Federal Controversy Post Organizational Changes

42nd Annual TEI-SJSU High Tech Tax Institute

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Agenda

- Introductions
- IRS Updates
  - LBI Exam – Western Compliance
  - Appeals
  - Counsel
- Hot Topics/Trends in Audits

Agenda

- Alternative Dispute Resolution
  - Fast Track Mediation
  - Post-Appeals Mediation
- Use of Specialists
- Use of AI

FISCAL YEAR 2027

LB&I Focus Guide

Commissioner's Message for the FY2027 Focus Guide

Over the past 24 years, the annual LB&I Focus Guide has been the core strategic document for this organization, spanning many careers, several division commissioners, and shifting agency and Treasury priorities. It has helped us navigate periods of change and adapt to new challenges. It is my honor to release the FY27 Focus Guide.

This document is a reminder that we work in concert with the Treasury Department and the rest of the IRS, and each goal below is tied to this broader strategic framework. Since the release of last year's Focus Guide, Treasury and the IRS have issued strategic goals covering 2026-2030, and LB&I has key supportive roles in both. In addition to aligning ourselves with the tax compliance goals of these overarching bodies, LB&I will remain committed to our longstanding work to reduce burden for our taxpayers through enhancing our programs for tax certainty and issue resolution and striving for greater currency in our work.

This is the first Focus Guide in many years that does not have distinct sections for LB&I work and LB&I's workforce. This is a purposeful change, as I understand that success in our mission-related, taxpayer-serving strategies is only possible when employees have what they need. To this end, LB&I leadership will support the Chief Tax Compliance Officer's FY27 goals to train employees on technical tax topics and emerging technology to aid in work performance, provide clear guidance, and continue to take action when employees tell us how we are doing and how we can improve.

I greatly appreciate your resilience, commitment to excellence, and commitment to our mission. Our outstanding team of nearly 4,800 LB&I employees gives me great confidence in our success throughout FY27.

Mabeline Baldwin

FY2027 LB&I Strategic Goals

- Deliver and continue to improve LB&I's core taxpayer services via improvements in currency, expanded use of issue resolution and tax certainty, and reduced taxpayer burden.
- Continue to implement provisions of Working Families Tax Cuts that apply to LB&I taxpayers.
- Prioritize and ensure organizational alignment with Treasury's goal to deliver a modern taxpayer experience, as well as the compliance, technology and efficiency goals in the 2026-2030 IRS Strategic Plan.
- Apply data and technology solutions to enhance our capabilities, increase compliance and collection of taxes rightfully owed.
- Thoughtfully adopt and deploy artificial intelligence and other available technologies to bring greater efficiency to our work processes.
- Equip compliance and support employees for success, and encourage collaboration across the LB&I organization and the IRS.
- Maintain a standard of leadership excellence and accountability to inspire and serve the LB&I workforce.

LB&I Staffing Chart

Position	October 2025	October 2026*
Leadership Team	594	547
Administrative Professionals	160	148
Revenue Agents	3,107	2,950
Tax Law Specialists	135	128
Economists	94	93
Engineering Program	165	160
Tax Examiners	161	151
Tax Compliance Officers	12	11
Other Program Staff	591	554
Total	**5,019**	**4,742**

* October 2026 headcount estimates are subject to change and should not be interpreted as final values.

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Questions?