



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

4.32.4

JANUARY 5, 2023

EFFECTIVE DATE

(01-05-2023)

PURPOSE

- (1) This obsoletes IRM 4.32.4, Abusive Transactions, IRC 6707A Penalty for Failure to Include Reportable Transaction Information With Return..

MATERIAL CHANGES

- (1) This IRM is no longer in effective. Content has been updated to eliminate obsolete items and is contained in IRM 20.1.13, Penalty Handbook - Material Advisor and Reportable Transactions Penalties
- (2) Exhibits and templates where forms and letters exist in the IRS repository were not carried over to IRM 20.1.13.
- (3) The obsoleted content has been moved as follows:

Reference From 4.32.4	Description Moved to IRM 20.1.13
IRM 4.32.4.1.4	Updated to include provisions of IG memo SBSE-04-0714-0025 related to time required on statute to send case to Appeals.
4.32.4.1	IRM 20.1.13.3, Failure to Include Reportable Transaction Information with Return - IRC 6707A Penalty
4.32.4.1.1	IRM 20.1.13.3, Failure to Include Reportable Transaction Information with Return - IRC 6707A Penalty
4.32.4.1.2	IRM 20.1.13.3.1, Effective Date - IRC 6707A
4.32.4.1.3	IRM 20.1.13.3.4, Penalty Computation Overview - IRC 6707A
4.32.4.1.4	IRM 20.1.13.3.3, Statute of Limitations - General Information
4.32.4.1.4.1	IRM 20.1.13.3.3.1, Statute of Limitations When Disclosure Is Required With Return
4.32.4.1.4.2	IRM 20.1.13.3.3.2, Statute of Limitations When Disclosure Is Required Without a Return
4.32.4.1.4.3	IRM 20.1.13.3.3, Statute of Limitations - General Information

Reference From 4.32.4	Description Moved to IRM 20.1.13
4.32.4.1.4.4	IRM 20.1.13.3.3, Statute of Limitations - General Information
4.32.4.2	IRM 20.1.13.3.4.2, IRC 6011 Overview of Disclosure Requirements
4.32.4.2.1	IRM 20.1.13.3.4.1, Identifying Reportable Transactions
4.32.4.2.2	IRM 20.1.13.3.4.1, Identifying Reportable Transactions
4.32.4.2.3	Eliminated as obsolete
4.32.4.3	IRM 20.1.13.3.2, Compliance Functional Guidance - IRC 6707A
4.32.4.3.1	IRM 20.1.13.3.2.1, General Information
4.32.4.3.1.1	IRM 20.1.13.3.2.2, Penalty Case Control
4.32.4.3.2	IRM 20.1.13.3.2.3, Penalty Case Development
4.32.4.3.2.1	IRM 20.1.13.3.2.3.1, Opening an IRC 6707A Penalty Case
4.32.4.3.2.2	IRM 20.1.13.3.4, Penalty Computation Overview - IRC 6707A
4.32.4.3.2.3	IRM 20.1.13.3.2.3.2, Penalty Case File Documents for All Listed and Non-Listed Reportable Transactions
4.32.4.3.2.4	IRM 20.1.13.3.2.3.2.1, Penalty Case File Additional Documents for Non-Listed Reportable Transactions Only
4.32.4.4	Process has been eliminated with IGM incorporated into IRM 20.1.13
4.32.4.5	IRM 20.1.13.3.2.3.3, Penalty Case Determination Issuing the 30-Day Letter
4.32.4.5.1	IRM 20.1.13.3.2.3.4, Closing an IRC 6707A Penalty Case
4.32.4.5.2	IRM 20.1.13.3.2.3.4, Closing an IRC 6707A Penalty Case
4.32.4.6	IRM 20.1.13.3.5, Appeals Request - IRC 6707A Overview
4.32.4.6.1	IRM 20.1.13.3.5, Appeals Request - IRC 6707A Overview
4.32.4.6.2	IRM 20.1.13.3.5.1, Sending the Case to Appeals - Pre-Assessment Consideration

Reference From 4.32.4	Description Moved to IRM 20.1.13
4.32.4.6.3	IRM 20.1.13.3.5.2, Sending the Case to Appeals - Post-Assessment Consideration
4.32.4.7	IRM 20.1.13.3.2.3.4, Closing an IRC 6707A Penalty Case
4.32.4.7.1	IRM 20.1.13.3.2.3.4, Closing an IRC 6707A Penalty Case
4.32.4.7.2	IRM 20.1.13.3.2.3.4.1, Quick Assessment Closing Procedures for IRC 6707A Penalty Cases
4.32.4.8	IRM 20.1.13.3.7, Abatement Procedures - IRC 6707A Penalties
4.32.4.9	IRM 20.1.13.3.6, Penalty Rescission - IRC 6707A Penalties
4.32.4.10	IRM 20.1.13.3.6.1, Factors Weighing in Favor of Rescission
4.32.4.10.1	IRM 20.1.13.3.6.2, Factors Absent and Not Considered in Weighing Rescission
4.32.4.10.2	IRM 20.1.13.3.6.2, Factors Absent and Not Considered in Weighing Rescission
4.32.4.10.3	IRM 20.1.13.3.6, Penalty Rescission - IRC 6707A Penalties
4.32.4.11	IRM 20.1.13.3.6.3, Continuation of the Income Tax Examination and IRC 6662A Consideration
4.32.4.12	IRM 20.1.13.3.2.3.4, Closing an IRC 6707A Penalty Case
4.32.4.12.1	IRM 20.1.13.3.2.3.4, Closing an IRC 6707A Penalty Case
4.32.4.12.2	IRM 20.1.13.3.2.3.4.1, Quick Assessment Closing Procedures for IRC 6707A Penalty Cases
4.32.4.12.3	IRM 20.1.13.3.2.3.4, Closing an IRC 6707A Penalty Case
IRM 4.32.4.6.2 (1)	Updated to include provisions of IG memo SBSE-04-0714-0024 related to time required on statute to send to case to Appeals.
IRM 4.32.4.7.2	Updated to include provisions of IG memo SBSE-04-0714-0024.
IRM 4.32.4.9	Updated instructions for processing and approving requests for penalty rescission.

Reference From 4.32.4	Decription Moved to IRM 20.1.13
Exhibit 4.32.4.7	Amended Checksheet for 6707A Penalty Rescission
Exhibit 4.32.4.8	Added Checksheet for 6707 Penalty Rescission.

EFFECT ON OTHER DOCUMENTS

IRM 4.32.4, Abusive Transactions, IRC 6707A Penalty for Failure to Include Reportable Transaction Information With Return, dated 02-11-2016, is obsolete as of the date of this transmittal.

AUDIENCE

This section provides guidance for Small Business and Self-Employed (SB/SE) Examination area office employees, Tax Exempt and Governmental Entities (TE/GE) employees, and Large Business and International (LB&I) employees.

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Small Business/Self-Employed