



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
Washington, DC 20224

SMALL BUSINESS / SELF-EMPLOYED DIVISION

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MEMORANDUM FOR DIRECTOR, SPECIALTY EXAMINATION; CHIEF, EXCISE TAX
EXAMINATION; TERRITORY/GROUP MANAGERS, EXCISE
TAX EXAMINERS

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

SUBJECT: Initial Taxpayer Contact in Excise Tax Examination Cases

The purpose of this memorandum is to issue interim guidance reflecting changes in the manner SB/SE Excise Tax Field Examination employees make initial contact with taxpayers. Effective immediately, ALL initial taxpayer contacts must be made by mail. Although we recognize making initial contact by telephone has been a long-standing policy, we are changing our practice in response to today's environment of phone scams, phishing, and identity theft. Please ensure this information is distributed to all affected employees within your organization.

Examiners will use an appropriate initial contact letter (Letter 2205-A, Initial Contact Letter), following the requirements in IRM 4.24.6, Technical Guidance and Procedures for Excise Issues, to notify the taxpayer that his or her return was selected for examination, and will not make initial contact by telephone. After mailing the contact letter and allowing sufficient time for the taxpayer to respond (14 calendar days from mailing the letter), employees can then initiate contact by telephone with the taxpayer as needed. When a valid Form 2848, Power of Attorney and Declaration of Representative, or Form 8821, Tax Information Authorization, is on file for the taxpayer, the appropriate initial contact letter will be mailed to the taxpayer and a copy of that letter will be mailed to the representative along with Letter 937, Transmittal Letter for Power of Attorney.

IRM subsections affected by these changes are listed in the Attachment, Initial Taxpayer Contact. This guidance is effective immediately and will be incorporated into IRM 4.24.6 within one year of issuance.

If you have questions, you may contact me or have a member of your staff contact Kellie McCann, Program Manager, Excise Tax Policy.

Distribution:

www.irs.gov

Attachment

4.24.6.5.13 (MM-DD-YYYY)

D400 - Initial Taxpayer Contact Check Sheet

(1) D400 - *Initial Taxpayer Contact Check Sheet*, (D400) contains action items to consider when making initial contact. It documents the excise employee:

- Discussed taxpayer rights.
- Discussed the audit process.
- Advised taxpayer that tax return has been selected for examination.
- Scheduled the initial appointment.
- Addressed any questions or concerns of the taxpayer.

(2) All initial taxpayer contacts must be made by mail. Examiners will not make initial contact by telephone. For this reason, the excise employee will issue [Letter 2205-A](#), *Initial Contact Letter*, with [Pub 1](#), and [Notice 609](#). After mailing the contact letter and allowing sufficient time for the taxpayer to respond (14 calendar days from mailing the letter), employees can then initiate contact by telephone with the taxpayer as needed. The initial [Form 4564](#), *Information Document Request*, (IDR), will not be issued with this initial contact letter. The IDR will be sent with the appointment confirmation letter after the taxpayer calls back and the appointment is scheduled. When a valid [Form 2848](#), *Power of Attorney and Declaration of Representative*, or [Form 8821](#), *Tax Information Authorization*, is on file for the taxpayer, the initial contact letter will be mailed to the taxpayer and a copy of that letter will be mailed to the representative with [Letter 937](#), *Transmittal Letter for Power of Attorney*.

Note: When the taxpayer responds to the initial confirmation letter, the excise employee will follow D400 and address all information that is required.

(3) During the confirmation contact from the taxpayer, the excise employee will discuss taxpayer rights outlined in Pub 1 with the taxpayer and answer any questions the taxpayer may have about his or her rights.

(4) The excise employee must explain to the taxpayer what records should be available for the examination. If the taxpayer volunteers information concerning examination issues, the excise employee should document that discussion.

- (5) When the initial appointment has been scheduled, a follow-up [Letter 3253](#), *Taxpayer Appointment Confirmation Letter*, and/or [Letter 3254](#), *Representative Appointment Confirmation Letter*, will be mailed to the taxpayer and/or the taxpayer's representative confirming the date/time/place of the examination and the records that are to be available. The items shown below must be enclosed with the letter:
- Pub 1
 - Notice 609
 - Form 4564
- (6) If the taxpayer fails to respond to Letter 2205-A, the excise employee must determine why the taxpayer is not responding and will re-issue the appointment letter as certified return receipt requested. For additional guidance, refer to IRM 4.10.2.8.4, *Undeliverable Initial Contact Letters*.