

Appeals Mediation – Another Tool To Resolve Your IRS Cases

Steven Klitzner
2627 N.E. Ives Dairy Rd. Ste 213
Miami FL. 33180
Telephone: (305) 682-1118
Email: Steve@FloridaTaxSolvers.com

1

Appeals Mediation Programs Alternative Dispute Resolution (ADR)

Mediation is an informal, confidential, and flexible dispute resolution process in which an Appeals Officer trained in mediation techniques serves as an impartial third-party facilitating negotiations between the disputing parties

2

3 Types of Taxpayers Eligible

1. Small Business/ Self Employment
(Focus of this presentation)
2. Large Business and International
3. Tax Exempt/Government Entities

3

Small Business/ Self Employed

- Examination
 - Fast Track Settlement
 - Early Referral
- Collection
 - Fast Track Mediation
- Appeals
 - Post Appeals Mediation

4

How does Mediation work?

Mediation is an informal process in which an impartial third party, known as a mediator, tries to help disputing parties reach an agreement. The following table explains what mediation is and what it is not:

5

Mediation is...	Mediation is not...
Voluntary to both parties	Required by either party in any instance
Nonbinding, meaning each party retains 100% control over every decision they make and comes to the mediation session with an effective veto over its outcome. No one, including the mediator, can force either party to do something they don't agree to do.	A process in which the parties in the dispute offer arguments directly to the mediator hoping to "win."
Effective when both parties have a desire to resolve the disputed issue.	Effective if either party believes the only way the dispute will get resolved is if the other party concedes or gives up on its position
Appropriate when all issues are fully resolved except the issue for which mediation is requested.	A time to present new information or raise new issues.
A chance to avoid a lengthy appeal process or costly litigation.	A chance to try and get just a little better deal or buy more time before IRS closes its case.

6

Role of the Mediator

1. No decision-making authority, meaning they cannot impose a decision or conclusion over an individual fact or overall issue.
2. Impartial with no stake in the final settlement reached by the parties.

7

Role of the Mediator

3. Fulfill their role of helping the parties reach an agreement by:
 - a. Facilitating communication between the disputing parties.
 - b. Assisting in identifying core issues or barriers to settlement.
 - c. Providing perspective and encouragement.
 - d. Ensuring a level playing field and mutual respect during the mediation session.

8

5 Secrets to a Successful Mediation

1. Be prepared.
2. Educate your client.
3. Be professional and respectful.
4. Listen to understand the IRS's position.
5. Be patient.

9

Polling Question
1/3

10

Early Referral to Appeals Examination

11

Early Referral to Appeals

1. Taxpayer requests early referral to Appeals of developed unagreed issue in an open audit (prior to 30-day letter)
2. Taxpayer and Team Manager agree issue should be referred early
3. Remaining issues are not expected to be complete before Appeals resolve early referral issue
4. Closing Agreements executed if agreement is reached
5. If agreement is not reached, taxpayer may request mediation or will be issued a statutory notice of deficiency

12

Fast Track Mediation Collection

13

Fast Track Mediation

Fast Track Mediation lets taxpayers resolve disputes at the earliest possible stage in the collection process. Once FTM application is accepted, the goal is resolution **within 40 days**.

14

Fast Track Mediation

All non-docketed cases and collection source work over which SB/SE has jurisdiction, including offer in compromise (OIC), trust fund recovery penalty (TFRP), and collection due process (CDP) cases.

15

Post-Appeals Mediation Appeals

16

Post-Appeals Mediation

The taxpayer and Appeals Officer or Settlement Officer resolve disputes while the case is still under Appeals' consideration. Once your PAM application is accepted, the goal is resolution **within 60-90 days**

17

Fast Track Settlement Examination

18

Fast Track Settlement

1. Offers an opportunity to resolve tax disputes at the earliest possible stage in the examination process. Once the application is accepted, the goal is resolution **within 60 days**.
2. A trained mediator from the IRS Office of Appeals is assigned to help the taxpayer and the IRS reach an agreement on the disputed issue(s).

19

Fast Track Settlement

3. Taxpayer retains full control over every decision made during the FTS process.
4. In addition to using mediation techniques to facilitate settlement discussions, the Appeals mediator may offer settlement proposals and use Appeals' settlement authority, if needed, to resolve the dispute.

20

Fast Track Settlement

5. Either taxpayer or the IRS may agree to or deny the Appeals mediator's settlement proposal.
6. Taxpayer must first try to resolve all issues with the IRS. This means working cooperatively with the IRS auditor, followed by a conference with the auditor's manager, before seeking the services of an Appeals mediator.

21

Fast Track Settlement

7. FTS does not eliminate or replace existing dispute resolution options, including the opportunity to request a hearing before Appeals or a conference with an IRS manager. If the dispute cannot be resolved through FTS, the taxpayer still retains all otherwise applicable appeal rights

22

Fast Track Settlement

8. The benefits of settlement over litigation include
 - a. Speed
 - b. Cost
 - c. Flexibility
 - d. Control
 - e. Reduced Risk

23

Fast Track Settlement

To apply for the SB/SE FTS program, send the IRS auditor the following:

1. [Form 14017](#), *Application for Fast Track Settlement*, and
2. A written statement detailing your position on the disputed issue(s).

24

Polling Question 2/3

25

Internal Revenue Bulletin Announcement 2011-5

Available when:

1. Issues are fully developed;
2. The taxpayer has stated a position in writing.
3. There are a limited number of unagreed issues.

26

Internal Revenue Bulletin Announcement 2011-5

Not available for:

1. Collection Appeals Program, Collection Due Process, Offer-In-Compromise and Trust Fund Recovery cases, except as provided in any guidance issued by the Service;
2. Correspondence examination cases worked solely in a Campus/Service Center site

27

Internal Revenue Bulletin Announcement 2011-5

Not available for:

3. Cases in which the taxpayer has failed to respond to Service communications and no documentation has been previously submitted for consideration by Compliance;
4. Tax Equity & Fiscal Responsibility Act (TEFRA) partnership cases;

28

Internal Revenue Bulletin Announcement 2011-5

Not available for:

5. Issues outside SB/SE jurisdiction.
6. Issues designated for litigation;
7. Issues under consideration for designation for litigation
8. Frivolous Issues

29

Settlement Process

1. An Appeals Officer, trained in mediation, will serve as a neutral party (the FTS Appeals Official).

30

Settlement Process

2. The taxpayer and SB/SE representatives hold a conference with the FTS Appeals Official (the FTS Session). The taxpayer and SB/SE representatives at the FTS Session should include individuals with decision-making authority and the information and expertise necessary to assist the parties and the FTS Appeals Official during the settlement process.

31

Settlement Process

3. FTS Session held at the date and location agreed to by both parties. Prior to the FTS Session, the FTS Appeals Official will advise the participants of the procedures and establish ground rules and may modify the rules and procedures during the session to adapt to changes in circumstances. Session may include conferences attended by all of the parties, separate meetings with each party, or both as determined appropriate in the sole judgment of the FTS Appeals Official.

32

Settlement Process

4. The FTS Session Report will include a list of all issues approved for the FTS program, a description of the issues, the amounts in dispute, conference dates, a plan of action for the FTS Session and other information useful to the process as determined by the parties and the FTS Appeals Official.

33

Settlement Process

5. The FTS Appeals Official may also prepare and update an Agenda, which guides the communication, sets the order of issue discussion, poses questions to clarify the issues and guides the meetings. During the FTS Session, the FTS Appeals Official will provide decision makers from both parties with copies of the Agenda and the FTS Session Report.

34

Settlement Process

6. If the taxpayer presents information during the FTS Session that the taxpayer had not previously presented during the audit, the FTS Appeals Official will adjust the targeted completion date to give the appropriate Service officials time to evaluate the information/documentation.

35

Settlement Process

7. If the parties resolve any of the disputed issues at the conclusion of the FTS Session, the parties and the FTS Appeals Official shall sign the FTS Session Report acknowledging acceptance of the terms of settlement for purposes of preparing computations. The signature of the parties on the FTS Session Report does not constitute a final settlement, nor does it waive restrictions on assessment, terminate consents to extend periods of limitation, start the running of any periods of limitation, or constitute agreement to close the case.

36

Settlement Process

8. The process is confidential.
9. The prohibition against *ex parte* communications between Appeals Officers and other IRS employees does not apply to the communications arising in the SB/SE FTS process because the Appeals personnel are facilitating an agreement between the taxpayer and SB/SE and are not acting in their traditional Appeals settlement role.

37

Settlement Process

10. If the parties fail to resolve any issue in FTS, the taxpayer retains the option of requesting that the issue be heard through the traditional Appeals process.
11. Both parties retain the right to withdraw throughout the entire SB/SE FTS process. A party wishing to withdraw should provide written notice to the FTS Appeals Official and the other party.

38

Polling Question 3/3

39

Preparing for a Successful Mediation

Mediation works only if the disputing parties can agree to an outcome. Since both parties come to the mediation with an effective veto over its outcome, each party has an incentive to find a solution that meets the needs (not desires) of the other party. Mediation does not work for anybody unless it works for everybody.

40

Preparing for a Successful Mediation

To maximize the benefits of mediation, all participants should mind the following principles:

1. Decision-makers must be present.
2. Participants should have a sincere desire to resolve the dispute, not just want it to go away.
3. It is important for each party to know and understand – but not necessarily agree with – the other party's concerns.
4. Participants must be open to new ideas for resolution.
5. Parties should weigh the prospects of continued appeal and litigation costs realistically.

Are You Ready to Go ***ALL IN*** on Tax Resolution?

When you boil it down most practitioners want two simple things...

They want to take care of their clients to the best of their ability and earn a great living doing something they love.

Sure, some practitioners might enjoy the grind of tax season, but many are seeking a more fulfilling type of work. Let me ask you this - Have you ever heard the old adage "Two is one, and one is none"?

Having just one source of revenue in your practice can be dangerous, especially if it's just tax prep. Between the countless online filing programs and nationwide tax mills there is a lot of pressure on tax prep fees to go just one direction - down. Did you know:

E-filing didn't even exist until 1990 - That was only 32 years ago! Imagine what technology will exist to help taxpayers file their own returns 20 years from now. The great thing about tax resolution is that the fees are significantly higher and it's nearly impossible to automate.

Even if you love doing tax prep, you may want to consider diversifying your skill set with IRS representation to secure your future. So you might be thinking - Where would I even start?

Let me introduce you to the Tax Resolution Practice Accelerator®. The ASTPS Accelerator is a hands-on, immersive, comprehensive program that teaches you the fundamentals of IRS representation. Over the course of 30 days, you will go through 35 hours of tax resolution training with a group of like-minded professionals.

At the end of the program you will have acquired the skills needed to provide professional IRS representation services to troubled taxpayers.

4 Stages of the ASTPS Accelerator

Below you will find a brief, high level, overview of just some of what will be covered in the Accelerator.

Stage 1 | Virtual (5 Hours)

- Introduction to the Program & Instructors
- Tools Every Successful Tax Resolution Practice Needs
- IRS Personnel & Their Roles in Resolution
- Getting Info from the IRS & Clients
- Currently Non-Collectable
- Audit Reconsideration
- Best Practices when dealing with Non-Filers

Stage 2 | Hybrid (20 Hours)

- IRS Collection – Notices & Actions
- Statutes of Limitation
- Financial Analysis
- Preparation of Forms
- Offers in Compromise
- Installment Agreements
- Penalty Abatement
- Trust Fund Recovery Penalty Rules
- Innocent Spouse Relief
- Representing before Appeals
- Case Planning Techniques

Stage 3 | Virtual (5 Hours)

- How to Pull, Read, and Analyze IRS Transcripts
- How to Conduct Case Research
- How to Prepare a Case Brief
- Important IRM Sections to Know
- 3rd Party Contacts
- Finding Cites in the IRM and the IRC

Stage 4 | Virtual (5 Hours)

- How to Quote Fees
- How to Conduct the Initial Client Meeting
- Engagement Letters
- Firing Bad Clients
- Closing Representation Cases
- Marketing – What’s Working Now
- Managing your online presence
- CRM & Tracking Best Practices

Get Hands on Experience

7 Field Training Exercises (FTX)

At the Accelerator you’ll get a real taste of what it’s like to work in this field by going through 7 Field Training Exercises! All of our FTX are based on actual cases and will show what happens when case planning strategies are applied.

IRS Homework

It can be intimidating for beginners to make their first couple calls to the IRS. During the Accelerator we’ll be walking you through exactly how to do it and then sending you off to do it yourself! Of course we’ll be here to support you every step of the way.

7 Assignments

There will be time between stages, and the learning isn’t going to stop! During the program you will have 7 assignments to introduce you to IRS forms, processes, procedures, and to test your new skills! These assignments are not necessarily graded, but are designed to enhance your experience during the Accelerator.

In-Person & Remote Learning

Everyone learns a little bit differently. Some prefer to be in-person at events while others love the ability to attend from wherever they are in the world. The Accelerator is both – Stages 1, 3, and 4 are remote and attendees have the choice of attending stage 2 either in-person or virtually. Please Note – Seating is limited in-person and you must make your decision at the time of registration.

Unlimited Q&A

Whether you're attending the Accelerator in-person or online you'll get answers to every single question that you have! You'll also get to hear the questions about your classmates cases, and get a full Q&A report at the end of the program. Additionally there will be a follow up session one month after the Accelerator to catch up as a group and go over any questions that have come up since the course concluded.

Like-Minded Community

You're not alone on this journey! In addition to the ASTPS team by your side you'll be going on this journey with over 100 like-minded aspiring tax resolution professionals. Each cohort will have their own private group so that you can get to know each other, work together on assignments, and stay in touch after the event!

Your Instructors are Real Experts

Larry Lawler, CPA, EA, CTRS | 49 Years of Experience

Larry is the National Director of the American Society of Tax Problem Solvers (ASTPS). Larry has worked and consulted on literally thousands of IRS representation cases and is a frequent public speaker, a writer on professional topics, and a regular trainer of tax professionals nationwide. He has been a New York Certified Public Accountant since 1973. He is also a fellow of the National Tax Practice Institute. Larry is the managing partner of Lawler & Witkowski, CPAs, PC, the firm he established in 1973.

LG Brooks, EA, CTRS, NTPI Fellow | 32 Years of Experience

LG is the former CEO of U.S. Tax & Consulting Group and is currently the Senior Tax Resolution Consultant at Lawler and Witkowski CPA's. LG is most well known for his knowledge, energy, and passion in his presentations. He has been in the field of taxation for more than 30 years and has worked and consulted on thousands of tax resolution cases over his career. He is a member of several tax-related organizations and his tax practice includes Tax Representation, Tax Consulting, Tax Preparation and Pre-Tax Court Litigation Support Services. LG is a Certified Tax Resolution Specialist (CTRS), Fellow of the National Tax Practice Institute (NTPI) and was a faculty member of the NTPI program administered by NAEA before leaving to become the education director of ASTPS.

Steve Klitzner, Esq., CTRS | 29 Years of Experience

Steve is the CEO of Florida Tax Solvers. His practice in Miami is 100% focused on IRS Tax Resolution. Steve has presented at many ASTPS conferences in the past and is the newest member of the Boot Camp Training Team. He is admitted to the United States Supreme Court, United States Tax Court, United States Court of Appeals for the Fifth Circuit, and the United States District Court for the Southern District of Florida. He currently sits on the IRS Advisory Council, and is a frequent lecturer on Tax Resolution topics and has presented to thousands of practitioners around the country. He is well known for the expertise and humor he brings to his presentations!

What is learning a new career skill worth to you?

Probably much like you, we here at ASTPS, are major believers in investing in yourself and always striving to improve our skills and capabilities. So with the average tax resolution case being worth \$3,000 – \$5,000+ what would you be willing to invest to develop the skills to find tax resolution cases, manage them, and resolve them from start to finish?

Would you be willing to invest \$10,000 to add this service to your skillset?

At that investment you would need to get 2-3 cases before you would have fully paid off the training and begun getting a return. Not to mention now you have these skills for life! Consider these questions:

- How long do you plan on being in business or working in the tax industry (10, 20, 30 years)?
- Do you think you could find at least one case each quarter?
- What could this program be worth to you over the course of your career?

The possibilities are truly endless, but it depends entirely on you. Your success will directly correlate to the time, energy, and resources you are willing to invest in launching these services.

Luckily for you, you do not have to invest \$10,000 to get started. You don't need to invest \$7,000, \$5,000, or even \$2,000. **The ASTPS Accelerator starts at just \$1,497 and goes even lower with membership and early bird discounts!** This means you have the possibility of being ROI positive after your first case!

Your Investment

The Accelerator is regularly \$1,497 and prices displayed below reflect the “Super Early Bird Pricing.” This pricing may or may not be available depending on when the event starts and the current date. Please check the individual session page for the current pricing.

Non-Member - \$1,297.00

Become a member before registering and receive 5% off (Standard Membership) or 15% off (Premium Membership).

Standard Member - \$1,232.15

Premium Member - \$1,102.45

100% Money Back Guarantee

We are so confident that you will be 100% satisfied with our program that we are willing to give you a FULL REFUND if you are not! If after stage 1, you do not feel like this program is right for you, simply return your materials and we will refund your registration fee.

See the 2022 Dates, Learn More, and Register at ASTPS.org/Accelerator



Absolutely one of the best seminars I've ever been to (and I've been to a lot)! Everything is usable, and the teachers are excellent. – Keith Lazarus, CPA



Came here to learn how to move from tax preparation to tax resolution – mission accomplished. – William Richardson



I really enjoyed this program. I brought 8 employees with me because I knew that this program was the best avenue for them to learn, and it worked – they have learned so much and are excited to use their new knowledge! – Susan Taft