

IRS News Release

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IRS Expands and Makes Permanent Its Compliance Assurance Process (CAP) for Large Corporate Taxpayers

IR-2011-32, March 31, 2011

WASHINGTON — Internal Revenue Service officials announced today that the six-year-old Compliance Assurance Process (CAP) pilot program for large corporate taxpayers is being expanded and made permanent.

“This marks another important step in our evolving relationship with corporate taxpayers,” said IRS Commissioner Doug Shulman. “Through greater cooperation and transparency, CAP taxpayers and the IRS both benefit.”

Under CAP, participating taxpayers work collaboratively with an IRS team to identify and resolve potential tax issues before the tax return is filed each year. With the major potential tax issues largely settled before filing, taxpayers are generally subject to shorter and narrower post-filing examinations.

With the CAP program growing in popularity, it is being expanded to include two additional components. A new pre-CAP program will provide interested taxpayers with a clear roadmap of the steps required for gaining entry into CAP. A new CAP maintenance program is intended for taxpayers who have been in CAP, have fewer complex issues, and have established a track record of working cooperatively and transparently with the IRS.

“CAP is a program where the tax system is at its best -- when the taxpayer and the IRS are transparent and issues are resolved before a return is filed,” Shulman said.

Details of the permanent program, including the new pre-CAP program and CAP maintenance program, are included in a revision to the Internal Revenue Manual, a revised application and memorandums of understanding (MOU) that corporations are required to submit to participate in pre-CAP and CAP.

The CAP pilot began in 2005 with 17 taxpayers and in FY 2011 there are 140 taxpayers participating. Only taxpayers with assets of \$10 million or more are eligible to participate.

For more information on the Compliance Assurance Process (CAP), visit the [CAP page](#) on IRS.gov.