

ATCL Conferencing Initiative Completed

The IRS Independent Office of Appeals (Appeals) completed a three-year Appeals Team Case Leaders (ATCLs) Conferencing Initiative on May 1, 2020. Under the initiative, personnel from IRS Large Business & International (LB&I) Examination teams and their Counsel were invited to the non-settlement portion of the taxpayer's Appeals conference to test whether the participation of both parties to the dispute would help Appeals narrow and resolve complex factual and legal differences. This initiative applied only to the largest and most complex corporate tax disputes heard in Appeals. Appeals continues to conduct a formal survey of participants in cases worked during the initiative. Over the coming months, Appeals management will evaluate the survey results, as well as other sources of information, to determine whether it should be continued for these large corporate tax disputes. In the meantime, ATCLs will operate under longstanding guidelines in effect prior to the initiative, which provide the ATCL the discretion to include the IRS Examination team and their Counsel in the non-settlement portion of the conference, but do not mandate that the ATCL include them.

Appeals is again inviting comments from the public about the initiative and whether it helped to facilitate an orderly and productive appeals conference. While comments will be accepted and considered at any time, comments submitted by August 31, 2020, will be most helpful as Appeals management evaluates the initiative. Comments on the initiative may be sent to:

Internal Revenue Service
Appeals HQ NC Room 717
1111 Constitution Ave NW
Washington, DC 20224

Background

In May of 2017, Appeals began an initiative in which IRS LB&I Examination teams and their Counsel were invited to participate in the non-settlement portion of the Appeals conferences for certain ATCL cases, the largest, most complex, cases in Appeals. Under the initiative, both parties were present at the conference while each presented their position regarding the issues in dispute. Consistent with the quasi-judicial role of Appeals in resolving tax disputes, this initiative relied on the Examination team and the taxpayer and the taxpayer's representative to participate in focused discussions so that Appeals could identify, narrow and resolve factual or legal differences. After the conference, settlement discussions were held between Appeals and the taxpayer and/or their representative; the Examination team and their Counsel were not present for these discussions. This initiative was limited to the largest and most complex business tax disputes handled by Appeals; the initiative did not apply to the vast majority of cases heard by Appeals. Taxpayers under the initiative were often represented by practitioners from major accounting and law firms.

Appeals' overall aim with this initiative was to conduct conferences in a manner that furthers the interest of good tax administration. The Appeals mission is to resolve tax controversies, without litigation, on a basis which is fair and impartial to both the government and the taxpayer and in a manner that will enhance voluntary compliance and public confidence in the integrity and efficiency of the Service. The initiative was designed to evaluate whether and the extent to which insight that Appeals gains from an open discussion of positions in these largest and most complex cases helps facilitate case resolution.

During the initiative, Appeals received and considered comments from taxpayers and their representatives and Compliance personnel and, in certain instances, adjusted how we conducted conferences under the initiative. For example, early during the initiative there was confusion as to what portion of Appeals conferences Compliance personnel and their Counsel would attend. We subsequently made clear that settlement discussions for cases in this initiative would be held between the ATCL and the taxpayer and their representative only, Compliance personnel and their Counsel would not participate. We also clarified that, while mediation was available, it may only be utilized if both parties agree to mediate. This initiative was never intended to change the traditional Appeals session into a required mediation session.

Appeals has been conducting a formal survey of participants in cases involved in the initiative. The taxpayer survey, conducted by an independent, third-part survey organization, has been conducted since the Fall 2019 for cases closed by that time and will continue for all cases closed in fiscal year 2020, which ends September 30, 2020. In addition, surveys have been and will continue to be administered to Compliance and Appeals personnel who participated in the initiative on cases that close through September 30, 2020.

For additional questions and answers about the initiative, see [ATCL Conferencing Initiative FAQs \(PDF\)](#). In September 2019, Appeals provided the following exhibits of guidelines used by ATCLs to conduct conferences during the initiative.

- [Exhibit 1: Process and Procedures \(PDF\)](#)
- [Exhibit 2: Sample Agenda for Expectations Call \(PDF\)](#)
- [Exhibit 3: Expectations Letter to Taxpayer and/or their Representative \(PDF\)](#)