SB/SE Examination-Field

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SB/SE Examination-Field

• General Information
  ─SB/SE Examination-Field mission
  ─Seven geographic areas
    • Technical Services
FY 2018 Field Exam Priorities

• Abusive Promoters and Transactions
• Flow-throughs
• Offshore Tax Evasion
• National Research Programs
• Preparer Visits and Examinations
• Identify Theft
• ACA Information Returns
Abusive Promoters and Transactions

- Lead Development Center (LDC)
- Conduct promoter/preparer investigations
  - Internal and external sources
  - Wage & Investment Division and Return Preparers Office
  - Criminal Investigation
Abusive Promoters and Transactions, cont.

• Top three issues/investigations
  1. False or inflated business income/deductions
  2. Abusive Schedule A deductions
  3. EITC
Flow-throughs

- Partnerships
  - Increase use of flow-through entities
  - Large percentage of SB/SE returns
  - Larger and more complex structures
  - Tiered structures
- Tax Equality and Fiscal Responsibility Act (TEFRA)
Offshore Tax Evasion and OVDP

- Stopping offshore tax avoidance
- Offshore tax avoidance cases resources:
  - Treaty exchange of information
  - Private banking initiative
  - Department of Justice’s Swill Bank Program
  - Cases from other sources
- Foreign Account Tax Compliance Act (FATCA)
2009 Offshore Voluntary Disclosure Program (OVDP)
—March 13, 2018
- 56,000 voluntary disclosures
- About $11 billion paid

Miscellaneous Offshore Penalty

Ramping down 2014 OVDP
—Announced March 13, 2018
—Program closes Sept. 28, 2018
National Research Program (NRP)

- On-going study since tax years 2006
- NRP data
  - Updating return scores
  - Tax Gap and compliance estimation
  - Improper Payments Elimination and Recovery Act (IPERA) of 2010
  - Issue and compliance modeling
  - Use by TIGTA, GAO, JCT, Treasury, etc.
Preparer Visits and Examinations

- Enforcement focused visits
- EITC Knock & Talks
- EITC Pre-filing season
- EITC Real Time
- ERO (e-file monitoring)
- EITC/ERO combination
Preparer Visits and Examinations, cont.

- FY 2017 EITC due diligence
- FY 2018 visit plans
- Stakeholder Liaisons
- SB/SE Examination-Headquarters and W&I collaboration
  - Wage and Investment Research and Analysis (WIRA)
- Visit referrals
  - Planning and Special Programs groups
Identify Theft

• SB/SE Examination-Field
  —Preparers engaged in ID theft and other improper return preparation conduct

• Criminal Investigation Division
  —Preparers engaged only in ID theft improper conduct

• Specialized unit in Accounts Managements
Fast Track Settlement Program

- SB/SE-Appeals Fast Track Settlement Program
  - Resolve disputed issues
  - SB/SE maintains case jurisdiction
- IRM 4.10.7, Issue Resolution
- Benefits
  - Quicker resolution
  - Reduced interest
  - Less burden
Q&A at the end of presentation...