



COMMISSIONER  
TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

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

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Affected IRM: 4.71.1.7.2, 4.71.1.7.3,  
4.75.10.7.3, 4.75.10.7.4,  
4.81.5.11.2(3),  
4.81.5.11.2(4),  
4.86.5.10.1.1,  
4.86.5.10.1.2,  
4.86.5.10.1.3

MEMORANDUM FOR TAX EXEMPT AND GOVERNMENT ENTITIES  
EXAMINATION EMPLOYEES

FROM: Edward T. Killen */s/ Edward T. Killen*  
Acting Commissioner, Tax Exempt/Government Entities

SUBJECT: Further Extended Modification of Follow-up IDR and IDR  
Enforcement Timelines due to COVID-19 Considerations and  
Modified Exam Activity

This memorandum supersedes the previous memorandum issued on July 7, 2020, entitled, "Extended Modification of IDR Enforcement Timelines due to COVID-19 Considerations and Resumption of Exam Activity Post July 15, 2020". It extends the approval period to deviate from standard follow-up IDR and IDR Enforcement timelines until June 30, 2021. It also provides guidance regarding resumption of TE/GE exam activities post July 15, 2020 which will also be effective until June 30, 2021.

As background, on March 13, 2020, the President declared a national state of emergency due to the COVID-19 pandemic. On March 25, 2020, the IRS issued [News Release IR-2020-59](#), to unveil the new IRS People First Initiative and announced a series of steps to assist taxpayers. The initiative provided relief on a variety of issues, including the suspension of all in-person contacts and some compliance actions through July 15, 2020. Specifically, the People First Initiative provided:

During this period, the IRS will generally not start new field, office and correspondence examinations. We will continue to work refund claims where possible, without in-person contact. However, the IRS may start new examinations where deemed necessary to protect the government's interest in preserving the applicable statute of limitations.

As People First Initiative has sunset, I want to provide clarity on the approach to take within TE/GE with respect to our activities.

#### I. Follow-up IDR and IDR Enforcement Timelines

We are extending a temporary modification of existing follow-up IDR and IDR Enforcement follow-up procedures as outlined within the following TEGE functional IRMs: EO/FSL- 4.75.10.7.3, 4.75.10.7.4, ITG- 4.86.5.10.1.1, 4.86.5.10.1.2, 4.86.5.10.1.3, TEB- 4.81.5.11.2(3), 4.81.5.11.2(4), and EP- 4.71.1.7.2, 4.71.1.7.3.

This modification temporarily relaxes the more rigid timelines detailed within the above IRM sections that would otherwise result in enforcement actions due to untimely or incomplete IDR responses. We are issuing this modification to strict adherence of the timelines present within our IRMs in recognition of the difficulty taxpayers may face at this time due to the various challenges associated with COVID-19. The intent of this modification is to allow an increased reasonable application of business judgement by examiners and managers in the exercise of duties related to IDR requests and follow-ups. These modified IDR procedures will be effective until further notice.

Exam personnel with IDRs issued and outstanding during this time should note the temporary modification of the follow-up IDR and IDR Enforcement process within the Case Chronology Record (CCR). Please note, exam personnel can and should as appropriate continue issuing and receiving IDRs. This memorandum only applies to the follow-up IDR and IDR Enforcement process for taxpayers who are unable, due to the COVID-19 pandemic, to respond timely or completely to an IDR. Notwithstanding this modification memorandum, managers retain the discretion to continue with the follow-up IDR and IDR Enforcement procedures when in their judgement the interests of tax administration warrant. Examples here could include cases with short statutes, listed and other abusive transactions, promoter investigations and client examinations, fraud development, or other situations as necessary including a subjectively reasonable passage of time factoring in unique taxpayer circumstances. Please note that this deviation should not impede progress when it related to those matters.

#### II. Modified Exam Activity

All operations will continue under normal procedures except as detailed below.

- While in-person contact will be allowed when necessary, where possible, we should default to correspondence and/or virtual interactions out of respect and sensitivity to our employees and taxpayers who may have concerns with in-person contact. In general, face-to-face taxpayer interaction should be limited to only those instances where such interactions are needed, and front-line managers have been engaged.
- For field and office examinations where it is determined that in-person interaction with a taxpayer/representative is necessary only to exchange books and records, employees can consider conducting the meeting in a Taxpayer Assistance Center (TAC) that is equipped with plexiglass barriers, if possible. When in-person interaction is necessary, appropriate precautions should be taken such as reasonable social distancing and wearing face coverings.
- Virtual appointments can be conducted by teleconference. WebEx will also be an option following appropriate guidelines and subject to system availability.

While we cannot anticipate and provide guidelines for every possible situation, it remains vitally important for all TE/GE employees to exercise sound business judgement and be sensitive to the health, safety, and concerns of themselves and taxpayers. We will continue to monitor and will provide additional guidance as necessary.

The direction provided within this memorandum is effective until June 30, 2021.

If you have questions or concerns, please contact your manager.

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