

**IRS****News Release****Media Relations Office****Washington, D.C.****Tel. 202.622.4000****For Release: 11/14/01****Release No: IR-2001-109****IRS LAUNCHES FAST TRACK DISPUTE RESOLUTION PILOT**

WASHINGTON – The Internal Revenue Service today launched a pilot program aimed at cutting the time it takes to resolve disputes between the tax agency and corporate taxpayers.

The Large and Mid-Size Business Division Fast Track Dispute Resolution Pilot Program creates a new opportunity for corporate taxpayers to resolve outstanding issues early in the course of disagreements during the examination process. The pilot is a joint effort between the Large and Mid-Size Business Division (LMSB) and the Office of Appeals.

“This effort is part of our strategy to resolve taxpayer disputes,” said Larry Langdon, Commissioner, Large and Mid-Size Business Division. “By using Appeals personnel as mediators in the fast track process, corporate taxpayers have more opportunities to speed up the resolution of disputes that arise during audits.”

“We’re excited because by getting an Appeals officer involved in disputes early, fast track holds great promise to save time,” said Daniel L. Black, National Chief of Appeals. “At the same time, under the pilot, taxpayers should also be reassured that their willingness to try to resolve such disputes will not come at the expense of their existing appeal rights. This should be a positive process for all parties.”

Under fast track, the taxpayer and LMSB officials will have the option to choose between two alternatives. The parties can decide that the particular dispute should be resolved through mediation, where an appeals official will seek to facilitate communication and resolve factual issues. Alternatively, the taxpayer and LMSB officials can opt for dispute resolution that involves the appeals official rendering a settlement recommendation.

If the parties decide to use either fast track option, any proposed resolution must be mutually agreed upon by both the taxpayer and the LMSB team manager. In addition, the corporate taxpayer does not give up any of their appeal or legal rights by participating in the program.

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The one-year initiative is intended to test and measure whether an expedited process, which seeks to resolve such disagreements within 120 days, reduces cost and time to the government and taxpayers. Under the existing procedure, where a taxpayer's examination and appeal occur sequentially, it is not uncommon for such disputes to take two years or more to resolve.

In the pilot phase, the program is available to large and mid-sized businesses that currently have at least one open year under examination and at least one disputed issue. Cases will be selected from those where the taxpayer, Appeals, and the LMSB examination team manager agree that the program might be beneficial. In addition, the pilot will require that the cases be drawn from among each of the five industry groups in LMSB. This will enable IRS officials to better ascertain the pilot's long-term potential.

Full details of the fast track initiative, contained in Notice 2001-67, will be available on the IRS web site at [www.irs.gov](http://www.irs.gov).

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