



COMMISSIONER
LARGE BUSINESS AND
INTERNATIONAL DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

July 15, 2019

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Affected IRM: 4.46.5

MEMORANDUM FOR ALL LARGE BUSINESS AND INTERNATIONAL DIVISION
EMPLOYEES

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

SUBJECT: Interim Guidance on Timeframes for Cases Sent to Appeals

This memorandum issues guidance on establishing and documenting timeframes for the transfer of cases to Appeals until a revision to IRM 4.46.5 is published.

Purpose: The purpose of this memorandum is to set guidelines regarding timeframes for the transfer of cases to Appeals, as well as develop a monitoring process to track adherence to the timeframes. Timeframes will be set based on the examination workstream and will account for circumstances where a longer timeframe is appropriate (for example, in large cases where the taxpayer submits a protest that requires a rebuttal).

Background/Source(s) of Authority: Government Accountability Office (GAO) report GAO-18-659, Published: September 21, 2018, on Opportunities Exist to Improve Monitoring and Transparency of Appeal Resolution Timeliness.

Taxpayers have the right to appeal a decision of the IRS in an independent forum. GAO was asked to review this administrative appeal process within IRS. GAO made seven recommendations to help enhance controls over and transparency of the IRS appeals process. GAO recommends, among other things, that the Commissioner of Internal Revenue:

- Establish timeframes and monitoring procedures for timely transfer of taxpayer appeals requests by examination compliance units to the Office of Appeals.

- Direct the Office of Appeals to regularly report and share with each compliance unit the data on the time elapsed between when a taxpayer requests an appeal to when it is received in the Office of Appeals.
- Provide more transparency to taxpayers on historical average total appeal resolution times.

Treasury and IRS agreed with GAO's recommendations, and IRS said it will provide detailed corrective action plans. The following procedural changes relate to the portion of the report that deals specifically with LB&I taxpayers. LB&I will establish a policy of how long it should take when a case is closed to Appeals from the 30-day letter date.

Procedural Change: The following policies and guidelines should be adhered to when processing LB&I tax returns under IRM 4.46.5:

LB&I will work with the field to ensure we have controls in place to receive timely updates from Appeals. A change request will be made in the IMS Case Management System to issue reminders and monitor progress as well as establish and document timeframes for the transfer of cases to Appeals and tracking adherence to these timeframes.

IRM 4.46.5.7.2 requires cases to be put in status 13 upon issuance of a 30-day letter. LB&I will continue to use key statistical reports to monitor the aging of cases in various statuses. This data will be used to monitor the timely closure of cases to Appeals. Examinations under the large case program whether Coordinated Industry Case (CIC) or Large Corporate Compliance (LCC) cases often have complex issues with lengthy protest that must be fully addressed. These cases should close to Appeals within 240 days of the issuance of the 30-day letter. For all other workstreams, the standard will be 120 days from the issuance of the 30-day letter. Proposed corrective action date is July 15, 2019, but changes to IMS system and IRM will be done by August 15, 2021.

Employees can provide feedback to continually improve this process via the Getting It Right Together (GIRT) and/or LB&I Employee Feedback Portal homepages on the LB&I SharePoint site.

Effect on Other Documents: This guidance will be incorporated into IRM 4.46.5 and changes made to the IMS system by August 15, 2021.

Effective Date: August 15, 2019

Contact: For further information regarding this guidance, please contact Kathy Kruchten.

cc: www.irs.gov
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