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LB&I memo on activities postponed, continued and resuming (COVID-19)

The Commissioner of the IRS Large Business and International (LB&I) Division issued a memorandum—LB&I-04-0620-0011 (June 26, 2020)—addressing which LB&I compliance activities are postponed; which will continue through July 15, 2020, and beyond; and which will resume beginning July 15, 2020.

The [memorandum](#) [PDF 60 KB] was issued in response to the coronavirus (COVID-19) pandemic, and supersedes prior memoranda that previously announced the suspension of certain LB&I compliance activities. Read [TaxNewsFlash](#)

LB&I activities postponed, continuing, and resuming

The new LB&I memorandum provides LB&I activity to be postponed through July 15, 2020, includes the following:

- LB&I will not start an examination of any new return unless it falls within the list of activities continuing through July 15, 2020.
- Except for certain cases, managers have discretion on prior, subsequent, and related returns associated with an existing examination.

The memo also lists LB&I activity continuing through July 15, 2020, including:

- Compliance assurance process, large corporate compliance, FATCA, qualified intermediary (QI) programs and current open examinations—these are to proceed as usual, but without in-person contact.
- New examinations arising from voluntary disclosure practice cases, claims, and other pre-refund verification programs—these are to proceed as usual, but without in-person contact.
- Work is to continue on the following campaigns, but without in-person contact:
 - Syndicated conservation easements
 - Micro captive insurance
 - Section 965
 - Tax Cuts and Jobs Act (TCJA) implementation

- Existing and any new campaigns to be assessed for purposes of categorizing as postponed or continuing with clear communications to follow on which ones are continuing through July 15, 2020
- Workload reviews of existing inventory will continue.
- Examiners can charge time to new cases (e.g., audit planning) when 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—these are to proceed as usual, but without in-person contact and include, for example, pre-filing agreements and refund claims.

Lastly, the LB&I memo provides that beginning July 15, 2020, all LB&I operations will resume under “normal procedures” except for:

- Appointments (whether in-person or virtual) are to be scheduled for August 2020 or later, depending upon the facts and circumstances of the taxpayer. Accommodations are to be made to support virtual LB&I work.
- Regarding IDR enforcement, LB&I examiners are instructed to note the temporary suspension of the IDR enforcement process.

The LB&I memo concludes that while every possible situation cannot be anticipated:

... 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.

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