

Department
of the
Treasury

Internal
Revenue
Service

Office of
Chief Counsel

Notice

N(35)000-157

August 13, 1998

TEFRA Subject Matter Responsibility

Subject: Within the Field Service Division **Cancellation Date:** February 9, 1999

In 1982, Congress enacted the Tax Equity and Fiscal Responsibility Act of 1982, Pub. L. No. 97-248, which set forth unified audit and litigation procedures to simplify and streamline the partnership audit, litigation, and assessment process. These procedures generally apply with equal force to S corporation taxable years beginning after December 31, 1982, and ending on or before December 31, 1996. See, The Subchapter S Revision Act of 1982, Pub. L. No. 97-354, and, The Small Business Job Protection Act of 1996, Pub. L. No. 104-188. These provisions were instituted to administer examinations of tax shelters that were prevalent at the time of the original enactment.

Given the large volume of tax shelters, the Tax Shelter Branch was formed in the National Office to supervise litigation of tax shelters, including the formation of tax shelter projects to govern related shelter promotions. Because of the nexus between the substantive tax issues and the procedural administration of tax shelter projects, the Tax Shelter Branch was assigned jurisdiction over TEFRA procedural issues. This jurisdiction continued when the Tax Shelter Branch was renamed as the Passthroughs & Special Industries Branch of the Field Service Division.

As a result of subsequent legislation and litigation, the number of tax shelters has been reduced to the level that the formation of tax shelter projects is rarely necessary. Many of the TEFRA procedural issues are related to procedural issues that are addressed by the Procedural Branch within the Field Service Division. Accordingly, effective August 2, 1998, National Office subject matter responsibility within the Field Service Division for matters pertaining to the TEFRA unified audit and litigation procedures (I.R.C. §§ 6221-6234) and Electing Large Partnership audit and litigation procedures (I.R.C. §§ 6240-6255) will be transferred to the Procedural Branch within the Field Service Division. Any TEFRA matter for which the manual requires coordination with the Passthroughs & Special Industries Branch (or Tax Shelter Branch) should, after August 2, 1998, be coordinated with the Procedural Branch. Though questions may be directed to any

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member of the Procedural Branch, the following list identifies the primary contacts for TEFRA related questions:

Ronald L. Buch	202-622-7329
Melinda G. Williams	202-622-7940
Richard D. Fultz	202-622-7950
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Any TEFRA matters currently pending with the Passthroughs & Special Industries Branch will continue to be handled by that branch. Matters pertaining to a specific shelter project will continue to be handled by the current National Office contact, without regard to branch assignment.

For additional information about the subject of this Notice, please contact the Procedural Branch of the Field Service Division at (202) 622-7940.

/s/ Daniel J. Wiles
for JUDITH C. DUNN
Associate Chief Counsel
(Domestic)