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## **Internal Revenue Manual Section 20.1.1.3.6 (10-19-2020)**

### **Reasonable Cause Assistant (RCA)**

1. The Reasonable Cause Assistant (RCA) will be used where available 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) (Form 1040-series returns processed on MFT 30 or 31), and

B. BMF-failure to deposit (FTD) (currently limited to MFTs 01 (Form 941), 10 (Form 940), 11 (Form 943), 14 (Form 944), and 16 (Form 945).

2. RCA is a decision support interactive software program developed to assist the user in reaching a reasonable cause determination. RCA is accessed through the Account Management Services (AMS) *Tools* menu.

#### **Note:**

Users must be familiar with penalty relief guidelines and are responsible for making final approval concerning the RCA penalty relief determination and to verify all reasons given by the taxpayer are addressed. Users are also responsible for reviewing and making any necessary edits before transmitting the RCA letter information in IDRS to ensure the letter reflects a thorough response to all reasons given by the taxpayer.

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, Evaluating Penalty Relief Requests*, to determine if penalty relief can be considered, or if penalty relief can only be considered by another function.

5. No tool or application other than the RCA application accessed from the AMS desktop application has been authorized for use by the Office of Servicewide Penalties (OSP) to assist in determining if reasonable cause or FTA criteria have been met.