

**TRI** Tax Resolution Institute  
*...where your client's tax debt is your power!*

“Busy Season”  
*...all year long*

(800) 658-7590

[www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)

# TRI Essentials 200A

## Why are we here today?

The Tax Resolution Institute prides itself in assisting accounting, legal and other professionals resolve their client's tax problems and grow their businesses

Take advantage of one of our many programs

- We help you make more money
- We teach you how to become a tax resolution specialist
- We become your partner working side-by-side to fix your client's IRS and State income, payroll (collection issues) and tax audit issues
- Or...we become your trusted referral source

# Three Professions with Tax Problems

- Real estate brokers
- Attorneys
- Self employed taxpayers (both income & payroll tax issues)

# Meet our speakers



**Peter Y. Stephan, CPA**



**Michael Rozbruch**

(800) 658-7590

www.taxresolutioninstitute.org

# What will be covered today

- What is “Tax Resolution”?
- Solving income and payroll taxes
- Sequence of events
- Payroll taxes
- Installment agreements
- Innocent Spouse Relief
- Criminal Investigation (“CI”)
- Selling and marketing your services
- Offers in compromise (“OIC”)
- Taxes and Bankruptcy
- Audits
- Appeals

# Tax Resolution Essentials 200A

The following materials and more will be available to seminar/live webinar attendees at [www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org) for 10 days without a subscription:

- A copy of today's PowerPoint presentation
- Tax resolution flow chart ("cheat sheet")
- Tips and traps pertaining to Installment Agreements
- Tips and Traps pertaining to Offers in Compromise
- First time penalty abatement instructions (FTPA)
- IRS contact numbers
- IRS 4180 Interview form
- ...and more

access your free content at [www.taxresolutioninstitute.org/200A](http://www.taxresolutioninstitute.org/200A)

What is tax resolution?

# Tax Resolution

The practice of resolving a person's or business's Federal or State tax issues using one or more of the various methods available.

The two main areas of tax liability that will be covered in this course are income taxes and payroll taxes.



# Solving Income Tax Issues

5 most common methods:

- Installment agreement
- Currently Not Collectible (“CNC”) Status
- Partial-pay installment agreement (“PPIA”)
- Offer in compromise (“OIC”)
- Discharging taxes in bankruptcy

# Solving Payroll Tax Issues

4 most common methods:

- Installment agreement
- Partial-pay installment agreement (PPIA)
- In-business offer in compromise (“OIC”)
- Hybrid Bulk-Sale and OIC

## Polling Question 1

Have you ever submitted a streamlined installment agreement?

# luck

1. where experience and knowledge come together.

# Sequence of Events

## Step 1: Meet with the client (*by telephone or in person*)

- Identify and define issues
- Discuss the process and expectations from the client
- Estimate fees (lots more on this later today)

## Step 2: Prepare Documents

- Letter of Engagement (work agreement)
- Power of Attorney Form/s
- Payment Forms – ACH, credit card, PayPal

## Step 3: Contact Government

- Fax power of attorney (east or west coast CAF unit)
- Call government representative (ACS or R/O)
- Assess client's (actual) situation
- Request hold on collection (if applicable)



## Step 4: Obtain or Prepare Tax Returns

- Collect information
- Prepare delinquent tax returns
- Obtain duplicate original copies of all prepared tax returns
- Calculate total estimated tax liability including penalties and interest

## Step 5: Prepare Collection Information Statement

- Obtain draft copy from client
- Prepare 433A, 433F, 433B, etc.
- If applicable contact the client to discuss options to lower Monthly Disposable Income (“MDI”)

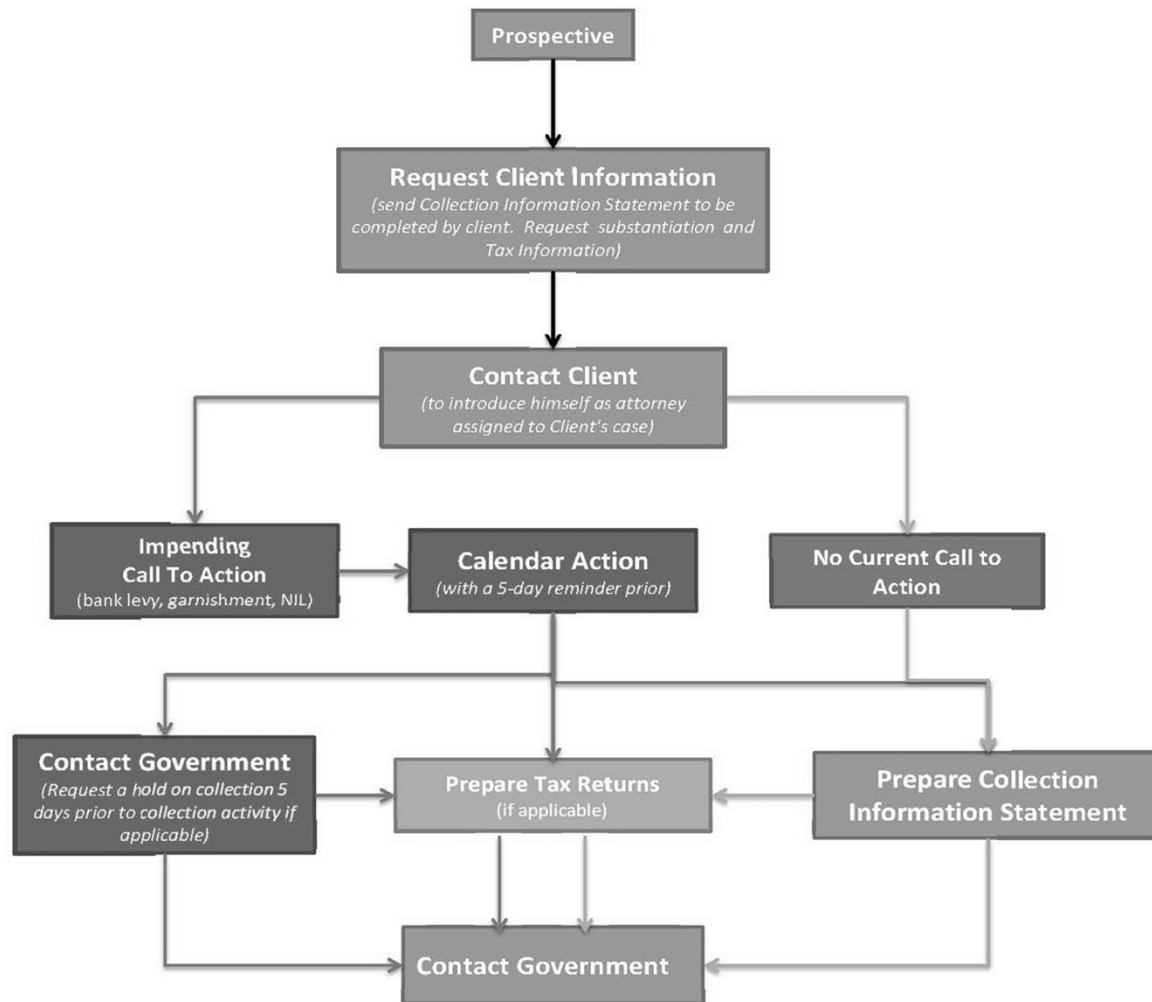
## Step 6: Negotiate with the Government

- Have all paperwork (including IRS auto debit form i.e. 433D) prepared prior to call
- Be ready to submit documents via fax if requested
- If you are on the phone with Automated Collections (“ACS”), and it is not going well, end the call and try again

## Step 7: Provide the client a comprehensive summary

- Let the client know the agreed upon terms
- Provide specific instructions relating to payment dates and amounts
- Let the client know that if automated payments do not start when expected, they should make interim payments until the auto-pay kicks in

### Typical Tax Resolution Case



# Tax Resolution Essentials 200A

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- Tax resolution flow chart ("cheat sheet")
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- Tips and Traps pertaining to Offers in Compromise
- First time penalty abatement instructions (FTPA)
- IRS contact numbers
- IRS 4180 Interview form
- ...and more

On the “lighter” side

# Fax

<b>To:</b>	Norman Kreisman	<b>From:</b>	
<b>Fax:</b>	(818) 704-6657	<b>Pages:</b>	5
<b>Phone:</b>		<b>Date:</b>	11/15/13
<b>Re:</b>	2009-2012 taxes	<b>CC:</b>	

**Urgent**   
 **For Review**   
 **Please Comment**   
 **Please Reply**   
 **Please Recycle**

---

● **Comments:**

Hi Norman,

Here are most the documents you requested. Sorry page two of the 433F is missing but my dog ate it. I am working on redoing this page now.

Should I go ahead and pay what I owe the State for 2013?



## Polling Question 2

Do you currently have clients with tax collection issues?

Need an IRS Form? Visit the Forms Library  
under the Libraries section at [www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)

(800) 658-7590

[www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)

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# Powers of Attorney

Form **2848**  
(Rev. March 2012)  
Department of the Treasury  
Internal Revenue Service

### Power of Attorney and Declaration of Representative

OMB No. 1545-0150

For IRS Use Only

Received by:

Name \_\_\_\_\_

Telephone \_\_\_\_\_

Function \_\_\_\_\_

Date / / \_\_\_\_\_

► Type or print. ► See the separate instructions.

**Part I** Power of Attorney

**Caution:** A separate Form 2848 should be completed for each taxpayer. Form 2848 will not be honored for any purpose other than representation before the IRS.

**1 Taxpayer information.** Taxpayer must sign and date this form on page 2, line 7.

Taxpayer name and address John Doe 1234 Memory Lane Anytown, USA 12345		Taxpayer identification number(s) 987-65-4321	
		Daytime telephone number (818) 555-1212	Plan number (if applicable)

hereby appoints the following representative(s) as attorney(s)-in-fact:

**2 Representative(s)** must sign and date this form on page 2, Part II.

Name and address My CPA 1234 Business Court Anytown, USA 12345 Check if to be sent notices and communications <input type="checkbox"/>	CAF No. _____ PTIN P0000000 Telephone No. (818) 555-0000 Fax No. (818) 555-9999 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address  Check if to be sent notices and communications <input type="checkbox"/>	CAF No. _____ PTIN _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address  Check if to be sent notices and communications <input type="checkbox"/>	CAF No. _____ PTIN _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>

to represent the taxpayer before the Internal Revenue Service for the following matters:

**3 Matters**

Description of Matter (Income, Employment, Payroll, Excise, Estate, Gift, White-collar, Practitioner Discipline, PLR, FOIA, Civil Penalty, etc.) (see instructions for line 3)	Tax Form Number (1040, 941, 720, etc.) (if applicable)	Year(s) or Period(s) (if applicable) (see instructions for line 3)
Income	1040, 540	2005 through 2015

**4 Specific use not recorded on Centralized Authorization File (CAF).** If the power of attorney is for a specific use not recorded on CAF, check this box. See the instructions for Line 4. **Specific Uses Not Recorded on a CAF**

**5 Acts authorized.** Unless otherwise provided below, the representatives generally are authorized to receive and inspect confidential tax information and to perform any and all acts that I can perform with respect to the tax matters described on line 3, for example, the authority to sign any agreements, consents, or other documents. The representative(s), however, is (are) not authorized to receive or negotiate any amounts paid to the client in connection with this representation (including refunds by either electronic means or paper checks). Additionally, unless the appropriate box(es) below are checked, the representative(s) is (are) not authorized to execute a request for disclosure of tax returns or return information to a third party, substitute another representative or add additional representatives, or sign certain tax returns.

Disclosure to third parties;  Substitute or add representative(s);  Signing a return;

Other acts authorized: \_\_\_\_\_  
(see instructions for more information)

**Exceptions.** An unenrolled return preparer cannot sign any document for a taxpayer and may only represent taxpayers in limited situations. An enrolled actuary may only represent taxpayers to the extent provided in section 10.3(d) of Treasury Department Circular No. 230 (Circular 230). An enrolled retirement plan agent may only represent taxpayers to the extent provided in section 10.3(e) of Circular 230. A registered tax return preparer may only represent taxpayers to the extent provided in section 10.3(f) of Circular 230. See the line 5 instructions for restrictions on tax matters partners. In most cases, the student practitioner's (level k) authority is limited (for example, they may only practice under the supervision of another practitioner).

List any specific deletions to the acts otherwise authorized in this power of attorney:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**6 Revestiture/revocation of prior power(s) of attorney.** The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same matters and years or periods covered by this document. If you **do not** want to revoke a prior power of attorney, check here  **YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.**

**7 Signature of taxpayer.** If a tax matter concerns a year in which a joint return was filed, the husband and wife must each file a separate power of attorney even if the same representative(s) is (are) being appointed. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.

**▶ IF NOT SIGNED AND DATED, THIS POWER OF ATTORNEY WILL BE RETURNED TO THE TAXPAYER.**

Signature	Date	Title (if applicable)
John Doe	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
Print Name	PIN Number	Print name of taxpayer from line 1 if other than individual

**Part II Declaration of Representative**

Under penalties of perjury, I declare that:

- I am not currently under suspension or disbarment from practice before the Internal Revenue Service;
- I am aware of regulations contained in Circular 230 (31 CFR, Part 10), as amended, concerning practice before the Internal Revenue Service;
- I am authorized to represent the taxpayer identified in Part I for the matter(s) specified there; and
- I am one of the following:
  - a Attorney—a member in good standing of the bar of the highest court of the jurisdiction shown below.
  - b Certified Public Accountant—duly qualified to practice as a certified public accountant in the jurisdiction shown below.
  - c Enrolled Agent—enrolled as an agent under the requirements of Circular 230.
  - d Officer—a bona fide officer of the taxpayer's organization.
  - e Full-Time Employee—a full-time employee of the taxpayer.
  - f Family Member—a member of the taxpayer's immediate family (for example, spouse, parent, child, grandparent, grandchild, step-parent, step-child, brother, or sister).
  - g Enrolled Actuary—enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the Internal Revenue Service is limited by section 10.3(d) of Circular 230).
  - h Unenrolled Return Preparer—Your authority to practice before the Internal Revenue Service is limited. You must have been eligible to sign the return under examination and have signed the return. **See Notice 2011-6 and Special rules for registered tax return preparers and unenrolled return preparers in the instructions.**
  - i Registered Tax Return Preparer—registered as a tax return preparer under the requirements of section 10.4 of Circular 230. Your authority to practice before the Internal Revenue Service is limited. You must have been eligible to sign the return under examination and have signed the return. **See Notice 2011-6 and Special rules for registered tax return preparers and unenrolled return preparers in the instructions.**
  - k Student Attorney or CPA—receives permission to practice before the IRS by virtue of his/her status as a law, business, or accounting student working in LITC or STCP under section 10.7(d) of Circular 230. See instructions for Part II for additional information and requirements.
  - r Enrolled Retirement Plan Agent—enrolled as a retirement plan agent under the requirements of Circular 230 (the authority to practice before the Internal Revenue Service is limited by section 10.3(e)).

**▶ IF THIS DECLARATION OF REPRESENTATIVE IS NOT SIGNED AND DATED, THE POWER OF ATTORNEY WILL BE RETURNED. REPRESENTATIVES MUST SIGN IN THE ORDER LISTED IN LINE 2 ABOVE.** See the instructions for Part II.

**Note:** For designations d-i, enter your title, position, or relationship to the taxpayer in the "Licensing jurisdiction" column. See the instructions for Part II for more information.

Designation— Insert above letter (a-r)	Licensing jurisdiction (state) or other licensing authority (if applicable)	Bar, license, certification, registration, or enrollment number (if applicable). See instructions for Part II for more information.	Signature	Date
b	CA	999999		

# IRS Transcripts

Find us on the web at [www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)



Internal Revenue Service E-services

DEPARTMENT OF THE TREASURY

This Product Contains Sensitive Taxpayer Data

Account Transcript

Request Date: 06-12-2009
Response Date: 05-12-2009
Tracking Number: 100045052838

FORM NUMBER: 1040A

TAX PERIOD: Dec 31, 2001

TAXPAYER IDENTIFICATION NUMBER: [REDACTED]

<<<<POWER OF ATTORNEY/TAX INFORMATION AUTHORIZATION (POA/TIA) ON FILE>>>>

--- ANY MINUS SIGN SHOWN BELOW SIGNIFIES A CREDIT AMOUNT ---

ACCOUNT BALANCE: 94,263.33
ACCRUED INTEREST: 13,959.66 OF: Jun 06, 2009
ACCRUED PENALTY: 0.00 AS OF: Jun 06, 2009

ACCOUNT BALANCE PLUS ACCRUALS
(this is not a payoff amount): 58,222.00

\*\* INFORMATION FROM THE RETURN WAS ADJUSTED \*\*

EXEMPTIONS: 04 FILING STATUS: Single
ADJUSTED GROSS INCOME: 80,102.00
TAXABLE INCOME: 63,952.00
TAX PER RETURN: 0.00
SE TAXABLE INCOME TAXPAYER: 80,400.00
SE TAX\BLS INCOME SPOUSE: 0.00
TOTAL SELF EMPLOYMENT TAX: 12,308.00

RETURN DUE DATE OR RETURN RECEIVED DATE (WHICHEVER IS LATER)
PROCESSING DATE

TRANSACTIONS

Table with 4 columns: CODE, EXPLANATION OF TRANSACTION, CYCLE, DATE, AMOUNT. Row 1: 150 Substitute tax return prepared by IRS 12-29-2003 \$0.00

49210-334-28288-3

140	Inquiry for non-filing of tax return	03-17-2003	\$0.00
570	Additional account action pending	12-29-2003	\$0.00
420	Examination of tax return	12-23-2003	\$0.00
170	Penalty for not pre-paying tax	20043508 09-13-2004	\$936.00
160	Penalty for filing tax return after the due date	20043508 09-13-2004	\$5,832.00
300	Additional tax assessed by examination	20043508 09-13-2004	\$50,034.00
49247-639-00298-4			
336	Interest charged for late payment	20043508 09-13-2004	\$7,868.74
276	Penalty for late payment of tax	20043508 09-13-2004	\$7,254.93
976	Duplicate return filed	08-13-2004	\$0.00
89221-228-31849-4			
977	Amended return filed	08-13-2004	\$0.00
49277-445-01093-5			
161	Reduced or removed penalty for filing tax return after the due date	0043508 09-13-2004	-\$5,425.65
163	Penalty for filing tax return after the due date	0043508 09-13-2004	\$5,425.65
171	Reduced or removed penalty for not pre-paying tax	0043508 09-13-2004	-\$1,044.00
173	Penalty for not pre-paying tax	0043508 09-13-2004	\$1,044.00
291	Prior tax abated	03-14-2005	-\$24,114.00
49254-445-00168-5			
277	Reduced or removed penalty for late payment of tax	03-14-2005	-\$2,718.93
197	Reduced or removed interest charged for late payment	03-14-2005	-\$2,771.19
530	Balance due account currently not collectable	04-28-2005	\$0.00
960	Appointed representative	04-27-2005	\$0.00
531	Account currently considered collectable	05-02-2005	\$0.00
480	Offer in compromise received	06-21-2005	\$0.00
971	Tax period blocked from automated levy program	07-11-2005	\$0.00
481	Denied offer in compromise	08-18-2005	\$0.00
582	Lien placed on assets due to balance owed	09-23-2005	\$0.00
961	Removed appointed representative	12-08-2005	\$0.00
480	Offer in compromise received	01-17-2006	\$0.00
483	Removed offer in compromise	01-27-2006	\$0.00
960	Appointed representative	03-02-2006	\$0.00
971	Tax period blocked from automated levy program	05-08-2006	\$0.00
480	Offer in compromise received	06-14-2006	\$0.00
481	Denied offer in compromise	01-22-2007	\$0.00
530	Balance due account currently not collectable	03-06-2007	\$0.00

# Payroll Taxes

Find us on the web at [www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)



# Payroll Taxes

- “Borrowing” from the Government
- Section 6672 of the tax code makes individuals personally liable
- The withheld amounts constitute a “fund” one holds in “Trust” for the government.

# Components of Payroll Taxes

Comprised of:

- Trust fund portion (employee withholdings including taxes, Social Security and Medicare)
- Non trust fund portion
- Interest (compounded daily)
- Penalties

Not Dischargeable in Bankruptcy

Trust Fund portion assessed personally to Responsible Person/s

A person will be held personally liable for the withheld taxes if...

- They are responsible for its collection and payment
- Their failure to collect the tax and pay it over is “willful”

# Low Hanging Fruit

(how to make money in the next 12 months)

**Status 63 – keep the Trust Fund recovery penalty  
from hitting you client's credit**  
(earn \$1,000/hr)

## Polling Question 3

What is the most common tax collection issue you face on an annual basis?

# Questions & Answers

# Introduction to Installment Agreements

# Installment Agreement

- A payment plan between taxpayer and the Government
- Some agreements require the full payment of the tax liability
- Other agreements allow the taxpayer to partially pay their liability in monthly installments based upon their ability (or inability) to pay over time
- Taxpayer must be in and remain in compliance
- IRS has ten-year statute of limitations on “active” collection



## Streamlined Installment Agreement

- Taxpayer is in compliance and able to full-pay their liability over time (up to 72 months)
- Taxpayer owes less than \$25,000
- Taxpayer owes less than \$50,000
- Representation fees are lower but installment payments are typically higher
- If client is “uncollectable” this type of agreement will not work

# Installment Agreement Forms

433A

Collection information statement for individuals (Revenue Officer)

433F

Abridged collection information statement for individuals (automated collections)

433B

Collection information statement for businesses

9465/FS

Installment agreement request form

## Tips & Traps

### Installment Agreements

1. Be sure to complete Form 433-F or 433-A before you contact the IRS.
2. The information in Form 433-F is often supplied to the IRS over the phone. Be sure to fill on all boxes in sections that apply to you. The IRS does not like blanks.
3. Create a separate sheet showing your income and expenses. Calculate your take-home income minus your living expenses prior to contacting the IRS. This will be the amount the IRS will expect you to pay on a monthly basis.
4. The installment agreement calculation may be negative. If the amount is less than zero, request to be placed into Currently Non Collectable status.
5. If your calculation is too low (i.e. substantially below zero) then the IRS may not consider your expenses to be real.
6. The IRS will compare your bank account deposits with the amount you claim as take-home income. Be sure that either these amounts match or that you can trace excess deposits as non-income (i.e. loans, transfers from savings, transfers from other accounts listed on the 433).
7. Provide three months billing statements, invoices, etc. to substantiate living expenses. Also include proof of payment either as copies of checks or bank statements showing the paid expenses. Simply owing the money is not enough to make an expense allowable.
8. If you have more Monthly Disposable Income ("MDI") than you are able to pay to the IRS as an ongoing installment payment, you can increase your expenses to lower your MDI. For example you could:
  - a. Trade in a car you own outright and lease or purchase another car. Note that leasing a car will add a new allowable expense without adding an additional asset.
  - b. If you are self-employed you can make or increase estimated tax payments for the current tax year. This will lower your disposable income and increase the chance of staying in compliance moving forward.
  - c. If you are an employee you can increase your withholding tax if you typically owe taxes at the end of the year. Be careful not to over withhold as refunds will be kept by the IRS and applied to the back taxes owed.
  - d. Buy term life insurance. This is an allowable expense that carries no cash value.
9. Ask for 72 months to pay. If your MDI is too high, try taking your total liability and dividing it by 72. If the amount is less than your MDI, you may request that your full liability be paid over the 6-year period. This does not always work but it is worth a try.



Find these tips and other valuable materials on the web at [www.taxresolutioninstitute.org/200A](http://www.taxresolutioninstitute.org/200A) tab or by emailing us at [info@taxresolutioninstitute.com](mailto:info@taxresolutioninstitute.com)

# Polling Question 4

What is your primary reason for taking this course?

Need to file an appeal?

See our Course Calendar to view the comprehensive list  
of courses at [www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)

# IRS National & Local Standards

## Food, Clothing and Other Items

Expense	1 Person	2 Persons	3 Persons	4 Persons
<b>Food</b>	\$307	\$583	\$668	\$815
<b>Housekeeping supplies</b>	\$30	\$60	\$60	\$71
<b>Apparel &amp; services</b>	\$80	\$148	\$193	\$227
<b>Personal care products &amp; services</b>	\$34	\$61	\$62	\$74
<b>Miscellaneous</b>	\$119	\$231	\$266	\$322
<b>Total</b>	\$570	\$1,083	\$1,249	\$1,509

More than 4 persons	Additional Persons Amount
<b>For each additional person, add to four-person total allowance:</b>	\$341

## Housing and Utilities

	Housing and Utilities for a Family of 1	Housing and Utilities for a Family of 2	Housing and Utilities for a Family of 3	Housing and Utilities for a Family of 4	Housing and Utilities for a Family of 5 or more
Kings County	1,450	1,703	1,794	2,000	2,033
Lake County	1,473	1,730	1,823	2,033	2,065
Lassen County	1,509	1,772	1,867	2,082	2,115
Los Angeles County	2,146	2,521	2,656	2,961	3,009
Madera County	1,482	1,740	1,834	2,045	2,078
<b>Marin County</b>	<b>3,050</b>	<b>3,582</b>	<b>3,775</b>	<b>4,209</b>	<b>4,277</b>

## Transportation

<b>Public Transportation</b>		
<b>National</b>		<b>\$173</b>
<b>Ownership Costs</b>		
	<b>1 Car</b>	<b>2 Cars</b>
<b>National</b>	<b>\$471</b>	<b>\$942</b>
<b>Operating Costs</b>		
	<b>1 Car</b>	<b>2 Cars</b>
<b>West Region</b>	<b>\$213</b>	<b>\$426</b>
<b>Los Angeles</b>	<b>\$266</b>	<b>\$532</b>
<b>Phoenix</b>	<b>\$262</b>	<b>\$524</b>
<b>San Diego</b>	<b>\$271</b>	<b>\$542</b>
<b>San Francisco</b>	<b>\$276</b>	<b>\$552</b>
<b>Seattle</b>	<b>\$173</b>	<b>\$346</b>



## Out-of-Pocket Health Care

<b>Ownership Costs</b>	<b>Out of Pocket costs</b>
<b>Under 65</b>	\$54
<b>65 and Older</b>	\$130

## Polling Question 5

Have you ever prepared  
a non-streamlined installment agreement?

Need to file an appeal?

See our Course Calendar to view the comprehensive list  
of courses at [www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)

# Case Study 1

## Installment Agreement

*Case Study (CS-2)*

## Installment Agreement

- Family of 4
- Living in Los Angeles
- Husband is a self-employed salesperson (expects to earn substantially more income in the near future)
- Wife works and is a W-2 wage earner
- Taxes are withheld from Wife's paycheck and Husband is making estimated tax payments.
- Wife owns a vehicle with a small amount of equity
- Husband leases another vehicle
- They own a single family home with some equity
- Wife has an IRA with a relatively low value (\$12,858)
- They owe approximately \$487,000 in unpaid taxes.

access your free content at [www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)

## Collection Information Statement

Name(s) and Address John and Jane Doe 1234 Memory Lane Anytown, USA 12345  <input type="checkbox"/> If address provided above is different than last return filed, please check here	Your Social Security Number or Individual Taxpayer Identification Number 123-45-6789  Your Spouse's Social Security Number or Individual Taxpayer Identification Number 987-65-4321	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">                             Your Telephone Numbers                              Home: (818) 555-1212                              Work: _____                              Cell: _____                         </td> <td style="width: 50%;">                             Spouse's Telephone Numbers                              Home: _____                              Work: _____                              Cell: _____                         </td> </tr> </table>	Your Telephone Numbers Home: (818) 555-1212 Work: _____ Cell: _____	Spouse's Telephone Numbers Home: _____ Work: _____ Cell: _____
Your Telephone Numbers Home: (818) 555-1212 Work: _____ Cell: _____	Spouse's Telephone Numbers Home: _____ Work: _____ Cell: _____			
County of Residence  Los Angeles				

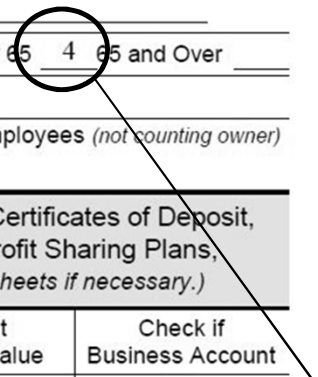
Enter the number of people in the household who can be claimed on this year's tax return including you and your spouse. Under 65 4 65 and Over \_\_\_\_\_

If you or your spouse are self employed or have self employment income, provide the following information:

Name of Business	Business EIN	Type of Business	Number of Employees <i>(not counting owner)</i>
N/A			

**A. ACCOUNTS / LINES OF CREDIT** Include checking, online, mobile (e.g., PayPal) and savings accounts, Certificates of Deposit, Trusts, Individual Retirement Accounts (IRAs), Keogh Plans, Simplified Employee Pensions, 401(k) Plans, Profit Sharing Plans, Mutual Funds, Stocks, Bonds and other investments. If applicable, include business accounts. *(Use additional sheets if necessary.)*

Name and Address of Institution	Account Number	Type of Account	Current Balance/Value	Check if Business Account
Main Bank 111 Main Bank Ave, Anytown, USA	11-11111-11	Checking	1,208	<input type="checkbox"/>
Retirement Bank, 123 Retirement Ave, Anytown, USA	123-456789	IRA	6,429	<input type="checkbox"/>
Business Bank, 222 Business Way, Anytown, USA	22-222222	Checking	227	<input checked="" type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>



Enter the # of persons in household here. The # should be the same as declared on client's tax return

**B. REAL ESTATE** Include home, vacation property, timeshares, vacant land and other real estate. (Use additional sheets if necessary.)

Description/Location/County	Monthly Payment(s)	Financing		Current Value	Balance Owed	Equity
Single Family Residence 1234 Memory Lane Anytown, USA 12345 Los Angeles <input checked="" type="checkbox"/> Primary Residence <input type="checkbox"/> Other	3,028	Year Purchased	Purchase Price	850,000	678,000	172,000
		2012	785,000			
<input type="checkbox"/> Primary Residence <input type="checkbox"/> Other		Year Refinanced	Refinance Amount			
		Year Purchased	Purchase Price			
		Year Refinanced	Refinance Amount			
		Year Purchased	Purchase Price			



Housing

Note: If equity was negative enter "0"

**C. OTHER ASSETS** Include cars, boats, recreational vehicles, whole life policies, etc. Include make, model and year of vehicles and name of Life Insurance company in Description. If applicable, include business assets such as tools, equipment, inventory, etc. (Use additional sheets if necessary.)

Description	Monthly Payment	Year Purchased	Final Payment (mo/yr)	Current Value	Balance Owed	Equity
Nissan Maxima	350	2014	1 / 19	26,380	23,150	3,230
Ford Edge	471	2015	7 / 19	0	16,956	0
			/			
			/			
			/			
			/			
			/			

**NOTES** (For IRS Use Only)

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TURN PAGE TO CONTINUE

**D. CREDIT CARDS** (Visa, MasterCard, American Express, Department Stores, etc.)

Type	Credit Limit	Balance Owed	Minimum Monthly Payment
None			

**E. BUSINESS INFORMATION** Complete E1 for Accounts Receivable owed to you or your business. (Use additional sheets if necessary.) Complete E2 if you or your business accepts credit card payments.

**E1. Accounts Receivable owed to you or your business**

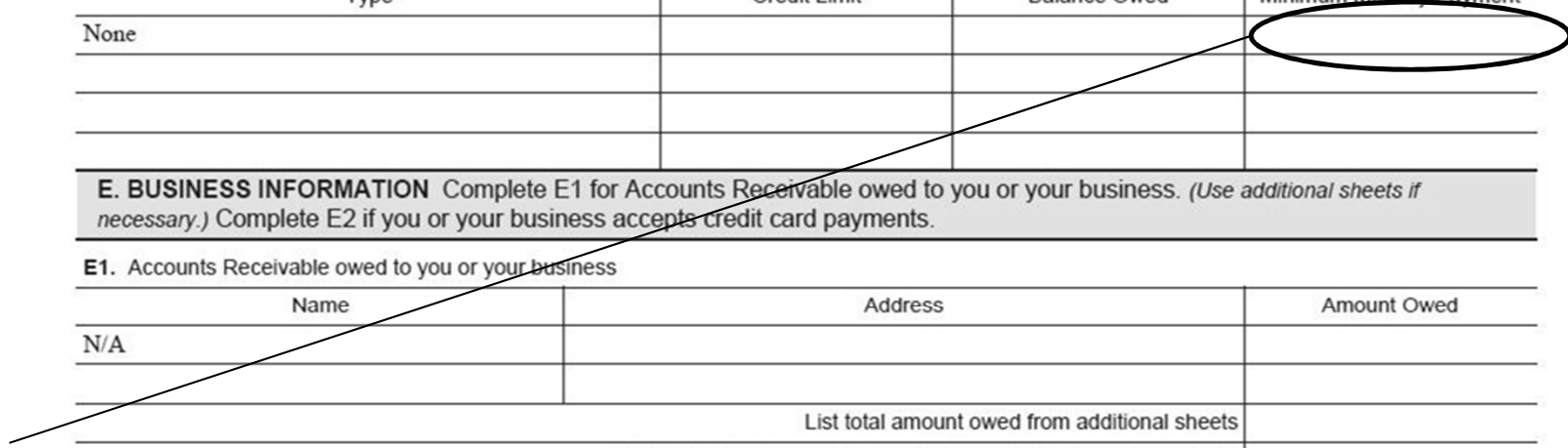
Name	Address	Amount Owed
N/A		
List total amount owed from additional sheets		
Total amount of accounts receivable available to pay to IRS now		

**E2. Name of individual or business on account**

Credit Card (Visa, Master Card, etc.)	Issuing Bank Name and Address	Merchant Account Number
N/A		

# Credit Cards

Credit card payments are considered “allowable” as part of “Miscellaneous” below in Section H1. Any amount above the \$300 allowance below will not be considered







# IRS Form 9465- Installment Agreement Request

**Form 9465** (Rev. December 2013)  
Department of the Treasury  
Internal Revenue Service

**Installment Agreement Request**

▶ Information about Form 9465 and its separate instructions is at [www.irs.gov/form9465](http://www.irs.gov/form9465).  
▶ If you are filing this form with your tax return, attach it to the front of the return.  
▶ See separate instructions.

OMB No. 1545-0074

**Tip:** If you owe \$50,000 or less, you may be able to establish an installment agreement online, even if you have not yet received a bill for your taxes. Go to [IRS.gov](http://IRS.gov) to apply to pay online. **Caution:** Do not file this form if you are currently making payments on an installment agreement or can pay your balance in full within 120 days. Instead, call 1-800-829-1040. Do not file if your business is still operating and owes employment or unemployment taxes. Instead, call the telephone number on your most recent notice. If you are in bankruptcy or we have accepted your offer-in-compromise, see **Bankruptcy or offer-in-compromise**, in the instructions.

**Part I**

This request is for Form(s) (for example, Form 1040 or Form 941) ▶ and for tax year(s) (for example, 2012 and 2013) ▶

**1a** Your first name and initial Last name Your social security number  
 John Doe 1234 5-6789  
 If a joint return, spouse's first name and initial Last name Spouse's social security number  
 Jane Doe 9876 5-4321  
 Current address (number and street), if you have a P.O. box and no home delivery, enter your box number. Apt. number  
 1234 Memory Lane  
 City, town or post office, state, and ZIP code. If a foreign address, also complete the spaces below (see instructions)  
 Anytown, USA  
 Foreign country name Foreign province/state/country Foreign postal code

**1b** If this address is new since you filed your last tax return, check here

**2** Name of your business (must be no longer operating) Employer identification number (EIN)

**3** 213-555-1234 a/te/moon Your home phone number Best time for us to call  
**4** 213-555-1234 a/te/moon Your work phone number Ext. Best time for us to call

**5** Name of your bank or other financial institution:  
 Main Bank  
 Address  
 111 Main Bank Avenue  
 City, state, and ZIP code  
 Anytown, USA 00000

**6** Your employer's name:  
 John Doe Sales (Self-Employed)  
 Address  
 1234 Memory Lane  
 City, state, and ZIP code  
 Anytown, USA 00000

<b>7</b> Enter the total amount you owe as shown on your tax return(s) (or notice(s))	487,000	00
<b>8</b> Enter the amount of any payment you are making with your tax return(s) (or notice(s)). See instructions	0	00
<b>9</b> Subtract line 8 from line 7 and enter the result	487,000	00
<b>10</b> Enter the amount you can pay each month. Make your payments as large as possible to limit interest and penalty charges. The charges will continue until you pay in full. If no payment amount is listed on line 10, a payment will be determined for you by dividing the balance due by 72 months	121	00
<b>11</b> Divide the amount on line 9 by 72 and enter the result	4,763	89

**12** Enter the date you want to make your payment each month. Do not enter a date later than the 28th ▶ 29th

**13** If you want to make your payments by direct debit from your checking account, see the instructions and fill in lines 13a and 13b. This is the most convenient way to make your payments and it will ensure that they are made on time.

▶ **a** Routing number 0000000000

▶ **b** Account number 1111111111

I authorize the U.S. Treasury and its designated Financial Agent to initiate a monthly ACH debit (electronic withdrawal) entry to the financial institution account indicated for payments of my Federal taxes owed, and the financial institution to debit the entry to this account. This authorization is to remain in full force and effect until I notify the U.S. Treasury Financial Agent to terminate the authorization. To revoke payment, I must contact the U.S. Treasury Financial Agent at 1-800-829-1040 no later than 14 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payments of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payments.

**14** If you want to make your payments by payroll deduction, check this box and attach a completed Form 2159, Payroll Deduction Agreement

Your signature Date Spouse's signature, if a joint return, both must sign. Date

For Privacy Act and Paperwork Reduction Act Notice, see instructions. Cat. No. 14842Y Form 9465 (Rev. 12-2013)

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**Installment Agreement - Family of Four (Case Study 1)**

<u>Item</u>		<u>Monthly Amount</u>	<u>Notes</u>
Income			
Gross Wages	Taxpayer	8,662	Actual
	Spouse	4,768	Actual
Taxes	Federal	(3,586)	Actual
	State	(2,018)	Actual
	Take-home pay:	<u>7,826</u>	
Expenses			
Housing and Utilities			
	Mortgage	3,028	Actual
	Utilities	233	Actual
Food/Clothing/Etc		1,509	Standard
Transportation	Payments	821	Actl/Std
	Maintenance/gas/insurance	532	Standard
Medical	Health insurance	1,012	Actual
	Out-of-pocket health care	216	Standard
Other	Childcare	219	Actual
	Life insurance	135	Actual
	Living expenses:	<u>7,705</u>	
	<b>Proposed installment amount:</b>	<b>121</b>	

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Analysis

## Polling Question 6

When you receive an acceptance of an installment agreement to you consider it a success regardless of the payment amount?

### Upcoming Audit?

See our Course Calendar to view the comprehensive list of courses at  
[www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)

(800) 658-7590

[www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)

# Installment Agreement Success Stories

# IRS Installment Agreement

## \$282,142 Liability

POA Copy



Department of the Treasury  
Internal Revenue Service  
Small Business / Self-Employed Division  
225 W BROADWAY  
GLENDALE, CA 91204-1331

Date: 01/07/2015  
Taxpayer ID number:  
Person to contact:  
Employee ID number:  
Contact telephone number:



We have approved your request to pay your taxes in installments. Your first payment of \$100.00 is due on 01/28/2015. You agreed to make future payments of \$100.00 on the 28th of each following month until you have paid the full amount you owe.

The amount you owe as of 01/05/2015 is \$282,142.05. This amount does not include all applicable penalties and interest. We will charge penalties and interest until you pay the full amount you owe because you didn't pay your total tax when it was due.

Please send your monthly payments to reach us by the due date. Put your social security number or employer identification number clearly on your check or money order. If you change your address, please send your new address with your next payment.

Note: If the IRS is charging backup withholding against any of your accounts, it will continue. Having an installment agreement doesn't interrupt backup withholding.

Although we have established an installment plan for you, we must protect the government's interest. Therefore, a Notice of Federal Tax Lien


HAS ALREADY BEEN FILED

A Notice of Federal Tax Lien is a public notice that the government has a claim against your property to satisfy a debt. We will release the lien when you finish paying what you owe. We have the legal right to collect this money for up to 10 years.

#### CONDITIONS OF THIS AGREEMENT:

- We must receive each payment by the date shown above. If you have a problem, contact us immediately.
- This agreement is based on your current financial condition. We may change or cancel it if our information shows that your ability to pay has changed significantly.
- We may cancel this agreement if you don't give us updated financial information when we ask for it.
- While this agreement is in effect, you must pay any federal taxes you owe on time.
- We will apply your federal tax refunds (if any) to the amount you owe until it is fully paid.
- If you don't meet the conditions of this agreement, we will cancel it, and may collect the entire amount you owe by levy on your income, bank accounts or other assets, or by seizing your property.
- We may cancel the agreement at any time if we find that collection of the tax is in jeopardy.
- There is a \$120.00 installment agreement fee (\$52.00 Direct Debit installment agreement).
- If agreement defaults, you must pay a \$50.00 reinstatement fee if agreement is reinstated.

# IRS Installment Agreement

 **IRS** Department of the Treasury  
Internal Revenue Service  
PO Box 9941 Stop 5500  
Ogden UT 84409

In reply refer to: 0474011040  
May 27, 2016 LTR 2273C 3  
[REDACTED] 201412 30 1  
00019200  
BODC: SB

## OWED \$151,771

 [REDACTED]  
% PETER Y STEPHAN  
21700 OXNARD ST STE 1160  
WOODLAND HILLS CA 91367-7576

53923

Social security number: [REDACTED]  
Forms: 1040  
Tax periods: Dec. 31, 2014

Dear Taxpayer:

This letter responds to our conversation on May 18, 2016, when you asked about ways to resolve your account balance.

Based on your proposal, we established your installment agreement for \$360.00. Your payment is due on the 28th of each month, beginning on June 28, 2016.

### WHAT YOU NEED TO KNOW ABOUT YOUR INSTALLMENT AGREEMENT

We charge a \$120.00 user fee to cover the cost of providing installment payments. We'll deduct this fee from your first payment.

Even though your approved installment agreement payment may be less, your first payment must be at least \$120.00 to cover the fee.

We can reduce the installment agreement user fee for individuals whose income falls at or below levels in the IRS Installment Agreement Low Income Guidelines. You may qualify for this one-time reduction to your fee.

If your income is at or below the established levels (based on the Department of Health and Human Services poverty guidelines), you can apply for the reduced user fee of \$43 for new agreements. This reduction also applies to agreements that have payments deducted directly from a bank account.

You can find the income levels and instructions on how to apply for the reduced user fee on Form 13844, Application For Reduced User Fee For Installment Agreements.

If you qualify, complete and mail Form 13844 within 30 days to:

# \$360/mo PAYMENT

# CA FTB Installment Agreement



STATE OF CALIFORNIA  
FRANCHISE TAX BOARD  
PO BOX 2952  
SACRAMENTO CA 95812-2952  
Telephone: (800) 689-4776

Notice Date: [REDACTED]

## OWED \$63,064

INSTALLMENT AGREEMENT AND ELECTRONIC FUNDS  
TRANSFER (EFT) AUTHORIZATION

Account Number: [REDACTED]

[REDACTED]

We approved your installment agreement for a monthly payment of **\$650.00**. The next step is for you to complete the information below and return it to us in the enclosed envelope within 15 days of the date of this notice. If you do not, we can proceed with collection action. Interest and penalties will continue to accrue until your account is paid in full. Failure to provide complete information will delay the process of your EFT request.

After we process your EFT, we will send you an FTB 4024, *Installment Agreement EFT - Approval* notice. In addition, a \$20.00 fee will be charged for establishing the installment agreement.

### EFT Authorization

I authorize an electronic funds withdrawal for the above amount, from the bank account identified below, on the \_\_\_\_\_ (please specify) day of the month. The day must be the **1<sup>st</sup> through the 28<sup>th</sup>**. If this day falls on a Saturday, Sunday, or state holiday, the transfer is authorized for the next business day.

1. Payment Amount	2. Day for Monthly EFT Withdrawal <small>(Enter the date from above.)</small>	3. Bank Routing Number <small>(This is the first nine-digit number at the bottom left of your check.)</small>	4. Bank Account Number <small>(This is the number after the bank routing number.)</small>
5. Bank Name and Address		Check One: <input type="checkbox"/> Checking <input checked="" type="checkbox"/> Savings <small>(This must be a regular checking or savings account.)</small>	

# \$650/mo PAYMENT

I certify that I have the authority to request an electronic funds withdrawal from the bank account identified above and I authorize the Franchise Tax Board (FTB) to initiate and process electronic funds withdrawal entries to the above bank account. This authorization remains in effect until: 1) all unpaid tax liabilities due or becoming due during the course of this agreement are paid, 2) FTB cancels the installment agreement, or 3) FTB receives written notice of cancellation of this EFT authorization within five business days prior to the payment due date.

I request that the payment amount in box 1 be debited from my bank account each month on the date specified in box 2. If this day falls on a Saturday, Sunday, or state holiday, I authorize the transfer for the next business day.

If FTB cannot deduct the monthly payment from my bank account because of insufficient funds or because my bank account is closed, FTB may cancel my installment agreement. In that event, I understand that FTB may charge me a dishonored payment penalty and a collection fee. I will also be responsible for any overdraft fees charged by my bank.

Authorized Signature	Daytime Telephone Number
Signer's Name (Print)	Ext. Date

**By initialing the box below, I agree to the Taxpayer Installment Agreement Conditions provided on PAGE 2. Please review them thoroughly.**

**Please initial this box after you have read all the conditions on PAGE 2. If you do not initial the box, we will not process this electronic funds transfer authorization form.**

# Innocent Spouse Relief



New rules created in September of 2013 under Rev. Proc. 2013-34 relax rules that are deemed necessary to qualify for relief.

# Three Types of Innocent Spouse Relief

**The “Old” Way..**

- Traditional Relief – IRC Section 6015(b)
- Spousal Allocation – IRC Section 6015(c)
- Equitable Relief – IRC Section 6015(f)

# Definitions of the three types

## Type 1 - Traditional Spouse Relief – 6015(b)

- The standards set to receive relief under this method are difficult to meet
- Spouse seeking relief must show he or she was unaware (and had no way of knowing) that income was under-reported
- This type of relief is not available if original liability assessed was not paid (allowed in deficiency cases, not allowed if payment was never made)

**Important to remember!**

## Type 3 - Spousal Allocation – 6015(c)

- Spouse seeking relief allocates additional tax assessed proportionate to involvement in the income being under-reported
- Community property laws are disregarded in this case
- Person seeking this relief must be legally separated or no longer married

## Type 3- Spousal Allocation – 6015(c) ...continued

- The burden of proof is on the IRS to show that the person seeking relief had actual knowledge (not reason to know) that income was under-reported at the time the tax return was signed
- No refunds are permitted under this election



**No refunds!**

## Type 3 Equitable Relief– 6015(f)

- Only used if relief is not allowed under Traditional Spouse Relief [6015(b)] and Spousal Allocation [6015(c)]
- Amount of relief is subject to unpaid balance shown on tax return
- Refunds are permitted under this election

**Refunds allowed!**

## What these have in common...

- A joint tax return exists
- Relief applies only to tax on income (excludes FBAR, Civil Penalty, etc.)
- Spouse seeking relief filed IRS Form 8857 timely
  - Within 2 years of collection activity for 6015 (b) & 6015 (c)
  - Within collection statute for 6015(f) (typically 10 years)



## Polling Question 7

Do you currently provide services outside your local geographical area?

## Rev Proc 2013-34

Requesting spouse must satisfy all of the following conditions to qualify for equitable relief:

**A return unsigned by one spouse still  
may be considered jointly filed**

- A joint tax return was filed
- Requestor cannot obtain relief under Traditional Spouse Relief [6015(b)] and Spousal Allocation [6015(c)]
- Request must be made timely
- No fraudulent transfer of assets occurred between spouses

# Rev Proc 2013-34

## Conditions continued:

- Non-requesting spouse did not transfer disqualified assets to requesting spouse  
(this not an issue if requesting spouse was subject to abuse, the non-requesting spouse had restricted access to financial information or was unaware of the transfer in question)
- Requesting spouse did not knowingly participate in the filing of a fraudulent return
- Income tax liability for which the requesting spouse is seeking relief can be attributed (in part or full) to an event directly tied to the non-requesting spouse or an underpayment attributable to the non-requesting spouse's income

# Innocent Spouse Streamlined Determinations

If the aforementioned conditions are met, the IRS may grant equitable relief if the requestor:

- Is no longer married to the non-requesting spouse
- Would suffer financial hardship if relief is not granted
- Did not have knowledge or reason to have knowledge of any understatement or deficiency on the return in question
- Did not know that the non-requesting spouse could not or would not pay the full liability reflected on the return

**Does not need to be met in cases of  
abuse or lack of financial control**

# Innocent Spouse Non-Streamlined Determinations

- Marital Status
- Economic Hardship
- Knowledge
- Abuse
- Legal Obligation
- Significant benefit
- Compliance with income tax laws
- Mental health
- Physical health

# Innocent Spouse Non-Streamlined Determination Factors

## Factors

No factor is controlling

Factors are classified as “favorable”, “unfavorable” or neutral

- Marital Status – spouses are legally separated, divorced, widowed or in separate households for a 12-month period ending on the date of determination (favorable/neutral)
- Economic Hardship – lack of hardship (neutral...this is a recent change). Hardship is determined by IRS regulations but typically more relaxed than used when considering an offer in compromise (favorable/neutral)

## Non-Streamlined Determination Factors

- Knowledge (1) - In cases involving understatement, requesting spouse did not know and had no reason to know income was understated (favorable/unfavorable)
- Knowledge (2) - In cases involving underpayment, requesting spouse did not know and had no reason to know non-requesting spouse would not or could not pay the liability within a reasonable (prompt) time after filing the return (if an installment agreement was requested either 90 days after the due date or payment or the filing date of the return, the spouse not submitting the installment agreement request is presumed not to have knowledge (favorable/unfavorable))

# Knowledge Criteria

- Requesting spouse's level of education completed.
- Did the non-requesting spouse practice deceit or was evasive
- The level of involvement by the requesting spouse in the activity/s that generated the tax liability



## Knowledge Criteria Continued

- The level of involvement by the requesting spouse in managing business and household finances
- The requesting spouse's level of business and financial savvy
- The spending level in the purchase of lavish items compared to prior history of the same.


## Non-Streamlined Determination Factors

- Spousal Abuse – abuse can be psychological, emotional and/or physical. Drug and alcohol abuse are considered. IRS compares abuse to duress. (favorable/neutral)

**This factor alone can swing view from unfavorable to favorable**

- Legal Obligation – may be favorable if non-requesting spouse has the sole legal obligation to pay outstanding tax liability stemming from a divorce decree or agreement. Changes from favorable to neutral if requesting spouse had knowledge that other spouse would not pay the tax. Unfavorable if requesting spouse has the sole legal obligation. Neutral if both spouses share the legal obligation

## Non-Streamlined Determination Factors

- Significant benefit – did requesting spouse receive significant benefit from funds that would otherwise be used to satisfy unpaid tax liability or deficiency (favorable/neutral)  


**Beyond 'normal' support**
- Compliance with income tax laws – did requesting spouse make a good faith effort to comply with tax laws in the year in questions as well as subsequent years (favorable/neutral)
- Mental Health – is requesting spouse in poor mental health (favorable/neutral)
- Physical Health – is the requesting spouse in poor physical health (favorable/neutral)

## How to Request Relief

- File IRS Form 8857 and enter information to determine which type of relief requesting spouse is seeking
- The IRS will review the form and let applicant know if they qualify
- Form should be filed when requesting spouse becomes aware of unpaid liability or deficiency for which they believe they are responsible
- Typically applicant has 2 years from the time the IRS starts collecting the tax to file a request

**There are some exceptions**

IRS Form 8857  
Request for Innocent Spouse Relief  
(page 1 of 7)

**Request for Innocent Spouse Relief**

► Information about Form 8857 and its separate instructions is at [www.irs.gov/form8857](http://www.irs.gov/form8857).

**Important things you should know**

- **Do not file this form with your tax return.** See *Where To File* in the instructions.
- Review and follow the instructions to complete this form. Instructions can be obtained at [www.irs.gov/form8857](http://www.irs.gov/form8857) or by calling 1-800-TAX-FORM (1-800-829-3676).
- While your request is being considered, the IRS generally cannot collect any tax from you for the year(s) you request relief. However, filing this form extends the amount of time the IRS has to collect the tax you owe, if any, for those years.
- The IRS is required by law to notify the person on line 5 that you requested this relief. That person will have the opportunity to participate in the process by completing a questionnaire about the tax years you enter on line 3. This will be done before the IRS issues preliminary and final determination letters.
- The IRS will not disclose the following information: your current name, address, phone numbers, or employer.

**Part I Should you file this form?**

Generally, both you and your spouse are responsible, jointly and individually, for paying any tax, interest, or penalties from your joint return. If you believe your current or former spouse should be solely responsible for an erroneous item or an underpayment of tax from your joint tax return, you may be eligible for innocent spouse relief.

Innocent spouse relief may also be available if you were a resident of a community property state (see list of community property states in the instructions) and did not file a joint federal income tax return and you believe you should not be held responsible for the tax attributable to an item of community income.

- 1 Do either of the paragraphs above describe your situation?**
- Yes. You should file this Form 8857. Go to question 2.
- No. Do not file this Form 8857, but go to question 2 to see if you need to file a different form.
- 2 Did the IRS take your share of a joint refund from any tax year to pay any of the following past-due debt(s) owed ONLY by your spouse? • Child support • Spousal support • Student loan (or other federal nontax debt) • Federal or state taxes**
- Yes. You may be able to get back your share of the refund. See Form 8379, Injured Spouse Allocation, and the instructions to that form. Go to question 3 if you answered "Yes" to question 1.
- No. Go to question 3 if you answered "Yes" to question 1. If you answered "No" to question 1, do not file this form.
- 3 If you determine you should file this form, enter each tax year you want innocent spouse relief.** It is important to enter the correct year. For example, if the IRS used your 2011 income tax refund to pay a 2009 joint tax liability, enter tax year 2009, not tax year 2011.
- Tax Year \_\_\_\_\_ Tax Year \_\_\_\_\_ Tax Year \_\_\_\_\_  
Tax Year \_\_\_\_\_ Tax Year \_\_\_\_\_ Tax Year \_\_\_\_\_

**Part II Tell us about yourself and your spouse for the tax years you want relief**

<b>4</b> Your current name (see instructions)		Your social security number	
<b>Address where you wish to be contacted.</b> If this is a change of address, see instructions.			
Number and street or P.O. box		Apt. no.	County
City, town or post office, state, and ZIP code. If a foreign address, see instructions.		Best or safest daytime phone number (between 6 a.m. and 5 p.m. Eastern Time)	
<b>5 Who was your spouse for the tax years you want relief?</b> File a separate Form 8857 for tax years involving different spouses or former spouses.			
That person's current name		Social security number (if known)	
Current home address (number and street) (if known). If a P.O. box, see instructions.		Apt. no.	
City, town or post office, state, and ZIP code. If a foreign address, see instructions.		Daytime phone number (between 6 a.m. and 5 p.m. Eastern Time)	

**IRS Form 8857**  
**Request for Innocent Spouse Relief**  
 (page 2 of 7)

Form 8857 (Rev. 1-2014) Page **2**

**Note.** If you need more room to write your answer for any question, attach more pages. Be sure to write your name and social security number on the top of all pages you attach.

**Part II Tell us about yourself and your spouse for the tax years you want relief (Continued)**

**6** What is the current marital status between you and the person on line 5?

Married and still living together

Married and living apart since \_\_\_\_\_ MM DD YYYY

Widowed since \_\_\_\_\_ MM DD YYYY Attach a photocopy of the death certificate and will (if one exists).

Legally separated since \_\_\_\_\_ MM DD YYYY Attach a photocopy of your entire separation agreement.

Divorced since \_\_\_\_\_ MM DD YYYY Attach a photocopy of your entire divorce decree.

**Note.** A divorce decree stating that your former spouse must pay all taxes does not necessarily mean you qualify for relief.

**7** What was the highest level of education you had completed when the return(s) were filed? If the answers are not the same for all tax years, explain.

Did not complete high school

High school diploma or equivalent

Some college

College degree or higher. List any degrees you have ► \_\_\_\_\_

List any college-level business or tax-related courses you completed ► \_\_\_\_\_

Explain ► \_\_\_\_\_

**8** Were you or other members of your family a victim of spousal abuse or domestic violence, or suffering the effects of such abuse during any of the tax years you want relief or when any of the returns were filed for those years?

Yes. If you want the IRS to consider this information in making its determination, complete Part V of this form in addition to other parts of the form. First read the instructions for Part V, to understand how the IRS will proceed with evaluating your claim for relief in these circumstances.

If you checked "Yes" above, we will put a note on your separate account. This will enable us to respond appropriately and be sensitive to your situation. We will remove the note from your account if you request it (as explained in the instructions). If you do not want us to put a note on your account, check here . . . . . ►

No. Complete the other parts of this form except for Part V.

**9** When any of the returns listed on line 3 were filed, did you have a mental or physical health problem or do you have a mental or physical health problem now? If the answers are not the same for all tax years, explain below.

Yes. Attach a statement to explain the problem and when it started. Provide photocopies of any documentation, such as medical bills or a doctor's report or letter.

No.

Explain ► \_\_\_\_\_

**10** Is there any information you are afraid to provide on this form, but are willing to discuss?

Yes  No

**Part III Tell us if and how you were involved with finances and preparing returns for those tax years**

**11** Did you agree to file a joint return?  Yes  No

Explain why or why not ► \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**12** Did you sign the joint return? See instructions.  Yes  No

Explain why or why not ► \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Form **8857** (Rev. 1-2014)

IRS Form 8857  
Request for  
Innocent  
Spouse Relief  
(page 3 of 7)

Note. If you need more room to write your answer for any question, attach more pages. Be sure to write your name and social security number on the top of all pages you attach.

**Part III Tell us if and how you were involved with finances and preparing returns for those tax years (Continued)**

**13 What was your involvement with preparing the returns?** Check all that apply and explain, if necessary. If the answers are not the same for all tax years, explain.

- You were not involved in preparing the returns.
- You filled out or helped fill out the returns.
- You gathered receipts and cancelled checks.
- You gave tax documents (such as Forms W-2, 1099, etc.) for the preparation of the returns.
- You reviewed the returns before they were filed.
- You did not review the returns before they were filed. Explain below why you did not review the returns.
- You did not know a joint return was filed.
- Other ▶ \_\_\_\_\_

Explain how you were involved ▶ \_\_\_\_\_

**14 When the returns were filed, what did you know about any incorrect or missing information?** Check all that apply and explain, if necessary. If the answers are not the same for all tax years, explain below.

- You knew something was incorrect or missing, but you said nothing. Explain below.
- You knew something was incorrect or missing and asked about it. Explain below.
- You did not know anything was incorrect or missing.
- Not applicable. There was no incorrect or missing information.

Explain ▶ \_\_\_\_\_

**15 When any of the returns were filed, what did you know about the income of the person on line 5?** Check all that apply and explain, if necessary. If the answers are not the same for all tax years, explain.

- You knew that the person on line 5 had income.  
List each type of income on the lines provided below. (Examples are wages, social security, gambling winnings, or self-employment business income.) Enter each tax year and the amount of income for each type you listed. If you do not know any details, enter "I don't know."  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- You knew that the person on line 5 was self-employed and you helped with the books and records.
- You knew that the person on line 5 was self-employed and you did not help with the books and records.
- You knew that the person on line 5 had no income.
- You did not know whether the person on line 5 had income.

Explain why you did not know whether the person on line 5 had income ▶ \_\_\_\_\_

**16 When the returns were filed, did you know if the returns showed a balance due to the IRS for those tax years?** If the answers are not the same for all tax years, explain.

- Yes. Explain when and how you thought the amount of tax reported on the return would be paid ▶ \_\_\_\_\_

No. Explain why you did not know the return showed a balance due. ▶ \_\_\_\_\_

- Not applicable. There was no balance due on the return.

**17 When any of the returns were filed, were you having financial problems** (for example, bankruptcy or bills you could not pay)? If the answers are not the same for all tax years, explain.

- Yes. Explain ▶ \_\_\_\_\_

No.

Did not know. Explain ▶ \_\_\_\_\_

IRS Form 8857  
Request for  
Innocent  
Spouse Relief  
(page 4 of 7)

**Note.** If you need more room to write your answer for any question, attach more pages. Be sure to write your name and social security number on the top of all pages you attach.

**Part III Tell us if and how you were involved with finances and preparing returns for those tax years (Continued)**

**18 For the years you want relief, how were you involved in the household finances?** Check all that apply. If the answers are not the same for all tax years, explain.

- You were not involved in handling money for the household. Explain below.
- You knew the person on line 5 had separate accounts.
- You had joint accounts with the person on line 5, but you had limited use of them or did not use them. Explain below.
- You used joint accounts with the person on line 5. You made deposits, paid bills, balanced the checkbook, or reviewed the monthly bank statements.
- You made decisions about how money was spent. For example, you paid bills or made decisions about household purchases.
- Other ▶ \_\_\_\_\_

Explain anything else you want to tell us about your household finances ▶ \_\_\_\_\_

\_\_\_\_\_

**19 Did you (or the person on line 5) incur any large expenses, such as trips, home improvements, or private schooling, or make any large purchases, such as automobiles, appliances, or jewelry, during any of the years you want relief or any later years?**

- Yes. Describe (a) the types and amounts of the expenses and purchases and (b) the years they were incurred or made.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- No.

**20 Has the person on line 5 ever transferred assets (money or property) to you?** (Property includes real estate, stocks, bonds, or other property that you own or possess now or possessed in the past.) See instructions.

- Yes. List the assets, the dates they were transferred, and their fair market values on the dates transferred. If the property was secured by any debt (such as a mortgage on real estate), explain who was responsible for making payments on the debt, how much was owed on the debt at the time of transfer and whether the debt has been satisfied. Explain why the assets were transferred to you. If you no longer possess or own the assets, explain what happened with the assets.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- No.

**Part IV Tell us about your current financial situation**

**21 Tell us about your assets.** Your assets are your money and property. Property includes real estate, motor vehicles, stocks, bonds, and other property that you own. In the table below, list the amount of cash you have on hand and in your bank accounts. Also list each item of property, the fair market value (as defined in the instructions) of each item, and the balance of any outstanding loans you used to acquire each item. Do not list any money or property you listed on line 20.

Description of Assets	Fair Market Value	Balance of Any Outstanding Loans You Used To Acquire the Asset



IRS Form 8857  
Request for  
Innocent  
Spouse Relief  
(page 5 of 7)

Note. If you need more room to write your answer for any question, attach more pages. Be sure to write your name and social security number on the top of all pages you attach.

Part IV Tell us about your current financial situation (Continued)

22 How many people are currently in your household, including yourself? Adults \_\_\_\_\_ Children \_\_\_\_\_

23 Tell us your current average monthly income and expenses for your entire household.

Monthly Income — If family or friends are helping to support you, include the amount of support as gifts below.	Amount
Gifts	
Wages (Gross pay)	
Pensions	
Unemployment	
Social security	
Government assistance, such as housing, food stamps, grants	
Alimony	
Child support	
Self-employment business income	
Rental income	
Interest and dividends	
Other income, such as disability payments, gambling winnings, etc. List each type below:	
Type _____	
Type _____	
Type _____	
<b>Total Monthly Income</b>	

Monthly Expenses — Enter all expenses, including expenses paid with income from gifts.	Amount
<b>Food and Personal Care:</b>	
Food	
Housekeeping supplies	
Clothing and clothing services	
Personal care products and services	
<b>Transportation:</b>	
Auto loan/lease payment, gas, insurance, licenses, parking, maintenance, etc.	
Public transportation	
<b>Housing and Utilities:</b>	
Rent or mortgage	
Real estate taxes and insurance	
Electric, oil, gas, water, trash, etc.	
Telephone and cell phone	
Cable and Internet	
<b>Medical:</b>	
Health insurance premiums	
Out-of-pocket expenses	
<b>Other:</b>	
Child and dependent care	
Caregiver expenses	
Income tax withholding (federal, state, and local)	
Estimated tax payments	
Term life insurance premiums	
Retirement contributions (employer required)	
Retirement contributions (voluntary)	
Union dues	
Unpaid state and local taxes (minimum payment)	
Student loans (minimum payment)	
Court-ordered debt payments (for example, court- or agency-ordered child support, alimony and garnishments). List each type below:	
Type _____	
Type _____	
Type _____	
Miscellaneous	
<b>Total Monthly Expenses</b>	

**Note.** If you need more room to write your answer for any question, attach more pages. Be sure to write your name and social security number on the top of all pages you attach.

**Part V Complete this part if you were (or are now) a victim of domestic violence or spousal abuse**

As stated in line 8, providing this additional information is not mandatory but may strengthen your request. **Additionally, if you prefer to provide this information orally, check the "Yes" box on line 10.**

If you were (or are now) a victim of domestic violence or spousal abuse by the person on line 5, the IRS will consider the information you provide in this part to determine whether to grant innocent spouse relief. However, the IRS is required by law to notify the person on line 5 that you requested this relief. There are no exceptions to this rule. That person will have the opportunity to participate in the process by completing a questionnaire about the tax years you entered on line 3. This will be done before the IRS issues preliminary and final determination letters. However, the IRS is also required by law to keep all the personal identifying information (such as current names, addresses, and employment-related information) of both you and the person on line 5 confidential. This means that the IRS cannot disclose one person's information to the other person. If the IRS does not grant you relief and you choose to petition the Tax Court, your personal identifying information is available, unless you ask the Tax Court to withhold it.

The person on line 5 will receive a questionnaire about the tax years you entered on line 3. Except for your current name, address, phone numbers, and employer, this form and any attachments could be disclosed to the person on line 5. If you have any privacy concerns, see instructions.

The IRS understands and is sensitive to the effects of domestic violence and spousal abuse, and encourages victims of domestic violence to call 911 if they are in immediate danger. **If you have concerns about your safety**, please consider contacting the 24-Hour (Confidential) National Domestic Violence Hotline at 1-800-799-SAFE (7233), or 1-800-787-3224 (TTY), or 1-855-812-1001 (Video Phone Only for Deaf Callers) before you file this form.

A representative from the IRS may call you to gather more information and discuss your request. Be sure you enter your correct contact information on line 4.

**24a During any of the tax years for which you are seeking relief or when any of the returns were filed for those years, did the person on line 5 do any of the following? Check all that apply. (Note. If this does not apply to you, skip lines 24a, b, and c, and complete lines 25 through 29.)**

- Physically harm or threaten you, your children, or other members of your family.
- Sexually abuse you, your children, or other members of your family.
- Make you afraid to disagree with him/her.
- Criticize or insult you or frequently put you down.
- Withhold money for food, clothing, or other basic needs.
- Make most or all the decisions for you, including financial decisions.
- Restrict or control who you could see or talk to or where you could go.
- Isolate you or keep you from contacting your family members and/or friends.
- Cause you to fear for your safety in any other way.
- Stalk you, your children, or other members of your family.
- Abuse alcohol or drugs.

**b Describe the abuse you experienced, including approximately when it began and how it may have affected you, your children, or other members of your family. Explain how this abuse affected your ability to question the reporting of items on your tax return or the payment of the tax due on your return.**

-----  
-----

**c Attach photocopies of any documentation you have, such as:**

- Protection and/or restraining order.
- Police reports.
- Medical records.
- Doctor's report or letter.
- Injury photographs.
- A statement from someone who was aware of or witnessed the abuse or the results of the abuse (notarized if possible).
- Any other documentation you may have.

**25 Are you afraid of the person listed on line 5?**

Yes  No

**26 Does the person listed on line 5 pose a danger to you, your children, or other members of your family?**

Yes  No

**27 Were the police, sheriff, or other law enforcement ever called?**

Yes  No

**28 Was the person listed on line 5 charged or arrested for abusing you, your children, or other members of your family?**

Yes. Provide details below.

-----  
-----

No

**29 Have you sought help from a local domestic violence program?**

Yes. Provide details below.

-----  
-----

No

**IRS Form 8857**  
**Request for**  
**Innocent**  
**Spouse Relief**  
**(page 6 of 7)**



# Injured Spouse

You are an injured spouse if:

- You file a joint return, and;
- All or part of your share of the refund was or will be applied against the separate past-due federal tax, state tax, child support or federal non-tax debt (such as a student loan) of your spouse with whom you filed the joint return

If you are an injured spouse, you may be entitled to recoup your share of the refund

IRS Form 8379  
Injured Spouse Allocation  
(page 1 of 2)

**Part I** Should You File This Form? You must complete this part.

- 1 Enter the tax year for which you are filing this form. **►** \_\_\_\_\_ Answer the following questions for that year.
- 2 Did you (or will you) file a joint return?  
 **Yes.** Go to line 3.  
 **No. Stop here.** Do not file this form. You are not an injured spouse.
- 3 Did (or will) the IRS use the joint overpayment to pay any of the following legally enforceable past-due debt(s) owed only by your spouse? (see instructions)  
 • Federal tax • State income tax • State unemployment compensation • Child support • Spousal support  
 • Federal nontax debt (such as a student loan)  
 **Yes.** Go to line 4.  
 **No. Stop here.** Do not file this form. You are not an injured spouse.  
**Note.** If the past-due amount is for a joint federal tax, you may qualify for innocent spouse relief for the year to which the overpayment was (or will be) applied. See *Innocent Spouse Relief*, in the instructions for more information.
- 4 Are you legally obligated to pay this past-due amount?  
 **Yes. Stop here.** Do not file this form. You are not an injured spouse.  
**Note.** If the past-due amount is for a joint federal tax, you may qualify for innocent spouse relief for the year to which the overpayment was (or will be) applied. See *Innocent Spouse Relief*, in the instructions for more information.  
 **No.** Go to line 5a.
- 5a Were you a resident of a community property state at any time during the tax year entered on line 1? (see instructions)  
 **Yes.** Enter the name(s) of the community property state(s) \_\_\_\_\_  
 Go to line 5b.  
 **No.** Skip line 5b and go to line 6.
- b If you answered "Yes" on line 5a, was your marriage recognized under the laws of the community property state(s)? (see instructions)  
 **Yes.** Skip lines 6 through 9. **Go to Part II** and complete the rest of this form.  
 **No.** Go to line 6.
- 6 Did you make and report payments, such as federal income tax withholding or estimated tax payments?  
 **Yes.** Skip lines 7 through 9 and **go to Part II** and complete the rest of this form.  
 **No.** Go to line 7.
- 7 Did you have earned income, such as wages, salaries, or self-employment income?  
 **Yes.** Go to line 8.  
 **No.** Skip line 8 and go to line 9.
- 8 Did (or will) you claim the earned income credit or additional child tax credit?  
 **Yes.** Skip line 9 and **go to Part II** and complete the rest of this form.  
 **No.** Go to line 9.
- 9 Did (or will) you claim a refundable tax credit? (see instructions)  
 **Yes. Go to Part II** and complete the rest of this form.  
 **No. Stop here.** Do not file this form. You are not an injured spouse.

**Part II** Information About the Joint Tax Return for Which This Form Is Filed

- 10 Enter the following information exactly as it is shown on the tax return for which you are filing this form.  
 The spouse's name and social security number shown first on that tax return must also be shown first below.
 

<small>First name, initial, and last name shown first on the return</small>	<small>Social security number shown first</small>	<small>If Injured Spouse, check here ►</small> <input type="checkbox"/>
<small>First name, initial, and last name shown second on the return</small>	<small>Social security number shown second</small>	<small>If Injured Spouse, check here ►</small> <input type="checkbox"/>
- 11 Check this box only if you want your refund issued in both names. Otherwise, separate refunds will be issued for each spouse, if applicable.
- 12 Do you want any injured spouse refund mailed to an address different from the one on your joint return?  **Yes**  **No**  
 If "Yes," enter the address. \_\_\_\_\_  
Number and street City, town, or post office, state, and ZIP code

**IRS Form 8379**  
**Injured Spouse Allocation**  
**(page 2 of 2)**

Form 8379 (Rev. 2-2015) Page **2**

**Part III Allocation Between Spouses of Items on the Joint Tax Return** (See the separate Form 8379 instructions for Part III.)

Allocated Items (Column (a) must equal columns (b) + (c))	(a) Amount shown on joint return	(b) Allocated to injured spouse	(c) Allocated to other spouse
<b>13</b> Income: <b>a.</b> Income reported on Form(s) W-2			
<b>b.</b> All other income			
<b>14</b> Adjustments to income			
<b>15</b> Standard deduction or Itemized deductions			
<b>16</b> Number of exemptions			
<b>17</b> Credits (do not include any earned income credit)			
<b>18</b> Other taxes			
<b>19</b> Federal income tax withheld			
<b>20</b> Payments			

**Part IV Signature.** Complete this part only if you are filing Form 8379 by itself and not with your tax return.

Under penalties of perjury, I declare that I have examined this form and any accompanying schedules or statements and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Keep a copy of this form for your records	Injured spouse's signature		Date	Phone number
	Preparer's signature		Date	Check <input type="checkbox"/> if self-employed PTIN
<b>Paid Preparer Use Only</b>	Firm's name ▶		Firm's EIN ▶	
	Firm's address ▶		Phone no.	

Form **8379** (Rev. 2-2015)

# Appealing Adverse Decision



**30-day limit**

- Use form 12509
- IRS issues Notice of Preliminary Determination
- Requesting spouse may file a protest with the Appeals Division





# Tax Court – Innocent Spouse Relief

- Requesting spouse may file a tax court petition after Final Notice of Determination has been issued by the Appeals Division
- Requesting spouse may also file a tax court petition if 6 months have passed since filing of initial request
- Requesting spouse may also file a tax court petition in conjunction with a substantive deficiency determination (if requesting spouse “meaningfully participated” in the tax court case, using the innocent spouse defense may be prevented)

# IRS Criminal Investigation (“CI”)

# Overview

- Headquartered in Washington DC
- Approximately 2,600 special agents
- When individuals and corporations make deliberate decisions to not comply with the law, they face the possibility of a civil audit or criminal investigation
- Agents use specialized forensic technology to recover financial data
- Conviction rate is one of the highest in federal law enforcement

# History

- Created July 1, 1919
- Called to probe in assertions of tax fraud
- Was originally composed of a small group of postal inspectors
- Became known nationwide when they assisted in the conviction of Al Capone for income tax evasion
- Changed its name to Criminal Investigation (“CI”) in 1978
- Primary objective is to ensure the integrity and fairness of the United States tax system

# CI's Main Concerns

- Tax evasion
- Filing a false return
- Failure to file a tax return

### Year-over-Year Comparison (2013 – 2015)

	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>
Investigations Initiated	3,853	4,297	5,314
Prosecution Recommendations	3,289	3,478	4,364
Indictments/Information's	3,208	3,272	3,865
Convictions	2,879	3,110	3,311
Sentenced*	3,092	3,268	2,812
Percent to Prison	80.8%	79.6%	80.1%

\* Incarceration includes confinement to federal prison, halfway house, home detention, or some combination thereof.

Data Source: Criminal Investigation Management Information System



# Summons

In the matter of \_\_\_\_\_  
 Internal Revenue Service (Division): Criminal Investigation  
 Industry/Area (name or number): Houston Field Office  
 Periods: 2007-2012

### The Commissioner of Internal Revenue

To: \_\_\_\_\_  
 At: \_\_\_\_\_

You are hereby summoned and required to appear before Special Agent Jason Webb or his designee an officer of the Internal Revenue Service, to give testimony and to bring with you and to produce for examination the following books, records, papers, and other data relating to the tax liability or the collection of the tax liability or for the purpose of inquiring into any offense connected with the administration or enforcement of the internal revenue laws concerning the person identified above for the periods shown.

See Attachment:

If the production of the requested records is anticipated to cost more than \$200, please contact Jason Webb at (281) 721 - 8382 prior to production.

Sample

### Attestation

I hereby certify that I have examined and compared this copy of the summons with the original and that it is a true and correct copy of the original.

Jason Webb Signature of IRS officer serving the summons  
Special Agent Title

### Business address and telephone number of IRS officer before whom you are to appear:

8701 S GESSNER #1010, HOUSTON, TX 77074 (281) 721-8382, (281) 635-6666

Place and time for appearance at 8701 S GESSNER #1010, HOUSTON, TX 77074



Department of the Treasury  
 Internal Revenue Service  
[www.irs.gov](http://www.irs.gov)

Form 2039 (Rev. 10-2010)  
 Catalog Number 21405J

on the 29 day of April, 2013 at 10 o'clock a .m.

Issued under authority of the Internal Revenue Code this 17 day of April, 2013

Jason Webb Signature of Issuing officer  
N/A Signature of approving officer (if applicable)  
 \_\_\_\_\_ Title  
 \_\_\_\_\_ Title  
 \_\_\_\_\_ Title

Part A - to be given to person summoned

## *Interesting CI Fact*

...they tell me that the CI threshold for understatement of tax is \$30,000



## Polling Question 8

Have you ever lost a client because of  
an IRS collection issue?

Check out our text book  
at [www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)

(800) 658-7590

[www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)

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# The 5 Secrets to a Million Dollar Tax Resolution Practice!

FINALLY REVEALED :

**How to Attract and Get Retained by a Steady  
Stream of New PAY-IN-ADVANCE IRS Tax Problem  
Clients Every Month!**



# What You're Going to Discover Today...

- **How to attract more clients!**
- **Make more money!**
- **Eliminate competition!**



# This is for you if you are....



- CPA
- EA
- Attorney

# Frustrated because.....



- Advertising Victim
- You're a Commodity;
- Underpaid, unappreciated, disrespected;
- Secretly embarrassed;
- Roller Coaster
- Afraid...



# Imagine you could wave a magic wand and...

- Have new clients lined up paying you \$5,000 in ADVANCE (and fire your pain-in-the butt tax prep clients)
- Never having to worry about having enough business ever again – Predict with certainty when new leads/clients will hire you **(& never having to leave the office to do the work)**
- Have the freedom and certainty to work less while making more money and doing what you really desire to do



# Why you need to learn this Now:

- So you can stop Write-Offs
- Increase hourly Rates by 100% - 200%
- Select who you work with
- Off-Season Cash Flow & Profits
- Get out of the \$300 per return Tax Prep biz
- Have a valuable asset & retire with decent lifestyle



# Why You Should Listen to Me

- May 19<sup>th</sup>, 1998;
- \$100k in debt;
- Contemplating BK;
- Hung my shingle thinking clients will “find” me because I was *that* good.



# Incredible Breakthrough

- I discovered a system which gave me **predictable** Profits and cash flow all Year Long.



- Experienced 168 consecutive month-over-month increase in deposits to my bank account.

# The Results

1<sup>st</sup>/yr \$171k  
2<sup>nd</sup> \$350k to \$640k!  
4<sup>th</sup> \$1 Million!  
9<sup>th</sup> \$10 Million!  
12<sup>th</sup> \$23 Million!



AMERICA'S  
FASTEST  
GROWING  
PRIVATE  
COMPANIES



Ernst & Young  
Entrepreneur  
Of The Year<sup>®</sup>  
*2011 Finalist*



2012  
BRONZE  
STEVIE<sup>®</sup> WINNER  
AMERICAN  
BUSINESS AWARDS



# Proof....

Form <b>1120S</b>	<b>U.S. Income Tax Return for an S Corporation</b>		OMB No. 1545-0130
Department of the Treasury Internal Revenue Service (77)	▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.		<b>2011</b>
For calendar year 2011 or tax year beginning _____, and ending _____			
A Selection effective date 12/26/2000	TYPE OR PRINT	Name TAX RESOLUTION SERVICES, CO.	D Employer identification number
B Business activity code number (see instructions) 541219		Number, street, and room or suite no. If a P.O. box, see instructions. 6345 BALBOA BOULEVARD, # 285	E Date incorporated 12/15/2000
C Check if Sch. M-3 attached <input type="checkbox"/>		City or town, state, and ZIP code ENCINO, CA 91316	F Total assets (see instructions) \$
G Is the corporation electing to be an S corporation beginning with this tax year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," attach Form 2553 if not already filed			
H Check if: (1) <input type="checkbox"/> Final return (2) <input type="checkbox"/> Name change (3) <input type="checkbox"/> Address change (4) <input type="checkbox"/> Amended return (5) <input type="checkbox"/> S election termination or revocation			
I Enter the number of shareholders who were shareholders during any part of the tax year ..... ▶ 2			
<b>Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.</b>			
Income	1 a Merchant card and third-party payment. For 2011, enter -0- 0. b Gross receipts or sales not reported on line 1a 25,700,775. c Total. Add lines 1a and 1b	1c	25,700,775.
	d Returns and allowances plus any other adjustments (see instrs.) 3,091,483. e Subtract line 1d from line 1c	1e	22,609,292.
	2 Cost of goods sold (attach Form 1125-A)	2	
	3 Gross profit. Subtract line 2 from line 1e	3	22,609,292.
	4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)	4	
	5 Other income (loss) (attach statement)	5	
6 Total income (loss). Add lines 3 through 5	6	22,609,292.	
Deductions	7 Compensation of officers STATEMENT 1	7	
	8 Salaries and wages (less employment credits)	8	
	9 Repairs and maintenance	9	

# Why am I teaching this?

- Because I want to give back to the solo and small firm practitioner by helping them transform their lives by showing them to ethically and confidently help people with IRS problems and make a lot of money doing so.
- Because I speak with so many practitioners who are struggling and “lost” and don’t know where to start...
- I wanted to be able to provide on-going un-wavering support...
- Daily reality/Intrinsic & extrinsic



# **“87 Leads, 55 Appointments and 17 New Clients!!”**

*“Between Michael’s Direct Mail Campaigns,  
Newspaper Ads, Referral and Sequential follow-up  
letters we had 87 qualified leads that resulted in 55  
appointments and 17 new clients in a little over 2  
months!!”*



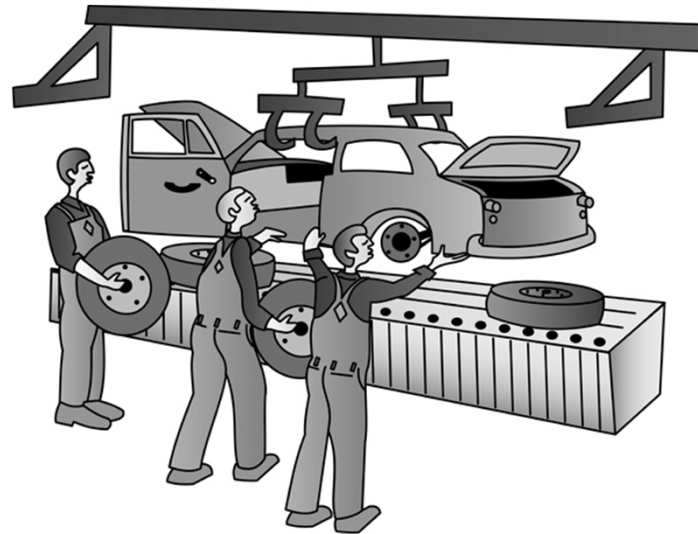
*– Karen Lee, Alliance Tax Resolution Service*



# What You're Going to Learn...

1. How to generate leads
2. How to turn those leads into appointments
3. How to get them to show up
4. How to “close” them and make the “sale”
5. How to get paid in advance from every client





- 1) **Get a System...**
- 2) **Borrow Proven Campaigns...**
- 3) **Positioning...**
- 4) **Consistent...**

**S.Y.S.T.E.M. = Predictable Profits**  
**Save Your Self Time, Energy & Money**



**If you can't sit down, and know to the penny, which marketing is sucking money out of your bank account vs. which marketing is depositing money in your bank account, you've got a major problem!**

# #1: How To Generate Leads

Three Proven Methods for Attracting a Steady Stream of Desirable Clients

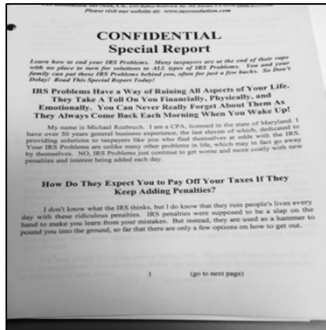
1. Who is your ideal TR client?
2. A clear reason to contact you
3. Why should I do business with you?



\$111/inquiry

# Marketing Strategies

- Referral Marketing (internal & External)
- Newspaper – Print Ads
- Newsletter Marketing
- Brochure Marketing
- Federal Tax Lien Marketing
- Pay Per Call
- Trade journals, magazines, etc.
- Radio Advertising
- TV Advertising
- Targeted Direct Mail Campaigns
- Billboards-outdoor Advert.
- Website – lead capture
- Organic Search- SEO
- Paid Search/Pay Per Click
- Online, Email Marketing
- Social Media – FB, LinkedIn
- Content Marketing
- Lead Generation-Special Reports
- Public Service Announcements
- Authority Marketing
- Press Releases/Publicity
- Speaking/Presentations
- Sponsored Events
- Free PR
- Val-Pak, Craig's List

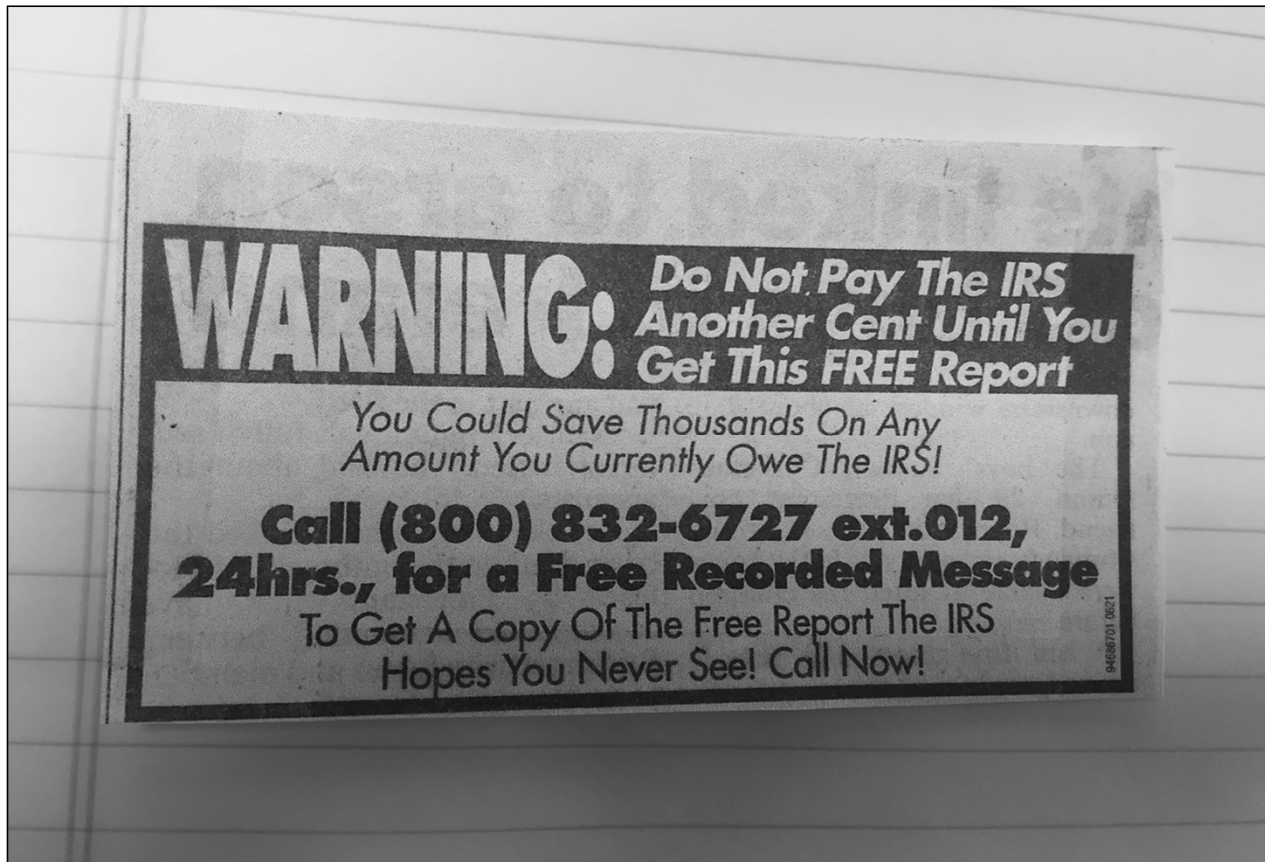


# Lead Generation Magnet (Special Reports)

1. I don't have any records - how do I file all my years of back tax returns?
2. Can I cut a deal to pay less?
3. Can I get the IRS to waive these ridiculous penalties?
4. How do they ever expect me to house and feed my family if they won't stop garnishing my paycheck and levying my bank account?
5. The IRS has a tax lien filed against me. How do I get that off my record?
6. Will I ever be able to buy a house, a car or even rent an apt?
7. Will I be forced to Meet and/or speak with the IRS?

*Think about all the different questions someone with an IRS Problem might be thinking about – and create information /“Special Reports” that answers these!*

# Example of Lead Generation Ad



\$111/lead

# **Lead Generation Direct Response Marketing**

- **Trackable/Accountable**





# **“\$62,000 in 79 Days”**

*“Well, Michael – you said it would happen...and you were right! I’ve just booked over **\$62,000** in new Tax Res work! This, in a **little over 2.5 months!** I’ve been using your **Lead Generation Special Reports** and Referral letters to attorneys, realtors, etc. I haven’t even engaged in any paid advertising yet!”*

**-Joe Gray, CPA**

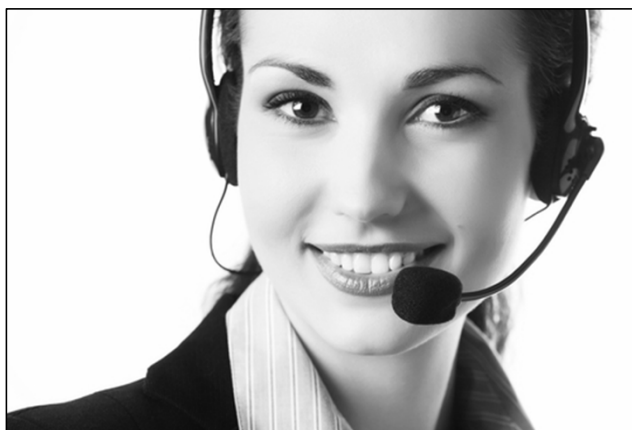


## Polling Question 9

In what aspect of your business are you LEAST efficient?

## #2: How To Answer the Phones, Qualify Prospects and Turn Them into Appointments...

- 4 Step Qualification/Intake process
- \$10,000 or more owed to IRS = Free Tax Debt Analysis



# #3: How To Get Them to Show Up



\$250 to show up

**This “little” secret increased my show-up  
and close rate by 5 times!**

**“The Reservation System”**



# # 4: How To Get Prospects Begging You to Take Their Case!

How to close 90% of the prospects in person or over the phone



# **“Closed \$13,000 in 1 month after learning Michael’s System”**

*“Michael’s One-Call-Close Consultation System cuts through the fluff and motivates people to “buy” now! I used his Takeaway Selling technique to get retained in the first meeting or on the first phone call. If you want more tax resolution clients, I highly recommend Michael Rozbruch’s materials.”*

**- R. C. Thornton, CPA**

# “One Call Close” Strategy Script

1. Meet
2. Explore
3. Prescribe
4. Close

***It's a combination of take-away and assumptive close selling all bundled into one cohesive proven system that works!***

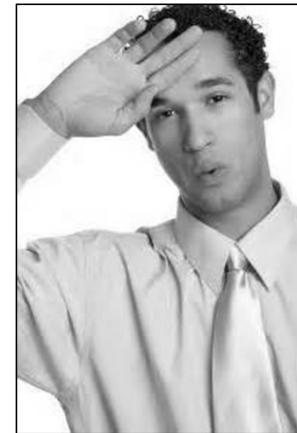
\$555/cpa



# Transition from “Meet” to “Explore” Phase

Example of Take-Away Selling:

*“I don’t know if I’m the right person/we’re the right firm who can solve your IRS Problems. I don’t know if I’m the right choice for you. But to see if there is some way I might be of some help, would you mind if I ask you a few questions?”*



\$555/cpa

# “Explore” Phase:

There are six key questions that you must know the answers to...one of them is:

## Question #3: What is the cost of NOT having this IRS problem out of your life?

The answer(s) to these six questions will reveal to you what the real underlying reason is, which is discomfort /pain your prospect wants resolved.



# Transition Statement from “Prescribe” to the “Close” Phase:

Example of “Assumptive” Close Selling:

“...And now if you were selected to work with me, is there anything that would keep you from getting started and going ahead with this...”



\$555/cpa

# #5: How To Get PAID IN ADVANCE... Every Time!

- Value Pricing, Flat Fee Model/A la carte menu of fees



- ✓ Perceived Value by client
- ✓ Increased hourly billing rates
- ✓ Stop trading hours for dollars
- ✓ Deferred income vs. A/R

**Chasing Receivables?....NOT ANYMORE!!**

How to Structure Your Fees AND Collect Your Fees in Advance!

**Michael's  
Commandment #1:  
Get your Fee First!!!**

"ABC" COMPANY BOARD OF DIRECTORS, C/o,	
"XYZ COMPANY" BOARD OF DIRECTORS, C/o	
As of January 1, 2015	
	Standard Fees
Power of Attorney	fixed
Tax Information Authorization Form (SIC)	fixed
COA Request: Asset Liabilities (up to 5 years)	fixed
COA Request: Wage & Income Records (up to 5 years)	fixed
\$/hr per year over 5 years	\$/hr
Case Evaluation and Analysis of Resolution Options	fixed
Fees: IL - Interstate/In-state (fixed options)	\$1,200 - \$1,500
Individual Income Tax Returns (Per Year - Min.)	\$450 - 2015
Corporate Income Tax Returns (Per Year - Min.)	\$1,200
Fees: IL - Corporation ( Tax Prep)	
Release of Bank or Wage Levy	\$1,000 to \$1,500
Installment Agreement: SI - ACS Check: S2AC Liability	\$1,500
Installment Agreement: SI - ACS S2AC - S2AC Liability	\$1,500 - \$2,500
Installment Agreement: ACS S2AC - S2AC Liability	\$3,000 - \$6,000
Installment Agreement - Revenue Officer Assigned	Acct: \$1,000 to \$2,500
Offer in Compromise - Check: S2AC Liability	\$4,200
Offer in Compromise - S2AC - S2AC Liability	\$4,200 - \$6,200
Offer in Compromise - S2AC - S2AC Liability	\$2,200 - \$3,200
Offer in Compromise - S2AC - S2AC Liability	\$2,200 - \$4,200
Offer in Compromise - Offer - S2AC Liability	\$1,800 - \$18,200
Installment Spouse	\$2,000 to \$4,000
Priority Abatement	\$1,000 to \$2,000
Audit Representation (per period/year)	\$4,500 /year

# **What Should You Charge?**

## ***Case Study***

- Taxpayer's (H&W) have 4 years unfiled returns
- Husband is being levied by his employer
- They're projected to owe around \$55,000+
- They are good Offer in Compromise candidates.
- What should you charge?
- How do you collect your fee?

# What Should You Charge?

## *Case Study*

- Phase One – **Discovery**
  - IRS Transcript Investigation and Evaluation of alternatives- **(\$1,200+)**
- Phase Two – **Compliance**
  - 4 years unfiled returns ( **$\$400+ \times 4 = \underline{\$1,600+}$** )
- Phase Three – **Resolution**
  - levy Release/husband **(\$1,000+)**
  - Offer in Compromise on \$55K liability **(\$4,750+)**

**TOTAL FEES \$8,550+ (15-20 Hours)**



# How to Collect Your Fee in Advance

## *Case Study - \$8,550+*

### Engagement Agreement #1:

- Transcript Investigation & Evaluation = **\$1,200+**

### Engagement Agreement #2: \$7,350

- (Levy release + 4 yrs. of tax prep & OIC)

**\$2,200 Deposit;**

**Balance of \$5,150/6 monthly payments of \$858.33 via credit card or ACH (auto bank a/c debit) authorization**

# “\$200,000 in Tax Resolution Fees!”

*“Thanks for your Domination System and Toolkit materials! The FEE SCHEDULE alone was priceless!! I must say, it’s been the difference between getting \$2,500 at most for Offers in Compromise to getting 3x that! I ‘d estimate, this year alone, your marketing materials are going to generate over \$200,000 in tax resolution fees for our firm! That means, tax resolution will become the main revenue source for us.”*

**-Mike Ornelas, CPA**

# **So far you've discovered...**

- **How to Create Leads...**
- **How to answer the phones & set up appointments...**
- **How to get them to show up...**
- **How to Close the sale and get retained...**
- **And how to get paid in ADVANCE every time...**

# **Get this ONE THING:**

**If You Have a Complete System That Generates Leads, Turns Them Into Appointments, Gets Them to Show Up AND has Them Retain You, All While Getting Paid in Advance So That You Don't Have to Think About It, You Can Absolutely Have The Practice AND Lifestyle You Always Dreamed Of That You And Your Family Deserve.**



# How Do I Make This Happen?

# You Have 2 Choices....



**The HARD Way**  
**Trial and Error**



**The EASY Way**  
**Speed Of Results**

## Polling Question 10

What topic not covered today would you most like to see  
in a future course?

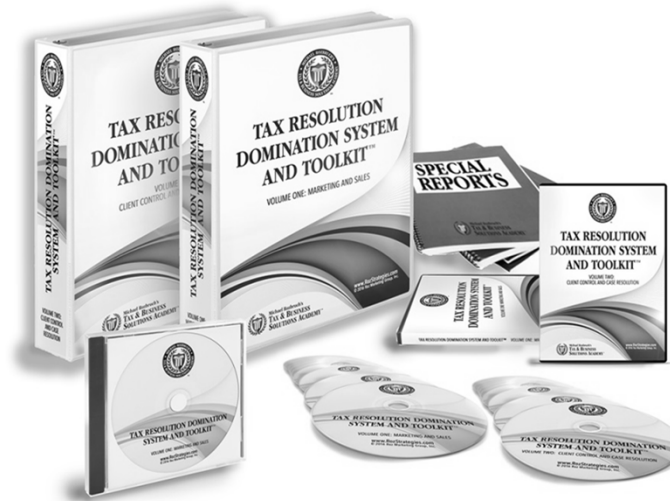
Need Help with a client?

Schedule a consultation with a CPA or tax attorney at...

[www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)

# Introducing...

## The NEW Tax Resolution Domination System and Toolkit



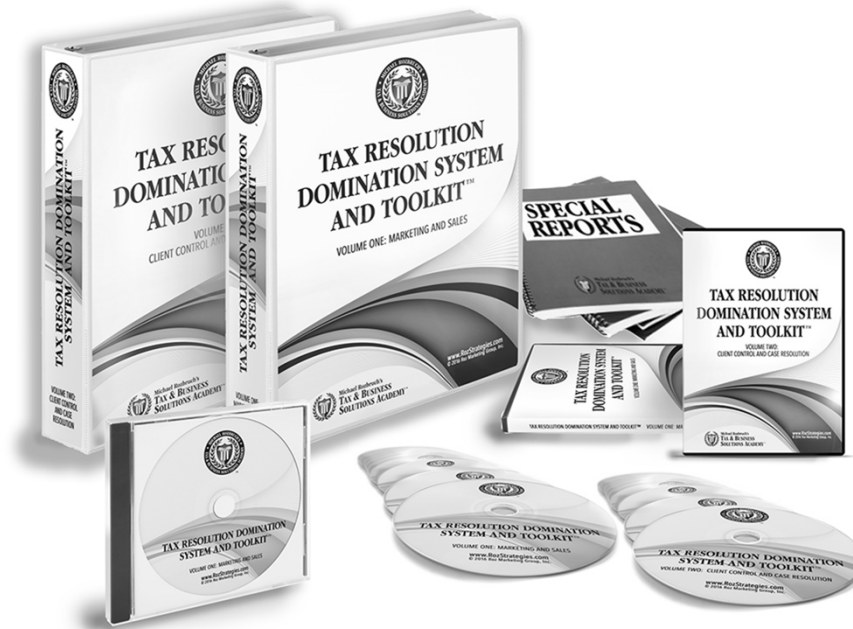


# This is NOT for you if...



- You're Lazy or close minded
- Looking for a “get rich quick” scheme
- Looking for a “to do nothing and make money”
- A financial burden for you
- You don't want to make a lot of money saving peoples financial lives

# What You Receive With...The NEW TAX RESOLUTION DOMINATION SYSTEM & TOOLKIT



# Module #1: Marketing Mastery

- Sample Marketing Plans for 3, 5 or 10 clients per/Mo.
- 4 lead generation magnets - “special reports”
- Newspaper & Trade Journal print ads
- Online, Email and Website Marketing Examples
- Online landing page samples
- Proven Direct Mail Campaigns (5)
- Newsletter and Brochure marketing w/ samples
- Federal tax lien marketing with sample Tax Lien letters
- 7 Direct Mail letter follow-up system
- Radio advertising and how to get on for free
- Press/Authority marketing
- 6 Secrets to getting Great Testimonials with out asking for one
- And much, much more.....



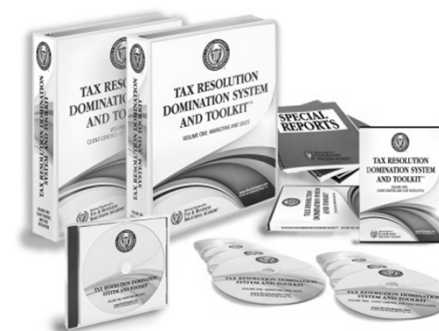
# Module #2: Sales Mastery

- Intake phone scripts for front office
- How to schedule the appointment - Script
- How to get them to show up - Script
- How to conduct the initial consultation script and flowchart
- My “One Call Close” system
- Answers to the 25 most common sales objections!
- How to Sell additional services
- Plus more....



# Module #3: Client Control/Practice Management

- Client correspondence letters/templates for nearly every situation (Incl. Engagement letters, etc.)
- Call scripts for first 24 and 72 hour client call
- Case Inventory Management Formula - making sure the case load is balanced & work is getting done
- How to set up your client files
- What to do when the client doesn't pay or perform
- 14 Touch-Point Client Assurance System
- How to Hire the Right Person (and how to keep them!)



# Module #4: Case Resolution

- How to get your Offers in Compromise accepted
- How to get your Installment Agreements accepted
- How to get your Penalty Abatements accepted
- Currently Not Collectible/Financial Hardship
- How to prepare delinquent tax returns with no records
- Includes filled out IRS forms 433-A, 433A-OIC and form 656 with line by line instructions, tips and strategies to help you position your client for the best possible result.



# Bonus #1: 2 months FREE Access in my VIP Insider's Circle Program!

- Monthly Done-For-You *Tax Resolution Times* Newsletter
- Monthly Training webinars (live)
- Monthly Group Jump Start Q&A calls (live)
- Monthly Millionaire Smarts™ Productivity Training call
- 24/7 Access to Digital Premium Content:
  - Templates/samples/examples
  - Marketing and Follow-up Letters
  - Lead Generation Special Reports
  - Checklists for all the modules & Resources
  - Archives - Past webinars and Q&A calls
  - And Much More!



**Value: \$594\*** (\$297 X 2 months)

\*If you choose, as most do, to keep your Insider's Circle VIP access your monthly investment is just \$297 which will be charged to your credit card on file, but there's no obligation, no contract and you can cancel anytime.

# Bonus #2: How to Structure Your Fees

(DVD/Video Training, Guidebook & Forms)

- Learn how and what to charge clients
- Includes my Fixed Fee Pricing Matrix on services!
- Increases Your Hourly Rates by 2x to 3x!
- Shows you how to Get Paid in ADVANCE!
- Credit Card and ACH Authorization template forms
- Money in the bank for services yet to be performed!
- Stop trading hours for dollars
- No more A/R collection calls! No more invoicing!
- Able to Predict Future Cash Flow and Profits!

**Value: \$297.00**

Fee for Services Schedule	
A Division of Consultative & Diagnostic Pathology, Inc.	
P.O. Box 509 West Frankfort, IL 62994 Phone: 618-337-1000	
Fee for Services Schedule	
Unprocessed Specimen (< 8 weeks)	\$75
Unprocessed Specimen (> 8 weeks)	\$50
Liver (< 8 weeks)	20% Discount if appropriate requested
Liver (> 8 weeks)	\$125
Spleen (< 8 weeks)	\$75
Spleen (> 8 weeks)	\$50
Pancreas (< 8 weeks)	\$100
Pancreas (> 8 weeks)	\$75
Thymus (< 8 weeks)	\$100
Thymus (> 8 weeks)	\$75
Intestine & Mesentery	\$50
Mesentery (< 8 weeks)	\$125
Mesentery (> 8 weeks)	\$100
Kidney with/without adrenal (< 8 weeks)	\$125
Kidney with/without adrenal (> 8 weeks)	\$100
Lungs (at least two)	\$150
Stomach (< 8 weeks)	20% Discount if appropriate requested
Stomach (> 8 weeks)	\$200
Prostatic Gland (< 8 weeks)	20% Discount if appropriate requested
Prostatic Gland (> 8 weeks)	\$250
Small Intestine (< 8 weeks)	\$75
Small Intestine (> 8 weeks)	\$50
Esophagus (< 8 weeks)	20% Discount if appropriate requested
Esophagus (> 8 weeks)	\$75
Bladder (< 8 weeks)	20% Discount if appropriate requested
Bladder (> 8 weeks)	\$50
Uterus (< 8 weeks)	\$150
Uterus (> 8 weeks)	\$100
Longitudinal Section	\$150
Isolated Embryonic Cadaver (< 8 weeks)	\$450
Isolated Embryonic Cadaver (> 8 weeks)	\$600
Isolated Cadaver	\$125
Small Tissue (with/without boxes)	\$500
Small Tissue	\$250
Core Round (Stain Process I.M.)	\$125
Small Cadaver	\$150
Small Cadaver	\$250

Prices in effect through December 31, 1999

Verbatim copies of charts in Opening Lines' brochure:  
"Turn your patient's decision into something wonderful!"



## **Bonus #3:**

# **How to Deal With IRS Collection Division – (DVD/Video Training & Guidebook)**

*Imagine you had the knowledge of how to identify the most common options for resolving your clients IRS tax problems?*



- How to Represent a client before the IRS
- How tax liens work and how to remove them
- How wage garnishments work and how to remove
- How bank levy's work and how to remove them
- How the IRS evaluates Offers in Compromise
- How to file a Collection Appeal
- How the IRS collection process works

***Value: \$297.00***

# The Value

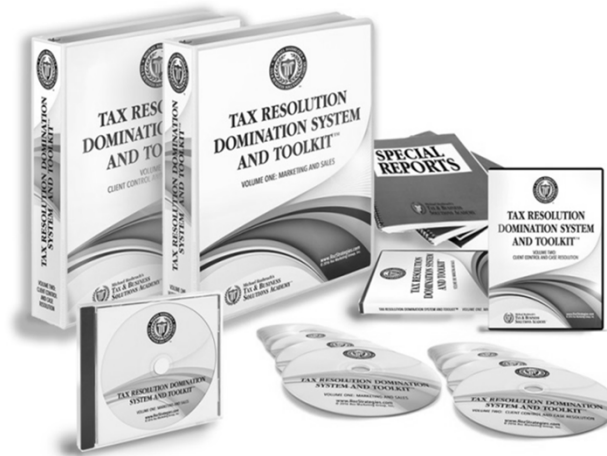
- Module #1 - Marketing Mastery \$1,997.00
- Module #2 - Sales Mastery \$1,997.00
- Module #3 - Client Control \$1,997.00
- Module #4 - Case Resolution \$1,997.00
- Bonus #1 - 2 Months FREE Access  
to my VIP Insider's Circle \$ 594.00
- Bonus #2 - How to Structure Fees \$ 297.00
- Bonus #3 - How to Deal with IRS \$ 297.00

**Total Value =** ~~\$9,176.00~~  
**Regular Price =** ~~\$2,994.00~~

# What Would It Cost You to Create All This Yourself?

- A Marketing director?
- A Copywriter?
- A Professional Sales Trainer?
- A Management Consultant?
- Someone with 16 years experience  
168 consecutive months that did \$23 Million  
to hold your hand?

**TODAY ONLY:**



~~**\$2,994.00**~~

***\$1,997.00 (plus S&H)***  
***or 2 payments of \$1,050.00 ea.***

# Be one of the First 50 to Order NOW and Receive The Fast Action Bonus Package:

**Bonus 1: Referral Marketing System Toolkit** – Packed with proven DFY sample & template letters



**Bonus 2: One Marketing/Advertising Critique Certificate** – submit for my personal review!



**Bonus 3: One 60 Min. Personal Implementation Coaching Call with Me** - Get Laser focused on what you need to do right now to start seeing deposits in your bank account!



***Value: \$1,697.00!***

# My Remarkably Generous NO-RISK IRONCLAD DOUBLE GUARANTEE!



**Guarantee #1:** You have **one full month** from the date you receive the Tax Resolution Domination System & Toolkit to **examine everything**. Use what you wish and for any reason or even no reason at all if you want a full refund just return everything and you'll get your money back immediately...and...

# 365-Day No-Risk Guarantee!!!



**Guarantee #2:** ...If you keep the system after one month I'll ride along with you for **another 11 months!!** That gives you **12 months, a full year** to “test drive” and try it out. At the end of 12 months, if you can look me in the “eye” and tell me that you tried 3 strategies from the System, and you didn't like the results – I'll still give you your money back – even one full year later!

**Click the  
“Order Form”  
Link Right Now!**



# What You Receive!

- Module #1 - Marketing Mastery
- Module #2 - Sales Mastery
- Module #3 - Client Control
- Module #4 - Case Resolution
- Bonus #1 - Two Months FREE access to my VIP Insider's Circle
- Bonus #2 - How To Structure Your Fees & Get Paid in Advance
- Bonus #3 - How To Deal With IRS's Collection Division
- Fast Action Bonus #1 - Referral Marketing System & Toolkit
- Fast Action Bonus #2 - Marketing/Advertising Critique Certificate
- Fact Action Bonus #3 - Personal Implementation Call with Michael
- My personal No Risk, Iron-Clad Double Guarantee
- **Total Value - \$10,873.00**

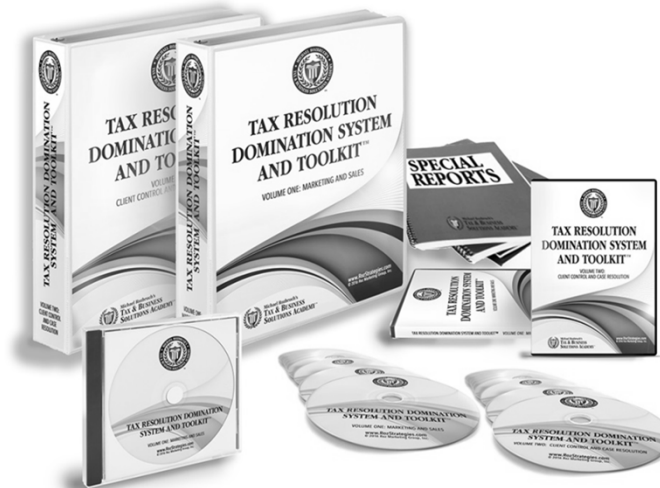


**TODAY ONLY!**  
***\$1,997.00 or 2 payments of \$1,050.00***

**Click the  
Order Form Link  
Now!**

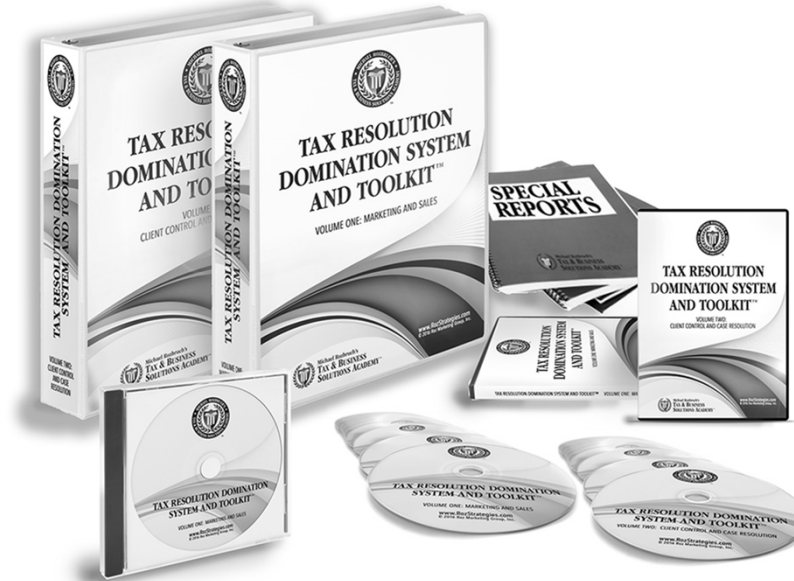
# REMEMBER:

***This System is designed to give you the confidence and skills to be paid what you're worth. This System is about giving you the Income, Profits, Freedom and Flexibility that you wanted when you first started out in your practice.***



Roz Strategies © 2016. All rights reserved.

**Click the “Order Form” Link  
NOW!**



***ORDER NOW!***

Roz Strategies © 2016. All rights reserved.

# Questions and Answers for Michael

# Tax Resolution Institute

Let's thank Michael for joining us today and talk about some ways to make money

(800) 658-7590

www.taxresolutioninstitute.org

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# Polling Question 11

Do you know the difference between a Revenue Officer  
and a Revenue Agent?

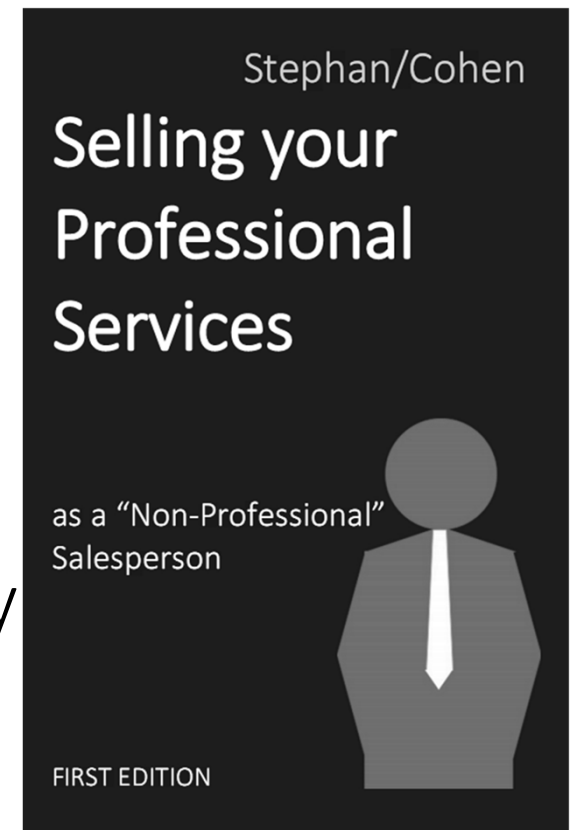
# Lunch Break

Need an extra boost closing the deal?

**50% off**

for the next 60 minutes only

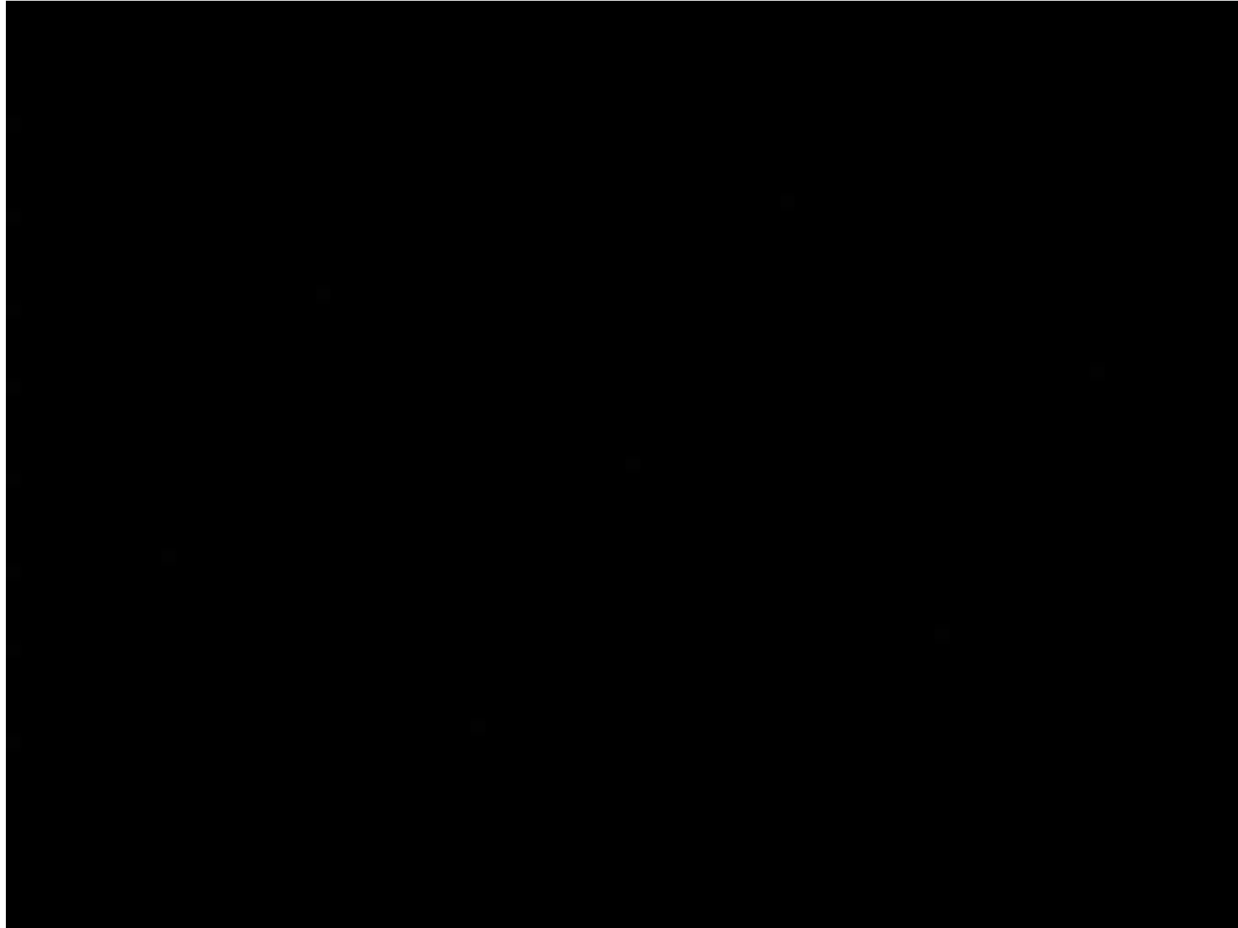
Check out our sales guide  
tailored to service professionals...



Paperback \$90.00  
Digital copy \$80.00



# Crossing the River



# Low Hanging Fruit

(how to make money in the next 12 months)

- Represent your client in a Trust Fund Recovery Penalty 4180 interview  
(earn \$4,000 - \$6,000 each)

# Low Hanging Fruit

(how to make money in the next 12 months)

**Streamlined installment agreements**  
(earn \$1,000 - \$2,500 each)

## TRI Essentials 200A

Why are we here today?

The Tax Resolution Institute prides itself in assisting accounting, legal and other professionals resolve their client's tax problems and grow their businesses

Take advantage of one of our many programs

- **We help you make more money**
- We teach you how to become a tax resolution specialist
- We become your partner working side-by-side to fix your client's IRS and State income, payroll (collection issues) and tax audit issues
- Or...we become your trusted referral source

*visit us at [www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)*

# Offers in Compromise

Find us on the web at [www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)

# Offer in Compromise

Submitting an Offer in Compromise is the process in which a taxpayer requests to reduce their Internal Revenue Service or State tax debt by negotiating for an amount less than the actual amount they owe...

The IRS has the authority to settle or “compromise” tax liability by accepting less than full payment under certain circumstances

A Federal tax debt may be legally compromised under one of the three following conditions...

## Doubt as to Collectability

- Taxpayer is unable to pay their tax liability (accounting for income and assets) within the statute of limitations on collection

## Doubt as to Liability

- The taxpayer is not responsible for paying the tax liability in question and should not have been assessed

## Effective Tax Administration

- The taxpayer owes the tax, has the ability to pay (i.e. equity in their home) but collecting from the taxpayer would be unjust



A determination of doubt as to collectability will include a determination of ability to pay. The determination of the amount of such basic living expenses will be founded upon an evaluation of the individual facts and circumstances presented by the taxpayer submitting a collection information statement (Form 433A OIC)

To formulate this determination, guidelines published on National and Local living expense standards are taken into account

# Case Study 2

## Offer in Compromise

*Case Study (CS-2)*

## Offer in Compromise

- Family of 4
- Living in Los Angeles
- Husband is a self-employed salesperson (expects to earn substantially more income in the near future)
- Wife works and is a W-2 wage earner
- Taxes are withheld from Wife's paycheck and Husband is making estimated tax payments.
- Wife owns a vehicle with a small amount of equity
- Husband leases another vehicle
- They own a single family home with some equity
- Wife has an IRA with a relatively low value (\$12,858)
- They owe approximately \$487,000 in unpaid taxes.

## Polling Question 12

Have you ever prepared an Offer in Compromise on behalf of a client?

# Case Study 2 Offer in Compromise (part 1) IRS Form 433A-OIC

Department of the Treasury — Internal Revenue Service  
**Collection Information Statement for Wage Earners and Self-Employed Individuals**

Use this form if you are

- ▶ An individual who owes income tax on a Form 1040, U.S. Individual Income Tax Return
- ▶ An individual with a personal liability for Excise Tax
- ▶ An individual responsible for a Trust Fund Recovery Penalty
- ▶ An individual who is self-employed or has self-employment income. You are considered to be self-employed if you are in business for yourself, or carry on a trade or business.
- ▶ An individual who is personally responsible for a partnership liability (only if the partnership is submitting an offer)
- ▶ An individual who operates as a disregarded single member Limited Liability Company (LLC) taxed as a sole proprietor
- ▶ An individual who is submitting an offer on behalf of a deceased person

Note: Include attachments if additional space is needed to respond completely to any question.

**Section 1 Personal and Household Information**

Last Name Doe		First Name John		Date of Birth (mm/dd/yyyy) 01/01/1980	Social Security Number 123 - 45 - 6789
Marital status <input type="checkbox"/> Unmarried <input checked="" type="checkbox"/> Married	Home Address (Street, City, State, ZIP Code) 1234 Memory Lane Anytown, USA 12345			Do you: <input checked="" type="checkbox"/> Own your home <input type="checkbox"/> Rent <input type="checkbox"/> Other (specify e.g., share rent, live with relative, etc.)	
County of Residence Los Angeles		Primary Phone ( 123 ) 555 - 1234		Mailing Address (if different from above or Post Office Box number)	
Secondary Phone (   ) -		Fax Number (   ) -			

Provide information about your spouse.

Spouse's Last Name Doe	Spouse's First Name Jane	Date of Birth (mm/dd/yyyy) 12/31/1985	Social Security Number 987 - 65 - 4321
---------------------------	-----------------------------	--	---

Provide information for all other persons in the household or claimed as a dependent.

Name	Age	Relationship	Claimed as a dependent on your Form 1040?	Contributes to household income?
Jimmy Doe	10	Son	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Jeannie Doe	8	Daughter	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

Dependents included in OIC should appear on applicant's tax return

**Section 2 Employment Information for Wage Earners**

## Section 2 Employment Information for Wage Earners

Enter  
employment  
information  
here

Complete this section if you or your spouse are wage earners and received a Form W-2. If you or your spouse have self-employment income (that is you file a Schedule C, E, F, etc.) instead of, or in addition to wage income, you must also complete Business Information in Sections 4, 5, and 6.

Your Employer's Name <b>Self Employed (dba John Doe Sales)</b>		Employer's Address (street, city, state, zip code) <b>1234 Memory Lane Anytown, USA 12345</b>
Do you have an ownership interest in this business? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If yes, check the business interest that applies: <input type="checkbox"/> Partner <input type="checkbox"/> Officer <input checked="" type="checkbox"/> Sole proprietor	
Your Occupation <b>Salesperson</b>	How long with this employer <b>2</b> (years) <b>7</b> (months)	
Spouse's Employer's Name <b>Acme Inc.</b>		Employer's Address (street, city, state, zip code) <b>9999 Industrial Way Anytown, USA 12345</b>
Does your spouse have an ownership interest in this business? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, check the business interest that applies: <input type="checkbox"/> Partner <input type="checkbox"/> Officer <input type="checkbox"/> Sole proprietor	
Spouse's Occupation <b>Salesperson</b>	How long with this employer <b>1</b> (years) <b>3</b> (months)	

**Section 3 Personal Asset Information**

Use the most current statement for each type of account, such as checking, savings, money market and online accounts, stored value cards (such as, a payroll card from an employer), investment and retirement accounts (IRAs, Keogh, 401(k) plans, stocks, bonds, mutual funds, certificates of deposit), life insurance policies that have a cash value, and safe deposit boxes. Asset value is subject to adjustment by IRS based on individual circumstances. Enter the total amount available for each of the following (if additional space is needed include attachments).

Round to the nearest dollar. Do not enter a negative number. If any line item is a negative number, enter "0".

**Cash and Investments (domestic and foreign)**

<input type="checkbox"/> Cash <input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> Money Market/CD <input type="checkbox"/> Online Account <input type="checkbox"/> Stored Value Card		
Bank Name <b>Main Bank</b>	Account Number <b>11-111111-11</b>	(1a) \$ <b>1,208</b>
<input type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> Money Market/CD <input type="checkbox"/> Online Account <input type="checkbox"/> Stored Value Card		
Bank Name	Account Number	(1b) \$
Total of bank accounts from attachment		(1c) \$
<b>Add lines (1a) through (1c) minus (\$1,000) =</b>		<b>(1) \$ 208</b>
Investment Account: <input type="checkbox"/> Stocks <input type="checkbox"/> Bonds <input type="checkbox"/> Other		
Name of Financial Institution	Account Number	
Current Market Value	Minus Loan Balance	
\$ _____ X .8 = \$ _____	- \$ _____ =	(2a) \$
Investment Account: <input type="checkbox"/> Stocks <input type="checkbox"/> Bonds <input type="checkbox"/> Other		
Name of Financial Institution	Account Number	
Current Market Value	Minus Loan Balance	
\$ _____ X .8 = \$ _____	- \$ _____ =	(2b) \$
Total investment accounts from attachment. [current market value X.8 minus loan balance(s)]		(2c) \$
<b>Add lines (2a) through (2c) =</b>		<b>(2) \$</b>

# Bank Information

This amount should be \$1,000 less than the actual bank account balance(s)



# Retirement

Taxpayer is approximately 45 years old and not near retirement, thus its current market value reflects half of the IRA's total value

Retirement Account: <input type="checkbox"/> 401K <input checked="" type="checkbox"/> IRA <input type="checkbox"/> Other		
Name of Financial Institution <b>Retirement Bank</b>	Account Number 123-4566789	
Current Market Value <b>\$ 6,429</b>	Minus Loan Balance - \$ 0	= (3a) \$ 4,500
Retirement Account: <input type="checkbox"/> 401K <input type="checkbox"/> IRA <input type="checkbox"/> Other		
Name of Financial Institution	Account Number	
Current Market Value \$	Minus Loan Balance - \$	= (3b) \$
Total of retirement accounts from attachment. [current market value X .8 minus loan balance(s)]		(3c) \$
<b>Add lines (3a) through (3c) =</b>		<b>(3) \$ 4,500</b>
Cash Value of Life Insurance Policies		
Name of Insurance Company <b>N/A</b>	Policy Number	
Current Cash Value \$	Minus Loan Balance - \$	= (4a) \$
Total cash value of life insurance policies from attachment	Minus Loan Balance(s)	= (4b) \$ 0
<b>Add lines (4a) through (4b) =</b>		<b>(4) \$</b>

Always put "N/A" with a "0" amount when an item does not apply

**Section 3 (Continued) Personal Asset Information**

Real Estate (Enter information about any house, condo, co-op, time share, etc. that you own or are buying)	
Property Address (Street Address, City, State, ZIP Code) 1234 Memory Lane Anytown, USA 12345	Primary Residence <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Date Purchased 06/15/2012
County and Country Anytown, USA	Date of Final Payment 06/15/2042
How title is held (joint tenancy, etc.) Joint tenancy	Description of Property Single family residence
Current Market Value \$ 850,000 X .8 = \$ 680,000	Minus Loan Balance (Mortgages, etc.) - \$ 678,000 (Total Value of Real Estate) = (5a) \$ 2,000
Property Address (Street Address, City, State, ZIP Code)	Primary Residence <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Date Purchased
County and Country	Date of Final Payment
How title is held (joint tenancy, etc.)	Description of Property
Current Market Value	Minus Loan Balance (Mortgages, etc.)
\$ _____ X .8 = \$ _____	- \$ _____ (Total Value of Real Estate) = (5b) \$ _____
Total value of property(s) from attachment [current market value X .8 minus any loan balance(s)] (5c) \$ _____	
Add lines (5a) through (5c) = (5) \$ 2,000	

2,000

**Housing**

Small amount of equity in home (note - if the equity is a negative enter "0")

Vehicles (Enter information about any cars, boats, motorcycles, etc. that you own or lease)					
Vehicle Make & Model		Year	Date Purchased	Mileage	
Nissan Maxima		2014	01/19/2014	31,770	
<input type="checkbox"/> Lease	Name of Creditor		Date of Final Payment	Monthly Lease/Loan Amount	
<input checked="" type="checkbox"/> Loan	Nissan Credit		01/19/2019	\$350.00	
Current Market Value		Minus Loan Balance (Mortgages, etc.)			
\$ 30,218		x .8 = \$ 24,174		– \$ 23,150	Total value of vehicle (if the vehicle is leased, enter 0 as the total value) =
					(6a) \$ 1,024
Subtract \$3,450 from line (6a) (If line (6a) minus line (6b) is a negative number, enter "0")					(6b) \$ 0
Vehicle Make & Model		Year	Date Purchased	Mileage	
Ford Edge		2015	7/19/2015	22,060	
<input checked="" type="checkbox"/> Lease	Name of Creditor		Date of Final Payment	Monthly Lease/Loan Amount	
<input type="checkbox"/> Loan	Ford Credit		07/19/2019	\$471.00	
Current Market Value		Minus Loan Balance (Mortgages, etc.)			
\$ N/A		x .8 = \$ N/A		– \$ N/A	Total value of vehicle (if the vehicle is leased, enter 0 as the total value) =
					(6c) \$ 0
If you are filing a joint offer, subtract \$3,450 from line (6c) (If line (6c) minus line (6d) is a negative number, enter "0")					(6d) \$ 0
Total value of vehicles listed from attachment [current market value X .8 minus any loan balance(s)]					(6e) \$
<b>Total lines (6a) through (6e) =</b>					<b>(6) \$ 0</b>

**Vehicles**  
The taxpayers are allowed \$3,450 in equity per vehicle owned

**Section 3 (Continued) Personal Asset Information**

Other valuable items (artwork, collections, jewelry, items of value in safe deposit boxes, interest in a company or business that is not publicly traded, etc.)  
**Note: Do not include clothing, furniture and other personal effects.**

Description of asset:			
<b>Fixtures</b>			
Current Market Value	Minus Loan Balance		
\$ 1,375	- \$ 0	=	(7a) \$ 1,100
X .8 = \$ 1,100			
Description of asset:			
<b>Jewelry, etc</b>			
Current Market Value	Minus Loan Balance		
\$ 985	- \$ 0	=	(7b) \$ 788
X .8 = \$ 788			
Total value of valuable items listed from attachment [current market value X .8 minus any loan balance(s)]			(7c) \$
<b>Add lines (7a) through (7c) =</b>			<b>(7) \$ 1,888</b>
Do not include amount on the lines with a letter beside the number. Round to the nearest whole dollar. Do not enter a negative number. If any line item is a negative, enter "0" on that line.			<b>Box A</b>
<b>Add lines (1) through (7) and enter the amount in Box A =</b>			<b>Available Individual Equity in Assets</b>
			\$ <b>8,596</b>

**Other Assets**

These amounts should be based upon the quick sale value of assets. Not the retail value

Total assets per form

NOTE: If you or your spouse are self-employed, Sections 4, 5, and 6 must be completed before continuing with Sections 7 and 8.

**Section 4 Self-Employed Information**

If you or your spouse are self-employed (e.g., files Schedule(s) C, E, F, etc.), complete this section.

Is your business a sole proprietorship? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Address of Business (if other than personal residence)	
Name of Business John Doe Sales			
Business Telephone Number ( 213 ) 555 - 1234	Employer Identification Number	Business Website	Trade Name or DBA
Description of Business Sales	Total Number of Employees 0	Frequency of Tax Deposits	Average Gross Monthly Payroll \$
Do you or your spouse have any other business interests? Include any interest in an LLC, LLP, corporation, partnership, etc. <input type="checkbox"/> Yes (Percentage of ownership: ) Title: <input checked="" type="checkbox"/> No		Business Address (Street, City, State, ZIP code)	
Business Name		Business Telephone Number ( ) -	Employer Identification Number
Type of business (Select one) <input type="checkbox"/> Partnership <input type="checkbox"/> LLC <input type="checkbox"/> Corporation <input type="checkbox"/> Other			

Enter self employment information here

**Section 5 Business Asset Information (for Self-Employed)**

List business assets such as bank accounts, tools, books, machinery, equipment, business vehicles and real property that is owned/leased/rented. If additional space is needed, attach a list of items. Do not include personal assets listed in Section 3.

Round to the nearest whole dollar. Do not enter a negative number. If any line item is a negative number, enter "0".

<input type="checkbox"/> Cash <input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> Money Market/CD <input type="checkbox"/> Online Account <input type="checkbox"/> Stored Value Card	
Bank Name Business Bank	Account Number 22-222222    (8a) \$    227
<input type="checkbox"/> Cash <input type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> Money Market/CD <input type="checkbox"/> Online Account <input type="checkbox"/> Stored Value Card	
Bank Name	Account Number    (8b) \$
Total bank accounts from attachment    (8c) \$	
<b>Add lines (8a) through (8c) =    (8) \$    227</b>	

## Polling Question 13

On a scale from 1-4 what is your comfort level speaking with an IRS Revenue Officer (not Revenue Agent)?

Need an IRS Form? Visit the Forms Library  
under the Libraries section at [www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)

(800) 658-7590

[www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org) **198**

**Section 5 (Continued) Business Asset Information (for Self-Employed)**

Description of asset:  
Computer

Current Market Value \$ 1,500	x .8 = \$ 1,200	Minus Loan Balance - \$ 0	(if leased or used in the production of income, enter 0 as the total value)	=	(9a) \$	1,200
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Description of asset: Sales books

Current Market Value \$ 430	x .8 = \$ 344	Minus Loan Balance - \$ 0	(if leased or used in the production of income, enter 0 as the total value)	=	(9b) \$	344
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Total value of assets listed from attachment [current market value X .8 minus any loan balance(s)]					(9c) \$	
<b>Add lines (9a) through (9c) =</b>					<b>(9) \$</b>	<b>1,544</b>
IRS allowed deduction for professional books and tools of trade -					(10) \$	14,560
<b>Enter the value of line (9) minus line (10). If less than zero enter zero. =</b>					<b>(11) \$</b>	<b>0</b>

**Notes Receivable**  
Do you have notes receivable?  Yes  No  
If yes, attach current listing that includes name(s) and amount of note(s) receivable.

**Accounts Receivable**  
Do you have accounts receivable, including e-payment, factoring companies, and any bartering or online auction accounts?  Yes  No  
If yes, you may be asked to provide a list of your account(s) receivable.

Do not include amounts from the lines with a letter beside the number [for example: (9c)]. Round to the nearest whole dollar. Do not enter a negative number. If any line item is a negative, enter "0" on that line.					<b>Box B</b> Available Business Equity in Assets	
<b>Add lines (8) and (11) and enter the amount in Box B =</b>					\$	227

# Business Assets

IRS allows a \$4,560 deduction for professional books and tools of the trade.

Items on this page are for currently self-employed individuals. If a business is entering into an OIC they would use form 433B (OIC)

**Section 6**

**Business Income and Expense Information (for Self-Employed)**

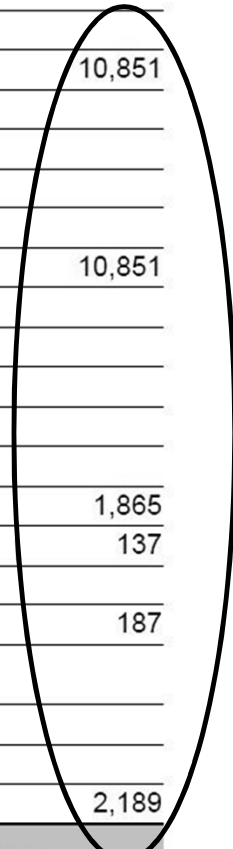
If you provide a current profit and loss (P&L) statement for the information below, enter the total gross monthly income on line 17 and your monthly expenses on line 29 below. Do not complete lines (12) - (16) and (18) - (28). You may use the amounts claimed for income and expenses on your most recent Schedule C; however, if the amount has changed significantly within the past year, a current P&L should be submitted to substantiate the claim.

Round to the nearest whole dollar. Do not enter a negative number. If any line item is a negative number, enter "0".

<b>Business Income (You may average 6-12 months income/receipts to determine your Gross monthly income/receipts.)</b>		
Gross receipts	(12) \$	10,851
Gross rental income	(13) \$	
Interest income	(14) \$	
Dividends	(15) \$	
Other income	(16) \$	
<b>Add lines (12) through (16) =</b>	<b>(17) \$</b>	<b>10,851</b>
<b>Business Expenses (You may average 6-12 months expenses to determine your average expenses.)</b>		
Materials purchased (e.g., items directly related to the production of a product or service)	(18) \$	
Inventory purchased (e.g., goods bought for resale)	(19) \$	
Gross wages and salaries	(20) \$	
Rent	(21) \$	
Supplies (items used to conduct business and used up within one year, e.g., books, office supplies, professional equipment, etc.)	(22) \$	1,865
Utilities/telephones	(23) \$	137
Vehicle costs (gas, oil, repairs, maintenance)	(24) \$	
Business Insurance	(25) \$	187
Current Business Taxes (e.g., Real estate, excise, franchise, occupational, personal property, sales and employer's portion of employment taxes)	(26) \$	
Secured debts (not credit cards)	(27) \$	
Other business expenses (include a list)	(28) \$	
<b>Add lines (18) through (28) =</b>	<b>(29) \$</b>	<b>2,189</b>
Do not enter a negative number. If any line item is a negative, enter "0" on that line.		
<b>Subtract line (29) from line (17) and enter the amount in Box C =</b>	<b>Box C</b>	
	<b>Net Business Income</b>	
	<b>\$</b>	<b>8,662</b>

**Business P&L**

Place self-employment income and expenses here





**Section 7 Monthly Household Income and Expense Information**

Enter your household's gross monthly income. The information below is for yourself, your spouse, and anyone else who contributes to your household's income. The entire household includes spouse, non-liable spouse, significant other, children, and others who contribute to the household. This is necessary for the IRS to accurately evaluate your offer.

**Monthly Household Income**

Round to the nearest whole dollar.

<b>Primary taxpayer</b>					
Wages	Social Security	Pension(s)	Other Income (e.g. unemployment)	Total primary taxpayer income =	(30) \$
\$ _____	+ \$ _____	+ \$ _____	+ \$ _____		
<b>Spouse</b>					
Wages	Social Security	Pension(s)	Other Income (e.g. unemployment)	Total spouse income =	(31) \$ 4,768
\$ 4,765	+ \$ _____	+ \$ _____	+ \$ _____		
Additional sources of income used to support the household, e.g., non-liable spouse, or anyone else who may contribute to the household income, etc.					(32) \$
Interest and dividends					(33) \$
Distributions (e.g., income from partnerships, sub-S Corporations, etc.)					(34) \$
Net rental income					(35) \$
Net business income from Box C					(36) \$ 8,662
Child support received					(37) \$
Alimony received					(38) \$
Round to the nearest whole dollar. Do not enter a negative number. If any line item is a negative, enter "0" on that line. <b>Add lines (30) through (38) and enter the amount in Box D =</b>					<b>Box D</b> Total Household Income \$ <b>13,430</b>

Household Income

Enter the total household gross income here

## Monthly Household Expenses

Enter your average monthly expenses.

**Note:** For expenses claimed in boxes (39) and (45) only, you should list the full amount of the allowable standard even if the actual amount you pay is less. You may find the allowable standards at <http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Collection-Financial-Standards>.

Round to the nearest whole dollar.

Food, clothing, and miscellaneous (e.g., housekeeping supplies, personal care products, minimum payment on credit card). A reasonable estimate of these expenses may be used.	(39) \$	1,509
Housing and utilities (e.g., rent or mortgage payment and average monthly cost of property taxes, home insurance, maintenance, dues, fees and utilities including electricity, gas, other fuels, trash collection, water, cable television and internet, telephone, and cell phone).	(40) \$	2,961
Vehicle loan and/or lease payment(s)	(41) \$	821
Vehicle operating costs (e.g., average monthly cost of maintenance, repairs, insurance, fuel, registrations, licenses, inspections, parking, tolls, etc.). A reasonable estimate of these expenses may be used.	(42) \$	532
Public transportation costs (e.g., average monthly cost of fares for mass transit such as bus, train, ferry, taxi, etc.). A reasonable estimate of these expenses may be used.	(43) \$	
Health insurance premiums	(44) \$	1,012
Out-of-pocket health care costs (e.g. average monthly cost of prescription drugs, medical services, and medical supplies like eyeglasses, hearing aids, etc.)	(45) \$	216
Court-ordered payments (e.g., monthly cost of any alimony, child support, etc.)	(46) \$	
Child/dependent care payments (e.g., daycare, etc.)	(47) \$	219
Life insurance premiums	(48) \$	135
Current monthly taxes (e.g., monthly cost of federal, state, and local tax, personal property tax, etc.)	(49) \$	5,604

## Household Expenses

Food/clothing/misc., vehicle operating costs and out-of-pocket health costs are based upon IRS standards. No substantiation is required for these items

Taxpayers' actual housing and utilities cost is \$300 more than the IRS standard at \$3,261

# Offer Calculation

Monthly disposable income equals gross income minus allowable expenses

It rarely makes sense to choose the 24-month option

The proposed offer amount based upon 12 times disposable income plus the quick-sale value of assets.

Section 7 Monthly Household Income and Expense Information (Continued)	
Secured debts (e.g., any loan where you pledged an asset as collateral not previously listed, government guaranteed Student Loan)	(50) \$
Enter the amount of your monthly delinquent State and/or Local Tax payment(s)	(51) \$
Round to the nearest whole dollar. Do not enter a negative number. If any line item is a negative, enter "0" on that line. <b>Add lines (39) through (51) and enter the amount in Box E =</b>	<b>Box E</b> Total Household Expenses \$ 13,009
Round to the nearest whole dollar. Do not enter a negative number. If any line item is a negative, enter "0" on that line. <b>Subtract Box E from Box D and enter the amount in Box F =</b>	<b>Box F</b> Remaining Monthly Income \$ 421

## Section 8 Calculate Your Minimum Offer Amount

The next steps calculate your minimum offer amount. The amount of time you take to pay your offer in full will affect your minimum offer amount. Paying over a shorter period of time will result in a smaller minimum offer amount.

Round to the nearest whole dollar.

If you will pay your offer in 5 or fewer payments within 5 months or less, multiply "Remaining Monthly Income" (Box F) by 12 to get "Future Remaining Income" (Box G). Do not enter a number less than \$0.

Enter the total from Box F \$ 421	X 12 =	Box G Future Remaining Income \$ 5,052
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If you will pay your offer in 6 to 24 months, multiply "Remaining Monthly Income" (Box F) by 24 to get "Future Remaining Income" (Box H). Do not enter a number less than \$0.

Enter the total from Box F \$ 421	X 24 =	Box H Future Remaining Income \$ 10,104
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Determine your minimum offer amount by adding the total available assets from Box A and Box B (if applicable) to the amount in either Box G or Box H.

Enter the amount from Box A plus Box B (if applicable) \$ 8,823	+	Enter the amount from either Box G or Box H \$ 5,052	=	Offer Amount Your offer must be more than zero (\$0). Do not leave blank. Use whole dollars only. \$ 13,875
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If you cannot pay the Offer Amount shown above due to special circumstances, explain on the Form 656, Offer in Compromise, Section 1, Low Income Certification. You must offer an amount more than \$0.

Section 9	Other Information	
<p><b>Additional information IRS needs to consider settlement of your tax debt. If you or your business are currently in a bankruptcy proceeding, you are not eligible to apply for an offer.</b></p>	Are you the beneficiary of a trust, estate, or life insurance policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	Are you currently in bankruptcy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Have you filed bankruptcy in the past 10 years? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	Discharge/Dismissal Date (mm/dd/yyyy)	Location Filed
	Are you or have you been party to a lawsuit? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, date the lawsuit was resolved: (mm/dd/yyyy)	
	In the past 10 years, have you transferred any assets for less than their full value? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, date the asset was transferred: (mm/dd/yyyy)	
	Have you lived outside the U.S. for 6 months or longer in the past 10 years? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	Do you have any funds being held in trust by a third party? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No    If yes, how much \$                      Where:	

# Other Information

**Section 10****Signatures**

Under penalties of perjury, I declare that I have examined this offer, including accompanying documents, and to the best of my knowledge it is true, correct, and complete.

Signature of Taxpayer	Date (mm/dd/yyyy)
Signature of Taxpayer	Date (mm/dd/yyyy)

Remember to include all applicable attachments listed below.

- Copies of the most recent pay stub, earnings statement, etc., from each employer
- Copies of the most recent statement for each investment and retirement account
- Copies of the most recent statement, etc., from all other sources of income such as pensions, Social Security, rental income, interest and dividends (including any received from a related partnership, corporation, LLC, LLP, etc.), court order for child support, alimony, and rent subsidies
- Copies of bank statements for the three most recent months
- Copies of the most recent statement from lender(s) on loans such as mortgages, second mortgages, vehicles, etc., showing monthly payments, loan payoffs, and balances
- List of Notes Receivable, if applicable
- Verification of State/Local Tax Liability, if applicable
- Documentation to support any special circumstances described in the "Explanation of Circumstances" on Form 656, if applicable
- Attach a Form 2848, *Power of Attorney*, if you would like your attorney, CPA, or enrolled agent to represent you and you do not have a current form on file with the IRS.

## Checklist

Be sure to include all items as requested on the form that apply to your client

## Peter's Message...

I'm sure that moving through this material quickly will end up raising a lot of questions that we will not have time to answer in the limited time we have together today. In fact, we may run over a few minutes.

I hope this doesn't frustrate to you. After all, knowing enough to ask more meaningful questions is not a bad definition of what "education" is really all about.

## Polling Question 14

On a scale from 1-4 what is your current comfort level performing tax resolution work?

# Offer in Compromise Success Stories...



**Amount Owed: \$4,240,000****IRS Offer in  
Compromise**

Department of the Treasury

Date of this Letter: 6/24/2007

INTERNAL REVENUE SERVICE  
AMC-Stop 880  
PO Box 3 083 4  
Memphis, TN 38130-0834Person to Contact: Beverly  
Robinson Employee #: 49-02054  
Phone#: (901)546-4803Taxpayer ID#: [REDACTED]  
Offer Number: 1000608959

Dear Mr. &amp; Mrs. [REDACTED]

We have accepted your offer in compromise signed and dated by you on 04/19/2007. The date of acceptance is the date of this letter and our acceptance is subject to the terms and conditions on the enclosed Form 656, Offer in Compromise.

Please note that the conditions of the offer require you to file and pay all required taxes for five tax years or the period of time payments are being made on the offer, whichever is longer. This will begin on the date shown in the upper right hand corner of this letter.

Additionally, please consider that the conditions of the offer include the provision that as additional consideration for the offer, we will retain any refund or credits that you may be entitled to receive for 2007 or for each tax year. This includes refunds you receive in 2008 for any payments you made toward tax year 2007 or toward earlier tax years. The Notice of Federal Tax Lien will be released when the offer amount is paid in full.

If you are required to make any payments under this agreement, make your check or money order payable to the United States Treasury and send it to:

Internal Revenue Service  
P.O. Box 24015  
Fresno, CA 93 779

Please send all other correspondence to:

Internal Revenue Service PO  
Box 77 Memphis, TN 38101-0077

You must promptly notify the Internal Revenue Service of any change in your address or marital status. This will ensure we have the proper address to advise you of the status of your offer.

continued on next page

**Compromised for \$5,000**

# Owed \$177,942

## IRS Offer in Compromise

Department of the Treasury

Internal Revenue Service  
Brookhaven Service Center  
P.O. Box 9011 Stop 681  
Holtsville, NY 11742



Date of this Letter:

Person to Contact: DEC 21 2015

Employee #: [Redacted]  
Phone#: [Redacted]  
08:00am-08:00pm Mon-Fri

Taxpayer ID#: \*\*\*-\*\*-6442  
Offer Number: 1001275119

Dear [Redacted]

We have accepted the offer in compromise you signed and dated on 09/28/2015. The acceptance date is the date of this letter and acceptance is subject to the terms and conditions on the enclosed Form 656, Offer in Compromise.

We applied \$1,300.80 as payment toward your accepted offer. The last payment we received was for \$1,102.40 on 10/20/2015.

The conditions of the offer require you to timely file and pay all required taxes for five tax years (including any extensions). This requirement begins on the date of this letter.

Under the conditions of the offer, we will keep any refunds or credits you may be entitled to for 2015 or for earlier tax years, including refunds you may be entitled to receive in 2016 for any overpayments you made toward tax year 2015 or earlier tax years. We will apply any refunds or credits to your liability, not to your accepted offer. If we filed a Notice of Federal Tax Lien against you, we will release it when you pay the offer in full. If you make the final payment by credit or debit card, we won't be able to release the Notice of Federal Tax Lien for up to 120 days from the date of the credit or debit payment.

If you are required to make any payments under this agreement, make your check or money order payable to the United States Treasury and send it to:

Internal Revenue Service  
P.O. Box 24015  
Fresno, CA 93779

Please send all other correspondence to:

Internal Revenue Service  
PO Box 9006  
Holtsville, NY 11742-9006

continued on next page

**Compromised for \$6,504**

# California FTB Offer in Compromise



Chair: John Chiang  
Members: Judy Chu, Ph.D.  
Members: Michael C. Genest

State of California  
Franchise Tax Board

## Owed \$462,011

12.19.2008

Stephan & Stein, Inc., CPAs  
Peter Stephan  
21700 Oxnard Street, Suite 1160  
Woodland Hills CA 91367

In Reply Refer To:  
622:081:726

Subject:	Offer in Compromise
Taxpayers:	[REDACTED]
Account Number:	110 94283 02
Tax Years:	1994-1997,2000,2004
Liability:	\$462,011.82
Offer:	\$13,000.00

Dear Mr. Stephan,

The Franchise Tax Board has accepted your Offer in Compromise for the liability owed for the 1994-1997,2000, and 2004 tax years. This letter shall serve as their confirmation of acceptance and should be retained in their records.

We have made the necessary adjustments to their account and have released all liens. Copies of the lien release documents are enclosed.

Please note that pursuant to Revenue and Taxation Code Section 19443, the terms and conditions for acceptance of an offer include, but are not limited to, requirements that he:

- A. File required returns and pay all tax liabilities in a timely manner in the future.
- B. Comply with all terms and conditions relative to the offer, including the requirements of any collateral agreement signed as consideration of acceptance of this offer. If they are required to make any payments pursuant to a collateral agreement, please make the check or money order payable to the Franchise Tax Board and send it to:

**FRANCHISE TAX BOARD**  
Offer in Compromise Group, MS A-453  
P. O. Box 2966  
Rancho Cordova, CA 95741-2966

**Compromised for \$13,000**

## Owed: \$45,681

212

# IRS Offer in Compromise

Department of the Treasury

Date of this Letter: MAR 7, 2013

INTERNAL REVENUE SERVICE  
AMC-Stop 880  
PO Box 30834  
Memphis, TN 38130-0834

Person to Contact: Beverly  
Robinson Employee  
#:49-02054  
Phone#: (901)546-4803 EXT.  
6:00AM-2:30PM Mon-Fri

Taxpayer ID#: [REDACTED]  
Offer  
Number:1001040033

Dear [REDACTED]

We have accepted your offer in compromise signed and dated by you on 01/07/2013. The date of acceptance is the date of this letter and our acceptance is subject to the terms and conditions on the enclosed Form 656, Offer in Compromise.

Please note that the conditions of the offer require you to file and pay all required taxes for five tax years or the period of time payments are being made on the offer, whichever is longer. This will begin on the date shown in the upper right hand corner of this letter.

Additionally, please remember that the conditions of the offer include the provision that as additional consideration for the offer, we will retain any refunds or credits that you may be entitled to receive for 2013 or for earlier tax years. This includes refunds you receive in 2014 for any overpayments you made toward tax year 2013 or toward earlier tax years. These refunds or credits will be applied to your liability, not to your accepted offer amount. If a Notice of Federal Tax Lien was filed on your account, it will be released when the offer amount is paid in full. If the final payment is by credit or debit card, the Notice of Federal Tax Lien will not be released for up to 120 days from the date of the credit/debit payment.

If you are required to make any payments under this agreement, make your check or money order payable to the United States Treasury and send it to:

Internal Revenue  
Service P.O. Box 24015  
Fresno, CA 93779

Please send all other correspondence to:

Internal Revenue Service  
PO Box 77  
Memphis, TN 38101-0077

continued on next page

## Polling Question 15

What would you do if a client came to you indicating their bank account has been levied by the IRS?

Need to file an appeal?

See our Course Calendar to view the comprehensive list of courses at [www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)

# Case Study 2 Offer in Compromise (part 2) IRS Form 656

**Offer in Compromise**

**To: Commissioner of Internal Revenue Service**

In the following agreement, the pronoun "we" may be assumed in place of "I" when there are joint liabilities and both parties are signing this agreement. I submit this offer to compromise the tax liabilities plus any interest, penalties, additions to tax, and additional amounts required by law for the tax type and period(s) marked in Section 1 or Section 2 below.

Did you use the Pre-Qualifier tool located on our website at [http://irs.treasury.gov/oic\\_pre\\_qualifier/](http://irs.treasury.gov/oic_pre_qualifier/) prior to filling out this form?

Yes  No

**Note: The use of the Pre-Qualifier tool is not mandatory before sending in your offer. However, it is recommended.**

Include the \$186 application fee and initial payment (*personal check, cashier's check, or money order*) with your Form 656. You must also include the completed Form 433-A (OIC) and/or 433-B (OIC) and supporting documentation. You should fill out either Section 1 or Section 2, but not both, depending on the tax debt you are offering to compromise.

**Section 1 Individual Information (Form 1040 filers)**

If you are a 1040 filer, an individual with personal liability for Excise tax, individual responsible for Trust Fund Recovery Penalty, self-employed individual, individual personally responsible for partnership liabilities, and/or an individual who operates as a single member LLC or a disregarded entity taxed as a sole proprietorship you should fill out Section 1. You must also include all required documentation including the Form 433-A (OIC), the \$186 application fee, and initial payment.

Your First Name, Middle Initial, Last Name	Social Security Number (SSN)	<b>IRS Received Date</b>
John Doe	123 - 45 - 6789	
If a Joint Offer, Spouse's First Name, Middle Initial, Last Name	Social Security Number (SSN)	
Jane Doe	987 - 65 - 4321	
Your Physical Home Address ( <i>Street, City, State, ZIP Code</i> )		
1234 Memory Lane Anytown, USA 12345		
Mailing Address ( <i>if different from above or Post Office Box number</i> )		
Employer Identification Number		
-		

Enter general client information here

**Individual Tax Periods**

**If Your Offer is for Individual Tax Debt Only**

- 1040 Income Tax-Year(s) 2011, 2012, 2013, 2014, 2015
- Trust Fund Recovery Penalty as a responsible person of (enter business name) \_\_\_\_\_  
for failure to pay withholding and Federal Insurance Contributions Act taxes (Social Security taxes), for period(s) ending \_\_\_\_\_
- 941 Employer's Quarterly Federal Tax Return - Quarterly period(s) \_\_\_\_\_
- 940 Employer's Annual Federal Unemployment (FUTA) Tax Return - Year(s) \_\_\_\_\_
- Other Federal Tax(es) [specify type(s) and period(s)] \_\_\_\_\_

**Note:** If you need more space, use attachment and title it "Attachment to Form 656 dated \_\_\_\_\_." Make sure to sign and date the attachment.

## Tax Periods

Choose the type of tax owed and enter ALL applicable years or periods. Any year or period left out will not be included if the offer is accepted



### Low-Income Certification *(Individuals and Sole Proprietors Only)*

Do you qualify for Low-Income Certification? You qualify if your gross monthly household income is less than or equal to the amount shown in the chart below based on your family size and where you live. If you qualify, you are not required to submit any payments during the consideration of your offer. Businesses other than sole proprietors or disregarded single member LLCs taxed as a sole proprietor do not qualify for the low income waiver.

Check this box if your household's gross monthly income is equal to or less than the monthly income shown in the table below.

Size of family unit	48 contiguous states and D.C.	Hawaii	Alaska
1	\$2,475	\$2,848	\$3,092
2	\$3,338	\$3,840	\$4,171
3	\$4,200	\$4,831	\$5,250
4	\$5,063	\$5,823	\$6,329
5	\$5,925	\$6,815	\$7,408
6	\$6,788	\$7,806	\$8,488
7	\$7,652	\$8,798	\$9,567
8	\$8,519	\$9,794	\$10,650
For each additional person, add	\$867	\$996	\$1,083

This section is  
for low income  
applicants

**Section 2 Business Information (Form 1120, 1065, etc., filers)**

If your business is a Corporation, Partnership, LLC, or LLP and you want to compromise those tax debts, you must complete this section. You must also include all required documentation including the Form 433-B (OIC), and a separate \$186 application fee, and initial payment.

Business Name \_\_\_\_\_

Business Address (Street, City, State, ZIP Code) \_\_\_\_\_

Employer Identification Number (EIN) _____	Name and Title of Primary Contact _____	Telephone Number ( ) _____
--	---	----------------------------

**Business Tax Periods**

**If Your Offer is for Business Tax Debt Only**

- 1120 Income Tax-Year(s) \_\_\_\_\_
- 941 Employer's Quarterly Federal Tax Return - Quarterly period(s) \_\_\_\_\_
- 940 Employer's Annual Federal Unemployment (FUTA) Tax Return - Year(s) \_\_\_\_\_
- Other Federal Tax(es) [specify type(s) and period(s)] \_\_\_\_\_

Note: If you need more space, use attachment and title it "Attachment to Form 656 dated \_\_\_\_\_." Make sure to sign and date the attachment.

**Section 3 Reason for Offer**

- Doubt as to Collectibility** - I have insufficient assets and income to pay the full amount.
- Exceptional Circumstances (Effective Tax Administration)** - I owe this amount and have sufficient assets to pay the full amount, but due to my exceptional circumstances, requiring full payment would cause an economic hardship or would be unfair and inequitable. I am submitting a written narrative explaining my circumstances.

**Explanation of Circumstances (Add additional pages, if needed)** - The IRS understands that there are unplanned events or special circumstances, such as serious illness, where paying the full amount or the minimum offer amount might impair your ability to provide for yourself and your family. If this is the case and you can provide documentation to prove your situation, then your offer may be accepted despite your financial promise. Describe your situation below and attach appropriate documents to this offer application.

I am a self employed salesperson who experienced hardship due to a downturn in the economy. Things have improved slightly and my wife and I are now able to cover our monthly living expenses. However, based upon our current situation, we would like to settle our tax debt and request that the past liability be compromised.

If a business is entering into an OIC they would enter ALL applicable years or periods. Any year or period left out will not be included if the offer is accepted.

**Offer Reason**

Choose why the offer is being submitted. Below include a written explanation. You can include an addendum if you need more room

**Section 4 Payment Terms**

Check one of the payment options below to indicate how long it will take you to pay your offer in full. You must offer more than \$0. The offer amount should be in whole dollars only.

**Lump Sum Cash**

Check here if you will pay your offer in 5 or fewer payments within 5 or fewer months from the date of acceptance:

Enclose a check for 20% of the offer amount (waived if you are an individual or sole proprietor and met the requirements for Low Income Certification) and fill in the amount(s) of your future payment(s).

Total Offer Amount	20% Initial Payment	=	Remaining Balance
\$ 13,875	\$ 2,775	=	\$ 11,100
You may pay the remaining balance in one payment after acceptance of the offer or up to five payments, but cannot exceed 5 months.			
Amount of payment	\$ 2,220	payable within	1 Month after acceptance
Amount of payment	\$ 2,220	payable within	2 Months after acceptance
Amount of payment	\$ 2,220	payable within	3 Months after acceptance
Amount of payment	\$ 2,220	payable within	4 Months after acceptance
Amount of payment	\$ 2,220	payable within	5 Months after acceptance

Payment Terms

This amount is carried over from the 433A (OIC)

**Periodic Payment**

Check here if you will pay your offer in full in 6 to 24 months.

Enter the amount of your offer \$ \_\_\_\_\_

Note: The total amount must equal all of the proposed payments including the first and last payments.

Enclose a check for the first month's payment.

\$ \_\_\_\_\_ is included with this offer then \$ \_\_\_\_\_ will be sent in on the \_\_\_\_\_ day of each month thereafter for a total of \_\_\_\_\_ months with a final payment of \$ \_\_\_\_\_ to be paid on the \_\_\_\_\_ day of the \_\_\_\_\_ month.

Note: The total months may not exceed a total of 24 months, including the first payment. Your first payment is considered to be month 1; therefore, the remainder of the payments must be made within 23 months for a total of 24.

You must continue to make these monthly payments while the IRS is considering the offer (waived if you met the requirements for Low Income Certification). Failure to make regular monthly payments will cause your offer to be returned with no appeal rights.

**IRS Use Only**

Attached is an addendum dated (insert date) \_\_\_\_\_ setting forth the amended offer amount and payment terms.

# Payment Designation

We recommend you  
leave this portion  
blank

---

## Section 5 Designation of Payment and Deposit

### Designation of Payment

If you want your payment to be applied to a specific tax year and a specific tax debt, such as a Trust Fund Recovery Penalty, please tell us the tax year/quarter \_\_\_\_\_. If you do not designate a preference, we will apply any money you send to the government's best interest. If you wish to designate any payments not included with this offer, you must designate a preference for each payment at the time the payment is made. However, you cannot designate the \$186 application fee or any payment after the IRS accepts the offer.

### Deposit

If you are paying more than the initial payment when you submit your offer and want any part of that payment treated as a deposit, check the box below and insert the amount. Deposits will be returned to you if the offer is rejected, returned, or withdrawn, unless you provide a request in writing that you want your payment(s) to be applied to your tax debt.

My payment of \$ \_\_\_\_\_ includes the \$186 application fee and \$ \_\_\_\_\_ for my first month's payment. I am requesting the additional amount of \$ \_\_\_\_\_ be held as a deposit.

**CAUTION:** Do NOT designate the amounts sent in with your offer to cover the initial payment and application fee as "deposits." Doing so will result in the return of your offer with no right to appeal.

**Section 6 Source of Funds, Making Your Payment, Filing Requirements, and Tax Payment Requirements**

**Source of Funds**

Tell us where you will obtain the funds to pay your offer. You may consider borrowing from friends and/or family, taking out a loan, or selling assets.

We will borrow the amount necessary to pay for the offer in compromise from family and friends.

**Making Your Payment**

Include separate checks for the payment and application fee.

Make checks payable to the "United States Treasury" and attach to the front of your Form 656, Offer in Compromise. All payments must be in U.S. dollars. Do not send cash. Send a separate application fee with each offer; do not combine it with any other tax payments, as this may delay processing of your offer. Your offer will be returned to you if the application fee and the required payment are not included, or if your check is returned for insufficient funds.

**Filing Requirements**

- I have filed all required tax returns.
- I was not required to file a tax return for the following years:

**Tax Payment Requirements (check all that apply)**

- I have made all required estimated tax payments for the current tax year.
- I am not required to make any estimated tax payments for the current tax year.
- I have made all required federal tax deposits for the current quarter.
- I am not required to make any federal tax deposits for the current quarter.

# Source of Funds

This is where you explain from where the funds to pay the offer will come

## Polling Question 16

How often do you IRS receive/see notices  
pertaining to your clients?

Need an IRS Form? Visit the Forms Library  
under the Libraries section at [www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)

# More Offer in Compromise Success Stories...

**Owed: \$66,362**

# IRS Offer in Compromise

Department of the Treasury

INTERNAL REVENUE SERVICE  
PO BOX 77  
MEMPHIS, TN 38101

Date of this Letter: APR 19 2011

Person to Contact:  
Rhonda Paige  
Employee #:49-13106  
Phone#: (901) 546-4157 EXT

Taxpayer ID#: [REDACTED]  
Offer Number:1000846498

Dear Ms. [REDACTED],

Thank you for your payment. You have met the payment provisions for your Offer in Compromise contract. Please remember that we will apply any overpayments from the year we accepted your Offer in Compromise to the tax periods specified in your offer contract.

REMINDER: Compliance is an important part of your Offer in Compromise contract. You must file and pay your taxes timely for five years following the date we accepted the offer or during an extended installment offer payment period, whichever is later. If you do not comply, we will terminate your offer and reinstate the original amount of your liability, less payments made.

If you write, please include your telephone number, the hours we can reach you, and a copy of this letter. Keep a copy of this letter for your records. We have enclosed an envelope for your convenience.

If you have any questions, please contact the person whose name and telephone number are shown in the upper right hand corner of this letter.

Sincerely,

Beverly Y. Robinson Team  
Manager, MOIC

**Compromised for \$3,464**



Owed \$118,379



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

460 N STREET, SACRAMENTO, CALIFORNIA  
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0022  
916-322-7931 - FAX 916-322-7940  
www.boe.ca.gov

- BETTY T. LEE  
First District San Francisco
- BEN. GEORGE RUNNER (Ret.)  
Second District, Lancaster
- MICHELLE STEEL  
Third District, Rolling Hills Estates
- JEROME E. HORTON  
Fourth District, Los Angeles
- JOHN CHIANG  
State Controller
- CYNTHIA BRIDGES  
Executive Director

September 13, 2013

[Redacted]

[Redacted]

The Offer in Compromise Section (OIC) of the Board of Equalization (BOE) has reviewed your request for an offer in compromise on your current sales tax liability of \$118,379.57.

We will forward our recommendation for approval of your offer once we receive a cashier's check or money order for the offered amount of \$17,727.00. The funds should be mailed to the address listed below with a copy of this letter by Friday, September 27, 2013. The BOE will place the funds in a non-interest bearing account pending approval of the offer.

MAILING ADDRESS  
State Board of Equalization  
Offer in Compromise Section  
460 N Street, MIC: 52  
Sacramento, CA 95814

If for some reason the offer is denied, you have the option of having the funds refunded or applied to the liability. Please select an option below:

- Retain any amount deposited and credit it to the current tax liability,
- Return the amount deposited.

If you have any additional questions or concerns, please contact me at (916) 322-1984.

Sincerely,  
*Arlene Di Sessa*  
Arlene Di Sessa  
Business Taxes Specialist

Compromise for \$17,727

California State Board of Equalization (sales tax) Offer in Compromise

## NY State Offer in Compromise



New York State Department of  
**Taxation and Finance**  
Offer in Compromise Unit  
P.O. Box 5100  
Albany, New York 12205-0100

# New York State Offer in Compromise

October 18, 2013

**Amount Owed: \$81,760**

Norman Kreisman  
21700 Oxnard Street, Suite 1160  
Woodland Hills, CA 91367

RE: Offer in Compromise - [REDACTED]

Dear Mr. Kreisman:

I am pleased to inform you that the Department of Taxation and Finance has accepted your client's offer in compromise contingent upon full payment of the agreed upon amount.

Upon receipt of the sum of \$26,276.65, which includes the agreed upon offered amount of \$24,000.00 plus \$2,276.65 in accrued interest, the balances of the compromised liabilities will be canceled and any warrants docketed will be satisfied. The assessments included in the Offer in Compromise are as follows:

Tax Type	Period Ending Date	Assessment Identification Number
Personal Income	12/31/2004	L036665293-6
Personal Income	12/31/2005	L036665294-5
Personal Income	12/31/2006	L036665295-4
Personal Income	12/31/2007	L036665296-3
Personal Income	12/31/2008	L036491940-9
Personal Income	12/31/2010	1.036551350-4
Personal Income	12/31/2011	L038199659-2
Personal Income	12/31/2012	L039109773-5

The \$26,276.65 is payable as follows: a \$5,000.00 down payment due within 60 days of this letter, plus 56 monthly payments of \$591.02 due the 15<sup>th</sup> of each month, starting February 15, 2013.

**Compromised for \$26,277**

## Tips & Traps

### Offers in Compromise

1. It can take up to two years for an Offer to be accepted or rejected. By IRS definition an Offer is deemed accepted if no answer is given within the 2-year period. The **Tax Resolution Institute** has yet to see an Offer be accepted based upon this rule.
2. A typical Offer takes 12-18 months to be accepted.
3. It can take up to 6 months for an Offer just to be deemed processable.
4. If an Offer is not processable, the taxpayer must correct the items that deem it non-processable and resubmit the Offer.
5. The chance of having an Offer accepted is much lower than the chance of entering into a manageable installment agreement.
6. There is a 10-year statute of limitation for the IRS to actively collect against a tax assessment. Submitting an Offer freezes the statute for the time the Offer is under consideration plus a time period following if the Offer is rejected or accepted and then the taxpayer defaults on the Offer.
7. If a taxpayer is near the end of their collection statute, it may make sense to forgo an Offer and request an installment agreement based upon hardship.
8. Acceptance of an Offer is based upon a taxpayer's ability to pay over the life of the statute of limitations on collection. Just because a taxpayer is unable to pay at the time an Offer is submitted, does not mean that their situation will not improve within the 10-year collection period. One example of this may be a realtor in a down market or a Lawyer that has been laid off by previously earned a significant salary.
9. A taxpayer must stay in compliance for 5 years after an Offer has been accepted. If they default on the Offer, the original liability, penalties and interest are placed back on the taxpayer's account and they will again be exposed to collection.
10. A taxpayer is often required to resubmit financial substantiation within the time period an Offer is being considered.
11. The IRS will often negotiate certain parts of an Offer in lieu of rejecting an Offer outright.
12. When an Offer is rejected, the IRS' reason is almost always that the taxpayer has the ability to full-pay their liability within the collection statute.
13. The amount to be paid for an Offer is formula based. That is 12 or 24 times one's monthly disposable income plus the quick-sale value of their assets. Some people, in planning for an Offer may try and sell, give away or transfer their assets in order to lower the Offer amount. If this is done solely with the intention of lowering one's Offer amount or done within a certain period of time prior to submission of the Offer, the asset in question may still be included in the Offer calculation by the IRS. For example, if a person refinances their home to pay off credit card debt, the IRS may include the cash taken out of the refinance as a dissipated asset for Offer purposes. Their contention is that Federal taxes should be paid prior to credit card companies.
14. When entering bank balances on Form 433-A (OIC) it is prudent to put the ending balance of the most current bank statement if the amount is relatively low. If not include the lowest average daily balance within the three-month period of the statements being submitted.



Find these tips and other valuable materials on the web at [www.taxresolutioninstitute.org/200A](http://www.taxresolutioninstitute.org/200A) tab or by emailing us at [info@taxresolutioninstitute.com](mailto:info@taxresolutioninstitute.com)

Offer in Compromise  
VS  
Installment Agreement  
*(comparison)*

---

**Installment Agreement and Offer in Compromise Comparison - Family of Four**

<b>Item</b>		<b>IA</b>	<b>OIC</b>	<b>Notes</b>
<b>Income</b>				
Wages	Taxpayer	8,662	8,662	Actual
	Spouse	4,768	4,768	Actual
Taxes	Taxpayer	(3,586)	(3,586)	Actual
	Spouse	(2,018)	(2,018)	Actual
Total net income:		<u>7,826</u>	<u>7,826</u>	
<b>Expenses</b>				
	Mortgage	3,028		Actual for IA
	Utilities	233		Actual for IA
		3,261	2,961	OIC amount is based upon IRS local std.
	Food/Clothing/Etc.	1,509	1,509	IRS national standard
	Car payments	821	821	Actual
	Maint./gas/insurance	532	532	IRS local standard
	Health insurance	1,012	1,012	Actual
	Out-of-pocket health	216	216	IRS national standard
Other				
	Childcare	219	219	Actual
	Life insurance	135	135	Actual
Total living expenses:		<u>7,705</u>	<u>7,405</u>	
<b>Monthly Disposable Income:</b>		<b>121</b>	<b>421</b>	

---

should they do an  
**Offer**  
or an  
**Installment Agreement?**  
...let's see

# OIC vs Installment Agreement

## Installment Agreement

Monthly payment amount - \$121

Number of months to pay - 120 (10 years)

$121 \times 120 = \$14,520$  (this number is subject to increase...IRS revisits installment agreements every 2 years)

## Offer in Compromise

Offer amount - \$13,875\*

*\*Paid as follows - 20% down and the balance paid within 5 months after offer is accepted (typically 18 to 24 months after offer is submitted).*

*Because Taxpayer John Doe assumes he'll earn substantially more money in the near future, an Offer in Compromise would far outweigh an Installment Agreement.*

# Tax Resolution Essentials 200A

The following materials and more will be available to seminar/live webinar attendees at [www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org) for 10 days without a subscription:

- A copy of today's PowerPoint presentation
- Tax resolution flow chart ("cheat sheet")
- Tips and traps pertaining to Installment Agreements
- Tips and Traps pertaining to Offers in Compromise
- First time penalty abatement instructions (FTPA)
- IRS contact numbers
- IRS 4180 Interview form
- ...and more



# Polling Question 17

Would you benefit from a no cost consultation to help you help your clients with tax problems?

## Upcoming Audit?

See our Course Calendar to view the comprehensive list of courses at  
[www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)

# **Get your tax resolution questions answered for free!**

TRI is proud to offer...as part of **Tax Tuesdays™** the

## **Monthly Tax Resolution Practitioner's Forum**

*Join us on the 4<sup>th</sup> Tuesday of each month...*

# Afternoon Break

Get comfortable in front of the IRS....

**50% off**

any course for the next 15 minutes only

This audit course is a must for anyone that represents clients in IRS audits...

**TRI**

IRS Audits...Art or Science



Webinar: \$99.00  
eLearning: \$79.00 (science only)

# Taxes and Bankruptcy

# Taxes and Bankruptcy

- Income taxes may be discharged in bankruptcy
- Certain rules (“conditions”) must be met to discharge taxes in bankruptcy
- Payroll Taxes may not be discharged in bankruptcy

# Bankruptcy Tax Dischargeability Rules:

- Three-Year Rule

At least Three years from the due date of the tax return including extensions; or

- Two-Year Rule

At least Two years from the date the tax return was filed (we say assessed) for delinquent returns; and

- 240-Day Rule

At least 240 days from the date of assessment of an audited or amended tax return

# Chapter 7 vs. Chapter 13

- Dischargeable taxes are eliminated in Chapter 7 filings
- Dischargeable taxes are treated as general, unsecured creditors in Chapter 13 filings
- Secured tax liens may not be discharged in Chapter 7 filings

## Tolling Events (Statutes of Limitation)

Statute of Limitation for collection by the IRS tolls (is frozen and therefore extended) under the following circumstances:

- 240 days; plus
- The number of days each offer in compromise for the applicable tax had been pending; plus
- 30 days for each applicable offer in compromise; plus
- The number of days each prior bankruptcy proceeding had been pending after the related tax return due date with valid extensions; plus
- Six months for each applicable bankruptcy proceeding
- The period of time taxpayer spends living outside the country



# Polling Question 18

Which type of these client issues do you encounter most often?

Need Help with a client?

Schedule a consultation with a CPA or tax attorney at...

[www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)

(800) 658-7590

[www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)


# Audits

## Audit Topics

- How many IDR's are too many?
- What is a 30-day letter?
- What is a 90-day letter?
- If 90 days has passed how to get another “bite at the apple”
- Fast-Track Settlement (FTS)
- Fast-Track Mediation (FTM)

# EXAMINATION LETTER

## IRS Form 2205-A


**Department of the Treasury**  
**Internal Revenue Service**  
**Small Business and Self-Employed**  
 12309 N MoPac Expressway  
 Austin TX 78758-2594

**Date:**  
 September 2, 2015  
**Taxpayer Identification Number:**  
 [REDACTED]  
**Form:**  
 1120S  
**Tax period(s):**  
 December 31, 2013  
**Response date:**  
 September 10, 2015  
**Person to contact:**  
 Lorin Hamm  
**Contact hours:**  
 7:00 AM - 3:15 PM  
**Contact telephone number:**  
 512-339-5350  
**Contact fax number:**  
 855-801-8381  
**Employee identification number:**  
 07-90210

Dear [REDACTED]:

Your federal return for the period(s) shown above was selected for examination.

**What you need to do**

Please call me on or before the response date listed at the top of this letter. You may contact me at the telephone number and times provided above.

**What we will discuss**

During our telephone conversation, we will discuss:

- Items on your return that I will be examining.
- Types of documents I will ask you to provide.
- The examination process.
- Any concerns or questions you may have.
- The date, time and agenda for our first meeting.

The issues listed below are the preliminary items identified for examination. During the course of the examination, it may be necessary to add or reduce the list of items. If this should occur, I will advise you of the change.

# Information Document Requests

- IRS Form 4564
- Known as IDR's
- May be accompanied by one or more Summons
- How many IDR's are too many?

**IRS IDR  
Form  
4564  
(page 1 of 4)**

Form <b>4564</b> (Rev. September 2006)	Department of the Treasury – Internal Revenue Service <b>Information Document Request</b>	Request Number 0002
To: (Name of Taxpayer and Company Division or Branch) [REDACTED]		Subject Casualty, Real Estate Tax, Travel & Entnmnt, Sale of Prpty. SAIN number Submitted to: [REDACTED]
Please return Part 2 with listed documents to requester identified below		Dates of Previous Requests (mmdyyyyy)
Description of documents requested Tax Period(s): 201112; 201212		

**Schedule A – 2011 Real Estate Taxes:**

1. Proof of payment.

**Schedule A – 2011 Casualty or Theft Losses:**

1. Escrow closing purchase statement - residence,
2. Insurance estimates of the loss,
3. Insurance policy during the escrow and after the escrow,
4. Insurance claim for the loss,
5. Any court filings on the loss for the insurance reimbursements, and
6. Proof showing any monies spent on slope repair and/or construction improvements.

**Schedule C – 2011 and 2012 Travel, Meals and Entertainment Expenses:**

1. Travel documents verifying travel,

Information due by 07/23/2014 At next appointment  Mail in

From:	Name and Title of Requester	Employee ID number	Date (mmdyyyyy)
	Rebecca B. Purugganan	0235847	06/05/2014
	Office Location:	Phone: 562-495-9965	Fax:

Catalog Number 23145K [www.irs.gov](http://www.irs.gov) Part 2 - To be Returned by Taxpayer with Reply Form **4564** (Rev. 9-2006)

**IRS IDR  
Form  
4564  
(page 2 of 4)**

Form <b>4564</b> (Rev. September 2006)	Department of the Treasury – Internal Revenue Service <b>Information Document Request</b>	Request Number 0002
To: (Name of Taxpayer and Company Division or Branch) [REDACTED]		Subject Casualty, Real Estate Tax, Travel & Entmmt, Sale of Prpty. SAIN number Submitted to: [REDACTED]
Please return Part 2 with listed documents to requester identified below		Dates of Previous Requests (mmddyyyy)

Description of documents requested  
Tax Period(s): 201112; 201212

2. Auction company papers such as flyers, etc., and
3. Meals and entertainment receipts showing who, why, what, how much, etc.

**Form 4797 – Sale of BMW 325i:**

1. Purchase documents, and
2. Sale documents and received check copy - front and back.

Information due by 07/23/2014 At next appointment  Mail in

From:	Name and Title of Requester	Employee ID number	Date (mmddyyyy)
	Rebecca B. Purugganan	0235847	06/05/2014
	Office Location:	Phone: 562-495-9965	Fax:

Catalog Number 23145K [www.irs.gov](http://www.irs.gov) Part 3 - Requester's File Copy Form **4564** (Rev. 9-2006)

**IRS IDR  
Form  
4564  
(page 3 of 4)**

Form <b>4564</b> (Rev. September 2006)	Department of the Treasury – Internal Revenue Service <b>Information Document Request</b>	Request Number 0001
To: (Name of Taxpayer and Company Division or Branch) [REDACTED]		Subject Initial Document Request
Please return Part 2 with listed documents to requester identified below		SAIN number Submitted to: [REDACTED]
Description of documents requested Tax Period(s): 201212; 201112		Dates of Previous Requests (mmdyyyyy)

**For Tax Years 2011 and 2012:**

FEDERAL INCOME TAX RETURNS: 2011, 2012 and 2013.

FORM 1099'S ISSUED AND RECEIVED.

FORM 2848 (TAXPAYER AUTHORIZATION), IF NECESSARY.

FINANCIAL STATEMENTS or its equivalent.

GENERAL LEDGER AND ALL SUBSIDIARY LEDGERS MAINTAINED.

ALL JOURNALS (General, Cash Disbursements, Cash Receipts, Sales, and any other kind of Journals maintained).

ADJUSTING AND CLOSING ENTRIES..

WORKPAPERS USED IN PREPARING THE RETURN (including grouping of accounts).

**BANK STATEMENTS:**

1. All bank statements, savings & checking accounts, and stock broker/ cash management account statements for this tax year, 12/1/2010 to 1/31/2013, personal and business accounts.

CANCELLED CHECKS AND INVOICES should be available for all claimed expenses and will be requested at least on a test basis.

Information due by <u>05/13/2014</u>		At next appointment <input checked="" type="checkbox"/>	Mail in <input type="checkbox"/>
From:	Name and Title of Requester	Employee ID number	Date (mmdyyyyy)
	Rebecca B. Purugganan	0235847	04/15/2014
	Office Location:	Phone: 562-495-9965 Fax:	



**IRS IDR  
Form  
4564  
(page 4 of 4)**

Form <b>4564</b> (Rev. September 2006)	Department of the Treasury – Internal Revenue Service <b>Information Document Request</b>	Request Number 0001
To: (Name of Taxpayer and Company Division or Branch) [REDACTED]		Subject Initial Document Request
Please return Part 2 with listed documents to requester identified below		SAIN number Submitted to: [REDACTED]
Description of documents requested Tax Period(s): 201212; 201112		Dates of Previous Requests (mmddyyyy)

SUPPORTING INVOICES, RECEIPTS, CANCELLED CHECKS, AND ALL OTHER SOURCE DOCUMENTS FOR THE FOLLOWING EXPENSES, DEDUCTIONS, AND OR CREDITS:

1. Home Office Expenses- 2011 & 2012,
2. Sch C1 – Travel Expenses – 2011 & 2012,
3. Sch A – Medical Expenses 2011 & 2012,
4. Business sale of property: sale and expense documents- 2012,
5. Sch A – Cash Contributions – 2011,
6. Sch A – Theft and Casualty – also need the Police Report -2011 and
7. Sch A – Real Property Tax – 2011.

DEPENDING UPON THE CIRCUMSTANCES OF THE AUDIT, YOU MAY BE ASKED TO VERIFY ADDITIONAL ITEMS CLAIMED ON YOUR RETURN OR TO VERIFY SIMILAR ITEMS ON OTHER RETURNS IN THE STATUTORY PERIOD.

Should you have any question, please feel free to call, (562)495-9965.

Information due by <u>05/13/2014</u>		At next appointment <input checked="" type="checkbox"/>	Mail in <input type="checkbox"/>
From:	Name and Title of Requester Rebecca B. Purugganan	Employee ID number 0235847	Date (mmddyyyy) 04/15/2014
	Office Location:		Phone: 562-495-9965 Fax:
Catalog Number 23145K <a href="http://www.irs.gov">www.irs.gov</a>		Part 2 - To be Returned by Taxpayer with Reply	Form <b>4564</b> (Rev. 9-2006)

# Polling Question 19

How do/would you react if your client received a notice of deficiency (90-day notice) from the IRS?

Need to file an appeal?

See our Course Calendar to view the comprehensive list of courses at [www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)

# Audit Time

*So the audit appointment is set...*

Practical steps...

- Request (or review received) IDR
- Obtain documents, ledgers and other related substantiation from the client
- Do a “mini” audit – remember you want to know the results of the audit before the Revenue Agent walks in the door

## Practical Steps

*(continued)*

- Have a staff person (preferably on the POA) meet and greet the auditor first
- Do not be available for the first 30 minutes (or more if necessary)
- Guide the auditor to examine best documented items first regardless of the order of his requests
- Meet & greet the auditor, apologize for being late and ask if your staff person got him or her started okay
- Ask if he or she requires additional documents, leave the room to obtain them

# Audit Findings

- Provided in IRS Form 4549
- Taxpayer may accept changes as proposed
- Taxpayer may appeal assessment at the audit level
- Taxpayer may appeal assessment at the court level
- Taxpayer may get a 2<sup>nd</sup> “bite at the apple” via an offer in compromise



**IRS Form  
4549  
Income  
Tax  
Changes**  
(page 1 of 2)

Form <b>4549</b> (Rev. May 2008)		Department of the Treasury-Internal Revenue Service <b>Income Tax Examination Changes</b>			Page _____ of _____
Name of Taxpayer Jack and Susan Anson		Taxpayer Identification Number XXX-XX-XXXX		Return Form No.: 1040	
<b>17. Penalties/ Code Sections</b>		<b>Period End</b> 12-31-XX	<b>Period End</b> 12-31-XX	<b>Period End</b> 12-31-XX	
a. Accuracy Related Penalty - IRC 6662		XXX.XX	XXX.XX	XX.XX	
b.					
c.					
d.					
e.					
f.					
g.					
h.					
i.					
j.					
k.					
l.					
m.					
n.					
<b>18. Total Penalties</b>					
Underpayment attributable to negligence: (1981-1987) <i>A tax addition of 50 percent of the interest due on the underpayment will accrue until it is paid or assessed.</i>					
Underpayment attributable to fraud: (1981-1987) <i>A tax addition of 50 percent of the interest due on the underpayment will accrue until it is paid or assessed.</i>					
Underpayment attributable to Tax Motivated Transactions (TMT). <i>The interest will accrue and be assessed at 120% of the underpayment rate in accordance with IRC §6621(c)</i>					
<b>19. Summary of Taxes, Penalties and Interest:</b>					
a. Balance due or (Overpayment) Taxes - (Line 16, Page 1)		XXXX.XX	XXXX.XX	XXX.XX	
b. Penalties (Line 18) - computed to		XXX.XX	XXX.XX	XX.XX	
c. Interest (IRC § 6601) - computed to		XXX.XX	XXX.XX	XX.XX	
d. TMT Interest - computed to <i>(on TMT underpayment)</i>					
e. Amount due or (refund) - (sum of Lines a, b, c and d)		XXXX.XX	XXXX.XX	XXXX.XX	
<b>Other Information:</b>					
Examiner's Signature:		Employee ID: XXXXXXX	Office: SBSE- Exam	Date: XX-XX-XXXX	
Consent to Assessment and Collection- I do not wish to exercise my appeal rights with the Internal Revenue Service or to contest in the United States Tax Court the findings in this report. Therefore, I give my consent to the immediate assessment and collection of any increase in tax and penalties, and accept any decrease in tax and penalties shown above, plus additional interest as provided by law. It is understood that this report is subject to acceptance by the Area Director, Area Manager, Specialty Tax Program Chief, or Director of Field Operations.					
<b>PLEASE NOTE: If a joint return was filed, BOTH taxpayers must sign</b>					
Signature of Taxpayer		Date:	Signature of Taxpayer		Date:
By:		Title:		Date:	
Catalog Number 23105A		www.irs.gov		Form 4549 (Rev. 5-2008)	

# 30-Day Letter

- IRS Letter 950
- Federal income tax audit concluded
- Revenue Agent's Report (RAR) has been issued outlining proposed changes
- May be bypassed if time remaining on the statute of limitations is insufficient




# 30-Day Letter continued

## Options

- Accept and pay proposed liability
- Appeal findings
- Do nothing in anticipation of receiving Notice of Deficiency (90-day letter)

**IRS**  
**30-Day**  
**Letter**  
 (page 1 of 2)

 Department of the Treasury  
 Internal Revenue Service  
**Large Business and International**  
 5218 Atlantic Avenue, 1st Floor  
 Mays Landing NJ 08330

Date:  
 March 19, 2015  
 Taxpayer ID number:  
 [REDACTED]  
 Form:  
 1040  
 Tax periods ended:  
 December 31, 2008  
 December 31, 2009

[REDACTED]  
 UNITED STATES

Person to contact:  
 D. Christy Hartnett  
 Contact telephone number:  
 609-625-7833  
 Contact fax number:

Employee ID number:  
 1001716008  
 Response due date:  
 April 18, 2015

Dear [REDACTED]

I am enclosing two copies of an examination report showing proposed changes to your tax for the periods listed above. Review the report, and tell us whether you agree or disagree with the changes **by the response due date listed above**. If you have an interest in any partnerships, S corporations, trusts, etc., this report may not reflect examinations of those entities. Changes to those accounts could also affect your tax.

**If you agree with the proposed changes in the report**

1. Sign and date one copy of the examination report (or agreement form if enclosed). If you filed a joint return, both spouses must sign.
2. Include payment for the full amount you owe (if the report shows you owe additional tax) to limit penalty and interest charges to your account. Make payment payable to the United States Treasury.
3. Return the signed and dated examination report or agreement form with your payment **by the response due date** in the enclosed envelope.

**If you agree, but can't pay the full amount you owe**

Sign, date, and return one copy of the examination report or agreement form, as explained above, and pay as much as you can. You can call the person listed above to discuss payment. We explain payment options in the enclosed Publication 3498, *The Examination Process*. You can also visit [www.irs.gov](http://www.irs.gov) and search "tax payment options" for more information about:

- Installment agreements
- Automatic payment deductions
- Payroll deductions
- Credit card payments

If you don't enclose full payment for the additional tax, interest, and penalties, we'll bill you for the unpaid amounts. If you are a C Corporation, the law requires us to charge an interest rate 2% higher than the standard rate on deficiencies of \$100,000 or more (Section 6621(c) of the Internal Revenue Code).

Letter 950 (Rev. 8-2014)  
 Catalog Number 40390D

**IRS**  
**30-Day**  
**Letter**  
 (page 2 of 2)

**If you don't agree with the proposed changes in the report**

You can contact the person listed above to request a meeting or telephone conference with me. If you still don't agree after the meeting or telephone conference and want to request a conference with the Office of Appeals, you must take one of the following actions **by the response due date**:

- If the total proposed change to your tax and penalties is **\$25,000 or less** for each referenced tax period, you can request an Appeals conference by sending us either:
  - A completed Form 12203, *Request for Appeals Review* (enclosed). A fillable version of this form is available at [www.irs.gov/formspubs](http://www.irs.gov/formspubs).
  - A letter that requests an Appeals conference, and explains the changes you don't agree with and the reasons why you don't agree.
- If the total proposed change to your tax and penalties is **more than \$25,000** for any referenced tax period, you must follow the instructions in the enclosed Publication 3498 to submit a formal protest.

For Appeals to have enough time to consider your case, the statute of limitations generally must have at least 365 days remaining when Appeals receives it. If additional time is needed, we will request your consent to extend the period the law provides to assess additional tax. If you don't consent to extend the statute, we'll close your case based on the proposed changes and send you a notice of deficiency (explained below). For estate tax cases only, there must be at least 270 days remaining on the non-extendable statute of limitations when Appeals receives the case.

**If you request an Appeals conference**

An Appeals officer will contact you. Appeals conferences are informal and can be by correspondence, telephone, or in person. Appeals is an independent office and resolves most disputes informally and promptly. A conference with our Appeals office may:

- Help you avoid court costs, such as Tax Court filing fees
- Resolve the matter sooner
- Limit or prevent interest and penalties from increasing on your account

**If you don't reply by the response due date**

We'll process your case based on the proposed changes and send you a notice of deficiency. The notice normally gives you 90 days to either agree to the deficiency or file a petition with the United States Tax Court. If you petition the Tax Court, you'll generally have the opportunity for a pretrial settlement. If you can't reach a settlement agreement, your case will be heard in court. If you don't file a petition during the 90-day period after you receive the notice of deficiency, we'll assess the amount on the notice of deficiency, and you'll have to pay the full amount you owe or make payment arrangements.

If you have questions, you can contact the person listed at the top of this letter.

Sincerely,



D. Christy Hartnett  
 Internal Revenue Agent

Enclosures:  
 Examination Report (2)  
 870  
 Form 12203  
 Publication 3498  
 Envelope

Letter 950 (Rev. 8-2014)  
 Catalog Number 40390D

# Things to Note

- Revenue agents have very limited authority
- Appeals officers consider the government's perceived hazards of litigation stemming from an appeal or tax court petition filing increases chances of settlement

## Polling Question 20

Would you benefit from a course on the secrets of receiving an optimal result in an IRS audit?


# 90-Day Letter

## IRS Letter 937

- Also referred to as a Notice of Deficiency
- Must respond within 90 days in order to take appeal to tax court

# IRS 90-Day Letter

(page 1 of 6)

 Internal Revenue Service  
1973 North Rulon White Blvd. MS 6663  
Ogden, UT 84404-0021

Date: May 19, 2014

NORMAN J KREISMAN  
21700 OXNARD ST STE 1160  
WOODLAND HILLS CA 913677576

## Department of the Treasury

Taxpayer Name: [REDACTED]  
Taxpayer Identification Number: [REDACTED]  
Form Number:  
1120  
Year(s):  
2012

Contact Telephone Number:  
877-571-4712  
Contact Fax Number:  
855-235-8847  
Contact Hours:  
9:00 am – 5:00 pm

Dear Representative:

We are sending you the enclosed material under the provision of your power of attorney or other authorization we have on file. For your convenience, we have listed the name of the taxpayer to whom this material relates in the heading above.

If you have any questions, please call the telephone number shown in the heading of this letter.

Thank you for your cooperation.

Sincerely,

Tax Technician  
Business Underreporter Operation

Enclosures:  
 3219B

# IRS 90-Day Letter

(page 2 of 6)



Department of the Treasury

Internal Revenue Service  
1973 North Rulon White Blvd  
Ogden, UT 84201-0028

7013 2250 0000 8694 7411

Notice	CP3219B
Tax Period:	December 31, 2012
Notice Date:	May 19, 2014
Employer ID Number:	[REDACTED]
Form	1120
To Contact us	Phone 1-877-571-4712 Fax 1-855-235-8847
Last Date to Petition Tax Court	August 17, 2014

Notice of Deficiency

## Increase in tax and notice of your right to challenge

We have determined that there is a deficiency (increase) in your December 31, 2012 income tax. You have the right to challenge the increase in U.S. Tax Court. This notice explains how the additional amount was calculated and how you can challenge the increase in U.S. Tax Court.

### Summary

Increase in tax (deficiency)	\$	8,171
Failure-to-file penalty	\$	-
Substantial tax understatement penalty	\$	-

### What you need to do immediately

Review this notice and compare our changes to the information on your December 31, 2012 tax return.  
NOTE: The amounts shown above may differ from your previous notice because not all items can be challenged in tax court.

#### If you agree with the changes we made

- Sign the enclosed Form 4089 - Notice of Deficiency Waiver and mail it to us in the envelope provided.
- You can send a payment with Form 4089. Otherwise, you'll receive a bill for the amount due (including any interest and applicable penalties).

#### If you don't agree with the changes

- You have the right to challenge the increase in tax by filing a petition with the U.S. Tax Court by August 17, 2014. The Court can't consider your case if the petition is filed late. You can download a petition form and rules from [www.ustaxcourt.gov](http://www.ustaxcourt.gov) or contact:

Clerk of the U.S. Tax Court  
400 Second Street, NW  
Washington, DC 20217  
1-202-521-0700

- If you want us to consider additional information, please mail it to us in the enclosed envelope immediately. Our consideration will not extend the August 17, 2014 deadline to file a petition with the U.S. Tax Court.



**IRS  
90-Day  
Letter**  
(page 3 of 6)

Notice	CP3219B
Tax Period	December 31,2012
Notice Date	May 19,2014
Employer ID number	[REDACTED]
Form	1120

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**If we don't hear from you**

If we don't receive your Form 4089 - Notice of Deficiency Waiver, or you don't file a petition with the U.S. Tax Court by August 17, 2014, you'll receive a bill from us for the additional tax you owe plus any penalties and interest that apply.

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**Additional Information**

- Visit [www.irs.gov/cp3219b](http://www.irs.gov/cp3219b).
  - For tax forms, instructions, and publications, visit [www.irs.gov](http://www.irs.gov) or call 1-800-TAX-FORM (1-800-829-3676).
  - Review the enclosed Publication 3498-B, The Examination Process
  - Keep this notice for your records.
- If you'd like to authorize someone, in addition to you, to contact the IRS concerning this notice, please complete and send us the Power of Attorney and Declaration of Representative (Form 2848), before your representative contacts us on your behalf. Download Form 2848 from [www.irs.gov](http://www.irs.gov), or call 1-800-TAX-FORM (1-800-829-3676) to request a copy.
- The IRS office whose phone number appears at the top of the notice can best address and access your tax information and help get you answers. You may be eligible for help from the Taxpayer Advocate Service (TAS) if you have tried to resolve your tax problem through normal IRS channels and have gotten nowhere, or you believe an IRS procedure just isn't working as it should. TAS is your voice at the IRS. TAS helps taxpayers whose problems are causing financial difficulty or significant cost, including the cost of professional representation (this includes businesses as well as individuals). You can reach TAS by calling the TAS toll-free number at 1-877-777-4778 or by contacting the local Taxpayer Advocate office at:

OGDEN IRS CENTER  
TAXPAYER ADVOCATE  
1793 N RULON WHITE BLVD  
STOP 1005  
OGDEN, UT 84404

To learn more about TAS and your basic tax responsibilities, visit [www.taxpayeradvocate.irs.gov](http://www.taxpayeradvocate.irs.gov).

If you need assistance, please don't hesitate to contact us.

**IRS  
90-Day  
Letter**  
(page 4 of 6)

Form <b>4089</b> (Rev. January 1983)	Department of the Treasury – Internal Revenue Service <b>Notice of Deficiency - Waiver</b>	Symbols CCS:CCO:OGD:RDM 6663
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Name, SSN or EIN, and address of Taxpayer(s)



Kind of Tax Form 1120	<input checked="" type="checkbox"/> Copy to Authorized Representative		
Tax Year Ended December 31, 2012	Increase in Tax	Deficiency	Penalties
Increase in tax (deficiency)	\$ 8,171.00		

See the attached explanation for the above deficiencies

I consent to the immediate assessment and collection of the deficiencies (increase in tax and penalties) shown above, plus any interest provided by law.

<b>Your Signature</b>	_____ (Date signed)		
<b>Spouse's Signature, If A Joint Return Was Filed</b>	_____ (Date signed)		
<b>Taxpayer's Representative Sign Here</b>	_____ (Date signed)		
<b>Corporate Name:</b>	_____		
<b>Corporate Officers Sign Here</b>	_____ (Signature)	_____ (Title)	_____ (Date signed)
	_____ (Signature)	_____ (Title)	_____ (Date signed)

**Note:**

If you consent to the assessment of the amounts shown in this waiver, please sign and return it in order to limit the accumulation of interest and expedite our bill to you. Your consent will not prevent you from filing a claim for refund (after you have paid the tax) if you later believe you are entitled to a refund. It will not prevent us from later determining, if necessary, that you owe additional tax; nor will it extend the time provided by law for either action.

If you later file a claim and the Internal Revenue Service disallows it, you may file suit for refund in a district court or in the United States Claims Court, but you may not file a petition with the United States Tax Court.

**Who Must Sign**

joint return, both you and your spouse must sign the original and duplicate of this form. Sign your name exactly as it appears on the return. If you are acting under power of attorney for your spouse, you may sign as agent for him or her.

For an agent or attorney acting under a power of attorney, a power of attorney must be sent with this form if not previously filed.

For a person acting in a fiduciary capacity (executor, administrator, trustee), file Form 56, Notice Concerning Fiduciary Relationship, with this form if not previously filed.

For a corporation, enter the name of the corporation followed by the signature and title of the officer(s) authorized to sign.

If this waiver is for any year(s) for which you filed a return, you must sign and return it; keep the other copy for your records.

**IRS  
90-Day  
Letter**  
(page 5 of 6)

The proposed changes to your tax return are listed below:

Changes To Your Income And Deductions	Shown On Your Return	Reported To IRS, or as Corrected	Proposed Change
GROSS RENTS	\$0	\$53,289	\$53,289
OTHER INCOME	\$0	\$240	\$240
	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
TOTAL CHANGE TO TOTAL INCOME			\$53,529

Changes to Your Tax Computation	Shown on Your Return	As Corrected by IRS	Proposed Change
Taxable Income, line 30	-\$846	\$52,683	\$53,529
Tax, Sch J line 2	\$0	\$8,171	\$8,171
Other Credits, Sch J line 6	\$0	\$0	\$0
Other Taxes, Sch J line 8 + 10	\$0	\$0	\$0
Total Tax, line 31	\$0	\$8,171	\$8,171
		Penalties	\$0
	Interest - if paid by	April 24, 2014	\$277
		Total Amount You Owe	\$8,447
		Refund	\$0

**Information Reported to IRS that differs from the amounts shown on your return.**

To assist you in resolving this matter, we have enclosed transcripts of information returns the IRS used to determine the potential discrepancy. The listing may include amounts already reported on your tax return.

**Misidentified income**

If any of the income shown on this notice is not yours, send us the name, address, and taxpayer identification number of the person or business that received the income. Please notify the payers to correct their records to show the name and taxpayer identification number of the person or business who actually received the income, so that future reports to us are accurate.

**Next steps**

- You don't need to file an amended tax return for December 31, 2012. We will make the correction when we receive your response. However, if you choose to file an amended tax return, write "CP2030" on the top of your amended federal tax return and attach it behind your completed Response form. Go to [www.irs.gov](http://www.irs.gov) to download Form 1120X or call 1-800-TAX-FORM (1-800-829-3676).
- Please file an amended tax return for any other tax periods in which the same error occurred.
- We send information about these changes to state and local tax agencies, so if the changes we made apply, file an amended state or local tax return as soon as possible.

**Additional information**

- For tax forms, instructions, and publications, visit [www.irs.gov](http://www.irs.gov) or call 1-800-TAX-FORM (1-800-829-3676).
- Review the enclosed Publication 3498-A, The Examination Process.
- Keep this notice for your records.

# IRS 90-Day Letter

(page 6 of 6)

## Explanation of Changes

The following are additional explanations to help you understand the proposed changes to your tax return.

Please review your tax return to determine if, based on our proposal, the changes will affect the Net Operating Loss (NOL) as reported on Form 1120, line 30. You may need to change the NOL amount or adjust the amount carried forward to a subsequent year. If you have already applied the NOL to another tax year, you need to file a Form 1120X, Amended U.S. Corporate Tax Return for the other year with the appropriate Internal Revenue Service Center. If the tax return for the affected period has not yet been filed, confirm with a signed statement that your records have been corrected.

---

### ACCURACY PENALTY FOR SUBSTANTIAL TAX UNDERSTATEMENT – IRC SECTION 6662(d)

If we increase your tax, and the increase exceeds 10% of the corrected tax and is also equal to or greater than \$10,000, the law requires an accuracy-related penalty due to substantial understatement of tax. The penalty is 20% of your tax increase. The penalty may be reduced or not charged if you:

- Provide the substantial authority (such as, Internal Revenue Code, Regulations, Revenue Rulings, Revenue Procedures, etc.) you used to decide how to treat your income or deduction, or
- Tell us where on your return you clearly show the facts supporting your treatment of the income or deduction, or
- Submit a signed statement that clearly outlines the facts supporting your treatment of the understated income.

---

### Interest charges

We are required by law to charge interest on unpaid tax from the date the tax return was due to the date the tax is paid in full. The interest is charged as long as there is an unpaid amount due, including penalties, if applicable. (Internal Revenue Code section 6601)

For a detailed calculation of your interest, call 1-877-571-4712.

Corporate Interest – We charge additional interest of 2% if, according to our records, you didn't make your corporate tax payment within 30 days after the IRS notified you of the underpayment of tax. This interest begins on the 31st day after we notify you of the underpayment on tax amounts you owe over \$100,000, minus your timely payments and credits.

# Questions & Answers

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# Appeals

# Appeal Topics

## Overview

- Collection Appeal Rights
  - Collection Due Process (“CDP”) Form 12153
  - Collection Appeals Process (“CAP”) Form 9423
- Offer in Compromise Appeal
- Request for Mediation
- Fast Track Settlement
- Taxpayer Advocate

# Collection Appeal Rights

Two options...

- Collection Due Process (“CDP”) Form 12153
- Collection Appeals Process (“CAP”) Form 9423



<b><u>CAP (Form 9423)</u></b>	<b><u>CDP (Form 12153)</u></b>
Levy or seizure action that has been or will be taken	Notice of Intent to Levy and Notice of Your Right to Hearing
A Notice of Federal Tax Lien (NFTL) that has been or will be filed	Notice of Federal Tax Lien Filing and Your Right to Hearing under IRC 6320
The filing of a notice of lien against an alter-ego or nominee's property	Notice of Jeopardy Levy and Right to Appeal
Denials of requests to issue lien certificates, such as subordination, withdrawal, discharge or non-attachment	Notice of Levy on Your State Tax Refund
Rejected, proposed for modification or modified, or proposed for termination or terminated installment agreements	Notice of Levy and Notice of Your Right to a Hearing
Disallowance of taxpayer's request to return levied property under IRC 6343(d)	You may petition the Tax Court post findings
Disallowance of property owner's claim for return of property under IRC 6343(b)	Process takes significantly more time to reach a result than filing a CAP

# Similarities

- You may represent yourself
- You may be represented by an attorney
- You may be represented by a CPA
- You may be represented by any other person enrolled to practice before the IRS
- You may be represented by immediate family
- For businesses you may be represented by employees, partners or officers

# Differences

- You may go to court if you disagree with results of CDP hearing
- You may not go to court following a CAP hearing
- CAP results come in a relatively short period of time

# Collection Due Process

IRS FORM 12153

Request for a Collection Due Process or  
Equivalent Hearing

# IRS Form 12153 CDP (page 1 of 2)

Form <b>12153</b> (Rev. 12-2013)	<b>Request for a Collection Due Process or Equivalent Hearing</b>
-------------------------------------	---

Use this form to request a Collection Due Process (CDP) or equivalent hearing with the IRS Office of Appeals if you have been issued one of the following lien or levy notices:

- Notice of Federal Tax Lien Filing and Your Right to a Hearing under IRC 6320,
- Notice of Intent to Levy and Notice of Your Right to a Hearing,
- Notice of Jeopardy Levy and Right of Appeal,
- Notice of Levy on Your State Tax Refund,
- Notice of Levy and Notice of Your Right to a Hearing.

Complete this form and send it to the address shown on your lien or levy notice. Include a copy of your lien or levy notice to ensure proper handling of your request.

Call the phone number on the notice or 1-800-829-1040 if you are not sure about the correct address or if you want to fax your request.

**You can find a section explaining the deadline for requesting a Collection Due Process hearing in this form's instructions. If you've missed the deadline for requesting a CDP hearing, you must check line 7 (Equivalent Hearing) to request an equivalent hearing.**

1. Taxpayer Name: (Taxpayer 1) \_\_\_\_\_  
 Taxpayer Identification Number \_\_\_\_\_  
 Current Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

2. Telephone Number and Best Time to Call During Normal Business Hours	Home ( ) - - - - -	Work ( ) - - - - -	Cell ( ) - - - - -	<input type="checkbox"/> am. <input type="checkbox"/> pm.	<input type="checkbox"/> am. <input type="checkbox"/> pm.	<input type="checkbox"/> am. <input type="checkbox"/> pm.
--	--------------------	--------------------	--------------------	---	---	---

3. Taxpayer Name: (Taxpayer 2) \_\_\_\_\_  
 Taxpayer Identification Number \_\_\_\_\_  
 Current Address \_\_\_\_\_  
(If Different from Address Above) City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

4. Telephone Number and Best Time to Call During Normal Business Hours	Home ( ) - - - - -	Work ( ) - - - - -	Cell ( ) - - - - -	<input type="checkbox"/> am. <input type="checkbox"/> pm.	<input type="checkbox"/> am. <input type="checkbox"/> pm.	<input type="checkbox"/> am. <input type="checkbox"/> pm.
--	--------------------	--------------------	--------------------	---	---	---

5. Tax Information as Shown on the Lien or Levy Notice *(If possible, attach a copy of the notice)*

Type of Tax (Income, Employment, Excise, etc. or Civil Penalty)	Tax Form Number (1040, 941, 720, etc)	Tax Period or Periods

**IRS Form  
12153  
CDP  
(page 2 of 2)**

Form <b>12153</b> (Rev. 12-2013)	<b>Request for a Collection Due Process or Equivalent Hearing</b>	
6. Basis for Hearing Request (Both boxes can be checked if you have received both a lien and levy notice)		
<input type="checkbox"/> Filed Notice of Federal Tax Lien <input type="checkbox"/> Proposed Levy or Actual Levy		
7. Equivalent Hearing (See the instructions for more information on Equivalent Hearings)		
<input type="checkbox"/> I would like an Equivalent Hearing - I would like a hearing equivalent to a CDP Hearing if my request for a CDP hearing does not meet the requirements for a timely CDP Hearing.		
8. Check the most appropriate box for the reason you disagree with the filing of the lien or the levy. <b>See page 4 of this form for examples.</b> You can add more pages if you don't have enough space. If, during your CDP Hearing, you think you would like to discuss a Collection Alternative to the action proposed by the Collection function it is recommended you submit a completed Form 433A (Individual) and/or Form 433B (Business), as appropriate, with this form. See <a href="http://www.irs.gov">www.irs.gov</a> for copies of the forms. Generally, the Office of Appeals will ask the Collection Function to review, verify and provide their opinion on any new information you submit. We will share their comments with you and give you the opportunity to respond.		
Collection Alternative <input type="checkbox"/> Installment Agreement <input type="checkbox"/> Offer in Compromise <input type="checkbox"/> I Cannot Pay Balance		
Lien <input type="checkbox"/> Subordination <input type="checkbox"/> Discharge <input type="checkbox"/> Withdrawal		
Please explain:		
My Spouse Is Responsible <input type="checkbox"/> Innocent Spouse Relief (Please attach Form 8857, Request for Innocent Spouse Relief, to your request.)		
Other (For examples, see page 4) <input type="checkbox"/>		
Reason (You must provide a reason for the dispute or your request for a CDP hearing will not be honored. Use as much space as you need to explain the reason for your request. Attach extra pages if necessary.):		
9. Signatures		
I understand the CDP hearing and any subsequent judicial review will suspend the statutory period of limitations for collection action. I also understand my representative or I must sign and date this request before the IRS Office of Appeals can accept it. If you are signing as an officer of a company add your title (president, secretary, etc.) behind your signature.		
<b>SIGN HERE</b>	Taxpayer 1's Signature	Date
	Taxpayer 2's Signature (if a joint request, both must sign)	Date
<input type="checkbox"/> I request my CDP hearing be held with my authorized representative (attach a copy of Form 2848)		
Authorized Representative's Signature	Authorized Representative's Name	Telephone Number
<b>IRS Use Only</b>		
IRS Employee (Print)	Employee Telephone Number	IRS Received Date
Form <b>12153</b> (Rev. 12-2013)    Catalog Number 206850 <a href="http://www.irs.gov">www.irs.gov</a> Department of the Treasury - Internal Revenue Service		

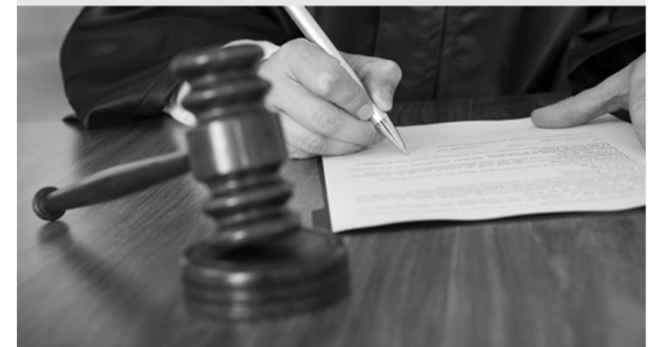
What to do...  
when things get tough

This course shows you how to fix the  
problem when most think they're  
done!

...don't miss out

**TRI**  
**Offers in Compromise  
& Appeals**

Tax Resolution Essentials



**120A** | Webinar

Webinar: \$99.00

# Collection Appeal Rights

IRS FORM 9423

Collection Appeal Request

(800) 658-7590

www.taxresolutioninstitute.org

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# IRS Form 9423 CAP

Form <b>9423</b> (August 2014)				Department of the Treasury - Internal Revenue Service <b>Collection Appeal Request</b> (Instructions are on the reverse side of this form)			
1. Taxpayer's name				2. Representative (Attach a copy of Form 2848, Power of Attorney)			
3. SSN/EIN		4. Taxpayer's business phone		5. Taxpayer's home phone		6. Representative's phone	
7. Taxpayer's street address							
8. City			9. State		10. ZIP code		
11. Type of tax (Tax form)			12. Tax periods being appealed			13. Tax due	
<b>Collection Action(s) Appealed</b>							
14. Check the Collection action(s) you are appealing							
<input type="checkbox"/> Federal Tax Lien		<input type="checkbox"/> Levy or Proposed Levy		<input type="checkbox"/> Seizure			
<input type="checkbox"/> Rejection of Installment Agreement		<input type="checkbox"/> Termination of Installment Agreement		<input type="checkbox"/> Modification of Installment Agreement			
<b>Explanation</b>							
15. Explain why you disagree with the collection action(s) you checked above and explain how you would resolve your tax problem. Attach additional pages if needed. Attach copies of any documents that you think will support your position. Generally, the Office of Appeals will ask the Collection Function to review, verify and provide their opinion on any new information you submit. We will share their comments with you and give you the opportunity to respond.							
Under penalties of perjury, I declare that I have examined this request and any accompanying documents, and to the best of my knowledge and belief, they are true, correct and complete. A submission by a representative, other than the taxpayer, is based on all information of which the representative has any knowledge.							
16. <input type="checkbox"/> Taxpayer's or <input type="checkbox"/> Authorized Representative's signature (Only check one box)				17. Date signed			
<b>IRS USE ONLY</b>							
18. Revenue Officer's name			19. Revenue Officer's signature			20. Date signed	
21. Revenue Officer's phone			22. Revenue Officer's email address			23. Date received	
24. Collection Manager's name			25. Collection Manager's signature			26. Date signed	
27. Collection Manager's phone			28. Collection Manager's email address			29. Date received	
Form <b>9423</b> (Rev. 8-2014) Catalog Number 141001				www.irs.gov		Department of the Treasury - Internal Revenue Service	

# Polling Question 21

If you submit an offer in compromise on behalf of a client and it gets rejected, what would you do next?

Need an IRS Form? Visit the Forms Library  
under the Libraries section at [www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)

# Fast Track Settlement and Mediation (income tax audits)

(800) 658-7590

www.taxresolutioninstitute.org

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# Purpose

- To provide a quicker result for tax examinations
- Involves Appeals Officer sooner than otherwise may happen
- Either IRS or taxpayer may request either process
- Both parties must agree in order to begin either process

# Fast Track Settlement

- Use form 14017
- Entire process should be less than 60 days
- Can be initiated at the appeals level
- Mediator considers hazards of litigation
- Neither the taxpayer nor the IRS (via examining agent) are obligated to accept the mediator's proposal.

# Fast Track Settlement

IRS FORM 14017

Application for Fast Track Settlement

(800) 658-7590

www.taxresolutioninstitute.org

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# IRS Form 14017 Application for Fast Track Settlement

Application for Fast Track Settlement					
Submitted to Appeals		From			Type of Tax
Date _____	Location _____	<input type="checkbox"/> LB&I	<input type="checkbox"/> SB/SE	<input type="checkbox"/> TE/GE	<input type="checkbox"/> Other _____
Taxpayer name			Representative name (if applicable)		
Taxpayer TIN/EIN		Tax years		Name of Firm	
Address			Address		
City	State	Zip	City	State	Zip
Telephone		Fax		Telephone	
Examination Group / Team Manager			Source (FE/OE/CO, etc)		
City	State	Zip	Telephone	Fax	
<b>Other Participants (if applicable)</b>					
Name		Position or Affiliation		Phone	
<b>Signatures</b>					
<small>The undersigned request Appeals assistance in the Fast Track Settlement (FTS) process. The issues for which this assistance is requested are described in the Form(s) 5701, Summary of Issues or Examination Re-Engineering Lead Sheets or similar documents and the taxpayer's written response, and are attached to this application. By signing this application, taxpayer consents, pursuant to section 6103(c) of the Code, to the disclosure of the taxpayer's returns and return information pertaining to the issues being considered in the FTS process to those persons named on the application as participants in the process. The prohibition against ex parte communications between Appeals personnel and other Service employees provided by section 1001(a) of the Internal Revenue Service Restructuring and Reform Act of 1998 does not apply to the communications arising in FTS because Appeals personnel, in facilitating an agreement between the taxpayer and the other Service Operating Division, are not acting in their traditional Appeals settlement role. IRS employees, taxpayer and persons invited to participate by the IRS or taxpayer will not voluntarily disclose information regarding any communication made during the FTS session, except as provided by statute.</small>					
Taxpayer Signature				Date signed	
Taxpayer Spouse's Signature (if related to a joint return)				Date signed	
Taxpayer(s) Representative Signature				Date signed	
IRS Group / Team Manager Signature				Date signed	
Approving Operating Division Official (Signature and Title)				Date signed	
Accepted by Appeals Official (Appeals Team Manager Signature)				Date signed	
Accepted by Appeals Official (Appeals Program Manager Signature)				Date signed	
<input type="checkbox"/> Industry (IC) <input type="checkbox"/> Coordinated Industry Case (CIC) <input type="checkbox"/> Other _____                   Potential Joint Committee <input type="checkbox"/> Yes <input type="checkbox"/> No					
<input type="checkbox"/> Industry <input type="checkbox"/> NR <input type="checkbox"/> HMT <input type="checkbox"/> RFPH <input type="checkbox"/> CTM <input type="checkbox"/> FS                   MFT: _____                   PBC: _____                   Listed Transaction <input type="checkbox"/> Yes <input type="checkbox"/> No					
Preferred Conference Site _____				Fast Track End Date _____	
Form <b>14017</b> (Rev. 10-2010)                       Catalog Number 51767Y                       www.irs.gov                       Department of the Treasury - Internal Revenue Service					

# Fast Track Mediation

- Use form 13369
- Mediator only views items at the examination level
- CANNOT be initiated at the appeals level
- Neither the taxpayer nor the IRS (via examining agent) are obligated to accept the mediators proposal.



# Fast Track Mediation

IRS FORM 13369  
Agreement to Mediate

# IRS Form 13369 Agreement to Mediate

<b>Agreement to Mediate</b>		OMB No. 1545-1844
<b>To: Appeals Team Manager</b>		Date
<b>Compliance Officer Information</b> <i>(The person to contact in Compliance about this case)</i>		
Name	Title	
Office telephone number	ID/Badge number	
Taxpayer's Identification Number (TIN)	Year(s)	
Source (FE/OE/CO, etc.)	MFT	
Type of Tax (1040, 1120 Emp., etc) or Collection Issue (CDP, OIG etc)		
Taxpayer's name		Phone (Include Area Code)
Home street address (P.O. Boxes are not allowed)		
City	State	ZIP code
Representative's name		Firm name
Office street address (P.O. Boxes are not allowed)		
City	State	ZIP code
Office phone number (Include Area Code)		FAX number (Include Area Code)
<small>IRS and Treasury employees who participate in any way in the mediation process and any person under contract to the IRS invited to participate, will be subject to the confidentiality and disclosure provisions of the Internal Revenue Code, including I.R.C. sections 6103, 7213, 7213A, and 7431. See also 5 U.S.C. section 574. The parties also acknowledge that IRS and all other Treasury employees involved in the mediation are bound by I.R.C. section 7214(a)(8) and must report information concerning violations of any revenue law to the Secretary. The Mediator will have the right to ask either party for additional information if deemed necessary for a full understanding of the issues being mediated. A copy of any submission a party gives to the mediator will be provided simultaneously to the other party.</small>		
<small>The Taxpayer consents to the disclosure by the IRS of the Taxpayer's returns and return information incident to the mediation to any participant or observer for the Taxpayer, including persons providing expert assistance for the IRS. If the mediation agreement is executed by a person pursuant to a power of attorney executed by the Taxpayer, that power of attorney must clearly express the Taxpayer's grant of authority to consent to disclose the Taxpayer's returns and return information by the IRS to third parties, and a copy of that power of attorney must be attached to this agreement.</small>		
Taxpayer's signature		Date signed
Taxpayer's signature		Date signed
Taxpayer's Representative signature		Date signed
Compliance Officer's signature		Date signed
<b>Other Participants</b> <i>(if applicable)</i>		
Name	Position or Affiliation	Phone (Include Area Code)
Name	Position or Affiliation	Phone (Include Area Code)
Name	Position or Affiliation	Phone (Include Area Code)

# Taxpayer Advocate

Use form to request Taxpayer Advocate Service (TAS) assistance when:

- Taxpayer's problem with IRS is causing financial difficulties to taxpayer, taxpayer's family or taxpayer's business
- Taxpayer or taxpayer's business is facing an immediate threat or adverse action
- Taxpayer has tried repeatedly to contact the IRS, but no one has responded, or the IRS has not responded by the date promised
- If TAS does not respond within 1 week, contact TAS office via telephone

# Taxpayer Advocate

IRS FORM 911  
Request for Taxpayer Advocate

(800) 658-7590

www.taxresolutioninstitute.org

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# IRS Form 911 Request for Taxpayer Advocate (page 1 of 2)

Form <b>911</b> (February 2015)		Department of the Treasury - Internal Revenue Service <b>Request for Taxpayer Advocate Service Assistance</b> (And Application for Taxpayer Assistance Order)		OMB Number 1545-1504
<b>Section I – Taxpayer Information</b> (See Pages 3 and 4 for Form 911 Filing Requirements and Instructions for Completing this Form.)				
1a. Your name as shown on tax return		1b. Taxpayer Identifying Number (SSN, ITIN, EIN)		
2a. Spouse's name as shown on tax return (if applicable)		2b. Spouse's Taxpayer Identifying Number (SSN, ITIN)		
3a. Your current street address (Number, Street, & Apt. Number)				
3b. City		3c. State (or Foreign Country)	3d. ZIP code	
4. Fax number (if applicable)	5. Email address			
6. Tax form number (1040, 941, 720, etc.)		7. Tax year(s) or period(s)		
8. Person to contact if Section II is not being used		9a. Daytime phone number	9b. <input type="checkbox"/> Check here if you consent to have confidential information about your tax issue left on your answering machine or voice message at this number.	
10. Best time to call		<input type="checkbox"/> Check if Cell Phone		
11. Preferred language (if applicable) <input type="checkbox"/> TTY/TDD Line <input type="checkbox"/> Interpreter needed - Specify language other than English (including sign language) _____ <input type="checkbox"/> Other (please specify) _____				
12a. Please describe the tax issue you are experiencing and any difficulties it may be creating (If more space is needed, attach additional sheets.) (See instructions for completing Lines 12a and 12b)				
12b. Please describe the relief/assistance you are requesting (If more space is needed, attach additional sheets.)				
I understand that Taxpayer Advocate Service employees may contact third parties in order to respond to this request and I authorize such contacts to be made. Further, by authorizing the Taxpayer Advocate Service to contact third parties, I understand that I will not receive notice, pursuant to section 7802(c) of the Internal Revenue Code, of third parties contacted in connection with this request.				
13a. Signature of Taxpayer or Corporate Officer, and title, if applicable		13b. Date signed		
14a. Signature of spouse		14b. Date signed		
<b>Section II – Representative Information</b> (Attach Form 2848 if not already on file with the IRS.)				
1. Name of authorized representative		2. Centralized Authorization File (CAF) number		
3. Current mailing address		4. Daytime phone number		<input type="checkbox"/> Check if Cell Phone
		5. Fax number		
6. Signature of representative		7. Date signed		

# IRS Form 911 Request for Taxpayer Advocate (page 2 of 2)

**Section III – Initiating Employee Information (Section III is to be completed by the IRS only)**

Taxpayer name			Taxpayer Identifying Number (TIN)	
---------------	--	--	-----------------------------------	--

1. Name of employee	2. Phone number	3a. Function	3b. Operating division	4. Organization code no.
---------------------	-----------------	--------------	------------------------	--------------------------

5. How identified and received (Check the appropriate box)				6. IRS received date
IRS Function identified issue as meeting Taxpayer Advocate Service (TAS) criteria <input type="checkbox"/> (r) Functional referral (Function identified taxpayer issue as meeting TAS criteria). <input type="checkbox"/> (x) Congressional correspondence/inquiry not addressed to TAS but referred for TAS handling. Name of Senator/Representative _____ Taxpayer or Representative requested TAS assistance				
<input type="checkbox"/> (n) Taxpayer or representative called into a National Taxpayer Advocate (NTA) Toll-Free site. <input type="checkbox"/> (s) Functional referral (taxpayer or representative specifically requested TAS assistance).				

7. TAS criteria (Check the appropriate box. NOTE: Checkbox 9 is for TAS Use Only)

(1) The taxpayer is experiencing economic harm or is about to suffer economic harm.

(2) The taxpayer is facing an immediate threat of adverse action.

(3) The taxpayer will incur significant costs if relief is not granted (including fees for professional representation).

(4) The taxpayer will suffer irreparable injury or long-term adverse impact if relief is not granted.  
(if any items 1-4 are checked, complete Question 9 below)

(5) The taxpayer has experienced a delay of more than 30 days to resolve a tax account problem.

(6) The taxpayer did not receive a response or resolution to their problem or inquiry by the date promised.

(7) A system or procedure has either failed to operate as intended, or failed to resolve the taxpayer's problem or dispute within the IRS.

(8) The manner in which the tax laws are being administered raise considerations of equity, or have impaired or will impair the taxpayer's rights.

(9) The NTA determines compelling public policy warrants assistance to an individual or group of taxpayers (TAS Use Only)

8. What action(s) did you take to help resolve the issue? (This block MUST be completed by the initiating employee)  
If you were unable to resolve the issue, state the reason why (if applicable)

9. Provide a description of the Taxpayer's situation, and where appropriate, explain the circumstances that are creating the economic burden and how the Taxpayer could be adversely affected if the requested assistance is not provided  
(This block MUST be completed by the initiating employee)

10. How did the taxpayer learn about the Taxpayer Advocate Service

IRS Forms or Publications  Media  IRS Employee  Other (please specify) \_\_\_\_\_

## Polling Question 22

Would you benefit from a brief consultation at no cost to help your clients with tax problems?

### Upcoming Audit?

See our Course Calendar to view the comprehensive list of courses at [www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)

# Tax Court

a brief look ...



# Tax Court

## Advantages

- Change of a favorable result to taxpayer has a high probability
- Over 90% of tax court cases reach settlement prior to trial

# Tax Court

## Disadvantages

- You cannot go to tax court if you have already paid the tax in question
- Tax court meets infrequently and a result will take a long time
- Trial is typically calendared more than 6 months from the time a petition is filed
- Small cases often take a year to decide

# Tax Court

## Types of Tax Court

# Tax Court

## Small Tax Court (S Case) Proceedings

- Cases sent to Office of Appeals
- Cases can not exceed liability of \$50,000 per year
- Nominal filing fee
- Taxpayer will receive notice of trial, standing pre-trial order and trial memorandum
- IRS counsel may request meeting to discuss the case

# Tax Court

## Small Tax Court (S Case) Proceedings

- Burden of proof is on the taxpayer
- Judge may render decision at trial or by mail
- Court will send bill for remaining taxes
- Legal briefs typically not necessary
- Findings can not be appealed to Court of Appeals

# Tax Court

## Regular Tax Court Proceedings

- Most cases settle before trial
- Nominal filing fee
- Requires submission of legal briefs by IRS and taxpayer
- May request reclassification as an S Case if taxpayer is willing to waive right to contest tax assessed above \$50,000

# US Tax Court Petition Package (page 1 of 5)

## Information About Filing a Case in the United States Tax Court

Attached are the forms to use in filing your case in the United States Tax Court.

It is very important that you take time to carefully read the information on this page and that you properly complete and submit these forms to the United States Tax Court, 400 Second Street, N.W., Washington, D.C. 20217.

### Small Tax Case or Regular Tax Case

If you seek review of one of the four types of IRS Notices listed in paragraph 1 of the petition form (Form 2), you may file your petition as a "small tax case" if your dispute meets certain dollar limits (described below). "Small tax cases" are handled under simpler, less formal procedures than regular cases. However, the Tax Court's decision in a small tax case cannot be appealed to a Court of Appeals by the IRS or by the taxpayer(s).

You can choose to have your case conducted as either a small tax case or a regular case by checking the appropriate box in paragraph 4 of the petition form (Form 2). If you check neither box, the Court will file your case as a regular case.

Dollar Limits: Dollar limits for a small tax case vary slightly depending on the type of IRS action you seek to have the Tax Court review:

- (1) If you seek review of an IRS Notice of Deficiency, the amount of the deficiency (including any additions to tax or penalties) that you dispute cannot exceed \$50,000 for any year.
- (2) If you seek review of an IRS Notice of Determination Concerning Collection Action, the total amount of unpaid tax cannot exceed \$50,000 for all years combined.
- (3) If you seek review of an IRS Notice of Determination Concerning Your Request for Relief From Joint and Several Liability (or if the IRS failed to send you any Notice of Determination with respect to a request for spousal relief that you submitted to the IRS at least 6 months ago), the amount of spousal relief sought cannot exceed \$50,000 for all years combined.
- (4) If you seek review of an IRS Notice of Determination of Worker Classification, the amount in dispute cannot exceed \$50,000 for any calendar quarter.

### Enclosures

To help ensure that your case is properly processed, please enclose the following items when you mail your petition to the Tax Court:

1. A copy of the Notice of Deficiency or Notice of Determination the IRS sent you;
2. Your Statement of Taxpayer Identification Number (Form 4);
3. The Request for Place of Trial (Form 5); and
4. The \$60 filing fee, payable by check, money order, or other draft, to the "Clerk, United States Tax Court"; or, if applicable, the fee waiver form.

For further important information, see the Court's Web site at [www.ustaxcourt.gov](http://www.ustaxcourt.gov) or the "Persons Representing Themselves Before the U.S. Tax Court" booklet available from the Tax Court.

# US Tax Court Petition Package (page 2 of 5)

UNITED STATES TAX COURT  
[www.ustaxcourt.gov](http://www.ustaxcourt.gov)

These forms can be filled-in and printed directly from Acrobat Reader. However, please be aware that the information you enter on a form cannot be saved to disk unless you are using the full Adobe Acrobat software suite.

(FIRST) (MIDDLE) (LAST)  
 \_\_\_\_\_  
 (PLEASE TYPE OR PRINT) Petitioner(s)  
 v.  
 COMMISSIONER OF INTERNAL REVENUE,  
 Respondent

To begin, move your mouse pointer over the Petitioner(s) name field. Your pointer will turn into a vertical beam, indicating that you are over an editable field. Simply click once and begin typing. Use the Tab key to move forward through the form fields (Shift+Tab to move backwards).

} Docket No.

PETITION

1. Please check the appropriate box(es) to show which IRS NOTICE(s) you dispute:

- Notice of Deficiency
- Notice of Determination Concerning Your Request for Relief From Joint and Several Liability. (If you requested relief from joint and several liability but the IRS has not made a determination, please see the Information for Persons Representing Themselves Before the U.S. Tax Court booklet or the Tax Court's Web site.)
- Notice of Determination Concerning Collection Action
- Notice of Determination Concerning Worker Classification

2. Provide the date(s) the IRS issued the NOTICE(s) checked above and the city and State of the IRS office(s) issuing the NOTICE(S): \_\_\_\_\_

3. Provide the year(s) or period(s) for which the NOTICE(S) was/were issued: \_\_\_\_\_

4. SELECT ONE OF THE FOLLOWING:

- If you want your case conducted under small tax case procedures, check here:  (CHECK
- If you want your case conducted under regular tax case procedures, check here:  ONE BOX)

NOTE: A decision in a "small tax case" cannot be appealed to a Court of Appeals by the taxpayer or the IRS. If you do not check either box, the Court will file your case as a regular tax case.

5. Explain why you disagree with the IRS determination in this case (please list each point separately):

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
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# US Tax Court Petition Package (page 3 of 5)

6. State the facts upon which you rely (please list each point separately):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

You may use additional pages to explain why you disagree with the IRS determination or to state additional facts. Please do not submit tax forms, receipts, or other types of evidence with this petition.

ENCLOSURES: Please check the appropriate boxes to show that you have enclosed the following items with this petition:

- A copy of the Determination or Notice the IRS issued to you
- Statement of Taxpayer Identification Number (Form 4) (See PRIVACY NOTICE below)
- The Request for Place of Trial (Form 5)       The filing fee

PRIVACY NOTICE: Form 4 (Statement of Taxpayer Identification Number) will not be part of the Court's public files. All other documents filed with the Court, including this Petition and any IRS Notice that you enclose with this Petition, will become part of the Court's public files. To protect your privacy, you are strongly encouraged to omit or remove from this Petition, from any enclosed IRS Notice, and from any other document (other than Form 4) your taxpayer identification number (e.g., your Social Security number) and certain other confidential information as specified in the Tax Court's "Notice Regarding Privacy and Public Access to Case Files", available at [www.ustaxcourt.gov](http://www.ustaxcourt.gov).

\_\_\_\_\_  
SIGNATURE OF PETITIONER      DATE      (AREA CODE) TELEPHONE NO.

\_\_\_\_\_  
MAILING ADDRESS      CITY, STATE, ZIP CODE

State of legal residence (if different from the mailing address): \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE OF ADDITIONAL PETITIONER (e.g., SPOUSE)      DATE      (AREA CODE) TELEPHONE NO.

\_\_\_\_\_  
MAILING ADDRESS      CITY, STATE, ZIP CODE

State of legal residence (if different from the mailing address): \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE OF COUNSEL, IF RETAINED BY PETITIONER(S)      NAME OF COUNSEL      TAX COURT BAR NO.

\_\_\_\_\_  
MAILING ADDRESS, CITY, STATE, ZIP CODE      DATE      (AREA CODE) TELEPHONE NO.

**US Tax  
Court  
Petition  
Package  
(page 4 of 5)**

UNITED STATES TAX COURT  
[www.ustaxcourt.gov](http://www.ustaxcourt.gov)

	}	Docket No.
Petitioner(s)		
v. COMMISSIONER OF INTERNAL REVENUE, Respondent		

STATEMENT OF TAXPAYER IDENTIFICATION NUMBER  
(E.g., Social Security number(s), employer identification number(s))

Name of Petitioner \_\_\_\_\_

Petitioner's Taxpayer Identification Number \_\_\_\_\_

Name of Additional Petitioner \_\_\_\_\_

Additional Petitioner's Taxpayer Identification Number \_\_\_\_\_

If either petitioner is seeking relief from joint and several liability on a joint return pursuant to Section 6015, I.R.C. 1986, and Rules 320 through 325, name of the other individual with whom petitioner filed a joint return:

\_\_\_\_\_

Taxpayer Identification Number of the other individual, if available:

\_\_\_\_\_

\_\_\_\_\_  
SIGNATURE OF PETITIONER OR COUNSEL

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE OF ADDITIONAL PETITIONER

\_\_\_\_\_  
DATE

**US Tax  
Court  
Petition  
Package**  
(page 5 of 5)

UNITED STATES TAX COURT  
[www.ustaxcourt.gov](http://www.ustaxcourt.gov)

Petitioner(s)	}	Docket No.
v.		
COMMISSIONER OF INTERNAL REVENUE, Respondent		

REQUEST FOR PLACE OF TRIAL

PLACE AN "X" IN ONLY ONE BOX TO REQUEST THE PLACE OF TRIAL. IF PETITIONER(S) ELECTED TO HAVE THE CASE CONDUCTED AS A SMALL TAX CASE, REQUEST ANY CITY LISTED BELOW; OTHERWISE, REQUEST ANY CITY NOT MARKED WITH AN ASTERISK (\*).

- |  |  |   |
|--|--|---|
| ALABAMA<br><input type="checkbox"/> Birmingham<br><input type="checkbox"/> Mobile<br>ALASKA<br><input type="checkbox"/> Anchorage<br>ARIZONA<br><input type="checkbox"/> Phoenix<br>ARKANSAS<br><input type="checkbox"/> Little Rock<br>CALIFORNIA<br><input type="checkbox"/> Fresno*<br><input type="checkbox"/> Los Angeles<br><input type="checkbox"/> San Diego<br><input type="checkbox"/> San Francisco<br>COLORADO<br><input type="checkbox"/> Denver<br>CONNECTICUT<br><input type="checkbox"/> Hartford<br>DISTRICT OF COLUMBIA<br><input type="checkbox"/> Washington<br>FLORIDA<br><input type="checkbox"/> Jacksonville<br><input type="checkbox"/> Miami<br><input type="checkbox"/> Tallahassee*<br><input type="checkbox"/> Tampa<br>GEORGIA<br><input type="checkbox"/> Atlanta<br>HAWAII<br><input type="checkbox"/> Honolulu<br>IDAHO<br><input type="checkbox"/> Boise<br><input type="checkbox"/> Pocatello*<br>ILLINOIS<br><input type="checkbox"/> Chicago<br><input type="checkbox"/> Peoria*<br>INDIANA<br><input type="checkbox"/> Indianapolis<br>IOWA<br><input type="checkbox"/> Des Moines | KANSAS<br><input type="checkbox"/> Wichita*<br>KENTUCKY<br><input type="checkbox"/> Louisville<br>LOUISIANA<br><input type="checkbox"/> New Orleans<br><input type="checkbox"/> Shreveport*<br>MAINE<br><input type="checkbox"/> Portland*<br>MARYLAND<br><input type="checkbox"/> Baltimore<br>MASSACHUSETTS<br><input type="checkbox"/> Boston<br>MICHIGAN<br><input type="checkbox"/> Detroit<br>MINNESOTA<br><input type="checkbox"/> St. Paul<br>MISSISSIPPI<br><input type="checkbox"/> Jackson<br>MISSOURI<br><input type="checkbox"/> Kansas City<br><input type="checkbox"/> St. Louis<br>MONTANA<br><input type="checkbox"/> Billings*<br><input type="checkbox"/> Helena<br>NEBRASKA<br><input type="checkbox"/> Omaha<br>NEVADA<br><input type="checkbox"/> Las Vegas<br><input type="checkbox"/> Reno<br>NEW MEXICO<br><input type="checkbox"/> Albuquerque<br>NEW YORK<br><input type="checkbox"/> Albany*<br><input type="checkbox"/> Buffalo<br><input type="checkbox"/> New York City<br><input type="checkbox"/> Syracuse*<br>NORTH CAROLINA<br><input type="checkbox"/> Winston-Salem<br>NORTH DAKOTA<br><input type="checkbox"/> Bismarck* | OHIO<br><input type="checkbox"/> Cincinnati<br><input type="checkbox"/> Cleveland<br><input type="checkbox"/> Columbus<br>OKLAHOMA<br><input type="checkbox"/> Oklahoma City<br>OREGON<br><input type="checkbox"/> Portland<br>PENNSYLVANIA<br><input type="checkbox"/> Philadelphia<br><input type="checkbox"/> Pittsburgh<br>SOUTH CAROLINA<br><input type="checkbox"/> Columbia<br>SOUTH DAKOTA<br><input type="checkbox"/> Aberdeen*<br>TENNESSEE<br><input type="checkbox"/> Knoxville<br><input type="checkbox"/> Memphis<br><input type="checkbox"/> Nashville<br>TEXAS<br><input type="checkbox"/> Dallas<br><input type="checkbox"/> El Paso<br><input type="checkbox"/> Houston<br><input type="checkbox"/> Lubbock<br><input type="checkbox"/> San Antonio<br>UTAH<br><input type="checkbox"/> Salt Lake City<br>VERMONT<br><input type="checkbox"/> Burlington*<br>VIRGINIA<br><input type="checkbox"/> Richmond<br><input type="checkbox"/> Roanoke*<br>WASHINGTON<br><input type="checkbox"/> Seattle<br><input type="checkbox"/> Spokane<br>WEST VIRGINIA<br><input type="checkbox"/> Charleston<br>WISCONSIN<br><input type="checkbox"/> Milwaukee<br>WYOMING<br><input type="checkbox"/> Cheyenne* |
|--|--|---|

\_\_\_\_\_  
Signature of Petitioner(s) or Counsel

\_\_\_\_\_  
Date

# Tax Court

## Who can file a petition?

- Any person who has received a notice of deficiency
- Any person who has received a notice of determination
- In some instances a petition may be filed for relief from joint and several liability (innocent spouse relief)

# Tax Court

Who can appear in tax court?

- A private attorney
- A non-attorney admitted to practice in tax court
- A taxpayer without representation

## Polling Question 23

What would you do if your client came to you with an IRS notice of wage garnishment?

# Summary of Today's Low Hanging Fruit

(how to make money in the next 12 months)

- Status 63 – keep the Trust Fund recovery penalty from hitting you client's credit
- Represent your client in a Trust Fund Recovery Penalty 4180 interview
- Streamlined installment agreements

“Sell knowledge not time...”

# FAQ's

1. **Installment Agreements** – what should I do if my client qualifies for a streamlined installment agreement but is unable to afford the monthly payment amount?
2. **Offer in Compromise** – can my client who has been assessed a Civil Penalty stemming from the Trust Fund portion of payroll tax liability submit an offer?
3. **Bankruptcy** – if my client filed their 2009 tax return on June 15, 2010 which was on extension, can they file for bankruptcy on June 16, 2013 and discharge their 2009 tax liability under the 3-year rule?
4. **Appeals** – which type of appeal, CAP or CDP allows you to make an argument in tax court? (Stay tuned for the next webinar...)



# Summary of topics covered today

- What is “Tax Resolution”?
- Solving income and payroll taxes
- Sequence of events
- Payroll taxes
- Installment agreements
- Innocent Spouse Relief
- Criminal Investigation (“CI”)
- Selling and marketing your services
- Offers in compromise (“OIC”)
- Taxes and Bankruptcy
- Audits
- Appeals

# Our mission today...

- ✓ Teach you how to become a tax resolution specialist;
- ✓ Teach you how to make money
- ✓ Become your tax resolution partner; or
- ✓ Become your trusted referral source

Find us on the web at: [www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)

Email us at: [info@taxresolutioninstitute.com](mailto:info@taxresolutioninstitute.com)

Call us at: (800) 658-7590

## Deals for today's participants...

- **DVD of today's event** ~~\$199~~ **\$79**  
*use promo code TRIDVD79*
- **Sitewide Discount\*** **40%**  
*use promo code TRI40ALL*
- **Practitioner's Forum** **Free**

Take advantage of these before they are gone. Offers expire 6/30/16 (\*excludes Michael Rozbruch's Tax and Business Solutions Academy products)

access your free content at [www.taxresolutioninstitute.org/200A](http://www.taxresolutioninstitute.org/200A)

**315**