



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

SMALL BUSINESS/SELF-EMPLOYED DIVISION

May 31, 2017

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Expires: May 30, 2018  
Impacted IRM: 4.23.3.3.6  
and 4.23.3.6.4.1(1)

MEMORANDUM FOR SB/SE DIRECTOR, SPECIALTY EXAMINATION; CHIEF,  
EMPLOYMENT TAX; TERRITORY AND GROUP  
MANAGERS; AND ALL EMPLOYMENT TAX SPECIALISTS

FROM: Alfredo Valdespino /s/ *Alfredo Valdespino*  
Director, Examination – Specialty Policy

SUBJECT: Updated Instructions for Routing of Referrals to Employment Tax  
Workload Selection and Delivery (WSD)

The purpose of this interim guidance memorandum (IGM) is to update instructions for Employment Tax Exam personnel regarding routing referrals to Employment Tax Workload Selection and Delivery (WSD). Examiners or managers may need to forward referrals when they:

- Receive information referrals from sources other than the Specialist Referral System (SRS) relating to potential non-compliance with tax laws (IRM 4.23.3.3.6); or
- Find potential non-compliance on related income tax returns during their employment tax examinations (4.23.3.6.4.1(1)).

IRM 4.23.3.3.6, *Employment Tax Leads*, addresses employment tax leads received from sources outside of SB/SE Employment Tax Exam, i.e., via the Specialist Referral System (SRS). Employment Tax WSD has the primary responsibility for reviewing all other leads received and making a determination on whether the case will be selected for examination or rejected for lack of potential. IRM 4.23.3.3.6 will be updated to provide instructions to managers and examiners on submitting referrals to WSD they receive from sources other than the SRS.

IRM 4.23.3.6.4.1, *Required Filing Checks*, requires examiners to ensure all other federal return reporting requirements have been met and to ensure all required returns, including non-employment tax and information returns, have been properly filed and do not contain Large, Unusual, and Questionable (LUQ) items needing to be addressed. When an income tax referral is required, the examiner must complete a Form 5346, *Exam Information Item*, and forward it to WSD. WSD will forward the referral to the appropriate location.

Effective immediately, all referrals must be submitted electronically to the following mailbox:

**\*SBSE ET WSD Referrals**

The referrals should be completed electronically or, if received in a paper format, must be scanned and forwarded to this mailbox for consideration. If supporting documentation is too voluminous to scan, the manager or examiner will coordinate with WSD to submit the documentation via mail to associate with the referral.

If you have any questions concerning this interim guidance, please contact Lynne McCoy, Policy Analyst, SB/SE Employment Tax, via e-mail.

**Effect on Other Documents**

This guidance will be incorporated into IRM 4.23.3 by May 14, 2018

**Effective Date:**

This interim guidance is effective upon issuance.

**Distribution:**

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