

Working with the IRS: Overcoming Revenue Officer/Agent Bad Actions

Glossary of Terms:

ACS	Automated Collection Service
AIS	Automated Insolvency System
ALS	Automated Lien System
BMF	Business Master File
BSV	Billing Support Voucher
CAF	Centralized Authorization File
CAP	Collection Appeal Program
CDP	Collection Due Process
CFO	Chief Financial Officer
CIO	Centralized Insolvency Operation
CLO	Centralized Lien Operation
COIC	Centralized Offer in Compromise
CPS	Correspondence Production Services
CSED	Collection Statute Expiration Date
DDIA	Direct Debit Installment Agreement
DPC	Designated Payment Code
EFT	Electronic Fund Transfer
EIN	Employer Identification Number
FORT	Field Office Resource Team
GM	Group Manager
ICS	Integrated Collection System
IDRS	Integrated Data Retrieval System
IMF	Individual Master File
IQA	ICS/Entity Quality Analyst
IRC	Internal Revenue Code
IRM	Internal Revenue Manual
LFI	[Notice of] Lien Filed Indicator
LLC	Limited Liability Company
MCAR	Mutual Collection Assistance Request
MF	Master File
MFT	Master File Transaction
MOIC	Monitoring Offer in Compromise
NAOC	NFTL After Original CSED (fka Portland Lien)
NFOI	Non-Field Other Investigation
NFTL	Notice of Federal Tax Lien
NMF	Non-Master File
NTBFL	Not To Be Filed [Notice of] Lien
OIC	Offer in Compromise
POA	Power of Attorney Form 2848 which allows a tax professional to speak on behalf of a taxpayer (must have a current license as a CPA, Attorney, Enrolled Agent, or specific

matter exception). IRS Form 8821 is a Tax Authorization that allows a tax professional or business to obtain information on a taxpayer.

RO	Revenue Officer
SFR	Substitute for Return
SRP	Shared Responsibility Payment
SLID	Serial Lien Identification number
SMO	Single Member Owner
SSN	Social Security Number
TAS	Taxpayer Advocate Service
TC	Transaction Code
TFRP	Trust Fund Recovery Penalty
TIGTA	Treasury Inspector General for Tax Administration
TIN	Taxpayer Identification Number
TM	Territory Manager
Treas	Treasury Regulation
Reg	
USDC	United States District Court
USPS	United States Postal Service

Final Quiz Questions (10)

Quiz Questions:

1. What is a *pro* (benefit) to working with a Revenue Officer?
 - a. Less documentation required than ACS
 - b. May call the general IRS collection line
 - c. One person handling the taxpayer's case
 - d. They have less discretion than ACS representatives
2. If the assigned RO/RA is not responding to your communication, then you should call?
 - a. ACS wage and income
 - b. The phone number on the most recent balance due notice that is generated through automation
 - c. The RO/RA's direct manager
 - d. Practitioner Priority Service (PPS) line
3. A Revenue Agent has jurisdiction to take the below actions, except?
 - a. Issue a bank levy
 - b. Summons taxpayer records pertaining to a tax return under examination
 - c. Open exams on additional tax years if there is evidence supporting additional tax fraud or errors
 - d. Ask a taxpayer to extend the assessment statute expiration date
4. A Revenue Officer has the jurisdiction to take the following actions, except?

- a. Refuse to allow expenses on a tax return accepted by the IRS
 - b. Issue a bank levy
 - c. Make a field visit to the taxpayer's home or business
 - d. File a notice of federal tax lien
5. A Revenue Officer is typically located where?
- a. At the IRS office the taxpayer files their annual 1040
 - b. In the same geographical area as the taxpayer
 - c. Washington DC
 - d. The capital city in the state the taxpayer is domiciled
6. A representative should keep records of all communication, except?
- a. Proof a fax was successfully transmitted
 - b. Certified mail receipt
 - c. Written summary of telephonic meetings
 - d. Recording of all phone calls between the IRS and the taxpayer/representative
7. Which of the below are included in the Taxpayer Bill of Rights?
- a. Right to representation
 - b. Right to be informed
 - c. Right to quality service
 - d. All the above are correct
8. Who may be assessed the TFRP?
- a. Any individual responsible for making the FTDs
 - b. Any individual responsible for making the FTDs and negligently failed to do so
 - c. Any individual responsible for making the FTDs and willfully failed to do so
 - d. Any individual with check signing authority
9. A Revenue Officer or Agent may bypass a POA if?
- a. The POA fails to return phone calls within 5 business days
 - b. The POA listed is not an attorney or enrolled agent
 - c. The POA causes unnecessary delays, and the manager agrees to send a notice
 - d. The taxpayer was represented by a different POA prior to the new representation
10. What options are available if a Revenue officer refuses to release a levy or accept an alternative to enforcement action?
- a. Withdraw from representation and return the client/taxpayer's fees
 - b. Contact Automated Collections to resolve the collection matter
 - c. Write a letter to your state congress person
 - d. File an appeal, Collection Due Process or Collection Appeal

Review Questions:

Question 1	Which IRS representative is responsible for auditing a taxpayers 1040 Schedule C?
Answer Options	a) Settlement Officer b) Revenue Officer c) Revenue Agent d) Taxpayer Advocate
Correct Answer(s)	C
Feedback (A)	Incorrect. A Settlement Officer oversees appeals, typically a Collection Due Process or Collection Appeal. If a taxpayer appeals the results of an audit, they may be assigned a Settlement Officer. The Settlement Officer will review the IRS position, as well as the taxpayer's position, but they do not conduct the actual audit.
Feedback (B)	Incorrect. A Revenue Officer is responsible for collecting outstanding tax liabilities from taxpayers. Some or all of a taxpayer's outstanding liabilities may be the result of an audit, however, the Revenue Officer has no jurisdiction over the actual opening or closing of an examination, or the audit findings.
Feedback (C)	Correct. A Revenue Agent is an IRS representative within the Exams Department. Revenue Agents are responsible for the opening and closing of taxpayer examinations, i.e., audits. Once the audit is complete and the Revenue Agent issues their findings, the taxpayer has options: consent to the adjustments, appeal, or do nothing. Any refund or balance that results from the audit is outside the scope and responsibilities of the Revenue Agent.
Feedback (D)	Incorrect. Taxpayer Advocate is an independent organization within the IRS. The Taxpayer Advocate Service (TAS) is available to taxpayers to ensure they are treated fairly and understand their rights. TAS assists taxpayers who are experiencing economic harm, are seeking help in resolving a tax problem that has not been resolved through the standard channels, or who believe an IRS system, process, or employee are not working as intended.
Question 2	What form will a Revenue Officer request from an individual taxpayer (or their representative) with outstanding liabilities from 2018-2020 1040s?
Answer Options	a) Form 433-B b) Form 433-A

	<p>c) Form 433-F d) All the above</p>
Correct Answer(s)	B
Feedback (A)	Incorrect. A Revenue Officer will not request a Form 433-B, Collection Information Statement for Businesses, if the taxpayer's outstanding balances arise from individual personal income tax returns, 1040s. A 433-B is only requested when a Revenue Officer is assigned to a taxpayer's BMF account (business master file). Here, the Revenue Officer is assigned to the taxpayer's IMF account (individual master file), so there would be no reasonable justification to request a 433-B.
Feedback (B)	Correct. Here, the Revenue Officer is assigned to the taxpayer's IMF account (individual master file), so as part of their normal course of business, a Form 433-A Collection Information Statement for individuals would be requested. Even if the taxpayer had an interest in a business, or businesses, a Revenue Officer is assigned to a specific taxpayer ID number. In this example, the Revenue Officer is assigned to the taxpayers' SSN account.
Feedback (C)	Incorrect. Automated Collections Systems requests a Form 433-F if an individual taxpayer has outstanding tax liabilities assessed to their SSN. The 433-F is a two-page, shorter version of the longer Form 433-A, which is required by Revenue Officers.
Feedback (D)	Incorrect. Form the reasons stated above.

Question 3	Which of the below facts justify a Revenue Agent to bypass a POA?
Answer Options	<p>a.) They have worked with the POA in the past and found them to be argumentative and difficult b.) The POA failed to appear for a scheduled meeting c.) The POA failed to submit requested documents because the taxpayer/client lost the records d.) The POA showed a trend of failing to appear for meetings, return phone calls, or provide requested information in a reasonable time</p>
Correct Answer(s)	D
Feedback (A)	Incorrect. A Revenue Agent may not bypass a POA due to past experiences. A taxpayer has a right to representation, as outlined in the Taxpayer Bill of Rights. If a taxpayer has duly authorized a representative and filed the appropriate POA forms with CAF and/or the Agent, the IRS must contact the POA directly, rather than the taxpayer. The only exception to this rule is if the Revenue Agent can point to a trend of non-

	responsiveness and lack of cooperation. A single act or omission is not a trend and does not justify a bypass. Further, the Revenue Agent must receive manger approval to bypass, and upon the manager’s approval the Territory Manager must sign off on the bypass so a letter may be sent to the POA with notice and a detailed explanation.
Feedback (B)	Incorrect. A single act or omission is not a trend and does not justify a bypass. Further, the Revenue Agent must receive manger approval to bypass, and upon the manager’s approval the Territory Manager must sign off on the bypass so a letter may be sent to the POA with notice and a detailed explanation. A taxpayer has a right to representation, as outlined in the Taxpayer Bill of Rights. If a taxpayer has duly authorized a representative and filed the appropriate POA forms with CAF and/or the Agent, the IRS must contact the POA directly, rather than the taxpayer.
Feedback (C)	Incorrect. A taxpayer has a right to representation, as outlined in the Taxpayer Bill of Rights. If a taxpayer has duly authorized a representative and filed the appropriate POA forms with CAF and/or the Agent, the IRS must contact the POA directly, rather than the taxpayer. If the POA is in possession of the requested documentation but fails to provide the information to the Revenue Agent, this may be one instance of non-cooperation. A single act or omission is not a trend and does not justify a bypass. Further, the Revenue Agent must receive manger approval to bypass, and upon the manager’s approval the Territory Manager must sign off on the bypass so a letter may be sent to the POA with notice and a detailed explanation.
Feedback (D)	Correct. If the Revenue Agent documents the trend, notifies the group manager, and receives approval to bypass from Territory Manager, a letter will be sent to the POA notifying them of IRS’s intent to bypass the POA.

Question 4	Where will the Revenue Officer be located is assigned to a taxpayer’s BMF (business) account, with a principal place of business in Los Angeles, CA, and a duly authorized representative located in Nashville, TN?
Answer Options	<ul style="list-style-type: none"> a.) Washington DC b.) Nashville, TN c.) Los Angeles, CA d.) Fresno, CA
Correct Answer(s)	C
Feedback (A)	Incorrect. A Revenue Officer is generally located in the same geographical location as the taxpayer. The IRS assigns a Revenue Officer to taxpayers that have significant outstanding tax liability, a history of pyramiding and/or non-compliance, employment tax liability, or statute of limitation

	concerns. Revenue Officer's are assigned to taxpayer liabilities when the government interest is increased. Revenue Officer's are assigned to these taxpayer accounts because they are local or close enough to make field visits. A primary responsibility of Revenue Officer's is making field visits to taxpayers to view assets and take inventory.
Feedback (B)	Incorrect. A taxpayer or their duly authorized representative may request a case be transferred to a Revenue Officer in the same locality as the POA if certain government interests are met. If the taxpayer's books, records, assets, and income generating activities take place predominantly in the POAs locality, this may meet the government's interest. A Revenue Officer must make a field visit to a taxpayer's residence, business, and/or properties during their investigation and attempts to collect. If the business owes the taxes and the business is in LA, the Revenue Officer will be in LA for the most economical field visits.
Feedback (C)	Correct. A Revenue Officer must make a field visit to a taxpayer's residence, business, and/or properties during their investigation and attempts to collect. If the business owes the taxes and the business is in LA, the Revenue Officer will be in LA for the most economical field visits. Revenue Officers are assigned to taxpayer liabilities when the government interest is increased. Revenue Officers are assigned to these taxpayer accounts because they are local or close enough to make field visits. A primary responsibility of Revenue Officer's is making field visits to taxpayers to view assets and take inventory.
Feedback (D)	Incorrect. The IRS has a large collection office in Fresno, CA but Revenue Officers are in geographic locations that are closest to the taxpayer in question. The IRS would assign a Revenue Officer located in the office closest to the principal place of business.

Question 5	Which of the below rights can be found in the Taxpayer Bill of Rights?
Answer Options	<ul style="list-style-type: none"> a.) Right to remain silent (against self-incrimination) b.) Right to bear arms c.) Right to a jury trial d.) Right to representation
Correct Answer(s)	D
Feedback (A)	Incorrect. The right to remain silent is part of the Constitution, the 5 th Amendment, not the Taxpayer Bill of Rights. The Taxpayer Bill of Rights applies to the Internal Revenue Service as an institution. Not every federal agency or branch of the government is subject to the Taxpayer Bill of Rights. When a taxpayer has dealings with the IRS, they should

	understand their rights. The IRS is required to provide certain taxpayers with a copy of the Taxpayer Bill of Rights prior to taking certain actions. The IRS generally provides taxpayers with a copy of their rights as an insert or attachment to a notice.
Feedback (B)	Incorrect. The right to bear arms is part of the Constitution, the 2 nd Amendment, not the Taxpayer Bill of Rights. The Taxpayer Bill of Rights applies to the Internal Revenue Service as an institution. Not every federal agency or branch of the government is subject to the Taxpayer Bill of Rights. When a taxpayer has dealings with the IRS, they should understand their rights.
Feedback (C)	Incorrect. The right to a jury trial is part of the Constitution, the 6 th Amendment, not the Taxpayer Bill of Rights. The right to a jury trial is limited to certain criminal defendants and does not extend to all administrative law proceedings, like Tax Court. The Taxpayer Bill of Rights applies to the Internal Revenue Service as an institution. Not every federal agency or branch of the government is subject to the Taxpayer Bill of Rights. When a taxpayer has dealings with the IRS, they should understand their rights.
Feedback (D)	Correct. The right to representation is clearly stated in Pub 1 Your Rights as a Taxpayer. The 9 th right extended to all taxpayer's states "Taxpayers have the right to retain an authorized representative of their choice to represent them in their dealings with the IRS. Taxpayers have the right to seek assistance from a Low-Income Taxpayer Clinic if they cannot afford representation." (See IRS Publication 1)

Question 6	A Freedom of Information Act (FOIA) request is most appropriate in which situation below?
Answer Options	<ul style="list-style-type: none"> a.) To provide proof of wrongdoing by a Revenue Officer when a levy was issued, claiming the taxpayer missed a deadline b.) For proof estimated tax payments were made to the 2017 and 2018 1120 tax years on time c.) To determine the Collection Statute Expiration Date (CSED) for a 2015 1040 balance d.) A copy of the taxpayer's 2020 tax return is needed to prepare the 2021 tax return and the taxpayer does not have a copy
Correct Answer(s)	A
Feedback (A)	Correct. A FOIA request is a free discovery tool available to taxpayers and their representatives. If a Revenue Officer issues a levy without adequate warning or justification, a FOIA request may be made to request a copy of the IRS's case file. IRS phone calls may not be recorded, and a taxpayer's records, or their representatives' records, may not be sufficient evidence to prove an act or omission. Revenue Officer's must act fairly

	<p>and provide reasonable notice to taxpayers, i.e., least intrusive means necessary. If a Revenue Officer claims they notified the taxpayer or their POA a levy was being issued because a deadline was missed, said taxpayer will have no proof of not receiving the call. However, IRS agents are required to document their case file each time contact is made. If it is your word against the Revenue Officer's, a manager will generally side with their Officer. A FOIA request requires the IRS, through the assigned Revenue Officer and their manager, to provide a copy of the entire case file, with the exception of any privileged information.</p>
<p>Feedback (B)</p>	<p>Incorrect. A FOIA request takes several weeks, if not months, to be answered. Proof of estimated tax payments may be shown by pulling an account transcript from E-Services, the taxpayer signing into their IRS account and requesting the transcript, or by calling the Practitioner Priority Service line. The taxpayer may also request a copy of their bank statement or cancelled check to show the payment.</p>
<p>Feedback (C)</p>	<p>Incorrect. A FOIA request takes several weeks, if not months, to be answered. The IRS is required, by statute, to tell a taxpayer the exact CSED upon said request. Contact the Practitioner Priority Service line, request a copy of the 2015 Account Transcript and oral confirmation of the CSED. You may also pull the 2015 Account Transcript from E-Services to calculate the CSED based on the transactions, however, their may be tolling events that extend the standard 10 years.</p>
<p>Feedback (D)</p>	<p>Incorrect. A FOIA request takes several weeks, if not months, to be answered. If a copy of the actual tax return is necessary, you may request this in writing from the IRS by submitting a form 4506. There is a fee that mut be paid to get a copy. However, a taxpayer may receive a copy of their Tax Return Transcript and Record of Account for free by calling the Practitioner Priority Service line, You may also pull the Tax Return Transcript and Record of Account Transcript from E-Services.</p>