



Tax Reduction Letter

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Internal Revenue Manual Section 8.2.1.5 (10-18-2007)

Receipt of New Assignment by Appeals Officer

- (1) Cases arriving in Appeals fall into various categories of development - under developed; adequately developed; fully developed.
- (2) Upon receipt of the case, the AO must determine if a case is adequately developed by the examiner and is ready for Appeals' consideration. If the case is a claim for abatement of employment tax, the case can be returned if it is determined the claim is not meritorious.
- (3) If the case is under developed, it may be returned to the field office for further development or other appropriate disposition. The AO and the ATM decide whether a non-docketed case is returned to the field or retained in the AO's inventory and considered on the basis of what is included in the file. Those cases sent back to Examination are called "premature referrals."

Note: The premature referrals with AIMS controls are returned using IDRS command code AMSTUB21.

- (4) The AO prepares a memo using Form 10467, Appeals Division Feedback Report and Transmittal Memorandum, which is approved by the ATM, explaining what additional work must be done or what necessary information is missing. In these cases, Appeals releases jurisdiction back to Examination. APS must return the case and the AIMS controls using IDRS command code AMSTUB21.
- (5) An adequately developed case contains enough information for the AO to make an informed decision. However, even an adequately developed case may not include all the necessary information required to assure successful litigation. While considering the case, the AO reviews any additional evidence provided by the taxpayer. If the new evidence was not previously reviewed by the examiner and is "significant" to the examiner's findings, or appears to have been purposefully withheld from the originating office, return the case to the examiner for additional consideration.
- (6) A fully developed case has all pertinent evidence fully documented with an easy-to-follow audit trail. Generally, the case contains the evidence needed to support the adjustments proposed in the RAR.