



COMMISSIONER
LARGE BUSINESS AND
INTERNATIONAL DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

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Affected IRM: 4.46.3; 4.46.4

MEMORANDUM FOR ALL LB&I EMPLOYEES

FROM: Douglas W. O'Donnell /s/ *Douglas W. O'Donnell*
Commissioner, Large Business and International Division

SUBJECT: Extended Approval for Deviation from IDR Process and
Enforcement and Continuation of Examination Activities
During the COVID-19 Pandemic

This memorandum supersedes Interim Guidance memo "Revised LB&I Compliance Priorities During the COVID-19 Pandemic and Approval for Deviation from IDR Process and Enforcement" (No. LB&I-04-0620-0011). It extends the approval period to deviate from IDR enforcement procedures through June 30, 2021 and provides guidance regarding LB&I continuation of examination activities through June 30, 2021 and thereafter.

I. Deviation from IDR Enforcement Procedures through June 30, 2021

This memo extends the approval period to deviate from IDR enforcement procedures and applies to the IDR enforcement process for taxpayers who are unable, due to the COVID-19 pandemic, to respond timely to an IDR. Notwithstanding this deviation, managers retain the discretion to continue with the IDR enforcement process when in their judgment the interests of tax administration warrant, for example cases with short statutes or fraud development.

For listed transactions, please continue to follow the Interim Guidance memo on "Exceptions to IRM 4.46.4 Regarding Examinations of Listed Transactions and Transactions of Interest" (No. LB&I-04-0220-0004) where the mandatory LB&I IDR Enforcement procedure in IRM 4.46.4.6.3 is not required. Instead examiners should follow the Servicewide summons procedures detailed in IRM 25.5.

II. Continuation of Exam Activities through June 30, 2021 and Thereafter

All operations will continue under normal procedures except as detailed below.

- Appointments (whether in person or virtual) can be scheduled depending upon the facts and circumstances of the taxpayer. While in-person contact is allowed, we will continue to support performing our work virtually to accommodate our employees or taxpayers who may have concerns with in-person contact, which may require the need for statute extensions. Virtual appointments should continue to be conducted by WebEx or teleconference.
- The hold on new Discriminate Analysis Score (DAS) cases will continue. Therefore, no time should be charged to *new* DAS cases without Senior Director approval except as detailed below.
 - Managers have discretion in approving prior, subsequent, and related returns associated with an existing DAS examination.
 - Cases with a Project Code 0548 or a Tracking Code 0132 are not considered DAS cases.

Examiners and managers should consider all factors including the status of the taxpayer's business operations, the geographic location of its employees involved in the audit, and any other circumstances brought to light by the taxpayer or employee when scheduling appointments and response dates and in deciding whether to deviate from the IDR Enforcement Process as outlined in IRM Exhibit 4.46.4-2. Examiners and specialists with IDRs issued and outstanding during this time frame, should note the temporary suspension of the IDR Enforcement Process in their activity record, Form 9984.

While we cannot anticipate and provide guidelines for every possible situation, it remains vitally important for all LB&I employees to be sensitive to the individual circumstances of taxpayers and provide them with the appropriate tax administrative actions commensurate with the taxpayer's situation. We will continue to monitor this situation and may provide additional guidance as new developments occur.

I sincerely appreciate your continued efforts and dedication to assist as the nation works through the COVID-19 pandemic.

Contact: Employees should contact their manager for guidance on issues not specifically addressed in this memo. FAQs will be updated on the LB&I Policy website as warranted. Questions can be elevated to [*LB&I Policy Office Ask An Expert](#).

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