



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

SMALL BUSINESS/SELF-EMPLOYED DIVISION

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MEMORANDUM FOR SB/SE DIRECTOR, SPECIALTY EXAMINATION;
EMPLOYMENT TAX CHIEF; TERRITORY AND GROUP
MANAGERS; AND ALL EMPLOYMENT TAX
SPECIALISTS

FROM: Alfredo Valdespino /s/ *Alfredo Valdespino*
Director, SB/SE Specialty Examination Policy

SUBJECT: Use of Publication 5146, *Employment Tax Returns:
Examinations and Appeal Rights*

The purpose of this interim guidance memorandum (IGM) is to introduce Publication 5146, *Employment Tax Returns: Examinations and Appeal Rights* (Pub 5146), to all examiners conducting employment tax examinations.

Background

Pub 5146 was developed to replace Publication 3498, *The Examination Process* (Pub 3498) for all employment tax examinations. Pub 5146 provides employers with information on how the IRS selects employment tax returns for examination, what happens during an examination and the options (including appeals) available to an employer. In addition, Pub 5146 includes information on worker classification issues, tip examinations, employment tax relief under section 530 of the Revenue Act of 1978, and reduced employment tax rates under Internal Revenue Code section 3509.

Procedural Change

All examiners conducting an employment tax examination must provide Pub 5146 to the taxpayer, either as an enclosure with their initial appointment letter or at the initial meeting. Providing this publication does not change the requirement to issue Pub 1, *Your Rights as a Taxpayer*, and Notice 609, *Privacy Act Notice*. Examiners are no longer required to provide Pub 3498 during employment tax examinations. All letters

and IRM sections noted above will be updated to replace references to Pub 3498 with Pub 5146, or to provide instruction on the issuance of Pub 5146.

If you have any questions concerning the guidance in this IGM, please contact Lynne McCoy, Senior Policy Analyst, SB/SE Employment Tax Policy.

Effect on Other Documents

The guidance provided above will be incorporated into IRM 4.23 sections noted above by April 18, 2017.

Effective Date:

This interim guidance is effective upon issuance.

Distribution:

[IRS.gov \(http://www.irs.gov\)](http://www.irs.gov)