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IRS Appeals Office

Can They Help Me?

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Highlights



- **A tax assessment by the IRS isn't the end o the road**
- **While the courts can be used to resolve conflicts the process is expensive and time consuming**
- **The IRS offers various levels of assistance - CDP (Collection Due Process), CAP (Collection Appeals Process, TAS (Taxpayer Advocate Service)**

Independent Office of Appeals



- Once a tax is assessed the IRS is prohibited from immediately enforcing collection
- A number of notices are issued - a taxpayer can contact the IRS at any point during the notice process and attempt a resolution
- Office of Appeals is an independent group within the IRS that hears disputes
- Mission: “Appeals is separate and independent from the IRS Examination and Collection functions that make tax assessments and initiate collection actions. Our mission is to resolve tax controversies: without litigation, on a basis which is fair and impartial to both the Government and you, and in a manner that will enhance voluntary compliance and your confidence in the integrity and efficiency of the Service.”

Example 1



- You prepare a return, file it, and pay the computed tax
- The IRS disputes certain deductions
- You argue that the deductions are proper
- The IRS disagrees and assesses an additional tax
- You can then request that the finding be reexamined - by the Appeals Office
- A hearing will be held (typically a conference call) where an Appeals Officer considers the dispute
- Appeals can also hear challenges to taxes assessed without the taxpayers involvement - substituted return, trust fund penalty, etc.

Example 2



- You prepare and file a tax return that reflects an amount due but no payment is made
- The IRS issues a series of notices re: the debt
- You may, or may not, attempt to work out a payment / settlement solution
- No solution is agreed - the IRS issues a “Final Notice and Right to a Hearing” - Letter 11 / Letter 1058 / CP-90
- You have 30 days to request a review by Appeals - through a Collection Due Process (CDP)

CDP / Equivalent Hearing



- **Requesting CDP - prevents collection efforts - i.e. liens / levies**
- **Forwards your case to Appeals**
- **Preserves right to go to Tax Court**
- **Must maintain “compliance”**
- **If the 30 day deadline is missed - can request a CDP Equivalent Hearing - case forwarded to Appeals but collection efforts can proceed and no right to go to Tax Court**
- **If resolution can be worked out while waiting to be heard by Appeals - the request can be withdrawn**

Collection Appeal Process



- **CAP is used when the IRS process is “broken”**
- **Normal procedures not being followed**
- **Case is sent to Appeals**
- **Can’t request a collection alternative but can address issues with previous request**

Taxpayer Advocate Service



- **TAS - assist taxpayers experiencing financial hardship and dealing with IRS system issues**
- **For example a delay of more than 30 days after regular processing time to resolve a tax issue, non-responsiveness to IRS requests, etc**
- **This group “makes things happen” - cut through the red tape**
- **Local offices in each state**

Conclusion / Up Next



- **IRS is a complex government agency - charged with the difficult task of enforcing complex tax laws**
- **Reputation - sometime deserved - inflexible bureaucracy**
- **CDP / CAP / TAS can be utilized to resolve issues**
- **Up next - Penalties / Abatements**