



gram or “CSP” until further notice . The CSP is an optional settlement program that allows businesses and tax examiners to resolve worker classification cases as early in the administrative process as possible, thereby reducing taxpayer burden. In the CSP, examiners can offer a business under audit a worker classification settlement using a standard closing agreement developed for this purpose . The CSP procedures also ensure that the taxpayer relief provisions under section 530 of the Revenue Act of 1978 are properly applied.

The Service implemented the CSP in March 1996 on a two-year trial basis. Review of the program and feedback from the public have indicated that the program is successful in facilitating early resolution of cases.

Taxpayer participation in the CSP is entirely voluntary. A taxpayer declining to accept a settlement offer retains all rights to administrative appeal that exist under the Service’s current IRS procedures and all existing rights to judicial review.

#### DRAFTING INFORMATION

The principal author of this notice is Greg Christensen of the Office of Employment Tax Administration and Compliance. For further information regarding this notice, please contact Mr. Christensen at 202-622-3650 (not a toll-free number).

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Extension of the Effective Date  
of the Classification Settlement  
Program

Notice 98-21

The Internal Revenue Service is extending the Classification Settlement Pro-