

International Tax Monitor Quotes Patricia Lewis on Advance Pricing Agreements

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Daily Tax Report and International Tax Monitor

The *Daily Tax Report* and *International Tax Monitor* quoted Patricia Gimbel Lewis on the IRS issuing final versions of revenue procedures explaining the process for multinational taxpayers seeking advance pricing agreements or treaty assistance from the U.S. competent authority. For the complete article, please click on the link above to view a PDF.

Excerpt taken from the article.

Step Back

Patricia Lewis of Caplin & Drysdale in Washington, told Bloomberg BNA that the competent authority revenue procedure indicates that the IRS has taken a step back from its earlier proposal to be more involved in the examination process.

"One must presume this was driven by resource constraints (and possibly jurisdictional tensions) even though it held the potential to better focus competent authority issues sooner," she said in an e-mail. "There will surely be a range of reactions to this change."

In the same vein, she said, the U.S. competent authority dropped the proposal to participate in the fast track procedure at the exam level.

"Personally, I had been quite intrigued by this concept and saw it as a really attractive option for taxpayers; too bad it's gone," she said, noting that "a small window" remains open in that the competent authority won't decline assistance to a case that has been through fast track, "but that is a more muted and less constructive role."

It also appears, she said, that competent authority hasn't retreated from its proposed enhanced role at the Appeals stage, where the taxpayer choice remains the simultaneous audit process or "a quick-step to Appeals."

"This feature will present challenging strategic considerations for taxpayers and is clearly designed to move cases more quickly and limit taxpayers' 'bites at the apple,' " she said.

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