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# Appeals Independence (Part 2): What Recent Policy Changes Mean for Collection-Sourced Cases



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# 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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# Appeals Role in Tax Administration

Quality Controversy (Dispute) Resolution

- Independent organization
- Administrative appeal
- Fair, impartial determination



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# CDP Revised Procedures

Appeals will:

- Ask Compliance to verify a CIS, if needed
- Ask Compliance to make the initial decision for all offers submitted during a CDP proceeding
- Return the offer to Compliance for final decision if CDP is withdrawn
- Accept as verified any financial statement Compliance reviewed and is fewer than 12 months old



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# OIC Revised Procedures

Appeals will:

- Identify the disputed issues
- Ask the taxpayer to substantiate his claim
- Identify certain compliance issues that must be remedied
- Refer new information to Compliance for review, if needed
- Appeals will sustain a rejection only under the same basis for which the offer was rejected.\*



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# Role-Play Scenario

- CDP Levy conference
- CDP Lien conference
- Consideration of an installment agreement, a lien withdrawal, and an offer in compromise



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# Scenario Background

- FCC audited for 2010 and 2011 Sch. C
- Appeal timely submitted
- Hazards settlement reached for labor cost; other expenses sustained
- Form 870-AD signed agreeing to assessment
- FCC owes \$14,900 for 2010 & \$9,900 for 2011
- FCC agreed to full pay within 30 days



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# The CDP Levy Conference

- Final Notice issued
- Conference held via telephone with Campus Appeals
- Streamlined installment agreement accepted



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# A New Dilemma

- Form 1040 for 2012 filed owing \$15,000
- Installment Agreement defaults due to new assessment
- Form 1040 for 2013 filed owing \$20,000



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# The CDP Lien Conference

- Notices of Federal Tax Lien have been recorded
- Face-to-face conference in Appeals field office
- Lien withdrawal and installment agreement proposed



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# CDP Lien Conference

## Part Two...

- Offer in compromise submitted
- Offer sent to Collection for investigation
- CDP lien hearing suspended



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# CDP Lien Conference: The Offer In Compromise

- Compliance reviewed the offer proposal
- Compliance recommends offer rejection
- Offer returned to appeals
- CDP lien hearing resumes
- Disputed issue: Value of five contracts



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# CDP/Offer Conference

## Part Two

- Conference held via telephone
- FCC sold
- Accepts new position as employee
- Amended Offer in Compromise proposed



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# How can you help your clients?

- Present all arguments and documents to the Compliance manager- don't "save" anything for Appeals
- Be aware of issues that can and cannot be raised during the appeal
- Be prepared and responsive to requests for documentation
- Understand that some information may be returned to Compliance for review and investigation



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# For more information...

## Visit Appeals at [www.irs.gov/appeals](http://www.irs.gov/appeals)



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### Appeals... Resolving Tax Disputes

**Individuals Topics**

- [Abusive Tax Shelters](#)
- [Appeal a Tax Dispute](#)
- [Taxpayer Rights](#)
- [Online Payment Agreement](#)
- [Paying a Balance Due](#)
- [More Topics ...](#)



**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.

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**IRS Resources**

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

**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

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**Alternative Dispute Resolution**  
There are ways to resolve tax issues faster.

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**Technical Guidance-International Programs**  
Compliance Coordinated Issues, Appeals Coordinated Issues, Appeals Emerging Issues

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