



TaxNewsFlash

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IRS announces new compliance initiatives aimed at large corporations

The IRS today announced new initiatives “to ensure large corporations pay taxes owed.”

According to today’s IRS release—[IR-2023-194](#) (October 20, 2023)—the new initiatives include:

- **Large foreign-owned corporations transfer pricing initiative:** The IRS is increasing its scrutiny of the transfer pricing used by U.S. subsidiaries of foreign companies that distribute goods in the U.S. The IRS is sending compliance alerts to approximately 150 subsidiaries of large foreign corporations to reiterate their U.S. tax obligations and incentivize self-correction.
- **Expansion of the large corporate compliance program:** The IRS’ Large Business & International Division’s (LB&I) large corporate compliance (LCC) program focuses on noncompliance by using data analytics to identify large corporate taxpayers for audit. LB&I is expanding the program by starting an additional 60 audits of the largest corporate taxpayers selected using a combination of artificial intelligence (AI) and subject matter expertise in areas such as cross-border issues and corporate planning and transactions.
- **Continued focus on LB&I section 199 compliance campaign:** Following the 2017 repeal of section 199, the IRS LB&I division launched a campaign to address noncompliance and review high-risk claims in this area. The IRS plans to continue its successful efforts on that campaign.

Today’s IRS announcement follows and refers back to its September 8, 2023 announcement of new compliance efforts focused on high-income individuals, partnerships, and large corporations. Read [TaxNewsFlash](#)

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