

Field Examination Updates

IRS

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Fiscal Year 2016 Field Examination Program Updates

- Abusive promoters and transactions
- Flow-through entities
- Offshore tax evasion - OVDI
- National Research Programs
- High Income/High Wealth
- Preparer visits and examinations
- Identify theft
- Fast Track Settlement Program

IRS

Abusive Promoters and Transactions

- Lead Development Center
 - Tax schemes
 - Abusive preparers
- Work closely with:
 - Wage & Investment division
 - Return Preparers Office
- Form 14242
 - Refer suspected tax schemes or promoters

IRS

Flow-through Coverage

- Increase in flow-through entities
 - Partnership filings
 - Complex partnership structures
- Partnership Strategy
 - Improve identifying, selecting and working Partnership/TEFRA returns



Offshore Tax Evasion

- Offshore voluntary disclosure programs
- Offshore voluntary disclosure initiative
- OVDI certification
- Offshore program changes



Offshore Program Changes

- 2014 Offshore Program Changes
 - Began July 1, 2014
 - Miscellaneous Offshore Penalty
 - Streamlined Filing



National Research Program

The screenshot shows the IRS website's 'National Research Program (NRP) Privacy Impact Assessment - National Research Program' page. The page includes a navigation menu with links for Filing, Payments, Refunds, Credits & Deductions, News & Events, Forms & Publications, Help & Resources, and Tax Professionals. The main content area is titled 'NRP System Overview' and contains the following text:

Privacy Impact Assessment - National Research Program

NRP System Overview

The goal of National Research Program (NRP) is to design and implement a successful strategy to collect data that will be used to measure payment, filing and reporting compliance and to deliver the data to the Business Operation Divisions to meet a wide range of needs including support for the development of strategic plans and improvements in workload identification. The guiding principles for NRP are:

- Minimize taxpayer burden as data are collected.
- Ensure that the collected data will meet business objectives and are used as a corporate asset.

The IRS will also use the NRP to analyze taxpayer compliance and to assess the effectiveness of compliance programs and treatments in use by the IRS. Data for analysis will include amounts reported by taxpayers on their tax returns and the corrected amounts that were determined by examiners.

High Income/High Wealth Taxpayers

- High Income/High Wealth Focus
 - LB&I – global wealth
 - SB/SE Field Exam – high income taxpayers
 - Campus activities
- Data driven selection approach
- High income/high wealth audit increase

High Income/High Wealth Audit Increase

Adjusted Gross Income per Individual Tax Return	Audit Coverage Percentage by Fiscal Year		Percentage Increase/Decrease in Audit Coverage
	2010	2013	
\$200,000 to <\$500,000	1.92%	2.06%	0.14%
\$500,000 to <\$1,000,000	3.37%	3.79%	0.42%
\$1,000,000 to <\$5,000,000	6.67%	9.02%	2.35%
\$5,000,000 to <\$10,000,000	11.55%	15.98%	4.43%
\$10,000,000 or more	18.38%	24.16%	5.78%
All Income Levels (including non-HIHW taxpayers)	1.11%	0.96%	-0.15%

Preparer Visits and Examinations

- SB/SE supports visits for:
 - Return Preparer Office
 - Earned Income Tax Credit Office
- Fiscal Year 2014 more than 3,000 visits
- Fiscal Year 2016 Focus
- Educate through practitioner events



Identity Theft

- Civil enforcement strategy
 - IRC 6700/6701 investigations
- Field Exam works with Campus
 - Specialized unit
- Identity theft training
 - Processes
 - Procedures
 - Guidance



Fast Track Settlement Program Now Offered Nationwide

- Launched nationwide on July 1, 2013
- IRM 4.10.7, Issue Resolution
- Benefits include;
 - Reduced overall case time
 - Reduced interest costs
 - Reduces taxpayer burden
- Program expansion updates
 - IRS.gov



**General IRS Audit
Process Information**

- Audit information on IRS.gov
- Your Guide to an IRS Audit
- Publication 556, Examination of Returns, Appeal Rights and Claims for Refunds



Field Examination

Questions
and
Answers


