



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

OFFICE OF
CHIEF COUNSEL

December 3, 2001

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CC:TEGE:EOEG:ET2
GL-141426-01
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MEMORANDUM FOR: RONALD D. PINSKY
ASSOCIATE AREA COUNSEL
CC:SB:2:WAS:1

FROM: LYNNE A. CAMILLO
ASSISTANT BRANCH CHIEF
CC:TEGE:EOEG:ET2

SUBJECT: TECHNICAL ASSISTANCE - OFFER IN COMPROMISE

LEGEND:

The Taxpayer = [REDACTED]

This memorandum responds to your request that we review the offer in compromise submitted by the Taxpayer and provide our views with respect to employment tax issues. Based on our review of the accompanying materials and research of the facts, we determine that no substantive employment tax issues are outstanding because the offer is based on "effective tax administration" and not "doubt as to liability."

A brief review of the facts shows that Form 656 and Form 7249¹ were submitted on the basis of effective tax administration. Please see Form 656 and the attached narrative explaining the applicability of using such basis for acceptance of the offer in compromise and Form 7249, all of which are included in the Taxpayer's file.

¹ Form 7249 contains conflicting information regarding the basis upon which the offer of compromise is submitted. Under the space entitled "Terms of this Offer" on Form 7249, the revenue agent describes the basis of the offer as "effective tax administration," but marked the box entitled "Reason for acceptance of this Offer" as "doubt as to liability." When asked about this discrepancy, the revenue agent explained that she was not changing the basis of the offer but that the form did not have a box for "effective tax administration" so she marked the box for "doubt as to liability." Further, United States Competent Authority issued a position paper concerning the Taxpayer's tax liability (included in the Taxpayer's file) and determined that there was no doubt as to liability with regard to its employment tax obligation.

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According to Counsel Notice CC-2001-036 and the related memorandum, GL-103449-00 (both are attached for your review), Associate Area Counsel SB/SE offices have been delegated the responsibility of reviewing all offers in compromise. Their consultation with other Counsel divisions is appropriate when issues related to subject matter jurisdiction of such Counsel divisions arise, such as issues concerning doubt of liability. In this case, insofar as there is no genuine dispute as to the existence or amount of the correct employment tax liability under the law, there is no employment tax issue requiring our review.

If you have any questions, please contact 

CC: Dianne I. Crosby, CC:LM:HMT:SLWAS
Paul T. Butler, CC:SB:2:WAS:1
Deborah K, Gregory, CC:LM:MCT:SLWAS

Attachments (2)