



Appeals

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Trust Fund Recovery
Penalty; *Do You Know
How to Navigate Appeals
Collection When the
Stakes are High?*





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What is a TFRP?

IRC 6672

Enhances voluntary compliance

Involves willful failure to collect,
account for and pay over trust fund
taxes

Process that facilitates collection
from the personal income and assets
of responsible parties





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What are Trust Fund Taxes?

Income tax w/held from employee

Social Security & Medicare w/held from employee

Matching amounts of SS/Medicare from employer

Total Employment taxes

Income tax w/held from employees

Social Security & Medicare w/held from employee

Trust Fund taxes





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Wright, 809 F.2d 425, 428 (7th Cir. 1987)

“we recognize that the statute is harsh, but the danger against which it is directed—that of failing to pay over money withheld from employees until it is too late, because the company has gone broke—is an acute one, against which, perhaps, only harsh measures are availing.”





Assessment Made! What Does My Client Do Now?

Pay the trust fund amounts!

Ask for payment alternatives

If issued a CDP notice, invoke your rights under IRC 6330 (Final Notice) or 6320 (Filed Notice of Federal Tax Lien); challenge the liability (if no previous opportunity)

File a Claim Form 843 – if new evidence discovered that could materially affect the initial recommendation.

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The Assessed Parties

Susie Duke



Wally Duke



John Duke



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Susie Duke





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Susie Duke: Assessed for 3rd and 4th Quarters \$12,188.41 & \$3,000.00

Received a Final Notice dated 2/29/12. Filed a timely CDP Appeal on 3/28/12. Her issues:

The corporation is still operating, why come after me personally?

How much are the other assessed individuals paying?

How many times does the Government collect this debt?

I can't pay right now!



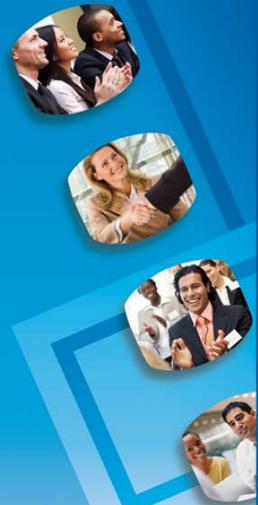


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Scenario 1

John





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Scenario 2

Wally Duke



Via Power of
Attorney
(Mr. Smith)





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Claim Procedures

Form 843 or Letter

Payment of one employee's share of
Trust Funds per quarter

Expect response in six months

If no response or if claim has been
rejected, you may proceed to petition
District Court or US Court of Claims





How can you help your client?

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Encourage those having financial difficulties to pay taxes ahead of everything

Consider bringing client to Appeals hearing

Be prepared- research case law in advance





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Alternative Dispute Resolution

Fast Track Mediation - Can be requested prior to or with the submission of the formal appeal of the 1153DO/recommendation to assess. Or, with the 1153DO appeal.

Jurisdiction over case remains with Compliance during a Fast Track Mediation.

Post Appeals Mediation – Testing in 10 cities extended to 12/31/12





For more information...

Visit Appeals at 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...](#)

IRS Resources

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

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.



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

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

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

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

