



COMMISSIONER
LARGE BUSINESS AND
INTERNATIONAL DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

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MEMORANDUM FOR ALL LB&I EMPLOYEES

FROM: Douglas W. O'Donnell /s/ *Douglas W. O'Donnell*
Commissioner, Large Business and International Division

SUBJECT: Revised LB&I Compliance Priorities During the COVID-19
Pandemic and Approval for Deviation from IDR Process and
Enforcement

This memorandum supersedes two Interim Guidance memos: (1) LB&I Compliance Priorities During the COVID-19 Pandemic (No. LB&I-04-0420-0009) and (2) Approval for Deviation from IDR Process and Enforcement (No. LB&I-04-0320-0007). It extends the approval period to deviate from IDR enforcement procedures and provides guidance regarding LB&I compliance activities which are postponed or allowed through July 15, 2020 and thereafter.

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 announced 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.

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. However, cases with a Project Code 0548 or a Tracking Code 0132 are not considered DAS cases.
- Except for DAS cases, managers have discretion on prior, subsequent, and related returns associated with an existing examination.

II. Activity Continuing through July 15, 2020

- 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 the following campaigns, but without in-person contact:
 - Syndicated Conservation Easements,
 - Micro Captive Insurance,
 - IRC 965,
 - Tax Cuts and Jobs Act (TCJA) Implementation,
 - Existing and any new campaigns will be assessed for purposes of categorizing as postponed or continuing with clear communications to follow on which are continuing through July 15.
- 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 July 15: for example, high income Form 1040 returns and related entities
- 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.

III. Resumption of Exam Activity after July 15, 2020

All operations will resume under normal procedures except as detailed below.

- Appointments (whether in-person or virtual) should be scheduled for August or later, depending upon the facts and circumstances of the taxpayer. While in-person contact will be allowed, we will continue to support performing our work virtually to accommodate our employees or taxpayers who may have concerns with in-person contact, which may require the need for statute extensions. Virtual appointments can be conducted by WebEx or teleconference.
- The hold on new DAS cases will continue. Therefore, no time should be charged to new DAS cases without Senior Director approval. However, cases with a Project Code 0548 or a Tracking Code 0132 are not considered DAS cases.

Examiners and managers should consider all factors including the status of the taxpayer's business operations, the geographic location of its employees involved in the audit, and any other circumstances brought to light by the taxpayer or employee when scheduling appointments and response dates and when deciding whether to deviate from the IDR Enforcement Process as outlined in IRM Exhibit 4.46.4-2. Examiners and specialists with IDRs issued and outstanding during this time frame, should note the temporary suspension of the IDR Enforcement Process in their activity record, Form 9984.

While we cannot anticipate and provide guidelines for every possible situation, it remains vitally important for all LB&I employees to be sensitive to their own and the individual circumstances of taxpayers to determine the appropriate tax administrative actions commensurate with our respective situation. We will continue to monitor 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 contact their manager for guidance on issues not specifically addressed in this memo. FAQs will be updated on the LB&I Policy website as warranted. Questions can be elevated to [*LB&I Policy Office Ask An Expert](#).

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