

FY2025 LB&I Strategic Goals

MEET OUR TAX ADMINISTRATION RESPONSIBILITIES EFFECTIVELY

- Continue efforts to implement the tax provisions of the Inflation Reduction Act.
- Increase coverage of the LB&I filing population including large corporations, large partnerships and high income/high wealth individuals.
- Enhance data capabilities and workload selection tools.
- Expand and enhance tax certainty and issue resolution programs (both current and new).
- Continue to evaluate processes and procedures to make work more efficient.
- Support digital transformation efforts.
- Develop communications to increase awareness of and solicit stakeholder input on key issues.

SUPPORT CURRENT AND FUTURE LB&I EMPLOYEES BY PURSUING SUSTAINABLE, CONSISTENT WORKPLACE IMPROVEMENTS THAT INCORPORATE THE FUTURE OF WORK

- Continue hiring to increase enforcement personnel to address high-priority areas.
- Support a modern workplace environment that allows employee flexibility while effectively meeting the needs of tax administration.
- Continue building intentional, meaningful employee engagement opportunities.
- Support employees through continued work and Servicewide collaboration on hiring, training and career and personal development.
- Foster an environment where employees are comfortable providing feedback and making process improvements.

Commissioners' Message for the FY25 Focus Guide

This fiscal year, we're excited to continue the momentum in recruiting and hiring as we build the next generation of our workforce. In fiscal year 2024, we made significant progress in hiring across all positions, including engineers, economists, internal revenue agents, and tax law specialists, and specialty areas.

We're extremely grateful and proud of the recruiting, hiring, and training work being done by all of you. The new members of our team will need ongoing training and coaching to support their transition to LB&I, which requires an investment of time and resources from all of us for the coming year.

We'll remain focused on the Inflation Reduction Act (IRA) and the key initiatives outlined in the Strategic Operating Plan (SOP), with strong emphasis on Objective 3, related to smarter enforcement.

We continue to expand enforcement in areas in which audit coverage has declined in recent years. We're also focused on the various new provisions added to the tax Code as part of the IRA, including several Clean Energy provisions and the Corporate Alternative Minimum Tax. Implementation of these provisions continues to be a significant undertaking for our division as we work to develop training and compliance plans in the coming year.

Holly O. Paz
LB&I Commissioner

Jennifer Best
LB&I Deputy
Commissioner

We will also continue to work to support Initiative 2.4 of the SOP to increase pre-filing and tax certainty options for taxpayers. LB&I will evaluate eligibility for and procedures of its existing tax certainty programs and consider establishment of new programs that will support issue resolution.

Another important aspect of tax certainty is timely and efficient examinations. LB&I will continue to work to improve the currency of its inventory and evaluate processes and procedures for opportunities to improve efficiency.

Our work makes an important contribution to delivering on the IRS's mission. We are always cognizant of the workforce that makes all of this possible.

For us to be efficient in enforcement and taxpayer service, we must continue to invest in our greatest asset -all of you; to give you the training, the tools, and the support you need to do your job. All of which we will continue to make progress on in the coming year.

With much appreciation,

Holly and Jennifer

A major milestone of the SOP will happen this fiscal year when we form the new Pass-Through Field Operations within LB&I's existing Pass-Through Entities Practice Area. We have solicited resources from both SB/SE and LB&I that will focus on increasing and improving our compliance activities for partnerships, S corporations, and other pass-through entities.

For our offshore and international individual taxpayer populations, we remain focused on ensuring compliance with the requirements of Puerto Rico Act 22, addressing abusive transactions in Malta, and other high profile offshore compliance initiatives using John Doe Summons information and data analytics for 1042 compliance.

We will continue to build on our efforts with respect to digital assets and effectively harnessing the information reporting in this area to improve compliance and educate taxpayers.

Research credit continues to consume significant resources for taxpayers and the IRS; we will continue to look for opportunities to increase efficiencies and provide greater clarity in this space.

LB&I Staffing

Positions	October 2023	October 2024*
Leadership Team	682	743
Administrative Professionals	198	254
Revenue Agents	2,497	3,944
Tax Law Specialists	125	164
Economists	108	119
Engineering Program	202	280
Tax Examiners	143	166
Tax Compliance Officers	24	25
Other Program Staff	671	789
Total	4,650	6,484

*Numbers are projected based on selections made with new hires due to come on board through end of FY24.