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12 BASICS OF IRS APPEALS PROCESS

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After an audit of your tax returns by the IRS, you have a choice of either ending your tax ordeals by paying or continuing to fight by going to Appeals Office. The appeals process is an administrative means to resolve your problems without resorting to legal action. It is a good way to resolve disputes. It is less strenuous than the audit process and is less costly than going to court. You also have better odds of settling your case. Let me give you 12 basics on the appeals process:

1. If an IRS agent with an attitude had just put you through a treadmill, [go to appeals](#). If you feel that there were mistakes in handling your case or that you were not adequately represented in the audit, go to appeals. It is faster, cheaper, and more equitable. You go before an experienced Appeals Officer who has a better understanding and a broader mind than the agent who put you through a ringer.
2. You have a fairly good advantage. The Appeals Officer acts like a [mediator](#). You have another advantage: [your opponent is not there](#). It is just you and the Appeals Officer. It therefore frees your senses from adversarial feelings against the prior agent creating an atmosphere that is conducive to settlement.
3. Remember that your [objective is to settle](#), not to win. Your goal is to rectify something wrong. And if a broadminded tax veteran can see it your way, your chance to settle increases. This is what you want anyway.
4. Of course, bear in mind that this Appeals Officer is a CPA, lawyer, or both, who may find critical [issues that may have been overlooked](#) by the prior agent. If this is your case, [stay away from appeals](#).
5. After the audit of your returns, you receive a notice from the exam division asking you to agree or disagree. They send a [30-day letter](#). This is your [ticket to appeals](#).
6. Your first step is to prepare a [written protest](#). Be persuasive. Maximize issues in your favor. Counter arguments on issues that are not in your favor.
7. The protest will be forwarded to the original agent who will file a response. Get a copy of that response from either the Appeals Officer or through FOIA ([Freedom of Information Act](#)) so you can prepare for rebuttal.
8. [Prepare well](#) for the conference. Read our separate article that is loaded with tips on how to prepare for the conference. We also have tips on how to behave during the conference.
9. Again, the appeals conference is one of [negotiation](#). It is not a place to bully your way into a win. If this is your attitude, skip it and go to court. (Up to this point, your forum has been an informal proceeding, one of mediation. It remains as a non-docketed case).
10. If a settlement cannot be reached, the Appeals Office sends a [Notice of Deficiency](#) (also referred to as a 90-day letter). Your case becomes a docketed case. The chief Counsel of the IRS becomes involved. It becomes more expensive to defend as your case moves from informal mediation to the formal jurisdiction of a court where lawyers and CPAs battle in trial before a judge.
11. If the deficiency is \$50,000 or less, it is classified as a [small case and can remain in appeals](#); otherwise, it will be forwarded to area counsel where it will be calendared for trial in Tax Court.
12. A word of caution: unless you know what you doing, do not represent yourself. With all due respect to your courage, you are no match for the experienced officers. You might be trying to save a few hundred dollars in fees only to lose thousands in potential savings of tax, penalties, and interests.

You can also use appeals for liens, levies, seizures, claims for refund, and rejections of OIC (offers in compromise) or installment agreements (payment plans). It cannot be used for fraud or bankruptcy cases. My recommendation: Go to appeals. Give it a try. Good luck.