

Post-Filing Disclosure for Specified Large Business Taxpayers

Enter number of disclosures here (1-100)

Name on return	EIN on return	Tax year
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Check here if you filed a Schedule UTP or Form 8275/R with your return for the tax year (specify which form and for what in explanation box below)

Disclosure 1

Subsidiary or legal entity	Primary citation
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Check here if item that has effect on more than one line item or is a multi-year disclosure (explain in explanation box)

Adjustment type	Timing	Effect on other years	Entity's EIN	Form or schedule	Page	Line
Description				Increase (decrease) to taxable income	Increase (decrease) to tax credits	

Explanation

Under penalties of perjury, I declare that I have examined this document and accompanying supporting documentation and to the best of my knowledge and belief, they are true, correct, and complete.

Name	Title	Signature (electronic)	OR	Signature (type/print)	Date
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Instructions for Form 15307, Post-Filing Disclosure

The purpose of Form 15307 is for eligible taxpayers (as defined in Revenue Procedure 2022-39) under audit to make disclosures to the IRS Large Business & International Division (LB&I) to show additional tax due or make adequate disclosure with respect to an item or a position on a previously filed return. The Form 15307 should be accompanied by the relevant supporting documents for the disclosures on the Form. See LB&I Publication 5125 and Treas. Reg. 301.6402-2 for information about refund claim requirements.

Line-By-Line Instructions

The following information is required to be furnished as part of a post-filing disclosure. Information that is partially complete, missing, or incorrect information will constitute a “Failure to Provide Adequate Disclosure” discussed below.

Enter number of disclosures here (1-100) – Enter the total number of disclosures you wish to make. The form will create separate disclosures to be completed to match the number entered.

Examples – This form includes examples to help taxpayers provide complete and correct disclosures. Click the Show Examples button to view the examples. Click the Hide Examples button to hide the examples.

Name on Return – Enter the name of the entity filing the tax return to which this disclosure relates. If the entity is a corporation that files a consolidated tax return, enter the name of the common parent of the consolidated group.

EIN on Return – Enter the employer identification number (EIN) of the entity filing the tax return. If the entity is a corporation that files a consolidated tax return, enter the EIN of the common parent of the consolidated group.

Tax Year – Enter the tax year of the entity making the disclosure.

Check here if you filed Form 8275, Form 8275-R, or Schedule UTP with your return for the tax year (specify which form and for what in explanation box below) – For positions that require, for purposes of penalty protection, the filing of Form 8275, Form 8275-R, or Schedule UTP, a taxpayer should have adequately disclosed the position on Form 8275, Form 8275-R, or Schedule UTP at the time of filing their return. Check here if you filed Form 8275, Form 8275-R, or Schedule UTP with your return for the tax year. Check the box if the reporting entity filed a Schedule UTP, a Form 8275, or Form 8275-R with its return for the applicable tax year. Attach a copy of the previously filed Form 8275, Form 8275-R, or Schedule UTP with this Form 15307; and use the explanation box to provide any additional details with respect to that position.

Subsidiary or Legal Entity – For a taxpayer that files a consolidated return, identify the subsidiary or other entity impacted by the disclosure. This item is not applicable to taxpayers that do not file consolidated tax returns. However, if the disclosure relates to an entity not separately reflected on the consolidated return, such as certain foreign entities or a disregarded entity for internal reporting purposes, the disregarded entity should be reported here regardless of the consolidated/non-consolidated nature of the return.

Primary Citation – Enter the specific code section or full regulatory citation for the item disclosed.

Adjustment Type – Enter the characteristic of the disclosed item based upon the options provided.

Note: A foreign tax redetermination (FTR), as defined under Treas. Reg. § 1.905-3(a), that relates to the tax year under examination, should not be reported on this form. FTRs must be reported separately and consistent with the requirements of Treas. Reg. § 1.905-4(b)(4).

Timing – Enter whether the disclosure represents a permanent adjustment against taxable income or credits, a short-term temporary difference that will reverse within 1-3 years, a longer-term temporary difference that will reverse within 3-10 years, or some other timing difference.

Effect on Other Years – If the disclosed item only impacts the current tax year, select “No.” If the item has impact on a subsequent or previous tax year, select “Yes.”

Entity’s EIN – Enter the EIN of the impacted subsidiary or disregarded entity (if available).

Form or Schedule – Select the IRS form or schedule affected by the disclosed item from the drop-down list. If the form or schedule is not listed, enter it manually.

Page – Enter the specific page number(s) on the IRS form impacted by the disclosed item. If the disclosed item affects a schedule, identify the schedule and page number.

Line Number – Enter the line number on the aforementioned form and page impacted by the disclosure.

Description – Provide a concise description of the disclosed item that reasonably may be expected to apprise the IRS of the nature of the disclosure.

Increase (Decrease) to Taxable Income – Enter the overall increase/(decrease) to taxable income if this disclosure is related to ordinary income, capital gain/loss, Section 1231 gain/loss, ordinary gain/loss, the dividends received deduction, or expense deduction.

Increase (Decrease) to Tax Credits – Enter the overall increase/(decrease) to tax credits if the disclosure is related to tax credits.

Explanation – Provide a detailed explanation of the item providing the necessary facts and circumstances that reasonably may be expected to apprise the IRS of the nature of the item.

Netting of Adjustments

In general, netting of adjustments is not permitted. Each disclosed adjustment should be separately stated.

Disclosure Examples *(All of the filers in the following examples are eligible to use this limited disclosure procedure)*

1. Incomplete Disclosure Description

LMN Inc., a C Corporation that files a consolidated tax return, is an LCC Taxpayer. During 202X, LMN Inc.'s subsidiary, OPQ LLC, begins to accrue an expense for a general litigation reserve on a monthly basis. LMN Inc. does not review the accrued expense during the preparation of its 202X Form 1120, U.S. Corporation Income Tax Return, and does not recognize a Schedule M-3 adjustment for the accrued expense. Subsequent to the return filing, LMN Inc. determines that the accrued expense does not meet the all events test under § 461(h)(4) of the Internal Revenue Code and § 1.461-1(a)(2) of the Income Tax Regulations. The total accrued expense reported on the balance sheet is \$5,000,000 and no portion of this accrual has ever been adjusted on Schedule M-3. LMN Inc. files Form 15307 to correct the item, showing a single disclosure for an "Expense Deduction" increasing taxable income by \$5,000,000. This adjustment was described as "Correction of incorrect treatment of an accrued expense." This written statement is an inadequate disclosure because LMN Inc. has not provided a detailed explanation of the disclosure, nor has it provided any of the necessary facts or circumstances for the IRS to understand the nature and implication of the disclosure.

2. Acceptable Disclosure Description

Same facts as in Example 1, but LMN Inc.'s Form 15307 described the adjustment as follows: "Subsequent to the 202X Form 1120 filing, LMN Inc. found that its subsidiary, OPQ LLC, was recognizing for tax purposes an accrued expense for a litigation reserve. This reserve is a general fund and is not specific to any pending or ongoing litigation. Upon review, it was determined that this reserve does not meet the all events test under § 461(h)(4) of the Internal Revenue Code and § 1.461-1(a)(2) of the Income Tax Regulations. No portion of the reserve was adjusted for on a prior year tax return. Therefore, the full balance of the reserve, \$5,000,000 is reversed and recognized as a current year adjustment." This is an adequate disclosure of the LMN Inc.'s circumstances and adjustments.

3. Unacceptable Netting of Adjustments – Depreciation

ABC Company, a C Corporation that files a consolidated return, is an LCC Taxpayer. During tax year 202X, it mistakenly capitalized and depreciated \$200,000 of items ordinarily treated as deductible repairs and maintenance. ABC Company claimed \$100,000 of additional first year depreciation and \$20,000 of regular depreciation on its Form 1120 as filed. After filing the return, ABC Company discovered \$1,000,000 of 15-year property eligible for additional first year depreciation not previously claimed. ABC Company files Form 15307 to correct the items, showing a single disclosure for an "Additional Expense" reducing taxable income by \$580,000. This adjustment was described as "Correction of incorrect treatment of deductible repairs and maintenance as depreciable property and correction of additional first year depreciation for the current year." This is an inadequate disclosure because ABC Company has inappropriately netted the repairs and maintenance and additional first year depreciation adjustments.

4. Acceptable Disclosure – Depreciation

Same facts as Example 3, but the ABC Company's post-filing disclosure shows three adjustments: (1) \$120,000 decrease to an "Expense Deduction" to "Adjust depreciation expense for non-capital repairs and maintenance;" (2) \$200,000 increase to an "Expense Deduction" to "Deduct mistakenly capitalized non-capital repairs and maintenance;" and (3) \$500,000 increase to an "Expense Deduction" to "Deduct mistakenly omitted additional first year depreciation on eligible property. The property placed in service had been reported on Form 4562, Part III, Line 19(e)." This is an adequate disclosure of the ABC Company's circumstances and adjustments.

5. Acceptable – Flow-through income (Late K-1's)

XYZ Partnership (XYZ) is a partnership subject to the centralized partnership audit rules under the Bipartisan Budget Act of 2015 (BBA), is participating in the Large Partnership Compliance Program (LPC), and is an investor in certain flow-through entities. During 202X, XYZ does not receive timely final Schedules K-1 from some of those flow-through entities. As a result, XYZ makes a good faith effort to reasonably estimate the income and expense items from the flow-through entities and files Form 1065, U.S. Return of Partnership Income, with Form 8082, Notice of Inconsistent Treatment or Administrative Adjustment Request (AAR), to notify the IRS that it's filing inconsistently with those partnerships for which it didn't receive timely Schedules K-1. After XYZ has filed its Form 1065, it receives the delinquent Schedules K-1. As a result, XYZ notes that its net passthrough income was originally understated by \$A with regard to the delinquent Schedules K-1. XYZ files a post-filing disclosure describing the changes for each of the delinquent Schedules K-1. This is an adequate disclosure. The conclusions with respect to adequacy of disclosure would be the same if XYZ had instead been a corporation that was an eligible taxpayer.

Eligible taxpayers that receive Form 8986, Partner's Share of Adjustment(s) to Partnership-Related Item(s) (Required under Sections 6226 and 6227) (a so-called "push-out statement") should note that push-out statements will not be accepted as part of Revenue Procedure 2022-39 or through this Form 15307. Rather, push-out statements will be processed through the normal BBA procedures.

Failure to Provide Adequate Disclosure

Failure to meet the requirements set forth here will result in the disclosure being inadequate. Inadequate disclosures will not result in protection from accuracy-related penalties. Mathematical errors within a disclosed item generally will not constitute an inadequate disclosure depending on the facts and circumstances.