



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

4.36.1

NOVEMBER 3, 2023

EFFECTIVE DATE

(11-03-2023)

PURPOSE

- (1) This transmits revised IRM 4.36.1, Joint Committee Procedures, Joint Committee Review Program Overview.

MATERIAL CHANGES

- (1) Added “Review” to the section title to make it consistent with the rest of the IRM.
- (2) Changes were made to the following subsections:

IRM Subsection	Title	Description of Change
4.36.1	Program Scope and Objectives	Simplified language and added contact information.
4.36.1.1.1	Background	Rewritten to include general description of program.
4.36.1.1.2	Authority	Added description of the Joint Committee on Taxation and clarified legal reference.
4.36.1.1.3	Roles and Responsibilities	Moved description of Joint Committee on Taxation to Authority and simplified language.
4.36.1.1.4	Program Management and Review	Added
4.36.1.1.5	Program Controls	Added
4.36.1.1.6	Terms/Definitions/ Acronyms	Renumbered and added terms.
4.36.1.1.7	Related Resources	Renumbered and updated with current information.
4.36.1.2	Internal Revenue Manual (IRM) 4.36 Overview	Updated and simplified language.
Exhibit 4.36.1-1	Acronyms Used Throughout IRM 4.36	Removed obsolete acronyms and added new acronyms.

- (3) Various editorial changes have been made throughout this IRM.

EFFECT ON OTHER DOCUMENTS

This section supersedes IRM 4.36.1, Joint Committee Process Overview, dated June 18, 2021.

AUDIENCE

LB&I, SB/SE, TE/GE

Ronald H. Hodge II
Acting Assistant Deputy Commissioner Compliance Integration
Large Business and International Division

4.36.1

Joint Committee Review Program Overview

Table of Contents

4.36.1.1 Program Scope and Objectives

4.36.1.1.1 Background

4.36.1.1.2 Authority

4.36.1.1.3 Roles and Responsibilities

4.36.1.1.4 Program Management and Review

4.36.1.1.5 Program Controls

4.36.1.1.6 Terms/Definitions/Acronyms

4.36.1.1.7 Related Resources

4.36.1.2 Internal Revenue Manual (IRM) 4.36 Overview

Exhibits

4.36.1-1 Acronyms Used Throughout IRM 4.36

4.36.1.1
(11-03-2023)
Program Scope and Objectives

- (1) **Purpose:** This IRM section provides a general overview of the Joint Committee Review (JCR) program, the procedures for submitting cases to the JCR program for its review, and the procedures followed by the JCR program in preparing reports for cases reviewed by the Joint Committee on Taxation (JCT).
- (2) **Audience:** Examination teams in LB&I, SB/SE and TE/GE who work on cases that meet JCR program criteria.
- (3) **Policy Owner:** The LB&I Policy Office under the Strategy, Policy and Governance function in the office of the Assistant Deputy Commissioner Compliance Integration.
- (4) **Program Owner:** The LB&I Northeastern Compliance Practice Area (NECPA).
- (5) **Primary Stakeholders:** Examination teams, taxpayers and the JCT.
- (6) **Contact Information:** To recommend changes or to make any other suggestions related to this IRM section, see IRM 1.11.6.5, Providing Feedback About an IRM Section - Outside of Clearance. Questions about the IRM content may be emailed to the JCR program at **LB&I Joint Committee Assistance*.

4.36.1.1.1
(11-03-2023)
Background

- (1) The JCR program oversees the preparation of specific reports subject to review by the JCT (JC reports) for refunds or credits under IRC 6405. A JC report must be prepared in any case involving a refund or credit of income, estate and gift, and certain excise taxes in excess of the jurisdictional threshold of \$2 million (\$5 million for C corporations). Refunds or credits subject to JCR can arise from an examination, an unpaid claim, or a tentative allowance in excess of the jurisdictional threshold.
- (2) The fact that refunds or credits must be reported to the JCT does not alter the nature of the examination that may be conducted, nor does it limit the examination team's ability to survey a return after assignment.
- (3) The examination team is responsible for determining whether a case meets JCR criteria. The Joint Committee Specialist (JCS) reviews the case files prepared by the examination team for procedural, computational, and technical accuracy. The JCS then prepares the JC report and submits it to the JCT for its review. Once the JCT issues a release letter or closes an open Staff Review Memorandum (SRM), the case is processed for closure by the examination team.

4.36.1.1.2
(11-03-2023)
Authority

- (1) Concerns over the potential for corruption and favoritism prompted the enactment of IRC 6405. IRC 6405 requires a report to be submitted to the JCT for refunds of income, estate and gift, and certain excise taxes in excess of the jurisdictional threshold. The JCT is a nonpartisan committee of the United States Congress, established under the Internal Revenue Code of 1986 (originally established under the Revenue Act of 1926). The JCT formally consists of ten members of Congress: five from the Senate Committee on Finance; and five from the House Committee on Ways and Means.
- (2) The Tax Increase Prevention Act of 2014, Public Law No: 113-295, H.R.5771, 113th Congress (2013-2014) effective December 19, 2014, increased the juris-

dictional amount for C corporations to refunds in excess of \$5 million. The jurisdictional refund amount in excess of \$2 million for all other taxpayers remained the same.

4.36.1.1.3
(11-03-2023)

Roles and Responsibilities

- (1) **The JCR program is part of the IRS and not a part of the JCT.** The JCR program processes JC cases arising out of LB&I, SB/SE, and TE/GE. Any correspondence or contacts with the JCT must come from the JCR program. Examination teams should not contact the JCT.
- (2) The JCT staff attorneys (also known as Refund Counsel) will review the JC report and other documentation. JCS will answer questions the JCT staff attorneys may have about JC cases. In some cases, the JCT may issue an SRM. The JCS will coordinate any further fact gathering or analysis required to respond to the SRM. The JCR process concludes when the JCT completes their review and issues a release letter.

4.36.1.1.4
(11-03-2023)

Program Management and Review

- (1) Monthly reports are provided to the JCR program manager and shared with stakeholders.

4.36.1.1.5
(11-03-2023)

Program Controls

- (1) The JCR program maintains a SharePoint site for referrals, reports and formal correspondence from JCT.

4.36.1.1.6
(11-03-2023)

Terms/Definitions/ Acronyms

- (1) Jurisdictional Threshold - IRC 6405 refunds or credit of \$2 million (\$5 million for C corporations)
- (2) Jurisdictional Amount - Any IRC 6405 refunds or credits in excess of the jurisdictional threshold that has to be reported to the JCT.
- (3) Examination Team – For purposes of IRM 4.36, Joint Committee Procedures, the term “examination team” refers to examiners in LB&I, SB/SE and TE/GE, along with their managers and any specialists who work on the JC case.
- (4) See Exhibit 4.36.1-1 for a list of commonly used acronyms.

4.36.1.1.7
(11-03-2023)

Related Resources

- (1) JC topics may be found on the JC virtual library: <https://irs.gov/sharepoint.com/sites/ETD-KMT-KB051/SitePages/GeneralExamProcedures/JointCommitteeCases/JCCLandingPg.aspx>. This site contains items such as training materials, job aids, JC forms, electronic referral instructions, contact information and frequently asked questions.

4.36.1.2
(11-03-2023)

Internal Revenue Manual (IRM) 4.36 Overview

- (1) IRM 4.36 is organized to follow the processing of a JC case from the electronic referral submission through the closure of the JCR referral. IRM 4.36.1 provides an overview of the JCR program.
- (2) IRM 4.36.2 discusses determining if a case falls under JCT jurisdiction. It also outlines the procedures for determining whether a multiple year examination case with a deficiency in one or more years and an overassessment in another year(s) is reportable to the JCT.

- (3) IRM 4.36.3 describes the responsibilities of examiners who have JC cases, such as statute controls, documentation and issue support that must be provided to the JCS during the JCR process.
- (4) IRM 4.36.4 describes the responsibilities of the JCS and procedures regarding issue support.
- (5) IRM 4.36.5 describes the various JC reports that may be submitted to the JCT.

Exhibit 4.36.1-1 (11-03-2023)
Acronyms Used Throughout IRM 4.36

The table below lists the commonly used acronyms in Joint Committee cases.

Acronym	Definition
ACM	Appeals Case Memorandum
AIMS	Audit Information Management System
AMT	Alternative Minimum Tax
APA	Advance Pricing Agreement
ARC	Aging Reason Code
C.B.	Cumulative Bulletin
CAP	Compliance Assurance Process
CCP	Centralized Case Processing
DO	Delegation Order
DFO	Director of Field Operations
EIN	Employer Identification Number
ERCS	Examination Returns Control System
FSC	Foreign Sales Corporation
GBC	General Business Credit
GHW	Global High Wealth
HII	High Income Initiative
IDRS	Integrated Data Retrieval System
IIC	International Individual Compliance
IRC	Internal Revenue Code
IRM	Internal Revenue Manual
IRS	Internal Revenue Service
JC	Joint Committee
JCR	Joint Committee Review
JCS	Joint Committee Specialist
JCT	United States Congressional Joint Committee on Taxation
LB&I	Large Business and International Division
LCC	Large Corporate Compliance Program
LUQ	Large, Unusual or Questionable Items
NECPA	Northeastern Compliance Practice Area

Exhibit 4.36.1-1 (Cont. 1) (11-03-2023)
Acronyms Used Throughout IRM 4.36

Acronym	Definition
NOL	Net Operating Loss
NOLD	Net Operating Loss Deduction
NSR	Notice of Suspended Referral
PCS	Partnership Control System
POA	Power of Attorney
PC	Project Code
RAR	Revenue Agent Report
Rev. Rul.	Revenue Ruling
SAIN	Standard Audit Index Number
SB/SE	Small Business and Self-Employed Division
SRM	Staff Review Memorandum
SSN	Social Security Number
TAS	Taxpayer Advocate Service (independent organization within the IRS)
TCS	Tax Computation Specialist
TEFRA	Tax Equity and Fiscal Responsibility Act of 1982
TE/GE	Tax Exempt and Government Entities Division
TIN	Taxpayer Identification Number
TSC	Technical Service Code
USTC	United States Tax Court