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# Changes to the Innocent Spouse Relief Program



5/29/2012



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# Innocent Spouse Relief

Provides relief from additional tax owed if spouse or former spouse failed to report income, reported income improperly or claimed improper deductions or credits.





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# Innocent Spouse Provisions RRA 98

IRC § 6015(b)

IRC § 6015(c)

IRC § 6015(f)

IRC § 66(c)





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# Notice 2011-70

7/25/11

Lantz vs. Commissioner

Expanded time period for filing for  
Equitable Relief

No effect on IRC § 6015(b) or (c)





# Notice 2011-70

(cont'd)

Requests Pending With the IRS

Requests Previously Denied for  
Untimeliness & Not Litigated

Requests in Litigation

Requests that Were in Litigation and it  
is Final

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# Notice 2012-8

## Significant changes

Time limit revised

New exception to attribution

Streamlined determinations for understatement & underpayments

Weight of factors

Abuse

Changes to factors

Broadens availability of refunds

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# Threshold changes

## Section 4.01

Time frame - before expiration of collection or refund statute

Attribution exception - Fraud by nonrequesting spouse





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# Streamlined Determinations

## Section 4.02

Relief will normally be granted if all three conditions are met:

No longer married

Economic hardship

No knowledge or had reasonable expectation

- Abuse may mitigate knowledge





# Economic Hardship

## Section 4.03

Reasonable basic living expenses  
Never counted against relief  
250% or less of Federal Poverty  
Level (FPL)

Exception: ample assets

Over 250% of FPL, net income less  
than \$300

Exception: ample assets

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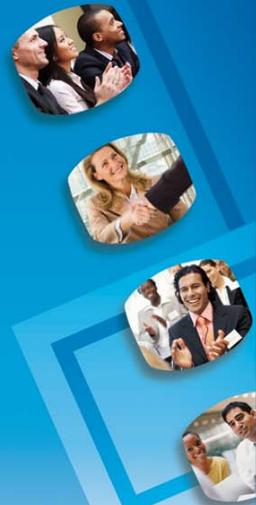
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# Knowledge

No longer weighs more heavily

Abuse may mitigate

Reasonable expectation





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# Other factors

## Section 4.03(2)(d)-(g)

Legal Obligation

Significant benefit

Compliance with Income Tax Laws

Mental or Physical Health





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# Innocent Spouse Operation

Centralized at Cincinnati campus

Mailing address:

IRS

Stop 840F

P.O. Box 120053

Covington, KY 41012

1-866-897-4270 (7:30 a.m. – 4: 00 p.m. et)





# Internet Information

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Links found on [irs.gov](http://irs.gov)

New Rule for Innocent Spouse Relief

Introduction to Innocent Spouses

Explore if you are an Eligible Innocent Spouse

Three Types of Relief





# Internet Information

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Links found on [irs.gov](http://irs.gov)

Innocent Spouse Relief – Publication  
971

Applying for Innocent Spouse Relief

Where to Mail Completed Form 8857

Innocent Spouse Questions & Answers

