

Internal Revenue Manual Section 13.1.20.3.1 (12-15-2007)

Terms of a TAO

1. A TAO is issued to direct the IRS to take an action within a specified period of time. For example:
 1. To release a levy; or
 2. To cease any action, take any action as permitted by law, or refrain from taking any action, with respect to the taxpayer under the following IRC chapters:
 - chapter 64 (relating to collection),
 - sub-chapter B of chapter 70 (relating to bankruptcy and receiverships), or
 - chapter 78 (relating to discovery of liability and enforcement of title), or

Example:

If documentation is secured to support a claim of economic hardship (within the meaning of IRC 6343), a TAO may be issued to order the release of a levy.

2. A TAO only requires actions that are otherwise permitted by law, regulations, or other guidance. They may not be issued to determine the merits of a taxpayer's liability or to overturn or circumvent an established process for administrative or judicial review of a taxpayer's case.
3. A TAO may be issued to require the IRS to:
 0. Expedite consideration of the case;
 1. Reconsider its determination in the case; or
 2. Review the case at a higher level in the organization.

Example:

A TAO cannot be issued to order a different result where a decision has been made with respect to innocent spouse relief. However, a TAO may be issued to have the denial of Innocent Spouse Relief reviewed at a higher level and may be accompanied by the CA's analysis of and recommendation for resolving the case.

4. A TAO may be issued to elevate a case to a higher level when the LTA believes the case has merit and should be resolved by the existing levels of management review within the operating division or function. A TAO should not be used in place of established administrative review such as audit reconsideration.

Example:

If a taxpayer disagrees with an assessment made by Examination, TAS may assist the taxpayer with obtaining a review of the assessment through the audit reconsideration process. It is not generally appropriate for TAS to immediately issue a TAO to request the case be considered at the next higher level within the organization without first requesting audit reconsideration. TAS can request an expedited review. If the IRS refuses to provide an expedited review in a case when time is of the essence, the LTA should consider issuing a TAO.

5. In addition to asking for reconsideration of an issue, a TAO may also direct that enforcement activity such as levy or seizure be postponed until the review is completed. The responsible OD/Function is required to follow this direction or appeal the TAO. However, TAS will consider modifying the TAO if there are compelling circumstances that require immediate action by the IRS (e.g., situations where collection is in jeopardy may require the immediate issuance of a Notice of Levy).

