

U.S. IRS Tax Appeal Process Introduction

If an agreement cannot be reached at the revenue agent level, the taxpayer receives a copy of the Revenue Agent's report and a 30-day letter (preliminary notice) notifying the taxpayer of the right to appeal. For example, if the IRS rejected your request to remove a penalty, you may be able to request an Appeals conference or hearing. The taxpayer has 30 days to request an administrative appeal with an appeals officer (appeal conference).

Appeals may be the place for you if all the following apply:

1. You received a letter from the IRS explaining your right to Appeal the IRS's decision;
2. You do not agree with the IRS's decision;
3. You are not signing an agreement form sent to you.

If all of the above are true, then you may be ready to request an Appeals conference or hearing. To decide if you should Appeal your tax dispute, consider the following. If you believe the:

1. IRS made an incorrect decision based on a misinterpretation of the law.
2. IRS didn't properly apply the law due to a misunderstanding of the facts, be prepared to clarify and support your position.
3. IRS is taking inappropriate collection action against you or your offer in compromise was denied and you disagree with that decision.
4. Facts used by the IRS are incorrect, then you should have organized records or other evidence to support your position.

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Appeals is not for you if any of the following apply:

1. The correspondence you received from the IRS was a bill and there was no mention of an Appeal;
2. You didn't provide all information to support your position to the examiner during the audit;
3. Your only concern is that you cannot afford to pay the amount you owe.

How to request an Appeal?

After considering an Appeal and determining that Appeals is the place for you, you may request an Appeal by filing a written protest. Complete your protest and mail it to the IRS address on the letter that explains your Appeal rights.

When you come to Appeals, you may represent yourself or have a professional (attorney, certified public accountant, or enrolled agent authorized to practice before the IRS) represent you.

What's the result of the Appeals?

The goal of the Appeals process handled by the IRS Officer of Appeals is to resolve tax controversies without litigation. If an agreement is reached with the Appeal Division, the taxpayer signs Form 870-AD. Interest stops accruing when the form is received and accepted by the IRS. If agreement is not reached, a 90-day letter will be issued. The taxpayer will have 90 days to pay the deficiency or file a petition with the U.S. Tax Court. If the taxpayer would like to litigate the case but prefers the case to be heard in the U.S. District Court or the U.S. Court of Federal Claims, the taxpayer must first pay the tax deficiency and then sue the IRS for a refund in the court.

Reference:

<https://www.irs.gov/appeals/considering-an-appeal>

<https://www.irs.gov/appeals/preparing-a-request-for-appeals>

<https://www.irs.gov/appeals/what-to-expect-from-appeals>

<https://www.irs.gov/individuals/understanding-your-cp3219n-notice>

If you wish to obtain more information or assistance, please visit our official website at www.kaizencpa.com or contact us through the following methods:

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