



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

SMALL BUSINESS / SELF-EMPLOYED DIVISION

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

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

SUBJECT: Guidance on Offer-in-Compromise, Doubt as to Liability Statute
Controls for Employment Tax Cases

The purpose of this interim guidance memorandum (IGM) is to issue updated guidance and information on statute controls for Officer-in Compromise, Doubt as to Liability (OIC-DATL) cases. This procedural change is expected to improve the process of monitoring statutes since the live Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA) statute date will now be reflected on AIMS and ERCS.

Background

On May 17, 2006, TIPRA was enacted creating IRC 7122(f) which applies to all OICs (both Doubt as to Liability and Doubt as to Collectability offers) received on or after July 16, 2006. Under this section, if IRS does not make a determination with regard to the OIC-DATL within 24 months of receipt, the OIC will be deemed accepted. The IRS received date is the earliest date stamped on the Form 656-L, *Offer in Compromise, Doubt as to Liability*, and is the date that starts the 24-month timeframe. If IRS does not make a timely determination, the offer is accepted in full and the statute is considered barred. The IRS must follow appropriate barred statute procedures in any situation where the 24-month TIPRA date lapses with no determination.

Procedural Change

The statute date for OIC-DATL cases has historically followed rules for claims by using the "AA" statute date on AIMS and ERCS. In order to protect taxpayer rights referenced in TBOR a new statute requirement is being implemented. Effective immediately, OIC-DATL cases should contain a statute date that is two years from the IRS offer received date (earliest date stamped on the Form 656-L). The statute date will reflect an "R" at the end to assist in identifying the TIPRA statute. For example, an offer received on 3/28/2016 will have a TIPRA statute for all tax periods involved with the offer of 3/28/2018R regardless of the "normal" statute date of 3 years from date filed. Groups should note that these cases will NEVER have the traditional three year statute date on them because the case will always reflect two years from the date the offer was received.

Any new OIC – DATL cases assigned to the group from ET-WSD will carry the new date. Group Managers will review any OIC-DATL cases (tracking code 6506) currently assigned to their groups and update appropriately. Complete these updates within 30 days after the issuance of this memo. Ensure all OIC-DATL cases reflect the following and update or correct if needed:

Tracking Code: 6506.

AIMS Freeze Code: 08 (this ensures the case is appropriately closed to Technical Services for the Offer resolution before sending to CCP for final exam closure).

Project Code: Use the appropriate project code to identify the key issue. If no project code is appropriate, use Project Code 0264.

Statute Date: Update to two years from the received date of the offer. Use the earliest date stamp on the Form 656-L to determine the appropriate statute. An “R” will always follow the date.

Effect on Other Documents

Guidance concerning TIPRA statute dates will be incorporated into IRM 4.23.14, *Employment Tax, Statute Control and Extension*, by August 26, 2017.

Effective Date:

This interim guidance is effective upon issuance.

Distribution:

[IRS.gov \(http://www.IRS.gov\)](http://www.IRS.gov)