



COMMISSIONER
LARGE BUSINESS AND
INTERNATIONAL DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

May 21, 2019

Control Number: LB&I-04-0419-004
Effective Date: May 21, 2019
Expiration Date: May 20, 2021
Affected IRM: New IRM 4.50.3

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 Implementation of the Large
Corporate Compliance (LCC) Program

Purpose: This memorandum is being issued to communicate to Large Business and International (LB&I) employees changes to the administrative process for the selection and delivery of large corporate tax returns.

Background: The IRS historically worked large corporate examinations through the Coordinated Examination Program (CEP), which subsequently became the Coordinated Industry Case (CIC) program. The CIC program has been a key component of the annual compliance plan in LB&I. IRM 4.46.2, LB&I Guide for Quality Examinations, Administrative Matters and Annual Compliance Plan, details the workings of the current CIC program. Numerous other IRM provisions address planning, development, staffing, and other aspects of the CIC program and the treatment of CIC cases in Appeals. To improve case selection through the use of automation and advanced data analytics, LB&I is replacing the CIC program with a successor program, the LCC program.

Procedural Change: Effective with the issuance of this memorandum, the LCC program will supersede the CIC program within LB&I for the selection of large corporate cases. Beginning with the 2017 tax year, returns that meet the LCC criteria will be included in the LCC audit selection process. Based on automated pointing criteria, LB&I tax returns will be classified as LCC work. LCC returns will be classified into categories of risk based on data analytics. LB&I will determine compliance treatment streams to be applied to LCC

returns based upon the return's overall category of risk and available resources. Project Code 0548 has been assigned to the LCC Program. Taxpayers that participate in the Compliance Assurance Process (CAP) are not included in the LCC program.

Once an LCC return is determined to present a degree of risk that warrants examination, the LB&I case manager and relevant personnel will use the LB&I examination process to conduct a risk analysis to determine what issues exist on referred returns and whether and how to approach any LCC audit. The tax years to be included in a particular cycle started under the LCC program will be determined by the LB&I case manager and relevant personnel.

Prior CIC cases will be completed and closed as CIC cases. Over time, all IRM provisions currently addressing procedures for CIC cases will be updated. Until such updates occur, LB&I employees are instructed to treat all IRM references to the CIC program to also refer to the LCC program.

Revenue Procedure 94-69 will continue to apply to any taxpayer currently in the CIC and the new LCC program. This revenue procedure is currently under review.

Employees and managers should submit any questions about the LCC program by email to [*LB&I LCC Program](#).

Effect on Other Documents: This guidance will be incorporated into a new LCC IRM 4.50.3 by a date not to exceed two years from the date of this memo. IRM 4.46.2 will be made obsolete. CIC terminology will be replaced by LCC terminology in the various affected IRM sections as they are updated. A list of affected IRM sections is attached.

Effective Date: May 21, 2019

Attachment

cc: www.irs.gov

List of IRM Sections Affected by the Implementation of the LCC Program
 (List may not be all-inclusive)

IRM Cite	Chapter Title	Section Title
1.1.7	Organization and Staffing	Appeals
1.4.28	Resource Guide for Managers	Appeals Managers' Procedures
2.3.32	IDRS Terminal Responses	Command Code MFTRA
2.4.9	IDRS Terminal Input	Command Codes ENREQ, INCHG, IRCHG, BNCHG and BRCHG
2.8.2	Audit Information Management System (AIMS)	AIMS Command Code AM424
2.8.3	Audit Information Management System (AIMS)	AIMS Command Code AMDIS
2.8.4	Audit Information Management System (AIMS)	AIMS Command Code AMSTU
2.8.6	Audit Information Management System (AIMS)	AIMS Command Code AMAXU
2.8.7	Audit Information Management System (AIMS)	AIMS Command Code AMCLS
2.8.8	Audit Information Management System (AIMS)	AIMS Command Codes AMNON, AMTIN, AMBLK, AMFRZ, AMREQ and AMLAB
3.12.38	Error Resolution	BMF General Instructions
3.14.2	Notice Review	Business Master File (BMF) Notice Review
3.17.79	Accounting and Data Control	Accounting Refund Transactions
4.1.1	Planning and Special Programs	Planning, Monitoring and Coordination
4.1.20	Planning and Special Programs	HQ and Industry Offices Responsible for LMSB PSP
4.1.21	Planning and Special Programs	LMSB Planning and Monitoring
4.1.22	Planning and Special Programs	LMSB Workload Study
4.1.23	Planning and Special Programs	Determining Return Needs for LMSB
4.1.24	Planning and Special Programs	LMSB Sources of Returns, Ordering and Classification
4.1.25	Planning and Special Programs	LMSB Inventory Ordering and Return Delivery Systems
4.4.1	AIMS Procedures and Processing Instructions	Introduction
4.4.12	AIMS Procedures and Processing Instructions	Examined Closings, Surveyed Claims, and Partial Assessments
4.4.16	AIMS Procedures and Processing Instructions	Inventory Control
4.4.23	AIMS Procedures and Processing Instructions	Openings
4.4.27	AIMS Procedures and Processing Instructions	Reports
4.4.34	AIMS Procedures and Processing Instructions	Updating/Correcting AIMS Data Base
4.5.1	TE/GE AIMS Manual	TE/GE AIMS Processing

IRM Cite	Chapter Title	Section Title
4.5.2	TE/GE AIMS Manual	TE/GE Examined and Non-Examined Closures
4.5.5	TE/GE AIMS Manual	TE/GE Reports
4.7.6	Examination Returns Control System (ERC)	Reports
4.8.1	Technical Services	Organization and Responsibilities
4.8.6	Technical Services	Criminal Restitution and Restitution-Based Assessments
4.8.11	Technical Services	Fraud Program Responsibilities
4.9.1	Examination Technical Time Reporting System	Outline of System
4.10.20	Examination of Returns	Requesting Audit, Tax Accrual, or Tax Reconciliation Workpapers
4.11.6	Examining Officers Guide (EOG)	Changes in Accounting Methods
4.19.20	Liability Determination	Automated Correspondence Exam (ACE) Processing Overview
4.23.3	Employment Tax	Employment Tax Examination Programs and Procedures
4.23.10	Employment Tax	Report Writing Guide for Employment Tax Examinations
4.24.2	Excise Tax	Form 637 Excise Tax Registrations
4.24.4	Excise Tax	Excise Fuel Taxes Workload, Policies and Procedures
4.24.5	Excise Tax	Large Business and International (LB&I) Examination Program Procedures for Excise Employees
4.24.6	Excise Tax	Technical Guidance and Information Processing for Excise Tax Examination Issues
4.24.18	Excise Tax	Excise Case Selection
4.27.1	Bankruptcy	Bankruptcy Petitions
4.29.3	Partnership Control System (PCS)	PCS Database Elements
4.31.2	Pass-Through Entity Handbook	TEFRA Examinations - Field Office Procedures
4.31.3	Pass-Through Entity Handbook	TEFRA Examinations - CTF Procedures
4.31.5	Pass-Through Entity Handbook	NonTEFRA Examinations - Field Office Procedures
4.31.6	Pass-Through Entity Handbook	NonTEFRA Examinations - CTF Procedures
4.32.3	Abusive Transactions	Coordination and Roles of Cross-Functional Units
4.36.1	Joint Committee Procedures	Joint Committee Process Overview
4.36.3	Joint Committee Procedures	Examination Team Responsibilities
4.36.5	Joint Committee Procedures	Reports
4.37.1	Financial Products and Transactions	Financial Products Specialty
4.41.1	Oil and Gas Industry	Oil and Gas Handbook
4.42.1	Insurance Industry	Introduction
4.46.1	LB&I Examination Process	General Information and Definitions

IRM Cite	Chapter Title	Section Title
4.46.2	LB&I Examination Process	Administrative Matters and Annual Compliance Plan
4.46.3	LB&I Examination Process	Planning the Examination
4.46.4	LB&I Examination Process	Executing the Examination
4.46.5	LB&I Examination Process	Resolving the Examination
4.47.1	Computer Audit Specialist	Computer Audit Specialist Program (CAS)
4.47.2	Computer Audit Specialist	CAS Technical and Procedural Information
4.48.1	Engineering Program	Overview of Engineering Program
4.60.2	International Procedures	Mutual Agreement Procedures and Report Guidelines
4.60.6	International Procedures	International Referral Criteria and Procedures
4.60.8	International Procedures	International Examination and Processing Procedures
4.60.9	International Procedures	International Examiner's Report
4.61.3	International Program Audit Guidelines	Development of IRC 482 Cases
4.61.13	International Program Audit Guidelines	Dual Consolidated Losses
4.63.3	Withholding and International Individual Compliance	Offshore Voluntary Disclosure Program
4.71.1	Employee Plans Examination of Returns	Overview of Form 5500 Examination Procedures
4.71.4	Employee Plans Examination of Returns	Discrepancy Adjustments
4.71.20	Employee Plans Examination of Returns	Employee Plans Large Case Support Examination Procedures
4.75.16	Exempt Organizations Examination Procedures	Case Closing Procedures
4.86.1	Indian Tribal Governments (ITG) Procedures	Indian Tribal Governments Administration and Policy
4.88.1	Indian Tribal Governments Examination Issues and Procedures	Examination Issues Pertaining to ITG Cases
4.90.12	Federal State and Local Governments (FSLG)	Case Closing Procedures
4.90.13	Federal State and Local Governments (FSLG)	Large Case Examination Program
5.1.1	Field Collecting Procedures	Miscellaneous Collection Procedures
5.9.4	Bankruptcy and Other Insolvencies	Common Bankruptcy Issues
6.335.1	Promotion and Internal Placement	IRS Merit Promotion Plan and Internal Placement
8.2.3	Pre 90-Day and 90-Day Cases	Related, Whipsaw and Inactive Cases
8.4.1	Appeals Docketed Cases	Procedures for Processing and Settling Docketed Cases
8.6.1	Conference and Settlement Practices	Conference and Issue Resolution
8.10.1	Appeals Reports and Projects	Internal Reports
8.13.1	Closing Agreements	Processing Closing Agreements in Appeals
8.17.2	Settlement Computations and Statutory Notices of Deficiency	General Settlement and Rule 155 Computations

IRM Cite	Chapter Title	Section Title
8.19.1	Appeals Pass-Through Entity Handbook	Procedures and Authorities
8.19.2	Appeals Pass-Through Entity Handbook	Managers/TEFRA Resources
8.19.6	Appeals Pass-Through Entity Handbook	Partner Cases
8.19.9	Appeals Pass-Through Entity Handbook	Non-TEFRA Procedures
8.19.10	Appeals Pass-Through Entity Handbook	Receipt, Assignment, and Consideration of TEFRA Partnership Cases
8.20.3	Account and Processing Support (APS)	Appeals Centralized Database System (ACDS)
8.20.5	Account and Processing Support (APS)	Carding New Receipts
8.20.6	Account and Processing Support (APS)	Interim Actions
8.20.7	Account and Processing Support (APS)	Closing Procedures
8.20.10	Account and Processing Support (APS)	Appeals Processing Employee Automated System (PEAS)
8.21.6	Appeals Statute Responsibility	Statute Information on TEFRA Cases
20.1.4	Penalty Handbook	Failure to Deposit Penalty
20.1.5	Penalty Handbook	Return Related Penalties
21.7.1	Business Tax Returns and Non-Master File Accounts	BMF/NMF Miscellaneous Information
21.8.2	International	BMF International Adjustments
25.5.3	Summons	Procedures
25.6.1	Statute of Limitations	Statute of Limitations Processes and Procedures
25.6.22	Statute of Limitations	Extension of Assessment Statute of Limitations By Consent