

Internal Revenue Service

Memorandum

Date: October 8, 2010

To: Shagufta Ahmed, OIRA Desk Officer

From: R. Joseph Durbala, IRS, Tax Analyst

Subject: Emergency Justification Statement for the revision request of OMB approval number 1545-1800.

Companies are regularly challenged to comply with a multitude of IRS requirements. The IRS is challenged to administer the constant changes to the complexities of the law. To achieve our vision of tax administration, LB&I integrated business strategies with the following four key components:

- o Implementing an issue focused compliance approach,
- o Increasing transparency and cooperation,
- o Leveraging technology, and
- o Understanding the impact of a global business environment.

We have instituted a number of significant new processes in our issue management strategy, including: Issue Focused Examinations, **Compliance Assurance Process (CAP)**, and Pre-Filing Agreements. The Compliance Assurance Process, or CAP, is a pre-filing program that focuses on issue identification and resolution through real-time interaction between the taxpayer and the IRS before the return is filed.

To improve tax compliance by LB&I taxpayers, meet our annual compliance plan objectives, and continue to move LB&I forward, it is essential that we make the distinction between taxpayer behaviors and balance enforcement efforts appropriately. The development and OMB approval of this CAP application form will help us meet our Agency obligations to the taxpayers. Failure to provide taxpayers with the proper tools and assistance to comply with the tax laws and responsibilities could result in an adverse financial impact on the taxpaying public and hinder the mission of the IRS. The new application form will become effective as soon as the permanency announcement is made. Once permanence is announced, this form must be available so taxpayers can apply for the program.

Thus, we are requesting an emergency Paperwork Reduction Act review by October 8, 2010.

Please advise me whether this Emergency request will be accepted by OMB by October 8, 2010. If you have any questions or concerns, please let me know. I can be reached at (202) 622-3634 or by e-mail at RJoseph.Durbala@irs.gov.

Your assistance in this matter is appreciated.