



Small Business/Self-Employed Division

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
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MEMORANDUM FOR DIRECTORS, COLLECTION AREA OPERATIONS

FROM: Kristen Bailey
Director, Collection Policy

Kristen E. Bailey

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Date: 2018.03.28 08:22:31 -0400

SUBJECT: Interim Guidance Memorandum – 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 Data Sheet*, 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 If the taxpayer resolves their case, the outbound MCAR referral can be withdrawn by either the revenue officer or the [MCAR coordinator](#).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, SSN or 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 Senior GSC Program Analyst, Gary Vinluan.

cc: Director, Field Collection
www.irs.gov