

IRS Working to Simplify BBA Filing Process

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By Caitlin Mullaney

The IRS has outlined an approach to simplify the process of filing administrative adjustment requests (AARs) for partnerships, according to an agency official.

Maria Dolan of the IRS Large Business and International Division, speaking March 1 at a Federal Bar Association conference, said the “AAR simplification effort” began after the agency received lots of comments expressing confusion about the filing process for AARs.

“It’s going to take time, but we hope to address a lot of these concerns that people have because it is confusing to figure out which forms you’re supposed to be filing depending on how you file your forms,” Dolan said, noting that there are two ways to file an AAR — on paper or electronically — and each requires different forms.

Asked when the simplification effort might be implemented, Dolan said that it’s “probably going to be an iterative approach” rather than on a specific date “because there are so many other impacted forms and systems when it comes to this simplification.”

So far the IRS has established the schema for the programming language for push out forms if a partnership plans to e-file an AAR that came out in October 2023, Dolan said.

“It may seem like a small step, but believe me, it was not a small effort,” Dolan said.

Dolan said that although partnerships are asked to submit certain forms through the Bipartisan Budget Act portal, the agency realizes that it isn’t efficient and that the process is “cumbersome” — noting that uploaded files need to be in one format and then converted to a different one to be viewable by the IRS.

“So we’re trying to figure out how to make that process more efficient, not just for the IRS but for partnerships, [and] a lot more seamless from beginning to end,” Dolan said.