



News Release

Media Relations Office

Washington, D.C.

Media Contact: 202.622.4000

www.irs.gov/newsroom

Public Contact: 800.829.1040

IRS Realigns and Renames Large Business Division, Enhances Focus on International Tax Administration

IR-2010-88, August 4, 2010

WASHINGTON — As part of a continuing effort to improve global tax administration efforts, Internal Revenue Service officials announced today the realignment of the Large and Mid-Size Business (LMSB) division to create a more centralized organization dedicated to improving international tax compliance.

As part of the organizational shift, the name of the IRS's large corporate unit — LMSB — will change on Oct. 1 to the Large Business and International division (LB&I).

“Executing our international strategy is a top priority, and our work continues to intensify in this area,” said IRS Commissioner Doug Shulman. “Every day, we are moving forward in our international compliance efforts. Bringing together our top international personnel in this new group will help us advance our global tax administration efforts and ensure focus and fairness in a critical area for our nation.”

The new LB&I organization will enhance the current International program, adding about 875 employees to the existing staff of nearly 600. Most of the additional examiners, economists and technical staff are current employees who specialize on international issues within other parts of LMSB.

The realignment will strengthen international tax compliance for individuals and corporations in several ways, including:

- Identifying emerging international compliance issues more quickly.
- Removing geographic barriers, allowing for the dedication of IRS experts to the most pressing international issues.
- Increasing international specialization among IRS staff by creating economies of scale and improving IRS international coordination.
- Ensuring the right compliance resources are allocated to the right cases.
- Consolidating oversight of international information reporting and implementing new programs, such as the Foreign Account Tax Compliance Act (FATCA).
- Coordinating the Competent Authority more closely with field staff that originates cases, especially those dealing with transfer pricing.
- Otherwise centralizing and enhancing the IRS's focus on transfer pricing.

Heather C. Maloy will continue serving as Commissioner of LB&I. Michael Danilack, Deputy Commissioner, International will head the realigned global unit. Paul D. DeNard will continue serving as Deputy Commissioner (Operations).

The new international unit will include a transfer pricing director, who will continue piloting the new transfer pricing practice, and a chief economist, who will oversee the IRS's economic positions pertaining to transfer pricing.

"The realigned organization will let us focus on high-risk international compliance issues and handle these cases with greater consistency and efficiency as we continue to increase our work in this area," Shulman said.

In addition, the realigned LB&I will continue to serve the same population of taxpayers — corporations, subchapter S corporations and partnerships with assets greater than \$10 million as well as certain high wealth individuals.

Today's announcement marks the latest in a number of efforts the IRS has made to increase international tax compliance. The IRS has taken major steps to address offshore tax evasion, including the investigation of the misuse of undisclosed offshore accounts by U.S. taxpayers. Last fall, the IRS created a Global High Wealth Industry to better monitor tax compliance by high income individuals and their related enterprises.

LB&I is also charged with overseeing the implementation of the recently enacted Foreign Account Tax Compliance Act (FATCA). Signed into law in March, FATCA will substantially improve international information reporting, increasing international transparency and compliance.

The IRS and the Department of Treasury have also worked to revise tax treaties and tax information exchange agreements (TIEAs) to increase transparency and to make it more difficult for taxpayers to evade taxes just by crossing international borders.