

FY2019 LB&I Strategic Goals

Improved Compliance Activities

- Improve selection of, and employee time allocation on, compliance work.
- Ensure that employees are assigned work to best support LB&I compliance goals.
- Support use of Portfolio Management tools to ensure time is optimally spent.
- Incorporate issue-specific and program-related feedback to improve overall program effectiveness.
- Develop effective campaigns through a thorough analysis of the issues and the use of tailored treatment streams and feedback loops to positively influence taxpayer behavior and to evaluate success in promoting voluntary tax compliance.
- Use data to drive compliance decisions.

Implementation of Major Program Priorities

- Ensure successful implementation of LB&I's major changes, including tax reform and Bipartisan Budget Act of 2015 (BBA), CAP Recalibration, Large Corporate Compliance Program, and equipping the workforce to effectively accomplish their roles.
- Support the assessment of the current state vis-à-vis the future need to develop and deliver relevant content.
- Support the ongoing assessment of our state of readiness and adjust communications and training to meet evolving needs.

Workforce Hiring and Training

- Identify and address training gaps and current training needs.
- Enhance workforce capability by providing timely and effective training – especially in key strategic and current gap areas.
- Support hiring effort and ensure actions best support division-wide success.
- Ensure new hires into any organization, whether hired from within LB&I or from without LB&I, are equipped to succeed in terms of physical space, tangible tools, technical tax training and internal operating protocols and directives.

Improved LB&I Operations

- Improve LB&I operations by increasing collaboration and support between practice areas by clarifying expectations and accountability.
- Improve internal and external communications.
- Ensure that all employees understand the strategic direction of LB&I.
- Actively address employee issues.
- Partner with external stakeholders to improve tax administration.

FY2019 Focus Guide

2018-2022 IRS Strategic Goals

- Empower and enable all taxpayers to meet their tax obligations
- Protect the integrity of the tax system by encouraging compliance through administering and enforcing the tax code
- Collaborate with external partners proactively to improve tax administration
- Cultivate a well-equipped, diverse, flexible and engaged workforce
- Advance data access, usability and analytics to inform decision-making and improve operational outcomes
- Drive increased agility, efficiency, effectiveness and security in IRS operations



A Message from the LB&I Commissioners' Office

Thank you all for your support as we made great strides across a wide range of challenges in 2018.

The enactment of the Tax Cuts and Jobs Act presented the agency with a significant opportunity to demonstrate our capability. LB&I has responsibility for 59 of the Act's 119 provisions, including all International provisions. Our immediate efforts included working to create forms and instructions and coordinating within IRS and with Treasury to develop guidance for taxpayers. We are developing training and compliance strategies to prepare us to respond to the new environment.

We concluded a multi-year effort to recalibrate our Compliance Assurance Process (CAP). The team of account coordinators, analysts, and managers leading this effort have developed improvements we expect to better enable the program to deliver intended results. We have been working with internal and external stakeholders to communicate the changes and train employees engaged in these audits.

During visits with you in locations across the country, we hear concerns regarding the quality of workload assigned. Your care for the mission of the IRS comes through clearly and we are redoubling efforts to search for ways to improve assigned work. LB&I leadership is committed to improving the work assigned. We have a number of ongoing efforts to make improvements and look to your feedback to understand where further improvements are possible.

Through your efforts, we increased the number of campaigns to 50. We continue to streamline the campaign process from the submission of ideas, to the assignment of work, and to receipt and incorporation of your feedback. We are improving LB&I's allocation of time against intended objectives through Portfolio Management concepts to ensure our resources are best directed.

Commissioners' Message continued

We have made significant strides in using data and data analytics to review the LB&I filing population to identify specific risks, including in our Coordinated Industry Case (CIC) replacement program – to be known as the Large Corporate Compliance (LCC) Program by employing tools that classify returns as high, medium or low risk. Early results are promising and we will pilot this approach in the coming months.

We are working throughout LB&I, and closely with SB/SE, on several areas of significant compliance risk, including Syndicated Conservation Easements and Micro Captive Insurance. These issues involve thousands of taxpayers and advisors, and require ongoing support of many of you as we look for the most effective means to bring taxpayers into compliance and seek to inform others to avoid non-compliant activity.

You are our most important asset. Each of you should see how your work contributes to achieving IRS's and LB&I's goals shown on the back cover. Once again, thank you for your unwavering commitment and ongoing efforts to improve tax administration for the United States.



Douglas W. O' Donnell
LB&I Commissioner



Nikole C. Flax
LB&I Deputy
Commissioner

Our Staffing

Positions	October 2017	October 2018
Leadership Team	590	572
Administrative Professionals	349	313
Revenue Agent (RA)	2,980	2,762
Tax Law Specialists	24	24
Economists.....	116	106
Engineering Program.....	149	133
Tax Examiners	184	159
Tax Compliance Officer	45	38
Other Program Staff	431	417
Total	4,868	4,524

Equity, Diversity and Inclusion

We understand that diversity is more than a person's race, national origin, color, ethnicity, sex (including gender identity and pregnancy), religion, age, disability, sexual orientation, parental status, or protected genetic information. Diversity refers to the differences in how we think and naturally do things, cultural diversity, and systems diversity. We strive to respect the diversity of all our employees. In order to ensure we have an inclusive working environment, we take into consideration the way our organization configures opportunities, interacts, communicates, provides and uses information and makes decisions. As an organization, we realize that the success of LB&I depends on the diversity of its employees.

