

- Refer to Publication 594, The IRS Collection Process, on the IRS website at <http://www.irs.gov/pub/irs-pdf/p594.pdf> for more information about payment options.

OTHER USEFUL RESOURCES

Research our website at www.irs.gov for more information and view our video on the Appeals Process.

- Go to www.irs.gov and in the blank search box, enter the following keywords: Online Videos of the Appeals Process.
- Taxpayer Advocate Service: 1-877-777-4778

The Taxpayer Advocate Service is your voice at the IRS. We help taxpayers whose problems are causing financial difficulty or significant cost, including the cost of professional representation.

To learn more about TAS and your basic tax responsibilities, visit <http://www.taxtoolkit.irs.gov/>

- TTY/TTD 1-800-829-4059
- Forms and Publications 1-800-TAX-FORM
- Publication 4134, Low Income Taxpayer Clinic List, available at www.irs.gov

A graphic with a purple background. The word "Appeals" is repeated in a light purple, semi-transparent font across the top. In the center, the words "Penalty Appeals" are written in a large, bold, white sans-serif font. At the bottom, a dark blue horizontal bar contains the text "Orientation to the Penalty Appeals Process" in a white sans-serif font.

Penalty Appeals

Orientation to the
Penalty Appeals Process

Appeals Process
Rights to Representation
Payment Options

MISSION

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

Appeals is separate and independent of other functions within the Internal Revenue Service. We make decisions based on our own review of the facts and the law.

INTRODUCTION

Feedback from our customers indicates they frequently do not understand how the Appeals process works. The following are some basic principles about Appeals and the Appeals process.

HOW THE APPEALS PROCESS WORKS

Here is what we will do

- Review the Internal Revenue Service's position, the information or documentation provided, and review your position outlined in your protest.
- We will provide you with our initial findings and allow you an opportunity to respond before making a final determination.
- We may refer any new information or documentation you provide to Compliance for their consideration.

Here is what you should do

- Be fully prepared to discuss the facts of your case and your reasons for requesting penalty relief.
- Respond by requested or agreed upon dates.

Here is how we "settle" cases

- We will apply the law to the facts in your case and consider any potential hazards of litigation.
- We will consider applicable policy statements, case law, revenue procedures, and revenue rulings.
- We will make the decision on how to resolve your case. We will explain the basis for our decision to you.

YOUR RIGHT TO REPRESENTATION

- You can contact Appeals directly and represent yourself.
- If you want to be represented by someone else, they must be an attorney, a certified public accountant, or an enrolled agent authorized to practice before the IRS. If you choose a representative, we need a copy of a completed Form 2848, Power of Attorney and Declaration of Representative.

TIME FRAMES FOR THE APPEALS PROCESS

- We generally work cases on a first-in, first-out basis.
- If applicable, we can talk about how long it will take to resolve your case if no unusual circumstances develop.

THE CLOSING PROCESS AND YOUR OPTIONS

- If you agree with our final determination, no further action will be required by you in most cases.
- If you do not agree with our determination, your next level of appeal of the penalties would be to file a formal suit with either the United States District Court having jurisdiction or the United States Court of Federal Claims. Most penalties must be paid in full before filing suit.

YOUR PAYMENT OPTIONS

- At any time, you can make an advance payment which will stop interest and/or penalties from continuing to accrue. Interest and penalties continue to accrue on the unpaid balance due until date of payment.
- When a determination has been made, the Internal Revenue Service will issue you a notice showing the amount you owe, including interest, if applicable. You should make arrangements to pay this amount in full as soon as possible. If you are not able to make full payment immediately, your options include:
 - Making a partial payment;
 - Entering into an installment agreement (interest will continue to accrue) and;
 - Making an offer in compromise. To make any of the above payment arrangements, contact us by calling 1-800-829-1040; an IRS Customer Contact Representative can assist you.