



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D C. 20224

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MEMORANDUM FOR ALL EO EXAMINATIONS MANAGERS AND  
ALL EO EXAMINATIONS REVENUE AGENTS

FROM: Barbara L. Harris /s/ *Barbara L. Harris*  
Acting Director, EO Examinations

SUBJECT: New Timeframes for Cases Subject to Appeals

The purpose of this memorandum is to provide new timeframes for closing examination cases to Mandatory Review or Special Review ("review functions") where the taxpayer has submitted a protest to Appeals.

**Background**

Section 12.02 of Rev. Proc. 2014-9 (updated annually) provides that appeal and conference rights are not applicable to matters where delay would be prejudicial to the interests of the Service, such as in cases involving among other things the imminence of the expiration of the statute of limitations.

Appeals has recently issued to its employees a series of interim guidance memoranda including [AP-08-0713-03](#), dated July 18, 2013; [AP-08-0614-0003](#), dated June 16, 2014; and, [AP-08-0714-0004](#) dated July 2, 2014, over the implementation of the Appeals Judicial Approach and Culture (AJAC) Project.

The AJAC Project reinforces Appeals' quasi-judicial approach to the way it handles cases, with the goal of enhancing internal and external customer perceptions of a fair, impartial and independent Office of Appeals.

The AJAC Project will affect EO Examinations in the following manner effective September 2, 2014:

- Appeals will not accept protested cases if less than 365 days remain until the expiration of the statute of limitations for assessment.
- For cases being returned to Appeals after consideration of a new issue or new information, Appeals will not accept cases if less than 180 days remain until the expiration of the statute of limitations for assessment.
- If Appeals returns a case to EO Examinations, there must be at least 210 days remaining on the statute of limitations when the case is received by a compliance function (such as EO Examinations).

### **Procedural Change**

Because of the above-mentioned changes by Appeals, effective Monday, August 11, 2014, EO Examinations review functions will not accept protested cases subject to Appeals if there are less than 455 days (15 months) remaining on the statute of limitations for assessment.

For cases being returned to Appeals after consideration of a new issue or new information, review functions will not accept a protested case if there are less than 270 days (9 months) remaining on the statute of limitations for assessment.

This procedural change does not affect timeframes for closing all other cases to review functions and to Examination Support Section (ESS).

### **Cases Currently in Review Function**

If a protested case cannot close to Appeals in time to meet their 365-day timeframe, the review function will return the case to the examination group to solicit a statute extension.

### **Effect on Other Documents**

The contents of this memorandum will be incorporated in the Internal Revenue Manuals (IRMs) identified at the top of this memorandum within two years.

### **Effective Date**

This guidance is in effect for all protested cases received in a review function on or after August 11, 2014.

Please submit your questions to Mandatory Review via [\\*TEGE EO Review Staff](#).

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