

The logo for the Tax Resolution Institute (TRI) features the letters 'TRI' in a large, white, serif font. Below the letters, the full name 'Tax Resolution Institute' is written in a smaller, white, sans-serif font. The logo is positioned in the upper right corner of the slide, set against a dark grey circular background that partially overlaps the white background.

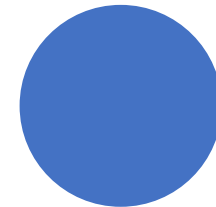
Tax Resolution Institute

The Tax Resolution Institute

Presents

IRS Form 433-F

The Do's and Don'ts of Completing
the Collection Information Statement

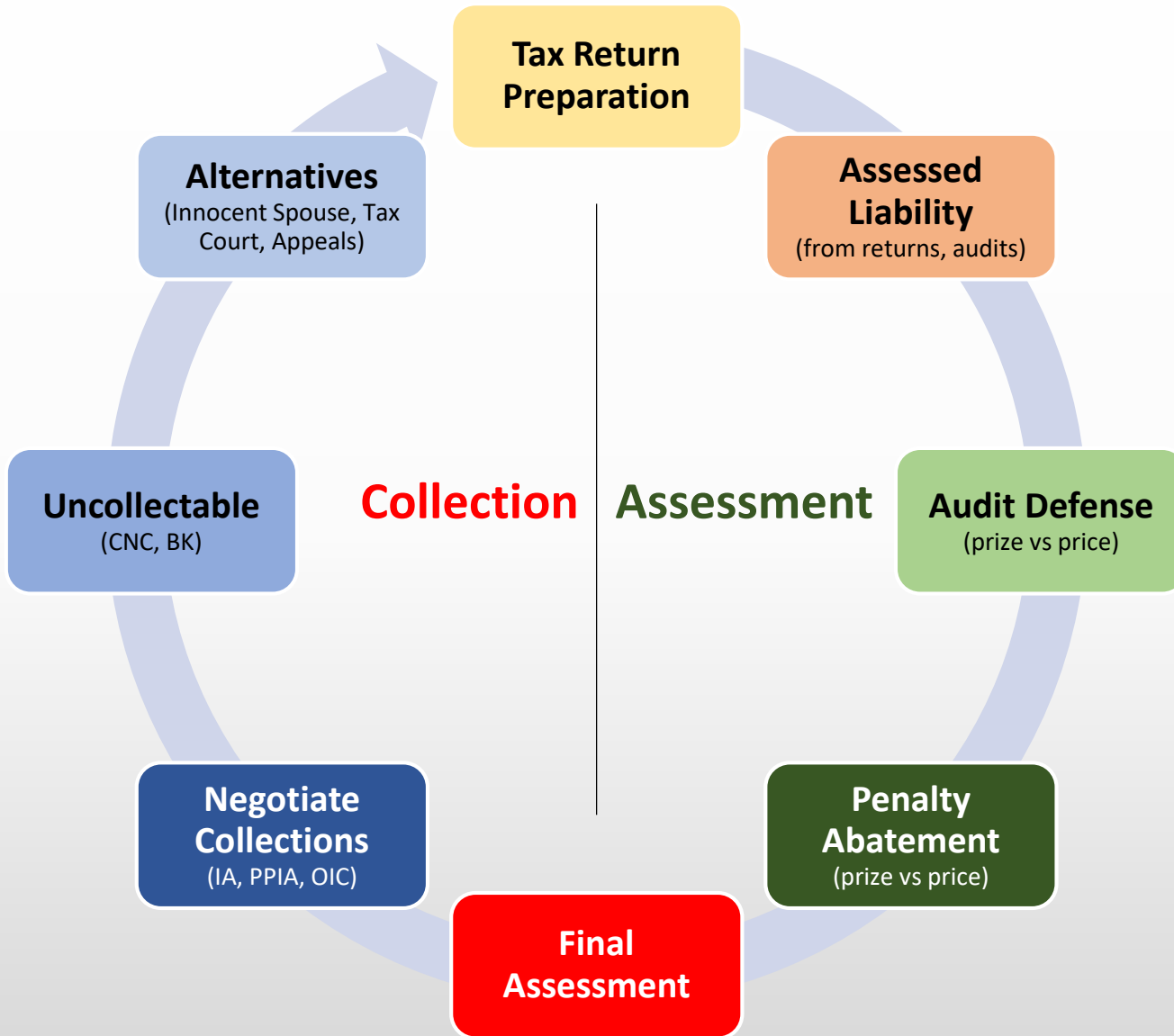





Why are we here today?

TRI prides itself in assisting accounting, legal and other business professionals to grow their practice and to resolve their client's tax problems.

- 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



The Audit and Resolution Cycle



Tax Resolution Sequence of Events

Step 1:

Meet with the client *(by telephone or in person)*

- Identify and define issues
- Discuss the process and expectations from the client
- Estimate fees



Step 2:

Prepare Engagement Documents

- Letter of Engagement (work agreement)
- Power of Attorney Form/s
- Payment Forms – ACH, credit card, PayPal



Step 3:

Contact Government

- Fax power of attorney (east or west coast CAF unit)
- Call government representative (ACS or R/O)
- Assess client's (actual) situation
- Request a hold on collection (if applicable)



Step 4:

Obtain or Prepare Tax Returns

- Collect information
- Prepare delinquent tax returns
- Obtain duplicate original copies of all prepared tax returns
- Calculate total estimated tax liability including penalties and interest



Step 5:

Prepare Collection Information Statement

- Obtain draft copy from client
- Prepare 433A, 433F, 433B, etc.
- If applicable, contact the client to discuss options to lower their Monthly Disposable Income (“MDI”)



Step 6:

Negotiate with the Government

- Have all paperwork (including IRS auto debit form i.e. 433D) prepared prior to call
- Be ready to submit documents via fax if requested
- If you are on the phone with Automated Collections (“ACS”), and it is not going well, end the call and try again



Step 7:

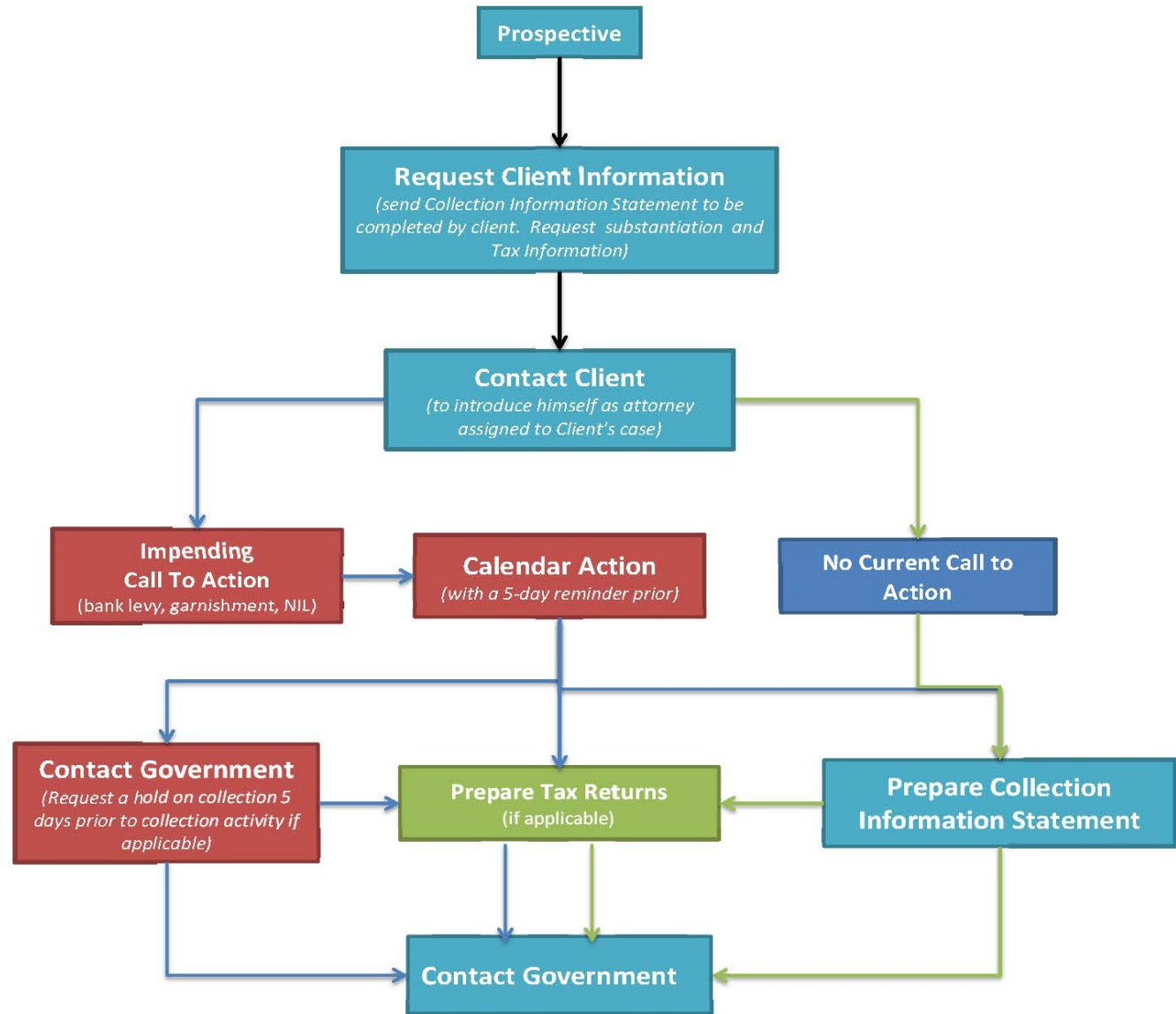
Provide the client a comprehensive summary

- Let the client know the agreed upon terms
- Provide specific instructions relating to payment dates and amounts
- Let the client know that if automated payments do not start when expected, they should make interim payments until the auto-pay kicks in



Sequence of Events Flow Chart

Typical Tax Resolution Case





How to complete an IRS Form 433-F
(Collection Information Statement)

- IRS uses this form to analyze a taxpayer's income, expenses assets and liabilities to determine how much they can afford to pay in monthly installments
 - This two-page form is the abridged version of IRS Form 433-A
 - This form is typically used for taxpayers in automated collections (as opposed to being assigned to a Revenue Officer)
 - The IRS requires three months substantiation for any expenses over the relevant IRS standard
-



IRS Form 433-F

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Pros and Cons



Pros

- Form is just two pages
- Form calculates totals for each section
- You can learn how to complete this form in the best interest of your client in a relatively short period of time using IRS National and Local Standards

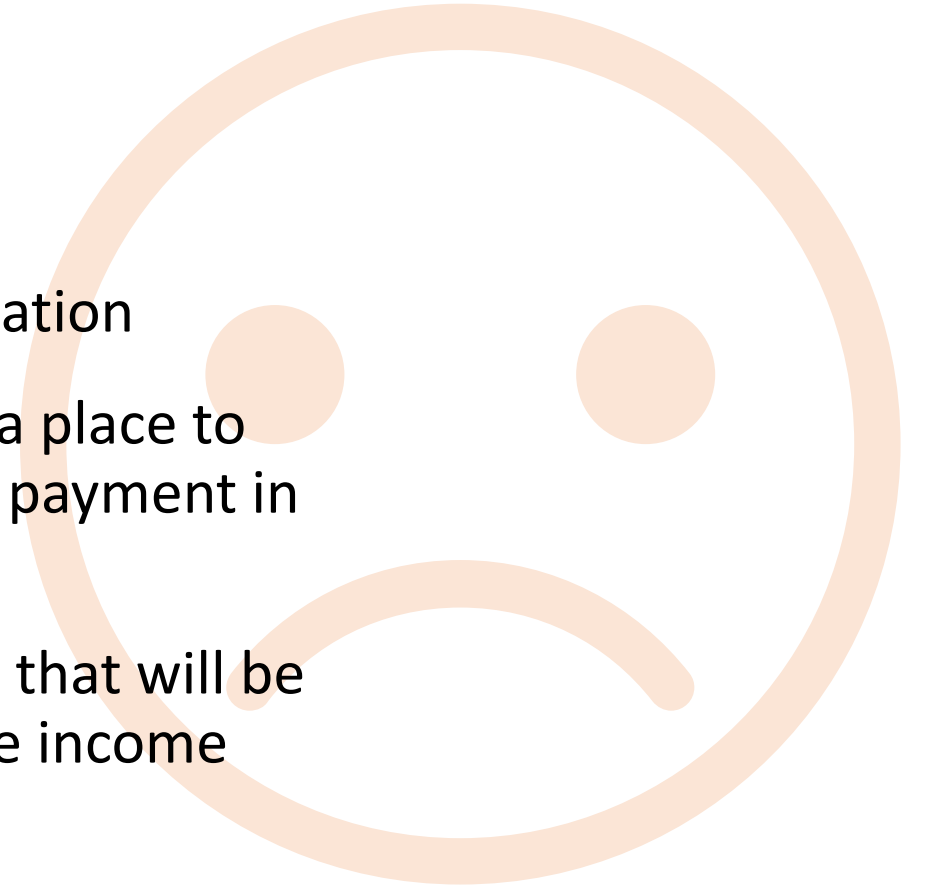


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Cons

- Form has limited space to enter information
- Form can be confusing (i.e. page 2 has a place to enter rent payments but not mortgage payment in the “Housing and Utilities” section)
- Form contains boxes to enter expenses that will be disallowed to lower monthly disposable income



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Who Uses This Form?

433-F Taxpayer Profile



Wage-earners and
self- employed
individuals



Taxpayers who can't
afford to full-pay their
liability within 6 years



Taxpayers assigned to
automated collections

Anatomy of the form

- Step-by-step instructions
- Covering all sections of the form
- Tips and traps to make sure you present your client in the best possible light

*This course offers basic instruction on completing IRS Form 433-F. Because each case differs, the information provided here may not work for all cases.

Enter complete information as it appears on tax return

Top Section
(IRS Form 433-F)

Form 433-F (January 2017)		Department of the Treasury - Internal Revenue Service	
		Collection Information Statement	
Name(s) and Address		Your Social Security Number or Individual Taxpayer Identification Number	
		Your Spouse's Social Security Number or Individual Taxpayer Identification Number	
<input type="checkbox"/> If address provided above is different than last return filed, please check here	Your Telephone Numbers		Spouse's Telephone Numbers
	Home: _____	Home: _____	
	Work: _____	Work: _____	
	Cell: _____	Cell: _____	
County of Residence			
Enter the number of people in the household who can be claimed on this year's tax return including you and your spouse. Under 65 _____ 65 and Over _____			
If you or your spouse are self employed or have self employment income, provide the following information:			
Name of Business	Business EIN	Type of Business	Number of Employees <i>(not counting owner)</i>

These sections are used by the IRS to determine living expenses

Enter all bank, retirement and investment accounts

Section A
(IRS Form 433-F)

A. ACCOUNTS / LINES OF CREDIT

PERSONAL BANK ACCOUNTS Include checking, online, mobile (e.g., PayPal), savings accounts, money market accounts. (Use additional sheets if necessary.)

Name and Address of Institution	Account Number	Type of Account	Current Balance/Value	Check if Business Account
				<input type="checkbox"/>
				<input type="checkbox"/>

INVESTMENTS Include Certificates of Deposit, Trusts, Individual Retirement Accounts (IRAs), Keogh Plans, Simplified Employee Pensions, 401(k) Plans, Profit Sharing Plans, Mutual Funds, Stocks, Bonds, Commodities (Silver, Gold, etc.), and other investments. If applicable, include business accounts. (Use additional sheets if necessary.)

Name and Address of Institution	Account Number	Type of Account	Current Balance/Value	Check if Business Account
				<input type="checkbox"/>
				<input type="checkbox"/>

VIRTUAL CURRENCY (CRYPTOCURRENCY) List all virtual currency you own or in which you have a financial interest (e.g., Bitcoin, Ethereum, Litecoin, Ripple, etc.). (Use additional sheets if necessary.)

Type of Virtual Currency	Name of Virtual Currency Wallet, Exchange or Digital Currency Exchange (DCE)	Email Address Used to Set-up With the Virtual Currency Exchange or DCE	Location(s) of Virtual Currency (Mobile Wallet, Online, and/or External Hardware storage)	Virtual Currency Amount and Value in US dollars as of today (e.g., 10 Bitcoins \$64,600 USD)

High balances will be considered as an asset

Enter real estate owned
(not rented)

Section B
(IRS Form 433-F)

B. REAL ESTATE Include home, vacation property, timeshares, vacant land and other real estate. (Use additional sheets if necessary.)						
Description/Location/County	Monthly Payment(s)	Financing		Current Value	Balance Owed	Equity
		Year Purchased	Purchase Price			
<input type="checkbox"/> Primary Residence <input type="checkbox"/> Other		Year Refinanced	Refinance Amount			
<input type="checkbox"/> Primary Residence <input type="checkbox"/> Other		Year Purchased	Purchase Price			
<input type="checkbox"/> Primary Residence <input type="checkbox"/> Other		Year Refinanced	Refinance Amount			

If equity is high, IRS may ask
taxpayer to refinance home

IRS will compare these amounts to standards

Section C
(IRS Form 433-F)

C. OTHER ASSETS Include cars, boats, recreational vehicles, whole life policies, etc. Include make, model and year of vehicles and name of Life Insurance company in Description. If applicable, include business assets such as tools, equipment, inventory, etc. (Use additional sheets if necessary.)

Description	Monthly Payment	Year Purchased	Final Payment (mo/yr)	Current Value	Balance Owed	Equity
			/			
			/			
			/			
			/			
			/			
			/			

Enter automobiles, and other assets here

IRS requests credit card information here

Section D
(IRS Form 433-F)

D. CREDIT CARDS *(Visa, MasterCard, American Express, Department Stores, etc.)*

Type	Credit Limit	Balance Owed	Minimum Monthly Payment

TURN PAGE TO CONTINUE

Minimum monthly payment

Enter Accounts Receivable
(for self-employed business owners)

Section E
(IRS Form 433-F)

E. BUSINESS INFORMATION Complete E1 for Accounts Receivable owed to you or your business. (Use additional sheets if necessary.)
Complete E2 if you or your business accepts credit card payments.

E1. Accounts Receivable owed to you or your business

Name	Address	Amount Owed
		List total amount owed from additional sheets
Total amount of accounts receivable available to pay to IRS now		

E2. Name of individual or business on account

Credit Card (Visa, Master Card, etc.)	Issuing Bank Name and Address	Merchant Account Number

This section is for business
credit card information

Keep in mind that the IRS will use monthly amounts even if pay period is different

Section F (IRS Form 433-F)

F. EMPLOYMENT INFORMATION If you have more than one employer, include the information on another sheet of paper.
(If attaching a copy of current pay stub, you do not need to complete this section.)

Your current Employer (name and address)

Spouse's current Employer (name and address)

How often are you paid? (Check one)

Weekly Biweekly Semi-monthly Monthly

Gross per pay period _____

Taxes per pay period (Fed) _____ (State) _____ (Local) _____

How long at current employer _____

How often are you paid? (Check one)

Weekly Biweekly Semi-monthly Monthly

Gross per pay period _____

Taxes per pay period (Fed) _____ (State) _____ (Local) _____

How long at current employer _____

Enter "Self-Employed" or another description here if you do not earn wages

This amount would equate to the "Net Income" on a Profit and Loss statement after add-backs

Section G
(IRS Form 433-F)

G. NON-WAGE HOUSEHOLD INCOME List monthly amounts. For Self-Employment and Rental Income, list the monthly amount received after expenses or taxes and attach a copy of your current year profit and loss statement.					
Alimony Income		Net Rental Income		Interest/Dividends Income	
Child Support Income		Unemployment Income		Social Security Income	
Net Self Employment Income		Pension Income		Other:	

Enter all non-wage income in this section

Use IRS national and local standards

Section H
(IRS Form 433-F)

H. MONTHLY NECESSARY LIVING EXPENSES List monthly amounts. (For expenses paid other than monthly, see instructions.)				
1. Food / Personal Care See instructions. If you do not spend more than the standard allowable amount for your family size, fill in the Total amount only.		Actual Monthly Expenses	IRS Allowed	
	Food			
	Housekeeping Supplies			
	Clothing and Clothing Services			
	Personal Care Products & Services			
	Miscellaneous			
	Total			
2. Transportation		Actual Monthly Expenses	IRS Allowed	
	Gas / Insurance / Licenses / Parking / Maintenance etc.			
	Public Transportation			
	Total			
3. Housing & Utilities		Actual Monthly Expenses	IRS Allowed	
	Rent			
	Electric, Oil/Gas, Water/Trash			
	Telephone/Cell/Cable/Internet			
	Real Estate Taxes and Insurance (if not included in B above)			
	Maintenance and Repairs			
	Total			
4. Medical				Actual Monthly Expenses
	Health Insurance			
	Out of Pocket Health Care Expenses			
	Total			
5. Other				Actual Monthly Expenses
	Child / Dependent Care			
	Estimated Tax Payments			
	Term Life Insurance			
	Retirement (Employer Required)			
	Retirement (Voluntary)			
	Union Dues			
	Delinquent State & Local Taxes (minimum payment)			
	Student Loans (minimum payment)			
	Court Ordered Child Support			
	Court Ordered Alimony			
	Other Court Ordered Payments			
	Other (specify)			
	Other (specify)			
	Other (specify)			
	Total			
Under penalty of perjury, I declare to the best of my knowledge and belief this statement of assets, liabilities and other information is true, correct and complete.				
Your Signature		Spouse's Signature		Date

Delinquent State tax payments are allowable

Summary

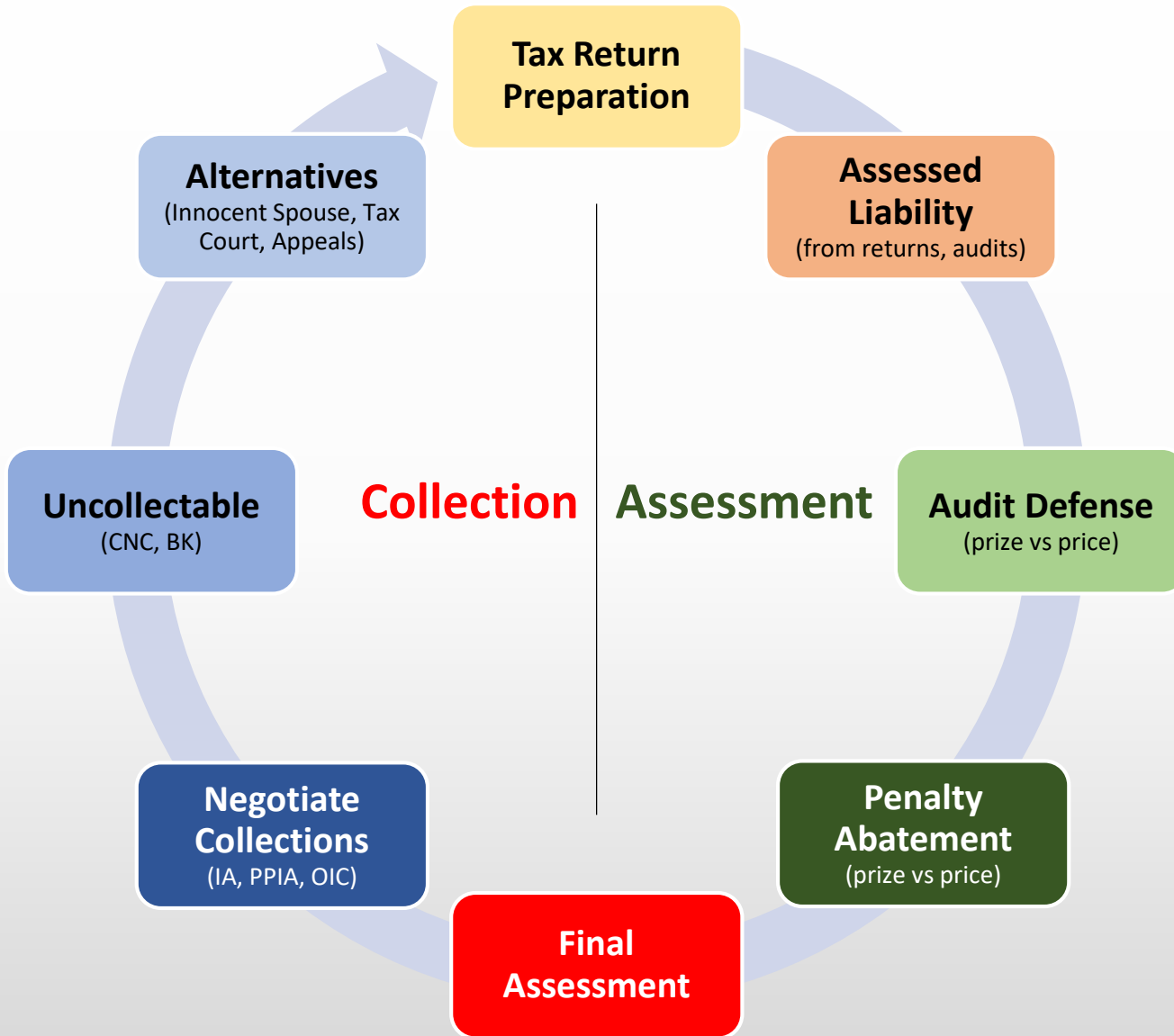
Form seems simple but it's not

Be careful to eliminate or account for questionable expenses

Supply adequate substantiation

Try and create “wiggle room” for expenses that are disallowed

Form can be submitted via fax or verbally over the telephone



The Audit and Resolution Cycle

Work Smarter...Not Harder

TRI's 8th Annual Tax & Tax Resolution Forum

November 14th

8 Hours of
CPE/CE


We will show you how to work more efficiently while obtaining the skills to make you a hero to your clients.

Join us live or online

You will learn:

- **Every Aspect of Tax Resolution** including comprehensive Case Studies and Examples.
- How to **Discharge your Client's Taxes in Bankruptcy**.
- 14 Strategies to **NOT Pay Capital Gains Tax**
- Effective, Proven Strategies to **Grow Your Business Year Over Year**
- How to create conditions that allow you to take 2+ week long vacations multiple times a year!

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

Email us at: info@taxresolutioninstitute.org

Call us at: (800) 747-8718

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