



# Tax

IRS Nationwide  
**Forum**

# 2022

## Improving the Taxpayer Experience with the IRS Independent Office of Appeals Wednesday, August 3

Start Time: 11:00am Eastern / 10:00am Central  
9:00am Mountain / 8am Pacific

*Note: You should be hearing music while waiting for webinar to start.*

### Having Technical Issues?

View the “Technical Issues” troubleshooting guide in the Materials drop-down menu on the left side of this page



# Today our webinar will:

- Explain the appeals process
- Highlight ongoing efforts to improve the taxpayer experience with the IRS Independent Office of Appeals
- Use specific case scenarios to illustrate the Examination Appeals and Collection Appeals workstreams

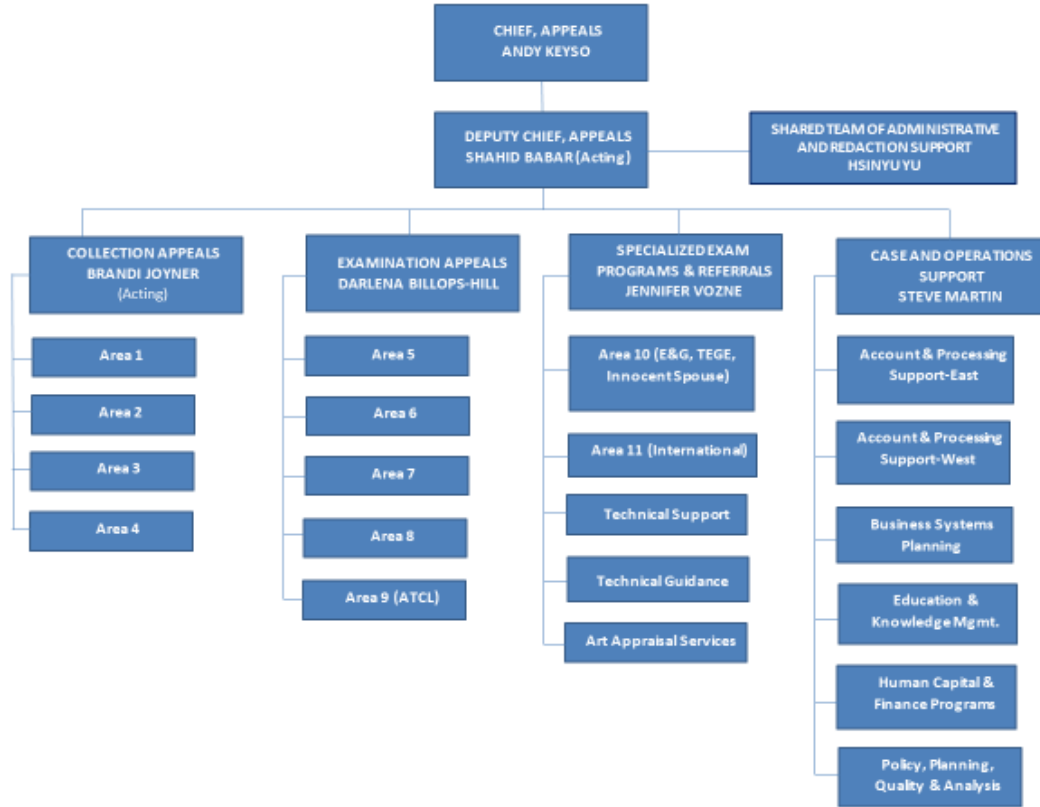


# The Appeals Mission

To resolve Federal tax controversies without litigation on a basis which:

- Is fair and impartial to both the Government and the taxpayer,
- Promotes a consistent application and interpretation of, and voluntary compliance with, the Federal tax laws, and
- Enhances public confidence in the integrity and efficiency of the Internal Revenue Service.

# Appeals Organization





# The Appeals Process

- Taxpayer submits a timely and adequate protest to an IRS determination.
- Appeals receives a case assignment about the protested matter and contacts the taxpayer to schedule a conference.
- Taxpayer and Appeals discuss the facts, arguments and law during the conference.
- Appeals attempts to resolve the case based on a fair and impartial review.



# Appeals' Independence

- By statute, Appeals must operate independently of other IRS divisions.
- Certain *ex parte* communications between Appeals personnel and other IRS personnel are prohibited to the extent that such communications appear to compromise the independence of Appeals.



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# Conference Methods

- In Person
- Telephone
- Video (Microsoft Teams)
- Correspondence



# Taxpayer First Act (TFA)

- Signed into law July 1, 2019.
- Established the IRS *Independent* Office of Appeals.
- Codified Appeals' role as an administrative appeals function charged with resolving disputes between taxpayers and the IRS in a fair and impartial manner with the ultimate goal of encouraging voluntary compliance.





# Taxpayer First Act (continued)

- Added IRC section 7803(e)(4), providing that the Appeals resolution process “shall be generally available to all taxpayers.”
- Provides that Appeals shall have the authority to obtain legal assistance and advice from the staff of the Office of the Chief Counsel.
  - Chief Counsel shall ensure, “to the extent practicable, that such assistance and advice is provided by staff of the Office of the Chief Counsel who were not involved in the case with respect to which such assistance and advice is sought and who are not involved in preparing such case for litigation.”



# Taxpayer First Act: Case File Access

- Applies to any Appeals conference held after July 1, 2020.
- “Specified” taxpayers will be provided access to the non-privileged contents of their case files exclusive of information provided by the taxpayer or unrelated to the disputed issues, upon their request, no later than 10 days before a scheduled Appeals conference.
  - For individuals, this means taxpayers whose Adjusted Gross Income (AGI) does not exceed \$400,000 for any of the taxable years at issue.
  - For other taxpayers, this means taxpayers whose gross receipts do not exceed \$5 million for any of the taxable years at issue.

# Taxpayer Experience with Appeals

Appeals is improving and expanding communications with external stakeholders to promote transparency and taxpayer rights by:

- Continuing to increase stakeholder outreach – including to historically marginalized and limited English proficient communities – about the appeals process.
- Creating practitioner feedback panels to periodically share insights with Appeals employees.
- Revising external letters and notices to improve clarity and tone.
- Expanding Taxpayer Digital Communications (TDC) Secure Messaging (SM) to all Appeals Officers to provide a secure, accessible service to meet taxpayers' communications needs.



# Customer Satisfaction Survey

- Appeals conducts yearly surveys of customer satisfaction.
- Every taxpayer and representative who has a case heard in Appeals may participate.
- All final closing letters include information about taking the survey.
- The survey captures customer satisfaction regarding:
  - Independence of Appeals
  - Listening to your concerns
  - Application of law to facts in your case
  - Clarity of explanations for adjustments to your tax liability
  - Length of appeals process
  - Professionalism of Appeals employee



# Examination Appeals Workstreams

- Non-Docketed
  - Protested Notice of Proposed Adjustment, using 30-Day Letter
  - Claims and audit reconsideration
  - Penalty and interest abatement
- Docketed (Regular and S-cases)
  - Petitioned by taxpayer to U.S. Tax Court
  - Chief Counsel refers case to Appeals after Answer



# Appeals' Settlement Authority

- Appeals is expressly authorized to consider hazards of litigation when attempting to settle tax disputes.
- Hazards of litigation refers to the substantial uncertainty in the event of litigation as to:
  - How the courts would interpret and apply the law;
  - What facts the courts would find; or
  - The admissibility of, or weight that would be given to, a specific item of evidence.

# For Best Results...

- Prepare an adequate statement of the protested items adjusted by Compliance that fully explains your position.
- Submit all documentation to Compliance – don't save documents for Appeals. Appeals will not be the first reviewer of information.
- Respond timely.
- Attend the settlement conference with a realistic view of the litigating hazards and a general idea of an acceptable resolution of the dispute.



# Examination Appeals Scenario #1

- IRS Compliance audited taxpayer's 2020 Form 1040 and disallowed for lack of substantiation:
  - The cost of labor included within the Cost of Goods Sold (COGS) amount; and
  - The Schedule C expenses.
- Taxpayer disagreed and filed a protest.
- Taxpayer has the burden of establishing an entitlement to a deduction.





# Examination Appeals Scenario #2

- IRS Compliance audited taxpayer's 2020 Form 1040, determining the operation of a horse farm is a hobby and disallowing the offset of medical practice income with losses from the horse farm.
- Taxpayer disagreed and filed a protest.
- Taxpayer has the burden of establishing that he is engaged in this business with the intention of making a profit.



# Collection Appeals Workstreams

- Collection Appeals Program (CAP)
- Collection Due Process (CDP)
- Offer In Compromise (OIC)
- Trust Fund Recovery Penalty (TFRP)



# Collection Due Process

- Request for appeal must be postmarked within 30 days of the date of the IRS notice of proposed collection action (Lien or Final Demand to Pay)
- Collection alternatives may be raised
- Opportunity to petition the Tax Court for judicial review
- Requested via Form 12153 or its equivalent

# Alternatives in CDP

- Collection Alternatives:
  - Full Payment
  - Currently Not Collectible (CNC)
  - Installment Agreement
  - Offer In Compromise (OIC)
    - Doubt as to Collectability
    - Effective Tax Administration
- Raising Liability Issues:
  - OIC – Doubt as to Liability
  - Adjustments to Tax and/or Penalties



# Collection Appeals Program (CAP)

- Applies to levies, seizures, liens, and installment agreements
- An option for taxpayers looking for quick resolution of an administrative or procedural issue:
  - Appeals reviews whether the action taken or proposed by IRS Compliance was appropriate
  - Alternatives to collection are not considered
  - Appeals decision is binding on the taxpayer and IRS
- Requested via Form 9423 or its equivalent



# Collection Appeals Case Scenario

- IRS issues a continuous wage levy for 1040 liability from 2018, 2019, and 2020.
- Taxpayer's 2021 return is overdue.
- Taxpayer claims the levy is creating an economic hardship.
- Taxpayer provided the Collection Information Statement (CIS) and supporting financial documentation to Compliance.
- During CAP appeal, taxpayer files 2021 return and requests streamlined installment agreement.

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# IRS.gov/appeals

## Independent Office of Appeals Website



[Home](#) / [Help](#) / Appeals

## Appeals

English | [Español](#) | [中文\(简体\)](#) | [中文\(繁體\)](#) | [한국어](#) | [Русский](#) | [Tiếng Việt](#) | [Kreyòl ayisyen](#)

Interactive Tax Assistant

Tools

Report Phishing

Fraud/Scams

Notices and Letters

Appeals

[Considering an Appeal](#)

[Requesting an Appeal](#)

[What to Expect](#)

Frequently Asked Questions

Accessibility

Contact an International IRS Office

Tax Topics

Other Languages

The IRS [Independent Office of Appeals](#) is here to resolve disputes, without litigation, in a way that is **fair and impartial to the government and to you.**

### About Your Appeal

- [Considering an Appeal](#)
- [Requesting an Appeal](#)
- [What to Expect](#)
- [Appeals Organizational Chart](#) [PDF](#)
- [What is the status of my appeal request?](#)

### Special Case Procedures

- [Innocent Spouse](#)
- [Mediation Programs](#)
- [Rejected Offers in Compromise](#)
- [Penalty Appeals](#)
- [Coordinated Issues and Appeals Settlement Guidelines \(ASGs\)](#)
- [Art Appraisal Services](#)

### Forms, Videos and Podcasts

- Practitioner Perspectives Series
  - [A conversation with Collection Appeals](#) [PDF](#)
- [Online videos and podcasts of the Appeals process](#)
- [Letters and notices offering an appeal opportunity](#)
- [Forms and publications about your appeal rights](#)

### Other Items of Interest

- [ATCL Conferencing Initiative: Summary of Findings](#) [PDF](#)
- [Appeals Expands Access to Video Conferences](#)
- [Independent Office of Appeals Customer Satisfaction Surveys](#)
- [Appeals is Hiring](#)



Taxpayer Bill of Rights

What you should know



# IRS.gov/Appeals

- New design improves mobile device accessibility
- Structured *About Your Appeal* to better follow the flow of the appeals process
- Former self-help tool pages (Special Case Procedures) consolidated to reduce the number of “clicks” needed to get information





# FAQs

## Where should I send my appeal request?

- Non-Docketed case: Complete your protest and mail it to the IRS address on the letter that explains your appeal rights. Don't send your protest directly to the Independent Office of Appeals; this will only delay the process and may prevent Appeals from considering your case.
- Docketed Tax Court case: Chief Counsel will send your case to Appeals after filing an Answer to the Tax Court.



# FAQs

When should I expect to hear from Appeals after I make my request for Appeals consideration?

- After you make your request for Appeals consideration, please allow reasonable processing time for the IRS to move your case from Compliance to Appeals.
- Once your case has been received in Appeals and assigned to an employee, we will contact you promptly.
  - Target timeframes: initial contact letter within 45 days if your appeal is to Examination Appeals and within 30 days if your appeal is to Collection Appeals.
  - The contact letter will propose a conference date at which time your appeal can be heard. The proposed conference date can be changed by following the instructions in the letter.



# FAQs

How can I find out who is handling my case?

- You can reach us at 559-233-1267. Leave a message with your name and identifying number and we'll research the status of the case and return your call within 48 hours if your case has been received in Appeals. For additional information visit: <https://www.irs.gov/appeals/what-to-expect-from-appeals>.



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# Appeals is Hiring

- Look for us on USAJobs.gov. Use the QR code to the right to access current opportunities in Appeals.
- IRS Publications 5484 and 5502 describe the career paths available in Appeals.
- Questions for Appeals about hiring? Contact [ap.recruitment@irs.gov](mailto:ap.recruitment@irs.gov).

