



LARGE BUSINESS AND
INTERNATIONAL DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

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Expiration Date: 02-26-2028
Affected IRM(s): 4.31.9

MEMORANDUM FOR: LB&I EMPLOYEES ASSIGNED TO SYNDICATED CONSERVATION EASEMENT (SCE) CAMPAIGN CASES AND DIRECTOR, SMALL BUSINESS/SELF-EMPLOYED EXAMINATION-FIELD

FROM: Ronald H. Hodge II /s/ *Ronald H. Hodge, II*
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SUBJECT: Deviation from Established Time Frames Described in IRM 4.31.9 Regarding 2018, 2019, 2020, 2021, 2022 and 2023 Syndicated Conservation Easement (SCE) Compliance Initiative (CIP) and Campaign Cases Audited Under the Centralized Partnership Audit Regime of the Bipartisan Budget Act of 2015 (BBA).

This memorandum issues updated guidance to allow a deviation from established time frames described in IRM 4.31.9.8.4 regarding 2018, 2019, 2020, 2021, 2022, and 2023 SCE CIP and campaign cases audited under the Centralized Partnership Audit Regime of the Bipartisan Budget Act of 2015 (BBA). Please ensure this information is distributed to all affected employees within your organization.

Purpose: This interim guidance memorandum allows 2018, 2019, 2020, 2021, 2022, and 2023 SCE CIP and campaign cases with adjustments (no Appeals) to be closed to Technical Services with a minimum of 6 months on the statute as a deviation from the 12 months as stated in IRM 4.31.9.8.4.

Background/Source(s) of Authority: On February 27, 2024, Interim Guidance Memo LB&I-04-0224-0001 revised a prior deviation already in place for the 2018, 2019, and 2020 tax years and applied the same deviation to the 2021 and 2022 tax years to syndicated conservation easement (SCE) BBA returns to be closed to Technical Services with a minimum of 6 months on the statute as a deviation from the 12 months as stated in IRM 4.31.9.8.4, Centralized Partnership Audit Regime (BBA) Field Examination Procedures. This memorandum includes updated guidance for IRM 4.31.9.8.4 and applies the same deviation to the 2023 tax year. This deviation only applies to SCE CIP and campaign cases audited under the BBA.

Procedural Change: See Attachments 1 and 2 for allowed deviation procedures and examples.

Effect on Other Documents: This memorandum supersedes interim guidance memorandum LB&I-04-0224-0001. This deviation should not be incorporated into IRM 4.31.9, other BBA documents or other campaigns.

Contact: LB&I and SB/SE revenue agents should contact their assigned Technical Services pass-through coordinator. Questions may be sent to the LB&I Policy Office through the LB&I Policy Gateway and Create a Request.

Distribution: irs.gov

Attachments (2)

Attachment 1: Deviation allowed from IRM 4.31.9.8.4(2) procedures

Attachment Interim Guidance: LB&I-04-0226-0002

A deviation is allowed for 2018, 2019, 2020, 2021, 2022, and 2023 SCE CIP and campaign cases with adjustments (no Appeals) audited under the BBA. The time remaining on the statute when received by Technical Services is 6 months instead of 12 months for these types of cases only.

**4.31.9.8.4
(10-29-2021)**

Statute of Limitations (SOL) on Making Adjustments

(2) Under the centralized partnership audit regime, the statute is controlled at the partnership level. Ensure that cases transferred from the team/group to Technical Services will be received with the following periods of time remaining on the statute; otherwise, the examiner must follow IRM 4.31.9.11.5, BBA Imminent Statute Procedures:

Types of Cases	Time Remaining on Statute When Received by Technical Services
No-change (no adjustment)	6 months
With adjustments (no Appeals)	6 months
With adjustments (to Appeals)	18 months

Attachment 2: 2022 SCE case with adjustments (no Appeals) used as an example

Attachment Interim Guidance: LB&I-04-0226-0002

Procedures in IRM 4.31.9.8.4 as published:

With respect to a timely filed 2022 SCE partnership return for a calendar year partnership subject to the BBA (absent any extensions or special rules):

- 03/16/2026 is the earliest date under IRC 6235(a)(1) for the period for adjustment to expire. Therefore,
- 03/17/2025 is the date Technical Services needs to receive the closed case from field examination.

Note: 03/15/2026 falls on a Sunday. Pursuant to IRC 7503, an action taken on the first day that is not a weekend or holiday, in this case 3/16/2026, with respect to the period under IRC 6235 will be treated as timely performed. Also, 03/16/2025 (one year prior to 03/16/2026) falls on a Sunday with the next business day being 03/17/2025.

Allowed deviation for closing 2022 SCE/BBA imminent statute cases to Technical Services:

For explanation purposes, time frames are based on a timely filed 2022 partnership return with the earliest IRC 6235(a)(1) expiration date of 03/16/2026.

The SCE BBA case must have six (6) months or more remaining on the IRC 6235(a)(1) date when it is received by Technical Services. The case must be in Technical Services status 27, assigned to a Technical Services passthrough coordinator by 09/16/2025 (six (6) months remaining on the IRC 6235(a)(1) date). The case cannot be in the mail or in-transit status 21 after that date unless you follow imminent statute procedures.

If the SCE BBA case has less than six (6) months remaining on the IRC 6235(a)(1) date, imminent statute procedures are applicable, including the requirement that case controls will remain in the assigned revenue agent's group, until Technical Services authorizes the transfer. The assigned revenue agent will work closely with Technical Services to finalize the NOPPA package.