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IRS adds six new compliance campaigns (LB&I division)

The IRS Large Business & International (LB&I) division continues to expand its list of compliance campaigns, with six new campaigns being added—thus bringing the total of compliance campaigns to 59 identified and selected to date.

As noted on the [IRS website](#) (last updated July 23, 2019), the six new campaigns concern:

- **S corporations built-in gains tax**—concerning C corporations that convert to S corporations subjected to the built-in gains tax if they have a net unrealized built-in gain and sell assets within five years after the conversion. According to the IRS, the goal of this campaign is to increase awareness and compliance with the law as supported by several court decisions. The IRS stated that “treatment streams” for this campaign will be issue-based examinations, soft letters, and outreach to practitioners.
- **Post OVDP compliance**—concerning tax noncompliance related to former offshore voluntary disclosure program (OVDP) taxpayers’ failure to remain compliant with their foreign income and asset reporting requirements. According to the IRS, tax noncompliance concerning this area will be addressed through soft letters and examinations.
- **Expatriation**—concerning U.S. citizens and long-term residents (lawful permanent residents in eight out of the last 15 tax years) who expatriated on or after June 17, 2008, and may not have met their filing requirements or tax obligations. The IRS will address noncompliance through a variety of treatment streams, including outreach, soft letters, and examination.
- **High income non-filer**—concerning U.S. citizens and resident aliens subject to tax on worldwide income. The IRS stated that by means of an examination treatment stream, this campaign will concentrate on bringing into compliance those taxpayers who have not filed tax returns.
- **U.S. territories, erroneous refundable credits**—concerning bona fide residents of U.S. territories erroneously claiming refundable tax credits on Form 1040, *U.S. Individual Income Tax Return*. This campaign will address noncompliance through a variety of treatment streams including outreach and traditional examinations.

- **Section 457A deferred compensation attributable to services performed before January 1, 2009**—concerning compensation deferred from nonqualified entities attributable to services performed before January 1, 2009. The campaign objective is to verify taxpayer compliance with the requirements of section 457A through issue-based examinations.

Background

IRS compliance campaigns represent the IRS's shift from entity-based to issue-based examinations, with a focus on those issues that have been determined to present a risk of noncompliance. The IRS's stated goal with its campaign initiative is to improve tax return and issue selection and make the greatest use of limited IRS resources. Each campaign is addressed using one or more "treatment streams" that include issue-based examinations, soft letters encouraging voluntary self-correction, and stakeholder outreach.

Read the [full list of LB&I compliance campaigns](#) (as of July 23, 2019).

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