

INTERNAL REVENUE SERVICE
LARGE BUSINESS AND INTERNATIONAL DIVISION
COMPETENT AUTHORITY STATISTICS

April 16, 2015

The Office of the United States Competent Authority (USCA) includes both the Advance Pricing and Mutual Agreement (APMA) Program and the Treaty Assistance and Interpretation Team (TAIT). APMA has primary responsibility for cases arising under the business profits and associated enterprises articles of U.S. income tax treaties and TAIT has primary responsibility for cases arising under all other articles of U.S. income tax treaties, including, but not limited to, articles concerning residence, dividends, interest, royalties, income from employment, social security, annuities, pensions and pension funds, other income, and limitation on benefits. TAIT also handles cases arising under U.S. estate and gift tax treaties.

This report contains statistics on cases handled by both APMA and TAIT including information on requests received, cases resolved, and pending cases. Advance Pricing Agreement (APA) information is reported separately in the APA statutory report. The cases discussed in this report are requests for relief from double taxation as described in Revenue Procedure 2006-54 and commonly referred to as mutual agreement procedure (MAP) requests. Part I presents APMA's statistics for MAP requests concerning allocation and attribution of business profits; Part II presents TAIT's statistics for MAP requests arising under all other treaty articles, including requests for discretionary determinations under limitation on benefits provisions. For 2013-2014, statistics reported for TAIT generally do not include TAIT's work on MAP cases arising under permanent establishment articles since these cases typically also involve an analysis or consideration of attribution of business profits and therefore are included in APMA's statistics. In addition, beginning in 2013, TAIT's statistics include MAP matters that are not taxpayer specific (e.g., matters endeavoring to resolve any difficulties or doubts arising as to the interpretation or application of a U.S. income tax treaty).

The data for 2010 through 2012 depicted in the following tables was calculated on a fiscal year basis covering the period October 1 through September 30. Because the USCA now tracks its statistics on a calendar year basis, the numbers reported for 2013 cover the fifteen month period of October 1, 2012 through December 31, 2013 and those reported for 2014 cover the twelve month period January 1, 2014 through December 31, 2014.

Part I. APMA

Table 1: Requests Received

	U.S. Initiated Adjustments	Foreign Initiated Adjustments	Combined
2010	23	77	100
2011	25	141	166
2012	51	130	181
2013	48	218	266
2014	86	200	286

Table 2: Cases Resolved

	U.S. Initiated Adjustments	Foreign Initiated Adjustments	Combined
2010	31	115	146
2011	18	119	137
2012	16	74	90
2013	40	119	159
2014	48	85	133

Table 3: Case Resolutions 2014

	U.S. Initiated Adjustments	Foreign Initiated Adjustments	Combined
Case Withdrawn by Taxpayer	1	1	2
Total Adjustment Withdrawn by Initiating Tax Authority	28	27	55
Full Correlative Relief	7	17	24
Partial Correlative Relief and Partial Withdrawal (Full Relief)	9	37	46
Partial Correlative Relief or Partial Withdrawal (Partial Relief)	2	2	4
No Relief	1	1	2
Number of Cases	48	85	133

Table 4: Case Resolutions by Adjustment Amounts¹ 2014

	U.S. Initiated Adjustments	Foreign Initiated Adjustments	Combined
Case Withdrawn by Taxpayer	0.1%	0.0%	0.0%
Total Adjustment Withdrawn by Initiating Tax Authority	10.7%	10.8%	10.8%
Full Correlative Relief	39.5%	5.8%	13.4%
Partial Correlative Relief and Partial Withdrawal (Full Relief)	0.3%	82.2%	63.8%
Partial Correlative Relief or Partial Withdrawal (Partial Relief)	49.1%	0.7%	11.6%
No Relief	0.4%	0.5%	0.5%
Percentage of Total Adjustment	100.0%	100.0%	100.0%

Table 5: Average Processing Time (months)

	U.S. Initiated Adjustments	Foreign Initiated Adjustments	Combined
2010	25.6	30.8	29.7
2011	28.2	27.8	27.9
2012	23.1	26.6	26.0
2013	23.8	26.9	26.1
2014	15.0	25.3	21.4

Table 6: Pending Requests²

	U.S. Initiated Adjustments	Foreign Initiated Adjustments	Combined²
2010	-	-	283
2011	-	-	312
2012	-	-	403
2013	91	433	524
2014	126	592	718

¹ Figures represent a percentage of the total dollar adjustments.

² Reports prior to 2013 did not break down the combined number of pending requests by type of adjustment so combined totals cannot be reported in that manner for 2010-2012.

Part II. TAIT

Table 7: Requests Received

	U.S. Initiated Cases/Matters	Foreign Initiated Cases/Matters	Combined
2010	31	48	79
2011	23	48	71
2012	18	37	55
2013	77	60	137
2014	30	38	68

Table 8: Cases Resolved

	U.S. Initiated Cases/Matters	Foreign Initiated Cases/Matters	Combined
2010	23	41	64
2011	46	58	104
2012	16	34	50
2013	53	49	102
2014	34	18	52

Table 9: Average Processing Time (months)

	U.S. Initiated Cases/Matters	Foreign Initiated Cases/Matters	Combined
2010	28.4	24.4	25.9
2011	25.0	29.0	27.2
2012	24.5	18.9	21.0
2013	18.4	20.0	19.2
2014	14.3	30.2	19.8

Table 10: Pending Requests³

	U.S. Initiated Adjustments	Foreign Initiated Adjustments	Combined ³
2010	-	-	198
2011	-	-	165
2012	-	-	170
2013	91	118	209
2014	89	149	238

³ Reports prior to 2013 did not break down the combined number of pending requests by type of adjustment so combined totals cannot be reported in that manner for 2009-2012.