

Form 3449 can also be used to refer the following types of cases to Examination Division:

RECOMMENDATION OF CIVIL PENALTIES

1. Recommendation of Civil Fraud Penalty

This can be used in cases where CID has withdrawn from a case.

Review IRM 5172.34.

2. Referrals Concerning Underreported Tax

If there appears to be a material difference between the tax listed on the return and the correct liability, and there are no indications of fraud, use Form 3449.

See IRM 52(10)2.3.

Remember: Refusal to file cases involving Forms 940, 941, 942, 943, 720, 1065, 2290, or CT-1 will not be referred to Exam. These returns should be prepared under authority of IRC Section 6020(b).

SUMMARY

If after all administrative measures, including consideration of a summons, have been taken, and the taxpayer fails to file, a referral to the Examination Division is appropriate. The referral is submitted to your group manager on Form 3449, Referral Report.

OBJECTIVES

You should now be able to:

- 25-1. Select those cases which should be referred to Examination Division.
 - 25-2. Prepare Form 3449, Referral Report.
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