

2011

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Appeals

Our Role in Resolving Offers-in-Compromise

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Appeals Mission

To resolve tax controversies, without litigation, on a basis which is fair and impartial to both the Government and the taxpayer in a manner that will enhance voluntary compliance and public confidence in the integrity and efficiency of the Service.

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Ex Parte Communications

Rev Proc 2000-43 – Prohibits certain communications between Appeals and other Service functions without invitation of the taxpayer or representative to participate



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Ex parte prohibitions apply to:

Written and verbal communications

Pre-conference meetings between
Appeals and IRS Compliance

Any communications from IRS
Compliance while the case is open in
Appeals

Appeals active involvement in Issue
Management Teams (briefings are
permitted)

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Ex parte prohibitions do *not* apply to:

Ministerial, administrative or procedural matters

Post-settlement conferences

Industry-wide technical guidance coordination meetings, Compliance Council or Policy Board Meetings



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Ex parte prohibitions do *not* apply to:

Fast Track Mediation or Fast Track
Settlement Official

Communications with the Commissioner's
office or the Taxpayer Advocate Service



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Appeals Jurisdiction

Offer-in-Compromise (OIC) appealed in a timely manner after rejection by compliance

Doubt as to Liability – liability was determined by Appeals

OIC being worked by compliance when a Collection Due Process (CDP) hearing is requested

OIC filed with Appeals during a CDP hearing



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Primary obligations of Appeals

OIC Appeal (Non-CDP)

- Provide a conference (IRC 7122(e)(2))
- Determine if the Reasonable Collection Potential calculation was correct
- Negotiate an acceptable offer, if appropriate

CDP or Equivalent Hearing (EH) Offers

- Appeals retains jurisdiction until issuance of determination or decision



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Your role in the Offer Appeal Process

- Specifically identify the issues of dispute in your protest – attach your supporting documentation
- Ensure your client is in compliance
- Be prepared for your conference and respond to requests for information
- Can your client amend the offer?

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Common Disputed Issues: Income

Calculation of business or personal
income

Non-liable spouse income

Community property



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Common Disputed Issues: Expenses

National Standards – as established
Competing creditors – secured and
non-secured

Alimony/child support

Education

Insurance



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Sample Allowable Expense Table

Expense	Taxpayer	Compliance	Appeals
National Standard	\$ 987	\$ 987	\$ 987
Housing/Utilities	2,420	1,251	1,251
Transportation	1,220	851	971
Insurance	550	550	290
Medical	275	100	275
Other Creditors	900	0	0
Alimony/child support	1,800	1,200	1,450

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Common Disputed Issues: Assets

Real estate values and equity

Value of IRA and 401Ks

Valuation of on-going businesses

Dissipated assets

Jointly-held assets



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Sample Asset/Equity Table

	Taxpayer	Compliance	Appeals
Cash	\$ 5,500	\$ 22,000	\$ 8,500
Real Estate	0	21,000	21,000
Vehicles	9,600	9,600	9,600
Equipment	0	4,000	0
Business interest	2,000	16,000	22,000
Dissipated assets	0	36,000	16,900
Future Income	12,200	39,800	20,304
Totals	29,300	148,400	98,304

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Special Circumstance Offers

Doubt as to Collectability – Special Circumstances

Effective Tax Administration (ETA)

Sometimes, it is ***not*** in the best interest of the government to accept an offer



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Alternative Dispute Resolution Programs (ADR)

Three ADR options apply to Collection cases

- Fast Track Mediation – OIC, CDP and Trust Fund Recovery Penalty (TFRP)
- Post-Appeals Mediation – OIC and TFRP
- Arbitration – OIC and TFRP



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Post Appeals Mediation and Arbitration of OIC

Test through December 31, 2012

Announcement 2011-6

Available in eight Cities – Houston,
Indianapolis, San Francisco, Louisville,
Cincinnati, Phoenix, Chicago &
Atlanta

Mediation process



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Appeals... Resolving Tax Disputes

Individuals Topics

- [Abusive Tax Shelters](#)
- [Appeal a Tax Dispute](#)
- [Taxpayer Rights](#)
- [More Topics...](#)

IRS Resources

- [Compliance & Enforcement](#)
- [Contact My Local Office](#)
- [e-file](#)
- [Forms and Publications](#)
- [Newsroom](#)
- [Frequently Asked Questions](#)
- [Taxpayer Advocate Service](#)
- [Where To File](#)

What Can Appeals Do for You?

The Appeals mission is to resolve tax controversies, without litigation, on a basis which is fair and impartial to both the Government and the taxpayer in a manner that will enhance voluntary compliance and public confidence in the integrity and efficiency of the Service.



Is Appeals the Place for You?

Appeals resolves over 100,000 cases per year.

Are You Ready to Request an Appeals Conference or Hearing?

You can identify and explain the issues in dispute.

Preparing a Request for Appeals

You're ready to file a protest. Here's the information you will need.

What Can You Expect from Appeals?

Appeals will take a fresh look at your case and make a fair and impartial decision.

Appeals Online Self-Help Tools

These are interactive tools that guide you to an outcome based on answers you provide. They deal with some of the most frequently encountered problems, such as: a rejection of a request for innocent spouse relief; denial of a request for abatement of certain delinquency penalties; and rejection of an Offer in Compromise.

- [Online Videos and Podcasts of the Appeals Process](#)
Check out videos and podcasts on what to expect in the Appeals process.
- [Forms and Publications about Your Appeal Rights](#)
Official IRS resources about the Appeals process and your rights as a taxpayer...
- [Careers with Appeals](#)
Rewarding opportunities, excellent benefits, and great people.
- [Examination](#)
Appealing Examination Issues
- [Collection](#)
Appealing Collection Issues

Alternative Dispute Resolution

There are ways to resolve tax issues faster.

Technical Guidance-International Programs

Compliance Coordinated Issues, Appeals Coordinated Issues, Appeals Emerging Issues

Art Appraisal Services

Taxpayer cases selected for audit containing artwork are referred to the Art Appraisal Services for review by an Art Advisory Panel.