

IRS**News Release****Media Relations Office****Washington, D.C.****Tel. 202.622.4000****For Release: 6/26/02****Release No: IR-2002-80****IRS OFFERS FASTER RESOLUTION OF TAX DISPUTES**

WASHINGTON – Starting this month, small business and self-employed taxpayers can resolve tax disputes through fast-track mediation offered by the Internal Revenue Service. Disputes will be resolved through the new expedited process within 40 days compared to several months through the regular appeal process.

Either the taxpayer or the IRS Small Business/Self-Employed Division can propose mediation of disputed issues related to examinations or collection actions. If both parties agree to mediation, a specially-trained IRS mediator from the Appeals Division helps resolve the dispute. The mediator facilitates discussion, and may request additional information, but cannot impose a resolution. The taxpayer and IRS must agree on any resolution.

“A primary focus in the IRS reorganization has been to develop systems and processes that improve service to the taxpayer. Fast-track mediation is geared to meet taxpayer needs by resolving controversy at the earliest resolution point within the IRS. Fast-track mediation is what modernization is all about,” said Joseph Kehoe, IRS Commissioner for the Small Business/Self-Employed Division.

In June 2000, IRS began testing fast-track mediation primarily in four areas of the country: Hartford, Jacksonville, Houston and Denver. The test has shown that the process can shorten the time it takes to resolve a tax dispute. Feedback provided by taxpayers and their representatives indicated an overall satisfaction rate of 4.2 on a scale of 5.0.

“We are pleased that the Fast-Track Mediation Program is being implemented nationwide. Our expectation is that this new service will meet the needs of our customers and promote quicker resolution of disputes,” said David B. Robison, IRS Chief of Appeals.

The taxpayer does not give up any rights and can withdraw from mediation at any time. Issues not resolved during the mediation process can follow the normal IRS appeal process. Certain issues, including Service Center appeals, or those issues with no legal precedent, cannot be addressed in fast-track mediation.

For additional information on fast-track mediation, visit the IRS Web site at www.irs.gov and click on “Businesses” on the left side. From the Businesses page, select “Small Business/Self-Employed” on the left. From the Small Business/Self-Employed page, scroll down and select “Fast-Track Mediation.”

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