

Notice of Deficiency...Now What?

Eric L. Green, Esq.



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Eric Green, Esq.

- ▶ Managing partner in Green & Sklarz LLC, a boutique tax firm with offices in Connecticut and New York.
- ▶ Focus is civil and criminal taxpayer representation before the Department of Justice Tax Division, Internal Revenue Service and state Departments of Revenue Services.
- ▶ Has served as a columnist for CCH's Journal of Practice & Procedure.
- ▶ Attorney Green is the past Chair of the Executive Committee of the Connecticut Bar Association's Tax Section.
- ▶ Eric is a Fellow of the American College of Tax Counsel ("ACTC").
- ▶ Founder of Tax Net Network



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Eric Green, Esq.

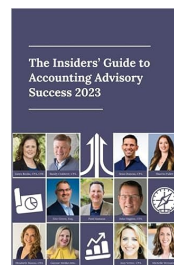
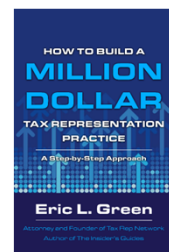
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Eric Green, Esq.



IRS REPRESENTATION *Conference*



10th Annual NE IRS Rep Conference

- ▶ Back at Mohegan Sun
- ▶ 11/30/23 (QU) and 12/1/23 (Mohegan)
- ▶ Webcast is Free for Members
- ▶ <https://irsrepconference.com>



TRN
TAX REP NETWORK

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3rd Annual Tax Rep Summit

- ▶ 12/13/23 – 12/15/23
- ▶ Drury Plaza Hotel – Disney Springs
- ▶ Members pay cost
- ▶ Includes breakfast, cocktail reception and wifi
- ▶ <https://taxrepllc.com/2023-summit>

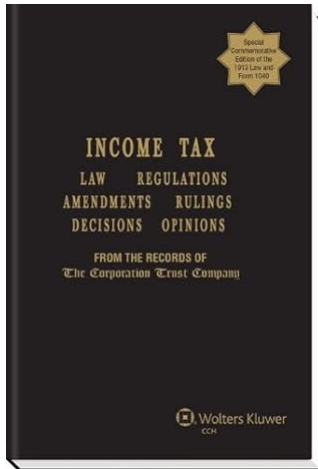


TRN
TAX REP NETWORK

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Guess What we Have...?



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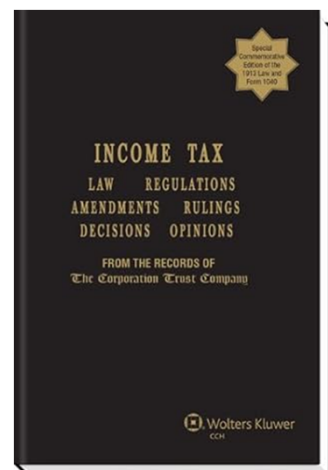
Go Give us a 5-Star Google Review

We will send you the 1913 Original Income Tax Return and Income Tax Code for Free as our gift!

To do the review please use this link from google:

<https://g.page/r/CWKZdCS1yLvqEAI/review>

Email us at hello@taxrepllc.com with your address.



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Housekeeping

- ▶ There is 1 ce/cpe for this webinar
- ▶ 4 polls – you must do at least 3 of them
- ▶ A link will be emailed to you later to claim your certificate
- ▶ EAs - Put your PTIN number in when you claim the certificate
- ▶ Issues? Email us at team@taxrep LLC.com



5-Minute Break at the Top of the Hour




Current Landscape

- ▶ **More than 10 million non-filers**
- ▶ Over 15 million with balances due
- ▶ Over 8 million balances due sent



The Normal Process: Exam

- ▶ Opening Letter
- ▶ Announces the Exam
- ▶ Often lists the initial items requested

 Department of the Treasury
Internal Revenue Service
Small Business and Self-Employed

Street Address
Group-XXXX
City, State Zip

Taxpayer Name
Street Address
City, State Zip

Date: April 5, 20__
Taxpayer Identification Number: xx-xxxxxxx
Form: 1120
Tax period(s): December 31, 20__
Response date: April 15, 20__
Person to contact: Auditor Names
Contact hours: 8:00am to 2:30pm
Contact telephone number: xxx-xxx-xxxx
Contact fax number: (877) xxx-xxxx
Employee Identification number: 0xxxxxx

Dear Taxpayer Name:

Your federal return for the period(s) shown above was selected for examination.

What you need to do
Please call me on or before the response date listed at the top of this letter. You may contact me at the telephone number and times provided above.

What we will discuss
During our telephone conversation, we will discuss:

- Items on your return that I will be examining.
- Types of documents I will ask you to provide.
- The examination process.
- Any concerns or questions you may have.
- The date, time and agenda for our first meeting.

The issues listed below are the preliminary items identified for examination. During the course of the examination, it may be necessary to add or reduce the list of items. If this should occur, I will advise you of the change.

- Other deductions (not listed)
- Returns & allowances
- Gross receipts or sales



Proposed Adjustments

- ▶ Proposed Adjustments
- ▶ 30-Day Letter



Form 4549 (January 2019)		Department of the Treasury-Internal Revenue Service Report of Income Tax Examination Changes		
Name and address of taxpayer Taxpayer		Taxpayer identification number XXXX-XX-XXXX	Return form number 1040	
STREET ADDRESS CITY CT ZIP CODE		Person with whom examination changes were discussed	Name and title Taxpayer Name	
1. Adjustments to income		Period Ended 12/31/2013	Period Ended 12/31/2014	Period Ended 12/31/2015
a. Taxable Interest		481.00	1,360.00	
b. Sch. E-Inc/Loss-Partnership/S Corps-Passive/Non-Passive		12,272.00	17,811.00	(1,136.00)
c. Pensions and Annuities		22,410.00	13,290.00	
d. Sch. C1 - Gross Receipts or Sales		116,392.00	81,251.00	79,863.00
e. RR AGT Adjustment		(8,223.00)	(5,740.00)	(5,572.00)
f. Standard Deduction		(6,100.00)	(6,200.00)	(6,300.00)
g.				
h.				
i.				
j.				
k.				
l.				
m.				
n.				
o.				
p.				
2. Total adjustments		137,232.00	101,772.00	65,855.00
3. Taxable income per return or as previously adjusted		0.00	0.00	0.00
4. Corrected taxable income		137,232.00	101,772.00	65,855.00
Tax method		TAX RATE	TAX RATE	TAX TABLE
Filing status		Married Separate	Married Separate	Married Separate
5. Tax		33,443.00	22,129.00	12,263.00
6. Additional taxes/Alternative minimum tax				
7. Corrected tax liability		33,443.00	22,129.00	12,263.00
8. Less				
a. credits				
b.				
c.				
d.				
9. Balance (line 7 less lines 8a through 8d)		33,443.00	22,129.00	12,263.00
10. Plus				
a. Self-Employment Tax		16,446.00	11,480.00	11,143.00
b. Net Investment Income Tax		18.00		
c. other taxes				
d.				
11. Total corrected tax liability (line 9 plus lines 10a through 10d)		49,907.00	33,609.00	23,406.00
12. Total tax shown on return or as previously adjusted		0.00	0.00	0.00
13. Adjustments to:				
a.				
b.				
c.				
14. Deficiency-increase in tax or (overassessment-decrease in tax) (line 11 less line 12 adjusted by lines 13a through 13c)		49,907.00	33,609.00	23,406.00
15. Adjustments to prepayment credits - increase (decrease) See Attached		2,181.00	555.00	
16. Balance due on (overpayment) - (line 14 adjusted by line 15) (including interest and penalties)		47,726.00	33,054.00	23,406.00

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Notice of Deficiency

- ▶ Less than 1 year on Statute
- ▶ Refuse to sign 872
- ▶ Triggers 90 days to File in Tax Court



Department of the Treasury Internal Revenue Service Small Business and Self-Employed		Date: 3/1/2019	
955 S. SPRINGFIELD AVENUE SPRINGFIELD NJ 07081-3636		Taxpayer ID number: [REDACTED]	
CERTIFIED MAIL Anthony & Marie Antonetti 1 Elm Street New Haven, CT 06511		Form: 1040 Person to contact: EXAM MANAGER Contact telephone number: 203-XXX-XXXX Contact fax number: 855-XXX-XXXX Employee ID number: 10002XXXX Last day to file the petition with US tax co: May 29, 2019	
Tax Year Ended:	December 31, 2010	December 31, 2011	December 31, 2012
Deficiency:			
Increase in tax	\$60,845.00	\$60,845.00	\$60,845.00
Penalties or Additions to Tax			
IRC 6663	45,634.00	45,634.00	45,634.00
Dear ANTHONY & MARIE ANTONETTI:			
Why we are sending you this letter We determined that you owe additional tax or other amounts, or both, for the tax year or years identified above. This letter is your Notice Of Deficiency, as required by law. The enclosed Form 4549-A, <i>Income Tax Discrepancy Adjustments</i> or Form 5278, <i>Statement - Income Tax Charges</i> , shows how we figured the deficiency.			
If you wish to challenge this determination If you want to challenge this determination in court before making any payment, you have 90 days from the date of this letter (150 days if this letter is addressed to you outside of the United States) to file a petition with the United States Tax Court to reconsider the deficiency.			
Information you will need If you have recently sought bankruptcy relief by filing a petition in bankruptcy court, see enclosed Notice 1421, <i>How Bankruptcy Affects Your Right to File a Petition in Tax Court in Response to a Notice of Deficiency</i> .			

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NOD...Now What?

- ▶ Cannot ask for rescinding
- ▶ Cannot ignore it
- ▶ File in the United States Tax Court
- ▶ If you file in United States Tax Court, and the case has not already been to Appeals it will be sent there. IRM 8.4.1.4, Revenue Procedure 2016-22



File in Tax Court

UNITED STATES TAX COURT
www.usttcourt.gov

(FIRST) (MIDDLE) (LAST)
Anthony Antonelli & Marie Antonelli
(PLEASE TYPE OR PRINT) Petitioner(s)

vs.
COMMISSIONER OF INTERNAL REVENUE,
Respondent

Docket No. _____

PETITION

1. Please check the appropriate box(es) to show which IRS ACTION(S) you dispute:

<input type="checkbox"/> Notice of Deficiency	<input type="checkbox"/> Notice of Determination Concerning Relief From Joint and Several Liability Under Section 6013 (or Failure of IRS to Make Determination Within 6 Months After Election or Waiver for Relief)*
<input type="checkbox"/> Notice of Determination Concerning Collection Action	<input type="checkbox"/> Notice of Certification of Your Seriously Delinquent Federal Tax Debt to the Department of State
<input type="checkbox"/> Notice of Final Determination for [Joint/Partial] Disallowance of Foreign Abatement Claim or Failure of IRS to Make Final Determination Within 180 Days After Claim for Abatement**	<input type="checkbox"/> Notice of Determination Under Section 7623 Concerning "Whistleblower" Action*

*For additional information, please see "Taxpayer Information - Starting a Case" at www.usttcourt.gov (accessible by hyperlink from entities above, or in the Court's information booklet).

2. If applicable, provide the date(s) the IRS issued the NOTICE(S) checked above and the city and State of the IRS office(s) issuing the NOTICE(S) March 1, 2019, Springfield, New Jersey

3. Provide the year(s) or period(s) for which the NOTICE(S) was/were issued: 2010, 2011, 2012

4. SELECT ONE OF THE FOLLOWING (unless your case is a whistleblower or a certification action):
 If you want your case conducted under small tax case procedures, check here: CHECK
 If you want your case conducted under regular tax case procedures, check here: ONE BLOCK

NOTE: A decision in a "small tax case" cannot be appealed to a Court of Appeals by the taxpayer or the IRS. If you do not check either box, the Court will file your case as a regular tax case.

5. Explain why you disagree with the IRS determination in this case (please list each point separately):
 The IRS assigned income to me that belonged to the bookkeeper, who embezzled the funds.

UNITED STATES TAX COURT
www.usttcourt.gov

Anthony Antonelli & Marie Antonelli
(PLEASE TYPE OR PRINT) Petitioner(s)

vs.
COMMISSIONER OF INTERNAL REVENUE,
Respondent

Docket No. _____

STATEMENT OF TAXPAYER IDENTIFICATION NUMBER
(E.g., Social Security number(s), employer identification number(s))

Name of Petitioner: Anthony Antonelli

Petitioner's Taxpayer Identification Number: XXXX-XX-XXXX

Name of Additional Petitioner: Marie Antonelli

Additional Petitioner's Taxpayer Identification Number: XXXX-XX-XXXX

If either petitioner is seeking relief from joint and several liability on a joint return pursuant to Section 6015, I.R.C., 1986, and Rules 320 through 325, name of the other individual with whom petitioner filed a joint return:

Taxpayer Identification Number of the other individual, if available:

SIGNATURE OF PETITIONER OR COUNSEL DATE

SIGNATURE OF ADDITIONAL PETITIONER DATE

UNITED STATES TAX COURT
www.usttcourt.gov

Anthony Antonelli & Marie Antonelli
(PLEASE TYPE OR PRINT) Petitioner(s)

vs.
COMMISSIONER OF INTERNAL REVENUE,
Respondent

Docket No. _____

REQUEST FOR PLACE OF TRIAL

PLACE AN "X" IN ONLY ONE BOX TO REQUEST THE PLACE OF TRIAL. IF PETITIONERS ELECTED TO HAVE THE CASE CONDUCTED AS A SMALL TAX CASE, REQUEST ANY CITY LISTED BELOW; OTHERWISE, REQUEST ANY CITY (SEE INSTRUCTIONS ON REVERSE.)

ALABAMA <input type="checkbox"/> Birmingham <input type="checkbox"/> Mobile <input type="checkbox"/> Tallahassee	ARIZONA <input type="checkbox"/> Phoenix <input type="checkbox"/> Tucson	CALIFORNIA <input type="checkbox"/> San Diego <input type="checkbox"/> San Francisco <input type="checkbox"/> Sacramento	COLORADO <input type="checkbox"/> Denver	CONNECTICUT <input type="checkbox"/> Hartford	DISTRICT OF COLUMBIA <input type="checkbox"/> Washington	FLORIDA <input type="checkbox"/> Orlando <input type="checkbox"/> Tampa <input type="checkbox"/> Tallahassee	GEORGIA <input type="checkbox"/> Atlanta	HAWAII <input type="checkbox"/> Honolulu	IDaho <input type="checkbox"/> Boise	ILLINOIS <input type="checkbox"/> Chicago <input type="checkbox"/> Springfield	INDIANA <input type="checkbox"/> Indianapolis	IOWA <input type="checkbox"/> Des Moines	KANSAS <input type="checkbox"/> Topeka	KENTUCKY <input type="checkbox"/> Louisville	LOUISIANA <input type="checkbox"/> New Orleans	MAINE <input type="checkbox"/> Portland	MARYLAND <input type="checkbox"/> Baltimore	MASSACHUSETTS <input type="checkbox"/> Boston	MICHIGAN <input type="checkbox"/> Detroit	MINNESOTA <input type="checkbox"/> St. Paul	MISSISSIPPI <input type="checkbox"/> Jackson	MISSOURI <input type="checkbox"/> Kansas City <input type="checkbox"/> St. Louis	MONTANA <input type="checkbox"/> Helena	NEBRASKA <input type="checkbox"/> Omaha	NEVADA <input type="checkbox"/> Las Vegas	NEW HAMPSHIRE <input type="checkbox"/> Concord	NEW JERSEY <input type="checkbox"/> Newark <input type="checkbox"/> Trenton	NEW YORK <input type="checkbox"/> Albany <input type="checkbox"/> New York	NORTH CAROLINA <input type="checkbox"/> Charlotte	NORTH DAKOTA <input type="checkbox"/> Bismarck	OHIO <input type="checkbox"/> Columbus <input type="checkbox"/> Cleveland <input type="checkbox"/> Cincinnati	OKLAHOMA <input type="checkbox"/> Oklahoma City	OREGON <input type="checkbox"/> Portland	PENNSYLVANIA <input type="checkbox"/> Harrisburg <input type="checkbox"/> Philadelphia <input type="checkbox"/> Pittsburgh	RHODE ISLAND <input type="checkbox"/> Providence	SOUTH CAROLINA <input type="checkbox"/> Columbia	SOUTH DAKOTA <input type="checkbox"/> Pierre	TENNESSEE <input type="checkbox"/> Nashville <input type="checkbox"/> Knoxville	TEXAS <input type="checkbox"/> Dallas <input type="checkbox"/> Houston <input type="checkbox"/> San Antonio	UTAH <input type="checkbox"/> Salt Lake City	VERMONT <input type="checkbox"/> Burlington	VIRGINIA <input type="checkbox"/> Alexandria <input type="checkbox"/> Fairfax <input type="checkbox"/> Richmond	WASHINGTON <input type="checkbox"/> Seattle <input type="checkbox"/> Tacoma	WEST VIRGINIA <input type="checkbox"/> Charleston	WISCONSIN <input type="checkbox"/> Milwaukee <input type="checkbox"/> Madison	WYOMING <input type="checkbox"/> Cheyenne
---	--	---	---	--	---	---	---	---	---	--	--	---	---	---	---	--	--	--	--	--	---	--	--	--	--	---	---	--	--	---	--	--	---	---	---	---	---	---	--	---	--	--	---	--	---	--

Signature of Petitioner(s) or Counsel Date



Government Responds

- ▶ Receipt from Tax Court
- ▶ Instructions for how Taxpayer can access their case electronically
- ▶ Then Answer from IRS

UNITED STATES TAX COURT
400 SECOND STREET, N.W.
WASHINGTON, D.C. 20217

June 25, 2019

NOTIFICATION OF RECEIPT OF PETITION

Docket No.: 12XXX-19
Name of Case: Anthony Antonetti & Marie Antonetti
v. COMMISSIONER OF INTERNAL REVENUE

The Court received and filed your petition on June 20, 2018 and served it on respondent on June 25, 2019.
(X) Filing Fee Paid.
(X) Request for Place of Trial at Hartford, CT.

Your Docket Number: Include the docket number given above for your case on all papers and correspondence that you send to the Tax Court. Do not include your Social Security or Taxpayer Identification numbers on any documents you file with the Court, except on Form 4.

Internet Access: If you have Internet access, you may obtain information on the Tax Court's Web site at www.usitaxcourt.gov by selecting "Taxpayer Information".

eAccess and eFiling: Information about how to register for eAccess is attached.

Change of Address: You must notify the Clerk of the Court if you change your address. See Tax Court Form 10, Notice of Change of Address, under "Forms" on the Tax Court's Web site at www.usitaxcourt.gov. Failure to notify the Clerk of the Court of a change of your address can mean you do not receive notices and documents essential to your case and can lead to dismissal of your case.

Stephanie A. Servoss
Clerk of the Court

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Government's Answer

- Admit or Deny
- Do not have the administrative file yet
- Case will then go over to Appeals

ORIGINAL

UNITED STATES TAX COURT

ANTHONY ANTONETTI &)
MARIE ANTONETTI,)
)
Petitioners,)
)
v.) Docket No. 12XXX-19
) Filed Electronically
COMMISSIONER OF INTERNAL REVENUE,)
Respondent.)

ANSWER

RESPONDENT, in answer to the petition filed in the above-entitled case, admits, denies, and alleges as follows:

STATEMENT OF JURISDICTION

1. Admits.

PARTIES

2. Admits.
3. Admits.

GENERAL FACTS AND BACKGROUND

4. Admits.
5. Admits that respondent made a determination of unreported income but denies for lack of knowledge or sufficient information
6. Denies for lack of knowledge or sufficient information

WHEREAS

(1) That the relief sought in the petition be denied;
(2) That respondent's determination, as set forth in the notice of deficiency, be in all respects approved

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Case is assigned to Appeals

Internal Revenue Service
Appeals Office
CT-RI Appeals Office
333 East River Dr., Suite 200
East Hartford, CT 06108

Date: July 1, 2019

ERIC L. GREEN
GREEN & SKLARZ, LLC
700 STATE STREET, SUITE 100
NEW HAVEN, CT 06511

Department of the Treasury

Person to Contact:
APPEALS OFFICER NAME
Employee ID Number: 100100xxx
Tel: 860-290-4xxx
Fax: 860-290-4xxx
Contact Hours: 8am to 4pm, EST

Refer Reply to:
AP-EX-CT-RI:XXX

In Re:
TAXPAYER NAMES
SSN/EIN Number:
XXX-XX-XXXX

Tax Periods Ended:
12/2010, 12/2011, 12/2012, 12/2013
12/2014 and 12/2015

Dear Mr. Green:

I am an Appeals Officer with the Internal Revenue Service and have been assigned responsibility for reviewing your above-referenced client's objections following an examination of their 2010, 2011, 2012, 2013, 2014 and 2015 F1040's. My role here is to provide you and your clients with an impartial and independent review of the matter.

I am writing you today to advise that I received your fax dated July 1, 2019. I contacted your office and we are now scheduled to have a conference on this matter via phone on Tuesday, August 13, 2019 at 2pm. Please contact me at that time and I, in turn, will have endeavored to have left my line free to receive your call. If you would like to meet with me here at our offices in East Hartford, please contact me by phone so I may reserve a conference room for us to use.

I received your F2848's on this matter and have forwarded them to our processing department.

Your letter indicates the Petition has been placed on the trial docket. Please note that I checked the Tax Court web page and did not see any appearance date assigned.

If you have any questions, please call me at the above phone number. Thank you for your cooperation with this matter.

Sincerely,

Appeals Officer

- ▶ Appeals Officer gets the case
- ▶ Send the letter
- ▶ Do not even have the administrative file or the Petition yet



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Stipulated Decision

- ▶ Resolve it with Appeals
- ▶ Stipulated decision



Department of the Treasury
Internal Revenue Service
Appeals Office
200 West Adams Street
Suite 600
Chicago, IL 60606

ANTHONY & MARIE ANTONETTI
1 ELM STREET
NEW HAVEN CT 06511

Date:

Person to contact:
Name: Appeals Officer's Name
Employee ID Number: 100024XXX
Phone: 312-XXX-XXXX
Fax: 855-296-XXXX
Hours: M-F 8:30 A.M. - 5 P.M.

Re:

Income
Tax periods ended:
12/2010, 12/2011, 12/2012, 12/2013 12/2014 12/2015

Docket number:
12XXX-19

Petitioner:

Anthony & Marie Antonetti

Dear Mr. and Mrs. Antonetti:

I prepared a proposed decision document based on our tentative agreement to settle your Tax Court case for the tax periods shown above. Enclosed are an original and two copies of the proposed decision document. If you agree that the proposed decision document reflects our tentative agreement to settle your case, **please sign and date the original and one copy of the document and return both to Area Counsel in the enclosed envelope as soon as possible.** If this letter is addressed to more than one person, each of you should sign and date the document exactly as his or her name appears on the signature lines. Please sign the documents using blue, not black ink. Using blue ink will help the Tax Court confirm that the decision document is an original and not a copy. If the court clerk rejects the decision document, it will delay closing your case and you may need to appear at the Tax Court Trial Calendar Session. The third copy of the decision document and the Form 5278, Statement - Income Tax Changes, (if enclosed) are for your records.

The proposed decision document is subject to review, signature, and filing with the Tax Court by the Area Counsel. You should not consider your case settled until the Area Counsel attorney assigned to your case countersigns the decision document and forwards it to the Tax Court for entry. The Tax Court will send you a copy of the decision once a judge signs it and enters it with the court.

The decision document doesn't include interest. By law, interest on the liability runs from the date the tax return is due to the date the IRS receives your remittance paying the entire liability which includes tax, penalties, and interest. **If you want to stop or reduce interest on part or all of the taxes, you can submit an advance payment, payable to the United States Treasury, along with a copy of your decision document, to the address listed above.**



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Stipulated Decision

UNITED STATES TAX COURT

Anthony Antonetti & Marie Antonetti,)
Petitioners,) Docket No. 12XXX-19
v.)
COMMISSIONER OF INTERNAL REVENUE,)
Respondent.)

DECISION

Pursuant to the agreement of the parties in this case, it is

ORDERED and DECIDED: That there are deficiencies in income tax due from the petitioners for the taxable years 2010, 2011, 2012, 2013, 2014, and 2015 in the amounts of \$30,400 for each of the six years; and

That there are penalties due from the petitioners for the taxable years of \$22,800 for each of the six years respectively.

Judge.

Entered:

Docket No. 12xxx-19 - 2 -

It is hereby stipulated that the Court may enter the foregoing decision in this case.

It is further stipulated that interest will be assessed as provided by law on the deficiencies and penalties due from petitioners.

It is further stipulated that, effective upon the entry of this decision by the Court, petitioners waive the restrictions contained in I.R.C. §6213(a) prohibiting assessment and collection of the deficiencies and penalties (plus statutory interest) until the decision of the Tax Court becomes final.

MICHAEL J. DESMOND
Chief Counsel
Internal Revenue Service

By: JOHN R. MIKALCHUS
Senior Counsel
(Small Business/Self-Employed)
Tax Court Bar No. MJ2020
333 E. River Drive Ste. 200
E. Hartford, CT 06108
Telephone: 860-290-4049
Date:

ERIC L. GREEN
Counsel for Petitioners
Tax Court Bar No. GE0314
GREEN AND SKLARZ, LLC
700 State Street, Suite 100
New Haven, CT 06511
Telephone: 203-285-8545
Date:



What if the client can't Pay?

- ▶ Billing Notice will come out
- ▶ All normal collection procedures will apply
- ▶ IA, CNC, OIC available
- ▶ If file in court, then even bankruptcy is available



So lets discuss the non-filers



- ▶ IRS creates an SFR
- ▶ Can either do it without the taxpayer or with them via Summons
- ▶ NOD is issued
- ▶ We are seeing a ton of this now!

NOD

- ▶ If client gets it and files in Tax Court, normal procedures followed
- ▶ What if it is missed?
- ▶ Billing Notice comes out as its considered final



Can we challenge it? Yes!

- ▶ Audit Reconsideration
- ▶ Doubt-as-to-Liability Offers
- ▶ Payment and Refund
- ▶ Bankruptcy

Audit Reconsideration

IRS will consider if:

- ▶ Submit information not previously provided
- ▶ Filed a return after IRS created an SFR
- ▶ IRS made a computational or processing error
- ▶ The liability is unpaid or credits are denied

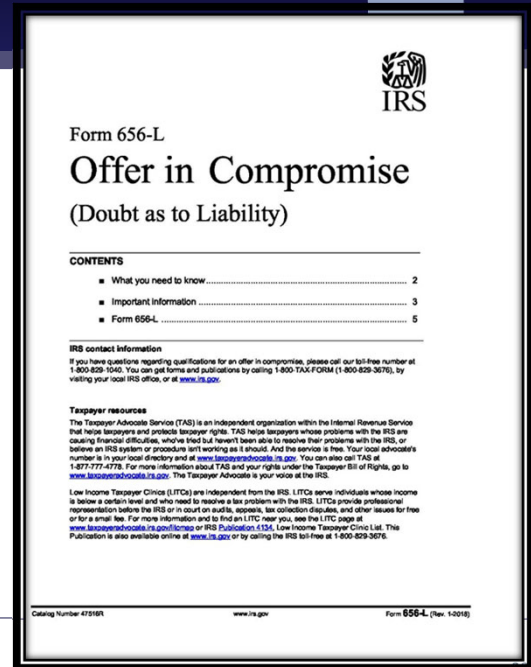
Audit Reconsideration

- ▶ Inform the IRS in writing the changes you want considered
- ▶ Include documentation
- ▶ A copy of the IRS exam report, if applicable
- ▶ Call Collections to get a hold placed!
- ▶ Publication 3598
- ▶ Form 12661, Disputed Issue Verification

Form 12661 (October 2015)	Department of the Treasury - Internal Revenue Service	
Disputed Issue Verification		
Taxpayer name _____		
Tax period _____	Social Security Number _____	
Instructions for completing disputed issues		
Please complete a separate block for each issue or adjustment with which you disagree. Attach photocopies of supporting information for each issue or adjustment marked. Number the supporting information with the same number as its disputed issue. If you need additional blocks, photocopy additional sheets and number accordingly.		
1. Disputed issue or adjustment _____		
Reason why you disagree with the audit results _____		
Amount claimed on original return _____	Amounts allowed on Audit report _____	

Doubt-as-to-Liability Offer

- Offer based on the fact the Taxpayer does not owe the money
- Its an Offer, so collection stops
- Must Offer something



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DATL

- Submit the documents that support why the TP does not owe
- No refunds (but...)
- Use Form 656-L



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Audit Reconsideration vs DATL

- ▶ Is Collection an issue? DATL
- ▶ Are you seeking refunds? Audit Recon
- ▶ Is it a TFRP Issue? DATL

Collection Due Process

- ▶ Stops collection activity
- ▶ Gets the case to a Settlement Officer
- ▶ Protects the taxpayer's right to tax court
- ▶ To challenge the underlying liability such argument must be raised at the first opportunity (lien or levy) – Westcott v. Commissioner

Refund

- ▶ Pay and seek a refund
- ▶ Form 1040-X or Form 843
- ▶ File and wait until either denied or 6 months
- ▶ File refund action in either Federal District Court or Federal Court of Claims

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DISTRICT OF CONNECTICUT

TAXPAYER NAME : CIVIL ACTION NO.
Plaintiff :
v. :
UNITED STATES OF AMERICA :
Defendant : DATE ____, 20__

COMPLAINT

The plaintiff, TAXPAYER ("Plaintiff"), hereby brings this complaint for refund of payment concerning tax related penalties and redetermination of tax related penalties against the United States of America ("Defendant"), upon information and belief, as set forth below:

PARTIES

1. The plaintiff, TAXPAYER (the "Plaintiff"), is a resident of the State of Connecticut with a place of residence at _____, _____, Connecticut.
2. The defendant, United States of America ("Defendant"), is the proper party in interest for seeking refund of monies paid to the Internal Revenue Service (the "IRS").

JURISDICTION AND VENUE

3. This Court has subject matter jurisdiction over this matter pursuant to 28 U.S.C. § 1346(a)(1) and 26 U.S.C. § 6694(c)(2).

4. This Court has personal jurisdiction and venue over this matter as Plaintiff is a


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Mechanics

- ▶ Go to walk-in center
- ▶ Bring payments and copies of the payments
- ▶ Get stamped copies back
- ▶ File the 843s (provide copies)
- ▶ Get stamped copies back




Make the payment

 Department of the Treasury
 Internal Revenue Service
 Stop 6525 (SP C/S)
 Kansas City MO 64999-0025

Notice CP15
 Tax Year 2016
 Notice date May 13, 2019
 Social Security number XXX-XX-XXXX
 To contact us 800 849-8374
 Your Caller ID XXXXXX
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093303.147273.482424.2376 1 AY 0.183 540

 Taxpayer
 Street Address
 City, State & Zip

INTERNAL REVENUE SERVICE
 W&T-FIELD ASSISTANCE
 NEW HAVEN, CT 06510

MAY 31 2019

Notice of Penalty Charge
 PROOF OF DELIVERY ONLY
 THIS IS NOT AN OFFICIAL RECEIPT

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You have been charged a penalty under Section 6701 of the Internal Revenue Code for Penalty for Aiding and Abetting the Understatement of Another Person's Tax Liability.

TAX STATEMENT

Prior Balance	\$0.00
Penalty Assessment	\$25,000.00
Interest	\$0.00
Bad Check Penalty	\$0.00
Balance Due	\$25,000.00

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND, NOT A WHITE BACKGROUND

 CASHIER'S CHECK NO. XXXXX
 Popular Bank, Member FDIC

REMITTER Taxpayer Name
 XXX-XX-XXXX, Tax Year 2016
 DATE 05/22/19

PAY *****3,750.00** US dollars

TO THE ORDER OF United States Treasury


 AUTHORIZED SIGNATURE



Claim the Refund

G Failure to file a record of return preparers—section 6695(e)(1) **M** Other (specify) (see instructions)

Identification of Penalties. Enter the information from your statement.

	(a) Statement document locator number (DLN)	(b) Date of statement	(c) Type of penalty	(d) Name(s) of taxpayer(s)		
1		May 13, 2019	L	Taxpayer Name		
2						
3						
4				INTERNAL REVENUE SERVICE		
5				W & I - FIELD ASSISTANCE		
6				NEW HAVEN, CT 06510		
7				MAY 31 2019		
8						
9				PROOF OF DELIVERY ONLY		
10				THIS IS NOT AN OFFICIAL RECEIPT		
11				03		
12						
	(e) Taxpayer's identification number	(f) Form number	(g) Tax year	(h) Amount assessed	(i) Amount paid	(j) Date paid (mo., day, yr.)
1	Attached	CP15	2015	\$25,000	\$3,750	5/30/19
2						
3						
4						
5						

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Bankruptcy

- ▶ Bankruptcy Court creditors all make their claims
- ▶ Debtor and/or Trustee can challenge a claim by a creditor
- ▶ In Re Slodov ended up in the Supreme Court that way

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In Re Slodov



- ▶ Supreme Court case in the Trust Fund area
- ▶ Facts
- ▶ Outcome was for the taxpayer
- ▶ Interesting is that it started in the Bankruptcy court!

Voluntary Disclosure



- ▶ How to clean up our client's past misdeeds
- ▶ 10/20
- ▶ 2 ce/cpe credits
- ▶ <https://taxrepllc.com/2023-series-voluntary/>

Handling a Sales Tax Exam

- ▶ Join us on 11/2
- ▶ Three-Hour Workshop
- ▶ 3 ce/cpe credits
- ▶ Sales Tax Exams vs IRS Exams
- ▶ <https://taxrepllc.com/2023-series-sales-tax/>



Get Certified: <https://taxrepllc.com/ctrc/>

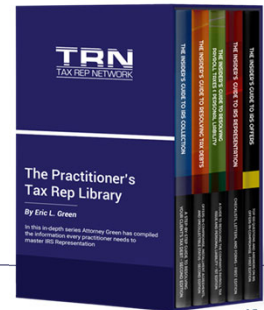
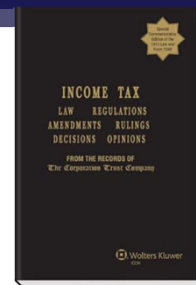
- ▶ Have the rights back from UConn
- ▶ Twenty-Hours of training
- ▶ Hundreds of forms and exhibits
- ▶ Enhance your Tax Rep visibility and marketing
- ▶ Register and get three months of **Tax Rep Gold Level Membership (\$1,200 value)** as our free gift to help you take your practice to the next level!
- ▶ <https://taxrepllc.com/ctrc/>



Special Deal – 72 hours only!

Register and get your CTRC for \$995, and we will give you:

- ▶ 3 months of membership (\$1,200 value)
- ▶ The COMPLETE set of books (\$600 value)
- ▶ The 1913 Code! (\$99 value)
- ▶ The TRN Comfy blanket (\$89 value)
- ▶ **\$2,000 of FREE gifts**
- ▶ **Offer ends Sunday at midnight!**



TRN
TAX REP NETWORK

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TRN
TAX REP NETWORK

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