



CHIEF, INDEPENDENT OFFICE  
OF APPEALS

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, DC 20224

MEMORANDUM FOR ALL INDEPENDENT OFFICE OF APPEALS EMPLOYEES

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SUBJECT: Guidelines for Docketed Casework

We want to advise you of challenges Appeals is facing with docketed casework and measures we're taking to address these challenges. With your help, we can ensure that Appeals continues to meet its mission of resolving taxpayer controversies without litigation on a basis that is fair and impartial to both taxpayers and the Government.

Appeals has a significant inventory of cases docketed in the United States Tax Court that have been referred to our Examination Appeals function for possible settlement. Most of these cases originate in the IRS's Correspondence Examination and Automated Underreporter functions and involve unrepresented (*pro se*) taxpayers. The volume of cases, coupled with pandemic-related slowdowns in obtaining administrative casefiles and other documents, has contributed to delays in holding taxpayer conferences and settling cases. To date, Appeals has addressed these challenges by emphasizing electronic over paper-based work processes and by seeking alternative sources of information when case-related documents are unavailable. These efforts have been moderately helpful, but more is needed to promote a positive taxpayer experience for all taxpayers.

Both the Tax Court and the IRS Office of Chief Counsel rely heavily on Appeals to promptly consider docketed cases with a goal of settling those cases that are suitable for settlement. If Appeals doesn't consider a taxpayer's case in a timely manner, Counsel must request continuances from the court to provide us with additional time to contact taxpayers and work their cases. This further delay creates additional uncertainty for the affected taxpayers.

We appreciate the input many of you shared during employee town halls and other meetings about how to approach the challenges presented by the docketed casework. Informed by your suggestions, we are taking further actions in Examination Appeals to address this casework by:

- Deploying additional resources to work docketed examination cases, including some paralegals detailed from Chief Counsel
- Prioritizing docketed casework in Examination Appeals
- Streamlining our initial contact of affected taxpayers by attempting to reach them (or their authorized representative, if any) by telephone shortly after the time the case is petitioned and assigned in Appeals
- Applying streamlined case processing approaches, such as specific-dollar settlements, expedited tax computation requests, and the use of Form 5402, Appeals Settlement Memorandum to document settlements
- Recognizing that some of these cases may not necessarily reflect a dispute between the taxpayer and the IRS but rather result from communication challenges during the pandemic, and applying our professional judgment to settle these efficiently
- Recognizing that some of these cases do not raise legal issues that warrant a Tax Court trial and applying our professional judgment and accepting oral testimony where appropriate to settle these efficiently

It is a credit to the hard work of all Appeals employees that we have continued, throughout the pandemic, to hear and resolve taxpayers' appeals despite difficulty obtaining case-related documents and limited resources. With everyone's efforts, particularly those in Examination Appeals working these cases, we are confident that we can work through the current docketed case inventory. Reducing this inventory, together with the return to more normal case processing following the lifting of the pandemic evacuation order, will help Appeals better serve taxpayers and provide them with the timely case resolution they deserve.

Thank you for your continued support of the Appeals mission and of the nation's taxpayers.