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Post Appeals Mediation (PAM):

*Do you know what to
expect during PAM?*





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IRS Appeals

- Introduction
- Post-Appeals Mediation (PAM)
- Option available to qualified taxpayers after unsuccessful settlement negotiations with Appeals





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Appeals 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 Accomplishes its Mission by:

- Listening and considering arguments of both sides
- Settlements are based on merits of arguments and available information
- Based on tax law applicable to the circuits
- Settlements – Impartial to both taxpayers and the government





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Scenario Background

- Corporation's Audit
- Fringe Benefits issue related to car and truck expenses was settled in Appeals
- Accuracy-related penalty issue still unagreed for PAM
- Different treatment of Corporation officers and employees for use of corporation vehicles





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Overview of PAM

- Extension of the Appeals Process
- Non binding for both parties
- Mediator doesn't have the settlement authority
- Both parties have to agree to mediate
- Either party can withdraw any time during PAM process





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Overview of PAM Cont'd

- Disclosure law under IRC 6103 applies
- Signing PAM agreement and consent-taxpayers agree to disclosure of information to mediator
- PAM potentially avoids long, drawn-out litigation
- PAM available through Rev. Proc. 2009-44 and Announcement 2011-6
- TP can hire a co-mediator at own expenses
- Ex parte communication with mediator is prohibited





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Cases Not Eligible for PAM

- Docketed Case
- ACI or CCI issue where TPs failed to discuss the case with a specialist
- ACI or CCI issues where no concession is appropriate
- TAM has been issued to TP
- Cases where TPs didn't negotiate in good faith





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Pre-Mediation Preparation

- Everyone should know each party's position
- Both parties must provide all documents to other party and mediator no less than two weeks prior to mediation session





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Introduction of PAM Participants



Tom Smith, CPA
(representing TPs)



XYZ Corporate Officer



Rick Wiley
Appeals Team Manager



Sally Jones
Appeals Officer



Michael Thompson
Appeals Mediator





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Start of PAM Session

- Opening remarks of the mediator
- Mediator's role defined
- Appeals Officer Ms. Jones explains Appeals' position





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Taxpayer's Position

- Tom Smith CPA explains taxpayer's position





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Appeals Officer and CPA's Arguments

- AO Ms. Jones explains Appeals' position
- CPA's arguments and an offer to settle penalty





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Mediator Facilitating Conversation

- Mediator discusses Appeals' position to ensure understanding
- Mediator discusses taxpayer's position to ensure understanding
- Mediator obtains concurrence of understanding of the issue from both parties





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Mediator Meets with both Parties Separately

- Mediator meets with Tom Smith CPA and his clients
- Mediator meets with Appeals Officer Ms. Jones and Appeals Manager Rick Wiley
- Appeals Manager's counter offer





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Discussion of Proposal

- Mediator discusses Appeals' proposal with Tom Smith CPA
- Mediator brings both parties back into joint session
- Mediator completes paperwork and both parties sign





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How can you help your clients?

- Present a written summary of your client's position to the mediator no later than two weeks prior to the mediation session
- Be prepared to offer a settlement
- Be prepared to compromise based on win-win for both parties
- Make sure your client(s) is present at the mediation session





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.

