

DEEP IN THE HEART OF TAXES

**(REFLECTIONS OF A FORMER IRS
COUNSEL FIELD ATTORNEY)**



David L. Zoss

January 24, 2017

PRELIMINARIES

THANKS FOR THE CHALLENGING OPPORTUNITY

THE FIRST CHALLENGE: What should the title be?

- “Memoirs of an IRS attorney?”
- What qualifies as a “memoir”
 - U of M Physicians case
- Exciting or funny tax issues?
 - Tax jokes?

THE SECOND CHALLENGE

- “Tax controversy” attorneys:
 - Usually: resolve disputes after they arise
 - Rarely – fix problems before dispute arises
- Planning done well – we don’t meet
- SO WHAT VALUE CAN I PROVIDE?
- Hopefully more than this guy:
 - [Professor C](#)

GOALS FOR TODAY

- Overview of the role of “field attorneys” employed by the IRS Office of Chief Counsel
- Overview of the tax controversy part of “tax administration”
- Identify a “best practice” to help protect your client’s interests after planning phase is finished

TAX CONTROVERSY ARENAS

- **Administrative** – IRS & MDR
- **Federal Tax Litigation:**
 - US Tax Court - based in D.C.
 - 74 trial places in D.C. & other U.S. Cities –
 - [Tax Court Form 5.pdf](#)
 - US District Courts
 - US Court of Federal Claims - based in D.C.; trials in D.C.
 - US Bankruptcy Courts
- **State Tax Litigation** - MN Tax Court; County District Courts

ROLES OF IRS FIELD OFFICE ATTORNEYS

- Divisional Field Office Attorneys
 - CT, GLS, LB&I, SB/SE, TE/GE & INTERNATIONAL
- Area Counsel Office Attorneys
 - Management & Administrative functions
- Associate Area Counsel Office Attorneys
 - “Working” Attorneys

IRS FIELD OFFICE ATTORNEYS

- Tax Generalists
 - Advise IRS exam and collection employees
 - Represent IRS in U.S. Tax Court
 - Bankruptcy Court representation discontinued
- Personal casework experiences –
 - [DLZ Opinions Digest.pdf](#)
- Why such a varied caseload?
 - Workload & staffing
 - Range of issues

ORGANIZATION OF IRS

- The IRS Organization – 4 principal divisions
 - **Wage & Investment – W&I**
 - **Large Business & International – LB&I**
 - business entities with assets > \$10 MM
 - 210,000± TPs
 - **Small Business/Self-employed – SB/SE**
 - Individuals, estates, trusts & small businesses
 - 57 MM± TPs
 - **Tax Exempt & Government Entities – TE/GE**
 - Employee Plans; Exempt Orgs; Indian Tribes; Gov't entities (e.g., City of Detroit)

IRS OFFICE OF CHIEF COUNSEL

- Chief Counsel organization - [CC Organization Chart.pdf](#)
- Chief Counsel's Offices -
 - National Office – Washington, DC
 - 49 field offices
 - [CC Offices Map & Chart.pdf](#)
 - F&M - support staff, all Counsel offices

COUNSEL FIELD OFFICES

- Field Office Functions by “Division” –
 - CT – 38 offices
 - GLS - 7 offices
 - LB&I – 35 offices
 - SB/SE – 49 offices
 - TE/GE – 8 offices
 - International (technical) – 2 offices (West Coast)

OFFICE OF CHIEF COUNSEL WORKFORCE

- Chief Counsel Staffing:
 - Decreasing –
 - Start of 2014 – 1,473 attorneys
 - End of 2015 - 1,412 attorneys
 - Due to decreasing budget allocations
 - CC budget tracks IRS budget – over \$1BB decrease from 2006 to 2015 in IRS budget

CHIEF COUNSEL WORKFORCE

- Approximate Chief Counsel Attorney Distribution –
 - 1/3 – National Office – approx. 470
 - 2/3 – Field Offices - approx. 940
- Field Attorney Distribution by Division
 - CT < 60
 - TEGE < 80
 - LB&I ± 350
 - SB/SE ± 450

FIELD OFFICE LOCATIONS & FUNCTIONS

- Example: St. Paul Counsel's Office -
 - 2 CT attorneys; no manager;
 - 6 LB&I attorneys including manager;
 - 6 SB/SE attorneys including manager, & 1 paralegal
 - 5 support staff including F&M staff manager

FIELD OFFICE CASELOAD

- All – [CC Workload Table 26.pdf](#)
- 2015 -
 - Received - 80,120
 - Closed – 80,432
 - Pending at year-end (09/30/2015) – 52,577

FIELD OFFICE WORKLOAD

- Field Offices –by function, as of 9/30/15:
 - CT – 642 cases
 - LB&I – 3,253
 - SB/SE – 37,994
 - TE/GE – W&I 52 (serviced by SB/SE)

TAX LITIGATION WORKLOAD

- [CC Workload Table 27.pdf](#)
 - Total - 31,867
 - Tax Court – 30,353 (mostly SB/SE)
 - On Appeal – 372
 - Refund Cases – 845 (mostly LB&I)
 - On Appeal – 32
 - Nondocketed - 265 (mostly LB&I)

SOURCES OF TAX CONTROVERSIES

- Facts
- Internal Revenue Code & Regulations
 - Subtitles A through E – determining tax liability
 - Subtitle F – Procedure and Administration
 - [IRC Subtitle F Index.pdf](#)
 - Application of precedential caselaw

SUBTITLE F – PROCEDURE AND ADMINISTRATION

Subtitle F – Notable Chapters for tax controversies

- Chapter 61 - Returns and Records
 - What is a return
 - Return due dates
 - Relief from joint & several liability on a joint return
 - Taxpayer record keeping requirements
 - **Non-disclosure rules – IRC § 6103**

SUBTITLE F - CHAPTER TOPICS OF NOTE

- Chapter 63 – Assessment
 - Deficiency procedures - income, estate & gift taxes
 - Large Partnership Proceedings
- Chapter 64 – Collection
 - Levies, Liens & Seizures
 - Collection Due Process Proceedings

SUBTITLE F - CHAPTER TOPICS OF NOTE

- Chapter 65 – Abatements, Credits and Refunds
 - Overpayments, credits and refunds
 - Abatements of tax, penalties and statutory interest
- Chapter 66 – Limitations
 - Limitations periods for assessments and collections
 - Limitations periods for credits and refunds
 - Rules for mitigating the effects of SOLs
 - Limitations periods relating to Judicial proceedings

SUBTITLE F - CHAPTER TOPICS OF NOTE

- Chapter 67 – Interest
 - Interest on underpayments and overpayments
 - Rates & compounding rules
- Chapter 68 – Additions to Tax & Penalties
 - Delinquencies –filing & paying
 - Accuracy-related: negligence, substantial understatement & **substantial valuation over/under statements**
 - Fraud penalty
 - Promoter and preparer penalties

SUBTITLE F - CHAPTER TOPICS OF NOTE

- Chapter 71 – Transferees and Fiduciaries
 - Transferred Assets
 - Transferee provisions
 - Fiduciary relationships
 - Discharge of fiduciaries from personal liability
- Chapter 74 – Closing Agreements and Compromises
 - Closing Agreements - with examination division
 - Compromises – OICs with collection division

SUBTITLE F - CHAPTER TOPICS OF NOTE

- Chapter 75 – Crimes & Forfeitures
- Chapter 76 – Judicial Proceedings – Civil Actions
 - USA:
 - Actions to collect tax – judgments & foreclosures
 - Injunction actions
 - Taxpayers
 - Refund suits
 - Wrongful levy
 - Injunction & declaratory judgment actions generally prohibited

SUBTITLE F - CHAPTER TOPICS OF NOTE

- Chapter 77 – Miscellaneous Provisions, *inter alia*
 - Timely mailing, timely filing rule
 - Time for performance - weekend or holiday end days
 - Recording of taxpayer interviews
 - IRS user fees
- Chapter 78 - Investigation & Enforcement
 - IRS authority/duty to investigate
 - **Administrative Summons Authority**

PLANNING FILE RECOMMENDATIONS

- Document! Document! Document!
 - What? Critical Issues
 - Analysis, Conclusions & authorities relied upon
- Case Study – Removing valuable S corp stock from estate

SHAPES OF THINGS TO COME

- Large Partnership Proceedings – 2015 Legislation
 - OLD - TEFRA Rules repealed –
 - Low audit rates
 - Locating partners
 - Tiered partnership complications
 - NEW – tax assessed against partnership
 - Highest marginal rate
 - Small partnership opt-out
 - Very Broad ; Many questions; No published guidance

Solution in search of a problem??

SHAPES OF THINGS TO COME

- Expected **2017 Legislation**:
- Who benefits - 3 quarters of the top 1%
- Bracket reductions - 12%, 25% & 33%
- Eliminate AMT
- Repeal ACA & NIIT
- Eliminate itemized deductions
 - except mortgage interest & contributions deduction
- New capital gain rules
- Corporate rate
- New international transaction rules
 - good for exporters & bad for importers

QUESTIONS & STORIES

QUESTIONS

STORIES - [DLZ Opinions Digest.pdf](#)

David L. Zoss, Attorney at Law

2812 Anthony Lane South, Suite 200

St. Anthony, MN 55418

Office: 612-455-8948

Fax: 612-788-9879

Cell: 612-616-5391

dzoss2016@outlook.com

UNITED STATES TAX COURT

www.ustaxcourt.gov

Petitioner(s)

v.

COMMISSIONER OF INTERNAL REVENUE,

Respondent

Docket No.

REQUEST FOR PLACE OF TRIAL

PLACE AN "X" IN ONLY ONE BOX TO REQUEST THE PLACE OF TRIAL. IF PETITIONER(S) ELECTED TO HAVE THE CASE CONDUCTED AS A SMALL TAX CASE, REQUEST ANY CITY LISTED BELOW; OTHERWISE, REQUEST ANY CITY NOT MARKED WITH AN ASTERISK (*).

ALABAMA
☐ Birmingham
☐ Mobile

ALASKA
☐ Anchorage

ARIZONA
☐ Phoenix

ARKANSAS
☐ Little Rock

CALIFORNIA
☐ Fresno*
☐ Los Angeles
☐ San Diego
☐ San Francisco

COLORADO
☐ Denver

CONNECTICUT
☐ Hartford

DISTRICT OF COLUMBIA
☐ Washington

FLORIDA
☐ Jacksonville
☐ Miami
☐ Tallahassee*
☐ Tampa

GEORGIA
☐ Atlanta

HAWAII
☐ Honolulu

IDAHO
☐ Boise
☐ Pocatello*

ILLINOIS
☐ Chicago
☐ Peoria*

INDIANA
☐ Indianapolis

IOWA
☐ Des Moines

KANSAS
☐ Wichita*

KENTUCKY
☐ Louisville

LOUISIANA
☐ New Orleans
☐ Shreveport*

MAINE
☐ Portland*

MARYLAND
☐ Baltimore

MASSACHUSETTS
☐ Boston

MICHIGAN
☐ Detroit

MINNESOTA
☐ St. Paul

MISSISSIPPI
☐ Jackson

MISSOURI
☐ Kansas City
☐ St. Louis

MONTANA
☐ Billings*
☐ Helena

NEBRASKA
☐ Omaha

NEVADA
☐ Las Vegas
☐ Reno

NEW MEXICO
☐ Albuquerque

NEW YORK
☐ Albany*
☐ Buffalo
☐ New York City
☐ Syracuse*

NORTH CAROLINA
☐ Winston-Salem

NORTH DAKOTA
☐ Bismarck*

OHIO
☐ Cincinnati
☐ Cleveland
☐ Columbus

OKLAHOMA
☐ Oklahoma City

OREGON
☐ Portland

PENNSYLVANIA
☐ Philadelphia
☐ Pittsburgh

SOUTH CAROLINA
☐ Columbia

SOUTH DAKOTA
☐ Aberdeen*

TENNESSEE
☐ Knoxville
☐ Memphis
☐ Nashville

TEXAS
☐ Dallas
☐ El Paso
☐ Houston
☐ Lubbock
☐ San Antonio

UTAH
☐ Salt Lake City

VERMONT
☐ Burlington*

VIRGINIA
☐ Richmond
☐ Roanoke*

WASHINGTON
☐ Seattle
☐ Spokane

WEST VIRGINIA
☐ Charleston

WISCONSIN
☐ Milwaukee

WYOMING
☐ Cheyenne*

Signature of Petitioner(s) or Counsel

Date

DLZ: Digest of Published Court Opinions

Published U.S. Tax Court Opinions:

1. 2016. Sisson v. Commissioner, T.C. Memo. 2016-143. Whether the petitioner, an employee of the IMF, or his Chapter 11 bankruptcy estate was liable for self-employment tax on his IMF earnings.
2. 2016. Green Gas Delaware Statutory Trust, et al. v. Commissioner, 147 T.C. No. 1. Whether the petitioners were entitled to nonconventional source fuel tax credits; accuracy-related penalties.
3. 2016. R.P. Golf v. Commissioner, T.C. Memo. 2016-80. Whether taxpayer was entitled to a charitable contribution deduction for a conservation easement on a golf course where subordination of mortgage attached to the property was not executed and recorded until after the grant of easement. Appeal to the 8th Circuit pending.
4. 2015. Green Gas Delaware Statutory Trust, et al. v. Commissioner, T.C. Memo. 2015-168. Whether an FPAA issued by the IRS was valid, such that the Tax Court had jurisdiction to redetermine partnership items.
5. 2015. Palmer v. Commissioner, T.C. Memo. 2015-30. Whether petitioner was entitled to deductions for moving expenses; delinquency penalties.
6. 2014. Wachter v. Commissioner, 142 T.C. 140. Whether North Dakota conservation easements were perpetual so as to qualify for a contribution deduction under IRC § 170.
7. 2013. Phillips v. Commissioner, T.C. Memo. 2013-250. Whether taxpayer substantiated deductions for business expenses and capital losses; delinquency penalties.
8. 2013. Phillips v. Commissioner, T.C. Memo. 2013-42. Whether taxpayer had income from retirement account distributions;.
9. 2013. Vokovan v. Commissioner, T.C. Memo. 2013-37. Whether taxpayer was entitled to a dependency exemption.
10. 2012. R.P. Golf v. Commissioner, T.C. Memo. 2012-282. Whether contribution of a conservation easement on a golf course was substantiated by a contemporaneous written acknowledgement.
11. 2012. Brooks v. Commissioner, T.C. Memo. 2012-25. Whether petitioner had income from the forgiveness of accrued interest due on a debt.
12. 2011. Lyseng v. Commissioner, T.C. Memo. 2011-226. Location of petitioner's "tax home, and whether he was entitled to deductions for travel expenses; accuracy-related penalty.
13. 2011. Ludzack v. Commissioner, T.C. Memo. 2011-111. CDP case; whether IRS was entitled to levy.
14. 2009. Burton v. Commissioner, T.C. Memo. 2009-60. Whether petitioners had reached a final settlement with the IRS Office of Appeals.

15. 2009. Furey v. Commissioner, T.C. Memo. 2009-35. Whether taxpayers substantiated partnership income and expense items; and whether securities trading losses were capital or ordinary.
16. 2008. Langer v. Commissioner, T.C. Memo. 2008-255. Whether petitioners substantiated deductible business expenses, including expenses for the business use of their home; accuracy-related penalty.
17. 2008. Larson v. Commissioner, T.C. Memo. 2008-187. Whether petitioners were entitled to deductions for business mileage not allowed by respondent; accuracy-related penalty.
18. 2008. Astleford v. Commissioner, T.C. Memo. 2008-128. Gift tax deficiencies; valuation issues regarding land and FLP interest.
19. 2008. Allen v. Commissioner, T.C. Memo. 2008-111. Whether petitioner, a Native American, received taxable income for serving as an elected tribal official; accuracy-related penalty.
20. 2007. Emmel v. Commissioner, T.C. Summ. OP. 2007-205. Whether taxpayer was entitled to a deduction for alimony payments.
21. 2007. McKeown v. Commissioner, T.C. Summ. OP. 2007-98. Whether petitioner was entitled to expenses for traveling away from home.
22. 2006. Knish v. Commissioner, T.C. Memo. 2006-268. Whether made timely mark-to-market elections under IRC § 475(f) so as to be entitled to ordinary losses from securities trading.
23. 2004. Ferguson v. Commissioner, T.C. Memo. 2004-90. Fraud case; net worth indirect method of proof of unreported income.
24. 2003. Wood, V. Commissioner, T.C. Memo. 2003-315. Whether petitioner operated as a sole-proprietorship or corporation; whether he substantiated business expenses; delinquency penalties.
25. 2002. Scallen v. Commissioner, T.C. Memo. 2002-294. Whether petitioner was entitled to business or personal bad debt deductions.
26. 2002. Rauenhorst v. Commissioner, 119 T.C. 157. Whether petitioners were entitled to a deduction for a charitable gift, or whether they assigned income in anticipation of receiving it; accuracy-related penalties.
27. 2002. Polack v. Commissioner, T.C. Memo. 2002-145. Gift tax valuation issues.
28. 2000. West v. Commissioner, T.C. Memo. 2000-389. TEFRA penalties case relating to plastics recycling tax shelter; negligence and valuation overstatement penalties.
29. 1998. Coborn v. Commissioner, T.C. Memo. 1998-377, whether debts for which petitioner claimed nonbusiness bad debt deductions were worthless.
30. 1995. Farm Credit Service of Northwest North Dakota, ACA v. Commissioner, T.C. Memo. 1995-436. Whether petitioner was a membership organization limited under IRC §277 to only carrying its NOLs forward.

31. 1994. Walsh v. Commissioner, T.C. Memo. 1994-293. Whether gain from the sale of property was ordinary or capital.
32. 1993. DeMoss v. Commissioner, T.C. Memo. 1993-636. Whether petitioner substantiated deductions; negligence, substantial understatement, and frivolous position penalties.
33. 1991. Sundstrand Corp. & Subsids. V. Commissioner, 96 T.C. 226. IRC § 482 transfer pricing trial opinion.
34. 1990. Kraus v. Commissioner, T.C. Memo. 1990-399. Reversed opinion after 7th Circuit remand.
35. 1990. Williams. V. Commissioner, whether petitioners were restricted by IRC §§ 446(b) or 461(g) from computing imputed interest under IRC § 483.
36. 1989. Kurowski v. Commissioner, T.C. Memo. 1989-149. Whether settlement proceeds received by petitioner was excluded from income as damages received on account of personal injury or sickness.
37. 1988. Kraus v. Commissioner, T.C. Memo. 1988-154. Whether QTip trust qualified for a marital deduction for estate tax purposes where the terms were defective terms were reformed after death of the grantor.
38. 1987. Sundstrand Corp. & Subsids. V. Commissioner, 89 T.C. 810. Whether respondent was entitled to enter post-taxable years financial data into evidence in an IRC § 482 transfer pricing case.

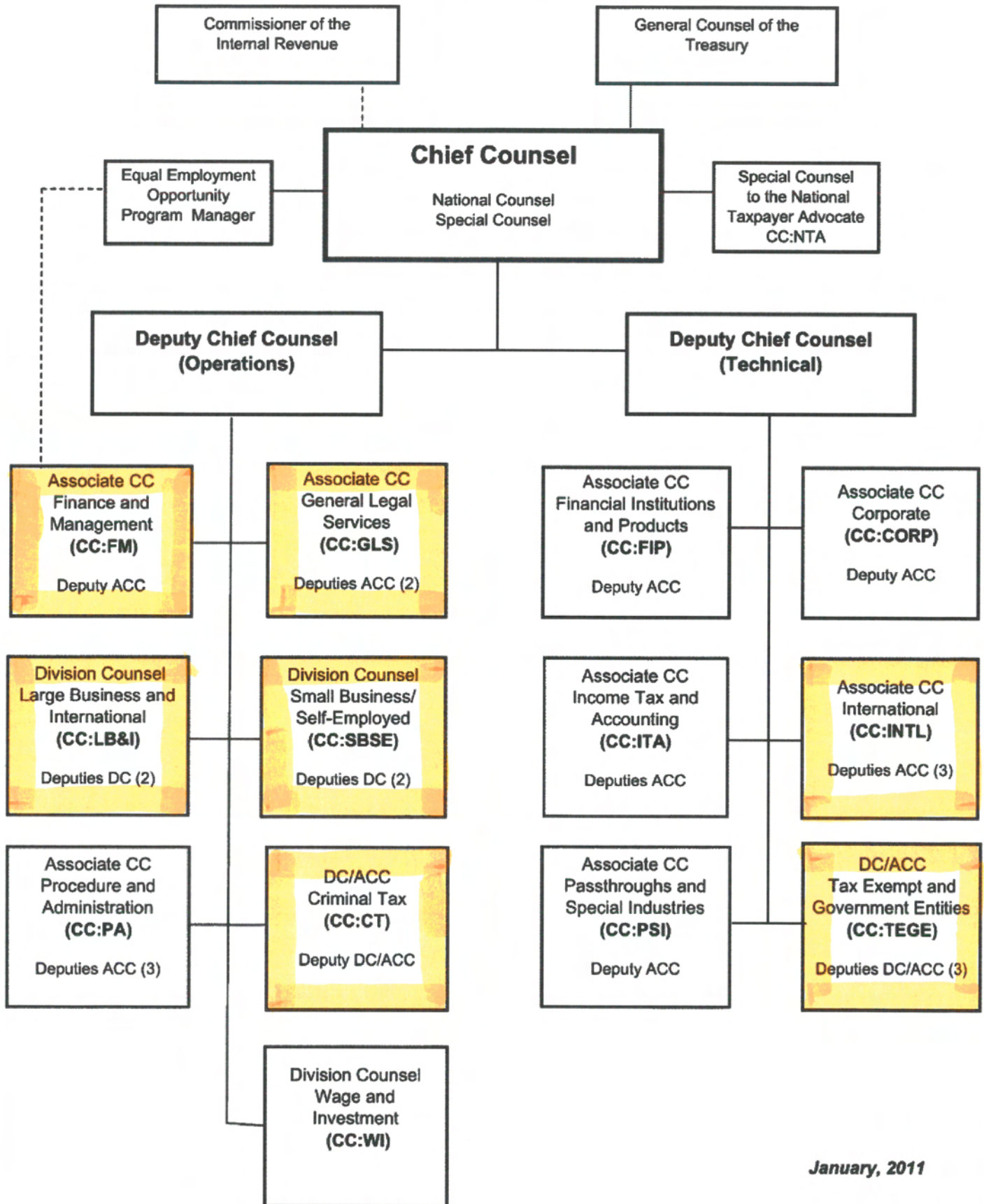
Submitted Cases Pending Opinion

S corporation sole shareholder; computation of adjusted basis and net income/loss for tax years at issue.

Published U.S. Bankruptcy Court Opinions

1. 2009. In Re Rowell, 421 B.R. 524 (Bankr. D. Minn.). Whether IRS held a secured claim attached to the debtor's unencumbered equity in personal property based on a notice of federal tax lien recorded before the bankruptcy petition was filed.
2. 2008. In Re Corbo, 391 B.R. 617. Whether the debtor was required to file post-petition tax returns and pay post-petition taxes during the pendency of his confirmed Chapter 13 Plan.

Office of the Chief Counsel



January, 2011



Office of Chief Counsel Locations

PLACES OF EMPLOYMENT FOR ATTORNEYS IN CHIEF COUNSEL

Field Locations		Functions	
Atlanta, GA	CT, GLS	LBIA	SSSE
Austin, TX	CT	LBIA	SSSE
Baltimore, MD	CT		SSSE
Birmingham, AL	CT	LBIA	SSSE
Boston, MA	CT	LBIA	SSSE
Buffalo, NY	CT	LBIA	SSSE
Chicago, IL	CT, GLS	LBIA	SSSE
Cincinnati, OH	CT	LBIA	SSSE
Cleveland, OH	CT	LBIA	SSSE
Dallas, TX	CT, GLS	LBIA	SSSE
Denver, CO	CT	LBIA	SSSE
Detroit, MI	CT	LBIA	SSSE
FL. Lauderdale, FL	CT	LBIA	SSSE
Greensboro, NC	CT	LBIA	SSSE
Hartford, CT	CT	LBIA	SSSE
Honolulu, HI		LBIA	SSSE
Houston, TX	CT	LBIA	SSSE
Indianapolis, IN	CT		SSSE
Jack-Kennedy, FL	CT	LBIA	SSSE
Kansas City, MO		LBIA	SSSE
Laguna Niguel, CA	CT	LBIA	SSSE
Las Vegas, NV	CT		SSSE
Long Island, NY	CT	LBIA	SSSE
Los Angeles, CA	CT, GLS	LBIA	SSSE
Louisville, KY	CT	LBIA	SSSE
Miami, FL	CT	LBIA	SSSE
Milwaukee, WI	CT	LBIA	SSSE
Nashville, TN	CT	LBIA	SSSE
Newark, NJ	CT	LBIA	SSSE
New Orleans, LA	CT		SSSE
New York, NY	CT, GLS	LBIA	SSSE
Oakland, CA	CT	LBIA	SSSE
Oakville, ME			SSSE
Philadelphia, PA	CT	LBIA	SSSE
Phoenix, AZ	CT	LBIA	SSSE
Pittsburgh, PA	CT	LBIA	SSSE
Portland, OR	CT		SSSE
Richmond, VA	CT	LBIA	SSSE
Sacramento, CA			SSSE
Salt Lake City, UT		LBIA	SSSE
San Diego, CA	CT	LBIA	SSSE
San Francisco, CA	CT, GLS	LBIA	SSSE
San Jose, CA		LBIA	SSSE
Seattle, WA	CT	LBIA	SSSE
St. Louis, MO	CT		SSSE
St. Paul, MN	CT	LBIA	SSSE
Thousand Oaks, CA		LBIA	SSSE
Washington, DC	CT, GLS	LBIA	SSSE
Field Office			
Washington, DC Field Function Headquarters:			
CT, GLS, LBIA, SSSE, TEGE			
Washington, DC National Office Functions: CORP, CT, FIP, GLS, ITA, INTL, NTA, PSA, TEGE, W			

Function Key:
CORP-Corporate; CT-Criminal Tax; FIP-Financial Institutions & Products;
GLS-General Legal Services; INTL-International Tax & Accounting;
ITA-International; LBIA-Large Business & International;
INTL-International; PSA-Personal Services & Special Industries;
SSSE-Small Business Services; TEGE-Technical Support & Research;
W-Wage & Investment

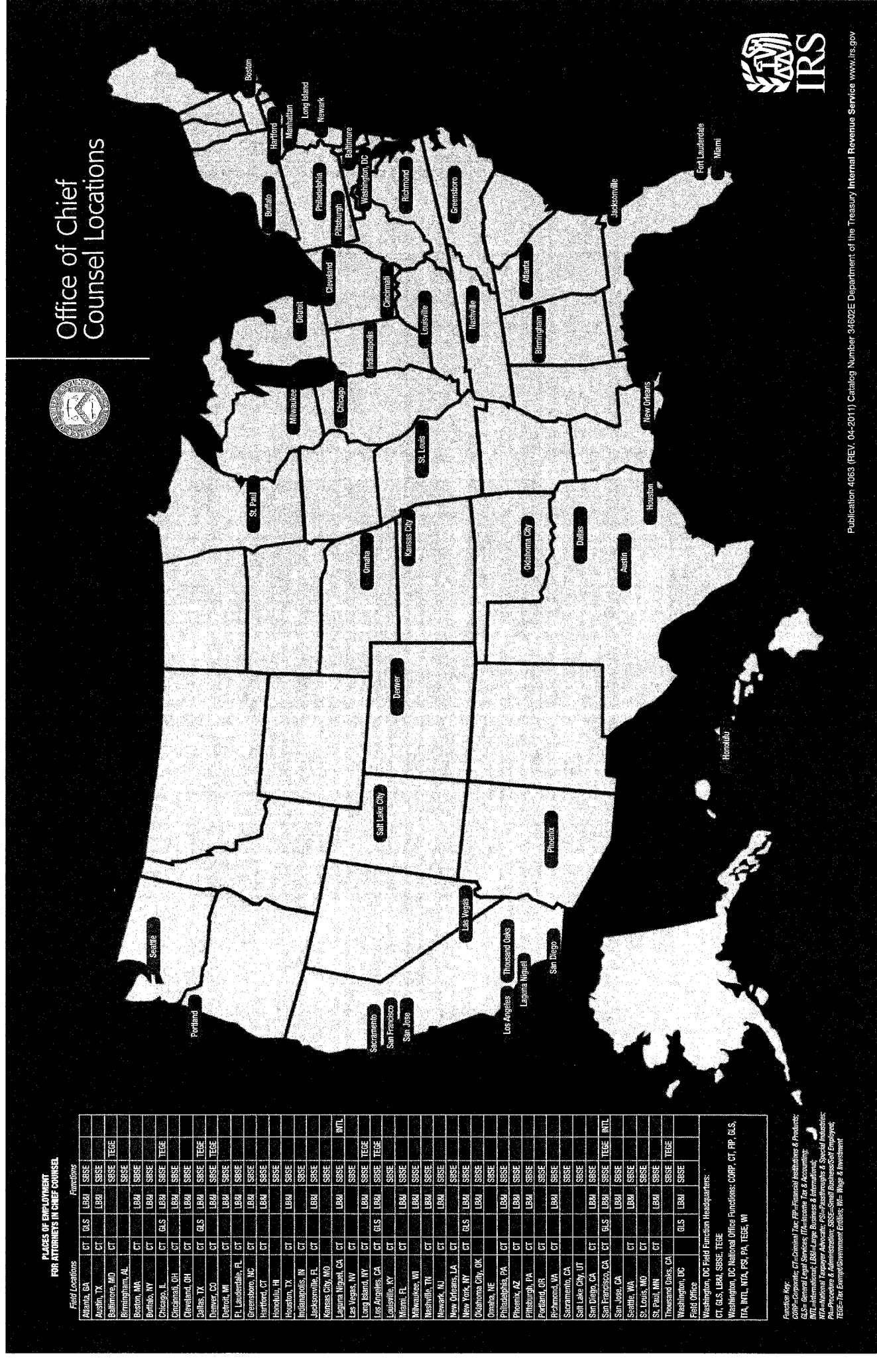


Table 26. Chief Counsel Workload: All Cases, by Office and Type of Case, Fiscal Year 2015

Office and type of case	Cases received	Cases closed	Cases pending September 30, 2015
	(1)	(2)	(3)
Chief Counsel (All Offices):			
Total	80,120	80,432	52,577
Guidance and assistance [1]	6,733	6,949	4,965
Tax law enforcement and litigation [2]	69,165	69,028	44,792
Other legal services to the IRS [3]	4,222	4,455	2,820
Corporate:			
Total	398	416	248
Guidance and assistance	208	228	159
Tax law enforcement and litigation	138	136	84
Other legal services to the IRS	52	52	5
Criminal Tax:			
Total	6,438	6,480	642
Guidance and assistance	55	55	d
Tax law enforcement and litigation	6,361	6,403	633
Other legal services to the IRS	22	22	d
Financial Institutions and Products:			
Total	686	666	492
Guidance and assistance	470	444	417
Tax law enforcement and litigation	140	150	68
Other legal services to the IRS	76	72	7
General Legal Services:			
Total	2,730	3,006	2,405
Guidance and assistance	24	d	21
Tax law enforcement and litigation	18	d	79
Other legal services to the IRS	2,688	2,982	2,305
Income Tax and Accounting:			
Total	2,441	2,372	1,125
Guidance and assistance	1,590	1,574	812
Tax law enforcement and litigation	699	650	296
Other legal services to the IRS	152	148	17
International [4]:			
Total	977	951	1,197
Guidance and assistance	430	452	691
Tax law enforcement and litigation	446	405	477
Other legal services to the IRS	101	94	29
Large Business and International [5]:			
Total	3,337	4,077	3,253
Guidance and assistance	331	475	506
Tax law enforcement and litigation	2,985	3,581	2,724
Other legal services to the IRS	21	21	23
Passthroughs and Special Industries [6]:			
Total	1,447	1,439	654
Guidance and assistance	806	828	531
Tax law enforcement and litigation	477	452	112
Other legal services to the IRS	164	159	11
Procedure and Administration:			
Total	3,555	3,387	2,166
Guidance and assistance	681	775	637
Tax law enforcement and litigation	2,380	2,137	1,212
Other legal services to the IRS	494	475	317
Small Business and Self-Employed:			
Total	53,852	53,418	37,994
Guidance and assistance	308	344	149
Tax law enforcement and litigation	53,447	52,974	37,796
Other legal services to the IRS	97	100	49
Tax-Exempt and Government Entities Associate Chief Counsel [7]:			
Total	1,465	1,339	1,067
Guidance and assistance	998	901	849
Tax law enforcement and litigation	254	251	175
Other legal services to the IRS	213	187	43
Tax-Exempt and Government Entities Division Counsel [7]:			

Total	1,876	1,940	1,141
Guidance and assistance	205	d	d
Tax law enforcement and litigation	1,671	1,742	1,080
Other legal services to the IRS	0	d	d
Wage and Investment:			
Total	295	315	52
Guidance and assistance	144	163	24
Tax law enforcement and litigation	23	26	17
Other legal services to the IRS	128	126	11
Other [8]:			
Total	623	626	141
Guidance and assistance	483	491	102
Tax law enforcement and litigation	126	120	39
Other legal services to the IRS	14	15	0

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

[1] Includes published guidance, advanced case resolution, treaties, legislation, Congressional and executive correspondence, training and public outreach, and prefilling legal advice to the IRS.

[2] Includes Tax Court litigation; collection, bankruptcy, and summons advice and litigation; Appellate Court litigation; criminal tax; and enforcement advice and assistance. See Table 27 for tax litigation case information.

[3] Includes electronic and other tax filing legal advice, disclosure advice and litigation, and general legal services advice and litigation.

[4] The International Division provides legal advice, guidance, and support to the Internal Revenue Service, the Treasury Department, and the public on international tax issues in all procedural postures.

[5] The Large Business and International (LB&I) Division provides legal advice, litigation support, and other services to the Internal Revenue Service LB&I field offices.

[6] The Passthroughs and Special Industries (PSI) Division handles cases that involve passthrough organizations, such as S corporations and partnerships. These passthrough organizations do not pay tax on their incomes, but pass income or losses to shareholders or partners, who include the income or losses on their income tax returns. The PSI Division also handles cases on natural resources taxation (oil, mining, gas, coal, etc.); business credits (low-income housing, energy credits, wind energy, alternative fuels, etc.); excise taxes (transportation, telephones, tires, fuels, etc.); and estate and gift taxes.

[7] During the second quarter of 2015, Chief Counsel's Tax-Exempt and Government Entities (TE/GE) business unit reorganized to both align its organizational structure with that of other Chief Counsel components and to provide better service to the IRS and taxpayers. The TE/GE Associate Chief Counsel provides legal advice and litigation support on TE/GE program matters, while the TE/GE Division Counsel directs counsel-wide litigation programs and provides legal services on TE/GE program matters.

[8] Includes the immediate offices of the Chief Counsel and the Associate Chief Counsel, Finance and Management.

NOTE: Cases may cross fiscal years. Therefore, the workload of cases shown in this table may be related to cases initiated in prior years.

SOURCE: Chief Counsel, Associate Chief Counsel Finance and Management, Planning and Finance Division.

Table 27. Chief Counsel Workload: Tax Litigation Cases, by Type of Case, Fiscal Year 2015

[Money amounts are in millions of dollars]

Type of case	Number or amount
Total cases:	
Received	35,060
Closed	34,150
Pending September 30, 2015	31,867
Tax Court cases [1]:	
Cases received:	
Number	32,394
Amount of tax and penalty in dispute [2]	4,980
Cases closed:	
Number	31,372
Amount of tax and penalty in dispute [2]	9,991
Amount of tax and penalty on decision [3]:	
Total	2,561
Default or dismissed	413
Settled	1,413
Tried and decided	735
Cases pending September 30, 2015:	
Number	30,353
Amount of tax and penalty in dispute [2]	18,365
Tax Court cases on appeal [1]:	
Number pending September 30, 2015	372
Amount of tax and penalty pending September 30, 2015 [2]	1,185
Refund cases [4]:	
Cases received:	
Number	234
Amount of tax and penalty in dispute [2]	1,679
Cases closed:	
Number	303
Amount of tax and penalty in dispute [2]	1,638
Amount of tax and penalty protected [5]:	
Total	1,468
District Court	1,304
Court of Federal Claims	164
Cases pending September 30, 2015:	
Number	845
Amount of tax and penalty in dispute [2]	9,583
Refund cases on appeal [4]:	
Number pending September 30, 2015	32
Amount of tax and penalty pending September 30, 2015 [2]	989
Number of nondocketed cases [6]:	
Received	2,432
Closed	2,475
Pending September 30, 2015	265

[1] Tax Court cases involve a taxpayer contesting the Internal Revenue Service's determination that the taxpayer owes additional tax. The Tax Court provides a forum for a taxpayer to request a determination of the deficiency prior to paying the tax allegedly owed.

Other cases that may be considered by the Tax Court include:

Collection Due Process (CDP)—cases where a taxpayer requested a hearing with an independent CDP officer in response to a notice of Federal tax lien or notice of intent to levy.

Innocent Spouse Program—cases in which a taxpayer who filed a joint return with a spouse or ex-spouse may apply for relief of tax, interest, and penalties if he/she meets specific requirements.

Abatement of Interest—cases of disputed interest on tax deficiencies or payments in which IRS error or delays may have contributed to the assessed interest.

Tax-exempt Status—cases where an organization disputes IRS's revocation or denial of tax-exempt status.

[2] The amount of tax and penalties in dispute excludes interest.

[3] Reflects the amount a taxpayer owes as determined by the Tax Court, excluding offsetting overpayments and interest.

[4] Refund cases involve taxpayers seeking refunds of claimed overpayments after taxes have been fully paid.

[5] Tax protected is the amount claimed by the taxpayer in a suit for a refund of previously paid taxes that is not awarded to the taxpayer in the court's judgment.

[6] Nondocketed cases are cases in which a court petition was not filed and Chief Counsel reviewed and advised on a statutory notice of deficiency.

Subtitle F – Procedure and Administration

- Chapter 61 - Returns and Records
- Chapter 62 – Time & Place for Paying Tax
- Chapter 63 – Assessment
- Chapter 64 – Collection
- Chapter 65 – Abatements, Credits and Refunds
- Chapter 66 – Limitations
- Chapter 67 – Interest
- Chapter 68 – Additions to Tax, Additional Amounts
- Chapter 69 – General Provisions Relating to Stamps
- Chapter 70 – Jeopardy, Receiverships, Etc.
- Chapter 71 – Transferees and Fiduciaries
- Chapter 72 – Licensing and registration
- Chapter 73 – Bonds
- Chapter 74 – Closing agreements and Compromises
- Chapter 75 – Crimes, Other Offenses, and Forfeitures
- Chapter 76 – Judicial Proceedings
- Chapter 77 – Miscellaneous Provisions
- Chapter 78 - Discovery of Liability and Enforcement of Title
- Chapter 79 – Definitions
- Chapter 80 - General Rules