



COMMISSIONER
LARGE BUSINESS AND
INTERNATIONAL DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
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MEMORANDUM FOR ALL LARGE BUSINESS & INTERNATIONAL DIVISION
EMPLOYEES

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

SUBJECT: Revised Instructions for LB&I TEFRA Partnership Examinations

Purpose: This memo provides instructions with respect to managing the TEFRA Linkage Process. This guidance applies to examinations of Large Business and International (LB&I) taxpayers who are classified as TEFRA partnerships.

Background: TEFRA partnership examinations are an important part of the LB&I inventory. Significant Ogden TEFRA Function resources are devoted to the partnership linkage process. Geographic Practice Area resources are devoted to the second level review process of Form 14090, LB&I TEFRA Linkage Request Check Sheet. LB&I thus recognizes that it needs to manage the TEFRA linkage process and related resources in the most efficient and effective manner possible.

The prior TEFRA IRM procedures required linking based on a predetermined tolerance without consideration of the fact that some linkages could reflect minimal tax benefit to the government despite the significant investment of resources to link. This new linkage strategy is centered on enhanced collaboration between the examining Revenue Agent and the Ogden TEFRA Function. This new plan is designed to develop tailored partner linkage plans early in the exam process that both maximize results and utilization of resources.

Procedural Change: Effective June 1, 2018, all LB&I TEFRA partnership exams will require a linkage plan. Revenue Agents will collaborate with a Linkage Specialist from the Ogden TEFRA Function to develop the plan.

Effective June 1, 2018, the second level review process is also discontinued. Revenue Agents will not submit their linkage packages to a second level reviewer. Revenue

Agents will continue to send the completed linkage package to their manager for review and approval prior to submission to the Ogden TEFRA Function.

After Form 14090 is submitted, the Ogden TEFRA Function assigns a Linkage Specialist to the case. After assignment, the Linkage Specialist will contact the Revenue Agent to begin the collaboration process, including perfecting Form 14090 and attachments, if necessary.

LB&I Revenue Agents and managers with TEFRA partnership cases should refer to the Articulate training for further information.

Effect on Other Documents: This guidance will be incorporated into the Form 13813, Partnership Procedure Check Sheet, and IRM 4.31.3, TEFRA Examinations – CTF Procedures, by June 1, 2020.

Effective Date: June 1, 2018

Contact: Pass-Through Entities Practice Area

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