I have brought this issue up before and it didn’t go anywhere.  I am hoping with the new regime changes, everyone will see the need for this change and forward through the chain of command until it reaches someone that can resolve the issue.

I have two cases assigned that I believe should not be in SBSE.  Granted, I have closed some of these related cases in the past, but it was nothing more than a “band-aid” so I could close my case.  Other RO’s in our group and I am sure other groups as well, have done the same thing.  The problem is we in SBSE are simply not equipped to handle these cases.

According to the IRM, SBSE handles cases of businesses with assets under $10 million [\*5](#SBSE).  LBI handles businesses with assets over $10 million [\*6](#LBI).

The companies we are getting assigned are in some form or fashion, subsidiaries of Marriott International, Inc., who in 2019 reported assets of $216,932,747,130[\*4](#Assets) or, ***20 times the amount to be classified as LBI***.

My case in points:

* On IDRS, the entities are all classified as “LM” (LBI) [\*1](#ENMODA1), [\*1a](#ENMODA2).
* On ICS, the entities are all classified as “LM” (LBI) ) [\*2](#ICS1), [\*2a](#ICS2).
* On correspondence to the taxpayers, the entities are all classified as “LM” (LBI) ) [\*3](#Correspondence1), [\*3a](#Correspondence2).
* According to definitions in IRM, TP is classified as “LM” (LBI) ) [\*5](#SBSE), [\*6](#LBI)

So, if every correspondence, database, software program and regulation classify the entities as LBI, why are grade 11 RO’s in SBSE getting assigned these cases?

We are not providing the taxpayers any measure of service by having their cases worked by people that are not equipped to do so.  We have failed the taxpayer.

In addition, when we are assigned a case, we are required to verify cross compliance[\*7](#Compliance).  In these cases, that would require us to verify compliance on at least 117 different entities.  In randomly selecting 10 of those cases, 4 had issues which would require getting the case assigned to the RO.  While not likely, if that percentage held true, that would require the RO to request 46 more cases.  Even at 10% they would request 12 more cases.

We all know that is not going to happen.  Therefore, taxpayer ends up dealing with multiple RO’s.  Those RO’s, if these cases are selected for mid-term or annual review, will cause the RO to be negatively impacted in Critical Job Element “3C-Compliance” because they will have failed to conduct compliance and/or cross compliance [\*8](#Compliance).  So, now we have failed the taxpayer and the employee.

I’m not sure but, maybe the Large Dollar Unit would be another possibility?  Regardless of who it is, these cases need to be worked by someone better able to handle them, someone who can pull all the entities together.  Piecemealing the whole unit is unfair to the taxpayer and the RO, ineffective and a huge waste of resources.

Please look into this & get someone to make the necessary corrections.

Thank you,

David W. Collins

#1000857504

Revenue Officer, Group 2400

5740 Uptain Rd, Suite 7800

Chattanooga, TN 37411

(423) 855-6022 Office

(877) 621-6314 Fax

(423) 438-9989 Cell

[david.collins@irs.gov](mailto:david.collins@irs.gov)

6:00 a.m. – 2:30 p.m. EST, Mon – Fri

|  |  |
| --- | --- |
| \*1 |  |
| \*1a |  |
| \*2 |  |
| \*2a |  |
| \*3 |  |
| \*3a |  |
| \*4 |  |
| \*5 | **1.1.16.1 (03-15-2022) The Small Business/Self Employed Commissioners of Collection and Examination**  (2) SB/SE taxpayers are defined as individuals filing schedules for sole proprietor businesses, rental/flow-through income, farm income, and/or employee business expenses as well as all other businesses with assets under $10 million. The SB/SE division also has responsibility for estate, gift, fiduciary, excise, and most employment tax returns. |
| \*6 | **1.1.24.1 (09-24-2020) Large Business and International Division**  (2) LB&I serves C corporations, S corporations and partnerships with assets greater than $10 million. |
| \*7 | **5.19.1.4.4.1 (09-09-2019) Full Compliance Check**  (1) A full compliance check is required to identify if the taxpayer filed and paid all types of tax, penalties and interest for which they are liable. Ensure balance due and return delinquency modules, including cross-reference taxpayer identification numbers displayed on all MFs, are researched. |
| \*8 |  |