

IRS**News Release****Media Relations Office****Washington, D.C.****Tel. 202.622.4000****For Release: 4/04/03****Release No: IR-2003-44****IRS IMPLEMENTS FAST TRACK TO SETTLE TAX DISPUTES**

WASHINGTON – Today the Internal Revenue Service made permanent “Fast Track Settlement” (FTS), a process for large corporations to settle tax disputes before the audit on their return is complete. The IRS Large and Mid-Size Business Division and the Office of Appeals offer a joint process that uses Appeals personnel as mediators in LMSB cases. Based on the Appeals officer’s analysis of the issues, Appeals may also recommend a settlement. Under certain circumstances, other IRS divisions and taxpayers may also participate in the FTS program.

“This effort is part of our strategy to resolve taxpayer disputes sooner,” said Larry Langdon, Commissioner, Large and Mid-Size Business Division. “Bringing in Appeals to mediate these disputes allows taxpayers the opportunity to expedite resolution of disputed issues during the audit, rather than months or even years later.”

Full implementation of the program follows a successful pilot, during which the taxpayer and the IRS reached agreement on 91 percent of the issues. The average time to resolve a dispute was about one-tenth the usual time for a settlement.

“Fast Track Settlement is another example of bringing Appeals’ expertise to bear earlier in the tax administration process,” said David B. Robison, Chief, Appeals. “The program has the potential to settle disputes much sooner, and yet does not compromise the taxpayer’s right to a traditional appeal.”

Fast Track Settlement is optional for the taxpayer. FTS does not eliminate or replace existing dispute resolution options, including the taxpayer’s opportunity to request a conference with a manager or a hearing before Appeals. In the FTS process, Appeals’ role is to provide a neutral party, someone who will help the taxpayer and LMSB understand the nature of the dispute and reach a mutually satisfactory resolution. The Appeals officer may also recommend a settlement.

The taxpayer may withdraw from the FTS process at any time. The LMSB team manager or the Appeals officer may stop the Fast Track process as well, if either determines that they are not progressing toward resolution of the issues. If there are any issues at the end of the FTS process, the taxpayer retains all applicable appeal rights.

Official guidance for enrolling in FTS will be available in a forthcoming revenue procedure. Until then, for further information, taxpayers may contact FTS program managers J.W. Wyatt at (314) 612-4639 (not a toll-free number) or by email at j.w.wyatt@irs.gov or James Fike at (202) 283-8353 (not a toll-free number) or by email at james.o.fike@irs.gov.

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