

# Tax Resolution

*Know ALL of your options when your clients have tax problems*

from

A

to

Z

Appeals

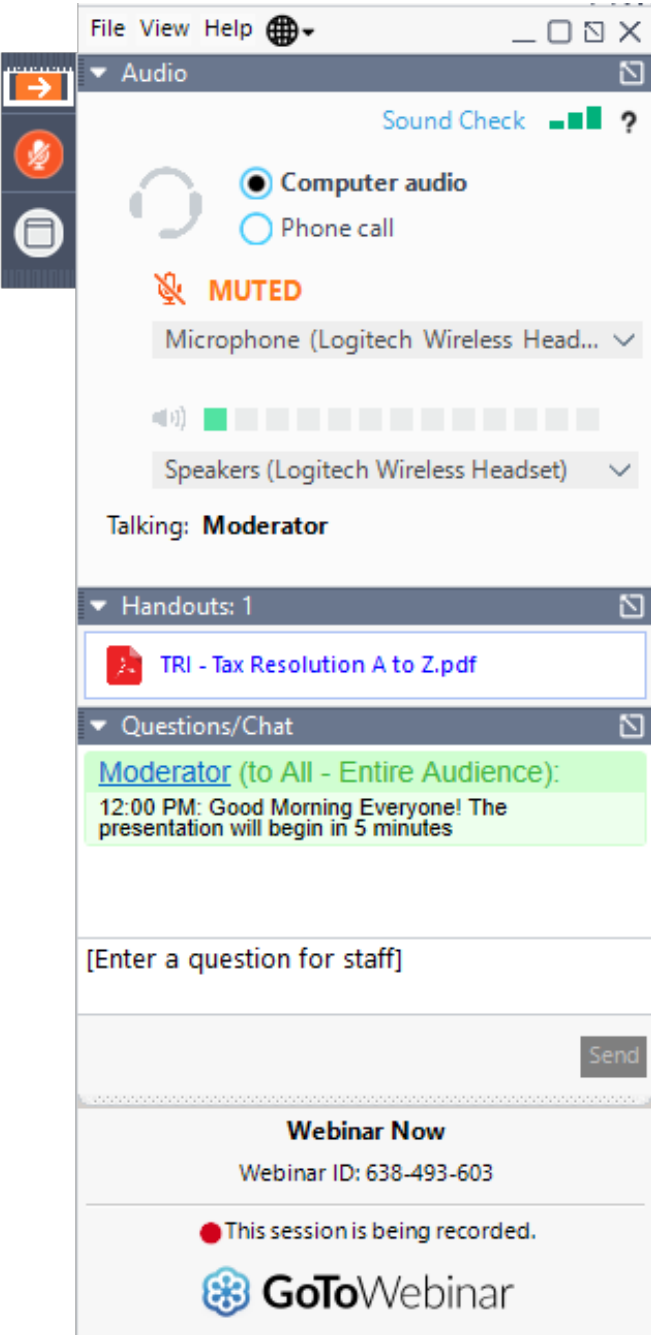
Zero

Dollar

Installment  
Agreements

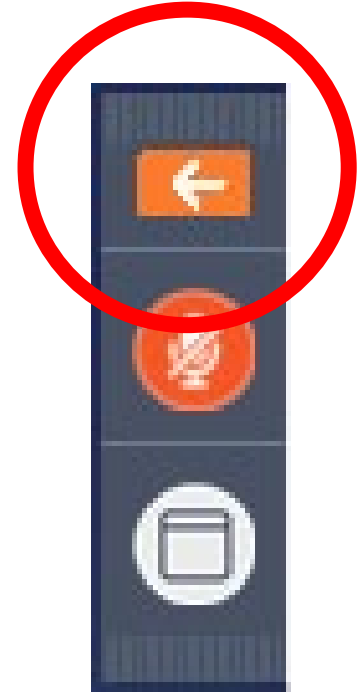
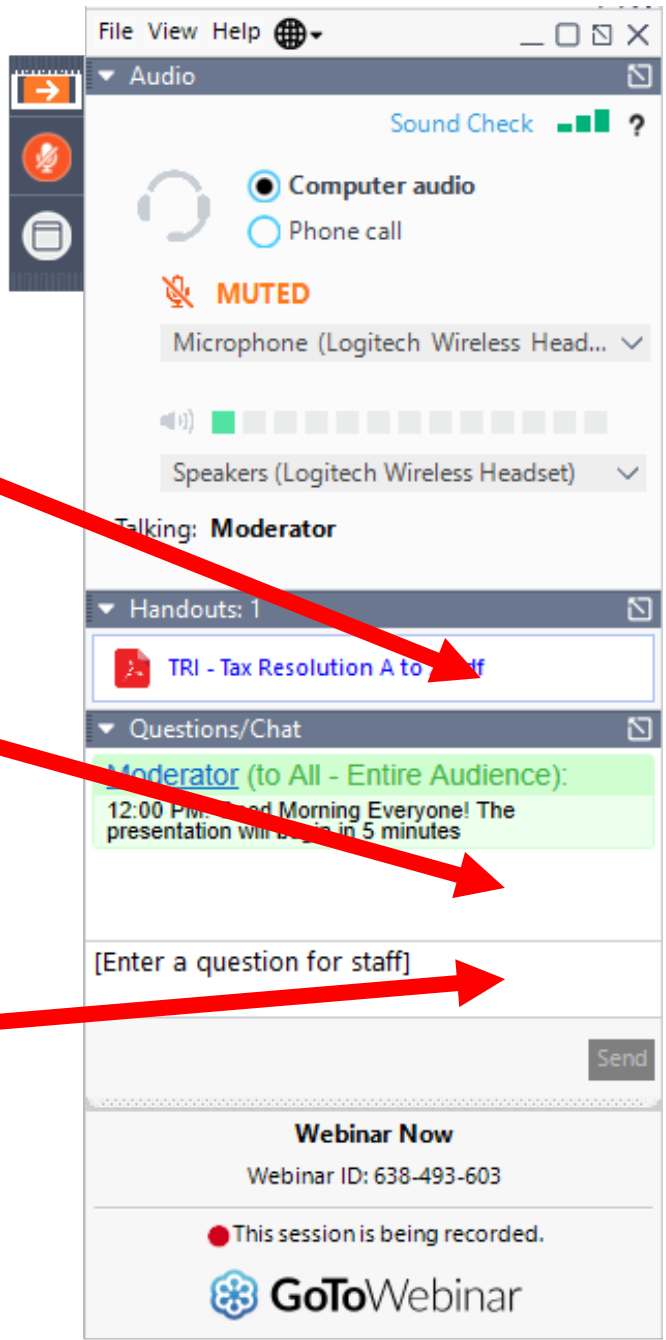
On your right hand side you should see a dashboard...

If the dashboard is minimized, click the red arrow to maximize it.



Download your slides here  
On your right hand side you should see a dashboard...

Messages from us will appear here  
If the dashboard is minimized, click the red arrow to maximize it.  
Enter your questions here.





# Today's Speaker

Peter Y. Stephan, CPA

Director of the Tax  
Resolution Institute



Why are we  
here today?

The Tax Resolution Institute prides itself in assisting accounting, legal and other professionals resolve their client's tax problems and grow their businesses

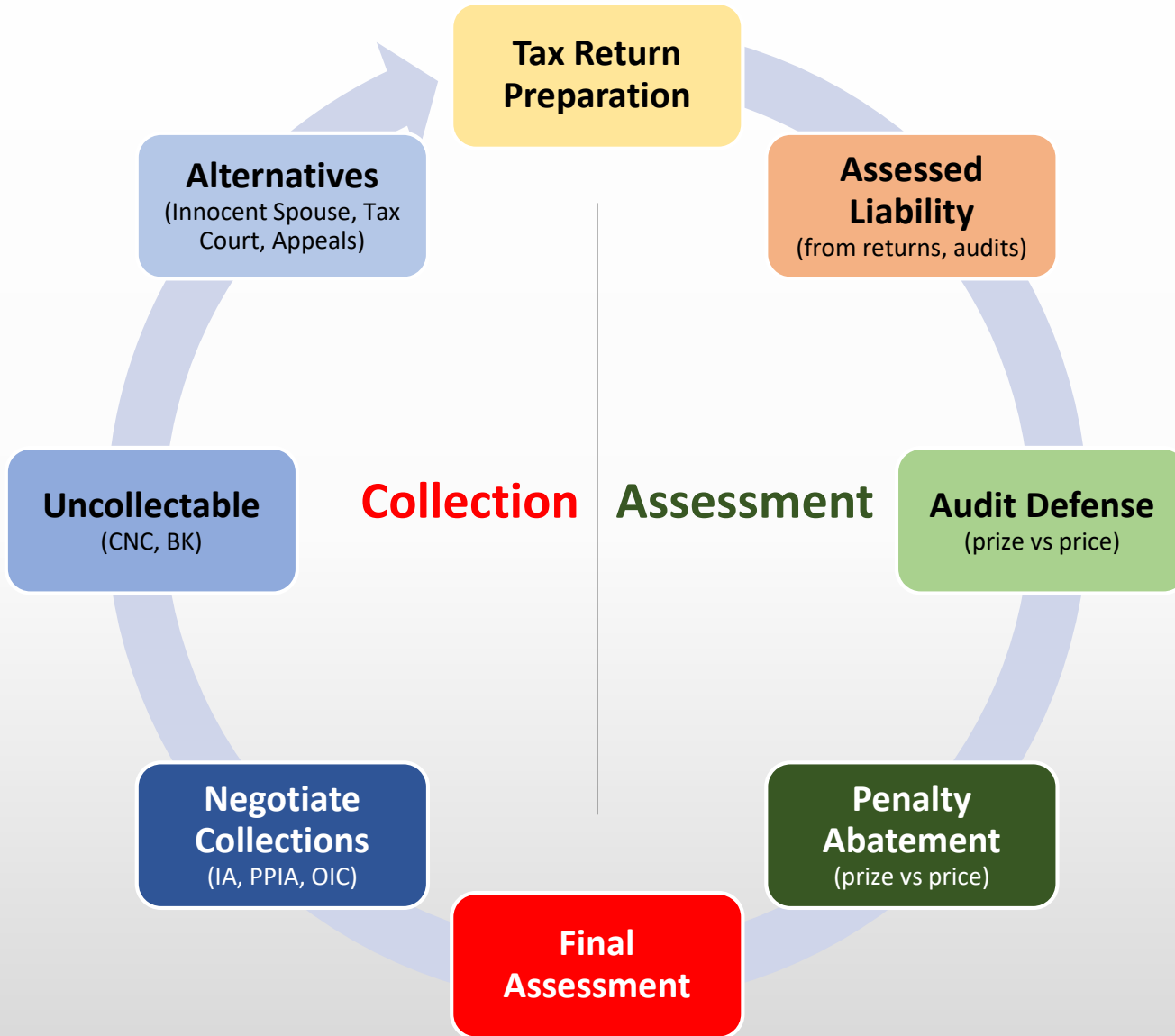
- Take advantage of one of our many programs
- We help you make more money
- We teach you how to become a tax resolution specialist
- We become your partner working side-by-side to fix your client's IRS and State income, payroll (collection issues) and tax audit issues
- Or...we become your trusted referral source

(800) 658-7590

[www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)

# What Will be Covered Today

- Audits
- Appeals
- Tax Court
- Penalty Abatement
- Collections
- Installment Agreements
- CNC Status
- Offers in Compromise
- Solving Payroll Taxes
- Trust Fund Recovery Penalty
- Lien Removal
- Bank Levy Release
- Wage Garnishment Release
- Bankruptcy
- Tax Resolution Alternatives



# The Audit and Resolution Cycle

(What will be covered today)



Audits



Prize

Vs

Price



- The IRS serves two main functions. The first is to assess tax and the second is to collect tax. Audits deal with assessments.
  - When deciding how vigorously to be in defending an audit, you must consider the prize vs the price.
  - The same can be said when considering whether to take a questionable deduction in the first place. We call this playing the “Audit Lottery”
  - Assuming it makes sense to fight an audit, you are best served if you know the IRS (and State) process and know what to do to mitigate the chance of additional assessments
- 



## Fighting the Good Fight

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# Polling Question #1

Do you currently have clients with tax issues?

- Yes
- No





Appeals



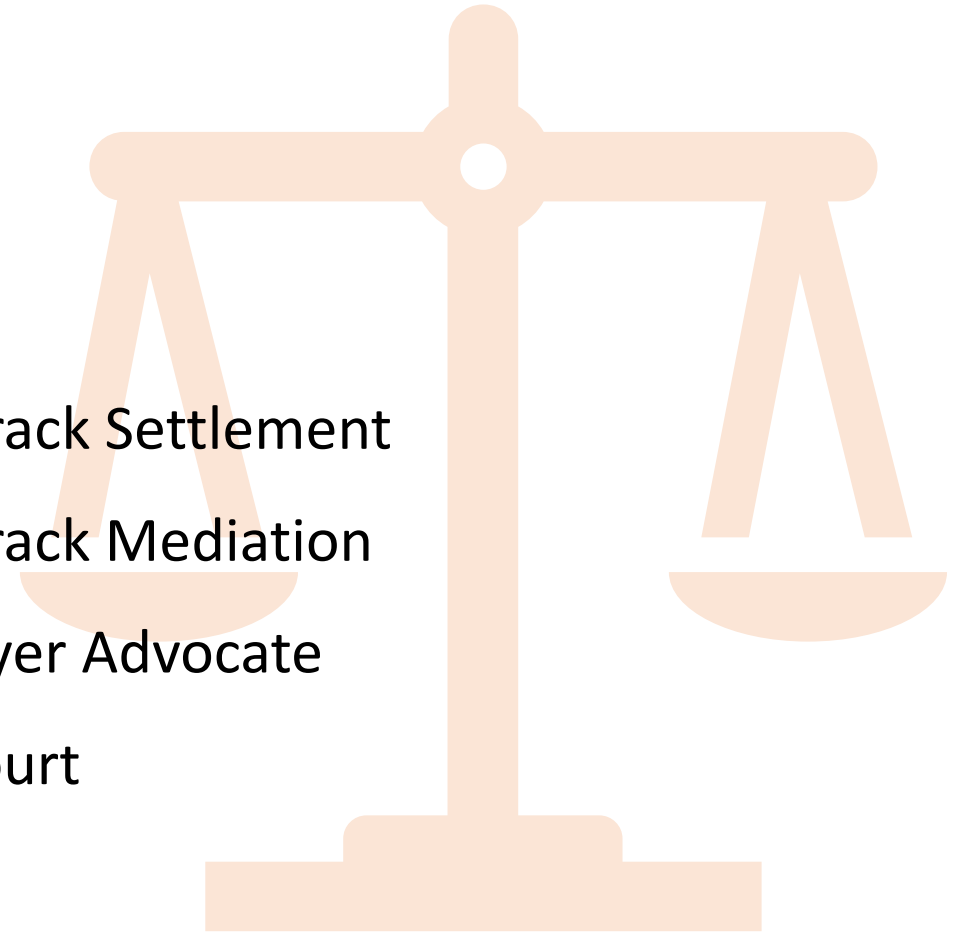
Prize  
Vs  
Price



# Appeals

- Collection Appeal Rights
- Collection Due Process (“CDP”)
- Collection Appeals Process (“CAP”)
- Offer in Compromise Appeal

- Fast Track Settlement
- Fast Track Mediation
- Taxpayer Advocate
- Tax Court



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## **CAP (Form 9423)**

## **CDP (Form 12153)**

---

Levy or seizure action that has been or will be taken

Notice of Intent to Levy and Notice of Your Right to Hearing

---

A Notice of Federal Tax Lien (NFTL) that has been or will be filed

Notice of Federal Tax Lien Filing and Your Right to Hearing under IRC 6320

---

The filing of a notice of lien against an alter-ego or nominee's property

Notice of Jeopardy Levy and Right to Appeal

---

Denials of requests to issue lien certificates, such as subordination, withdrawal, discharge or non-attachment

Notice of Levy on Your State Tax Refund

---

Rejected, proposed for modification or modified, or proposed for termination or terminated installment agreements

Notice of Levy and Notice of Your Right to a Hearing

---

Disallowance of taxpayer's request to return levied property under IRC 6343(d)

You may petition the Tax Court post findings

---

Disallowance of property owner's claim for return of property under IRC 6343(b)

Process takes significantly more time to reach a result than filing a CAP

## Fast Track Settlement



Use form 14017



Entire process should be less than 60 days



Can be initiated at the appeals level



Mediator considers hazards of litigation



Neither taxpayer or IRS are obligated to accept the mediator's proposal

# Fast Track Mediation



USE FORM 13369



MEDIATOR ONLY VIEWS  
ITEMS AT THE  
EXAMINATION LEVEL



CANNOT BE INITIATED AT  
THE APPEALS LEVEL



NO OBLIGATION BY  
EITHER PARTY (LIKE FAST  
TRACK SETTLEMENT)



CAN BE USED IN SOME  
COLLECTION CASES

# Taxpayer Advocate Service (TAS)

Use when taxpayer's problem with IRS is causing financial difficulties to taxpayer, taxpayer's family or taxpayer's business

Use when taxpayer or taxpayer's business is facing an immediate threat or adverse action

Use when taxpayer has tried repeatedly to contact the IRS, but no one has responded, or the IRS has not responded by the date promised

If TAS does not respond within 1 week, contact TAS office via telephone

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# Tax Court



Prize  
Vs  
Price

## Advantages

Change of a favorable result to taxpayer has a high probability  
Over 95% of tax court cases reach settlement prior to trial  
Most cases settle before trial  
Nominal filing fee



## Disadvantages

You cannot go to tax court if you have already paid the tax in question  
Tax court meets infrequently and a result will take a long time  
Small cases often take more than a year to decide  
The percentage of cases won in trial by taxpayers is under 30% historically

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# Penalty Abatement



Prize  
Vs  
Price

# Examples of Penalties

## Failure to File (FTF)

- Subject to 5% penalty per month up to a maximum of 25%

## Failure to Pay (FTP)

- Subject to a ½ of 1% penalty per month up to a maximum of 25%

## Failure to Deposit (FTD)

- Applies to payroll taxes only

## Trust Fund Recovery Penalty

- Applies to payroll taxes Assessed both to company and “responsible persons” personally

## Accuracy Related Penalties

- (1) Substantial understatement of tax, valuation misstatements, transfer pricing adjustments and negligence or disregard of rules or regulations

## First Time

The IRS has a program allowing taxpayers under certain circumstances to abate penalties if the issue causing the penalty has not occurred before

## Reasonable Cause

If the taxpayer can show that they have reasonable cause that created the circumstance in which the penalty was assessed, they can request to have it removed

## Death or Illness

Assuming that the taxpayer remedied the penalty causing event within a short period of time after occurrence, this defense may be

## Destruction of Records

This is a “hard sell” but if a taxpayer is able to provide definitive proof (i.e. fire or flood) that records were destroyed, they may be successful in abating penalties

# Options to Abate Penalties

**PENALTY ASSESSED \$3,300**

[REDACTED]

Taxpayer Identification Number: [REDACTED]  
Tax Period: Dec. 31, 2010  
Form: 1040  
Kind of Penalty(s): Failure to File, Failure to Pay

Dear Taxpayer:

Thank you for your recent inquiry of May 31, 2010 that asked us to remove the failure to file and pay penalties.

We are pleased to inform you that your request to remove the failure to file and failure to pay penalties has been granted. However, this decision has been taken based solely on the fact that you have a good history of timely filing and timely paying. This type of penalty abatement is a one-time consideration. The IRS will base decisions on any future Failure to File and Failure to Pay penalties on any information you provide that meets reasonable cause criteria. You will receive a notice of penalty adjustment within the next few

months. We will also remove interest as well as the penalty(s) on your account. However, the law does not permit us to remove interest for reasonable cause. We will charge interest on any unpaid tax, regardless of reasonable cause.

For more information, please call us toll free at 1-800-829-8374.

If you have any questions, please write to us at the address shown at the top of this letter.

Please include this letter and, in the spaces provided, include your telephone number with the hours we can reach you. Please keep a copy of this letter for your records.

# Successful Penalty Abatement

**ABATED: AMOUNT PAID \$0**

# Too Much Information

I'm sure that moving through this material quickly will end up raising a lot of questions that we will not have time to answer in the limited time we have together today.

In fact, we may run over a few minutes.

I hope this doesn't frustrate to you.

After all, knowing enough to ask more meaningful questions is not a bad definition of what "education" is really all about.

## Polling Question #2

What is the most common collection issue you are confronted with?

- Unpaid taxes resulting from inability to pay
- Additional tax assessed resulting from audit
- Notices pertaining to past filings or unfiled taxes
- Client's bank account was levied or wages were garnished

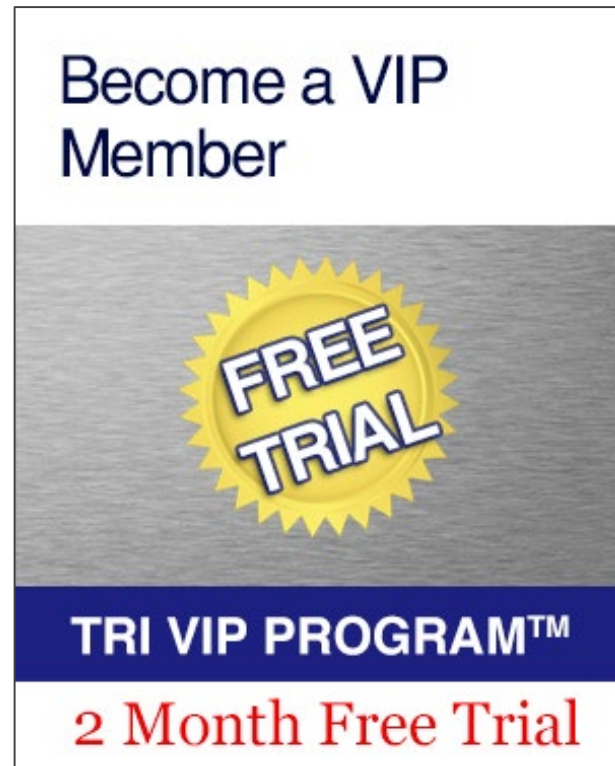




# VIP Membership 2 Month FREE Trial

Take advantage to receive:

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- Free Webinars
- Free eLearning
- Free CPE
- Every Course on Demand
- Membership Discounts on Everything Sitewide

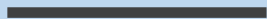


Check out the "Question/Chat" interface for a link to this offer!

# Collections

A landscape photograph showing a white, snow-covered field in the foreground and a dark, silhouetted treeline against a dark blue sky. The word "Collections" is overlaid in white text on the left side of the image.

- If your client owes the IRS or State more than they can afford to pay, there are several solutions at your disposal to remedy the situation.
- Depending on your client's circumstance will determine which course of action you should take



Find out more at [www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)

## 5 Methods for Solving Income Tax Issues



Installment  
Agreements



Currently Not Collectable  
(CNC) Status



Partial-Pay Installment  
Agreement (PPIA)



Offer in  
Compromise (OIC)



Discharging Taxes in  
Bankruptcy

# 4 Methods for Solving Payroll Tax Issues



INSTALLMENT  
AGREEMENT



PARTIAL-PAY  
INSTALLMENT  
AGREEMENT



IN-BUSINESS  
OFFER IN  
COMPROMISE



HYBRID  
BULK SALE &  
OFFER IN  
COMPROMISE

The background features a dark grey field with three overlapping circles in shades of blue. A white horizontal band cuts across the middle of the circles. The text 'Installment Agreements' is centered within this white band.

# Installment Agreements

## What is an Installment Agreement?

- A payment plan between taxpayer & Government
- Allows taxpayer to pay taxes in monthly payments over time
- Some agreements require the full payment of the tax liability
- Other agreements allow taxpayer to pay less than full liability based on hardship
- Taxpayer must be in and remain in compliance
- IRS has ten years from the date of assessment (statute of limitations) to “actively” collect

# Streamlined Installment Agreement

- Taxpayer is in compliance and able to full-pay liability over time
- Taxpayer owes less than \$100,000
- Representation fees are lower but installment payments are usually higher
- If client cannot full-pay liability, this agreement will not work
- No substantiation required
- Must be paid by direct debit or deducted from paycheck
- A lien may or may not be filed



# Hardship Installment Agreement

- Taxpayer is in compliance but cannot full-pay liability
- No limit on liability owed
- Cases often take more than 10 hours to complete
- 3 months substantiation required (more can be provided if doing so will improve financial picture)
- A lien is typically filed
- If client remains in hardship over entire collection statute, installment agreement is deemed a Partial Pay Installment Agreement (PPIA)

# IRS Installment Agreement

## IRS Installment Agreement

POA Copy

**\$282,142 Liabi**

Department of the Treasury  
Internal Revenue Service  
Small Business / Self-Employed Division  
225 W BROADWAY  
GLENDALE, CA 91204-1331

Date: 01/07/2015  
Taxpayer ID number:  
Person to contact:  
Employee ID number:  
Contact telephone number:



approved your request to pay your taxes in installments. Your first payment of \$100.00 is due on 01/07/2015. You agreed to make future payments of \$100.00 on the 28th of each following month until you pay the full amount you owe.

Your total amount due as of 01/05/2015 is \$282,142.05. This amount does not include penalties and interest. We will charge penalties and interest until you pay the full amount when it was due.

Your monthly payments to reach us by the due date. Please include your account number clearly on your check or money order. Please include your account number with your next payment.

**\$100/MO PAYMENT**

Backup with...  
Backup w...  
...ing an installment

...the government's interest.

FILED

...the government has a claim against your property to...  
...when you finish paying what you owe. We have the legal right

...ve. If you have a problem, contact us

# CA FTB Installment Agreement

## AMOUNT OWED: \$86,289



STATE OF CALIFORNIA  
FRANCHISE TAX BOARD  
PO BOX 2952  
SACRAMENTO CA 95812-2952  
Telephone: (800) 689-4776

Notice Date: 03/02/11

### INSTALLMENT AGREEMENT AND ELECTRONIC FUNDS TRANSFER (EFT) AUTHORIZATION

Account Number: [REDACTED]

[REDACTED]

We approved your installment agreement for a monthly payment of \$650.00. The next step is for you to provide the information below and return it to us in the enclosed envelope within 15 days of the date of this notice. If you do not provide the information below, we will proceed with collection action. Interest and penalties will continue to accrue until your account is paid in full. Provide complete information will delay the process of your EFT request.

After we process your EFT, we will send you an FTB 4024, *Installment Agreement EFT - Authorization*. A \$20.00 fee will be charged for establishing the installment agreement.

#### Authorization

I authorize an electronic funds withdrawal for the above amount, from the bank account identified below, on the \_\_\_\_\_ (please specify) day of the month. The day must be the 1<sup>st</sup> through the 15<sup>th</sup> of the month. If the day falls on a Saturday, Sunday, or state holiday, the transfer is authorized for the next business day.

|  |   |   |  |
|--|---|---|--|
| 1. Payment Amount  | 2. Day for Monthly EFT Withdrawal<br>20 | 3. Bank Routing Number<br>[REDACTED]<br><small>(This is the number on the bottom left of your check.)</small> | 4. Bank Account Number<br>[REDACTED]<br><small>(This is the number after the bank routing number.)</small> |
| Savings D<br><small>(Use a regular checking or savings account.)</small> |   |   |  |

**\$650/MO PAYMENT**

I authorize the State of California Franchise Tax Board to initiate and process electronic funds withdrawal entries to the above bank account until: 1) all unpaid tax liabilities due or becoming due during the course of this installment agreement, or 2) FTB receives written notice of cancellation of this EFT agreement, or 3) FTB receives written notice of cancellation of this EFT agreement prior to the payment due date.

I authorize the transfer for the next business day.

I understand that my bank account may be overdrawn because of insufficient funds or because my bank account is not properly maintained. In that event, I understand that FTB may charge me a fee and I am responsible for any overdraft fees charged by my bank.

# Polling Question #3

## Why are you taking this webinar?

- To better help clients with tax collection issues
- To grow my practice and gain new tax resolution clients
- To find a tax resolution provider as an outside partner
- For general knowledge
- For CPE



# The Ultimate Guide To Tax Resolution



Learn how to practice tax resolution properly and effectively using this textbook written by Tax Resolution expert Peter Y. Stephan.

Over 500 pages, this textbook includes relevant IRS forms, contact information/phone numbers for IRS agencies/departments and so much more.

Save 50% on Hardcover or PDF textbook when you use promo code: **ULTIMATE** at checkout

Check out the "Question/Chat" interface for a link to this offer!

# Offers in Compromise



Prize  
Vs  
Price

- A request to reduce tax liability by negotiating for an amount less than the full amount owed
  - This type of settlement works well for taxpayers in extreme hardship
  - The IRS has the authority to settle or “compromise” tax liability under one of three programs
- 



## What is an Offer in Compromise

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# IRS Offer in Compromise Programs



## Doubt as to Collectability

Taxpayer is unable to pay their tax liability (accounting for income and assets) within the statute of limitations on collection



## Doubt as to Liability

The taxpayer is not responsible for paying the tax liability in question and should not have been assessed



## Effective Tax Administration

The taxpayer owes the tax, has the ability to pay (i.e. equity in home) but collecting from the taxpayer would be unjust





+



=



12 Times Monthly  
Disposable Income  
(MDI)

Quick Sale Value of  
Assets

Offer Amount

Offer in Compromise Formula

## IRS Offer in Compromise

**Amount Owed: \$4,240,000**

# IRS Offer in Compromise

Department of the Treasury

Date of this Letter: 6/24/2007

INTERNAL REVENUE SERVICE  
AMC-Stop 880  
PO Box 3 083 4  
Memphis, TN 38130-0834

Person to Contact: [REDACTED]  
Employee #: [REDACTED]  
Phone#: [REDACTED]

Taxpayer ID#: [REDACTED]  
Offer Number: [REDACTED]

Dear Mr. & Mrs. [REDACTED]

We have accepted your offer in compromise signed and dated by you on 04/19/2007. The date of acceptance is the date of this letter and our acceptance is subject to the terms and conditions of the enclosed Form 656, Offer in Compromise.

Please note that the conditions of the offer require you to file and pay all required taxes for five tax years or the period of time payments are being made on the offer, whichever is longer. This will begin on the date shown in the upper right hand corner of this letter.

Additionally, please be aware that the conditions of the offer include the provision that as additional consideration for the offer, we will retain any refundable credits that you may be entitled to receive for 2007 or for each tax year. This includes refunds you receive in 2008 for any payments you made toward tax year 2007 or toward prior tax years. The Notice of Federal Tax Lien will be released when the offer amount is paid in full.

You are required to make any payments under this agreement, make checks or money order payable to the United States Treasury and send

Internal Revenue Service  
P.O. Box 24015  
Fresno, CA 93 779

All other correspondence to:

Internal Revenue Service PO  
77 Memphis, TN 38101-0077

Notify the Internal Revenue Service of any change in status. This will ensure we have the proper status of your offer.

**Compromised for \$5,000**

# California Offer in Compromise

Chair John Chiang  
Member Judy Chu, Ph.D.  
Member Michael C. Genest

State of California  
Franchise Tax Board

## CA FTB Offer in Compromise

### Owed \$462,011

12.19.2008

Stephan & Stein, Inc., CPAs  
Peter Stephan  
21700 Oxnard Street, Suite 1160  
Woodland Hills CA 91367

In Reply Refer To:  
622:081:726

|                 |                       |
|-----------------|-----------------------|
| Subject:        | Offer in Compromise   |
| Taxpayers:      | [REDACTED]            |
| Account Number: | [REDACTED]            |
| Years:          | 1994-1997, 2000, 2004 |
| Amount Owed:    | \$462,011.82          |
| Offer Amount:   | \$13,000.00           |

# Offered for \$13,000

The Board has accepted your Offer in Compromise for the liability owed for the 2004 tax year. This letter shall serve as their confirmation of acceptance and should

payments to their account and have released all liens. Copies of the lien

Section 19443, the terms and conditions for requirements that he:

**AMOUNT OWED: \$188,855**



New York State Department of  
Taxation and Finance  
Offer in Compromise Unit  
P.O. Box 5100  
Albany, New York 12205-0100

October 18, 2013

[Redacted]

RE: Offer in Compromise - [Redacted]

Dear [Redacted]

I am pleased to inform you that the Department of Taxation and Finance has accepted your offer in compromise contingent upon full payment of the agreed upon amount.

Upon receipt of the sum of \$26,276.65, which includes the agreed upon offered amount of \$24,000.00 plus \$2,276.65 in accrued interest, the balances of the compromised liabilities will be canceled and any warrants docketed will be satisfied. The assessments included in the Offer in Compromise are as follows:

| Tax Type        | Period Ending Date | Assessment Identification Number |
|-----------------|--------------------|----------------------------------|
| Personal Income | 12/31/2004         | L036665293-6                     |
| Personal Income | 12/31/2005         | L036665294-5                     |
| Personal Income | 12/31/2006         | L036665295-4                     |
| Personal Income | 12/31/2007         | L036665296-3                     |
| Personal Income | 12/31/2008         | L036491940-9                     |
| Personal Income | 12/31/2009         | L036551350-4                     |
| Personal Income | 12/31/2010         | L038199659-2                     |
| Personal Income | 12/31/2011         | L039109773-5                     |
| Personal Income | 12/31/2012         | L039109773-5                     |

As follows: a \$5,000.00 down payment due within 60 days of this letter, and \$591.02 due the 15 of each month, starting February 15, 2013.

As a condition of the compromise, your client agrees to remain fully compliant with the tax law, through overpayments for 2013 or earlier tax years. The Department of Taxation and Finance will keep any and all amounts overpaid. The liability sought to be settled and the amount received in 2014.

**PROMISED FOR \$26,276**

# New York Offer in Compromise

# CA Sales Tax Offer in Compromise

Owed \$118,379

STATE OF CALIFORNIA

## STATE BOARD OF EQUALIZATION

460 N STREET, SACRAMENTO, CALIFORNIA  
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-00622  
916-322-7931 - FAX 916-322-7940  
www.boe.ca.gov

September 13, 2013

[REDACTED]

[REDACTED]

The Offer in Compromise Section (OIC) of the Board of Equalization (BOE) has reviewed your request for an offer in compromise on your current sales tax liability of \$118,379.57.

We will forward our recommendation for approval of your offer once we receive a cashier's check or money order for the offered amount of \$17,727.00. The funds should be mailed to the address listed below with a copy of this letter by Friday, September 27, 2013. The BOE will place the funds in a non-interest bearing account pending approval of the offer.

### MAILING ADDRESS

State Board of Equalization  
Offer in Compromise Section  
460 N Street, MIC: 52  
Sacramento, CA 95814

Compromised for \$1,727

If the offer is denied, you have the option of having the funds refunded. Please select an option below:

...ted and credit it to the current tax liability,

...erns, please contact me at (916) 322-1984.

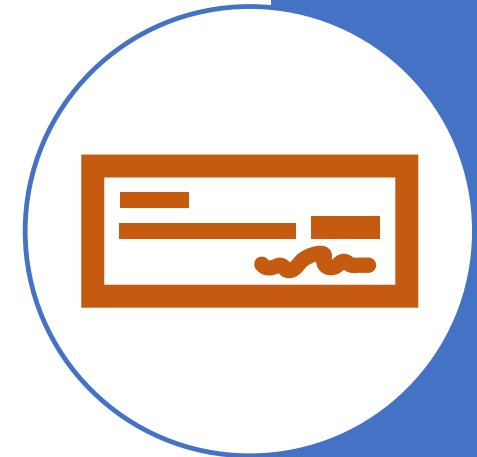
CA CDTFA Offer in  
Compromise  
(sales tax)



# Solving Payroll Tax Issues

## Payroll Taxes

- Companies with cash flow issues “borrow” from their employee’s withholdings instead of submitting to the Government
- Section 6672 of the tax code makes the “responsible persons” personally liable
- The withheld amounts constitute a “fund” one holds in “Trust” for the government and was never the company’s money to utilize



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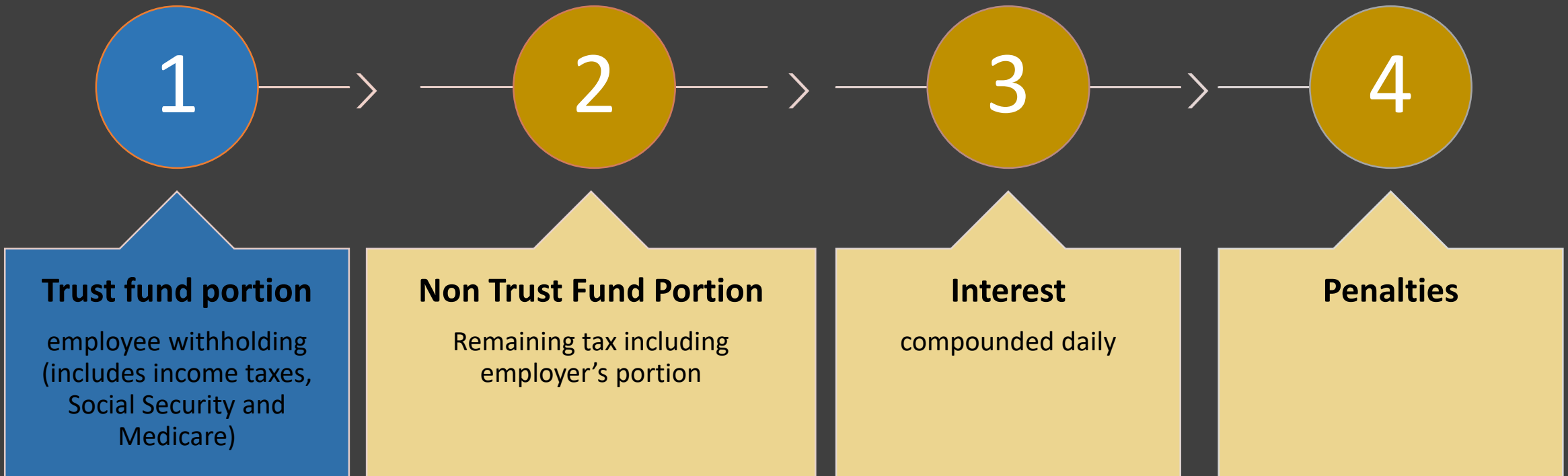
- A request to reduce tax liability by negotiating for an amount less than the full amount owed
  - This type of settlement works well for taxpayers in extreme hardship
  - The IRS has the authority to settle or “compromise” tax liability under one of three programs
- 

## What is an Offer in Compromise

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# Anatomy of Payroll Taxes





# Trust Fund Recovery Penalty

- The IRS will pursue both the company and anyone in the company they feel is “responsible” for not remitting the Trust Fund portion of payroll tax liability
- They determine who is “responsible” by conducting an interview (deemed a 4180 Interview)
- If a person (or persons) is found to be responsible, the Trust Fund portion of the liability is assessed to them personally
- If the company will not be able to pay the liability, it is important to limit who is exposed as a responsible person



## What is Trust Fund Recovery

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## Polling Question #4

Have you ever prepared an Offer in Compromise on behalf of a client that was accepted?

- No
- One time
- More than once
- I submitted offer(s), but none have been accepted



# Lien Removal

An orange starburst graphic with a dark orange outline, containing the text 'Prize Vs Price'.

Prize  
Vs  
Price

- Tax liens provide the government a “passive” means to collect back taxes
  - Tax liens attach to real and sometimes personal property. If a taxpayer has no assets, a tax lien may not matter.
  - Individuals and businesses have trouble getting financing with a tax lien in effect
- 



## Removing a Tax Lien

access your free content at [www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)

# Release of CA Lien

STATE OF CALIFORNIA  
FRANCHISE TAX BOARD  
Sacramento CA 95812-2952

And When Recorded Mail to

Special Procedures Section  
Feb 29 2012  
Sacramento CA 95812-2952  
**AMOUNT FILED: \$27,914**



STATE OF CALIFORNIA  
FRANCHISE TAX BOARD

## RELEASE OF LIEN

The Franchise Tax Board of the State of California hereby releases the Revenue and Taxation Code as evidenced by the following description:

parts 10 or 11 of Division 2 of the Revenue and Taxation Code, including interest and penalties due:

Certificate Number  
Filed Against

[REDACTED]

FTB Account Number  
Social Security Number (s)  
Corporate Number FEIN  
Filed With Lien Recorded  
Document No./Book No.  
Page

[REDACTED] LOS

IN WITNESS WHEREOF,  
I, \_\_\_\_\_, Secretary of the Franchise Tax Board, execute this Release in its

XX  
v

\_\_\_\_\_ the Franchise Tax Board has duly authorized the undersigned to execute this Release in its name.

**RELEASED**

## Removal of tax lien



There are various circumstances under which a tax lien may be removed. They include (1) full payment of tax liability, (2) expiration of lien, (3) accepted offer in compromise and (4) paying down or owing less than the threshold amounts in which a lien is filed

## Subordination of tax lien

In order to obtain financing, most lender require that their position be higher than a tax lien. Under certain circumstances, a tax lien can be subordinated (placed lower in ranking) to the lender's position

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## Polling Question #5

In which of the following area/s would you be interested in learning more?

- How to fill out certain IRS tax resolution forms (ex. 433-A)
- Discharge-ability of Taxes in Bankruptcy
- Currently Not Collectible Status
- Trust Fund Recovery Defense
- Innocent Spouse Relief



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Learn how **Market** your practice!

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Streamline your tax **Resolution** process & ensure the best result!

**New Year Special**

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Check out the "Question/Chat" interface for a link to this offer!



# Release Bank Levies



Prize  
Vs  
Price

- In order to “wake up” a delinquent taxpayer, the IRS will issue a levy on their bank account
  - A bank levy freezes the funds that were available in the account when the levy was issued and after 21 days, the funds are remitted to the IRS
  - If the taxpayer is able to prove that they need the funds to pay for necessary and reasonable living expenses the funds may be returned to the taxpayer
- 



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Some  
reasons why  
a bank levy  
may be  
released

Upcoming rent or mortgage payment (i.e. foreclosure notice or similar)

Upcoming car payment (i.e. notice of repossession)

Medical costs (i.e. cancer or dialysis treatments)

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# Bank Levy Release

|   |   |
|---|---|
| Form <b>668-D</b><br>(Rev. April 2012)  | Department of the Treasury - Internal Revenue Service<br><b>Release of Levy/Release of Property from Levy</b> |
| To<br>[REDACTED]  | Taxpayer(s)<br>[REDACTED]   |
| Identif[REDACTED]   |   |
| A notice of levy was served on you and demand was made for the surrender of:  |   |
| <input checked="" type="checkbox"/> all property, rights to property, money, credit, and bank deposits of the taxpayer(s) named above, except as provided in 6332(c) of the Internal Revenue Code, including the "Special Rule For Banks." See Page 2 regarding this exception. |   |
| <input type="checkbox"/> wages, salary and other income now owed to or becoming payable to the taxpayer(s) named above.   |   |
| The box checked above applies to the levy we served on you.   |   |
| <b>Release of Levy</b>  |   |
| Under the provisions of Internal Revenue Code section 6343, all property, rights to property, money, credit, and bank deposits of the taxpayer(s) named above are released from the levy.   |   |
| <input type="checkbox"/> Under the provisions of Internal Revenue Code section 6343, all wages, salary and other income now owed to or becoming payable to the taxpayer(s) named above are released from the levy.  |   |
| <b>Release of Property from Levy</b>  |   |
| <input checked="" type="checkbox"/> Under the provisions of Internal Revenue Code section 6343, all property, rights to property, money, credit, and bank deposits greater than \$1,000.00 are released from the levy. The levy now attaches only to this amount.               |   |

**\$5,370 IN CHECKING ACCOUNT- RELEASED**

## Polling Question #6

On a scale from 1 – 4,  
what is your comfort level  
performing tax resolution  
work?

- 4 (very comfortable)
- 3
- 2
- 1 (uncomfortable)



# Wage Garnishment Release

An orange starburst graphic with a dark orange outline, containing the text 'Prize Vs Price'.

Prize  
Vs  
Price



- Like a bank levy, the IRS garnishes wages to “wake up” a delinquent taxpayer
  - The IRS has the ability to require employers to withhold most of their employee’s take-home pay, only allowing them to keep what equates to minimum wage.
  - If the employer fails to enact the garnishment, they are held responsible for the amount not remitted to the IRS
  - For most taxpayers, the amount they are allowed to keep is not enough. In these instances, the taxpayer will need to enter into an alternative plan (installment agreement, offer in compromise, etc.)
- 



Releasing a  
wage  
garnishment

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## Wage Garnishment Facts

After receiving notice, an employer must garnish wages from the first check issued after 14 days of receiving the notice

In order to enter into an alternative agreement, you need some time. Do not wait until the last minute to negotiate a garnishment release

If you are successful in obtaining a release, be sure to have a copy sent to the employee's payroll department to ensure no garnishment is withheld

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# Wage Garnishment Release

Department of the Treasury — Internal Revenue Service

## Release of Levy/Release of Property

|            |                                     |
|------------|-------------------------------------|
| [REDACTED] | Taxpayer's name<br>[REDACTED]       |
| [REDACTED] | Identifying Number(s)<br>[REDACTED] |

and demand was made for the surrender of:

... credits and bank deposits of the taxpayer(s) ...  
... "Special Rule For Banks." See the back of ...

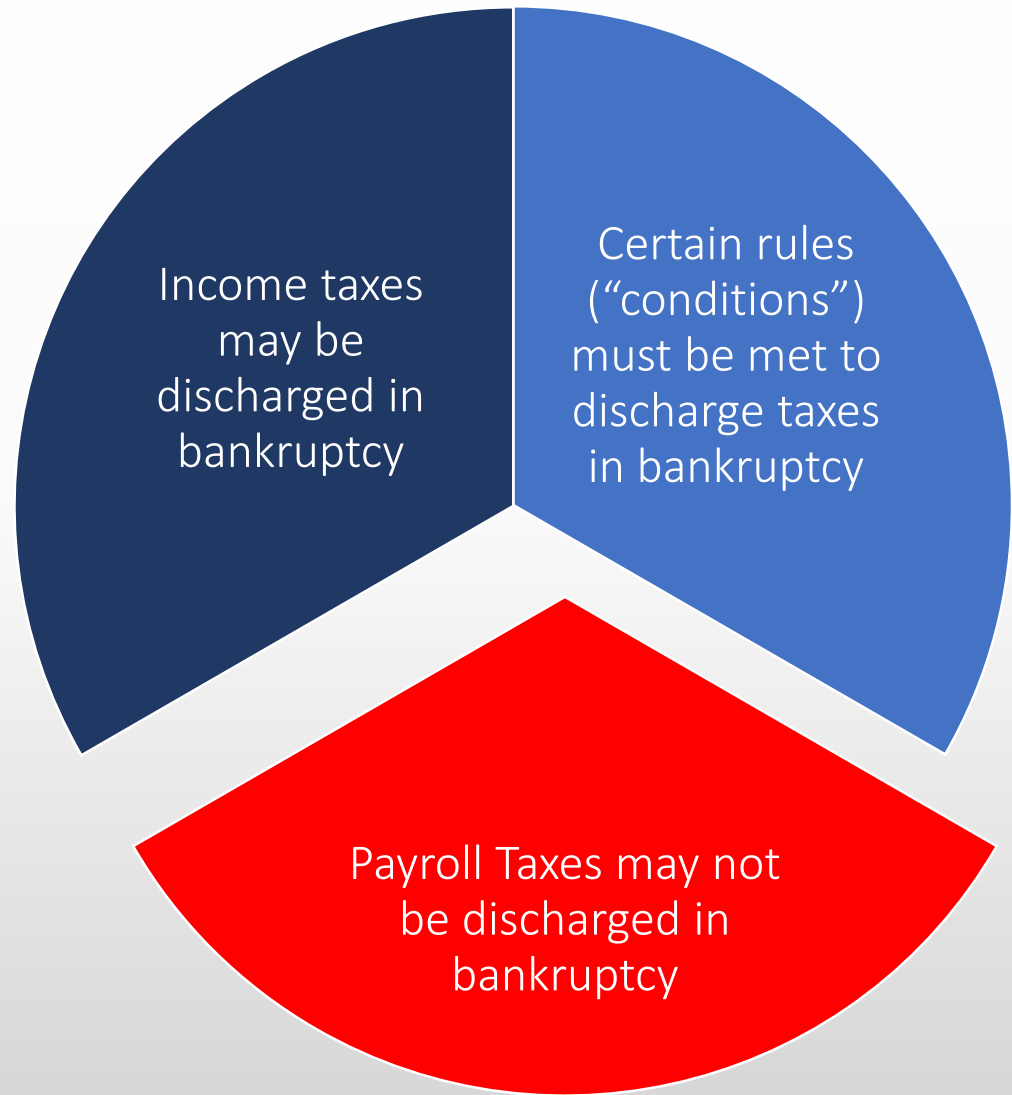
... or becoming payable to the taxpayer(s) ...

... on you.

**\$470 PER PAY PERIOD - RELEASED**

The background features a series of concentric circles in light gray, some solid and some dashed, creating a ripple effect. A large blue callout box is centered on the page, containing the text "Taxes and Bankruptcy".

# Taxes and Bankruptcy



# Are Taxes Dischargeable in Bankruptcy?



### **THREE-YEAR RULE**

At least three years from the due date of the tax return including extensions; or



### **TWO-YEAR RULE**

At least two years from the date the tax return was filed (we say assessed) for delinquent returns; and



### **240-DAY RULE**

At least 240 days from the date of assessment of an audited or amended tax return

Rules for Discharging Taxes in Bankruptcy

## Examples of Tolling Events

The following events toll the statute of limitations

Number of days each offer in compromise for the applicable tax had been pending plus 30 days

The number of days each prior bankruptcy proceeding had been pending after the related tax return due date with valid extensions; plus six months for each applicable bankruptcy proceeding

The period of time taxpayer spends living outside the country

Number of days request for an installment agreement is pending

# Tax Dischargeability Analysis

# Taxes Discharged in Bankruptcy

IRS Amount Owed: \$612,201



This Product Contains Sensitive Taxpayer Data

## Account Transcript

Request Date: 11-30-2017  
Response Date: 11-30-2017  
Tracking Number: [REDACTED]

FORM NUMBER: 1040  
TAX PERIOD: Dec. 31, 2012

TAXPAYER IDENTIFICATION NUMBER: [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]

<<<<POWER OF ATTORNEY/TAX INFORMATION AUTHORIZATION (POA/TIA) ON FILE>>>>

--- ANY MINUS SIGN SHOWN BELOW SIGNIFIES A CREDIT

ACCOUNT BALANCE:

ACCRUED INTEREST:

ACCRUED PENALTY:

AS OF: Dec. 11, 2017

0.00 AS OF: Dec. 11, 2017

ACCOUNT BALANCE PLUS

(this is not a

0.00

FROM THE RETURN OR AS ADJUSTED \*\*

03

STATUS:

Head of Household

1 015 040 00

**\$612,201 DISCHARGED**



## Polling Question #7

Would you like us to call you to discuss an appeal or other tax resolution issue?

- Yes
- No



# Tax Resolution Alternatives

# Alternative Tax Resolution Options



Preparation of  
Delinquent Tax  
Returns



Bulk  
Sale/Transfer



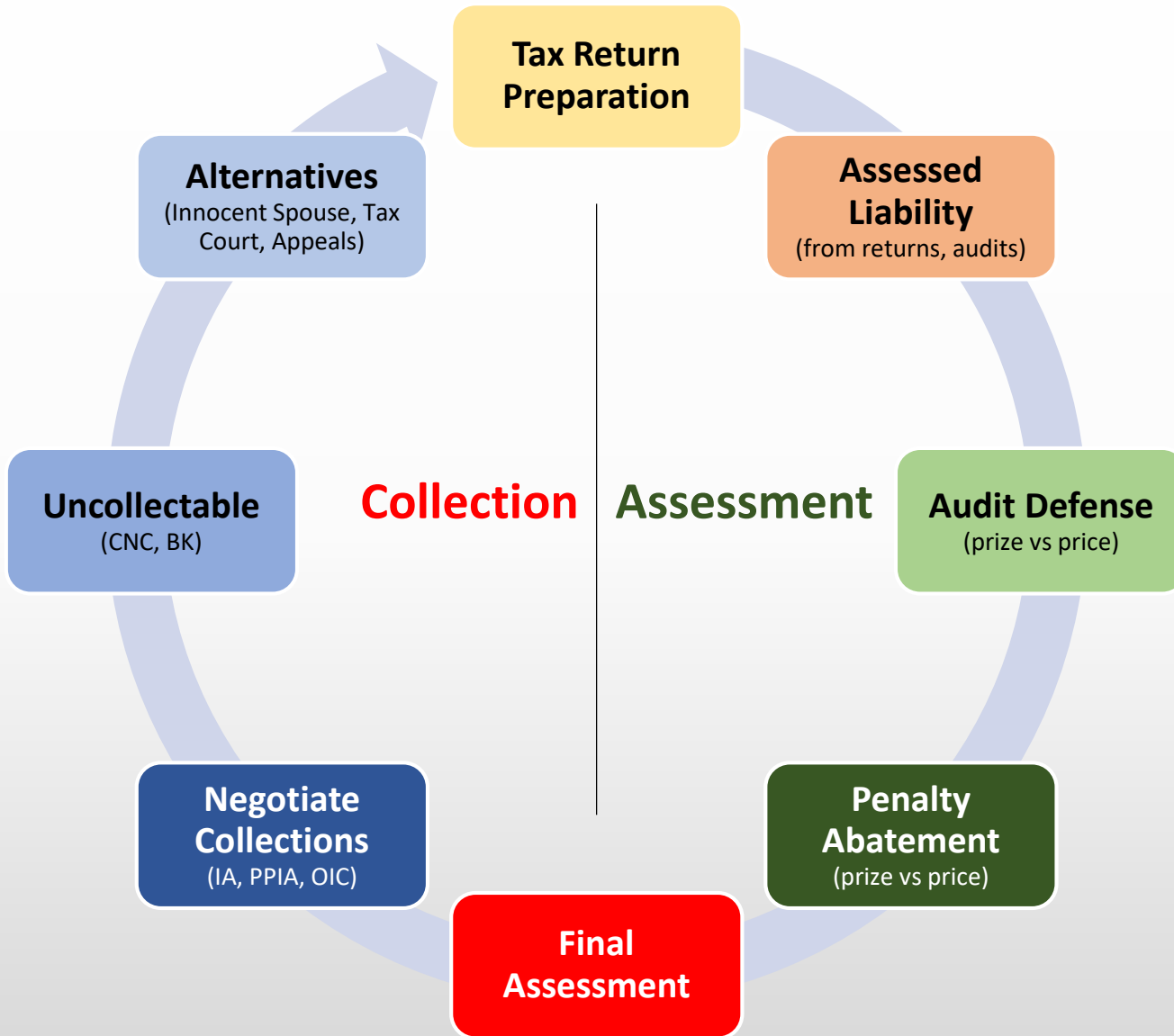
Innocent Spouse  
Relief



IRS Criminal  
Investigation  
Defense



Entity Formation




# The Audit and Resolution Cycle

(What we covered today)

# What We Covered Today

- Audits
- Appeals
- Tax Court
- Penalty Abatement
- Collections
- Installment Agreements
- CNC Status
- Offers in Compromise
- Solving Payroll Taxes
- Trust Fund Recovery Penalty
- Lien Removal
- Bank Levy Release
- Wage Garnishment Release
- Bankruptcy
- Tax Resolution Alternatives

## **Our mission today...**

- 
- 1) Help you make money**
  - 2) Teach you how to become a tax resolution specialist;**
  - 3) Become your tax resolution partner; or**
  - 4) Become your trusted referral source**

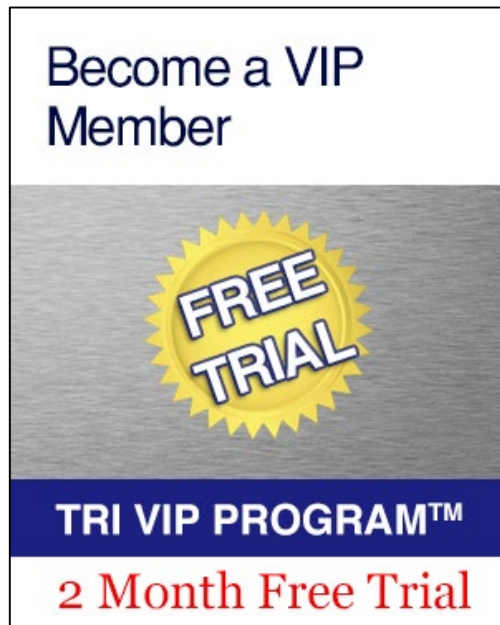
Find us on the web at: [www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org)

Email us at: [info@taxresolutioninstitute.org](mailto:info@taxresolutioninstitute.org)

Call us at: (800) 747-8718

# Offers to Today's Attendees

## VIP Membership



Become a VIP Member

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2 Month Free Trial

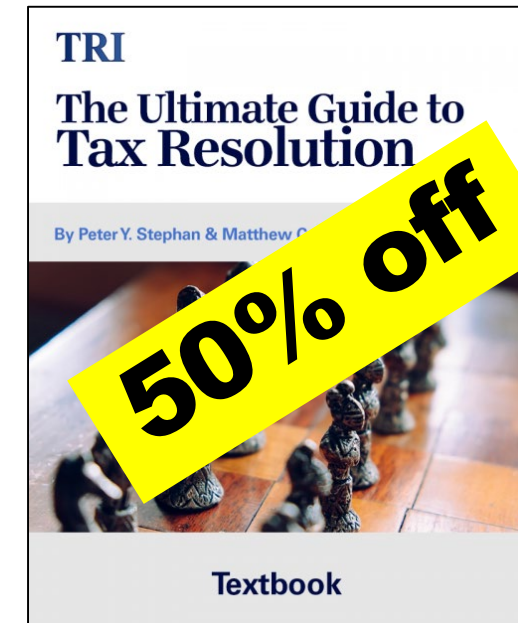
This graphic features a white background with a grey horizontal band. A yellow starburst with the words 'FREE TRIAL' is centered in the grey band. Below the grey band is a dark blue horizontal band with 'TRI VIP PROGRAM™' in white. At the bottom, '2 Month Free Trial' is written in red.

FREE 60 Day Trial

## The Ultimate Professional's System



## Tax Resolution Textbook



TRI  
The Ultimate Guide to  
Tax Resolution

By Peter Y. Stephan & Matthew C.

**50% off**

Textbook

The graphic shows the cover of a textbook titled 'TRI The Ultimate Guide to Tax Resolution' by Peter Y. Stephan & Matthew C. The cover features a photograph of chess pieces on a wooden board. A large yellow diagonal banner with '50% off' is overlaid on the right side. The word 'Textbook' is printed at the bottom.

Use promo code:

**ULTIMATE**

Go to [www.taxresolutioninstitute.org](http://www.taxresolutioninstitute.org) to take advantage today

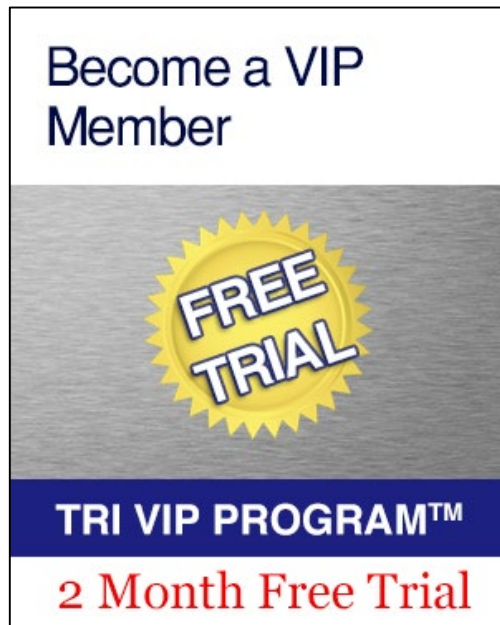
**I'm Peter Stephan....**



**...and this is TRI**

# Offers to Today's Attendees

## VIP Membership

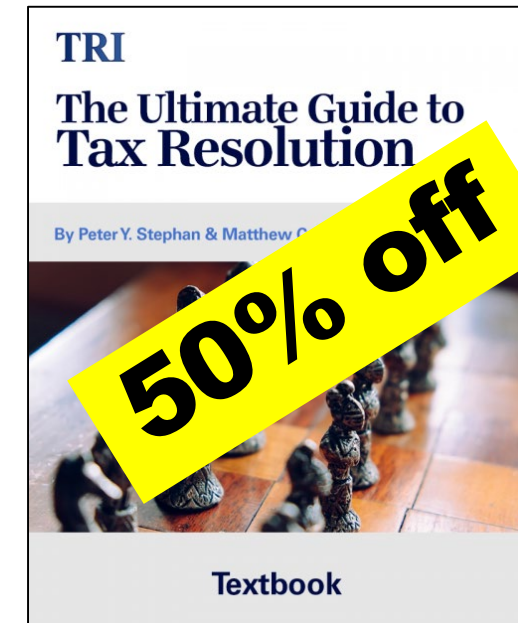


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