and 13403(b)(2).

[19] Sec. 6213(b)(2)(A).

Notice of math or clerical error

With respect to the issuance of a notice of math or clerical assessment, the provision requires that the IRS send such notice to the taxpayer's last known address and describe the math or clerical error in plain language. The due date for submission of a request for abatement must be included in 14-point font, boldface, next to the address of the taxpayer on the first page of the notice. The notice must include the telephone number for the automated phone transcript service, as well as an itemized computation of adjustments.

With respect to the description of the math error adjustment, the IRS must include the type of error, the section of the Code to which the error relates, and the line on the return on which the error was made. In identifying the type of error, the notice may not rely on a list of multiple categories of math errors in the alternative. Instead, it must identify the specific type of math error authority relied upon for each specific error on the return.

The itemized computation of the adjustments must address all changes to any component of the computation of taxable income and tax liability or tax due. These items include adjusted gross income, taxable income, itemized or standard deductions, credits (whether or not refundable), losses, and other items specifically listed in the provision.

Abatement process

The IRS is directed to prescribe procedures that permit taxpayers to request abatement in writing, electronically, by telephone, or in person. Such procedures are to be issued no later than 180 days after date of enactment.

If an abatement is made after a notice of math error, a notice of abatement sent to the taxpayer's last known address is required. Such notice must include a plain language description of the abatement as well as an itemized computation of any adjustments made to the items that were included in the notice of math or clerical error.

Pilot program and report to Congress

The provision requires that the Secretary, in cooperation with the National Taxpayer Advocate, conduct a study of the effectiveness of use of certified or registered mail, with e-signature confirmation of receipt and report the results to Congress. The study is to include issuance of trial notices in an amount which is a statistically significant portion of all such notices. The program must be implemented no later than 18 months after date of enactment. For each type of math error authority relied upon in the notices, the report shall include information on the number and dollar amounts of notices under the trial, as well as similar information on the number and dollar amount of abatements under the trial and the pilot program effect on taxpayer responsiveness. The report is to include conclusions about the effectiveness of using certified or registered mail, with or without confirmation of receipt, as well as any recommendations on how to improve taxpayer response rates.

EFFECTIVE DATE

The provision is effective on date of enactment, except for amendments to the Code, which are effective for notices sent after the date which is 12 months after date of enactment.

III. VOTE OF THE COMMITTEE

Pursuant to clause 3(b) of rule XIII of the Rules of the House of Representatives, the following statement is made concerning the vote of the Committee on Ways and Means in its consideration of H.R. 998, the “Internal Revenue Service Math and Taxpayer Help Act,” on February 12, 2025.

The bill, H.R. 998, the “Internal Revenue Service Math and Taxpayer Help Act,” as amended, was ordered favorably reported to the House of Representatives by a recorded vote of 43 yeas and 0 nays (with a quorum being present).

Representative	Yea	Nay	Present	Representative	Yea	Nay	Present
Mr. Smith (MO)	X			Mr. Neal	X		
Mr. Buchanan	X			Mr. Doggett	X		
Mr. Smith (NE)	X			Mr. Thompson	X		
Mr. Kelly				Mr. Larson	X		
Mr. Schweikert	X			Mr. Davis	X		
Mr. LaHood	X			Ms. Sánchez	X		
Mr. Arrington	X			Ms. Sewell	X		
Mr. Estes	X			Ms. DelBene	X		
Mr. Smucker	X			Ms. Chu	X		
Mr. Hern	X			Ms. Moore (WI)	X		
Mrs. Miller (WV)	X			Mr. Boyle	X		
Dr. Murphy	X			Mr. Beyer	X		
Mr. Kustoff	X			Mr. Evans	X		
Mr. Fitzpatrick	X			Mr. Schneider	X		
Mr. Steube	X			Mr. Panetta	X		
Ms. Tenney	X			Mr. Gomez			
Mrs. Fischbach	X			Mr. Horsford	X		
Mr. Moore (UT)	X			Ms. Plaskett	X		
Ms. Van Duyne	X			Mr. Suozzi	X		
Mr. Feenstra	X						
Ms. Malliotakis	X						
Mr. Carey	X						
Mr. Yakym	X						
Mr. Miller (OH)	X						
Mr. Bean	X						
Mr. Moran	X						

IV. BUDGET EFFECTS OF THE BILL

A. Committee Estimate of Budgetary Effects

In compliance with clause 3(d) of rule XIII of the Rules of the House of Representatives, the following statement is made concerning the effects on the budget of the bill, H.R. 998 as reported. The estimate prepared by the Joint Committee on Taxation (JCT) is included below.

The staff of the Joint Committee on Taxation estimates the bill to have the following effect on Federal fiscal year budget receipts for the period 2025 through 2034:

Fiscal years, millions of dollars—											
2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025–29	2025–34
0	−3	−3	−3	−4	−4	−4	−4	−4	−4	−14	−33

NOTE: Details may not add to totals due to rounding. The date of enactment is assumed to be March 1, 2025.

B. Statement Regarding New Budget Authority and Tax Expenditures Budget Authority

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee states that the bill involves no new or increased budget authority.

C. Cost Estimate Prepared by the Congressional Budget Office

The Congressional Budget Act of 1974, as amended stipulates that revenue estimates provided by the staff of the Joint Committee on Taxation ("JCT") will be the official estimates for all tax legislation considered by Congress. As such CBO incorporates these estimates into its cos estimates of the effects of the legislation. The estimates for the revenue provisions of H.R. 998 were provided by JCT (See Section IV, Subsection).

V. OTHER MATTERS TO BE DISCUSSED UNDER THE RULES OF THE HOUSE

A. Committee Oversight Findings and Recommendations

With respect to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee made findings and recommendations that are reflected in this report.

B. Statement of General Performance Goals and Objectives

With respect to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee advises that the bill does not authorize funding, so no statement of general performance goals and objectives is required.

C. Applicability of House Rule XXI, Clause 5(b)

Rule XXI 5(b) of the Rules of the House of Representatives provides, in part, that "A bill or joint resolution, amendment, or conference report carrying a Federal income tax rate increase may not be considered as passed or agreed to unless so determined by a vote of not less than three-fifths of the Members voting, a quorum being present." The Committee has carefully reviewed the bill, and states that the bill does not provide such a Federal income tax rate increase.

D. Information Relating to Unfunded Mandates

This information is provided in accordance with section 423 of the Unfunded Mandates Reform Act of 1995 (Pub. L. No. 104–4).

The Committee has determined that the bill does not contain Federal mandates on the private sector. The Committee has determined that the bill does not impose a Federal intergovernmental mandate on State, local, or tribal governments.

E. Congressional Earmarks, Limited Tax Benefits, and Limited Tariff Benefits

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the bill, and states that the provisions of the bill do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits within the meaning of the rule.

F. Duplication of Federal Programs

In compliance with clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes: (1) a program of the Federal Government known to be duplicative of another Federal program; (2) a program included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139; or (3) a program related to a program identified in the most recent Catalog of Federal Domestic Assistance, published pursuant to the Federal Program Information Act (Pub. L. No. 95–220, as amended by Pub. L. No. 98–169).

G. Tax Complexity Analysis

Section 4022(b) of the Internal Revenue Service Reform and Restructuring Act of 1998 (the "IRS Reform Act") requires the staff of the Joint Committee on Taxation (in consultation with the Internal Revenue Service and the Treasury Department) to provide a tax complexity analysis. The complexity analysis is required for all legislation reported by the Senate Committee on Finance, the House Committee on Ways and Means, or any committee of conference if the legislation includes a provision that directly or indirectly amends the Internal Revenue Code and has widespread applicability to individuals or small businesses.

The staff of the Joint Committee on Taxation has determined that there are no provisions that are of widespread applicability to individuals or small businesses.

VI. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

A. Text of Existing Law Amended or Repealed by the Bill, as Reported

Pursuant to clause 3(e) of rule XIII of the Rules of the House of Representatives, the text of each section proposed to be repealed by the bill is shown below:

Changes in Existing Law Made by the Bill, as Reported

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

INTERNAL REVENUE CODE OF 1986

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Subtitle F—Procedure and Administration

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CHAPTER 63—ASSESSMENT

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Subchapter B—DEFICIENCY PROCEDURES IN THE CASE OF INCOME, ESTATE, GIFT, AND CERTAIN EXCISE TAXES

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SEC. 6213. RESTRICTIONS APPLICABLE TO DEFICIENCIES; PETITION TO TAX COURT.

(a) TIME FOR FILING PETITION AND RESTRICTION ON ASSESSMENT.—Within 90 days, or 150 days if the notice is addressed to a person outside the United States, after the notice of deficiency authorized in section 6212 is mailed (not counting Saturday, Sunday, or a legal holiday in the District of Columbia as the last day), the taxpayer may file a petition with the Tax Court for a redetermination of the deficiency. Except as otherwise provided in section 6851, 6852, or 6861 no assessment of a deficiency in respect of any tax imposed by subtitle A, or B, chapter 41, 42, 43, or 44 and no levy or proceeding in court for its collection shall be made, begun, or prosecuted until such notice has been mailed to the taxpayer, nor until the expiration of such 90-day or 150-day period, as the case may be, nor, if a petition has been filed with the Tax Court, until the decision of the Tax Court has become final. Notwithstanding the provisions of section 7421(a), the making of such assessment or the beginning of such proceeding or levy during the time such prohibition is in force may be enjoined by a proceeding in the proper court, including the Tax Court, and a refund may be ordered by such court of any amount collected within the period during which the Secretary is prohibited from collecting by levy or through a proceeding in court under the provisions of this subsection. The Tax Court shall have no jurisdiction to enjoin any action or proceeding or order any refund under this subsection unless a timely petition for a redetermination of the deficiency has been filed and then only in respect of the deficiency that is the subject of such petition. Any petition filed with the Tax Court on or before the last date specified for filing such petition by the Secretary in the notice of deficiency shall be treated as timely filed.

(b) EXCEPTIONS TO RESTRICTIONS ON ASSESSMENT.—

(1) ASSESSMENTS ARISING OUT OF MATHEMATICAL OR CLERICAL 【ERRORS.—】 【If the taxpayer】 *ERRORS.—*

(A) IN GENERAL.—If the taxpayer is notified that, on account of a mathematical or clerical error appearing on the return, an amount of tax in excess of that shown on the return is due, and that an assessment of the tax has been

or will be made on the basis of what would have been the correct amount of tax but for the mathematical or clerical error, such notice shall not be considered as a notice of deficiency for the purposes of subsection (a) (prohibiting assessment and collection until notice of the deficiency has been mailed), or of section 6212(c)(1) (restricting further deficiency letters), or of section 6512(a) (prohibiting credits or refunds after petition to the Tax Court), and the taxpayer shall have no right to file a petition with the Tax Court based on such notice, nor shall such assessment or collection be prohibited by the provisions of subsection (a) of this section. ⟦Each notice⟧ *Subject to subparagraph (B), each notice* under this paragraph shall set forth the error alleged and an explanation thereof.

(B) SPECIFICITY OF MATH OR CLERICAL ERROR NOTICE.—

(i) IN GENERAL.—The notice provided under subparagraph (A) shall—

(I) be sent to the taxpayer's last known address,

(II) describe the mathematical or clerical error in comprehensive, plain language, including—

(aa) the type of error,

(bb) the section of this title to which the error relates,

(cc) a description of the nature of the error, and

(dd) the specific line of the return on which the error was made,

(III) an itemized computation of any direct or incidental adjustments to be made to the return in correction of the error, including any adjustment to the amount of—

(aa) adjusted gross income,

(bb) taxable income,

(cc) itemized or standard deductions,

(dd) nonrefundable credits,

(ee) credits under section 24, 25A, 32, 35, or 36B, credits claimed with respect to undistributed long-term capital gains on Form 2439, credits for Federal taxes paid on fuels claimed on Form 4136, and any other refundable credits,

(ff) income tax,

(gg) other taxes,

(hh) total tax,

(ii) Federal income tax withheld or excess tax withheld under section 3101 or 3201(a),

(jj) estimated tax payments, including amount applied from prior year's return,

(kk) refund or amount owed,

(ll) net operating loss carryforwards, or

(mm) credit carryforwards,

(IV) include the telephone number for the automated phone transcript service, and

(V) display the date by which the taxpayer may request to abate any assessment specified in such

notice pursuant to paragraph (2)(A), in bold, font size 14, and immediately next to the taxpayer's address on page 1 of the notice.

(ii) NO LISTS OF POTENTIAL ERRORS.—A notice which provides multiple potential or alternative errors which may be applicable to the return shall not be sufficiently specific for purposes of clause (i)(II); however, if multiple specific errors apply to the return all such errors should be listed.

(2) ABATEMENT OF ASSESSMENT OF MATHEMATICAL OR CLERICAL ERRORS.—

(A) REQUEST FOR ABATEMENT.—Notwithstanding section 6404(b), a taxpayer may file with the Secretary within 60 days after notice is sent under paragraph (1) a request for an abatement of any assessment specified in such notice, and upon receipt of such request, the Secretary shall abate the assessment. Any reassessment of the tax with respect to which an abatement is made under this subparagraph shall be subject to the deficiency procedures prescribed by this subchapter.

(B) STAY OF COLLECTION.—In the case of any assessment referred to in paragraph (1), notwithstanding paragraph (1), no levy or proceeding in court for the collection of such assessment shall be made, begun, or prosecuted during the period in which such assessment may be abated under this paragraph.

(C) NOTICE.—Upon determination of an abatement pursuant to subparagraph (A), the Secretary shall send notice to the taxpayer of such abatement which—

(i) is sent to the taxpayer's last known address,

(ii) describes the abatement in comprehensive, plain language, and

(iii) provides an itemized computation of any adjustments to be made to the items described in the notice of mathematical or clerical error, including any changes to any item described in paragraph (1)(B)(i)(III).

(3) ASSESSMENTS ARISING OUT OF TENTATIVE CARRYBACK OR REFUND ADJUSTMENTS.—If the Secretary determines that the amount applied, credited, or refunded under section 6411 is in excess of the overassessment attributable to the carryback or the amount described in section 1341(b)(1) with respect to which such amount was applied, credited, or refunded, he may assess without regard to the provisions of paragraph (2) the amount of the excess as a deficiency as if it were due to a mathematical or clerical error appearing on the return.

(4) ASSESSMENT OF AMOUNT PAID.—Any amount paid as a tax or in respect of a tax may be assessed upon the receipt of such payment notwithstanding the provisions of subsection (a). In any case where such amount is paid after the mailing of a notice of deficiency under section 6212, such payment shall not deprive the Tax Court of jurisdiction over such deficiency determined under section 6211 without regard to such assessment.

(5) CERTAIN ORDERS OF CRIMINAL RESTITUTION.—If the taxpayer is notified that an assessment has been or will be made pursuant to section 6201(a)(4)—

(A) such notice shall not be considered as a notice of deficiency for the purposes of subsection (a) (prohibiting assessment and collection until notice of the deficiency has been mailed), section 6212(c)(1) (restricting further deficiency letters), or section 6512(a) (prohibiting credits or refunds after petition to the Tax Court), and

(B) subsection (a) shall not apply with respect to the amount of such assessment.

(c) FAILURE TO FILE PETITION.—If the taxpayer does not file a petition with the Tax Court within the time prescribed in subsection (a), the deficiency, notice of which has been mailed to the taxpayer, shall be assessed, and shall be paid upon notice and demand from the Secretary.

(d) WAIVER OF RESTRICTIONS.—The taxpayer shall at any time (whether or not a notice of deficiency has been issued) have the right, by a signed notice in writing filed with the Secretary, to waive the restrictions provided in subsection (a) on the assessment and collection of the whole or any part of the deficiency.

(e) SUSPENSION OF FILING PERIOD FOR CERTAIN EXCISE TAXES.—The running of the time prescribed by subsection (a) for filing a petition in the Tax Court with respect to the taxes imposed by section 4941 (relating to taxes on self-dealing), 4942 (relating to taxes on failure to distribute income), 4943 (relating to taxes on excess business holdings), 4944 (relating to investments which jeopardize charitable purpose), 4945 (relating to taxes on taxable expenditures), 4951 (relating to taxes on self-dealing), or 4952 (relating to taxes on taxable expenditures), 4955 (relating to taxes on political expenditures), 4958 (relating to private excess benefit), 4971 (relating to excise taxes on failure to meet minimum funding standard), 4975 (relating to excise taxes on prohibited transactions) shall be suspended for any period during which the Secretary has extended the time allowed for making correction under section 4963(e).

(f) COORDINATION WITH TITLE 11.—

(1) SUSPENSION OF RUNNING OF PERIOD FOR FILING PETITION IN TITLE 11 CASES.—In any case under title 11 of the United States Code, the running of the time prescribed by subsection (a) for filing a petition in the Tax Court with respect to any deficiency shall be suspended for the period during which the debtor is prohibited by reason of such case from filing a petition in the Tax Court with respect to such deficiency, and for 60 days thereafter.

(2) CERTAIN ACTION NOT TAKEN INTO ACCOUNT.—For purposes of the second and third sentences of subsection (a), the filing of a proof of claim or request for payment (or the taking of any other action) in a case under title 11 of the United States Code shall not be treated as action prohibited by such second sentence.

(g) DEFINITIONS.—For purposes of this section—

(1) RETURN.—The term "return" includes any return, statement, schedule, or list, and any amendment or supplement thereto, filed with respect to any tax imposed by subtitle A or B, or chapter 41, 42, 43, or 44.

(2) MATHEMATICAL OR CLERICAL ERROR.—The term "mathematical or clerical error" means—

(A) an error in addition, subtraction, multiplication, or division shown on any return,

(B) an incorrect use of any table provided by the Internal Revenue Service with respect to any return if such incorrect use is apparent from the existence of other information on the return,

(C) an entry on a return of an item which is inconsistent with another entry of the same or another item on such return,

(D) an omission of information which is required to be supplied on the return to substantiate an entry on the return,

(E) an entry on a return of a deduction or credit in an amount which exceeds a statutory limit imposed by subtitle A or B, or chapter 41, 42, 43, or 44, if such limit is expressed—

(i) as a specified monetary amount, or

(ii) as a percentage, ratio, or fraction,

and if the items entering into the application of such limit appear on such return,

(F) an omission of a correct taxpayer identification number required under section 32 (relating to the earned income credit) to be included on a return,

(G) an entry on a return claiming the credit under section 32 with respect to net earnings from self-employment described in section 32(c)(2)(A) to the extent the tax imposed by section 1401 (relating to self-employment tax) on such net earnings has not been paid,

(H) an omission of a correct TIN required under section 21 (relating to expenses for household and dependent care services necessary for gainful employment) or section 151 (relating to allowance of deductions for personal exemptions),

(I) an omission of a correct TIN required under section 24(e) (relating to child tax credit) to be included on a return,

(J) an omission of a correct TIN required under section 25A(g)(1) (relating to higher education tuition and related expenses) to be included on a return,

(K) an omission of information required by section 32(k)(2) (relating to taxpayers making improper prior claims of earned income credit) or an entry on the return claiming the credit under section 32 for a taxable year for which the credit is disallowed under subsection (k)(1) thereof,

(L) the inclusion on a return of a TIN required to be included on the return under section 21, 24, 32, 6428, or 6428A if—

(i) such TIN is of an individual whose age affects the amount of the credit under such section, and

(ii) the computation of the credit on the return reflects the treatment of such individual as being of an age different from the individual's age based on such TIN,

(M) the entry on the return claiming the credit under section 32 with respect to a child if, according to the Federal Case Registry of Child Support Orders established under section 453(h) of the Social Security Act, the taxpayer is a noncustodial parent of such child,

(N) an omission of any increase required under section 36(f) with respect to the recapture of a credit allowed under section 36,

(O) the inclusion on a return of an individual taxpayer identification number issued under section 6109(i) which has expired, been revoked by the Secretary, or is otherwise invalid,

(P) an omission of information required by section 24(g)(2) or an entry on the return claiming the credit under section 24 for a taxable year for which the credit is disallowed under subsection (g)(1) thereof,

(Q) an omission of information required by section 25A(b)(4)(B) or an entry on the return claiming the American Opportunity Tax Credit for a taxable year for which such credit is disallowed under section 25A(b)(4)(A),

(R) an omission of information or documentation required under section 25C(b)(6)(B) (relating to home energy audits) to be included on a return,

(S) an omission of a correct product identification number required under section 25C(h) (relating to credit for nonbusiness energy property) to be included on a return,

(T) an omission of a correct vehicle identification number required under section 30D(f)(9) (relating to credit for new clean vehicles) to be included on a return,

(U) an omission of a correct vehicle identification number required under section 25E(d) (relating to credit for previously-owned clean vehicles) to be included on a return, and

(V) an omission of a correct vehicle identification number required under section 45W(e) (relating to commercial clean vehicle credit) to be included on a return.

A taxpayer shall be treated as having omitted a correct TIN for purposes of the preceding sentence if information provided by the taxpayer on the return with respect to the individual whose TIN was provided differs from the information the Secretary obtains from the person issuing the TIN.

(h) CROSS REFERENCES.—

(1) For assessment as if a mathematical error on the return, in the case of erroneous claims for income tax prepayment credits, see section 6201(a)(3).

(2) For assessments without regard to restrictions imposed by this section in the case of—

(A) Recovery of foreign income taxes, see section 905(c).

(B) Recovery of foreign estate tax, see section 2016.

(3) For provisions relating to application of this subchapter in the case of certain partnership items, etc., see section 6230(a).

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