



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

April 11, 2024

Control Number: SBSE-04-0424-0011
Expiration Date: 04-11-2026
Affected IRM(s): 4.10.11

MEMORANDUM FOR: DIRECTOR, FIELD EXAMINATION,
DEPUTY COMMISSIONER, LARGE BUSINESS AND
INTERNATIONAL,
DIRECTOR, EXEMPT ORGANIZATIONS AND GOVERNMENT
ENTITIES,
DIRECTOR, EMPLOYEE PLANS

FROM: Heather J. Yocum /s/ *Heather J. Yocum*
Director, Examination Field and Campus Policy

SUBJECT: Initial Contact Letter for Audit Reconsideration Cases

Purpose: This memorandum provides updated initial contact procedures for audit reconsideration cases until IRM 4.10.11, *Claims for Refund, Requests for Abatement, and Audit Reconsiderations*, is published. Please ensure this information is distributed to all affected employees within your organization.

Background: Letter 3400, *Audit Reconsideration – Acknowledgement and Call-Back Appointment*, has been revised to be used as the initial contact letter for audit reconsideration cases.

Procedural Change: See Attachment - Interim Guidance: SBSE-04-0424-0011 for procedural changes.

Effective Date and Effect on Other Documents: This guidance is effective immediately and will be incorporated into IRM 4.10.11 within two years from the date of this memorandum.

Contact: Cathy Demetra, Program Manager, Examination Field and Campus Policy, Field Examination General Processes.

Distribution: IRS.gov (<https://www.irs.gov>)

Attachment: Interim Guidance: SBSE-04-0424-0011

Attachment - Interim Guidance: SBSE-04-0424-0011

The following changes are hereby effective April 11, 2024 for IRM 4.10.11.

IRM 4.10.11.4.5

Audit Reconsiderations – Initial Contact and No Response Procedures

- (1) When a decision is made to examine the audit reconsideration request, the examiner must mail initial contact letter, Letter 3400, *Audit Reconsideration – Acknowledgement and Call-Back Appointment*, to inform the taxpayer their case was received in Examination, and request they call to discuss the disputed issues and information provided. For audit reconsiderations involving a joint tax return, Letter 3400 must be sent separately to both parties at the appropriate address. See IRM 4.10.1.2.2.1, *Separate Notice Requirements*, for additional information. Allow the taxpayer(s) 14 calendar days to respond (includes time for mailing).
- (2) Deleted
- (3) No Changes
- (4) If, after speaking to the taxpayer or representative, the examiner:
 - a. Determines an appointment is needed, they should schedule the appointment and send a regular appointment confirmation letter to confirm the appointment. See IRM 4.10.2.8.1.1(4), *Office Examination Initial Contact*, and IRM 4.10.2.8.1.2(4), *Field Examination Initial Contact*.
 - b. Determines additional information is needed, but no appointment is required, Letter 3399(DO), *Audit Reconsideration - Request for Further Documentation*, can be used to request the additional information.

Note: The TIN is not required on Letter 3399(DO); therefore leave the Taxpayer Identification Number field blank.

Reminder: If required filing checks, minimum income probes, and other required case activities were performed during the original audit, it is not necessary to request information to repeat those audit steps (unless new information indicates additional examination is warranted).
- (5) No Changes
- (6) No Changes
- (7) **No Response:** If the taxpayer has a **deliverable** address and fails to respond to the initial contact letter within 14 calendar days (or if the taxpayer has a POA on file, and neither the taxpayer nor POA respond to the initial contact letter within 14 calendar days):
 - Attempt to contact the taxpayer by telephone if the taxpayer provided a number in their reconsideration request.

Caution: If there is a POA on file for the tax year(s) being reconsidered, the examiner must attempt to contact the POA by telephone instead of calling the taxpayer.

- If follow-up attempts to contact the taxpayer or POA by telephone are unsuccessful, allow an additional 10 calendar days for the taxpayer and/or POA to make contact.
- If the taxpayer or POA still don't respond, the examiner must make a determination of the correct tax liability based on the information provided in the reconsideration request. Prepare and issue a report and follow the applicable instructions in this section for requests allowed in full, disallowed in part, or disallowed in full.