



## Treasury Inspector General for Tax Administration Office of Audit

### READ THE FULL REPORT

To view the report, including the scope and methodology, go to:

<http://www.treas.gov/tigta/auditreports/2014reports/201430066fr.pdf>.

### FISCAL YEAR 2014 STATUTORY AUDIT OF COMPLIANCE WITH NOTIFYING TAXPAYERS OF THEIR RIGHTS WHEN REQUESTED TO EXTEND THE ASSESSMENT STATUTE

Issued on August 29, 2014

## Highlights

Highlights of Report Number: 2014-30-066 to the Internal Revenue Service Deputy Commissioner for Services and Enforcement.

### IMPACT ON TAXPAYERS

The IRS is required by law to notify taxpayers of their rights when requesting an extension of the statute of limitations for assessing additional taxes and penalties. Taxpayers might be adversely affected if the IRS does not follow the requirements to notify both the taxpayers and their representatives of the taxpayers' rights related to assessment statute extensions.

### WHY TIGTA DID THE AUDIT

TIGTA is required by law to annually determine whether the IRS complied with Internal Revenue Code Section 6501(c)(4)(B), which requires that the IRS provide notice to taxpayers of their rights to decline to extend the assessment statute of limitations or to request that any extension be limited to a specific period of time or specific issues.

### WHAT TIGTA FOUND

TIGTA's review of a statistical sample of 59 closed taxpayer audit files with assessment statute extensions found that the IRS is generally compliant with Internal Revenue Code Section 6501(c)(4)(B). However, TIGTA identified a few instances in which the taxpayer audit files did not contain documentation to support that the taxpayer or the taxpayer's representative were properly notified of the taxpayer's rights.

### WHAT TIGTA RECOMMENDED

TIGTA did not make any recommendations in this report because the number of errors was relatively small and the recommendations made in previous TIGTA audit reports are still valid for the issues reported. IRS officials were provided an opportunity to review the draft report and did not provide any comments.