



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

8.19.14

OCTOBER 19, 2021

EFFECTIVE DATE

(10-19-2021)

PURPOSE

- (1) This transmits new IRM 8.19.14, Bipartisan Budget Act of 2015 Procedures.

MATERIAL CHANGES

- (1) This is a new IRM section within the 8.19 Appeals Pass-Through Entity Handbook to implement Section 1101 of the Bipartisan Budget Act of 2015 (BBA).
- (2) This IRM contains internal control information per IRM 1.11.2.2.5, Address Management and Internal Controls.

EFFECT ON OTHER DOCUMENTS

This IRM incorporates Interim Guidance Memos AP-08-0319-0005, Bipartisan Budget Act of 2015, AP-08-1019-0013, Bipartisan Budget Act of 2015 Procedures, and AP-08-820-0017, Bipartisan Budget Act of 2015 – Docketed Cases.

AUDIENCE

Appeals employees

Jennifer Vozne, Director, Specialized Examination Programs
and Referrals

8.19.14

Bipartisan Budget Act of 2015 Procedures

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8.19.14.1
(10-19-2021)
Program Scope and Objectives

- (1) **Purpose:** This IRM section is to provide Appeals procedures, processes, and guidelines to Appeals employees who work partnership returns under the centralized partnership audit regime for the purpose of resolving issues under dispute.
- (2) **Audience:** All Appeals employees working with BBA partnership returns.
- (3) **Policy Owner:** Technical Guidance is under the Director, Specialized Examination Programs and Referrals.
- (4) **Program Owner:** Technical Guidance provides Appeals-wide support for BBA cases and is under the Director, Technical Guidance.
- (5) **Contact Information:** Appeals employees should follow established procedures on How to Contact a Technical Guidance Specialist. Other employees should contact the Product Content Owner shown on the Product Catalog Information page for this IRM.

8.19.14.1.1
(10-19-2021)
Background and Authority

- (1) Section 1101 of the Bipartisan Budget Act of 2015 (BBA) as amended by the Protecting Americans from Tax Hikes Act of 2015 (PATH Act) and sections 201 through 207 of the Tax Technical Corrections Act of 2018 (TTCA) repealed TEFRA partnership procedures and electing large partnership provisions and replaced them with an entirely new centralized partnership audit regime. Previously, tax, penalty, and interest adjustments were passed through to the partners. Now, the new partnership audit regime generally provides for determination of adjustments, assessment, and collection of tax attributable to such adjustments at the partnership level.

8.19.14.1.2
(10-19-2021)
Responsibilities

- (1) The Director, Specialized Examination Programs and Referrals, is the executive responsible for designing, developing, delivering, and monitoring short and long range administration policies, programs, strategies, and objectives for specialized examination programs.

8.19.14.1.3
(10-19-2021)
The Bipartisan Budget Act of 2015 (BBA)

- (1) TEFRA was passed in 1982 to allow examinations and statutes to be controlled at the partnership level. This eliminated the need to control each individual partner statute. It also unified the litigation process, whereby one court petition binds all partners rather than each individual partner filing a petition.
- (2) The Bipartisan Budget Act of 2015 (BBA) repealed the TEFRA and Electing Large Partnership provisions. The BBA centralized partnership audit regime generally provides for determination of adjustments, and assessment and collection of tax attributable to such adjustments, at the partnership level. The centralized partnership audit regime is effective for tax years beginning on or after January 1, 2018.
- (3) BBA further provides that partnerships may “early elect-in” to have the BBA centralized partnership audit regime apply to partnership returns filed for tax periods beginning after November 2, 2015 and before January 1, 2018. Generally, this election may only be made within 30 days of the date the Service first notifies a partnership in writing that its return has been selected for examination. A partnership can also elect-in by filing an Administrative Adjustment Request (AAR) on or after January 1, 2018.

8.19.14.1.4
(10-19-2021)
Terminology

(1) Special terms and acronyms for BBA cases.

Term	Description
Administrative Adjustment Request (AAR)	An Administrative Adjustment Request (AAR) is a request to correct errors on a partnership return for a prior year. Form 8082, Notice of Inconsistent Treatment or Administrative Adjustment Request, or Form 1065X, Amended Return or Administrative Adjustment Request, is used to file the AAR. Only the partnership representative may file a BBA AAR on behalf of the partnership.
Audit Control Number (ACN)	A unique 10-digit number assigned to a BBA partnership under examination. The Audit Control Number (ACN) consists of the year and month of the reviewed year return (YYMM), followed by a six-digit serial number. Only BBA partnerships will be assigned an ACN, and it will be a required entry on all forms filed by direct and indirect partners that include their share of partnership examination adjustments.
Adjustment Year	An Adjustment Year is the partnership taxable year in which a decision of a court becomes final (if a petition is filed under Section 6234), or, in any other case, when a Notice of Final Partnership Adjustment (FPA) is mailed (or if the partnership waives its right to an FPA, the year the waiver is executed by the Service).
Adjustment Year Partner	Adjustment Year Partner means any person who held an interest in a partnership at any time during the adjustment year.

Term	Description
Alternative Procedure	Alternative Procedure (Pull-In) is an alternative to filing amended returns in modification. The Secretary determines the partnership's imputed underpayment as reduced by the portion of the adjustments to partnership-related items that direct and indirect reviewed-year partners take into account and with respect to which those partners pay the tax due, but the partners are not required to file amended returns.
BBA Elect Out (BEO)	Partnership returns that elect out of BBA for partnership taxable years beginning on or after January 1, 2018.
Bipartisan Budget Act of 2015 (BBA)	The act that adopted the centralized partnership audit regime. This regime generally provides for determination of adjustments, assessment, and collection of tax attributable to such adjustments, at the partnership level. BBA replaced TEFRA and ELP rules for tax periods beginning January 1, 2018. All partnerships are subject to the BBA rules unless they elect out of BBA on their timely filed tax return.
Elect-In	A partnership may early elect-in to the BBA centralized partnership audit regime for partnership returns filed for tax periods beginning after November 2, 2015 and before January 1, 2018.
Elect-Out	In certain circumstances, a partnership may make an election out of the BBA centralized partnership audit regime on the partnership's timely filed return, including extensions, for the taxable year to which the election applies, and, once made cannot be revoked without the consent of the Service.

Term	Description
Imputed Underpayment (IU)	Imputed Underpayment (IU) is the computed amount of partnership-level tax assessed against and collected from the partnership. IU is computed by netting audit adjustments, applying the applicable rate, and then adjusting for any credits.
Inconsistent Treatment	All partners are required to report the treatment of a partnership-related item on their own return in a manner which is consistent with the treatment of such item on the partnership return unless the partner notifies the Secretary of the inconsistency. This notification is made by filing a Form 8082, Notice of Inconsistent Treatment, when the partner's return is filed.
Indirect Partner	An indirect partner is any person holding an interest in a partnership through one or more pass-through partners.
Key Case	The examined partnership tax return under the centralized partnership audit regime.
Mathematical or Clerical Error (Math Error)	Treatment as a Mathematical or Clerical Error (Math Error) is the method used to assess any tax attributable to an adjustment to the return of a partner or indirect partner that has inconsistently reported partnership-related items on the partner's return to make it consistent with the treatment of such item on the partnership return unless the partner provided notice, Form 8082, Notice of Inconsistent Treatment, on the tax return.

Term	Description
Modification	Modification refers to the process of the partnership requesting and obtaining revision to an imputed underpayment. Form 8980 is used by a partnership to request the modification of an imputed underpayment which is reported to a partnership in a Notice of Proposed Partnership Adjustment (NOPPA).
Notice of Administrative Proceeding (NAP)	Notice of Administrative Proceeding (NAP) is a letter to notify a partnership (Letter 5893) and its Partnership Representative (Letter 5893-A) when the Service initiates an administrative proceeding at the partnership level for the partnership tax year.
Notice of Final Partnership Adjustment (FPA)	A Notice of Final Partnership Adjustment (FPA) is the functional equivalent of a statutory notice of the results of a BBA proceeding. An FPA is subject to judicial review at the partnership level. A partnership has 90 days after the date the FPA was mailed to file a petition in Tax Court, a District Court, or Court of Federal Claims.
Notice of Proposed Partnership Adjustment (NOPPA)	A Notice of Proposed Partnership Adjustment (NOPPA) is required to be issued to a partnership (Letter 5892) and the Partnership Representative (Letter 5892-A) when the Service is proposing adjustments to a partnership tax year. Form 14792 and Form 886-A are included with Letters 5892 and 5892-A to explain the proposed adjustments. The NOPPA is issued after any Appeals consideration of the substantive adjustments. The NOPPA provides that the Partnership Representative may request modification of the computation of the imputed underpayment and starts the period to request modification.

Term	Description
Partner	A person who owns an interest in a partnership.
Partnership	A partnership includes any syndicate, group, pool, joint venture or other unincorporated organization through or by means of which any business, financial operation, or venture is carried on, and which is not a corporation, trust or estate, and subject to Form 1065 filing requirements.
Partnership Adjustment	A Partnership Adjustment is any adjustment to a partnership-related item and includes any portion of a partnership adjustment.
Partnership-Partner	A Partnership-Partner is a partnership that holds an interest in another partnership.
Pass-through Partner	A Pass-through Partner is a pass-through entity that holds an interest in the partnership. A pass-through entity is a partnership, an S corporation, a trust (other than a grantor trust), and a decedent's estate.
Partnership-related Item (PRI)	A Partnership-related Item (PRI) is defined as any item or amount with respect to the partnership that is relevant in determining the income tax liability of any person under Chapter 1, any partner's distributive share of such items, and the imputed underpayment. For further details, see Treas. Reg. § 301.6241-1(a)(6)(ii).
Partnership Representative (PR)	A Partnership Representative (PR) is designated by the partnership, has the sole authority to act on behalf of the partnership and can bind the partnership. The PR can be a partner or any other person, i.e. non-partner, that has a substantial presence in the United States.

Term	Description
Period of Adjustment	<p>A Period of Adjustment is the statute of limitation for making a partnership adjustment (not an assessment statute). For further details, see IRC 6235(a). The partnership adjustment must be made before the later of the date (1), (2) or (3) below:</p> <ol style="list-style-type: none"> 1. The last date to issue the NOPPA, which is three years after the latest of— <ol style="list-style-type: none"> a. the date the partnership return was filed; b. the return due date; or c. the date the partnership filed an AAR; 2. If modification is requested in response to the NOPPA, the last date to submit a modification request plus the evaluation period (at least 270 days), and any extension of time for submission of the modification request; or 3. If modification is not requested in response to the NOPPA, 330 days after issuance of the NOPPA (plus any extension of time for submission of the modification request). <p>Form 872-M is used to extend the time to make a partnership adjustment.</p>
Push-Out	<p>A Push-Out is an election where the BBA partnership can elect to have the reviewed-year partners report their share of the adjustment in lieu of the partnership paying the imputed underpayment. It effectively moves the payment of tax from the partnership (and indirectly from the adjustment-year partners) to the reviewed-year partners.</p>
Reporting Year	<p>A Reporting Year is the partnership taxable year in which an AAR is filed.</p>

Term	Description
Reviewed Year	A Reviewed Year means the partnership taxable year to which a partnership adjustment relates.
Reviewed Year Partner	A Reviewed Year Partner means any person who held an interest in a partnership at any time during the reviewed year.
Tax Attribute	A tax attribute is anything that can affect the amount or timing of a partnership-related item or that can affect the amount of tax due in any taxable year. Examples of tax attributes include, but are not limited to, basis and holding period, as well as the character of items of income, gain, loss, deduction, or credit and carryovers and carrybacks of such items.
Tier	A tier is a pass-through entity that is a partner, shareholder, or beneficiary of a pass-through entity. For example, a partnership that owns an interest in another partnership is a tier.

8.19.14.2
(10-19-2021)

**Receipt, Assignment,
and Consideration of
BBA Partnership Cases**

- (1) All references in this IRM to Appeals Technical Employee (ATE) refer to any Appeals employee who is assigned a case for settlement consideration. Actions required by Appeals Team Managers (ATMs) are performed by Appeals Team Case Leaders (ATCLs) as to their own cases.

8.19.14.2.1
(10-19-2021)

**Appeals TEFRA/BBA
Team (ATT)**

- (1) Appeals TEFRA/BBA Team (ATT) provides centralized technical services for current TEFRA key case inventory and new BBA inventory. ATT takes a proactive role in all BBA key cases in Appeals from receipt through closing.
- (2) Screening of BBA key case receipts by ATT is mandatory. All Appeals offices must ensure all BBA key cases were routed to and screened by ATT before assignment to an ATE. If an ATM, ATE, or APS receives a BBA key case that ATT has not screened, ship the case to the ATT ATM with a Form 3210 transmittal. The ATT ATM will assign a work request to an ATT Appeals Officer (ATT AO), who serves as a consultant on the BBA key case.
- (3) ATT services are mandatory for all BBA key cases, including the following types of work:
 - New receipt screening for all BBA cases, including modification dispute cases and docketed cases
 - Agreement package preparation, including modification package

- Notice of Proposed Partnership Adjustment (NOPPA) preparation
- Notice of Final Partnership Adjustment (FPA) preparation
- Tax computation of the Imputed Underpayment (IU)

(4) The ATE requesting ATT services will:

- Send an email to the **AP TEFRA* Team mailbox.
- Attach Form 3608-A to request ATT services, which is the same as requests for TEFRA services.
- Research ACDS to determine the ATT AO assigned to the work request by clicking the ATT button on the case summary screen of the key case.

8.19.14.2.2
(10-19-2021)

**Guidance for Account
and Processing Support
(APS)**

- (1) This subsection supplements the general information contained in IRM 8.20, Appeals Account and Processing Support, and contains information on BBA cases only.
- (2) ACDS Changes: ACDS has been enhanced with new feature codes and CARATS codes for BBA cases arriving in Appeals. ATE and APS will input, observe, and validate new feature codes and apply proper CARATS codes when working on BBA cases.
- (3) ACDS Feature Codes:
“BA” - BBA key cases,
“BI” - BBA investor cases, and
“NB” - BBA elect-out cases.
- (4) ACDS CARATS codes:
“IH” - initial hearing on substantive issues will allow users to describe 30-day BBA work performed,
“PA” - Notice of Proposed Partnership Adjustment,
“MD” - Modification hearing, and
“FP” - Notice of Final Partnership Adjustment.
- (5) Audit Control Number (ACN) - APS and ATE will input and validate ACN for BBA cases in ACDS.
- (6) Work Unit Number (WUNO) - Case will be carded in with a new WUNO each time it returns to Appeals. See IRM 8.19.14.2.4(5).

8.19.14.2.3
(10-19-2021)

**Receiving Case Files –
BBA 30-Day Cases**

- (1) The BBA case can be either non-docketed or docketed. BBA cases are docketed only after the FPA has been issued and the Partnership Representative (PR) files a petition in court.
- (2) All BBA cases should be transmitted to Appeals on Form 3210. APS will promptly sign and date stamp the Form 3210 and return a copy to the originator.
- (3) Each BBA case should be clearly marked as a BBA case by Compliance. The case file should be flagged with Form 3198, Special Handling Notice for Examination Case Processing. In the block titled “Forward to Technical Services”, the “Unagreed BBA P/S to Appeals” box should be checked.
- (4) All BBA cases will be centralized through ATT. BBA Administrative Adjustment Requests (AARs) and all other BBA cases will be handled under the same procedures.

- (5) Appeals hears disputes on three types of BBA cases:
 - BBA Case with Adjustments. A 30-day letter mailed out by the examiner and the BBA Partnership Representative (PR) disputed the audit issues;
 - BBA Modification Disputes; and
 - Docketed BBA Cases after the issuance of the FPA. See IRM 8.19.14.7, Docketed Case Procedures.
- (6) On unagreed cases, Examination function will issue the 30-day BBA letter (Letter 5891). The examiner will send the BBA case file to the Technical Services (TS) function for case review. When a formal protest is received, TS will ensure at least 365 days are remaining on the statute and will route the case to ATT through Fresno APS using the online Case Routing Tool. See IRM 8.20.5.34.1 for case carding guidance.
- (7) TS will update AIMS with Status Code 71.
- (8) In general, all non-docketed BBA cases received by Appeals must have at least 365 days remaining on the statute of limitations. The ATE and APS must ensure there are at least 365 days remaining before accepting the BBA case from Compliance. Form 872-M, Consent to Extend the Time to Make Partnership Adjustments, is the appropriate form to extend the BBA key case statute of limitations. The ATE assigned to any BBA case is responsible for statute control.

8.19.14.2.4 (10-19-2021)

Contents of BBA Case File

- (1) The BBA case administrative file should contain the following items:
 - Form 1065, U.S. Return for Partnership Income, for a BBA key case.
 - Consents (if any) extending the statute of limitations; Form 872-M, Consent to Extend the Time to Make Partnership Adjustments.
 - Letter 2205-D, Initial Contact to Schedule Appointment - Partnership Returns, used by Compliance to begin a partnership examination.
 - Letter 5893, Notice of Administrative Proceeding – Partnership, and Letter 5893-A, Notice of Administrative Proceeding - Partnership Representative.
 - Form 7036, Election under Section 1101(g)(4) of the Bipartisan Budget Act of 2015, used by partnership if early elected into BBA when notified of audit selection.
 - Examiner's BBA 30-Day Letter and Summary Report Package, including:
 - Letter 5895, BBA Summary Report Cover Letter
 - Form 14791, Preliminary Partnership Examination Changes, Imputed Underpayment Computation and Partnership Level Determinations as to Penalties, Additions to Tax and Additional Amounts
 - Form 886-A, Explanation of Items
 - Letter 5891, 30-Day Letter - Bipartisan Budget Act Partnership
 - The draft NOPPA package includes the following:
 - A. Form 14792, Partnership Examination Changes, Imputed Underpayment Computation and Partnership Level Determinations as to Penalties, Additions to Tax and Additional Amounts,
 - B. Letter 5892, Notice of Proposed Partnership Adjustments- Partnership,
 - C. Letter 5892-A, Notice of Partnership Adjustments- Partnership Representative, and

- D. Form 886-A, Explanation of Adjustments, for both substantive issues and imputed underpayment amount
- Protest based on the 30-Day Letter Package for the partnership including the Imputed Underpayment (IU) reported on Form 14791.
- Form 2848, Power of Attorney, if applicable.
- Form 8979, Partnership Representative Revocation/Resignation and Designation
- Compliance mandatory check sheets.

(2) If an AAR was timely filed, then the case must also contain:

- Form 8082, Notice of Inconsistent Treatment or Administrative Adjustment Request (revised 2018 or later), used for the partnership to file an electronic AAR with Form 1065, if an electronic AAR was filed.
- Form 1065X, Amended Return or Administrative Adjustment Request (revised 2018 or later), used for the partnership to file BBA requests, if a paper AAR was filed.

8.19.14.2.5
(10-19-2021)
**Guidance for Appeals
Technical Employees
(ATE)**

- (1) Appeals will have jurisdiction of the BBA case.
- (2) The ATE will hear a substantive issue dispute from a protested 30-day BBA letter.
- (3) An Appeals conference will generally be offered in the Appeals office servicing the area where the partnership has its principal place of business. The ATE considers the issues and discusses the facts, law, and arguments of the case with the Partnership Representative (PR).

Note: The PR is the representative for the partnership and has sole authority to bind the partnership. Partners are no longer considered parties under BBA. This is a departure from TEFRA where partners signed their own separate agreements. A new Form 2848 will need to be secured if the PR changes due to a Form 8979 or otherwise.

- (4) The ATE will attempt to enter into a settlement agreement on the treatment of partnership-related items with finality by securing a binding agreement with Form 14792-A, Settlement Agreement of Partnership Examination Changes and Partnership Level Determinations as to Penalties, Additions to Tax and Additional Amounts.

Note: An exception is a no-change case. See IRM 8.19.14.2.6.1, No-Change Cases.

- (5) The NOPPA will be issued by Appeals for all 30-day BBA letter cases in Appeals, whether or not a settlement is reached.
- (6) After settlement is reached, the ATE will prepare an Appeals Case Memorandum (ACM) reflecting the revised adjustments and settlement recommended. The ATE will follow current procedures in preparing the ACM.
- (7) The ATE will coordinate with both the ATT AO and BBA Technical Guidance Coordinator (TGC) at this stage.
- (8) TCS services will be required.
- (9) The ATE will prepare Form 5402, Appeals Transmittal and Case Memo.

- 8.19.14.2.5.1
(10-19-2021)
No-Change Cases
- (1) If the protest of a 30-day letter results in a no-change where all examined issues are accepted as filed, the ATE will discuss the examination results with the Partnership Representative (PR). If the PR does not agree with the no-change determination or there are affirmative issues (informal claims), the no-change letter will not apply. The ATE will notate the result in the case activity record.
- 8.19.14.2.5.2
(10-19-2021)
Partnership Representative (PR) Agrees with the No-Change
- (1) If the PR agrees with the no-change determination, there should be at least 365 days remaining on the IRC 6235(a)(1) statute date when the case is referred to the ATT. Otherwise, contact the ATT AO for imminent statute procedures.
- 8.19.14.2.5.3
(10-19-2021)
Appeals TEFRA/BBA Team (ATT) Assists with No-Change Package
- (1) The Appeals TEFRA/BBA Team (ATT) must assist the ATE with the issuance of the no-change package to the partnership and PR. The ATM must review and approve the BBA no-change package. This managerial review and approval should be documented in the case activity record.
- 8.19.14.2.5.4
(10-19-2021)
Statute Control
- (1) Under the centralized partnership audit regime, the statute is controlled exclusively at the partnership level. The ATE must ensure that the no-change letter is issued with at least 365 days remaining on the IRC 6235(a)(1) statute. Otherwise, the ATE must contact the ATT AO for imminent statute procedures. The ATE should transfer the case file to the Ogden BBA Unit within 30 days from the approval of the no-change determination. The file must include a Form 5402 completed by the ATE and signed by the ATM.
- 8.19.14.2.5.5
(10-19-2021)
Preparing the Letter 6099-B, Letter 6099-D and Closing Package
- (1) The ATE prepares the Letter 6099-B for the partnership at the key case address and the Letter 6099-D for the Partnership Representative (PR). If the address of the PR is different from the key case address, the ATE also prepares a Letter 6099-D for the PR at the PR's last known address. If applicable, the ATE also prepares a Letter 937 to the POA. The letters are signed by the ATM. A copy of the dated and signed letters must be uploaded on ACDS along with the Form 5402 and the ACM.
- 8.19.14.2.6
(10-19-2021)
Closure of Substantive Issue Cases
- (1) For all BBA 30-day letter cases, the Appeals process is limited to hearing the audit dispute for substantive issues. After the Appeals hearing, the case will go to the Ogden BBA Unit which will handle all future correspondence. If the PR requests modification and disputes the Service's determination, the PR may then request an Appeals hearing on the unagreed modification items only. Appeals will not reconsider a previous unagreed disputed tax issue if the case is later returned to Appeals for modification hearing. Appeals will hear the same issue only once for BBA cases regardless of substantive issues or modification issues.
- 8.19.14.3
(10-19-2021)
Administrative Adjustment Requests (AAR) for BBA Partnerships
- (1) A BBA partnership is permitted to change the reporting of items on its return by the PR filing an Administrative Adjustment Request (AAR).

8.19.14.3.1
(10-19-2021)
Overview

- (1) An AAR is filed using a Form 1065X, Amended Return or Administrative Adjustment Request, or, Form 8082 Notice of Inconsistent Treatment or Administrative Adjustment Request, in accordance with their respective instructions.
- (2) AAR procedures for BBA partnerships are different than TEFRA partnerships, which an AAR can be filed by partners of the TEFRA partnerships using the same Forms 1065X and 8082. See IRM 8.19.7.1, Administrative Adjustment Request.
- (3) A partnership with an eligible tax year, any tax period beginning after November 2, 2015, and before January 1, 2018, may elect to be a BBA partnership while changing return amounts on an AAR on or after January 1, 2018.
- (4) A BBA partnership with a tax period beginning after January 1, 2018 can change its filed return only by filing an AAR.
- (5) Form 8082 is used for AARs by both BBA and TEFRA Partnerships when Form 1065X is not used. Partners also use the form to notify the Service, for both BBA and TEFRA Partnerships, when they have taken a position on their return that is inconsistent with the reporting on the partnership tax return. IRM 8.19.1.6.2, Consistent Reporting on Partner Return, describes the consistent reporting requirements.
- (6) Forms 8082 or 1065X, showing an Imputed Underpayment filed by the Partnership Representative (PR) on behalf of the partnership, provides for payment of the tax by the partnership or push-out of the adjustments to the reviewed year partners. If push-out is elected, the Service can apply math error procedures and assess partners who do not file consistently with the push-out statement received unless the partner properly notifies the IRS of the inconsistent treatment.
- (7) If Forms 8082 or 1065X filed by the PR includes adjustments that do not result in an imputed underpayment amount, the adjustments are required to be pushed out and taken into account by the partners when they file their return for the reporting year, which is the taxable year the AAR is filed.

8.19.14.3.1.1
(10-19-2021)
Filing Limits

- (1) An AAR must be filed within three years after the later of the date that the partnership return was filed or the last day for filing the return (determined without regard for extensions).
- (2) An AAR cannot be filed after a Notice of Administrative Proceeding (NAP) has been mailed to the partnership and PR for the same tax year.

8.19.14.3.1.2
(10-19-2021)
AAR Statute of Limitations

- (1) If an AAR is filed, the statute of limitations to adjust partnership-related items of the partnership for the taxable year will not expire until three years after the AAR is filed.
- (2) An examination of a BBA partnership is for the taxable year, including the original return and any AAR.

8.19.14.3.2
(10-19-2021)
AAR Filed on Behalf of the Partnership

- (1) An AAR filed by the PR on behalf of the partnership is filed using Form 1065X or Form 8082. The instructions to these forms provide for which of these forms should be used.

- (2) All filed AARs must include revised schedules showing the effect on the distributive shares of the partners. Partnerships paying an Imputed Underpayment (IU) with an AAR may not be required to show effect on distributive shares.
- (3) When the AAR is filed, the PR must decide whether the BBA partnership wants the Service to assess the tax liability of the partnership or elect to push-out the adjustments to the partnership's partners. If the partnership does not request to push-out the adjustments, the partnership should pay any IU resulting from the adjustments at the time the AAR is filed.

8.19.14.3.2.1
(10-19-2021)
**Appeals Centralized
Database System
(ACDS) Processing**

- (1) An AAR filed by the PR on behalf of the partnership will only be received in Appeals as part of an examination of the taxable year in question. As such, it will be carded in as a BBA key case (Feature Code "BA").

8.19.14.3.2.2
(10-19-2021)
Substituted Return

- (1) All timely filed AARs provide a revised starting point for any examination report.

8.19.14.3.2.3
(10-19-2021)
Processing of AARs

- (1) Campus and Compliance procedures for processing AARs filed by the PR will be outlined in IRM 4.31. The Campus screens the AAR for timeliness, completeness, purpose, and, in some cases, materiality. Some AARs are selected for examination.
- (2) When the AAR is received in the Campus, Transaction Code 971 with Action Code 811, 813 or 815 should be posted to the key case Master File record. If the return is sent for selection for examination, the transcript should show a Transaction Code 420 posting when it is sent and a Transaction Code 421 posting when the case is returned to the Campus with no action taken.

8.19.14.3.2.4
(10-19-2021)
Judicial Review of AARs

- (1) An AAR filed by the PR on behalf of the partnership will only be received in Appeals as part of an examination of the taxable year in question. As such it is subject to the same judicial review as the examination of the original return of the BBA partnership.

8.19.14.3.2.5
(10-19-2021)
Allocation Issues

- (1) An AAR may change the allocation of income, loss, or credit among the partners. If the adjustments are pushed out to the reviewed year partners, the reallocation may result in a refund for at least one partner and a deficiency for another. If the taxable year is not examined, the reallocation reported on the AAR is accepted as filed.
- (2) Allocations disputed by Examination are treated the same as allocations disputed on the original return of the partnership.

8.19.14.3.2.6
(10-19-2021)
Partnership Proceeding

- (1) If, in response to an AAR, the Service begins a BBA partnership proceeding, the issues raised in the AAR will be considered along with any other issues raised during the proceeding.

8.19.14.3.2.7
(10-19-2021)
**Statutes – Period of
Limitations - AAR**

- (1) IRC 6235(a)(1) provides that the period to make adjustments is extended because an AAR is filed. The period, without extension by agreement, will not expire until three years after the latest of:
 - a. the date on which the partnership return was filed,
 - b. the return due date for the taxable year, or
 - c. the date on which the partnership filed an AAR under IRC 6227.
- (2) APS or ATE can verify the IRC 6235(a)(1) date on AMDISA BBA Screen.
- (3) If the statute on ACDS is incorrect, please contact the ATT AO who reviewed the case.

8.19.14.3.2.8
(10-19-2021)
**Case Conclusion and
Dispositions**

- (1) As with any examination of a BBA partnership, the ATE considers the issues and discusses the facts, law, and arguments of the case with the PR.
- (2) After a settlement is reached, the ATE will prepare an Appeals Case Memorandum (ACM) reflecting the revised adjustments and any settlement recommended. The ATE will follow the usual format in preparing the ACM.

8.19.14.3.2.8.1
(10-19-2021)
Docketed AARs

- (1) Appeals may receive a case after the PR petitions a Notice of Final Partnership Adjustment (FPA).
- (2) The procedures for closing a docketed case are the same as if there were no AAR. See IRM 8.19.14.7, Docketed Case Procedures.

8.19.14.3.2.8.2
(10-19-2021)
Non-docketed AARs

- (1) The procedures for closing a non-docketed case are the same as if there were no AAR.

8.19.14.3.2.8.3
(10-19-2021)
Reports

- (1) The report forms are the same as if there were no AAR.
- (2) The report starts with the AAR used as a substitute for the original return.

8.19.14.3.2.8.4
(10-19-2021)
Closing Package

- (1) The procedures for a closing package are the same as if there were no AAR.

8.19.14.3.2.8.5
(10-19-2021)
ACDS and AIMS Closing

- (1) The procedures for ACDS and AIMS closing are the same as if there were no AAR.
- Note:** APS will not process the final disposition on any BBA case. The Ogden BBA Unit will process all BBA final closures.

8.19.14.3.3
(10-19-2021)
**AAR Filed While Key
Case Under Appeals
Jurisdiction**

- (1) The PR may file an AAR for another taxable year while the key case return is in Appeals jurisdiction.
- (2) The PR may not file an AAR for the same taxable year while the key case return is in Appeals jurisdiction.

8.19.14.3.3.1
(10-19-2021)
AAR for Same Tax Year

- (1) An AAR cannot be filed after a Notice of Administrative Proceeding (NAP) has been mailed to the PR and the partnership for the same tax year.

- (2) If a PR raises a new issue after a case is received in Appeals, the procedures are the same regardless of how the issue is raised. See IRM 8.1.10.4.1.3, New Information Received or New Issues Raised.

8.19.14.3.3.2
(10-19-2021)
AAR Filed by a Partner

- (1) A partner may not file an AAR on behalf of the partnership.

8.19.14.3.3.3
(10-19-2021)
Partner Notification of Inconsistent Treatment

- (1) A partner may be permitted to request an adjustment to a partnership-related item on the partner's return so long as the partner properly notifies the Service of any inconsistency from the treatment on the partnership return in accordance with IRC 6222.

8.19.14.4
(10-19-2021)
Notice of Proposed Partnership Adjustment (NOPPA)

- (1) For both agreed and unagreed BBA partnership cases, the Service is required to issue the Notice of Proposed Partnership Adjustment (NOPPA) to the partnership and the Partnership Representative (PR) before the issuance of the Notice of Final Partnership Adjustment (FPA). The issuance of the NOPPA is critical to both the protection of the statute and adherence to the statutory framework of the BBA partnership tax system.

8.19.14.4.1
(10-19-2021)
Appeals TEFRA/BBA Team (ATT) Services

- (1) The ATE must request ATT assistance with BBA cases, which is mandatory for all NOPPA, FPA and modification closing packages. See IRM 8.19.14.2.1, Appeals TEFRA/BBA Team (ATT).
- (2) The ATE requesting ATT services will:
- Send an email to the **AP TEFRA Team* mailbox.
 - Attach Form 3608-A to request ATT services, which is the same as requests for TEFRA services.
 - Research ACDS to determine the ATT AO assigned to the work request by clicking the ATT button on the case summary screen of the key case.

8.19.14.4.2
(10-19-2021)
Partnership Tax Years Beginning On or After January 1, 2018

- (1) The BBA procedures are written for partnerships with a tax period beginning on or after January 1, 2018 which have not elected out of the BBA audit rules. The BBA procedures are also used for: (1) early elect-in BBA cases, and (2) AARs which early elected into the BBA audit regime. For Non-TEFRA and BBA Elect Out (BEO) cases, see IRM 8.19.9.

8.19.14.4.3
(10-19-2021)
Notice of Proposed Partnership Adjustment (NOPPA) Package

- (1) The NOPPA is a mandatory notice which reflects the adjustments to the partnership-related items and computes an Imputed Underpayment (IU), if any.
- (2) The Service must issue a NOPPA to the partnership and the PR by certified mail. The mailing of the NOPPA to the partnership and PR starts the 270-day window for the PR to submit a request to modify any imputed underpayment amount reflected on the NOPPA.
- (3) The timely issuance of the NOPPA is vital to protecting the statute of BBA cases. The NOPPA may not be mailed more than 3 years after the later of: (1) the date on which the partnership return for the taxable year was filed, (2) the return due date for the taxable year, or (3) the date on which the partnership filed an AAR with respect to the taxable year. This date may be extended on Form 872-M.

8.19.14.4.4
(10-19-2021)

**Requesting the
Preparation of a NOPPA
Package**

- (1) All requests related to the preparation of the NOPPA must be routed through ATT. The ATE will complete and forward to their ATM:
 - Form 3608-A,
 - Form 5402, and
 - An ACM with an attached Schedule of Adjustments, including any agreed adjustments to be included on Form 14792-A.
- (2) Upon approving and signing the Form 5402, the ATM will submit the request with attachments to the ATT mailbox at **AP TEFRA Team*.
- (3) The request will:
 - a. Advise if there are any penalties.
 - b. Provide any name or address changes for the PR or any address changes for the partnership.
 - c. Provide the language for the explanatory paragraphs. If the language from one of the sample paragraphs located on the TCS website for Notices of Deficiency will not be used, the ATE is responsible for reviewing and revising these paragraphs, as necessary.

8.19.14.4.5
(10-19-2021)

**Responsibilities of the
Tax Computation
Specialist (TCS)**

- (1) The TCS will prepare the following NOPPA documents for review by the ATT and to be mailed by the ATE:
 - a. Letter 5892, Notice of Proposed Partnership Adjustment, addressed to the partnership
 - b. Letter 5892-A, Notice of Proposed Partnership Adjustment, addressed to the PR
 - c. Form 14792, Partnership Examination Changes, Imputed Underpayment Computation and Partnership Level Determinations as to Penalties, Additions to Tax and Additional Amounts, one to the partnership and one to the PR
 - d. Form 886-A, Explanation of Items, attached to each Form 14792
 - e. Letter 937, Transmittal for Power of Attorney (if applicable)
 - f. If the case has agreed issues, Form 14792-A, Agreement as to Partnership-Related Items and Partnership-Level Determinations as to Penalties, Additions to Tax, and Additional Amounts

Note: An exception is a no-change case. See IRM 8.19.14.1.6, No-Change Cases.

8.19.14.4.5.1
(10-19-2021)

**Letter 5892 to the
Partnership and
Partnership
Representative (PR)**

- (1) The Letter 5892 for the partnership:
 - a. Should be addressed to the name of the BBA partnership
 - b. The Letter 5892 will be sent to the last known address of the partnership (from INOLES and ACDS).
- (2) The Letter 5892-A for the PR:
 - a. Should be addressed to the name of the PR.
 - b. A Letter 5892-A will be sent to the last known address of the PR.
- (3) Only one tax year should be included on the Letter 5892 and Letter 5892-A.

8.19.14.4.5.2
(10-19-2021)
**Form 14792–
Partnership Examination
Changes, Imputed
Underpayment
Computation and
Partnership Level
Determinations as to
Penalties, Additions to
Tax and Additional
Amounts**

- (1) Form 14792 should be prepared for each tax year.

8.19.14.4.5.3
(10-19-2021)
**Form 886-A –
Explanation of Items**

- (1) Unless otherwise instructed by the ATE, the TCS will use the sample paragraphs located on the Appeals TCS website for Notices of Deficiency as guides for the explanatory paragraphs in the NOPPA.

8.19.14.4.6
(10-19-2021)
**Appeals Mails the
NOPPA Package**

- (1) Following the same local procedures as used for notices of deficiency, the ATE, ATM or APS will use certified mail to send the NOPPA package to the partnership and the PR.
- (2) After reviewing the documents prepared by the TCS, the ATE will submit the case and the NOPPA package to the ATM for approval before the NOPPA letters are mailed. The ATE is responsible for reviewing the NOPPA package and is ultimately responsible for the accuracy and completeness of the documents.
- (3) After the NOPPA letters are approved and signed by the ATM, the ATE will mail or cause the NOPPA package to be mailed certified to the partnership and PR.
- (4) If there is a valid Power of Attorney on file, a copy of the NOPPA letter will be mailed to the Power of Attorney.
- (5) The case file will contain a copy of all forms and letters mailed to the partnership and PR. The case file will be routed through APS to the Ogden BBA Unit, Arka Monterey Park Building, 1973 North Rulon White Blvd, M/S 4705, Ogden, UT 84404-5402.
- (6) Local Mailing Procedures:
 - a. APS will mail the NOPPA by certified mail to the partnership and PR when APS receives the administrative files from the ATE or ATM. Certified mail due date is same as IRM 8.19.14.4.7(2) below. See IRM 8.20.6.4 for certified mail issuance and recordkeeping guidance.
 - b. If 120 days or less remain on the NOPPA statute, please contact ATT for short statute procedures.
 - c. If the ATE and APS are situated in different offices - The ATE or ATM will transmit the NOPPA package by electronic transmission or upload in ACDS, then APS will mail the NOPPA by certified mail to the partnership and PR when APS receives the administrative files from the ATE or ATM electronically. The administrative files will contain a copy of all forms and letters mailed to the partnership and PR. ATE or ATM will route the ad-

ministrative files directly to the Ogden BBA Unit, Arka Monterey Park Building, 1973 North Rulon White Blvd, M/S 4705, Ogden, UT 84404-5402.

8.19.14.4.7
(10-19-2021)
**Appeals Case
Processing and ACDS
Controls**

- (1) After processing the NOPPA package, APS will take the following actions:
 - a. Update closing code Disposal Information: Closing Code per Form 5402 or ATT Key Case Transmittal Form 14642. See IRM 8.20.7.46.1.1 Closing the Case on ACDS.
 - b. On ACDS, update the NOPPADATE field using the date that the NOPPA letters were mailed to the partnership and PR from the Certified Mailing List. The NOPPA expire date will be computer generated.
 - c. Update NOPPA issued to "Y" on return level on ACDS.
 - d. Input the NOPPA date on AIMS.
- (2) APS enters the following in the ACDS fields and ships the case to the Ogden BBA Unit as soon as administratively practicable, immediately releasing case files once Appeals process is completed:
 - ACTION: ACKCLS. See (3) below.
 - TODATE: Date APS or ATE ships the administrative file to the Ogden BBA Unit.
 - APS or ATE ships the administrative file with the NOPPA package to the Ogden BBA Unit.
 - ACDS database for ATE and AIMS remain open (not closed or transferred)
 - Update AIMS to Status Code 61.
- (3) When APS receives the acknowledged Form 3210 from the Ogden BBA Unit, the case will be closed off ACDS. Action Code is ACKCLS and update FROMDATE field.

8.19.14.5
(10-19-2021)
**Modification Requests
for BBA Partnerships**

- (1) After the issuance of the Notice of Proposed Partnership Adjustment (NOPPA), the Partnership Representative (PR) has the option of requesting modification of the Imputed Underpayment (IU). This request for modification is submitted electronically to the Ogden BBA Unit that houses the administrative file after the issuance of the NOPPA.
- (2) The modification request is submitted to the Ogden BBA Unit via Form 8980. After evaluating all the documents provided by the PR, the Ogden BBA Unit will issue Letter 5975 and Form 15027 to the partnership and PR detailing the approved modifications and a revised IU.
- (3) If the PR does not agree to the revised IU on Form 15027, the PR may request that the administrative file be sent to Appeals for consideration.

8.19.14.5.1
(10-19-2021)
**Appeals TEFRA/BBA
Team (ATT) Services**

- (1) The ATE must request ATT assistance with BBA cases, which is mandatory for all NOPPA, FPA and modification closing packages. See IRM 8.19.14.2.1, Appeals TEFRA/BBA Team (ATT).
- (2) ATEs requesting ATT services will:
 - Send an email to the **AP TEFRA Team* mailbox.
 - Attach Form 3608-A to request ATT services, which is the same as requests for TEFRA services.

- Research ACDS to determine the ATT AO assigned to the work request by clicking the ATT button on the case summary screen of the key case.

- (3) Given the complexity of the modification procedure, it is highly encouraged to seek the assistance of the ATT AO who initially screened the case.

8.19.14.5.2
(10-19-2021)

**Partnership Tax Years
Beginning On or After
January 1, 2018**

- (1) The BBA procedures are written for partnerships with a tax period beginning on or after January 1, 2018 which have not elected out of the BBA audit procedures. The BBA procedures are also used (1) for early election BBA cases and (2) for those AARs which early elected into the BBA audit regime. For Non-TEFRA and BBA Elect Out (BEO) cases, see IRM 8.19.9, Appeals Pass-Through Entity Handbook - Non-TEFRA.

8.19.14.5.3
(10-19-2021)

**Modification of the
Imputed Underpayment**

- (1) The NOPPA is a mandatory notice which reflects the adjustments to the partnership-related items and computes an IU, if any. The Imputed Underpayment (IU) calculated on the NOPPA is based on the highest tax rate in effect for the reviewed year per IRC 1 (individual rate) or IRC 11 (corporate rate). The PR has the option to request modification of the IU to change the amount of the adjustments that go into the calculation of the IU and/or the rate used to calculate the IU.
- (2) The PR has 270 days after the NOPPA issue date to submit all the substantiation to support reducing the IU. This 270-day period may be extended by executing Form 8984, Extension of the Taxpayer Modification Submission Period Under Section 6225(c)(7).
- (3) If the PR protests the modification determination report, the case will be forwarded to Appeals for consideration of the modification computation.

8.19.14.5.4
(10-19-2021)

**Requesting the
Preparation of a
Modification Package**

- (1) All requests related to the preparation of the modification report will be routed through ATT. The ATE will complete and forward to their ATM:
 - Form 3608-A,
 - Form 5402, and
 - An ACM with an attached Schedule of Adjustments.
- (2) The ATM will approve and sign the Form 5402, and then submit the request with attachments to the ATT mailbox at **AP TEFRA Team*.
- (3) The request for audit work will document the Service and the partnership's agreement.
- (4) If the modification issue is unagreed, please see the FPA procedures at IRM 8.19.14.6.

8.19.14.5.5
(10-19-2021)

**Responsibilities of the
Tax Computation
Specialist (TCS)**

- (1) The TCS will prepare the following modification documents for review by the ATT and to be mailed by the ATE:
 - a. Form 15027, Partnership Summary of Approved Modifications and the Imputed Underpayments, one to the partnership and one to the PR
 - b. Form 14726, Waiver of the Notice of Final Partnership Adjustment
 - c. Letter 937, Transmittal of Power of Attorney

8.19.14.5.5.1

(10-19-2021)

**Form 15027 -
Partnership Summary of
Approved Modifications
and the Imputed
Underpayments**

- (1) Form 15027 should be prepared for each tax year.

8.19.14.5.5.2

(10-19-2021)

**Form 14726 – Waiver of
the Notice of Final
Partnership Adjustment
(FPA)**

- (1) Form 14726 allows the partnership to waive the FPA.

8.19.14.5.6

(10-19-2021)

**Appeals Mails the
Modification Report**

- (1) The ATE mails the modification package to the PR using Letter 969.
- (2) The ATE is responsible for reviewing the modification package and is ultimately responsible for the accuracy and completeness of the documents.
- (3) If there is a valid Power of Attorney on file, a copy of the modification package will be mailed to the Power of Attorney.
- (4) After the PR signed modification form has been received, the ATM countersigns. Copies of the countersigned modification forms will be mailed to the PR.

Note: Form 14726 should not be countersigned by the ATM unless Form 15027 has been countersigned.

- (5) If only Form 15027 has been signed by the PR, see FPA procedures at IRM 8.19.14.6.
- (6) If both Form 15027 and Form 14726 have been executed, then the case is shipped to the Ogden BBA Unit.
- (7) The case file will be routed through APS to the Ogden BBA Unit, Arka Monterey Park Building, 1973 North Rulon White Blvd, M/S 4705, Ogden, UT 84404-5402.

8.19.14.5.7

(10-19-2021)

**Appeals Case
Processing and ACDS
Controls**

- (1) APS enters the following in the ACDS fields and ships the case to the Ogden BBA Unit:
- ACTION: ACKCLS See (3) below.
 - TODATE: Date APS or ATE ships the administrative file to the Ogden BBA Unit
 - APS or ATE ships the administrative file with the modification package to the Ogden BBA Unit
 - ACDS database for ATE and AIMS remain open (not closed or transferred)
- (2) After shipping the modification package to the Ogden BBA Unit, APS will update AIMS to Statute Code 61.
- (3) When APS receives the acknowledged Form 3210 from the Ogden BBA Unit, the case will be closed off ACDS. Action Code is ACKCLS and update FROMDATE field.

8.19.14.6
(10-19-2021)
**Notice of Final
Partnership Adjustment
(FPA)**

- (1) The FPA is a mandatory notice which reflects the adjustments to the partnership-related items and computes an Imputed Underpayment (IU), if any.
- (2) The Service must issue the FPA by certified mail to the partnership and the PR. The mailing of the FPA to the partnership and PR establishes a time within which a PR may request to push-out the partnership adjustments to the reviewed year partners.

Note: The Ogden BBA Unit will issue all FPAs unless there is a short statute. All tax returns with adjustment periods expiring within 180 days or less are considered short statute cases. See IRM 8.21.1.4.

8.19.14.6.1
(10-19-2021)
**Appeals TEFRA/BBA
Team (ATT) Services**

- (1) The ATE must request ATT assistance with BBA cases, including NOPPA, FPA and modification closing packages. See IRM 8.19.14.2.1, Appeals TEFRA/BBA Team (ATT).
- (2) ATEs requesting ATT services will:
 - Send an email to the **AP TEFRA Team* mailbox,
 - Attach Form 3608-A to request ATT services, which is the same as requests for TEFRA services.
 - Research ACDS to determine the ATT AO assigned to the work request by clicking the ATT button on the case summary screen of the key case.

8.19.14.6.2
(10-19-2021)
**Partnership Tax Years
Beginning On or After
January 1, 2018**

- (1) The BBA procedures are written for partnerships with a tax period beginning on or after January 1, 2018 which have not elected out of the BBA audit procedures. The BBA procedures are also used (1) for early election BBA cases and (2) for those AARs which early elected into the BBA audit regime. For Non-TEFRA and BBA Elect Out (BEO) cases, see IRM 8.19.9.

8.19.14.6.3
(10-19-2021)
**Notice of Final
Partnership Adjustment
(FPA) Package**

- (1) The Notice of Final Partnership Adjustment (FPA) is the functional equivalent of a statutory notice of deficiency in a BBA proceeding. A partnership has 90 days after the date that the FPA is mailed to file a petition in Tax Court, a District Court or Court of Federal Claims.
- (2) The FPA is subject to IRC 6235, which provides the period of limitations on making adjustments under the centralized partnership audit regime. The period may be extended by agreement with the Service and the partnership before the expiration of such period. The general rule is that no adjustment for any partnership taxable year may be made after the later of three dates:
 - a. The first date is three years after the latest of (a) the date on which the partnership return was filed, (b) the return due date for the taxable year, or (c) the date on which the partnership filed an AAR.
 - b. The second date is, in the case of any modification of the Imputed Underpayment, 270 days (plus the number of days of any extension consented to by the Secretary under IRC 6225(c)(7)) after the date on which everything required for purposes of modification is submitted.
 - c. The third date is, in the case of any NOPPA issued under IRC 6231(a)(2), the date that is 330 days (plus the number of days of any extension consented to by the Secretary under IRC 6225(c)(7)) after the date of such notice.

- (3) Generally, the FPA shall be mailed no earlier than 270 days after the date on which the Notice of Proposed Partnership Adjustment is mailed, provided that the NOPPA is timely mailed. Any Notice of Final Partnership Adjustment shall be sufficient if mailed to the last known address of the partnership and the PR, even if the partnership has terminated its existence.
- (4) The Service must issue the FPA to the partnership and the PR by certified mail, unless the PR waived its issuance by agreement with the Service on Form 14726. The mailing of the FPA to the PR establishes the time periods within which a petition may be filed by the PR.
- (5) Until further notice, all FPAs require Counsel review.

Note: An FPA can be rescinded by consent of the partnership and the Service.

8.19.14.6.4
(10-19-2021)
**Requesting the
Preparation of an FPA
Package**

- (1) All requests related to the preparation of the FPA will be routed through ATT. The ATE will complete and forward to their ATM:
 - Form 3608-A,
 - Form 5402, and
 - an ACM with an attached Schedule of Adjustments.
- (2) Upon approving and signing the Form 5402, the ATM will submit the request with attachments to the ATT mailbox at **AP TEFRA Team*.

8.19.14.6.5
(10-19-2021)
**Responsibilities of the
Tax Computation
Specialist (TCS)**

- (1) The TCS will prepare the following documents whether the Ogden BBA Unit or Appeals mails the FPA to the partnership:
 - a. Letter 5933 will be mailed to the partnership and Letter 5933-A will be mailed to the PR.

Note: If it is known that there is no longer a PR (for example, the named PR is deceased and the partnership has not designated a new PR), then a 5933-A is prepared for (and an FPA is mailed to) the PR. FPA must still be mailed to PR and the letter may be addressed to generic "PARTNERSHIP REPRESENTATIVE" at the address of the partnership if warranted. See Treas. Reg. § 301.6231-1(d)(2).
 - b. Form 15027, Partnership Summary of Approved Modifications and the Imputed Underpayments
 - c. Form 8988, Election for Alternative to Payment of the Imputed Underpayment - IRC Section 6226
 - d. Form 886-A, Explanation of Items
 - e. Letter 937, Transmittal to Power of Attorney

8.19.14.6.5.1
(10-19-2021)
**Letter 5933 to the
Partnership and the PR**

- (1) The Letter 5933 for the partnership:
 - a. Should be addressed to the name of the BBA partnership
 - b. The Letter 5933 will be sent to the last known address of the partnership (from INOLES and ACDS).
- (2) The Letter 5933-A for the PR:
 - a. Should be addressed to the name of the PR.
 - b. A Letter 5933-A will be sent to the last known address of the PR.
- (3) Only one tax year should be included on the Letter 5933 and Letter 5933-A.

8.19.14.6.5.2
(10-19-2021)
FPA for the PR and the Partnership

- (1) The FPA for both the PR and the partnership will include the following documents:
 - a. Letter 5933 or Letter 5933-A,
 - b. The FPA (Form 15027 and Form 8988),
 - c. Form 886-A, Explanation of Items, and
 - d. Letter 937, Transmittal to Power of Attorney

8.19.14.6.6
(10-19-2021)
The Ogden BBA Unit Mails the FPA

- (1) There must be sufficient time on the statute for the Ogden BBA Unit to mail the FPA package to the partnership and the PR.

Note: Number of days required on the statute is being determined.

- (2) After reviewing the documents prepared by the TCS and review by Counsel, the ATE will submit the case and the FPA package to the ATM for approval before the FPA packages are mailed. The ATE is responsible for reviewing the FPA package and is ultimately responsible for the accuracy and completeness of the documents.
- (3) After the FPA letters are approved and signed by the ATM, the case will be submitted to the Ogden BBA Unit who will mail the FPA package to the partnership and PR.
- (4) If there is a valid Power of Attorney on file, a copy of the FPA letter will be mailed to the Power of Attorney.
- (5) The case file will contain a copy of all forms and letters to be mailed to the partnership and PR. The case file will be routed through APS to the Ogden BBA Unit, Arka Monterey Park Building, 1973 North Rulon White Blvd, M/S 4705, Ogden, UT 84404-5402.
- (6) APS enters the following in the ACDS fields and ships the case to the Ogden BBA Unit as soon as administratively practicable, immediately releasing case files once Appeals process is completed:
 - ACTION: ACKCLS
 - TODATE: Date APS or ATE ships the administrative file to the Ogden BBA Unit
 - APS or ATE ships the administrative file with the FPA package to the Ogden BBA Unit
 - ACDS database for ATE and AIMS remain open (not closed or transferred)
 - Update AIMS to Status Code 61.

8.19.14.6.7
(10-19-2021)
Appeals Mails the FPA for Short Statute Cases

- (1) When there is insufficient time on the statute, the ATE will mail the FPA package to the partnership and the PR.

Note: All tax returns with adjustment periods expiring within 180 days or less are considered short statute cases. See IRM 8.21.1.4.

- (2) Following the same local procedures as used for notices of deficiency, the ATE, ATM or APS will issue the FPA package by certified mail to the partnership and the PR for short statute cases. See IRM 8.20.6.4 for certified mail issuance and recordkeeping guidance.

- (3) After reviewing the documents prepared by the TCS, the ATE will submit the case and the FPA package to the ATM for approval before the FPA letters are mailed. The ATE is responsible for reviewing the FPA package and is ultimately responsible for the accuracy and completeness of the documents.
- (4) After the FPA letters are approved and signed by the ATM, the ATE will mail or cause the FPA package to be mailed to the partnership and PR. See IRM 8.19.14.4.6(6)(b) procedures for FPA issuance within 120 days or less remain on the statute.
- (5) If there is a valid Power of Attorney on file, a copy of the FPA letter will be mailed to the Power of Attorney.
- (6) The case file will contain a copy of all forms and letters mailed to the partnership and PR. The case file will be routed through APS to the Ogden BBA Unit, Arka Monterey Park Building, 1973 North Rulon White Blvd, M/S 4705, Ogden, UT 84404-5402.

8.19.14.6.8
(10-19-2021)

**Preparing the Case File
and Closing Package**

- (1) The assigned ATE will follow local closing procedures to forward case files to APS.
- (2) APS enters the following in the ACDS fields and ships the case to the Ogden BBA Unit as soon as administratively practicable, immediately releasing case files once Appeals process is completed:
 - a. ACTION: ACKCLS. See (6) below.
 - b. TODATE: Date APS or ATE ships the administrative file to the Ogden BBA Unit
 - c. APS or ATE ships the administrative file with FPA package to the Ogden BBA Unit
 - d. ACDS database for ATE and AIMS remain open (not closed or transferred)
- (3) APS will ship the FPA package containing the following items to the Ogden BBA Unit:
 - a. Appeals Form 5403
 - b. Appeals Form 886-A
 - c. Appeals Case Memorandum (ACM)
 - d. Form 2828 (Transmittal Memorandum)
 - e. Copies of all FPAs that were issued
- (4) If the Ogden BBA Unit mails the FPA: After shipping the case files to the Ogden BBA Unit, APS update AIMS to Statute Code 61.
- (5) If Appeals mails the short statute FPA: After shipping the FPA package along with case files to the Ogden BBA Unit, APS will then take the following actions:
 - a. On ACDS, update the SNTYPE field with "FPA".
 - b. On ACDS, update the SNDATE field using the date that the FPAs were mailed to the partnership and PR from the Certified Mailing List. The FPA expires date, SNEXPDATE, will be computer generated.
 - c. Update FPA issued to "Y" on return level on ACDS.
 - d. Input the FPA date on AIMS.
 - e. Update AIMS to Statute Code 61.

- (6) When APS receives the acknowledged Form 3210 from the Ogden BBA Unit, the case will be closed off ACDS. Action Code is ACKCLS and update FROMDATE field.

8.19.14.7
(10-19-2021)

**Docketed Case
Procedures**

- (1) All guidance in this section of the IRM is for cases under the Bipartisan Budget Act of 2015 (BBA).

8.19.14.7.1
(10-19-2021)

**Tax Court and
Department of Justice
Cases**

- (1) All references to Appeals Technical Employee (ATE) refers to any Appeals employee assigned a case for settlement consideration. Actions required by Appeals Team Managers (ATMs) are performed by Appeals Team Case Leaders (ATCLs) as to their own cases.

8.19.14.7.1.1
(10-19-2021)

**Appeals TEFRA/BBA
Team (ATT)**

- (1) Appeals employees must follow the work request procedures for ATT assistance. Use of ATT is mandatory for Notice of Proposed Partnership Adjustment (NOPPA), Modification, Notice of Final Partnership Adjustment (FPA) and all closing packages. Follow the work request procedures in IRM 8.19.14.2.1 and IRM 8.19.14.2.2 for assignment of an ATT Appeals Officer (ATT AO) and referral to the Appeals Technical Guidance Coordinator (TGC).

8.19.14.7.2
(10-19-2021)

Filing of Petitions

- (1) Only the Partnership Representative (PR) can petition a court after issuance of an FPA.
- (2) A petition must be filed within 90 days of the mailing of an FPA.
- (3) A petition may be filed even if an alternative payment election under IRC 6226 has been made.

8.19.14.7.3
(10-19-2021)

Tax Court Cases

- (1) The Appeals office receives BBA cases in docketed status after the PR files a petition in Tax Court to an FPA. The petition requests a readjustment of partnership-related items. The petition can contest adjustments to the partnership return, the calculation of the Imputed Underpayment and the proposed penalties.
- (2) Generally, receipt, assignment and consideration of docketed cases will be the same as those for non-docketed cases.
- (3) A petition may be filed with the Tax Court, U.S. Court of Federal Claims, or a U. S. District Court. The procedures discussed here apply to cases petitioned to the Tax Court only. If a petition is filed with either the U.S. Court of Federal Claims or a U. S. District Court, see IRM 8.19.14.7.4.
- (4) When a petition is received from other business units, APS will retrieve the key case administrative file, check the petition for accuracy, card-in case and/or update ACDS as described below and forward the case file to Counsel for answer.
- (5) APS will input or update ACDS with the following case level information:
 - Docket number
 - Counsel office
 - Attorney

- Enter ACTION code DCJUR
- TODATE is the date the case is forwarded to Counsel
- SNTYPE: FPA
- SNDATE
- SNEXPDATE

(6) In addition, APS will input or update ACDS with the following return level information:

- Remove statute date from **STATDATE** field
- Enter statute code: **DOCKT**

Note: See similar TEFRA card-in procedures in IRM 8.20.5.34.1.

(7) APS will update AIMS using CC:AMSTUE to Status 72.

(8) Refer to IRM 8.19.14.7.3.2 below for procedures to follow if the case is later returned to Appeals to settle and when the case is closed by either Appeals or by Counsel.

Note: Appeals will hear the same issue only once for BBA cases regardless of substantive issues or modification issues.

8.19.14.7.3.1
(10-19-2021)
Tax Court Rule 255.1 et seq. Certain Requirements

(1) The Tax Court has adopted special rules relative to BBA partnership proceedings that are found at its website.

8.19.14.7.3.2
(10-19-2021)
Working Docketed BBA Cases in Appeals

(1) After the petition has been answered and the case is assigned to an ATE, the ATE will work to settle the case by resolving the substantive and modification disputes. ATT and TCS will provide support services to assist in obtaining, and producing documents for, a settlement. If a settlement is reached with the PR, ATT will request TCS prepare a computation, which will be forwarded by the ATE to Counsel for preparation of decision documents. If a settlement is not reached with the PR, the ATE will prepare the administrative file for Counsel trial preparation.

8.19.14.7.3.3
(10-19-2021)
TCS Requests for Docketed BBA Cases

(1) All requests are routed through ATT. The ATE should complete and forward the following documents to the ATM:

- Form 3608-A, Request for TEFRA Service,
- Form 5402, Appeals Transmittal and Case Memo, and
- An ACM with an attached Schedule of Adjustments.

(2) Upon approving and signing the Form 5402, the ATM submits the request with attachments to the ATT mailbox at **AP TEFRA Team*. The ATT AO will work with the TCS to prepare Form 15027, Partnership Summary of Approved Modifications and the Imputed Underpayments. Counsel may also use a Form 3608, Counsel Settlement Memorandum, or Form 1734, Transmittal Memorandum, detailing the settlement amounts.

8.19.14.7.3.4
(10-19-2021)
**ATT AO Review and
Docketed Case Closing
by ATE**

- (1) After TCS prepares the docketed case package, TCS routes the report to the ATT AO for an initial review. Once the ATT AO approves the package, the ATT AO sends an email to the ATE for review and forwarding to Counsel. Counsel will prepare the decision document that will be sent with the package.
- (2) The ATE is responsible for reviewing the docketed case package and is ultimately responsible for the accuracy and completeness of the documents in a docketed case settled by Appeals.
- (3) When the stipulated decision documents are received from Counsel, the ATE will prepare Form 5402 and submit the case (including the stipulated decision documents) to the ATM for approval before the decision is mailed to the PR.

Note: Docketed EZ Close Procedures do not apply to BBA cases.

- (4) After the ATM approves the settlement, the ATE will send the stipulated decision document to the PR for signature with Letter 1220 or Letter 1220-A. The PR is required to sign the stipulated decision document; the signature of the PR's counsel is not acceptable by itself but may be added in addition to the PR's signature.

Note: ATE may share a copy of the revised computation, Form 15027, with the PR labeled with the header "Copy Only – Do Not Sign" to demonstrate the revised Imputed Underpayment computation.

- (5) The ATE will prepare Letter 1645, Approval of Settlement / Docketed Case, and leave an undated copy in the file so that it can be dated and mailed by APS when the case is sent to Counsel for entry of decision.
- (6) When the stipulated decision document has been signed and returned by the PR, the ATE will close the case to APS for routing to the Ogden BBA Unit, M/S 4705, Arka Monterey Park Building, 1973 North Rulon White Blvd., M/S 4705, Ogden, UT 84404-5402.

8.19.14.7.3.5
(10-19-2021)
**Tried Cases or Counsel
Settlements**

- (1) For cases that are either tried or settled by Counsel, after the decision is entered Counsel will return the case to ATT for closing along with a copy of the entered decision, the Counsel Settlement Memorandum (if applicable) and any special instructions. The case should be sent to ATT. ATT will assist, if necessary, in preparing the case for closing. If the case is not appealed, the case will be routed to the Ogden BBA Unit by APS for final closing.

8.19.14.7.3.6
(10-19-2021)
**Tax Court Decision
Appealed**

- (1) If a PR or the government appeals the decision of the Tax Court, Counsel will return the case to Appeals for interim processing. Counsel will prepare instructions for processing the case. The case should be sent to ATT. ATT will assist, if necessary, in preparing the case for closing.
- (2) After notification of the appeal is received, APS will:
 - a. Update ACDS with ACTION: APPEALED and TODATE;
 - b. Update the remarks section of ACDS; and,
 - c. Forward the case to Counsel who will then route the case to DOJ.

8.19.14.7.3.7
(10-19-2021)
**Final Decision from
Appeal of Tax Court
Decision**

- (1) When an appeal from a Tax Court decision is final, the Department of Justice will return the case to Appeals through Counsel to complete processing. The case should be sent to ATT. ATT will assist, if necessary, in preparing the case for closing. APS will forward the case to the Ogden BBA Unit for final closing.

8.19.14.7.4
(10-19-2021)
**Department of Justice
Cases**

- (1) The procedures for attorneys to notify the Ogden BBA Unit of a settlement agreement, or a decision or dismissal in District Court of the United States or the U.S. Court of Federal Claims for a BBA partnership case have not been issued as of the date of this IRM section.
- (2) A petition for readjustment with respect to any partnership adjustment may be filed in a District Court of the United States or the Court of Federal Claims, only if the partnership filing the petition deposits with the Service on or before the date the petition is filed, the amount (as of the date of the filing of the petition) of any Imputed Underpayment (as shown on the FPA) and any penalties, additions to tax, and additional amounts with respect to such Imputed Underpayment. If there is more than one Imputed Underpayment reflected in the FPA, the partnership must deposit the amount of each Imputed Underpayment to which the petition for readjustment relates and the amount of any penalties, additions to tax, and additional amounts with respect to each such Imputed Underpayment. Appeals will not acquire jurisdiction of a case if a petition is filed in one of these courts.
- (3) A U.S. Court of Federal Claims or U.S. District Court petition will normally be sent to the local Counsel office where the petition is filed for preparation of the defense letter.
- (4) When a decision is final for a case that had previously been in Appeals and which was petitioned to a District Court of the United States or the U.S. Court of Federal Claims (or a case appealed from these courts), the Department of Justice may return the case to Appeals through Counsel if assistance is needed to complete processing. The case should be sent to ATT. ATT will assist, if necessary, in preparing the case for closing. APS will forward the file to the Ogden BBA Unit.
- (5) The Department of Justice will return the case through Counsel directly to the Ogden BBA Unit if no Appeals assistance is necessary.

