

## PART III

### Administrative, Procedural, and Miscellaneous

26 CFR 601.106: Appeals Functions  
(Also: §§ 601.202, 601.203; and Part I, § 7123(b))

Rev. Proc. 2015-44

#### SECTION 1. PURPOSE

This revenue procedure announces the elimination of the Appeals arbitration program and obsoletes Revenue Procedure 2006-44, 2006-2 C.B. 800, which formally established the Appeals arbitration program.

#### SECTION 2. BACKGROUND

Section 7123(b)(2) of the Code requires that the IRS establish a pilot program under which a taxpayer and Appeals may jointly request binding arbitration on any issue unresolved at the conclusion of appeals procedures or unsuccessful attempts to enter into a closing agreement under section 7121 or a compromise under section 7122. To

comply with section 7123(b), on January 18, 2000, Appeals initiated a two-year pilot program offering arbitration procedures. See Announcement 2000-4, 2000-1 C.B. 317. On June 30, 2003, Appeals completed an additional one-year pilot of its arbitration procedures. See Announcement 2002-60, 2002-2 C.B. 28. During these pilot programs, Appeals offered an opportunity for taxpayers to request arbitration for certain factual issues that were already subject to the Appeals administrative process. On October 30, 2006, the IRS published Rev. Proc. 2006-44, 2006-2 C.B. 800, which formally established the Appeals arbitration program. Generally, arbitration has been available under these procedures for cases in which a limited number of factual issues remain unresolved following settlement discussions in Appeals.

In Announcement 2008-111, 2008-48 I.R.B. 1224, published December 1, 2008, partially superseded by Rev. Proc. 2014-63, 2014-53 I.R.B. 1014, Appeals established a two-year pilot program to extend arbitration to certain collection cases. Under the pilot program, taxpayers in select cities were eligible to use arbitration to resolve certain offer in compromise and Trust Fund Recovery Penalty issues. Announcement 2011-6, 2011-4 I.R.B. 433, published January 24, 2011, partially superseded by Rev. Proc. 2014-63, 2014-53 I.R.B. 1014, extended the pilot without change through December 31, 2012.

### SECTION 3. ELIMINATION OF APPEALS ARBITRATION PROGRAM

This revenue procedure obsoletes Rev. Proc. 2006-44 and eliminates the Appeals arbitration program. During the fourteen-year period in which arbitration was available, only two cases were settled using arbitration. Given the general lack of demand for arbitration and the fact that its use as a tool to settle disputes without litigation has not

proven successful, the IRS is eliminating the arbitration program. Although Appeals arbitration is being eliminated, taxpayers may be eligible to request mediation for unresolved issues that remain after completion of settlement discussions in Appeals.

See Rev. Proc. 2014-63, 2014-53 I.R.B. 1014.

#### SECTION 4. EFFECTIVE DATE

The elimination of the Appeals arbitration program is effective Month DD, 2015, the date this revenue procedure is published in the Internal Revenue Bulletin.

#### SECTION 5. EFFECT ON OTHER DOCUMENTS

Revenue Procedure 2006-44, Announcement 2008-111, and Announcement 2011-6 are obsoleted.

#### DRAFTING INFORMATION

The principal authors of this revenue procedure are Alicia Goldstein, Office of Chief Counsel, Procedure and Administration, Charmaine Osbin, Office of Appeals, Tax Policy and Procedure for non-collection cases, and John Gonzalez, Office of Appeals, Tax Policy and Procedure for offer in compromise and Trust Fund Recovery Penalty cases. For further information regarding this revenue procedure, contact Ms. Goldstein at (202) 317-3600, Ms. Osbin at (281) 721-7275, or Mr. Gonzalez at (415) 281-7837 (not toll-free calls).