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Is Your Case Ready for Appeals?

Examination Edition





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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.



How we accomplish our mission

- We listen to and consider the positions of both sides
- We consider and evaluate all arguments and available information
- We independently determine the best settlement by weighing the hazards of litigation
- We seek to negotiate settlements that are impartial to both taxpayers and the government

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Examination Cases

- Non-Docketed
 - 30-Day Letter
 - Innocent Spouse Relief
 - Claims & Audit Reconsiderations
 - Penalty Appeals & Interest Abatements
- Docketed



Small Case Protest

- Prepared in response to 30-Day letter
- Deficiency per tax period is less than \$25,000 (tax plus penalty)
- Request an appeal by using Form 12203 or a brief written statement





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Formal Protest

- Prepared in response to 30-Day Letter
- Deficiency per tax period in excess of \$25,000 (tax plus penalty)
- Explain reasons for disagreement with each issue
- Provide law or authority to support your position



Failure to Respond to 30-Day Letter

- Exam will issue Statutory Notice of Deficiency or 90-Day letter
- Taxpayer will need to file a formal Petition with the United States Tax Court
- Appeals will generally have the first opportunity to settle these cases





Hearing Your Client's Case

- Campus or Field Appeals Office
- Correspondence or E-Fax
- Telephone
- Face to Face





Role Play Scenario 1

- Non-docketed Income Tax
- Compliance disallowed unsubstantiated expenses and proposed an accuracy-related penalty
- Enrolled Agent prepares a protest requesting an Appeals conference
- Additional documents are submitted during the Appeals hearing





Role Play Scenario 2

- TP audited and Schedule C expenses were disallowed
- TP did not respond to 30-day letter. A statutory notice was issued
TP filed a timely petition
- Docketed case was sent to Appeals for possible settlement



Best Practices

- Ensure that the Protest explains reasons for disagreement
- Raise a new issue or provide new information to the examiner. Don't wait until the case is in Appeals
- Important to document the items you provide to the examiner
- Be prepared to make an offer of settlement





Getting to Resolution Sooner

- Alternative Dispute Resolution Options (ADR)
 - Early Referral
 - Fast Track Settlement
 - Post Appeals Mediation





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ADR Benefits

- Speed
- Cost
- Flexibility
- Control
- Reduced Risk
- Full appeal rights retained if no agreement reached in a Fast Track Settlement
- Pursuant to Rev. Proc. 2014-63 a taxpayer that has utilized Fast Track Settlement will not be eligible for Post Appeals Mediation





Appeals... Resolving Tax Disputes



Employees

Self-Employed

International Taxpayers

Military

Parents

Seniors & Retirees

Students

Appeals



[Español](#)

Helpful Tools

- › Online Videos and Podcasts of the Appeals Process
- › Appeals Online Self-Help Tools
- › Forms and Publications About Your Appeal Rights

About the Office of Appeals

Every year, the Office of Appeals helps over 100,000 taxpayers resolve their tax disputes without going to Tax Court. We are an independent organization within the IRS whose mission is to help taxpayers and the Government resolve tax disagreements. Appeals does not seek to take sides in a dispute; rather we offer an objective point of view on each individual case. We review each case after the applicable IRS compliance has made its decision and work to resolve disagreements in the case on a basis that is fair and impartial to both the Government and the taxpayer.

Appeals also offers mediation services through Fast Track Settlement and other programs. These mediation programs are designed to help you resolve your dispute at the earliest possible stage in the audit or collection process.

Getting Started with Appeals

If you've received an IRS letter stating that your case qualifies to be reviewed by Appeals then the following topics will help you get started.

- [Appeals – An Independent Organization](#)
- [Is Appeals the place for you?](#)
- [Preparing an Appeals request](#)
- [What can you expect from Appeals?](#)

www.irs.gov/appeals

Programs & Services

- › Domestic and International Programs
- › Art Appraisal Services



Taxpayer Bill of Rights

What You Should Know >

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