



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

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

June 2, 2016

Control No: TEGE-07-0616-0012
Expiration Date: June 2, 2018
Affected IRM: [7.40.1](#)

MEMORANDUM FOR Assistant Deputy Commissioner,
Government Entities/Shared Services
Director, Employee Plans
Director, Exempt Organizations
Director, Federal, State and Local Governments
Director, Indian Tribal Governments
Director, Tax Exempt Bonds

FROM: Sunita B. Lough /s/ *Sunita B. Lough*
Commissioner, Tax-Exempt and Government Entities

SUBJECT: Industry Issue Resolution Program

[Revenue Procedure 2016-19](#) expanded the availability of the Industry Issue Resolution (IIR) Program to issues with respect to entities under the jurisdiction of the Tax-Exempt and Government Entities Operating Division (TE/GE). The objective of the IIR Program is to identify and resolve frequently disputed or burdensome tax issues that are common to a significant number of entities through pre-filing guidance rather than post-filing examination. The purpose of this memo is to provide procedures for the review and selection of IIR Program requests under the jurisdiction of TE/GE. The following procedures will be followed effective immediately.

- (1) The Special Assistant to the Senior Technical Advisor, TE/GE, will serve as the IIR Coordinator for TE/GE.
- (2) The IIR Coordinator will receive IIR Program requests via the Large Business & International Operating Division (LB&I) IIR Analyst from submissions made to the IIR mailbox. If you receive an IIR program request directly from a taxpayer or industry group please forward to IIR@IRS.gov.
- (3) The IIR Coordinator will review new IIR Program requests to determine eligibility

for inclusion in IIR program per [Rev. Proc. 2016-19](#). This will be completed within 5 business days.

- (4) If ineligible, the IIR Coordinator will notify the submitter via email.
- (5) If eligible, the IIR Coordinator will forward a copy of the IIR Program request to the Technical Advisor(s) for the TE/GE function with jurisdiction over the submitting industry group for the issue in the submission. The IIR Coordinator and the applicable Technical Advisor(s) will review and consider the submission and prepare a short cover memo summarizing the issue and the presence or absence of the factors in [Rev. Proc. 2016-19](#).
- (6) The IIR Coordinator will schedule a call for the Commissioner, TE/GE; the appropriate TE/GE Director; and TE/GE Division Counsel to determine if the IIR is ready for acceptance. The appropriate Technical Advisor(s) will also participate. Criteria for acceptance include:
- Is the issue frequently disputed and burdensome?
 - Is the issue common to a large number of taxpayers?
 - Does significant uncertainty result in frequent or repetitive audits?
 - Do the IRS and taxpayer expend significant audit resources on the issue?
 - Is the issue being represented by a group that is representative of industry taxpayers?
 - Does the issue require extensive factual development and an understanding of industry practices and views concerning the issue would assist the IRS in determining the proper tax treatment?

The IIR Coordinator will monitor the status of the IIRs under consideration.

- (7) If the submission is accepted:
- The IIR Coordinator will prepare a letter for the appropriate TE/GE Director to sign and send to the submitter notifying them that the IIR has been accepted.
 - The appropriate TE/GE Director will form an IIR team to work the issue.
- (8) If the submission is not accepted:
- The IIR Coordinator will prepare a letter for the appropriate TE/GE Director to sign and send to the submitter notifying them that the IIR has not been accepted.
- (9) A list of accepted IIRs will be posted to IRS.gov annually. A copy of all

submissions will be sent to the FOIA Reading Room. Any guidance issued will be posted to IRS.gov. The IIR Coordinator will coordinate to ensure IIR Program requests considered by TE/GE are processed appropriately through the LB&I IIR Analyst.

See [Rev. Proc. 2016-19](#) for more information regarding the IIR Program. Submit any other questions to Timothy F. Berger, Special Assistant to the Senior Technical Advisor, TE/GE.

We will incorporate these procedures into IRM 7.40.1, *IIR Program*, by June 2, 2018.

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