

TaxNewsFlash

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IRS adds a new compliance campaign (LB&I division)

The IRS Large Business & International (LB&I) division updated its list of compliance campaigns by adding a new campaign.

According to the IRS, the new campaign (dated July 27, 2023, and posted on the LB&I website on August 8, 2023) is:

- [Inflated cost of goods sold](#)

As described by the LB&I website, this campaign will focus on LB&I taxpayers that have indications of inflated cost of goods sold to reduce taxable income.

Read the [full list of active LB&I compliance campaigns](#) (as of August 8, 2023)

Certain previously identified campaigns have been retired and removed from the active campaign list. Read the [full list of retired LB&I compliance campaigns](#) (as of June 9, 2023)

IRS compliance campaigns represent the IRS's shift from entity-based to issue-based examinations, with a focus on those issues that have been determined to present a significant risk of noncompliance. The IRS's stated goal with its campaign initiative is to improve tax return and issue selection and thereby make the greatest use of limited IRS resources. Each campaign is addressed using one or more "treatment streams" that include issue-based examinations, soft letters encouraging voluntary self-correction, and stakeholder outreach.

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