

CLIENT ALERT

Insights from IRS LB&I's 2020 Focus Guide

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Based on LB&I's 2020 focus guide, companies should expect to see more pass-through audits, an increased role of data analytics, and enhancements to the Large Corporate Compliance program. On February 7, 2020, the IRS Large Business and International Division released its [focus guide](#), which briefly outlays its priorities for the upcoming year.

Partnership Audits

One of LB&I's five major program priorities is the "successful implementation of the Bipartisan Budget Act of 2015 (BBA)." However, LB&I's plans for partnership audits extend beyond implementing the BBA. In addition to implementing the new large partnership audit procedures, LB&I says that it has "many ongoing efforts" to increase the volume of audits for pass-through entities and that IRS employees should expect to see more work in this area.

Data Analytics

Throughout the focus guide, LB&I reiterates its commitment to using data analytics. LB&I says it will use data analytics to identify more productive work for employees, it will continue efforts to obtain more useful data from taxpayers, and it will enhance the Large Corporate Compliance Program (formerly Coordinated Industry Case program) using data analytics.

Other Priorities

LB&I also reports that it will continue to integrate the Tax Cuts and Job Act, monitor the impact of the Compliance Assurance Process recalibration, and maintain efforts to improve the Campaign Compliance Program.

LB&I says it will also focus on key cross-functional compliance issues, including virtual currency, syndicated conservation easements, and micro-captive insurance.

Staffing

The 2020 focus guide highlights LB&I's recent hiring and its efforts to maximize staffing. This is the first time since 2010 that LB&I has reported a significant increase in hiring. The guide reports that in the last year LB&I hired 30 revenue agents, 67 tax law specialists, and 24 engineers. LB&I hopes to continue the hiring trend.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

Teresa Abney

Counsel – Washington, D.C.

Phone: +1 202.624.2667

Email: tabney@crowell.com