MEMORANDUM FOR ALL LB&I EMPLOYEES

Commissioner, Large Business and International Division

SUBJECT: LB&I Compliance Priorities During the COVID-19 Pandemic

On March 13, 2020, the President declared a national state of emergency due to the COVID-19 pandemic. On March 25, 2020, the IRS issued News Release IR-2020-59, to unveil the new IRS People First Initiative and announce a series of steps to assist taxpayers. The initiative provides relief on a variety of issues, including the suspension of all in-person contacts and some compliance actions through July 15, 2020. Specifically, the People First Initiative provides:

During this period, the IRS will generally not start new field, office and correspondence examinations. We will continue to work refund claims where possible, without in-person contact. However, the IRS may start new examinations where deemed necessary to protect the government’s interest in preserving the applicable statute of limitations.

This memorandum provides additional guidance regarding LB&I compliance activities which are postponed or allowed through July 15, 2020.

I. Activity Postponed through July 15, 2020

- LB&I will not start an examination of any new return unless it falls within Category II below.
- No time should be charged to new Discriminate Analysis Score (DAS) cases without Senior Director approval.
• Managers have discretion on prior, subsequent, and related returns associated with an existing examination.

II. Activity Continuing

• Compliance Assurance Process, Large Corporate Compliance, FATCA, Qualified Intermediary programs and current open examinations: proceed as usual, but without in-person contact.
• New examinations arising from Voluntary Disclosure Practice cases, claims, and other pre-refund verification programs: proceed as usual, but without in-person contact.
• Work should continue on Syndicated Conservation Easements campaign, Micro Captive Insurance campaign, IRC 965 campaign and any future campaign related to the Tax Cuts and Jobs Act; but without in person contact. Existing and any new campaigns will be assessed for purposes of categorizing as postponed or allowed with clear communications to follow on which are allowed.
• Workload reviews of existing inventory will continue.
• Examiners can charge time to new cases (e.g., audit planning) where taxpayer contact will not be made until after the emergency declaration is lifted.
• Prior time limits on classification activities are suspended.
• Other consensual work initiated by taxpayers: proceed as usual, but without in-person contact, for example, Pre-Filing Agreements, Refund Claims.

While we cannot anticipate and provide guidelines for every possible situation, it remains vitally important for all LB&I employees to be sensitive to the individual circumstances of taxpayers and provide them with the appropriate tax administrative actions commensurate with the taxpayer’s situation. We will continue to monitor this situation and may provide additional guidance as new developments occur.

I sincerely appreciate your continued efforts and dedication to assist as the nation works through the COVID-19 pandemic.

Contact: Employees should ask their management chain for guidance on issues not specifically addressed in this memo. In addition, FAQs will be posted on the LB&I Policy website as questions are elevated to the Policy Office.

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