



Small Business/Self-Employed Division

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

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MEMORANDUM FOR DIRECTORS, COLLECTION AREA OPERATIONS

FROM: Nikki C. Johnson      Nikki C. Johnson  
Director, Collection Policy

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Nikki C. Johnson  
Date: 2020.01.03  
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SUBJECT: Reissuance of Interim Guidance Memorandum– Guidance for Withdrawing an Outbound Mutual Collection Assistance Request (MCAR) Case Referral

This memorandum reissues SBSE -05-0318-0009, Guidance for Withdrawing an Outbound Mutual Collection Assistance Request (MCAR) Case Referral. The purpose of this memorandum is to provide guidance to revenue officers regarding when to withdraw an outbound MCAR case referral.

If the requirements of [IRM 5.21.7.4.7](#), *Outbound Mutual Collection Assistance Request* are met, revenue officers can request an outbound MCAR case referral from our treaty partners to collect U.S. taxes owed by individuals residing in a MCAR treaty country and/or assets located in the treaty country. Currently, there are five countries that have income tax treaties with the United States providing for mutual collection assistance;

- Canada
- Denmark
- France
- The Netherlands
- Sweden

If the taxpayer resides or has income and/or assets in an MCAR treaty country, the revenue officer may request an outbound MCAR case referral. The revenue officer completes [Form 14424](#), *Mutual Collection Assistance Request (MCAR) Treaty Referral*, secures the necessary case approval and sends it via email to the [MCAR coordinator](#). The MCAR coordinator reviews the request and, if accepted, forwards it to the LB&I Exchange of Information Program Office. The MCAR coordinator will open a Compliance Initiative Program (CIP) case and document the ICS history.

There will be situations in which the referring revenue officer, or the MCAR coordinator, may initiate withdrawal of the outbound MCAR referral. For example, after contact by the treaty partner, the taxpayer may choose to resolve their liability with the IRS. If the taxpayer resolves their case, the outbound MCAR referral can be withdrawn by either the revenue officer or the MCAR coordinator. The following case closures meet the requirements to withdraw the outbound MCAR referral:

- Taxpayer has full paid the total liability
- Taxpayer has entered into an approved installment agreement
- Taxpayer has an accepted offer in compromise
- Taxpayer is currently not collectible due to a hardship
- The Collection Statute Expiration Date (CSED) has expired
- An adjustment is pending or has posted that will result in a zero-balance

Once the taxpayer meets the criteria, the revenue officer will notify the MCAR coordinator in an encrypted email with the subject heading "Withdrawal" and indicate in the body of the email the following: name of taxpayer, Taxpayer Identification Number (TIN), and type of case closure. The MCAR coordinator will also inform via email the LB&I Exchange of Information analyst assigned to the respective MCAR treaty country that the outbound MCAR Collection referral has been withdrawn. The MCAR coordinator will close the CIP and notate in the ICS case history that the outbound MCAR Collection referral has been withdrawn.

You may direct any questions regarding these procedures to Jana McDaniel, Global Strategic Compliance (GSC) Program Manager or a member of your staff may contact GSC Program Analyst, Shannon Hennessey or Senior GSC Program Analyst, Gary Vinluan.

cc: Director, Field Collection  
[www.irs.gov](http://www.irs.gov)