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Internal Revenue Manual 25.2.2.6.4 (01-12-2018)

Award Computation - IRC 7623(a) claims filed on or after December 20, 2006, and IRC 7623(b) claims

1. For claims filed after December 20, 2006, where the proceeds in dispute exceeds \$2 million (and in the case of an individual taxpayer, the taxpayer had gross income exceeding \$200,000 for at least one taxable year in question), awards will be paid to the extent the information provided by the whistleblower substantially contributed to the action. In general the amount of the award will be at least 15 percent but no more than 30 percent of the proceeds collected in which the Whistleblower Office determines that the information submitted by the whistleblower substantially contributed to the IRS' detection and recovery of proceeds collected.
2. For claims filed on or after December 20, 2006, where the proceeds in dispute does not exceed \$2 million (or in the case of an individual taxpayer, the taxpayer did not have gross income exceeding \$200,000 for at least one taxable year subject to an action), awards will be paid under the discretionary authority of IRC 7623(a) to the extent the information provided by the whistleblower substantially contributed to the action, using the same criteria described below for awards under IRC 7623(b).

Note:

Whistleblowers receiving an award under IRC 7623(a) will have an opportunity to comment on the preliminary award recommendation prior to a final decision.

3. The Whistleblower Office will use a "fixed percentage approach" pursuant to which it will assign claims to one of a number of fixed percentages within the applicable statutory ranges.
4. If the Whistleblower Office determines that the action was based primarily on disclosures of specific allegations resulting from a judicial or administrative hearing, from a governmental report, hearing, audit, investigation, or from the news media, the Whistleblower Office will reduce the award percentage, unless the whistleblower was the original source of the information.
5. If the whistleblower planned and initiated the actions that led to the underpayment of tax or detection and bringing to trial and punishment of persons guilty of violating the internal revenue laws or conniving at the same, the Whistleblower Office may reduce the award. If the whistleblower is convicted of criminal conduct arising from the role described in the preceding sentence, the Whistleblower Office will deny any award.