

Exhibit 3: Expectations Letter to Taxpayer and/or their Representative

(This sample letter provides guidelines for the ATCL which may be customized for each individual case.)

This case is part of the ATCL Conferencing Initiative. The ATCL Conferencing Initiative involves the largest and most complex cases in Appeals. As part of the initiative, both parties will be present while the other party presents their position on the issues. Consistent with the quasi-judicial role of Appeals in resolving tax disputes, this initiative relies on both Compliance and the Taxpayer and/or their Representative participating in focused discussions so that Appeals can narrow or resolve factual or legal differences. After the conference, Compliance will be excused, and settlement discussions will be between Appeals and the Taxpayer and/or their Representative. After the case is closed, you will receive an anonymous survey to provide you with an opportunity to provide feedback concerning the initiative.

This letter is a follow-up to our recent phone call on {insert date} in which we discussed your case, set expectations regarding the Appeals process and scheduled a conference. We encourage both parties to continue to discuss any relevant disagreements prior to the conference in order to reach agreement on any factual and legal differences. We hope that any discussion will result in a narrowing of the scope of the dispute which will result in a more productive conference on {insert date}.

During the recent phone call, we verified the issues that will be addressed at the conference. At the conference, Compliance or the Taxpayer and/or their Representative will lead off with their presentation. Each party should be prepared to present their issues and respond to any questions. As we discussed, after the conference please be prepared to work towards a settlement with Appeals.

In advance of the conference, any new arguments or information must be provided no later than 45 days prior to the conference in order to be considered. Each participant should provide written responses to any follow-up questions from Appeals at least 2 weeks prior to the conference. Responses will be shared with the parties. Each participant should immediately notify Appeals when it has been determined that an issue or argument will be dropped and, therefore, no longer pursued within Appeals.

Appeals remains the decision maker on the disputed issues. Appeals will facilitate discussion between the parties (Compliance and the Taxpayer and/or their Representative) and assess the strengths and weaknesses of both sides to help resolve the issues. Compliance and the Taxpayer and/or their Representative have a role during the conference to explain their positions to assist Appeals in narrowing or resolving factual or legal differences.

If you have questions or want to discuss this process, you can contact me at the phone number listed at the top of this letter. Thank you for your cooperation.