

Bond Case Briefs

Municipal Finance Law Since 1971

New Information Document Request (IDR) - What's the Point?

On November 21, as most of us were preparing for a relaxing Thanksgiving holiday, the IRS publicly released two internal guidance memoranda (both available at [TEGE-04-116-0028](#)) addressed to "All TE/GE Examiners," the first of which describes new procedures for the preparation and issuance of IDRs in connection with tax-favored bond audits and procedures for the enforcement of responses to those IDRs, and the second sets forth IDR "Best Practices." The announcement of the new procedures on the IRS website describes their purposes:

"The updated process will:

- Provide for open and meaningful communication between the IRS and taxpayers.
- Reduce taxpayer burden and provide consistent treatment of taxpayers.
- Allow the IRS to secure more complete and timely responses to IDRs.
- Provide consistent timelines for IRS agents to review IDR responses.
- Promote timely issue resolution."

A review of the new procedures, however, gives the clear impression that they are primarily designed to provide IRS agents increased leverage to force issuers and their counsel to respond more quickly to the often lengthy and burdensome IDRs that the IRS has been lately issuing, while imposing no pressure on the IRS to resolve audits more quickly.

The following are some key excerpts from the new IDR procedures, with a little commentary of my own.

[Continue reading.](#)

Squire Patton Boggs

The Public Finance Tax Blog

By Bob Eidnier on December 1, 2016