

ID: CCA_2024083009050917

[Third Party Communication:

UILC: 6235B.00-00

Date of Communication: Month DD, YYYY]

Number: **202504015**

Release Date: 1/24/2025

From: [REDACTED]

Sent: Friday, August 30, 2024 9:05:09 AM

To: [REDACTED]

Cc: [REDACTED]

Bcc:

Subject: RE: Advice regarding restricted consent to extend the statute of limitations under I.R.C. 6235(b)

Hey [REDACTED],

You sought guidance on restricted consents to extend the period to adjust partnership related items under IRC section 6235. While Form 872-M does state that the taxpayer has the right to limit the consent to a mutually agreed-upon issue, we do not know of an instance where any such limitation was actually agreed to using Form 872-M. We reached out to our fellow practice groups (PA1/2 and PA3/4) to get their thoughts because there is no legal guidance addressing restricted consents under the BBA regime. PA1/2 has subject matter expertise over section 6501(c)(4), which covers restricted consents to extend the assessment period, and PA3/4 has subject matter expertise over Appeals.

As mentioned above, while restricted consents are used in another context, [REDACTED]

[REDACTED] While section 6501(c)(4)(B) requires notification to the taxpayer of their right to limit an extension of the period to assess tax under section 6501 to particular issues, section 6235(b) does not contain similar notification or expressly provide such a taxpayer right. Presuming however such an option to limit the issues under the extension, IRM 25.6.22.8 and Publication 1035 provides general guidance on restricted consents that should be considered here. Publication 1035 and IRM 25.6.22.8.2 describe all the conditions necessary for the IRS to enter into a restricted consent with respect to the period of assessment under section 6501. The restricted consent must include the scope of the restricted consent and other key language. The IRS should not enter into any restricted consents that fail to meet these requirements.

Without knowing what issues may still be outstanding in addition to issues involving legal and professional fees, as well as what potential issues could arise when further discussing such fees, we are not able to see the benefit of utilizing a restricted consent in this instance. [REDACTED]

[REDACTED] IRM 25.6.22.8.1(3)

provides that the IRS has the discretion to refuse to execute a restricted consent where it is not to the Service's benefit to agree to such an extension. If however the IRS sees a meaningful benefit, P&A would want to review any specific language before any approval in an effort to ensure the Service's interest in being able to adjust any potential outstanding partnership-related item is intact.

Let us know if you have any questions.

Thanks,

[REDACTED]