



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

4.36.5

OCTOBER 2, 2024

EFFECTIVE DATE

(10-02-2024)

PURPOSE

- (1) This transmits revised IRM 4.36.5, Joint Committee Procedures, Reports.

MATERIAL CHANGES

- (1) Changes were made to the following subsections:

IRM Subsection	Title	Description of change
4.36.5.1	Program Scope and Objectives	Removed paragraph (1); Renumbered and modified paragraphs (2) thru (5); added new paragraph (6), Contact Information, for consistency with other IRM 4.36 sections. Added note defining “examination team.”
4.36.5.1.2	Authority	Removed previous language and added reference to IRM 4.36.1.1.2.
4.36.5.1.3	Roles and Responsibilities	Changed subsection title for consistency.
4.36.5.1.4	Program Management and Review	Added subsection and reference to IRM 4.36.1.1.4.
4.36.5.1.5	Program Controls	Added subsection and reference to IRM 4.36.1.1.5.
4.36.5.1.6	Terms/Definitions/ Acronyms	Removed previous language and added reference to IRM 4.36.1.1.6.
4.36.5.1.7	Related Resources	Removed previous language and added reference to IRM 4.36.1.1.7.

IRM Subsection	Title	Description of change
4.36.5.2	Types of JC Reports	Updated language in paragraph (2) and added title to IRM reference in paragraph (3).
4.36.5.2.1	Regular Report	Updated subsection title and consolidated paragraphs (1) and (2) for conciseness.
4.36.5.2.1.1	Short Form Report	Included reference to Exhibit 4.36.5-3 in paragraph (1); updated criteria in paragraph (2); revised the years in the example and updated language in paragraphs (3) and (4) for clarity. Removed reference to Form 4081.
4.36.5.2.2	Expedite Refund Report	Rewritten for clarification of requirements.
4.36.5.2.3	Minimum Refund Report	Consolidated paragraphs (1) and (2) for conciseness and added reference to IRM 4.36.3.7.1. Removed paragraph (3).
4.36.5.2.4	Modified Expedite Refund Report	Consolidated paragraphs (1) and (2) for conciseness and added reference to IRM 4.36.3.7.3. Removed paragraph (3).
4.36.5.2.5	Supplemental Report	Reordered and reworded the entire subsection for clarity.
4.36.5.2.6	Foreign Sales Corporation (FSC) Report	Updated language for clarity.
4.36.5.3	Items Common to JC Reports	Updated subsection title and language for clarity. Removed reference to Form 4081.
former 4.36.5.3.1	Form 4081	Removed subsection because the form is no longer used.

IRM Subsection	Title	Description of change
4.36.5.3.1	Statement of Years Covered in JC Report	Renumbered, updated language for clarity and added title of IRM reference.
4.36.5.3.2	Power of Attorney	Renumbered and reworded paragraph to include form title and example.
4.36.5.3.3	Joint Committee Spreadsheet	Renumbered and updated language for clarity.
4.36.5.4	JC Report Package Sent to the JCT	Removed reference to Figure 4.36.5-1 and added reference to IRM 4.36.5.4.1; updated list. Removed reference to Form 4081.
4.36.5.4.1	Instructions for Submitting JC Reports to the JCT	Moved content from former IRM 4.36.5.8 to this new subsection.
4.36.5.5	Discovery of Unreported Refunds	Updated subsection title and procedure.
4.36.5.6	Special Situations	Updated language and added IRM citations.
4.36.5.6.1	Tentative Allowances from Unexamined Source Years	Updated subsection title, updated language for clarity and added reference to IRM 4.36.3.7.2.
4.36.5.6.2	Cases with Unagreed Issues — Minimum Refund	Added title of IRM reference to paragraph (1) and removed paragraph (4).
4.36.5.6.3	Request for Refunds — Claims for Unexamined Source or Refund Years —Modified Expedite Refund	Added title of IRM reference to paragraph (1) and removed exhibit reference in paragraph (2).
4.36.5.7	Large Deficiency Case Report Overview	Updated and expanded.
4.36.5.7.1	Reporting Periods and Dates	Updated and expanded.
4.36.5.7.3	Reporting Process	New subsection
4.36.5.7.4	Inquiries from the JCT	New subsection

IRM Subsection	Title	Description of change
4.36.5.7.5	JCT Completion of Review	New subsection
former 4.36.5.8	Instructions for Submitting JC Reports to the JCT	Moved content to new subsection, IRM 4.36.5.4.1.
4.36.5.8	Joint Committee Report Examples	Renumbered and updated order of exhibits.
Figure 4.36.5-1	Joint Committee Report Assembly	Removed
Exhibit 4.36.5-1	Outline and Format of Joint Committee Reports	Updated format and language of report for consistency.
Exhibit 4.36.5-2	Sample Regular Report	Updated title, format and language of report for consistency.
Exhibit 4.36.5-3	Sample Short Form Report	Added exhibit with sample report.
Exhibit 4.36.5-4	Sample Expedite Refund Report	Renumbered from Exhibit 4.36.5-3. Updated format and language of report for consistency.
Exhibit 4.36.5-5	Sample Minimum Refund Report	Renumbered from Exhibit 4.36.5-4. Updated format and language of report for consistency.
Exhibit 4.36.5-6	Sample Modified Expedite Refund Report	Updated format and language of report for consistency.
Exhibit 4.36.5-7	Sample Supplemental Report	Renumbered from Exhibit 4.36.5-5; updated format and language of report for consistency.
Exhibit 4.36.5-8	Sample Foreign Sales Corporation (FSC) Report	Renumbered from Exhibit 4.36.5-7. Updated format and language of report for consistency.
Exhibit 4.36.5-9	Sample Large Deficiency Case Report	Renumbered from Exhibit 4.36.5-8. Updated.

- (2) All exhibits were converted from non-508-compliant tables to graphics with descriptors.
- (3) Various editorial changes were made throughout this IRM section.

EFFECT ON OTHER DOCUMENTS

This IRM supersedes IRM 4.36.5, Reports, dated June 21, 2021.

AUDIENCE

LB&I, SB/SE, TE/GE

Ronald H. Hodge II
Assistant Deputy Commissioner Compliance Integration
Large Business and International Division

4.36.5
Reports

Table of Contents

4.36.5.1 Program Scope and Objectives

- 4.36.5.1.1 Background
- 4.36.5.1.2 Authority
- 4.36.5.1.3 Roles and Responsibilities
- 4.36.5.1.4 Program Management and Review
- 4.36.5.1.5 Program Controls
- 4.36.5.1.6 Terms/Definitions/Acronyms
- 4.36.5.1.7 Related Resources

4.36.5.2 Types of JC Reports

- 4.36.5.2.1 Regular Report
 - 4.36.5.2.1.1 Short Form Report
- 4.36.5.2.2 Expedite Refund Report
- 4.36.5.2.3 Minimum Refund Report
- 4.36.5.2.4 Modified Expedite Refund Report
- 4.36.5.2.5 Supplemental Report
- 4.36.5.2.6 Foreign Sales Corporation (FSC) Report

4.36.5.3 Items Common to All Reports

- 4.36.5.3.1 Statement of Years Covered in Report
- 4.36.5.3.2 Power of Attorney
- 4.36.5.3.3 Joint Committee Spreadsheet

4.36.5.4 JC Report Package Sent to the JCT

- 4.36.5.4.1 Instructions for Submitting JC Reports to the JCT

4.36.5.5 Discovery of Unreported Refunds

4.36.5.6 Special Situations

- 4.36.5.6.1 Tentative Allowances from Unexamined Source Years
- 4.36.5.6.2 Cases with Unagreed Issues — Minimum Refund
- 4.36.5.6.3 Request for Refunds - Claims for Unexamined Source or Refund Years - Modified Expedite Refund

4.36.5.7 Large Deficiency Case Reports Overview

- 4.36.5.7.1 Reporting Periods and Dates
- 4.36.5.7.2 Exceptions
- 4.36.5.7.3 Reporting Process
- 4.36.5.7.4 Inquiries from the JCT
- 4.36.5.7.5 JCT Completion of Review

4.36.5.8 Joint Committee Report Examples

Exhibits

- 4.36.5-1 Outline and Format of Joint Committee Reports
- 4.36.5-2 Sample Regular Report
- 4.36.5-3 Sample Short Form Report
- 4.36.5-4 Sample Expedite Refund Report
- 4.36.5-5 Sample Minimum Refund Report
- 4.36.5-6 Sample Modified Expedite Refund Report
- 4.36.5-7 Sample Supplemental Report
- 4.36.5-8 Sample Foreign Sales Corporation (FSC) Report
- 4.36.5-9 Sample Large Deficiency Case Report

4.36.5.1
(10-02-2024)
Program Scope and Objectives

- (1) **Purpose:** This IRM section describes the various types of Joint Committee (JC) reports and provides guidance on their preparation.
- (2) **Audience:** Examination teams in LB&I, SB/SE and TE/GE who work on cases that meet Joint Committee Review (JCR) program criteria.

Note: For purposes of IRM 4.36, Joint Committee Procedures, the term “examination team” refers to examiners in LB&I, SB/SE, and TE/GE, along with their managers and any specialists who work on the JC case.

- (3) **Policy Owner:** The LB&I Policy Office under the Strategy, Policy and Governance function in the office of the Assistant Deputy Commissioner Compliance Integration organization and the Northeastern Compliance Practice Area (NECPA).
- (4) **Program Owner:** Joint Committee Review program in the NECPA.
- (5) **Primary Stakeholders:** Examination teams, taxpayers and the Joint Committee on Taxation (JCT).
- (6) **Contact Information:** To recommend changes or to make any other suggestions related to this IRM section, see IRM 1.11.6.5, Providing Feedback About an IRM Section – Outside of Clearance. Questions about the IRM content may be emailed to the JCR program at **LB&I Joint Committee Assistance*.

4.36.5.1.1
(06-21-2021)
Background

- (1) See IRM 4.36.1.1.1, Background.

4.36.5.1.2
(10-02-2024)
Authority

- (1) See IRM 4.36.1.1.2 , Authority.

4.36.5.1.3
(10-02-2024)
Roles and Responsibilities

- (1) See IRM 4.36.1.1.3, Roles and Responsibilities.

4.36.5.1.4
(10-02-2024)
Program Management and Review

- (1) See IRM 4.36.1.1.4, Program Management and Review

4.36.5.1.5
(10-02-2024)
Program Controls

- (1) See IRM 4.36.1.1.5, Program Controls

4.36.5.1.6
(10-02-2024)
Terms/Definitions/ Acronyms

- (1) See IRM 4.36.1.1.6, Terms/Definitions/Acronyms, for a list of commonly used terms.
- (2) See IRM Exhibit 4.36.1-1, Acronyms Used Throughout IRM 4.36, for a list of commonly used acronyms.

4.36.5.1.7
(10-02-2024)

Related Resources

- (1) See IRM 4.36.1.1.7, Related Resources.

4.36.5.2
(10-02-2024)

Types of JC Reports

- (1) The Joint Committee Specialist (JCS) prepares JC reports that are sent to the Joint Committee on Taxation (JCT). Exhibit 4.36.5-1, Outline and Format of Joint Committee Reports, contains general information on report preparation.
- (2) The following types of JC reports are submitted to the JCT on refund cases:
 - a. Regular
 - b. Short form
 - c. Expedite refund report
 - d. Minimum refund report
 - e. Modified expedite report
 - f. Supplemental report
 - g. Foreign Sales Corporation (FSC)
- (3)
- (4) Pursuant to IRC 6103(f)(2), the IRS reports on deficiency cases to the JCT. See IRM 4.36.5.7, Large Deficiency Case Reports Overview.

4.36.5.2.1
(10-02-2024)

Regular Report

- (1) A regular report is prepared for survey-after-assignment or examined cases that do not meet the criteria of any other type of JC report listed in IRM 4.36.5.2, Types of JC Reports. See Exhibit 4.36.5-2, Sample Regular Report.

4.36.5.2.1.1
(10-02-2024)

Short Form Report

- (1) A short form report is an abbreviated version of the regular report prepared for cases where all years in the current JC case submission are surveyed-after-assignment or no-changed. See Exhibit 4.36.5-3, Sample Short Form Report.
- (2) To qualify, tax years must meet the following criteria:
 - a. No previous exam activity, or
 - b. If any prior actions were taken by exam, it must be surveyed-after-assignment or no changed, or examined and released by the JCT, or examined and not subject to JC review and six or more years prior to the current tax year.

Example: The current tax year is 2021. The current JC package includes 2014, 2015, 2016 and 2018. Both tax years 2014 and 2015 were previously examined with no JCT release. Tax year 2016 was not previously examined. All tax years are now being surveyed-after-assignment. This case would qualify for the short form report.

- (3) The short form report includes:
 - a. Taxpayer name
 - b. Taxpayer Identification Number (TIN) or Employer Identification Number(EIN)
 - c. Tax year(s)
 - d. Jurisdictional amount and type
 - e. Economic reason for any net operating loss, capital loss or other reason for the refund or credit

- f. A comment that the case has been fully surveyed-after-assignment and/or no-changed
- g. A comment if there is a Power of Attorney on file
- h. A comment if there was a prior JCT release letter
- i. A comment if there are any statute issues

(4) The short form report does not include:

- a. Any attachments except for the JC spreadsheets;
- b. Comments on Separate Return Limitation Year (SRLY) or Corporate Equity Reduction Transaction (CERT) issues, or

4.36.5.2.2
(10-02-2024)
Expedite Refund Report

(1) The expedite refund report is prepared after the case is examined or surveyed-after-assignment where there is a net unpaid IRC 6405(a) refund or credit in excess of the jurisdictional threshold. The expedite refund report is similar to the regular report except that it will be marked "EXPEDITE REFUND." See Exhibit 4.36.5-4, Sample Expedite Refund Report.

(2) To qualify, tax years must meet both of the following criteria:

- a. Have at least 12 months remaining on the statute when the case is submitted to the JCR program, and
- b. The statute of limitations for all included years must be open as the original statute date or as extended by an unrestricted Form 872, Consent to Extend the Time to Assess Tax.

(3) The IRS may only process an IRC 6405(a) refund or credit with respect to any reportable year prior to release by the JCT if the following conditions exist:

- a. The 30-day period pursuant to IRC 6405(a) has expired. The 30-day period begins when the JCR program receives confirmation from the JCT that the electronic JC report has been received, and
- b. The JCT does not raise concerns about payment of the refund or credit prior to the expiration of the 30-day period. The JCS will notify the examination team that the refund may be processed. The case cannot be closed until a release letter is received.

(4) The IRS will **not** process an IRC 6405(a) refund or credit with respect to any reportable year prior to release by the JCT if any of the following conditions exist:

- a. If an inquiry is received from the JCT prior to the expiration of the 30-day period
- b. Any portion of the tax, if erroneously refunded, may only be recovered by civil action brought in the name of the United States under the provisions of IRC 7405.

(5) Taxpayers in bankruptcy are generally not eligible for the expedite refund process.

4.36.5.2.3
(10-02-2024)
Minimum Refund Report

(1) A minimum refund report is prepared before the examination team sends the case to Appeals if the requirements of IRM 4.36.3.7.1, Cases with Unagreed Issues — Minimum Refund, are met. A minimum refund report is marked **MINIMUM REFUND**. See Exhibit 4.36.5-5, Sample Minimum Refund Report.

4.36.5.2.4

(10-02-2024)

Modified Expedite Refund Report

- (1) A modified expedite refund report is prepared when the requirements of IRM 4.36.3.7.3 , Request for Refund — Claims from Unexamined Source or Refund Years — Modified Expedite Refund Report, are met. A modified expedite refund report is marked “MODIFIED EXPEDITE REFUND”. See Exhibit 4.36.5-6, Sample Modified Expedite Refund Report.

4.36.5.2.5

(10-02-2024)

Supplemental Report

- (1) A supplemental report is prepared when:
 - a. A minimum refund was previously reported and the unagreed issues have been resolved. See IRM 4.36.3.7.1 , Cases with Unagreed Issues — Minimum Refund, and IRM 4.36.3.6.4.2 , Competent Authority.
 - b. A tentative allowance from an unexamined source year was shown as a tabulation in a prior JC report, the examination or survey-after-assignment of the source year has been completed and the proposed refund exceeds the jurisdictional threshold. See IRM 4.36.5.6.1, Tentative Allowances from Unexamined Source Years.
 - c. A modified expedite refund was previously reported, the examination or survey-after-assignment of the claim has been completed and the proposed refund exceeds the jurisdictional threshold. See IRM 4.36.3.7.3 , Request for Refund — Claims from Unexamined Source or Refund Years — Modified Expedite Refund Report.
 - d. Unresolved partnership proceedings language was included in a prior JC report, the pass-through adjustment is resolved, the partnership proceedings are completed, and the proposed refund exceeds the jurisdictional threshold. See IRM 4.36.4.10 , TEFRA and Investor Level Statute Control (ILSC) Procedures.
- (2) A supplemental report is marked “**SUPPLEMENTAL REPORT**”. See Exhibit 4.36.5-7, Sample Supplemental Report.
- (3) The body of this report refers to the prior JC report, including the date of the previous report, and if applicable, the date of the JCT release letter.

4.36.5.2.6

(10-02-2024)

Foreign Sales Corporation (FSC) Report

- (1) A FSC report is prepared for refunds resulting from adjustments to the allocation of income or expenses between the FSC and its domestic parent. A FSC report is marked “FSC EXPEDITE REPORT”. The report should contain a brief explanation of the correlative adjustment(s) omitting lengthy background information. No enclosures are required. See Exhibit 4.36.5-8, Sample Foreign Sales Corporation (FSC) Report.

4.36.5.3

(10-02-2024)

Items Common to All Reports

- (1) The following items are common to a JC report, if applicable:
 - a. Statement of Years Covered in the JC report;
 - b. Power of Attorney, and
 - c. JC spreadsheet.

4.36.5.3.1

(10-02-2024)

Statement of Years Covered in Report

- (1) The report specifies reportable years and other years affecting the refund or credit. See IRM 4.36.2.4, Determining Joint Committee Jurisdictional Amount and Reportable Years.

- 4.36.5.3.2
(10-02-2024)
Power of Attorney
- (1) Include a copy of Form 2848, Power of Attorney and Declaration of Representative, (or equivalent, i.e., CFINK), if applicable.
- 4.36.5.3.3
(10-02-2024)
Joint Committee Spreadsheet
- (1) Include a JC spreadsheet for regular tax and AMT, unless it is a **one-year case with no carryback**. If the JC spreadsheet submitted by the examination team is inadequate, the JCS will contact the examination team and request a corrected JC spreadsheet. This spreadsheet can be found at: *Joint Committee Spreadsheet*.
- (2) An additional worksheet is prepared if the taxpayer has credits carried from numerous years and/or foreign tax credits involving different categories.
- (3) Additional worksheets are prepared for individual taxpayers for Net Operating Loss Deduction (NOLD) and Alternative Tax Net Operating Loss Deduction (AMT NOLD).
- 4.36.5.4
(10-02-2024)
JC Report Package Sent to the JCT
- (1) The following items are included, if applicable, in the electronic JC report package. See IRM 4.36.5.4.1, Instructions for Submitting JC Reports to the JCT.
- (2) Assemble all Joint Committee reports **in this order**:
- JCT data file
 - JC report
 - JC spreadsheet
 - Prior Revenue Agent Report (RAR) and Appeals reports
 - Current RAR, including Forms 886-A, Explanation of Items, Forms 5701, Notice of Proposed Adjustment, or lead sheets
 - Prior and current closing agreements (i.e., Form 906, Closing Agreement on Final Determination Covering Specific Matters, etc.)
 - Power of Attorney
 - Security agreement, letter of credit, or other similar document, signed by taxpayer
 - Non-automatic Form(s) 3115, Application for Change in Accounting Method and related consent letters
 - Other necessary documentation
- 4.36.5.4.1
(10-02-2024)
Instructions for Submitting JC Reports to the JCT
- (1) All JC reports should be emailed directly to the JCT via secure email using a password protected zip file.
- 4.36.5.5
(10-02-2024)
Discovery of Unreported Refunds
- (1) If a refund or credit in excess of the jurisdictional threshold has been refunded without a report to the JCT, the JCR program coordinates with Office of Chief Counsel and the examination team. The failure to timely report should be commented on in the JC report. See IRM 4.36.3.2.3, Discovery of Unreported Refunds.
- 4.36.5.6
(10-02-2024)
Special Situations
- (1) The JC report can be written prior to the completion of an examination for a particular reportable year in the following situations:

- a. Tentative allowances from unexamined source years. See IRM 4.36.5.6.1.
- b. Cases with unagreed issues — minimum refund. See IRM 4.36.5.6.2.
- c. Request for refund — claims from unexamined source or refund years — modified expedite refund. See IRM 4.36.5.6.3.

4.36.5.6.1
(10-02-2024)

**Tentative Allowances
from Unexamined
Source Years**

- (1) If a report is being drafted where the reportable years have additional tentative allowances from unexamined source years, add the following statement:
 - a. **Further, under IRM 4.36.3.7.2, this is to advise you that there are the following tentative allowance carrybacks arising from unexamined source years, whose examination will not be completed for a substantial period of time (estimated to be in excess of six months). Upon completion of such examination, the refund will be the subject of a supplemental report, provided the refund amount satisfies the reporting requirements of IRC 6405., and**
 - b. A tabulation of the tentative allowance carryback amounts, from unexamined source years, will follow the above paragraph.

4.36.5.6.2
(10-02-2024)

**Cases with Unagreed
Issues — Minimum
Refund**

- (1) If the taxpayer is entitled to an IRC 6405(a) refund, and there is an unagreed issue that will not reduce the 6405(a) refund below the jurisdictional threshold, then a JC report will be written. See IRM 4.36.3.7.1, Cases with Unagreed Issues—Minimum Refund
- (2) The report contains the following:
 - a. A statement about the unagreed issues.
 - b. A statement the case is partially agreed, and a supplemental report will be submitted upon resolution of the unagreed issues, even if the resolution of such issues does not cause an additional refund or credit.
- (3) The office that makes the final determination of the taxpayer's liability (that includes agreed or unagreed issues) for the year(s) previously reported to the JCT prepares the supplemental report.

4.36.5.6.3
(10-02-2024)

**Request for Refunds -
Claims for Unexamined
Source or Refund Years -
Modified Expedite
Refund**

- (1) If the taxpayer qualifies for a refund prior to completion of the examination, a modified expedite refund report will be written. See IRM 4.36.3.7.3 , Request for Refunds — Claims for Unexamined Source or Refund Years — Modified Expedite Refund Report.
- (2) The report contains a statement about the losses generating the refund and, if possible, the estimated completion date of the examination.

4.36.5.7
(10-02-2024)

**Large Deficiency Case
Reports Overview**

- (1) Under the general authority of IRC 8022 and 8023, the JCT conducts post-audit review activities by requesting the largest agreed deficiency cases closed by LB&I. The IRS discloses to the JCT the necessary return information to review such large deficiency cases pursuant to IRC 6103(f)(2).
- (2) The following criteria is used to select the large deficiency cases:
 - a. The deficiency cases are restricted to the types of taxes reportable as refunds or credits under IRC 6405 (e.g., taxes imposed under Chapter 32 or 45 will not be reported).

- b. The cases reported are deficiencies with respect to Form 1120, U.S. Corporation Income Tax Return.
 - c. The cases meet criteria requested by the JCT.
 - d. The agreed deficiencies are considered without regard to the fact taxpayers have filed or may file claims for refund for all or a portion of such deficiencies.
- (3) Once the large deficiency cases are identified, a large deficiency case (LDC) report package is prepared. The LDC report package includes:
- a. A summary cover letter signed by the LB&I Commissioner
 - b. The LDC report prepared by the JCR program
 - c. RAR files provided by the examination team
- (4) In addition to the above, the LDC report:
- a. Is addressed to the Chief of Staff, Attention Senior Refund Counsel of the Joint Committee on Taxation.
 - b. Reflects the reporting period (i.e., March or September) and the year is noted along with the taxpayer's name, city, state and EIN.
 - c. Is not subject to the power of attorney requirements of IRM 4.36.5.3.3.
- (5) Exhibit 4.36.5-9 contains an example of the format and language of the LDC reports prepared by the JCR program.

4.36.5.7.1
(10-02-2024)
Reporting Periods and Dates

- (1) The examination team with jurisdiction over the large deficiency case provides the required RAR files.
- a. Form 870, Waiver of Restrictions on Assessment and Collection of Deficiency in Tax and Acceptance of Overassessment
 - b. Form 4549, Report of Income Tax Examination Changes or Form 4549-A
 - c. Forms 5701, Notice of Proposed Adjustment, and Forms 886-A, Explanation of Items
- (2) The JCR program prepares the LDC reports and electronically submits the complete LDC report package to the JCT for each six-month period..
- (3) The six-month periods will be those ending March 31 and September 30 each year. The reports for each period should be submitted on or before July 31 and January 31. For example, the reports for the period ending March 31, are submitted on or before July 31.

4.36.5.7.2
(05-04-2010)
Exceptions

- (1) The following types of deficiency cases will **not** be considered for submission as deficiency case reports:
- a. Cases sent to and considered by Appeals, or docketed in the Tax Court;
 - b. Cases where it is known that the deficiency years were reported to the JCT as part of an overpayment case; or
 - c. Special Enforcement Program (SEP) cases.

4.36.5.7.3
(10-02-2024)
Reporting Process

- (1) LB&I uses data analytics to determine all closed agreed cases with a deficiency for the six-month period ending either March 31 or September 30. The findings are shared and reviewed by the JCR program manager and senior program analyst to ensure large case deficiency cases are identified based on the JCT's requested criteria.

- (2) For each LDC identified, the JCR program manager requests the RAR files to support the large deficiency by emailing the examiner, examination team manager, territory manager, DFO/area executive and senior director with jurisdiction over the case and copies the NECPA senior director and NECPA-Mid Atlantic DFO. The examination team is expected to provide the RAR files to the JCR program manager and senior program analyst within 30 days. The JCR senior program analyst prepares the LDC reports.
- (3) The JCR senior program analyst drafts the summary cover letter and for LB&I Commissioner's signature, Form 14074, Action Routing Sheet, and Form 13839-A, Note to Reviewer, and forwards them to the JCR program manager.
- (4) The JCR program manager submits the summary cover letter, Form 14074 - Action Routing Sheet, and Form 13839-A - Note to Reviewer, to the NECPA-MA DFO to request the LB&I Commissioner's signature.
- (5) Upon receiving the LB&I Commissioner's signed summary cover letter, the JCR senior program analyst electronically submits the LDC report package to the JCT.
- (6) The JCR senior program analyst prepares Form 5466-B, Multiple Record of Disclosure, once the LDC report package is sent to JCT.
- (7) At the end of the calendar year, the JCR senior program analyst emails a narrative of accounting for all IRC 6103(f)(2) disclosures for the calendar year to **PGLD Disclosure Accounting* mailbox and copies the Disclosure Policy & Program Operations senior disclosure analyst. See IRM 11.3.37.3, Accounting System.

4.36.5.7.4
(10-02-2024)
Inquiries from the JCT

- (1) Inquiries from the JCT on large deficiency cases are directed to the JCR program manager.
- (2) The JCT staff attorneys are congressional staff and any inquiry from them constitutes a congressional inquiry. See IRM 4.36.4.5, Disclosure of Correspondence with the JCT.
- (3) All communication with the JCT must go through the JCR program. See IRM 4.36.4.4.1, Types of JCT Inquiries.
- (4) Within 5 days of receiving an inquiry, the JCR program manager shares the request with the examiner, examination team manager, territory manager, DFO/area executive, and senior director with jurisdiction over the case and copies NECPA senior director and NECPA-MA DFO . The inquiry is shared with the practice network specialty area for awareness of the issue, if applicable.
 - a. The JCR senior program analyst coordinates with the examiner and examination team manager the next steps in preparing a response to be submitted to the JCT.
 - b. If a response is not received within 30 days from the examination team, the JCR senior program analyst will follow up and request an update.
- (5) The examination team prepares a response and submits it to the JCR program manager.
- (6) Upon receipt of the inquiry response from the examination team, the JCR program manager and senior program analyst review it for completeness and submit the response to the JCT.

- (7) The JCR program remains involved to ensure the JCT staff attorney receives a timely and satisfactory response.
- (8) The JCR senior program analyst updates the electronic referral system as applicable.
- (9) If additional inquiries are received, the process outlined above is followed.

4.36.5.7.5
(10-02-2024)
JCT Completion of Review

- (1) The JCT provides the JCR program a release letter for each case at the completion of the post-audit large deficiency case review.
- (2) Within 5 days of receiving the release letter, the JCR senior program analyst shares the release letter with the examiner, examination team manager, territory manager, DFO/area executive, and senior director with jurisdiction over the case and copies NECPA senior director and NECPA-MA DFO. This lets the examination team know there will be no further questions on the large deficiency case.
- (3) The JCR senior program analyst updates the electronic referral system for the release letter.

4.36.5.8
(10-02-2024)
Joint Committee Report Examples

- (1) The format and language for specific reports will be shown in the exhibits to follow:

Exhibit	Title
Exhibit 4.36.5-1	Outline and Format of Joint Committee Reports
Exhibit 4.36.5-2	Sample Regular Report
Exhibit 4.46.5-3	Sample Short Form Report
Exhibit 4.36.5-4	Sample Expedite Refund Report
Exhibit 4.36.5-5	Sample Minimum Refund Report
Exhibit 4.36.5-6	Sample Modified Expedite Refund Report
Exhibit 4.36.5-7	Sample Supplemental Report
Exhibit 4.36.5-8	Sample Foreign Sales Corporation (FSC) Report
Exhibit 4.36.5-9	Sample Large Deficiency Case Report

This Page Intentionally Left Blank

Exhibit 4.36.5-1 (10-02-2024)

Outline and Format of Joint Committee Reports

All amounts should be rounded off to the nearest dollar and standard abbreviations may be used throughout. The format is subject to change by the Joint Committee on Taxation from time to time as a result of experience, volume of cases, etc.

Right -	Heading
	Symbols of office preparing report
	Geographic location of office conducting examination
	Report writer name and phone
	Any related Joint Committee cases
	Date of Report

First Paragraph

Reports will contain the identity of the taxpayer to whom the refunds or credits are payable or to whom tentative allowances were paid. In situations in which another entity has succeeded to the interests of the taxpayer by operation of law (e.g. bankruptcy, conservation of an estate, or dissolution), the report will be in the name of the person or entity entitled to the refunds or credits by operation of law with the name of the original taxpayer added to the title. (e.g., XYZ Corporation, Inc. successor in interest to ABC Company). Thus, the parent of a consolidated return group in a taxable year following a separate return year of a corporation in the group would not fall into the category of an entity entitled to a refund for that earlier separate return year by operation of law. Additionally, consolidated return reports are to include "and subsidiary" or "and subsidiaries" as part of the name of the taxpayer even though this terminology was not included as part of the name set forth on the tax return. All reports should also specify the SSN or EIN, city, and state of the taxpayer receiving the refund or credit.

Tabulation of Examination Results

Some or all of the following columns may be used:

<u>Year</u>	<u>Deficiencies</u>	<u>Refunds or Credits</u>		
		<u>Proposed Refunds Section 6405(a)</u>	<u>Tentative Allowance Section 6405(b)</u>	<u>Net Refund or Credits</u>

Total

Foreign tax credit carrybacks that have been refunded erroneously by the IRS on the basis of Form 1139 should be reported as Section 6405(a) refunds. Any other refunds prematurely allowed should also be in the Section 6405(a) column.

**** If more than one year is reported, all columns must be totaled.**

Note: The columns titled Section 6405(a) and Section 6405(b) should **not** be used unless the aggregate amount of the proposed refunds exceeds the jurisdictional threshold. The column titled "Deficiencies" should only be used if applicable.

Following Paragraphs

The following should be noted here:

1. Proposed refunds and deficiencies for non reportable years should be noted here, as shown in the sample report.
2. Unexamined source years. See IRM 4.36.3.7 , Reporting Prior to resolution of all Issues, for specific information.

Exhibit 4.36.5-1 (Cont. 1) (10-02-2024)**Outline and Format of Joint Committee Reports**

3. The primary reason(s) for the refunds.
4. Reference to enclosed spreadsheets. See IRM 4.36 3.6.3 .
5. Related taxpayers for which reports are being submitted concurrently.
6. Prematurely allowed refunds or credits.
7. Previously unreported refunds.
8. A statement that the case is submitted under the unagreed case procedures (IRM 4.36.3.7.1) and that a supplemental report will be submitted if the remaining issues are resolved outside of court and it exceeds the jurisdictional threshold. If the final results indicate an overall refund/credit less than the jurisdictional threshold, a written notification is required to be made to the JCT.

Taxpayer History Section

The first paragraph(s), where appropriate, should include:

1. Date of incorporation.
2. Principal business activities and products.
3. Changes in activities or products if pertinent to understanding the adjustments or causes of the over-assessments.
4. Description of stock ownership (closely held or publicly traded).
5. The names or number of subsidiaries or affiliates.
6. Explanation of structure and any changes in capital structure, mergers, or corporate acquisitions/dispositions.
7. Causes for short taxable years.

The final paragraph briefly states the economic reason for any net operating loss, capital loss or other reason for refund or credit.

Prior Examination History

Prior examinations and Appeals settlements should be mentioned and complete copies (including all computation sheets and explanations of adjustments) enclosed with the report. If the actions have previously been reported to the JC, no copy is needed, but the report release date needs to be stated. If there was no prior examination, there will be a statement to that effect.

Current Examination Activity

This section should include:

1. Claims and applications for tentative refund filed by the taxpayer, including the amounts and basis for filing. If there are numerous filings, they can be listed in an attachment.
2. Explanation of a premature refund.
3. Survey action by the examination team.
4. Description of an enclosed examination report. It should be a complete copy, including:
 - a. All computations.
 - b. Forms 886-A or 5701.
 - c. Any Private Letter Ruling, Technical Advice Memorandum, Field Service Advice, Appeals Audit Statement, Appeals Transmittal and Case Memorandum (ACM), report of Court Action, or Counsel Settlement Memorandum.
5. Explanation of a jurisdictional refund that was not previously reported.
6. If the case involves a change in accounting method or period, a copy of the permission to change.
7. Whether it is a Large Corporate Compliance case.
8. Whether there is a Power of Attorney on file and enclosed.
9. The statute of limitations dates (regular and special) for each refund year and source year.

Exhibit 4.36.5-1 (Cont. 2) (10-02-2024)
Outline and Format of Joint Committee Reports



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

The Chairman
Joint Committee on Taxation
Attention: (Name of Senior Refund Counsel)
C:JC:3565/IR
1111 Constitution Ave., NW
Washington, DC 20224

SE:LB:NE:MA:TR14:TXXXX:JC
Examination Area:
J.C. Specialist:
Phone No.:
Fax No.:
Related Cases:
Date:

[TYPE OF REPORT, I.E. MINIMUM REFUND, ETC]

Dear Mr. Chairman:

In accordance with the provisions of Section 6405 of the Internal Revenue Code, there are reported the following refunds or credits of income tax in favor of [identification of taxpayer] Taxpayer, Inc. and Subsidiaries, (EIN: XX-XXXXXXX), City, State.

[Tabulation of examination results]

		Refunds or Credits		
Year	Deficiencies*	Proposed Refunds Section 6405(a)*	Tentative Allowances Section 6405(b)	Net Refunds or Credits
201312			\$5,450,000***	\$5,450,000
201412		\$5,000,500**	1,325,000	6,325,500
201512	\$175,000		4,600,000	4,425,000
Total	\$175,000	\$5,000,500	\$11,375,000	\$16,200,500

***Only use the Deficiency column if appropriate. If a refund was prematurely allowed, it should be included in the 6405(a) column. If there are only proposed non-jurisdictional amounts, do not include this column in the tabulations. Instead, add as narrative here.**

[Proposed refunds and deficiencies for non-reportable years]

In addition, there is a proposed refund in the amount of \$53,450 for 201212.

[Primary reason for the refund]

The refunds resulted primarily from the carryback of a net operating loss (NOL) and unused credits from the year 201612.

Exhibit 4.36.5-1 (Cont. 3) (10-02-2024)**Outline and Format of Joint Committee Reports*****[Reference to enclosed spreadsheets]***

The taxable income and tax liability reported on the returns and as finally determined are shown on the enclosed spreadsheets. *[Also, note the following here if applicable:*

- a) tentative refunds from unexamined source years,*
- b) related taxpayers for which reports are being submitted concurrently,*
- c) prematurely allowed refunds or credits,*
- d) claims from unexamined source years (modified expedite refund report)*
- e) statement that the case is being submitted under the unagreed case procedures per IRM 4.36.3.7.1, Cases with Unagreed Issues – Minimum Refund Cases, and that a supplemental report will be submitted. See sample language for each situation below]*

[Tentative refunds from unexamined source years]

Further, under IRM 4.36.3.7.2, this is to advise you that there is the following tentative allowance carryback arising from the unexamined source year 201712, whose examination will not be completed for a substantial period of time (estimated to be in excess of six months). Upon completion of such examination, the refund will be the subject of a supplemental reporting, provided the refund amount satisfies the reporting requirements of IRC Section 6405.

<u>Carryback Year</u>	<u>Tentative Allowance</u>	<u>Source Year</u>
201512	\$5,500,000	201712

[Related taxpayers]

In addition, refunds resulted from the carryback of a net operating loss and a capital loss from (name of related taxpayer) 201612 tax return.

[Prematurely allowed refunds]

*The proposed refund of \$5,000,500 for 201412, included above, was not previously reported as required.

[Previously unreported refunds]

***The tentative refund of \$5,450,000 for 201312, included above was previously examined but not reported as required.

[Claims from unexamined source years (modified expedite refund report)]

This report is submitted under the procedures contained in IRM 4.36.3.7.3. The taxpayer has requested that this refund be made since the examination for the 201412, 201512 and 201612 tax years will not be completed within six months. It has been determined that no disadvantage will occur to the Government in paying the refund. Security will be posted for the amount of the proposed refund and a copy of the Collateral Security Agreement is enclosed for your consideration. A supplemental report will be submitted after the completion of the examination if required.

[Unagreed issues/minimum refund]

This report is submitted under the procedures contained in IRM 4.36.3.7.1. The unagreed issues will require a substantial period of time to resolve and the delay would deprive the taxpayer of a timely refund. The refunds reported reflect the minimum amount to which the taxpayer is entitled, regardless of the outcome of the unagreed issues. A supplemental report will be submitted after the completion of the examination and/or resolution of the unagreed issues.

Exhibit 4.36.5-1 (Cont. 4) (10-02-2024)
Outline and Format of Joint Committee Reports

TAXPAYER HISTORY

[First paragraph]

The taxpayer was incorporated on *[date of incorporation]* May 4, 1949, *[principal business activities and products]* and is engaged in real estate development. *[Changes in activity or products if pertinent to understanding the adjustments or causes of the overassessments.]* The taxpayer is also active in the family entertainment business and has interests in soft drinks and heavy construction equipment. *[Description of stock ownership]* The company's stock is widely held and traded on the New York Stock Exchange. *[Explanation of structure and any changes in capital structure, mergers, or corporate acquisitions/dispositions]* There were no major acquisitions during the years covered by this report. *[Also include here: names or number of subsidiaries or affiliates, causes for short taxable years.]*

[Second paragraph]

[Brief statement of the economic reason for any net operating loss or capital loss, or the reason for the refund or credit] The primary reason for the loss was due to competition from major rivals. Also, technological improvements caused rapid obsolescence of equipment.

PRIOR EXAMINATION HISTORY

[Mention prior examinations and Appeals settlements; enclose copies of prior RARs and Appeals Memorandums]

Enclosed is the examination report, dated November 14, 2016, for the 201312 year.

[Statement of no prior examination] None of the other years in this report were previously examined.

[State release date of previous Joint Committee report, if applicable]

CURRENT EXAMINATION ACTIVITY

[List of claims and applications for tentative refund filed by the taxpayer, including the amounts and basis for filing. If numerous filings, list on a separate attachment.] On June 30, 2017, the taxpayer filed a timely application for tentative refund on Form 1139 requesting the income tax refunds of \$1,325,000 for 201412 and \$4,600,000 for 201512 based on an NOL and unused credits from 201612.

[Or use the following or similar type format]

On June 30, 2017, the taxpayer filed a timely application for tentative refund on Form 1139 requesting the income tax refunds listed below, based on an NOL and unused credits from 201612.

<u>Year</u>	<u>Refund Requested</u>	<u>Type of Carryback</u>
201412	\$1,325,000	NOL C/B
201512	\$4,600,000	NOL C/B & GBCs

[Explanation of Premature Refund]

**On May 3, 2016, the taxpayer filed a Form 1120X to claim additional operating expenses for the year 201412. The refund in the amount of \$5,000,500 was prematurely issued by the IRS Center prior to submission of a report to the Joint Committee on Taxation and is now being reported.

Exhibit 4.36.5-1 (Cont. 5) (10-02-2024)**Outline and Format of Joint Committee Reports*****[Statement of survey action if all or some of the years were surveyed]***

In a Form 1900, Income Tax Survey, report dated January 3, 2019, the examiner recommends acceptance of the reported NOL for 201612 and unused credits, as well as its carryback into 201412 and 201512, resulting in the indicated tentative allowances. The examiner's analysis of the returns did not disclose any large, unusual or questionable items that would warrant examination. The examiner contacted the taxpayer to learn the economic reason for the reported NOL.

[Statement of Examination Report]

Enclosed is the examination report, May 21, 2019, for the years 201212 through 201612.

[If applicable, (1) explanation of a jurisdictional amount that was not previously reported; (2) change of accounting method comments.]

*** On April 30, 2014, the taxpayer filed a timely application for tentative refund on Form 1139 requesting the income tax refund of \$5,450,000 for 201312 based on an NOL from 201512. This year was previously examined. In accordance with IRM 4.36.5.5, this jurisdictional amount was not previously reported to your Committee and is being reported at this time.

[Statement whether it is a Large Corporate Compliance case]

This is (not) a Large Corporate Compliance case.

[Statement whether there is a Power of Attorney and if it is enclosed]

There is no power of attorney on file for the years covered by this report. ---or---There is a power of attorney on file for the years covered by this report, and a copy is enclosed.

[Statute of Limitations dates (regular and special) for each year]

<u>Year</u>	<u>Original Statute as Extended*</u>	<u>Special Statute</u>
201312	Expired	12/31/2020
201412	Expired	12/31/2020
201512	12/31/2020*	
201612	12/31/2020*	

[If applicable, include all source years]

The above overassessments are approved. If you have any questions, please contact the JC Specialist at [JCS email address] and myself at [JCR team manager email address].

Sincerely,

Team Manager

Enclosures:

Joint Committee Spreadsheet for Regular Tax, AMT & Credits
 Prior RAR Dated 11/14/2016 and Forms 886-A
 Current RAR Dated 05/21/2019 and Forms 886-A
 Power of Attorney
 [Other: Exhibits, Form 3115]

Exhibit 4.36.5-2 (10-02-2024)
Sample Regular Report



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
 WASHINGTON, DC 20224

The Chairman
 Joint Committee on Taxation
 Attention: (Name of Senior Refund Counsel)
 C:JC:3565/IR
 1111 Constitution Ave., NW
 Washington, DC 20224

SE:LB:NE:MA:TR14:TXXXX:JC
 Examination Area:
 J.C. Specialist:
 Phone No.:
 Fax No.:
 Related Cases:
 Date:

Dear Mr. Chairman:

In accordance with the provisions of Section 6405 of the Internal Revenue Code, there are reported the following refunds or credits of income tax in favor of Taxpayer Inc. and Subsidiaries, (EIN: XX-XXXXXXX), City, State:

<u>Year</u>	<u>Deficiency</u>	<u>Refunds or Credits</u>	
		<u>Tentative Allowances</u> <u>Section 6405(b)</u>	<u>Net Refunds</u> <u>or Credits</u>
201412		\$450,000	\$450,000
201512		325,000	325,000
201612	\$175,000	4,600,000	4,425,000
Totals	\$175,000	\$5,375,000	\$5,200,000

In addition, there is a proposed refund in the amount of \$23,759 for 201312.

The refunds resulted primarily from the carryback of a net operating loss (NOL) and unused credits from 201712.

The taxable income and tax liability reported on the returns and as finally determined are shown on the enclosed spreadsheets.

TAXPAYER HISTORY

The taxpayer was incorporated on May 4, 1949, and is engaged in real estate development. The taxpayer is also active in the family entertainment business and has interests in soft drinks and heavy construction equipment. The company's stock is widely held and traded on the New York Stock Exchange. There were no major acquisitions during the years covered by this report.

The primary reason for the loss was due to competition from major rivals. Also, technological improvements caused rapid obsolescence of equipment.

Exhibit 4.36.5-2 (Cont. 1) (10-02-2024)**Sample Regular Report**PRIOR EXAMINATION HISTORY

Enclosed is the examination report, dated November 14, 2017, for the 201412 year. None of the other years in this report were previously examined.

CURRENT EXAMINATION ACTIVITY

On June 30, 2018, the taxpayer filed a timely application for tentative refund on Form 1139 requesting the income tax refunds of \$450,000 for 201412, \$325,000 for 201512, and \$4,600,000 for 201612 based on an NOL and unused credits from 201712.

Enclosed is the examination report, dated May 21, 2019, for the years 201312 through 201712.

This is not a Large Corporate Compliance case. There is no power of attorney on file for the years covered by this report.

STATUTES OF LIMITATIONS

<u>Year</u>	<u>Original</u>	<u>Special Statute</u>
	<u>Statute or as</u>	
	<u>Extended*</u>	
201312	Expired	12/31/2021
201412	Expired	12/31/2021
201512	12/31/2021*	
201612	12/31/2021*	
201712	12/31/2021*	

The above overassessments are approved.

Sincerely,

Team Manager

Enclosures:

Joint Committee Spreadsheet Analysis for Regular Tax, AMT & Credits

Prior RAR dated 11/14/2017 and Forms 886-A

Current RAR dated 05/21/2019 and Forms 886-A

Exhibit 4.36.5-3 (10-02-2024)
Sample Short Form Report



LARGE BUSINESS AND
INTERNATIONAL DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

The Chairman
Joint Committee on Taxation
Attention: (Name of Senior Refund Counsel)
C:JC:3565/IR
1111 Constitution Ave., NW
Washington, DC 20224

SE:LB:NE:MA:TR14:TXXXX:JC
Examination Area:
J.C. Specialist:
Phone No.:
Fax No.:
Related Cases:
Date:

Dear Mr. Chairman:

In accordance with the provisions of Section 6405 of the Internal Revenue Code, there are reported the following refunds or credits of income tax in favor of Taxpayer Inc. and Subsidiaries, (XXX), (EIN: XX-XXXXXXX), City, State:

<u>Year</u>	<u>Refund or Credit</u> <u>Tentative Allowance</u> <u>Section 6405(b)</u>
201412	<u>\$8,000,000</u>

The case has been fully surveyed. The refund resulted primarily from a net operating loss carryback from tax year 201612. XXX, a holding company incorporated in 1995 and headquartered in Anytown, CA, is a privately held media company. The principal business is newspaper publishing. The primary reason for the loss in 201612 was a decline in revenue.

The above overassessment is approved. There is a POA on file if needed.

Sincerely,

Team Manager

Exhibit 4.36.5-4 (10-02-2024)
Sample Expedite Refund Report



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
 WASHINGTON, DC 20224

The Chairman
 Joint Committee on Taxation
 Attention: (Name of Senior Refund Counsel)
 C:JC:3565/IR
 1111 Constitution Ave., NW
 Washington, DC 20224

SE:LB:NE:MA:TR14:TXXXX:JC
 Examination Area:
 J.C. Specialist:
 Phone No.:
 Fax No.:
 Related Cases:
 Date:

EXPEDITE REFUND

Dear Mr. Chairman:

In accordance with the provisions of Section 6405 of the Internal Revenue Code, there are reported the following refunds or credits of income tax in favor of Taxpayer, Inc. and Subsidiaries, (EIN: XX-XXXXXXX), City, State:

	<u>Refunds or Credits</u>
	<u>Proposed Refunds</u>
<u>Year</u>	<u>Section 6405(a)</u>
201412	\$ 5,000,000
201512	6,000,000
201612	<u>7,000,000</u>
Total	<u>\$18,000,000</u>

The refunds resulted primarily from claims for adjustments to various income and expenses.

The taxable income and tax liability reported on the returns and as finally determined are shown on the enclosed spreadsheets.

TAXPAYER HISTORY

The taxpayer, a holding company, was incorporated in the State of California on January 1, 2010. The headquarters are located in Anytown, California. The taxpayer operates branches throughout the Anytown, CA metro area. The company offers full-service banking services designed to meet the needs of retail and commercial customers in the markets in which it operates with a significant focus on the resolution of assets acquired from the FDIC. The bank is subject to the regulations of certain federal and state agencies and is periodically examined by those regulatory agencies.

The company is privately held with the majority of the company owned by private equity companies. The ABC, LP holds the largest share of ownership at 45%.

There were no acquisitions or dispositions of subsidiaries and no SRLY or CERT issues.

The primary reason for the refunds is the overstatement of income and the omission of deductions from the returns as originally filed.

Exhibit 4.36.5-4 (Cont. 1) (10-02-2024)
Sample Expedite Refund Report

PRIOR EXAMINATION HISTORY

None of the years included in this submission have been previously examined.

CURRENT EXAMINATION ACTIVITY

On June 30, 2018, the taxpayer filed three timely amended returns (Forms 1120X) requesting the income tax refunds listed below. The returns reflect a number of changes to income and expenses for the reason discussed above. The returns were not processed by the IRS Center but are allowed in full in this audit report.

<u>Year</u>	<u>Refund Requested</u>	<u>Type of Change</u>
201412	\$5,000,000	Change to Income and Expenses
201512	\$6,000,000	Change to Income and Expenses
201612	\$7,000,000	Change to Income and Expenses

Enclosed is the examination report dated October 15, 2019, for the years 201412 through 201612.

This is not a Large Corporate Compliance case. There is a power of attorney on file for the years covered by this report, and a copy is enclosed.

STATUTES OF LIMITATION

<u>Year</u>	<u>Original Statute</u> <u>or as</u> <u>Extended*</u>
201412	12/31/2020*
201512	12/31/2020*
201612	12/31/2020*

The above overassessments are approved.

Sincerely,

Team Manager

Enclosures:
 Joint Committee Spreadsheet Analysis for Regular Tax, AMT & Credits
 RAR Dated 10/15/2019 and Forms 886-A
 Power of Attorney

Exhibit 4.36.5-5 (10-02-2024)
Sample Minimum Refund Report



LARGE BUSINESS AND
INTERNATIONAL DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
 WASHINGTON, DC 20224

The Chairman
 Joint Committee on Taxation
 Attention: (Name of Senior Refund Counsel)
 C:JC:3565/IR
 1111 Constitution Ave., NW
 Washington, DC 20224

SE:LB:NE:MA:TR14:TXXXX:JC
 Examination Area:
 J.C. Specialist:
 Phone No.:
 Fax No.:
 Related Cases:
 Date:

MINIMUM REFUND REPORT

Dear Mr. Chairman:

In accordance with the provisions of Section 6405 of the Internal Revenue Code, there is reported the following refund or credit of income tax in favor of Taxpayer, Inc. and Subsidiaries, (EIN: XX-XXXXXXX), City, State:

<u>Year</u>	<u>Refund or Credit</u> <u>Proposed Refund</u> <u>Section 6405(a)</u>
201512	<u>\$28,000,000</u>

The refund resulted primarily from the carryback of a net operating loss (NOL) from 201712.

This report is submitted under the procedures contained in IRM 4.36.3.7.1. The unagreed issues will require a substantial period of time to resolve and the delay would deprive the taxpayer of a timely refund. The refund reported reflects the minimum amount to which the taxpayer is entitled, regardless of the outcome of the unagreed issues. A supplemental report will be submitted after the completion of the examination and/or resolution of the unagreed issues.

Minimum Refund Computation

	<u>201512</u>
Agreed Overassessment	(\$30,000,000)
Unagreed Deficiency	<u>2,000,000</u>
Minimum Refund Amount	<u>(\$28,000,000)</u>

The taxable income and tax liability reported on the returns are shown on the enclosed spreadsheets.

Exhibit 4.36.5-5 (Cont. 1) (10-02-2024)
Sample Minimum Refund Report

TAXPAYER HISTORY

The taxpayer was incorporated on January 1, 1950, and is engaged in the business of operating a steel mill. The net operating losses were due primarily to high interest expense deductions, the write-off of capitalized debt costs subject to amortization due to refinancing required by the merger, and charges related to the restructuring of the mill system, closings of duplicate location facilities, abandonments, severance costs and litigation settlements.

PRIOR EXAMINATION HISTORY

Tax year 201512 was not previously examined.

CURRENT EXAMINATION ACTIVITY

On November 15, 2018, the taxpayer filed a timely amended return (Form 1120X) requesting the income tax refund of \$30,000,000, for tax year 201512 based on an NOL carry back from 201712. The return was not processed by the IRS but was considered in this audit report.

Enclosed is the examination report dated April 16, 2020, for the year 201512.

This is not a Large Corporate Compliance case. There is a power of attorney on file for the year covered by this report and a copy is enclosed.

STATUTES OF LIMITATION

<u>Year</u>	<u>Original Statute or as Extended*</u>
201512	09/30/2021*

The above overassessment is approved.

Sincerely,

Team Manager

Enclosures:

Joint Committee Spreadsheet Analysis for Regular Tax, AMT & Credits
RAR dated 04/16/2020 and Forms 886-A
Power of Attorney

Exhibit 4.36.5-6 (10-02-2024)**Sample Modified Expedite Refund Report**

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
 WASHINGTON, DC 20224

The Chairman
 Joint Committee on Taxation
 Attention: (Name of Senior Refund Counsel)
 C:JC:3565/IR
 1111 Constitution Ave., NW
 Washington, DC 20224

SE:LB:NE:MA:TR14:TXXXX:JC
 Examination Area:
 J.C. Specialist:
 Phone No.:
 Fax No.:
 Related Cases:
 Date:

MODIFIED EXPEDITE REFUND REPORT

Dear Mr. Chairman:

In accordance with the provisions of Section 6405 of the Internal Revenue Code, there is reported the following refund or credit of income tax in favor of Taxpayer, Inc. and Subsidiaries, (EIN: XX-XXXXXXX), City, State:

	<u>Refund or Credit</u>
<u>Year</u>	<u>Proposed Refund</u>
201512	<u>Section 6405(a)</u>
	<u>\$28,000,000</u>

The refund resulted primarily from the carryback of a net operating loss (NOL) from 201712.

This report is submitted under the procedures contained in IRM 4.36.3.7.3. The taxpayer has requested that this refund be made since the examination for the 201412, 201512, 201612 and 201712 tax years will not be completed within six months. It has been determined that no disadvantage will occur to the Government in paying the refund. Security will be posted for the amount of the proposed refund and a copy of the Collateral Security Agreement is enclosed for your consideration. A supplemental report will be submitted after the completion of the examination if required.

The taxable income and tax liability reported on the returns and as finally determined are shown on the enclosed spreadsheets.

Exhibit 4.36.5-6 (Cont. 1) (10-02-2024)
Sample Modified Expedite Refund Report

TAXPAYER HISTORY

The taxpayer was incorporated on January 1, 1950, and is engaged in the business of operating a steel mill.

The net operating losses were due primarily to high interest expense deductions, the write-off of capitalized debt costs subject to amortization due to refinancing required by the merger, and charges related to the restructuring of the mill system, closings of duplicate location facilities, abandonments, severance costs and litigation settlements.

PRIOR EXAMINATION HISTORY

Tax year 201512 was not previously examined.

STATUTE OF LIMITATIONS

<u>Year</u>	<u>Original Statute or as Extended</u>
201512	09/30/2019

The above refund will be processed subject to the subsequent consideration of the 201412 through 201712 returns and review by your Committee of a supplemental report to be submitted upon completion of such action.

Sincerely,

Team Manager

Enclosures:
 Collateral Security Agreement
 Joint Committee Spreadsheet Analysis for Regular Tax, AMT & Credits

Exhibit 4.36.5-7 (10-02-2024)
Sample Supplemental Report



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
 WASHINGTON, DC 20224

The Chairman
 Joint Committee on Taxation
 Attention: (Name of Senior Refund Counsel)
 C:JC:3565/IR
 1111 Constitution Ave., NW
 Washington, DC 20224

SE:LB:NE:MA:TR14:XXXX:JC
 Examination Area:
 J.C. Specialist:
 Phone No.:
 Fax No.:
 Related Cases:
 Date:

SUPPLEMENTAL REPORT (201512)

Dear Mr. Chairman:

In accordance with the provisions of Section 6405 of the Internal Revenue Code, there is reported the following refund or credit of income tax in favor of Taxpayer, Inc. and Subsidiaries, (EIN: XX-XXXXXXX), City, State.

	<u>Refund or Credit</u> <u>Tentative Allowance</u>
<u>Year</u>	<u>Section 6405(b)</u>
201512	<u>\$5,600,000</u>

The refund resulted primarily from the carryback of a net operating loss (NOL) from 201712.

This report is being submitted as a supplemental report (for the tax year 201512) pursuant to the provisions of IRM 4.36.3.7.2 dealing with tentative allowances from unexamined source years.

The taxable income and tax liability reported on the returns and as finally determined are shown on the enclosed spreadsheets.

TAXPAYER HISTORY

The taxpayer was incorporated in the State of Delaware on October 23, 1969 and has 47 subsidiaries. The taxpayer is wholly owned by a foreign company. The primary business of the taxpayer during the examination years was property and casualty insurance. Effective with the 201512 tax year the taxpayer's life insurance companies were included in the consolidated return. The company's other subsidiaries include insurance agencies, investment, annuity and risk management companies, and leasing companies.

The taxpayer carried back an alternative minimum tax net operating loss from the 201712 year to 201512.

Exhibit 4.36.5-7 (Cont. 1) (10-02-2024)
Sample Supplemental Report
PRIOR EXAMINATION HISTORY

A prior audit report dated December 15, 2017, for 201512 was previously reported to and released by your Committee on April 18, 2018.

CURRENT EXAMINATION ACTIVITY

Enclosed is the examination report dated April 2, 2020, for tax years 201512 and 201712.

This taxpayer is not a Large Corporate Compliance case. There is no power of attorney on file for the years covered by this report.

STATUTES OF LIMITATIONS

<u>Year</u>	<u>Original Statute</u> <u>or as</u> <u>Extended *</u>
201512	12/31/2021*
201712	12/31/2021*

The above overassessment is approved.

Sincerely,

Team Manager

Enclosures:
 Joint Committee Spreadsheet Analysis for Regular Tax, AMT & Credits
 RAR Dated 04/2/2020 and Forms 886-A

Exhibit 4.36.5-8 (10-02-2024)**Sample Foreign Sales Corporation (FSC) Report**

LARGE BUSINESS AND
INTERNATIONAL DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

The Chairman
Joint Committee on Taxation
Attention: (Name of Senior Refund Counsel)
C:JC:3565/IR
1111 Constitution Ave., NW
Washington, DC 20224

SE:LB:NE:MA:TR14:TXXXX:JC
Examination Area:
J.C. Specialist:
Phone No.:
Fax No.:
Related Cases:
Date:

FSC EXPEDITE REPORT

Dear Mr. Chairman:

In accordance with the provisions of Section 6405 of the Internal Revenue Code, there are reported the following refunds or credits of income tax in favor of Taxpayer, Inc. and Subsidiaries, (EIN: XX-XXXXXX), City, State:

	Refunds or Credits Proposed Refunds <u>Section 6405(a)</u>
<u>Year</u>	
201512	\$1,400,000
201612	<u>4,600,000</u>
Total	<u>\$6,000,000</u>

This report is submitted under the procedures contained in IRM 4.36.5.2.6. The refunds resulted from the adjustment of allocated and apportioned operating expenses. Corresponding adjustments have been made to the returns of the domestic parent, Taxpayer, Inc. and Subsidiaries.

The above overassessments are approved.

Sincerely,

Team Manager

Exhibit 4.36.5-9 (10-02-2024)
Sample Large Deficiency Case Report



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
 WASHINGTON, DC 20224

Chief of Staff
 Joint Committee on Taxation
 Attention: (Name of Senior Refund Counsel)
 C:JC:3565/IR
 1111 Constitution Ave., NW
 Washington, DC 20224

SE:LB:NEC:SE:TR14
 Examination Area:
 Industry:
 JCR Program Manager:
 Phone No.:
 Date:

LARGE DEFICIENCY CASE

Attn: Senior Refund Counsel:

As requested under the authority contained in section 6103(f) of the Internal Revenue Code, the following deficiencies in income tax are reported for Taxpayer Name, (EIN XX-XXXXXXX), City, State, for the six-month period ended March 31, 20XX:

<u>Year</u>	<u>Deficiencies</u>
20XX12	\$X,XXX,XXX
20XX12	X,XXX,XXX
20XX12	X,XXX,XXX
20XX12	X,XXX,XXX
20XX12	X,XXX,XXX

EXAMINATION ACTIVITY

The enclosed examination report covers a concurrent examination of the returns for the period noted above.

Explanations of the recommended agreed adjustments are included in the enclosed Forms 5701 and/or Forms 886A.

This large deficiency report is submitted for your review.

Sincerely,

Team Manager

Enclosures:
 RAR
 Forms 5701/886A

