

# How to Represent a Client in a Collection Due Process (CDP) Hearing



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## Catharine O'Connor, Esq. Head of Education, Tax Mentor

- Licensed to practice in Florida since 2012
- Practiced Tax Controversy from 2012-2020 for one of the largest national tax resolution companies.
- Resolved millions in tax debts, logged thousands of call hours with IRS collections personnel, and worked with hundreds of clients to resolve their tax controversy issues.
- Subject matter expert in tax issues facing small businesses, particularly payroll tax debts, with years of practical experience in achieving excellent results for my client.



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Collection Due Process (CDP) Hearings are an underutilized opportunity in Tax Representation work.

It is important for Tax Pros to understand the process, how to utilize, and the beneficial impacts a CDP Hearing can have for taxpayers.

Optimal CDP Hearing outcomes are grounded in strategy and preparation.



## Acronym Cheat Sheet

ACRONYM	MEANING	CONTEXT
ACS	Automated Collections System	Automated Collection System Support (ACSS) is a Compliance Operation, supporting ACS Call-Sites, resolving correspondence from taxpayers, their representatives, and/or third party contacts.
AO	Appeals Officer	Independent appeals officer (in charge of CDP & EQH hearing requests) with broad levels of discretionary review and power in deciding a taxpayer's case.
CDP	Collection Due Process	IRS must provide taxpayers an opportunity to dispute the debt prior to enforcement action commencing. A timely filed CDP hearing preserve rights to bring the dispute before the Tax Court. Time Sensitive!
CNC	Currently Non Collectible Status	\$0 month resolution offered by the IRS. Have to prove that income is exceeded by the reasonable & necessary living expenses of the taxpayer. NOT a forgiveness program, the taxpayer still owes the balance due.
CSSED	Collection Statute Expiration Date	The IRS has a limited time to collect a tax debt, starting 10 years from the date of assessment (plus tolling events). The CSSED is the date the debt is no longer legally enforceable.
EH	Equivalency Hearing	A non timely filed CDP hearing request. Have a year to make request from the date of the notice. Hearing process is the same but there is no tax court rights making decision final.



## Acronym Cheat Sheet

ACRONYM	MEANING	CONTEXT
IA	Installment Agreement	Monthly repayment plan to the IRS, may or may not have a set term.
NFTL	Notice of Federal Tax Lien	IRS files a tax lien at the county clerk of office to serve as public notice of the tax debt. Carries Collection Due Process Appeal Rights
OIC	Offer in Compromise	OIC is the debt settlement program offered by the IRS. Acceptable amount is determined by the RCP, therefore each taxpayer will be unique.
PPIA	Partial Pay Installment Agreement	An Installment Agreement (IA) which by its current terms is incapable of full paying the taxes within the CSEDs.
RO	Revenue Officer	Collections officer who works out of local filed collections office (aka group office).

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## Handouts

- ▶ Presentation Slides
- ▶ Acronym Cheat Sheet
- ▶ Collection Due Process IRS Letters & Forms List

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## Why CDP Hearings?

- ▶ The IRS Restructuring and Reform Act of 1998 (RRA 98) created Collection Due Process (CDP) appeal rights and, with them, the ability for taxpayers to contest their liability under certain circumstances.
- ▶ The CDP Hearing process, and by extension the Equivalent Hearing process, is an opportunity for a taxpayer to bring in the Independent Office of Appeals to reach an impartial & fair decision on a tax liability issue, regardless of the Collection Department's decision.
  - If a timely CDP Hearing is pursued the process opens up the path to Tax Court for the taxpayer if unsatisfied with Appeals Decision.
  - Appeals has wide discretion in evaluating the case in a CDP situation, as opposed to the Collection Appeal Process.

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## CDP Triggering Events

Notice of  
Federal Tax  
Lien (NFTL)

Final Notice  
of Intent to  
Levy

Post Levy  
Notice of  
Intent to Levy

Taxpayer gets **ONE** opportunity per tax period unless there is a new assessment.

See IRM 8.22.4.2.2 for all notices

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# Collection Due Process Rights – LIEN

## 26 U.S. Code § 6320 - Notice and opportunity for hearing upon filing of notice of lien

### (a) REQUIREMENT OF NOTICE

(1) **IN GENERAL** The Secretary shall notify in writing the person described in section 6321 of the filing of a notice of lien under section 6323.

### (b) RIGHT TO FAIR HEARING

(1) **IN GENERAL** If the person requests a hearing in writing under subsection (a)(3)(B) and states the grounds for the requested hearing, such hearing shall be held by the Internal Revenue Service Independent Office of Appeals.

(2) **ONE HEARING PER PERIOD** A person shall be entitled to only one hearing under this section with respect to the taxable period to which the unpaid tax specified in subsection (a)(3)(A) relates.

(3) **IMPARTIAL OFFICER** The hearing under this subsection shall be conducted by an officer or employee who has had no prior involvement with respect to the unpaid tax specified in subsection (a)(3)(A) before the first hearing under this section or section 6330. A taxpayer may waive the requirement of this paragraph.



## Sample LTR 3172

Department of the Treasury  
Internal Revenue Service  
[Operating Division / Program Name]

Date: 07/03/2017  
Taxpayer ID number (last 4 digits):  
Person to contact:  
Contact telephone number:  
Contact fax number:  
Employee ID number:

**We filed a Notice of Federal Tax Lien against you and you have a right to a hearing under Internal Revenue Code Section 6320.**

We filed a Form 668(Y)(c), Notice of Federal Tax Lien (copy attached), [date], for the tax liabilities shown below.

You have the right to a hearing with us to appeal this collection action and to discuss your payment options.

**What you need to do immediately**  
Pay your outstanding tax debt. Payment of additional interest and penalties may increase the amount shown below. Contact the person identified at the top of this notice for the full amount due or if you have questions.

Review the enclosed publication 594, The IRS Collection Process, and Publication 1640, Collection Appeal Rules. These explain how we collect taxes and the different collection appeals procedures available to you.

Assessment date	Unpaid balance of assessment
	\$0.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00
<b>Total unpaid balance: \$0.00</b>	

**Next steps**  
If you want to appeal this collection action, you must request your hearing by [date].

Complete the enclosed Form 13153, Request for a Collection Due Process or Equivalent Hearing, and mail it to:  
[enter Mailing Address]

Magic Words “Right to a Hearing”

## Sample 668(Y) NFTL

Exhibit 5.12.7-1 Mutual Collection Assistance Request (MCAR) NFTL

Form 668(Y) Department of the Treasury - Internal Revenue Service  
Notice of Federal Tax Lien  
(Rev. February 2004)

Area: Serial Number: NN/NN/NN/NN For Optional Use by Recording Office

As provided by sections 6321, 6322, and 6323 of the Internal Revenue Code, we are giving a notice that taxes (including interest and penalties) have been assessed against the following named taxpayer. We have made a demand for payment of this liability, but it remains unpaid. Therefore, there is a lien in favor of the United States on all property and rights to property belonging to this taxpayer for the amount of these taxes, and additional penalties, interest, and costs that may accrue.

Name of Taxpayer: First Name Line  
Second Name Line

Address: Street Address  
City, State ZIP

**IMPORTANT RELEASE INFORMATION** For each assessment listed below, unless notice of lien is lifted by the date given in column (d), this notice shall, on the day following such date, operate as a certificate of release as defined in IRC §3254(a).

Kind of Tax (a)	Tax Period Ending (b)	Identifying Number (c)	Date of Assessment (d)	Last Day for Refiling (e)	Unpaid Balance of Assessment (f)
Income	MMDDYYYY	XXX-XX-NNNN	MMDD/YYYY	MMDDYYYY	NNNNNN.NN

\*\*\*\*This amount is due, owing, and unpaid to the government of [Treaty Partner] and is being collected on behalf of [Treaty Partner] under the provisions of Article [NW] of the United States - [Treaty Partner] Income Tax Convention and applicable provisions of the Internal Revenue Laws of the United States\*\*\*\*

Place of Filing: Recording Official  
Recording Office City, State

Total	\$	NNNNNN.NN



# The Process – Notice of Tax Lien

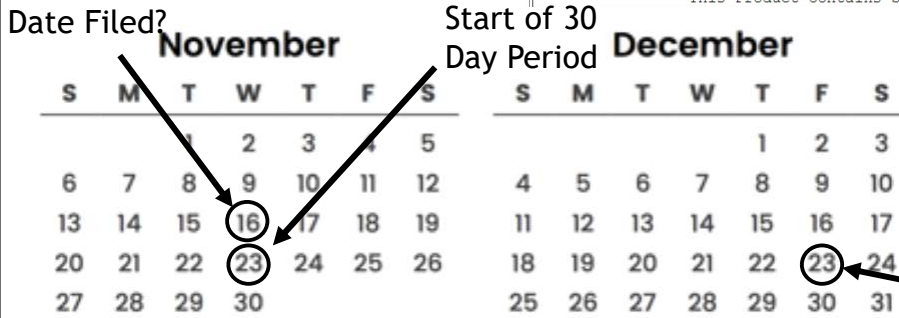
- ▶ Timeframe to Elect timely CDP Hearing Request
  - ❑ Within 30 days, starting **5 business days after** filing NFTL (IRM 5.1.9.3.1(2))
  - ❑ If taxpayer disagrees with decision, they **HAVE** the right to petition the tax court
- ▶ Request must be dated and in writing, form 12153 is usually used but not required as long as required information is provided (IRM 5.1.9.3.2 (2)(3)(4)).
- ▶ Timeframe to Elect an Equivalent Hearing
  - ❑ Within 1 year, starting 5 business days after filing NFTL (IRM 5.9.3.1(2))
  - ❑ If taxpayer disagrees with decision, they **DO NOT** have the right to petition the tax court.
- ▶ Can be withdrawn at any time using Form 12256.

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- Timely CDP Due Date - 12/23/2022
- Equivalent Hearing Due Date - 11/23/2023

582	Lien placed on assets due to balance owed	11-16-2022	\$0.00
582	Lien placed on assets due to balance owed	11-16-2022	\$0.00
971	Issued notice of lien filing and right to Collection Due Process hearing	11-11-2022	\$0.00

This Product Contains Sensitive Taxpayer Data



NOTE: IRS Considers Filing Date as Date received by Recording Office

End of 30 Day Period?

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# Collection Due Process Rights - LEVY

## 26 U.S. Code § 6330 - Notice and opportunity for hearing before levy

### (a) REQUIREMENT OF NOTICE BEFORE LEVY

(1) **IN GENERAL** No levy may be made on any property or right to property of any person unless the Secretary has notified such person in writing of their right to a hearing under this section before such levy is made. Such notice shall be required only once for the taxable period to which the unpaid tax specified in paragraph (3)(A) relates.

### (b) RIGHT TO FAIR HEARING

(1) **IN GENERAL** If the person requests a hearing in writing under subsection (a)(3)(B) and states the grounds for the requested hearing, such hearing shall be held by the Internal Revenue Service Independent Office of Appeals.

(2) **ONE HEARING PER PERIOD** A person shall be entitled to only one hearing under this section with respect to the taxable period to which the unpaid tax specified in subsection (a)(3)(A) relates.

(3) **IMPARTIAL OFFICER** The hearing under this subsection shall be conducted by an officer or employee who has had no prior involvement with respect to the unpaid tax specified in subsection (a)(3)(A) before the first hearing under this section or section 6320. A taxpayer may waive the requirement of this paragraph.



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LTR 11

CP90

Department of the Treasury  
Internal Revenue Service  
Philadelphia, PA 19255-0010

Notice LTR11  
Notice date March 2, 2020  
Taxpayer ID number Nnn-rr-rrrrr  
Case reference number rrrrr  
To contact us Phone 800-xxx-xxxx  
Page 1 of 5

9018995467114  
JAMES & KAREN Q. HINDS  
22 BOULDER STREET  
HANSON, CT 06000-7253

Page 1 of 5

TAXPAYER NAME  
ADDRESS  
CITY, STATE ZIP

Intent to seize your assets and notice of your right to a hearing  
Amount due immediately: **\$5,947.81**

Notice of Intent to Levy and Notice of Your Right to a Hearing  
Intent to seize your property or rights to property  
Amount due immediately: **\$4,823.12**

We haven't received a payment despite sending you several notices about your overdue taxes. The IRS may seize (levy) your property or your rights to property on or after April 1, 2020.  
Property includes:  
• Wages and other income  
• Bank accounts  
• Business assets

Billing Summary	
Amount you owed	\$4,309
Additional penalty charges	
Additional interest charges	
Amount due immediately	

We haven't received full payment despite sending you several notices about your unpaid federal taxes. The IRS may seize (levy) your property. However, you can appeal the proposed seizure (levy) of your assets by requesting a Collection Due Process hearing (Internal Revenue Code section 6330) by February 22, 2017.

Billing Summary	
Amount you owed	\$5,947.81
Additional failure-to-pay penalty	0.00
Additional interest charges	0.00
Amount due immediately	\$5,947.81

Magic Words "Right to a Hearing"

Magic Words "Right to a Hearing"

Payment

en Q. I find	
en Q. I find	CP90
en Q. I find	Notice date January 23, 2017
en Q. I find	Social Security number 999-99-9999

• Make your check or money order payable to the United States Treasury.  
• Write your Social Security number (999-99-9999) and tax periods on your payment and any correspondence.

Amount due immediately **\$5,947.81**



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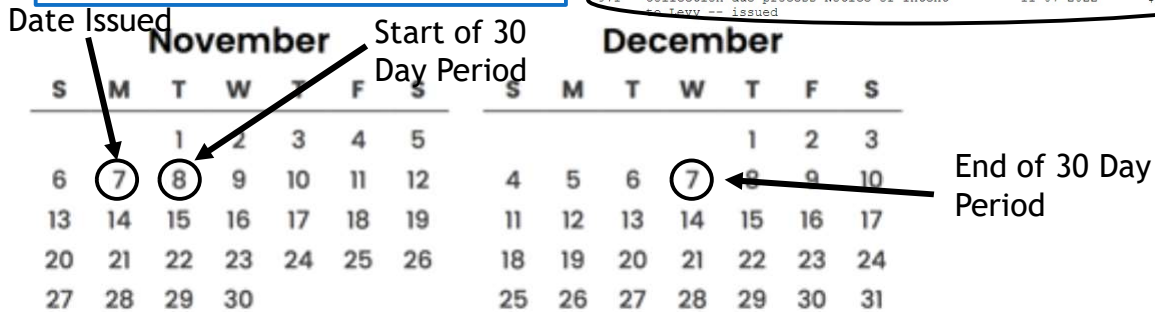
# The Process – Notice of Intent to Levy

- ▶ Timeframe to Elect a Timely CDP Hearing
  - ❑ Within 30 days **after the date** the notice of intent to levy is issued (IRM 5.1.9.3.1(3))
  - ❑ If taxpayer disagrees with decision, they **HAVE** the right to petition the tax court
- ▶ Request must be dated and in writing, form 12153 is usually used but not required as long as required information is provided (IRM 5.1.9.3.2 (2)(3)(4)).
- ▶ Timeframe to Elect an Equivalent Hearing
  - ❑ Within 1 year after the date the notice of intent to levy is issued (IRM 5.9.3.1(3))
  - ❑ If taxpayer disagrees with decision, they **DO NOT** have the right to petition the tax court.
- ▶ Can be withdrawn at any time using Form 12256.

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- Timely CDP Due Date - 12/7/2022
- Equivalent Hearing Due Date - 11/8/2023

196	Interest charged for late payment	201927	07-22-2019	\$150.90
196	Interest charged for late payment	202027	07-20-2020	\$141.15
971	Collection due process Notice of Intent to Levy -- issued		11-07-2022	\$0.00



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## Issues Which Can be Raised

- ▶ Spousal Defenses (i.e. innocent spouse)
- ▶ Challenges as to the appropriateness of proposed collection activity
  - ❑ Seizure
- ▶ Collection Alternatives
  - ❑ Installment Agreements
  - ❑ Offers in Compromise
  - ❑ Currently Non Collectible
- ▶ Abatement/Dispute of Penalties
- ▶ Underlying Liability
  - ❑ Exams (be mindful of prior opportunity)
  - ❑ Civil Penalties
  - ❑ Other Issues/Return Mistakes
- ▶ NFTL Alternatives/Certificates
  - ❑ Withdrawal
  - ❑ Discharge
  - ❑ Subordination
- ▶ Any Relevant (i.e. Non-Frivolous) Issues

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## Limitations on Electing CDP

- ▶ Final Decision by a Court CANNOT be challenged via CDP
- ▶ Frivolous Arguments
  - ❑ See IRS Notice 2010-33 ([https://www.irs.gov/irb/2010-33\\_IRB](https://www.irs.gov/irb/2010-33_IRB))
- ▶ Prior Opportunity
  - ❑ IRM 8.22.4.2.2 - An issue may **NOT** be raised at the CDP lien or levy hearing if the taxpayer **participated meaningfully** in any previous administrative or judicial proceeding where the same issue was already raised and considered.
  - ❑ See also IRM 5.1.9.5.2.1 Opportunity to Participate

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## Collection Statute Expiration Dates

- ▶ Timely CDP Request - The CSED is suspended from the date the Service receives a timely filed request for a CDP hearing to the date the taxpayer withdraws their request for a CDP hearing or the date the determination from Appeals becomes final, including any court appeals. (IRM 5.1.19.3.3(1))
  - Interesting fact collections (not appeals) is responsible for protecting the CSED.
- ▶ Non Timely CDP Request (i.e. Equivalent Hearing) - The CSED is NOT tolled. (IRM 5.1.19.3.3(2))
- ▶ Depending on age of assessments and overall strategies CSED tolling may not be ideal.

## What is the Goal?

- ▶ Just because you can do something doesn't mean you should.
- ▶ What is the end goal in requesting a CDP or Equivalent Hearing?
  - Keeping options open with a Revenue Officer?
  - Need to access Tax Court?
  - Complex Issue?
  - Better Venue for Request?
  - Need an Actual Person?

## CDP Requests with Revenue Officers

- ▶ Generally – Letter 1058 Final Notice of Intent to Levy with Right to a Collection Due Process Hearing.
  - ❑ Upon assignment, RO will check to see if NFTL and Final Notice of Intent to Levy have been issued.
  - ❑ Strategy: Submit the CDP request within a few days of the deadline (when available) and request RO hold on to the request. \*\*\*Can (and should) hold for 45 days!
  - ❑ If there is lien issue check that box as well and include supporting argument in request.
- ▶ Benefits of Submitting Form 12153
  - ❑ Protect taxpayer from levies.
  - ❑ Forces RO to work IA request timely.
  - ❑ Can continue to work with RO after referral to appeals (if desired) and submit withdrawal when/if resolved.
  - ❑ Allows alternatives if you and RO cannot come to agreement on Collection outcome.

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## CDP Request with Automated Collections System (ACS)

- ▶ Generally – Letter 11 Final Notice of Intent to Levy with Right to a Collection Due Process Hearing.
- ▶ NOTE: CDP or Equivalency Hearing election coding on account will prevent ACS employees from working the account. Even if just one period. Can withdraw using form 12256, once processed ACS can work with you.
- ▶ If taxpayer is assigned to ACS and you plan to pursue an IA, PPIA, or CNC (i.e. Collection Alternatives) would NOT recommend electing a CDP/Equivalency Hearing.
  - ❑ Appeals Officers (AOs) are frequently retired ROs and will usually have a more strict interpretation of a Collection Information Statement than ACS.
- ▶ Would save CDP rights (where taxpayer is assigned to ACS) for instances of:
  - ❑ Federal Payment Levy Program (FPLP)
  - ❑ Dispute of Balance Due
  - ❑ Penalty Abatement & Dispute of Civil Penalties
  - ❑ Innocent/Injured Spouse
  - ❑ Complicated or Other Issues

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## Collections After Request of Hearing

- ▶ Collection Due Process (CDP) Hearing – Timely
  - Collections forbidden on periods included in the CDP Hearing Request BUT can resume if:
    - Collections at Risk
    - Frivolous Request
    - Delay of Collections
  - Levy action is generally suspended:
    - On tax periods not subject to the CDP levy hearing, unless all pre-levy notifications have been met,
    - On tax periods subject to an equivalent hearing,
    - On periods subject to a CDP NFTL hearing.
- ▶ Equivalency Hearing – Not Timely
  - Levy action generally suspended (administrative decision not statutory requirement). Levy Action can be pursued if:
    - Collections at Risk
    - Frivolous Request
    - Delay of Collection

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## Preparing the Hearing Request

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# Completing Form 12153

Always Check BUT have your records to prove timeliness.

NOTE: You CANNOT elect an equivalent hearing within the timeframe for a timely hearing!

Form 12153 (July 2022) Department of the Treasury - Internal Revenue Service  
**Request for a Collection Due Process or Equivalent Hearing**

Use this form to request a Collection Due Process (CDP) or Equivalent Hearing (EH) with the IRS Independent Office of Appeals (Appeals) if you have received a letter offering an appeal under IRC 6320/6330 (CDP notice). IRS Use Only

Complete this form and send it to the address for requesting a hearing (not the payment address) shown on your CDP notice. Include a copy of your CDP notice to ensure proper handling of your request. For further information on these hearings, please see the instructions for this form.

Call the phone number on the CDP notice or 1-800-829-1040 if you are not sure about the correct address or if you want to fax your hearing request.

Si desea ver el formulario y las instrucciones en español, visite <http://www.irs.gov/pub/irs-soi/12153sp.pdf>.

1. Basis for hearing request (both boxes can be checked if you have received lien and levy notices)  
 Filed Notice of Federal Tax Lien  Notice of Proposed or Actual Levy

2. Equivalent Hearing (see the instructions for more information on Equivalent Hearings)  
 If my request does not meet the requirements for a timely CDP hearing, I would like a hearing that is equivalent to a CDP hearing

3. Taxpayer name (Taxpayer 1)  
 Taxpayer Identification Number  
 Current address  
 City State ZIP code

4. Best telephone number and time to call during normal business hours  
 Home  Work  Cell  
 Telephone number Time a.m. p.m.

5. Taxpayer name (Taxpayer 2)  
 Taxpayer Identification Number  
 Current address  
 (if different from address above) City State ZIP code

6. Best telephone number and time to call during normal business hours  
 Home  Work  Cell  
 Telephone number Time a.m. p.m.

Can request hearing for one or both **IF** the notices were issued in the same timeframe. Revenue Officers often issue both notices within a short timeframe upon being assigned a case.

If joint liabilities AND you are representing both taxpayers, then include on the form. If there is a non liable spouse they will likely need to be included on the Collection Information Statement but not the 12153. If separate assessments are needed be sure to include in request.



# Completing Form 12153

7. Tax information as shown on your lien or levy notice (include a copy of the notice(s)). You do not have to complete section 7 if you include a copy of the notice(s) you are appealing

Type of Tax (Income, Employment, Excise, etc. or Civil Penalty)	Tax Form Number (1040, 941, 720, etc.)	Tax Period or Periods

IRM 8.22.5.2.2(4) A request for a CDP hearing includes **all** periods listed on the CDP lien and/or levy notice, even if not listed on the hearing request.

This might be relevant if there is only one period at issue in the strategy being pursued and you are concerned about CSED Tolling on other periods.



# Completing Form 12153

Always Check & Include an Attachment/ Addendum

Page 2

8. Reason you are requesting a hearing. Your request will not be honored if you don't provide a reason for the dispute. Make the best selection(s) from the choices below or use as much space as you need to explain the reason for your request. You may include more pages if you don't have enough space (see instructions)

- I am not liable for the tax the IRS is trying to collect
- I claim innocent spouse relief (see instructions)
- My taxes were discharged in bankruptcy
- I've made payments that were not applied to my taxes
- I want the Notice of Federal Tax Lien withdrawn
- I am currently unable to pay due to financial hardship (see paragraph 9)
- I am unable to pay in full and would like a collection alternative (see paragraph 9)
- Other issue(s) and/or comment(s)

"See Attached"

9. Proposed collection alternative (see instructions). If you are currently unable to pay or seek a collection alternative such as an Installment Agreement or Offer in Compromise, prepare a financial statement, Form 433-A (individuals) or Form 433-B (businesses), with your request, unless you meet a financial statement exception (see below). Submitting this information with your Form 12153 is not required, but early submission of the form will help you obtain the quickest resolution of your case

Installment Agreement     Offer in Compromise     Currently Unable to Pay

Other (explain)

Financial Statement Exceptions (no financial statements need to be submitted if either of these two situations apply.)

Installment Agreement: To see if you can automatically obtain an installment agreement without providing a financial statement and without an appeal, visit <https://www.irs.gov/payments/online-payment-agreement-application> or scan this QR code:



Offer in Compromise: Only if based on Doubt as to Liability.

Check ALL that apply! There is usually no re-do on what you want the Appeals Officer to consider. If there is a point to be made in your taxpayer's best interest, MAKE IT! Also, don't not be afraid to have alternative theories and requests if applicable. Just make sure it is not frivolous.

Financial Statement Required if requesting a Collection Alternative. Will have opportunity to refine & update later on if needed.



# Completing Form 12153

10. Signatures I understand the CDP hearing and any subsequent judicial review will suspend the statutory period of limitations for collection action. I also understand either my representative or I (but not both) must sign and date this request before Appeals can accept it. If you are signing as an officer of a company, add your title (president, secretary, etc.) behind your signature.

**SIGN HERE**

Taxpayer 1's signature	Date	
Taxpayer 2's signature (if a joint request, both must sign)	Date	
Representative's signature (include an executed Form 2848 if signing for the taxpayer(s) unless a Form 2848 is already on file)		
Representative's name	Telephone number	Date

**IRS Use Only**

IRS employee (print)	Telephone number	Received date
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Catalog Number 268850    www.irs.gov    Form 12153 (Rev. 7-2022)

Signature of 2848 representative is enough for a valid request. Include a copy of your 2848 to prevent delays in processing, especially if you know it is not on file with CAF. See IRM 5.1.9.3.2(3)



## Form 12153 is Only a Start

- ▶ Draft Your Brief (i.e. Attachment to form 12153)
  - ❑ **WHAT** are you asking for and **WHY**?
  - ❑ Doesn't have to be a novel but this is your opportunity to properly frame your goals, elaborate if needed, and advocate for the desired outcome.
  - ❑ Cite IRM and use IRS "Lingo."
- ▶ Include Copies of EVERYTHING!
  - ❑ DO NOT assume Appeals Officer will have access to previously submitted documents or prior conversations with collections personnel.
  - ❑ 2848, 433A, Returns, Expense Proof, etc.
  - ❑ If in a rush because of a deadline, include what you have and begin refining for secondary submission.



## Where to Send a CDP Request

- ▶ Mail to Address on the Final Notice of Intent to Levy or Letter 3172 (NFTL Cover Letter).
  - ❑ Use a mail method with tracking (i.e. certified), this is your proof of postmark if there is a question of timeliness.
  - ❑ Keep copies!
- ▶ If working with a Revenue Officer fax a copy and let them know that a hard copy is coming.



Notice	LT11
Notice date	March 2, 2020
Taxpayer ID number	nn-nn-nnnn
Case reference number	nnnn
To contact us	Phone 800-xxx-xxxx
Page 1 of 5	

TAXPAYER NAME  
ADDRESS  
CITY, STATE ZIP

Notice of Intent to Levy and Notice of Your Right to a Hearing  
**Intent to seize your property or rights to property**  
**Amount due immediately: \$4,823.12**



# The Hearing

**TRN** **M**  
TAX REP NETWORK TAX MENTOR

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# Following Up

- ▶ Appeals Officer generally assigned within 3-6 months.
  - Call 1-559-233-1267 and leave Voicemail for appeals status update.
- ▶ Look for letter acknowledging receipt of appeal, setting proposed date for hearing, and request for additional documents (433A with supporting documents being most common) with deadline for submission.
  - Letter 4837 is most commonly used (see Handouts with CDP letters/forms for others).

**TRN** **M**  
TAX REP NETWORK TAX MENTOR

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## Withdrawing the CDP Request

- ▶ Oftentimes IRS will request you withdraw the Hearing Request if they can reach a resolution with you.
  - ❑ Have the important goals been met and is there any merit to continuing the process? Are there drawbacks in continuing?
  - ❑ Have confirmation in hand of other resolution prior to withdrawal; you can only file once in a year period so there are no take backs.
- ▶ File Form 12256 if you wish to withdraw the Hearing request (CDP or Equivalent).

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## Preparing for the Hearing

- ▶ Upon receipt of letter send fax confirming hearing date & time OR proposing alternatives date & time.
  - ❑ TIP: Double Check Time Zones!
- ▶ Meet deadlines for any requested documents AND use this opportunity reiterate or refine prior request (What & Why).
- ▶ The Appeals Officer has usually made up their mind prior to the actual phone call; preparation, organization, explanations, & strategy ALL MATTER!
  - ❑ Be familiar with the IRM and IRC related to requests.

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## The Hearing

- ▶ Be on Time and Be Prepared. You get to go first, reiterate the points made in your initial submission, summarize request, and highlight why this is fair (both to taxpayer and the IRS – balancing test).
  - Appeals Officer may ask additional follow up questions and/or push you on the arguments you made.
- ▶ If the Appeals Officer does not call (it happens), leave a Voicemail AND send a follow up fax indicating you were available with request to reschedule.
- ▶ NOTE: Generally, want to set aside 60 minutes on your calendar for the hearing.

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## The Decision

- ▶ Oftentimes you know the result before you hang up the phone, however a letter will still be sent with decision and any follow up requests.
  - May have agreed in full, may have agreed in part, or disagreed entirely.
- ▶ Next Steps
  - If Timely CDP, and unhappy with the decision, can choose to elect tax court within 30 days (CSED will continue to toll).
  - If Equivalent Hearing the taxpayer's account will be returned to the previously assigned IRS department.

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## Tax Court


- ▶ Do you need to hand this off to another professional or have the taxpayer pursue pro se if you lack the proper credentials?
- ▶ Is it worth it to continue the fight? Client decision but need to inform them.
  - ❑ Consider Likelihood of Success
  - ❑ Continued Costs
  - ❑ CSED Tolling

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## Conclusion

- ▶ Collection Due Process and Equivalent Hearings, when used correctly, can be an opportunity to have a HUGE impact on your client's outcome.
- ▶ Work towards a specific goal(s) and ensure your strategy matches.
- ▶ Preparation is KEY! Be over prepared and be sure to over provide relevant data.

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Questions?



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